



Treebo sees 30% drop in No-shows with Razorpay Payment Links.



Treebo
Budget Hotels

Treebo Hotels is India's largest pure-play, full-inventory based budget hotel chain with a network of 400 hotels in over 70 cities. With the founding principle of "Good rooms. Good service. Good Price", Treebo Hotels offers high-quality travel experience to its customers by providing comfortable and value-for-money accommodation options.

Good Rooms, Good service come at a price - No Shows

Treebo has been working end-to-end from managing inventory to providing a makeover to the franchise owned hotels in order to offer its guests a hassle-free and delightful experiences. Treebo places strict checks in maintaining the quality that is offered to the end customers who come and stay in these hotels.

Treebo has been invested in providing a seamless business experience for the franchise partners and their customers.

However, when you go talk to Khilan Haria (VP, Product), he is quick to say "It is not that simple for hoteliers. While we work on providing the best-in-class customer experience, the challenge comes when the guests change their plans." It costs Treebo and its hotel partners because inventory is a perishable entity in hotel industry resulting in loss for both of them.

Treebo identified that "no-shows" were significantly higher for Pay-at-Hotel bookings as compared to prepaid bookings. Simply because the customer has not yet paid the money and he has nothing to lose. The customer can cancel the booking without letting Treebo know.

Heart of a Hotelier, Mind of an Engineer

However this was not a problem that Treebo could continue to live with. Adding to the trouble was the fact that over 60% of the payments in e-commerce sector are Pay-at-Hotel bookings or Cash-on-Delivery. It meant for Treebo to come up with a solution that:

- Reinforces customer confirmation till the day of occupancy
- Could assist in upfront payment collection increasing pre-paid transactions

While Treebo was thinking of building an indigenous solution, it discussed the same with Razorpay, who was already powering payments for them both on web and mobile. Khilan says, "It was our prior experience with Razorpay and the culture of responsiveness and quick TAT around challenging issues with the innovative approach that made us discuss more of our challenges with them." And that is how Treebo found that what they were planning to built was already available with Razorpay. The challenge was how to get started.

But once you are logged into the dashboard, you would understand the ease with which one could create and share payment links with the end customers. Treebo started using Payment links as a way to get the bookings confirmed by integrating Payment links through our APIs.

The customer can come via any channel viz: direct online, Travel Agent, or an OTA to make a booking with Teebo hotel. Once the booking is confirmed, a payment link is shared with the customer asking for the payment upfront to hold the booking. It also has provision for customer to make partial payments.

Say a customer books a room for Rs 3500 but Treebo would share the payment link asking the customer to pay Rs 700 or 20% of the amount. This way, Treebo was able to gauge the customer intent in utilising the booking made or chances of cancellation.



Providing best-in-industry experience, Treebo would hold the booking for a stipulated period of time and share the payment link again post which there is a communication cycle to close the loop. This also helped Treebo to save a lot of manual effort and operational cost in following up. Because at the end of day, a booking has to be in confirmed or cancelled state. With Razorpay Payment Links, Treebo helped their customers make a firm decision and have reduced the number of no-shows by a stupendous 30%.

“Razorpay’s payment link solution has helped us in taking our initiative faster to market. In its absence, we would have had to build this on our own.”

Why Pay-at-Hotel when you can pay online & checkout!

Eventually, with increase in the number of pre-paid bookings made via Razorpay Payment Links and decrease in the loss of revenue because of lost inventory; Treebo has started using payment links for their travel agents and OTAs too. Payment links has helped Treebo in:

Start accepting Payments Via
Payment Links →

- Being more predictable about their business
- Faster realisation of revenue thus keeping the cash-flow in good shape
- Better utilisation of inventory which otherwise would be lost revenue