

Assignment 1 – Phase 2

User Research & Problem Prioritization

Product: redBus

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Executive Summary

This Phase 2 research builds upon the product analysis from Phase 1, where we identified redBus as India's leading bus ticketing platform with key friction points around operator reliability, refund transparency, and last-minute cancellations. Through comprehensive user research involving 3 detailed interviews and 29 survey responses, we've uncovered critical insights that validate and expand our initial hypotheses.

Key Finding: Last-minute operator cancellations emerged as the most severe problem, affecting trust, creating financial stress through forced rebookings at inflated prices, and causing significant travel disruption. This problem scores highest on our PIF framework (Population: 4, Intensity: 5, Frequency: 3) and directly impacts user retention—a critical business metric for redBus.

1. User Research Findings

1.1 Research Methodology

Primary Research:

- 3 in-depth user interviews (20-30 minutes each)
- 29 survey responses from bus travellers across different segments
- Focused on Phase 1 segments: Leisure/Occasional Travelers, Regular Commuters, and Emergency/Urgent Travelers

1.2 Interview Insights

Interview 1: Tejashvi Dubey (Leisure Traveler, CA in Jubilant)

Travel Frequency: 3-4 times per year, mostly for vacations to Himachal Pradesh

Key Pain Points:

- **Dynamic Pricing Frustration:** "Ticket prices were around ₹4,800 when I checked in January, but after February 2nd, tickets dropped to ₹1,100. That feels like a scam." This inverse pricing pattern (prices drop closer to departure) contradicts flight booking behaviour and creates user distrust.
- **Last-Minute Cancellation Impact:** Experienced cancellation from City Land Travels one hour before scheduled departure. Was stranded for 4 hours waiting for the next bus. Driver rudeness during the journey led to abandoning the trip midway in Chandigarh and booking an Ola cab to Delhi.
- **Platform Accountability Gap:** "That operator is still operating on the same route. redBus took no action on our complaint."
- **Quality Mismatch:** "Pictures are of new buses, but the actual bus is like 5 years old. They even stop to courier goods but not when you need a washroom break."
- **Behavioural Change:** Now books directly from operator websites after price comparison. Uses YouTube reviews and ratings to shortlist buses.

Magic Wand Quote: "There should be categories of operators—premium, economy, and budget—and operators should be answerable according to the category. For premium, I expect to receive the worth I'm paying for (customer first)."

Interview 2: Devika Gupta (Regular Commuter, Engineer in Bangalore)

Travel Frequency: Twice a month (to and from hometown)

Key Pain Points:

- **Safety Concerns:** As a solo female traveller, safety is paramount. Prefers buses with clear gender-based seat allocation visible on redBus.
- **Loyalty Program Gap:** Wants subscription or loyalty points model for frequent travellers. Currently pays triple during festive seasons with no rewards for regular usage.

Magic Wand Quote: "I want a subscription-type model for travellers like me—some loyalty points on booking every month. When I travel during festive months, I pay almost triple of what I usually pay. I could use those loyalty points."

Interview 3: Sushil Kumar (Family Traveler)

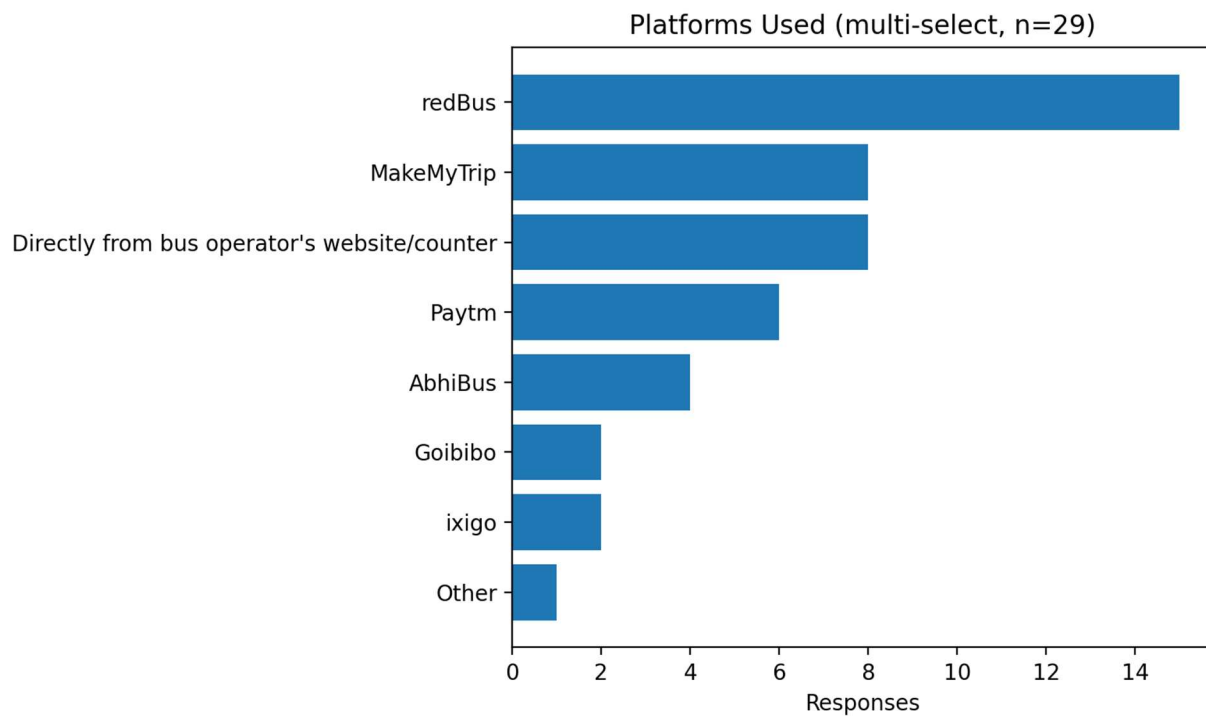
Travel Pattern: 1-2 times per quarter, Jaipur to Bikaner route to pick up/drop off daughter and grandchildren

Key Pain Points:

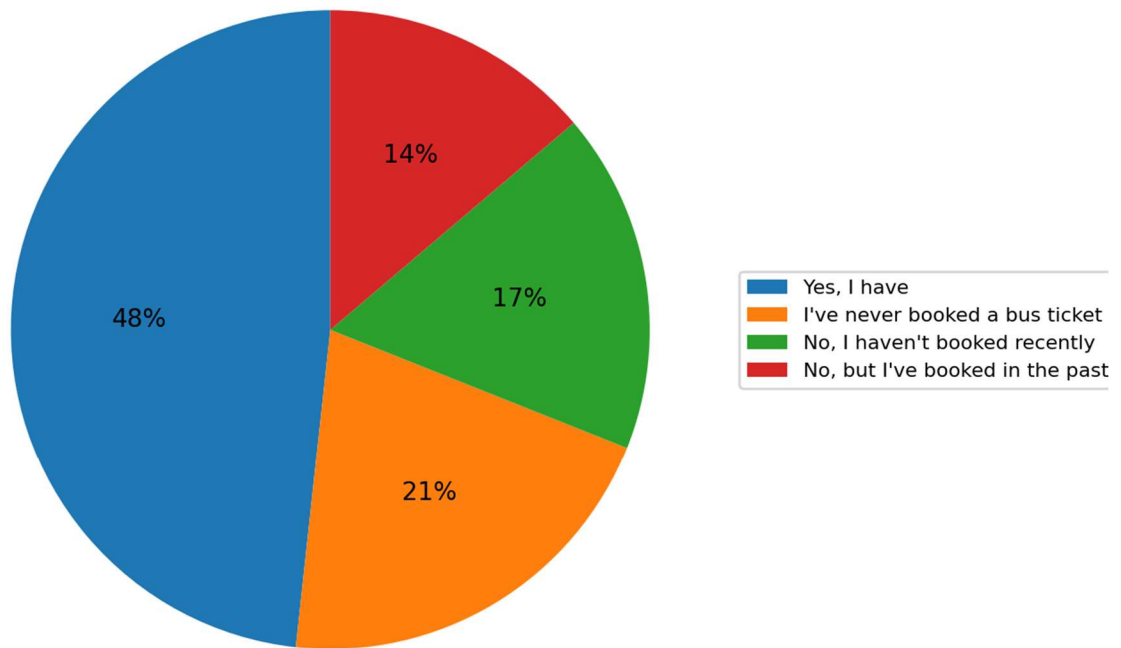
- **Last-Minute Cancellations:** Frequent issue causing major disruption to family travel plans
- **Unauthorized Stops:** Buses stop for unwanted courier pickups/deliveries, extending journey time
- **Safety & Accountability:** "Afraid that my daughter cannot travel on this route alone as there is no accountability from any platform. Drivers are rude and not trained in dealing with customers, especially women."

1.3 Survey Analysis (n=29)

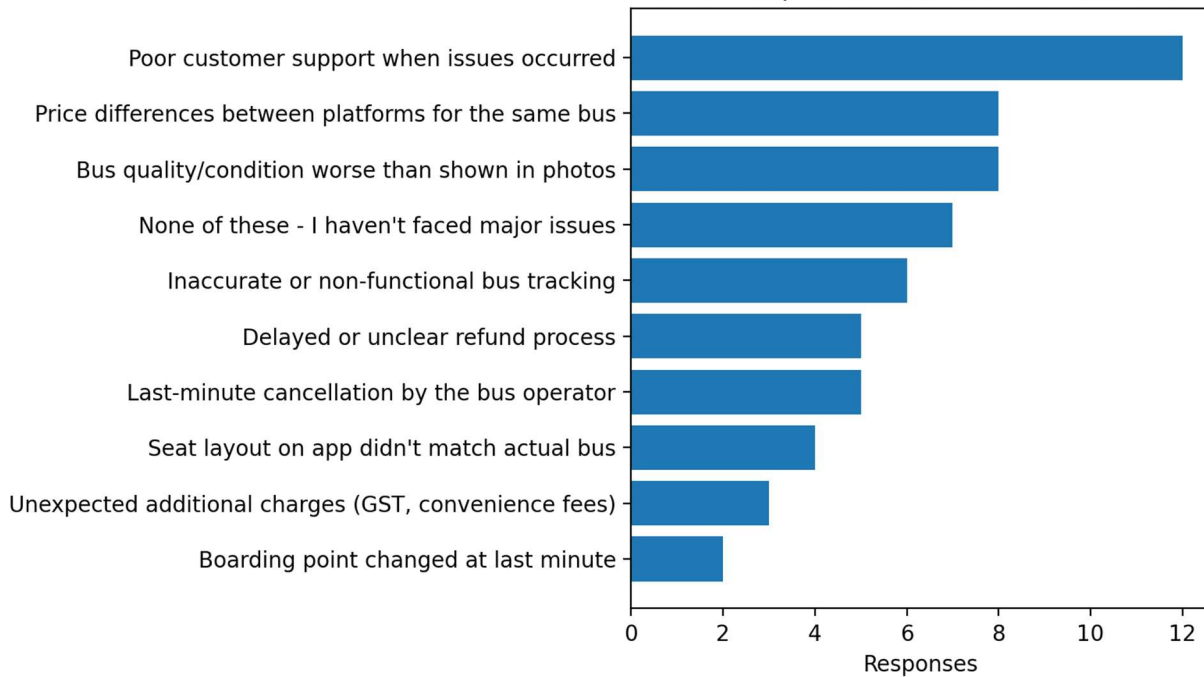
Survey Visual Summary (Charts)

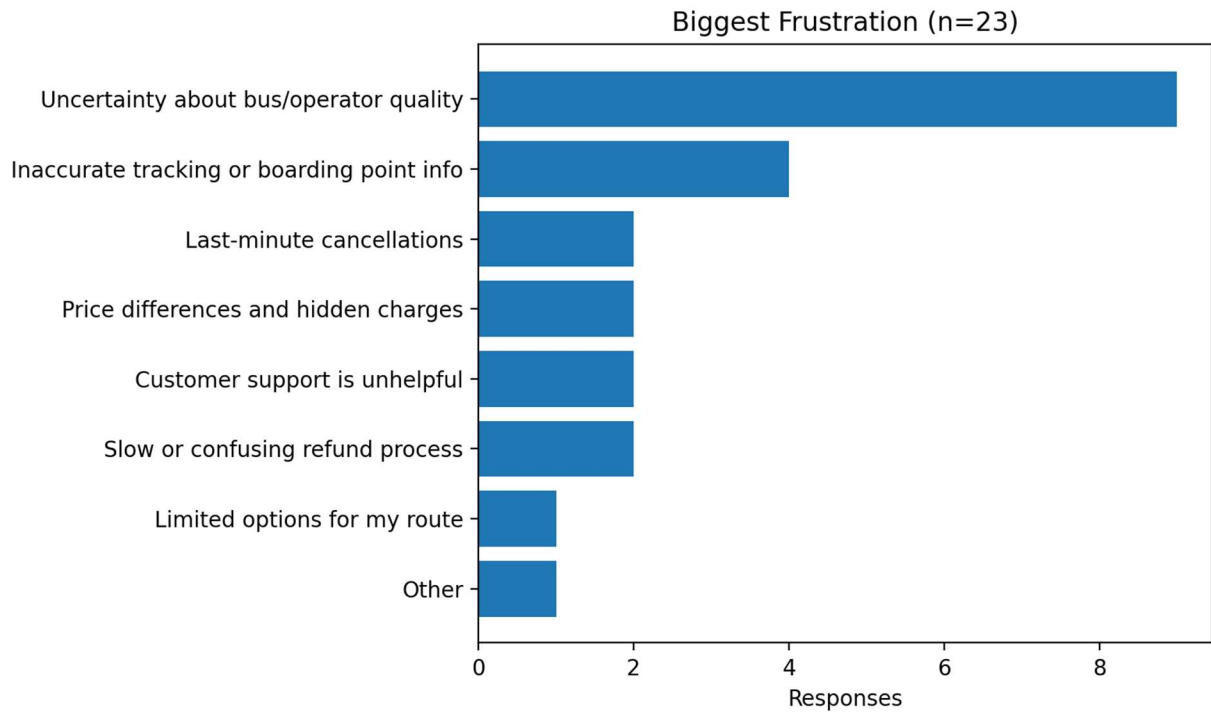


Booking Recency (n=29)

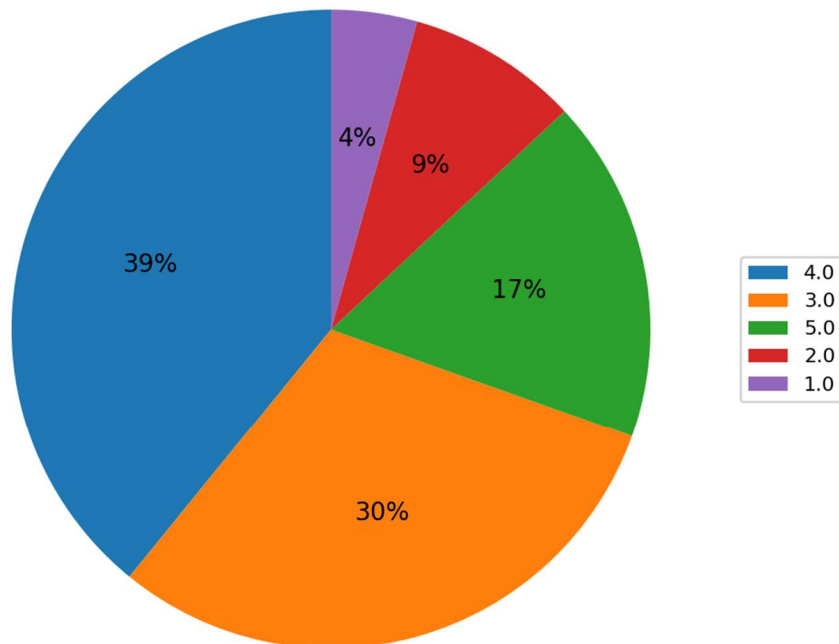


Issues Experienced (multi-select, n=29)





Trust in Ratings (n=23)



Booking Frequency & Platform Usage

Booking Recency:

- 48.3% booked in the past 6 months
- 24.1% booked in the past year
- 27.6% never booked online or haven't booked recently

Travel Frequency:

- 41.4% book occasionally (1-3 times per year)
- 24.1% book rarely (less than once a year)
- 20.7% book every few months (4-8 times per year)
- 10.3% book monthly (2-4 times per month)

Platform Distribution:

- redBus: 58.6% (market leader)
- MakeMyTrip: 41.4%
- Directly from operator: 34.5%
- Paytm: 31.0%
- Others (AbhiBus, Goibibo, ixigo): ~10-13% each

Problems Experienced (Multiple Selection Allowed)

Top Issues Reported:

- **Bus quality/condition worse than shown: 37.9%**
- **Poor customer support: 37.9%**
- **Price differences between platforms: 31.0%**
- **Delayed or unclear refund process: 27.6%**
- Inaccurate or non-functional tracking: 24.1%
- Last-minute cancellation by operator: 20.7%
- Unexpected additional charges (GST, fees): 13.8%
- Seat layout mismatch: 13.8%
- No major issues: 31.0%

Key Insight: While 31% report no major issues, 69% have experienced at least one problem. The top 4 issues (quality mismatch, poor support, price differences, unclear refunds) each affect 28-38% of users, indicating systemic platform-wide challenges.

Biggest User Frustrations

Primary Frustration Distribution:

- **Uncertainty about bus/operator quality: 44.8% (13 responses)**
- Inaccurate tracking or boarding point info: 17.2% (5 responses)
- Last-minute cancellations: 10.3% (3 responses)
- Slow or confusing refund process: 10.3% (3 responses)
- Price differences and hidden charges: 10.3% (3 responses)
- Customer support unhelpful: 10.3% (3 responses)

Critical Finding: Operator quality uncertainty is the #1 frustration, mentioned by 45% of respondents as their BIGGEST pain point. This uncertainty manifests in multiple ways: quality mismatch, fear of cancellations, untrained drivers, and lack of accountability.

Trust in Ratings & Reviews

Trust Level Distribution (1=Don't trust at all, 5=Trust completely):

- Score 5 (Trust completely): 20.7%
- Score 4: 34.5%
- **Score 3 (Neutral): 37.9%**
- Score 2: 10.3%
- Score 1 (Don't trust at all): 3.4%

Average Trust Score: 3.5/5

Insight: Only 55% trust ratings moderately to completely (scores 4-5), while 38% are neutral and 14% don't trust them. This moderate trust level, combined with 45% citing quality uncertainty as their biggest frustration, suggests that current ratings/reviews are insufficient for building confidence.

2. SWOT Analysis

This SWOT analysis integrates insights from 3 user interviews, 29 survey responses, Phase 1 competitor analysis, and public market intelligence. It represents the external market perspective based on actual user experiences and competitive positioning.

2.1 Strengths

- **Market Leadership & Brand Recognition:** 58.6% of survey respondents use redBus, significantly ahead of MakeMyTrip (41.4%) and other competitors. As India's first online bus booking platform, redBus enjoys strong brand recall and trust for bus-specific travel.
- **Comprehensive Operator Network:** Users consistently mention finding multiple options for their routes on redBus. Broader national coverage compared to regional competitors like AbhiBus, with deeper operator integrations enabling inventory access.
- **Visual Seat Selection Interface:** Praised across interviews and surveys for gender-based seat indicators and visual layout. Female travellers specifically cited this as a key safety feature. One user noted: "I prefer booking tickets with clear gender specification mentioned on redBus."
- **Specialization Advantage:** Unlike full-service OTAs (MakeMyTrip, EaseMyTrip), redBus' bus-exclusive focus allows for deeper features like better seat maps, operator-specific tools (BOSS, revMax), and granular search filters (bus type, amenities, departure timing).
- **Multi-Revenue Stream Model:** Beyond commission, redBus generates revenue through promoted listings, B2B marketplace (NOVA), SaaS tools for operators (BOSS, revMax), and adjacent services (train, hotel bookings), creating diversified income sources.

2.2 Weaknesses

- **Operator Quality Control & Accountability Gap:** 44.8% of users cite operator quality uncertainty as their biggest frustration. Multiple users reported that after serious issues (last-minute cancellations, driver rudeness), operators continue operating without consequences. User quote: "That operator is still operating on the same route. redBus took no action on our complaint." This lack of accountability undermines trust despite redBus' market position.
- **Bus Quality Mismatch (Marketing vs Reality):** 37.9% experienced bus quality worse than advertised. Users report: "Pictures are of new buses, but the actual bus is like 5 years old." This systematic disconnect between app imagery and actual service quality damages credibility and creates booking anxiety.
- **Unclear and Slow Refund Process:** 27.6% faced delayed/unclear refunds, with 10.3% citing it as their primary frustration. Phase 1 findings noted minimum 10-

15 day refund timelines and opaque GST calculations. Users demand: "Clear refund status and instructions."

- **Poor Customer Support:** 37.9% experienced inadequate support during issues. Survey shows 10.3% rate this as their top frustration. When combined with operator misbehaviour and platform-level issues, the lack of effective resolution channels creates compounding user distress.
- **Price Parity Issues:** 31% found price differences between platforms for the same bus. Interview revealed some operators offer cheaper direct booking: "I now mostly book through operators' sites only." This drives users away from the platform and reduces redBus' commission revenue.
- **Tracking & Boarding Point Accuracy:** 24.1% faced inaccurate tracking, with 17.2% calling it their biggest frustration. Users report: "The point mentioned in the app is actually a collection point from where the boarding point is far away." This creates last-minute stress and trust issues.

2.3 Opportunities

- **Operator Tiering & Quality Certification:** User explicitly requested: "There should be categories—premium, economy, budget—and operators should be answerable according to the category." Implementing verified quality tiers with enforced standards could differentiate redBus and address the #1 frustration (operator uncertainty).
- **Loyalty & Subscription Programs:** Frequent travellers (10.3% book monthly, 20.7% every few months) desire rewards. User quote: "I want subscription-type model with loyalty points. When I travel during festive months, I pay almost triple—I could use those loyalty points." This could increase retention and booking frequency among high-value users.
- **Enhanced Cancellation Protection:** 20.7% experienced operator cancellations causing severe disruption. Offering alternative bus guarantees, automatic rebooking, or price protection could convert a major pain point into a competitive advantage, especially for urgent/emergency travellers.
- **Real-Time GPS Tracking Improvement:** User suggested: "Show live tracking like Uber." With 24.1% facing tracking issues, upgrading to Uber-quality real-time tracking could reduce anxiety, improve reliability perception, and decrease customer support queries.
- **Family Travel Safety Features:** Interview revealed safety concerns preventing solo female travel. Features like verified driver profiles, emergency SOS buttons, live journey sharing, and trained driver certification could tap into the family/women traveller segment while improving overall safety standards.

2.4 Threats

- **Direct Operator Booking Migration:** 34.5% already book directly from operators, with users reporting cheaper prices on operator sites. As operators build their digital capabilities, disintermediation could erode redBus' market share and commission revenue.

- **Full-Service OTA Competition:** MakeMyTrip (41.4%) and Paytm (31%) offer multi-modal booking convenience. Interview note: "Some users prefer MakeMyTrip or Paytm for bookings as they can book flights, hotels, and cabs on one platform—feels more convenient." The integrated travel experience could pull users away from bus-only platforms.
- **Trust Erosion from Quality Issues:** With 69% experiencing at least one major problem and only 55% trusting ratings moderately or more, continued quality-reality mismatches could accelerate user attrition. Negative word-of-mouth from incidents like driver rudeness and platform inaction on complaints can damage brand equity.
- **Alternative Mobility Options:** One user noted: "I haven't used bus booking in over a decade. I prefer flights mostly or a road trip via car/bike." As intercity cabs (Ola, Uber Intercity), carpooling, and affordable flights expand, buses may lose market share among higher-income travellers.

3. Goal Setting & Business Alignment

3.1 Problem-to-Metric Mapping

Our research uncovered multiple critical problems. Here's how each problem connects to specific business metrics:

- **Last-Minute Operator Cancellations** → **RETENTION**: Users abandon platform after bad experiences; forces emergency rebooking at competitor sites; creates negative word-of-mouth affecting long-term user lifetime value.
- **Unclear/Slow Refund Process** → **RETENTION & TRUST**: 10-15 day refund delays reduce repeat bookings; creates anxiety for future transactions; drives users to platforms with better refund clarity.
- **Operator Quality Uncertainty** → **CONVERSION & RETENTION**: 44.8% cite this as biggest frustration; causes booking abandonment during search; drives users to direct operator booking or competitor platforms.
- **Price Differences Across Platforms** → **REVENUE**: Users discovering cheaper prices elsewhere leads to direct platform abandonment and loss of commission revenue.
- **Poor Customer Support** → **RETENTION & SATISFACTION**: Unresolved issues compound user frustration; lack of resolution for operator misbehaviour creates platform distrust.

3.2 Selected Goal: Improve User Retention

Why Retention?

Retention is the most critical metric for redBus because:

- **Trust Erosion is Accelerating**: 69% experienced major problems, only 55% moderately trust ratings, and users explicitly reported abandoning redBus after bad experiences ("I now mostly book through operators' sites only").
- **Network Effect at Risk**: redBus' business model depends on repeat bookings creating network effects (more users → more operators → more inventory → more users). Loss of retention breaks this flywheel.
- **High-Value User Segment Affected**: Regular commuters (20.7% book every few months, 10.3% monthly) are prime retention targets. These users generate consistent revenue but are experiencing compounding frustrations (price spikes during festivals, no loyalty rewards, repeated quality issues).
- **Negative Word-of-Mouth Impact**: Severe incidents (cancellations leading to 4-hour waits, driver rudeness forcing trip abandonment) create vocal detractors who influence others' platform choice, compounding retention loss.

Goal Statement:

Improve 3-month user retention rate by 15% in the next 6 months for the Leisure/Occasional and Regular Commuter segments by addressing last-minute cancellation uncertainty and operator accountability gaps.

4. User Personas

Based on Phase 1 segmentation and Phase 2 research, we've developed two primary personas representing our target users for the retention goal:

Persona 1: Priya - The Anxious Leisure Traveler

Demographics:

- Age: 28-35 years
- Occupation: Working professional (CA, Engineer, Corporate employee)
- Location: Tier 1/2 cities (Bangalore, Jaipur, Delhi NCR)
- Travel frequency: 3-6 times per year for leisure/family visits

Goals & Motivations:

- Safe, comfortable travel for vacation trips and family visits
- Value for money—willing to pay for quality but wants transparency
- Stress-free booking where reality matches expectations
- Reliable operators who won't cancel last minute

Behaviours:

- Books 2-4 weeks in advance for planned trips
- Researches extensively—reads YouTube reviews, checks multiple platforms, compares operator sites
- Monitors price fluctuations daily due to unpredictable bus pricing patterns
- Shortlists based on ratings but feels uncertain if they're accurate
- Increasingly booking directly from operator websites after price comparison

Frustrations (Pain Points):

- *"I don't know if I can trust this operator"* - Photos show new buses but receives 5+ year old vehicles in poor condition
- *"The price dropped from ₹4,800 to ₹1,100—feels like a scam"* - Dynamic pricing creates anxiety and resentment
- *"My trip was ruined by last-minute cancellation"* - Operator cancelled 1 hour before departure, caused 4-hour delay, replacement bus had rude driver
- *"redBus didn't do anything even after my complaint"* - Platform took no action against misbehaving operator who continues operating
- Finds cheaper prices on operator sites, eroding trust in platform value

Key Quote:

"There should be categories of operators—premium, economy, budget—and operators should be answerable according to the category. For

premium, I expect customer-first service and to receive the worth I'm paying for."

Persona 2: Rajesh - The Regular Commuter Seeking Reliability

Demographics:

- Age: 35-50 years
- Occupation: Mid-senior professional, business owner, or parent managing family travel
- Location: Tier 2/3 cities with regular intercity travel needs
- Travel frequency: 4-8 times per year or more (monthly for some routes)

Goals & Motivations:

- Predictable, hassle-free travel for family obligations and routine trips
- Safety and reliability—especially important when family members (elderly parents, children, women) travel
- Value recognition for loyal, frequent usage
- Accountability when things go wrong

Behaviours:

- Books same routes repeatedly (hometown visits, family pickups/drops)
- Developed preferences for specific operators through trial and error
- Price-conscious but prioritizes reliability over minor savings
- Expects platform to remember preferences and offer relevant options
- Frustrated by lack of loyalty benefits despite consistent platform usage

Frustrations (Pain Points):

- *"I can't let my daughter travel alone on this route"* - Drivers are rude, untrained in customer service (especially with women), and platform provides no accountability
- *"Buses stop for random courier pickups"* - Unauthorized stops extend journey time unpredictably
- *"I pay triple during festivals but get nothing for my loyalty"* - No rewards program despite booking monthly; feels exploited during peak demand
- *"Boarding point changed at last minute"* - The point in app is actually a 'collection point' far from actual boarding location
- *"When cancellations happen, there's no recourse"* - Last-minute cancellations collapse travel plans with family waiting

Key Quote:

"I want a subscription model with loyalty points for travellers like me. When I travel during festive months, I pay almost triple. I should be able to use loyalty points then. Also, there's no accountability—I'm afraid my daughter

can't travel alone because drivers are rude and platforms don't take action."

5. Problem Prioritization (PIF Framework)

Using the PIF (Population, Intensity, Frequency) framework, we evaluated all problems identified in our research. Problems are scored 1-5 on each dimension, with total scores guiding prioritization.

5.1 PIF Scoring Framework

- **Population (1-5):** How many users are affected? (1=<10%, 2=10-25%, 3=25-40%, 4=40-60%, 5=>60%)
- **Intensity (1-5):** How painful is the problem? (1=Minor annoyance, 3=Significant frustration, 5=Severe impact/trip failure)
- **Frequency (1-5):** How often does it occur? (1=Rarely, 3=Sometimes, 5=Every time)

5.2 Comprehensive Problem Analysis

Problem	Population (1-5)	Intensity (1-5)	Frequency (1-5)	Total Score	Evidence
Last-minute operator cancellations without alternative arrangement	4	5	3	12	20.7% survey, multiple interviews
Operator quality uncertainty (mismatch between photos and reality)	5	4	4	13	44.8% biggest frustration, 37.9% experienced
Slow and unclear refund process with opaque GST calculations	3	4	3	10	27.6% experienced, 10.3% biggest frustration
Poor customer support when issues occur	4	4	3	11	37.9% experienced, 10.3% biggest frustration
Price differences between platforms for same bus	3	3	4	10	31% experienced, 10.3% biggest frustration
Inaccurate tracking and boarding point information	3	3	3	9	24.1% experienced, 17.2% biggest frustration

5.3 P0 Problem Selection & Rationale

Selected P0 Problem:

Users are struggling with last-minute bus cancellations by operators without alternative arrangements because operators face no accountability for cancellations and redBus lacks operator quality enforcement mechanisms. This is leading to severe travel disruption (4-hour delays, stranded passengers), forced rebooking at inflated prices (₹4,800 vs ₹1,100), platform abandonment, and erosion of trust in redBus' ability to guarantee service delivery—ultimately impacting user retention and threatening the network effect that underpins redBus' business model.

Why This is P0:

- **Highest Impact Score:** PIF score of 12 (Population: 4, Intensity: 5, Frequency: 3) indicates this affects a substantial user base with severe consequences occurring regularly.
- **Business Alignment:** Directly impacts our chosen goal—user retention. Last-minute cancellations are breaking trust at a fundamental level: "That operator is still operating. redBus took no action." This perceived lack of accountability drives users to abandon the platform permanently.
- **Cascading Negative Effects:** When cancellations occur, users face: (1) immediate crisis (stranded with family/plans disrupted), (2) financial stress (forced to rebook at 3-4x price), (3) emotional trauma (driver rudeness, safety concerns), (4) platform distrust (no recourse/action), and (5) behavioural change (switching to competitors/direct booking).
- **User Voice Intensity:** While 'only' 20.7% experienced it in the survey, every interview mentioned it as a critical concern, and the narratives reveal extreme emotional impact: trip abandonment midway, family safety fears, multi-hour delays. This intensity creates vocal detractors who influence others.
- **Solvable Within Platform Control:** Unlike external factors (traffic, weather), operator behaviour is within redBus' sphere of influence through operator agreements, penalty mechanisms, quality tiers, and alternative bus guarantees. Solving this demonstrates platform value beyond aggregation.

6. Conclusion & Next Steps

Phase 2 research has provided robust evidence validating our Phase 1 hypotheses while uncovering deeper root causes. The combination of qualitative interviews and quantitative survey data reveals a clear picture:

- **Trust is Breaking:** 69% experienced major issues, only 55% trust ratings, and operator quality uncertainty affects 45% as their primary frustration.

- **Retention is at Risk:** Users are actively shifting to direct booking and competitor platforms. The network effect that powers redBus is threatened.
- **Last-Minute Cancellations are the Critical Failure Point:** This problem scores highest on impact, directly damages retention, and represents platform accountability failure.