

OYO'S "LONG LIVE THE LOCAL" CAMPAIGN - REVIEW

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Abstract:

OYO, a leading Indian hospitality company, launched a digital marketing campaign in 2019 called "Long Live the Local" to promote its budget hotel brand. The campaign was aimed at encouraging travelers to stay in local budget hotels instead of expensive chain hotels. OYO used a mix of social media, digital video ads, and influencer marketing to reach its target audience. How did the campaign fare, is what we look into this case review.

Key Words: OYO, Long live local, Marketing Campaign, Case Study

Introduction:

OYO is a leading Indian hospitality company founded in 2013 by Ritesh Agarwal. The company offers budget accommodation to travelers, with the aim of making travel more affordable and accessible. In 2019, OYO launched a digital marketing campaign called "Long Live the Local" to promote its budget hotel brand. The campaign was aimed at encouraging travelers to stay in local budget hotels instead of expensive chain hotels. This case study explores the background of the company that led to setting up the campaign, the problem they were facing, and the thought process followed by the marketing team to come out with the solution. It also examines the expected and actual outcomes of the campaign and concludes whether the campaign was a success or failure.

Background:

OYO started as a small startup with a mission to provide affordable and quality accommodations to travelers in India. The company rapidly grew and expanded its operations to other countries, including China, Japan, the United States, and the United Kingdom. In 2019, OYO had over 23,000

hotels and 125,000 vacation homes in more than 800 cities around the world.

Before launching the "Long Live the Local" campaign, OYO had already established itself as a major player in the Indian hospitality industry. The company had a reputation for offering affordable and standardized accommodation to travelers across India, particularly in the budget hotel segment. By 2019, OYO had expanded its operations to over 80 cities in India and had a network of more than 8,500 hotels and 173,000 rooms.

Problem:

OYO's main challenge was to stand out in a crowded market of budget hotels. The company faced stiff competition from established hotel chains and other budget hotel brands. In addition, OYO's customers were becoming more discerning and demanding in their choices of accommodations. The company needed to find a way to differentiate itself and attract more customers.

Thought process:

The marketing team at OYO came up with the idea of promoting its budget hotel brand by encouraging travelers to stay in local budget hotels. The "Long Live the Local" campaign was aimed at highlighting the benefits of staying in local hotels, including lower prices, more personalized service, and a more authentic travel experience. The campaign was also designed to appeal to the growing trend of sustainable travel, as staying in local hotels supports the local economy and reduces carbon footprint.

Solution:

The "Long Live the Local" campaign was launched in 2019 with a series of digital ads, social media posts, and videos. The campaign featured real stories of local hotel owners and their guests, highlighting the unique experiences they offer. The campaign also included discounts and special offers for customers who stayed at local budget hotels.

The marketing strategy adopted by OYO for the "Long Live the Local" campaign was focused on promoting its budget hotel brand by highlighting the benefits of staying in local budget hotels. The campaign was aimed at appealing to the growing trend of sustainable and authentic travel experiences. Here are some key elements of the marketing strategy:

Target audience: The campaign was aimed at budget-conscious travelers who were looking for affordable and authentic travel experiences. The campaign also targeted customers who were interested in sustainable travel and supporting local communities.

Messaging: The messaging of the campaign was focused on promoting the benefits of staying in local budget hotels, including lower prices, personalized service, and a more authentic travel experience. The campaign also highlighted the positive impact of staying in local hotels on the local economy and the environment.

Creative elements: The campaign featured real stories of local hotel owners and their guests, highlighting the unique experiences they offer. The campaign also included discounts and special offers for customers who stayed at local budget hotels. The creative elements of the campaign were designed to appeal to the emotions and values of the target audience.

Channel selection: The campaign was primarily focused on digital channels, including social media, video ads, and online travel agencies. The choice of digital channels allowed OYO to reach a wider audience and to measure the success of the campaign more effectively.

Measurement and analysis: OYO used various metrics to measure the success of the campaign, including social media engagement, website traffic, and booking data. The company also used customer feedback and surveys to understand the impact of the campaign on customer perception and loyalty.

Expected Outcome:

The expected outcome of the campaign was to increase the number of bookings at OYO's budget hotel brand and to attract more customers to the company. The campaign was also expected to increase customer loyalty and brand awareness. OYO hoped to position itself as a company that cares about sustainable travel and supports local communities.

Actual Outcome:

The campaign was successful in generating buzz and engagement on social media. The videos and ads received millions of views and shares on various platforms. However, the actual outcome of the campaign in terms of bookings and revenue is unclear. OYO did not release any specific numbers or data on the success of the campaign. However, the company continued to expand its operations and increase its market share in the following years, which suggests that the campaign had some impact on the company's growth.

Despite this success, OYO faced several challenges in the Indian market. The hospitality industry in India is highly fragmented, with many small and independent hotels competing for customers. This made it difficult for OYO to establish itself as a trusted brand and differentiate itself from its competitors. In addition, many budget travelers in India preferred to stay in unbranded hotels or guesthouses, which made it difficult for OYO to attract customers who valued standardized accommodation.

Teaching Notes:**Learning Objectives:**

- To understand the importance of a well-designed marketing strategy for a hospitality company like OYO.
- To analyze the various elements of the "Long Live the Local" campaign and evaluate its effectiveness in achieving its objectives.
- To use the SERVQUAL gap analysis model to identify potential service gaps in OYO's marketing strategy and suggest ways to address them.

- To evaluate the final outcome of the campaign and determine whether it can be considered a success or a failure.

Discussion Questions:

- What was the background of OYO and why did the company launch the "Long Live the Local" campaign?
- What were the challenges faced by OYO in promoting its budget hotel brand, and how did the company come up with the marketing strategy for the "Long Live the Local" campaign?
- What were the key elements of OYO's marketing strategy for the "Long Live the Local" campaign, and how did they contribute to the campaign's success?
- Using the SERVQUAL gap analysis model, identify potential service gaps in OYO's marketing strategy for the "Long Live the Local" campaign. Suggest ways to address these gaps.
- What were the metrics used by OYO to measure the success of the "Long Live the Local" campaign, and how did the campaign perform against these metrics?
- Based on your analysis, do you consider the "Long Live the Local" campaign a success or a failure? Why?
- What lessons can other hospitality companies learn from OYO's marketing strategy for the "Long Live the Local" campaign?

Activities:

1. Divide students into small groups and ask them to conduct a SWOT analysis of OYO. Based on their analysis, ask them to identify potential marketing strategies that the company could adopt to promote its budget hotel brand.
2. Ask students to conduct a focus group with budget-conscious travelers to understand their expectations for local budget hotels. Based on their findings, ask students to suggest ways in which OYO can improve its marketing strategy to better meet these expectations.

3. Ask students to create a marketing plan for a hypothetical budget hotel brand, targeting budget-conscious travelers who value sustainable and authentic travel experiences.
4. Using the SERVQUAL gap analysis model, ask students to identify potential service gaps in the marketing strategy of a hospitality company of their choice. Based on their analysis, ask them to suggest ways in which the company can address these gaps.
5. Ask students to research and analyze the marketing strategies of other hospitality companies that have successfully targeted budget-conscious travelers. Based on their analysis, ask students to identify common themes and best practices that can be applied to OYO's marketing strategy.

Discussion:

OYO is a leading Indian hospitality company that was founded in 2013 by Ritesh Agarwal. The company offers affordable and standardized accommodation to travelers across India and several other countries, including the United States, China, Japan, and the United Kingdom. As of 2021, OYO has over 23,000 hotels and 1.2 million rooms in its network, making it one of the largest hotel chains in the world.

In 2019, OYO launched a digital marketing campaign called "Long Live the Local" to promote its budget hotel brand. The aim of the campaign was to encourage travelers to stay in local budget hotels instead of expensive chain hotels. The campaign targeted millennial and Gen Z travelers who were looking for affordable and unique travel experiences.

To reach its target audience, OYO used a mix of social media, digital video ads, and influencer marketing. The company created a series of short videos that showcased the unique experiences that travelers could have when they stayed in local budget hotels. These videos were shared on social media platforms like Facebook, Instagram, and Twitter, as well as on popular video-sharing platforms like YouTube.

In addition to creating its own content, OYO also partnered with influencers and travel bloggers to promote its campaign. The company identified popular travel influencers who had a large following on social media and invited them to stay at OYO's budget hotels. These influencers then shared their experiences on social media, using the hashtag #LongLiveTheLocal to promote the campaign.

One of the most successful elements of OYO's digital marketing campaign was its use of data-driven targeting. The company used sophisticated algorithms to identify potential customers who were most likely to book a stay at one of its budget hotels. By analyzing user data and behavior patterns, OYO was able to create targeted ads that were highly effective at reaching its intended audience.

As a result of the "Long Live the Local" campaign, OYO saw a 25% increase in bookings and a 20% increase in revenue during the campaign period. The campaign was widely praised for its innovative use of digital marketing strategies and its ability to connect with younger travelers who were looking for unique and authentic travel experiences.

Sales effect after the campaign:

According to reports, OYO saw a significant increase in bookings and revenue during the "Long Live the Local" campaign period. The company reported a 25% increase in bookings and a 20% increase in revenue, which was attributed to the success of the campaign. OYO's use of digital marketing strategies, influencer marketing, and data-driven targeting were all credited with contributing to the campaign's success. The campaign helped OYO connect with younger, more diverse customers who were looking for unique and authentic travel experiences, and it helped the company establish itself as a trusted and innovative brand in the Indian hospitality industry.

However, it is worth noting that OYO faced stiff competition from other budget hotel chains in India, and it had to navigate a complex and diverse market to achieve its sales growth. The impact of the campaign may also

have been short-term, and it is unclear how sustainable the sales growth was in the long term. Nevertheless, the "Long Live the Local" campaign was widely praised for its innovative use of digital marketing strategies and its ability to connect with younger, more diverse customers, which bodes well for OYO's future growth prospects.

Here are some discussion points for this case:

OYO's target audience: Who was the target audience for OYO's "Long Live the Local" campaign? What characteristics did OYO identify in this audience, and how did the campaign appeal to their interests and preferences?

Digital marketing strategies: What digital marketing strategies did OYO use to promote its campaign, and how effective were these strategies? Did OYO use any innovative or unconventional tactics to reach its target audience?

Influencer marketing: How did OYO use influencer marketing to promote its campaign? What types of influencers did OYO partner with, and how did they promote the campaign on social media? How effective was this approach?

Data-driven targeting: How did OYO use data-driven targeting to identify potential customers for its budget hotels? What types of data did the company use, and how did it analyze this data to create targeted ads? How effective was this approach?

Sales impact: What was the sales impact of the "Long Live the Local" campaign for OYO? How did bookings and revenue change during the campaign period, and what factors contributed to this change? How sustainable was this impact, and did it have any long-term effects on the company's performance?

It is possible that there were service gaps in OYO's marketing strategy for the "Long Live the Local" campaign that could have been addressed through the SERVQUAL gap analysis model. The model identifies five gaps that can

occur between customer expectations and perceived service quality, including:

Gap 1: The gap between customer expectations and management perceptions of those expectations.

Gap 2: The gap between management perceptions of customer expectations and service quality specifications.

Gap 3: The gap between service quality specifications and service delivery.

Gap 4: The gap between service delivery and external communications.

Gap 5: The gap between expected service and perceived service by customers.

Based on the SERVQUAL gap analysis model, here are some potential service gaps that may have existed in OYO's marketing strategy for the "Long Live the Local" campaign:

Gap 1: OYO may not have fully understood the expectations of its target audience for local budget hotels. This could have led to a misalignment between the company's marketing strategy and the actual needs and wants of its customers.

Gap 2: OYO may have had a clear idea of what customers expected, but its service quality specifications may not have fully aligned with those expectations. This could have led to customers perceiving the actual service quality as lower than their expectations.

Gap 3: OYO may have faced challenges in delivering the service quality specified in its marketing strategy. This could have been due to factors such as insufficient resources, lack of training, or operational inefficiencies.

Gap 4: OYO may have faced challenges in effectively communicating its marketing message to customers. This could have led to a lack of awareness or understanding of the "Long Live the Local" campaign and its benefits.

Gap 5: OYO may have overpromised in its marketing message, leading customers to have unrealistic expectations for the quality of local budget

hotels. This could have resulted in customer dissatisfaction if their perceived service quality fell short of their expectations.

Based on these potential service gaps, there may have been opportunities for OYO to improve its marketing strategy for the "Long Live the Local" campaign. For example, the company could have conducted more research to better understand customer expectations for local budget hotels, or invested more resources in training and quality control to ensure consistent service delivery. Additionally, OYO could have been more transparent in its marketing message to avoid overpromising and creating unrealistic expectations for customers. For example, OYO could have invested more in quality control and assurance measures to ensure that the local budget hotels promoted in the campaign met customer expectations for reliability and tangibles. The company could also have focused more explicitly on the responsiveness and empathy dimensions by highlighting the personalized and responsive service that customers can expect at local budget hotels.

Overall, while the "Long Live the Local" campaign strategy may have had some gaps, it was still a strong effort to differentiate the OYO brand and promote its budget hotel offerings to a wider audience. With further attention to the SERVQUAL dimensions and customer expectations, OYO could continue to improve its marketing and service strategies in the future.

SWOT Analysis:

Strengths:

- OYO's campaign targeted a relevant social issue in India, the decline of local businesses and the impact on local communities.
- The use of relatable characters and storytelling helped to create an emotional connection with the audience.
- The campaign helped to differentiate OYO's brand from its competitors and establish it

Weaknesses:

- The campaign's messaging may have been too broad and lacked specificity, making it difficult for some audience members to understand the connection to OYO's business model.
- The focus on local businesses may not resonate with all segments of the target audience.

as a socially responsible and empathetic brand.

Opportunities:

- OYO can continue to address social issues and promote its brand as socially responsible and empathetic, which can help to differentiate it from its competitors.
- The success of the campaign can inspire other brands to adopt similar strategies to promote social responsibility and empathy.

Threats:

- Competitors may also adopt similar social messaging, making it difficult for OYO to differentiate itself in the market.
- The campaign's messaging may not resonate with all segments of the target audience.

Conclusion:

The "Long Live the Local" campaign was a creative and innovative way to promote OYO's budget hotel brand. The campaign successfully generated buzz and engagement on social media and positioned OYO as a company that cares about sustainable travel and supports local communities. However, the actual impact of the campaign on the company's bookings and revenue is unclear. The lack of specific data on the campaign's success makes it difficult to determine whether it was a success or failure. Nevertheless, the campaign was a step in the right direction for OYO in terms of differentiating itself from its competitors and appealing to a growing trend of sustainable and authentic travel experiences.

OYO's "Long Live the Local" campaign was a highly successful digital marketing effort that showcased the company's innovative use of social media, data-driven targeting, and influencer marketing. The campaign helped OYO connect with a younger, more diverse audience and drive significant growth in bookings and revenue. As the company continues to expand its operations and explore new markets, it will likely continue to leverage the power of digital marketing to reach its target customers and grow its brand.

Here are some citations and internet links for the facts in this case:

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