

EX-CLEARTRIP EXEC FLOATS BUDGET HOTEL AGGREGATOR COMFY STAYS

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A former Cleartrip executive has ventured into the short-term budget accommodation category with Comfy Stays Pvt Ltd, an online startup that aggregates entry-level hotels, guest houses and service apartments. Comfy Stays founder Rakesh Rana, who till recently served as vice president of business development (hotels) at Cleartrip, says that his company would aggregate hotel rooms for under Rs 1,000 per day.

The startup has partnered with brick-and-mortar travel agency Namaaskar India Business Pvt Ltd for evaluating the service standards of the 2,000-odd budget properties on its network.

Rana said the firm is attempting to offer professional, standardised services in the entry-level hotel segment, where most of the hotels are not even one-star.

While properties under budget hotel aggregator OYO Rooms are two-star and three-star rated, with well-furnished rooms, Comfy Stays partners with one-star rated hotels that offer basic amenities. According to Rana, 60-70 per cent of domestic travellers go for such hotels.

By March this year, Comfy Stays aims to partner with 3,000 hotels. In the next financial year, it plans to have another 20,000 hotels on its platform.

As per its partnership agreement with these hotels, 35-40 per cent of advanced bookings in these hotels will be done through Comfy Stays, it said in a statement. It will take a 10 per cent commission for the property bookings and an additional 5 per cent service charge.

Comfy Stays is targetting students, traders travelling to metros as well as travellers in the leisure segment. It estimates the entry level hotel segment at Rs 9,800 crore, with 4.5 lakh rooms available per day.

Founded in October 2015, Comfy Stays is aiming for a turnover of Rs 220 crore over a period of 12 to 16 months and capturing 15 per cent of the market.

The startup hopes to shortly finalise a seed funding round of \$4-5 million, it said.

Besides OYO Rooms, other players in the budget hotel aggregator space are Wudstay, Zo Rooms, Vista Rooms and Treebo.

In December 2015, the Soft Bank-backed OYO Rooms was looking to acquire the Tiger Global-backed Zo Rooms. The deal would give the seven founders of Zo a combined seven per cent stake in OYO Rooms. The move came as Zo struggled to raise fresh funding.

Earlier in 2015, WudStay Travels Pvt Ltd acquired its offline rival Awesome Stays.

In November 2015, Deyor Rooms raised \$500,000 in angel funding from Redcliffe Capital's Dheeraj Jain and other unnamed investors.