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PRASHANTH FAMILY STAY: NAVIGATING PLATFORM-BASED BUSINESS MODELS IN RELIGIOUS TOURISM

Mr Rakesh N, Assistant Professor JAIN (Deemed to be) University, Bengaluru, prepared this case solely as a basis for classroom discussion. This case is not intended to serve as an endorsement, source of primary data, or illustration of either effective or ineffective managerial decision-making. Certain names and other identifying details have been disguised to protect confidentiality

The Decision

It was a crisp December morning in 2024 when Dr. Prashanth Reddy sat in his hospital clinic in Tirupati, staring at his tablet screen. The MakeMyTrip dashboard displayed numbers that told a conflicting story. On one side, his property—"Prashanth Family Stay"—gleamed with a 4.8-star rating and glowing customer reviews. Guests consistently praised the spacious 2BHK home, its cleanliness, modern amenities, and the peaceful location away from Tirupati's bustling temple area.

On the other side, the revenue chart showed erratic peaks and valleys that kept him awake at night. November had been exceptional—25 bookings, 85% occupancy, and revenue of ₹1,05,000. But now, looking ahead at January and February, the calendar showed only four confirmed bookings. The pilgrim season was winding down, and with it, his income stream.

"Doctor, your 3 PM patient is here," his receptionist called out.

He closed the app but couldn't close his mind to the decision weighing on him. After one year of operating the family stay through MakeMyTrip, the platform had delivered customers he could never have reached independently. But at what cost? The 25% commission was eating into already thin margins. During lean months, he sometimes wondered if traditional rental would have been simpler, if less lucrative.

His phone buzzed. A notification: "New booking for January 15-16. Revenue: ₹3,000. Your earnings: ₹2,250 (after commission)."

Another satisfied customer. Another 25% to MakeMyTrip. The same questions returned: Should he continue exclusively with the platform? Expand to Airbnb and Booking.com? Or invest in building his own direct booking system?

What should Dr. Prashanth do?

Dr. Prashanth Reddy: The Entrepreneur

Dr. Prashanth Reddy, 42, was not a typical hospitality entrepreneur. A successful orthopedic surgeon, he owned a mid-sized specialty hospital in Tirupati, a temple city in Andhra Pradesh, India. His primary profession was medicine, not room rentals. Yet, like many property owners in India's booming real estate market, he found himself with an asset that was both valuable and underutilized.

After completing his medical degree from a premier institution in Bangalore, Dr. Prashanth had returned to his hometown to establish his practice. Over fifteen years, he built a reputable hospital and invested his savings wisely in real estate. One such investment was a spacious 2BHK independent home in Vidyut Nagar, a quiet residential neighborhood about 5-6 kilometers from the Tirupati bus stand.

The property had served as his family home for several years. However, when his children's education required the family to spend more time in Bangalore, the Tirupati house sat increasingly vacant. His wife, Lakshmi, a school teacher, had relocated with their two children—a daughter in Class 10 and a son in Class 7—to Bangalore for better educational opportunities. Dr. Prashanth divided his time between the two cities, but the Tirupati home remained empty for 20-25 days each month.

"Why are we paying ₹8,000 per month in maintenance, electricity base charges, and property tax for a house we barely use?" Lakshmi had asked one evening during a family video call. "We should either rent it out or sell it."

Selling seemed too final. The property had appreciated significantly—from ₹45 lakhs when purchased in 2015 to an estimated ₹75 lakhs in 2024. Moreover, it provided a comfortable base whenever Dr. Prashanth visited Tirupati for his hospital duties, which he did 10-12 days per month. Traditional rental to a family also had its challenges: finding reliable tenants, dealing with maintenance issues, and losing the flexibility to use the property when needed.

That's when Dr. Prashanth noticed the surge in Airbnb and MakeMyTrip listings in Tirupati. Colleagues mentioned running successful home-stays during peak pilgrimage seasons. The idea intrigued him. Could he monetize the property without losing access to it?

He was methodical in his approach, as befitted a medical professional. He researched platform economics, studied customer reviews of similar properties, calculated potential revenue, and assessed the time investment required. His medical practice would remain his primary focus; this needed to be a largely passive income stream.

"I'm not trying to build a hotel empire," he told his wife. "But if we can earn ₹30,000-40,000 per month on average while keeping the option to use our home, it's better than leaving it vacant or dealing with tenant issues."

Lakshmi agreed. They had savings, weren't desperate for income, but saw it as a smart way to optimize an underused asset. Dr. Prashanth wasn't chasing wealth—he was solving a practical problem while keeping his options open.

Tirupati: The Temple City

Tirupati, located in the southeastern state of Andhra Pradesh, is one of India's most significant religious destinations. At its heart lies the Tirumala Venkateswara Temple, perched atop the Tirumala Hills, dedicated to Lord Venkateswara, an incarnation of Vishnu. The temple is not just a spiritual center—it is an economic powerhouse.

With 60-80 million pilgrims visiting annually, the Tirumala temple is the world's most-visited religious site,

surpassing even Vatican City and Mecca in terms of footfall. The Tirumala Tirupati Devasthanam (TTD), which manages the temple, generates annual revenues exceeding ₹3,000 crores, making it one of the richest religious institutions globally.

For pilgrims, the journey to Tirupati is often a once-in-a-lifetime spiritual experience. Families travel from across India and the world to seek the deity's blessings. The religious significance creates a steady, year-round demand for accommodation, though the intensity varies dramatically by season.

****Peak Seasons:****

The pilgrimage calendar dictates Tirupati's economic rhythm:

1. ****Brahmotsavam (September):**** The nine-day annual festival draws 500,000-700,000 pilgrims daily. Hotels charge premium rates, and every room is full.
2. ****Vaikunta Ekadasi (December-January):**** Another major festival that attracts massive crowds over a 10-day period.
3. ****Summer Holidays (April-May):**** Families from South India visit during school vacations, creating sustained high demand.
4. ****Weekends and Auspicious Days:**** Regular weekly surges, especially during favorable astrological periods.

****Off-Peak Seasons:****

The monsoon months (July-August) and the post-New Year period (mid-January to March) see significantly lower footfall. Business travelers avoid the area, and only truly devout pilgrims make the journey during heavy rains.

****Accommodation Landscape:****

Tirupati's accommodation market is diverse:

- ****TTD Guesthouses:**** Government-run, affordable dormitories and rooms (₹50-₹500 per night). Always in high demand, require advance booking.
- ****Budget Hotels:**** Clustered near the bus stand and railway station (₹800-₹1,500 per night). Often cramped, noisy, with varying hygiene standards.
- ****Mid-Range Hotels:**** Modern hotels with basic amenities (₹2,000-₹3,500 per night). Target middle-class pilgrims seeking comfort.
- ****Luxury Hotels:**** International and domestic chains (₹5,000-₹15,000 per night). Cater to affluent devotees and business travelers.
- ****Dharmashalas:**** Charitable lodges offering free or minimal-cost accommodation. Often basic facilities.
- ****Home-Stays:**** Emerging segment, offering residential properties to families seeking privacy and a "home away from home" experience.

****The Market Gap:****

Dr. Prashanth identified a specific gap: families with children and elderly members who wanted cleanliness, space, and peace but couldn't afford luxury hotels. They found budget hotels too cramped and noisy, with questionable hygiene. Dharmashalas were too basic. TTD guesthouses were ideal but nearly impossible to book during peak seasons.

A home-stay offered a middle path—comfort at reasonable prices, in a residential area away from the chaotic temple vicinity. Vidyut Nagar, being 5-6 km from the bus stand (and about 20 km from the temple atop Tirumala Hills), provided the tranquility these families sought.

The Property: Prashanth Family Stay

Dr. Prashanth's home was well-suited for conversion into a family stay. The 1,200 square-foot independent house featured:

****Physical Infrastructure:****

- Two spacious bedrooms with king-size beds, each with attached bathrooms
- Large living room with comfortable sofa seating (accommodating 6-8 people)
- Fully equipped kitchen (though guests typically didn't use it)
- Private parking space for one vehicle
- Small garden area at the entrance

****Amenities:****

- 24-hour hot water supply (solar + electric backup)
- Air conditioning in both bedrooms
- High-speed WiFi (100 Mbps fiber connection)
- 43-inch Smart TV in the living room with streaming services
- Water purifier
- Inverter backup for power outages
- Fresh linen and towels
- Basic toiletries (soap, shampoo, toothpaste)

****Location Advantages:****

- Quiet residential neighborhood, minimal traffic noise
- Walking distance to local shops, medical stores, and restaurants
- Safe area, well-lit streets
- Easy access to main roads connecting to Tirupati bus stand and temple routes

****Location Challenges:****

- 5-6 km from Tirupati bus stand (₹150-200 auto-rickshaw fare)
- 20 km from Tirumala temple (₹300-400 taxi fare one way)
- Not walkable to major tourist areas
- Guests needed pre-arranged transport for temple visits

****Capacity:****

The property could comfortably accommodate:

- Standard: 4 adults
- Maximum: 6 people (4 adults + 2 children, with extra mattress in living room)

****Unique Selling Proposition:****

Unlike hotels, Prashanth Family Stay offered a residential experience. Guests had access to the entire house (except one locked store room). They could cook if desired, spread out their luggage, let children play freely, and maintain their family routines. For multi-generational pilgrim groups (grandparents, parents, children), this flexibility was invaluable.

The property was meticulously maintained. Dr. Prashanth hired a professional housekeeping service to clean thoroughly after each checkout. Bed linen and towels were laundered professionally. The house was inspected before each guest arrival.

"When people come to seek God's blessings, they should return home with good memories, not complaints about dirty bathrooms or broken amenities," Dr. Prashanth often said. This philosophy of maintaining medical-grade cleanliness became his competitive advantage.

Exhibits

Prashanth Family Stay: Navigating Platform-Based Business Models

Exhibit 1: Monthly Revenue and Occupancy Analysis (Year 1)

Month	Nights Booked	Occupancy %	Avg Rate (₹)	Gross Revenue (₹)	Net Revenue (₹)
Apr 2024	22	71%	3,000	66,000	49,500
May 2024	26	84%	3,200	83,200	62,400
Jun 2024	12	40%	2,500	30,000	22,500
Jul 2024	8	26%	2,000	16,000	12,000
Aug 2024	10	32%	2,200	22,000	16,500
Sep 2024	28	93%	4,000	1,12,000	84,000
Oct 2024	16	52%	2,800	44,800	33,600
Nov 2024	18	60%	3,500	63,000	47,250
Dec 2024	25	81%	4,000	1,00,000	75,000
Jan 2025	5	16%	1,800	9,000	6,750
Feb 2025	6	21%	1,500	9,000	6,750
Mar 2025	4	13%	1,500	6,000	4,500
Total/Average	180	49%	2,778 avg	5,40,000	4,05,000

Note: Net Revenue = Gross Revenue minus 25% MakeMyTrip commission. Occupancy calculated based on 30/31 days per month.

Exhibit 2: Annual Cost Structure

Cost Category	Amount (₹)	Percentage of Total
Fixed Costs		
Property maintenance	60,000	18.2%
Utilities (base charges)	12,000	3.6%
Internet	12,000	3.6%
Property tax	6,000	1.8%
Insurance	6,000	1.8%
Variable Costs		
Housekeeping	90,000	27.3%
Utilities (actual usage)	54,000	16.4%
Toiletries and consumables	36,000	10.9%
Laundry and linens	54,000	16.4%

Total Annual Costs: ₹3,30,000

Net Profit (Revenue ₹4,05,000 - Costs ₹3,30,000): ₹75,000

Exhibit 3: Sample Customer Reviews

5/5 - Ramesh Kumar, Bangalore, September 2024

Excellent property for families visiting Tirupati. Very clean and well-maintained. The location is peaceful, away from the chaos of the temple area. Dr. Prashanth was very helpful in providing local information about temple timings and transport options. Kitchen was functional and we could prepare simple meals. Would definitely recommend and stay again.

5/5 - Lakshmi Devi, Hyderabad, December 2024

This was our third stay at Prashanth Family Stay. We keep coming back because it feels like home. The beds are comfortable, hot water works perfectly, and everything is spotlessly clean. Perfect for families with elderly members who need rest after darshan. Good value for money.

4/5 - Suresh Reddy, Chennai, May 2024

Great property with all amenities. Kids loved the space and balcony. Only issue is distance from temple - about 20km, so auto charges add up. But if you have your own vehicle, this is perfect. Very peaceful area and host was responsive to all queries.

5/5 - Anjali Sharma, Pune, November 2024

Wonderful stay! The property exceeded our expectations. Much better than hotels at this price point. Spacious, clean, and the host provided detailed instructions for everything. Parking was convenient. Small suggestion: breakfast option would be helpful for families traveling with children.

4/5 - Venkat Rao, Vijayawada, August 2024

Good property in quiet residential area. Comfortable beds and good amenities. Location is far from temple but that is the trade-off for peace and space. Host was helpful. Value for money is decent. One improvement area: better directions would help as the area is not well-known to outsiders.

Overall Rating: 4.8/5.0 based on 72 reviews

Category Ratings: Cleanliness 4.9/5 | Value 4.7/5 | Location 4.5/5 | Host 4.9/5 | Amenities 4.8/5

Exhibit 4: Competitive Landscape on MakeMyTrip (Tirupati)

Analysis of similar properties in the ₹2,000-4,000 price range on MakeMyTrip (as of December 2024):

Property Type	Number Listed	Avg Rating	Avg Price Peak	Avg Price Off-Peak
Home-stays	142	4.3	₹3,200	₹1,800
Budget Hotels	89	3.9	₹3,500	₹2,000
Service Apartments	34	4.5	₹4,500	₹2,500
Guest Houses	67	3.8	₹2,800	₹1,500
Prashanth Family Stay	1	4.8	₹4,000	₹1,800

Key Observations:

- Home-stay market has grown 60% in past year (89 to 142 properties)
- Prashanth Family Stay rates above category average with higher rating
- Increasing competition putting pressure on pricing, especially off-peak
- Quality differentiation (4.8 vs 4.3 avg) helps command premium
- New properties entering with aggressive promotional pricing

Exhibit 5: Online Travel Platform Commission Comparison

Platform	Commission Rate	Additional Benefits	Customer Segment
MakeMyTrip	20-25%	Large customer base, payment gateway, 24/7 support	Domestic religious tourists
Airbnb	15-18%	International visibility, host insurance, flexible policies	Younger, international travelers
Booking.com	15-18%	Global reach, business traveler access	Mixed domestic/international
Goibibo	18-22%	Integration with Ola, loyalty points	Budget-conscious domestic
OYO	25-30%	Brand standardization, guaranteed bookings	Value seekers, last-minute

Note: Commission rates vary based on property type, location, and negotiated agreements. Rates shown are typical for home-stay properties.

Exhibit 6: Investment Analysis for Direct Marketing Option

Estimated costs and break-even analysis for building direct booking capability:

Component	One-time Cost (₹)	Annual Recurring (₹)
Website development	40,000	-
Professional photography (additional)	8,000	-
Payment gateway integration	12,000	15,000
Domain and hosting	3,000	5,000
Google Ads (6 months trial)	-	1,20,000
Social media marketing	-	30,000
SEO services	-	40,000
Email marketing tools	-	8,000
Total	63,000	2,18,000

Break-even Analysis:

Current commission cost: ₹1,35,000 annually (25% of ₹5,40,000 gross revenue)

Direct marketing investment: ₹63,000 one-time + ₹2,18,000 annually = ₹2,81,000 in Year 1

Commission saved per direct booking: 25% of average ₹2,500 = ₹625

Direct bookings needed to break-even in Year 1: 450 bookings (2.5x current volume)

Realistic scenario (20% conversion of current customers): 36 direct bookings = ₹22,500 saved vs ₹2,81,000 cost

Conclusion

Direct marketing investment not economically viable at current scale unless conversion rates exceed 40-50% and customer lifetime value significantly improves through repeat bookings.

Exhibit 7: Tirupati Annual Pilgrim Footfall Pattern

Approximate monthly distribution of pilgrims visiting Tirumala Venkateswara Temple:

Month	Estimated Pilgrims	Season Type	Key Events/Factors
January	5.5 million	Shoulder	Post-Vaikunta Ekadasi decline
February	4.2 million	Off-Peak	Lowest annual footfall
March	4.8 million	Off-Peak	Beginning of summer increase
April	7.2 million	Peak	School summer holidays begin
May	8.1 million	Peak	Peak summer season
June	5.9 million	Shoulder	Pre-monsoon decline
July	4.5 million	Off-Peak	Monsoon season
August	4.9 million	Off-Peak	Heavy rains deter pilgrims
September	9.3 million	Peak	Brahmotsavam festival
October	6.8 million	Shoulder	Post-festival period
November	7.5 million	Peak	Festival season begins
December	8.8 million	Peak	Vaikunta Ekadasi

Total Annual Footfall: Approximately 77.5 million pilgrims

Peak Months (Apr-May, Sep, Nov-Dec): 51% of annual footfall

Off-Peak Months (Feb-Mar, Jul-Aug): 24% of annual footfall

Source: Estimated based on Tirumala Tirupati Devasthanam (TTD) reports and industry data