VAYK

VR

360° virtual tours for hotels

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<u>Problem Statement:</u>

Hotel chains and resorts have difficulty properly advertising what they offer to consumers before they actually visit the locations. This is due to the lack of a proper way to advertise the rooms that customers will be staying in and showcase the location's charm. Often times someone travelling for business or on a vacation won't know what they're getting into before the trip, and this can cause them to be hesitant to spend money on the room that they're staying in.

Hotels currently advertise the way that they have for a long time; brochures and advertisements that don't show much and can leave consumers wondering about the room and location, skeptical that they aren't getting to see everything when the hotels are selecting just a small amount of information to showcase. Current use of graphics and dimensions for rooms only show the basic layout, but don't give much of an idea of the luxury that the hotel can offer. When someone is spending a lot of money on a vacation, they want to know that they're getting a room that has everything they want and need for their stay.

With current methods it's difficult to show the consumer that you have absolutely everything included, and they won't want to make a decision until they see it with their own eyes. Pictures and video clips from around resorts can show a little, but don't give an in-depth and thorough experience of the location to consumers, leaving them to worry and wonder about where to stay and what they're getting into when they spend money at a hotel. The problem that hotels have is that there isn't currently a way to set the consumer's mind at ease and show them exactly what the hotel is like before they go there.

Potential Solutions:

With the emergence of the internet, the hotel industry found that they had to implement their brochures into a web format. Hotels focused on showcasing their rooms and bars through photos and sometimes video clips. These photos do well to show how their rooms look, but they do not give a good idea of the spatial representation of each room. Photos are limited by a single perspective; although it is possible to shoot multiple photos of a single room, it can be difficult to truly get the scale and size of the room without taking a tour at the hotel itself.

May I present to you VayK VR, a 360° virtual tour company. Our goal is to create virtual tours of a hotel's rooms and select areas all in a 360° interactive experience. This implementation will allow for users to look at a photo or video of a room/area in 360° around a single point. Not only will our tours will be accessible via the web, but they will also be accessible through our own mobile app where we will showcase all the hotels who have used our tour services. In addition to 360° tours, VayK VR also provides a "WindowView" service that can show the view a person can have outside the window of each room.

Although virtual tours aim to be our main industry, VayK VR wants to expand on the hotel experience by connecting consumers with the local services and establishments around the hotel area. It is through these local advertisements that VayK VR can help local services and establishments gain more customers. This local support will propel VayK VR into larger markets and eventually to more revenue.

Marketing Strategies:

The main method that we are planning to use to reach hotels that we wish to provide our service to is targeted advertising through social media and directly contacting hotel chains to show what our service can offer. We will market mainly towards hotels that attract higher income groups and business travelers, using our unique service to give these hotels an advantage in attracting customers that are high income and like using technology to make things more convenient.

We will also be marketing our product towards local advertisers, restaurants and other places that hotel customers will be interested in visiting. We will target these potential sources of income to advertise on our product and be featured to travelers that are going to be staying in the general vicinity of the businesses. We will use the internet to find local luxury businesses and target them directly with email to gain their interest in advertising on our product. We will also contact them via social media and other readily available channels to get in contact and start building business relationships with them.

It will also be important to market our app to the consumers, so that they will be aware of our product. We will advertise on hotel sites, and to people who have been looking for information about travelling or vacations on search engines. The app will be free, but we will use advertisements to earn income from visiting users.

Limitations and Challenges:

There will be some difficulty in getting content for the app at first, due to challenges with travelling to the hotels we intend to showcase on our app among other things. Though we can remedy this problem somewhat by using local freelancers to

take photos for us, we will still have to find someone reliable and affordable in the area, as well as supply or pay for the renting of the necessary equipment to get what we need. We can travel ourselves and send employees we know we can trust with our equipment to these locations, but the price for what quality of work is done will be one of our primary concerns.

Professional quality 360 cameras can be priced in the thousands, and the equipment needed to record is only one part of what is needed to finish our product. We will need employees to code the virtual experience that our app offers, and we will have to pay for advertising to hotels that we want to include in our app. Hotels may not realise the utility of our product at first, so we will market towards more high tech areas that innovate and already use newer methods to offer convenience to consumers. Getting in contact with and grabbing the attention of hotels and local advertisers will be difficult regardless of the situation, so we must be vigilant in marketing our product.

Using new tech and unique ideas will always be difficult at first, many people will be hesitant to test out our product when it has a place in the market that nothing else currently fills effectively. Some people will be set in their ways and already know where they want to stay when they travel, and only innovators will pick up the product at first to see how useful it can be. We will have to build our app in a way that particularly interests these innovators as well as early adopters before we can make our app something for the world at large.

Competitors:

       360° virtual tours have been mainly dominated by the housing market for years now with very little thought given to the hospitality market. It is surprising to see that this market has not been explored as of yet. VayK VR is more than just a hotel booking platform. Unlike companies such as Hotels.com and Trivago, we don't want to just focus on photos and amenities. VayK VR wants to focus on immersing users into the space with virtual tours and local establishments. VayK VR is an experience, not a service.

       Many hotels such as the Driskill Hotel in Austin, try to use "fisheye" photos in order to show as much of the room as possible. Many of these photos are of great quality, but they still do not give potential buyers a true representation of their rooms. By incorporating 360° virtual tours of rooms, users can get a better idea of what they are buying and may be more likely to make a purchase. VayK VR is focused solely on the experience of the user, and although hotels are our main market, by incorporating the businesses around hotels through advertising, VayK VR hopes to improve our users' experiences.

       Invision Studio is the closest competitor to what VayK VR hopes to achieve. Like VayK VR, Invision Studio also specializes in 360° virtual tours and architectural photography. However, unlike Invision Studio, VayK VR incorporates so much more into our hotel experience. First of all, VayK VR works with local services and establishments to provide hotel customers with local entertainment choices, creating a experience beyond just the viewing of rooms. Secondly VayK VR is mobile first, meaning that unlike most 360° virtual tours that are solely web based, VayK VR's virtual tour experience can be directly accessed via our mobile app. We recognize that a majority of our customers

are travelers who primarily use a phone, and so we wanted to make our experience accessible to our main demographic.

Global Implications:

       Our ultimate goal for this service is to become global. We would begin our endeavor by starting with one or two large, more prestigious chains in order to set a precedent and introduce this technology to the higher income groups. The reason we would want to start with the elite in terms of monetary capabilities is because these are the people that have the financial means to travel, so they'll be doing so more often.

       We will also be targeting business travelers that are relying on their company's funding to accommodate them on their trips. It is important for these businessmen and women to see where they will be staying because they typically stay for a longer period of time.

       Our services won't stop at hotels however; we eventually would like for our app to partner with and move their way to different levels of hotel chains around the world and even campgrounds. By incorporating our product in campgrounds, campers will have a better idea of the site and know exactly how to prepare for the area. For example, if there is a body of water nearby, we can show exactly what it looks like. This will be beneficial for campers to see, so they know what equipment to buy; things such as fishing poles, kayaks, inner toobs, etc.

       After incorporating these services in nearby areas, we will expand throughout nearby states, then nationwide, then worldwide. This will make people more comfortable to go somewhere across the world, especially if we integrate this service in places like

hostels and airbnbs. Those will be more complicated to accomplish because those are typically privately owned, however a solution to that could be hiring a freelance 360 Videographer.

Diversity Implications:

VayK VR is targeted to a specific clientele, mostly being business travelers, but the technology has a much wider spectrum of what it can offer. Taking VR and applying it to hotels and other traveling destinations is a huge step for inclusivity, giving everyone with access to VR the ability to see from another point of view. VayK VR could eventually broaden its horizon and be utilized in other points of interest such at museums, schools, or even landmarks. Virtual reality was created as a tool to bring people closer together. Although we might not be closer in proximity, we have a virtual footprint that is placed wherever we go. Anyone with a virtual reality headset could place one on and go to somewhere completely different. The declining price of virtual reality gear will only lead to more users across the world. If someone in a developing country could have access to the same standard of education, or the same sights as someone in a developed country through a virtual headset, they could implement those practices into their own life. The implications that come from establishing virtual reality experiences throughout the country could have trickle down effects that inspire further innovation. Although you are seeing a hotel, you are really seeing the future.

Financial Projections:

Our application will not provide a product to its users but instead will provide a service. The intended businesses we plan to gain income from are hotel chains and campgrounds in the United States with plans to reach out to an international audience. Starting this application will be on smaller scale as we intend to reach out to only a few hotel chains. Starting on a more localized scale will enable us to place our focus on perfecting our idea with a familiar customer.

Since getting the attention of a large hotel chain like the above mentioned may be hard at first we will reach out to local options in select cities across the United States. Larger cities will be the first topic of business as most will be traveling to these areas either for business or pleasure. We do recognize that all of our application users do not wish to stay in the confines of a hotel, or in a city for that matter. So in order to appeal to our users that wish to be outside we will also feature camp grounds as well. Surrounding businesses will be highlighted for the application users to view. Businesses such as restaurants and car rental companies will benefit from links to their websites and ads placed intermittently through the VR tour of the hotel.

It is a goal of our company to grow while supporting the needs of our customers and application users. Once established as the "source of trip accommodation planning," we will reach out to hotels and lodging on a larger scale with the intention to gain an international customer base. According to www.worldatlas.com the two largest hotel chains are currently Wyndham Worldwide and Marriott International.

Market Analysis:

Our application will assist anyone using it to pick the right lodging for their trip, but we would like to cater it more specifically to Millennials and members of generation z (Post Millennials). These two demographics consistently use their phones throughout the day and have been known to handle the majority of their business via mobile applications. Be it paying bills, ordering food, or communicating with others These two groups are the largest and most adaptable when considering up and coming technologies.

Technology is arguably the most important part of both millennial and post millennials lives. These generations are the most mobile and tech savvy to ever exist. Smart phones have become a vital part of their day to day operations. Because of their understanding and inherent ability to learn new technologies, a Virtual Reality (VR) application will be advantageous towards their accommodation needs.

Both Millennials and Post Millennials have disposable income, however, this does not mean they want to throw their hard-earned money away. Allowing them to have and immersive view of a potential and temporary residences will permit them to research, view and ultimately make the most informed decision about their next stay based their own personal VR experience.