

Booking.com Case

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Booking.com built a strong competitive edge for themselves through creating a workplace culture that revolved around empirical testing and data. By 2017, 75% of their tech and product staff used their experimentation platform. They currently have quadrillions of landing page permutations running live simultaneously in an effort to improve and optimize customer experience. Although Booking encounters success as a company through the use of incremental improvements guided by A/B testing, their empirical approach falls short when it comes to long term solutions, and customer loyalty. Furthermore, because the company is well established as an incremental-change company, large changes such as Frisby's "Blue Screen" landing page may not be in the company's best interest. In our report we explore the benefits and risk segments of Booking's workplace experimentation culture. We also evaluate the proposed "Blue Screen" landing page test, and outline two A/B style experiments designed to combine short term performance with long term growth and trust.

Experimentation is a way of life at Booking.com. Their team mentality regarding experimentation democratizes testing, decentralizes decision making and fosters transparency, trust and shared responsibility across teams; team members enjoy the ability to test ideas quickly. Booking's data driven model also allows them to optimize customer experiences through making evidence based decisions based on customer preferences which generates incremental improvements for the company in conversion rates and long term growth, which accumulate over time. Although Booking experiences success with their model, it does have drawbacks. Their main form of testing, A/B testing, reveals how consumers behave but offers little insight into how or why they behaved the way they did, which leaves customer motivations in question. Additionally, experiments often capture short term behavior, which makes it difficult to analyze long term loyalty, and the sheer volume of concurrent experiments makes it difficult to track which results are significant. The decentralized team system occasionally leads to confusion or technical issues. Booking's culture of relying heavily on data also leaves teams uncomfortable with "thinking big," and they have difficulty with making larger decisions that can't be backed by incremental data.

Due to the fact that Booking is so reliant on incremental data, they have created a situation in which large sudden changes may not be the best course of action for the company. Frisby's proposal, which involves using a radically simplified homepage to increase awareness of their broader offerings beyond accommodations, has merit. The experiment could provide valuable insights into user behavior, such as which services attract clicks, how long visitors stay, and whether customers engage with flights, car rentals, or hotels. However, the launch is high stakes for the company. Frisby's proposal removes features that were refined through years of testing, which risks confusing returning customers. On top of the confusion risk, launching during peak Christmas season could lead to inaccurate data, and if people react negatively to the new look it could significantly drop bookings. To address these concerns, we recommend that

Gillian Tans should respond to Frisby's "Blue Screen" landing page by reshaping the experiment to be less risky. We propose delaying the launch to a low-demand season, and for the company to run qualitative research, such as usability labs and customer interviews, before fully launching the test.

The following are the 2 experimental tests we recommend running at Booking.com:

Experimental Test 1

Hypothesis Statement: We observed in user research that changing the background image for the "book your airport taxi" tab from white, to a higher contrast image with a plane in the background, would increase clicks to the tab due to better aesthetics and clearer branding.

Control Group: People who will see the default background

Treatment Group: People who will see the new background

Independent Variable: New background with higher contrast

Dependent Variable: Airport taxi bookings per day (bpd)

Other Important variables: Bounce rate, Exit rate, Average time on page, Page load speed

Proposed Actions to the Results:

1. If bpd and CTR **significantly increase** - Accept alternate hypothesis (H_1) i.e the hypothesis statement holds true - **implement** the changes
 2. If bpd and CTR **slightly increase/does not increase/actually decreases** - Accept null hypothesis (H_0) i.e the hypothesis statement does not hold true - **do not implement**
- (Refer to **Exhibit 1** for image illustrations)

Experimental Test 2

Hypothesis Statement: We observed in user research that removing the "I'm looking for flights" for users on the 'stays page' will make the website more comprehensible to the customers improving overall customer satisfaction and bookings as there already exists a dedicated page for flights - the additional flight button will potentially reduce booking for stays.

Control Group: People who will see the default page

Treatment Group: People who will see the new page without the button

Independent Variable: Removal of 'I'm looking for flights' button

Dependent Variable: Stays bookings per day

Other Important variables: Consumer Experience, Conversion Rate, Page load speed

Proposed Actions to the Results:

1. If stays bpd **significantly increases** - Accept alternate hypothesis (H_1) i.e the hypothesis statement holds true - **implement** the changes
 2. If stays bpd **increases slightly/does not increase/actually decreases** - Accept null hypothesis (H_0) i.e the hypothesis statement does not hold true - **do not implement**
- (Refer to **Exhibit 2** for image illustrations)

References

Exhibit 1 (Experimental Idea #1 - image illustration)

Before:

Book your airport taxi

Easy airport transfers to and from your accommodation

☒ One-way ☐ Return

Enter pick-up location	↔	Enter destination	📅 Sun 31, Aug, 12:00	📅 Add a return	👤 2	🔍 Search
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After:

Book your airport taxi

Easy airport transfers to and from your accommodation ☒ One-way ☐ Return

Enter pick-up location	↔	Enter destination	📅 Sun 31, Aug, 12:00	📅 Add a return	👤 2	🔍 Search
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Exhibit 2 (Experimental Idea #2 - image illustration)

Before:

Booking.com

USD 🇺🇸 ⓘ List your property Register Sign in

🏠 Stays ✈ Flights 🏠 Flight + Hotel 🚗 Car rental 🚢 Cruises 🎡 Activities 🚏 Airport taxis

Meet the card that travels with you

Earn 5% in Travel Credits on Booking.com with the Genius Rewards Visa®. Terms apply.

[Learn more](#)

🏠 San Francisco

✕

📅 Check-in date — Check-out date

👤 2 adults · 0 children · 1 room

🔍 Search

☐ I'm looking for an entire home or apartment ☐ I'm looking for flights

After:

Booking.com

USD 🇺🇸 ⓘ List your property Register Sign in

🏠 Stays ✈ Flights 🏠 Flight + Hotel + 🚗 Car rental 🚢 Cruises 🎡 Activities 🚏 Airport taxis

Meet the card that travels with you

Earn 5% in Travel Credits on Booking.com with the Genius Rewards Visa®. Terms apply.

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🏠 San Francisco

✕

📅 Check-in date — Check-out date

👤 2 adults · 0 children · 1 room

🔍 Search

Reflection

As a group, we decided not to rely on the use of large language models as part of our process for completing this assignment. Instead, we individually read the case, and then got together as a group to discuss and create a document with our thoughts and potential answers to each question. We created bullet point lists with citations, thoughts, and observations and discussed which points we thought were most important to include in our final writeup. We also looked at the website together and discussed which aspects we liked or didn't like. Sparsh created images for our proposed A/B testing based on what we collectively decided were potentially incremental improvements that could be made about the website. Once we collected all the information we needed, and were on the same page, we divvied up the work of writing the final document & everyone was involved in the final review & edits. We did not use any other information sources; the entire writeup was made through the case by Mr. Stefan Thomke and Daniela Beyer, and reference to booking.com's current website.

Strengths of our Approach:

- Active participation from all group members through discussion & collaborative decision making enhanced our team-work skills; a skill highly valued in today's market.
- Information sharing & Individual Understanding- We learned about the case through insights from each other as well as through reading it independently
- Creation of visual mockups to bring our ideas to life ourselves helped us understand our experiments more deeply rather than getting an AI to generate it

Limitations of our Approach:

- Lack of external perspectives or additional research limited us to the way that the authors chose to frame the case, and our review of the website as it is today
- Quality - By abstaining from the usage of AI we reduced quality of our research which could've been better
- We had some communication errors with one of our members

Summary & what we learnt from the process:

Throughout the process we learnt how important working in a team is - through our collaborative effort we were able to refine our ideas and essentially run them through a filter and extract the best information. We are generally opposed to usage of AI but we recognize we could've improved the quality of our work through it. (Although, we did think the extensive citations necessary would have slowed us down, so it had its pros and cons). We also learnt how important it is to always complete work as soon as possible - We had set the goal of completing our case by Sunday in order to send it Monday morning but due to the multiple quality reviews and changes we made later on - we ended up also occupying Monday. That just goes to show there are no instances where you'll have enough time - it is always best to complete your work as soon as possible when it is assigned to account for the contingencies or unforeseen situations that may arise.