ONLINE BUS BOOKING SERVICE IN INDIA: A STUDY ON REDBUS COMPANY

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ABSTRACT

The bus travel industry is not recognised as one of the commercial industries in India. Past half decade, many changes have been taking place into this field. Online bus ticketing or e-ticketing is one of the major innovations in the bus travel industry. Many new companies have emerged in the online bus ticketing sector. redBus is India's largest online bus ticketing company. redBus has revolutionized bus ticketing industry in India. redBus sells seats directly to the customers/passengers via its website. The company has about 75000 point of sale outlets all over the country. The present study is aimed to identify the online bus ticketing industry scenario in the country along with highlighting the redBus Company. It is also aimed to study the passengers' perception towards redBus service. The samples are drawn from the Hyderabad city using convenience sampling technique. As per the results, 'Availability of seats' is a key a motivating factor towards redBus service and there is a co-relation between income level of the passengers and the use of online booking services.*

KEYWORDS: *Online Bus Ticketing, redBus Company, passenger, motivating factors.*

INTRODUCTION

Booking of bus tickets in India is quite simple in these days. Just a few clicks on the internet through mobile are enough to purchase the bus tickets. redBus is India's largest online bus ticketing company. redBus has revolutionized bus ticketing industry in India. redBus sells seats directly to the customers/passengers via its website. The company has about 75000 point of sale outlets all over the country. The company has launched in August 2006 with two bus operators and a daily inventory of 10 seats covering two routes. It has a network more than 700 operators and a daily inventory of 500000 seats across 2500 cities in 15 states in India. redBus also offers the added convenience of home ticket delivery and even accepts payment against delivery. redBus provides bus travellers, the most uncomplicated and hassle-free booking experience ever. redBus is an online platform that allows users to book for bus tickets. redBus is a private company and which is a subsidiary company ibibo web pvt. Ltd. since June 2013. redBus's latest funding round was a series C for $ 6.5 million on may 2011. Phanindra who is a CEO & his team scaled redBus to a level where its revenue is above $12 million. Presently, it is considered to be one of the fastest growing Indian web start-up

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INDIAN BUS TRAVEL INDUSTY

The bus travel industry in India is unorganized and highly fragmented. It is a 120[1] billion annual turnover industry with a growth rate of 25% per year. This industry is growing phenomenally in India, being one of the most preferred modes of transport for millions of Indians. There are around 2000 private bus operators which function with almost 20000 buses on point to point routes. In the Indian bus travel industry, most of the private players were regional players and did not have a pan India presence and therefore there was a lack of a centralized platform for organized scale of operations. The market for online car rentals and bus reservations business was anticipated to arrive at $150 million in the year 2011 as per Applied Travel Intelligence. The two carriage categories when it comes to Indian bus travel industry operations are contract carriages and stage carriages. The contract carriages are usually long distances from city to city with less number of stop points whereas stage carriers are comparatively short distances with several stop points. The contract carriage industry in India is fragmented, with more than 65% of the bus operators possessing over less than 20 buses each. Despite of growth of online ticket reservations in India through renowned players like makemytrip.com (airline) and IRCTC.com (train), there was a reasonably slow growth when it came to online bus reservations. The role of IT in revenue management is prominently discussed by many researchers. The reasons for this slow growth could be attributed to several reasons like the unwillingness of the majority of the Indian population to book their bus tickets online, low internet penetration and more than that, the unavailability of a proper online platform to book their bus tickets.

REVIEW OF LITERATURE

Dr. Chaya Bagrecha and Sadiq Alam (2015)[1] the authors suggested that the online booking companies have to provide the service should be provided as per the desire of the passengers and the companies have to maintain the secrecy in respect of passengers personnel information. It is also suggested that the refund must be done as per the period mentioned on the websites. **Sujo Thomas, Bharthi Pathak (2014)[2]** the author concluded that redbus has a volume driven business and it plans to expand further into the Indian market by opening regional offices to serve the customers better. The current strategy followed by redbus is to aggregate bus tickets by any means close at hand and later delivering to the consumers through any channel that is accessible by them. redbus has to put forward a growth model in existence which would provide a sustainable growth in the long term. redBus owners have a challenge that maintaining strong relationship with bus operators and gaining the trust of new operators/agents was a challenge right from the inception. **R. Ramya (2015)[3]** undertook the project entitled "customer satisfaction on online bus ticket booking" with an objective to analyze and evaluate the level of customer satisfaction. The main aim of this study was to find out the level of customer satisfaction towards online reservation of bus tickets. The sample size is of 110 respondents. The study revealed that socio-economic factors like age, educational qualification, occupation, monthly income earnings of the family have direct impact on the level of customer satisfaction of the customers in relation to online reservation of bus tickets. **Sulaiman, A., Ng, J., &Mohezar, S.(2008)[4]** in their research paper entitled "E-ticketing as a new way of buying tickets" try to focus on the motivational factors that influence online buying. According to I.A.M.A.I., India has a big pool of techno savvy population that is not only browsing the internet but also purchasing products that are available online. Using internet as a medium to attract the customers and sell products or services is the basic concept of online marketing. This paper theoretically attempts to connect critical motivational factors that influence online buying. It was found in the study that the motivational factors do not have significant difference between men and women.

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[1] "The Growth of Online Bus Ticketing Industry: redBus Route to Success in the Indian Market", International Journal of Business and Management; Vol. 9, No. 11; 2014.

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NEED FOR THE STUDY

Online bus ticketing or e-ticketing is one of the major innovations in the bus travel industry. Past two years, many new companies have been emerging into the online bus ticketing sector. redbus is India's largest online bus ticketing company. redbus has revolutionized bus ticketing industry in India. redBus sells seats directly to the customers/passengers via its website. The company has about 75000 point of sale outlets all over the country. Therefore there is a need to identify the passenger's perception towards online bus ticketing service provided by redBus Company and it should be an aid to the redBus company for the acceleration of the present service.

SCOPE OF THE STUDY

The scope of the present study is restricted to overview the Indian bus travel industry. It also extended to identify the passengers perception towards redBus online bus booking service and the samples are drawn from Hyderabad city only.

OBJECTIVS OF THE STUDY

- To study the bus travel industry scenario in India.
- To study the demographic profile of the redBus customers
- To identify the customers perception towards redBus online bus booking service.

HYPOTHESES

- H_{01}: There is no significant mean difference between distance of Journey and use of online booking through redBus.
- H_{02}: There is no co-relation difference between income of the customers and use of online booking through redBus.
- H_{03}: There is no significant mean difference between male and female in respect of satisfaction on redBus overall services.

RESEARCH METHODOLOGY

The present study is based on both primary and secondary data. The secondary data is collected from various published journals and the official website of redBus company whereas the primary data is collected directly from the passengers who booked the bus tickets through redBus.in. The primary data is collected by structured closed ended questionnaire form the passengers who opted the pickup point in LB Nagar bus stop in Hyderabad city, Telangana state. As unknown population, the study used 'convenience sampling' technique to select the sample respondents and the sample size is 100 passengers. The primary data has tested using various statistical tools like mean, standard deviation, T test, ANOVA, Garrett Ranking method and Co-relation to get the results in a scientific way.

DATA ANALYSIS

A. Demographic Profile of the respondents

Table-1 shows the demographic results of the selects respondents who used the 'redbus' online booking service from Hyderabad city to various places. It is observed that male passengers were 62% and 38% female passengers. Majority of the passengers were comes under the age group of 21-30 years (51%) followed by 31-40 years (35%). It is observed that almost all the 'redBus' customers were the educated with graduation and post graduation qualification.

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Table 1: Demographic Results

Variable	Category	Frequency	Percentage (%)
Gender	Male	62	62 %
	Female	38	38 %
	Total	**100**	**100**
Age	Up to 20 years	06	6 %
	21-30 years	51	51%
	31-40 years	35	35%
	41-50 years	6	6%
	51-60 years	2	2%
	Total	**100**	**100.0%**
Education	Un Educated	0	0%
	Below 10th class	0	0%
	Intermediate	4	4%
	Graduation	47	47%
	Post Graduation	49	49%
	Total	**100**	**100.0%**
Occupation	Software/Private job	55	55%
	Teacher/Lower	2	2%
	Government job	6	6%
	Business	10	10%
	Other	27	27%%
	Total	**100**	**100.0%**
Income	Up to 20000 pm	8	8%
	Rs.21000-31000	42	42%
	Rs.31000-40000	41	41%
	Rs.41000-50000	8	8%
	Above Rs. 50000	1	1%
	Total	**100**	**100.0%**
Marital Status	Married	59	59%
	Un married	41	41%
	Total	**100**	**100.0%**
Accompanying persons	Family	62	62%
	Friends	8	8%
	Individual	21	21%
	Others	9	9%
	Total	**100**	**100.0%**
Distance of Journey	Up to 100 km	**0**	**0%**
	101-200 km	**21**	**34%**
	201-300 km	**38**	**38%**
	More than 300 km	**41**	**41%**
	Total	**100**	**100%**

Source: Primary Data

➢ It is identified that majority of the redBus customers were 'software/private' 55% job holders employed in Hyderabad city followed by 'others' (27%). The other category includes students, house wife, etc.

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➤ It is observed that majority of the redBus customers were middle and upper middle class persons with Rs. 20000-40000 per month income (83%).
➤ It is observed that out of 100 respondents, 59% male respondents whereas 41% female respondents.
➤ It is observed that the passengers who want to travel with family (62%) used the redBus online booking service.
➤ It is also observed that the passengers whose journey distance is high, they preferred redBus online booking service.
➤ It is identified that majority of the passengers were preferred to travel along with their family (62%).

B. Motivating factor towards redBus

The study used the Garrett Ranking method to give the ranks for the identified motivating factors. The method is based on the following formula.

Percent position = $\dfrac{100 (Rij - 0.5)}{Nj}$

Where
Rij = Rank given for the ith variable by jth respondents
Nj = Number of variable ranked by jth respondents

Table-2 narrates the customers motivating factor towards redBus online booking service. It is found that the 'Seats Availability' is the major motivating factor among the customers. It is identified that the redBus customers were preferred the online booking because of the company providing more seats available to the customers. According to the results, 'availability of seats' is given 1nd rank followed by 'availability of more operators' 2rd rank, 'easy process' 3th rank, 'comparison' 4th rank, 'discount' 5th rank and 'free booking' is 6th rank. Therefore it is concluded that customers are making the online line bookings for the availability of seats.

Table 2: Motivating Factor towards "redBus" Online Booking Service

Motivating Factor	I	II	III	IV	V	VI	Total Score	N	Mean	Rank
Free Booking	154	256	605	966	777	943	3701	100	37.01	6th
Easy Process	2156	512	440	966	407	552	5033	100	50.33	3rd
More Operators	2079	1600	990	506	629	46	5850	100	58.5	2nd
Comparison of Price & Ratings	847	1088	770	966	592	483	4746	100	47.46	4th
Discount by Operators	1617	896	45	1104	29	322	4013	100	40.13	5th
Seats Availability	6006	128	605	414	0	0	7153	100	71.53	1st

Source: Primary Data

C. Distance and Use of online Booking

Table-3 depicts the significant mean difference between the distance of Journey and use of online booking through redBus. The formulated hypothesis and the results of the 'ANOVA' test are given below.

H_{01}: There is no significant mean difference between distance of the Journey and use of online booking through redBus.

Based on the nature of the data, the study used ANOVA test. According to the results, the calculated p value is 0.000 which is less than the standard value 0.05 at 5% level of significant. Hence, the null

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hypothesis is rejected and it is concluded that there is a significant mean difference between distance of the Journey and online booking through redBus.

Table 3: ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	104.501	3	34.834	33.950	.000
Within Groups	98.499	96	1.026		
Total	203.000	99			

Source: Primary Data

D. Income and Use of online Booking

Table-4 shows the co-relation between the customer's income levels and use of online booking service. The formulated hypothesis and its results are given below.

H_{02}: There is no co-relation difference between income of the customers and use of online booking through redBus.

Based on the nature of the data, the study used Co-relation test. According to the results, the calculated p value is 0.000 which is less than the standard value 0.01. Hence, the null hypothesis is rejected and it is concluded that there is a positive co-relation between income of the customers and use of online booking service.

Table 4: Correlations

		Income	Online booking through redBus
Income	Pearson Correlation	1	.412**
	Sig. (2-tailed)		.000
	N	100	100
Online booking through redBus	Pearson Correlation	.412**	1
	Sig. (2-tailed)	.000	
	N	100	100
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: Primary Data

E. Satisfaction on overall service of redBus services

Table 5 and 6 show the significant mean difference between male and female in respect of satisfaction on redBus overall services. The formulated hypothesis and its results are given below.

H_{03}: There is no significant mean difference between male and female respondents in respect of satisfaction on redBus overall services.

Based on the nature of the data, the study used Independent Sample 't' test. According to the results, the calculated p value is 0.02 which is less than the standard value 0.05 at 5% level of significant. Hence, the null hypothesis is rejected and it is concluded that there is a significant mean difference between male and female customers in respect of satisfaction level on overall service of redBus.

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Table 5

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Overall Satisfaction	Mal	46	1.8261	1.28762	.18985
	Female	54	2.5556	1.05806	.14398

Source: Primary Data

Table 6: Independent sample t-test

	F	Sig.	T	Df.	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Equal variances assumed	4.797	.031	-3.110	98	.002	.72947	.23457
Equal variances not assumed			-3.061	87.169	.003	.72947	.23457

Source: Primary Data

FINDINGS, CONCLUSIONS AND SUGGESTIONS

❖ The study found that the 'availability of seats' is given 1nd rank followed by 'availability of more operators' 2rd rank, 'easy process' 3th rank, 'comparison' 4th rank, 'discount' 5th rank and 'free booking' is 6th rank. Therefore it is concluded that customers are making the online line bookings for the availability of seats. Hence, it is suggested that the online booking companies have to focus on available of more seats.

❖ The study identified that that there is a significant mean difference between distance of the journey and online booking through redBus. The passengers whose journey is below 100 km were not interested to book the online tickets. Therefore it is concluded that the more distance of journey is affecting the online ticket booking.

❖ The study found that there is a significant co-relation between the passenger's income and booking of ticket through online. It is concluded that the passengers whose income is high, preferred the online booking.

❖ The study identified that there is a significant mean difference between male and female respondents in respect of satisfaction on redBus overall services. It is concluded that female respondents were more satisfied than male respondents. Therefore it is suggested that the company has to move fast in respect of refund of cancelled tickets among male respondents.

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