

# ONLINE TRAVEL APPLICATIONS & SURFACE TRANSPORT IN INDIA: A CRITICAL APPRAISAL

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## Abstract-

*It is being used by millions of people but the Bus traveling industry in India is highly unorganised and took really a long time to see some innovation in the organised bus traveling and Ticketing in India. Thanks to the growing Tourism and Telecom industry of India which anchored the Bus industry and took it to the new heights. This Paper tries to explore and evaluate the level of the transformation and its impact by focusing the Mobile applications for the travel ticket booking. The paper is divided in various sections and the very first section covers the nature Travellers specially bus travel industry and the various challenges faced by it in India. The second section covers the various challenges faced by the various bus ticket booking apps which covers the most of the geographic area of the Country. Also this paper examines the growth model in existence of the apps which would provide a sustainable growth in long term to the organised bus travel industry in India.*

*Key words- Organised, ticketing, Apps, Travel industry*

## Introduction

Bus industry is one of the vital integral segments of Indian automobile industry. It is a common widespread public transport in India. The industry comprises of buses that are categorised into school buses, mini buses, tourist buses, deluxe buses, commuter buses and others depending on the use. Owing to the development of infrastructure and roads, connecting to remote places has become easier due to which more and more people are availing bus services. This has greatly contributed to the growth of bus industry. The growth in this market has stimulated the manufacturers towards more innovations. New buses have been introduced that are well equipped with advanced facilities and services such as passenger information system, air-conditioners, high quality engines, air suspension and transmission systems and others. With the increase in use of such buses over the next few years, the customer base is also expected to ascend at a high rate.

With respect to increase in commuter base, even the foreign companies such as Daimler, Mercedes and Volvo are making heavy investments in this segment of automobile industry in India. New standards of luxury and comfort have been set by these companies in tourist bus segment by providing high class and advanced air conditioned buses.

The major domestic players in the Indian bus industry are Ashok Leyland, Tata Motors, Swaraj Mazda and others. Hindustan Motors Ltd is the manufacturer of most of the custom made buses and school buses in India whereas Mahindra & Mahindra Ltd. is the chief manufacturer of mini buses.

The paper covers the Indian bus industry market and is broadly segmented by Fuel type (Diesel, CNG/LPG, and others). The market is further segmented by number of axles (single axle, Multi axle), number of seats, luxury and non-luxury segment, and geography (Asia-Pacific, Europe, North America & ROW) focusing on key countries in each region.

### Objectives

- a- To investigate the factors impacting the Bus Transport Travel industry in India.
- b- To examine the elements impacting the use of the online travel booking application.

### Literature Review

**Sulaiman, A., Ng, J., & Mohezar, S. (2008)** 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 (30% of total population i.e. 375,000,000) 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.

**Vyas, P. (2014)** in his research paper entitled “**The growth of online bus ticketing industry: redBus route to success in the Indian market**” has tried to explain the reasons of the slow adaptation of the innovation in ticketing in India and how the Redbus company has anchored the way to Innovation in the ticketing field starting from the Southern Indian states and gradually becoming the top application in India to book the bus tickets which includes the tickets of the Luxury buses like Volvo and Mercedes benz and the common buses of the State transport.

**R. Ramya (2015)** 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.

Dr. Chaya Bagrecha (2016) in her paper entitled “**Challenges and Opportunities in Online Reservation of Bus Tickets**” has tried to show the challenges of the Bus Industry has faced in the Indian market and also the factors which are taking the Bus industry to new heights which include the Tourism industry of India which is making the Industry more and more advanced with adaptation of the various Innovations.

**MehediShahnewazJalil (2015)** in his paper entitled “**E-Service Innovation: A Case Study of Shohoz.com**” has tried to show how the travel companies like Shohoz.com of Bangladesh are using the e ticketing technology and serving the people along with pushing the limits to find out gaps to fill with the service. He also has given how

the Shohoz.com is delivering the Ticket on cash on delivery mode. And has explained that the challenge is there to find a new concept but having an open mind and a feeling of service providing attitude can find new ideas and innovate services in a whole new level.

### **Tourism Industry in India**

We can define the word Tourism in such a way that it is the activity of traveling done by the people from one destination to another for the purpose of Business activities, leisure , Pilgrimage etc. over the past few years this industry has seen a remarkable positive change in terms of growth in fact it is becoming the fastest growing economic sector in the world. It has become the fourth largest industry in the global economy. In developing countries the tourism sector has become one of the major sectors of the economy and is contributing to the national growth and increase in the GDP. It has created a huge amount of the employment opportunities both in the organised as well as in the unorganised sector of India and with the efforts of the Government and other agencies India is becoming one of the favourite tourist destinations of the people across the globe. Delhi, Mumbai, Chennai, Agra and Jaipur have been the five most visited cities of India by foreign tourists during the year 2015. Worldwide, Delhi is ranked at 28 by the number of foreign tourist arrivals, while Mumbai is ranked at 30, Chennai at 43, Agra at 45, Jaipur at 52 and Kolkata at 90. The number of the travellers visiting India has registered a growth of over 15 per cent in foreign tourist arrivals from January to July this year, with many opting for e-visa facility, the tourism ministry said in a statement.

The highest number of tourists arrived from Bangladesh (20.12 per cent), followed by the US (16.26 per cent), the UK (10.88 per cent) and France (3.01 per cent).

Foreign Tourist Arrivals (FTAs) from January to July, 2017, were 56.74 lakh, recording a growth of 15.7 per cent as compared to 49.03 lakh in the corresponding period last year, it said.

A total of 7.88 lakh foreign tourists arrived in India in July, an increase of 7.4 per cent as compared to the same month last year, it said.

The ministry said foreign tourists, who arrived on e-visa, also substantially increased in July.

A total of 1.19 lakh tourists came on e-visa last month as compared to 0.68 lakh in July 2016, registering a growth of 73.3 per cent. From January to July this year, a total of 8.36 lakh tourists arrived on e-visa as compared to 5.40 lakh during the corresponding period last year, recording a growth of 54.7 per cent, the statement said.

The UK's share was highest among the tourists availing e-visa facility at 12.9 per cent, followed by the US (12 per cent), the UAE (7.2 per cent), France (6.4 per cent), Oman (6.1 per cent) and China (5.4 per cent).

The World Travel & Tourism Council calculated that tourism generated ₹15.24 lakh crore (US\$230 billion) or 9.4% of the nation's GDP in 2017 and supported 41.622 million jobs, 8% of its total employment. The sector is predicted to grow at an annual rate of 6.9% to ₹32.05 lakh crore (US\$490 billion) by 2028 (9.9% of GDP).[1] In October 2015, India's medical tourism sector was estimated to be worth US\$3 billion. It is projected to grow to \$7–8 billion by 2020. In 2014, 184,298 foreign patients travelled to India to seek medical treatment. Over 10 million foreign tourists arrived in India in 2017 compared to 8.89 million in 2016, recording a growth of 15.6%. Domestic tourist visits to all states and Union Territories numbered 1,036.35 million in 2012, an increase

of 16.5% from 2011.[8] In 2014, Tamil Nadu, Maharashtra and Uttar Pradesh were the most popular states for tourists.

### **Bus Transport in India**

The bus industry in India despite being not so organised showing a positive trend of the growth with the numbers of the commuters increasing drastically over last few years . In India there are two types of carriage categories which are the contract carriage and the stage carriage. The Contract carriage is generally for long distance travels from one city to another and on the other hand the stage carriage is for comparatively shorter distance with less of the stops

Buses are an important means of public transport in India. Due to this social significance, urban bus transport is often owned and operated by public agencies, and most state governments operate bus services through a State Road Transport Corporation. These corporations have proven extremely useful in connecting villages and towns across the country. Alongside the public companies are many private bus fleets: 2012, there were 131,800 publicly owned buses in India, but 1,544,700 buses owned by private companies. The number of the buses in India is increasing very rapidly Buses being the favourite transport system in India because of various reasons including the reaching capacity and frequency of operations in urban as well as in Rural India. With the intention of providing an economic stimulus to heavy industry, the Ministry of Urban Development (MoUD) initiated a bus procurement programme for city bus operations, under the Jawaharlal Nehru National Urban Renewal Mission (JnNURM). The mission combines an offer of financial support for infrastructure projects under a cost-sharing arrangement with state and local governments. This is linked to a structured governance model that includes central assistance and mandatory reforms.

In 2009, the JnNURM provided funding for 65 cities to procure 15,000 buses. City authorities responded and the scope for funding was expanded to include the procurement of an additional 10,000 buses and ancillary infrastructure such as depots terminals, and intelligent transport systems (ITS). The programme was made available to all Indian cities, towns and urban agglomerations (including non-JnNURM cities). Such policies have made the Buses more affordable even to the Financially weaker section of the society as most of the states have a number of Bus operations in Rural india with less of the fares and more of the Operations to provide the better transportation facility to the rural society and to reduce the lack of transportation the rural society.

Bus transportation in India is always referred to as 'last-mile connectivity'. Bus is the primary mode of public transport catering to almost 90 per cent of passengers in Indian cities and serving as an economical and convenient mode of transport for all classes of people. With production and sales touching a hundred thousand units per year, the Indian bus industry is reckoned one of the largest in the world and an important part of the automobile industry of the country. Over the last few years, the bus industry has been growing, with significant changes being introduced in terms of technology, safety, passenger comfort, etc. The mounting number of commuters, rapid economic growth, development of infrastructure in small cities and different Government schemes introduced in the bus segment have led to growth in demand for world-class bus transportation in the country.

In order to raise the bus technology to international standard, the Government has taken several measures, particularly in the area of safety. It has come out with the 'Bus Code' that offers ultimate safety for every passenger. India has already emerged one of the major destinations for mass production of buses. Several

international bus manufacturers have set up operations in India not only to support the fastest growing bus transport system in the country but also to export vehicles to other regions. All this in view of the fact that India has now been identified as a major centre for low-cost production.

The India bus industry forms an important part of the automobile industry in the country. Over the last few years, the bus industry has grown to a great extent and new types of buses with better facilities have come up. Due to the development of infrastructure and more roads, more and more people from the rural areas are also nowadays availing of the bus services. This has been a great help for the India bus industry.

With the recent innovations, more buses are being introduced into the market. These buses are spacious and comfortable. They are also eco friendly and the mileage is also pretty good. Nowadays, new types of buses are being introduced which are equipped with advanced facilities and services such as air-conditioners, passenger information system, air suspension system, high quality engines and transmission systems and so on. With more such buses being introduced, the customer base is also expected to rise pretty well over the few years.

With the liberalization of the Indian market and also the increase in the commuter base, even foreign companies have started investing in the India bus industry. Premier global bus company Volvo set the standards by entering the luxury and tourister bus segment in the country. Recently, Mercedes has also entered the luxury bus sector in the country with its high class and advanced air conditioned buses. Apart from these, some well known bus companies are thinking of entering the luxury bus segment. They are Mobitec, Konevekta, Bitzer, and Allison Transmission and so on.

The main domestic players in the bus industry in India are Tata Motors, Ashok Leyland, Swaraj Mazda, and Eicher and so on. In most of the cities in India, the skyline buses that ply are manufactured by Eicher. Most of the school buses and custom made buses are manufactured by Hindustan Motors Ltd while the main manufacturer of minibuses is Mahindra & Mahindra Ltd.

### **Technology in Bus Ticketing**

Though being the favourite mode of transportation and used by the most of the Indians the Bus industry in India has been on a slow pace as compared to with the rest of the modes of the transport for e.g. The Luxury buses, Air conditioned buses are used by the Indian people very late as compared to with the Train and the Air travel. The major challenge with the bus industry was its Ticketing system which was majorly manual and by the travel agents in addition to the transporter .the Bus system witnessed Innovation but after a very long period of time. The main reason could be said be driven mostly by cash and the scattered operation on the Route and regional basis. We can say that in the travel industry the Train and the Air way witnessed the centralised ticket booking system than the bus system. The reasons for the slow growth could be because of several reasons like the reluctant majority of the Indian population to book their bus tickets online, low internet connectivity and more than that, the non-availability of a proper online platform to book their bus tickets.

E-ticketing or electronic ticketing in India is changing the landscape, especially air travel and railways ticketing coming a long way ahead. There are research studies which have discussed that service providers could increase their transactional efficiencies and expand their services by adopting modern IT in revenue management (Li et

al., 2009; Devaraj & Kohli, 2003; Zhu & Kraemer, 2005; Zhu et al., 2006). The Indian eRetail report 2012 says that travel and leisure comprise of 76% of the overall share in the ecommerce market in India.

It was the Information technology boom which has changed the way of Indian people are buying the things which obviously include the Tickets of Rail , Sea , Air as well as of the Road. It has been the advancement of the use of the internet and Mobile phones by the people that has given a new dimension of buying and has given a number of the Entrepreneurs the new way of doing the business which is the E- Business. We have seen a huge rise in the E- business over last few years and we saw an exponential rise in the number of bus ticketing portals in India. Now it has been very easy to book Tickets by anyone from anywhere to anywhere. Not only the Ticket can we book our holiday trip, including Hotel, Taxi and a lot more.

### **Online Travel Booking Applications**

Founded in the year 2000 by the Deep kalra make my trip started its operation firstly in U.S. and then it started working in India as a online travel agency. Basically it dealt with the online travel booking for the Air ways and then gradually to the Hotels booking holiday packages, cab, Trip and the buses. Make my Trip offers from the traditional non air conditioned buses to the luxury Volvo (Sleeper and non sleeper). Today make my trip is among the most successful online travel booking platforms in India. Make my trip had acquired the Ticketwala.com in the year 2010.

Yatra.com is an Indian online travel agency and a travel search engine based in Gurgaon, Haryana, founded by DhruvShringi, Manish Amin and Sabina Chopra in August 2006. In April 2012, it was the second largest online travel website in India, with 30 per cent share of the ₹370 billion (US\$5.7 billion) market for all online travel-related transactions. It also launched a "holiday-cum-shopping card" with State Bank of India (SBI), India's largest bank. Yatra.com publicly listed on the NASDAQ under the ticker symbol YTRA in December 2016. Yatra.com has made three acquisitions to date — ticket consolidator Travel Services International (TSI) in October 2010, global distribution system (GDS) provider MagicRooms.in, and Indian events and entertainment portal BuzzInTown.com — all for undisclosed amounts. In July 2012, Yatra.com acquired a 100% stake in Travelguru.com.

RedBus is a part of ibiboGroup , India's primary online travel group that also owns the leading hotels and air aggregator .Founded in 2006 in Bangalore, India, redBus now connects various cities across the globe with just a click of a button. redBus has revolutionized the online bus ticket booking industry by bringing together over 2,000 bus operators covering over 100,000 routes across countries. With its mobile app downloaded by over 7.5 million loyal customers, redBus is the largest community of bus travellers in the world redBus is the number 1 inter-city bus ticketing service in the world.

The success of the online bus ticket booking operators rests with the strategy to reach maximum number of the customers i.e. it is basically focused on the customer centric approach. The statistics of the bus commuters using the online ticket is as such that most of the first time mobile users are doing the ticketing by themselves and the number of such commuters in increasing everyday.

MakeMyTrip and Golbibo have emerged as market leaders in the online travel category, capturing 31% and 27.4% market share, respectively, as on July 2017, as per a research report by Kalagato. Homegrown ticket booking platform IRCTC followed in the third spot with 22.9% market share on the back of app installations. Cleartrip and Yatra were fourth and fifth, respectively, with 9.6% and 7.3% market share. MakeMyTrip acquired Golbibo in an all-stock deal, which was cleared in January. Traditionally, MakeMyTrip has been a strong player in the flight booking space and Golbibo has been leading the hotel-booking space. With both joining forces, the merged entity gets a sizeable chunk of the market at 58%.

The acquisition, valued at about \$2 billion, marked one of the largest deals in the travel market. The combined entity is large enough to dominate the \$30-billion travel market in India. Earlier this month, founder and CEO of Golbibo Ashish Kashyap resigned as the president of MakeMyTrip, marking the first top-level exit at the combined entity. IRCTC, online services portal of Indian Railways, garnered 22.9% market share ahead of players like Cleartrip and Yatra. Given the scale and the user base of IRCTC, it has an edge over other travel portals and its reach in Tier II and Tier III towns gives it larger traction from such areas.

Internet-focused travel aggregators Cleartrip and Yatra were far behind in the race with single-digit market share. In September, Yatra raised Rs 100 crore in venture debt from Innoven Capital to aid its further growth. To expand reach in corporate travel bookings, Yatra acquired Air Travel Bureau in July. Alibaba-backed Paytm is also looking at entering the travel market by acquiring travel booking platform Via.com. The new acquisition is expected to give Paytm enough leverage to take on larger players, such as MakeMyTrip, Oyo or Cleartrip.

eTicketing system goes live for private travel operators. AbhiBus Establishes itself in Andhra Pradesh & WestBengal. Abhibus.com is created in as a consumer brand - but all operator systems were offline and there was little online inventory to serve the purpose of Abhibus.com. Founded in the year 2008, AbhiBus Services (India) Private Limited is a pioneer in providing end-to-end software and other value added solutions for the Bus Transport Industry by leveraging the latest technologies. The company also provides technology solutions to more than 100 large private bus operators in India, 4 state transport corporations and 2 international operators. The end-to-end software solutions include e-ticketing systems, fleet management solutions, vehicle tracking systems, passenger information systems, logistics management backed by a 24x7 customer support centre. Today, AbhiBus is also the preferred Information Technology Partner for State Transport Corporations and Private Bus Fleet Operators. AbhiBus is an ISO 9001:2008 certified company.

Alibaba-backed Paytm is getting aggressive as far as expansion is concerned. After clinching a deal with Uber and IRCTC for railway ticket booking via its wallet, now the Noida-based company has launched a travel marketplace (starting with bus tickets). The company has tied up with several travel aggregators to get almost all bus routes on its system, and has achieved 100% growth since its launch in February this year. Speaking to YourStory, Vijay Shekhar Sharma, Founder and CEO, Paytm says, At present, it does more than 80 million orders of various digital and physical goods every month. Vijay adds, With this we have almost every bus available in Paytm with the exception of some state road transport corporations (some SRTCs are available via a rendering process).

A largest number of the online travel booking users prefer anyone of the applications which are not only for the bus ticket booking but for the booking of Hotel, Taxi, Air way , Holiday and a lot more. If we look at the beginning of the industry we find that it was a complete new idea of business and the target customer base was very low because of the reach of the Internet and its prices so it was basically the urban population with the computer was the one who was actually taking advantage of the online travel reservation facility. It was the boom of the internet or the information technology that has made the internet in the reach with his Mobile phone of even a small wage earner. Now the reach of the internet has drastically changed the whole market and bus ticket booking is also a part of that. Bus ticketing was on the very primary stage but with the Internet connectivity boom it has changed a lot. Started with a few olive Bus ticket booking service providers the industry has grown to the double digit in terms of number of the service providers. The bus ticket which is being booked includes the luxury Volvo to the state owned carriages. The Bus travel industry & online Bus ticket booking industry is increasing very fast because of the advantages the bus has over other modes of the transport the best among which is that it is the most preferred mode because of its reach and flexibility of the operations.

### **Conclusion**

Indian Transport system is having enormous pressure because of the fast growing population of India. It is very important to meet the demand of the rapidly growing population in the urban and rural India and this could be done only by the improving of the Bus Industry of India. India's domestic travel market is on an acceleration path with the travel market all set to grow at 11-11.5% to \$48 billion by 2020, according to a report released by Google India, with along with Boston Consulting Group on the growth opportunities in the Indian hospitality market over the next four years. The report titled, 'Demystifying the Indian Online Traveller,' charts the decision making journey of the Indian traveller and provides insights on the potential growth opportunities for travel businesses till 2020'.

This sector which forms major part of the economy is witnessing Technological advancements. In this era of Information technology the travellers are educated, well informed and are very conscious about the trending technology. They want to adopt better and smarter ways to buy products or avail services. Modern passengers do not have time to go the traditional reservation centres and book their tickets. They just book their tickets through internet which helps them in saving time and at the same time avail various other benefits. Online ticketing has got great market opportunity in the future with increasing number of techno savvy youngsters and working women in India. There are some factors such as privacy, hacking etc. due to which people refrain from booking online tickets. The online travel agencies should adopt various measures to cope up with these challenges and sustain in this competitive market.



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