

Rural Passenger Awareness of the Marketing Schemes in APSRTC - An Assessment

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The study is undertaken to understand the present marketing practices or business strategies of APSRTC and chronicle them to enable the enthusiastic sister organizations working in the same / similar industry to make use of them so that the wheel need not be reinvented. The study also endeavors to find gaps, if any, in the organization and to make required recommendations. The emergence of marketing concept in respect of services is a recent phenomenon. Let's produce, what we think, the market wants; the sales department will manage to sell. This was the focus prior to the beginning of the Marketing concept in the context of selling the services. The end of decade 1950s paved avenues, for service marketing as organizations like banking, insurance and others felt that application of Marketing strategies while managing and selling the service would make possible qualitative improvement. Services are essentially intangibles. Their purchase does not result in ownership of something physical. They are often described as ephemeral and experiential. A substantial portion of our purchasing is of services. For instance, leasing an Automobile, living in a rented accommodation, utilizing the facilities provided by a Banker, lunching in a restaurant, making telephone call, traveling by an Airline etc. The customer pays for an experience, or a service provided by a service firm. Service in most cases involves transfer of some intangible benefits which results from the activities of service providers.

Keywords: Crew, CAT Card, Couple Gift Card, General Bus Ticket, Jubilee Hi-tech Ticket, Moffusil.MST (Monthly Season Ticket),APSRTC (Andhra Pradesh State Road Transport Corporation).

Introduction:

The concept of marketing in a big way is seen exhaustively being applied in tangible product arena. Application of different marketing concepts is, by now, well established in product manufacturing firms. Its appreciation and application in the area of services is rather thin, rare, sparse and scarce. Its scanty presence in the area of services is largely limited to Banking, Insurance and allied financial services, Health & Hotel services. In the area of passenger

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/cargo transportation, it is conspicuously restricted to Airways, which caters to the needs of an extremely limited microscopic minority of the affluent segment of market. Of late, we see refreshingly the import of marketing concepts in the working of the monolithic organization, Indian Railways too. However, these concepts are striking more by their absence than their presence in bus passenger transportation.

It is by and large, unheard of in the area of bus passenger transportation. This is a virgin arena left unexplored for more than one reason. Lack of applicability of marketing concepts is more acute in State Transport Undertakings. The State Transport Undertakings are the product of Road Transport Corporation Act 1950. The State Governments or local bodies have created these public bodies to meet the transport requirements of the local areas.

Marketing is defined as human activity directed at satisfying needs and wants through exchange processes. It represents a higher order integration of many support functions—selling, advertisement, Marketing research, new product development, Customer service, Physical distribution—that impinges on customer needs and satisfaction. Marketing should be treated as the process whereby the firm, in whichever sphere of activity, it happens to operate, seeks to identify and quantify the needs of its markets (present and potential) and takes the necessary steps for satisfying such needs.

The American Marketing Association defines services as activities, benefits or satisfactions which are offered for sale or are provided in connection with the sale of goods. This definition of services makes it clear that services are activities, benefits or satisfactions. In common parlance, the term services is used for personal services like Auto Repairing, Hair cutting, Dentists services, Legal work, Consultancy and so on. But in the eyes of Marketing Experts the “services” contents are wider.

Marketing of services in APSRTC involves:

Marketing of its core products like the various bus services provided.

- (a) Development of new and subsidiary products to augment the services.
- (b) Providing tangibility to the products through various types of buses, various / levels of Luxury, Comfort and other special features.

Some of the recent efforts made by the APSRTC to develop new products and improve its market share are:

- (i) Providing a wide range of luxury through VOLVO and Super Luxury Services.
- (ii) Concessional Annual Ticket (CAT) Card.

- (iii) RTC Complaints Analysis and Redressal System (CARES)
- (iv) Providing computerized reservation points.
- (v) Providing long term advance booking and return reservation facility.
- (vi) Reservation on telephone facility.

APSRTC has made a good beginning by applying the marketing concepts in bus passenger arena. They are briefly detailed below:

- (a) Liberalizing rules affecting the passenger interest.
- (b) Developed instruments to obtain passenger feed back and measure passengers' satisfaction in vital parameters.
- (c) Instrument is also developed to measure passenger satisfaction and christened as RTC CARES (Complaint Analysis and Redressal System).
- (d) Identification of Market Share on some Intra State and Inter-state routes.
- (e) Market surveys are conducted to identify the passenger preferences with regard to RTC Services or its competitors.
- (f) User friendly sector-wise time tables have been designed.
- (g) Accessibility for reservation of tickets increased by providing remote computer reservation points.
- (h) Reservation on telephone facility organized in some places.
- (i) Home delivery of tickets undertaken in some places.
- (j) Feed back is being obtained by using tele-marketing and direct marketing techniques.
- (k) Promotional programmes are undertaken for image building of the corporation through audio visual media.

Need for the study:

The concept "Marketing" is newly emerging in the field of services sector in India. For the first time in the country amongst the sixty and odd State Transport Undertakings, Marketing Department was established in APSRTC during the year 1994 with a view to take stock of the services rendered to its customers and to improve the same besides implementing various marketing strategies. The application of marketing concepts would enable to develop various passenger friendly schemes to help retain the customers in its fold as well as attract new clientele. This study not only helps APSRTC, but also other State Road Transport Organizations existing across the nation

for rendering effective and efficient friendly transport services. The study is undertaken to understand the present marketing practices of APSRTC and chronicle them to enable the enthusiastic sister organizations working in the same / similar industry to make use of them so that the wheel need not be reinvented. The study also endeavors to find gaps, if any, in the organization and to make required recommendations.

Scope of the study:

The present study focuses on understanding the level of awareness of the marketing schemes/services of the corporation amongst the commuters or passengers who consistently use RTC services. It has been decided to elicit the opinion of the passengers/commuters during the journey period with a special and discerning focus on both moffusil/rural and urban segments.

Objectives of the study:

The following are the objectives of the study:

- To understand the marketing practices of APSRTC.
- To examine the operationalisation of the marketing mix in APSRTC.
- To identify the marketing segments of the organization and analyze the strategies adopted for their effectiveness.
- To assess the extent of awareness of various products of the organization amongst its clientele/customers.
- To assess levels of satisfaction of the services marketed by APSRTC
- To provide vistas for further research in the related area.
- To offer suitable suggestions on the basis of results of the study.

Research methodology:

Survey technique has been used as the main research method for this study, wherein the data has been collected by using a structured questionnaire which was given to the respondents during the journey period. Questionnaire was administered among a sample of 270 respondents who were selected at random by following random sampling technique which is more popular and appropriate for this study.

Data has been collected from primary sources:

Primary data has been collected from the users of the various products of the APSRTC, through a structured questionnaire. As the size of the universe is very large, the sample is purposive, with some type of stratification to

cover various regional, age, gender, income related segments. Data has been analyzed with the help of a Likert type of scale on 3 point to study the levels of satisfaction of commuters.

Data sources

The data has been collected from the traveling passengers during journey period through a well structured questionnaire and through personal interviews.

Sample size:

For the purpose of the study a sample of 270 respondents/passengers have been selected at random by using convenience sampling technique.

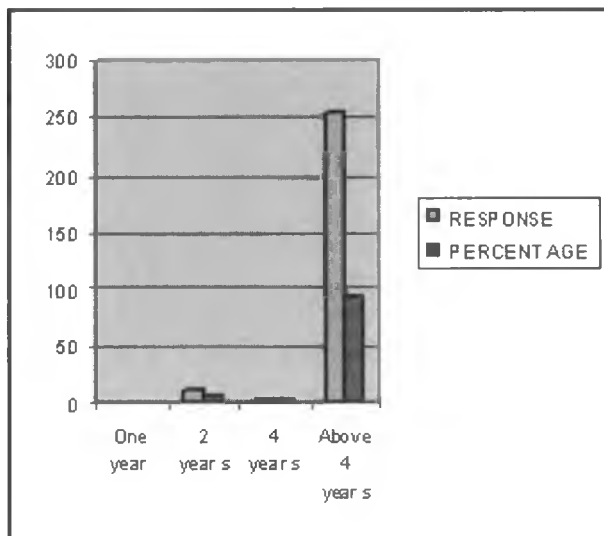
Limitation of the study:

The present study is prone to have certain limitations. As it is a study of APSRTC, there is no systematic comparison with any other organization.

Bus Passenger Transportation - An Evaluation

Table 1. Period of travel by APSRTC buses

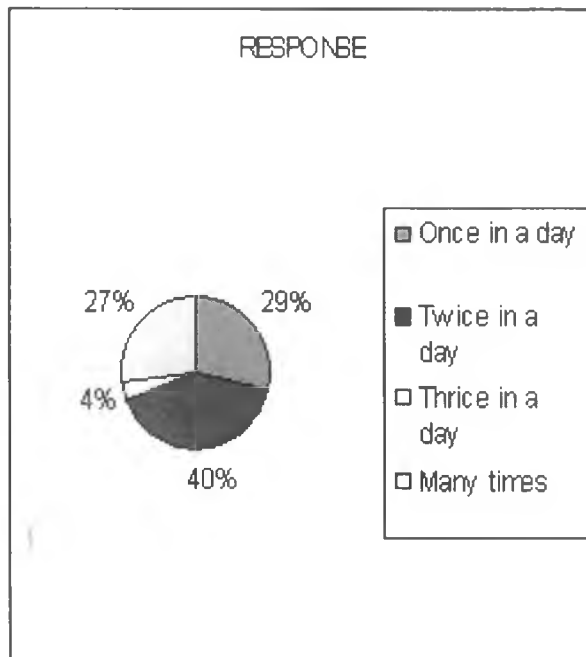
Sl.No.	Variable	No.of Respondents	Percentage
1	One year	0	0
2	2 years	12	4.44
3	4 years	4	1.48
4	Above 4 years	254	94.07



The above table shows that 100 percent of the sample has a traveling experience of two years and more with APSRTC. It is gratifying that there is reasonable customer loyalty in favor of APSRTC. However it should also be critically analyzed as to why “new entrants”, are not getting in to its fold.

Table 2. The frequency of travel in APSRTC buses

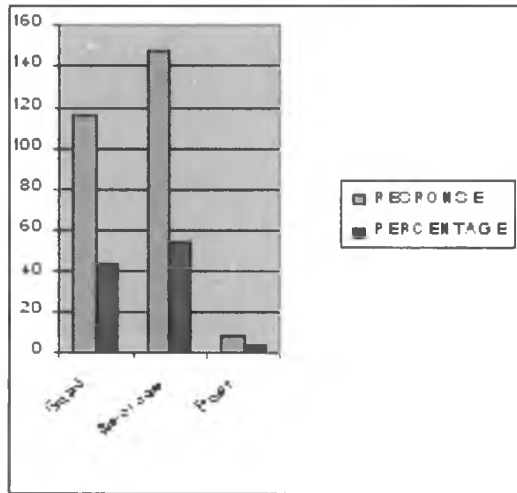
Sl.No.	Variable	No.of Respondents	Percentage
1	Once in a day	77	28.52
2	Twice in a day	108	40.00
3	Thrice in a day	12	4.44



The above table focuses how often the respondents travel by RTC bus on the basis of study. It is found that the last variable “many times” is not suffixed by “a day” while the preceding three variables are found so. Therefore it could be understood as traveling many times “in general”, not found by time frame such as “a day”. Amongst the first three variables travelers making two or less travels per day constitute the bulk and account for 93.9086% amongst the daily travelers. These samples require attention and design of a programme to retain their adhesiveness with the organization and reward their loyalty.

Table 3. Behavior of service crew in the buses.

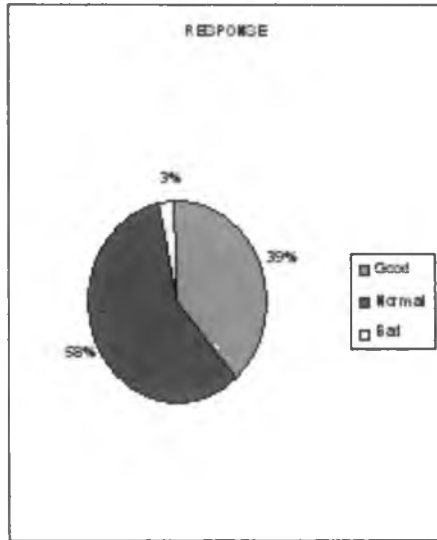
Sl.No.	Variable	No.of Respondents	Percentage
1	Good	116	42.96
2	Average	146	54.07
3	Poor	8	2.96



This table presents the rating of the behavior of the service crew during journey period. On the basis it has been revealed that 97.03% of the sample rated the behavior of crew average and above. Nevertheless the sample of passengers rating the parameter as “average” is more by 11.11% compared to the sample rating it as “Good”. Though the sample rating it as “Poor” is not significant, the organization should probe in to the reasons for such rating and initiate measures to neutralize it and push the rating “Average” in to the zone of “Good”, or, at least, to increase the responses in that zone.

Table 4. Rating on the cleanliness of the buses.

Sl.No.	Variable	No.of Respondents	Percentage
1	Good	104	38.52
2	Normal	158	58.52
3	Bad	8	2.96

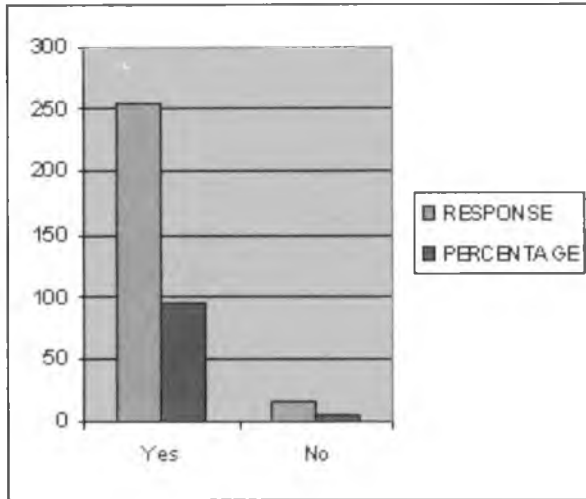


In table No.4 the views of the respondents on the cleanliness of the buses are highlighted. The study states that 97.04% of the sample rated the cleanliness of buses normal or above. Nevertheless, the sample of passengers rating the parameter as “normal” is more by 20% compared to the sample rating it as “Good”. Though the sample rating it as “Bad” is not significant, the organization should probe into the reasons for such rating and initiate measures to neutralize it and pull the rating “Normal” into the zone of “Good”, or, at least, to increase the responses in that zone.

Table 5. Awareness of marketing schemes introduced by APSRTC for the convenience / benefit of commuters?

A. Concessional Annual Travel Card (CAT CARD) (CAT CARD offers 10% concession on the fare and also provides insurance facility)

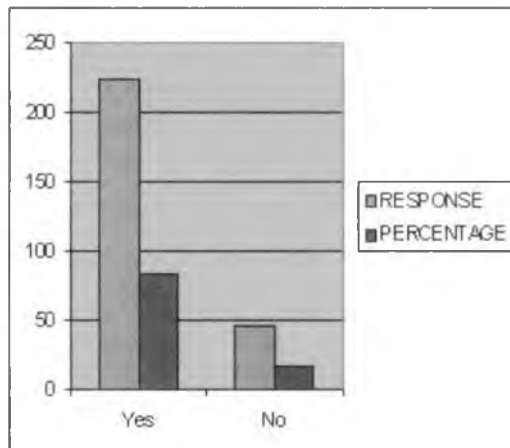
Sl.No.	Variable	No.of Respondents	Percentage
1	Yes	255	94.44
2	No	15	5.56



The table No.5A deals with the awareness of CAT Card Scheme. The study points out that the awareness level amongst the clients on this scheme is highest among the entire bouquet of schemes introduced by the organization. Efforts are recommended to sustain these levels and to penetrate amongst the 5.56% of sample respondents who are not aware of the scheme.

Table 5 B. Usage of JHT (Jubilee Hi-tech Ticket) (JHT holders can travel any number of times throughout AP in a week)

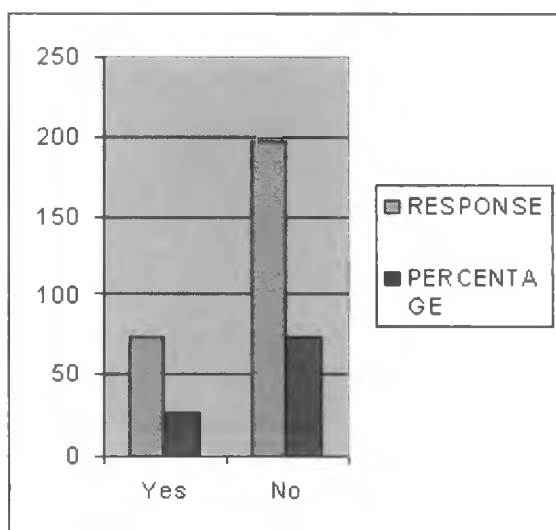
Sl.No.	Variable	No.of Respondents	Percentage
1	Yes	224	82.96
2	No	46	17.04



The table No.5B deals with the awareness on JHT Scheme. The study points out that about 17% of the population is not aware of this ticket though it is much older than CAT Scheme by about three years. Aggressive promotion of the scheme is recommended.

Table 5 C. Usage of IJHT (Inter state Jubilee Hi-tech Ticket) (IJHT holders can travel any number of times in Inter state buses of APSRTC in a week)

Sl.No.	Variable	No.of Respondents	Percentage
1	Yes	73	27.04
2	No	197	72.96

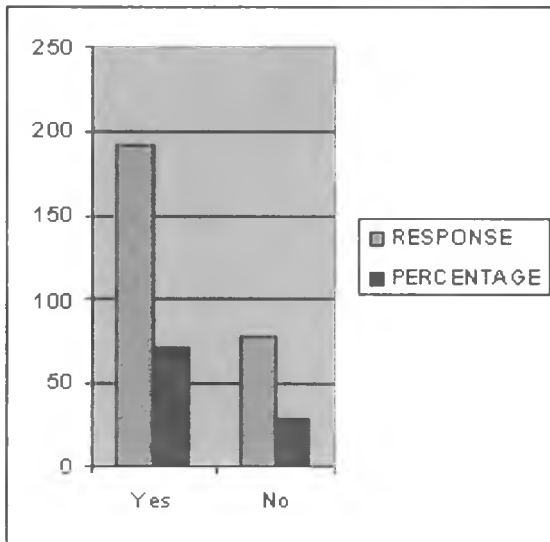


The table No.5C deals with the awareness on IJHT Scheme. The study points out that the awareness level of this scheme among the clients is very poor as only 27% of the sample has responded positively.

A sustained long drawn promotional campaign is recommended along with periodical feed back to be obtained to measure the increasing awareness level.

Table 5 D. Usage of MST (Monthly Season Ticket) (It offers 30 days travel on payment of 20 days fare in a month)

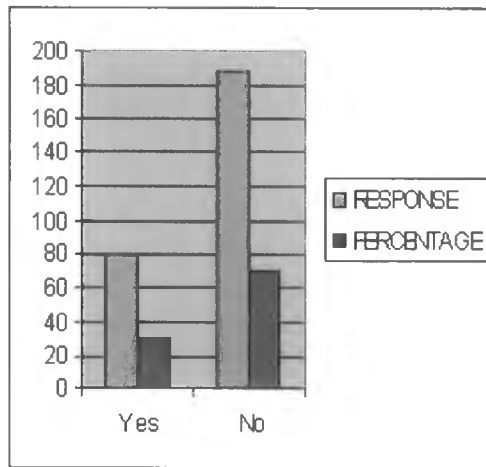
Sl.No.	Variable	No.of Respondents	Percentage
1	Yes	193	71.48
2	No	77	28.52



The table No.5D deals with the awareness on MST Scheme. The study points out that the scheme aimed at mofussil commuters is about 30 years old. But it failed to cover around 29% of the clients. Therefore, well designed ad. Campaign is strongly recommended over a long period interspersed with feed back mechanism to evaluate the effectiveness of the ad campaign.

Table 5 E. Usage of Couple Gift Cards (Any two persons) (It offers any two persons /couples to travel any number of times within AP for 4 days/ 96 hours from the day of journey)

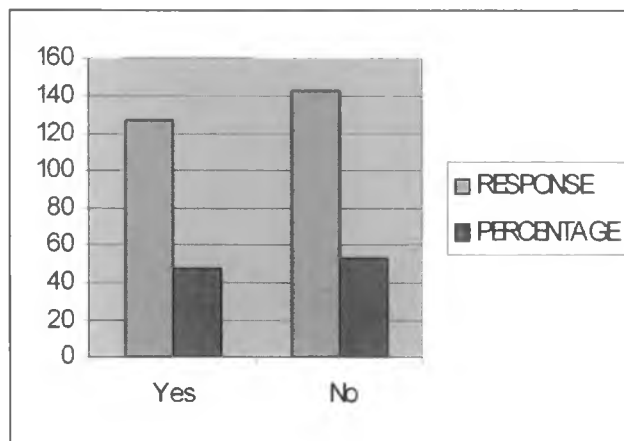
Sl.No.	Variable	No.of Respondents	Percentage
1	Yes	81	30.00
2	No	189	70.00



The table No.5E deals with the awareness on CGC Scheme. The study points out that the scheme is relatively new, the level of its unawareness is very high (70%). Evidently, launching of the scheme is not supported by adequate promotional activity. That may be made good if the organization intends to continue with the programme.

Table 5 F. Usage of GBT (General Bus Ticket) (which enables unlimited travel on city services for one month)

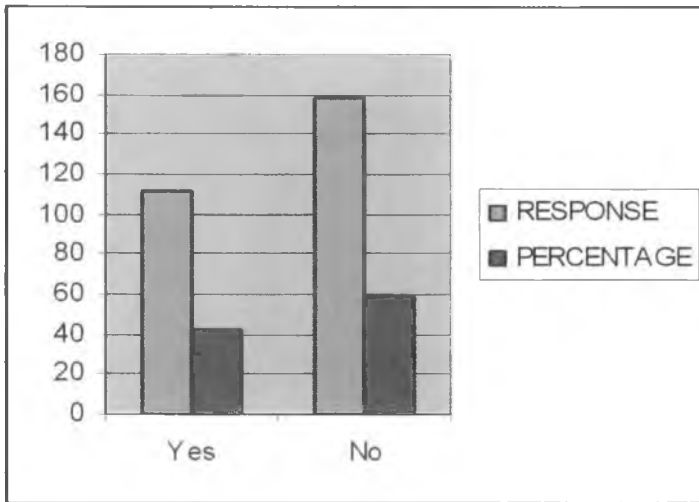
Sl.No.	Variable	No.of Respondents	Percentage
1	Yes	127	47.04
2	No	143	52.96



The table No.5F deals with the awareness on GBT Scheme. The General Bus Ticket is targeted at urban commuters. Therefore it is understandable as to why awareness on this scheme is as low as 47% amongst the passengers traveling by rural services. Nevertheless, efforts may be taken to enhance awareness among even the rural bus service users as the phenomenon of urbanization is fast engulfing rural areas.

Table 5 G. Knowledge of Dial Bus Scheme (for marriage, picnics etc.)

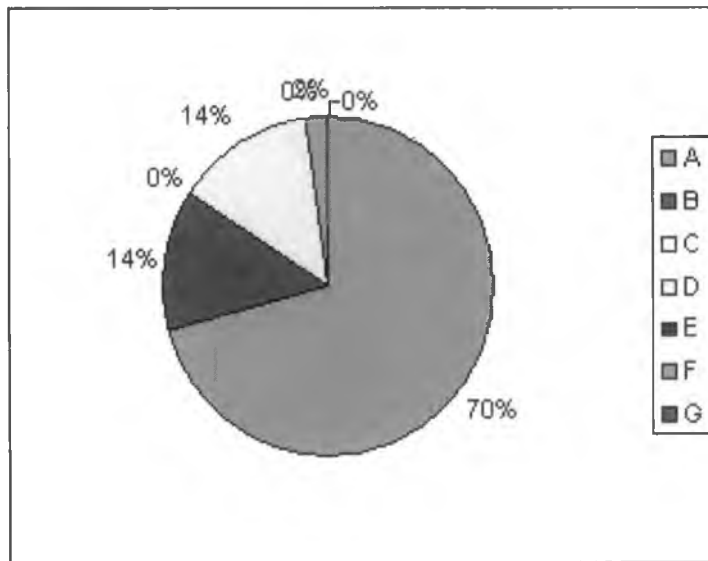
Sl.No.	Variable	No.of Respondents	Percentage
1	Yes	112	41.48
2	No	158	58.52



The above table shows the awareness of dial bus scheme among respondents. The study states that a good business opportunity of offering contract carriages to occasional users for specific purposes such as marriages, picnics, pilgrimage and such other leisure travel is not fully captured as the survey reveals that only 41.50% are aware of the scheme. An aggressive marketing onslaught is perhaps called for on a war footing to promote the scheme.

Table 6. Availing of the schemes.

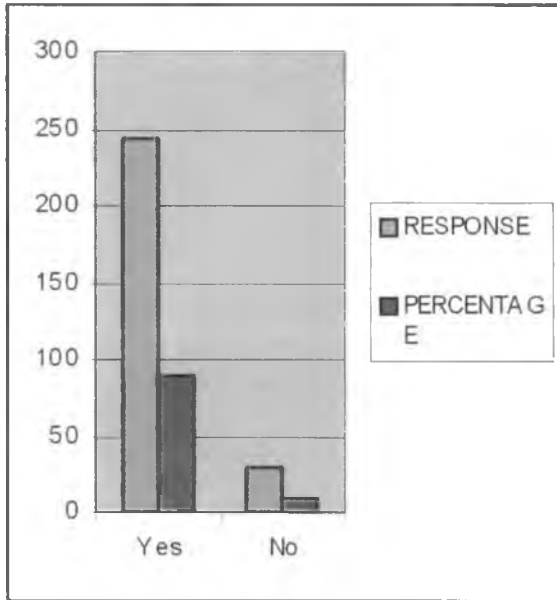
Sl.No.	Variable	No.of Respondents	Percentage
1	A	157	51.48
2	B	45	10.00
3	C	0	0
4	D	45	10.00
5	E	0	0
6	F	23	1.48
7	G	0	0



The study states that except perhaps the CAT Card, no other scheme has reasonable awareness amongst “takers”. The “why” has to be probed and avenues explored to market them.

Table 7. Availability of Time Table boards inside the buses

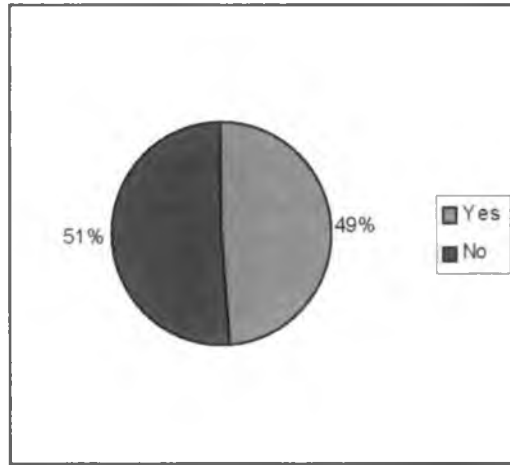
Sl.No.	Variable	No.of Respondents	Percentage
1	Yes	243	90.00
2	No	27	10.00



The study reveals that a fairly good job is done in providing timetables in the buses to facilitate the customers to know the schedule timings, halts, rest times provided etc., vis-à-vis., the actual timings/practices and to question the crew for deviations, if any. This mechanism brings an in-built discipline amongst the crew if institutionalized effectively.

Table 8. Availability of official phone / cell numbers in the buses for emergency assistance?

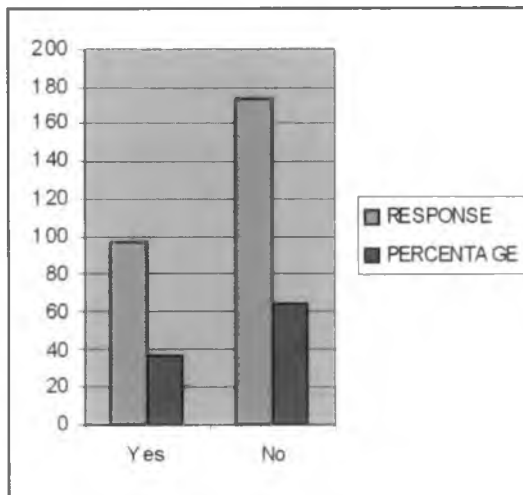
Sl.No.	Variable	No.of Respondents	Percentage
1	Yes	131	48.52
2	No	139	51.48



The study indicates that the purpose of establishing direct contact between the customer (passenger) and the operator (concerned managers) to complain on deficiency of services, if any, or, to compliment for good service, if provided, is defeated by the lack of attention on this front. This is evident from the fact that more than 50% of the respondents have registered negative observations.

Table 9. Awareness of Dial Your DM/RM program to redress your grievances?

Sl.No.	Variable	No.of Respondents	Percentage
1	Yes	97	35.93
2	No	173	64.07

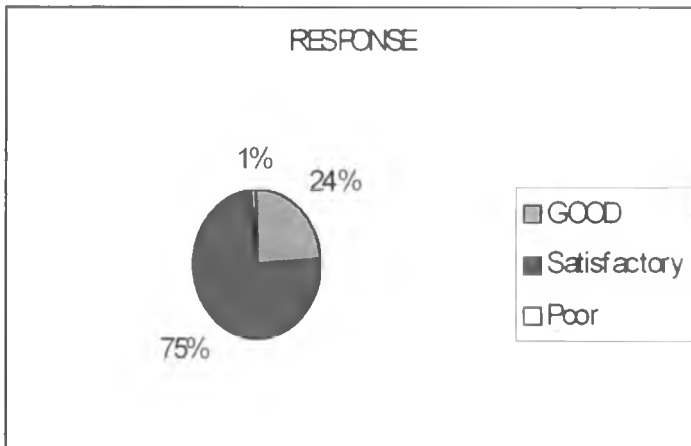


This programme is aimed at establishing continuous relationship between the operator (APSRTC) and the user. If installed and handled properly, the customer grievance should be in place and works as an effective feed back mechanism giving an opportunity to control damage caused, if any, and to offer services in time meeting the aspirations/demands of the customers. However, the programme does not seem to have “taken off” as about 64% of the target group is not even aware of it.

The survey results call for immediate intervention of the competent authorities to bring on rails the programme.

Table 10. Overall impression on services rendered by APSRTC.

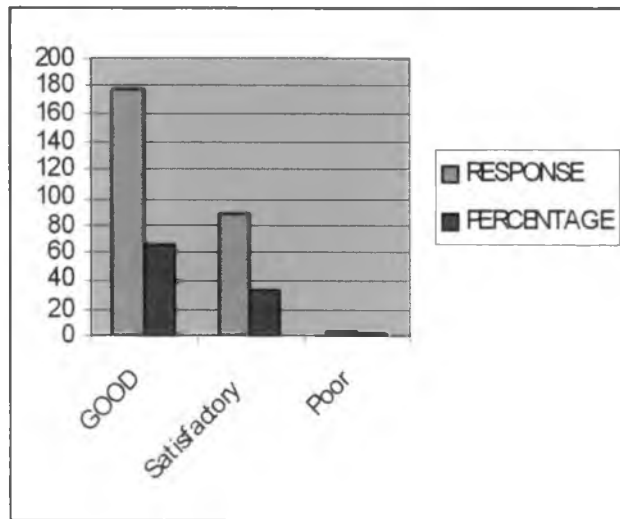
Sl.No.	Variable	No.of Respondents	Percentage
1	GOOD	66	24.44
2	Satisfactory	200	74.07
3	Poor	4	1.48



The study indicates that the overall impression of 98.51% of the sample is satisfactory and above (Good). Emergence of this outcome on this vital parameter is the strongest point in favor of the organization. However, the organization should brood over as to how 74% of respondents who have ranked this parameter as “satisfactory” can be impacted and influenced to rate the variable as “Good”.

Table 11. Behavior of Checking Officials.

Sl.No.	Variable	No.of Respondents	Percentage
1	GOOD	177	65.56
2	Satisfactory	89	32.96
3	Poor	4	1.48



The behavior of checking officials in handling the customers with dignity is of paramount importance. About 98.52% of respondents rated the variable as satisfactory and more. Notably, this is the only parameter where highest number (177 – 65.56%) of respondents rated it as “Good” which is not so with regard to other variables evaluated earlier. The organization may, however, pay its attention in taking training and development measures of checking officials to push respondents from “satisfactory” zone to “Good” zone.

Conclusion:

The study has revealed that the wheels of the buses of APSRTC are strong enough to attract good number of passengers to enhance its Occupancy which makes the Corporation more viable.

The following suggestions are made based on the revelations of the survey for further enhancement of the awareness levels of the target customers which catapults to increased occupancy, productivity and profitability.

Suggestions:

1. Awareness of passengers on seven passenger friendly schemes varies from 94.44% (on CAT scheme) to 27.04 % (on IJHT scheme). Obviously the promotional effort is not evenly distributed. This requires to be balanced forthwith by taking up aggressive ad campaign.
2. The grievance redressal machinery and feedback mechanism established through “exhibiting phone/cell numbers of the officers concerned in buses” and “dial your official programs” are well conceived but their execution seems to be lopsided as awareness is only 40.52% and 35.93% respectively. A special drive has to be taken up by top management to create conviction in lower rung managers to pursue these schemes faithfully.
3. Behavior of crew, the visible face of the organization, is rated “average” by 54.07% which requires attention and taking up of training and development programs on war footing.
4. The overall impression of customers on service is “satisfactory” for about 74.07%. This is a thin edge which the organization requires to improve upon as it may slide anytime.
5. Cleanliness of buses is rated as normal by 58.52% which needs to be looked into.

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