



**TRAVELLING MADE EASY  
(A Case Study of redbus.in)**

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**Abstract:** Although used by millions of people, the bus travel industry in India was highly splinter as well as untidy. Key issues with the then-existing model was the communication gap between the travel agents and the customers .This startup was based on one of the co founder’s real life experience . He wanted to go from Bangalore to Hyderabad for Diwali, but could not go due to lack of access to the availability of tickets .It was not only he but also the entire public who faced various challenges due to non access of tickets .He saw a huge opportunity through these available but un booked seats .His engineering instincts persuaded him to think deeper into the situation. Then, they found cyberspace as the best ground to deliver all this information and make electronic commerce to purchase return bus tickets which was the chief trending issues. This paper attempts to probe as well as figure out the extent of the transmutation and its repercussions by pivoting on red bus. It itemizes the challenges foregathered by redbus which currently covers ecologically 4/5 of the whole market. Redbus has proved to the world that thinking out of box would yield excellent results. Redbus today is one of the most successful online ticket booking agencies. Today it has 2000 bus operators, more than 10000 buses listed on it, covering over 100,000 routes across countries and sells about 5000above tickets every day. This mode will also let the bus service management to detect their booked tickets statistics online which diminishes the human error in offline bus ticket booking method, enlarge exactness and magnify the mould ability of facts processing. It also has a sophisticated, easy to use and a good user interface which enables the customers to perform their online transaction smoothly. The journey of redbus has been amazing and an eyeopener to all the budding entrepreneurs.

**Key words:** Bus Ticketing, Red Bus , Bus Travel Industry.

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**Introduction:** The bus travel industry in India is unformed and highly splinter. It is a 120 billion annual turnover industry with a growth rate of 25% per year. This trade is expanding phenomenally in India, As it is one of the most

preferred mode of transport for millions of Indians. There are almost 2000 special bus operators which function with nearly 20000 buses on end to end routes. In the Indian bus travel industry, most of the individual players

were geographical players and did not have a pan India companionship and therefore there was a lack of a centralized podium for organized scale of action. The market for online car sublet and bus booking trade forecasted to come at \$150 million in the year 2011 as per Applied Travel Intelligence. The two carriage classification when it comes to Indian bus travel industry operations are contract carriages and stage carriages. The contract carriages are commonly long distances from town to town with small number of stop points whereas stage carriers are relatively short distances with maximum stop points. The contract carriage trade in India is crumbled with more than 65% of the bus speculators holding over less than 20 buses each. In spite of advancement of online ticket booking in India by famous contender like makemytrip.com (airline) and IRCTC.com (train), there was a fairly sluggish ballooning when it came to online bus booking. The job of IT in fund management is eminently discussed by many researchers (Kimes, 2001; Bakos, 1997). The cause for this dull growth could be adjuncted to several grounds like the dislikeness of the most of the Indian population to reserve their bus tickets online, low internet insertion and more than that, the inadequacy of a right web rostrum to book their bus tickets. The Indian bus travel trade could also be sectioned on the basis of structured and luxurious bus travel catering to the whole public. Volvo buses have played a huge role in maximizing the ease level of the bus traveller. The rise of this trade is commenced to the fact that airline tickets are proportionately costly and train tickets are booked well in advance, which makes bus travel a later option. This travel trade in India is commonly operated by currency and segregated

on the provincial basis. Most of the company in this trade are zonal contenders who administer on a small scale and depend laboriously on physical methods for ticket bookings and reservations. The industry was highly broadcasted with travel representatives playing a finest part in administering the bus ticket bookings. The chief challenge with the Indian bus booking trade is that in spite of being used by millions of people, it took maximum time to witness some innovations in this zone. Moreover, within the travel trade it is noticed that the train and flight ticketing had unified booking and reservation process has been evaluated much earlier than bus travel trade. The bus trader are segregated across the India largely supported by regular travel agents. There was an definite want for limpidity within the company so that customers can take advantage of the resources of a focused system where they could be identified with the details concerning the total number of bus routes in actions, charges, accessibility, space preferences, reversal, pay back and comment options. E-ticketing or electronic ticketing in India is altering the scenario, peculiarly air travel and railways ticketing coming a large way ahead. There are investigation report which have debated that service suppliers could expand their agreement effectiveness and amplify their services by nominating fashionable IT in income administration. The Indian ecommerce report 2012 speaks that travel and recreation comprise of 76% of the overall share in the ecommerce market in India. The online ticketing market had observed unusual progress in the Indian market with 30% of railway pass and 40% of air pass sold through online channel. Over the last decade, we saw an power rise in the number of bus ticketing gateway in India. The online bus booking market is calculated to be 5-6 billion which is around 3-4% of the overall market. This alteration in the journey doorway room is visible with the personal bus travel trade developing at a rate of 30% and roughly to reach 350-400 billion by 2015. E-ticketing uses

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worldwide supply systems such as Galileo, World Span, Sabre and Amadeus which are technology floors to carry out the proceedings. In the year 2002, Air India introduced the e-ticketing. The Indian Railway Catering and Tourism Corporation Limited website ([www.irtc.co.in](http://www.irtc.co.in)) is one of the biggest and most striking e-commerce lot in India and it has recorded the maximum ever per day booking on 13th July, 2012.

**Methodology:** The study is based on the secondary data which has been collected through newspaper various online sources, books and journals.

**Objectives :**

- Maintain core focus
- Improve service portfolio
- Vertical integration
- Go global

**Goals and Objectives:**

**To achieve annual revenue of INR 5 billion by 2015 by ,**

- Focusing on core business
- Vertical investigation
- Increase in service portfolio

**Reason behind the Logo:** The founders were impressed by the autobiography of Richard Branson who started the virgin brand. The way he rose from poverty fascinated them. The virgin brand is red in colour they felt that marketing would become easier if there is a colour.



**What's next?** Redbus has selected a small priced model by amplifying across India through

creating call center at various low cost position. It was slightly hard for him to service traders and customers across India from his headquarters alone which forced him to open more offices. It also helps in supplying geographical aid to the community people which effects in finer customer services and contentment at the geographical level. Redbus call centers are known for their innovation technology. It has hired the computer code that receives gesture through Public Switch Telephone Network (PSTN) line and routes to countless point after altering it into data converter. This approach not only helps in reducing price but also conducive use of every single call accepted at the centers. The consumer contentment and consumer assumptions had been the top concern since the formation and it was compulsory since consumer contentment leads to consumer possession, acquire purpose and faithfulness which has been debated in many investigation studies. One of the leading chief strengths in this business for redbus had been the relationship construction with the bus traders. The mobility to modify in the mart and remarkably change course was influential in assuring redBus' success. The bus traders are instructed originally about the merits of redbus and offered to sell 20% tickets through redbus system. If they are satisfied with the redbus system then a contract is subscribed to sell more tickets along with better benefit and information network. The ticket record collection is based on whether the bus operator is using a computerized or physical system. The computerized bus traders provide around 40% of total ticket transaction and the manual system users contributed the majority of 60% of the total transaction. The inventory information with the computerized bus traders is uploaded constantly by the redbus network. Although within few years of its aliveness, redbus has shown to be a major podium for bus e-ticketing across the India, it wishes to probe among the bus traders who are using physical system to further increase the mart holder of redbus. The

co-founder member Charan Padmaraju believed that to build the competitive border it was compulsory to innovate which was the major target behind acquiring the cloud apparatus foresighted by Amazon Web Services (AWS). It helped the developers of redbus to concentrate their hardlabour towards enhancement of IT software leading to whole cost balancable, innovative ideas and maximum scalability. The real challenge was grasping of consumers which is an alarming duty on Internet. The networks and infrastructure based on cloud apparatus led redbus to discriminate his business. Redbus plans to gently move towards Amadeus or Sabre used in the Airline travel reservations for maximum level of consolidation.

**Competition in the Marketplace** With the redbus revolution, the latent in this stadium is not out of sight. The competition in this trade usually comes from travel agents and ticketing companies who have spirit locally, nationally and few of those who even have an international presence. Redbus over the years has acquired a business model which is quite difficult for the competitors to reproduce due to which redbus is one step forward in the contest. It has accepted a model where the technology has been perfectly matched to the requirements of the bus traders enhancing long lasting relationships. There are few recognized players in the industry which have been described below:

**Via world :** Via world was floated on July 28th, 2006 as flihtajra.com and integrated in May 2007. Today its presence is segregated across 2,400 towns and cities of India with more than 4 crore consumer base. Via world has its headquarters in Bangalore. It has more than 650 employees and an annual sales around 500 million USD. Via world initiated with the reservations of bus tickets around 2007 and also conducted out an automated ticket booking stand. Via Bus Tours, which is a part of the Via Group is currently now focusing on the private pilgrimage tourism mart and planning to grow its multi-axle extravagance Volvo buses to fix the pilgrimage destinations across India. Via has

partnered union with Indo US Venture Partners (venture capital firm) and Sequoia Capital in India.

**Abhi bus :** AbhiBus was floated in the year 2007, is led by Mr. Sudhakar Reddy (Founder and CEO) for offering online bus tickets for customers. Since they found it was a very high time for them to intermix the splinter bus speculators and since the internet perforation was very small in the Indian mart. AbhiBus establish with calculating sites and APIs for speculators . It provides Online Passenger Reservation System (OPRS) to State Road Transport Corporations (SRTC) and private speculators for directing the ticket inventory and online ticket sales. The OPRS automates and supply the web based online link for the entire advancement of the bus operators. The revenue move of the consumer across the various booking sales channels is managed through Abhibus. It manages the ticket inventory of around 32 private bus speculators and UPSRTC involving 10,000 buses.

**Conclusion:** Over the years, redbus had extended the milestone of 10 million bus bookings. The success of redbus is for the reason that it had been all this way a customer centric/pivotic model which concentrates on sales rather than cybernation of bus speculators. Redbus had so far a successful journey to jump ahead from an income of 0.3 billion in the year 2008 to around 3 billion income in the year 2012. Although it recorded around 20% magnification in ticket phase month on month, to achieve higher extension rate redbus has to either locate newer sales approach or utilize the available route to a greater ability. The statistics with the association showed that around 25% of the redbus traveller is first time bus travelers. Redbus has to meet this challenge by maximizing ticketing sales through the mobile gadget. Several research studies employing information systems and information technology to reach superior performance (Fairbank et al., 2006), have shown interest in mobile ticketing technologies .The redbus ticket booking through

mobile gadget could be accomplished through an SMS or installing a JAVA petition and after showing the details; the consumer has to deliver his card attributes during the registration. A secure payment gateway would be a crucial decider in the success of e-commerce deal. In India, besides low internet perforation, there is also hesitation to provide the card details for perform the transactions which is a crucial barrier for redbus to make the most of this channel. Redbus has reintroduced one click payment option for bus ticketing to make the online deal quicker and easier. The use of mobile ticketing technologies leads to profits from income management perspective (Eisenhardt, 1989). Moreover, redbus has a volume driven business and it plans to expand further into the Indian mart by opening regional offices to serve the consumer better. The current master plan followed by redbus is to collect bus tickets by any means close at hand and later delivering to the customers through any passage that is attainable by them. Redbus has to put ahead an expansion model in reality which would supply an imaginable growth in the long term. Redbus holders have a dare that preserving strong relationship with bus speculators and acquiring the trust of new speculators/agents was a dare right from the initiation. The confidence that redbus had formed with the bus speculators and agents foresighted it with a merciless boundaries and justified influential in their long term awareness of targeted objectives. Redbus surely related a lot of bus speculators and ticketing agents to unite with redbus network for measuring the application and grow considerably. Even though redbus has enlarged its offices in the major cities of India, measuring of behaviour to further extent was required to survive the competition. There was small speculator who went online as well as there were few big players like Yatra who influenced. Earlier redbus had overlooked achy competition from players like Ticketvala (now makemytrip.com) but in this trade playing on money was deemed as the last alternative.

Redbus concentrated on offering a unique value to the consumers rather than to capitulate under the coercion from rivalry and change the rules of the game. Likewise there was also an entry hindrance in this business for a new gamer and the trade had taken a turn where, it would be tough going for any new start ups in this bus ticketing field. Redbus had to scrutinize further and take strategic actions to sustain the competitive advantage. Redbus has to cope with the challenge of building a strong cybernation base to handle the web traffic eminently and do all the operations real time. The future of redbus can be defined only with superior technology alongside an intense team to effectively hold the capacity. With more and more bus speculators joining redbus entrance, it is additional authority of redbus to furnish the service actively and constantly at the craved level. Although it is accepted that there is still some way to go before the precursor technology can be fully employed, it is certainly presumed that it is only higher ranking technology which can take home the competitive merit for redbus. The opportunity of crucifix sales and creation of artifact to suit the requirement of the consumer is still an imminent territory to be evaluated. The careful collection of value added services were another proportions to look ahead of time. The value added services like touring kits, travel insurance share, cargo deliveries etc. could be further proffer to consumer to render the service floor. It is a fact that building brand consciousness for redbus was one of the most important dare faced to this point. Redbus has been supported by word of mouth proclaiming (Devlin et al., 2002) but currently it needs hostile distribution of their publicizing budget. Redbus had used the radio publication to reach the masses and Google advertising to target the web users. Redbus had a huge duty to make the most of the social method that has been fundamental part of publicing mode for the internet users. Now that redbus has been taken over by Ibibo Group, it has to set the consideration right for the near

future while being observant for emerging opportunities to stay ahead of the contesting.

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