

ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

No.R5/287(20) / 2008-OPD-CSC

Office of the VC & MD  
Musheerabad, Hyderabad

CIRCULAR NO. 28/2008-OPD-CSC, DATED:19-08-2008

SUB : OPERATIONS : Operational Strategies to enhance the Market Share and augment revenues on Competitive Short Distance Routes – Steps to be taken – Reg.

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APSRTC is operating 19178 schedules as on 30-6-2008 on 7644 routes and carrying 138.88 lakh passengers on everyday meeting the transport needs of public at large in the State.

Competitive market dynamics are taking charge of the situation and public passenger transport is facing stiff competition from Private and Corporate sectors. Route is our marketing arena. The interplay of Marketing forces throw open new challenges. Our aim should always be to constantly monitor and nurture the routes to keep multiplying the Clientele. There is urgent need for evolving integrative mechanism for obtaining maximum revenue route-wise.

In the present competitive scenario, keeping short distance route passengers to wait for our services at the stages is becoming a challenge to the Corporation, as passengers are opting immediate available Para transit modes like Autos, Steering Autos and Vans by paying equal or more fare than RTC. Due to the pulsating conditions prevailing in the operations on High Potential Short Distance corridors, new strategies need to be devised.

**VOLTE-FACE IN BUSINESS ENVIRONMENT**

With the increase in fuel price, other modes of transport like Autos, steering autos and jeeps which normally operate on short distance routes with equal or less fares of RTC have increased the fares, whereas Corporation has not revised the fare structure in order to retain and also attract new clientele.

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When our competitors hike fares, the passengers opt for RTC buses operating with lesser fares. Thus, it is a business opportunity for us to attract commuters into our fold by redesigning schedules on short distance corridors, for which Route Specific Strategies have to be evolved and adopted.

In twin cities, specific study was made on selective dense short distance routes to assess the traffic demand and to formulate strategies not only to attract the short distance passengers into our fold, but also speedy clearance of traffic.

The following sectors were identified where passengers travel predominantly on Para transit vehicles.

1. Uppal X rds to LB Nagar X rds
2. LB Nagar to Uppal X rds
3. LB Nagar to IS sadan
4. IS sadan to LB Nagar
5. Sagar X rds to Uppal X rds

Earlier RTC and Para transit mode fares were similar, but post fuel price hike brought disparity in charging of fares. The difference of charging fares between RTC & Private operators on certain routes is mentioned hereunder.

<u>ROUTE</u>	<u>RTC</u>	<u>AUTOS</u>	<u>Remarks</u>
1) DSNR to MOHANNAGAR	Rs. 2.00	Rs. 4.00	HYD city
2) DSNR to NAGOLE X rds	Rs. 3.00	Rs. 6.00	
3) LB Nagar X rds to UPL X rds	Rs. 4.00	Rs. 6.00	
4) LB Nagar X rds to IS Sadan	Rs. 4.00	Rs. 6.00	
5) UPL X rds to IS Sadan	Rs. 6.00	Rs.12.00	
		(Split Journey)	
1) UDGR-NANDIPADU	Rs.4.00	Rs. 6.00	MOFUSSIL
2) UDGR- DUTTALUR	Rs. 6.00	Rs 8.00	
3) HZB-JAMMIKUNTA	Rs. 6.00	Rs.8.00	

Now RTC fares are lesser than other modes. Passenger profile indicates that we have many similar Corridors across the State. It is the right time to increase rider ship in RTC by innovative marketing strategies and augment our revenue.

The crisis emerged after steep increase of fuel price should be converted into business opportunity with aggressive marketing strategies.

### **METHODOLOGY:**

The following **Route Specific Strategy** can be adopted to increase the market share duly holding existing clientele. Operational efficiency is the key to Success. Corporation is going to sustain profitability in the long run only by undertaking marketing initiatives.

**SPOTTING THE CORRIDORS:** Identification of Short distance high density corridors (sector-wise) where Para transit like Autos, Jeeps, Steering Autos, Vans etc are high.

It is observed in most of the corridors 45 to 50% market share has been grabbed by other modes of transport vehicles. Depot Managers must identify the corridors within their operational jurisdiction and asses the market share of RTC as compared to that of other modes of transport.

**Market Surveys:** To increase the market share on selected short distance Corridors, it is necessary to conduct Market surveys at strategic locations to assess the mobility of passengers in RTC Buses and Pvt.vehicles to re-deploy our resources as per commuter needs. The following aspects need to be focused while conducting market surveys. ( A copy of the survey proforma is enclosed as Annexure-I)

- No. of passengers traveling sector wise by steering autos/autos, jeeps etc.
- Sector-wise travel pattern of passengers by direct inter action with commuters.
- The delinquencies of RTC operations

- Identifying travel needs of Commuters.

**Re-Scheduling of services:** On the routes /sectors identified, an exercise has to be under taken to carryout re-scheduling so as to provide more number of trips between the important traffic generating points such that confidence of commuters increases on availability of buses, in accordance with the traffic demand.

The Punctuality of operations shall be given top priority.

The RMs shall identify the High density Short Distance Corridors for conducting Market Surveys within their operational jurisdiction to assess the market share of traveling public in RTC buses Vs Pvt. Vehicles.

The methodology of **Route Specific Strategy** as enunciated above has been experimented in City region on the sector Uppal x rds to IS sadan via LB nagar with a survey on five strategic locations focusing on the above aspects.

After eliciting the specific information an Action Plan has been chalked out shuttle trips were increased as per the demand of the traveling public besides wide publicity about charging of high fares by Pvt.vehicles as compared to RTC which culminated in increased patronage.

#### **GUIDELINES TO CAPTURE THE MARKET SHARE**

- To exhibit banners / Timing boards about the frequency of buses available on routes both ways. The information on the stage poles to be updated. ( A Copy is enclosed as Annexure-II)
- Pamphlets to be printed and distributed at the points regarding low fares charged by RTC as compared to fares charged by private operators.
- Designing Schedules in-tune with the traffic demands.

- Provision of shuttle trips on High Potential Short Distance routes as per needs.
- Deploying the CRCs and Senior employees who are well versed with our Schemes to residential areas on holidays to propagate the Passenger friendly Schemes( viz. CAT Cards, Concession on renewals of CAT Cards, JHT/IJHT tickets, Monthly Season tickets, Return Journey Tickets, TAYL tickets and TREATS) instead of talking to them during their waiting time at Shelters.
- Introducing gift schemes on identified routes through sponsorship.
- To deploy traffic guides to ensure stoppage of all buses and to pick up passengers at the points and to educate passengers about less charging of fares as compared to Autos.

All the field officers are here by advised to adopt above Route Specific Strategies to maximize our market share to offset the increased cost of operation due to rise in fuel prices and other inputs costs.

**ACTION PLAN:**

The following Action Plan to be undertaken with in the time frame to implement Route Specific Strategies.

ACTION	TIME FRAME
IDENTIFICATION OF ROUTES	By 31 <sup>st</sup> AUGUST 2008
CONDUCTING OF MARKET SURVEYS	By 10 <sup>th</sup> SEPTEMBER,08
IMPLEMENTATION	By 15 <sup>th</sup> SEPTEMBER,08

The RMs shall furnish the details of High Potential Short Distance routes (depot-wise) identified in the following proforma to the Executive Director (O & MIS) by 20<sup>th</sup> of September '08.

ROUTE	RTC BUSES	NO.OF AUTOS JEEPS	MARKET SURVEY CONDUCTED ON	MARKET SHARE		PROPOSED MARKET STRATEGIES	REMARKS
				RTC	FVT.		

After implementation of the strategy on the selected routes, the RMs shall in turn send performance details to E.D.(O&MIS) by 5<sup>th</sup> of every month.

The receipt of these instructions be acknowledged.

  
VICE - CHAIRMAN &  
MANAGING DIRECTOR

To  
All Regional Managers  
APSRTC.

Copy to  
Dir(V&S), FA,CAO for information  
All EDs for information and necy.action  
All HODs for information and necy.action  
All Dy.CTMs, DMs for information and necy.action  
Traffic Incharges of all Depots for necy.action.





ఆంధ్రప్రదేశ్ రాష్ట్ర రోడ్డు రవాణా సంస్థ, మిథాని డిపో

**102A**  
**251B**

ఉమెన్స్ కాలేజ్ - వి.యస్.నదన్  
ఫీసల్ బండ - చంద్రాయణ గుట్ట  
శంశాబాద్ రూట్ లో ఆటోలలో  
ప్రయాణించే ప్రయాణికులకు విజ్ఞప్తి

ఆటోలలో ప్రయాణం ప్రమాదకరం! ఆట్లీసి బస్సులో ప్రయాణం సురక్షితం!

పై రూట్ లో ఆట్లీసి మీ సేవలో **138** ట్రిప్పులు నడుపుచున్నది.

ఆట్లీసిని ఆదరించండి! 15 రోజులకు తీసే లక్ష్మీ డిప్ లో బహుమతులు గెల్చుకోండి

1-6-08 road