

**Study on Passenger Preferences, Operator Behavior and Market Demand to Find the Feasibility of Expanding TicketGoose.com in Bihar Region**

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## Comments by the Faculty

Ticketgoose.com is one of the India's leading online bus ticketing firms launched in August 2007 with a goal to provide online services to everyone travelling by bus. Ticketgoose provides information like price, availability and booking facility for buses to more than 3000 destinations in South India and currently have more than 250 bus travel partners. They are trying to expand their business into more untapped regions like Bihar, Kerala, and West Bengal etc.

With the introduction of Online Bus Ticketing, travelling by bus has become more comfortable. The comfort which was started by an idea to revolutionize the offline bus ticketing into an Online medium, to provide users with the comfort to book tickets being at home/office. The current market size of online bus ticketing is over Rs.500-600 crore which is just 3-4% of the Rs.15000 crore markets.

A number of investors including Seedfund, Helion Venture Partners, Inventus Capital Partners, FootPrint Ventures, Bessemer Venture Partners, GVFL & a few US based Angels have accelerated the online bus ticketing industry by providing necessary capital and mentorship in start-ups like redBus.in, Travelyaari, Ticketgoose.com, Ticketvala. Also the industry is in the consolidation stage as recently Redbus the market leader has been acquired by ibibo group a joint venture in India between South Africa's Naspers and China's Tencent at the investment of \$135 million (800 crores).

Ticketgoose.com, is looking to raise INR250 million (\$4.6 million) in a second round of VC funding.

The company had raised INR40 million from US-based angel investors in August 2012 by divesting a holding of nearly 20% when the company was valued at around INR200 million. Company is currently in talks with a few VCs who have shown interest but prefers to look at those VCs who have funded similar ventures so that they can get better valuations and support. The bus ticketing firm, which sells its ticketing software to private travel agencies, hopes to improve its sales significantly in the backdrop of increasing preference towards bus travel with rising airfares and improved roads with higher quality private sector buses.

The company wants to deploy the next round of funds on marketing, expansion and developing more mobile bus ticketing applications. This study analyses the online bus ticketing market in Patna in the state of Bihar. The main objective was to conduct a B2B (agents), B2B (bus operators) and B2C (bus travellers) market survey to study the feasibility of expanding Ticketgoose.com in Bihar region. A questionnaire was designed and a field survey was subsequently undertaken. After the completion of survey a detailed analysis was undertaken to identify the feasibility of expanding ticketgoose.com in Bihar where its major competitor Redbus is already operating from about one year. This is an attempt to suggest Ticketgoose.com regarding their expansions, further action plan, increasing awareness level and knowing its feasibility in Bihar.

**J Balaji**

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## **Company Profile**

**TicketGoose.com**, launched in August 15, 2007 is a ticketing web portal launched with a goal to provide online services to everyone travelling by bus. Ticketgoose provides information like price, availability and booking facility for buses to more than 3000 destinations in South India and currently have more than 250 bus travel partners. Customers can also book the return tickets with Ticketgoose and they can cancel the tickets online. TicketGoose ease the customers to book bus tickets by walking into its channel partner outlet which includes Corporate Sectors and Ticketing Agents. Ticketgoose is also fast expanding its IT software solutions for private Omni Bus Operators which will enable them to go online and offer their inventory on real time basis.

The research was conducted for knowing the bus travelling behavior, active agents, operators and active online ticketing portals in Patna (Bihar). The whole exercise was only to understand the opportunity in Patna where Ticketgoose is not operational yet.

## **Online Bus Ticketing Industry**

With the introduction of Online Bus Ticketing, travelling by bus has become more comfortable. The comfort which was started by an idea to revolutionize the offline bus ticketing into an Online medium, to provide users with the comfort to book tickets being at home/office. The current market size of online bus ticketing is over Rs.500-600 crore which is just 3-4% of the Rs.15000 crore markets.

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Also the industry is in the consolidation stage as recently Redbus the market leader has been acquired by ibibo group a joint venture in India between South Africa's Naspers and China's Tencent at the investment of \$135 million (800 crores).

## **Competitors**

The major competitors of Ticketgoose.com are Redbus, Travelyaari and Abhibus

### ***Redbus***

Redbus is India's biggest online bus ticketing company. The company also sells tickets through offline outlets. Offices: Ahmedabad, Bangalore, Chennai, Coimbatore, Delhi, Hyderabad, Mumbai, Pune, Vijayawada and Visakhapatnam. It was taken over by the Ibibo Group, a joint venture of South Africa's Naspers and China's Tencent in June 2013. Redbus.in, the bus ticketing

venture reported net revenues of Rs.32,87,00,903 (around \$5.55 million) for the year ended 31st March 2012, up 170.72% from Rs.12,14,18,304 (around \$2.05 million), according to the company's filings with the registrar of companies.

**Table 1 :**  
**Redbus FY12**

<b>Rs</b>	<b>FY12</b>	<b>FY11</b>	<b>Growth</b>
Total Income	328,700,903	121,418,304	170.72%
Profit before tax	5,811,982	(31,597,386)	
Earnings Per Share	5.57	-30.45	

Net revenue for the company, which was reported to have clocked Rs.55 crore and a gross merchandise value of Rs.600 crore (around \$100 million) for FY13, and a net profit of around Rs.2 crore. The company is clearly on the growth path, and for the market leader in the bus ticketing space in India.

### ***Travelyaari***

Travelyaari is an Indian online bus ticketing website with its offices in Bangalore and other major cities like Ahmedabad, Delhi, Mumbai, Pune, Hyderabad, Chennai, Vijayawada and Rajkot. It claims to have 50,000 unique visitors a day. Travelyaari's back-end system is used by more than 650 transporters across the country. Travelyaari.com itself has become very popular among the bus travelers community and is growing at more than 400 per cent growth rate. In last 2 years Travelyaari's sales has increased from Rs.5 crores to an expectation of Rs.150 crores. This financial year Travelyaari.com will do Rs.150 crores and next year it is targeting sales of Rs.500 crores and a year after that sale of Rs.1100 crores. It is because of the end to end model which enables Travelyaari to deliver such a high growth rate.

Apart from providing facilities to book bus tickets online, the company also provides platforms for bus operators. It has tied up with two state governments—those of Punjab and Himachal Pradesh—to provide platforms for online ticket reservation. Travelyaari has also started selling tickets for Punjab Transport Corporation, Himachal Pradesh Tourism Department and the Bihar and Uttar Pradesh state transport organisation.

### ***Abhibus***

It is a Hyderabad-based online bus ticket booking portal. Apart from ticket booking, it also provides end-to-end transport solutions for bus fleet owners, vehicle tracking companies and e-ticketing systems for the online travel agencies, such as Make My Trip, Cleartrip, Goibibo and Yatra. It also offers technology support to state transport corporations of Rajasthan, Uttar Pradesh, Karnataka, Andhra Pradesh and Tamil Nadu. Reddy said this industry is predominantly in the western and southern India with Andhra Pradesh, Tamil Nadu, Gujarat, Maharashtra, Kerala and Karnataka together accounting for 70 per cent of penetration. In 2012-13, AbhiBus

has clocked revenue of Rs.150 crore and is expecting to garner Rs 350 crore in 2013-14 and around Rs.700 crore in 2014-15.

## **Research Methodology**

### ***Research Design***

Descriptive: It includes surveys and fact findings of different kinds. The major purpose of a descriptive research is the description of the state of affairs as it exists as present. Research has no control over variables.

### **Methods of Data Collection**

There are two types of Data

1. Primary data
2. Secondary data

***Primary data collection:*** Primary data can be collected by three methods.

- a) Observation
- b) Experiment
- c) Surveys

But here, only surveys method of data collection is preferred which is very suitable to reach the researcher motto.

***Research instrument:*** Printed Questionnaire was used as the research instrument to collect the required information.

***Area of surveys:*** The survey was conducted in different location of Patna.

### ***Sampling plan***

1. Sampling size: 20 for operator, 50 for agents (B2B) and 523 for B2C
2. Sampling procedure: Simple random sampling procedure was followed
3. Sampling method: Data were collected from operators, agents (B2B) and B2C survey. They were directly contacted and interviewed at their offices and boarding points.

***Area of Operation:*** Patna

***Tools of Data Analysis:*** Pie Charts and Bar Graphs

***Time Frame :*** 7 Weeks

## B2C Observations

1. Covered a total of 523 respondents
2. Out of these respondents more than 94% respondents are booking their tickets through operators, 3% through online portals and 3% through agents.
3. Out of all respondents booking through operators more than 99% are booking offline and on the spot through bus conductor.
4. All most 100% respondents are willing to use mobile phones for ticketing of which maximum are voting for IVRS system.
5. Internet awareness is still not as good as compared to other cities but almost every one is saying that someone in their home is aware of internet.
6. Most of the respondents prefer Non AC semi sleeper if they are travelling to a distance of 2-5 hrs. But for longer distances like Ranchi, Jamshedpur etc. they prefer Volvo or AC sleeper.
7. In reasons for not booking online they are simply telling that they are not confident about it and they are not facing any problem booking offline.
8. About discounts none of the respondents have received any discount from operators.
9. Now one has shown their willingness to travel from Multi-axle Volvo as this type of bus has not yet started in Patna.

## Important Tables:

**Table 2 :**  
**Analysis Based on Operators**

<b>Operators</b>	<b>Respondents out of 523</b>	<b>Percentage distribution</b>
Bhavani Travels	9	2%
BSRTC	137	26%
Gaurav Luxury	92	18%
Jai Mata Di	71	14%
Jai Ram Champion	22	4%
Krishna Rath	48	9%
Sahi Tirupati	12	2%
Vaishali Travels	69	13%
Sigh Travels	6	1%
Pappu Travels	28	5%
Chandralok Travels	11	2%
Sheet KT Basant	17	3%
Mantu Travels	1	0%

**Table 3 :**  
**Analysis Based on Type of Bus Traveled**

<b>Bus Type</b>	<b>Number of Respondents out of 523</b>	<b>Percentage distribution</b>
Multiple Axle Volvo	0	0%
Volvo	109	21%
AC Sleeper	61	12%
AC Semi Sleeper	79	15%
Non AC Sleeper	88	17%
Non AC Semi Sleeper	186	36%

**Table 4 :**  
**Analysis Based on Type of Bus Preferred**

<b>Bus Type</b>	<b>Number of Respondents out of 523</b>	<b>Percentage distribution</b>
Multiple Axle Volvo	0	0%
Volvo	129	25%
AC Sleeper	44	8%
AC Semi Sleeper	93	18%
Non AC Sleeper	33	6%
Non AC Semi Sleeper	224	43%

**Table 5 :**  
**Analysis Based on Way of Booking**

<b>Way of Booking</b>	<b>Out of 523</b>	<b>Percentage distribution</b>
Booked Online by Self	17	3%
Through an Agent	14	3%
Through an Operator	492	94%

**Table 6 :**  
**Analysis Based on the Portal Used for Booking Online Tickets**

<b>Online Booking Portal</b>	<b>Out of 17</b>	<b>Percentage distribution</b>
Redbus	6	35%
Ticketgoose	0	0%
Make mytrip	2	12%
Travel yaari	0	0%
Smartshop	0	0%
Via	0	0%
Goibibo	0	0%
Operator's website	9	53%
Other	0	0%

**Reasons for Using These Portals**

- One of my friends has already used this site, so I was sure that no fault would arise in this service.
- Have been using it.
- Seat availability.

**How Did They Come to Know About These Portals?**

- Through Radio/TV 32%
- Through a friend 23%
- Through internet 45%

**Problems Faced in Booking Online Tickets**

- Money got debited but ticket not confirmed- 50%
- Very late refund when cancelled- 17%
- Ticket confirmed on site but operator said no- 16%
- Other- 17%

**Some More Observations**

- Of all respondents who booked through operator 54% went to operators office and 46% booked on the spot through bus conductor/challan.

- Almost 100% respondents said that they have not received any discount from operator.
- For advance booking
  - 42% book same day
  - 22% one week before
  - 22% 2-3 days before and
  - 14% one day before
- Out of all respondents around 69% were male and around 31% were female
- Of all respondents
  - 42% were from other professional like Govt. service
  - 26% were students
  - 18% were business person
  - 11% not working
  - 3% software professional
- Of all respondents about 65% were having internet access at their home
- About 16% booked return ticket
- About 73% were traveling for personal purpose and 27% for business/work/official.
- Some suggestions from respondents:
  - Discount if booked earlier
  - Should be more booking offices
  - Payment options should be increased
  - More number of local boarding points
  - After sales service
  - Condition of buses should be improved
  - Time should be maintained

### **B2B (Agent) Observations**

1. As very minimal percentage of people is booking through agents, there are very few agents active here.
2. Till now after travelling many places I have covered 50 agents and out of which only 5 agents are booking bus tickets.

3. Out of these 5 agents almost all are booking Gaurav Luxury tickets.
4. Only one agent is booking offline as well as online tickets and 4 are booking through online only.
5. Out of 4 agents booking online 2 agents are only booking through operators website i.e Gaurav Luxury and rest 2 are using Travel yaari, RedBus, Via and make my trip and Gaurav Luxury website.
6. All most all agents have given negative feedback about RedBus online booking system and one Agent was praising via booking portal.
7. As suggested I tried talking with the Rail and Air ticketing agents active in residential areas and as said till now I have covered around 50 agents.
8. Based on the response I would like to put that as told earlier only 5-6 agents are booking online bus tickets as of now.
9. But as a representative of TG when I asked about their willingness to work as an online bus ticketing agents and to use Ticketgoose website almost 100% of them have shown their willingness.
10. They just told that if they will get a reasonable commission they don't have any problem in booking online bus tickets.
11. They also told that there should be all leading operators tied with the portal and they should not be facing any problems in cancellation and refunds.
12. Some of the agents are also having their own website and they were asking whether we can share TG API with them. I told them yes and for further details our technical team will contact you.
13. One of the agents was talking about some portal [www.bustand.com](http://www.bustand.com) I don't know about this portal but may be they are also getting inventory from Redbus.
14. As a query they asked:
  1. Do TG charge any sum of amount for giving agencies..?
  2. If yes how much..?
  3. What is the procedure of getting commission direct online credit or other..?
  4. And the commission that TG takes from operators and the commission that is given to agents are raised on the website with the fare additionally or it will not increase any fare for the end customers.
  5. I am having my agency bit far from residential area so very few people are coming to my office instead they call me for ticket booking. If they don't want to come to the office and are asking for sending the soft copy, how should I receive the payment? And just because of this I'm losing many customers.

## Recommendations

1. TicketGoose (TG) has all market untapped and it's simply a **Blue ocean** market.
2. Only RedBus is in the market and that also operators and agents are not happy with its service
3. Some more Portals are active but getting inventories through RedBus only so it's a great time to tap the market and become market player.
4. Makemytrip very well-known portal in this region but only known for Air ticketing and Rail ticketing.
5. The big problem here is B2C. Most of the people are not comfortable or willing to book tickets online.
6. There is a need of proper and penetrating marketing strategies here in Patna for B2C market such as digital or social media marketing.
7. As suggested by few B2C respondents TG may think of giving discounts for advance ticket booking.
8. As company is already a market player in B2B. It has a great chance of establishing agencies in residential areas. Because at boarding points as a habit people will go and book tickets through bus conductor. But if agencies will be in residential areas they will prefer their convenience.
9. And there is need of spreading awareness about online bus ticketing.
10. As a representative of TG when I asked about their willingness to work as an online bus ticketing agents and to use Ticketgoose website almost 100% of them have shown their willingness, so TG should try to tap this market as it is already a B2B market leader.
11. Also market is in the consolidation stage as recently Redbus the market leader has been acquired by ibibo group a joint venture in India between South Africa's Naspers and China's Tencent at the investment of \$135 million (800 crores). Reason being online penetration of the bus market is only 5.7 percent compared to 28 percent for air travel. All small players will be consolidated and only few major players would be active in the industry. So, TicketGoose should also look forward for acquisitions to increase its customer base and sustain in the industry.
12. All I can say is there seems to be a latent opportunity waiting to be exploited and TG should enter into the market before it becomes a Red ocean scenario.

## Learning and Conclusion

It was a great learning for me working on a live project. I feel it's always good working with passionate people and organization. TG is not at all operational in Patna. It was a great opportunity for me to study the totally untapped market. I learnt that true trait of success is to never lose your lust for learning. It was so wonderful to understand how consumer behaves. How you should go about B2B research and plans? What strategies should be adopted in different situations? I learnt how you could apply the concepts you have learnt in your classroom in an open market? Interestingly apart from a habit of always hearing yes I learnt to hear NO. Moreover I learnt how to develop a positive attitude and lead your life passionately as if each day is your last day. Sincere appreciation is extended to Prof J.Balaji, the internal faculty guide of SDMIMD, for providing me with timely feedback and guidance for efficient execution of the Project. I heartily wanted to thank TicketGoose.com and SDM-IMD for giving me such an enlightening opportunity. I am also thankful to all my respondents from Patna for extending their patience.

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