

IT & Customer Interface: E-Ticketing and I-Ticketing on the Indian Railways

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Realizing Information Technology

- Railways – a Service organization
- We sell services to Customers
- Customers live in the age of Information
- We need to live in the age of Ideation
- IT enables Value proposition

Marketing of Services

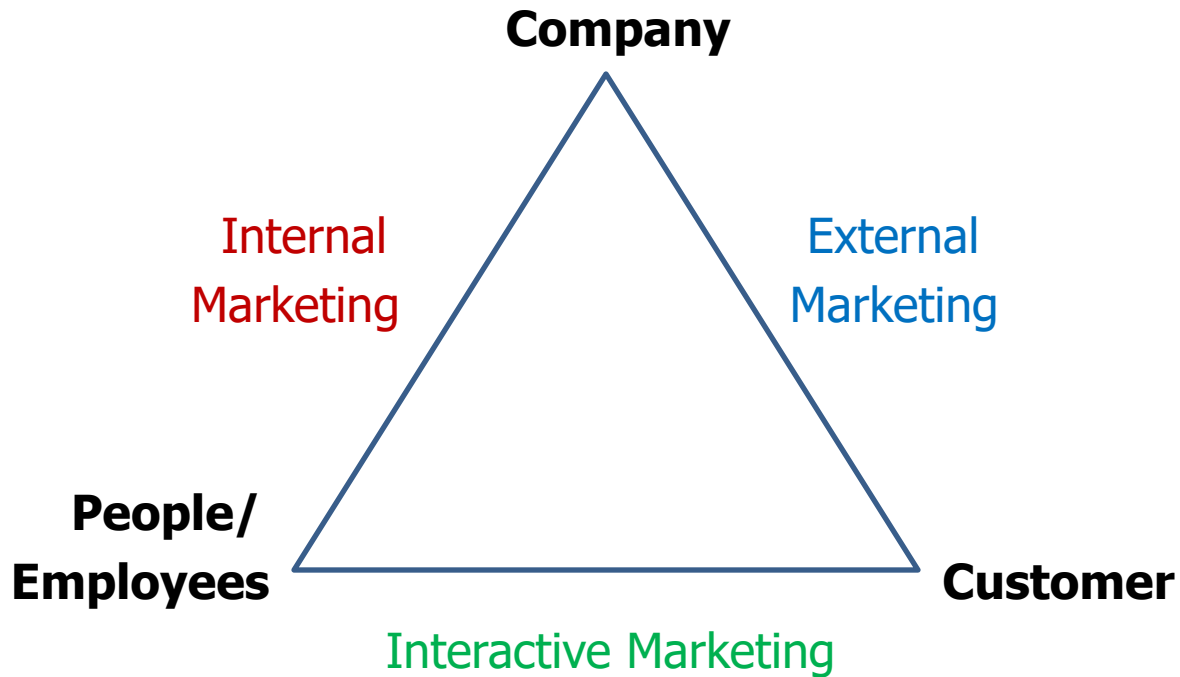
It's DIFFERENT from Marketing of Goods

- Relationship approach
- Interactive Marketing
- Exchange of Promises and Values
- Performance based

Understanding Marketing

- Customer need Benefits, not just Goods/Services
- Various types of Customers
- It's about Customer Creation and Retention
- Profit through Customer's Delight

Strategic Marketing Triangle



IT: Value Proposition

- Organizational transformation
- IT and Corporate strategy – inseparable
- Value demonstration
- Management of Technology – not technical

IT Leadership

“Leadership is not just the CIO,
it includes the CEO & COO”

Service Leadership

Required at all levels –
Top to Bottom

3 types of Managers

1. Committed – “Get it”: Michael Dell of Dell Computers, John Chambers of Cisco, Jack Walch of General Electric
2. Understands IT – not quite committed – local changes/augments existing ways
3. Skeptical of IT – money spent on IT as an expense, not investment

(Source: Henry C. Lucas, Jr., *Information Technology: Strategic Decision Making for Managers*)

Management Decisions

- Strategy – how to develop?
- Value of IT – how to estimate?
- Investing in Infrastructure – what is in, budget, guidelines?
- Deciding on applications – how to allocate scarce resources?
- Knowledge – how to gather, store and disseminate?

(Source: Henry C. Lucas, Jr., *Information Technology: Strategic Decision Making for Managers*)

Management Decisions (Contd.)

- E-Business – how to move?
- Options for service – what to outsource?
- Change management – how to manage successfully?
- Managing value nets – how to go ahead?

Redefining Porter's Value Chain

Support activities

Firm activities

HRM

Tech. develop.

Procurement



Logistics Operations Marketing Sales Service

Primary activities

(Source: Henry C. Lucas, Jr., *Information Technology: Strategic Decision Making for Managers*)

Porter's Five Forces Model



IT & Customer Interface

What are the Benefits...

- ...
- ...
- ...
- ...
- ...

Is not it letting the organization
live in the present?

The Indian Railways

- Running since April 16, 1853
- 64,000 route Kms
- 2.72 million tonnes of freight daily
- 22 million passengers daily
- 1.4 million employees

E-Ticketing

- Facilitating customers need and demand
- Revenue management
- Feedback mechanism
- Grievance redressal and RTI
- Continuous improvement
- Simplification of procedures

E-Ticketing (contd.)

- Web-based ticketing system
 - Implemented through IRCTC, www.irctc.com
 - Ticketing access through user specific accounts and payment gateways
 - Mediated through intermediate servers of IRCTC
 - Concept of sacrosanctity of ticket removed in e-ticketing
 - Empowers customer determined ticketing activity
 - Railway's own website (www.indianrailways.gov.in) recently launched, and under repair

E-Ticketing (contd.)

- Started on 12th Aug, 2005.
- Introduced on all Mail/Express trains on 24th Feb, 2006
- Payment through Master/Visa/Diners Club credit/Amex /Cash cards
- Confirmed/ RAC/Waitlisted and 'Tatkal' reservation
- Only Computer generated slip (e-mode also)
- Identity card (any of the eight prescribed) while travelling

E-Ticketing (contd.)

- Non-Indian passengers should carry Passport.
- Cancellation – Only online (before charting), after charting send e-mail to etickets@irctc.co.in.
 - waitlisted tickets are cancelled automatically at the time of charting.
 - Refund to IRCTC up to Rs.3000 on post-check basis by pay-order instead of General pay order.
- Only senior citizen concession is allowed.

E-Ticketing (contd.)

- If printout of the slip is lost during journey Rs.50/-penalty provided an ID proof is produced. In absence of ID treated as Ticket-less traveler.
- IRCTC levies a service charge – Rs.10/- for II/SL and Rs.20/- for all other classes per E-ticket
- Concession – only senior citizen

Agents for E-Ticketing

- Internet café chains / web stores/chain of distributors with at least 100 centers with complete infrastructure may enter into agreement with IRCTC
- All such centres will be required to purchase a personal digital certificate from any Indian Certifying Authority for their authorized user
- Authenticated digital certificate, will allow booking of e-tickets without 'number of tickets' restriction

Agents for E-Ticketing (contd.)

- Franchisees other than Government organizations, PSUs & Nationalized Banks shall pay lump sum deposit which will be on non-refundable basis.
 - 1-100 outlets/ Kiosks -- Rs.1 Lakh
 - 101-250 outlets/kiosks -- Rs.1. 5 lakhs
 - 251-500 outlets/ kiosks -- Rs.2, lakhs
 - 501-1000 outlets/kiosks--Rs.3 lakhs
 - 1001-2500 outlets/ kiosks – Rs.5 lakhs
 - 2501-5000 outlets/Kiosks – Rs.10 lakhs.
 - Above 5001 outlets/kiosks – Rs.20 lakhs

Refund

- Done through IRCTC only – electronically
- Issues of delay and malpractices involved
- Multiple functionaries, TTE, CTI, CRS
- EDR feeding – an issue of manual intervention (Hand Held terminals for TTEs)
- B2B and B2C approach
- Customer satisfaction

I-Ticketing

- Web-based ticketing system through IRCTC
- Similar to E-ticketing
- Actual (PRS) ticket delivered through courier at customer's address

I-Ticketing

- Charges
 - Service charge of Rs.40/- per ticket for sleeper/II class.
 - Service charge of Rs.60/- per ticket for higher classes.
 - Separate transaction charge, mostly @ 1.8% by banks (36 Nos.)

I-Ticketing (contd.)

- Modification/cancellation can not be done on internet
- Group booking is not done
- Only six tickets can be bought by a registered member in a calendar month
- Cancellation across PRS counter only
- Refund through payment gateway, electronically
- TDR to DGM/RR, Internet Ticketing Centre

Mobile Phone Ticketing

- Still in trial phase
- Allows users with an internet enabled mobile to book ticket through their phones
- Users need to carry the SMS that would be sent as the proof of the booking within 20 minutes of booking
- Users need to carry a valid id proof along with the SMS for their booking to be valid

Mobile Phone Ticketing (contd.)

- Users need to download the mobile ticketing application and Indian Railways' portal, IndianRailways.gov.in
- Users can use their mobile phones and visit the website to register for the service
- An SMS will then bring the link of the mobile ticket application on the phone
- Once it is installed, one can get tickets on the phone
- On completion of booking and payment formalities, an SMS containing ticket details will be sent to the user, which is referred to as the Mobile Reservation Message (MRM).

Vision 2020

- Use of IT tools - one of the five critical challenges of the Indian Railways
- Under Capacity Enhancement and Modernization Works

Investments planned –

- * Short term (2010-11/2011-12):
Rs.1383 Crore (0.98% of total)
- * Long term (2012-13/2019-20):
Rs.8,400 Crore (0.67% of total)

Challenges ahead

- Customers expectations & preferences
- Service quality
- IT evolution
- Organizations inertia/realities(!)
- Porter's Five and other forces
- Image building/Brand

Challenges ahead (contd.)

- Business model
- Mining of e-ticket data
- Inter-usability/modality/availability
- Interoperability
- Security
- Customers satisfaction/delight
- Executives wisdom

Thank You