



GROUP 2

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01

Background



Project Funding

State Govt

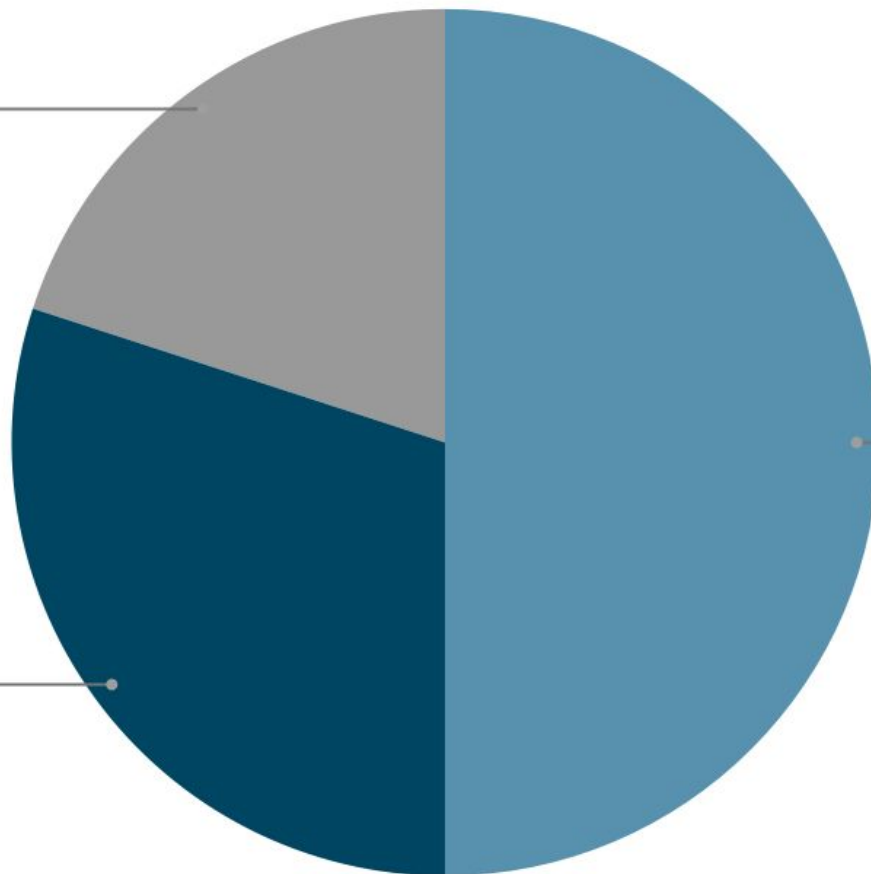
20.0%

Municipal Corporation

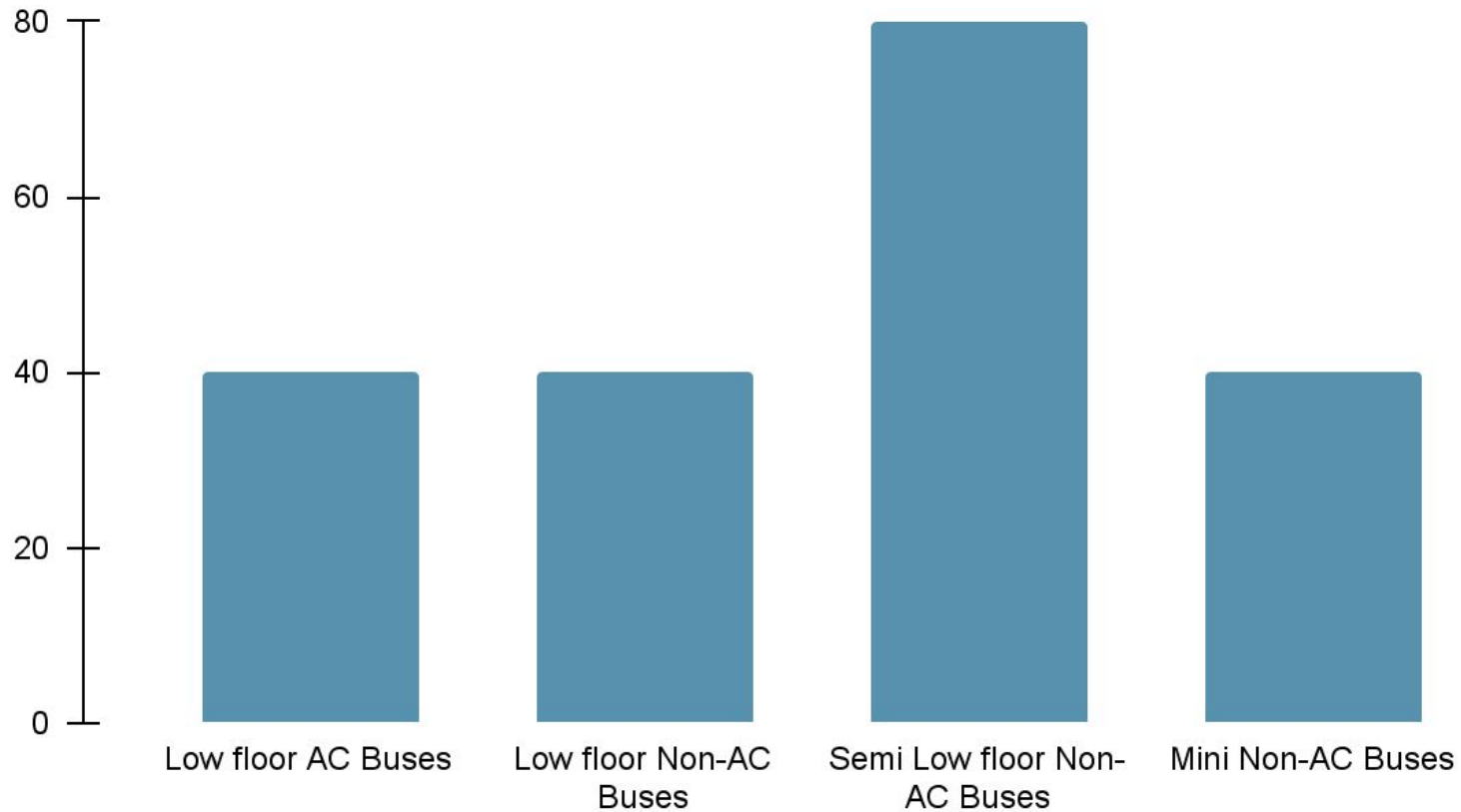
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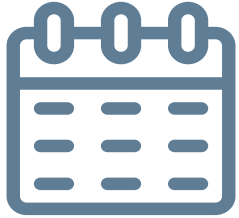
Govt

50.0%



Number of buses of each type





2007

Incorporated under
The Companies
Act(1956)



200

Proposal
Sanctioned by
GoI in 2009



10%

Project rolled out
by march 2013



02

PESTEL Analysis

Political

- Indian government supports public transportation.

Economical

- A growing economy can have a positive impact on public transportation.
- It drives demand, enables investments, and contributes to environmental sustainability.

Social

- Population growth results in increased strain on infrastructure.
- Public transport can be a solution.
- Using public transportation fosters a sense of duty.

Technological


- Increasing technological innovation in public transport brings advancements in efficiency, sustainability, user experience, and connectivity.

Environmental

- Air pollution in Punjab is a significant problem.
- By decreasing the number of cars on the road, public transportation helps mitigate air pollution.

Legal

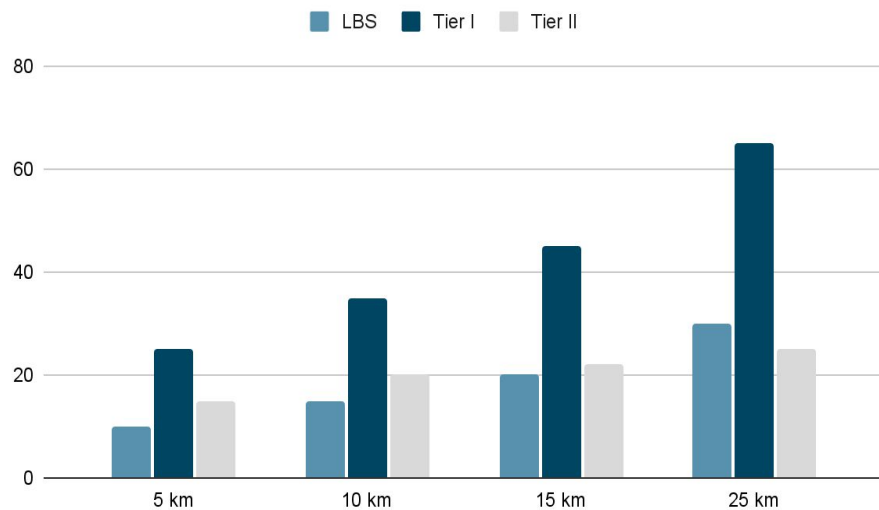
- The legal structure of a country sets the framework for the governance, funding, planning, and operations of public transportation.



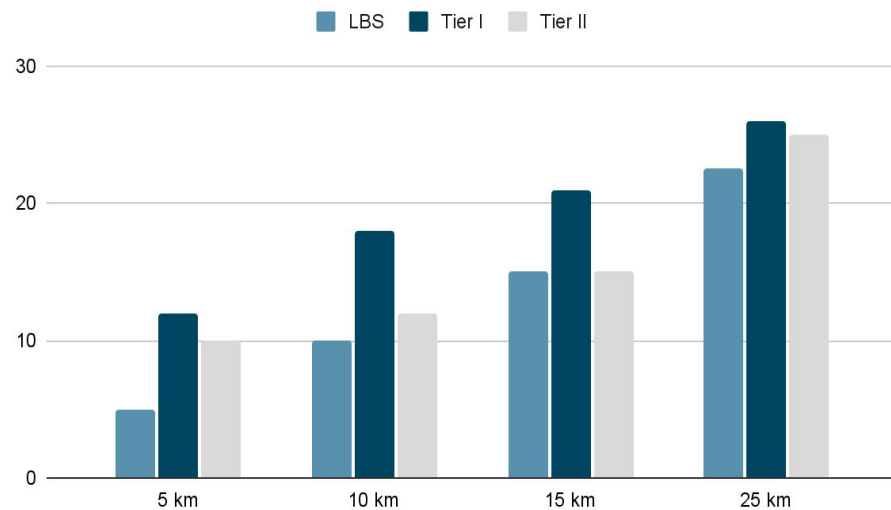
03 Porter's Generic Strategies

Cost Leadership

AC Bus Fare



Non-AC Bus Fare



Differentiation

Reference Value

Auto Rickshaws

Differentiation value

Safety, security, reliability,
convenience, comfort,
reduction in traffic congestion
and economical advantage



04

STP

Segmentation

Demographic segmentation based on Income, Age, Occupation and Gender



Targeting

Low income groups, working professionals commuting daily to work, students

Positioning

Low fares, provide high intangible value



05

SWOT Analysis

Internal

Strengths

- Large fleet of buses
- Low fares
- Government support
- High Intangible value

Weaknesses

- Poor maintenance
- Lack of connectivity
- Corruption

External

Opportunities

- e-Buses
- Development of new bus routes
- PPPs
- Advertisements

Threats

- Rapido and Ola
- Advent of metro
- Traffic congestion

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AAP MLAs propose mini electric buses to bolster city transport

Nidhi Bhardwaj / TNN / Updated: Jun 4, 2023, 12:27 IST

76 PTS

SHARE



AA

YOU'RE READING



AAP MLAs propose mini electric buses to bolster city transport



IIM Calcutta's EdLEAP program is empowering leaders in the education...



Existing city buses are available on three routes and the agreement with the private firm will end in January next year

rites to check feasibility of metro in Mohali, Amritsar, Ludhiana: Arora

By [HT Correspondent](#)

Dec 28, 2022 11:09 PM IST



With an aim to curb traffic congestion in Mohali, Amritsar and Ludhiana, the Punjab government plans to rope in Rail India Technical and Economic Service (RITES), a public sector undertaking (PSU), to check the feasibility of having metro service in these cities.



Public Private Partnerships

- Our objective is to establish a Public-Private Partnership (PPP) for setting up bus shelters/stops at various locations while simultaneously generating revenue through advertising.
- We propose a Build Operate Transfer(BOT) type of arrangement.

Capital required = Rs 10 lakh (Approx)

Cost of advertising = Rs 50,000 per month

Tenure(t) = 5 years (Assume)

Total Revenue generated by the private firm = $5 \times 12 \times 50,000 = \text{Rs } 30 \text{ Lakh}$

After the tenure, there can be a 40-60 partnership between firm and Government, while simultaneously generating value for the consumers

Source

Advertisements

Advertisement rate(r) = ₹ 31,625 Per Bus Per Month

Number of non-AC buses(n) = 35 (assumed)

Total Revenue generated per month = $n \times r =$ **₹ 11, 06, 875**





06

Marketing Mix

Product

- There are AC and Non AC buses
- Providing transportation services
- Convenient
- safe
- reducing carbon footprint
- Reduce the congestion on the roads

Now, city buses to have Wi-Fi, GPS services

Harshraj Singh

harshraj.singh@hindustantimes.com

LUDHIANA: With municipal corporation's Ludhiana City Bus Service Limited (LCBSL) all set to return on the road from mid-January, residents will be able to enjoy advanced facilities as the buses will be connected with GPS system soon.

Besides, the newly selected firm to run the city buses will also offer facilities like free Wi-Fi, service to religious places on Sundays.

The GPS system will allow people to know the current status of running buses. Horizon Connect Transways Private Limited (HCTPL), which has been selected to run 105 city buses, will also hire new staff for buses, including woman conductors.

When contacted, MC assistant commissioner Satwant Singh said, "We will set up a GPS control room so that buses can be connected with GPS system installed in them. We plan to provide better service to the

COUNCILLORS SATISFIED WITH RESUMPTION

Though some councillors were unhappy that the MC will earn less profit as per the new agreement, but others expressed satisfaction as the service is going to be resumed. Councillor of ward number 55 Balkar Singh said, "Earlier, the LCBSL faced losses, but it will be beneficial that it will not have to spend this time and will generate profit."

city residents."

He said, "We are also going to identify the areas where majority of the government working class resides and then start a few buses connecting their colonies with their offices. We have a meeting with the deputy commissioner regarding this issue in the coming days."

"Our first aim is to provide better services to residents as

the bus service is for the public. We hope that the service will be successful this time," Singh added.

Ravinder Sharma, a resident, said, "It is good that the city buses are going to ply on roads again. If the GPS system and Wi-Fi facility are being provided by the operator then more residents will prefer travelling via this service."

HCTPL managing director Sidharth Barkiya said, "We are going to hire staff, including woman conductors. The buses will also have cameras and we also assure providing Wi-Fi facility onboard. We have been successfully running the buses in Ujjain and I assure that Ludhiana residents will be given the best services."

"We have planned to recruit the woman conductors and special buses for woman will also be plying on the road. We will also offer free service to religious places once a week. Cleanliness will be ensured in buses under the Swachh Bharat Abhiyaan," he added.

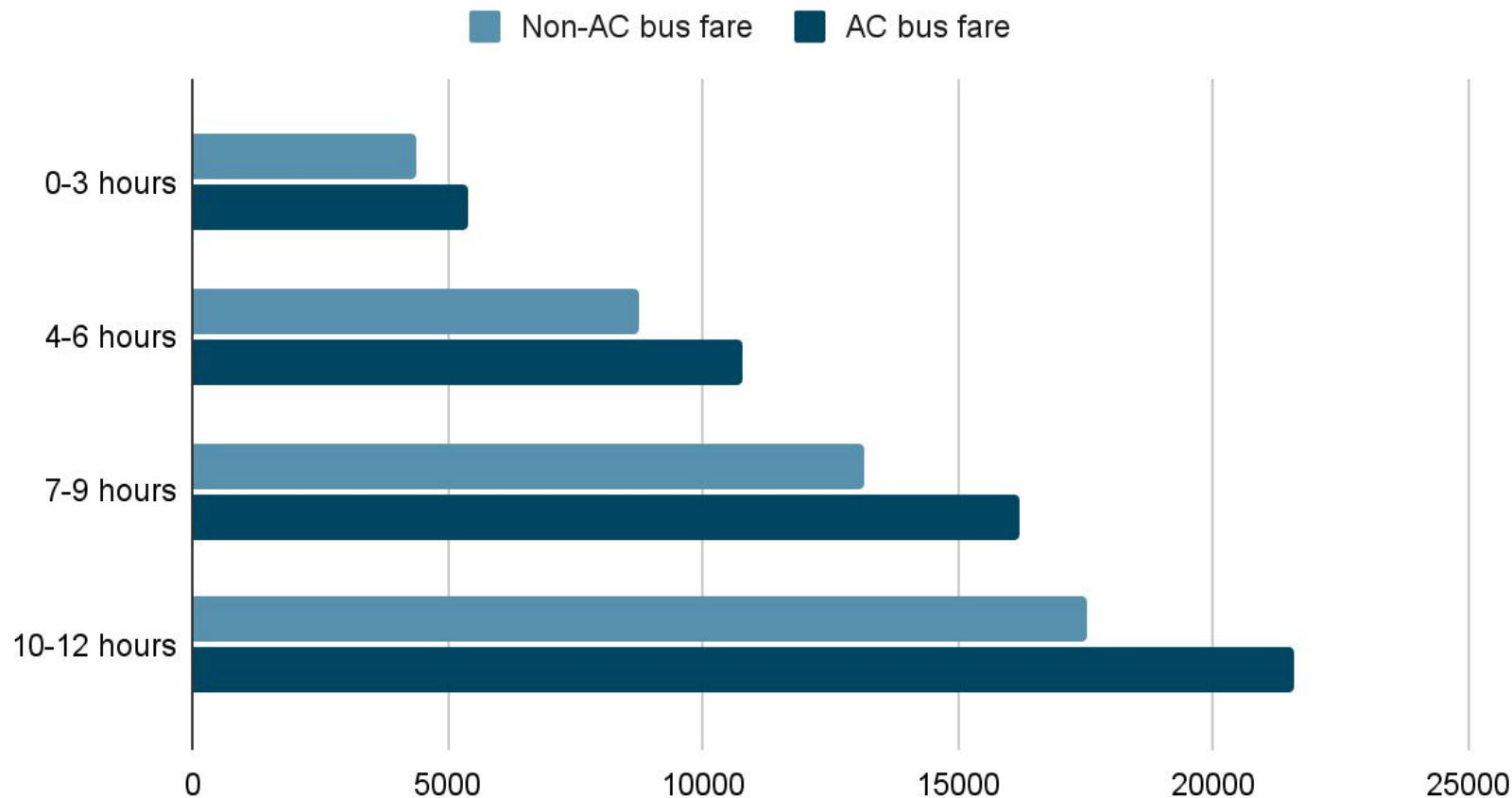


सत्यमेव जयते

Government Of India

Marriages and other function

Classification of fares on the basis of booking hours



Price

- Ludhiana city becoming Tier 2 to Tier 1
- Purchasing Power of the citizen increasing
- Different fare for different luxury buses
- Low fare compared to other buses
- These buses are Well below in
the value equivalence line

Kilometre Category	Existing fare matrix	
	AC bus fare(INR)	Non-AC bus fare(INR)
Below 5 km	10	5
5-10 km	15	10
10-15 km	20	15
Above 15 km	20 + 1x(extra km)	15 + 0.75x(extra km)

A Hypothetical Scenario



Mode of Travel	Price	Time	Convenience
Buses	40	45min	7.5
Auto	110	30min	6
Cabs	230	30min	7
Rapido Bike	75	25min	5.5

Assumptions

1. This analysis is for middle class part of the population
2. 30min being the reference value ,For 1 minute we are assigning a value of Rs. 2 ,
3. The value of one point of convenience is Rs. 10.
4. The convenience is measured on a scale of 1-10.

Source

Price Benefit Analysis

Buses

Price = Rs 40

Time = 30+15 min = - Rs 30

Convenience = 7.5×10 = Rs 75

Total benefits = $75 - 30 = \text{Rs } 45$

Cabs

Price = Rs 230

Time = 30 min = Rs 0

Convenience = 7.5×10 = Rs 75

Total benefits = Rs 75

Auto

Price = Rs 110

Time = 30 min = Rs 0

Convenience = 6×10 = Rs 60

Total benefits = Rs 60

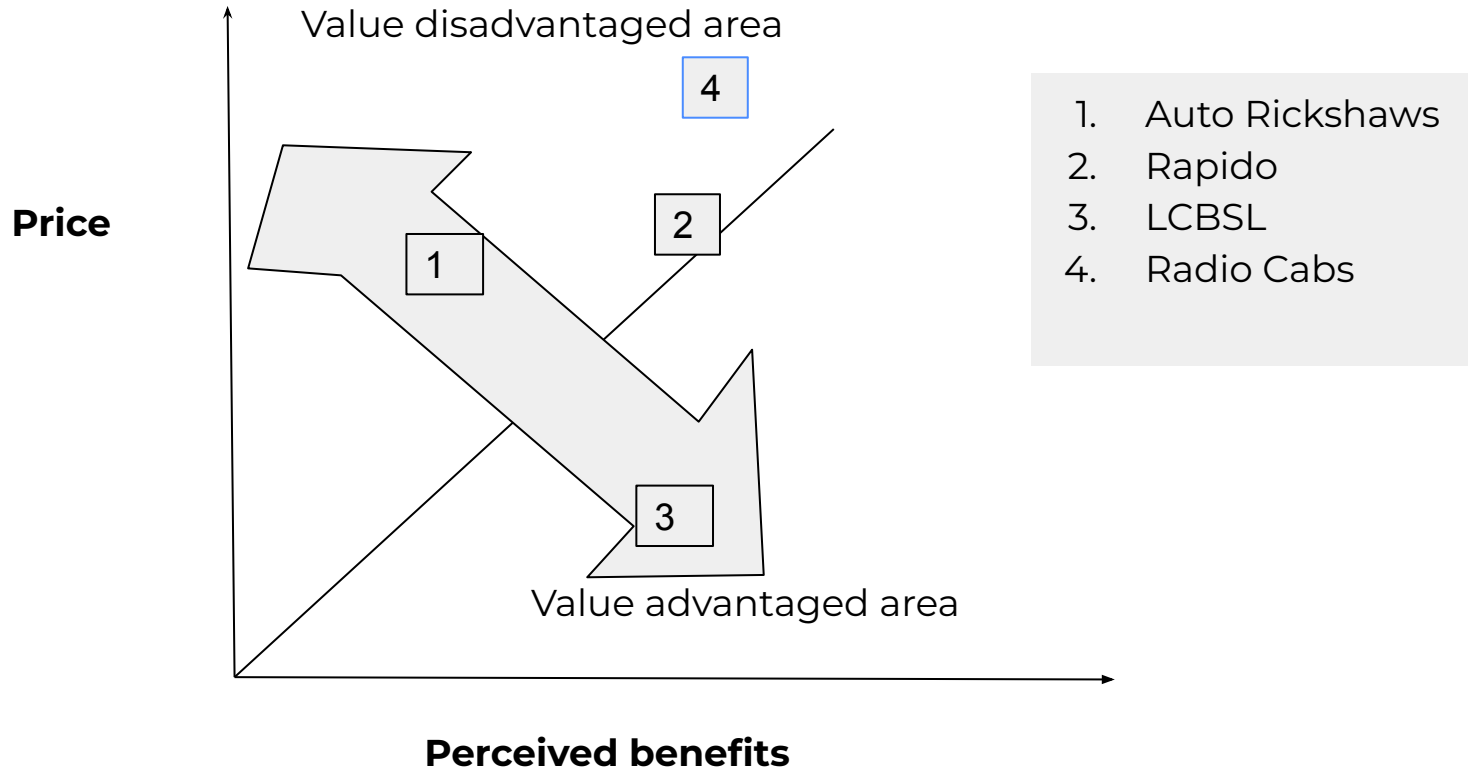
Rapido Bike

Price = Rs 75

Time = 30-5 min = Rs 10

Convenience = 5.5×10 = Rs 55

Total benefits = Rs 65



Value Equivalence Line

Place

- Bus Station and bus stops for easy accessibility
- Providing Offline and Online booking

Price segmentation on the basis of age

Kilometres category	Travelers pass bus fares (INR)			
	Students up to class X	Students class X but up to 21 years	Senior Citizens more than 65 years	General Pass
0-10 km	205	170	305	330
11-15 km	240	205	380	400
>15 km	270	245	445	470
All routes	335	300	545	575

सिटी बस पैसेंजर स्मार्ट कार्ड से ले सकेंगे टिकट

वसिन्दर राणा | लुधियाना

ऐसे करेगा स्मार्ट कार्ड वर्क

सिटी बस में डेली सफर करने वालों को टिकट लेने के लिए खुले पैसे रखने की जरूरत नहीं होगी। सिटी बस को चला रही होराइजन कंपनी डेढ़ महीने बाद पब्लिक को स्मार्ट कार्ड की सुविधा देने जा रही है।

स्मार्ट सेवा शुरू होने के बाद बस में सफर करने वाले यात्री को केवल कार्ड दिखाना होगा। यह सुविधा पंजाब में पहली बार लॉन्च होगी। बस कंडक्टर आन लाइन मशीन के जरिए स्मार्ट कार्ड से टिकट के पैसे निकाल लेगा। कार्ड में पैसे खत्म होने के बाद यात्री इसे दोबारा रिचार्ज करवा सकते हैं। इस सेवा को शुरू करने के लिए दो कंपनियों से बात हो चुकी है। डील फाइनल होते ही इस सुविधा को शहर में लागू कर दिया जाएगा।

स्मार्ट कार्ड लेने पर व्यक्ति किसी भी रुट पर किसी भी बस में सफर कर सकता है। बस कंडक्टर स्मार्ट कार्ड लेने के बाद अपने पास रखी मशीन के सामने स्मार्ट कार्ड को रखेगा। मशीन स्मार्ट कार्ड को डिटेक्ट करेगी। इसके बाद कंडक्टर टिकट की राशि को मशीन में इंटर करेगा। स्मार्ट कार्ड के बैलेंस से पैसा कम हो जाएगा।



पब्लिक की सुविधा के लिए यह सुविधा को शुरू कर रहे हैं। इसके शुरू करने के लिए कंपनी से बातचीत चल रही है। डील फाइनल होते ही इसको लागू करने का काम करना शुरू कर देंगे। डेढ़ महीने बाद सिटी बस में पब्लिक बिना किसी समस्या के सफल कर सकेंगे।

सिद्धार्थ बारकिया, एमडी होराइजन ट्रांसपोर्ट

**50 रुपए
में बनेगा
स्मार्ट कार्ड**

होराइजन कंपनी डायरेक्टर कंवर इंद्र पाल सिंह के अनुसार सिटी बस में सफर करने वाला कोई व्यक्ति अगर अपना स्मार्ट कार्ड बनाना चाहता है, तो उसे कंपनी के पास आवेदन करना होगा। इस आवेदन में उसे अपनी फोटो सहित पूरी डिटेल्स देनी होंगी। आवेदन के साथ उसे लगभग 50 रुपए देने होंगे। कार्ड को चंद मिनिट में तैयार कर दे दिया जाएगा। इसके बाद व्यक्ति अपनी इच्छा अनुसार कार्ड को रिचार्ज करवा सकता है। रिचार्ज के दौरान कंपनी की तरफ से उसे कुछ फायदा भी दिया जाएगा। जैसे की 90 रुपए के चार्ज पर 100 रुपए तक ट्रेवल करने की सुविधा। इस सेवा से पब्लिक को लाभ होगा। स्मार्ट कार्ड रिचार्ज करने के लिए कंपनी की तरफ से सिटी में कम से कम 5 ब्रांच खोली जाएगी। यहाँ से व्यक्ति जितना पैसा चाहे अपने स्मार्ट कार्ड में डलवा सकता है।

Promotion

- They are using Public campaigns and events as
- Digital Platforms
- News Papers
- Word of mouth is also a form of promotion

City Bus Service operator to favour women as conductors

OPPORTUNITY The operator, Horizon Connect Transways Private Limited, claims to ensure security of bus staff

Harshraj Singh
#harshraj.singh@hindustantimes.com

RECRUITMENT OF WOMEN STAFF IN THE CITY BUS SERVICE WILL MAKE TRAVELLING SAFER FOR WOMEN. MORE WOMEN WILL PREFER TO TRAVEL IN BUSES. THE OPERATOR SHOULD ENSURE SECURITY OF PASSENGERS AND STAFF

NIRMALJEET KAUR, a city resident

they would recruit 100 conductors and 100 drivers with preference to lady conductors.

A resident, Nirmaljeet Kaur, said, "Recruitment of women staff in the City Bus Service will make travelling safer for women. More women will prefer to travel in buses. I also want that the operator should ensure security of the passengers as well as entire staff to make the

bus service successful."

The operator has already offered to provide wi-fi services in buses.



■ Hoardings regarding the recruitment of new staff have been displayed at various bus queue shelters and other areas across the city.

It is pertinent to mention here that it is expected that the service will be started by mid of January but the issue of advertisements on city buses, if not resolved may delay the start of service.

BJP councillors have raised question over the conditions of the contract, as they were not happy to allow the operator to earn whole income from the advertisements on the city buses.

They were demanding that the MC should receive 50% share of the income generated from advertisements on city buses.

They had recently conducted meeting with the MC officials, and demanded that MC should get 50% income from advertisements on the city buses.

The issue has not been resolved so far due to which the bus service may face some more delay as per sources. The buses have not been running on roads since July.

धार्मिक स्थानों के लिए शुरू हुई फ्री सिटी बस सेवा

लुधियाना, 1 फरवरी (हिल्श): नगर निगम द्वारा जुलाई से बंद सिटी बस सेवा को दोबारा चालू करने के लिए लगाए टेंडरों के तहत सफल हुई कंपनी को 26 जनवरी को 30 बसें सौंपने का दावा किया गया। इसमें से अब तक 22 बसें ही चल पाई हैं। जिनमें एक रूट धांधरा से शुरू होकर दुगरी रोड, बस स्टैंड, भात नगर चौक, जग्राओ पुल, रेलवे स्टेशन, जालंधर बाईपास रोड तथा दूसरा रूट पंटाग्र चौक से दोमौरिया पुल होते हुए राजपुरा रोड, हंबड़ा रोड, हैबोवाल से चुहड़पुर रोड तक चल रही हैं।

इसके अलावा कंपनी ने धार्मिक स्थलों के लिए फ्री बस सेवा शुरू कर दी है। जिसमें पहली बस गिल चौक से आलमगीर साहिब गुरुद्वारा के लिए चलाई गई। कंपनी के प्रबंधक



टिकट काटती महिला कंडक्टर।

के मुताबिक सुबह 6.30 से शाम 4 बजे तक चली बस को काफी रिस्पांस मिला। जिसे हर रविवार को चलाया जाएगा, जल्द ही बाकी धार्मिक स्थानों के लिए ऐसी ही सेवा शुरू की जाएगी। जिसमें त्योहारों व विशेष मौकों को शामिल किया जाएगा।

कंपनी ने ग्राहकों को आकर्षित करने के लिए लक्की ड्रा स्क्रीम लांच करने की बात कही है। जिसमें टिकट नंबरों के हिसाब से पर्चियां

डालकर ड्रा निकाले जाएंगे। उसमें ज्यादा बार सवारी करने वालों के लिए विशेष स्क्रीम होगी, जिन्हें ईनाम मिलेंगे।

महिला कंडक्टरों ने शुरू किया काम

कंपनी के मुताबिक ज्यादा बसें मिलने पर लेडीज स्पेशल बसें चलाई जाएगी। जिसके लिए आफिस व शिक्षण संस्थानों के अलावा ज्यादा महिला सवारियों के पहलू को ध्यान में रखकर रूट तय करने का काम शुरू हो चुका है। इससे पहले कंपनी ने स्कूटी बसों में महिला कंडक्टर लगाने की पहल की है। जिन्हें ट्रेनिंग के बाद काम पर लगा दिया गया है। कंपनी के मुताबिक इससे महिला सवारियों और सहज महसूस करेंगी।

निगम ने शुरू की 2 हैल्प लाइन

सिटी बस में ओवरचांजिंग या दुर्घटनावार को शिकायतों पर नजर रखने के लिए कैमरे व जी.पी.एस. लगाकर कंट्रोल रूम बनाने का दावा निगम द्वारा पहले दिन से किया जा रहा है। लेकिन अब तक टेंडर लगाने के अलावा जगह का चयन नहीं हो पाया। इसी बीच निगम ने फेसबुक पेज बनाने सहित फोन नंबर जारी कर दिया है। जिस पर लोग अपनी कोई शिकायत या सुझाव दे सकते हैं।



07

Repositioning

Return On Sales

Sales = 0.91 cr

Total Fixed Cost = 0.36 cr

Direct Variable Cost = 0.28 cr

Profit = Sales - (Total Fixed Cost +

Direct Variable Cost) = 0.27 cr

ROS = profit/sales x 100 = 29%

- If 10% increase in price, 36% ROS
- If 10% decrease in cost, 32% ROS

- **Existing price structure**

- Avg price Rs 10
- Return on capital was 1.9%
- Break Even point was too long
- Management was not happy

- **Proposed price structure**

- Zero or minimum loss of existing customer base
- Return on capital to be 4%

Return On Capital

Total Capital = 265.4 million

Sales = 9.1 millions

Variable cost = 2.8 millions

Period cost = 0.5 millions

Profit = Sales - (Variable cost + Period cost)
= 5.8 millions

Profit margin = Profit / Sales = 0.64

Turnover = Sales / Total Capital = 0.03

RoC = Profit Margin x Turnover = 0.019

RoC = 1.9%

Pricing for 4%RoC

RoC = Profit Margin x Turnover

$0.04 = (\text{Profit} / \text{Sales}) \times (\text{Sales} / \text{Total Capital})$

$0.04 = \text{Profit} / \text{Total Capital}$

Profit = $0.04 \times 265.485 = 10.6194$
millions

Sales = Profit + Total cost = 17.049
millions

Expected Units=917946

Total Fixed Costs = 3.68 millions

Total Variable cost=2.75 millions

Total Capital = 265.485 millions

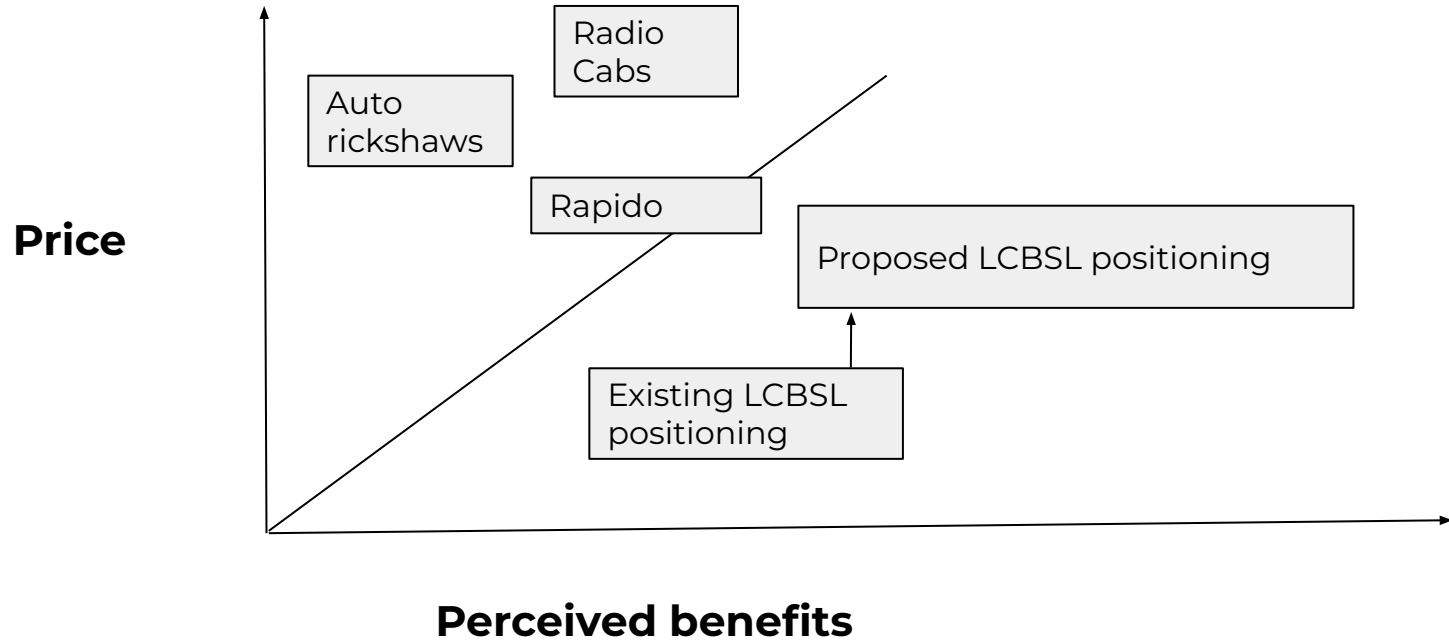
Sales = Expected Units x Average Price

$17.049 \times 1000000 = 917946 * \text{Average Price}$

Average Price = INR 18.57

- Price to increase from Rs 10 to Rs 18.57

Repositioning of LCBSL





08

Current State

'Buses plying on only 3 routes in Ludhiana, public transport a dire need'

Nidhi Bhardwaj / TNN / Updated: Mar 20, 2023, 11:33 IST



YOU'RE READING

TOI

'Buses plying on only 3 routes in Ludhiana, public transport a dire need'

TOI

Empowering business leaders for digital success: This IIM Calcutta's cutting...



37 defunct buses gather dust as MC delays auction

TNN / May 25, 2023, 08:30 IST



YOU'RE READING



37 defunct buses gather dust as MC delays auction



Drive efficient growth with sales and marketing

TOI

Glada orders survey of South City Rd



Ludhiana: The Ludhiana municipal corporation (MC) has not yet decided upon the fate of 37 city buses, which have been lying in a dilapidated condition at the Tajpur Road workshop for the past several years. Even after getting the approval from the Punjab Municipal Infrastructure Development Company (PMIDC) for the auction.

Ludhiana city bus service gets off track

70% vehicles not plying on roads; lying defunct on Tajpur Road, Dairy Complex

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City buses gather dust near Dairy Complex on Hambran Road in Ludhiana. Photo: Himanshu Mahajan

Ludhiana bus stand will fetch earnings of Rs 3.22 crore in six months, says minister

Laljit Singh Bhullar said that the department will get double revenue from the bathrooms in the bus stand as these public utilities were taken by the bidder at the double price of Rs 3.95 lakh per month as compared to the previous year price of Rs 2.01 lakh per month.

Thank
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