



Customer Relationship Management in Gujarat State Road Transport Corporation

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ABSTRACT

GSRTC has played a pivotal role in the economic growth of the state through operating an extensive passenger transport network and reaching out to villages. GSRTC has tried to reconcile the twin objectives of community service and financial viability. GSRTC provides passenger services to 95.99% villages covering 99.19% population from their own village. This paper emphasizes on the Customer Relationship Management in GSRTC. The main objective of this paper is to ascertain the effectiveness of Customer Relationship Management in GSRTC and to identify the area of potential improvement and thereby improve the quality of passenger services. The paper highlights the 4 dimensional CRM Model adopted by GSRTC and its application in GSRTC. The study reveals that application of CRM model brings 14.74% compound annual reduction in complaints over the time.

KEYWORDS : Financial Viability, Technical Efficiency, Maximization of Output, Variable Return to Scale

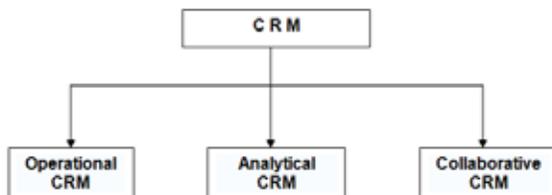
1. OVERVIEW OF CUSTOMER RELATIONSHIP MANAGEMENT

Customer Relationship Management (CRM) sometimes also called Customer Service Management refers to the methodologies and tools that help businesses to manage customer relationships in an organized way. Customer Relationship Management tools include software and browser-based applications that collect and organize information about customers.

"Customer Relationship Management (CRM) is a customer-centric business strategy with the goal of maximizing profitability, revenue, and customer satisfaction".

Thus, Customer relationship management (CRM) is a set of strategies, processes, and associated technologies designed to improve the interactions and engagement of customers. It involves not only the use of these systems, but also corporate cultural transformation and on-going programs with the appropriate organizational framework. Sales force automation (SFA), customer service and support, and enterprise marketing management are among the main CRM areas.

2. TYPES OF CUSTOMER RELATIONSHIP MANAGEMENT



2.1 Operational CRM

Operational CRM provides support to "front office" business processes, including sales, marketing and service. Each interaction with a customer is generally added to a customer's contact history, and staff can retrieve information on customers from the database when necessary. One of the main benefits of this type of CRM is that customers can interact with different people or different contact channels in a company over time without describing the history of their interaction each time.

2.2 Analytical CRM

Analytical CRM analyses data to identify means to enhance a company's relationship with its clients. The results of an analysis can be used to design targeted marketing campaigns to improve marketing effectiveness. Analytical CRM generally makes heavy use of data mining.

2.3 Collaborative CRM

The function of the Collaborative Customer Relationship Management is to coordinate the multi-channel service by providing the infrastructure for responsive and effective support to customer issues,

questions, complaints, etc. Collaborative CRM aims to get various departments within a business, such as sales, technical support and marketing, to share the useful information that they collect from interactions with customers.

3. BENEFITS OF CUSTOMER RELATIONSHIP MANAGEMENT

- Empowers management with a real-time pipeline and forecasting so they can build and focus on high-profit, sustainable relationships
- Empowers staff with customer intelligence and best practices to increase their likelihood of successful transactions
- Increases customer acquisition, retention, loyalty, and profitability by integrating information across the enterprise
- enables executives and management to gain customer insight

4. LIMITATIONS OF CUSTOMER RELATIONSHIP MANAGEMENT

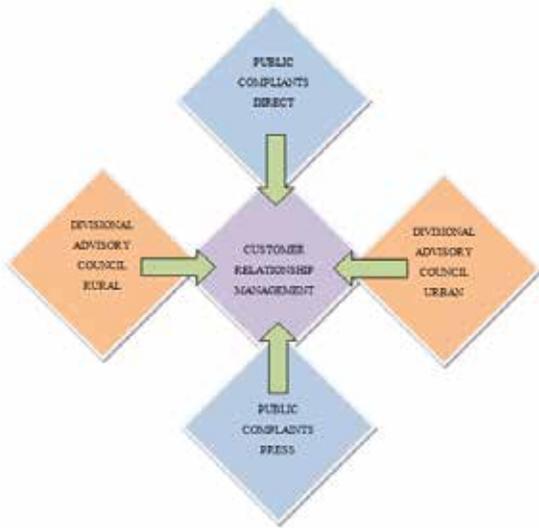
- Effective internal controls must be in place to prevent customer information from becoming scattered across databases and servers.
- CRM can be associated with significant revenue cycle or application and architectural security issues.
- Simply installing a CRM system is only the beginning. Successful implementations start with a carefully defined organization-wide CRM strategy.

5. CUSTOMER RELATIONSHIP MANAGEMENT IN GSRTC

Modern and efficient Transport Service is a basic infrastructural necessity for any country. Passenger Road Transport Service (PRTS) is an essential for the economic development. Road transport occupies a primary place in to-day's world as it provides a reach unparalleled by any other contemporary mode of transport. Gujarat State Road Transport Corporation (GSRTC) is a passenger transport corporation, providing bus services / public transits in Gujarat and neighborhood states of Rajasthan, Madhya Pradesh and Maharashtra. It also runs buses to the Union Territories of Daman & Diu. It came into existence on 1st May 1960. GSRTC has completed 100% nationalization of passenger road transport services in mofussil areas of the State since 1969. The GSRTC provides direct services with Ahmedabad to the villages having more than 5000 population since 1986. At the time of nationalization of State Transport 58.81% villages with 83.79% population were served directly. Due to continuous efforts of the Corporation to-day 95.99% villages covering 99.19% population is getting bus services from their own village.

GSRTC has adopted Collaborative Customer Relationship Management to coordinate the multi-channel services by providing the infrastructure for responsive and effective support to customers' issues, questions, complaints, etc. In order to obtain feedback from passengers, GSRTC has adopted 4 dimensional Customer Relationship Management. The ultimate goal to use information thus collected is to improve the quality of passenger services.

6. CUSTOMER RELATIONSHIP MANAGEMENT IN GSRTC DIVISIONAL ADVISORY COUNCIL RURAL



CUSTOMER RELATIONSHIP MANAGEMENT MODEL ADOPTED BY GUJARAT STATE ROAD TRANSPORT CORPORATION

Customer Relationship Management in GSRTC consists of main two components. They are sub divided into two components as under:

- **Public Complaints**
 - Press
 - Direct
- **Divisional Advisory Councils**
 - Rural
 - Urban

6.1 PUBLIC COMPLAINTS

GSRTC has established a well organized complaint receiving system. The complaints are received from public either through the press or directly in complaint books maintained at each bus. The cause wise analysis of complaints received through press or direct is given in the table 1

Table 1 CAUSEWISE ANALYSIS OF COMPLAINTS RECEIVED

Particulars	2003-04	2004-05	2005-06	2006-07	2007-08	Total
Fares & Refund	41	49	55	40	43	228
Irregularity in Timings	1095	908	671	616	377	3667
Inconvenient Time Table	56	19	40	38	51	204
Breakdowns	83	89	93	60	64	389
Want of Facilities	301	243	146	200	231	1121
Discourtesy	152	163	140	130	138	723
Loss or Damage	5	11	32	9	3	60
ST Administration	345	283	217	225	131	1201
Others	748	755	554	532	455	3044
Total	2826	2519	1948	1850	1493	10636

Source: Computed & compiled from Annual Reports and Accounts of GSRTC, Ahmedabad

6.2 DIVISIONAL ADVISORY COUNCILS

For the purpose of associating the representative of the travelling public with the Administration of bus services in their region, under the RTC act, Divisional Advisory Councils have been constituted by the State Government separately for Rural & Urban services in each

division. The Divisional Advisory Councils advise the Administration on matters relating to timings of the bus services, difficulties experienced by the travelling public, provision of amenities to the passengers, coordination between rail & road services and between two or more divisions and such other matters as may be referred to the Council by the Corporation from time to time. From 01/06/980 the Corporation grants facilities to the members of Divisional Advisory Council to travel free in S.T. buses to perform their duty.

7. INITIATIVES TAKEN BY GSRTC IN RESPONSE TO CRM

GSRTC has taken following initiatives in response to complaints received from passengers:

- The highest complaints received are about irregularity in timings. However GSRTC has continuously tried to achieve regularity in its services both in terms of arrivals and departures. It achieves average 95% regularity in its timing. As a result, the complaints regarding irregularity in timings are continuously decreasing from 1095 (in 2004) to 377 (in 2008).

REGULARITY IN TIMING (Arrivals and Departures)

Particulars	2003-04	2004-05	2005-06	2006-07	2007-08
Departures	95.01	94.14	93.97	95.26	96.12
Arrivals	96.02	95.41	95.16	95.99	96.65
Complaints	1095	908	671	616	377

Source: Computed & compiled from Annual Reports and Accounts of GSRTC, Ahmedabad

- Constant efforts are made by Corporation to reduce the number of accidents. As a result of these vigilant measures taken by the Corporation, the rate of accidents has been reduced. The GSRTC has implemented an incentive scheme for reduction of accident as under:
 - The depots with no accidents during a year are awarded an incentive of Rs. One lac.
 - The depot with no fatal accident during a year is awarded an incentive of Rs. 25 thousand.
- GSRTC provides following travelling & accommodation facilities:
 - Super Express – 51 seats (2 X 3)
 - Semi-Luxury (Gurjar Nagari) – 46 seats (2 X 3)
 - Luxury – 39 seats (2 X 2)
- The GSRTC has installed in all 16 KRE Brand Automatic vehicle Washing Machines at HQ depot of all the divisions. With this washing machine, it is possible to wash one vehicle within 3 minutes.
- GSRTC provides for the up gradation of infrastructural facilities as under:
 - RCC Flooring in circulation area of Bus Station
 - Asphaltting Work
 - Citizen's Information Centre & Inquiry Reservation Centre
 - Up-gradation of Toilet Block & Drinking Water Room
 - Pay & Use Toilets
 - Compound Wall
 - Electrical Installation Work
 - Public announcement System
 - Public Information Board
 - Water Proofing Treatment Work
 - MS Powder coating Seating arrangement
 - Colour Work of Bus station
 - Bus Station side Wall Tiles Dedo
- GSRTC also provides for the following amenities:
 - Permanent Bus Stations
 - Temporary bus Stations
 - Pick up Stands / Sheds
 - Refreshment Rooms
 - Other stalls for Drinks, Eatables etc.
 - Drinking Water Arrangements
 - Inquiry on telephones Counters at the Bus station / Stands

- Clock Rooms
- Book Stalls
- Cycle Stands
- Telephone Booths
- The GSRTC grants concession in bus fares to students competitors participating in sports, tournaments sponsored by the Govt., physically handicapped, blind persons, deaf & dumb, cancer patients, journalist, freedom fighters, widow of the freedom fighters who were getting pension from the Government, state Govt. awarded teachers. Also concession is granted to daily passengers and the passengers want to perform journey in the group of four or more and in the case of return journey. The corporation grants concession to students in casual contracts also.
- The GSRTC has prescribed a specific discipline and appeal procedure to be followed in dealing with acts of misconduct, minor lapses, delinquency and other acts of indisciplinary behaviour of staff. The details in respect of default cases detected and disciplinary actions taken are as under:

DEFAULT CASES AND DISCIPLINARY ACTIONS

Particulars	2003-04	2004-05	2005-06	2006-07	2007-08
Cases Detected					
Conductors	19952	16988	15101	16386	15841
Drivers	15243	14416	11591	12477	11394
Others	5190	4313	3322	3699	3066
Disciplinary Actions Taken					
Dismissed	577	625	455	555	393
Fined	33095	31073	24863	26995	25682
Warned	4038	3856	2543	1666	1917
Other Actions	2775	2850	1622	2279	1916

Source: Computed & compiled from Annual Reports and Accounts of GSRTC, Ahmedabad

Ø The cause root of breakdown is over aged fleets held by GSRTC. The Corporation purchase new fleets and discard over aged fleets from time to time. The following table shows profile of fleets held by GSRTC:

AGE PROFILE OF FLEETS

Particulars	2003-04	2005-06	2006-07	2007-08
Fleets at the beginning of the year	9209	8164	8277	8046
New fleets added	-	656	507	1436
Fleets discarded	389	543	738	1501
Fleets at the end of the year	8820	8277	8046	7981
No. of buses less than 5 lacs kilometers	983 (11.15)	1186 (14.33)	1957 (24.32)	3550 (44.48)
No. of buses more than 5 lacs kilometers but less than 7 lacs kilometers	1997 (37.92)	389 (5.45)	75 (0.93)	100 (1.25)
No. of buses above 7 lacs kilometers	4492 (50.93)	6641 (80.23)	8046 (74.75)	4331 (54.27)
Rate of Breakdowns per 10000 kms.	1.17	1.3	0.88	0.5

Source: Computed & compiled from Annual Reports and Accounts of GSRTC, Ahmedabad

- The prices of all materials which are essential for day to day operation of the Corporation are increasing rapidly which is affecting the economy of the Corporation adversely which is the major

problem before the Corporation. Although continuous efforts are being made to provide adequate, economic, efficient and properly coordinated bus service to travelling public.

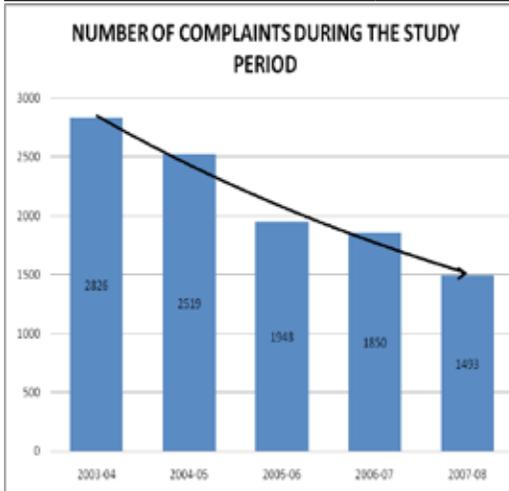
- The GSRTC carries crores of passengers in a year and some of them while travelling forget their articles and sometimes valuables like cash, ornaments, cheques, jewelery etc. in buses or at bus stations. There are outstanding examples of small workers returning such valuables/articles to the owners. The GSRTC encourages such high integrity of its workers by giving publicity of such cases and honoring these workers. Following table will reveal the no. of cases in which the conductor or other employees of the Corporation deposited the articles/cash forgotten by the passengers and returned to the owners after necessary verification and formalities:

Particulars	2003-04	2005-06	2006-07	2007-08
Cases (Rs. In lakhs)	1292	993	1061	650
Deposited (Rs. In lakhs)	4.47	3.59	3.21	2.27
Returned	2.30	2.444	1.93	1.45

Source: Computed & compiled from Annual Reports and Accounts of GSRTC, Ahmedabad

8. CONCLUSION

COMPOUND ANNUAL REDUCTION IN COMPLAINTS	
Complaints	CAGR
Fares & Refund	1.2
Irregularity in Timings	-23.4
Inconvenient Time Table	-2.31
Breakdowns	-6.29
Want of Facilities	-6.4
Discourtesy	-2.39
Loss or Damage	-11.99
ST Administration	-21.5
Others	-11.69
Total	-14.74



Source: Computed & compiled from Annual Reports and Accounts of GSRTC, Ahmedabad

After having a close look to the above analysis, it is clear that GSRTC has adopted a well organized 4 dimensional Customer Relationship Management Model. This model aims to provide effective and efficient transport services to the passengers all over Gujarat. CRM in GSRTC has proved to be an effective system which reduces the complaints received from passengers over the time. As shown in the above Chart It is apparent that number of complaints received during the study period is decreasing. It was 2826 in the year 2003-04 and

reduced to 1493 in the year 2007-08. Above table reveals that compound annual reduction in complaints is about 14.74%. All the complaints except related to fare are decreasing except complaint related to Fare & Refund. It shows that GSRTC has done well in has to rationalize its fare structure for better improvement in this area.

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