



Design for B2B Solutions

INSIGHT REPORT

COMMUNICATION GAP BETWEEN VENDORS AND RAILWAYS

Vendors have to visit Railways via Licensee and vice versa. Most of the information is lost in this process. This communication gap leads them to generate a negative attitude about Railways

e.g. Vendors believe that they can stock only limited number of items in the shops and can't cater to many of the requirements of the populace. But Railway department has a policy according to which they can add a new product in list of recommended products if they receive an application from the licensee stating a constant demand of the product from passengers.

LACK OF PROMOTION OF IRCTC AND RAILWAY SERVICES

Though many new services like E-Catering, ATVMs are introduced by Railway but passengers are unaware of them and hence end up following the traditional way

e.g. Railways coin based ATVMs are showing immensely poor results even with a dedicated person to help passengers.

POLICIES ARE BIASED TOWARDS RAILWAY OFFICIALS

Railway aims to provide good service to the passengers so they focus on passengers comfort and vendor is just the medium they use for it. Hence the Policies seems little biased towards Railway officials

e.g. If there are any complaints about grievances to the railways, the repercussions to the licensee and the vendors are severe. Officials are not fired/transferred/penalized by the railways in such a case and are only scolded.

HARD CASH

THE CONVENTIONAL MONEY

Small vendors do not have change for bigger notes like 1000 rupees, because of which customer prefer either to leave or to go to the next shop. It is hard for a passenger to carry change every time specifically for a journey. Such kind of incidences leave passenger unsatisfactory towards the Railway services and also the vendor has to lose his customer

TRANSACTION ON TRAIN WITH UNAUTHORIZED VENDORS

Passengers are more inviting to the services they receive easily by unauthorized vendors. Passengers are not much concerned with the vendors authorization as long as their need is getting fulfilled. This leads to the loss of business of authorised vendors on platform

e.g. Ladies, kids and elderly people will prefer to stay in the train for the entire journey and hence end up paying to the unauthorized vendor for food.

TIME RELATION

LESS TRANSACTION TIME \propto HIGH SALE

Transaction time with conventional money is long. Not selling products, reduces their sales and profits

e.g. Vendors often deny selling products to passengers if they feel they do not have enough time to make the trade and collect money or deal in small change.

If this time is reduced then it will be helpful to increase the revenue of vendor and also leads to the good customer experience

MOTIVE OF LICENSEE

IS NOT TO GROW BUSINESS BUT TO MAKE MONEY

Licensee is the medium between Vendors and Railways hence is responsible for all the transactions between them. Also Railway takes share of profit from licensee which is based on [Revenue of Licensee + Class of Station + Footfall of Vendor]. Growth of business of licensee is directly proportional to amount of profit he share with Railways. Hence most of the licensees are interested in making money than growing their business

RELUCTANCE IN ADOPTING TECHNOLOGY

A majority of people show reluctance towards adopting technology when it comes to the time tested established systems of bookings and reservations

e.g. Railways coin based ATVMs are showing immensely poor results even with a dedicated person to help passengers

IRCTC

WILLING PARTY TO RAILWAYS

Railway is generating very less revenue from private vendors hence they do not entertain small-time vendors under contractors to operate on station platform

e.g. IRCTC is into the catering business itself and has a better integration with the railways and is hence a better option than external businesses.

RAILWAYS LACK OF INTEREST IN PRIVATE VENDORS COMPLAINTS

Vendor is just the medium to serve passengers for the Railways. Hence Railways general attitude towards the vendors is one of neglect as they do not consider them important to the railway business and neglect their importance in the railway experience

e.g. There is no complaint system like that for the passengers, for the vendors or the licensees. Complaints must be taken up in writing at the DRM office.