

## NUMBERS DO THE MAJIC – FAST TRACKING THE GAME

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### ABSTRACT

*Car travel is no more a luxury now-a-days in India and it is now the choice of a common man. It has become a necessity and many jobs get done faster and easier by moving in cars. To cater to the needs of people who can spend extra money for transport, but at the time, buying a car is not possible for them call taxi service has become a great rescuing factor. There are many options of different call taxis to choose from. As far as Call Taxi services are concerned even though the service provider name is popular, easy to recollect and in the top of mind recall, most of the people especially first time users and occasional users do not remember or recollect the phone number of the call taxi operator when needed. With the tariff and services offered are more or less the same among all the operators retaining a customer is a Herculean task for the call taxi operators. There is little scope for differentiation and the operators try to offer customized services and short term promotions to the customers to attract and avoid customer defection. The case can be analyzed from the following perspectives – New product launch, Market leader strategies, Services Marketing – Tangibilizing the intangibles, Advertisement message, Sales promotion techniques, Product Differentiation strategies.*

**Keywords:** *Call taxi, competition, fast track call tax, NTL call taxi, strategies, services*

### Introduction

The number of vehicles on the Indian road is increasing day-by-day. The factors that contribute to this development are – it becomes hectic sometimes due to heavy crowd in the public transport services, the increased purchasing power of people and people want a faster movement in conformity with the new life style seen in the entire world. Although there is a greater increase in the buying and spending power of the people, everybody cannot afford to buy and maintain a vehicle. Car

travel is no more a luxury now-a-days in India and it is now the choice of a common man. It has become a necessity and many jobs get done faster and easier by moving in cars. To cater to the needs of people who can spend extra money for transport, but at the time, buying a car is not possible for them call taxi service has become a great rescuing factor.

Call taxis are just a call away. And, for those residents of Chennai used to haggling with auto rickshaw drivers, it is a welcome relief. Commuters are now looking for more comfort and style while choosing the cab service, even if they have to shell out some extra bucks. The call taxis in the city are slowly but surely becoming popular – with their electronic meters, air conditioned, easy availability to any destination in the city and its suburbs, added to the comfort of travelling in a car. Call taxis provide the opportunity to travel wherever and whenever we want. Call taxi drivers also have a good knowledge about the city and they have an excellent idea about the traffic situation and can hence take through less crowded streets to reach the destination safely on time.

With a FY2012 market size worth Rs. 2,520 crores and growing at 15% per annum the industry seems very attractive and hence welcomes huge competition. More than the potential passenger traffic that exists for the operators; the popularity of call taxis is due to the near indifferent attitude of the auto rickshaw drivers towards their passengers. Fuelling their confidence are the findings of a survey, conducted on behalf of Chennai Call Taxi at the time of the launch of their service. The survey sample indicated that nearly 2.85 lakh people require motor vehicles for transportation and only about 70,000 of them have their own vehicles. While a lakh of the people patronizes the government operated public transport, the remaining take auto rickshaws, yellow-topped taxis and cabs", explains Ernest Paul, Managing Director, Chennai Call Taxi and President of the Call Taxi Operators Association. This gives an indication of the unmet demand for affordable transport in the city. Yet only the firms which give a very satisfactory service are able to continue their presence in the field and grow also.

Chennaiites have many options with different call taxis to choose from. Over 100 call taxi service providers are listed in JustDial, a popular search engine, with Fast Track and Good Track leads the pack. There are some more operators with just a few vehicles at their disposal. Some of the smaller call taxi operators are even "affiliating" themselves with the bigger ones. The call taxi operators seeing the business growing and the potential demand have charted plans to increase their fleet strength and provide additional facilities in the form of special packages or summer offers. The advantage with the call taxis, as the operators point out, is that

they are available round-the-clock and are willing to ferry passengers for short distances too, something which the ubiquitous auto rickshaws refuse to do or demand extra for plying short distances. The call taxis are fitted with electronic meters that show not only the exact fare that a passenger has to pay but also the distance from the point of pick-up to the destination.

### Call Taxi ... Experiences

*Subhashini (32), a marketing professional who crisscrosses the city for work every day, said, "Previously for work, I used to use the autos a lot, since I don't drive. There were days when I have spent close to Rs. 1,000 in a day on autos. Now, I take the taxi and finish work in one go, and trust me it is working out cheaper than autos." As a parting shot, Devan said, "For middle class people who do not own a car, but have enough disposable income to hire call taxis, they provide the luxury of a car at a price. This is working out cheaper than owning a car and maintaining it."*

Below table lists the facilities offered by the popular call taxi operators.

	Online Booking Facility	Printed Bill	Card Payment
Fast Track Call Taxi	Available	Available	Not Available
NTL Call Taxi	Available	Available	Available
Friends Track	Available	Not guaranteed	Not Available
Bharathi Call Taxi	Available	Not guaranteed	Not Available
Million Dots Call Taxi	Available	Available	Available
Golden Call Taxi	Available	Not guaranteed	Not Available
Good Track Call Taxi	Not Available	Not guaranteed	Not Available

With the tariff and services offered are more or less the same among all the operators retaining a customer is a Herculean task for the call taxi operators. With little scope for differentiation the operators try to offer customized services and short term promotions to the customers to attract and avoid customer defection. The services claimed by most of the call taxi operators are 24-hour service, Short & Long Term Rentals, City Tours, Airport transfers, Railway transfers, Corporate Rentals, GPS/Navigation system, Experienced and Polite Drivers with Good Knowledge of City Routes. To combat the competition few taxi operators are offering services such as credit/debit card payment, Printed bill, Newspapers, Music System, water bottle etc.

## Fast Track Call Taxi



“Call taxi service is a very challenging business. You have to handle customers, drivers, vehicle owners, latest technology, call center employees and office staff all at the same time. For this we need huge capital, proactive employees, efficient and effective administrations and drivers who consider work as worship” says Mr. Redsun C Ambigapathy, the present MD and the backbone of the company Fast Track Call Taxi. Dawned in the year 2001, it is now being the No. 1 call taxi in Tamil Nadu and it has been quite a tumultuous and adventurous journey.

The initial three years of their operations were very dull and challenging. There were driver conduct issues, customer complaints and vehicle problems. Bad publicity in the press due to few call taxi services and the word of mouth communication of complaining and dissatisfied customers resulted in revenue loss for all call taxis. In response to customer complaints, Fast Track implemented processes to address the issues effectively. With effective management their fleet size increased to 100 cars after three years of operation.

Consequent to their success the industry looked attractive and many operators entered the call taxi industry including many replicas or look-alikes titling them GoodTrack, FriendsTrack etc. They also followed the same business model of Fast Track. However they were not a big threat to Fast Track as they were not able to achieve required customer satisfaction or achieve the efficiencies of Fast Track. Today Fast Track is the biggest group in the industry, with their members being Bharathi Call Taxi (acquired in 2010) and Good Track Call Taxi (acquired in 2011) thus, proving to be the pioneers and the forerunners of the field. Today they serve a 15 lakh customer base, and handle more than 20,000 pick-ups every day with a phenomenal fleet size close to 6000 vehicles in Chennai alone.

Features of Fast Track Call Taxi are

- 24-hour service
- Worldwide reservation facility
- Short & Long Term Rentals
- City Tours
- Airport & Railway transfers
- Corporate Rentals
- GPS/Navigation system
- Online payment facility for pick-ups from Airport and Central Railway Station



NTL Call Taxi launched during October 2012, is a subsidiary of New Travel Lines (India) Pvt. Ltd., a travel service provider in the country. New Travel Lines have been in operation since 1999. The Directors of NTL Call Taxi are Mr. Saravanan, Mr. Ramesh & Mr. Dayanathi. Presently NTL Taxi fleet size is close to 1200 cabs and definitely is a sensational hit in Chennai within a very short span of time.

Features of NTL Call Taxi are:

- Round the Clock Service;
- GPS Equipment to Display Route – to facilitate tracking of the vehicle and the route being traveled on a map;
- Printed Bill – with the details of travel;
- Credit/Debit Card Swiping Machine also accepted;
- Panic Button during emergency – which will immediately alert the Police and NTL Head Office with the current location; and
- Others – Clean Upholsteries, Music System, Fire extinguisher, Torchlight, Tool kit, Cab cleanliness, Seat belts, Tissue box, First Aid box, Reading lamp, Umbrella, Stepney and Cleaning Kit.

### **Calling A Call Taxi.....**

Booking a call taxi is very easy. A call taxi can be booked either by calling them over the phone or through online booking or through SMS. For phone booking, pick up instant service may be available based on the availability of a taxi. However for online booking the operators insist more than 2 hours of prior booking to avoid hassles. A print out of confirmation is required for online booking. In the case of phone booking an SMS is sent instantly to the mobile phone.

### **Call Taxi Industry And Competition**

Call taxi industry is a market characterized by a large number of independent service providers offering the same service, characterized by the free flow of information, and free entry and exit. Each seller is a “price taker” rather than a “price maker”. Usually they start with

huge promotion costs and gradually reduce after they are well known. The competitor may resort to advertising only when they can create differentiation. The industry may also be described as “monopolistically competitive”.

### **Situation**

As far as Call Taxi services are concerned even though the service provider name is popular, easy to recollect and in the top of mind recall, most of the people especially first time users and occasional users do not remember or recollect the phone number of the call taxi operator when needed. Every time to book a taxi they browse the number online or call just dial – a popular helpdesk over the phone and search engine – request for the call taxi numbers and then book a cab. Analyzing this point NTL call a taxi acquired the most simple and convenient number combination available. According to the NTL taxi “No more “I didn’t know the number” or “I couldn’t be bothered to look it up. It can’t get any easier! You’ll never need to look up or ask for the number to call a taxi again!”

Even though being a late entrant (2012) in the call taxi market, NTL call taxi entered with a simple and easy-to-remember number to Phone/Call their taxi – i.e. 3000 3000. The advertisements were placed in Television and Newspapers during prime time and they followed a Flighting / Bursting media scheduling. The message presented in the advertisement emphasized on the easy to remember phone number --- 3000 3000. The call number of the NTL call taxi was easy for people to remember and the magic played its role. This call taxi company came out successful with a bang and stealing the customers of Fast Track and other operators.

According to a passenger Mr. Anand “This the first time I am going away from Fast track. No issues so far but wanted to try new. So tried a number that was easy to recollect – 3000 3000. My overall experience was good. I will still have Fast track in mind and will use if required.”

This explains us that Numbers do matter in life. In Chennai few months back 3000 3000 was displayed quite frequently in television channels. This is mentioned as the phone number of a newly call taxi company. FastTrack call number 2888 9999 / 2473 2020 was difficult to recollect and remember. By promoting top-of-mind awareness and ease-of-use using a simple number, NTL taxi has undoubtedly grabbed an easy entrance into the difficult taxi market.

### **The Fast Reaction ..... Fast Track**

Even though Fast Track Call taxi is a big and giant leader with its efficient operations, it still cannot afford customer defection. Customer defection is a nightmare as it significantly affects the bottom line of a business and reduces profit. They can have more to do with a service company's profit than scale, market share, unit costs, and many other factors usually associated with competitive advantage. Once a customer defection is not managed, customers do not return because that they forget.

Hence to retain its position and to manage forgetful customers Fast Track adopted defensive strategies. Defensive strategies are only used by market leaders and the goal of the strategies is to hold onto the present position as the market leader and fighting off competitors who try to grab the market share. Fast Track had to retaliate NTL call taxi – 3000 3000 – strategy with a Counter-Offensive Defense strategy. Counter offensive defense is attacking where the company is being attacked. This requires immediate response to any competitor entering a segment or initiating new moves.

In response to the bang from NTL Call taxi with 3000 3000, Fast Track acquired the number 6000 6000 and placed advertisements in television and other medium that the customers can also book Fast Track Call taxi with the newly added number (6000 6000) along with the existing numbers – 2888 9999, 2473 2020. Thus seeing the way the numbers are playing its magical role, Fast Track call Taxi had no other option and just to counter the strategy of NTL Call Taxi with 6000 6000.

The other call taxi service providers viz. Friends track call taxi also added a new number 3006 3006 in addition to 2625 6565 / 2625 2525 for booking their services; Golden call taxi added 3004 3004 in addition to 2658 0055 / 3399 9888, Bharathi call taxi added 3000 2000 in addition to 2888 0000 to safeguard them against losing business by following the market leader Fast Track.

### **The Game Continues..!!**

After the number game of 3000 3000 and 6000 6000, the call taxi service providers are offering interesting and never before promotional schemes to attract and retain customers. Even as the price of fuel and living costs has sky-rocketed the promotional offers of Fast Track and NTL call taxi are as follows:

**Fast Track Call taxi:** To retain its existing customers and to pull new customers runs a message that says that the “Customers Can Reduce Rs.50/- from their Total Bill Amount if any of the below factors are missing as mentioned -- -If the driver is not Clean & Neat; If the driver is not in Uniform; If the vehicle is not in a good condition; If the driver doesn't provide the bill; If the AC is not working”, which definitely explains the competition faced by Fast Track.

**NTL Call Taxi:** Short term promotion – Special AADI (Tamil month) Offer - 10% discount for all bookings between 10 am to 4 pm and a Free Gold Coin Every day.

### **Lessons Learnt....!!**

As the competitive environment becomes more turbulent, the most important issue the service providers face is no longer to provide excellent, good quality products or services, but also to retain customers who will contribute long-term profit to organizations (Tseng, 2007) and look beyond the traditional 4Ps of marketing strategy. Ultimately consumers or customers will get for the same or less amount of money, more quality of service than they used to get. Thus, competition raises the welfare of the general public. The case of Fast Track and NTL call taxi distinctly explains the importance of understanding strategies, the need of the hour to quickly react to competitors' strategies to avoid customer defection and the importance of easy and simple communication with customers.

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## **Teaching Note**

### **Numbers Do The Magic – Fast Tracking The Game**

#### **Context**

Car travel is no more a luxury now-a-days in India and it is now the choice of a common man. It has become a necessity and many jobs get done faster and easier by moving in cars. To cater to the needs of people who can spend extra money for transport, but at the time, buying a car is not possible for them call taxi service has become a great rescuing factor. There are many options of different call taxis to choose from. As for as Call Taxi services are concerned even though the service provider name is popular, easy to recollect and in the top-of-mind recall, most of the people especially first time users and occasional users do not remember or recollect the phone number of the call taxi operator when needed. With the tariff and services offered being more or less the same among all the operators retaining a customer is a Herculean task for the call taxi operators. There is little scope for differentiation and the operators try to offer customized services and short term promotions to the customers to attract and avoid customer defection. This case revolves around two popular call taxi service providers at Chennai (India). This case on call taxi service providers (Fast Track and NTL call taxi) explains the Importance of understanding marketing strategies, the need of the hour to quickly react to competitors' strategies to avoid customer defection and the need and importance of Easy and simple communication with customers.

#### **Learning Objectives**

1. Understand the market leader strategies in the wake of competition.
2. Understand the chances of differentiation for a service provider entering newly into an industry to achieve competitive advantage.
3. Evaluate the concepts of advertisement message / copy.
4. Ascertain the significance of Advertisements and Sales promotion.

#### **Target Audience**

- Students studying both Post Graduate and Undergraduate Business Administration

- Students specialized in Communication studies, Strategic Management, Marketing and Integrated Marketing Communication.

### **Teaching Plan**

Time Plan	Class Plan
0 – 10 Minutes	Introduction
10 – 40 Minutes	Reading by individual
40 – 100 Minutes	Form a Group Group Case Discussion
100 – 120 Minutes	Wrapping up and conclusion

### **Learning Objectives**

After analyzing the case the students can understand the following concepts:

1. Develop an understanding of a successful New product/service launch in an already established market.
2. Helps to understand the strategies to be adopted by a market leader to counter a new and alike competitor.
3. To reinforce the concepts of Services Marketing with reference to Tangibilizing the intangibles
4. Develops an understanding on writing a creative Advertisement message / copy.
5. Reinforces the importance of Business Communication Strategy.
6. Helps to learn the consumer oriented Sales promotion techniques for a service industry.
7. Understanding the various Product Differentiation strategies to distinguish a service with similar offerings.

### **Assigned Questions & Answer Key**

1. **Understand the market leader strategies in the wake of competition.**

#### **Market Leader Strategies**

1. Expand total market
2. Defend market share

### **Expand Total Market**

- New Users
- Non-users
- New uses
- More usage

### **Defend Market Share**

- Position defense
- Flanking defense
- flanking strategy
- Counter-offensive defense
- Mobile defense
- Contraction defense

## **2. What are the chances of differentiation for a service provider entering newly into an industry to achieve competitive advantage?**

It is easy when the differentiation of variables is tangible as in the case of product but, difficult in case of services. If the product has not many tangible features, then adding value-added services to the product is one of the methods. This process is called service differentiation.

### **The main features of service differentiation include:**

- **Ease in ordering.**
- **Delivery:** it is related to how well a product or a service is delivered to the customer with speed and accuracy.
- **Installation:** it refers to the work undertaken to make the product operational at the prescribed location.
- **Customer training:** It refers to how the seller provides training to the buyer about the product and how to use it.
- **Customer consulting:** It refers to the data, information systems and advising services that the seller offers to buyers.
- **Maintenance and Repair:** It refers to the post-sale services which generally include maintenance and repair services.

## **3. Review the concepts of advertisement message / copy.**

Writing effective copy for ads, web pages, sales letters and other marketing communications is very essential for an effective result. These rules apply to writing copy for any type of marketing communication.

1. Define the goal of your message
2. Target audience and their requirements
3. Appeal to their self-interest
4. Simplify Everything

#### 4. **Importance of Advertisements and Sales promotion.**

Advertising is easily the most popular element of most promotional mixes. It involves paying promotional placement of a product. Advertisements come in a wide range of types, from print ads to television commercials, web page banners, and more. These usually are targeted to a specific audience. In a successful business, advertising plays an essential and important role. Though advertising does not mean selling products and services but it helps in increasing sales. Advertising creates awareness in people. When general public becomes conscious to the products, services and goods under the brands, they persuade people towards these brands and make them buy better brands. Advertising can be used to create brand awareness in the general public and to make business more popular within the circle of potential buyers. In short, advertising does not only give a proper awareness of brands but a nice introduction of companies as well. An attractive advertising increases the demands of the public which directly boost sales of the brand.

A sales promotion usually involves a limited time offer to increase interest in a product and create a buzz. The most common form is offering coupons that reduce the price of a product. Contests, rebates, and free samples are more ways to increase a buyer's return on investment.

#### **Advantages of Sales Promotion - Importance to Consumers**

**Increased Buying Confidence** - Distribution of free samples is probably the fastest and the best way through which manufacturers can push consumers to try a product. Once satisfied with the quality of the sample product, consumers become more confident about buying a new product.

**Reduced Rates** - During promotional campaigns, companies offer their products at discounted rates. Consumers like to make use of such occasions to buy larger quantities of such products.

#### **Advantages for Producers and Manufacturers**

**Entering New Markets** - Sales Promotion campaigns enable manufacturers to capture new markets.

**Controlled Expenses & Measurable Results** - Producers have direct control over sales promotion campaigns and this enables them to make sure that there are no undue wastages in the process!  
**Increased Sales** - Sales promotion techniques have a favorable effect on the sales of products. Companies enjoy increased demands for their products while such campaigns are running.

#### **Advantages for the Sales Force**

**Sales promotion campaigns make the job of the sales team much easier.** Thanks to the offers and sales, customers are positively inclined towards buying a particular product.

**Some of the commonly used Sales Promotion tools include:**

Free Samples, Coupons, Lucky draws, games and contests, Cash Refund offers, Free Trials, Tie In Promotion, Point of Purchase Displays etc

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