

**FUN
5IVE**



TEAM MEMBERS



Problem Statement

KTMB Passenger expect internet access during their journey which at the moment is not provided on-board

HOW CAN KTMB PROVIDE THIS
AND
ACHIEVE A NETT GAIN IN REVENUE



Opportunity Statement

How can we fulfill the need for internet access and related services on-board and generate **RM300,000** per month by March 2012

Revenue generated at RM 3.6mil / year



**We Offer Internet
on board...**

CYBER TRAIN



How It Benefits

Widen customer market into Youth and Business Community

Good image / New Branding

New venture into High-Tech Business

Diversified business for KTMB

Increase in revenue collections

Attract more passenger travel by rail



Timeline & Milestones



**MONTH
1**

1ST PHASE – ADMINISTRATIVE & SETUP

- Presentation to President of KTMB
- Survey & Analysis on Services
- Procurement of related equipment and modification on board train

**MONTH
2**

2ND PHASE - IMPLEMENTATION

- Install, Testing and Commissioning program on services for ETS and Intercity-Shuttle

**MONTH
3**

3RD PHASE – PRODUCT LAUNCHING

- Soft launching with mass media
- Promotion activities
- Sales expected RM 110,000/month

**MONTH
8**

4TH PHASE – SERVICE EXPANSION

- On going promotion
- Expand the service to Main Line Day and Night Express train services
- Sales expected RM 253,000/month

**MONTH
11**

5TH PHASE – SERVICE EXPANSION

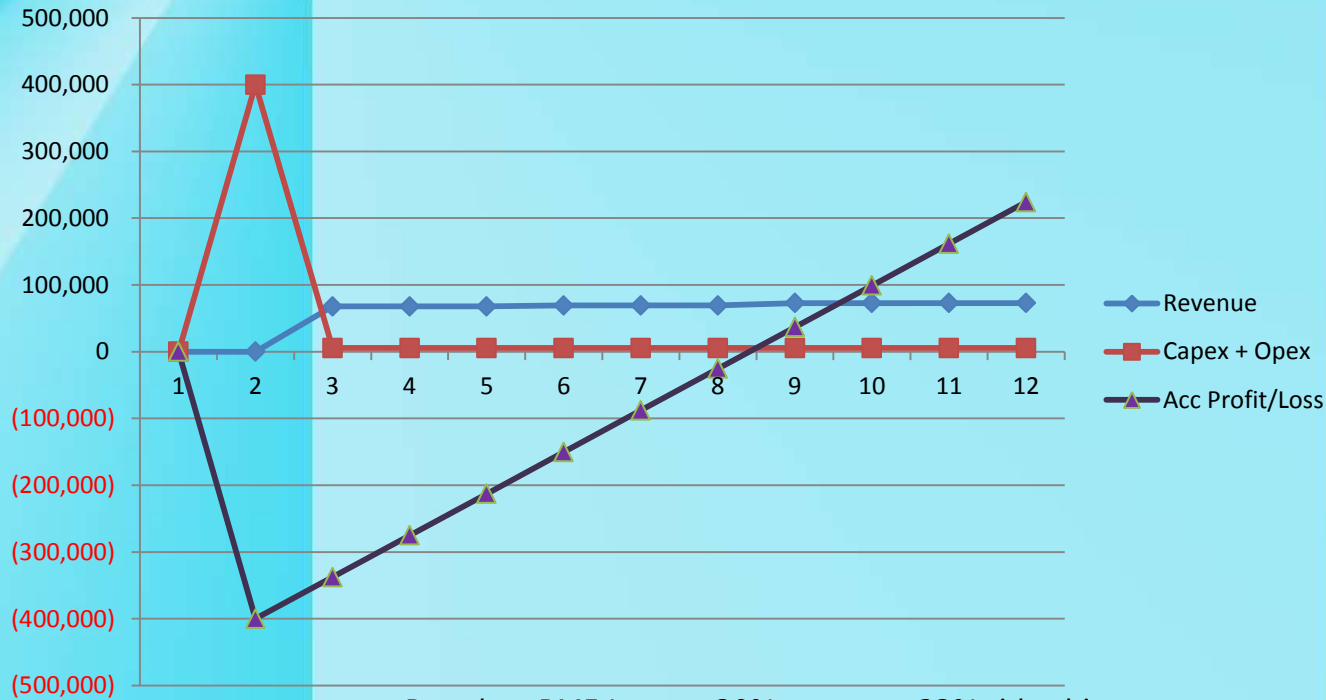
- Service expansion to East Line sector
- Sales expected RM 285,000/month
- Additional revenue generated at RM 20,000/month by passenger growth of 1%.

Business Model

No	PLAN	RATE/TRIP	TOTAL RIDERSHIP/MTH	USAGE %	TOTAL USER/MTH	REVENUE/MTH (RM)
1	Pay per demand	RM 5.00	ETS:48,510	30%	14,553	72,765
			SH-29,700		8,910	44,550
2		RM 5.00	ETS:48,510	10%	4,851	24,255
			SH-29,700		2,970	14,850
3	Fixed rate to all passengers	RM 2.00	ETS:48,510	100%	48,510	97,020
			SH-29,700		29,700	59,400
4		RM 1.00	ETS:48,510	100%	48,510	48,510
			SH-29,700		29,700	29,700

Case Study 1- ETS Service

Return On Investment (ROI)

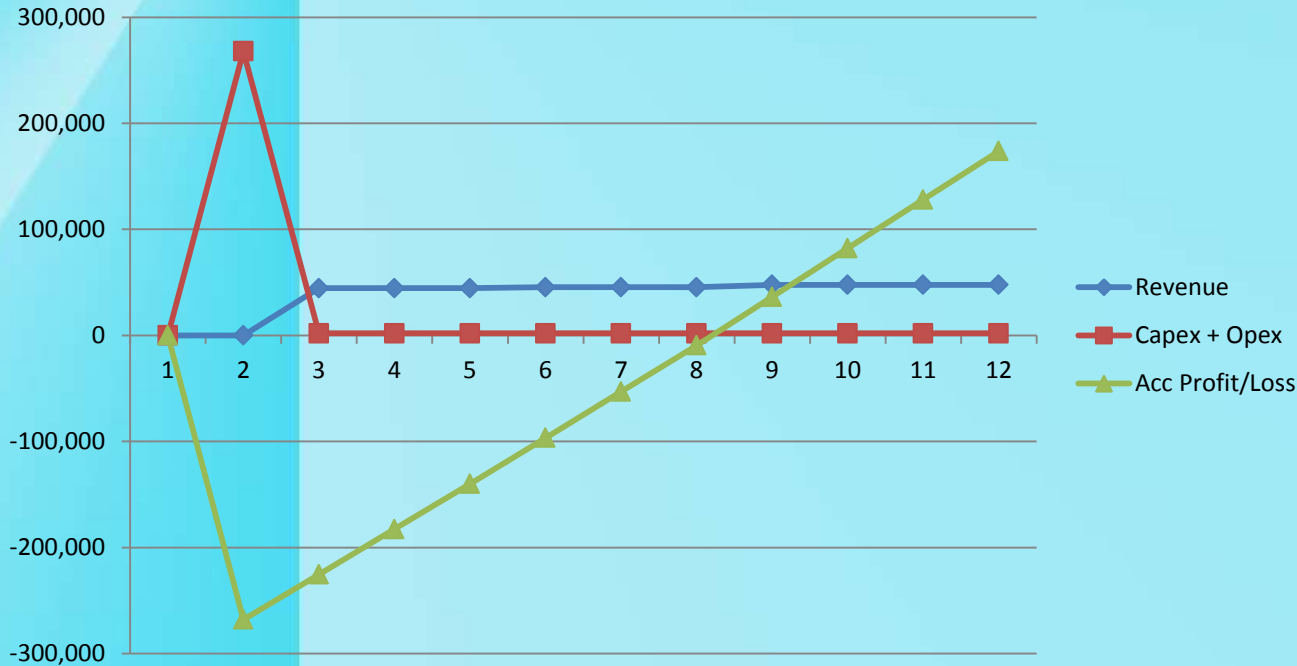


Based on RM5/user at 30% usage on 33% ridership occupancy

Month	1	2	3	4	5	6	7	8	9	10	11	12
Cash In Flow	0	0	67,914	67,914	67,914	69,272	69,272	69,272	72,736	72,736	72,736	72,736
Cash Out Flow	0	400,000	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Net Cash	0	(400,000)	62,414	62,414	62,414	63,772	63,772	63,772	67,236	67,236	67,236	67,236
Acc Cash Flow	0	(400,000)	(337,586)	(275,172)	(212,758)	(148,986)	(85,213)	(21,441)	45,795	113,031	180,267	247,502

Case Study 2- Shuttle Service

Return On Investment (ROI)



Based on RM5/user at 30% usage on 55% ridership occupancy

Month	1	2	3	4	5	6	7	8	9	10	11	12
Cash In Flow	0	0	44,550	44,550	44,550	45,441	45,441	45,441	47,713	47,713	47,713	47,713
Cash Out Flow	0	268,000	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900
Net Cash	0	(268,000)	42,650	42,650	42,650	43,541	43,541	43,541	45,813	45,813	45,813	45,813
Acc Cash Flow	0	(268,000)	(225,350)	(182,700)	(140,050)	(96,509)	(52,968)	(9,427)	36,386	82,199	128,012	173,825

Passenger Ridership Growth

Of 1%



Service	Total Ridership/ year	1% Growth	Average Fare	Total Revenue/year (RM)
ETS	582,120	5,821	RM30	174,636
SHUTTLE	356,400	3,564	RM17	60,588

Risk Management

STATUS OF RISK :

HIGH 



RISK	IMPACTS	SOLUTION
Technology does not work or lack of coverage	<ul style="list-style-type: none">- Customers complain- Do not buy internet	<ul style="list-style-type: none">- Test technology- Pilot project
Wrong pricing structure	<ul style="list-style-type: none">- No customers	<ul style="list-style-type: none">- Market research- Pilot project
Too little capacity	<ul style="list-style-type: none">- Customer complain	<ul style="list-style-type: none">- Right capacity- Increase price
Hardware failure	<ul style="list-style-type: none">- Customer complain- Maintenance / repair cost	<ul style="list-style-type: none">- Buy reputable product- Efficient maintenance

Conclusion

- Introduction of Internet access and other related cyber activities on board train will:
 - **Generate significant revenue**
 - at more than RM3.6million/year by charging an attractive access charge;
 - **Generate not less than 2% growth of ridership**
 - especially youth/student market and also business travel market segment ;
 - **Enhance the attractiveness of travelling**
 - for both existing passengers groups and for potential new groups such as business people, student and families, eventually enhance the KTMB's image;
 - **New potential business / service**
 - If business people can be attracted to the train, it gives KTMB to sell the premier service



**KTMB MUST GRAB THIS OPPORTUNITY
NOW**

**CYBER
TRAIN**

**WILL BECOME
PART OF OUR LIFE
IN FUTURE**



**THANK
YOU**



Cost vs Revenue



Summary

CAPEX

INFRASTRUCTURE

