

Bus 54 Where Are You!

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One of the things that students of marketing are taught early in their studies is the difference among a production-oriented firm, a sales-oriented firm, and a marketing-oriented firm. A production-oriented firm operates from a self-interest point-of-view. A sales-oriented firm also operates from a self-interest point-of-view but with a focus on short-term sales. A marketing-oriented firm operates from a consumer point-of-view. In a competitive market, the latter type of firm will survive longer.

These corporate orientations apply equally to firms that produce tangible products, like Coca Cola[®], or intangible services, like the transportation provided by a local bus service. However, if a firm or organization has been granted a monopoly and/or does not operate under a profit mandate, then its operating policies may tend to reflect a production orientation, where cost control and not the maximization of customer satisfaction is the prime concern.

Recently, one local bus service came out with its Fall-Winter printed schedule. As was the case in the past, this schedule is more production oriented than it is customer oriented.

During the past few years, this schedule has clearly reflected a production orientation. It indicated when the buses were to leave the starting point of each run and how often the buses would run; sometimes a route summary was provided for selected runs. Never, however, has the schedule specifically indicated when the buses would reach specific points along each route. By not providing such information, the bus company has been able to keep the cost of producing the schedules down; however, such an approach does not maximize the level of customer satisfaction.

While the schedule does provide an excellent map and a listing of street names for each route, it does not indicate when the buses will reach various points along the routes. An experiment in the past of placing dots at five-minute intervals on the map along each route was clearly not convenient for customers. A separate and cumbersome calculation was required each time one wanted to know when a certain bus would arrive at a given point. At least this change in the design on the schedule was a step in the right direction.

One defense for not providing such detailed schedule information may be the uncertainty of where the buses will be at a given time because of uncontrollable variables, such as the level of automobile and train traffic (there are many rail crossings in the city that can block automobile and bus traffic). Using this type of reasoning as an excuse for not providing a detailed bus schedule means that one is just admitting that the bus service in the city is not very reliable. Surely, however, not all buses

face this problem, and the consumer is smart enough to realize that there are unavoidable delays during certain times of the day (e.g., during the morning and evening rush hours).

All that may be required to address the traffic problem is to put a notation in the schedule to indicate that delays in running time are most likely to occur during certain times of the day. Go Transit's City Link service between Hamilton, Ontario, and Toronto, Ontario, uses this approach.

Furthermore, there is no reason why the local bus service should not be evaluated in terms of reliability. Other transportation companies, such as Air Canada, Go Transit, and Via Rail, are constantly evaluated on this basis. So why should the local bus company under discussion not be evaluated on the same basis?

In the final analysis, the issue of concern is how can the local bus company make it easier for its market to use its services, particularly those who are not frequent users of the service? At the very least, what is required are schedules that 'numerically' indicate the time when each bus is expected to reach the various points (e.g., actual stops or intersections) along each route. A five-minute interval may be a reasonable time frame to use. Indicating departure times at major points along the routes would also be beneficial (e.g., schools, shopping malls, government buildings).

The added cost for a more detailed schedule is clearly worth the increase in customer satisfaction that would result? Such a schedule would remove the customer frustration associated with trying to 'guess' the arrival time of the next bus, and who knows, it may also result in an increase in ridership.

Questions:

1. Explain the three orientations identified in this case: production oriented, sales oriented, and marketing oriented. Which one applies to the schedule issue identified in the case? Explain.
2. Why would a bus company not want to provide detailed schedule information pertaining to each of its routes? Why would it want to provide such information? Are your explanations production oriented or marketing oriented?
3. If you were the marketing director for the local bus company identified in the case, how would you deal with the issues raised? What are the advantages and disadvantages with the steps you would take?
3. Take a look at the schedules for the local bus company in your area (or the closest area, if there is no such service in your area). If you cannot access hard copies of the schedules, you should at least be able to access the route schedules online. Do the schedules appear to be production oriented or marketing oriented? Explain. If the schedules do not appear to be marketing oriented, how would you change them to be of this nature?