

Customer orientation in the South African minibus taxi industry

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Abstract

Owner-managers in a mini-bus taxi industry in South Africa operate in a cooperative business model and need to collaborate with each other to become more customer oriented and to achieve client satisfaction. This study aims to examine the perceptions of owner-managers - and their customers (passengers) to determine the level of customer orientation when implementing the services marketing mix strategy. This study used a mixed method research approach. The first phase entailed the collection of qualitative data through four focus groups involving minibus taxi owner-managers. While a second phase was quantitative and used a survey technique to collect data from both minibus taxi owner-managers and passengers. A total of 256 owner managers and 640 customers participated in the quantitative study. The results indicate that both the minibus taxi owner-managers and the customers perceive the services provided by the mini-bus taxi industry is customer oriented. However, owner-managers perceptions of their service offering is significantly more customer oriented when compared to that of the customers.

Keywords: customer orientation, services marketing mix, minibus taxi, marketing mix strategy, small medium size enterprises.

Introduction

Small and medium-sized enterprises (SMEs) play an important role in the development of most economies, including that of South Africa. The minibus taxis operators in South Africa are SMEs who have become the backbone of the public transport sector. Their industry has its roots in the informal economy operating predominantly outside the legal, commercial and fiscal spheres. Although the industry is still regarded as semi-informal and constitute mainly of small business operators, it has managed to achieve dominance in the South African public transport sector and is credited with more than 67% of all daily commuter trips (Competition commission, 2021).

The development of the South African public transport industry has been greatly influenced by the previous government's segregation laws. During that period the African population in particular had no legal access to road passenger business opportunities. However, in 2007 and aligned with government's programme of urban public transport improvement the department of public transport developed a strategy and roadmap to implement a Bus Rapid Transport (BRT) system in South Africa that led to the introduction of the *Rea Vaya* and *A re Yeng* in the Cities of Johannesburg and Tshwane in 2009 and 2014 respectively. The BRT system is designed to move large numbers of passengers to all parts of the cities quickly and safely. The BRT system is expected to be more customer oriented than their major competing

minibus taxi industry (ITDP Africa, 2021). Like most businesses, the minibus taxi industry faces an increasingly complex, hostile and competitive environment that affects their long-term sustainability (Department of Economic development, 2021). Developments in the public transport industry, including the introduction of the modern, government-subsidised Bus Rapid Transit (BRT) systems has resulted in increased competition in the industry. These developments have resulted in the customer having increased alternatives when it comes to public transport. The question among many is whether the minibus taxi industry which is operated by owner-managers who are perceived to be unsophisticated and using no or limited marketing tactics can sustain their dominance in the future. The minibus taxi industry has no options but to be competitive and customer orientated in order to maintain their current market share. The paper aims to examine the perceptions of the minibus taxi owners on their levels of customer orientation when implementing their services marketing mix strategy. The paper has three key objectives: to investigate perceived levels of customer orientation as portrayed by minibus taxi associations in marketing mix strategy formulation and implementation by its members; commitment to marketing mix strategies by members of the minibus taxi associations and examine the gap between owner-manager and customer perceptions on levels of customer orientation in marketing mix strategy implementation.

The rest of the paper is structured as follows: in the next sections the paper presents a theoretical background on customer orientation and services marketing mix. This is followed by the methodology and discussion of results. Thereafter, the paper discusses implications and ends with conclusion, limitations and suggestions for future research

Theoretical background

Customer Orientation Concept

Many marketing scholars cite Drucker (1954) as the originator of the idea of customer orientation. He noted that there is a need for customer to focus on the part of the whole business and not only the marketing department (Singh & Koshy, 2012; Saura *et al.*, 2005). Various scholars indicate that customer and market orientation are considered to be interchangeable. The clear models to support this view was illustrated by Webster (1994) as well as Narver and Slatter (1990). The concept of customer orientation is based on the marketing philosophy known as the marketing concept, which propagates a view that the most important goal for any company is to meet and exceed customers' expectations to ensure satisfaction however at a profit. (Woo *et al.*, 2021). Various studies have supported the perspective indicating that organisations that adopt customer orientation are more likely to provide quality service, achieve customer satisfaction and loyalty at the same time perform better financially than their competitors (Agostini *et al* 2017). Variations exist in the literature as to how the concept of customer orientation is viewed and defined. Most studies look at the concept from one of two main perspectives, namely the cultural perspective and the behavioural perspective. The cultural perspective views customer orientation as consisting of values and beliefs that stress the importance of

the customer (Peillon et al., 2018). Adopting this perspective, Deshpande *et al.* (1993, p. 27) define customer orientation as a “set of beliefs that puts the customer’s interest first, while not excluding those of all other stakeholders such as owners, managers, and employees, with the aim of making the organisation profitable in the long term”. The behavioural perspective, on the other hand, views customer orientation as reflected in organisational behaviour or activities. It looks at customer orientation as a set of processes or customer value-creation activities. Taking this perspective, Prohl-Schwenke and Kleinaltenkamp (2021) points out that customer orientation is reflected in business activities that start with customers, particularly their wants, and work backwards from there. Customer orientation in this case demands that company activities be responsive to customer needs. This requires intelligence generation on the part of the business to be able to better understand customer needs and the factors that influence their behaviour (Liu et al., 2020).

Customer orientation at an organisational level demands that the activities of all employees be geared towards customer satisfaction (Kim & Qu, 2020). They also note that this is only possible where there is inter-organisational coordination. This is evident in the minibus taxi industry whereby operators follow the cooperative business model despite the fact that owners operate their own individual minibuses. Members of a taxi association, just like any other cooperative, share the common good or bad that results from the conduct of each operator and employee. In this type of arrangement, Liua *et al.* (2021) indicate that individual participants in business-to-business relationships affect the overall level of customer orientation associated with them. He notes that customer-orientation activities performed in cooperation between two businesses have an influence on the total degree of customer orientation generated within the cooperative relationship. For example, when one taxi driver as part of a particular business provides a bad service, that “label” may extend to the entire taxi association. In such a context it is vital that all employees, particularly those on the frontline, are provided with standardised training to ensure the provision of similar levels of service.

Service marketing mix in public transport industry

According to Moller (2006) the marketing mix framework has been extremely influential in informing the development of both the marketing theory and practice. Traditionally, the marketing mix consists of four elements, namely product, price, promotion and place (often referred to as the 4Ps of the marketing mix). Most scholars in service marketing indicate that the traditional 4Ps of marketing are not adequate for firms operating in the services industry. This is mainly because of the unique characteristics of services namely intangibility, inseparability, heterogeneity and perishability that create special challenges for the marketing of these services (Parasuraman et al., 2009). As a result, marketing mix strategies in service marketing often include three additional Ps. These are people, processes, and physical evidence. O’Cass and Nima Heirati (2015) indicate that customers experience the service through the marketing mix. The additional elements in the services marketing mix that have influence to customer expectations and perceptions are: place, physical evidence,

participants, and process (Jain, 2017). The effective deployment of the services marketing mix elements becomes more critical for the firm to become customer orientated (Fang et al., 2011) and also to achieve high quality service. Barabino et al., (2012) observe that service quality is one issue that has being overlooked in the public transport service industry. They however note that the current shift towards customer orientation has renewed the interest back to the importance of service quality in public transport environment.

Service quality

Service quality is described as a composite of service attributes or dimensions that are desirable to customers (Akhil & Suresh, 2021). Customer consider service quality to be high when it is delivered in superior ways compared to customer expectations (Yuen & Thai, 2015). While service marketing researchers acknowledge that there are no perfect models for measuring service quality (Kang & Kim, 2009; Islam et al., 2015), most studies focus on examination of factors that customers are likely to consider to be important when evaluating the service (Ramseook-Munhurrun et al. 2013). The importance of taking the customer's view when evaluating services is widely advocated in service quality literature (Cronholm and Salomonson, 2014). This is because sometimes organisations may believe that they are providing good quality services to their customers while they are not. They only way to verify level of performance in delivering quality services is by examining customer perceptions as well. Thus a firm that is interested in delivering quality services needs to start by understanding its customers' needs and the issues that are of value to them.

Studies conducted in the transport industry show that customers service value relates to varied factors including safety, accessibility, comfort, price competitiveness as well as friendliness of service personnel (Mahatma et al., 2015; Sezhan et al., 2011). The issue of safety is of major concern to stakeholders in the South African public transport industry. This is because in South African and particularly before the government implemented the minibus taxi recapitalisation programme many of the minibus taxi vehicles in the industry were in a dilapidated state and were often described as "coffins on wheels" (Msibi, 2012). The poor general state of some minibus taxis discouraged potential minibus taxi customers from using their services, and prevented other users from becoming more frequent and loyal users of the services. Through the recapitalisation programme, which was conceptualised in 1998, old taxi vehicles were replaced by new reliable safe vehicles that complied with the South African Bureau of Standards. Whatever the industry, most firms today recognise that they can better distinguish themselves by providing customer oriented high quality services (Stamenkov and Dika, 2015). In examining service quality this paper looks at it in relation to each of the seven elements of services marketing mix.

Research method

The populations of interest were the owner managers of SMEs operating in the minibus taxi industry and their customers (passengers) in Gauteng Province, South

Africa. The services that the taxi industry provides is the short distance commuter public passenger transportation. The firms operating in the minibus taxi industry follow a cooperative model of operations in that the firms are required to be members of a Taxi Association for them to be able to operate. Members of each association are independently owned businesses. Each Taxi Association is allocated a route(s) by government on which its members are supposed to operate. Members of each association are responsible for coming up with business strategies including marketing strategies that its members are expected to implement. The Gauteng region was selected for the study due to the fact that it is the economic hub of South Africa and has the largest number of registered Taxi Associations as per the National Taxi body South African National Taxi Council (SANTACO). A total of 108 registered taxi associations' operating in the Gauteng region were identified and members from 64 associations agreed to take part in the study.

The study made use of a mixed methods research approach. The first phase entailed collection of qualitative data. The qualitative phase made use of focus group discussions with members of minibus taxi associations that operate in Gauteng which is one of the nine South African provinces. Gauteng Province is divided into 5 regions. A total of four focus group discussions were conducted with 43 owner-managers of minibus taxi businesses, one in each of the four main regions of Gauteng. An interview protocol was developed and used to guide the discussions. In selecting the participants for this study, non-probability judgment sampling was applied. Participants were identified from a list of association members and invited to take part in the study. Participants were required to have been affiliated members of the specific taxi association during the past three years. The number of participants in each group ranged between ten and twelve.

The second phase of the study was a quantitative phase and involved collecting data, from a convenience sample of minibus taxi owners and from the customers (passengers) using structured questionnaires. The owner manager study included 4 owner managers from each of the 64 associations that took part in the study making up a total of 256 respondents. The participating mini-bus tax owners served as key informants for their respective associations. The researcher personally intercepted minibus taxi owner-managers at their associations' offices or at their loading areas (taxi ranks). 42.9 percent of the managers were aged between 30 and 49 with 57.1 percent aged 50 years and above. 26.2 percent of the respondents had only studied at primary school level and only 4.4 percent had completed a post-high school qualification. The respondents were mainly black African males.

The customer study involved collection of data ten customers from each of the 64 associations. Thus data was collected from a total of 640 customers and 44 percent of the customers were aged between 18 and 30 and only 8.3 percent were aged 50 and above. 50.4 percent of the customers were males while 49.6 percent were females. In terms of education, only 5.2 of the customers had studied only at primary school level; 35.4 percent has post high school qualifications.

Multi-item scales were used to measure the constructs. The items used to measure each constructs were operationalised based on findings of the focus group discussions as well as findings in literature. Table 1 presents the items used. Each item was

measured on a five-point Likert scale, ranging from 1 = *Strongly disagree* to 5 = *Strongly agree*. The questionnaire for the taxi owner-managers examined managers' perceptions regarding levels of customer orientation when implementing the various elements of the services marketing mix, while the one for customers examined passengers' perceptions of the taxi associations regarding the implementation of customer-oriented services.

Data collected through the focus group discussions was audio-recorded and later transcribed into MS Word before being subjected to thematic analysis using QSR NVIVO 10 software. Data collected in the quantitative phase was analysed using Version 21 of Statistical Package for Social Science. Cronbach alpha coefficients were used to assess the reliability of the multi-item constructs measured in the study before subjecting them to further analysis. The results showed that all the constructs had high levels of reliability. As per Hair et al. (2010) alpha coefficients of .7 and above are indicative of high construct reliability. Descriptive analysis was run in order to determine frequencies, percentages, means and standard deviations. Independent sample t-test was used to examine if there were significant differences between owner managers and customers in their perceptions in regards to implementation of customer orientated marketing mix strategies in the mini-bus taxi industry.

Table 1: Constructs, items and results of the reliability analysis

Owner managers		Customers	
Construct and Items	Alpha coefficient	Construct and Items	Alpha Coefficient
Product <ul style="list-style-type: none"> • Provision of transport services is in line with customer needs • Transport services provided are dependable • Transport services provided are safe • There is an emphasis on providing good quality transport services to customers • Efforts are made to ensure provision of a consistent level of good quality transport services 	.724	Product Mini-bus taxi operators on this route: <ul style="list-style-type: none"> • ensure provision of transport services that are in line with customer needs • ensure provision of dependable transport services • focus on providing safe transport services • emphasise on providing good quality transport services to our customers • ensure provision of consistent level of good quality transport services 	.783

<p>Price</p> <ul style="list-style-type: none"> • In setting fares, consideration is given to competitors pricing. • Fares charged are affordable to customers. • In setting fares, it is ensured that customers get good value for money. • Fares are set to attract customers to use services. 	<p>.740</p>	<p>Price</p> <p>Mini-bus taxi operators on this route:</p> <ul style="list-style-type: none"> • Are competitive enough when compared to what their competitors charge • Are generally affordable • Offer good value for money • Are attractive enough to compel one to use their services for their services 	<p>.791</p>
<p>Promotions</p> <ul style="list-style-type: none"> • Our association engages in initiatives which help create customer awareness of our services. • Our association communicates customer services information. • Whenever there are changes in our services i.e. change of fares, we communicate these to our customers. • We inform our customers whenever we introduce new routes. 	<p>.811</p>	<p>Promotion</p> <p>Mini-bus taxi operators on this route:</p> <ul style="list-style-type: none"> • engages in initiatives that help create awareness of their services • communicates customer services information • ensures that customers are well informed whenever there are changes to their services including fares • keep customers well informed whenever they introduce new routes 	<p>.702</p>
<p>Place</p> <ul style="list-style-type: none"> • Services are easily accessible to customers. • Services are available at convenient times for customers. • Pick-up and drop off points are convenient and provide for easy connection with other modes of transportation or taxi services. • The route network is designed to take customer demands into consideration. 	<p>.783</p>	<p>Place</p> <p>Mini-bus taxi operators on this route:</p> <ul style="list-style-type: none"> • Provide services that are easily accessible • Provide services that are available at convenient times to customers • Use pick up and drop off points that are in close proximity to places that allows for easy connectivity with other modes of transportation or taxi services • use a route network that is in line with customer demands 	<p>.698</p>

<p>People</p> <ul style="list-style-type: none"> • Our members recruit drivers who understand the importance of good customer service. • Our drivers show pride in their profession. • Our drivers are responsive to customer needs. • Our drivers have a good understanding of issues relating to provision of quality • Our drivers are enthusiastic about provision of good services to customers. • Our drivers are generally courteous towards customers. 	<p>.766</p>	<p>People</p> <p>Mini-bus taxi operators on this route:</p> <ul style="list-style-type: none"> • have minibus taxi drivers who show understanding of the importance of good customer service • have minibus taxi drivers who show pride of their profession • have minibus taxi drivers who are responsive to customer needs • have drivers who show a good understanding of issues relating to providing quality customer service • have minibus taxi drivers that are enthusiastic about providing good service to customers • have minibus taxi drivers who are courteous to their customers 	<p>.610</p>
<p>Process</p> <ul style="list-style-type: none"> • The length of time that passengers wait for minibus taxi services is generally acceptable to customers. • Queuing and boarding procedures for passengers at ranks is orderly. • The fare payment process is easy for customers. • Travel time between destinations (in-vehicle travel time) is reasonable. 	<p>.845</p>	<p>Process</p> <p>Mini-bus taxi operators on this route:</p> <ul style="list-style-type: none"> • do not keep passengers waiting for their transport services for long periods of time • ensure that passengers queuing and boarding process is done in an orderly manner • use a fare payment process that is easy for customers • Take reasonable travel times 	<p>.864</p>

<p>Physical evidence</p> <ul style="list-style-type: none"> • In this association, we operate vehicles that are always clean. • Our members ensure that their vehicles are roadworthy. • Our drivers dress in a presentable manner. • Our marshals look presentable. • In this association, we operate vehicles that are always clean. • Our members ensure that their vehicles are roadworthy. • Our drivers dress in a presentable manner. • Our marshals look presentable. 	<p>.690</p>	<p>Physical evidence</p> <ul style="list-style-type: none"> • Use vehicles that are always clean • Use vehicles that look roadworthy • Have drivers that dress in a presentable manner • Have marshals that dress presentable 	<p>.691</p>
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Discussion of results

Qualitative Results – Taxi Owner Managers

The results of the interviews are presented in a number of themes in line with the customer orientation in implementing the seven elements of the services marketing mix. The focus group discussion dealt with participants’ feelings regarding what was required in order to ensure customer orientation and satisfaction in relation to each of the elements associated with the services marketing mix.

Product service offering

When implementing marketing mix strategy, service or product offering becomes the basis for an organisation’s existence and success. During the focus group discussions some participants mentioned that there are certain service attributes that are non-negotiable, including the fact that services need to be in line with customers’ needs and expectations, and that they need to be of high quality to ensure customer satisfaction. The participants agreed that passengers need transport services that are easily accessible, dependable, safe and on time. These findings regarding the importance of understanding customer needs and expectations are in line with assertions made by Bellou (2010) as well as Singh and Koshy (2012). They note that customer orientation is an organisational culture that puts customers’ interests first without excluding other stakeholders, such as employees, managers and owners, with the main objective being to develop a long-term profitable business. There was also a general agreement amongst most minibus taxi managers that the implementation of the government-initiated Recapitalisation Programme had improved the industry’s fleet and that their customers are enjoying the benefits thereof. Despite the marked general improvement

in the industry, the participants indicated that a lack of consistency in the quality of service provision remained due to a general lack of driver training. The participants had somewhat mixed reactions regarding customer satisfaction, which emphasised the high standards of service expected from the taxi association and the industry in general. Members of the focus groups agreed that the service provided to their customers is of an acceptably high standard. Gok and Hacioglu (2010) point out that what is important when it comes to customer service is that the majority are happy and that a business is able to maintain high levels of satisfaction or improve on satisfaction levels.

Price strategy

The participants indicated that pricing is one of the factors directly impacting on the profitability of their businesses and, at the same time, it impacts on the customers' pockets. The participants agreed that in setting their fares they mainly consider the following factors: financial cost of buying their vehicles, general operating costs, what competitors charge and their target customers. The findings are consistent with assertions made by (Kaur & Sharma, 2009) who note that customer orientation is not about making losses for the sake of keeping customers happy. Regarding operating costs, the main comments received related to the significant influence that fuel has on pricing as well as issues relating to the distance travelled by commuters. Competition was also considered to be an important factor influencing pricing, particularly from commuter bus operators, including Rea Vaya (BRT). There was anger and disappointment from participants when discussing this aspect. They indicated that government was not equitable in its provision of passenger subsidies to selected public transport service providers, including Rea Vaya, Putco and Metrorail. The participants argued that their fares are generally not sustainable relative to their costs; however, for them to remain competitive they charge fares that are similar to their government-subsidised competitors.

Promotion strategy

The association participants indicated that most associations did not have funds to spend on advertising and other promotional efforts. As a result, most taxi associations opt for inexpensive or unpaid methods of promoting their services, which include constructive engagement with community leaders on issues of public transport, the use of unpaid slots on local radio stations and the use of stickers and pamphlets. These findings support assertions by (Reijonen (2010), who note that most SMEs are not able to spend a lot of money promoting their businesses. When asked to indicate the common messages that the taxi associations provide to the public, the main ones mentioned included change of fares (that is, price increases) and the introduction of new routes.

Place/Distribution

With regards to the "place" participants agreed that accessibility of services, convenience and travel time were critical. They were of the opinion that the minibus

taxi service is the most accessible passenger transport service. They indicated that accessibility to their services is their primary advantage when compared to their competitors.

"With us we stop anywhere. Wherever the customer is, we are right there. Much, much better than our competitors."

The participants also mentioned the issue of time or convenience, indicating that they did not operate according to a timetable. To satisfy customer needs, services must be available at the right time in convenient locations. Thuy (2011) notes that the time customers spend waiting for a service often presents a significant opportunity cost that prevents customers from engaging in other activities.

People strategy

There was a general agreement that the level of service achieved in the taxi industry is highly depended on the taxi drivers and marshals. These employees are the faces of their associations and of the industry as a whole. There was a common understanding that care should be taken when recruiting drivers. The participants pointed out the need for taxi associations to look into drivers' skills and persona if they are to have a positive influence on customer satisfaction. They indicated that when drivers are recruited they undergo a process of induction. During this process, the driver is informed about what is expected of him or her on issues of customer service, treatment of passengers and so on.

Regarding the issue of driver discipline, it was noted that the general practice within the taxi associations is that drivers who do not comply with the rules of the association relative to customer service provision are disciplined and punished according to their transgression. Al-hawari & Mouakket (2012) point out the importance of people in service delivery, noting that good conduct on the part of service providers must be ensured.

Process strategy

Discussions on the discussions, participants pointed out that the process usually begins with the arrival of the customer who then waits at the taxi rank. This is followed by queuing, boarding, payment, general transportation from point A to B and disembarking. Generally, the interviewees agreed that the process is smooth, except on Mondays and Fridays, which are regarded as peak days, when passenger queues may be longer. Lovelock and Wirtz (2011) indicate the importance of process in service delivery, noting that if this is not managed well it can cause dissatisfaction.

Physical evidence

Participants noted that physical evidence in the minibus taxi environment relates mainly to the state of roadworthiness of their vehicles, vehicle cleanliness and the appearance of their frontline employees (drivers and marshals). It was indicated that the Recapitalisation Programme that the South African government has initiated was

helping in rejuvenating the industry’s fleet.

With minibus taxi service providers, physical evidence plays a particularly crucial role in affecting customers’ response (Koernig, 2003). Walter and Edvardsson (2012) indicate that customers actively create their own individual meanings of a particular service offering from the physical environment and throughout the whole service process – customer service experience is not controlled solely by the service provider. The physical environment becomes an important factor that the customer uses to evaluate the service offered.

Regarding the issue of cleanliness of their vehicles, the participants indicated that there are rules known to all their operators. Participants indicated that their drivers and marshals are expected to dress in a presentable manner. All front line staff are expected to adhere to the agreed dress code. For instance drivers are not allowed to wear short pants, slippers and vests

Quantitative Results

Descriptive statistics – owner managers and customer

Table 2 present results from the descriptive analysis of owner managers and customers’ perceptions regarding level of customer orientation their service provision.

Table 2: Means and standard deviations

Item	Owner-managers’ perception		Customers’ perception	
	Mean	Standard deviation	Mean	Standard deviation
Product Implementation - overall	4.43	0.365	4.08	0.573
Price Implementation - overall	4.43	0.373	4.20	0.588
Promotion Implementation - overall	3.81	1.260	2.54	1.342
Place Implementation - overall	4.60	0.421	4.39	0.448
People Implementation - overall	4.23	0.659	4.15	0.61
Process Implementation - overall	4.54	0.414	4.42	0.46
Physical Evidence Implementation - overall	4.39	0.486	4.09	0.627
Overall	4.35	.424	3.99	.477

The results show that customers were generally satisfied with the services provided by minibus taxi operators. The mean overall score for satisfaction was 3.99. Closer examination of these results reveals that all the elements obtained mean scores above 4, except Promotion, which obtained a mean value of 2.54. With regard to promotion

customers felt that taxis did not engage adequately in promoting their services. Some customers noted that one only hears about the industry when something negative happens, such as an accident that is reported on radio or television.

It was also evident that some customers had concerns relating to use of signals in the industry. When customers are picked up in-between taxi ranks, they are expected to signal their destination to oncoming taxis using specific signs, some of which are not communicated to customers. Thus, unless one knows the right sign to use one has to rely on other passengers.

Comparison of customers' evaluations and owner-managers' perceptions – Independent sample t-test

Table 3 present results from the independent sample t-tests conducted in order to find out if there are significant differences between customers' evaluations and owner-managers' perceptions regarding the degree of customer-orientation in the taxi industry. The results in table 3 shows that taxi owner-managers rate their achievement much more highly than passengers do. This is true across all seven elements of the services marketing mix.

Table 3: Independent sample T-test

Service Mix Element	T-test for equality of means						
	T	df	Sig	Mean Dif- ference	Std Error difference	95% confidence inter- val of the difference	
						Lower	Upper
Product	10.921	718.509	.000	.35253	.03228	.28916	.41591
Price	6.822	727.740	.000	.22500	.03298	.16025	.28975
Promotion	13.224	499.818	.000	1.25951	.09510	1.07267	1.44635
Place	6.663	498.170	.000	.21152	.03175	.14915	.27390
People	1.689	435.088	.041	.08093	.04793	-.01327	.17512
Process	3.859	518.736	.000	.12218	.03166	.05998	.18439
Physical evi- dence	7.595	601.368	.000	.29834	.03928	.22120	.37548
Overall	11.036	581.716	.000	.36245	.03284	.29792	.42697

Results in table 3 indicate that there were significant differences between the scores

obtained from taxi owner-managers and passengers, both at overall levels as well as for each of the elements of the services marketing mix.

Customers' perception of services provided cannot be underestimated. As Williams (1993) argues: "perception is reality". This suggests that these experiences stick in customers' minds for a long time when they have bad service experiences, even if it is a once-off occurrence. Correcting such negative perceptions relating to bad service is not easy and can only take place when communication channels are initiated. However, the fact that customers in general rated taxi services favourably across all but one of the seven elements of the services marketing mix is a positive for the industry that they can maintain and build upon. In this regard, improvements can still be implemented to close the gap between owner-manager and customer perceptions regarding service quality. More importantly, means for periodically monitoring performance from the perspective of customers need to be developed.

Implications

The findings in this study are of significant theoretical and managerial implications.

Theoretical Implications

From a theoretical perspective, this study is firstly one of the first to investigate firms in the transport industry who have adopted a cooperative model of operating their businesses to provide a common service. By so doing the study helps contribute to knowledge production on customer orientation the transport industry. Cooperative business arrangements are becoming common in African countries and knowledge production that can contribute to enhancing the success of firms operating under such arrangement is needed. Most marketing studies tend to study firms at the individual unit level.

Secondly, the current study contributes to theory by explaining the complementarity between the marketing mix and customer orientation. Findings from the focus group discussions makes it evident that customer orientation is closely linked with elements of the marketing mix. Managers were able to identify how using elements of the marketing mix they could or were ensuring that they are responsive to customer needs. As noted by Moorman and Rust, (1999) the marketing mix represent the organisation's capacity to link its services to the customers. The findings provide empirical evidence that the marketing mix elements are important in organisations efforts of ensuring customer orientation. Overall, the findings show that the marketing mix elements can provide the organisation with the capacity to respond to market needs by creating a link between the organisation and its customers.

Lastly, the study contributes to literature by specifically focusing on customer orientation among small and medium size firms from a developing country, South Africa. The concept of customer orientation is noted to have its origins in large business. As noted by Akonkwa, (2009) that market orientation is based on what is known as the market concept, whose origin is in large businesses. This is because of the resource requirements including need for high quality market intelligence required

for effective implementation of customer orientation. Although the findings in this study show that owner managers rated their levels of customer orientation higher than their customers, they never the less shows that SME's can be customer orientated specifically in relation to how they implement their marketing mix strategies.

Managerial Implications

From a managerial perspective it is critical for transport providers to understand their customers' perceptions about the services that they are providing. Measuring customer perceptions becomes an important guide towards achieving customer satisfaction (Barabino et al., (2012).

Tsang and Qu, (2000) indicate that measuring management perceptions of service quality is just as important as measuring customers' perceptions, because management perceptions of service quality directly affect service quality standards. This study presented the empirical evidence on the evaluation of service quality in the minibus taxi industry in Gauteng, South Africa, from the perspective of both the minibus taxi service providers and the customers (passenger). The findings indicated that the owners rate their achievement much higher than the customers. This finding is consistent with observations by Tsang and Qu (2000) who stated that there is strong evidence indicating that management perceptions of service quality frequently differ from the perceptions of customers as well as of staff. It is therefore critical that owner managers understand perception of their service delivery perception from their customers view as this is what is likely to have more impact on how customers behave towards a service providers including whether they will be loyal customers or not.

When compared to their competitors, the minibus taxi are considered to be more accessible, flexible and convenient. Their prices are regarded as very competitive despite the fact that the minibus taxi industry is not subsidised by the government. While the industry does not use conventional marketing mix communication tools due to lack of promotional budget, owner managers need to devise strategies that ensure that they meet the promotional needs of their customer at a low cost. The need to ensure that drivers are trained regarding issues of customer services was made evident in this study. The recapitalisation programme implemented by government is a making a difference in the taxi industry. The owner managers need to take into account the importance of vehicle roadworthiness. Safety is an issue of high concern, not only on the part of customers and the general public, but also to the government.

Conclusion, limitations and suggestions for future research

customer orientation is the central variable of this research study. The study examined the perception of the minibus taxi industry owners on the levels of customer orientation when implementing their service marketing mix elements. The research reflected scholarly on how members who have adopted a cooperative model of operating their business can effectively cooperate to provide customer oriented service.

It was evident that competing through adoption of customer orientation has become an important concept to firms that operate in the services industry. As suggested by Lee et al. (2010), the provision of high quality service is not a one department activity, but rather a corporate culture aimed at always meeting the needs of the target customers. As a result, customer orientation becomes a strategic concept. Further, the study indicated how the effective deployment of the services marketing mix elements has become more critical for the firm to become customer oriented. Given the growing interest in understanding how the services marketing mix elements and customer-orientation complement in achieving customer satisfaction, the attention was devoted in understanding how owner managers' perceptions of services they provide to their customers. Service providers that are seeking to improve their service provision, need to model their service delivery from the customer's perspective (Teixeira et al., 2012). The study shows that minibus taxi owners found to perceive their service as significantly more customer oriented than that of their customers. It is thus critical that service providers must endeavour to understand customers' perception of their service to achieve alignment of their service provision.

Notwithstanding this study's contributions, there are a number of limitations to bear in mind when engaging with the findings herein. These include the following. The sample is based on SMEs operating within a single industry, namely the minibus taxi industry in South Africa. As such, the findings cannot be generalised to businesses operating within cooperative arrangements in other industries. Future research can examine SMEs sampled from varied industries. This study has focused on one geographical area: the Gauteng Province in South Africa. While Gauteng is the economic hub of South Africa and has the largest number of taxi associations and taxi owners, these findings may not be generalised to SMEs operating in the taxi industry in other parts of the country. It is, therefore, also recommended that future studies consider replicating this study in other parts of the country or even in other countries. A further recommendation for future research relates to the fact that owner-managers in this study expressed a high level of dissatisfaction with the fact that government provides subsidies to their competitors, thus negatively impact on their pricing competitiveness and individual business sustainability. Future research can investigate the impact of passenger subsidies on the competitiveness of the minibus taxi industry within the public transport sector.

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