

9. THE MARKETING INFORMATION SYSTEM

The Marketing Planning process described in section 6 will only be as successful as the determination and effectiveness of Marketing Managers and others in implementing the plan will allow. The process of implementation itself will be assisted by a Marketing Information system which will allow the performance of the railway to be continuously monitored against the plan, so that corrective action can be taken as soon as there is a variance from the plan.

There is no perfect Marketing Information system, but desirably any system which is developed should have at least the following elements:

(i) A Traffic Volume, Revenue and Profit Budget, by market segment and (where relevant) key customer account

This budget would be finalized at the beginning of each financial year and would cover short (at least monthly, and possibly half monthly) and long (12 monthly) time periods, corresponding with the corporate accounting periods. It would provide the main targets to be achieved by railway corporate and marketing management in terms of: traffic volume (passengers/passenger-km, tonnes of freight/tonne-km); revenue; and financial contribution (revenue less incremental cost).

(ii) A Traffic Volume, Revenue and Profit Performance Report, by market segment and (where relevant) key customer account

This would be the key control report which would measure any variance of performance from budget. It would thus replicate the format of the budget report, described above, and would be available as early as possible after the end of each accounting period. *An example of a Traffic Volume, Revenue and Profit Performance Report is shown in Box XIV.*

(iii) An Operating Performance Report

This report would measure operating performance against standards or targets set as part of the Corporate Planning process, and would also be available as early as possible after the end of each accounting period. This report would monitor operating performance at least in terms of:

- ◆ *Percentage of trains arriving on time* (required for passenger traffic, but sometimes required for time sensitive freight traffic, such as containers)
 - ◆ *Freight wagons loaded as percentage of wagons ordered*
 - ◆ *Number and value of claims received* (for damage or loss of freight consignments)
 - ◆ *Number and value of claims settled* (in absolute terms and as a percentage of the number and value of claims received) and average time taken to settle claims
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- ◆ *Number and nature of passenger complaints received about service quality*

(iv) A short period (monthly or twice monthly) Sales Report

This would be a written report submitted by Sales Representatives, explaining trends in the volume and revenue derived from major customer accounts for which they are responsible and containing market intelligence gathered in the course of their visits to customers.

The latter in particular should contain details of trends in the level and structure of competitor fare and tariff rates and of competitor activities affecting the performance of the railway, with a specific focus on:

- ◆ *Their fare and freight tariff rates and structures*
- ◆ *Their services - routes, service frequencies, timekeeping performance, consignment security safeguards and loading/unloading/feeder distribution arrangements*
- ◆ *Their financial health and any changes in their ownership structure*
- ◆ *Any changes in government regulations or conditions governing their operations (eg. changes in axle load or speed restrictions or in maximum permitted vehicle dimensions, permitted areas and times of operation, etc)*
- ◆ *Details of their advertising campaigns and promotional activities*

(v) A Customer Information System.

This would be updated continuously and would contain profile details of major customers including: location of business; personal contact points; nature of business; corporate and financial structure and structure; percentage of market controlled; (for freight) commodities transported and routes used; other transportation needs (including standard and frequency of service, loading/unloading/local delivery facilities required); and details of current tariff and tariff incentives applied, as well as tariff and credit history.

(vi) Outputs as required from a computerized rollingstock tracking system

Such outputs would be available on demand in order to determine the location and movement status within the railway system of freight consignments for individual customers.

Box XIV **Traffic volume, revenue and profit performance report**

Period: (Accounting Period/Month/Year)

For: (Market Segment, or Customer)

VARIABLE	Period, This Year			Period, Last Year			Year-to- Date, This Year			Year-to- Date, Last Year		
	B	A	V	B	A	V	B	A	V	B	A	V
1. Traffic Volume												
(i) Passengers or Tonnes												
(ii) Pass.Km or Tonne.Km												
2. Revenue Generated (\$)												
3. Estimated Incremental Cost (\$)												
4. Financial Contribution												
(i) Total (2-3)												
(ii) Per passenger/tonne (2-3)/(1(i))												
(iii) Per PKm or Tkm (2-3)/(1(ii))												

Note: B = Budget

A = Actual

V = Variance (A-B)

PKm = Passenger-km

Tkm = Tonne-km of freight
