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SECTION 3. General issues in management

Kgaugelo Sammy Boya (South Africa)

Bus rapid transit projects involving the South African government and small operators (as SMMEs): is bus rapid transit a blue or red ocean strategy?

Abstract

Transport forms the heartbeat of the economy, not only in South Africa but also globally. Over time the South African government has invested a great deal of resources in transport projects such as taxi recapitalization rail technology as well as bus rapid transit (BRT). The BRT project has been a point of discussion in terms of the value which it can bring to key stakeholders, particularly to commuters and the country's economy at large. BRT is basically an urban public bus transport strategy which seeks to alleviate congestion, mostly in the Metropolitan areas. In this paper the significance of the BRT strategy is highlighted as this may guide future public transport project investment. As a strategic move, the decision for government to roll out BRT is evaluated in terms of blue ocean strategy (BOS) principles and red ocean strategy (ROS) elements. BOS strategy suggests that an organization operates in its own created market space where competition is rendered irrelevant, whereas with ROS organization relies on having a competitive edge in order to outsmart its rivals. The preliminary findings suggest that there are some elements of both BOS principles and ROS that are relevant to BRT projects. BRT is seen as a useful public transport investment particularly for countries with developing economies elements such as South Africa. However, stakeholder buy-in and cooperation should be promoted to preserve the strategic and social gains brought about by BRT and other integrated public transport projects.

Keywords: blue ocean strategy, bus rapid transit, developing economies, public transport.

JEL Classification: M45.

Introduction

As a case in point, the South African business community with particular reference to the transport industry could find the strategies in this paper relevant in addressing their key survival issues. Furthermore, some reflections on the current corporate and business strategies are envisaged. This also could be a key issue for the government of the Republic of South Africa in its quest to drive entrepreneurial and small business culture which could better the economy and thereby generate and sustain jobs as per the department of economic development principles. Moreover, the urgent need for economic stimulation is affirmed by the department of trade and industry [DTI] (2005) as it points out that the promotion of entrepreneurship and small business remained an important priority of the government. The government seems committed to ensuring that small businesses progressively increase their contribution growth and performance of the South African economy in critical areas such as job creation, equity and access to markets. While strategies to improve organizations are done at a government level it could be interesting to establish how SMMEs as organizations collaborate with government in order to strategize on transport projects. The paper's objective will thus be discussed in the next section.

1. Purpose and objectives of the paper

This paper seeks to investigate the bus rapid transit (BRT) as a blue ocean strategy (BOS) and its usefulness to assist potential and current small, medium and micro enterprises (SMMEs) within the public transport industry in Gauteng to function profitably and thereby survive in the long term. BRT can be regarded an urban public bus transport strategy which seeks to alleviate traffic congestion and encourage the use public transport, mostly in the Metropolitan areas. As a result, this paper will take a posture of outlining its key objectives thereof. Moreover the state of public transport is highlighted as this ushers the reason behind the conception and rollout of the bus rapid transit (BRT). SMMEs in South Africa and their role towards the economy are emphasized as some of those involved in the BRT project fall within this category. What BRT is about and its significance to the socio-economic stance of developing countries in general and South Africa in particular is elevated. The discussion further explores the four generic competitive strategies such as low cost leadership, focus, differentiation and best cost. A proposal is made for organizations to move away from the traditional competitive strategies as they are fated by modern scholars such as Kim and Mauborgne (2015) to have "red ocean" tendencies. As such the move towards the use of "blue ocean" strategies (BOS) is heightened as BRT characteristics exhibit some of the principles of BOS. The discussion is taken further by proposing

first level order comparative analysis between BRT and BOS. This will entail basic comparison between BRT and BOS. The study is concluded with key recommendations. The recommendations are aimed at accelerating and improving the state of public transport in South Africa and beyond.

1.1. Objectives of the paper. The objectives of the paper are to explore the bus rapid transit in terms of the three major principles in innovation, value adding, creation of a new market space and related activities. In other words this paper attempts to determine whether or not BRT strategy brings with it some form of innovation which can add value to patrons and the economy while creating a new market space by attracting and thereby converting non-users into its pool of patronages. The assumption is that if BRT can match most of these BOS principles, the benefits thereof are most likely to yield positive socio-economic spinoffs for commuters, operators, the transport fraternity and the country at large. The ideal situation which BOS proposes is such that ROS cannot provide for organizations given that ROS operate in existing market space where competition is rife and limited innovation exists. In the light of the above it is imperative for organizations to have comprehensive strategies in place to help them deal/cope with challenging environmental factors and subsequently survive. This paper will explore the potential and relevance of blue ocean strategy on organizations such as those involved in the BRT business. As Kim and Mauborgne (2005), as well as Kim and Mauborgne (2015) argue that a blue ocean strategy has to do with finding untapped market space(s) as opposed to competing for existing and usually known market space(s) through traditional competitive strategies. It follows that these strategies rely on innovative ideas which subsequently add value to those involved. The feasibility of blue ocean strategy for government, its agencies and key partners as well as public transport operators as SMMEs will thus be explored given that BRT and BOS may have similar elements/characteristics. This paper will explore the existence of innovation, the creation of new market space and the value it added (since these are the key principles of blue ocean strategy) as a result of the inception of the BRT. The latter principles are critical for the socio-economic development of the country.

Blue ocean strategy comprises of three major characteristics, in innovation, new market space creation as well value proposition for customers. These characteristics are necessary for modern organizations that seek to set themselves apart from potential and existing competition. In succinct terms, this paper will seek to answer the following questions:

- ◆ Does the bus rapid transit constitute innovation?

- ◆ Does the bus rapid transit constitute creating a new market space?
- ◆ Does the bus rapid transit add value to travelling patrons?

1.2. Research strategy. This paper explored the principles of the blue ocean strategies with regard to the BRT project with specific reference to South Africa. These principles were discussed in light of the current literature which included academic books, scholarly journal articles, government documents, and media reports – national and international. A content analysis of the latter sources was conducted. This research method is endorsed by Mouton (2001) as a method which affords the researcher an opportunity to survey words, concepts and phrases from a range of sources such as book chapters, scholarly articles, as well as other formal and informal conversations and headlines. Having said that, there is still much conceptual and empirical research which can be conducted on the various concepts which were highlighted in this paper.

2. Discussion

The discussion will entail SMMEs in South Africa, SMMEs' drivers, the state of public transport in South Africa, bus rapid transit, competitive strategies as well as blue ocean strategies.

2.1. SMMEs in South Africa. Over the years, there has been much lobbying, strategising, advocacy and developmental work to encourage an entrepreneurial culture and small business development in South Africa. Various stakeholders such as the state, business sector, academics, unions and investors have constantly engaged in rigorous discussions and strategies to ensure progress is made regarding the development and sustaining of SMMEs (Department of Trade and Industry, 2004). There is consensus that SMMEs have the potential to stimulate the economy and thereby create much needed employment opportunities (Chilone-Tsoka, 2009; Kelley, Bosma & Amorós, 2011). Moreover, Mfeka (2007) also affirmed the notion of SMME's potential to yield economic gains. However the latter contend that the manufacturing industries, such as textile and clothing, are not considered to be competitive. This means that the businesses in these industries are also susceptible to global economic situations and thus require viable strategies and sometimes government bailouts to remain viable. Such realities of bailouts are also prevalent within the transport industry. The bailouts thereof are often not sustainable and are generally undesirable. As such, the emphasis should rather be on stimulating business strategies that create value for users.

2.2. Possible drivers of success and failure of SMMEs in South Africa. There are countless reasons why SMMEs succeed or fail in their

business endeavours. These reasons could range from various factors. Noteworthy, entrepreneurial intuition, competence issues, interpersonal skills and environmental factors such as government assistance are some of the key factors Ibrahim and Goodwin (1986, pp. 41-45) considered to be affecting the success of SMMEs. It is also necessary consider affecting failure of SMMEs. Ibrahim and Goodwin (1986, pp. 41-45) as well as Ladzani and Netswera (2009) propose that the entrepreneur's bad judgement, incompetence, poor interpersonal skills, unavailability of support and other non-controllable attributes such as recession are some of the factors affecting failure of SMMEs. Other non-controllable factors relate to access (or lack thereof) to funding and government support may affect both emerging and existing ventures (Nieman & Niewenhuizen, 2014, p. 13). All these positive and negative factors have to be borne in mind when SMMEs formulate and implement their strategies. The knowledge of such factors may go a long way to afford SMMEs to make informed decisions.

2.3. Public transport industry in South Africa.

Public transport plays a major role in uplifting the South African and other global economies (DoT, 2011; Vilchis, Tovar & Flores, 2010). Its efficiency and effectiveness have developmental effects in the lives of the country's citizens. Public transport requires among other things the political will by government as well as adequate resources such as funding and skills (technical & managerial).

According to the Department of Transport (1996) the South African transportation system is inadequate to meet the basic accessibility needs (to get to work, health care, schools, shops) in many developing rural and urban areas. Hence measures are needed to bring the South African transport system on par with the rest of its global counterparts such as Brazil, Chile and India. Moreover, according to Pillay and Seedat (2007) the government engaged in the Action Plan in 12 of the major cities with the aim to integrate the 2010 Public Transport Infrastructure and Systems. These BRT projects also rely on parliamentary transport infrastructure grant which are often limited in supply and subject to bureaucratic hurdles.

With that said, van der Merwe in Oxford (2013) also warns about the fragmented nature of public transport roll-out programs. The fragmentation stems from issues such as industry uncertainty, lack of buy in by stakeholders, funding models and resource allocation. Contrary to what is actually being experienced, the White Paper on transport was developed in order to support the goals of the

Reconstruction and Development Program (RDP) for meeting basic needs, growing the economy, developing human resources, and democratising decision making.

According to the DoT (1996), the following were fundamental issues which the White Paper sought to address:

- ◆ *To enable customers requiring transport for people or goods to access the transport system in ways which best satisfy their chosen criteria.*
- ◆ *To improve the safety, security, reliability, quality, and speed of transporting goods and people (these are deemed to have reached unacceptable levels).*
- ◆ *To improve South Africa's competitiveness and that of its transport infrastructure and operations through greater effectiveness and efficiency to better meet the needs of different customer groups, both locally and globally.*
- ◆ *To invest in infrastructure or transport systems in ways which satisfy social, economic, or strategic investment criteria (hence the development of projects such as the BRT and Gautrain).*
- ◆ *To achieve the transport objectives in a manner which is economically and environmentally sustainable, and minimizes negative side effects.*

Despite the above intentions, the South African public transport system is characterized by complex and often robust relationships among its stakeholders.

The key stakeholders in this industry range from government, government agencies (for rail, road, air & sea transport), operators (corporate & SMMEs) as well as commuters (who are more often than not captive users) of services. Amidst the challenges experienced within this industry, the department of transport has continued with the implementation of an integrated public transport system (Holtzhausen & Abrahamson, 2011). This system is meant and believed to be complementary in nature and promotes inter-modal and intra-modal competition (DoT, 2011).

The implementation of an integrated public transport system does not come without problems (Holtzhausen & Abrahamson, 2011). Government sometimes finds it difficult to regulate industry participants so much that the enforcement thereof often results in violent altercations (Pikoli, 2015). Moreover, there could be contracting system which encourages intra modal competition for public transport contracts.

For instance, when certain public transport projects such as BRT are being rolled out, these seldom occur without robust contestations from those whose turf and livelihood seem threatened. It is however

worth indicating that commuters become the hardest hit by the endless contestations and disintegrated public transport system which is contrary to what the DoT has promised (DoT, 2011).

It is important to note that the South African government, like in any other developing countries has a social and economic mandate to improve the quality of life of its citizens. One better way of realising this is through quality and efficient public transport system.

Over time, government and other stakeholders have expanded the harbours, airports, airplane fleet, rail lines and rail rolling stock, introduced rail technology train project, i.e. the Gautrain and bus rapid transit (BRT) project named Rea Vaya and Areyeng (in Johannesburg & Tshwane, respectively). There are also other BRT projects being rolled out in the cities of provinces such as Eastern, Western Cape, Limpopo and North West. The main idea behind the introduction of these projects is to allow the country to have world class integrated public transport which can contribute positively towards the economy and the lives of citizens (Holtzhausen & Abrahamson, 2011; DoT, 2011; Oxford, 2013). All these projects were received with ambivalent reactions from various stakeholders (Moosajee, 2009).

For instance some politicians have regarded the Gautrain and the BRT's as ground breaking public transport projects while others labelled them as "white elephants" which are meant to benefit the elite few (Bickford, 2013). Small operators such as those who operated minibus taxis viewed BRT projects an attack on their turfs and threats towards their livelihood. On the other hand, government and commuters regarded the BRT as the realization of the historic economic and social mission. Despite all the contrasting views, a public transport system should at all times take a user-centered approach. In this paper the significance of BRT as a public transport strategy will be explored and its characteristics will be analyzed against those of BOS.

2.4. Bus rapid transit (BRT). BRT is defined as a "rapid mode of transportation that can combine the quality of rail transit and the flexibility of buses" (Thomas, 2001). BRT is a bus service that is, at the very least, faster than traditional local bus service and, at the most, includes grade-separated bus operations. BRT seek to reduce travel time and to provide service through sophisticated technologies in order to address issues of payment, boarding and route configuration. It can operate on bus lanes, HOV lanes, expressways, or ordinary streets. A BRT system combines a simple route layout, frequent service, limited stops, intelligent

transportation systems (ITS) technology, passenger information systems, traffic signal priority for transit, cleaner and quieter vehicles, rapid and convenient fare collection, high-quality passenger facilities, and integration with land use policy. It could also be prudent to trace where the BRT concept originates from, as this may indicate the significance of its incorporation in modern public transport systems.

2.5. Evolution of BRT. The concept of bus rapid transit is not new to this current generation. Plans and studies for various BRT type alternatives have been done since the 1930s. Although, there has been a greater emphasis on BRT in recent years (Thomas, 2001). For instance the Maeso-González and Pérez-Cerón (2014, p. 150) trace the conception plans of BRT to as early as 1937. To date, over 31 million global citizens and over 180 municipalities rely on BRT for mobility (Zottis, 2014). For instance, the BRT in Brazil has celebrated over 30 years of existence. There has been an immense increase in the rolling out of BRT projects in developing countries particularly on the African continent with South Africa among those involved in it. It is imperative to address the question of BRT strategy viability and the possible reason for its existence as well as its characteristics.

2.6. Why is BRT necessary? There are many reasons for developing BRT systems. According to Thomas (2001), the following are among the most compelling reasons for the development of BRT:

- ◆ *Central business districts (CBDs) have continued to prosper and grow in ways that require more transport capacity and improved access. Given the cost and environmental impacts associated with parking and road construction and the traditional urban form of most CBDs, improved and expanded public transport emerges as an important alternative for providing that capacity. BRT planning often considers centres of economic activities which its users may require access to.*
- ◆ *BRT systems can often be implemented quickly and incrementally. This has the potential to save the project related costs.*
- ◆ *For a given distance of dedicated running way, BRT is generally less costly to build than rail transit. BRT offers relatively flexible service that rail and other transport for that matter.*
- ◆ *BRT can be the most cost-effective means of serving a broad variety of urban and suburban environments. BRT vehicles are more user friendly than common public transport buses.*
- ◆ *BRT can provide quality performance with sufficient transport capacity for most corridors.*

The scheduling thereof are often tailor made to allow the buses to cut across major intersections where there are economic and social activities.

- ◆ *BRT is well suited to extend the reach of rail transit lines providing feeder services to/from areas where densities are too low to cost effectively extend the rail corridor.* BRT is integration friendly as it can allow users to connect with other types of modes.
- ◆ *BRT can be integrated into urban environments in ways that foster economic development and transit- and pedestrian-friendly design.* A holistic urban planning is often taken into account before BRT projects are commissioned.

2.7. Characteristics and attributes of BRT.

Wright (2002) suggests that the main characteristics of the BRT systems are segregated bus ways, rapid boarding and alighting, clean, secure and comfortable stations and terminals, efficient pre-board fare collection, effective licensing and regulatory regimes for bus operators, clear and prominent signage and real-time information displays, transit prioritization at intersections, modal integration at stations and terminals, clean bus technologies, sophisticated marketing identity and excellence in customer service.

With all the enabling characteristics in mind, it is for that reason why some authors such as Thara (2015, p. 15) credit BRT utilization to be life enriching for its users. Moreover, Zhou (2011, p. 52) praises BRT for being low in cost, short in construction cycle as well as being flexible to develop. These benefits are often what the law and decision makers are interested in. As such this makes BRT a transport development strategy which modern economies cannot afford to overlook. Wright (2002) further uses Curitiba system as an example of BRT which constituted the following key attributes: simple route structure, frequent service at all times of day, headway-based as opposed to time-point schedules, less frequent stops, level boarding & alighting, color-coded buses & stations, exclusive lanes, higher-capacity buses, multiple-door boarding & alighting, off-vehicle fare payment, feeder bus network, and coordinated land-use planning.

3. Business strategies (Porter's competitive strategies)

Since this paper discusses both BRT and BOS strategies, it could be useful to give context of what the word "strategy" actually means. The word "strategy" is borrowed from the military fraternity where it means the "art of war" (eds. Louw & Venter, 2010). In a business context this suggests that an organization has to have a plan to enable it to meet customers'

expectations, outwit the competitors and to increase its chances of a sustainable future. In light of the challenges facing SMMEs in South Africa, it goes without saying that a strategy needs to be in place to ensure some kind of success.

Whether or not these strategies become successful depends on their relevance to the organization itself, and how adaptable the stakeholders are to the environmental conditions.

Votoupalova, Toulouva and Kubickova (2014) suggest that in terms of percentages, modern organizations predominantly employ a focus strategy (at 34%), differentiation strategy (at 29%), cost leadership strategy (at 26%) and other strategies (at 11%) in the order listed. If this is the case, could the latter 11% form part of a blue ocean strategy, and the former be regarded as pure red ocean strategies? While this cannot be concluded, it is essential to explore other possible strategies which may also be employed. The following are common strategies the author wishes to highlight.

3.1. Generic competitive strategies.

3.1.1. Niche/focus. A focus strategy is based on adopting a specific competitive niche within the industry which is often narrow in scope (ed. Lynch, 2012). Focus strategies grow market share through operating in a niche market or markets not attractive to or overlooked by larger competitors. These niches come about due to a number of different factors including geography, buyer characteristics, product specifications, or requirements. According to Porter (1985), a successful focus strategy depends upon an industry segment large enough to have good growth potential but not of key importance to major competitors.

3.1.2. Differentiation. Differentiation consists of the creation of differences in the organization's product or service offering by creating something that is perceived as unique and valued by customers (eds. Elhers & Lazenby, 2010, p. 143). It follows that differentiation could take place in the form of prestige or brand, technology & innovation, rapid response, product reliability, a unique taste and customer service.

3.1.3. Low-cost leadership. According to Elhers and Lazenby (2010, p. 140) the low cost leadership strategy is pursued when an organization sells a product or service that appeals to a broad market. For instance, manufacturing efficiency can be achieved by simplifying the product line, scheduling longer production runs for fewer models, standardising products and services, or reaping the benefits of quantity discounts. When pursuing this strategy, could

this mean that the market share could shrink if the purchasing prices go up?

Helms, Haynes and Cappel (1992) argue that businesses which primarily compete with the low-cost approach tend to achieve high market shares through the offering of low prices, made possible by scale economies.

3.2. Best cost. Best cost is in essence a combination of both the differentiation and low cost leadership strategies. Helms, Haynes and Cappel (1992) further suggest that both in terms of financial performance and operating performance, the group of businesses adopting the combination strategy are likely to outperform groups of retailers adopting principally the low-cost strategy or the differentiation strategy.

However, Elhers and Lazenby (eds. 2010, p. 149) as well as Lazenby (ed. 2014) warn that organizations may underestimate the challenges and expenses associated with providing low prices and differentiating at the same time. In a nutshell the generic strategies are ideal for traditional markets where competition is the order of the day. However, they seem to offer very little of as far as strategic flexibility is concerned. Are there alternative strategies to these? The next section explores blue ocean strategy.

After above strategies have been discussed it is important to explain how they relate to the objectives of this paper. The above strategies are concerned with competition within a specific market space, where organizations are preoccupied with survival issues as well as seeking to outsmart their business rivals. In a nutshell, this is a traditional way of doing business within a “red ocean” in a form of market competition. This traditional way may not always work and if it does, it may not always be sustainable. On the other hand, this paper seeks to explore BRT as an alternative strategy which may enable the former minibus operators to explore untapped market space where competition is irrelevant. The latter situation is one of the principles of a blue ocean strategy (BOS). In the next section BOS is discussed. The discussion sets the tone for a comparative analysis between BRT and BOS.

4. Blue ocean strategy (BOS)

Blue ocean strategy constitutes the unearthing and utilization of the unknown market space, untainted by competition (Kim & Mauborgne, 2005). As such, with blue oceans demand is created rather than fought over. There is ample opportunity for growth that is both profitable and rapid. In blue oceans, competition is irrelevant because the rules of the “game” are waiting to be set. Blue ocean is an

analogy to game describing the wider, deeper potential of market space that is yet to be explored. Kim and Mauborgne (2005) as well as Kim and Mauborgne (2015) further argue that the organizational leadership must transfer organizations from “red oceans” of bloody competition to “blue oceans” of profitable growth through “value innovation” and creating new market space. This clearly requires strategic and innovative approaches as well as new ways of doing business.

The fundamental difference between this strategy and the generic competitive strategies is that the authors thereof differ with Porter (1985) in the idea that successful businesses are either low-cost providers or niche-players. Instead, they propose finding value that crosses conventional market segmentation and offering this value at a lower cost. Kim and Mauborgne (2015) further propose that blue ocean strategy is more focused on innovation and serving new markets. This is what John in Feloni (2013) also confirms, to the effect that BOS can position the organization in a whole new industry. In essence the BOS focuses on untapped markets where businesses can thrive. When a blue ocean strategy is followed, competition is no longer a factor as first mover/pre-emptive mover advantage is applied.

This could be ideal for transport operators, that often find themselves having to cope with fierce and monopolistic competition often posed by big corporate establishments. Bloody competition can be associated with the oversupply of minibus taxis as well as congested traffic lanes on certain routes of the major cities.

At this point, it could be useful to ask the following questions: Does the business partnership by government and small public transport operators bus rapid transit constitute blue ocean strategy? If so, which attributes of the bus rapid transit are consistent with blue ocean strategy principles? Looking at other international trends of developing countries such as Brazil, Chile and India, how sustainable has bus rapid transit (BRT) been as a blue ocean strategy and how has it been received since its inception? To this end the principles of BOS are highlighted with the view to assess and compare them to BRT characteristics.

4.1. Eight core principles of blue ocean strategy (BOS). Kim and Mauborgne (2015) discuss the eight core principles of blue ocean strategy which are critical in the strategy development process. They are: grounded in data, pursues differentiation and low cost, creates uncontested market space, empowers the organization through tools and frameworks, provides a step-by-step process, maximizes opportunity while minimizing risk, builds execution into strategy and

lastly it shows you how to create a win-win outcome. These principles are discussed in a summarized format below. While BRTs may not be as low cost as conventional bus services, the traditional motorists may save in travelling costs, efforts and time spent on the often congested roads. As it is the case with the Gautrain, BRT is meant to convert the traditional motorists to becoming bus commuters.

4.1.1. Blue ocean strategy (BOS) grounded in data. With BOS, winners are separated from losers. Winners are identified as those organizations that are keen to move away from hostile competition which is also known as red oceans where potential losers are saturated. BOS carefully studies all the key ingredients of successful trend-setters who constantly seek to render competition meaningless and irrelevant.

4.1.2. BOS pursues differentiation and low cost. BOS focuses on constantly adding towards quality and value instead of replacing the existing winning formulas. For instance, if the organization is pursuing low cost leadership, a differentiation strategy may be added but this will not be done at the expense of low cost leadership. Moreover, BOS will seek to create a new market order, by focusing on what has never been offered. This will allow the organization to reconstruct new attractive factors across conventional market boundaries. This is not too far off from what the best cost strategy is being pursued where it is referred to as integrated cost leadership/differentiation strategy (ed. Lazenby 2014, p. 170).

4.1.3. BOS creates uncontested market space. In the case of doing business the organization is not grappling with outperforming its competitors as has been traditionally the case. With BOS competition becomes irrelevant as the organization breaks free from the traditional confinements. The organization thus systematically works on creating new demand with potential for profitable growth in uncontested market space.

4.1.4. BOS empowers the organization through tools and frameworks. BOS provides the organization with the necessary tools and framework which enables it to break away from a traditional way of thoughts and actions which are characterized by an obsession with competition. These tools and frameworks provide a platform for smooth transition towards crafting an uncontested market space. While the traditional red ocean strategies (ROS) are preoccupied with contesting established markets, BOS is concerned with actionable frameworks which are innovation driven and are aimed towards value creation. These frameworks seek to link innovation with value in such a way that the industry boundaries are redefined. The frameworks

provide strategists with step by step guidance on how to identify uncontested markets and how to create value which potential competitors will struggle to replicate.

4.1.5. BOS provides a step-by-step process. BOS systematically explores what is referred to as the six paths of converting non-consumers into seasoned patrons for the organization.

This also allows those at the helm of the organization to develop strategies which are concrete and entail some rigor while not losing sight of the bigger picture. The organization is thus able to embrace the concepts and analytical tools which are BOS friendly. The tools assist organization to scan the environment in to identify the customer needs and providing tailor made innovative products and solutions to such needs.

4.1.6. BOS maximizes opportunity while minimizing risk. BOS constantly seeks ways of maximizing opportunities and outputs while at the same time minimizing risks and outputs. It boasts of access to robust mechanisms which increase the strategic success and mitigate risks. Besides, the organization applies what is referred to as “blue ocean idea index” which enables it to test the commercial viability of its strategic ideas. The blue ocean idea index addresses the four major criteria of a strategic idea in compellability, pricing, profitability and adoption hurdles by potential competition.

4.1.7. BOS builds execution into strategy. Unlike other traditional deliberate strategies which advocate for segregation of strategic management process stages (ed. Lynch, 2012), BOS allows strategic planning and execution to happen at the same time.

Over and above that, BOS is regarded as inclusive as well as understandable enough and these are regarded as key ingredients of strategic management components (eds. Lazenby, 2014; Institute of Directors in Southern Africa, 2009). This inclusive stance enables the organization to work on aligning the stakeholder’s hearts and minds with the new strategy which in turn yield voluntary cooperation, and expectation clarity. The latter attributes are ideal for strategic progress and for building stakeholder relationships.

4.1.8. BOS shows the strategist how to create a win-win outcome. BOS accentuates the three strategic propositions in value creation, profit maximization and people orientation. Key stakeholders (both internal & external) are seldom left behind and clients are persuaded to find value in what the organization seeks to do. BOS aligns and motivates stakeholders, particularly employees to

create indispensable value for clients, while at the same time strident on organization’s agenda for robust profits.

5. Findings

The findings of this paper are based on a comparative analysis of BRT and BOS.

5.1. A comparative analysis of BRT against BOS.

In this section the paper deals with the elements and principles of BRT and BOS, respectively. This exercise seeks to identify similarities and differences on these phenomena, if any. This exercise attempts to compare and thereby link BRT and BOS together.

Table 1. BRT and BOS elements and principles

Elements and/or principles	Bus rapid transit	Blue ocean strategy
Innovation	Relies on innovative state of the art technology fleets and equipment	Thrives on innovative ideas and initiatives
Market space	Seeks to convert motorists into public transport users	Converts non-users into users as it seeks to break away from competition.
Profitability	BRT is fairly profitable and is a growing public transport phenomenon	Profitability is one of its key principles and a cornerstone of the strategy itself
Stakeholder engagement	Seeks extensive robust negotiations and government intervention	Robust sharing of innovative ideas
Users	Captive and non-captive users	Non-captive users, but voluntary and enthused users
Value proposition	Value created as a result of its efficiency and that is harnessed through public-private sector participation	Creating quality attributes which were never offered before and in process add value to users
Sustainability	Boosts of over 70 years of existence	Focuses on profitability and motivation of those who are involved in its execution
Ergonomics	Embraces technological devices however still relies on human capital buy-in and execution	Combines analytics, technology as well as human dimensions
Compliance	Employees and other stakeholders are sometimes compelled to comply or face the might of the law	Voluntary compliance by motivated employees
Environmental implications	Lower emissions as private motor vehicle usage is reduced	Through its innovation it has capacity to roll out environmentally sensitive initiatives

5.2. Innovation. BOS thrives through innovative strategic ideas which seek to render competition irrelevant by pursuing uncontested market space. Some degree of innovation went into the technological designs of BRT fleet and facilities which distinguish themselves from a typical public transport bus. These facilities are often linked to the users’ preference and tastes.

5.3. Market space. The success of the BOS strategy can be found in BOS’s ongoing quest to create its own market space where the organization sets its own “rules of the business game”. BRT utilizes dedicated traffic lanes which makes it illegal for other road transport users to occupy. This immunizes and exempts it from peak-period traffic jams especially at busy intersections. Time sensitive users such as business commuters could find the factor to be of value to them.

5.4. Profitability. BOS allows the organization to critically examine the viability and compellability of a strategic idea as these aspects have a direct effect on its profitability. Similarly, BRT is subject to rigorous processes ranging from feasibility studies to parliamentary endorsements (Maeso-González & Pérez-Cerón, 2014). These may sometimes result in a delay in rolling out of BRT projects, and may hamper the speedy execution of the initially envisaged strategic objectives.

5.5. Stakeholder engagement. Typical BOS ideas are believed to be easy to follow and such that are

able to receive stakeholder buy-in as well as voluntary cooperation. A series of intense meetings epitomise the constant quest for BRT stakeholders buy-in, given that BRT entails public-private partnership (Vilchis et al., 2010, p. 98). In certain instances the government may be compelled to exercise its moral obligation to co-opt smaller operators to work with them in the BRT projects and such a gesture may enhance community engagement and social responsibility prospects.

5.6. Users. BOS seeks to convert non-customers into patrons instead of poaching them from competitors. Even though some sectors such as the minibus taxi industry believe that BRT is instrumental in depriving them of their livelihood, there are possibilities of it attracting patrons who were not utilizing public transport services before its inception. This submission may render the indictments on BRT as unfounded. ITDP (2015) has records of instances where non users such as private car owners resort to BRT to solve their travelling challenges.

5.7. Value proposition. BOS emphasizes value creation for customers in order to attract and subsequently retain them for a sustainable period. The creation of customer experience and value constitute some of the key characteristics of a good BRT system. The perceived value could thus be realized as the user experience is enhanced (ITDP, 2015).

5.8. Sustainability. BOS regards sustainable profitability as one of its critical success criteria. Sustainability concerns can be addressed if the stakeholders club together with the aim to constantly move away from toxic competition towards untapped market space. There are examples of BRT success stories across the globe with traces and footprints of more than 70 years long. More and more cities across the world are finding BRT as a viable approach which can attract the demand for new public transport services. Vilchis et al. (2010) suggest that BRT brings with it a sustainable public transport paradigm.

5.9. Ergonomics. BOS encourages seamless interaction of analytics, technology and humans. This can further be regarded as the human resources and technology combination that enables the operator to enhance its service (eds. Bergh & Geldenhuys, 2013). BRT may require extensive training in order to adequately inform and advise patrons about system and be able to interact with the technology thereof.

5.10. Compliance. BOS pursues the route which other competitors may not take. This enables the operator to be flexible to its market needs. On the other hand BRT is subject to the National Land Transport Act (NLTA) 5 of 2009 which restrict and regulates its use of land. Moreover, BRT is dependent on Integrated Transport System Plans that need to be developed based on the NLTA requirements. This reality can limit the organization's strategic flexibility which is contrary to BRT principles.

5.11. Environmental implications. ITDP (2015) credit BRT for offering a viable alternative to private car use and this is imperative in solving challenges associated with pollution.

Most of the variables which were compared in this section seem to indicate some similarities between BRT and BOS. This realization may somewhat be persuasive to the possibility that BRT may be considered as one of the examples of BOS. This has an interesting possibility given that BOS is held in high esteem as a strategy which can enlarge the business landscapes of those who pursue it. However, without an empirical study, this cannot be

regarded as a conclusive fact. All the same, more opportunities for research in BRT and BOS may prove to be invaluable.

Conclusions

In this paper public transport and its role in the socio-economic posture of the country were briefly highlighted with the focus on BRT as public bus transport strategy. The contribution of various stakeholders, particularly governments were considered, with the BRT strategy as the main subject of focus. Various business strategies as well as their pros and cons thereof were discussed. Noteworthy the significance of blue oceans strategy (BOS) particularly for modern organizations was heightened. Moreover, a comparative analysis of BRT against BOS was done and this indicated significant matches which can be further explored.

The questions of BRT's innovativeness, market space discovery and value proposition towards commuters were partly answered. These questions cannot be answered with absolute certainty. Whether or not BRT characteristics match the BOS core principles, indications are that all modern cities especially in developing economies can benefit immensely from the rolling out of BRT (Vilchis et al., 2010; ITDP, 2015).

Recommendations

However the implementation of BRT and other key integrated public transport strategies ought to be carefully done in order to enjoy greater buy-in from major stakeholders. As prerequisite, education, training, viable funding models, proper monitoring and evaluation as well as the political will should be at the right place if BRT projects are to be successful. Ideally, a gradual, inclusive and systematic approach to the introduction of BRT (as part of the integrated public transport system) is imperative.

Additionally, public awareness, stakeholder engagement, education as well as training regarding the value of BRT ought to be heightened. The latter processes can fair better than any act of muscle-flexing by authorities who may roll out projects without due regard to all the current realities. Government must continue to take the strategic lead in this regard.

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