

# Background:

[Transportation, Public Transport](#)



Background: The Kowloon Motor Bus Co. (1933) Ltd. (KMB) is the largest public bus company in Hong Kong. KMB carries over 2.8 million passengers per day and operates some 4,000 buses on 400 bus routes cover and across Kowloon, the New Territories and Hong Kong Island. KMB is the only local bus company to hold both ISO 9001:2000 and ISO 14001 certification and has earned the distinction of being one of the few public bus companies in the world to operate profitably without a government subsidy.

Innovation - The Way Forward As a leader in public bus operations, KMB pioneered the development of super-low-floor easy access buses in 1996 to provide comfortable access for people in need. To extend the company's service network without increasing the number of buses on the road, and to offer passengers the convenience of point-to-point travel, KMB operates 61 Octopus Bus-Bus Interchange fare discount packages comprising about 250 bus routes.

Cost advantage: To streamline operations and track costs, the company uses a computerised Bus Maintenance Management System and an electronic Traffic Operations Management System. These in-house innovations have won acclaim from the Hong Kong Computer Society.

Brand loyalty: Outstanding Customer Communications KMB has developed web-based and face to face communication channels to complement the company's widely used award winning Customer Service Hotline. The 24-hour KMB Customer Service Hotline uses geographic information technology in the form of a digital map Passenger Enquiry (PEQ) System to uphold its pledge of first contact resolution for customer enquiries. The system is equipped with 3-D images of over 100,000 landmarks to provide prompt and personalized bus route information. Since its launch, the digital map has won

wide acclaim in local, regional and international awards for technology innovation, and the KMB Customer Service Hotline was recently named as the best contact centre of its class in the world. KMB, the winner of the CILT Award 2007 — Passenger Transport Excellence organised a Depot Visit and Presentation Session to share their environmental protection works with CILTHK members on 29th March 2008. At the event, KMB was presented with the logo of CILT Award 2007 for use throughout the year to strengthen their reputation as well as a corporate image for their quality service provided to the community.

**Competitors: Taxi services** We observe that in the past 10 years or so, rail, franchised and non-franchised bus and PLB services have all been extended and improved. Against this background taxi services (the vehicle, passenger facilities and the driver's service and driving skills) have changed little. The earlier competitive advantage taxis had as convenient, air-conditioned services has been substantially eroded. Furthermore, the fare is no longer competitive on longer journeys, leading to fierce competition between taxi drivers through discounted services. A better operating environment for taxis, thereby allowing them to provide better service to passengers in accordance with the policy objective of providing a personalized, point to point, public transport service. The flexibility and personal service provided by taxis make them ideal for this purpose, provided a suitable vehicle can be found. Once introduced, subsidies may be made available to facilitate those in wheelchairs using the service.