

Testing strategies and the dangers of assumptions

The Metro in Washington, DC is again considering hiking fares (news story in today's Washington Post). For those of you who don't live in this area, Metro raised its fares a little over a year ago. Additionally, it made fares even more complex than they already were (there is no flat fare here in DC: there are regular fares and peak fares and the fare changes depending on the distance you are traveling) by adding a peak-of-the-peak fare. None of these changes were popular in 2010, and I assure a fare hike won't be welcomed in 2012.

Why am I discussing this? Because of this statement by Metro's General Manager Richard Sarles in the Washington Post:

Metro officials, however, are promoting the simplification of fares as a plus. The new fare structure would eliminate the "peak-of-the-peak" rate, in which passengers pay a surcharge for riding the subway during the busiest weekday periods. It was implemented with the last round of fare increase, in 2010, to ease crowding and encourage riders to use trains just outside the peak periods, but the strategy failed, Sarles said.

"We weren't accomplishing our policy objective, and we were just complicating the fare," he said.

Basically, Metro thought that by increasing the fares at rush hour fewer people would use the train and this would reduce crowding. But that shows a basic lack of understanding of rush hour—people leave work at around the same time and that is what causes crowding—not the cost of the fare.

The strategy was based on an assumption, and was not successful as proven by ridership numbers. Metro is wise to

discontinue this policy. **Strategies (and tactics) that don't provide intended results need to be ended.** This is an important point for marketing and communications. How many times do you see a company engaging in the same tactic/strategy regardless of whether it is accomplishing its objective?

Testing will help. And questioning assumptions will help too. Many people ASSUME things like: if we advertise, people will know about us.

Basing strategies on false or untested assumptions will lead to stupid, costly mistakes like Metro's peak-of-the-peak fare.

What assumptions are you operating under? What strategies are you basing on those assumptions? Are these strategies really accomplishing your objectives?

My advice is to question both assumptions and strategies, and correct course if they are not working.