



# The “Public” in Local Public Transport From Users by Necessity to Customers by Choice

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*The local public transport industry is undergoing a period of profound change. It is moving away from the logic of a public service with a simple social interest, towards an approach of a business activity aimed at satisfying the demands of a specific market, that of public transport. A phenomenon of such a scale – actually closely connected to the overall evolution of economic, social and cultural conditions of European society since the*

*post-WWII period – is the result of an intricate series of causes. Generally speaking (and with the awareness that this is by no means exhaustive), the transformations in the technological and economic conditions of the production and supply of public services have played a direct role in the introduction to the local public transport sector of both the commercial and industrial mentality and approach. These transformations have also led*

*to a radical change in the legal form of activity regulation and management. The latter is particularly applicable to Italy, where the whole framework of local public transport regulations has changed in a remarkably brief period of time, thus putting a definitive end to all types of monopoly (public and private) while simultaneously introducing regulated competition, a process expected to be completed by late 2003.*



**T**hough the market is still distant from full-fledged liberalisation and real competition, this process in Italy (and more generally in Europe) is motivated by two distinct but ultimately convergent forces:

• **by the European Commission**

which has long seen the market as the main instrument in generating a more competitive framework (conditions favourable to the full development of transport industry potential)

• **by the users – citizens**

who demand integrated, flexible services of increasingly higher quality, as well as modal alternatives that are economically efficient, particularly in areas and link-ups most subject to congestion.

**Adapting to the Market**

Over the last decade, Europe has witnessed an upsurge in private mobility (mainly in metropolitan areas) that has in turn caused an equally rapid downturn in the quality of life coupled with an increase in external transport costs. In order to break out of this vicious circle, there is a real need to accept the approach that services are to be provided by companies to customers on the basis of market rules, striking a balance between supply and demand.

Looking from the side of demand, we stand before the need to identify user segments that are increasingly complex, then to differentiate services to make them more flexible and target-oriented while addressing and calibrating the actual mobility requirements of different user categories.

In this process of "rationalisation", the quality of public services plays a strategic role – a role that is however difficult to manage, given that it involves immaterial aspects of the service and the subjective perception of the clientele.

The introduction of the concept of customer service focuses attention on the customer as the initiating factor that persuades citizens to leave their private means of transport at home, while mak-

ing the public means of transport more competitive, up to customer expectations – not to mention giving the customer a say in internal company organisation, helping to revise the production system on the basis of real needs and the expectations identified by customer satisfaction surveys. All this thanks to the creation of the "map of critical factors" which accounts for the main components of service quality.

The possibility of extending the volume of business by diversifying services and thus meeting customer satisfaction must also be taken into consideration.

With the aim of increasing service quality standards and putting customer satisfaction at the centre of the reform of the local public transport company, the Carta dei Servizi ("Services Charter") will play a vital role.

**Commitment to the customers**

The Charter dei Servizi has been designed on the principle of transparency, on which the local public transport company bases all its relations with the clientele. The card is an instrument that declares to its users the objectives that the company undertakes to achieve, to thus improve the degree of customer satisfaction with the service provided. In this way customers can become acquainted with company objectives and make their own assessments.

Besides safeguarding customer interests, the Charter has the function of constantly pushing the company towards innovation.

The attainment of set standards, or the consistency between Company plans and actual achievements, is evaluated through internal monitoring every quarter.

There is today the conviction that only by placing the customer at the centre of attention – satisfying his or her needs and demands, bridging the gap between service expectation and actual perception – can there be a significant increase in the use of collective forms of transport.

The European Commission





## Customer Satisfaction Model



itself emphasises an approach for the future that is increasingly market-oriented, with the application of the principle "pay as you use". The contract that the customer reaches with the operator at the time of ticket purchase is indeed for the provision of a service in exchange for payment of a price. From a political point of view, the next step forward is that of refunding the cost of the ticket in the event that the service provided does not comply with the one promised.

The basic premise is the demand for higher service quality and reliability standards.

### Motivating its Staff

It is important to set down a hierarchy of problems perceived by users, to measure the degree of seriousness for each problem, but above all to establish whether the perception of those same problems varies over time. From the internal viewpoint of capitalising on and rearranging human resources, there is a prevailing need for positive interaction with the personnel, who effectively represent the company in the eye of the customer. Indeed it is also through day-to-day experience that the customer, when making the decision to use public transport, justifies and legitimises its very existence – in other words, expressing a judgement that could have an important impact on the inclination of non-users to use public transport, and thus on

the potential acquisition of a greater market share.

The "crucial" moment of the entire process is therefore when the customer effectively comes into contact with the company, i.e. when the quality of the service offered encounters – through the means of transport and the personnel manning it – the expectations of the customer. Giving customers a say is a way of not losing customers (and of not jeopardising the prospects of future investments).

### The Italian approach to monitoring perceived quality

In line with the changes ensuing from the enactment of European legislation and to fulfil the obligations set by respective service contracts with city governments, local public transport companies have started to conduct the first structured studies on perceived quality, to assess the degree of customer satisfaction with the services offered, both globally and in relation to a series of individual aspects that can be defined as service "components" (and upon which overall satisfaction ultimately depends).

Many companies have subsequently adopted their own model of customer satisfaction for public transport: road, rail and, when present, the subway. The main aim is to test, validate, create and implement a standard customer satisfaction monitoring system that ensures comparable results between the different modes of transport and

their synergic combination.

In most cases in Italy, the method selected to develop a model not only statically reflects the degree of customer satisfaction, but also determines which quality components contribute to its increase, so that corrective actions can be taken and targeted investments made. In fact the trend of a specific Index of Customer Satisfaction (ICS), through the mediation of an image variable, influences in turn the consumer behaviour of customers. In the case of local public transport companies, these are: the inclination towards purchasing a season ticket, greater use of public transport, advertising of public transport by word of mouth – all factors on which companies intend to intervene.

Generally speaking, the methodology followed describes a cause-effect relationship between the perception of quality in all its components, overall satisfaction, corporate image and the most significant consumer behaviour patterns which the companies intend influencing by means of the image variable as a "filter" between quality and satisfaction (see figure above).

Thanks to the model, companies are able to monitor the level of customer satisfaction, constantly detect the new expectations and demands as regards public transport, segment customers in order to plan targeted services and communications, make preventive assessments for cor-



rect allocation of resources and investments in quality.

The new company approach of seeking on-going dialogue with customers has, in many cases, led to the development of a distribution process of information collected, with subsequent feedback from citizen and customer associations.

The methodology adopted by companies for assessing consumer satisfaction is increasingly becoming a programming tool, considering that quality and competitiveness of products and services are intimately related to the strengthening of the consumer position on the market. Over the last year, great care and attention have been paid by local public transport companies to ensuring information that is precise, secure and targeted for customers, through (amongst other things) the distribution of maps, brochures, booklets, manifestos and leaflets sent directly to peoples' homes.

Besides the customer satisfaction system used to assess quality perception by the clientele, many local public transport companies have introduced service quality control systems, through the arrangement of a synthetic index and the creation, within their own organisational structure, of an office with the specific task of evaluating the consistency between the service quality promised to the customer by the company and that actually delivered.

### Conclusion

Precise analysis of quality gives rise to a set of strategic actions bound by a clear political message.

The efficiency of a service is directly related to the efficiency of the company and its ability to remain in touch with the real demands of the customer. The service delivered is in fact the final output of a series of corporate processes; the quality of services offered is functionally bound to the quality of internal activities.

From this standpoint, what is fundamental is a strategy that involves and motivates personnel, orienting management from a policy of control

towards a system of involvement, the activation of an appropriate information system to develop new ways of communicating and participating with the customer – naturally in line with current company objectives and future political undertakings of the Authority (e.g. to guarantee equal opportunities and access to sustainable transport for all citizens).

Personnel and management must be deeply motivated and feel the responsibility of achieving objectives. It is essential that all workers, at all levels of the company structure, feel part of strategies, perceiving the importance of their own contribution to improving service standards. They must therefore feel committed to a synergic effort with the company, striving for common goals (e.g. protecting internal know-how and acquisition of new customers).

Quality-oriented training, covering all aspects of service efficiency standards and effectiveness to ensure customer satisfaction, is thus vital.

Internal communications are another important tool in involving and capitalising human resources, fundamental to ensuring change. They assume the role of an authentic "organisational bond" that favours adaptability, developing a sense of belonging and

responsibility of all.

The ideas expounded to date suggest that local public transport companies are committed to pursuing a policy of on-going quality improvement, adopting a Quality System that allows them to implement prompt, targeted initiatives to correct deviations from objectives through constant monitoring of all activities that contribute to service delivery.

Quality can indeed be considered the decisive tool in making services more efficient at lower costs, by a correct distribution of costs and revenues between the clientele and the public administration. Consolidated international experience shows that the major economic benefits of a quality system are obtained after its implementation through a process of on-going improvement.

The real proposals for improvement can nonetheless only come from the operators who directly control services. Service ethics, the culture of quality and the central role of the human factor constitute the basis for improvements that must be increasingly directed towards satisfying customer needs.



*Quality of service is one thing, how it is perceived is another  
Here, light rail in Rome*

*Translated from original Italian text*