

MEDIA BACKGROUNDER

Making public transport part of a modern urban lifestyle

In 2009, UITP launched its PTx2 strategy to double the public transport market share worldwide by 2025 with the vision of making cities better places to live and work. Making public transport the preferred transport option represents thus one of the main axes of the 'PTx2' strategy.

Today, more than before, the public transport sector requires a decisive **change in the business culture** to face modern society mobility needs. Changing business culture will help develop **lifestyle services**. Moreover, as business culture and lifestyles services are strongly intertwined, delivering customer-oriented services will also impact the corporate culture, HR policies and the performance of the company.

Public Transport must be considered as a “business to consumer” activity rather than a social utility, which has to be subsidized.

Create a new business culture

A favourable business and regulatory framework allows public transport to thrive and to be attractive to customers, to investors and to the workforce.

Public transport is a net contributor to global and local development economically, socially and environmentally. As our consumption patterns are severely questioned, the sector is at the forefront of the sustainable revolution required by our urban centres. More than ever public transport remains an important source for sustainable, green, local jobs, and a strong support to local economy.

Besides the traditional public transport approach comprising public service requirements and a social function, innovative, profitable and diversified business models will attract entrepreneurship, capital and talent.

A fair and transparent regulatory framework is necessary for the sector to offer quality mobility solutions to various market segments. The production of services needs to be properly defined, monitored and remunerated whatever the service, be it “classical public service” or newer mobility services.

The changing process can be implemented and embodied in concrete policies, strategies and action plans, so that they represent not only an objective, but also the means of moving forward.

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Call for action

- > Leave room for operators to develop competences, innovation and entrepreneurship.
- > Change the corporate culture from of a fleet manager and production activity to a service industry fully focused on customers. To this end:
 - > Introduce new management models, processes and tools to achieve high performance.
 - > Develop innovative human resources practices to attract talented people, motivate and develop staff loyalty.
 - > Use integrated management models, strategy maps and values to ensure alignment of objectives and actions, transparency, and staff motivation and performance.
 - > Use management contracts to specify and balance the responsibilities, competences and risks of the various parties.
 - > Define a desired and affordable level of quality and introduce a system of mutual bonus/malus into contracts.
 - > Use codes of ethics to increase awareness of social responsibility and transparency.

Deliver life style services to become the mode of choice for citizens

Customer needs and lifestyle are the drivers of planning, funding and delivering high quality mobility services.

Modern consumption patterns in society create new needs and habits. Citizens have an ever broader choice between different modes, and they also compare transport performance with other services. Their system of reference has become much wider, and influenced by the way they perceive quality in other sectors (e.g. Internet providers, night shops). Customer-orientation is essential to ensure that companies deliver the level of quality expected by customers.

Customers expect mobility solutions that are quick, safe and secure, convenient, clean and affordable, the whole wrapped up with understandable information. Well understood needs, quality delivery and innovation are the main drivers of successful service provision.

Customers also expect greater consideration and individual recognition. The respect and care that transport companies bring to their customers must be highly visible. This implies enhancing the travel experience and removing some negative connotations as well as psychological barriers. Global attractiveness is boosted by quality, affordability and flexibility and pleasant travel experiences lead to changes in behaviour and attitude.

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This shift in mindset is indispensable to turning public transport into the preferred mobility option of citizens.

Customer segmentation and customisation will help materialise high quality mobility solutions that will attract a much wider spectrum of the population far beyond the captive segment.

Call for action

- > Respond to customer's needs, expectations and new life style and develop a portfolio of mobility products and services targeting the traditional customer base as well as new segments.
- > Develop more commercial price structure.
- > Become a true mobility provider: develop intermodal strategic partnership and alliances with taxis, bikes and car sharing, parking facilities, information providers and all major mobility generators.
- > Provide integrated services including information, tariffs, and fare products.
- > Use total quality management to ensure a service delivery in line with the planned quality and measure satisfaction and performance.
- > Elaborate marketing strategies and plans and monitor their return on investment.
- > Improve image and brand to make citizens proud of using public transport and staff proud to work in the sector.
- > Introduce innovation carefully, understand the needs of end users and share innovation risks fairly.