

FOCUS

A UITP POSITION PAPER

Marketing as an investment in greater client satisfaction and better benefits

*Our new frontier:
sustainable mobility*



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Public transport is one pillar of a strategy to achieve sustainable mobility in urban and regional areas. Sustainable mobility means integration of all modes to create better conditions of life and to participate in the fight against air and noise pollution, waste of urban space and energy, and more generally against the deterioration of the quality of life.

To reach this objective, public transport actors need to improve public transport attractiveness and use to increase its modal share against private cars. At the same time they must be proactive in the market and anticipate future trends to influence the behaviour of the citizens.

Everyone agrees that companies are obliged to adopt a radically changed orientation in order to survive: they now need to be responsive to the dynamics of the market. This may sound common place but it strongly implies a fundamental evolution of the corporate culture, moving it from the status of a fleet manager to that of an entity fully focused on its customers.

⇒ In this ever-changing environment there is no choice for public transport actors but to focus on customers. To stay alive we must serve and not only operate passenger miles.

Meanwhile companies are facing increased budget pressures with shrinking public budget whilst at the same time finding and implementing responsible solutions to environmental and mobility questions raised by ever more demanding citizens. It is a recognised truth that public transport users expect nowadays more than just being transported in optimal conditions of regularity, cleanliness and safety but are also increasingly demanding new, individualised services.

This is an official position of UITP, the International Association of Public Transport. UITP has over 2000 members in 80 countries throughout the world and represents the interests of key players in this sector. Its membership includes transport authorities, operators, both private and public, in all modes of collective passenger transport, and the industry. UITP addresses the economic, technical, organisation and management aspects of passenger transport, as well as, the development of policy for mobility and public transport world-wide.

Marketing, a powerful lever to customer-oriented management

For some top-managers, to claim that marketing plays a crucial role in public transport management is a cliché. Nonetheless how many organisations can ensure that all decisions are made with both reference to the public transport companies' goals and those customers' wishes which have been selected by these companies to fulfil? How many managers do not limit marketing to communication and promotion but consider it as anything that affects the citizens' decision to use or not, public transportation in preference to other modes, as well as their level of satisfaction with public transport services?

Public transport needs marketing because citizens have more and more choice between different modes and this makes the activity more and more competitive. It should not be forgotten that an unsatisfied client is a client that uses public transport less often, regardless of the organisation of the market or the private or public nature of the company. Customer-focus calls first for a better understanding of expectations and perceptions of customers and responding adequately to their needs.

Responses to these challenges have profound consequences on all key elements of management that is to say organisation, human resources, development of new products and communication, in addition to traditional fleet management and operations.

In this respect, the use of marketing principles and strategies is a significant management tool considering the business from the customer perspective aiming for a constant improvement of the services.

Marketing is a targeted development of the relationship between the company and its customers or market, in which the business must, as far as possible, create the conditions that make the customer want to use as much as possible the service being offered.

Marketing as a profitable strategy and a productive investment

It is recognised that soft policies such as market communication, motivation and information are as effective as hard policies such as system changes.

In terms of revenues and market share, the success of

companies depends ultimately on clients' satisfaction. In this respect, marketing needs to be integrated at the management level, as an essential component of a quality approach to increase public transport ridership. A marketing strategy is a systemic tool enabling transport managers to identify a market's expectations, to define the level of quality offered depending on the corporate strategies and to measure the customers' perception and to process readjustment.

Marketing decisions must utilise resources as productive investments. At the operational level, marketing provides a wide range of tools that are proven, to stop the decline of patronage, to increase the number of clients or to make passengers more loyal. The use of marketing enables the permanent improvement in all customer relation activities, like advertisement, sales, customer service, complaint management, network design and product specification to create additional value for both customer and company during the life cycle of the business relationship. As far as return on investment is concerned, the evaluation of marketing actions demonstrates the performance of customer-oriented investments, by an increase in patronage, ridership and revenues.

⇒ ***A marketing strategy must be defined at the level of the management to increase patronage and ridership.***

UITP encourages the expansion of any marketing strategy developed into a marketing plan to increase public transport attractiveness and use. The marketing plan should state specific and measurable goals and objectives, in relation to ridership, revenue and image.

It is not only important to regularly measure customer satisfaction but also to identify citizen's future needs and understand their expectations. A major success criterion to ensure those are best met, is to use empathy and include the customer's point of view in the process when developing new solutions. Experience shows that the emotional factor plays a crucial role in people's behaviour and therefore transport organisations have to develop creativity and innovation so that clients get a positive experience from their journey. This aspect has to be taken into account in relation to the feeling the customer gets when using the service. This is indeed the individual's subjective experience, which is decisive in the choice of the customer to choose public transport in preference to all modes, even if, from the technical angle, the product is of high quality.

⇒ **Marketing is a cost-effective tool for the company to be proactive in identifying the constantly changing needs of the customers.**

Cars versus drivers, love and hate

Public transport and private cars have a kind of love and hate relationship.

Maybe we have to fight against cars, indeed against the space the cars are using creating congestion, but we have also to be inspired by how the car industry have succeeded: to create dream!

They don't sell cars, but freedom and mobility.

In urban areas, we must admit that a major part of our customers are also drivers or car passengers.

To deny the car is maybe not the best way to convince them to use more public transport services.

Breaking with the dependence on the car means succeeding in giving tomorrow the traveller by public transport, the same feeling of pleasure and freedom as today in using his car. This will only be possible if public transport actors succeed in providing public transport systems that meet the expectations of the citizens in terms of accessibility, flexibility, safety, comfort, social status and image. To become a true alternative to the private car, public transport must provide door-to-door seamless travel.

Customer-oriented behaviour of staff

Efficient marketing does not exist without a comprehensive quality approach that consists of mobilising all agents to make the transport product an attractive alternative with a competitive price.

Customer satisfaction will only be achieved through consumer-orientation from top management to line operation. Therefore everyone working for a public transport company has an important marketing role. To succeed in this, marketing and human resources have to be connected to ensure a comprehensive communication strategy, providing appropriate training and effective internal communication tools to facilitate the involvement of all agents¹.

⇒ **Efficient marketing requires an integrated strategy and a strong co-operation amongst and within all corporate departments.**

UITP declares that marketing plays a strategic role at all levels of management of public transport systems to provide customers with satisfactory services.

⇒ **Customer-oriented behaviour calls for appropriate communication and training programmes.**

New stakeholders, new partnerships, new relationships

If marketing has been focussed towards the clients, and more recently towards the staff, it is of the utmost importance that companies develop marketing strategies towards its other stakeholders. Operators should communicate with political decision-makers, business leaders and journalists on local issues and the expectations of the citizen's while proposing mobility solutions. These exchanges contribute significantly to ensuring the support of the whole community for enhanced public transport systems.

Because the common objective is sustainable mobility for citizens, all actors should develop integrated marketing strategies aimed at optimising public transport use, whatever the organisational context is. The distribution of responsibilities must ensure the respect of the skills and role of all parties, in agreement with the assigned objectives. In this respect a clear order for the overall responsibility for public transport and/or the contract is the most appropriate instrument to clarify the mutual commitments beyond the different of interests of the parties involved.

Co-ordination and an integrated approach remain however the success factors to ensure customer focus and provide satisfactory services.



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(No legend necessary)

⇒ **Door-to-door seamless travel requires a commitment about the overall responsibility for public transport services and that the organising authorities are strongly committed in a true partnership with operators in order to improve the efficiency and effectiveness of marketing and communication policies.**

¹ UITP Core Brief on "The integration of human resources in a marketing approach to ensure a customer-oriented behaviour"

Recommendations

- Marketing plays a key role in defining and promoting public transport systems as one of the major tools to achieve sustainable mobility.
- Public transport actors should increase public transport attractiveness and quality to provide a true alternative to private modes and therefore have no choice but to focus on customers.
- To keep its patronage and gain new customers, companies should have a better knowledge of their mobility market and the needs of the customers and potential clients.
- UITP promotes the intensified use of marketing tools, such as market research and customer satisfaction surveys, as to implement actions and programmes in order to keep customers and attract new passengers.
- Marketing has a fundamental role to play in conceiving and providing public transport services defined according to the expectations of market and customers.
- To achieve client satisfaction within a comprehensive quality approach, marketing should be considered as a key component of the corporate management.
- As the human factor is decisive in public transport services, the company requires customer-oriented staff to perform quality service.
- To involve all the staff in customer-orientation, it is necessary to develop the appropriate management philosophy and practice including internal communication and training programmes and to show how performance of customer-orientated actions achieves the corporate goals.
- A successful relationship with prospects, customers and stakeholders depends on the integration of all the marketing techniques in a comprehensive approach, such as market research, segmentation, customer satisfaction surveys, targeted programmes to young people, seniors, families, business to business, branding, customer relationship management, customer care, design, communication and promotion etc...
- Efficient marketing plans require an integrated strategy and a strong co-operation amongst all public transport actors towards a clear identification and allocation of responsibilities to achieve door-to-door seamless travel in a true partnership.

Under the patronage of the Commission on Marketing and Product Development.