

IMPROVED SERVICES FOR CUSTOMERS

*PIARC Technical Committee B.1
Good Governance of Road Administrations*

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Any opinions, findings, conclusions and recommendations expressed in this publication are those of the authors and do not necessarily reflect the views of their parent organizations or agencies.

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EXECUTIVE SUMMARY

In this day and age, public services must be more responsive to the needs and expectations of society. Everywhere, public agencies are reformed to improve the quality, timeliness and quantity of their services. These reforms give prominence to the citizen/customer and to the question of satisfaction. But this question is too large and important to be content with customer surveys and satisfaction measure studies. Measuring satisfaction is one thing, managing it is another approach entirely and should be the ultimate goal.

Today, delivery and evaluation of public services have grown in importance and the citizen has become more active. The changing role of citizens/customers of public services has a global impact on the political and management cycle. Now, citizens/customers participate more in this cycle at different stages: design, decision, implementation, monitoring and evaluation. Citizens/customers must now be considered as co-designers, co-makers, co-producer and co-evaluators of service. Several instruments exist to involve the citizens/customers: operating personnel consultation, customer satisfaction surveys, customer journey mapping, citizen charters, websites audit, ethnography, users and stakeholders consultation, formal and informal contacts with representative bodies, complaints and suggestions analysis, and focus groups.

The use of tools adapted to real needs of the organisation can improve significantly its structure and the service delivery. Another challenge lies in an organisation's ability to convert the information collected using these methods into concrete action. In other words, the organisation must have the ability and the willingness to use such information.

By understanding the needs and expectations of customers and by satisfying them, not only the number of satisfied customers grows, but more importantly, the delivery of public services becomes more effective and efficient. Organisations can then concentrate on the most important elements of service delivery and manage expectations with the services provided. The inclusion of these elements is really essential to rationalize processes and adapt them to customers.

For the future, it is essential to place the customer satisfaction management in the broader perspective of providing customer focused services. Understanding the expectations and needs, then finding a way to respond will directly improve the services and their delivery. But this process is only one aspect of the overall management and improvement of the organisation.

INTRODUCTION

The definition of what the public value means should logically be able to be found in public policy. But this is only a representation of the public value as it is perceived by a large number of actors within society. This can be road users, special interest groups, political parties, etc. It is through the perception of the user/customer/citizen and their satisfaction with the services delivered that we assess whether public value has been delivered. There is a clear process model at play.

This model (*figure 1*) depicts that together with our co-producers we take inputs and process them through the filter of customer satisfaction to deliver our desired or intended outcomes.

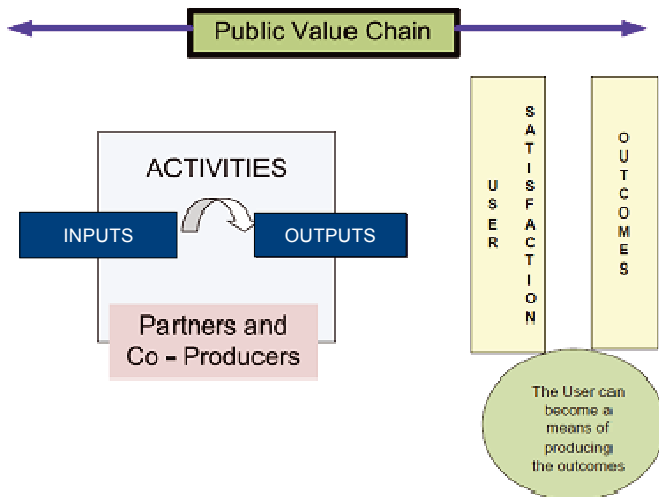


FIGURE 1 - THE PUBLIC VALUE CHAIN

1. CUSTOMER ORIENTATION OVERVIEW

1.1. WHY IS IT SO IMPORTANT?

The idea of creating public value in the public sector was developed in the mid-1990s, at a time when the World was going through a dramatic shift from the traditional world of public administration towards an increased effort to apply and use private sector management concepts and techniques in the public sector to improve the performance of those organisations.

The critical question is: who gets to be the arbiter of the value that is produced by a particular organisation? As we began talking about “customers” in the public sector it began to sound as though the people who were in the position to arbitrate the value of public sector operation, were the same as those in the private sector - namely people who voluntarily chose to buy or not to buy a particular good or service.

1.2. CONTEXT OF CUSTOMER ORIENTATION

Society is changing fast and so are customer needs and demands. In order to deliver services adapted for new needs, the public sector must be more responsive to customer input. To ensure public value customers need to be heard. Organisations need to understand that customers are the key to success. Good leadership recognizes this. Understanding the customer contributes to more adapted services, which ultimately leads to organisational efficiency. Using customer input can help an organisation shift from a producer’s viewpoint to a user’s viewpoint. Most importantly, it is more than listening to the customer’s needs, but incorporating that input into transportation processes and deliverables. This has been the focus of World Road Association Technical Committee B.1 Working Group on Customer Orientation.

Understandably there are some possible differences between developed and developing countries and also among the developed countries regarding the definition of a customer and the focus on and the benefit of customer orientation. For the sake of this discussion, a customer is the end users of transportation services or people whose behaviour or attitudes that are most critical to influence. Usually this is a member of the public or a business customer. In some cases, it might be an organisation or a local authority. Trade associations, regulatory bodies, ministers, civil servants and advisors are all important stakeholders. However they are not in this context defined as customers. Regardless of different definitions of a customer, the most important thing for a road administration is to know who they are serving and what their needs are.

Other words characterizing a user are *client*, *citizen*, *inhabitant*, *the public*. The public sector will often deal with clients, for example patients in the health sector.

Patients are almost totally dependent on the doctors judgement of what will make them healthy. And typical for public services they are subsidized. On the other hand, the public sector will seldom have customers in the traditional way of defining customer. Customers know their needs and will normally pay the full price for the service. That means also the power to influence on the quality of the service or product.

NUANCES BETWEEN DIFFERENT TYPES OF CITIZENS			
	CLIENTS	USERS	CUSTOMERS
Are able to formulate and express their own needs	No	Yes	Yes
Pay a price like the value of the service	No	No	Yes

Citizens have a different relationship with public services than with the private sector. They are more ambivalent about public services. Although people want their needs met as individuals, as taxpayers they also want a public sector that exists for everybody and provides services in an efficient way with high quality.

In the private sector the meaning of a customer is pretty clear. If you fail in understanding the need of customers, there is a risk of being forced out of the market. Although the customer role is different in the public sector, the citizen has a right to be treated as a customer. Putting the citizen first requires a shift in the way the public sector designs and delivers its services.

In the public sector different factors will influence customer orientation. Competition does not play the same role as in the private sector. This doesn't mean that users of public sector services have no choice. They can choose not using the service or using it in an incorrect way. In the end, the cost of "misuse" will result, for example, in front line staff spending more time with citizens, who are confused or lack confidence that they are being dealt with properly.

Another difference between the public and the private sector is that the public sector cannot choose the easiest and best paying users. They have to solve the needs for the whole society.

1.3. TERMS OF REFERENCE

ISSUE B.1.2	
IMPROVING SERVICES TO CUSTOMERS BY CREATING PUBLIC VALUE THROUGH STRATEGIC RELATIONSHIPS	
STRATEGIES	OUTPUTS
<ul style="list-style-type: none"> • Undertake a comparison of how customer feedback is collected and how to interpret the results. • Evaluate how a customer-oriented approach can improve services. 	<ul style="list-style-type: none"> • Summary of four (4) examples of how different countries identify and segment customers. • Knowledge sharing report on good examples of methods targeting how to capture customer needs and an evaluation of the methodology used. • Summary of examples of how to manage customer orientation and internalize customer orientation within a Road Administration. • Knowledge sharing report identifying important elements including key aspects, success factors and pitfalls, when implementing customer orientation.

1.4. METHODOLOGY AND PROGRAM

This report is based on case studies from four countries that have a high-level of customer orientation and the results from a questionnaire sent to the members of the Technical Committee BI.

A survey was conducted among the TC members by e-mail. The survey included the following questions:

1. Do you segment your customers? If so, what kind of customer segmentation do you use?
2. Do you collect customer input (or evaluate customer needs)? If yes, what kind of methods do you use (surveys, dialogue, feedback systems, etc.)?
3. How do you integrate or utilize customer input within your road administration?

The answers were analysed together with dialogues among the technical committee members in order to reach conclusions. The following countries were involved in the process: Australia, Austria, Belgium, Finland, Iceland, Japan, Norway, Portugal, Sweden, the Netherlands, UK, USA, Hungary, Slovak Republic, and Switzerland.

Meetings also were held with CEDR (Conference of European Directors of Roads) Task Group 15 (Customer Orientation of Road Administration).

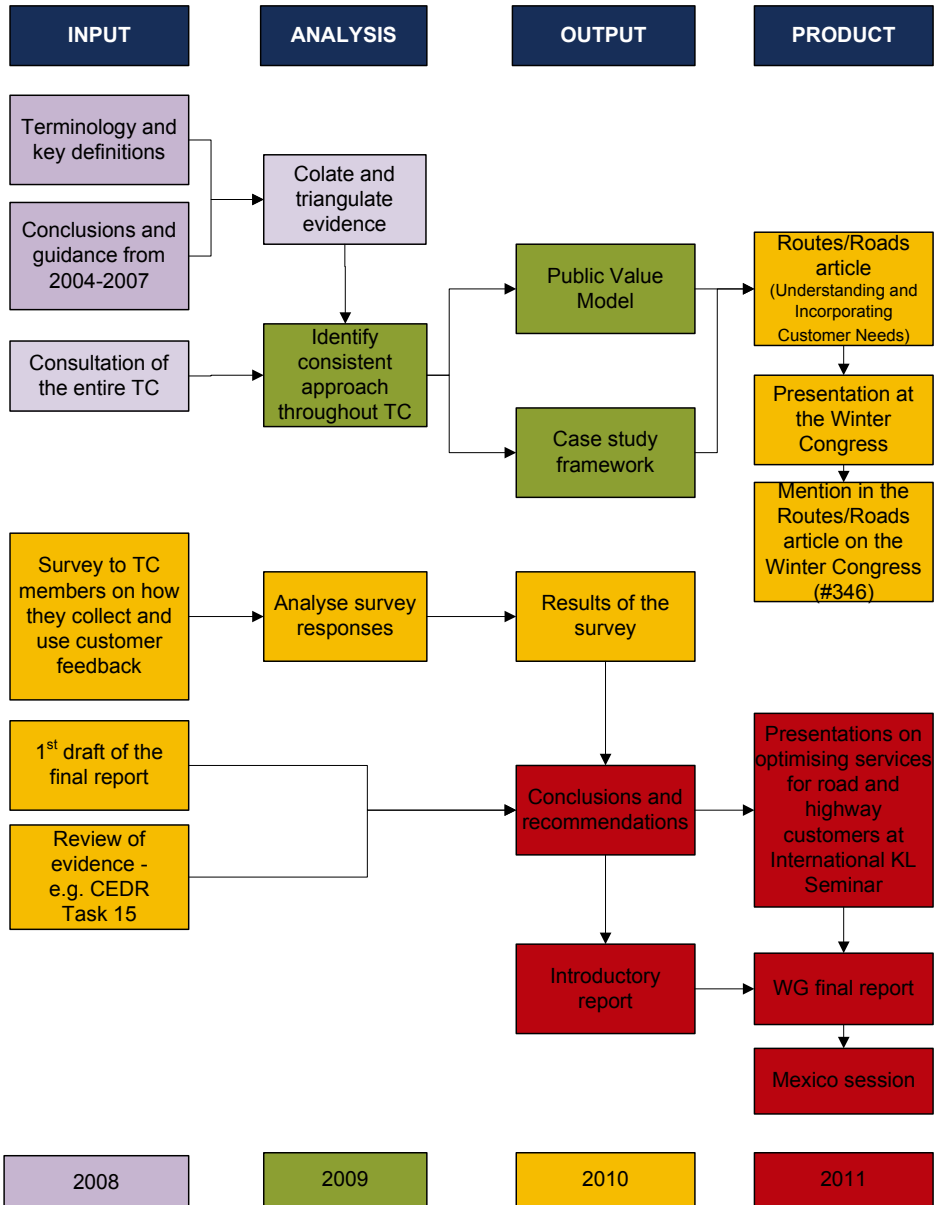
Part of the findings presented in this report will be used in a workshop, which will be held in April 2011 in Malaysia.

On 1st April 2010, the Swedish Transport Administration took over the activities previously undertaken by the Swedish Road Administration at the same time, the Swedish Road Administration were phased out. The Swedish Transport Administration is responsible for the long-term planning of the transport system for road, rail, maritime and air traffic. The Swedish Transport Administration is also responsible for the construction, operation and maintenance of public roads and railways. Since the case studies in this document were carried out before 2010 they refer to the situation when the Swedish Road administration existed. The content in this document has not been modified due to the new situation in Sweden.

Due to transport administration reform in Finland the Finnish Transport Agency was formed on 1st January 2010 as the waterways functions of the Finnish Maritime Administration, the Finnish Rail Administration and the central administration of the Finnish Road Administration merged. The Finnish Transport Agency is a government agency operating under the jurisdiction of the Ministry of Transport and Communications and it is responsible for the maintenance and development of the transport system overseen by the government. Former road districts of the Finnish Road Administration were phased out and merged with new Centres for Economic Development, Transport and the Environment which manage the regional implementation and development tasks of the state administration. The content in this document has not been modified due to the new situation in Finland¹.

¹ The Swedish Transport Administration and the Finnish Road Administration have both undergone complete reorganisations that are not reflected in this report.

1.5. OVERALL APPROACH TO WG2 WORK PROGRAMME



2. HOW VARIOUS COUNTRIES APPROACH CUSTOMER ORIENTATION

2.1. FINDINGS REGARDING SEGMENTATION

A customer-oriented agency might define a customer as *“anyone who is paying taxes and has specific expectations for a service in return.”* In contrast, partners and stakeholders are those *“who come to the table to help the transportation agency deliver on those expectations.”*

However, using the word customer also can cause a lot of discussion and questioning whether it is the right terminology. To avoid these time consuming and unnecessary discussions it is important to draw the organisation’s attention on who, at the end, benefits from the delivery of products or services. Using the word customer is not essential. Instead of customer, try expressions such as client, user, citizen and taxpayer. The source of road funding is not relevant in this perspective.

In order to optimize the use of resources it is important to have a good knowledge of customers and their expectations. To provide the organisation with information on customer needs and expectations and reach customer insight, some kind of customer segmentation is required.

Customer segmentation involves dividing customers into groups of individuals that are similar in specific ways such as cyclists and heavy traffic drivers. Using segmentation allows road administration to target groups effectively and allocate resources in order to obtain best performance. There are a variety of customer segmentations, depending on the country, agency and specific product or service.

To achieve true customer orientation, an agency must also adapt its approaches for its various customer groups. While most organisations know who their customers are, few take the time to split those customers into specific groups based on their expectations. Customer segmentation can provide an organisation with critical information on what customers truly expect. The customer base may be narrowed according to the project, issue, business need or initiative at hand. This provides a solid foundation for decision-making, performance measurement and customer communication.

There are several ways of segmenting your customers. Usually different types of segmentation are combined in order to capture customer needs and offer them the opportunity to be involved in operations. It is also important to consider how to reach those customers who are not organized and well known inside your organisation. In the United States, the Missouri Department of Transportation has identified highway freight haulers as an important customer segment. The department has

brought together three regulatory agencies into a one-stop shop to respond to the distinct needs of truckers and trucking companies. Through customer input, MoDOT can now offer customized processes and communication methods based upon the customer's preferences. *Table 1* below shows examples of customer segmentation based on the survey among TC members and case studies.

TABLE 1 - EXAMPLES OF CUSTOMER SEGMENTATION CREATED BY WORKING GROUP 2

By	Types of segmentation	Examples of segments	Some recommendations
Mode	Transportation mode	Cyclists Pedestrians Heavy vehicle drivers	Useful when having direct contacts with different road user groups, for example, in daily operations or when designing specific technical solutions within the certain part of transport system
Demography	Life stage	Children Young people Senior citizens	Useful when using the whole journey approach specially in long-term planning
Use	Interest groups	Environmental groups Motor clubs	Useful when understanding the public opinion and estimating the level of acceptance of our future decisions
	Business	Forest industry Tourism industry Wholesale and retail	Useful when using the whole transport approach specially in long-term planning
	Based on services	Information inquires Permission	Useful when improving customer service and optimizing your performance in different tasks
	Type of journey/ transport	School journey Commuting Round wood transport	Useful when defining strategic goals, making long-term planning, planning specific investments and other purposes
Geography	Community/ society	Land owners Nearby residents	Useful when taking into consideration impacts of our operations

2.2. FINDINGS REGARDING CAPTURING CUSTOMER INPUT

Customer oriented agencies have contact with each customer group in a multitude of ways, ranging from individual correspondence to public meetings. The desire of customers to have direct input into the products and services they buy has spilled over into the public sector. Now agencies must look at new ways to be more transparent in how they collect customer input.

Traditionally quantitative research has been widely used in road sector to obtain information about users' opinions. Numerical data describing, for example, customer satisfaction can be analyzed by using different statistical methods.

There are other ways of collecting data based on qualitative research (used to collect data about subjective interpretations, meanings or experiences) and public participation. The research question is not “*how many*” or “*how much*”, but “*why*” or “*how*”. The methods used are, for example, working group, project groups, interviews, open houses, planning week-ends, panels and mystery shoppers. To conduct these types of research, it's important to clarify the target of the research and then listen carefully and translate the customers' needs to good solutions.

It is important to note that road administrations do not need to gather all the customer information themselves. For example, stakeholder groups can provide valuable information which can be utilized in road administrations. In addition, geographic information systems are useful in localizing, for example, schools and industrial areas.

In *chapter 2.4.2, page 17*, examples are given of different methods to capture customer input in different countries.

2.3. FINDINGS REGARDING EVALUATION OF CUSTOMER NEEDS

As previously mentioned, there are many useful ways of segmenting customer groups and collecting customer input. The challenge for the administration is to interpret those needs and demands and turn them into actions that improve the transportation system and satisfies the customers.

The quality of the organisation's output can certainly be improved if it is proactive and raises the awareness of the customers' present and future situation and needs as early as possible in the planning process. It is important that the needs reflect the customers' expressed needs and not the organisation's idea of what is best for the customers.

It is often difficult to translate the expressed needs to technical conditions. For example there is seldom a direct correlation between the customer perception of a road surface condition and the measured roughness and rutting. To deal with this problem successfully, it is recommended to have a local dialogue with users in addition to a regular survey. The Missouri Department of Transportation uses a road rally format to discuss transportation system expectations. Local officials and general citizenry ride for a day on area roads in a van. A professional facilitator engages the participants to share opinions on pavement conditions, signing, striping and mowing. This information gives the department a clear indication of whether local transportation projects and maintenance efforts are meeting or exceeding

customer expectations. In addition, it is critical not to focus only on those customers that are the most vocal. Sometimes advocacy groups can be aggressive and vocal about concerns or issues related to transportation. Instead, while it is important to ensure your customers are “heard”, it is important to listen to all customer groups to ensure equality in addressing issues.

Another difficulty is that the customers usually see road and road services as a free benefit, because it is included in the taxes. This can create high demands with no actual limits. This is a fact organisations need to take into account when evaluating and prioritizing customer input.

Perhaps the biggest challenge is interpreting customer needs into actions. Organisations need to match customer needs with resources, transport policy goals etc. The customer may not always be right, but the customer must always be heard. This is extremely difficult to do if the road administration does not change its culture from “*engineering driven*” to one of customer orientated and a service delivery organisation.

2.4. FURTHER EXAMPLES AND CASE STUDIES

2.4.1. Customer Segmentation

As previously mentioned in *chapter 1.2*, agencies have different definitions of who their customers are and even what they may choose to call them. The critical step is to have organisational dialogues to select a customer segmentation approach that reflects an agency’s distinct situation. Considerations in selecting a segmentation approach might include political climate, organisation, population demographics and range of transportation products and services provided.

The Swedish Road Administration defines their customers as: Citizens and Business Community. To reach more thorough and detailed knowledge of the customer, these groups are divided into subgroups.

A “*whole journey/transport*” approach is indispensable to reach customer insight. Because varying needs depend on the life situation, dividing the citizens group into subgroups, defined as life stages, was appropriate:

- children 0–18 years,
- youths 18–24 years,
- professionals,
- senior citizens,
- disabled people.

Using the same argument for the Business Community: the whole journey/transport, the needs of purchasers of transports and sellers of transports/transport operators differ in some aspects. Hence, the Business Community group is subdivided into:

- basic industry,
- light manufacturing industry,
- tourist industry,
- public transport and other services,
- goods transport operators,
- public transport operators.

In the United States, the Missouri Department of Transportation (MoDOT) considers a customer to be *“anyone who is paying taxes and has specific expectations for a service in return.”* MoDOT’s customers range from groups as large as urban metropolitan planning organisations to the citizens who stop by MoDOT’s offices for highway maps. MoDOT recognizes that it must target its audience to communicate effectively with customers. Audiences are narrowed according to the project, issue, business need or initiative at hand. MoDOT’s common customer groups include legislators, stakeholders, the media and the public.

MoDOT has contact with each of these groups in a multitude of ways, ranging from individual correspondence to large public meetings. In addition, some department units are set up to serve specific customer bases. For example, the Governmental Relations unit is designed to meet the needs of legislative customers, the Community Relations unit is charged with handling media inquiries and developing positive media relations, and Motor Carrier Services must meet all the commercial carrier needs to allow the efficient movement of goods throughout the United States and Canada.

In Finland, the Finnish Road Administration (Finnra) has identified three different customer groups: strategic customers, customers with additional needs and basic customers.

Strategic customers:

- school children (7-14),
- commuters,
- passenger traffic service providers,
- foreign trade,
- round wood transport for the forest industry,
- logistics service providers.

Customers with additional needs:

- young people (15-21),
- senior citizens (65+),
- physically impaired people,
- tourism industry,
- wholesale and retail trade,
- over-sized transport service providers,
- transport of dangerous goods,
- transit traffic,
- emergency services,
- local customers with additional needs (for example, reindeer husbandry in the Northern road regions).

Basic customers

All the other customers except above mentioned.

The usefulness of this segmentation has been proven in action. By fulfilling the needs of strategic customers and customers with additional needs every road user (basic customer) benefits.

2.4.2. Capturing customer input

Road administrations touch such a broad segment of the general population that capturing customer input requires a variety of approaches to be deployed. Whether it is a customer survey or an Internet blog, the intent is the same – discovering customer needs and expectations. No approach is better than another, but care should be taken to match or customize customer input approaches to an agency's organisation and distinct customer base.

Customer surveys

Customer surveys are widely used in road administrations. These surveys can be used, for example, to measure satisfaction or to collect customer needs. Surveys can be done on a regular basis or when there is a need for special information. Surveys can be done at national, regional or local level by using, for example, postal questionnaire, interview (phone, face-to-face) or Internet questionnaire.

The Swedish Road Administration (SRA) conducts a customer satisfaction survey on a national level, called the *Customer Satisfaction Index*. This index is a strategic measurement that assesses the road-users' (citizens and haulers) views of the whole journey/transport. The survey captures quality factors such as road safety, information about traffic disruption and traffic regulations and road facilities. Through an analysis model, the importance and effect of each quality factor can be

derived. A quality factor with a low grade and high effect should be prioritized. In other words, improvements within these areas will enhance the customer satisfaction.

The weakness of the Customer Satisfaction Index lies in the difficulty of identifying the customer perception of the services delivered from the road administration per se. Hence, an *Operative Customer Satisfaction Index* has been developed. This is a helpful tool to provide the organisation with direct feedback of its performance, a follow-up of the daily deliverables. The Operative Customer Satisfaction Index consists of a number of customer satisfaction surveys and statistics, for example, customer satisfaction with direct contact with the SRA, road-user ratings, fulfilment of promises, etc. These results are merged into one index for both the national and regional level. The survey is conducted at least annually. Having this operative index, the strategic Customer Satisfaction Index can be less frequent - about two to three years.

The Finnish Road Administration (Finnra) has performed annual customer satisfaction measurements for almost ten years. The Road Users' Satisfaction Survey measures awareness of and satisfaction with Finnra's services on a national, regional and a maintenance contract area level. A customer satisfaction survey is conducted on the maintenance of both main roads and other roads. Respondents are also asked to express their level of satisfaction with regard to several other factors like the removal of snow, the prevention of slipperiness, the evenness of the road surface and traffic safety. Currently surveys are carried out every winter and every other summer. The satisfaction of both heavy vehicle drivers and private road users is measured. Surveys are carried out via post using a questionnaire and a map of either the region or maintenance area the respondent lives and operates in. The respondents are asked to evaluate the condition and maintenance of roads with respect to the road administration region or the area where they operate.

The results have several purposes. Trends in customer satisfaction are monitored, in order to develop improvements and develop an ever greater understanding of customers and their needs. Every year customer satisfaction performance goals are set at national level for Finnra by the Finnish Ministry on Transport and Communication. In addition, Finnra itself sets annual goals for customer satisfaction at the level of road regions.

The findings are used in revising the level of national quality requirements. The findings are also incorporated into other available information, such as the results of quality assessments. Maintenance area contractors have the opportunity to earn a bonus based on customer satisfaction. The results are always discussed together with area maintenance contractors. Specific feedback is used in planning local maintenance and requirements.

In the United States, MoDOT conducts statewide customer surveys to get feedback in many areas – overall satisfaction, investment levels, project quality and others.

MoDOT contracts with outside professionals to conduct random sampling phone surveys to gauge statewide response levels and then tracks progress over time with follow-up surveys. MoDOT also conducts more narrowly targeted surveys – customer service surveys, media surveys, landowner purchase surveys and others – to measure quality of services in specific areas.

The National Roads Authority (InIR) in Portugal launched a study to understand and evaluate road-user perception. Having in mind the special focus on road-users as defined in the InIR mission, InIR obtained information about:

- how are customers of the existing motorways under concession (real and shadow tolls) dealing with the services provided by the different concessionary companies?
- what do they think about the quality of the services provided?

The target population was constituted of drivers of light and heavy vehicles, using the national motorways (real or shadow tolled). The methodology used was personal interviews (assisted by appropriate computer software) with an average duration of 22 minutes per interview. Usually, interviews took place in service areas along the motorways. However, in some situations concerning motorway links without service areas, interviews were conducted in fuel service areas close to the motorways. Most of the questions asked of the drivers were closely related to the motorway the customer had just been driving along a few minutes before. Satisfaction is the central dimension of the structural model – this model is comprised by thirteen satisfaction dimensions and one consequent dimension, loyalty. Loyalty is defined as the probability for the customer to use that motorway again or to recommend someone to use it.

Dialogue methods

MoDOT also uses direct dialogues for listening to its customers. Road Rallies invite a randomly selected sample of citizens and civic leaders in different parts of the state to drive along a predetermined course on state roads and bridges. As the groups rode along, participants graded road conditions based on factors such as pavement smoothness, lane and shoulder width, striping, signage and others.

In Finland, dialogue methods are widely used for obtaining customer information. Sweden has a similar approach. Each strategic customer and customer with additional needs have their own key account manager who is responsible for the dialogue between the customer group and the Finnish Road Administration. Meetings are organized regularly, sometimes in the customers' premises where it is easy to learn more about their everyday operations and transport issues. In these meetings, the Finnish Road Administration can, for example, ask customers' opinions when updating strategies or guiding principles, such as winter maintenance or signing guidelines.

In maintenance contract areas it is a common practice to invite local heavy traffic or other professional drivers to a meeting where road issues are discussed. Local people have a good knowledge of the regional driving conditions and they can give valuable feedback. On the other hand, the Finnish Road Administration can bring up its point of view on issues such as financing. Also contractors working for Finnra can arrange open house events where local people can come to discuss road maintenance. Winter maintenance especially has always been an interesting topic since winter driving conditions have a huge effect on the mobility of people.

In Finland, several dialogue methods have been used, for example, between Finnra and the forest industry to prioritize those roads where snow removal and de-icing are essential in order for round wood transport to continue uninterrupted. In addition, they also work together to provide resources for improving these same roads to eliminate weight limits in the spring. This dialogue with the forest industry, before investing money and effort, has resulted in a satisfied customer and ensured that one of Finland's main industries has safe and fluent driving conditions.

Another example of a dialogue method is campaigns with stakeholders. For example, the Finnish Road Administration conducts regular traffic safety campaigns at schools or outside in the rest areas in cooperation with Central Organisation for Traffic Safety in Finland and the National Traffic Police.

The use of focus groups is yet another dialogue method. This method is suitable to use when there is a need to obtain detailed knowledge about, for example, winter maintenance, driving behaviour of young people and other road and transport related issues. This method is employed by the United States, Finland and Sweden.

Social media

The Internet offers many opportunities to reach customers and collect customer inputs. There is a wide range of approaches that is constantly being developed for different purposes. One example is customer Web panels, where a defined group rapidly can answer questions. Web panels can be used, for example, to get opinions from the public regarding a new road plan. However, careful analysis of Internet access availability to important customer segments should be conducted before launching these types of online approaches. In addition, online approaches are staff intensive requiring daily monitoring and updates. In short, customers must have sufficient access to the online approach and the road administration must dedicate staff to the task.

Riding the popularity of YouTube.com, [the Missouri Department of Transportation](#) posts online videos for customers to watch and offer comments. MoDOT's Post a Comment blog also collects comments on the road administration's latest activities

and announcements. Other social media participation includes Twitter micro-blogs, Facebook pages, Podcasts and virtual meetings. Recently, four virtual meetings regarding the environmental impact of three projects attracted more than 6,000 participants. This compares to just 542 attendees at traditional meetings on those same three projects.

The Swedish Road Administration has a permanent customer panel with respondents all over the country, at least 500 in each region. The Web panel is used when a rapid answer for a specific issue is needed or as a support for developing new services and gathering service user feedback of delivery promises. A recent example was when a new delivery promise was developed. Based on the results from a Web panel questionnaire, it was obvious that rapid feedback from the SRA was of high priority. A new service promise was developed: a promise that the customer shall have feedback within five days (from the SRA informing that the matter was taken care of) and when a complete answer (if not already complete) can be expected. Another example is a question in one region about prohibiting passing by heavy vehicles on specific stretches during peak hours. The results indicated that a majority had a positive attitude to these kinds of measures.

Other ways of collecting customer input

At MoDOT, customer service centres are set up in each of its 10 districts and the Central Office to serve the public by answering questions, listening to concerns and providing requested information. MoDOT also offers a toll-free telephone number and an interactive Web site to solicit and respond to customer input. Customer complaints are regularly received through the customer service centres. All complaints are logged into a database and responded to, usually within 24 hours. When necessary, complaints are directed to technical staff with the expertise to address specific complaints. The database is capable of producing regular reports that show frequency and types of complaints and how, or if, they were resolved.

MoDOT listens to its customers on specific projects through the public hearing process. At the initial onset of a project, the concept is introduced to the affected community, and the public – MoDOT's customers – provides feedback and voices concerns, objections and approval about the concept. Customer input is balanced against engineering practice to choose the most effective transportation solution.

The Finnish Road Administration has one centralized customer service centre, which serves the public by providing requested information. Customer input is also collected by telephone (Road-user's Line) and the Internet.

The Finnish Road Administration started in spring 2009 a project to utilize frequent drivers in road maintenance. Ten heavy traffic drivers from one maintenance

contract area participated in the project by using GPS-based device in their vehicles. This device enables drivers to give direct feedback about driving conditions when they are driving on the roads. This information is useful when analysing the possible gap between the drivers' real experiences and the service level that the Finnish Road Administration is providing.

One example of useful information which is collected by other organisations than road administration is the National Travel Survey in Finland. This survey is conducted for the Ministry of Transport and Communications Finland, the Finnish Road Administration and the Finnish Rail Administration. This survey provides an overall picture of Finnish passenger mobility and its background as well as demographic, geographic and temporal variations in mobility. The survey provides information required for transport planning such as information on travel modes in addition to an overall view of mobility and its influencing factors. The survey is conducted by interviewing over 13,000 Finns by telephone every six years.

3. HOW ROAD ADMINISTRATIONS MANAGE CUSTOMER ORIENTATION

3.1. FINDINGS REGARDING INTEGRATION OF INPUT/FEEDBACK FROM CUSTOMERS TO MAKE BETTER DECISIONS

The success of the road administration will be gauged by its ability to meet the customers' expectations and create public value. It is all about focusing on those who, in the end, will use or benefit from, or will be influenced by, the delivery of products and services from the public sector. Using the definition of customer is one way to help an organisation shift from a producer's viewpoint to a citizen or user's viewpoint. Using the word customer can contribute and strengthen the mental shift and awareness of management and possibly speed up change.

There are different approaches for an organisation to systematically enhance its ability to meet customer needs and increase their benefits. In order to increase feedback from customers, it is advisable the road administration is open and easily approachable. Direct contact and information distributed have to be simple to understand and transparent. The efficiency of the organisation will increase if these inputs are systematically collected and assessed. Increased knowledge of the customer expectations and needs is a good foundation for a dialogue to gain deeper mutual understanding. Through the dialogue, the customer also gets the possibility to have an impact on future decisions, for example when introducing a new service or measures in infrastructure. The relation between the administration and the customer can gradually deepen so the customer can take part on the whole process. *Figure 2, following page*, shows the progress a Road Administration should consider when trying to obtain customer cooperation and input.

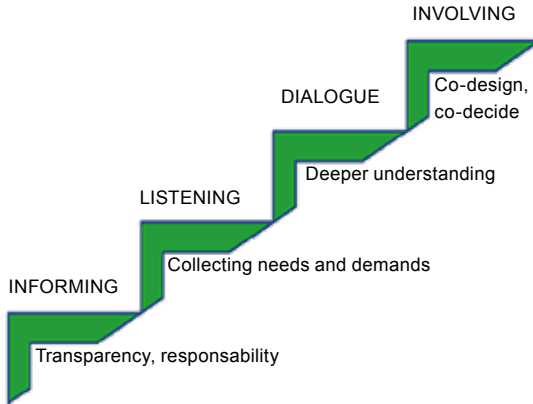


FIGURE 2 - STEPS OF CUSTOMER COOPERATION

This descriptive ladder was influenced by the CEDR Task Group 15 Info Sheet *Listening to Customers - How to gather information on customers' needs and satisfaction*. The ladder figure helps to illustrate the point that there are different and significant gradations of customer participation. Informing customers of what are their rights, responsibilities and options can be the most important first step towards customer orientation.

The first step is informing. This step opens the communication channels between the road administration and its customers. Customers need more than basic information about agency products and services, but also insights into how and why decisions were made. Once customers have a basic understanding of the road administration, the next step is listening. In this step road administration deploy a variety of ways to collect customer need and demands. Just like any other human relationship, both parties need to have deep understanding of each other before there can be meaningful dialogue. Direct dialogue could open an agency to criticism from its customers, but it also offers the agency an opportunity to delve deeper into customer likes and dislikes. The final step is involving. Only after the previous three steps are taken is it appropriate to ask customers to help come to the table to design, develop and decide its product and services.

All participating countries follow the same basic process to incorporate customer needs in the planning process. The vision and mission of a road administration is built upon its customer and partner input, which is the driver for all of its products and services, *figure 3*.

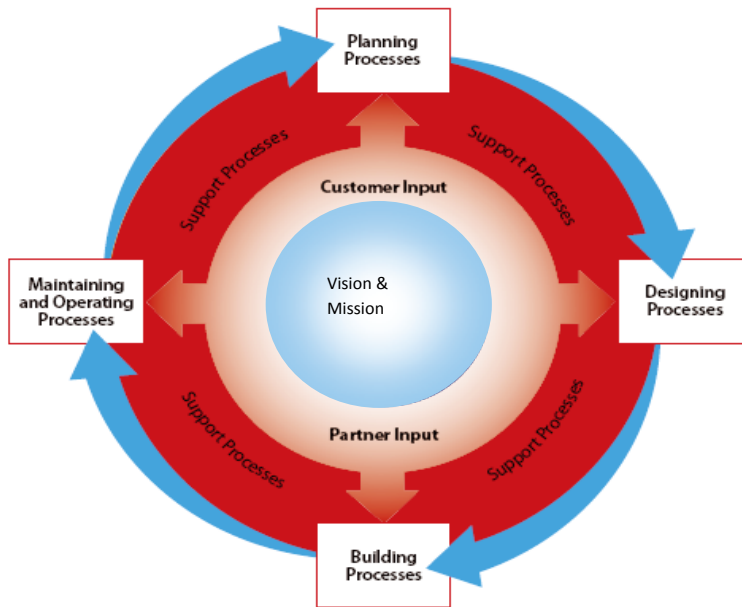


FIGURE 3 - INCORPORATING CUSTOMERS NEEDS

To ensure that the measures taken, in the long run, will contribute to the vision, it is practical to prepare goals and strategies. In annual planning, the strategies are put into motion through action plans. Each part of the organisation is responsible to contribute to deliver public value according to the goals. The annual commitment between managers at different levels includes goals or performance measures that are critical to achieve customer satisfaction, for instance *“decreased traffic disruption on network nn”* or *“decreased amount of complaints about fulfilments of our promises”*. It is also possible to assign a classification for concessionaire companies according to their performances in several dimensions and variables identified by the customer.

Current status and planned actions are reviewed and discussed by senior managers regularly, for example each quarter. By placing this type of emphasis on customer satisfaction the leadership can move the organisation to be more agile in responding to changing customer expectations. Customer input needs to be analysed to identify changing or emerging customer needs or expectations. Once those expectations are fully understood, an agency must internalize or respond to those expectations. This might take the form of a revised process or a policy change. The Missouri Department of Transportation discovered during its road rally process (*described in chapter 2.3*) that the agency’s right of way mowing was exceeding its customers’ expectations. The department has changed the frequency and extent of its mowing processes

statewide. The resulting cost savings has allowed the department to redirect several million dollars each year into pavement repairs, which was established as a higher priority during the rallies.

3.2. FINDINGS REGARDING THE EFFECTIVENESS OF THE VARIOUS APPROACHES

A successful customer oriented management is characterized as holistic with an outside-in approach. This means that the focus is on delivering value and gaining customer satisfaction in all type of activities, such as strategic, tactic and operational planning, and winter operations.

In order to be proactive and innovative, involving the customer in the processes is the key success factor. There are several examples where administrations have developed new innovative solutions together with the customer. These solutions usually turn out to be more practical, cost efficient and effective due to meeting societal goals.

An example of this is MoDOT's efforts to be more environmentally responsible. Historically, this has not been emphasized in the transportation industry. However, taxpayers all over the United States have said they want public agencies to be more environmentally responsible. MoDOT used this customer input to change how it clears ice and snow from its roads. The environmentally friendly solution is an anti-icing product made from sugar beets.

Another example from Sweden on customer initiated innovation is the introduction of the CTI (Central tire inflation) technique in timber trucks. The forest industry initiated a project, and together with the Swedish Road administration they demonstrated, evaluated and enabled the use of these trucks on a specific road network. The benefit for the forest industry is estimated to 15 million Euro annually.

It is apparent that being aware of customer needs and demands at the earliest possible stage in the planning process is the most essential fact for an administrations ability to eventually deliver public value. The goal should not be to get everyone really happy, but rather a balance between reasonable performance and customer satisfaction.

4. CONCLUSIONS AND FINAL RECOMMENDATIONS

4.1. INTERNALISING – HOW TO GET ORGANISATIONS TO COMMIT TO BEING CUSTOMER FOCUSED

Today's customers are more demanding and want a stronger voice in transportation products, services and the overall decision-making process. The future success of road administration may be shaped by its ability to become more customer oriented. However, integrating customer input into daily operations can be a big challenge. The whole organisation must be committed.

Customer orientation should be conceived as a comprehensive approach within the organisation. It's more than a goal, a culture, a promise or a slogan. Customer orientation is a strategy that affects the entire body, which imposes an appropriate form of organisation and management. It is fundamentally opposed to a product focus in which the agency decides on its own criteria, what product or service to deliver. The public value model used by the technical committee was especially important for this working group focussing on customer orientation, *figure 1, page 6*. This model depicts that together with their co-producers, administrations take inputs and process them through the filter of customer satisfaction to deliver their desired or intended outcomes.

There are several benefits of being a customer-oriented organisation compared to being only a producer of services. The model described in *chapter 3.1* can be viewed as stages of customer orientation. Organisations in the first stage of customer orientation may do a good job of informing its customers, but without customer input, the agency is forced to guess about what its customers want or need. The second stage of customer orientation would find road administrations collecting customer wants and needs. While this stage offers operational advantages over the first stage, it still may be unclear exactly what customers want and need. The third stage of customer orientation pushes listening to understanding. Direct dialogues with customers offer opportunities to clarify issues and delve deeper into the psyche of customer likes and dislikes. The final stage of customer orientation actually brings customers into the agency's operations to help design products and services and participate in decision making. In all four stages, road administrations will build trust with customers and improve the perceived public value of its work. The optimal use of resources cannot be achieved without the knowledge of customers' needs. Well-planned and targeted products and services demand customer input.

4.2. KEY SUCCESS FACTORS AND PITFALLS ASSOCIATED WITH IMPLEMENTING CUSTOMER ORIENTATION

The successful implementation of customer orientation within a public body depends on many factors. Above all, the specificities of public service are sources of special difficulties. First, the nature of the “*customer*” is complex because it can be customer service, fulfilling citizen taxes, obeying the rules, etc. Moreover, most agencies are service providers that have different characteristics of products. Changing to a customer-orientated organisation requires a cultural change. These changes take time and persistent and focused work is needed. Steps and actions taken to achieve a customer-orientated organisation vary and depend on the type of operations, the size of the organisation, etc. However, some key factors for success can be summarized as follows:

- secure customer orientation within the organisation by defining the concept and ensuring that it permeates all layers of the organisation. This should not remain a concept destined for senior management. Instead, customer orientation has to become a daily reality for all agents;
- develop a strategic plan or philosophy that embraces an external focus before deploying a customer orientation approach;
- manage human resources accordingly: a competent, motivated and satisfied workforce leads to customer satisfaction. Significant efforts in training and incentive motivation must be made by the organisation to ensure the full involvement of everyone;
- use the proper tools. It is essential to assess the tools in place and adopt others if needed. If new tools are introduced, information from the previous tools must be kept and used;
- support implementation of change. Customer orientation involves profound changes that can be perceived with difficulties within the body. It is therefore essential to inform specifically with staff, to motivate them to integrate this new approach and to engage them to change;
- accept the fact that the organisation has customers. When doing the segmentation, focus on those who at the end will use or benefit from or is influenced by the delivery. Do not use time trying to convince your organisation to use the word “*customer*”, maybe they are more convenient with other expressions such as user or taxpayer;
- finally, never seek customer input unless it will be used.

It is important to remember that customer orientation does not mean that road administrations have to strictly obey their customers. In fact, incorporating all customer input is wrong thing to do. It is the road administration’s responsibility to take into consideration, for example, the technical aspects and policy consideration of road maintenance. Being a customer-oriented organisation means that road

administrations need to find a way to combine customer input, policy and “*hard technical knowledge*” into reality. Special interest groups can be another challenge in balancing customer input. These groups are often the loudest customers for a road administration. However, care should be taken to balance the desires of the most vocal customers with the common good of all customers.

4.3. RECOMMENDATIONS ON NEXT STEPS

There are several benefits of being a customer oriented organisation compared to being only a producer of services. The optimal use of resources cannot be achieved without the knowledge of customer needs and expectations. Well planned and targeted products and services demand customer input. It is the recommendation of this working group that road administrations follow and incorporate these three recommendations:

- **organisational and cultural change:** Changing to a customer orientated organisation needs a cultural change and support for the staff in the beginning of the process. Orders from managers are not working: staff needs to be educated properly what advantages are gained through being customer oriented and what customer orientation means in their everyday work;
- **accept the value of customer input:** While some are convinced that defining the customer is critical for a successful customer approach, the findings prove differently. It is not crucial to “*define*” the customer, but it is crucial you accept that you HAVE customers and their input is valuable and useful to make the Road Administration stronger and more effective;
- **become customer focused:** Before you can effectively deploy a customer orientation approach, the road administration must have a strategic plan or philosophy that embraces an external, customer focus. It is critical that the entire road administration is involved and understands the importance of the customer. If managers do not support customer orientation, it is impossible for the organisation to be genuinely customer oriented;
- **be open-minded:** There are several ways to involve customers into your operations. Ways of collecting customer input can vary from traditional feedback systems and satisfaction surveys to innovative methods such as using social media or focus groups. Be open-minded when stepping from one stage of customer orientation to another: informing, listening, dialogue and finally involving customers into your operation create a solid foundation for better performance of road administration;
- **don't start if you aren't committed!** If you are not confident that you are going to use the customer input, then do not seek it.

4.4. RECOMMENDATIONS FOR FUTURE WORLD ROAD ASSOCIATION WORK

It is recommended that customer aspects are integrated in the issues of other TCs in future work. Several TCs already deal with customer expectations and needs. In doing so, there is no further need to have a certain TC addressing customer orientation in general. Instead, defining performance indicators of customer orientation is important in order to follow up how well road administration has integrated customer input in the road management process. Therefore, the working group supports and advocates for the formation of a performance measurement/management technical committee.

4.5. CONCLUSIONS

Finally, regardless of the spot on the globe, transportation customers are demanding more transparency and more direct input into how funds are invested. To maintain its effectiveness, transportation agencies need to segment its customers to better understand distinct interests and transportation needs among its customers. Customer desires to have more direct and immediate input into decision-making require transportation agencies to explore innovative techniques such as new social media available through the Internet. However, the most thorough customer segmentation and aggressive customer input collection approach will only identify customer expectations. Ultimately, an agency's success in improving performance and customer satisfaction will be determined by how well it uses customer input as a critical piece in strategic and daily decision-making. Time is over when the engineer alone decided what made the happiness of the users. Now, more than ever, the users must be heard and their opinion taken into consideration.

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