



# Developing Higher Service Standards for Toll Roads

*By Bob McQueen, C.Eng., and Kevin Hoeflich, P.E.*

Behind the wheel of every car on every toll road sits an informed, sophisticated consumer. She listens to a CD selected by an online book and music merchant to suit her specific tastes. He takes extra time to stop for a decaffeinated cappuccino every morning instead of brewing coffee at home. For business or vacation travel, she chooses an airline offering on-time arrivals over those that let her select a seat in advance.

Today's consumers don't apply a sliding scale of expectation, accepting mediocre service from a mom-and-pop bakery while demanding excellent care from a national electronics chain. Their expectations are fixed, high, and applied across the board to all industries, including toll-road operations.

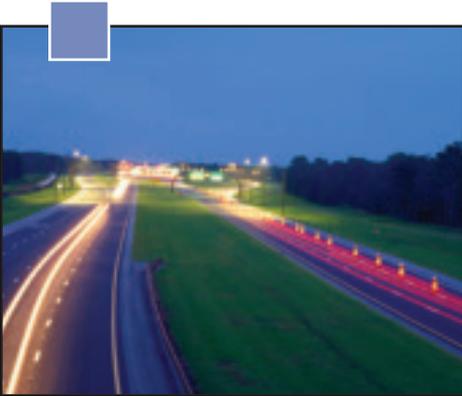
For this reason, toll agencies can't simply measure their performance against other toll agencies. Instead, they must compare their level of service with that of nationally recognized service leaders from all consumer industries, leaders who continue to raise the bar for standards of convenience, value, personalization, and customer satisfaction.

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## Wide World of Influence

People traveling from Point A to Point B may have a choice between a series of local roads and a toll road or between two toll roads. A short-haul airline may even be a viable travel option in some cases. In general, however, the question for toll agencies is not, “Which mode of transportation will the customer choose?” Rather, the question is, “Which modes of travel influence the customer’s service expectations?” A follow-up question is, “Which top performers, in any industry, define excellent customer service?”

As a first step, toll agencies can look to transportation industry leaders to find benchmarks for excellent customer service. For example, Southwest Airlines is nationally recognized for providing on-time, convenient air travel at a low cost and with minimal customer complaints. The airline’s reputation for safety, efficiency, and customer satisfaction has grown the business and continues to ensure it a wealth of repeat customers.



Of course, automobile travel offers a clear advantage over air travel, namely because an airline can’t deliver passengers door to door. But it’s not enough for toll-road operators to rely on this advantage alone to keep drivers’ levels of satisfaction high—not when those drivers have experienced more hands-on customer care from other service providers.

To approach the customer-service benchmarks set by top performers in all industries, toll agencies must prove two key points to motorists: (1) the agencies provide excellent service, defined by a combination of safety, efficiency, and customer satisfaction; and (2) driving a toll road offers a high value for the toll paid.

## Measuring Service and Value

On a toll road, drivers will, consciously or subconsciously, rate the level of service received based on their driving experience and their perceptions of three factors: safety, efficiency, and satisfaction.

Safety, arguably the number-one goal of toll-road operators, can be evaluated by a combination of accident statistics and a quantification of potentially unsafe situations, such as the number of times drivers exit and enter the road. Efficiency refers to the ease and speed with which drivers reach their destinations. Customer satisfaction measures how the service meets customers' expectations, whether on the road, interacting with toll-road employees, accessing services such as 511 traffic information, or contacting customer-service representatives for electronic toll-tag renewal.

To measure value, customers relate the level of service to the toll paid. Looking at cross-industry benchmarks indicates that toll rates wouldn't have to be low, necessarily, for toll roads to be competitive. In many sectors, consumers demonstrate a willingness to pay more for excellent service. Examples include the popularity of gourmet coffee shops such as Starbucks and the establishment of services such as Hertz's Club Gold, in which customers pay more to receive their rental cars more quickly than nonclub customers.

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How much will consumers pay for high service? Every industry has a cut-off price at which customers feel they are getting the highest quality or service for their money. A price that exceeds this particular value-for-cost is deemed too high.

For toll roads, a measure called value-for-toll (VFT) can be used to reflect the value motorists receive in terms of safety, efficiency, and customer satisfaction for the toll paid. VFT is simply the value delivered divided by the toll paid. Quantifying VFT may seem complex, but most toll-road operators already collect safety, road speed, response time, and customer satisfaction data that could be used to tailor a VFT equation for their agencies.

## The Mark of Toll-Road Excellence

Initially, toll agencies can use VFT as an internal performance measure to identify specific service areas in need of improvement. Ultimately, VFT could drive every action a toll agency takes. Over time, customers could be educated about VFT and learn to view the measurement as proof of the value received by taking a toll road. This mark of toll-road excellence could become as easily understood and recognized as Morningstar fund ratings or the number of stars in an Amazon.com book review.

To raise a toll road's VFT, one or more of the three toll-road service factors—safety, efficiency, and customer satisfaction—must be improved. In many cases, the three factors are interrelated. To improve all three, an agency can, for example, implement open road tolling. Eliminating the need to stop and wait in lines to pay tolls increases both safety and efficiency by keeping cars in motion. Customer satisfaction is improved by eliminating toll plazas, a source of air pollution and frustration, and, with improved travel times, by reliably getting drivers to their destinations on time.

VFT results can become an efficient means of indicating to agency decision-makers the point at which funding must be shifted to improve a particular service area. For instance, a lower-than-desired safety level can be improved by applying more funds to improved signs, road markers, and service plazas or easier-to-use travel management options such as dial-in incident reporting and response features.

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When improving the response time, accuracy, and ease of use of tools such as dial-in incident reporting or 511 traffic information systems, toll agencies would do well to remember that their customers, motorists, are comparing these systems to those used by other businesses. A survey of the best call-in or Internet-accessed tools in any industry—from retailers to service providers—is needed. Once toll-road customers see, time after time, that these tools are reliable and easy to use, they'll become satisfied, repeat customers. Best of all, they'll tell other drivers about their high level of satisfaction.

## Technology As Service Partner

New technologies have played a significant role in improving customer service in all business sectors. Data mining applications have created the ability to serve customers better, more quickly, and in a more satisfying way. Amazon.com, for example, analyzes repeat customers' past purchases to suggest other books, music, or movies they might enjoy. This online tool incorporates customer information about subsequent purchases to further refine suggestions. The technology creates a relationship that pleases both the customer, who might not have heard of the suggested items before, and Amazon, which may see an increase in sales.

Another application—tracking delivery of letters and packages—provides customers with proof that services such as FedEx and UPS are meeting their guaranteed delivery times. Shipment tracking has extended to online retailers, whose use it to show customers exactly when they should receive their purchases.

While toll agencies can appreciate the value of personalized customer service, they may legitimately raise two important questions: (1) How can we justify the expense of such a sophisticated technology? and (2) What exactly are we personalizing?

## Customized Experiences

Following the lead of Fortune 500 companies by tracking and mining data isn't as expensive as one might assume. The tracking technology used by firms from shipping companies to grocery stores is essentially the same as the technology used to electronically gather tolls. A tailored data mining application can easily be developed for a toll agency, typically by consulting firms that offer this service along with intelligent transportation systems (ITS) and transportation industry expertise.

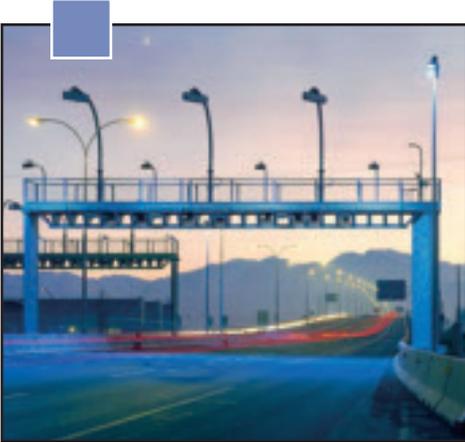
As to what toll agencies are personalizing, the answer is simple but broad: every aspect of a driver's experience on the toll road. Mined data could be analyzed, for example, to determine whether motorists are making use of transponders for automatic toll collection or whether another means of toll taking would be used more frequently. Preferences for receiving road information, whether from dial-in systems, kiosks, or roadside signs, could also be evaluated.

The kinds of information valued by different travelers could be examined as well. For instance, families traveling on vacation may value information about restaurants found at service plazas while business travelers may be more interested in information about traffic delays. Information such as this helps an agency make the best use of its funds to, say, move forward on open road tolling for a particular stretch of road favored by business travelers instead of contracting for additional comfort services. Improvements yielded from data mining will go far in increasing a toll road's VFT.



Another technology can create a driving experience personalized for real-time. Vehicle infrastructure integration (VII), a means of transmitting data between the roadside and vehicles on the road, will dramatically improve safety, efficiency, and, ultimately, customer satisfaction with toll roads. Vehicles fitted with VII communication devices will act as anonymous, real-time data collectors of road conditions. The toll agency could use this information to review real-time conditions and act to relieve congestion or foresee and attempt to prevent potential accidents. Investing in this type of

responsive technology would place toll roads high on cross-industry lists of excellent customer-service providers.



Today's technology has spawned an offshoot industry that also could boost the reputation of toll roads. Firms that ship too many items to track in house, for example, contract with companies that track deliveries and apply for and collect guarantee money when shipments don't arrive in the prescribed time. Perhaps in the future, toll-road operators could offer similar money-back guarantees related to reliable journey times.

## A New Investment

Toll agencies need tolls, plain and simple. To attract new drivers and enjoy repeat business, toll-road operators must do what other successful businesses do: prove they offer an excellent service at a fair price. Reaching this level of customer service requires an investment of time and some funding, but toll agencies will likely find the investment worthwhile.

As a first step, toll-road operators must see their service as part of a bigger universe, a broad spectrum of products and services regularly used by consumers.

Next, toll agencies should consider using cross-industry benchmarks that are familiar to consumers as signifying service and value. Examples include the response time in answering customer inquiries, the value delivered in return for payment, and delivery reliability (specifically, journey times for people and goods).

Finally, combining data mining and automotive technologies with a heightened appreciation for the importance of good customer service will bring toll agencies in line with customer-service leaders throughout all industries. As a result, toll roads can move far closer to a new destination—not just best in their industry, but best in all industries.

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