

Complaints Resolution Report

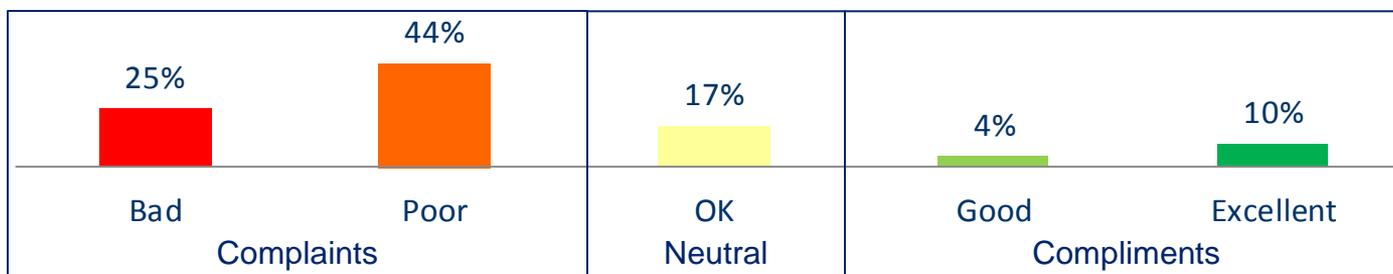
Quarter ended March 31, 2017



Feedback Summary

- During Q4 Fiscal 2017, 3.8 million customers travelled with BC Ferries
 - BC Ferries received 1,492 comments during this period
 - The average time to respond to customers was 4.5 days in Q4 Fiscal 2017

Distribution of Comments by Rating



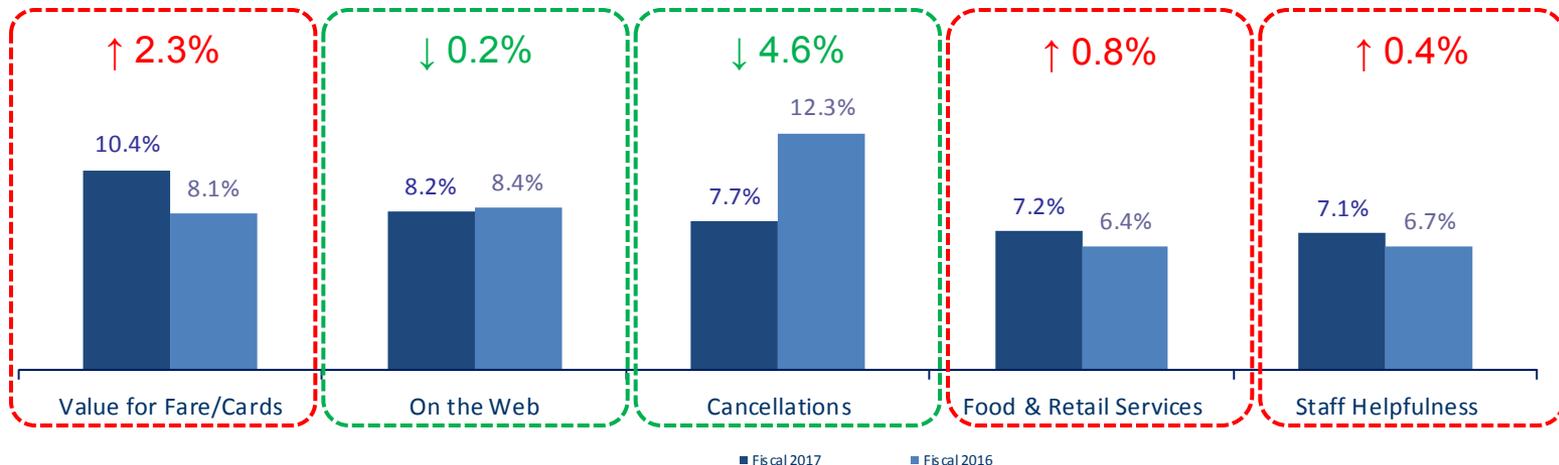
- Customer initiated feedback tends to be negative. Fourteen percent (14%) of all customer feedback received in Q4 Fiscal 2017 was complimentary.
- “Value for Fare/Cards” was the top issue: 140 complaints* were made, representing 10.4% of the total comments received in Q4 Fiscal 2017
- Top 5 complaints combined represent 41% of all complaints received in Q4 Fiscal 2017
- “General” comments are excluded from this analysis, along with comments with no rating:
 - 135 “General” comments were received, which were made up of Company Information (72), Community Issues (55), Environment (8) and 15 comments were provided with no rating.

*Complaints = “bad” or “poor” rating accompanied by a comment
 Note: Q4 Fiscal 2017 = January 1, 2017 – March 31, 2017

Top Complaints*: Corporate

#	Complaint	Q4 Fiscal 2017		Q4 Fiscal 2016	
		Complaints*	% of Comments (n=1,346)	Complaints*	% of Comments (n=1,471)
1	Value for Fare/Cards	140	10.4%	120	8.1%
2	On the Web	111	8.2%	124	8.4%
3	Cancellations/Delays	104	7.7%	181	12.3%
4	Food and Retail Services	97	7.2%	94	6.4%
5	Staff Helpfulness	96	7.1%	99	6.7%

% of Comments



*Complaints = "bad" or "poor" rating accompanied by a comment
 Note: Q4 Fiscal 2017 = Jan. 1, 2017 to March 31, 2017
 Q4 Fiscal 2016 = Jan. 1, 2016 to March 31, 2016

Value for Fare/Cards

Sample of Customer Comments:

Complaints

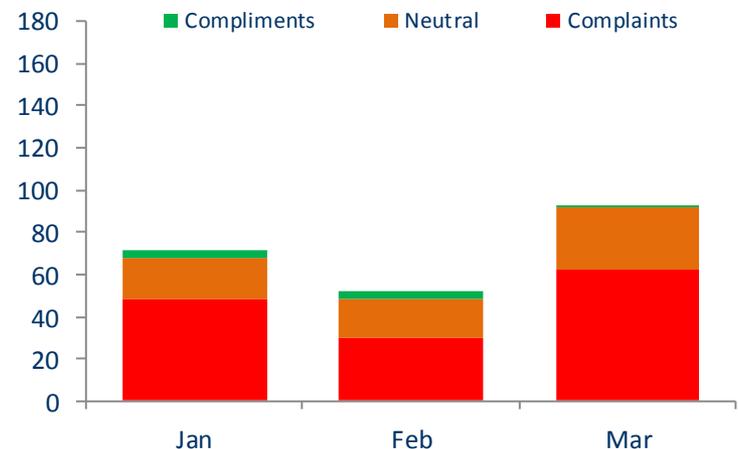
- Customer wrote: "We had to cancel our trip to Tofino because we failed to realize that you guys charge \$107 one way plus \$18 in reservation fees. I think your prices are a little extreme and ultimately driving people away from experiencing the island. At least have a locals rate for BC residents."
- Customer wrote: "Fee increase effective April 1 - April Fools, right?"
- Customer called upset that she wasn't informed about the Thru Fare option when travelling from Tsawwassen to Swartz Bay to Fulford Harbour. She would like to ask for a refund.

Compliments

- Customer called to compliment us on our fare affordability between Tsawwassen and the Southern Gulf Islands. He said that all he hears about is how BC Ferries has expensive fares, but was happy to see that it only cost approximately \$140 return for two seniors, a passenger and a vehicle. Customer stated, "job well done."
- Customer emailed: "Thanks for the excellent passenger discount deal this month. I ride the ferry several times a week so I sure enjoyed it."

Value for Fare/Cards includes:

Group/Attribute	Complaints	Neutral	Compliments
Fares: Discount Fares /Promotions	39	28	5
Fares: Errors	34	6	
Fares: Experience Card	29	21	
Fares: Assured Loading Card	18	8	
Fares: Value for Fares Paid	18	3	3
Fares: Credit/Debit Card	2	2	
% of all comments (1,346)	10.4%	5.0%	0.6%



*Complaints = "bad" or "poor" rating accompanied by a comment
 Note: Q4 Fiscal 2017 = January 1, 2017 to March 31, 2017

Value For Fares/Cards

Root Cause:

Underlying our customers' views on value for fares are perceptions of fare affordability, service quality, efficiency and travel certainty. Changes in tariffs, whether they be system-wide adjustments or targeted discounts and promotions, will generate significant customer feedback on the overall value proposition of the BC Ferries travel experience.

Lessons Learned:

Fare affordability remains a primary concern for our customers. We constantly look for efficiencies as well as other opportunities to contain costs and increase ancillary revenue to reduce the upward pressure on fares. Promotions offered have been well received and further pricing initiatives are planned to continue to test the variable pricing model, as part of the Fare Flexibility and Digital Experience Initiative.

Action Taken:

During Q4 of Fiscal 2017:

- BC Ferries offered 50 percent off regular passenger fares March 11 to 30, 2017 on select sailings for South Coast routes and on all sailings for North Coast routes.
- BC Ferries announced on March 16, 2017 that fares would hold steady for the second year in a row on 21 of its 24 routes with no fare increase on the minor, northern or Horseshoe Bay – Langdale routes. Vehicle fares only on the Tsawwassen – Swartz Bay, Tsawwassen – Duke Point and Horseshoe Bay – Departure Bay routes increased by 1.9 per cent on April 1. There was no increase in passenger fares on these routes.
- The current fuel rebates of 2.9 percent on the major and minor routes, and 1.9 percent on the northern routes remained in place.
- BC Ferries also announced that we would provide customers with added incentives effective April 1 to reserve by reducing reservation fees on reservable routes; from \$15 to \$10 when booked seven days in advance, \$18.50 to \$17 for reservations made less than seven days in advance, and \$22 to \$21 for those booked day of travel. Reservation change fees were also reduced from \$9 to \$5.

Sample of Customer Comments:

Complaints

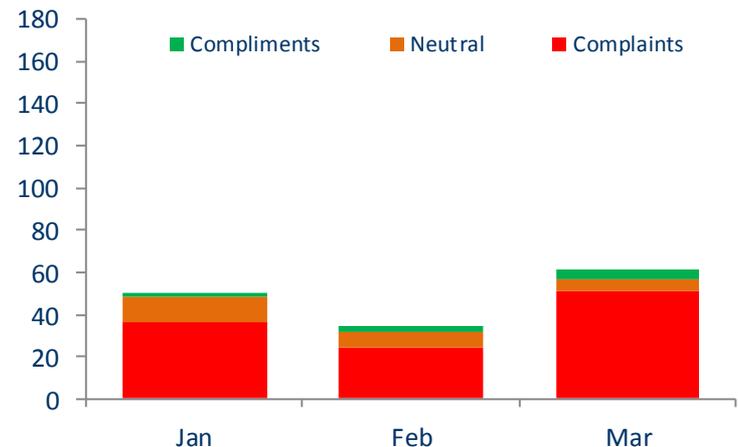
- Customer wrote: "What happened to the mobile friendly Current Conditions page? This was very useful from my phone."
- Customer wrote: "We took a trip to the mainland from Nanaimo this Spring Break. We could have travelled from Horseshoe Bay or Tsawwassen so simply picked Tsawwassen. When we arrived there we found out the half price passenger and free kids fare was only for the Horseshoe Bay ferry. I had been online, even reserved our ferry and only saw the "All Routes. All Spring Break." This is very deceptive advertising. We could have just as easily taken the other route if the information had been clearer online."
- Customer called to tell us the downloadable fare PDF is inconvenient and inadequate when using a cellphone. He had to press too many buttons and it took quite awhile to get the information he was looking for. He believes the fare information should be directly on the site.

Compliments

- Customer wrote: "Are you bringing back the mobile site that displays the next three sailings committed deck space? That was handy for planning purposes."
- Customer wrote: "You or one of your staff developed a fantastic app for the Microsoft Windows phone. Now your app will no longer update the Current Conditions information, percentage full and wait times, etc. Please restore this fantastic information!"

On the Web includes:

Group/Attribute	Complaints	Neutral	Compliments
On the Web: Current Conditions	35	3	2
On the Web: Design and Usability	45	10	4
On the Web: Information/General	55	23	7
On the Web: Login/Passwords	14	2	1
On the Web: Service Notices	9	2	1
On the Web: Travel Planning	20	6	6
Reservations: Online Reservations	29	7	3
% of all comments (1,346)	8.2%	1.9%	1.8%



Root Cause:

Themes emerging from incoming customer feedback have touched on user interface design; mobile friendly options; the need for better trip planning and fare calculating tools; lack of context related to promotional fare offers; site accessibility with certain browsers, operating systems and devices; and timing of e-mail notifications about service interruptions.

Many of these issues continue to stem from technological limitations. The current website is built on an aged platform that predates the diversity of browsers, devices and social media channels that define user experience expectations today.

Lessons Learned:

Ongoing customer feedback has helped us prioritize issues to be addressed going forward. Account accessibility, browsers and mobile device compatibility, travel planning tools, usability refinements and timeliness of e-mail notifications remain at the top of the list.

Action Taken:

BC Ferries intends to invest in the implementation of two key business strategies – Fare Flexibility and Revenue Management Strategy and Digital Experience Strategy – which will together modernize the way BC Ferries sets pricing, sells travel and manages capacity utilization of sailings.

BC Ferries plans to replace its existing website and its rigid and inflexible platform with a new e-commerce site with commercial strength, multi-channel, secure e-commerce software that will enable purchases through a device of the customer's choosing – mobile, tablet or computer. Successful delivery of the Digital Experience Strategy will require BC Ferries to continuously deliver timely content, products and services through mobile devices and social channels. Both the new e-commerce site and decision support system will be consistent with industry standards in design and usability.

Cancellations/Delays

Sample of Customer Comments:

Complaints

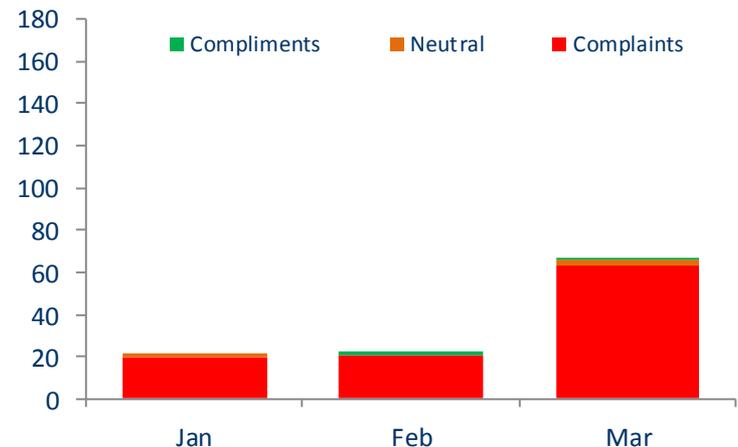
- Customer called upset that the Denman-Buckley Bay route had its morning sailings cancelled two days in a row, resulting in him missing work. He would like to see an engineer stay onboard during sailings to ensure that next time there is a problem, it can be fixed immediately.
- Customer wrote: "My daughter missed her match in a very important tournament because the 4pm ferry on March 24 from Tsawwassen to Swartz Bay was cancelled. Once we received our ticket and inquired about the cancellation, the teller didn't even have the decency to tell us that the 5pm was also full. We specifically asked if we would get on the 4pm sailing and she said, no, that it was cancelled and the next sailing was at 5pm. We found out 2 hours later that the 5pm was also full and that we may possibly get on the 6pm. This was outrageous!"
- Customer wrote: "Given the late boats and lineups at Horseshoe Bay and Langdale, it is obvious that BC Ferries is not adequately servicing this laneway with the new schedule. What is the plan to address this issue?"

Compliments

- Customer wrote: "I wish to say that the new schedule (serving Langdale) is working very well, I would like to see you please continue, even if you have to use smaller ferries."

Cancellations/Delays includes:

Group/Attribute	Complaints	Neutral	Compliments
Sailings: Delays	59	0	2
Sailings: Cancellations	45	5	1
% of all comments (1,346)	7.7%	0.3%	0.2%



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Root Cause:

Operational cancellations and delays can be caused by traffic volumes, mechanical issues or adverse weather conditions. Other impacts to service include marine emergencies, medical emergencies, crewing matters and situations that occur during the loading/unloading process (stalled vehicles, lost key, driver not in vehicle, dead battery, etc.).

Lessons Learned:

Sailing cancellations and delays have a significant impact on the routine of our commuting customers, and general customers alike. Every effort must be made to communicate the issue and provide timely information to our travelers through Service Notices, Twitter, our website and terminal/onboard announcements. BC Ferries' primary focus is to restore full service as soon as it is safe to do so.

Action Taken:

BC Ferries has a Service Interruption Plan that guides employees in managing delays and cancellations of service. Each incident is reviewed and managed on a case by case basis to ensure the needs of the specific communities and customers are taken into consideration. The primary focus is always the restoration of full service as soon as possible.

BC Ferries has long-term plans for upgrades to Langdale and Horseshoe Bay ferry terminals that will help decrease vessel turn-around times and ease congestion. However, in the immediate term, BC Ferries has commenced a public engagement process (involving a range of activities including focus-group workshops, an online survey, intercept surveys at Langdale and Horseshoe Bay terminals, and presence at community events and public spaces) to look at schedule options. This broad engagement effort will explore options for schedule changes with the public, with the goal of improving the reliability of sailing times for routes out of Horseshoe Bay.

Sample of Customer Comments:

Complaints

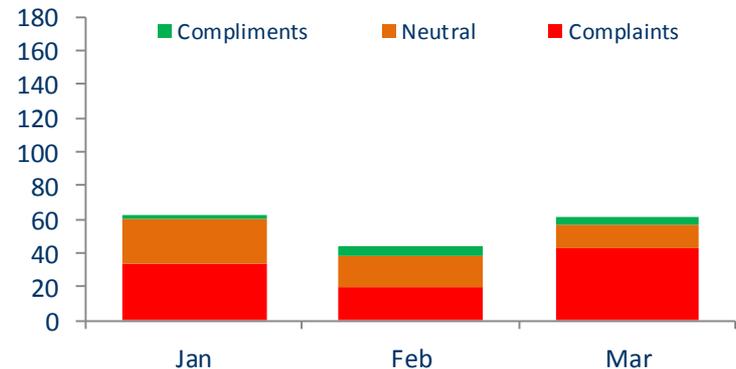
- Customer wrote: "The WiFi signal at the Tsawwassen terminal is not useable. Starbucks has a better signal. Extremely frustrating when I had a 3 hour wait before getting on a sailing only to get on the *Queen of Alberni* and find out that this vessel does not have any WiFi. It's 2017. You need to provide a decent WiFi signal."
- Customer wrote: "I sailed on the *Coastal Renaissance* and there was only an overcrowded cafe. The Pacific Buffet should be available on all ships. This would be in the interest of the traveling public."
- Customer wrote: "I would like to request more vegetarian options and vegan options on the ferry, such as soy for coffee and tea and one or two more menu items. It is not only a growing trend, but more and more people are allergic to dairy or trying to eat healthier."

Compliments

- Customer wrote: "I travel the ferries Swartz Bay to Tsawwassen 3 out of 4 weeks a month. I am happy with the meals... Since you will be removing the video games, how about a soup and salad bar? The prepackaged salads are sad and unappetizing. The salad bar at Tsawwassen terminal is great! Also, could you add some of the buffet items to the cafeteria and think about a weekly or monthly special? I eat too many ferry meals and get bored – the items don't have to be extraordinary, just something different."
- Customer wrote: "On the 1pm ferry from Tsawwassen to Swartz Bay I had great help from the lady in the gift shop - much appreciated!"

Food & Retail Services includes:

Group/Attribute	Complaints	Neutral	Compliments
Food and Retail Services: Food Selection/Quality	34	11	2
Food and Retail Services: Lounge/Buffer/Coffee Bar	8	2	
Food and Retail Services: Retail Selection	4	35	4
Food and Retail Services: Retail Value	1	2	
Food and Retail Services: Staff Helpfulness	8		3
On the Ship: Amenities	42	8	3
% of all comments (1,346)	7.2%	4.3%	0.9%



*Complaints = "bad" or "poor" rating accompanied by a comment
 Note: Q4 Fiscal 2017 = January 1, 2017 to March 31, 2017

Root Cause:

Amenities / Wi-Fi:

BC Ferries has been offering complimentary WiFi service for the last 6 years to allow customers to browse the web or check e-mail while travelling. This service is currently available at the Swartz Bay, Tsawwassen, Departure Bay, Duke Point, Horseshoe Bay and Langdale terminals as well as onboard select vessels that travel to and from these terminals.

Customer demand has increased not only with the number of individuals using devices, but also with the growing number of multiple devices used by individuals. Demand continues to further challenge our limited wireless bandwidth. Streaming websites are restricted in order to allow all customers shared access to the limited wireless bandwidth available on our networks for basic web browsing and e-mail usage. To allow streaming media would impact other customer's ability to use the free resource efficiently.

Lessons Learned:

Ship movement, the movement of other vessels, the volume of users, as well as the distance to shore can all have an impact on the signal strength and cause issues in connectivity. Customers need to be kept informed of the restrictions that do apply to the free WiFi service to avoid disappointment.

Action Taken:

BC Ferries' website provides information about the complimentary WiFi service in general as well as the challenges associated with offering this service to our customers. The website further offers a list of Frequently Asked Questions to assist customers who encounter difficulties with the service.

BC Ferries continues the process of installing the latest in ship-to-shore radio technologies onboard all major route vessels and at shore-based locations. These radios have much higher connectivity and throughput capabilities than the previous generation radios and improvements to access issues have been noted.

Customer feedback regarding WiFi issues continues to be predominantly about the lack of access to streaming media. Efforts continue through messaging regarding the restriction of streaming media during the sign-on process to reduce disappointment.

Food & Retail Services

Root Cause:

Food selection and customers with food sensitivities and/or preferences:

The rising number of customers with various food sensitivities and preferences, along with the large volume of regular travelers, has led to higher demand in specific food options and variety.

Lessons Learned:

BC Ferries recognizes the changing dietary needs of our travelling public and strives to offer amenities that provide healthy food choices and variety.

Action Taken:

To add variety, BC Ferries:

- rotates one White Spot entrée item quarterly
- rotates three White Spot soups weekly
- revisits the variety of soups available quarterly
- rotates White Spot desserts/pies quarterly
- reviews White Spot feature burgers quarterly, changing when the preparation of the White Spot offering can be accommodated by BC Ferries' Catering department.

BC Ferries actively monitors the various dietary needs of its customers and when possible, responds by adding items to the food selection. New menu options are tested for quality, value and feasibility while monitoring demand and the potential for increased waste.

Detailed lists of ingredients are available at all onboard food outlets for customers to make educated decisions on what menu items to choose in case of food allergies or preferences.

Sample of Customer Comments:

Complaints

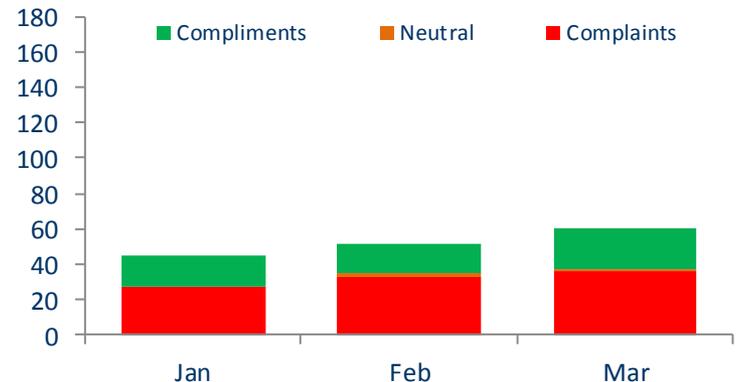
- Customer called unhappy with how they were treated at the Swartz Bay ticket booth. The customer alleged that the ticket agent was abrupt and didn't want to take a minute to answer their questions and kept repeating that they were blocking traffic, rushing them to make a decision despite the fact that there were only two cars behind them at the time. They felt the ticket agent should've been more understanding and helpful to a paying customer, especially when they could have been a tourist who didn't know the area or procedures.
- Customer called to say they asked the ticket agent at Swartz Bay when the last sailing would be coming back from Fulford Harbour and were told 9pm when the last sailing was actually at 7:50pm. Thus, the customer was stranded on Salt Spring Island for the night.

Compliments

- Customer wrote: "Kudos to the staff and passengers on the 11am sailing from Tsawwassen to Swartz Bay who searched high and low to re-unite a stuffed puppy with a distraught little girl."
- Customer wrote: "I just wanted to send a HUGE thank you to the BC Ferries employee who helped me out today. We were in line for the 5pm with a possible sailing wait when my daughter suddenly became extremely sick. I phoned BC Ferries and they sent someone to my car. I was asking to be moved to the Nanaimo lineup so we wouldn't have to wait until 7pm with a sick child but she managed to get us on the 5pm sailing. Thank you SO SO SO much for doing that when you didn't have to. Fantastic customer service!"

Staff Helpfulness includes:

Group/Attribute	Complaints	Neutral	Compliments
Inside the Terminal: Staff Helpfulness	54	2	17
On the Phone: Agent Helpfulness	2		6
On the Phone: Information Accuracy	9	1	1
On the Ship: Staff Helpfulness	20		31
Outside the Terminal: Staff Helpfulness	11		2
% of all comments (1,346)	7.1%	0.2%	11.61%



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Staff Helpfulness

Root Cause:

Communication issues, ticketing errors, misunderstandings and inappropriate behavior by employees can lead to customer dissatisfaction.

Lessons Learned:

BC Ferries can identify areas for improvement in customer service through ongoing customer feedback, complaints and suggestions.

Action Taken:

Complaints are reviewed and investigated on a case by case basis. Customers receive a response either in writing or verbally with an apology and an explanation of the policy or event. Every effort is made to avoid further confusion by clarifying misunderstandings of policy or procedure. Employee complaints are shared with the appropriate management team if deemed necessary for follow up with the employee.

Compliments are shared with the individual management team so that the employee may be recognized for their efforts.

Social Media channels are monitored and responded to in a timely manner to keep updated on emerging issues.

New customer service related videos will be available in Q1 Fiscal 2018 as a training reference/reminder demonstrating how BC Ferries' employees can work to enhance the customers' travel experience.

*Note ~ Q4 compliments exceed complaints for:

- "On the Ship: Staff Helpfulness"
- "On the Phone: Staff Helpfulness"