

Complaints Resolution Report

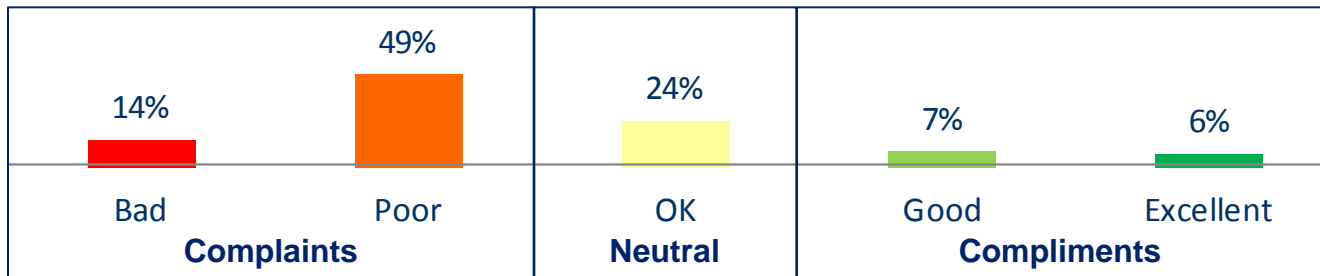
Quarter ended June 30, 2013



Feedback Summary

- During Q1 of the 2013/14 fiscal year 5 million customers travelled with BC Ferries.
 - BC Ferries received 2,455 comments in Q1 2013/14.

Distribution of Comments by Rating

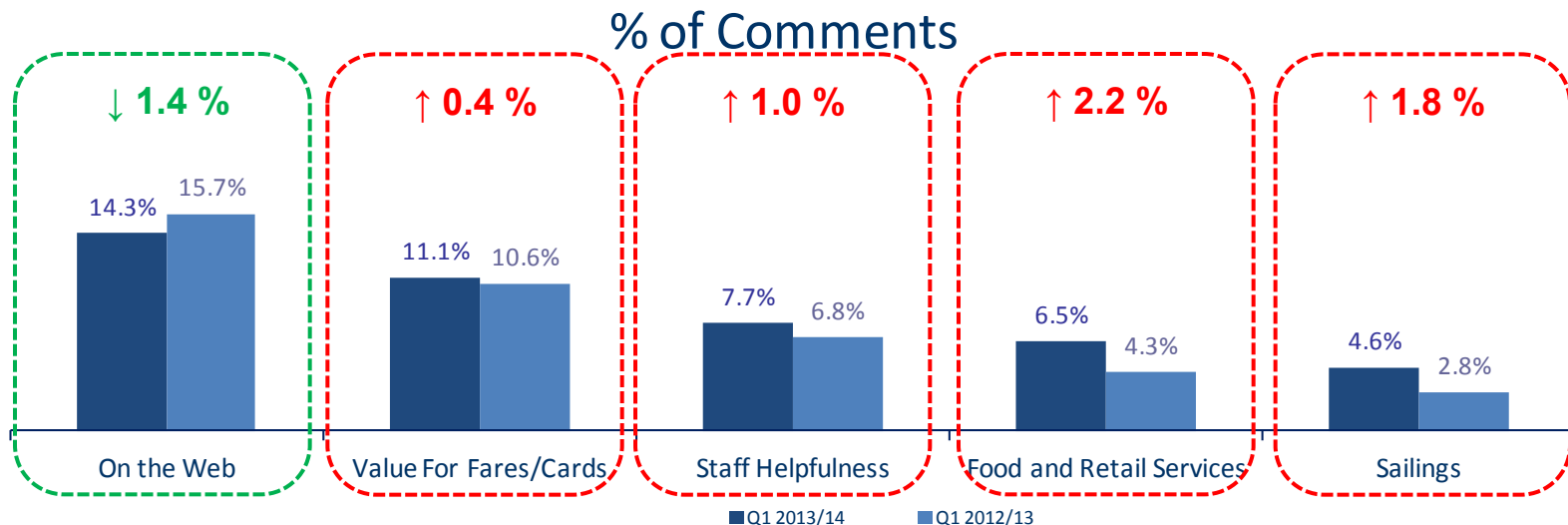


- Customer initiated feedback tends to be negative. Thirteen percent (13%) of all customer feedback received in Q1 2013/14 was complimentary.
- “On the Web” was the top issue: 315 complaints* were made, representing 14% of the total comments received in Q1 2013/14.
 - Top 5 complaints combined represent 44% of all complaints received in Q1 2013/14
- “General” comments are excluded from this analysis:
 - 234 “General” comments were received which were primarily made up of suggestions (83) and company information (66)

*Complaints = “bad” or “poor” rating accompanied by a comment
 Note: Q1 2013/2014 = April 1st to June 30th 2013

Top Complaints*: Corporate

#	Complaint	Q1 2013/14		Q1 2012/13	
		Complaints*	% of Comments (n=2,207)	Complaints*	% of Comments (n=1,803)
1	On the Web	315	14.3%	283	15.7%
2	Value For Fares/Cards	244	11.1%	192	10.6%
3	Staff Helpfulness	171	7.1%	122	6.8%
4	Food and Retail Services	143	6.5%	77	4.3%
5	Sailings	102	4.6%	51	2.8%



*Complaints = "bad" or "poor" rating accompanied by a comment
 Note: Q1 2013/2014 = April 1st to June 30th 2013
 Q1 2012/2013 = April 1st to June 30th 2012

On The Web

Sample of Customer Comments:

Complaints

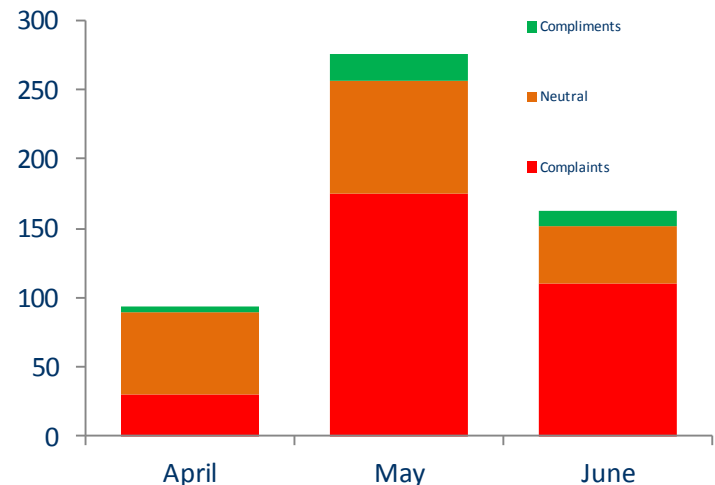
- “Your website changes leave a lot to be desired. Navigation isn’t as intuitive and it doesn’t work or display reliably on Chrome.”
- "In the past I could select, from the main page, as a walk-on customer the terminal and date I wish to travel. This is now gone, and its a multiple page gauntlet to get the same information, which appears to be only for driving customers. I am extremely disappointed with the red tape I must now go through to get simple answers such as when the Thursday ferries leave from Departure Bay. Please restore the old site."
- "Is it me or is your new reservations online a pain? I have been trying to make a reservation for over an hour and it keeps timing out..... I liked the old way."

Compliments

- "Hi, just wanted to say I used the new website to book some ferry rides and I was most impressed with the new cleaned up, user friendly version! Well done you and your team. Best wishes."

On the Web includes:

Group/Attribute	Complaints	Neutral	Compliments
Reservations: Online Reservations	180	88	27
On the Web: Design and Usability	66	11	3
On the Web: Login/Passwords	34	55	1
On the Web: Information/General	12	17	2
On the Web: Travel Planning	9	0	2
On the Web: Current Conditions	7	1	0
On the Web: Service Notices	6	7	0
On the Web: Online Giftshop	1	3	0
% of all comments (2,207)	14.3%	8.2%	1.6%



*Complaints = “bad” or “poor” rating accompanied by a comment
 Note: All data is for Q1 2013/2014 (April1st to June 30th 2013)

On the Web

Root Cause:

On May 12, 2011, BC Ferries launched a comprehensive redesign of its website. This included the introduction of a single online reservation channel to replace the two unique channels that had been in place since August 2008. The intention of consolidating the two reservation channels was to remove problems encountered by customers when trying to use a password for one channel to access the other.

Lessons Learned:

Implementing the single access online reservation service proved to be a highly complex undertaking, particularly in terms of aligning customer accounts associated with the ten-year-old Reserved Boarding on the Internet (RBI) service. There were also a number of performance and account validation issues that did not emerge during the testing conducted, nor with external customer focus groups and staff.

Action Taken:

Since the May 2011 launch, a number of releases and “spot fixes” were implemented with varying degrees of success. The ultimate answer, arrived at following extensive technical review and heuristic evaluation, was to change the overall design and user workflow of the online reservation system and update the server infrastructure of the website as a whole. The designs and workflow went through multiple customer reviews, testing, changes and approval arriving at the final version.

Both initiatives were completed successfully on April 30, 2013, with the launch of a more efficient and intuitive website experience. Customer feedback subsequent to the new release is being closely monitored and improvements are scheduled for the fall 2013.

Value For Fares/Cards

Sample of Customer Comments:

Complaints

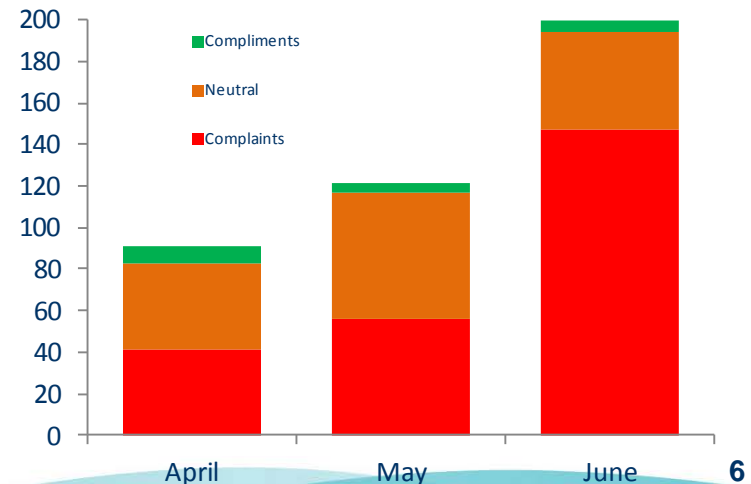
- “We recently travelled on BC Ferries towing a trailer. We are 40 feet and it cost \$165 each way. Well two vehicles (which are up to 20 ft) is \$51.25 each, so \$102.50 for two. So why is our two vehicle length the price of three vehicles? This is ridiculous to me and just ripping people off as far as I’m concerned. So we paid \$120 extra round trip over the two vehicle spots we took up! No wonder everybody dislikes BC Ferries. Very frustrated and feeling ripped off!”
- “I do feel strongly that as a resident of Vancouver Island who rides the ferry there should be some sort of loyalty rewards program. A small incentive like after so many rides you receive a free ride or a discounted fare. This would do wonders for your PR and would make people like me who dole out \$60 plus a week feel a lot better. Your company runs a monopoly on transportation to and from the island and it’s about time you either make us happy or there is going to have to be some healthy competition.”
- "I was never informed that each time I load my BC Ferries Experience Card that it needs to be a minimum \$105 and as a result had to pay regular price fare. I would like a refund for the difference because I was never told of this policy".

Compliments

- "I like the experience cards so much better than the tickets you used to have. They are really, really good."

Value For Fares/Cards includes:

Group/Attribute	Complaints	Neutral	Compliments
Fares: Experience Card	110	29	6
Fares: Value for Fares Paid	38	5	0
Fares: Discount Fares	25	30	6
Fares: Errors	21	13	0
Fares: Other Fares	16	23	2
Fares: Coast Card	10	15	2
Fares: Refunds	8	26	4
Fares: Credit/Debit Card	7	0	1
Fares: Frequent Travel	6	4	0
Fares: Promotions	2	5	1
% of all comments (2,207)	11.1%	6.8%	1.0%



Value For Fares/Cards

Root Cause:

Extra per foot charge: BC Ferries responded to a long standing concern customers expressed over being charged for vehicles over 7' (2.13 m) in length by eliminating the over height fare on most routes on April 1, 2010. At the same time, the per foot charge for additional length (over 20 feet or 6.1 m) was aligned with the commercial per foot rate. This resolution was made after extensive consultation with the Ferry Advisory Committees.

Discounted Fares & Social Programs: Fare discounts have been in place since 1961 for all Gulf Islands and since 1972 for the Sunshine Coast, previously in the form of paper books or pre-paid tickets. In the spring of 2008, the BC Ferries Experience™ Card was introduced as a replacement to the paper books of pre-paid tickets.

There currently is no discount available for customers to travel on the major routes and no service fee is provided to BC Ferries by the Government to operate these routes.

The Provincial Government provides fare subsidies for BC seniors, students and passengers with a permanent disability. BC Ferries administers these discounted fares on behalf of the Provincial Government and acts within the guidelines and policies set by the Government.

Minimum buy-in level for Experience™ Card discount: The option of pre-purchasing fares in order to gain access to discounted fares was established in conjunction with the commuter route designation in place since 1961 for all Gulf Islands and since 1972 for the Sunshine Coast. While the Experience Card™ replaced the pre-paid paper books of 5 or 10 ferry tickets in 2008, the principle of pre-purchasing fares for discounted travel remained intact with the added benefit of the Experience™ Card being applicable to all routes with commuter discounts. In addition, the Experience™ Card provides registered customers with loss protection, which was not available with the pre-paid paper books. The minimum buy-in level generally increases with the annual price cap adjustment, and is established at a minimum to cover two round trips for car and driver on any route which has an Experience™ Card discount. The logic for this is simply that the card is intended for frequent users, and two round trips is the most basic level of 'frequent'.

Value For Fares/Cards

Lessons Learned:

There is anecdotal evidence that the increase in fares has caused customers to limit discretionary travel. A report provided by InterVISTAS Consulting Inc., acknowledges some minor price elasticity, but notes that there are other causal factors affecting ridership.

Through customer feedback the need for the recognition of frequent travel on the major routes has been identified. System upgrades are required in order to be able to offer more dynamic pricing models for frequent travel in the future.

Action Taken:

Amendments to the CFSC, which took effect April 1, 2012 included target net savings of \$30 million from service level adjustments over PT3. Savings of \$4 million will be realized through service level adjustments on three of the major routes. Adjustments in service levels to realize the remaining \$26 million in savings were to be identified by June 30, 2013. Through a subsequent amendment to the CFSC the deadline for identifying the additional service level adjustments was extended to March 31, 2014. Funding of \$7.1 million was received from the Province to compensate BC Ferries for this deferral. Ferry service levels are a public policy decision of the Province and the Company will await direction from the government regarding future adjustments to service levels to achieve the remaining \$18.9 million in net savings, and the resulting impact on fares.

The provincial government has issued a Request for Proposals for a qualified consultant to assist the Ministry of Transportation and Infrastructure to design, develop, implement and summarize a public engagement program that will solicit input on a route-specific service adjustment plan as well as strategies to achieve the province's long-term vision of connecting coastal communities in an affordable, efficient and sustainable manner.

Staff Helpfulness

Sample of Customer Comments:

Complaints

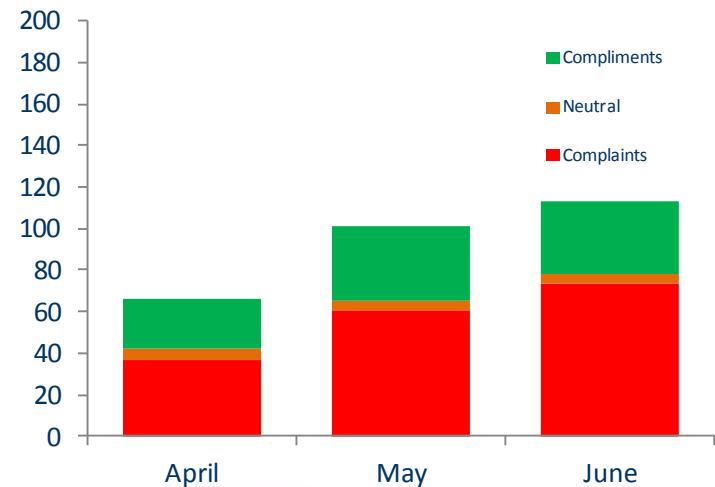
- "The 5:35 am sailing from Saltery Bay has frequently been late because staff or crew have slept in and the sailing is delayed as much as 1.25 hrs in the case of the ticket sales person who slept in. This causes travellers to miss the next ferry at Langdale."
- "Hey BC Ferries - you might want to do customer service refreshers with your gift store cashiers before tourist season. #rude #shortchanged"
- "Lost boarding pass, matched my debit card # to the receipt, was still denied passage, missed Mom's 60th birthday! Good job @BCFerries"

Compliments

- "Hello, I am writing with regard to employee **** in hopes that this individual will be recognized for her outstanding customer service. I travel often with BC Ferries and was most pleased with the polite and professional assistance I received by Ms.****. Thank you for your consideration."
- "Thank you to @BCFerries for accommodating my sister and her wheelchair. Your staff is very friendly and helpful! #thank you #bcferries"
- "Thank you SO MUCH to the 2 staff members who work at Duke Point who recharged my car battery. Thx to them I made my 5:45 ferry!!"

Staff Helpfulness includes:

Group/Attribute	Complaints	Neutral	Compliments
Check-In: Staff Helpfulness	62	4	9
Inside the Terminal: Staff Helpfulness	57	1	18
On the Ship: Staff Helpfulness	37	7	61
On the Phone: Agent Helpfulness	7	1	4
On the Phone: Resolution of Issues	4	0	0
Outside the Terminal: Staff Helpfulness	3	0	3
On the Phone: Information Accuracy	1	1	0
% of all comments (2,207)	7.7%	0.6%	4.3%



Staff Helpfulness

Root Cause:

Communication issues, ticketing errors, misunderstandings, inappropriate behavior by employee leading to customer dissatisfaction.

Lessons Learned:

Customer feedback has given us an opportunity to identify areas of improvement in customer service and ongoing customer service training and coaching is required.

Action Taken:

Complaints regarding employees are investigated on a case by case basis. The customer is sent a response with an apology.

Where communication is the issue, information is provided to the customer to assist in preventing further confusion. In the case of inaccurate information or inappropriate behavior by an employee, corrective action is taken with the employee and the customer is contacted to correct the misunderstanding.

Positive feedback is also shared with the employees.

Food and Retail Services

Sample of Customer Comments:

Complaints

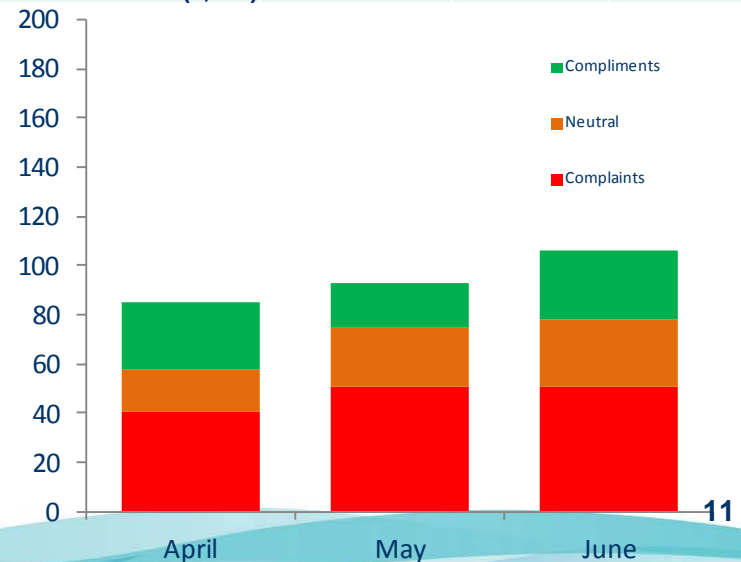
- “Apparently you have YouTube blocked, I want to know why this is. It's absolutely ridiculous! Is this North Korea? I have a project to complete and your policies are preventing me from doing this and I am **** off. What is wrong with YouTube?”
- “Hello, I frequently travel between Swartz Bay and Tsawwassen and get dry toast if I travel during the breakfast menu hours, otherwise – I bring my own lunch. I know a lot of vegetarians enjoy your veggie burgers, my husband included, but I haven't ordered it because I am not sure of the ingredients. Where can I find out the ingredients of the veggie burger?”
- “Coastal Café Menu, too much White Spot, not enough choices and far too expensive. I as a frequent flyer on BC Ferries with work, like the old mix of menu items combined with White Spot. Particularly miss the Noodle Box items. Does not get a thumbs up for the changes.”

Compliments

- “Hello, I love your gift shop and have bought a lot of great clothing from you – I love Neon Buddha! ...Also there is one sales clerk who is really wonderful – helpful, gracious. He's wonderful!”
- “@BCFerries pacific buffet. So good! Well done. #BCFerries #spiritofbc”
- “Thank you for providing a great vegetarian salad... On the long weekend I really enjoyed the quinoa salad...”

Reservations includes:

Group/Attribute	Complaints	Neutral	Compliments
On the Ship: Amenities	73	23	7
Food and Retail Services: Food Selection/Quality	41	10	5
Food and Retail Services: Food Value	11	0	0
Food and Retail Services: Staff Helpfulness	9	1	4
Food and Retail Services: Lounge/Buffer/Coffee Bar	5	2	0
Food and Retail Services: Retail Selection	3	25	56
Food and Retail Services: Retail Value	1	5	0
Food and Retail Services: Online Giftshop	0	2	1
% of all comments (2,207)	6.5%	3.1%	3.3%



Food and Retail Services

Root Cause:

Amenities / Wi-Fi:

On July 5, 2010 BC Ferries started the pilot project for a complimentary Wi-Fi service to allow customers to browse the web or check e-mail while travelling with BC Ferries. This service is now available at the Swartz Bay, Tsawwassen, Departure Bay, Horseshoe Bay and Langdale terminals as well as onboard select vessels that travel to and from these terminals.

A standard global filtering service is restricting access to websites tagged as displaying inappropriate content. Furthermore, 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:

Customers need to be kept informed of the restrictions that do apply to the free Wi-Fi service to avoid disappointment.

Action Taken:

The BC Ferries website provides information about the complimentary Wi-Fi service as well as a list of Frequently Asked Questions to assist customers who encounter difficulties with the service.

The possibility of expanding the Wi-Fi bandwidth is currently under review.

Food and Retail Services

Root Cause:

Food Selection/Cost:

Food services onboard BC Ferries are offered within a high cost venue including costs not traditionally required for restaurants such as vessel upkeep, life saving equipment, crew training in emergency evacuation, etc. Therefore, food services onboard are offered at a slightly higher price when compared to fast food venues on land.

Consumer behavior demonstrated loyalty towards favorite menu items and in the past BC Ferries was hesitant to remove such items in favor of new and unproven menu options.

Lessons Learned:

Through customer feedback BC Ferries has recognized that frequent customers are expecting more frequent changes to the menu options.

Action Taken:

In order to determine customers' interest, BC Ferries offered additional White Spot menu items onboard vessels servicing the Departure Bay – Horseshoe Bay route on a trial basis and conducted a survey after completion of the trial. Customer feedback was positive and BC Ferries gradually expanded the popular White Spot menu options onboard vessels servicing the Swartz Bay – Tsawwassen, Departure Bay – Horseshoe Bay and the Duke Point – Tsawwassen routes starting April 17, 2013.

The renewed partnership with White Spot enables BC Ferries to offer greater flexibility to make periodic changes to the menu options in future.

Ingredient list:

Catering employees will provide the list of ingredients of specific food items to customers upon request.

Sailings

Sample of Customer Comments:

Complaints

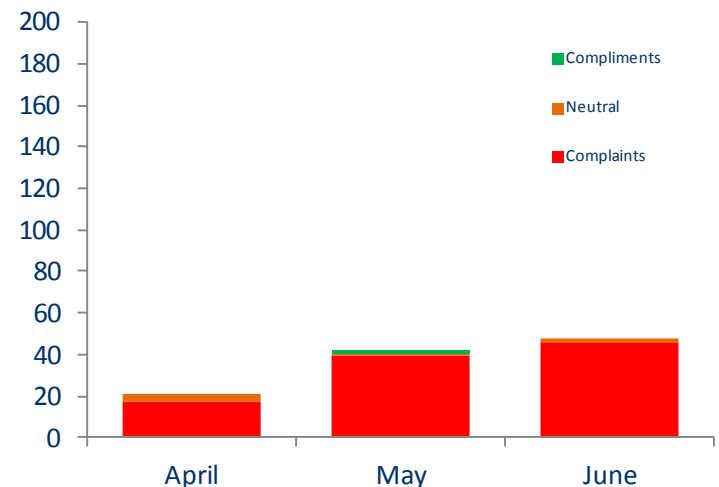
- "I am a regular user of the Sunshine Coast ferry. Why are you perpetually late, even on a Monday??? This is not due to volume. When are the repairs at HSB complete, is this the reason? What are you doing to reduce service delays??? Thank you for your reply."
- "Not only did I not get on the sailing of my choice, despite arriving at the Fulford terminal an hour ahead of time, but the difficulty the crews were obviously having trying to load our daily traffic, including large trucks, onto the totally inadequate *Bowen Queen* caused a further 15-20 minute delay while they attempted to max the stow to get the greatest number of vehicles aboard and accommodate the trucks. Consequently, I not only didn't make the ferry, I also wasted even more time captured in a delayed line-up that was never going to make the sailing."
- "It seems your service is late a lot but if we are 5 minutes late for a reservation you refuse the customer even though your ferry is late. This is unfriendly service."

Compliments

- "Cpt. **** has the *MV Kuper* on time tonight. #bcferries #thetisland"

Loading/Unloading includes:

Group/Attribute	Complaints	Neutral	Compliments
Sailings: Delays	84	1	2
Sailings: Cancellations	18	6	0
% of all comments (2,207)	4.6%	0.3%	0.1%



Sailings

Root Cause:

Operational delays are often caused by situations that occur during the loading or unloading of the vessels (stalled vehicles, lost key, driver not in vehicle, etc). Other impacts on service include mechanical issues, medical emergencies, marine emergencies and delays caused by weather.

Lessons Learned:

Sailing delays have an adverse affect on the daily life of our many commuting customers. If sailings have to be cancelled or the vessel has to be taken out of service, every effort must be made to restore service as soon as it is safe to do so.

Action Taken:

BC Ferries has a Service Interruption Plan that helps guide employees in managing delays and cancellations of service. However 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.

Ongoing maintenance of vessels and terminal facilities is standard procedure to maintain assets and to provide seamless service. BC Ferries endeavors to conduct necessary maintenance at times of least impact to customers. Unfortunately some of the larger projects do span our busy season.

Extensive terminal upgrades were required at the Horseshoe Bay and Langdale terminals. The overall duration of the improvement projects spanned from February to June 2013. In the time period relevant to Q1, three service notices were posted. Every effort was made to minimize the impact on scheduled service, however the cumulative effect of the improvement projects adversely affected the on-time performance on the Horseshoe Bay - Langdale route. Terminal and Vessel Management worked closely together to improve the on-time performance through the application of different traffic management techniques and streamlined ship to shore procedures.

In another specific example, the *Skeena Queen* had to be removed from service on the Fulford Harbour - Swartz Bay route from April 2 - May 3, 2013 for regulatory dry-docking and refit. The *Bowen Queen* was the temporary replacement vessel and customers were notified via service notice on March 13, 2013.