



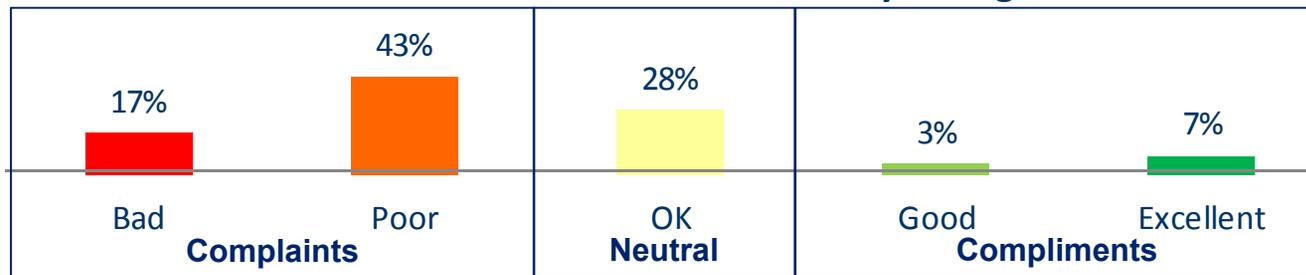
Complaints Resolution Report Quarter ended Dec 31, 2013



Feedback Summary

- During Q3 of the 2013/14 fiscal year 4.2 million customers travelled with BC Ferries.
 - BC Ferries received 1,923 comments in Q3 2013/14.
 - The average time to respond to customers was 3.7 days during Q3 2013/14 compared to 5.7 days during Q3 2012/13.

Distribution of Comments by Rating

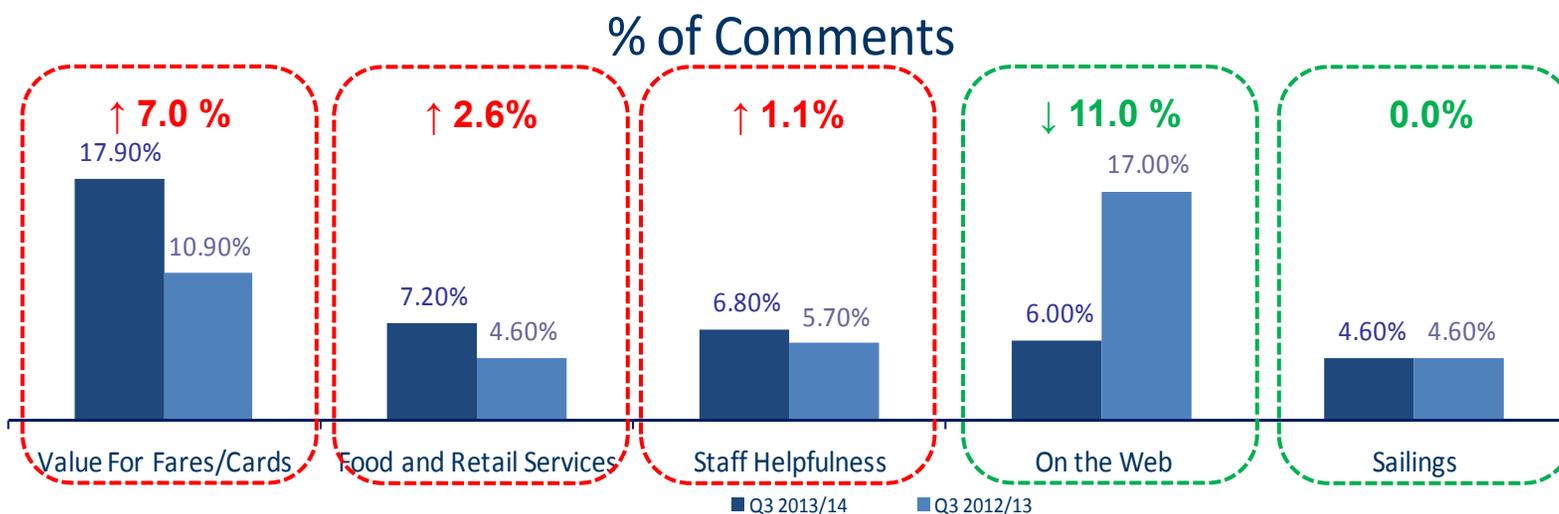


- Customer initiated feedback tends to be negative. Ten percent (10%) of all customer feedback received in Q3 2013/14 was complimentary.
- “Value For Fares/Cards” was the top issue: 298 complaints* were made, representing 17.9% of the total comments received in Q3 2013/14.
 - Top 5 complaints combined represent 42% of all complaints received in Q3 2013/14
- “General” comments are excluded from this analysis:
 - 231 “General” comments were received which were primarily made up of company information (74) and suggestions(72)

*Complaints = “bad” or “poor” rating accompanied by a comment
 Note: Q3 2013/2014 = Oct 1st to Dec 31th 2013

Top Complaints*: Corporate

#	Complaint	Q3 2013/14		Q3 2012/13	
		Complaints*	% of Comments (n=1,666)	Complaints*	% of Comments (n=1,755)
1	Value For Fares/Cards	298	17.9%	192	10.9%
2	Food and Retail Services	120	7.2%	80	4.6%
3	Staff Helpfulness	114	6.8%	100	5.7%
4	On the Web	100	6.0%	299	17.0%
5	Sailings	76	4.6%	80	4.6%



*Complaints = "bad" or "poor" rating accompanied by a comment
 Note: Q3 2013/2014 = Oct 1st to Dec 31th 2013
 Q3 2012/2013 = Oct 1st to Dec 31th 2012

Value For Fares/Cards

Sample of Customer Comments:

Complaints

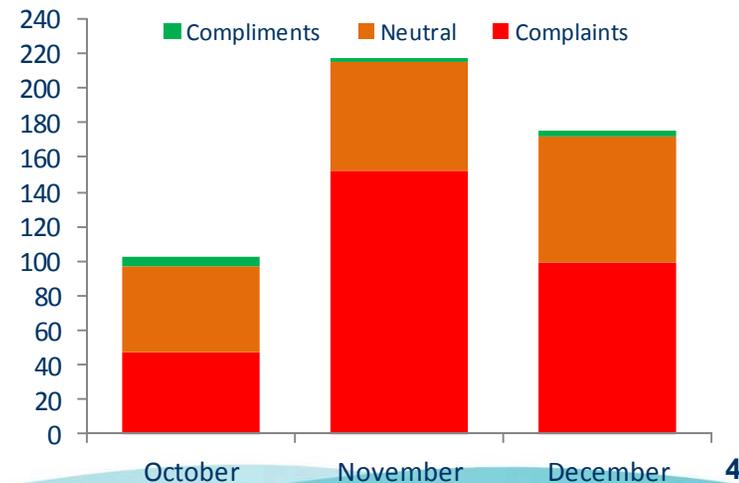
- “This is to advise you that you will probably see the largest protest in the history of BC Ferries if you continue along this path of taking away our seniors free sailing fares. BC Ferries have other options available to them. It will put a huge dent in island tourism which the government has spent millions to build up and with the economy as it is now people are having a hard time as it is. Businesses will go broke and it will also hurt the bottom line as families will not be able to take elders with them. Please for the sake of all BC residents reconsider. Thank you.”
- “The Experience Card needs to be offered across all routes.”
- “I am selling my house on Vancouver Island and my cottage on the gulf island because of how mismanaged BC Ferries is and how the Liberal Government has allowed fare increases until we can't take it anymore.”

Compliments

- “Greetings: Just wanted to say ‘thank you’ to whoever decided to give the gift of a free ride on the ferries for seniors on November 11th. Although we were not able to travel that day as planned, the thought was much appreciated.”
- “This Experience Card is generally a good idea. To be able to get a discount as a card holder makes it worthwhile.”

Value For Fares/Cards includes:

Group/Attribute	Complaints	Neutral	Compliments
Fares: Value for Fares Paid	167	26	2
Fares: Experience Card	27	41	5
Fares: Discount Fares	25	21	3
Fares: Refunds	23	27	2
Fares: Other Fares	19	41	0
Fares: Coast Card	17	16	0
Fares: Errors	10	10	0
Fares: Credit/Debit Card	7	1	0
Fares: Frequent Travel	2	0	0
Fares: Promotions	1	3	1
% of all comments (1,666)	17.9%	11.2%	0.8%



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 Note: All data is for Q3 2013/2014 (Oct 1st to Dec 31st 2013)

Value For Fares/Cards

Root Cause:

Fares and Service Levels: On April 1, 2013, BC Ferries adjusted its tariffs in accordance with the price cap increases set by the British Columbia Ferry Commissioner. Service levels are set by the Provincial Government and have largely remained unchanged since 2003.

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. The levels of discounts for these programs are set by the provincial government. BC Ferries administers these discounted fares on behalf of the Provincial Government and acts within the guidelines and policies set by the Government.

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.

As service levels are a public policy decision of government, BC Ferries has had limited opportunity to shape service to meet demand and to realize the associated operational savings that could help keep fares affordable.

Value For Fares/Cards

Action Taken:

Amendments to the *Coastal Ferry Services Contract (CFSC)*, which took effect April 1, 2012 included target net savings of \$30 million from service level adjustments over Performance Term 3. 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.

During the Quarter, the Provincial Government undertook a process to engage coastal communities and ferry users from across the province on strategies to ensure the long term sustainability of the coastal ferry service. In addition to seeking feedback on Government's proposed adjustments to service levels, opportunities to reduce the pressure on fares through such things as reducing the level of seniors' discount, introducing time of day pricing as well as loyalty programs, pursuing a gaming pilot project and other initiatives were canvassed.

On February 5, 2014 the Province confirmed \$18.9 million in service reductions will be implemented over the remaining two years of the current performance term commencing in the spring of 2014, to better align service levels to demand. Government also announced it will proceed with a reduction in the seniors' discount and pursue a gaming pilot project. The Company is developing draft schedule options to ensure that the optimal sailing times are determined, while still achieving the net savings outlined by the Province. These schedules will be posted online on February 12, 2014 for customers to choose their schedule preference. Telephone surveys will also be conducted to collect feedback.

Food and Retail Services

Sample of Customer Comments:

Complaints

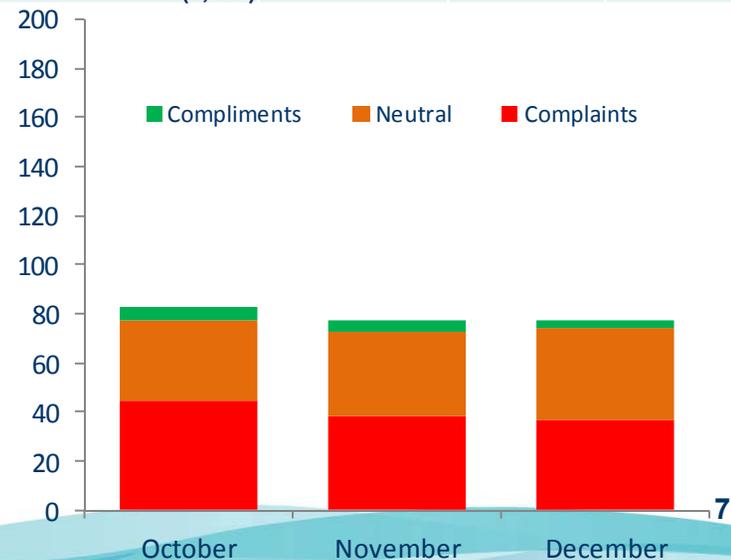
- “Hi there. I'm on board the Spirit of BC, on the 9:00 pm sailing. Using your Wi-Fi I wanted to get the website youtube.com, but I was rejected. YouTube has a lot of songs that I wanted to hear, but couldn't due to your regulations. It is totally unfair to the customers.”
- “You have the gluten-free crowd covered. Please consider making your veggie burger dairy free and more plant based option @ White_Spot @BCFerries.”
- “Please, please change the variety of desserts in the buffet. I am so tired of always eating cheese cake or fruit because I don't care for all the chocolate cakes and cookies – always the same. I enjoy the buffet and eat there on every trip.”

Compliments

- “I wish to pay a compliment to all your staff who were working in the Pacific Buffet on October 4th. My wife and I were entertaining guests from N.B. and were impressed with the politeness and pleasantness of the staff. The buffet was delicious and the service was excellent. The sailing was a memorable experience for our guests. Keep up the great work! “
- “@BCFerries Compliments on replacing the slice of orange with the salsa. “

Reservations includes:

Group/Attribute	Complaints	Neutral	Compliments
On the Ship: Amenities	67	32	1
Food and Retail Services: Food Selection/Quality	33	5	4
Food and Retail Services: Lounge/Buffer/Coffee Bar	7	2	1
Food and Retail Services: Staff Helpfulness	5	0	4
Food and Retail Services: Food Value	5	1	1
Food and Retail Services: Retail Value	2	2	0
Food and Retail Services: Retail Selection	1	61	2
Food and Retail Services: Online Giftshop	0	1	0
% of all comments (1,666)	7.2%	6.2%	0.8%



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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.

The high demand for Wi-Fi during busy sailings can lead to access issues.

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:

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 cafeteria menu options in future.

The Pacific Buffet lunch and dinner menu options were updated in the fall of 2013 and a refresh of the desert and salad bar is planned for the spring of 2014. The menu options will be rotated periodically in order to prevent menu fatigue.

Staff Helpfulness

Sample of Customer Comments:

Complaints

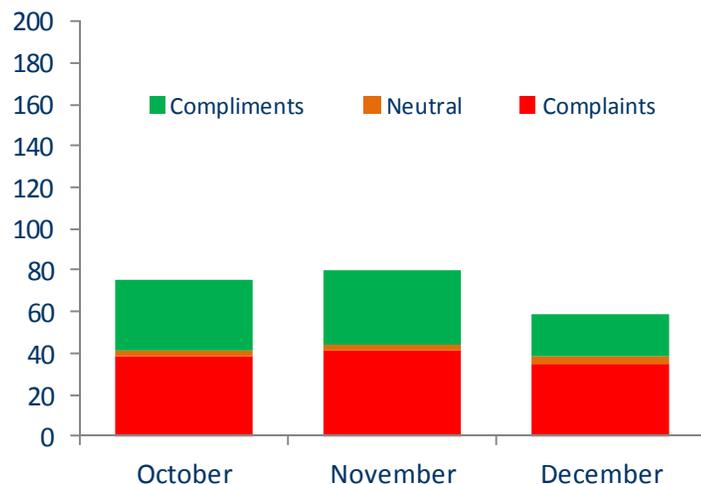
- “When I call your automated schedule to check when the next sailings is leaving Horseshoe Bay to Langdale, it tells me it’s at 3:50 pm, but the sailing left at 3:30 pm! Now I find out the schedule is for December 20 – 29, why are you doing that?”
- “The staff were more interested in talking to each other then giving customers tickets. As a result a lot of us missed the ferry to Victoria on the Thanksgiving weekend.”
- “I got there 10 minutes before it left, I could still see people leaving the lobby to go up the ramp. She had an air of somebody I inconvenience and told me I couldn't board, with no empathy. I felt I was being made an example of for being 5 minutes past time.”

Compliments

- “I just want to say how nice the people on the Salt Spring ferry are; how they always help me with my backpack and suitcase.”
- “Thank you to the kind and efficient workers at the Horseshoe Bay terminal who jump started my vehicle and had me on the sailing to Departure Bay. I am so grateful for your assistance. Kind regards.”
- “I would like to thank the ferry people at Buckley Bay. I was visiting on Denman Island. A medical emergency happened and the ferry people held the ferry for about 30 minutes so I could meet the ambulance on the Comox side. Much appreciated.”

Staff Helpfulness includes:

Group/Attribute	Complaints	Neutral	Compliments
Check-In: Staff Helpfulness	48	1	9
Inside the Terminal: Staff Helpfulness	31	0	12
On the Ship: Staff Helpfulness	24	7	59
Outside the Terminal: Staff Helpfulness	5	0	3
On the Phone: Information Accuracy	5	0	0
On the Phone: Agent Helpfulness	1	1	6
On the Phone: Resolution of Issues	0	0	2
% of all comments (1,666)	6.8%	0.5%	5.5%



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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.

On The Web

Sample of Customer Comments:

Complaints

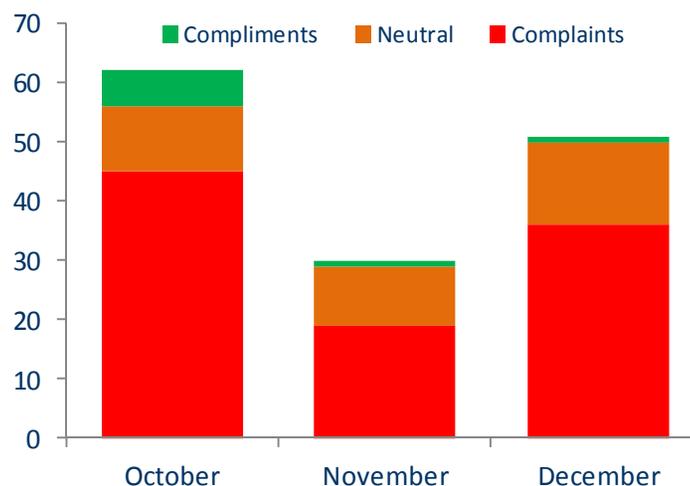
- “I am using your Express Reservation system. I have entered in all of the information about travel. I am now on the screen which is asking for my name, phone number and email address. I can see the blanks, but it is not letting me type anything. Your website is not working!”
- “Please take another look at the level of inconvenience created by the current design for those wanting the basic amenity information for the ship scheduled for the main routes. Having to create a “fake” reservation in order to get the amenity information doesn’t appear to me as very customer oriented. Maybe someone with the responsibility to think like a customer will take another look at this aspect of the site design.”
- “I reserved to travel the long weekend. I have been waiting for my confirmation email, but it hasn’t come in yet. I have checked my spam, but there is nothing in there either.”

Compliments

- “Nice web site. Easy to find everything I needed about routes, fares, dates, etc. Nice to know what things are available on each ferry, too (wifi, food). Be nice to be back in BC this summer for a couple of months. We got married on the Sunshine Coast, in Sechart. See you in May!”
- “I just made a reservation on the web. That is a really spectacular web design! It is so improved from earlier days, clear, direct, gets you right in and right out. Whew, it is not often I see this, usually I am very critical. And I am not the web designer’s Mom, either.”

On the Web includes:

Group/Attribute	Complaints	Neutral	Compliments
On the Web: Design and Usability	36	5	3
Reservations: Online Reservations	34	6	0
On the Web: Service Notices	8	5	2
On the Web: Information/General	8	5	2
On the Web: Travel Planning	5	3	1
On the Web: Current Conditions	5	1	0
On the Web: Login/Passwords	3	10	0
On the Web: Online Giftshop	1	0	0
% of all comments (1,666)	6.0%	2.1%	0.5%



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 Note: All data is for Q3 2013/2014 (Oct 1st to Dec 31st 2013)

On the Web

Root Cause:

The volume of complaints associated with BC Ferries' customer-facing website has declined over 11 percent (from 17 percent to 6 percent) when compared to the same period last year. This is due primarily to the successful launch of an improved online reservation system on April 30, 2013.

Major changes were made to correct technical and user interface issues that made the customer experience fall short of expectations.

Lessons Learned:

The dramatic reduction in customer complaints, as well as an increase in the number of positive comments received, reflects the success of the initiative.

Ongoing customer input regarding website performance, while no longer focused on problems with online reservations, has helped us prioritize issues to be addressed going forward. Account accessibility, browser compatibility, user interface refinements and timeliness of service notice e-mail notifications are at the top of the list.

Action Taken:

Another release to further improve the customer's online experience is expected to roll out before the end of the fiscal year.

Sailings

Sample of Customer Comments:

Complaints

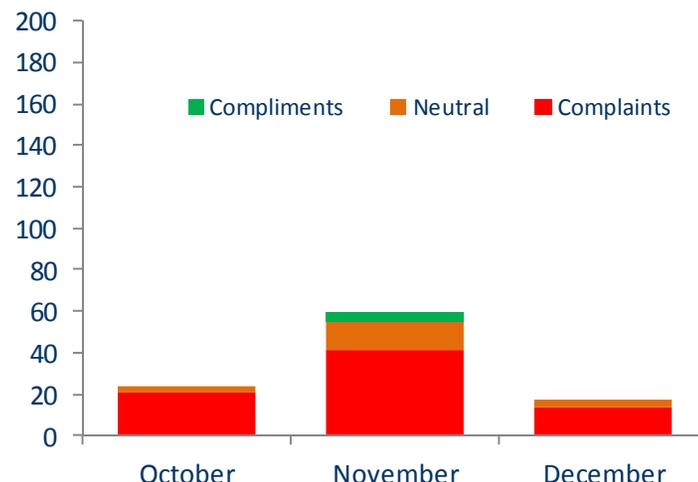
- “I reserved my car for the 3:00 pm ferry on Friday, Oct. 18 but the ferry departed only after 3:30 pm. There was no notices on the website explaining the delay and as a result, I expect to miss the start of my meeting in Vancouver. As a result of the delay, I believe I should be refunded the reservation fee.”
- “Could you please explain to me why the ferries are always late leaving Horseshoe Bay for Langdale? I cannot figure out the reason, as they only run every two hours. Thank you.”
- “The accident that happened to the *Queen of Nanaimo* was indeed unfortunate and the lack of a replacement vessel was additionally unfortunate. However, where was the back up plan for Galiano? Going to Galiano via Swartz Bay is not a backup plan.”

Compliments

- While the fact that the *Queen of Nanaimo* is going to be out of service this weekend and our travel plans are becoming a bit more tricky and time-involved, I wanted to let you know that I appreciate the effort that you are putting into making this as easy as possible for Gulf Island travellers. I was most concerned with being stuck on the Swartz Bay side and not being able to get to Mayne Island but I see that things seem well prepared. The ticket agent I talked with this morning when booking my reservation was most helpful.”
- Many thanks BC Ferries for getting the *Queen of Nanaimo* back in service!”

Loading/Unloading includes:

Group/Attribute	Complaints	Neutral	Compliments
Sailings: Cancellations	43	17	4
Sailings: Delays	33	3	1
% of all comments (1,666)	4.6%	1.2%	0.3%



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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.

In a specific example, the *Queen of Nanaimo* had to be taken out of service on November 2, 2013 further to an incident at Village Bay. The vessel required dry-docking and remained out of service until November 15, 2013. In the absence of an available replacement vessel, the following measures were put in place to assist customers with their travels to and from the Gulf Islands via the Swartz Bay terminal:

- Free reservations on the Tsawwassen – Swartz Bay route in conjunction with through- fare travel
- Improved through-fare procedures to facilitate connecting service
- Additional sailings on the Swartz Bay – Tsawwassen route
- Additional sailings on the Swartz Bay – Fulford Harbor route
- Additional stops at Pender Island and Galiano Island on the Swartz Bay – Southern Gulf Island route
- Inter-Gulf Island travel via Swartz Bay at the discounted Experience Card rate
- Frequent updates via service notices and news releases