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Understanding and managing customer expectations in the parking industry.

By David Hill, CAPP

*Here is a simple but powerful rule—
always give people more than what they expect to get.*

Nelson Boswell (University of Tampa, 1980)



The parking industry is not new—it's been around for 80 years, ever since that first parking meter hit the streets in Oklahoma City in 1935. The meter was invented for a specific purpose, too. To citizens' minds, it required depression-weary Okies to pay a nickel to park their cars in an effort to annoy them just enough to move their vehicles within the allocated time period. If they didn't pay the petty fee and move on, a punishing enforcement citation would result. Threat of the citation was the motivating force behind the cash transaction, which is still true today. In fact, many regard regulation, citations, and fine revenue as the real reason parking transactions are permitted, meters being like slot machines that run out of time for unlucky players.

Parking, then, exemplified the “hunt and capture” process. It is impossible to package and control every individual parking space or prevent a large and heavy vehicle from occupying it, so we rely on voluntary compliance reinforced by regulations that enforce time and space sharing, backed up by the threat of punishment.

The arrival of the micro computer in 1981 revolutionized the industry, providing a simple and effective platform to sort needles out of haystacks and empowering increasingly sophisticated methods of managing individual vehicles, owners, parking time, and space. As we modified our management processes, we became aware of parking system users as customers and resolved to treat them with less negativity. I remember an older colleague who used to tell me that “parkers are people, too,” in an effort to see them as willing participants in the buying and selling of parking spaces.

Our obsession with regulation and enforcement has caused us to overlook the obvious: Organizations that sell parking spaces are in the business of selling to customers, and customers are in the business of buying

from vendors. Where the marketplace is working to serve the needs of both parties, there is little need for theft and punishment.

Who Are Parking Customers?

Parking customers are consumers who want to buy access to parking space. They will take it for free if offered and/or apparently uncontrolled, but the space has value to them, and they are perfectly willing to pay for the privilege of using it. They are also willing to pay more for it if the vendor adds attributes that increase its perceived value.

What do parking customers value? Those of us who park our own vehicles intuitively understand that, in order of priority, customers seek:

- **Availability.** An occupied parking space has no value to them.
- **Convenience.** Of the spaces available, they search out the most convenient options.
- **Safety.** Of the available and convenient spaces, they assess for acceptable safety for themselves and their passengers.



Principles of Good Retailing

1. The customer is the most important person in your business.

2. Retail is detail.

3. Understand the four Ps. These are the basic foundations of a successful retail business:

- **Product.** You need products that your customers want to buy and a product range that will satisfy your customers' needs and desires. The products must also deliver a profit for you to have a successful business.
- **Price.** Price must be consistent across the marketing mix and meet all requirements for your business. You need to price your product range at the correct level for customers to be able to buy and gain value from your products. This could mean pricing high or low—it very much depends upon your customer offering.
- **Place.** You must provide somewhere for your customers to purchase your product, be that a physical store, a catalogue, or an e-commerce website.
- **Promotion.** Once you have a product—at the right price, in a place where customers can access it—you need to tell them about this and promote your business and your products. Make sure your customers know that you and your products exist and are available for them to enjoy.

4. Go the extra mile for your customer. Providing great customer service starts with understanding and knowing your customer; however, knowing them is the start of the journey, and you will need to deliver more than just customer service. To be successful, you must deliver world-class customer service. You and your team must continually go the extra mile for the customer, each time delivering just a little more than they expect. Doing this each time you and your team interact with your customers will win them over and make them loyal over a long period of time.

5. Location, location, location.

—Antony Welfare, *The Retail Inspector's Handbook*

- **Security.** Of the available, convenient, and safe spaces, they choose a location where their vehicle and contents will be secure.
- **Confidence.** Of the available, convenient, safe, and secure spaces, they choose one where they feel confident they are not causing a problem and will not incur a citation, tow, or boot.
- **Economy.** After availability, convenience, safety, security, and confidence are satisfied, they assess for price.

If charging the right price can guarantee an available and convenient parking space, we must look to our own resources to convince the customer that the space is safe and secure and to give him confidence in the service provider—a sound belief that he is receiving exceptional value for the money invested.

Parking service providers often miss these value points specifically because we address so many complaints about price. Customers focus on price complaints for two reasons:

1. It is characteristic of human beings that, when recounting a story, we begin with the most recent event rather than the most important. When a customer complains about price, he is referring to the last attribute experienced rather than the first priority purchased. Thinking about it, if a customer does not find availability, convenience, safety, security, and confidence, he will not park, and therefore will not be present to complain about price. A customer who complains about price is really telling the provider that he successfully received the service today.
2. It is another characteristic of human beings that they must be taught how to apply process and value. For most of our adult generation, parking at home has almost always been free and close to the door, so it seems counterintuitive to pay for a parking space that is far away from a destination. Like small children shopping with their mothers for the first time, parking

customers have to be taught that taking off the shelf is wrong and that paying for products and services is the norm.

In his book, *The High Cost of Free Parking*, Donald Shoup, PhD, argues for market rate-based fees because they balance supply and demand, and price can be adjusted to guarantee availability; customers vote with their wallets, and so the mechanism at work is the management of the primary value point. Shoup says the correct price will result in 85 percent occupancy of a parking facility; corollary to this is that the customer will be able to purchase a convenient, safe, and secure space at a price that guarantees 15 percent availability and that this price will satisfy his most basic need.

The Customer Experience Gap

If charging the right price can guarantee an available and convenient parking space, we must look to our own resources to convince the customer that the space is safe and secure and to give him confidence in the service provider—a sound belief that he is receiving exceptional value for the money invested. There is a bit of a sales pitch inherent in establishing confidence; the goal is to provide the customer with the information necessary to set an expectation that can then be suitably filled by delivery of the anticipated product.

A Retail Strategy

If this all sounds mysteriously like a retail strategy, that's because it is. Retailers are professionally trained, skilled, and successful in forming our perceptions through marketing and managing our expectations. Branding, marketing, advertising, image, persuasion, and word of mouth all form our opinion of the inherent quality and value of a product and why it is good for us to purchase at the right price.

Our lives are full of managed expectations. I have Goodyear tires on my truck—is that because Goodyear tires are inherently better for me than, say, Uniroyals? I have no idea. To my mind, they are all black, round, and rubber, and they make my truck go. I purchased Goodyears because when I was

looking for new tires, I remembered the logo and amusing TV commercials, and the sales associate I encountered seemed to know what he was talking about. I noted that the Goodyears were significantly more costly than the competition, but the salesman gave me four for the price of three, and it seemed like good value from

a quality manufacturer. In reality, my four Goodyears still cost more than comparable brands, but Goodyear successfully formed my expectation to believe that I was getting better value for my dollar.

My son just paid about \$100 for a pair of Converse All Star running shoes. I had runners like that as a kid and was glad when



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Nikes came out because they were much more comfortable than the primitive Converse from the 1960s. In the 2000s, though, Converse made a successful marketing bid to become cool (they were kind of geeky in the 60s) and were featured in music videos and store window displays to create that perception. Now, they have found a lucrative market. I tried them on and found they are still uncomfortable, but they appear to be inexpensive to make and retail for the same price as the comfy ones. Converse has successfully moved in to a large-margin market based on managed customer expectations.

How This Applies to Parking

Retailers have many ways of forming our expectations and perceptions of value: product scales, good better best, sidewalk sales, discount days, contests, rollbacks, loss leaders, giveaways, coupons, two-for-one deals, bundled services, volume discounts—all affect our perception of the vendor and product and lead us to make purchasing decisions that we find satisfactory, and in many cases, perhaps even exciting.

What would a retail strategy-based parking service look and feel like? How about this:

Traditional Model

Customer: Good morning, I would like to buy a parking permit for downtown.

Clerk: Yes, they cost \$25 per month.

Customer: OK, Can I get one now?

Clerk: No, we don't have any right now. You have to go on a wait list.

Customer: But I need one today. Is there any way I can get one?

Clerk: No, the wait list is 350 people.

Customer: Wow, when can I get one?

Clerk: The list doesn't move much; I'd say about three years.

Customer: Three years! That's ridiculous. How can I park in the garage downtown?

Clerk: You can't, and if you try we will tag you and tow your car.

Customer: What? Why? How will I do my business? Do I have to park illegally?

Clerk: That's not my problem; I don't make the rules.

Customer: Oh, man, I hate parking. I'll never come back here.



DAVID HILL, CAPP, is CEO of Clayton Hill Associates. He can be reached at david@clayton-hill.com or 403.637.2414.

Keys to Influencing Expectations:

1. Establish trust. People are influenced by those they trust, and trust is not awarded, acquired, carried over, bought, or sold. It is earned.

2. Educate, educate, educate. The more the customer knows, the better. This is true because then they understand the complexity of your work, the dependencies, and the impact their expectations have on your work.

3. Explain why. Demonstrate experience through the success of previous projects. Produce examples and data to demonstrate a partnership into the future.

4. Do it in private. It's less confrontational to discuss issues in private. People do not like to change their opinion in public or admit their lack of knowledge.

5. Show them and then sell them. "Free Sample Strategy," meaning let them experience the benefits of what you're suggesting before you attempt to sell them on the idea.

6. Balance the give and take. See if you can identify one or two of your customer's expectations that you have not acted on and that are relatively easy to satisfy. Then make sure they are satisfied. Once you have begun the process you will be more capable of discussing any expectation you would like to change.

7. Sooner is better than later. The earlier you begin to re-establish or build expectations, the easier the process becomes. Expectations get firmed up the longer they are left alone.

—Joseph C. Adranski, CEO for Value Chain Research, Lehigh University

Retail Model

Customer: Good morning, I would like to buy a parking permit for downtown.

Clerk: Yes, we have several. Which one would you like?

Customer: Hmmm, not sure. I have to park in the Investors Tower garage.

Clerk: We have four you can buy: At \$25 you can get random access to the garage but you are not guaranteed a space—at the moment we are sold out of these because



they are quite popular. But at \$50, we can get you a guaranteed stall; at \$75, we can get you a reserved spot; and at \$100, we can provide rock star parking.

Customer: Wow, what is rock star parking?

Clerk: You get a free car wash and detail while you are away and a coupon book for downtown discounts, and you can park with us for two months.

Customer: Really? I don't need two months, but

I'd love to get my car washed. Are there any coupons for a lunch restaurant?

Clerk: Sure, here's one for a free homemade hamburger at Trader Fred's deli. That's a good spot, and they have great pickles with the hamburger.

Customer: Dill pickles?

Clerk: Yep, garlic dills. All you can eat.

Customer: Geez, I love those. I'm in, sign me up. Here's my Visa.

Clerk: Thanks! One rock star permit coming right up, and here's your access card, goodie bag, and coupons.

Customer: Awesome.

Clerk: And here's a little gift for you—a stress ball shaped like President Obama's head. You might need that if you get caught in a traffic jam later.

Customer: Ha ha! You bet! Thanks!

Clerk: Remember, access card goes in blue side up, and you are stall 354 on the second level. Just follow the signs.


Customer: Will do.

Clerk: And if you have a problem, call or text me at this number; my name's Connie.

Customer: Super, thanks, Connie, you have a great day!

Clerk: You too; thanks for stopping by!

Customer: Wow, I love parking. I'll be back here next time!

Great examples of exceptional customer service are all around us. Moving from the traditional regulatory model to a modern retail-style model takes a little faith, a little imagination, creativity, care for people and their needs, a sense of humor, and a lot of courage, but it is always successful at changing the image of the parking provider and generating more and better revenues. And if you have a question, comment, or concern, please call or text me at 403.426.0008. My name's Dave. 

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