



GROUND TRANSPORTATION TODAY:
WHAT IS EXCEPTIONAL SERVICE?

AREION GLOBAL WHITE PAPER

Prepared By Trade Press Services
November 2012

ABSTRACT

GROUND TRANSPORTATION SERVICES have evolved from basic pick-up and delivery of clients to comprehensive, detail-oriented operations that use technology for advance planning and communications. Unlike the lower standards exhibited by cut-rate or perhaps even illegal operations, the best providers proactively deliver client-centered service exemplified by extensive chauffeur training in safety and client relationships. They maintain the highest standards for ongoing vehicle maintenance schedules. These are full-service ground transportation providers who offer such vital services as real-time information about flight arrival or departure delays, cancellations and traffic condition updates in order to safely expedite the trip. They are committed to driving excellence, a term that applies to all aspects of the client transportation experience.





INTRODUCTION

THE BUSINESS OF GROUND TRANSPORTATION for hire has changed radically. Defining ground transportation as merely a commercial vehicle source to get a customer from Point A to Point B is no longer accurate. Changing demands from the public in general and businesses in particular have dramatically altered expectations for service providers. Gone are the days of simple post-it notes and hand-written ledgers that kept track of appointments, schedules, arrivals, etc. Instead, new technology provides practically instantaneous information to ground service providers that in recent years would have been nearly impossible to expeditiously obtain. Valuable assets such as online booking, SMS (silent communication/ instant message), alerts that update vehicle tracking, and even flight delays for airport pickups and departures provide a service that attracts and retains clients.

Some clients, particularly at the corporate level, are unaware of the technological advancements and equate this specialized service of ground transportation with cabs that are hailed at street corners. There is no shortage of cut-rate companies that may consist of only one or two cars and operate with the same reactive business model as a taxi service. The cut-rate companies base their business only on low price and have no interest in providing amenities. However, today's more advanced service-oriented ground transportation providers have established a profitable track record because of their ability to project client needs for driving excellence in all their manifestations and proactively respond to them. Clients are noticing the difference.





THE GROUND TRANSPORTATION INDUSTRY TODAY

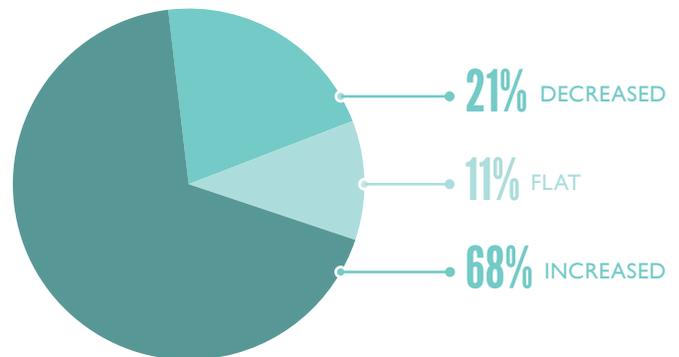
PAGE 1 OF 2

WHILE RECOVERY OF THE NATIONAL ECONOMY appears to be slower than anticipated, statistics show that the economic picture of the ground transportation industry is steadily improving. LCT (Limousine, Charter and Tour) Magazine, in its “2011-2012 Factbook” reports average annual revenue for all operators who earn less than \$3 million had increased to nearly \$644,000 in 2010, substantially above the figure of nearly \$490,000 the previous year. This increase is particularly noteworthy because it contrasted with economic trends showing the United States was only starting to emerge from the deep recession that year. “A third of chauffeured transportation operators saw revenues actually increase in calendar years 2008 and 2009” despite the depth of the recession,” reported LCT. Actually, the publication noted that collective annual operator gross revenue amounted to \$2.1 billion in 2010, an 8 percent increase over 2009. The Factbook also cited statistics from the Global Business Travel Association, which projected business travel revenue of \$134 billion for the second-half of 2012.

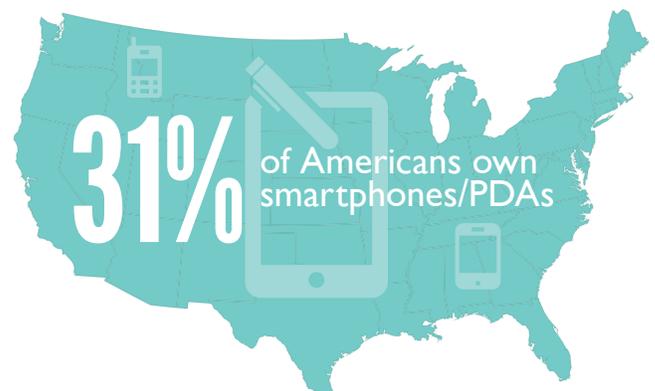
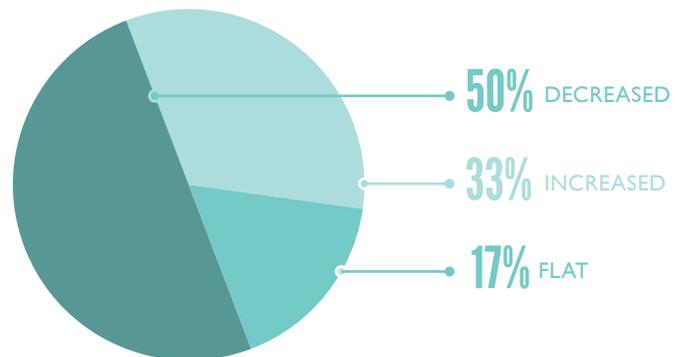
The ground transportation industry, well aware of the opportunity such revenue presents, has moved to meet client demands from business and the general public by investing in technology for real-time monitoring of vehicles and valuable information for each client. Technology that interfaces with the “lifelines” of today’s travelers who rely on iPads, smart phones and PDAs is considered a necessity for any ground transportation service committed to client service—and with good reason. “Those operators who take advantage of technology make the most money and run the best operations,” reports LCT. “Available technology has evolved to the point where the time and operational savings are too big to miss.”

OPERATOR REVENUE CHANGES

2009 TO 2010



2008 TO 2009 / GREAT RECESSION



THE GROUND TRANSPORTATION INDUSTRY TODAY

PAGE 2 OF 2

WHILE THE TRENDS SHOW that the economic climate for the industry is steadily improving, they do not lessen operator concerns about several issues critical to their business' bottom line. Fuel costs, always high on the list, decreased in the summer of 2012, but remain prone to fluctuations. There are, however, additional concerns that transportation service providers recognize as threats to the well-being of the industry if they are not addressed:

VEHICLE SAFETY



There is no shortage of reports of cut-rate and/or illegal ground transportation services that perform minimal or no vehicle maintenance to ensure client and driver safety. Vehicle maintenance can be expensive at times, but cost is no excuse for compromising safety. Operations that violate safety standards jeopardize the image of the entire industry.

ILLEGAL OPERATORS



These are the ground transportation companies that basically run “shoestring” operations and tend to disregard regulations covering vehicle maintenance and licensing. When caught, they quickly terminate their businesses only to resurface in other locations under different names. Potential clients should ask pointed questions such as the length of time the company has been in business at its current location and its experience with ground transportation.

INSURANCE PREMIUMS



Serious operators find themselves paying higher rates. Often this is due to the actions of illegal and cut-rate ground transportation businesses that have skirted regulations and failed to implement and enforce driver training and safety.

CHAUFFEUR TRAINING



Ground transportation companies committed to driving excellence know that it takes ongoing training to ensure chauffeurs carry out their responsibilities intelligently and safely. Training and review of “best practices” can never be an afterthought. It is in the client’s best interest to find out if the person behind the wheel is a trained chauffeur.

UNREALISTIC PRICE CUTTING



This is an effort by the cut-rate businesses to attract clients whose only interest is price. These operators tend to make up the difference by spending less on maintenance and client necessities and paying little more than lip service to the concept of client service. The concern here is that these practices turn ground transportation into another form of taxi. Clients deserve and generally demand better, and so do serious industry operators. The fact is that in nearly all cases, the lowest price is no guarantee of the best service. That is why the industry is working to educate businesses in particular and consumers in general of all the factors and benefits of a safe, reliable and technologically advanced service.



GROUND TRANSPORTATION AND TODAY'S TECHNOLOGY

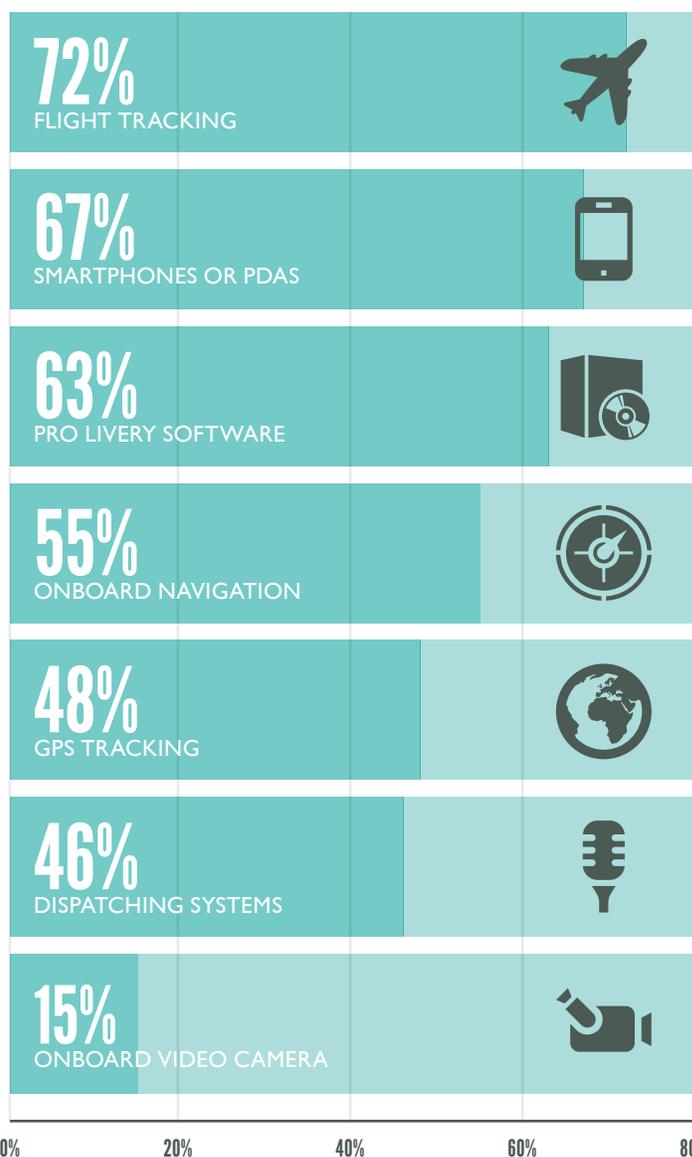
PAGE 1 OF 2

TODAY, TECHNOLOGY IS MORE than a nice little perk. It is a prerequisite for those companies dedicated to maximizing their client service, which is why it is well worth the investment. Start with GPS (Global Positioning System) tracking, a necessary internal tool that provides important data such as vehicle location, speed, whether speed limits have been exceeded and passenger safety jeopardized. That makes GPS tracking a vital safety component.

Vehicles should also have GPS navigation that pinpoints the pick-up and drop off location as well as information on traffic conditions that enable the chauffeur to route the trip efficiently and avoid traffic snarls. In this way, the technology eliminates any confusion about selecting the optimal route choice.

Flight delay alerts have gone well beyond the designation of value-added, particularly for business travelers. These alerts enable operators to stay one step ahead of their clients by informing them of either delays or cancellations of their departing flights—a service they always appreciate. In fact, a technology best practice and one demanded by the general public and business traveler is to be notified of delays on their smart phones, tablets or PDAs. Updates such as these keep travelers on track and on schedule.

TECHNOLOGY USE OF OPERATORS





GROUND TRANSPORTATION AND TODAY'S TECHNOLOGY

PAGE 2 OF 2

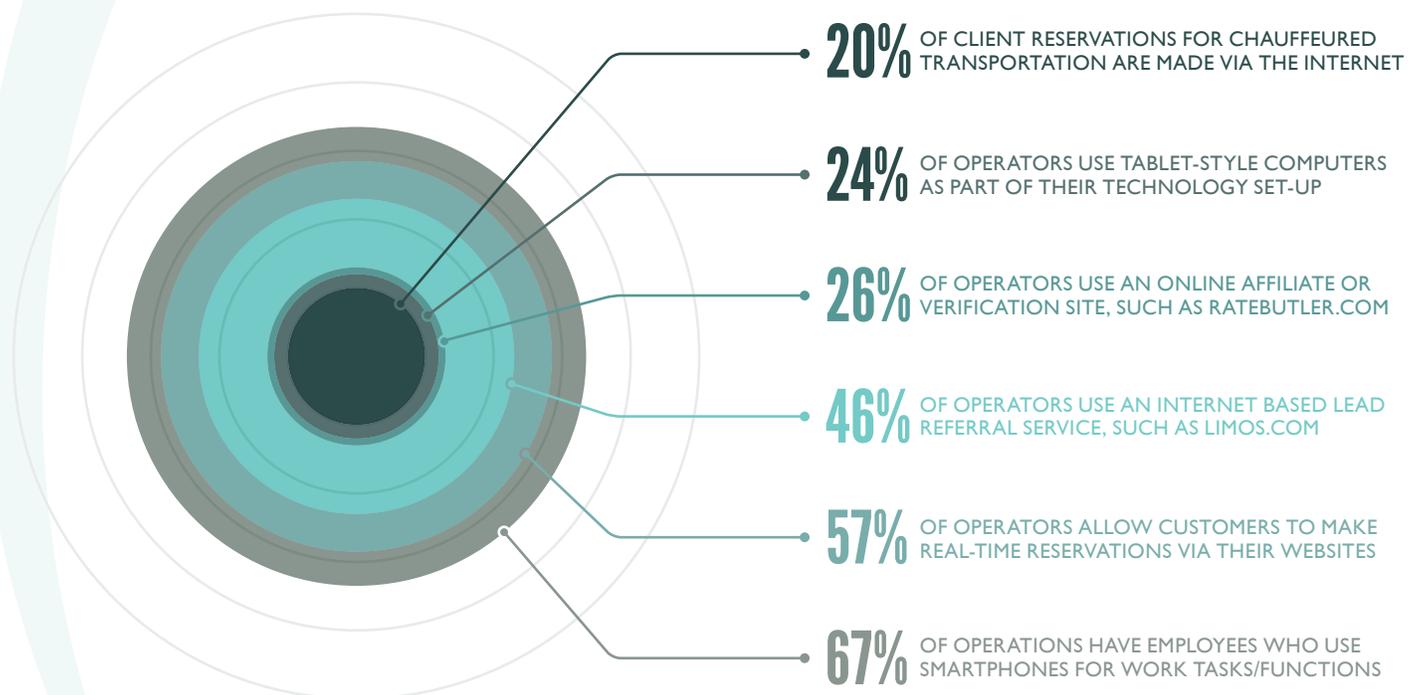
ANOTHER BEST PRACTICE of professional operators is to alert clients about delays even before they drive to their departure airport. Using wireless notification, operators can inform their clients about the length of the delay of their departing flight, when they can expect to arrive at their destination and that the chauffeur will be waiting for them when their flight finally arrives. Clients anticipate and value this information when they turn on their electronic devices after their plane lands.

Business clients also prefer ground transportation vehicles with Wi-Fi, particularly if they need to use their laptop or notebook instead of their smart phone while in the vehicle. A metropolitan New York operator reported that having Wi-Fi in his vehicle enabled a business traveler

en route from John F. Kennedy Airport to New York City midtown to virtually close a deal prior to arriving for the meeting. The client has continued his association with the operator as a result.

Social media has grown as a preferred method of outreach to existing clients and prospects in all aspects of business and the same is true for ground transportation. It is an excellent means of notification of everything from new services and offerings to traffic updates to and from airports. Some businesses are using social media to notify clients of incentive programs similar to "sky miles." The better ground transportation providers recognize that nearly all of their clients view social media as a valuable source of information and utilize it accordingly.

PLENTY OF ROOM FOR MORE TECH





WHAT CLIENTS DO AND DON'T WANT

AN UNQUESTIONED BUSINESS AXIOM is the need to understand and meet customer needs. Ground transportation is no different. In a number of surveys, ground transportation clients have made their requirements very clear.



RELIABILITY

Clients want to know that their ground transportation provider will always be there when needed. They do not have time for excuses.

EXCEED EXPECTATIONS

Travelers who are less focused on the lowest price are looking for more than on-time pickup and delivery. They are more interested in a comprehensive service attuned to their needs.

THINK AHEAD

Clients want their service to think ahead (of them) to avoid last-minute issues from flight delays, cancellations or traffic congestion. In addition, clients appreciate a service that takes care of other important needs such as restaurant reservations, last-minute hotel bookings and even a simple cup of coffee.

A PROFESSIONAL ENVIRONMENT

In this case, the environment is the vehicle, which should be clean, serviced and odor-free, and a chauffeur who displays professional conduct behind the wheel and in client relations.

CONSTANT COMMUNICATIONS

Clients appreciate the use of technology to provide ongoing information from the time they book their reservations to the completion of their ground transportation.



CUT-RATE OPERATORS

What clients do not want may be viewed as obvious, but past practices of less scrupulous and some cut-rate operators justify their mention and require every effort to eliminate these blots in the ground transportation industry. They include:

UNSAFE DRIVERS

UNSAFE VEHICLES

DRIVERS WHO LACK COMMON COURTESY

A SENSE THAT THE TRIP IS ONLY ABOUT THE MONEY AND NOT ABOUT CLIENT SERVICE

LACK OF COMMUNICATIONS ABOUT ALL ELEMENTS OF THE TRIP



CONCLUSION

OF ALL THE FACTORS that go into the operations of a successful, client-oriented ground transportation service, perhaps the most important is “transportation etiquette,” a term that describes the highest standards in this industry. Transportation etiquette means far more than the conduct of the chauffeur with the client. It is a response to the expectations of today’s ground transportation clients that their providers will understand all of their needs especially communications and operate accordingly. That includes the use of state-of-the-art technology to keep them abreast of the status of the ride in real-time including any unexpected itinerary changes without waiting for the client to request the information. Industry standard setters recognize these responsibilities and understand that every service has to be performed with optimum efficiency, and a willingness to respond promptly and transparently whenever a service issue arises.

Not every ground transportation service either has or even wants this business model, but those who do know that it works far better than any cut-rate approach. Clients should expect no less than driving excellence.

Areion Global, LLC, 56 Catoona Lane, Stamford, CT 06902, a full-service ground transportation provider, maintains the highest standards that ensure the safety of its passengers and the quality of its chauffeurs. The company’s state-of-the-art technology that provides immediate and ongoing information on flight status, traffic reports and many other necessities exemplifies its commitment to long-lasting client partnerships. For further information, call (800) 996-2378 or visit www.AreionGlobal.com.

