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Enhancing the customer experience at infrastructure assets

Infrastructure assets play a vital role in the overall quality of life for people and are important in facilitating economic growth. However, expanding capacity to meet growth demands, maintaining ageing infrastructure, and providing a seamless customer experience consistent with contemporary expectations while enhancing sustainability can be a challenge due to limited public funding.

As long-term stewards and private owners of infrastructure assets, IFM Investors takes an active asset management approach to manage these challenges. Specifically, as an open-ended fund, IFM is well-suited to fund growth while investing capital to maintain the asset and enhance customer experience and sustainability.

We devote significant resources to understanding and mapping key priorities and needs for the stakeholders in the infrastructure assets we manage, with customers being one such group. Through this exercise, we can build our social license to operate and, ultimately, drive returns. When it comes to customers, we seek to understand their expectations now and in the future and help ensure our assets can continue to add value to their journeys.

We believe a targeted effort to enhance our customer experience is fundamental to delivering attractive, long-term risk-adjusted returns from infrastructure. Positive customer experience can drive greater throughput through our facilities, less time queuing or in traffic and more time for our customers to spend at our retail facilities and with loved ones. Alternatively, poor service at the toll booth or slow traffic on a toll road could be the reason a customer decides to take the non-tolled alternative for their next trip, or a poor food and beverage offering or long lines at security could mean a customer flies through a different airport for their next holiday.

With these dynamics in mind, at IFM we consider what customers need now and in the future and how infrastructure assets will need to change and the capital required to meet those needs. This approach can reduce risk by 'future-proofing' assets against expected change and create value for our clients and owners who entrust us with their capital.

Changing customer expectations

On toll roads, customers want better technology to plan their trip, digital payment options and greater ability for self-service on toll-road websites. Enhanced road signage, lighting and road surfaces further add to the customer experience by improving safety for users. Longer term, toll-road customers will need additional charging capacity for electric vehicles (EVs) and better connectivity on roads to enable advanced technology and self-driving vehicles.

For households with rooftop solar, there is an increasing desire to store excess solar energy to use during peak times. Through IFM's investment in Ausgrid¹, the largest distributor of electricity on Australia's East Coast, we are participating in the roll-out of medium-size community batteries.

Digitisation is also transforming service delivery and the customer experience. At airports, new technologies are enhancing passenger security and safety; making terminals easier to navigate and more convenient for customers; and driving airport efficiency gains through automation.

All of these require significant investment but are the key to consistently improving customer experience as demand for infrastructure assets grows.



Ausgrid, Australia

Currencies in this article are in USD, unless otherwise stated.

¹ IFM Investors owned 25.2 per cent of Ausgrid at 30 June 2023.



How our portfolio assets are able to improve customer experience and drive demand – a focus on toll roads

By engaging with stakeholders and making improvements aligned to the most material aspects for key stakeholders, we believe we can grow our social license to operate, position ourselves as a partner of choice and enhance our customers' expectations while creating value for clients and owners.

IFM's global infrastructure portfolio asset Aleatica, looks to provide smart, safe and sustainable critical transportation infrastructure via 16 toll roads across 7 countries², backed by cutting-edge technology that anticipates customer needs.

One of the ways in which Aleatica has been able to improve the customer experience is through the implementation of reversible lanes in Mexico, first at Viaducto Bicentenario, and most recently the reopening of one at its Supervia Poetas concession. The reversible lane has significantly reduced travel time in the region it services, Santa Fe, by up to 30%, led to a 9% reduction in customer complaints in 2023, and increased revenue. With a payback

period of only two months for the investment in the reversible lane, this is a clear example of the alignment between positive customer experience and returns.

In order to increase demand and improve the overall customer experience, a number of IFM's global infrastructure portfolio toll road assets have been engaged in tolling enhancements.

At M6toll, Aleatica's newest concession business in the UK, the company is implementing an automatic number plate recognition (ANPR) system with the capability to capture license plate data and facilitate contactless and cashless payments for account customers. This new system, coupled with a new customer relationship management and eCommerce system, will ensure smooth and efficient operations and improved customer service for the 50,000 drivers that use the road each day.

Likewise, in 2023, the Indiana Toll Road (ITR) completed a multi-year and multi-million dollar investment to upgrade its In-Lane tolling and payment systems. This new platform now speeds up toll collection, provides motorists with additional payment options, and keeps everybody moving

² Aleatica is a transport infrastructure operator that focuses on the design and operation of highways in Europe and Latin America. It holds interests in 20 concessions in total (16 toll roads, 2 ports, 1 light rail system and 1 airport).

toward their destinations. Integration of “tap-to-pay” features is expected to save users between 40–75% more time, compared to swiping their cards.

In addition to tolling and reversible lane technologies, our toll roads have also been focused on increasing their service level via improving the asset condition and safety for users.

At ITR, the company has repaired approximately 75% of pavement lane miles and 27% of bridges since IFM’s acquisition in 2015. Most recently, in November 2023, ITR completed a \$70m construction project to restore an additional 18 bridge structures. The company worked hard to avoid inconveniencing its customers and traffic reductions that can occur during maintenance and construction periods by placing a great emphasis on efficiency. Ultimately, ITR achieved its aim of an accelerated time schedule – completing a two-year effort in less than a year. In addition, maintenance employees provided backup support for on-site safety and queue-detection

systems, alerting motorists to active construction through dynamic messaging.

At Conmex, one of Aleatica’s Mexican concession companies, the business entered into a new amendment (in 2020) with the grantor in order to establish improved standards of safety, quality of service for customers and an enhanced sustainability program for neighbouring communities. In return, the business was able to increase tariffs for its heavy vehicle customers while simultaneously reducing rate increases for its light vehicle customers, providing a more aligned payment structure for customers.

Another trend in customer demands in the toll road space is in relation to EV charging infrastructure. Aleatica’s A35 Brebemi motorway is piloting an innovative inductive charging lane, to allow customers to continue their journey while charging their vehicle (Case Study 1).

CASE STUDY 1

Arena del Futuro: An Innovative Commitment to Zero Emissions Mobility

Aleatica, in partnership with leading international industrial companies, universities and public institutions have developed the pilot program “Arena del Futuro” to drive sustainable mobility on a test track within the A35 BreBeMi motorway.

The project consists of an innovative Dynamic Wireless Power Transfer System (DWPT) and incorporates the placement of coils under the asphalt, that transfer energy directly to the electric vehicle. DWPT comes with a number of advantages over standard EV charging including:

- 1 A safer charging experience as a result of no electrical safety hazards above ground;
- 2 Greater efficiency and convenience for customers as they would no longer have to stop to charge their vehicle;

- 3 A reduction of the size of EV batteries given the system charge is in excess of typical consumption;
- 4 Avoidance of peak charging times and pricing as recharge would be happening throughout the day; and
- 5 A better overall quality of travel and customer experience.

The DWPT technology is achievable thanks to innovative 5G technologies and AI-based application solutions, which facilitate the exchange of information between the vehicle and management platforms.

In recognition of this program and innovative technology, Arena del Futuro won the award for best innovative project, presented during the Smart Transportation Alliance conference in 2022.

Airports – deep understanding of customers creates added value

Across our airport asset portfolios, we are seeing increasing traveller demand driven by:

- 1 Digitally savvy younger travellers that want efficiency, to blend work and leisure when travelling and expect world-class amenities, dining and retail options; and
- 2 Roving Baby Boomers who are looking for simplicity, support and seamlessness and are increasingly likely to travel in multi-generational groups.

We are seeing increased opportunities to improve even more tailored options to cater for a wide range of customer preferences through the customer journey.

Whether it is value or luxury, we seek to provide choices in terms of ground transport options, expanded dining choices, new shops and more

things to see and do while waiting for a flight.

Across our airports, we continue to advocate for a range of transit options, including public transport, ride share, taxi and private vehicle to get to and from the airport in a safe, efficient and reliable manner.

For travellers that choose to park at the airport, noting there is limited space available within walking distance to the airport terminals, we typically offer a range of choices for customers with various budgets.

As a recent addition at Melbourne Airport, in response to our car parking products' popularity, particularly during school holiday periods, the ground transport team introduced an attractive Value Express option³, which is very popular with families. For a modest one-time upgrade fee, the airport staff will park and retrieve your car when you return. Melbourne Airport has been pleased to have received very positive feedback from travellers who have opted for this enhanced product.

CASE STUDY 2



Assisting airport passengers with a disability

A rushed airport experience can be stressful for all types of travellers. For people with dementia, autism, anxiety and other disabilities not immediately obvious, airports can be especially challenging.

Our major capital airports have introduced a Hidden Disability Program to assist travellers requiring special assistance at airports. These passengers can request a sunflower lanyard at the airport and wear it discreetly at international and domestic terminals to alert airport staff that they might need additional care and consideration to get through the airport.

³ Melbourne Airport's new Value Express option

We are pleased to support Adelaide and Brisbane airports' investment into major terminal expansion projects that are currently underway. These transformative projects will significantly enhance the arrival and departure experience for passengers, increase the capacity of baggage systems and provide improved retail and dining options for travellers.⁴

Similarly, Manchester Airports Group's (MAG)⁵ £1.3bn Airport Transformation project is approaching completion. This project will revolutionise the customer experience from check-in to baggage reclaim, expand its Terminal 2 footprint and improve customer services with new shops, restaurants and state-of-the-art facilities. Not only has the project received strong passenger feedback, but the impact on the community has been positive as MAG and its engineering, procurement and construction partner have integrated the local supply chain into the project, sourcing 70% of jobs locally. In total, it is expected that more than 16,000 jobs will be generated by 2040 from this work, with MAG's economic contribution to the Northern UK economy expected to increase by nearly 80% over that timeframe.

Finally, we strive to ensure our assets are inclusive and cater to people from all different backgrounds, abilities, and cultures. We seek to ensure people with a disability are well served through staff training, improved access and facilities (Case Study 2) and continue to ensure people from different cultures can make their way through airports from arrival to gate through ever improving wayfinding technologies. Ultimately, we believe that investing in customer experience is a critical lever in enhancing returns to our investors over the long term.



⁴ For more information see: [Biggest transformation in Brisbane Airport history](#) and [Adelaide Airport retail news](#)

⁵ IFM Investors owned 35.5 per cent of Manchester Airport Group at 30 June 2023. For more information see: [Manchester Airport: Your new Terminal 2](#)

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