

## Report on Customer Service

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Pursuant to the requirements of Texas Government Code (TGC), Section 2114.002, the Texas Alcoholic Beverage Commission (TABC) submits this report on customer service. This report is based on feedback collected from customers of TABC's numerous public-facing divisions, including Enforcement, Compliance, Licensing, and from users of TABC's Internet website.

Created by the Texas Legislature in 1935, TABC regulates all aspects of the alcoholic beverage industry, including (but not limited to) the manufacture, distribution and retail sales of alcoholic products. Working under the laws set by the Texas Alcoholic Beverage Code (the Code), the agency's mission includes both regulatory and law enforcement elements. With more than 50,000 active alcohol licenses in Texas, TABC employees are in near-constant contact with customers across the state every day.

TABC remains committed to continuously improving customer service. Throughout its 80-year history, the agency has worked to set high standards of customer service. Through feedback collected via surveys and face-to-face discussions, TABC employees work to identify customer concerns and set action plans toward ensuring the highest levels of service.

The services TABC provides its customers include:

- Issuing more than 70 types of alcoholic beverage licenses and permits (collectively referred to as 'licenses') to businesses in Texas and around the world, allowing them to produce, transport, distribute, import, sell and serve alcoholic beverages in Texas;
- Inspecting more than 50,000 TABC-licensed premises to ensure compliance with the Alcoholic Beverage Code and TABC Rules;
- Conducting source investigations following alcohol-related incidents involving serious injury or death;
- Conducting investigations into organized criminal activities tied to a TABC-licensed location, including those involving prostitution, gambling, narcotics, weapons and human trafficking;
- Collecting excise taxes from manufacturing and distributing tiers when alcoholic beverages are sold to retailers or consumers;
- Providing instruction to license holders and their employees, local law enforcement and members of civic groups to promote a better understanding of, and voluntary compliance with, the Code;
- Overseeing the labeling, bottling and promotion of alcoholic beverage products;
- Conducting audits to ensure adherence to the Code and ensure proper taxes are reported and paid;
- Ensuring compliance with and collecting taxes and fees on personal importations of alcoholic beverages and cigarettes at international borders;
- Reviewing and prosecuting violations of the Alcoholic Beverage Code.

## | INVENTORY OF EXTERNAL CUSTOMERS BY STRATEGY

TABC has compiled a list of external customers by budget strategy and has identified three distinct groups as its primary customers: the general public, the alcoholic beverage industry and local agencies and officials.

An inventory of external customers served by each strategy is as follows:

**ENFORCEMENT:** The Enforcement Division is responsible for the criminal and administrative enforcement of the Alcoholic Beverage Code. As public safety is a statewide concern affecting all Texas citizens, every person in the state is considered a primary customer.

TABC agents, who are commissioned peace officers, both inspect TABC-licensed premises and investigate any alleged violation of the Alcoholic Beverage Code and other state laws. While many investigations involve relatively simple violations of state alcoholic beverage laws, some involve much more complex situations such as human trafficking, organized crime, or narcotics. TABC agents work with local, state and federal law enforcement officials on these investigations, making those agencies secondary customers.

**LICENSING:** The Licensing Division issues all TABC licenses, permits and certificates thereby ensuring certain criteria are met including local government certification, tax security and other regulations. A license is required for all segments of the alcoholic beverage industry, making its members the primary customers of TABC's Licensing Division. Additionally, by ensuring each license holder meets the qualifications required by law, the division's secondary customers include the general public and local agencies.

**COMPLIANCE:** TABC's Compliance Division, also referred to as Audit and Investigations, is charged with ensuring compliance with the Alcoholic Beverage Code and TABC Rules. Auditors conduct tax, financial and investigative audits; conduct open compliance inspections of licensed locations and new location inspections during the licensing application process; assist with various types of investigations; monitor and regulate cash/credit law; and deal with marketing practices issues. The division also initiates administrative action when a violation of the Alcoholic Beverage Code occurs.

As with Enforcement, the general public is considered a primary customer when it comes to ensuring compliance with the Alcoholic Beverage Code. Secondary customers include the license holders who receive training and education designed to promote voluntary compliance with the Code.

**PORTS OF ENTRY:** The Ports of Entry Division ensures the proper taxation of alcoholic beverages brought into the state by individuals for personal consumption via land ports on the Texas/Mexico border or seaports for international cruise ships. The division is charged with identifying high-traffic loads and positioning personnel to collect tax payments as required by law. Primary customers are the individuals paying these taxes and fees.

Through an arrangement with the Texas Comptroller of Public Accounts, TABC Ports of Entry employees also collect taxes on cigarettes brought into the state. As such, the Comptroller is considered a secondary customer of the division.

Ports of Entry personnel are also charged with ensuring any illicit beverages, or beverages deemed dangerous for public consumption, are not brought into the state. This function serves to uphold the health of the Texas public, making all citizens and visitors primary customers of the division.

## **| CUSTOMER SATISFACTION SURVEYS**

To monitor the level of customer satisfaction, TABC has used surveys tied to specific agency programs: Enforcement, Licensing and Compliance. Data collected from the surveys is used to monitor each division’s performance against accepted customer service standards, improve overall quality of service, and provide information on overall customer satisfaction.

In addition to the division-level surveys, TABC also employs a Customer Satisfaction Survey on its public-facing website. This online survey is used to capture data from customers who would not otherwise be contacted for a survey.

### **| ENFORCEMENT**

The Enforcement Division mails surveys to a randomly selected 10 percent sample of license holders inspected the previous month. For fiscal year 2014, 1,088 surveys were completed with an overall satisfaction rate of 97.43 percent. This number is nearly equal with results from fiscal year 2013. For fiscal year 2015, 5,855 surveys were mailed out, with 1,085 returned completed. Of that number, 97.51 percent indicated overall satisfaction with the Enforcement Division. (Satisfaction rates are based on the percentage of respondents who responded positively to four of the six survey questions.)

Responses to specific questions for fiscal years 2014 and 2015 combined:

Question	Yes
Was the disruption to your business minimal?	93.55%
Did the agents treat you and your employees with courtesy and respect?	98.3%
Did the agents treat your customers with courtesy and respect?	97.7%
Were the actions of the agents fair and reasonable?	97.5%
Did the agents seem as interested in helping you obey the law as they were in finding violations?	96.5%
Overall, did the experience leave you with a favorable impression of the TABC and its enforcement agents?	96.1%

Overall, Enforcement’s customer satisfaction rating has remained slightly higher than 97 percent for the last two years. This high rate of customer satisfaction is expected to remain steady for the foreseeable future.

## **| LICENSING**

The Licensing Division provides surveys to retailers, distributors and manufacturers who have applied for an original license or permit. The survey was last revised in 2012 to reflect minor changes in TABC office locations. During fiscal year 2014, 567 out of 6,445 surveys were returned with a response rate of 8.8 percent. The percentage of respondents who were satisfied with the licensing process was 97.8 percent, a slight decrease from 98.2 percent in fiscal year 2013. For fiscal year 2015, 459 of 6,464 surveys were returned for a response rate of 7.1 percent. Of those surveyed, 99.01 percent were satisfied with the service, an increase from fiscal year 2014. (The percentages are based on the ratio of 'yes' responses to the sum of the 'yes' and 'no' responses. Questions left blank were not counted as part of the total.)

Results for fiscal years 2014 and 2015 combined:

Question	Yes
At your interview, were you given a contact name and phone number to assist you with future questions or concerns?	92.44%
Did you leave the interview with a basic understanding of the information discussed?	98.88%
Were you given an opportunity to ask questions?	93.35%
General impressions	Yes
Did the TABC employees with whom you had contact during the licensing process seem knowledgeable?	97.49%
Were the TABC employees with whom you had contact during the licensing process courteous and professional?	97.94%
Did the TABC give you a realistic estimate of the time required to obtain your license/permit?	95.43%

Overall, the level of customer satisfaction for Licensing has remained steady in the 97-99 percent range. The number of surveys returned in fiscal year 2015 dropped by more than 100 compared to fiscal year 2014, which may necessitate greater effort to ensure the surveys are completed.

## **| COMPLIANCE**

The Audit and Investigations Division mails customer satisfaction surveys to a random 20 percent sample of license holders who were either inspected by TABC auditors or the subject of an auditor analysis. In fiscal year 2014, a total of 818 surveys were completed showing a satisfaction rate of 99.76 percent, an increase from the fiscal year 2013 satisfaction rate of 98.9 percent. For fiscal year 2015, 823 surveys were completed with an overall satisfaction rate of 99.39 percent. (Satisfaction rates are based on the percentage of survey respondents who responded positively to at least four of the six survey questions.)

Responses to specific questions for fiscal years 2014 and 2015 combined:

Question	Yes
Did the auditor behave in a courteous and professional manner?	99.7%
Did the auditor explain the purpose of the visit and outline the steps that he or she would follow?	98.05%
Did the auditor give you the opportunity to ask questions and adequately respond to the questions asked?	98.5%
Was the visit conducted with a minimum disruption to your business?	96.15%
Were the auditor's actions fair and reasonable?	98.95%
Overall, did the auditor leave you with a favorable impression of the TABC and its employees?	98.8%

Overall, Compliance survey results from the last two years represent a slight increase over fiscal years 2012 and 2013. Historically, survey results have hovered in the 97-98 percent range, leaving small room for improvement.

### **/ WEB SURVEY**

An additional survey instrument is available on the TABC website. This survey is designed to gauge customer satisfaction with respect to the following categories: service timeliness, staff, facilities, printed materials, communication, complaint-handling processes, website, and overall satisfaction with TABC.

Because an individual must actively seek out the online survey on the TABC website, rather than a direct solicitation to a license holder to participate in a survey as in previous methods, the participation rate is typically low: approximately 36 surveys were available to calculate the results for fiscal years 2014 and 2015. Another 124 surveys were submitted for the same timeframe, but could not be used—either participants used the free-form text box to register general opinions of the agency or a circumstance and did not answer the survey statements or the statements were answered but the text in the free-form boxes made it obvious that the data was created by automated spambots.

The initial questions in the survey offer drop-down menu options which allow the agency to pinpoint the applicable TABC division, applicable TABC office location, the type of interaction (phone, in-person, etc.), and the type of relationship with TABC (license holder, employee of license holder, citizen, etc.). Then the website survey asks individuals how they agree with 19 positively phrased statements. Responses are given on a scale of five (strongly agree) to one (strongly disagree). If the individual did not have an opinion or the item did not apply, presumably 'Not Applicable' was selected. The percent of survey participants in agreement with each statement was calculated by dividing the number of participants who agreed with the item (selecting strongly agree or agree) by the total number of valid responses. Although 'Not Applicable' is a valid response, it was not used in this calculation.

The percentage of positive responses for fiscal years 2014 and 2015 combined are:

Statement	Percent Agreement
TABC employees were knowledgeable and helpful.	77%
TABC employees were courteous and respectful.	77%
TABC employees were responsive to my needs and concerns.	70%
The TABC office was convenient and easily accessible.	69%
The TABC office was clean and orderly.	81%
I was given clear explanations about the services available.	59%
I received answers to all of my questions.	62%
I received printed materials (i.e., brochures, newsletters, instructions, forms, etc.) explaining the services available.	60%
TABC materials were clear and understandable.	63%
TABC services were offered at convenient times.	58%
TABC services were delivered within a reasonable amount of time.	52%
I received a response by telephone (including 'on-hold' time) within a reasonable time.	75%
I received a response by e-mail within a reasonable time.	71%
I received a response by U.S. mail within a reasonable time.	80%
I was able to find helpful, clear and accurate information on the TABC website.	53%
The TABC website was easy-to-use and well organized.	65%
I know how to make a complaint regarding services at TABC.	68%
I believe TABC would handle my complaint in a fair manner.	52%
Overall, I am satisfied with the services I received from TABC.	50%

As indicated previously, this type of survey is unscientific. The individuals who choose to participate are not necessarily representative of the agency's customer base as a whole. Survey participants are more motivated to take the survey than others because the participants tend to contain a higher proportion of people who have had either very good, or more often, very bad experiences with TABC. This limits survey participants' usefulness as an objective control group.

Considering this, the agency focuses less on the actual percentage and more on the individual comments (in text boxes) and scoring themes for divisions, office locations and relationship between TABC and the participants. More importantly, this analysis is then used to determine areas of focus and strategies to employ to make customers happier.

## **| CONCLUSION**

Based on the evaluations by agency customers, it is clear there is evidence of good customer service by the agency and substantial improvement over time. The agency's enforcement, licensing and compliance staff all received positive survey results. These employees were considered to be courteous, knowledgeable and responsive to customer needs, in addition to providing clear explanations about the agency's services when answering customer questions.

Additionally, the agency is evaluating the possibility of adding a customer satisfaction survey for the Ports of Entry Division. TABC staff is working to determine which survey method would best suit the fast-paced environment of an international border crossing, while inviting consistent response rates and accurate results.

## **CUSTOMER-RELATED PERFORMANCE MEASURES**

The Legislative Budget Board (LBB) has created generic customer-related performance measures for all state agencies. Data represents surveys of Enforcement, Licensing and Compliance Divisions and excludes the web survey.

Outcome Measures	FY2013	FY2014	FY2015	FY2016 (Expected)
Percentage of Survey Customer Respondents Expressing Overall Satisfaction with Services Received	97 %	97%	97%	97%
Percentage of Surveyed Customer Respondents Identifying Ways to Improve Service Delivery	N/A	N/A	N/A	N/A
<b>Output Measures</b>				
Number of Customers Surveyed <sup>1</sup>	13,109	15,013	16,329	4081
Number of Customers Served <sup>2</sup>	598,210	1,206,061	1,257,218	1,339,377
Average Number of Days to Approve an Original Application <sup>3</sup>	43.4	35.4	37.0	39.0
<b>Efficiency Measure</b>				
Cost per Customer Surveyed	\$.67	\$.72	\$.77	\$.81
<b>Explanatory Measures</b>				
Number of Customers Identified <sup>4,5</sup>	26,217,850	26,581,256	26,947,116	27,315,362
Number of Customer Groups Inventoried	3	3	3	3

<sup>1</sup> Beginning in fiscal year 2016, no longer a reportable measure for Enforcement and Compliance strategies in TABC's approved budget structure for fiscal years 2016 and 2017; therefore, surveys for those divisions were not initiated until June 2016.

<sup>2</sup> Represents the number of licensed businesses inspected or audited, complaints, persons attending TABC-led educational programs, seller/server training certificates issued, license/permit applications processed, and transactions at a port of entry. No mechanism existed for compiling Ports of Entry transaction counts until fiscal year 2014.

<sup>3</sup> Represents a performance measure added by TABC.

<sup>4</sup> State Population. Source: [Texas Demographic Center](#) (Migration Rate 0.52000-2010).

<sup>5</sup> Not based on a fiscal year.

## **| TABC COMPACT WITH TEXANS**

Originally created in 1935, the Texas Alcoholic Beverage Commission (TABC) is the state agency that regulates all phases of the alcoholic beverage industry in Texas. The duties of the commission include regulating sales, taxation, importation, manufacturing, transporting and advertising of alcoholic beverages.

At the Texas Alcoholic Beverage Commission, we realize the great responsibility that the State of Texas has placed upon our agency, and we are committed to providing the best possible service to the people of Texas. We pledge to:

- apply the Alcoholic Beverage Code in a fair, consistent, and timely manner;
- exemplify courteous, ethical, and professional behavior;
- be fiscally responsible and accountable; and
- be accessible, transparent, efficient and effective.

### **Mission**

The mission of the Texas Alcoholic Beverage Commission is to serve the people of Texas, and protect the public health and safety, through consistent, fair and timely administration of the Alcoholic Beverage Code.

### **Vision**

A safe and healthy Texas served by an innovative Alcoholic Beverage Commission regulating a responsible and compliant alcoholic beverage industry.

### **Guiding Principles**

- We empower our employees to respond effectively to challenges.
- We recruit, develop, retain and value a highly competent and diverse workforce that will successfully execute our mission.
- We strive to be a competitive employer.
- We expect ethical and professional behavior of ourselves.
- We exercise discretion in our authority when making decisions based on ethical and legal principles.
- We do the right thing, not just what we have the right to do.
- We work together to achieve goals and solve problems.
- We put responsible people into business and promote good business practices through open communication.
- We foster voluntary compliance through education.
- We provide the highest level of public safety by assessing and analyzing at-risk behavior and taking action against unlawful conduct.



## Customer Service Standards

We recognize that quality service is essential in meeting our mission, goals, and responsibilities. We pledge to:

- Treat you with professional courtesy and respect at all times.
- Provide you with accurate, timely, and complete information.
- Respond to all inquiries as soon as possible within five working days of receipt.
- Process new (unprotected) applications within 60 calendar days.
- Acknowledge receipt of complaints within three working days.
- Resolve complaints within 60 working days and notify the complainant if any situations arise that may require additional time for complaint resolution.
- Provide helpful and up-to-date information on our web site.
- Ensure our facilities are easily accessible and clean.
- Provide you with our *Compact with Texans* Customer Satisfaction Survey results and continually strive to improve our services.

## Public Information Officer

Our Public Information Officer (PIO) is responsible for responding to any of your concerns regarding our agency. Please feel free to contact the PIO:

Texas Alcoholic Beverage Commission  
P.O. Box 13127  
Austin, Texas 78711  
[questions@tabc.texas.gov](mailto:questions@tabc.texas.gov)  
(512) 206-3462

## Complaint-Handling Process

### ***Report Violations of the Alcoholic Beverage Code***

You may file a complaint about violations of the Alcoholic Beverage Code, including establishments and persons who sell or give alcoholic beverages to minors. For all complaints, you will need to provide the name and location of the establishment, if applicable, and a description of the violations observed. Upon receipt, we will acknowledge your complaint within three working days. Every effort will be made to resolve your complaint within 60 working days. You will be notified of any situations that would require additional time for complaint resolution. If you have any questions or would like to file a complaint concerning a violation of the Alcoholic Beverage Code, please contact TABC:

Texas Alcoholic Beverage Commission  
P.O. Box 13127  
Austin, Texas 78711  
[complaints@tabc.texas.gov](mailto:complaints@tabc.texas.gov)  
1-888-843-8222 (1-888-THE-TABC)

### ***Complaints Against TABC Personnel***

In order to file a complaint against the Texas Alcoholic Beverage Commission or an employee of the Texas Alcoholic Beverage Commission, please contact our Office of Professional Responsibility by:

Office of Professional Responsibility  
Texas Alcoholic Beverage Commission  
P.O. Box 13127  
Austin, Texas 78711  
[opr@tabc.texas.gov](mailto:opr@tabc.texas.gov)  
(512) 206-3405  
Fax: (512) 206-3207

### ***Complaints Against the Provision of Services Provided by the TABC***

The Texas Alcoholic Beverage Commission is an Equal Opportunity Employer. The Texas Alcoholic Beverage Commission does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services. Complaints alleging discrimination by the Texas Alcoholic Beverage Commission or an employee of the Texas Alcoholic Beverage Commission on the provision of services can be filed by contacting:

Texas Alcoholic Beverage Commission  
P.O. Box 13127  
Austin, Texas 78711  
[opr@tabc.texas.gov](mailto:opr@tabc.texas.gov)  
1-888-843-8222 (1-888-THE-TABC)

### **License and Permit Process**

Your best resource when applying for a new license or permit is your [local TABC office](#). They can walk you through the licensing process and answer any questions you might have. You may download the appropriate application packets with forms and instructions from our [licensing forms](#) page. The packets contain:

- Information on the license or permit type for which you are applying;
- Blank Application Forms and Personal History Sheets; and
- Conduct Surety, Tax Bond Forms or other bond/security forms, if applicable.

Please allow up to 60 calendar days for processing a new application. However, the application process may be completed faster depending on the complexity of the application. For certain on-premise locations, the posting of a sign is required for 60 days prior to your license or permit being issued. Please contact your [local TABC office](#) as soon as possible to obtain a 60-day sign.

If a completed renewal application and all required fees have been submitted online through the agency website prior to the expiration date of the permit or license, the license/permit holder may operate under the expired license or permit until the renewal application is denied or issued. Paper renewal applications may be submitted but are not encouraged.

If you have any questions or comments regarding our license and permit application process, please contact:

Licensing Division  
Texas Alcoholic Beverage Commission  
P.O. Box 13127  
Austin, Texas 78711  
[licensing@tabc.texas.gov](mailto:licensing@tabc.texas.gov)  
(512) 206-3490  
Fax: (512) 206-3399

### **Questions, Comments, Suggestions and Requests for Information**

We value your comments and will use them to measure our performance and improve our service. Communication of information and ideas provides an understanding and shared commitment toward achieving common goals.

Every effort will be made to respond to your inquiries within five working days of receipt.

### **Your Satisfaction Is Important To Us!**

Please take a few minutes to complete our [Customer Satisfaction Survey](#). It will help us evaluate the services we provide and determine how they can be improved. We want to make this agency more responsive to the needs of the public, but we need the help of people like you to make it happen.