Lessons Learned in Transit Efficiencies and Revenue Generation

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Some findings from recent research

• TCRP Synthesis #112: Maintaining Transit Effectiveness Under Major Fiscal Constraints

• Report surveyed 40 agencies around the country to find out how agencies managed to earn additional revenue and reduce costs during the great recession

• Also collected information through emails with 40 other agencies and news articles
Respondents to the Project Survey
Size of Responding Transit Agencies

- Small (<100 vehicles) (33%)
- Medium (100 - 500 vehicles) (43%)
- Large (500+ vehicles) (25%)
More efficient bus operations

Bar chart showing the percentage of respondents who favor different aspects of bus operations:

- Comprehensive operations analysis: 68%
- Service design changes: 80%
- Utilization of automatic: 65%
- Utilization of automated: 78%
- Runcutting software: 68%
- Use of service standards: 50%
- Techniques to reduce dwell time: 55%
- Other, please specify: 15%
- None of the above: 3%
More Data-Driven Management

- GCRTA’s TransitStat program, CTA’s Performance Measurement Program, UTA’s ISO 14001 process, Nashville MTA’s Results Matters program, San Joaquin’s TransTrack, MDT’s Six Sigma process. Sync program goals with employee evaluations.
- All provide business intelligence solutions that transforms volumes of data into meaningful information for managers to use in developing immediate actions, strategies, and plans to ensure optimal operations and performance.
- American Bus Benchmarking Group
Efficiencies through Technology

- Multimodal trip planners and Interactive Voice Response systems have allowed reductions in customer service staff or allow them to work on other services.
- SJRTD developed “Text Bus” to provide real time information on demand for each bus stop.
- Installation of Wi-Fi on express buses increased ridership by 8% in San Jose.
- Social media improves customer information, reduces cost of printed materials, and permits 2-way communications.
More use of Technology

- VTA has ads on the “splash page” when logging on to wifi on trains and express buses

- More transit agencies sell advertising space on agency websites

- NYCT developed a Global Messaging System whereby one entry automatically updates other communications systems such as the web, urban panels, kiosks, service status signs, and Twitter
Marketing and Advertising

• Digital advertising is now on buses, at kiosks, stations, and billboards on transit properties (will bring CTA $3.3 million a year)

• Ads are also on farecards, system maps, websites, bus floors, wrapped parking structures
Partnering in Marketing

• CTA has partnered with Groupon to sell three-day passes to visitors from around the world
• Online grocery store Peapod.com provides virtual grocery aisles at train stations and delivers selected products to passengers’ homes
Partnering in Marketing

• Redbox video kiosks are in place at CTA stations for ease of acquiring low cost video rentals

• Financial institutions are paying over $1 million per year for ATMs at transit stations in Chicago
Audio Advertising on Buses

- Dayton, Champaign-Urbana, TARTA, and KCATA now have audio ads timed to promote businesses along routes
- Partnership of Continental radio/GPS system and Commuter Advertising developed on-board messaging
- KCATA gets 40% of revenue, expects $60,000 in the first year (no start up costs)
- Agency announcements have priority
Sale of Naming Rights

• Barclays has paid $4 million to name a new train station in Brooklyn, SEPTA realized $3 million from AT&T, and Chicago received $3.9 million from Apple.

• TriMet sells naming rights to streetcar stops for $500 a month and the streetcars themselves for $25,000 a year.
Greater Use of Public Partners

- Military bases
- Transportation Management Associations
- Downtown Development Authorities
- Public schools
- Universities
- Convention centers
- Social service agencies
- Municipalities (BCT Community Bus program)
Greater Use of Public Partners

• Monterey TD partners with local military installations that use the Federal Transportation Incentive Program-Mass Transit Benefit to pay for 11 new routes and earn $2 million (10% of total revenue and 16% of total boardings).

• Nashville’s Easy Ride program works with colleges and State and County offices to subsidize transit for their employees.
Greater Use of Private Partners

• Shopping malls
• Business parks
• Museums
• Hotels
• Major employers and business associations
• Hospitals
• Casinos
Corporate Partnership Program

• Intent is to promote corporate investment in the transit system in Chicago
• Benefits include being promoted in CTA press releases, advertising on CTA system, and having their name or logo incorporated into a CTA station name and signage
• Chicago Sun-Times Media and Miller Coors
• $900,000 for each three year agreement
Corporate Partnership Program

- Fredricksburg Regional Transit offers sponsorship programs at platinum, gold, and silver levels
- Welcome packets to new employees
- Schedules and schedule holders
- Advertising on the FRED buses
- Fare cards for free FRED rides
- A position on the Public Transit Advisory board
Partnerships to Boost Ridership

- Long Beach Transit has a rider rewards program to offer discounts at local businesses to create additional value to a bus pass in exchange for the business promoting transit
- Denver RTD and Coconino County provide Eco-Pass programs for all employees that encourage more use of public transit
- Universal Passes at universities help to encourage more transit ridership
- CATA established a similar program with off-campus student housing complexes that offer pre-paid transit passes to tenants
Ridership Incentive Programs

• Montreal has a loyalty program that lets you know each round trip on transit does as much for the atmosphere as a tree does in one year; let’s you know when there are delays via smartphone; Also teams with 1300 retailers – offers can be pushed to riders or riders can search them. Discounts as much as two for one. Offers are targeted in real time as people travel.

• 25% of users have increased their use of transit and 43% are using it for new reasons. 50% have taken a friend when getting a two for one offer, thereby increasing ridership.

• The agency is now better able to communicate with its riders
Ridership Incentive Programs

• Ride to Rewards loyalty program at Metro in Minneapolis/
• Transit customers earn points for bus and train rides they take with a qualifying transit pass.
• Points can be converted to ride value or redeemed for gift cards that can be used like cash.
• Program members can link a favorite credit or debit card to their Ride to Rewards account and earn points for purchases made at merchant partners.
• Acts very much like an airlines frequent flyer account enabling the purchase of passes or other items.
Other Ridership Incentive Program

• St. John’s Transportation Commission in Canada teamed with Canada’s Air Miles Rewards Program
• The Air Miles program is well established with over 100 participating merchants.
• One reward mile for every two taps of Metro fare card
• Got the word out through Facebook and email and other channels
• Metro Bus ridership increased 6%
Other Ridership Incentive Programs

- Golden tickets that can be redeemed for prizes?
- Randomly drawn rewards for certain locations and times?
- Other ideas and programs to encourage ridership?