

To: Metrolinx Board of Directors
From: Kathy Haley, President, UP Express
Date: December 3rd, 2015
Re: UP Express Quarterly Board Report

Recommendation

That this report be received for information.

Executive Summary

As we mark our first six months of operations, UP Express has been listening to our customer base, learning about the market and working to improve every day. We are now shifting our focus from launching a safe and operationally sound service, to building a robust business whose long-term success is predicated on raising awareness and changing entrenched travel behaviours.

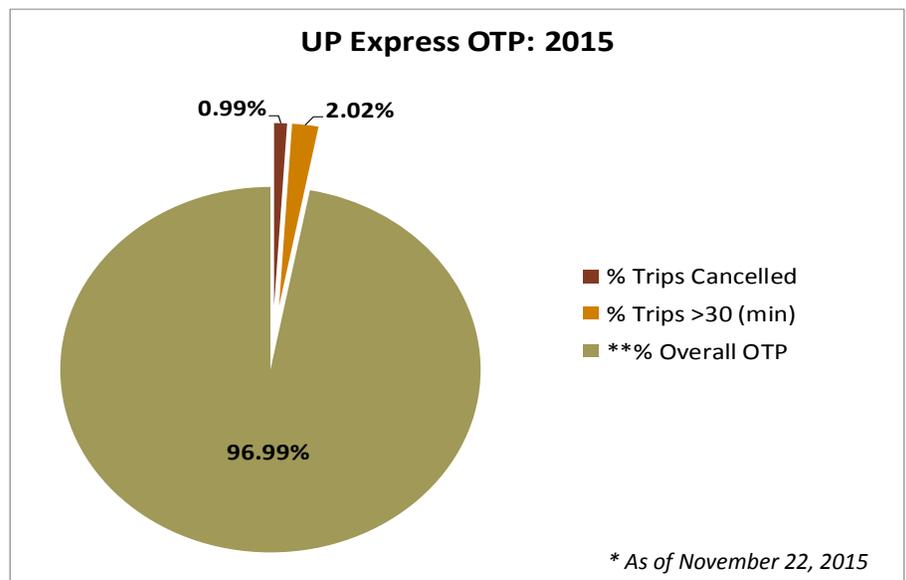
UP Express is a brand new service in a new market and the first air-rail link of its kind in North America. To that end, all of our operational, marketing and business development activities are geared towards transitioning our market from awareness to trial to repeat ridership. We are continuously monitoring our overall performance during our first year of operations to set us up for success in the future.

Operations and Performance

UP Express is continuing to achieve operational excellence with on-time performance at 96.99%. As of October 31st, we have successfully completed 23,008 trips and our average trip time was 25.41 minutes. As we move into the winter months, we are preparing for inclement weather.

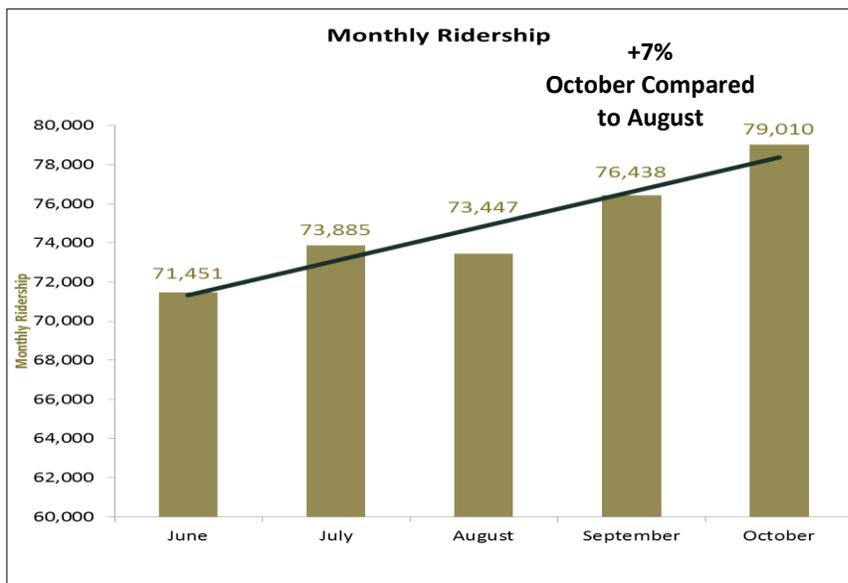
Ridership

We are monitoring ridership closely, and can report the following:



- October had a total of 79,010 ridersan increase of 7% compared to August.

- Weekday ridership is trending up as observed over the past few months. In October, average weekday ridership increased by +12% compared to August.



Metrolinx just completed an airport ground transportation survey this fall which found that 70% of all travellers make decisions about ground transportation modes based on past habits or they have the

decision made for them. This is regardless of whether they are flying to or from a home airport. Only 20 – 30% of travellers did research or saw/heard information prior to departure and this was mostly related to the destination airport. The findings underscore how deeply engrained travel habits are and the significant work required to successfully change these behaviours. This is consistent with what we have been told by other international air rail links – changing entrenched travel behaviours of both local and visiting air travellers takes time.

LISTENING, LEARNING & IMPROVING

Our objective is to change engrained travel behaviours in order to build the UP Express business. To that end, our planning, marketing and business development activities are focussed on listening to our customer base, learning more about the market and improving our services. We are learning from other air rail links and developing similar approaches that were used in other jurisdictions to build ridership.

Business Planning:

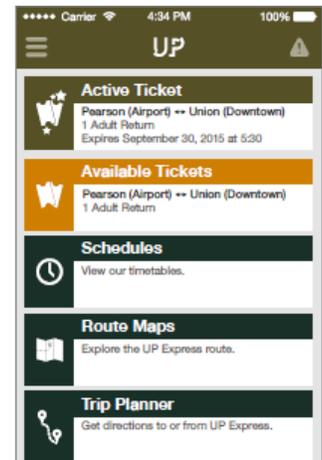
By listening to, and understanding our customer needs we are continually evaluating our suite of fares and investigating new structures to respond to demands including (please see attached Schedule A for more details):

- Family Long Layover to complement the individual long layover
- Family Meeter & Greeter to complement the individual fare product
- Increasing the age for free child fares from 6 to 12 years of age, to align with other global air rail links
- Changing the return fare costs to attract repeat usage

Of particular note this quarter, is the recent introduction of our new mobile app to further enhance the guest experience. The app enables customers to easily purchase tickets on their smart phone and is a gateway to useful travel planning information.

Marketing, Communications & Business Development

This quarter we continued to execute marketing tactics to support awareness and trial of the service. Our approach includes targeting potential riders at Pearson Airport and Union Station, as well as focusing on creating awareness before people begin their travel, particularly those who either work or live within the UP Express catchment area.



UP Express App

To that end, at the start of November, UP Express went in market with the “UP One-UP”, a buy/one get one free promotion. Customers who purchase an adult one way standard fare, will get a complimentary ticket to use later or share with family and friends.

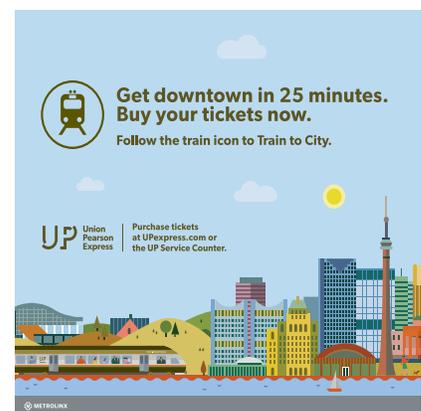


BOGO Promotional coupon

Additional marketing initiatives over the past few months have included:

- Refreshed wayfinding & signage at Union and Pearson
- Installed additional ticket sales & servicing kiosks inside the Terminal 1 baggage claim area and the T3 counter
- Increased presence of UP Express Ambassadors at Pearson
- Revised on-site advertising to complement wayfinding

In order to reach travellers coming to Toronto who are seeking more information about travel options, we have ramped up social media efforts. Our social media presence continues to grow with the total social media fan growth across all three platforms increasing 18% and reaching 20,000 people. From launch to the end of October, the favourable rating for UP Express on Twitter is 93%. This is consistent with our first impressions survey results reported in September that showed how 87% of customers would recommend UP Express to friends or colleagues, and that 90% would take the service again.



Refreshed advertising at Pearson

To further deepen our marketing efforts, we are implementing various trial opportunities and exploring specialized markets such as trade show, concerts and sporting events to heighten awareness and support our efforts to build the business.

The development and activation of our business accounts program remains a high priority. To date, we have successfully on-boarded 72 business accounts representing a variety of organizations and their networks. This quarter we implemented an outreach campaign to businesses with employees who travel frequently to showcase the efficiency and economic value proposition of traveling with UP. Our goal was to increase activation with existing accounts, and sign on new accounts. Efforts included direct employee communications and employee sign up events.

Guest Experience

Delivering a differentiated customer experience remains the cornerstone of UP Express. Our performance is indicative of the service commitment of our guest services representatives. Guest feedback is very positive and we are making a lasting impression on our guests. Based on recent surveys, more than 90% of people who try UP are happy with the service and will use it again.

Through our feedback channels we have been able to identify opportunities for improvement and validate our performance levels across all level of the service: from trip planning to personal interactions. This quarter, customer care contacts related to UP Express have accounted for 1.6% of overall volume. Of those UP Express contacts, 7.4% were handled by our Customer Resolutions team and were resolved on average within 1.5 days.

As we move into the second half of the year, we are listening to the feedback from our customers, learning how to best connect with our markets and improving our long-term position. We remain committed to building our ridership base while concurrently achieving operational excellence. Our key performance indicators will remain our benchmark and our ongoing performance management will help to ensure we deliver a successful first year.

Respectfully submitted,
Kathy Haley

“Took the UP express train from the airport to my office yesterday and it was wonderful to ride on such a world-class piece of rail infrastructure in Toronto. It made me proud to be a Torontonian.”

“I have just tried it for the first time and in less than 40 mins since leaving my office I am at Pearson. It is the best \$19 I have spent in a long time.”

UP EXPRESS:

FARE STRUCTURE AT A GLANCE



OVERVIEW

On June 6, 2015, Union Pearson Express (UP Express) opened for service as a fast and simple route between downtown and the airport, which takes only 25 minutes with stops at Bloor and Weston stations, departing every 15 minutes, 19 ½ hours a day.

The UP Express fare structure has been developed to meet the needs of as many people as possible. Using a PRESTO card for UP Express provides significant savings. For example, the UP Express one way adult fare from Union Station to Toronto Pearson is \$19 with a PRESTO card or \$27.50 without a PRESTO card. There are also a range of discounted prices for families, children, students, seniors, round trips and qualified airport employees plus special fares for travellers with a long layover or who wish to “meet and greet” their loved ones at the airport.

FARE STRUCTURE

After an analysis of our fares and in reviewing feedback from guests, we are phasing in additional fare options for implementation, starting in November, 2015 through to January, 2016. These changes include new fare classifications, reductions of fares and a redefinition of the Child fare which enables all Children 12 and under to travel for free. Details and implementation dates are below:

- Reduced Airport Employee pass Nov.25, 2015
- Reduced Round Trip ticket fare Dec. 3, 2015
- New Meeter & Greeter Family fare Mid-Dec. 2015
- New Long Layover Family fare Mid-Dec. 2015
- Child rides free 12 and under Jan. 2, 2016

The full fare structure below shows the new and revised fares, pricing with and without PRESTO, by distance and the range of special discounts available.

		One way to/from Pearson			Round Trip to/from Pearson			One way non-Pearson	
		Union	Bloor	Weston	Union	Bloor	Weston	2 Stops	1 Stop
PRESTO	Adult	\$19.00	\$15.20	\$11.40	-	-	-	\$15.20	\$11.40
	Student	\$16.15	\$12.90	\$9.70	-	-	-	\$12.90	\$9.70
	Senior	\$16.15	\$12.90	\$9.70	-	-	-	\$12.90	\$9.70
Without PRESTO	Adult	\$27.50	\$22.00	\$16.50	\$44.00	\$36.40	\$28.80	\$22.00	\$16.50
	Student	\$23.40	\$18.70	\$14.05	\$38.30	\$31.80	\$25.40	\$18.70	\$14.05
	Senior	\$23.40	\$18.70	\$14.05	\$38.30	\$31.80	\$25.40	\$18.70	\$14.05
	Family	\$55.00	\$44.00	\$33.00	-	-	-	\$44.00	\$33.00
	Meet & Greet	-	-	-	\$27.50	\$22.00	\$16.50		
	Family Meet & Greet	-	-	-	\$55.00	\$44.00	\$33.00		
	Long Layover	-	-	-	\$27.50	-	-		
Family Long Layover	-	-	-	\$55.00	-	-			

Onboard Payment Fee	\$2
PRESTO Card	\$6
Accessibility Companion	Free
Child (12 and Under)	Free

QUALIFIED AIRPORT EMPLOYEES

Like other global cities with an express air rail service, UP Express recognizes that airport employees play a significant role as important ambassadors for the airport, UP Express and the region as a whole.

UP Express provides qualified airport employees with substantial discounted pricing of \$10 for a one way fare. For a limited time, qualified airport employees will be able to purchase a Monthly Pass for \$250 per month for unlimited rides on UP Express between any pre-selected origin-destination stations. Use is exclusive on UP Express Mobile App for Apple and Android devices.

All airport employees with a valid Toronto Pearson identification card qualify for these discounts. Details on eligibility and how to participate in the program are available here: <https://www.upexpress.com/AirportEmployee/AirportEmployeeOverview>

QUICK FACTS

Buying UP Express Tickets

You can purchase tickets online at upexpress.com, through the new UP Mobile App, at any of the UP Express stations (service counters and ticket vending machines), onboard the train, or load funds for your trip through PRESTO (either online at prestocard.ca or at the station).

Family Discounts

For fare purposes, a family is two adults, 18 years or over, with up to three children between 13 - 18. *Children 12 and under ride for free. (*NEW January 2, 2016)

Volume Based Fares

Eligible organizations or groups with frequent air travel needs will benefit from our frequent traveller discount program. Visit our website for more information: <https://www.upexpress.com/CorporateBooking/GroupAndCorporateBooking>

About PRESTO

PRESTO is an electronic fare card system used by 10 provincial and municipal transportation agencies in the Greater Toronto and Hamilton Area (and Ottawa).

PRESTO uses smart-card technology that stores funds in a secure electronic account, replacing the need for tickets, tokens, passes or cash. Customers can tap their PRESTO card as they board a bus or enter a station and the system deducts the fare from their card balance. It also allows customers to travel seamlessly across multiple transit agencies with the one electronic fare card.

For details on how simple it is to get and use your card, please visit prestocard.ca.

Using PRESTO for UP Express

When you tap your PRESTO card on a fare payment device in the station, embedded micro-chips calculate the fare and deduct it from the amount you've pre-loaded on your card. Tap when you get on. Tap when you get off. The system does the rest. Just make sure you have enough loaded on your card to cover the full fare from Union to Pearson.

For more information about UP Express or Frequently Asked Questions, please go to upexpress.com