

To: Board of Directors, Metrolinx
From: Mark Childs, *Chief Marketing Officer*
Date: February 6, 2019
Re: Marketing Quarterly Update

Executive Summary

The Marketing Division drives ridership and fare revenue through marketing, customer insights, establishing partnerships and promoting non-fare sales. In the last quarter, Marketing, in collaboration with Operations and Planning & Development Divisions, increased ridership and revenue by launching new services and launching promotions tailored to customer needs and wants. We continue to review progress on our pilots/trial programs and new services to identify opportunities that encourage new riders to try our services, and stimulate increased use by existing customers, as we continue expanding services across the network.

Highlights

Fiscal year-to-date (YTD)¹ GO Transit and UP Express ridership is 52.5 million, 1.6 million above target.² Overall, growth is seen on each GO train corridor. The Barrie GO train corridor saw the strongest growth at 20.8%. This ridership growth can be attributed to increased train service, introduction of the new Downsview Park GO Station on December 31, 2017, and the Barrie Kids GO Free pilot implemented on April 28, 2018. The Barrie Kids GO Free pilot contributed 63,000 incremental boardings. The improved service frequency and the Kids GO Free pilot contributed to an 85% Barrie corridor customer satisfaction score in November. Based on the success of the Barrie corridor, we are identifying and validating opportunities for increasing service and offering customer-friendly pricing options elsewhere.

Lakeshore East and Lakeshore West GO train corridor ridership grew 4.5% and 2.7%, respectively. This growth was supported by increased midday service which led to 30,000 incremental boardings (+609 daily boardings).

Fiscal YTD year-to-date GO bus boardings increased by 2.1%. There are three types of GO bus service offerings - a train-bus (provides customers with travel flexibility outside of regular rail service hours), a train-meet bus (a bus route that extends rail service to outlying communities and end-of-line GO stations), and a regional express bus (a bus route that links communities to regional destinations). As our off-peak train service increases, train-bus service decreases to avoid replicating services. If

¹ Year-to-date results are for the period: April 1, 2018 to November 30, 2018.

² Key Performance Indicator Report for the month of December 2018.

train-bus boardings were excluded from total GO bus YTD boardings, GO bus boardings would have shown a 6.9% increase.

The importance of GO train and bus service connections is continually being validated. For example, Mount Pleasant GO Station YTD boardings increased 17.1% with improved local bus service and community-friendly station design. Aurora GO Station saw 30.5% YTD growth, with boardings in the a.m. peak staying consistent between 2017 and 2018, but shifting from 7% of the total boardings after the a.m. peak in 2017, to 24% to total boardings after the a.m. peak in 2018. This shift occurred with station parking at full capacity in the morning peak in both years. With overall transfers from local transit service growing from 4% of boardings to 6.5% of boardings in 2018, the ridership growth can be attributed to customers who did not drive to the station.

Conversely, construction work for Cooksville GO Station improvements means a temporary reduction of 250 parking spots, contributing to a 7.2% ridership loss at the Cooksville station. To solve for the reduced parking, customers increased their use of municipal transit from 12% to 16% of boardings, and traveled to the neighbouring Dixie and Erindale GO Stations to park, contributing to their daily average growth of 19.8% (+198) and 14.3% (+328), respectively. As a result of these findings, we are identifying and piloting station access, parking and municipal service provider collaboration opportunities and monitoring newly renovated station ridership and station access performance (e.g., Guildwood Station).

Fiscal YTD UP Express boardings grew 16.1%.³ A new pilot and partnership with Uber complements this growth, and expands UP Express's reach. The Uber partnership and pilot validates the customer appreciation for, and ridership growth impact of, alternate 'First Mile Last Mile' destination connectivity. Since the start of the Uber pilot on October 1, 2018, UP Express growth accelerated from 6.5% in September 2018 to 15.4% in November 2018.⁶ Uber provides another way to access Weston Station where parking is at capacity. Proportionately, three times more customers used Uber to get to Weston Station vs Union Station.⁷ We are leveraging the Uber pilot learnings to identify expanded partnership and pilot opportunities.

The Marketing division's quarterly highlights include:

- Collaboration with VIA Rail to offer inter-line connections for passengers from Kitchener and Niagara to use GO services to connect them to their VIA train at Union Station. Soft launch of this program started in January.
- At Pearson Airport in terminals 1 and 3, a staffed UP Express kiosk was established, operating from 10 a.m. to 10 p.m. daily with a strong focus on ticket

³ Source: Revenue Accounting reconciled data. Monthly boardings not adjusted for impact of service disruptions.

sales. As at December 20, 2018, an average of more than 1,200 tickets were being sold per week, with revenues in excess of \$14,000 per week. UP Express is also piloting a mobile agent in the domestic and international baggage areas in terminal 1. The mobile agent provides customers and potential customers information on UP Express and public transportation options.

- Continued partnerships with major events to offer promotional pricing such as ride and ticket combo packages, including the Santa Claus Parade (ridership of over 14,000), One of a Kind Christmas Show (over 900 combo tickets sold), and the Royal Agricultural Winter Fair (over 2,100 combo tickets sold, with an additional 24,000 riders). All of these events drive ridership and revenue. A strong emphasis is being placed on future growth of the promotional partnerships.

Conclusion

Metrolinx is exerting a new and stronger leadership in putting customers at the centre of all that we do, leading to increases in ridership and revenue generation. The Marketing division is at the forefront of these activities.

Respectfully submitted,

Mark Childs
Chief Marketing Officer