

To: Board of Directors, Metrolinx
From: Mark Childs, *Chief Marketing Officer*
Date: September 12, 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. Data, research and experience-driven customer insights are the basis of our ridership and revenue growth decisions. Building our understanding of current and future customers leads to more targeted acquisition and retention strategies, the identification and removal of barriers, increased ridership and revenue, and an improved customer experience.

Customer marketing strategies and plans support each of our brands: GO, UP Express, PRESTO and Metrolinx. These plans drive ridership and fare revenue growth through value-added benefits, event promotions and incentives that encourage travel at all times of the day and all days of the week, for a variety of customer journey purposes (why and where people travel). Marketing campaigns include:

- find your GO Time which reaches out to new and existing GO customers, positioning time on GO transit as time well spent;
- participating in large scale events with on-site activations to educate customers and potential customers about GO Transit and its benefits; and
- promotion of UP Express at the airport through a branded carousel and digital advertising promoting stress-free transit to/from the airport.

Highlights

In the last quarter (April 1 - June 30, 2019), GO Transit ridership totaled 18.43M and UP Express came in at 1.14M, for a total of 19.6M boardings. This is 3.5% higher than the same period last year. Growth occurred across all train corridors. The Barrie GO train corridor saw the strongest growth at 10.1%. This ridership growth was particularly strong in the off-peak travel periods.

Events grew ridership across all corridors in the last quarter, with 100K additional boardings from the Raptors Parade day on June 17. 75% of this growth was in paper ticket sales, emphasizing the importance of offering a digital ticket alternative for paper ticket customers. This also shows how events attract infrequent customers (paper ticket customers),

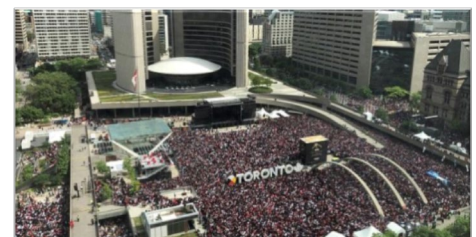


Figure 1: Raptors Parade Increases Ridership

informing the target market for future event-based campaigns.

This quarter also saw particularly strong growth at those stations close to Union Station (i.e., Danforth Station at +17.8% growth, and Exhibition Station at +9.7% growth) compared to this quarter last year. This growth could be attributed to the lower fare of customers going from these stations to Union Station and back.

The combination of the effective partnership and marketing campaigns, increases in off-peak service, events, and pricing changes have contributed to the continued growth across the network.

Marketing division's quarterly highlights include:

- The launch of GO Transit's new digital e-ticket in June. The e-ticket allows customers to pre-purchase their fare before they arrive at the station. The eTicket launch has been successful with sales climbing each weekend. Digital promotion for eTicket sales have been tied to events such as Veld music festival, Caribbean Festival and Blue Jays games, allowing customers flexibility to get their tickets without waiting in line.
- Formed partnership with events across the region to drive ridership and revenue, offering value and convenience for customers and encouraged incremental ridership. Events included:
 - Pride Parade Weekend which saw an increase of over 30K incremental boardings on GO and UP Express. The partnership with Pride, targeted marketing and good weather contributed to this growth.
 - Honda Indy, which saw an increase in GO ridership coming to Exhibition Station, up over 70% from last year. The GO bus made its debut on the race track promoting GO Transit as a safe and efficient means to get to and from events.
 - GO Transit staff held an activation at the Canadian National Exhibition (CNE), promoting the Kids GO Free program and letting customers know how easy it is to use GO services to get you where you need to go.
 - In market and upcoming promotional partnerships include Fan Expo, sporting events, Cirque du Soleil and the Royal Agricultural Winter Fair.
- To drive ridership of UP Express during peak travel season at Pearson Airport, new advertising tactics were implemented. Three baggage carousel belts, located in high-dwell areas of Terminal 1 (both domestic and international), were wrapped

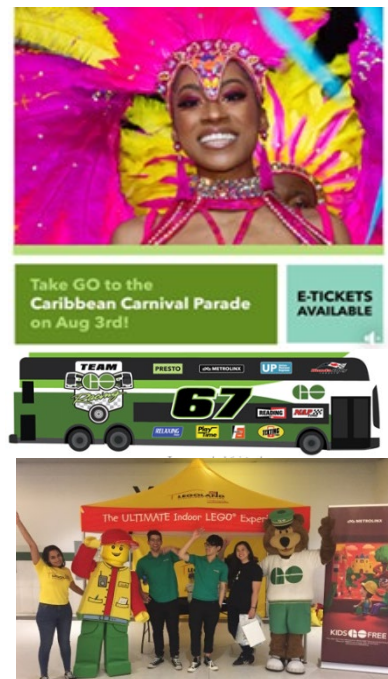


Figure 2: E-tickets and on-site Activations

with UP Express creative to promote its speed and cost advantage. To incent airport travellers to purchase UP Express for their return back to Toronto, promo codes were implemented on creative in the departures area. Based on the success of this initiative and to compete with other airport transit options, promo codes in the arrivals area will be implemented in the fall.

- Marketing is focusing on destination-based events and promotions to encourage ridership. This year's Niagara weekend seasonal service launched at the end of May has seen increased ridership year over year. To help customers attend and get home safely from music festivals such as the Rolling Stones concert near Barrie and Veld in Downsview Park, additional train service and train times were modified to ensure passengers could make their trips.
- This summer saw a concentrated effort to use influencer marketing. We reached out to influencers who were aligned with our brands to help carry our messages to a wider customer audience. Preliminary results include increased engagement across our channels, over 800K views of our Kids GO Free and PRESTO perks messaging through unpaid social (organic impressions); increase in international views for UP Express, and over 1M impressions for Metrolinx Light Rail Transit projects.
- We continue to support the ongoing rollout of our GO Transit branded content strategy, including an increase in our use of Instagram Stories, like GO Bear Mini's day out at the Raptors Parade, Pride, and Honda Indy, which increased our online presence at these events. We are also pursuing more human interest stories.
- In early August, Metrolinx announced the release of an expression of interest to discuss GO station naming rights. This opportunity is open to interested parties and is currently focused on offering naming rights at five stations on GO's busiest lines: Lakeshore West and East.



Figure 3: Baggage Carousel at Pearson

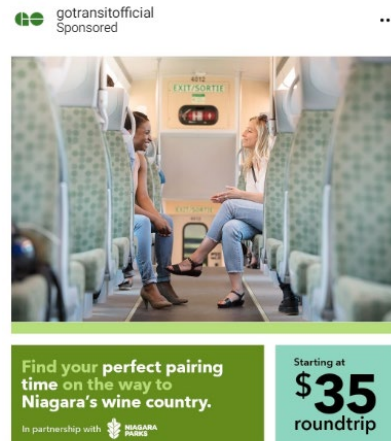


Figure 4: Niagara Service



Figure 5: Social Influencer



Figure 6: GO Bear Mini

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