High Performance in Public Transport Ticketing

Smart Marketing

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Agenda

- Industry trends and e-ticketing
- Marketing as motivator and enabler
- Case Studies
A number of key long-term trends promise to change the face of the public transport industry.
Reviewing 230 global e-ticketing schemes, almost 30 schemes across all major regions

Public Transport Segments

- National Level -
  - Transport Ministries
  - National Rail
  - National Bus

- Regional and Local Level -
  - Transport Authorities
  - Light Rail
  - Taxi
  - Metro
  - Ferry
  - Tram
  - Local Bus
  - Infrastructure Operator
  - Transport Service Provider

Selection Criteria

Company Criteria

- Public transport operators and authorities with more than 100mn passengers
- More than 2 years operational experience of e-ticketing schemes
- Availability of basic smart card and operator performance data

Survey Areas

- Program governance
- Service orientation
- Financial growth and efficiency
- Asset utilization
- Future positioning

Preliminary Peer Group

<table>
<thead>
<tr>
<th>Card</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>breeze card</td>
<td>Atlanta</td>
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<tr>
<td>Metro Smart card</td>
<td>Bangkok</td>
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<tr>
<td>Yikatong card</td>
<td>Beijing</td>
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<td>Charlie card</td>
<td>Boston</td>
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<td>Monedero card</td>
<td>Buenos Aires</td>
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<td>Chicago Card</td>
<td>Chicago</td>
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<tr>
<td>Intermobil pass</td>
<td>Dresden</td>
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<td>Yang Cheng Tong</td>
<td>Guangzhou</td>
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<tr>
<td>Octopus</td>
<td>Hong Kong</td>
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<tr>
<td>Navigo</td>
<td>Paris/Ile-de-France</td>
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<tr>
<td>Akbil</td>
<td>Istanbul</td>
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<td>Lisbon</td>
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<td>Oyster</td>
<td>London</td>
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<tr>
<td>Carte Técély</td>
<td>Lyon</td>
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<tr>
<td>Smart card</td>
<td>Mexico City</td>
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<td>Minneapolis</td>
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<td>PiTaPa, ICOCA</td>
<td>Osaka</td>
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<td>MODEUS, Navigo</td>
<td>Paris</td>
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<td>SmarTrip</td>
<td>Washington</td>
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Our research shows despite disruptions in the world economy - interest in e-ticketing remains very strong

**e-ticketing can**
- Provide significant distribution cost savings
- Boost customer satisfaction with operators
- Increase the efficiency of asset use
- Improve capabilities to combat fraud
- Provide more sophisticated business intelligence
- Provide an aura of innovation to public transport

**Distribution costs in public transport by channel**

<table>
<thead>
<tr>
<th>Channel</th>
<th>Cost in % of revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manual</td>
<td>5-10%</td>
</tr>
<tr>
<td>Retail</td>
<td>5-7%</td>
</tr>
<tr>
<td>Autovending machine</td>
<td>3%</td>
</tr>
<tr>
<td>NEC Mobile</td>
<td>&lt;2%</td>
</tr>
<tr>
<td>Internet</td>
<td>&lt;2%</td>
</tr>
<tr>
<td>ATM</td>
<td>-87%</td>
</tr>
</tbody>
</table>

- Costs are personnel, direct consumables and front end device maintenance costs. Back office costs are included.
- For ATM and NFC a fixed fee has been taken for each ticket purchase operation and each channel is taken to manage at least 1 million transactions per year.
- For Manual-ticket office, retail and automatic vending machines data is based on: 6 European cities: 2 national capitals, 4 mid-size cities.


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Marketing is a direct motivator as well as an enabler linked to convenience and growth

- Since Accenture’s last major e-ticketing study (2005) some objectives have remained consistent
  - Customer convenience is still strong but declining
  - Operational efficiency is becoming as important as customer convenience

- Others priorities have changed subtly
  - Growth through e-ticketing remains important but slightly less
  - Operational efficiency is acquiring specific meaning: internal process simplification
  - Fare management is still important but the focus is on responsiveness
  - Marketing of services remains an important focus

Motivation factors underlying the introduction of e-ticketing

Source: Accenture research “Ticket to the Future” (2005), Accenture interviews with transport operators (2009)
Early focus on establishing a recognizable brand, communication planning and point of sale advertising.
Case Study: Communicating Value – MARTA

Emphasis on enterprise benefits is within staff communication while public marketing is again focused on building awareness.

Staff communication

Examples benefits listed include reduced evasion, improved frontline processes, better BI & no more paper transfer tickets!

Public marketing

General awareness raising. Focus is not on enterprise benefits.
Use of broad-based campaigns and incentives to create a ‘buzz’ and drive adoption.

- Communication plan that could be ‘dialed up’
- Core messaging around ‘ease of use’
- Media blitz that generated 63 million media impressions
- Use of incentives to drive adoption
Many successful authorities precede launches to the wider public with targeted efforts to achieve high adoption in key customer groups

- **MBTA & Seniors**
  - Special Seniors Centre serving 60,000+ customers
  - 25+ Senior Centres Outreach events
  - Changes to station procedures

- **Large-scale launch**
  - Free card blitz at stations
  - Multi-lingual information card carrier
  - Customer ambassadors
Marketing delivers success by
...establishing a brand
...communicating value
...driving adoption