

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: OCTOBER 19, 2011

SUBJECT: NEXT VEHICLE ARRIVAL SYSTEM (NVAS) – TEXT MESSAGES

ACTION ITEM

RECOMMENDATION

The TTC continue to provide free Next Vehicle Arrival System text messages to customers, in line with current practice, until mid-year 2012. At that time a further report will be brought back to the Commission for discussion.

FUNDING

The current, and future, TTC operating budget contains sufficient funds to continue this customer service should the number of customer texts remain at current levels as expected.

BACKGROUND

The July 6, 2011 Commission meeting approved the expansion of the NVAS text messaging service from streetcars to all surface vehicles. Furthermore, the TTC was asked to undertake research to fully understand customer attitudes towards paying for this service given its potential to increase TTC costs.

It was expected that without some means of managing the numbers of texts or recouping costs that expansion to the bus network would increase costs from around \$100,000 annually to \$1.3 million annually.

This dramatic increase in texts and TTC costs will, however, only be experienced when the TTC installs detailed stop information on all TTC bus stops, as is the case now with streetcar stops. No bus stops have had this information installed.

Without this installation there has been little overall change in the total number of text messages the TTC sends to its customers. The modest number of texts regarding bus services has been mostly offset by a fall in the number of texts regarding streetcar services.

DISCUSSION

An overall increase in cost is the only limiting factor restricting the TTC from rolling out detailed next vehicle information to all bus stops. The critical component regarding both the costs of installing and running the system relates to this physical provision of NVAS information at bus stops and customers electing to adopt that means of receiving real-time information. Therefore, it is largely this rollout that must be considered and resolved.

Additionally, the physical act of visiting every bus stop provides the opportunity for a more complete review of information provided at TTC bus stops and how the TTC interacts with our customers at those same stops.

Before any decision regarding this roll out and decisions about charging for text messages can be made, three fundamental questions must be answered.

- 1) What is the relative customer demand for the convenience of having stop numbers displayed at bus stops?
- 2) What can the TTC do with new contracts to offset any cost to customers and/or the TTC?
- 3) If NVAS information is rolled out to stops in form of decals, for example, what further customer information opportunities are presented by the need to visit every bus stop?

Since the expansion to NVAS to bus services the TTC has made a concerted effort to inform our customers about the variety of ways to access next vehicle information. This has taken the form of communications online at TTC.ca, through social media, through customer contacts to the Customer Service Centre and on system advertising (via the "Connect with Us" campaign).

The most efficient means of receiving next vehicle information (for both the TTC and, arguably, customers) involves the use of either our partner website www.nextbus.com, or third party applications using the real-time data the TTC provides to OpenTO. These third party applications have been developed by experts in application design and present real-time information in a mobile manner. In fact, it is in order to leverage this expertise to the benefit of our customers that the TTC provides live data to OpenTO.

PROGRESS

- 1) The TTC has begun customer research to understand the response to charging for NVAS texts, what number of free texts customers feel is fair and in line with our core service, and the customer perception regarding advertising in each text message.
- 2) Early in 2012, the TTC will be undertaking an exercise to choose a new partner for providing services such as texting. It is expected that this new contract will provide text bundles to the TTC at a much lower cost than the existing contract.

Furthermore, the TTC begins a new advertising contract in January, 2012. This new contract may allow a more lucrative income stream from advertising in each text message that would help support the service.

- 3) Placing of NVAS decals at all 10,000 TTC bus stops is a large undertaking and should only be undertaken together with a more wholesale review and update of information provided at TTC bus stops.

September 28, 2011