Ridership Growth Strategy (RGS) 2018-2022
Preliminary report

TTC Board Meeting, December 2017

Kirsten Watson
Chief Customer Officer

Arthur Borkwood
Head – Customer Development

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Board Recommendations

It is recommended that the Board:

1. Receive the Ridership Growth Strategy 2018-2022 Preliminary Report for information

2. Endorse the Next Steps which include staff presenting the recommended RGS Action Plan 2018-2022, recommended RGS 2018 Work Plan, and the RGS Consultation Plan for discussion at the January 25, 2018 Board Strategy Session.

RGS: why now?

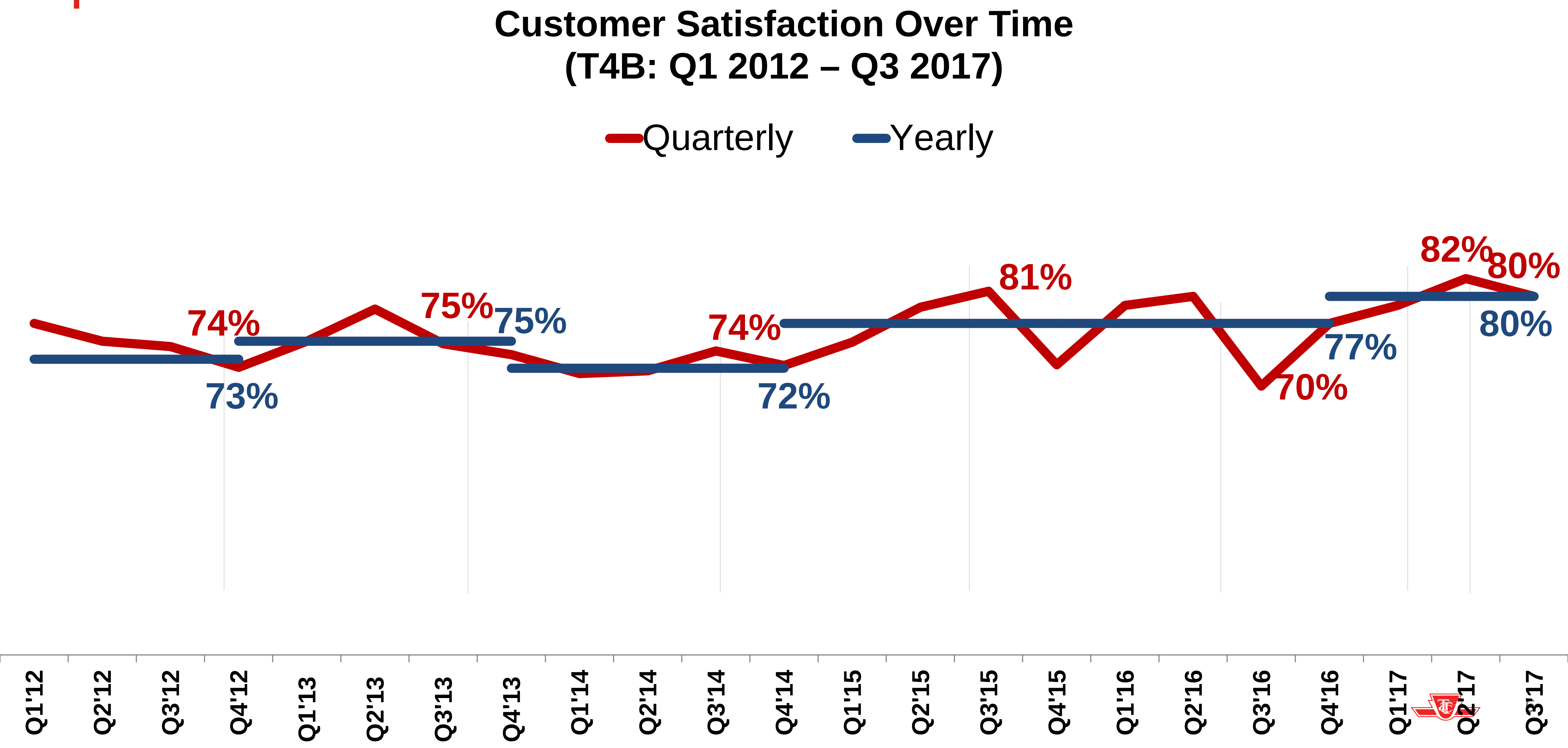
Ridership has flat-lined, need to reverse the trend

The external landscape is changing and the TTC has to evolve with it

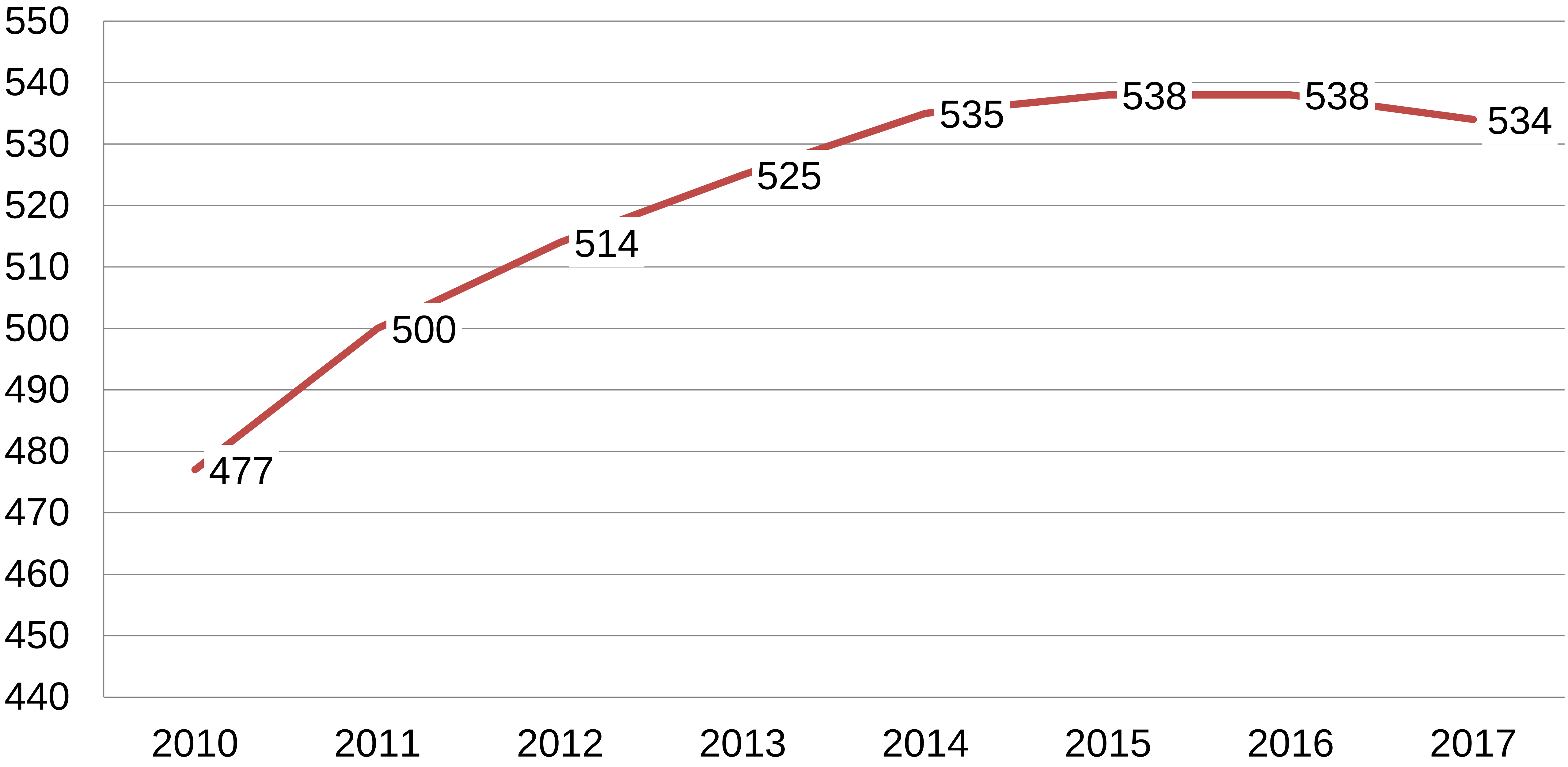
With the next Corporate Plan there's an opportunity to build for the future

The last 5 years

Transformation recognized by peers and customers



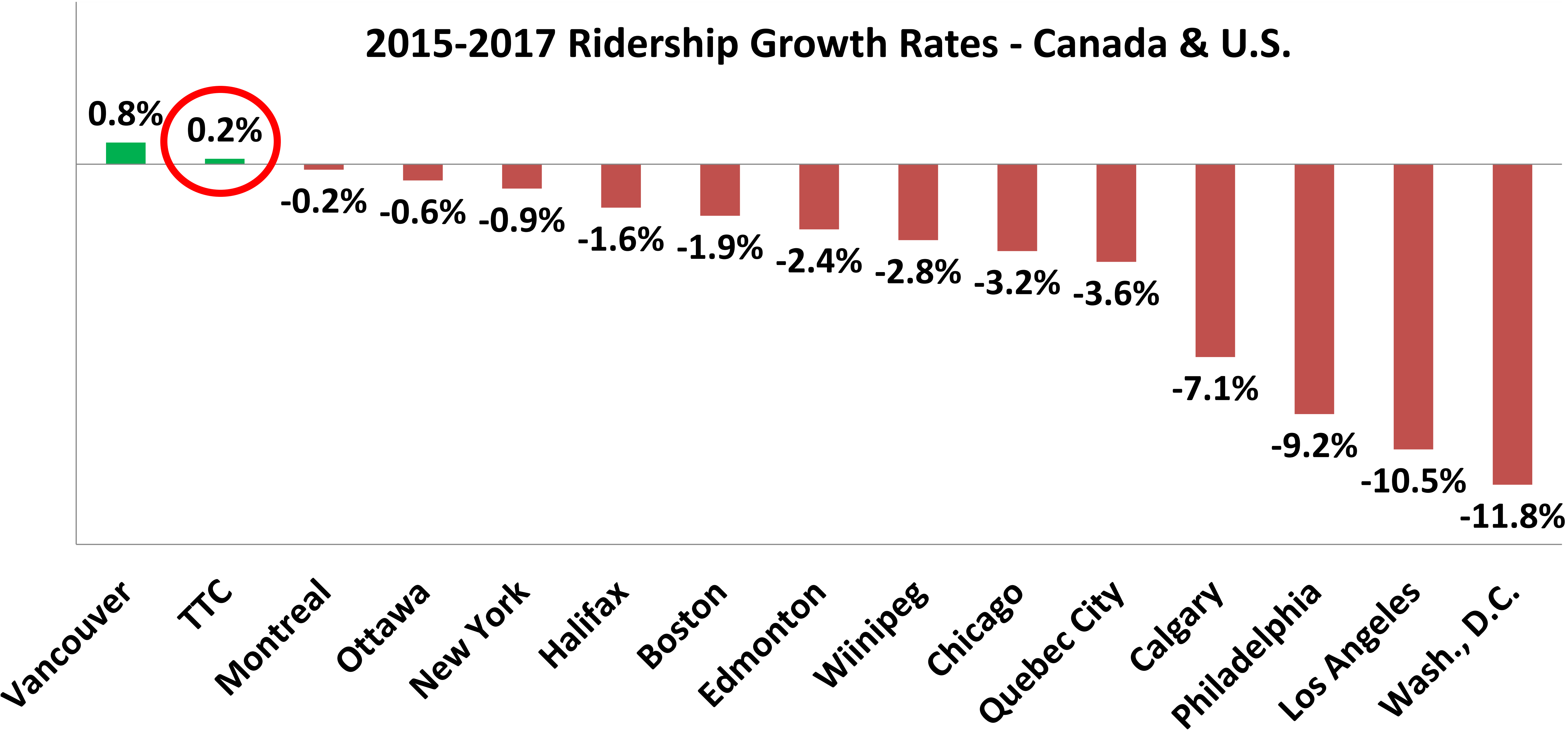
Ridership (millions) 2010-2017



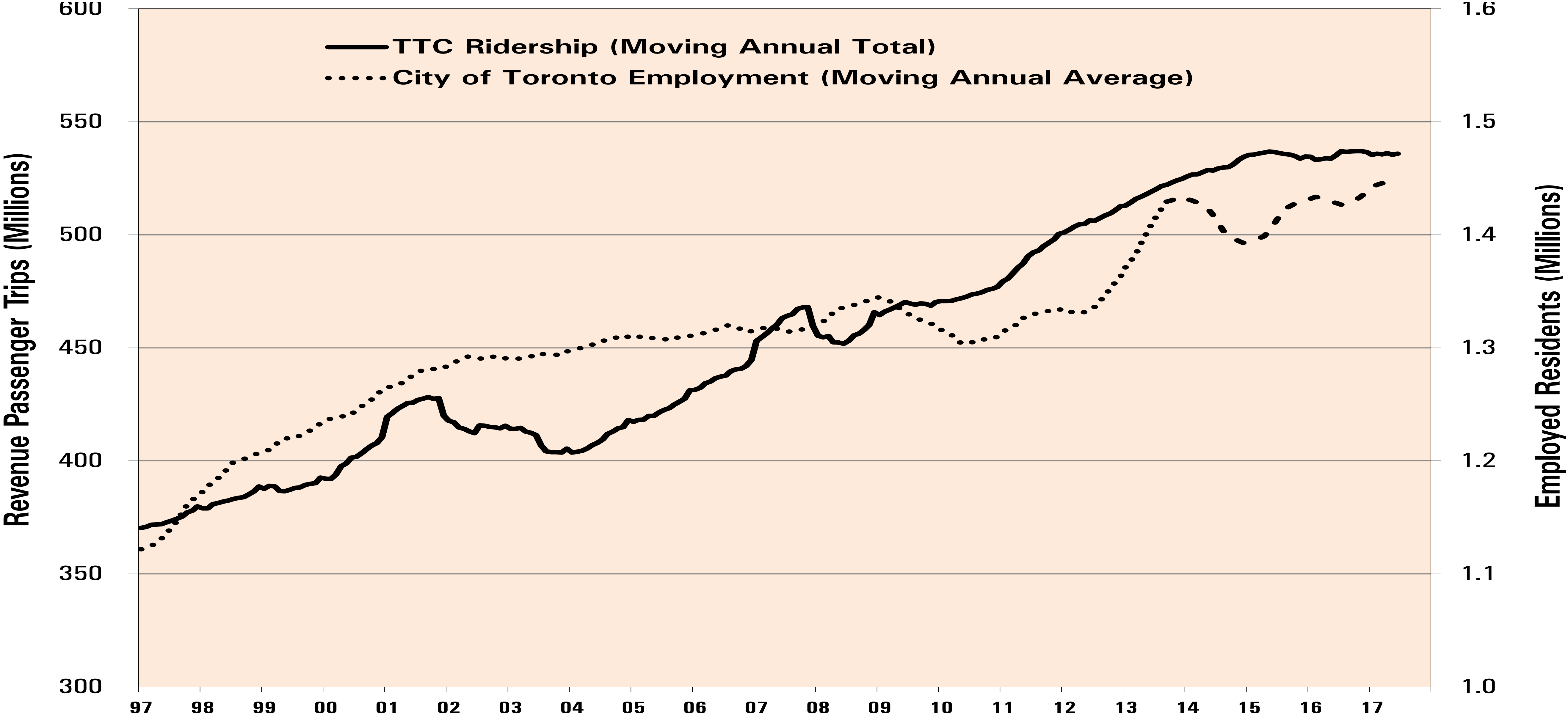
Ridership changes

- Adult ridership has seen the sharpest decline
  - 25 million rides lost from 2014 to 2017
  - Adult Metropass sales down 15%
- Weekday ridership stable, down on weekends
- Surface ridership up, subway weekends down 4% (closures)

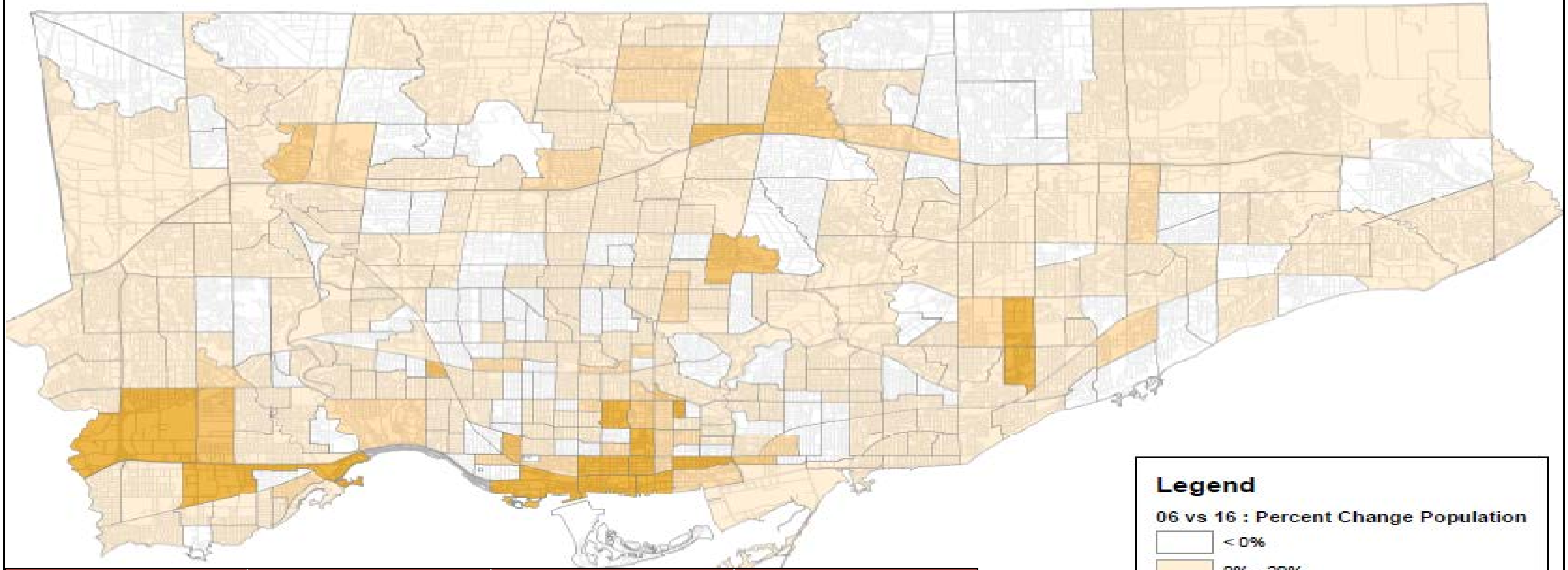
An industry trend



Employment trends 1997-2017



City growth and congestion



Year range	Growth	% change	Total
2006 - 2011	111,779	4.5%	2,651,060*
2011-2016	116,511	4.5%	2,731,571*

*Census data

Changes in customer behaviour

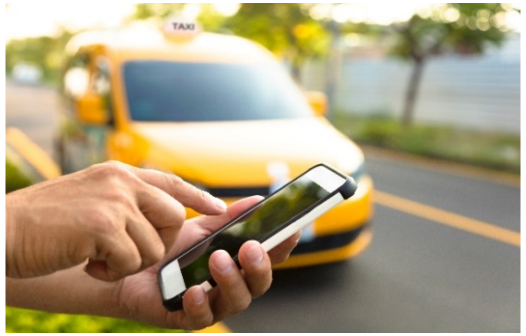
Impact of digital ride-hailing

According to UC Davis study:

- 49%-61% of digital ride-hailing trips are net new or replacing transit, walking, or cycling.

Uber in the GTA

Trips /month	Average wait time	Average fare	To/from TTC terminal
• **2 million in GTA** • **15% Uber POOL**	• **< 5 minutes**	• **$12** • **$7-10 Uber POOL**	• **~40,000/ month**



Customer Segmentation

Viktoriya Artemyeva
Manager – Research & Insights, TTC

John Crockett
Vice-President – Digital Innovation and Data Management, Environics Research

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What is segmentation?

Segmentation is the process of dividing customers into groups (segments), based on different demographic, behavioural and psychographic characteristics.

Research indicates that customers who share similar traits such as similar interests, needs and location will respond similarly to business strategies.

Why use segmentation?

Segmentation can help to:

- Understand the unique needs and motivations of various customer groups
- Avoid trying to be all things to all people and consequently not serving any customers particularly well
- Develop more cost-effective and focused business strategies to
  - ☐ Retain existing customers
  - ☐ Increase ridership

TTC's segmentation model

PRIZM5

TTC Customer Satisfaction Survey

Period: Wave 4 2014 – Wave 3 2016
n=7,637

Profile

Segmentation

5 Groups that cover 99.7% of Toronto households

TTC Survey Dimensions Used:

- Frequency of use
- Mode Ridership

Personification

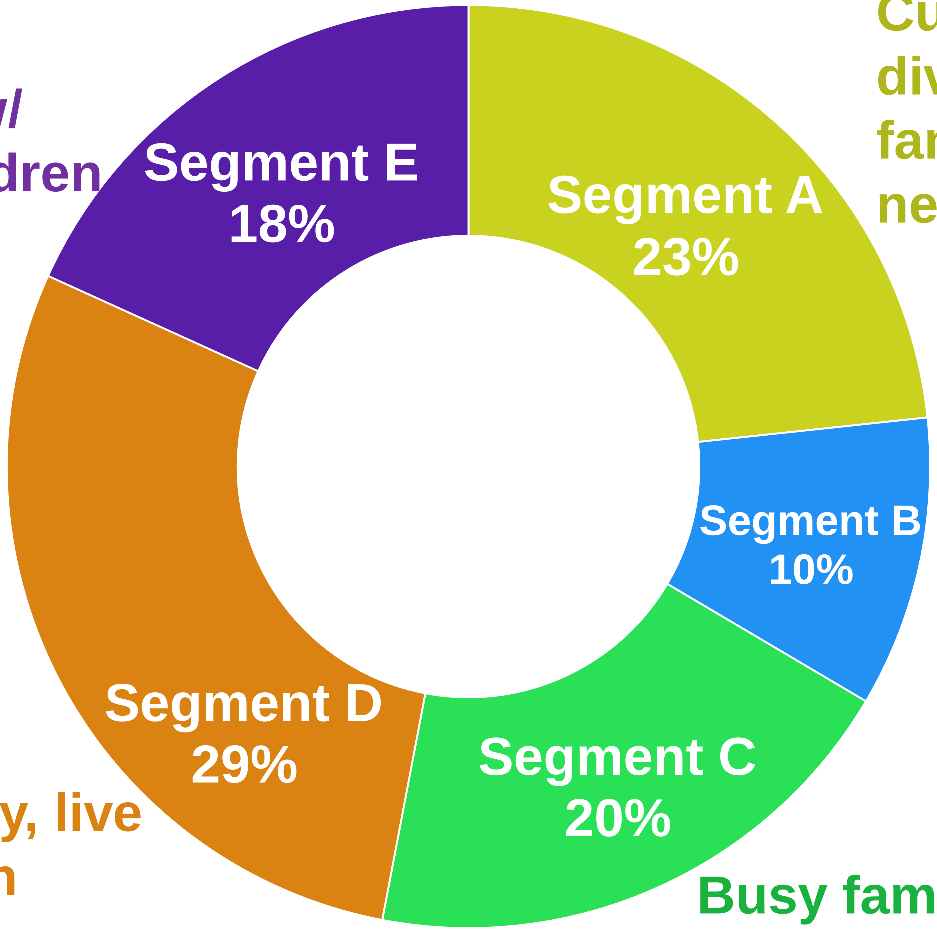
Detailed personification
of the identified target groups includes:

- demographics
- psychographics
- traditional and social media preferences
- mobile usage
- sport & leisure habits
- household spending

The segments

% of Toronto Households

Older, high income families w/ adult children



Culturally diverse families of newcomers

Highly educated, culturally diverse couples and singles

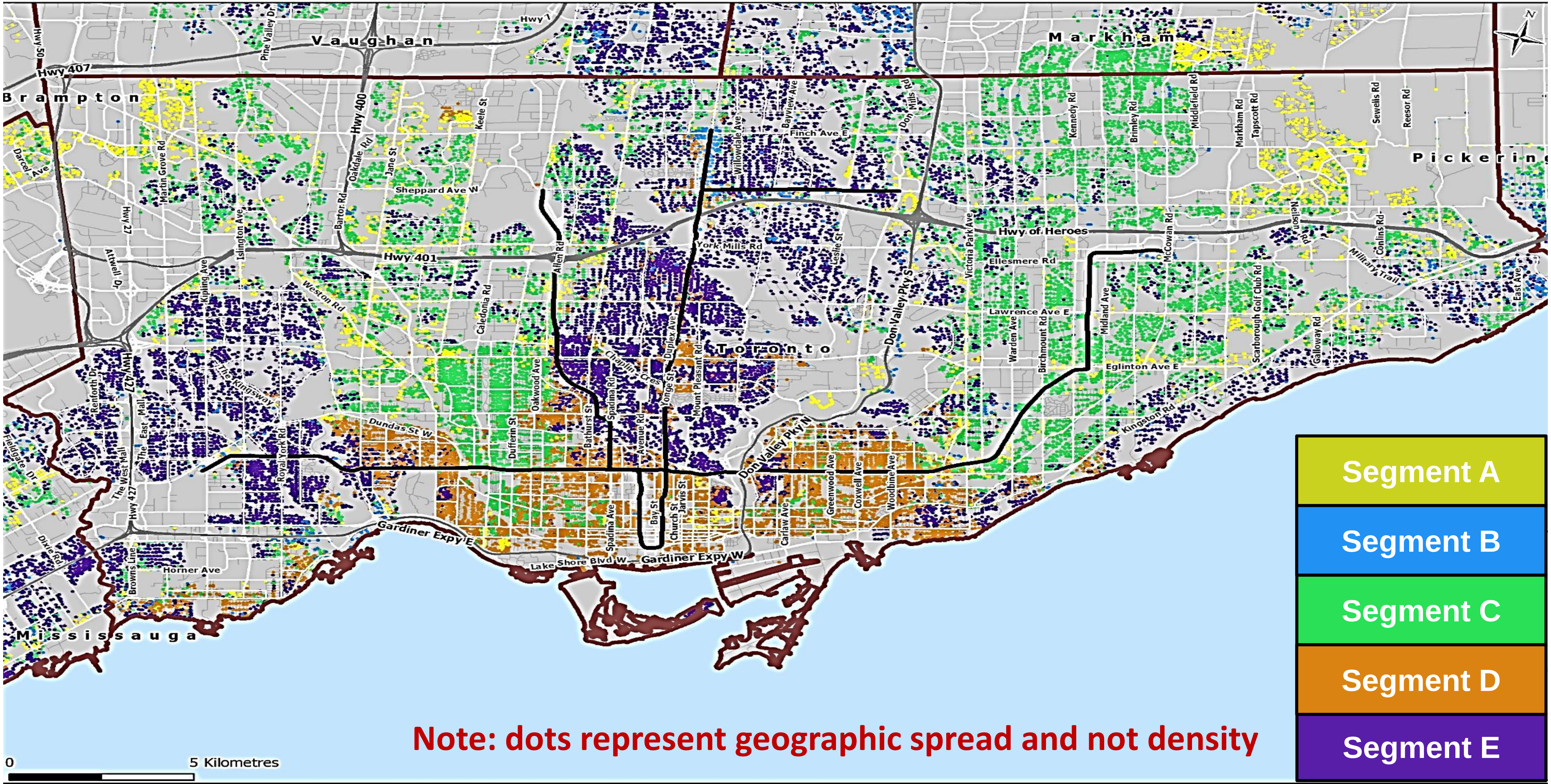
Young, tech-savvy, live downtown

Busy families with older children in the home

PRIZM5

Toronto Transit Commission
Target Group Map
Toronto CSD by Postal Code

ENVIRONICS ANALYTICS



How to interpret data

Below Average	The index score is significantly less than the average.
Average	The index score is not significantly different from the average.
Above Average	The index score is significantly higher than the average.

Index Legend				
Below Average	Average	Slightly Above Average	Above Average	Well Above Average

Segments overview

Index Legend				
Below Average	Average	Slightly Above Average	Above Average	Well Above Average

	Segment A	Segment B	Segment C	Segment D	Segment E
Lifestage	Culturally diverse families of newcomers	Highly educated, culturally diverse couples and singles	Busy families with older children in the home	Young, tech-savvy, live downtown	Older, high income families w/ adult children
Avg hhld Income	Below average	Below average	Below average	Average	W. above avg.
Education	**High School or Less, Trades, College**	**University, College**	**High School or Less, Trades, College**	**University**	**University**
Career	**Sales & Service, Blue Collar**	**Sales & Service, White Collar**	**Sales & Service, Blue Collar**	**White Collar**	**White Collar**
Cultural Diversity	Above average	S. above avg.	S. above avg.	Below average	Below average
Housing types	**Apartment**	**Apartment**	**House, Detached Duplex, Apartment**	**Apartment**	**Single-Detached House**

Segments overview

Index Legend				
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Lifestage	Culturally diverse families of newcomers	Highly educated, culturally diverse couples and singles	Busy families with older children in the home	Young, tech-savvy, live downtown	Older, high income families w/ adult children
TTC Behaviours	Frequent riders	Frequent riders	Frequent riders	Frequent riders	Occasional riders
	Token/Ticket Cash Pass PRESTO	Token/Ticket Cash Pass PRESTO	Token/Ticket Cash Pass PRESTO	Token/Ticket Cash Pass PRESTO	Token/Ticket Cash Pass PRESTO
Satisfaction	Below average	Average	Below average	S. above avg.	W. above avg.
Pride	W. above avg.	Average	S. above avg.	Below average	Below average
Value for Money	Below average	Average	Below average	Above average	W. above avg.

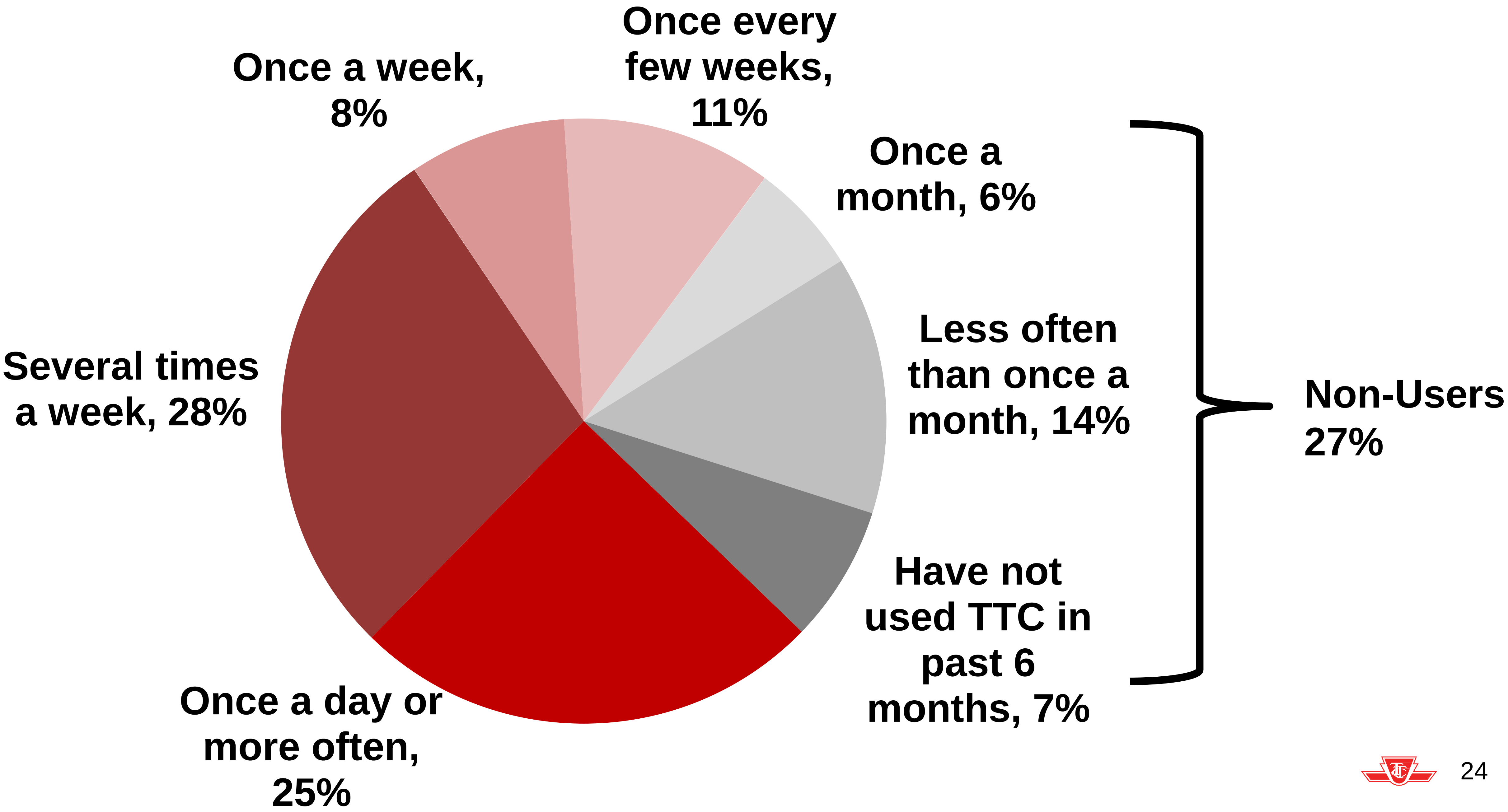
Understanding Perceptions of Non-Users

To add to the perceptions collected as part of the Customer Satisfaction Survey a supplementary survey was conducted to understand very infrequent customers and residents who do not use the TTC:

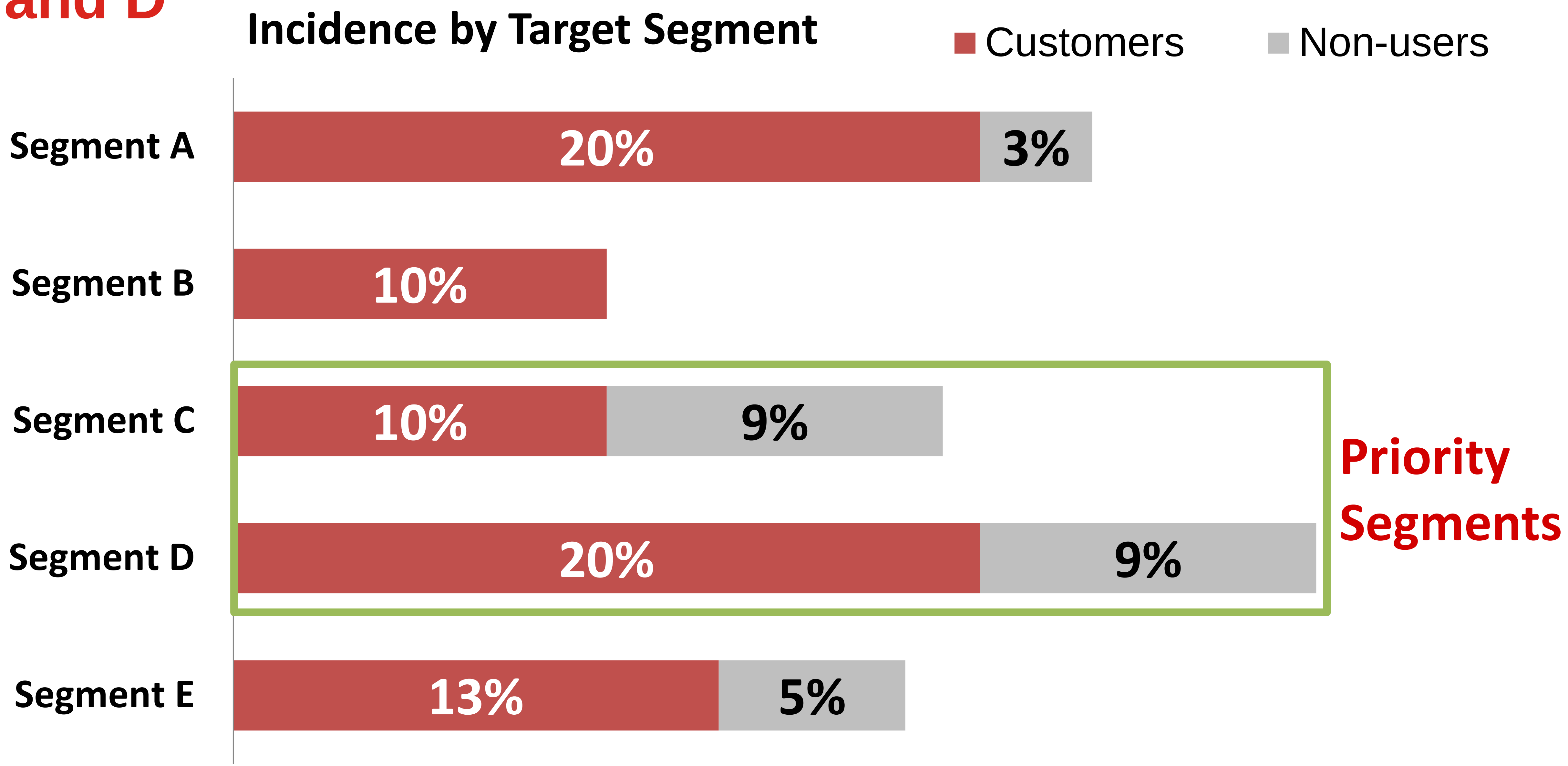
- The modes of transit they most commonly use
- Their perceptions of TTC services (e.g. reliability, crowding, travel time, value for money, etc.)
- Barriers to using the TTC

Methodology: 15 minute online survey with n=1,007 City of Toronto residents who take the TTC less often than once a month or never.

Frequency of TTC use by customers and non-users



Greatest proportion of non-users exist within segments C and D



Understanding Segment C

Busy families, low to average income, likely to own a car

Pain points

"*I would not use the TTC as it requires too many transfers. Also I would only use the TTC because of parking issues during events and or sports games.*" **M, 55+**

"*It isn't convenient for me to go shopping and visit several locations and then carry everything back home.*" **F, 55+**

What would encourage them to take the TTC?

"*More service outside City of Toronto*" **M, 55**

"*Have a dedicated lane from the bus stop to the subway station so that I saved time getting to work*" **M, 55+**

Understanding Segment C

Busy families, low to average income, likely to own a car

Key characteristics

- Half are non-users who have greater than 25-30 min travel time (for work, leisure, errands)
- The majority drive frequently
- Perceive TTC as not flexible enough for their trip type

Implications

- Car owners – risk of 'defection'
- Need to plan – Real-time information / disruption notices are key
- Financially prudent – opportunity to promote PRESTO adoption

Understanding Segment D

Downtown, young, tech savvy professionals

Pain points

"*There are MANY trips I would take on the subway if I could bring my bike to hop onto after the subway rather than take a bus. Instead, I often drive. A 30   minute drive to Ossington from the Beaches*" **F, 25-54**

"*I do not want to spend $6.50 per day when I can simply walk to where I need to go*." **M, 25-54**

What would encourage them to take the TTC?

"*Cheaper, ability to use single transfer multiple times for multiple tasks, better safety, better maintenance... cleaner, better lit stations, less delays... more efficiencies*" **M, 25-54**

"*The TTC in the downtown core is very overcrowded (during most daytime hours) and is plagued with delays due to equipment [subways] and traffic [streetcars]. Increasing frequency of service and speed of* service would greatly help." **M, 25-54**

Understanding Segment D

Downtown, young, tech savvy professionals

Key characteristics

- Segment D has the second highest number of non-users; this group has > 30 min travel time (work, leisure, errands)
- Less likely to own a car, more likely to walk, bike, taxi / digital ride-hailing
- See TTC as an important option in their mobility toolkit

Implications

- Hyper local – only concerned about events / transit downtown core
- Mobile savvy – apps are the best way to communicate real-time information
- Spontaneous travellers – will evaluate options and use cabs / digital ride-hailing if more convenient

Summary – Customer Needs

Customers

- Ease of Fare Payment
- Safety / Cleanliness
- Helpfulness of Operators
- Helpfulness of Real Time Information

Customers and Non-Users

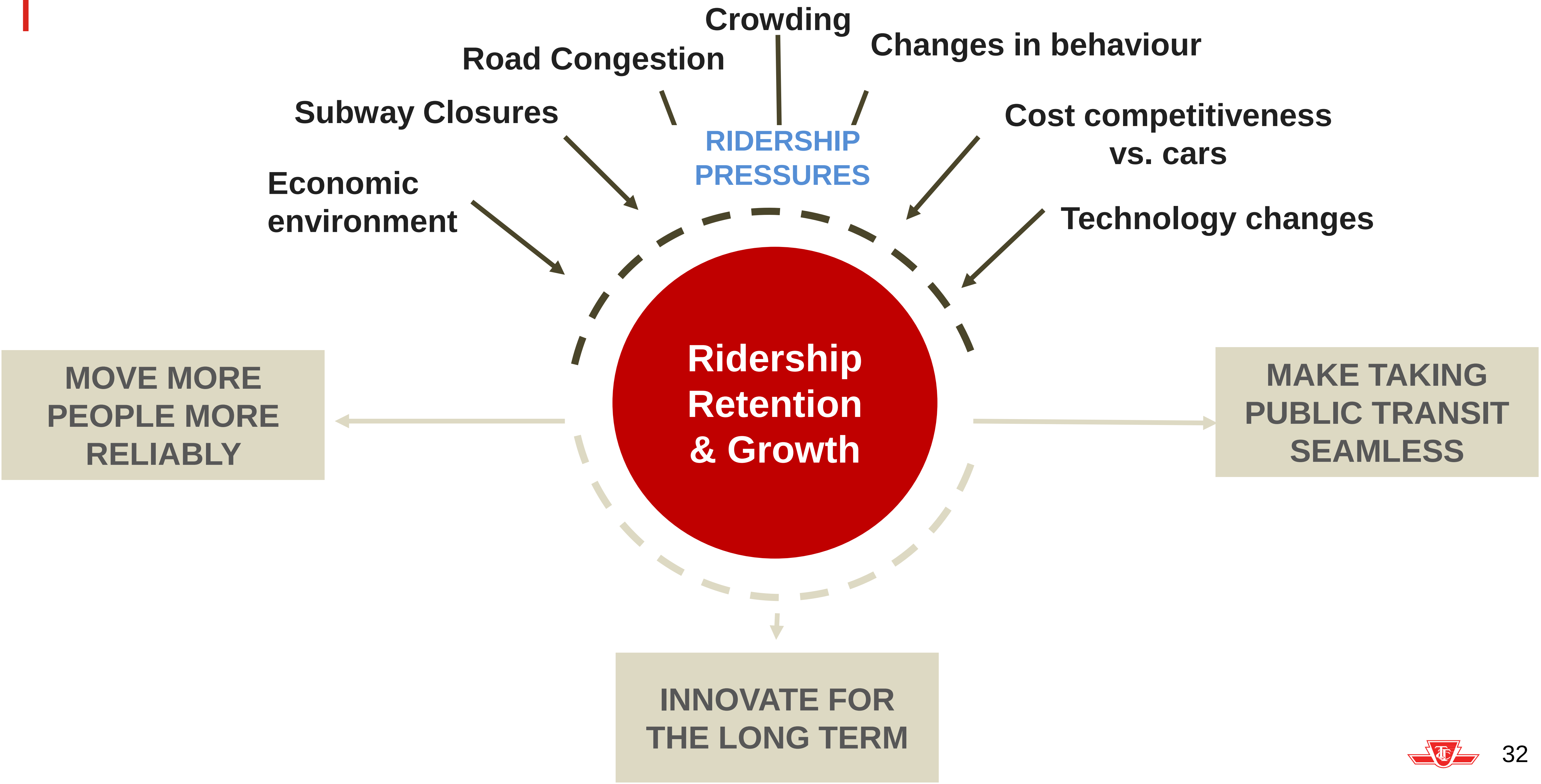
- Trip Duration
- Wait Time
- Crowding
- Affordability
- Reliability

Non-Users

- Parking
- More Rapid Transit Lines
- Connections to Other Transit Operators
- Fare Discounts

The next 5 years

Strategies for the future



What growth looks like

~850,000 unique TTC customers today

1% increase in ridership (**6 extra rides/year** – current customers)

Improve reliability

2% increase in ridership (**12-15 extra rides/year** – current customers)

Improve reliability
+
flexible fare and service options
+
transform surface transit priority

5% (attract **new** riders)

Improve reliability
+
flexible fare and service options
+
transform surface transit priority
+
system expansion and **major service upgrades**

Capacity & Constraints

2018

- Line 1 extension
- Stations Transformation
- Full PRESTO implementation
- Markham Rd Garage (Add 50 buses)

2019

- ATC on Line 1
- Electric Bus Pilot
- New streetcar delivery complete

2020

- McNicoll Garage (Add 100+ buses)

2021

- Line 5 Eglinton

2022

- Line 6 Finch West

Next step

January 25th, 2018, TTC Board Strategy Session

1. Present RGS Board report
2. Review recommended RGS Action Plan 2018-2022
3. Review recommended RGS 2018 Work Plan
4. Review RGS Consultation Plan

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