

DayPASS-on-Board Case Study

Purpose

This report will review the successful approval and introduction of the DayPASS-on-board program in the Regional District of Nanaimo Transit System. The purpose is to provide an outline for how this program may be implemented in other BC Transit regional systems. This case study was developed through both quantitative analysis and conversations with administrative and operations staff in the Regional District of Nanaimo and Victoria. To give a comprehensive understanding of the program, this report will outline:

- the logic behind the program's development and how the product is used
- the steps taken to prepare the program for approval by the local government
- the process through which the program was approved
- the steps taken to prepare for the program's implementation
- the program's roll out
- the outcomes of the program's introduction

Policy Rationale and Product Overview

The DayPASS-on-board program was originally introduced in the Victoria Regional Transit System in April 2016 and was adopted in the Regional District of Nanaimo Transit System in September 2017. The pursuit of an alternative to the previously used transfer policy in both systems was the result of two important factors:

1. The subjective nature of transfers and the subsequent abuse of them was regarded as the single greatest source of incidences of conflict between transit operators and customers
2. The abuse of transfers meant that there was unrealized revenue in the transit system, which could be collected through improved policies and practices

As a result of these concerns, the DayPASS-on-board program was developed. In practice, the program is delivered similarly to previous transfer programs. However, instead of being provided with a paper transfer upon the payment of a fare, customers are now given a dated paper DayPASS that allows for travel throughout the calendar day when they pay twice the base fare with cash or tickets.



While each transit system has its own unique characteristics and circumstances that may affect expected outcomes, both of the systems utilizing this program have observed positive results in regards to the two factors outlined above. Further details on this will be provided in the Outcomes section of this report.

Pre-Approval

The introduction of the DayPASS-on-board in the Regional District of Nanaimo Transit System was a result of extensive collaboration between staff of BC Transit and the Regional District of Nanaimo (RDN). As a first step, BC Transit presented its fare strategy and guidelines to the RDN Transit Select Committee to provide context to the rationale used in building the recommendations that they would be voting on in the following months. From there, BC Transit worked with RDN staff to identify the key themes to be addressed as a part of a full fare review. This included the challenges faced with enforcing the transfer policy and issues around age-based validation of fare products.

With concerns over the abuse of transfers and the potential for conflict with operators that resulted from their use, introducing the DayPASS-on-board was deemed to be necessary. As this product would change how customers purchased and used transit, public consultation was included as a part of the fare review process. This was done in both physical mail-in and online survey formats.

For the public consultation, three proposed fare structures that included the DayPASS-on-board were presented. After identifying their current transit use behaviours, survey respondents were asked to identify which of the three fare options they felt was most appropriate. Respondents were also able to provide any further feedback they wished to share, which was then considered and used in the development of the final fare structure recommendations.

Approval

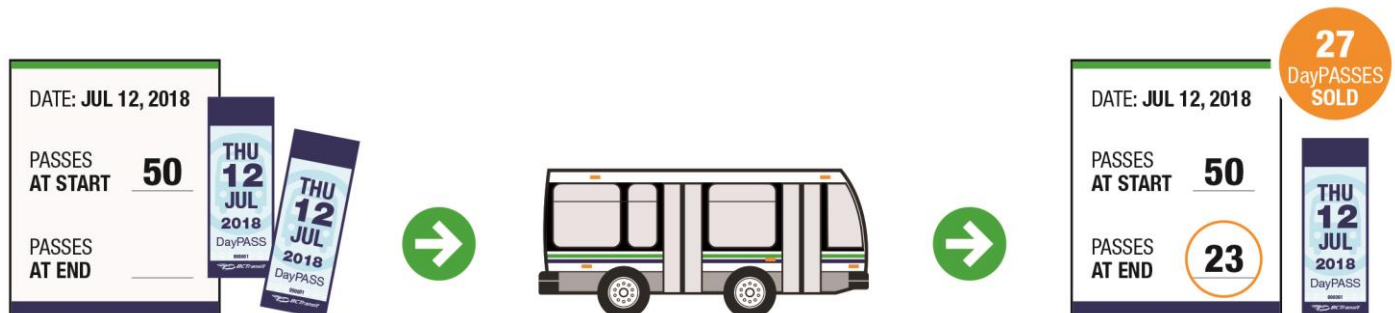
From the discussions between BC Transit and RDN staff and the results of the public consultation, three new fare structure options were put forward for approval. In the first step of the approval process, BC Transit presented the recommended options to the RDN Transit Select Committee. After requested revisions, the fare review was approved with the inclusion of the DayPASS-on-board program and forwarded to the regional district Board for final approval. At the next Board meeting, RDN staff presented the Transit Select Committee's recommendation, which was subsequently approved by the Board. Throughout this process, BC Transit provided support, information and resources to RDN staff and elected officials.

Pre-Implementation

Once the DayPASS-on-board program was approved, BC Transit and RDN staff began preparing for its implementation by undertaking the following activities:

Operations Process Development

To learn about how the DayPASS-on-board program is managed, RDN staff visited BC Transit's Victoria facilities to meet with operations, security and finance staff and observe how the program is handled there. RDN staff learned about the daily processes for distributing and reconciling the DayPASS-on-board product and about the measures taken to ensure a successful roll out of the program. From this meeting, RDN staff adapted the processes for product controlling, distribution and reconciliation to best suit their operational needs and requirements.



Product Ordering

As with all fare products, BC Transit handled the ordering of the DayPASS-on-board product. Order quantities were established through setting a minimum number of required DayPASS pads of per bus in service per day, with a significant buffer to ensure that there were no issues relating to of running out of stock during the program roll out. After the program had been in place for several months and a expected daily demand was established, the quantity of products ordered was decreased to a reasonable daily rate.

An important consideration with ordering the products is that they require secure storage given that each DayPASS has a cash value on the day it is valid. If storage is a concern, products can be ordered in smaller quantities on a regular schedule throughout the year. For reference, in Nanaimo there are no storage constraints and a full year's worth of products are ordered at once, while in Victoria products are delivered on a bi-monthly basis.

Operator Education

To inform operators of the changes to their working environment and to address any concerns, RDN staff held a meeting with operations staff a month prior to the program's implementation date. Operations staff were informed of the new policies and procedures regarding the distribution and collection of DayPASSes along with how and when they were to be provided to customers. To further mitigate the potential for conflict between operators and transit users, RDN staff implemented a strict inform, don't enforce policy for the DayPASS-on-board program, particularly during the program roll out. In this, operators were given the power to diffuse potential conflicts by informing customers with insufficient fares about the changes to the fare policies and then providing them with a DayPASS to use. This policy decision contributed to creating goodwill amongst transit users, sped up the adoption of the DayPASS-on-board, greatly decreasing the potential for conflict and was one of the major components that led to the successful introduction of the program.

Public Education

In addition to the operations staff education, a full-scale marketing and communications plan was put in place to inform the public on the changes to how they were to pay for and use transit in the RDN. This action plan was led by BC Transit, utilizing the resources in its marketing and communication departments, and was done with regular collaboration with RDN staff. Among the components of the marketing and communications plan were the following:

- Media advisories to local news providers
- Print advertising in two local newspapers
- Radio advertising on three local radio channels
- Digital advertising through Facebook and Instagram
- Social media promotion through BC Transit, City of Nanaimo and Regional District on Nanaimo channels
- Informational rack cards distributed to key locations throughout transit system
- On-bus informational materials

The marketing and communications campaigns commenced two weeks prior to the roll out of the DayPASS-on-board program and carried through until two weeks after the program had been introduced. This was done to ensure that the majority of the transit-using public had been informed of the changes prior to boarding a bus for the first time after the program had been introduced.

Implementation

As the new program was rolled out, additional measures were taken to ensure the smooth transition from the previous transfer-based system to the new DayPASS-on-board. This included having RDN staff located at high-volume transit stops and exchanges to answer any questions that customers had. There was also a concerted effort on behalf of both RDN and BC Transit staff to address any concerns that

came in through customer service channels. Both of these efforts in conjunction to the operator policy of informing, not enforcing the use of the new product during the roll out resulted in a largely issue-free introduction of the program in the Regional District of Nanaimo Transit System.

Outcomes

Reduce Operator Conflict

Given the sensitive and unique nature of operator conflicts, it is difficult to provide quantitative analysis on the number occurrences as they pertain to the impacts of the DayPASS-on-board. However, through conversations with operations staff in both Nanaimo and Victoria there is observed to be overwhelming support for the DayPASS-on-board program as a result of the positive impacts it has had in terms of reducing the potential for conflict. In Nanaimo, staff report that fare-related conflicts have decreased to the point of being non-existent, while in Victoria operators shared that their fare-related conflicts went down from double-digits per day under the previous transfer system to none after the new product was introduced. Though the DayPASS-on-board product itself contributes greatly to the reduction of operator conflicts, the associated policies, such as informing and not enforcing, play a considerable role in successfully limiting the opportunities for conflict to occur.

Increase Revenue

In addition to markedly reducing fare-related conflicts with operators, the DayPASS-on-board program has proved successful in capturing the revenue that was previously lost through the abuse of transfers. It is important to note that outcomes in this area are system-specific and vary based on two factors. First, the previous policies and practices around enforcing the use of transfers would dictate the degree of unrealized revenue within the system. Second, the fare structure and pricing of products would determine the trends observed in what product categories increase and by how much.

For this analysis, both the Nanaimo and Victoria Regional Transit Systems were used to provide a better context to the range of outcomes that may be observed in other systems. In the Regional District of Nanaimo Transit System, trends were observed between the first seven months of the program being active and the corresponding period from the prior year. For the Victoria Regional Transit System, analysis was performed on two full years of the program being operational.

In the Regional District of Nanaimo Transit System, total revenue increased four percent with cash revenue increasing by nine percent and monthly pass revenue by ten percent. With the Victoria Regional Transit System, total revenue increased by ten percent over two years, with cash increasing by 38 percent and monthly passes by 14 percent. As is highlighted by these numbers, there was a significantly larger amount of uncaptured revenue in the Victoria Regional Transit System as a result of the relative enforcement of its previous transfer policy. Additionally, while increases in cash revenue were expected, the degree to which monthly pass revenues increased was an unexpected positive benefit of the program. It is evident that through introducing the DayPASS-on-board, transit users are seeing an increased value in purchasing and using a monthly pass, which helps to further increase revenue security and predictability along with increasing ridership.