

To: Board of Directors, Metrolinx
From: Mark Childs, *Chief Marketing Officer*
Date: June 27, 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 days of the week, for a variety of customer journey purposes (why and where people travel). Marketing campaigns include:

- Revitalization of the GO Transit bus services through a disruptive activation at the Canadian International AutoShow;
- Promotion of a stress-free 25 minute service to/from the airport with UP Express;
- PRESTO adoption and App customer support; and
- Awareness and progress of Metrolinx transit infrastructure builds across the Greater Golden Horseshoe.

Highlights

During the last quarter, we calculated ridership totals for the 2018/19 fiscal year. Ridership on GO Transit and UP Express was 76.2 million in fiscal year 2018-19. This is 3.0% above our target of 72.0 million, and 5.3% higher than 2017-18 ridership of 72.4 million. Growth occurred across all train corridors.

The Barrie GO train corridor saw the strongest growth at 19.1%. This ridership growth can be attributed to increased train service, the introduction of the new Downsview Park GO Station on December 31, 2017, and the Barrie Kids GO Free pilot that began on April 28, 2018. Barrie Kids GO Free contributed 63,000 incremental adult boardings from April 28 to October 31, 2018, leading to a rollout of Kids GO Free across all GO services on March 9, 2019.

Increased GO train service was a key driver of ridership growth on the Barrie corridor as well as the Lakeshore corridor. New off-peak service on the Barrie corridor and new midday service on the Lakeshore corridor increased boardings by nearly 200,000.

The growth over the fiscal year was countered somewhat by negative impacts on services, including extreme weather events and reduced service from construction. Extreme weather events in January and February decreased GO train and GO bus boardings nearly 350,000, with 226,000 of this reduction on days when schools were cancelled and customers stayed home.

Corridor construction in the fall that reduced Lakeshore West service to hourly, skipped Exhibition and Mimico Station, and added 15 minutes to the overall journey time decreased boardings by 188,000.

The insights gathered over the past year inform our growth strategy for 2019-20 as we continue to increase our services and look for ways to attract new customers to use GO.

The Marketing division's quarterly highlights include:

- Implementation of lower short-distance fares to better align GO fares with local transit for short-distance trips. Effective April 20, 2019, PRESTO fares for trips up to approximately 10 kilometres were reduced to \$3.70, a reduction of as much as 40% for some trips.
- Initiation of a fare structure review to ensure value for customers and to use customer trends and insights to grow ridership. An example of this was the March 9, 2019 implementation of the Kids GO Free program across the network for kids 12 and under. This followed a successful Barrie pilot program with early indications of the network-wide rollout trending positive.
- At Pearson Airport in terminals 1 and 3, UP Express kiosks are now staffed daily from 10 a.m. to 10 p.m. with a strong focus on ticket sales and customer service. Our Airport Traveller Acquisition campaign was also in flight at Pearson Airport during this time as it coincided with peak holiday travel.
- Continued partnerships with major events to provide promotional offers such as ride and ticket combo packages, including the Canadian International Auto Show (over 17,000 total combo tickets sold, with 14,000 additional riders across two weekends), the Toronto Rock Lacrosse (over 400 combo tickets sold), National Home Show (ridership of approximately 2,500) and the One of a Kind Spring Show (ridership of approximately 2,000). All of these events drive ridership and revenue. A strong emphasis is being placed on future growth of the promotional partnerships.
- Launched a new ridership campaign to change the perception of GO bus services through an activation at the Canadian International Autoshow. The campaign

included a popular and engaging [short online video](#) that garnered 1.5M video impressions and 18.4M earned media (free publicity gained through promotional efforts other than paid media advertising) impressions. Additional support was provided through an on-site activation, featuring a GO bus, the Autoshow's largest vehicle, resulting in 161,000 booth interactions (approx. 45% of the 357,745 Autoshow attendees).

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