



Item # 8

**DATE** October 10, 2018  
**TO** GCTD Board of Directors  
**FROM** Beatris Megerdichian, Transit Planner  
**SUBJECT** Receive Status Report on Token Transit Mobile App and Consider Approving Continuation of Digital Sales Outlet Pilot Program

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## **SUMMARY**

In September 2017, the Board authorized a digital sales outlet agreement with Token Transit to provide mobile ticketing option to passengers on a “pilot basis”. This report provides a status update of this sales option following nine months of usage on GCTD buses.

GCTD initially launched the app in November 2017 with a small group of test users. In February 2018, GCTD received approval from California’s Cap-and-Trade’s Low Carbon Transit Operation Program (LCTOP) to use its FY 16/FY 17 allocations (which totaled \$59,487) to fund the project. In March, GCTD launched a marketing campaign to raise awareness and promote Token Transit.

During the period between November 2017 and August 2018, 5,219 mobile passes have been sold and 50,303 trips have been taken using Token Transit mobile passes. As of August 2018, riders using Token Transit mobile tickets make up 3.5% of total boardings. Since its launch, Operators have provided positive feedback about the mobile app, indicating that it speeds up the boarding process and provides convenience by eliminating the need for passengers to make special trips to purchase passes.

Based on the data collected and operational feedback, staff recommends that the Token Transit digital sales outlet pilot program be continued, with another evaluation taking place after all LCTOP funds have been exhausted. Staff brought this item to the Technical Advisory Committee on Sept 19<sup>th</sup> at which time the TAC unanimously agreed with staff recommendation.

## **BACKGROUND**

The mobile ticketing marketplace is ever-expanding and diverse in terms of cost, scope, and implementation time. Considering that many mobile ticket fare solutions require considerable resources in terms of staff, time and money, it was important that GCTD use a method that wouldn’t require an overly burdensome investment of resources. In September 2017, the GCTD Board of Directors authorized the agency to enter into a non-exclusive digital sales outlet agreement with Token Transit to provide digital pass sales using smartphones.

### **GOLD COAST TRANSIT DISTRICT**

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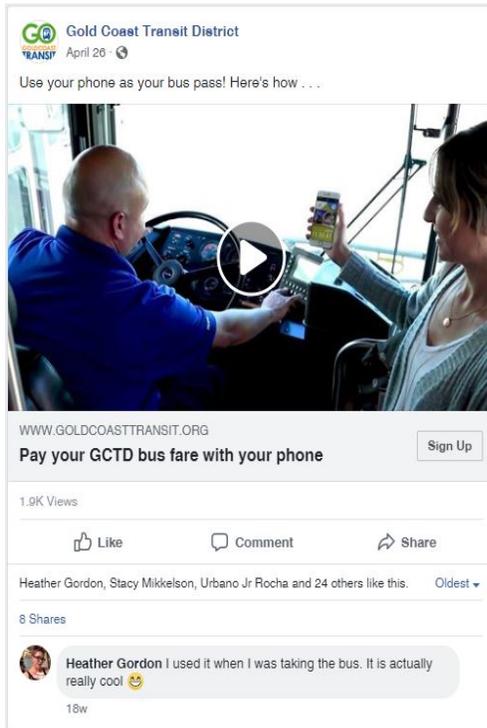
In October 2017, GCTD planning staff, operators and field supervisors received training on accepting mobile passes through the Token Transit app in just one training session. The Token Transit app required no integration with any existing GCTD software or hardware and is separate from any of our hardware systems. The Token Transit app digital sales outlet agreement requires no long-term commitment and minimal risk to GCTD. Token Transit charges a fee for each pass purchased through the app. For all fares greater than or equal to \$2.00, a 10% fee is charged and fares less than \$2.00, a \$.06 plus an additional 7% (\$.06+7%) fee is charged.

Customers purchase GCTD mobile tickets by downloading the Token Transit app from the Apple App Store or Google Play Store, set up their account, and purchase passes. When ready to ride, customers activate the pass, board the bus and the operator visually validates the pass before allowing the passenger to sit. The operator is required to press Key 7 "Mobile Ticket" on the GFI farebox to record all mobile ticket rides.



Token Transit Bus Ad

### Facebook Digital Ad & Customer Feedback



As each mobile ticket is recorded through the farebox, the GFI system collects the data and produces a monthly report on the total number of mobile tickets rides. Separately, the Token Transit system provides monthly reports on Token Transit pass sales including the quantity and type of passes sold through the app.

Token transit provides customer service for any purchasing issues related to the Token Transit app. GCTD's customer service staff has received training on how to help passengers download and use and provide guidance on issues related to the fares.

Token Transit provides a secure visual validation through daily changing screen graphics, unique to the GCTD service area, animations and a timer. Each morning the current animation is posted in the operator sign-in area by the GCTD dispatcher, so each operator knows the valid pass for the day. The Token Transit App is very simple and will work on the simplest of smartphones, many of which are available through and provided to many people needing government assistance programs. Furthermore, according to a Title VI survey conducted by

GCTD in early 2016, 62% of passengers surveyed reported that they own a smartphone. Given that smartphones are widely available and used throughout GCTD's service area, this mobile fare payment systems provides convenience to passengers, cost effective solutions to the agency and improves overall transit operations.

**PERFORMANCE**

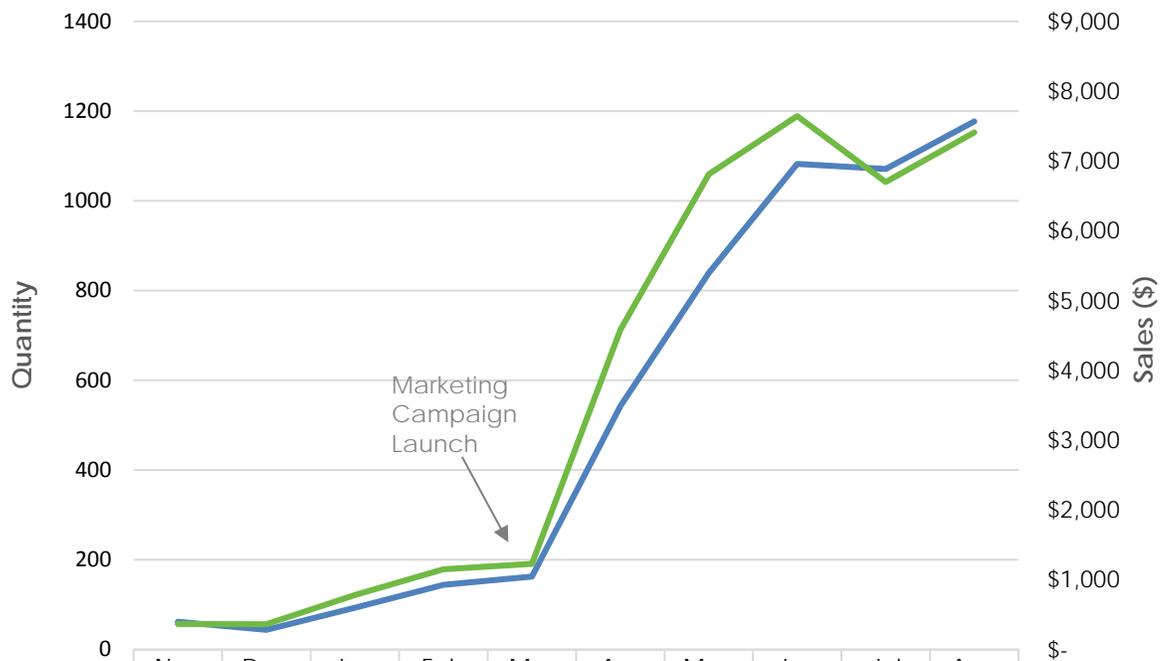
Token Transit was introduced to the public with a "soft" launch on November 1<sup>st</sup>, 2017. The soft launch allowed GCTD to select ten (10) test users to ride GCTD buses testing Token Transit mobile passes. The test users provided feedback to GCTD staff prior to the official launch.

In March 2018, GCTD was able to officially launch the Token Transit app within its service area. GCTD staff initiated a public outreach campaign to raise awareness about the new payment option which included exterior and interior car cards on-board buses, palm cards, as well as social media posts on Twitter, Facebook and Instagram.

GCTD received a total of \$59,487 through California's Cap-and-Trade's Low Carbon Transit Operation Program (LCTOP) to implement a mobile ticketing fare solution. Of the \$59,487, 44%, or \$26,040.27, of the funds have been expended for marketing and fare subsidies thus far.

One of the expected outcomes of the pilot was to increase "digital" prepaid fare products. After the official launch in March 2018, April digital pass sales increased 223% over March digital pass sales. Token Transit pass sales saw double digit increases thereafter.

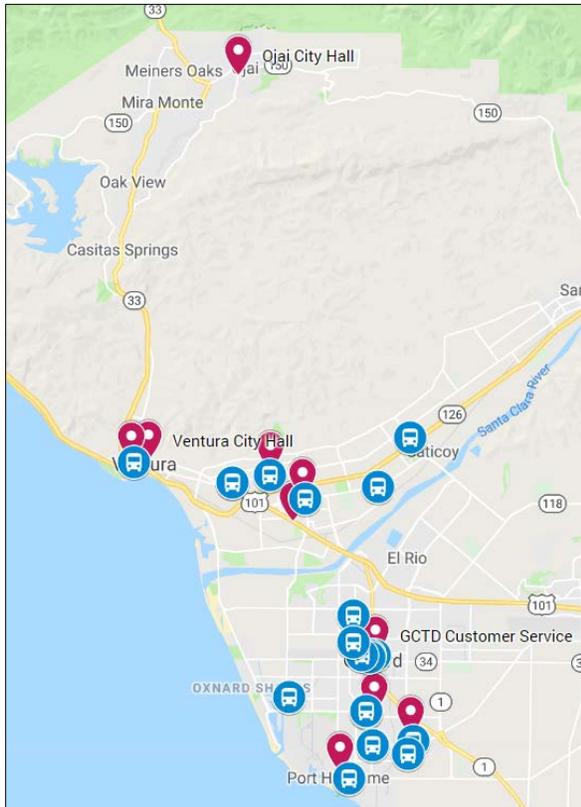
**Token Transit Performance**



Pass Sales	62	44	93	144	163	543	840	1082	1071	1177
Net Sales Revenue	\$368.54	\$363.61	\$780.65	\$1,150.	\$1,230.	\$4,583.	\$6,811.	\$7,643.	\$6,698.	\$7,407.

Below is a map displaying 20 locations with the highest Token Transit mobile pass usage throughout GCTD service area. The blue bus icons indicate mobile ticket usage and the red pins indicate ticket sales outlet locations. Pacific View Mall in Ventura, Wells Center in Ventura, and Victoria & Hemlock (northbound) in Oxnard are high ridership stops furthest away from ticket sales outlets and among the highest mobile ticket use locations. This illustrates that passengers use more mobile tickets at locations furthest away from ticket sales outlets. Given that several of our ticket sales outlets have discontinued selling GCTD passes, the value of convenience has increased, and many more passengers are turning to Mobile Ticketing to pay their fares.

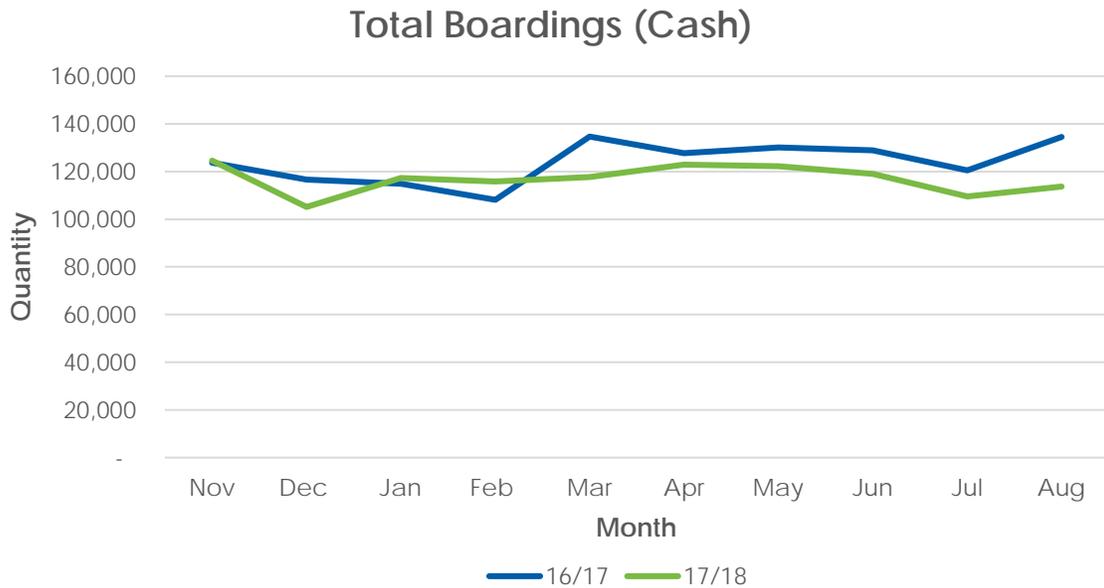
**Token Transit Usage & GCTD Ticket Sales Outlet Locations**



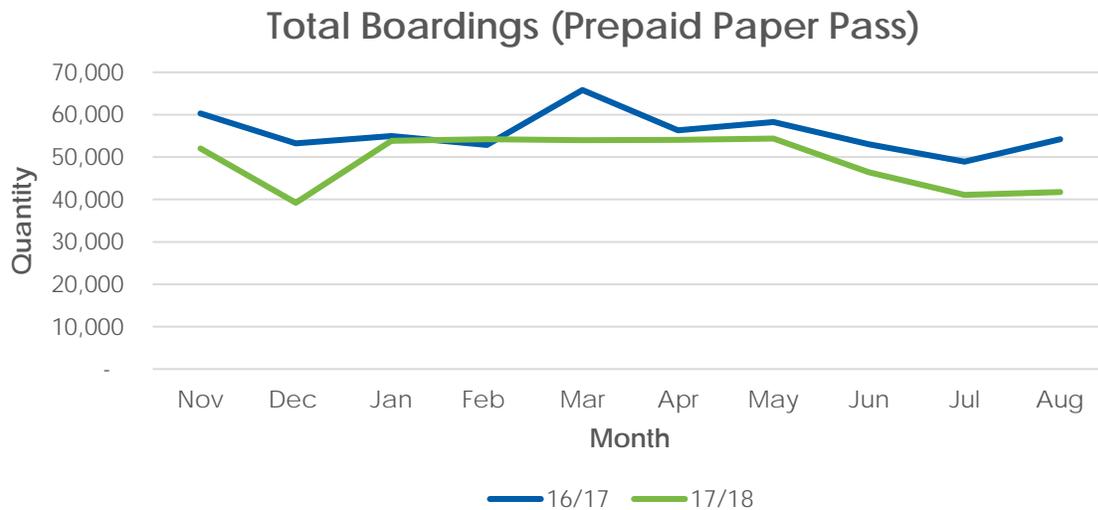
GCTD introduced "Free Summer Saturdays" between July 21, 2018 and August 25, 2018 for a total of six (6) Saturdays. "Free Summer Saturdays" promotion increased ridership over the same Saturdays from the previous year, impacting number of trips taken using Token Transit app. Token Transit trips decreased by 9% from July to August, although August digital pass sales recorded an increase of 10%.

During this pilot period, average fare collected per trip for all fare types was \$0.73 while average fare collected per trip for all fare types was \$0.78 during the same time last year, an overall six (6) percent reduction. Token Transit app purchases were expected to impact average fare collected per trip. Although there is a small decrease in the average fare collected per digital pass vs paper pass, the difference of .05 cents per ride is offset by faster boarding time as well as less printing costs which ranges from .07 to .15 center per paper pass.

Another expected outcome of the pilot was to reduce the percentage of onboard cash fares and after the official launch in March 2018, onboard cash fares between March and August decreased by 9% over the same period in 2016-2017. Using cash and/or coin requires passengers to insert the cash and coins slowly and one bill/coin at a time slowing down the boarding process. The reduction in cash and coin fares is resulting in a quicker boarding process and an improved customer experience for both those using and not using mobile ticketing. Below is a graph showing the reduction in cash fares over the same period in 2016-2017.



Of total pass rides during this pilot period, Token Transit passes makes up 10% of pass rides. Paper pass rides, between March and August, also saw a decrease of 13% over the same period in 2016-2017. Below is a graph showing the decrease of paper passes during this period.



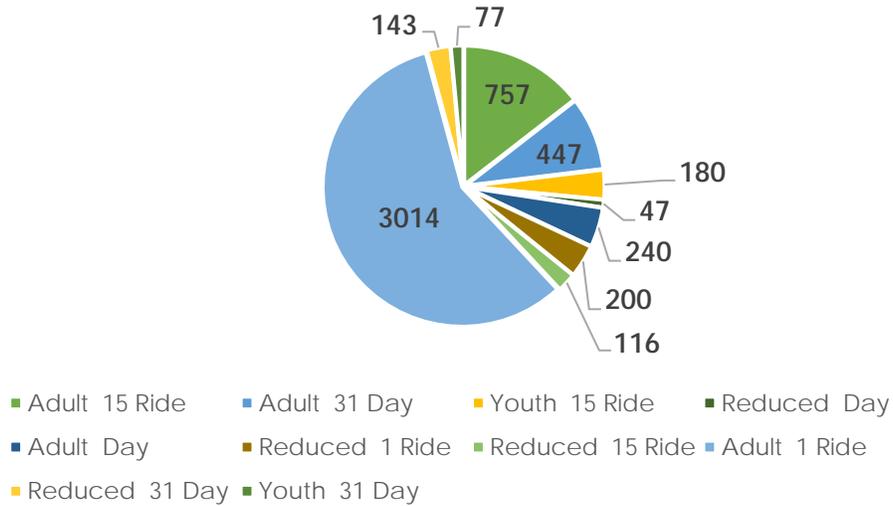
The most popular pass purchased from the Token Transit app was the Adult 1 Ride followed by Adult 15 Ride and Adult 31 Day Pass. The high number of Adult 1 Ride purchases illustrates that our passengers may have been using cash but now use Token Transit mobile passes to pay for their fare. As stated above, the reduction of paying fares with cash was one of the expected outcomes and helps speed up boarding time and improves passengers' travel experience. The second and third most popular passes purchased through Token Transit are Adult 15 Ride and

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31 Day Pass which demonstrates that a good portion of passengers rely on and ride Gold Coast Transit buses on daily basis. The pie chart below shows the total mobile pass sales by fare type.

Total Mobile Pass Sales by Fare Type



**RECOMMENDATION**

**IT IS RECOMMENDED** that the GCTD Board of Directors receive and file this report and consider approval to extend the Token Transit Mobile Ticketing Pilot Program until all LCTOP funds have been exhausted, re-evaluating once this occurs.

GCTD Technical Advisory Committee (TAC) has unanimously concurred with staff recommendation above for the Token Transit Mobile Ticket "Pilot".

**GENERAL MANAGER'S CONCURRENCE**

Steven P. Brown  
General Manager