



Board Report

File #: 2015-1713, File Type: Informational Report

Agenda Number: 10.

FINANCE, BUDGET AND AUDIT COMMITTEE JANUARY 20, 2016

SUBJECT: RIDERSHIP AND CUSTOMER SERVICE INITIATIVES - FY16Q2 STATUS REPORT

ACTION: RECEIVE AND FILE STATUS REPORT ON RIDERSHIP TRENDS AND INITIATIVES TO INCREASE RIDERSHIP AS OF FY16Q2

RECOMMENDATION

RECEIVE AND FILE status report on **ridership trends and efforts taken as part of the Immediate Action Plan** to increase ridership and improve customer service. Attachment A provides a status report on these actions.

ISSUE

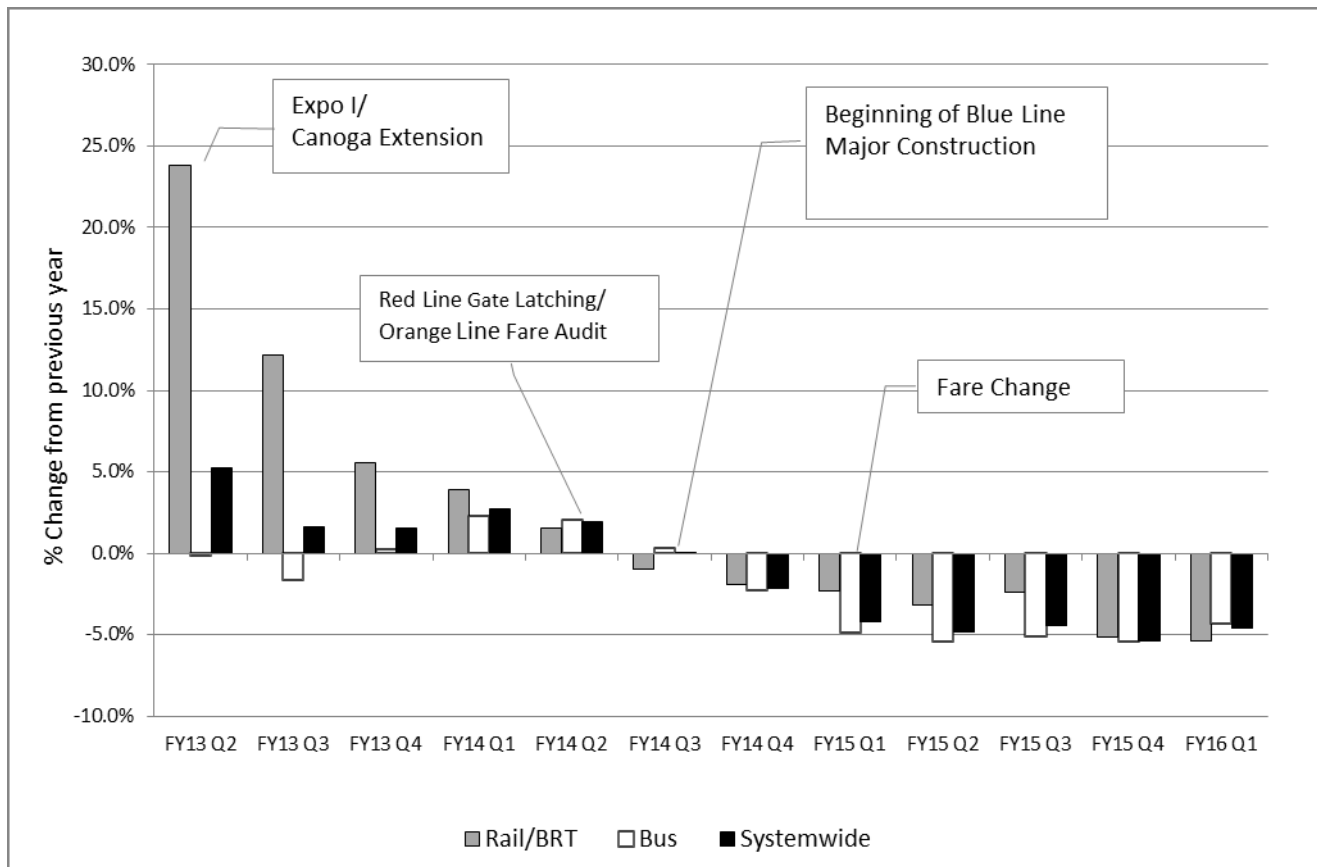
Prior to April 2014, systemwide ridership continued to increase with a peak in FY13Q2 of 1.49 million boardings per weekday. Since April 2014, ridership has steadily declined compared to the same period of the previous year. This decrease continued at an average rate of 4% per quarter year-over-year, accounting for a cumulative decline of 9% since April 2014. In June 2015, Board Motion No. 50 directed staff to implement an Immediate Action Plan to increase ridership and improve customer service, and evaluate other longer term strategies referenced in Attachment B. This report provides a status update on ridership and customer service initiatives as of December 2015.

DISCUSSION

Ridership Trends and Analysis

As shown in Figure 1, Metro ridership continues to decline on a year-over-year basis since April, 2014 (FY14Q4). Through the first quarter of FY16, systemwide ridership has decreased on average by 4.3% each quarter. Bus ridership and Rail/BRT ridership have declined on average by 4.6% and 3.4% respectively each quarter compared to the same quarter of the previous year.

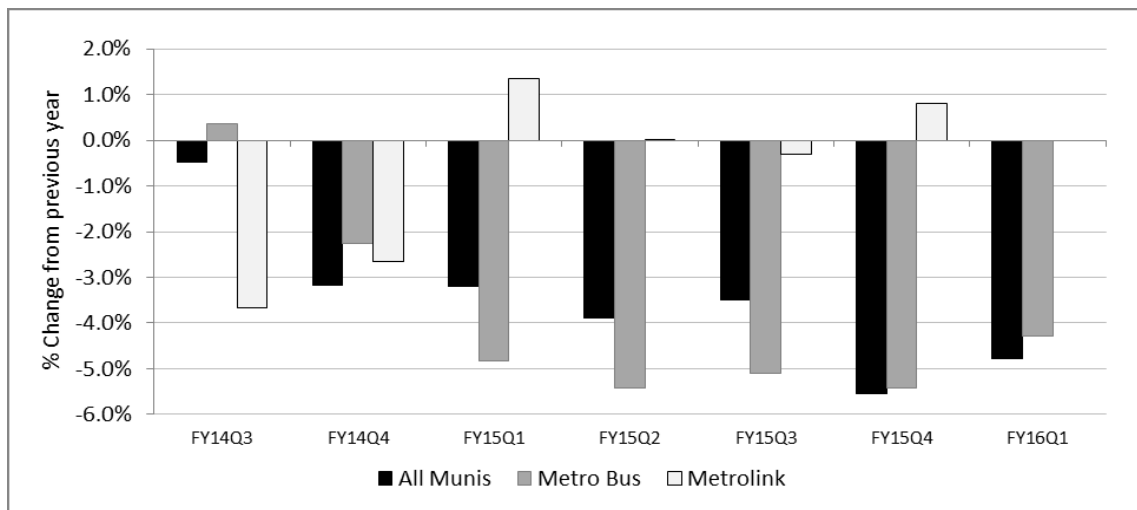
Figure 1
Percent Change in Quarterly Boardings Year-Over-Year
(FY13Q2-FY16Q1)



Regional Ridership Trends

In aggregate, LA County municipal operator ridership has also declined from FY14Q3 to FY16Q1 compared year over year (see Figure 2). Ridership declines have been as great as -16% year-over-year for some operators, while others have experienced an overall increase in ridership. Metrolink has seen an increase since FY15Q4, reversing their downward trend.

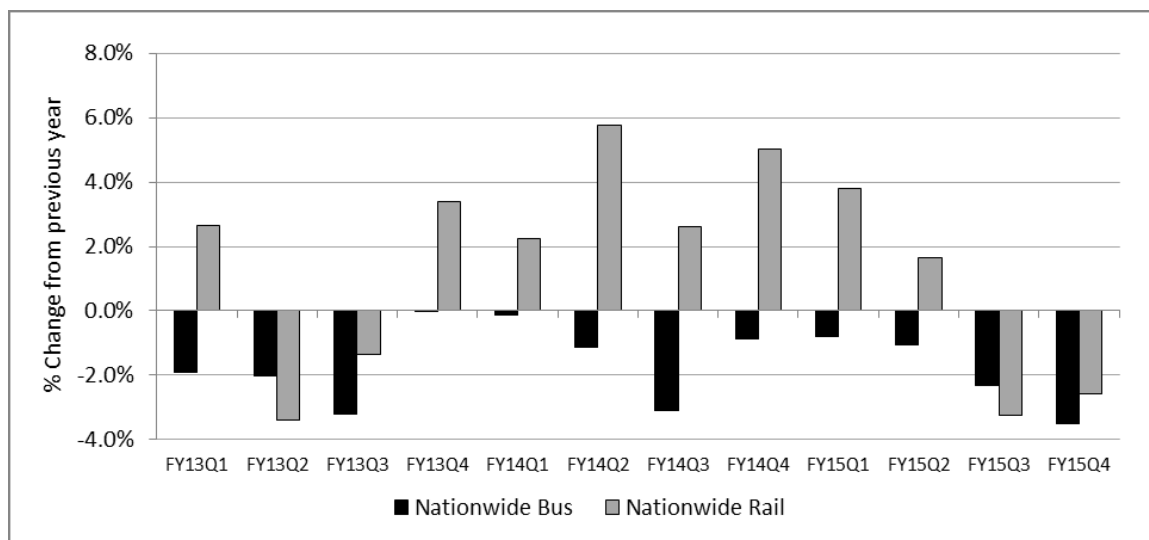
Figure 2
 Percent Change in Boardings - LA County Operators
 (FY14Q3-FY16Q1)



National Ridership Trends

Nationally, bus ridership continues to decline year-over-year. However, unlike Metro where the rate of decline has held steady, the national decrease appears to be growing since FY15Q2 as several of the top 10 bus operators are experiencing an increasing rate of decline. Prior to FY15Q3, national light and heavy rail ridership was increasing year-over-year. However, since then, rail ridership has begun to decrease largely due to heavy rail ridership declines.

Figure 3
Percent Change in Boardings - National Trends
(FY13Q1-FY15Q4)



Factors that Influence Ridership

Analyzing ridership trends is ongoing in an effort to gain insight into the various factors that impact ridership, and Metro’s opportunities to attract new riders. The following are lessons learned to date:

Analysis	Findings
External Factors • employment • school enrollment • gas prices • car ownership	• Employment appears to be the most significant external factor influencing ridership, particularly on the rail/BRT network. • Gas prices do not show a strong relationship to bus nor rail service as nearly 70% of riders do not have a car available for their trip. • There is a strong relationship between vehicle registration and Rail/BRT ridership, indicating that both car sales and Rail/BRT usage increases and decreases in parallel with the economy.
Internal Factors • service reductions • fare enforcement • service disruptions • comfort	• 10% of bus service was reduced in FY2010-11, however, there was no significant impact to ridership. • Fare checks and gate latching appear to have a direct impact on Orange and Red Lines. • Service disruptions due to system maintenance appear to be impacting ridership, particularly on the Blue Line. • Several past customers commented on using the system less, or leaving the system entirely due to people not feeling comfortable on the buses and trains (e.g. harassment, loud music, vendors, rider discourtesy).
Ridership by Time of Day and Day of Week	• Midday experienced the greatest decline in ridership. • While overall rail ridership continues to decline, there appeared to be a slight increase in weekend boardings, perhaps signifying an opportunity to attract more discretionary riders and trips.
Ridership by Bus Service Type	• The Silver Line and other I-110 express bus services have seen an overall increase in ridership during all time periods, perhaps as redirected ridership from the Blue Line.
Ridership by Rail Line	• The Gold Line is the only rail line that continues to increase ridership. • All other rail lines show a decrease, with Blue and Green Lines declining most significantly. The significant decline is likely due to the track and station maintenance on these two lines. • Expo ridership showed a continued increase until May 2015 when it began to decline.
Other Transportation Options • Biking • Transportation Network Companies • Shared Mobility • AB 60	• There has been a significant amount of anecdotal evidence that other transportation options, including biking, shared mobility, and the ability for those without legal proof of residency to obtain a driver’s license. However, these impacts on Metro ridership are difficult to quantify due to lack of data to date. Staff will continue analysis of these factors as data is made available.

Ridership Increase Strategy

To reverse the decline in ridership, it is important to understand the customer, their travel patterns, and what travel attributes are important to them (e.g. cost, speed, reliability, cleanliness, safety, etc.). This understanding should drive the development of products, services, and amenities that can attract and retain riders. Finally, efforts must be made to operate services as planned. If services are disrupted or systems are down, procedures and information must be in place to minimize confusion and frustration to riders. A comprehensive and targeted public information, marketing, and promotions program should be in place to support these efforts.

In June 2015, staff presented the Immediate Action Plan as well as other longer term strategies to increase ridership and improve customer service. The priorities of the Immediate Action Plan reflect the trends and opportunities identified from analyzing the factors that influence ridership, as presented in the following table.

Trends and Opportunities	Immediate Action
Employment appears to be the most significant external factor influencing ridership, particularly on the rail/BRT network.	<ul style="list-style-type: none"> • 24 major employment centers have been identified in the region. Census journey to work information was compared to existing ridership to begin evaluating transit demand. The next level of analysis would include identifying potential pockets of new riders and gaps in service which will provide input into the Comprehensive Operations Analysis.
Service disruptions due to system maintenance appear to be impacting ridership, particularly on the Blue Line.	<ul style="list-style-type: none"> • To improve customer service during service disruption, TAP “Blue Shirt” ambassadors have been added to the formal Bus Bridge procedures. This enhancement is timely given increases in rail service disruptions due to planned construction and unplanned breakdowns.
Several past customers commented on using the system less, or leaving the system entirely due to people not feeling comfortable on the buses and trains (e.g. harassment, loud music, vendors, rider discourtesy).	<ul style="list-style-type: none"> • Several safety and security related technology improvements have and are currently being implemented, including installation of security kiosks at nine locations. In addition, there has been a greater emphasis on riding trains, buses and patrolling Metro’s above and underground train stations. Staff members are also engaging Metro’s regional law enforcement partners to bolster security system-wide.

<p>While overall rail ridership continues to decline, there appeared to be a slight increase in weekend boardings, perhaps signifying an opportunity to attract more discretionary riders and trips.</p>	<ul style="list-style-type: none"> • Staff have begun efforts to tap into the rich meta data from social media accounts of Metro customers, and to link that information with TAP activity, Metro web site visits and app usage. Linking this information will allow staff to develop rider profiles that can advise service design and development of targeted and relevant outreach and promotions. • In addition, Communications has entered into promotional agreements with the LA Kings and LA Clippers as well as promoting transit to the FYF music festival in August.
<p>The Silver Line and other I-110 express bus services have seen an overall increase in ridership during all time periods.</p>	<ul style="list-style-type: none"> • Silver Line service was extended to San Pedro on December 13, 2015. • A North Hollywood to Pasadena express service is anticipated to begin service in tandem with the Gold Line Foothill Extension to Azusa. • In addition, the Transit Service Policy was revised in October 2015 adjusting the load standard, proposing enhancements to the frequent bus network, and including guidance on realigning services between Metro and municipal operators. As a result, frequency on Line 704 (Santa Monica Blvd) has been improved from 20 minutes to 15 minute service.
<p>There has been a significant amount of anecdotal evidence that other transportation options, including biking, shared mobility, and the ability for those without legal proof of residency to obtain a driver’s license.</p>	<ul style="list-style-type: none"> • A Transportation Network Company MOU has been outlined, identifying terms for developing first/last mile and late night venue pilot programs, mobility and equity for low income and special needs customers, and data sharing on customer usage and travel demand.
<p>The ridership decline appears to be a regional and national trend, and not isolated to Metro.</p>	<ul style="list-style-type: none"> • Metro is facilitating a working group with all TAP operators to further analyze ridership trends as a region and share information on the actions each agency is taking to reverse this negative trend.

Detailed statuses of all efforts underway are provided in Attachment A. While individual initiatives requiring approval will be brought to the Board under separate cover by the designated project manager, OMB will continue to coordinate efforts of all departments, analyze ridership trends, and establish performance metrics to evaluate results from implementing initiatives identified in the Immediate Action Plan.

FINANCIAL IMPACT

Initiatives identified in Attachment B, "Ridership Initiatives: Immediate Action Plan", can be implemented within budgeted resources for FY16. Additional efforts identified in Attachment C may require additional resources and will be presented to the Board under separate cover for approval prior to adoption.

ALTERNATIVES CONSIDERED

If no action is taken on ways to increase ridership, the recent downward trend in boardings could continue, negatively impacting fare revenues and the future growth of the transit system.

NEXT STEPS

Staff will return to the Board on a quarterly basis with a status update on ridership trends and the Immediate Action Plan and other ridership and customer service initiatives.

ATTACHMENTS

Attachment A - FY16Q2 Update on Ridership and Customer Service Initiatives

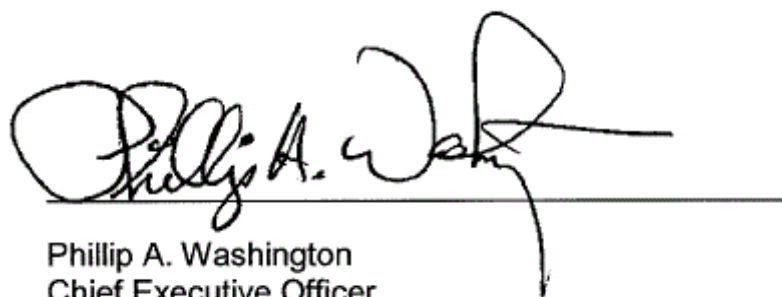
Attachment B - Ridership Initiatives - Immediate Action Plan

Attachment C - Ridership Initiatives - Other Ridership Increase Strategies

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