

**From:** Berman, Sarah  
**Sent:** Tue 8/28/2012 5:36:51 PM  
**Subject:** RE: ARL - SDG Data Request for Pricing Strategy

Hwan,

Yes, we could certainly provide some indicative ARL mode shares for groups of those sizes and an idea of the size of the markets, with appropriate caveats as you suggest. We just feel that a full revenue forecast broken down that way and by weekday/weekend at the time wouldn't be meaningful or reliable at all.

What I propose to do is to populate the "Family and Friends and Weekend" results in your spreadsheet for groups of 1 and >1 and then separately set out approximate ARL shares and market sizes for groups of 2, 3 and 4+. I hope this will be suitable for your needs, but please let me know if not.

Regards,

Sarah

**Sarah Berman**  
Senior Consultant

d. +44 20 7910 5775  
t. +44 20 7910 5000

**From:** Kim, Hwan (CA - Toronto) [mailto:hwankim@deloitte.ca]  
**Sent:** 28 August 2012 17:29  
**To:** Berman, Sarah; Czauderna, Danielle  
**Cc:** Stephan Mehr; Philip.Safos@metrolinx.com; Daniel Haufschild; Richards, Jim; Colaco, James M. (CA - Toronto); Bakht, Anantika (CA - Toronto); Kamikovski, Matija (CA - Toronto); Bert Peverini  
**Subject:** RE: ARL - SDG Data Request for Pricing Strategy

Thanks for your note, Sarah.

Would you be able to provide us indicative price sensitivity data for group size 3 / 4 or more, with the caveat of the sample size being too small for the data to be meaningful?

At this stage, we just want to get a sense of a) how much of in-scope demand would fall under the 3 / 4 or more group bucket (I would assume you have this data based on your previous data), and b) would the willingness to pay for this group be significantly different than single or two-people travellers. ARL will be confirming these indicative findings / assumptions as they more clearly define market segments and gather customer insights close to / post launch.

Please let us know. Thank you very much.

Regards,

Hwan

**Hwan Kim**

Deloitte | Consulting

30 Wellington St W., P.O. Box 400, Toronto, ON, M5L1B1, Canada

direct: 416.874.4385 | mobile: 647.780.3894

email: [hwankim@deloitte.ca](mailto:hwankim@deloitte.ca) | web: [www.deloitte.ca](http://www.deloitte.ca)

**From:** Berman, Sarah [<mailto:Sarah.Berman@sdgworld.net>]

**Sent:** Tuesday, August 28, 2012 11:30 AM

**To:** Kim, Hwan (CA - Toronto); Czauderna, Danielle

**Cc:** Stephan Mehr; [Philip.Safos@metrolinx.com](mailto:Philip.Safos@metrolinx.com); Daniel Haufschild; Richards, Jim; Colaco, James M. (CA - Toronto); Bakht, Anantika (CA - Toronto); Kamikovski, Matija (CA - Toronto); Bert Peverini  
**Subject:** RE: ARL - SDG Data Request for Pricing Strategy

Hwan,

Thank you for your reply. Following this, we have now looked into our group size data in more detail.

The data we have from the 2009 SDG survey suggests that no more than 5% of the in-scope passengers is travelling in groups of four or more, so these passengers represent only a very small proportion of the in-scope market, and a smaller proportion still of the ARL ridership. A very large proportion (over 90%) of our survey respondents were travelling alone or with one other, so we have only very limited data on which to base any segmentation other than by group size 1 vs group size >1. Hence we did not segment any further in the capture model and would not be confident in basing any results on the group size profiles from our data. If you or GTAA have any data from which we could infer a reliable group size profile by mode of airport access then we could certainly look at incorporating this into forecasts for revenue under the family & friends fare structure, but we are not at all comfortable doing this based solely on our existing data.

We can certainly send you each set of data or results as soon as they are ready – I hope that the station fare test results will be available by the end of today or otherwise first thing tomorrow.

Regards,

Sarah

**Sarah Berman**  
Senior Consultant

d. +44 20 7910 5775

t. +44 20 7910 5000

**From:** Kim, Hwan (CA - Toronto) [<mailto:hwankim@deloitte.ca>]

**Sent:** 28 August 2012 14:53

**To:** Berman, Sarah; Czauderna, Danielle

**Cc:** Stephan Mehr; [Philip.Safos@metrolinx.com](mailto:Philip.Safos@metrolinx.com); Daniel Haufschild; Richards, Jim; Colaco, James M. (CA - Toronto); Bakht, Anantika (CA - Toronto); Kamikovski, Matija (CA - Toronto); Bert Peverini

**Subject:** RE: ARL - SDG Data Request for Pricing Strategy

Hello Sarah,

Thank you for letting us know.

I think it is important for us to understand the impact of different group discounts (2, 3 and 4+) as global ARLs and local competition show a variety of eligibility for group discounts.

If extra work on the group discount results in dropping some of the second priority items, multi-trip and corporate would be the lower priority items. However, it would be really great to receive all the items from SDG if possible as we would much prefer to use data / assumptions matching SDG ridership / revenue projection over using other assumptions.

Also, it would be great if you could send us the data on each item as they get prepared.

Please let us know if you have any questions or concerns. Thank you very much.

Regards,

Hwan

**Hwan Kim**

Deloitte | Consulting

30 Wellington St W., P.O. Box 400, Toronto, ON, M5L1B1, Canada

direct: 416.874.4385 | mobile: 647.780.3894

email: [hwankim@deloitte.ca](mailto:hwankim@deloitte.ca) | web: [www.deloitte.ca](http://www.deloitte.ca)

**From:** Berman, Sarah [<mailto:Sarah.Berman@sdgworld.net>]

**Sent:** Tuesday, August 28, 2012 5:12 AM

**To:** Kim, Hwan (CA - Toronto); Czauderna, Danielle

**Cc:** Stephan Mehr; [Philip.Safos@metrolinx.com](mailto:Philip.Safos@metrolinx.com); Daniel Haufschild; Richards, Jim; Colaco, James M. (CA - Toronto); Bakht, Anantika (CA - Toronto); Kamikovski, Matija (CA - Toronto); Bert Peverini

**Subject:** RE: ARL - SDG Data Request for Pricing Strategy

Hwan,

Thanks for the updated spreadsheet – we will populate this latest version, though will need to add some extra sheets or rows/columns so to present tables of demand and revenue and market share at each fare point.

I have one question about the family and friends test. At the moment the demand is segmented in the model by solo (1 person) and group (2 or more) travellers with no further breakdown by size of group. Is it important to you to have groups of 2, 3 and 4+ separated? It should be possible to do this breakdown based on survey, but this is likely to take a further half day of work to incorporate it into the model and it might be at the expense of some of the second priority requests. Hence I wanted to check the relative priority first. Please let me know your thoughts and in the meantime I will get started with the station tests.

Regards,

Sarah

**Sarah Berman**  
Senior Consultant

d. +44 20 7910 5775  
t. +44 20 7910 5000

**From:** Kim, Hwan (CA - Toronto) [<mailto:hwankim@deloitte.ca>]  
**Sent:** 27 August 2012 02:47  
**To:** Czauderna, Danielle  
**Cc:** Stephan Mehr; [Philip.Safos@metrolinx.com](mailto:Philip.Safos@metrolinx.com); Daniel Haufschild; Berman, Sarah; Richards, Jim; Colaco, James M. (CA - Toronto); Bakht, Anantika (CA - Toronto); Kamikovski, Matija (CA - Toronto)  
**Subject:** RE: ARL - SDG Data Request for Pricing Strategy

Hello Danielle / Sarah,

Please use the attached spreadsheet for the data request. We have made minor adjustments.

Thank you very much.

Regards,

Hwan

## Hwan Kim

Deloitte | Consulting

30 Wellington St W., P.O. Box 400, Toronto, ON, M5L1B1, Canada

direct: 416.874.4385 | mobile: 647.780.3894

email: [hwankim@deloitte.ca](mailto:hwankim@deloitte.ca) | web: [www.deloitte.ca](http://www.deloitte.ca)

**From:** Kim, Hwan (CA - Toronto)

**Sent:** Friday, August 24, 2012 3:03 PM

**To:** 'Czauderna, Danielle'

**Cc:** Stephan Mehr; [Philip.Safos@metrolinx.com](mailto:Philip.Safos@metrolinx.com); Daniel Haufschild; Berman, Sarah; Richards, Jim; Colaco, James M. (CA - Toronto); Bakht, Anantika (CA - Toronto); Kamikovski, Matija (CA - Toronto)

**Subject:** RE: ARL - SDG Data Request for Pricing Strategy

Danielle / Sarah,

Thank you very much for the call and prompt summary.

As discussed, here is the summary of the prioritized data request to support ARL Pricing Strategy. Please see the attached Excel spreadsheet for the detailed request.

### Top Priority

- **Station:** In-scope demand, ARL market share (w/ ramp-up), ridership, and fare revenue by each station
- **Family & Friends:** In-scope demand, ARL market share (w/ ramp-up), ridership, and fare revenue for single / group of 2 / group of 3 / group of 4+
- **Weekend:** In-scope demand, ARL market share (w/ ramp-up), ridership, and fare

revenue for weekday vs. weekend

- **It would be great if you could combine the results of Family & Friends and Weekend tests into one by showing group of 2 for weekday / group of 2 for weekend / etc. (outlined in the Excel), if possible**
- **Regional / Local Transfer & Taxi:** In-scope demand broken out by modes of access to ARL stations
- **Limited Time Return:** Ratio of meeters & greeters per flier

## **Second Priority**

- **Concession:** In-scope demand broken out by age (under 21, 21-65, over 65) (if possible, ARL market share (w/ ramp-up), ridership, and fare revenue by each age group)
- **Multi-Trip:** In-scope demand broken out by frequency of travel
- **Corporate:** In-scope demand broken out by who pays for the trip

Please let us know if you have any questions or concerns.

Thanks again for helping us with this data request. We will schedule another call with you next Thursday to touch base on the status of the data request.

Regards,

Hwan

**Hwan Kim**

Deloitte | Consulting



30 Wellington St W., P.O. Box 400, Toronto, ON, M5L1B1, Canada

direct: 416.874.4385 | mobile: 647.780.3894

email: [hwankim@deloitte.ca](mailto:hwankim@deloitte.ca) | web: [www.deloitte.ca](http://www.deloitte.ca)

**From:** Czauderna, Danielle [<mailto:Danielle.Czauderna@sdgworld.net>]

**Sent:** Friday, August 24, 2012 1:11 PM

**To:** Kim, Hwan (CA - Toronto)

**Cc:** Stephan Mehr; [Philip.Safos@metrolinx.com](mailto:Philip.Safos@metrolinx.com); Daniel Haufschild; Berman, Sarah; Richards, Jim; Colaco, James M. (CA - Toronto); Bakht, Anantika (CA - Toronto)

**Subject:** RE: ARL - SDG Data Request for Pricing Strategy

Hwan,

Summary of the requested work below. Categories that are omitted from the list we understand will be handled entirely by your team.

- Concessions – approx. 0.5 days of work in total
  - o provide SDG sample profile by age group.
  - o Run sensitivity tests on choice models to see if age is a significant determinant of propensity to use ARL
- Multi-trip - approx. 2 hours of work
  - o provide SDG sample profile by frequency of trip to LBPIA
  - o split in-scope market by frequency profile.
- Station – approx. 1 hour per test
  - o Deloitte to provide a specification of how many tests they need forecasts for
- Weekend – 0.5 days of work to prep model, then 1 hour per test (approx.)
  - o Deloitte to provide a specification of how many tests they need forecasts for

- Regional / Local transfer and taxi - approx. 2 hours of work
- o provide SDG assumptions on mode of access to station by zone
- Corporate - approx. 2 hours of work
- o provide SDG sample profile of journey purpose by who pays for trip
- Limited time return - approx. 2 hours of work
- o Provide SDG estimated ratio of meters/greeters per flier from survey.
- Friends/Family – 0.5 days of work to prep model, then 1 hour per test (approx.)
- o Deloitte to provide a specification of how many tests they need forecasts for

I have already emailed Daniel and Stephan regarding permission to do the work. We await their reply.

In the meantime we look forward to receiving your more detailed specification of the tests we have agreed we can help you with.

Best wishes

Danielle

**Danielle Czauderna**

d. +44 20 7910 5685  
t. +44 20 7910 5000

**From:** Czauderna, Danielle  
**Sent:** 23 August 2012 15:39  
**To:** 'Kim, Hwan (CA - Toronto)'  
**Cc:** Stephan Mehr; [Philip.Safos@metrolinx.com](mailto:Philip.Safos@metrolinx.com); Daniel Haufschild; Berman, Sarah;

Richards, Jim; Colaco, James M. (CA - Toronto); Bakht, Anantika (CA - Toronto)  
**Subject:** RE: ARL - SDG Data Request for Pricing Strategy

Hwan,

We have briefly reviewed your requests and there are three options which we can do with some ease, and in the absence of any other data:

- Stations
- Weekend
- Family and friends

We can discuss the full list tomorrow, but can we ask you to provide us with the detail of what you need for these options.

Timescales are a challenge as Monday (27<sup>th</sup>) is a bank holiday here and I am on annual leave for 2.5 weeks after Thursday next week (30<sup>th</sup>).

When we discuss tomorrow we will need to agree the relative priorities in light of the available timing and data we need to progress other options.

Many thanks and speak to you tomorrow

Danielle

**Danielle Czauderna**

d. +44 20 7910 5685

t. +44 20 7910 5000

**From:** Kim, Hwan (CA - Toronto) [<mailto:hwankim@deloitte.ca>]

**Sent:** 23 August 2012 14:58

**To:** Czauderna, Danielle

**Cc:** Stephan Mehr; [Philip.Safos@metrolinx.com](mailto:Philip.Safos@metrolinx.com); Daniel Haufschild; Berman, Sarah; Richards, Jim; Colaco, James M. (CA - Toronto); Bakht, Anantika (CA - Toronto)

**Subject:** RE: ARL - SDG Data Request for Pricing Strategy

Thank you for getting back to us so promptly, Danielle.

We will send you a conference call invite for 16:30 BST (11:30AM EST) on this Friday, August 24<sup>th</sup>.

Thank you very much.

Regards,

Hwan

**Hwan Kim**

Deloitte | Consulting

30 Wellington St W., P.O. Box 400, Toronto, ON, M5L1B1, Canada

direct: 416.874.4385 | mobile: 647.780.3894

email: [hwankim@deloitte.ca](mailto:hwankim@deloitte.ca) | web: [www.deloitte.ca](http://www.deloitte.ca)

**From:** Czauderna, Danielle [<mailto:Danielle.Czauderna@sdgworld.net>]

**Sent:** Thursday, August 23, 2012 4:17 AM

**To:** Kim, Hwan (CA - Toronto)

**Cc:** Stephan Mehr; [Philip.Safos@metrolinx.com](mailto:Philip.Safos@metrolinx.com); Daniel Haufschild; Berman, Sarah; Richards, Jim; Colaco, James M. (CA - Toronto); Bakht, Anantika (CA - Toronto)

**Subject:** RE: ARL - SDG Data Request for Pricing Strategy

Thanks for this Hwan. Tomorrow (Friday) is a bit tricky so we can only really offer 16.30 BST or 17.00 BST. Would either of those times work for you?

We can discuss the likely timescales to deliver the work at the same time.

Many thanks

Danielle

**Danielle Czauderna**

d. +44 20 7910 5685  
t. +44 20 7910 5000

**From:** Kim, Hwan (CA - Toronto) [<mailto:hwankim@deloitte.ca>]

**Sent:** 22 August 2012 23:05

**To:** Czauderna, Danielle

**Cc:** Stephan Mehr; [Philip.Safos@metrolinx.com](mailto:Philip.Safos@metrolinx.com); Daniel Haufschild; Berman, Sarah; Richards, Jim; Colaco, James M. (CA - Toronto); Bakht, Anantika (CA - Toronto)

**Subject:** ARL - SDG Data Request for Pricing Strategy

Danielle,

We apologize for getting back to you so late.

Please find attached the SDG data request to support ARL pricing strategy. The first slide in the document outlines the background and request, and the following two slides list out fare options we are currently exploring. As discussed few weeks ago, it would be

great if you could let us know for which of these options SDG can provide data and/or insights on for potential demand and price sensitivity.

We would like to **schedule a call with you on Friday, August 24<sup>th</sup>** to clarify any questions you may have and understand which options SDG can provide data / insights on. Please let us know what time works for you the best. We are hoping to **receive the detailed data by Friday, August 31<sup>st</sup>** if possible.

Please let us know if you have any questions or concerns.

Regards,

Hwan

**Hwan Kim**

Deloitte | Consulting

30 Wellington St W., P.O. Box 400, Toronto, ON, M5L1B1, Canada

direct: 416.874.4385 | mobile: 647.780.3894

email: [hwankim@deloitte.ca](mailto:hwankim@deloitte.ca) | web: [www.deloitte.ca](http://www.deloitte.ca)

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