METROLINX

LINKING PEOPLE TO PLACES • ON Y VA

An agency of the Government of Ontario

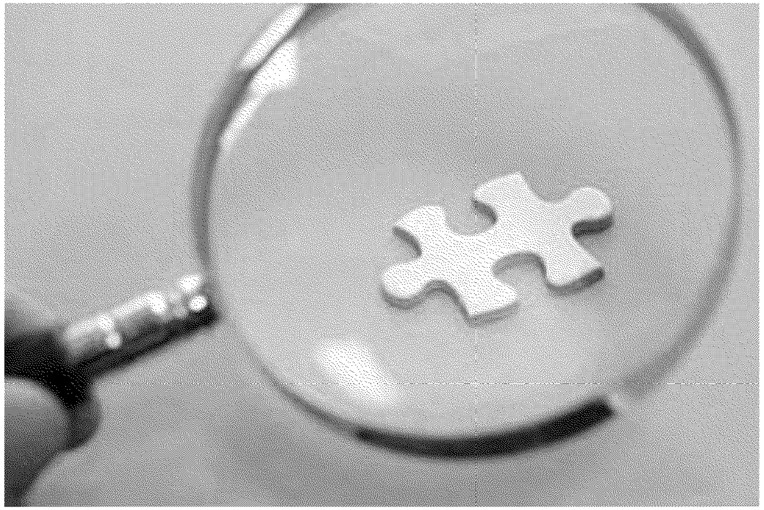
ARL Market Assessment
--Executive Summary Report --

November 7, 2011

NORTHSTAR research partners

BACKGROUND & OBJECTIVES

Background/Research Objectives



In 2015, Metrolinx will commence operations on the Air Rail Link, a direct rail connection between Pearson Airport and downtown Toronto Union Station, with stops at Bloor and Weston GO stations.

While Metrolinx has already undertaken a ridership forecast study, the objectives of this research are to:

- Understand the overall appeal and potential uptake of the ARL;
- Measure key perceptions of the ARL among key target segments;
- **Exclusion per Committee Direction**
- Ascertain levels of appeal of potential additional amenities;
- Finally, understand current transportation methods to and from Pearson Airport and the potential impact of the ARL on this competitive set.

Study Design

As the potential ARL ridership consists of a number of different populations, we leveraged a three-prong approach to capture the interest and perceptions of all potential riders:

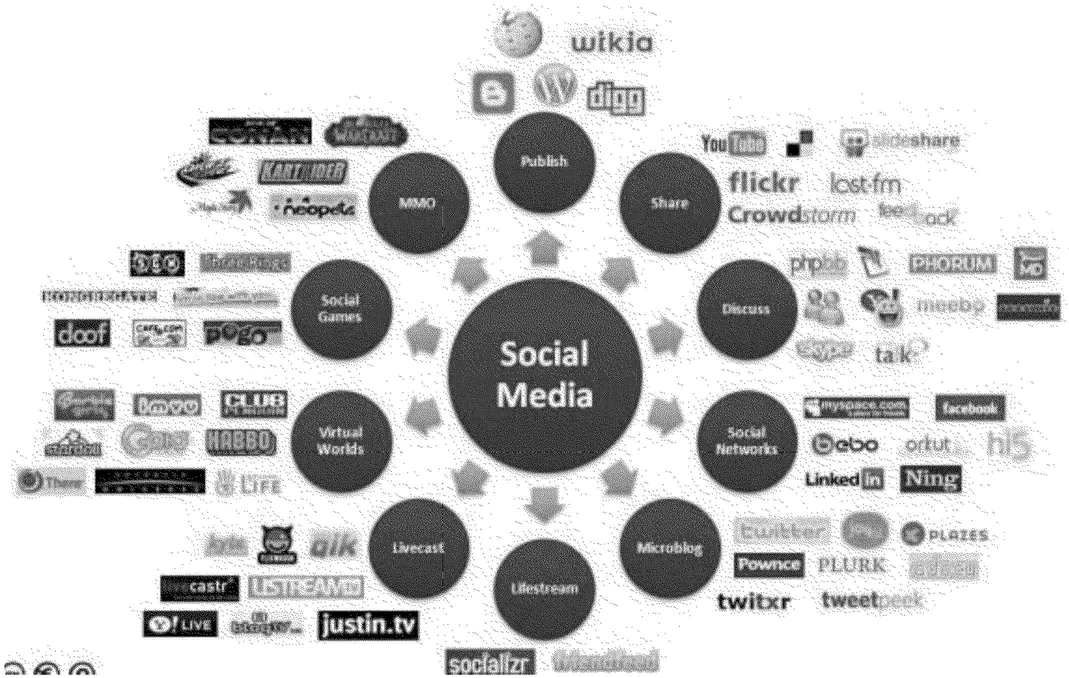
- ™ GTHA Residents: an on-line study was conducted among those who live and/or work in the GTHA. We primarily leveraged on-line panels to complete this phase, although we also incorporated other recruitment methods, such as: social media, passing out invitation post-cards, and partnering with Oxford Properties and The Toronto Board of Trade. In order to qualify, respondents either had to have flown out of Pearson Airport in the past 12 months or plan on doing so in the next 12 months (incidence = 60%).

- ™ Visitors to Toronto: we conducted intercept interviews in Pearson International Airport among non-Ontario residents who were traveling to/from Toronto for either business or leisure purposes. Those on connecting flights were excluded. Quotas were set based on terminal and flight type (international, US-bound, domestic) to ensure the sample was representative of airport passenger traffic. These figures were provided to Northstar by the GTAA.

- ™ Pearson Employees: as some who work at Pearson may use the ARL to commute to/from work, this segment was also included. E-mails and flyers were sent around to Pearson employees to participate in this survey, which was available on-line.

All fieldwork was conducted in August, 2011.

Using Alternative Recruitment Tools



In addition to standard recruitment methods, we also leveraged social media sites to bolster the number of completions in the GTHA survey.

Members of Northstar and Metrolinx staff sent out 'invitations' via LinkedIn, Twitter, Facebook and Google+.

Forty-nine completions were attained via social media.

Furthermore, we also leveraged Metrolinx's partnership with Oxford Properties and The Toronto Board of Trade, who sent out additional e-mails and posted materials inviting their members to participate in this survey. This methodology netted an additional 38 completions.

Business vs. Non-Business Travellers

Furthermore, as the experience can differ significantly based on purpose of travel, we further segmented the data by business vs. non-business travelers.

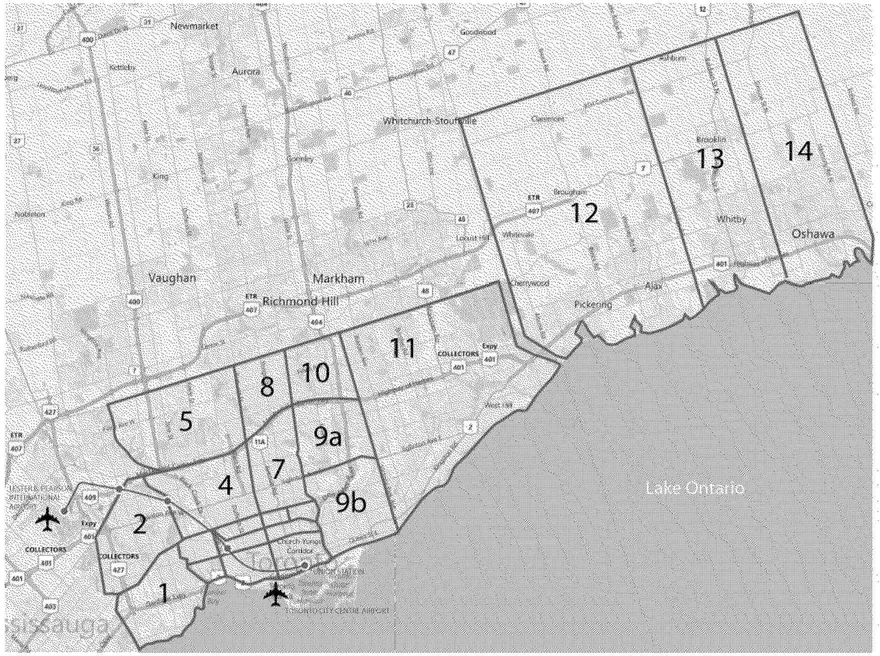
For the survey among GTHA residents, those who travel 30% of more of the time for business purposes were defined as 'business travellers,' and all questions were in reference to their travel for business. Those who travel less than 30% of the time for business purposes were defined as 'non-business' travellers and again, all questions were in reference to their travel for non-business purposes.

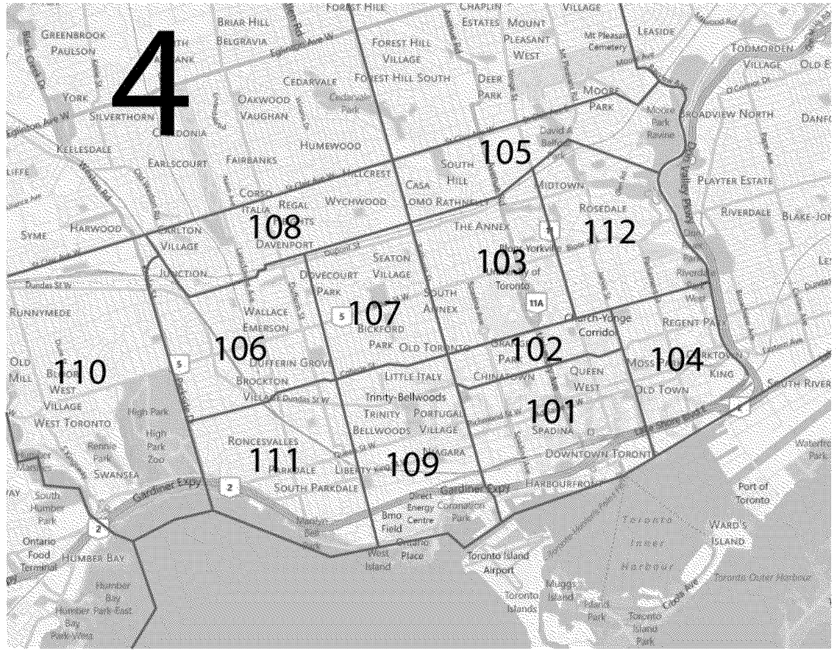
For the Pearson Intercept phase, to qualify as a business traveller, the respondent had to travel 50% or more of the time for business purposes. While this was the cut-off point to qua lify as a business traveller, quotas ensured that business travellers accounted for only 30% of the total sample composition.

This 70/30 split between non-business and business travel is based on past 3 year travel data, supplied by the GTAA. Note: actual usage split will be wholly dependent on a number of factors, including pricing and marketing elements. At this stage, there is nothing to suggest that one segment would be more likely to use the ARL than another.

Catchment Areas

For the survey among GTHA residents, respondents were shown the following maps and then assigned to catchment areas based on where they live and/or work. These catchment areas mirror those used to determine the ARL ridership forecast. Furthermore, catchment areas were prioritized based on this ridership forecast.





As Metrolinx will never target individual catchment areas for marketing purposes, we have combined a number of catchment areas to create the following zones: Downtown Core (101+102), Downtown West (106-111), Downtown East (103-105 + 112), Toronto West (1+2+4+5), Toronto East (7-10), Scarborough (11), Pickering/Whitby/Oshawa (12-14), plus York Region and the West (Halton/Hamilton, etc). By combining these catchment areas, we also strengthen the analytic rigour with which we examine the results within each region.

Sample: GTHA Residents Survey

A total of 4,150 interviews were completed among residents of the GTHA.

Data were weighted based on catchment area (to match the ridership forecast) and to match business vs. non-business travel (30% and 70%, accordingly) based on guidance provided by the GTAA. Below are the **weighted completions**, and all results are based on weighted data.

Area	Catchment Area Grouping	Weighted Business Traveler Completions	Weighted Non-Business Traveler Completions	TOTAL
Downtown Core	101+102	195	455	**650**
Downtown West	106+107+108+109+110+111	270	630	**900**
Downtown East	103+105+112+104	180	420	**600**
Toronto West	1+2+4+5	165	385	**550**
Toronto East	7+8+9a+9b+10	225	525	**750**
Scarborough	11	30	70	**100**
Pickering/Whitby/Oshawa	12+13+14	90	210	**300**
York		45	105	**150**
West (Halton/ Hamilton, etc)		45	105	**150**
TOTAL		**1245**	**2905**	**4150**

Sample: Pearson Intercept Survey

A total of 829 interviews were completed in the Pearson Intercept phase of the project, broken out as follows:

Country of Residence	Weighted Business Traveler Completions	Weighted Non-Business Traveler Completions	TOTAL
Another Canadian Province	122	203	**325**
United States	106	151	**257**
Another Country	24	223	**247**
TOTAL	**252**	**577**	**829**

And by terminal:

Terminal	Weighted Business Traveler Completions	Weighted Non-Business Traveler Completions	TOTAL
Terminal 1	184	316	**500**
Terminal 3	68	261	**329**
TOTAL	**252**	**577**	**829**

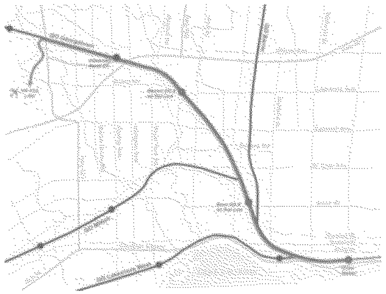
All results are based on weighted data.

Sample: Pearson Employee Survey

A total of 323 interviews were completed among employees of Pearson Airport. E-mails were sent to the staff requesting participation. There were no requirements to qualify for the survey. Results have not been weighted.

ARL Description (as shown to respondents)

The Airport Rail Link (the ARL) offers a direct rail connection between Pearson Airport and downtown Toronto Union Station, with stops at Bloor and Weston GO stations. It will commence operations in 2015



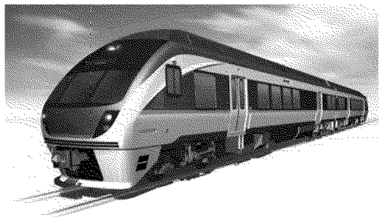
At Pearson Airport, the ARL will connect directly with Terminal 1, and will provide an easy connection to the Airport People Mover, which services the Pearson remote parking lots and Terminal 3. At Union Station, a new platform will be built specifically for the ARL. The line will have 4 stations: Union Station, Bloor GO station, Weston GO station, Toronto Pearson International Airport.

It is anticipated that the ARL will operate every 15 minutes between 5am and 1am, seven days a week, and travel time between the airport and downtown will be approximately 25-30 minutes.

The service will be a premium high-speed , state-of-the-art service with plush interior, luggage racks, onboard monitors displaying flight information on trips to Pearson and information about Toronto sites on the trip to Union.

The terminal stations at Union and Pearson will have comfortable lounges, which will have an open, modern feel. The terminal at Pearson will have centralized multi-language passenger information and platform edge doors for safety.

Other planned services and amenities include: lounge attendants, PRESTO (Electronic Farecard), linkage of ticketing with airlines.



Rendering of ARL vehicle

Rendering of Union Entrance Lounge

Rendering of Union Waiting Area

Rendering of Pearson Terminal

KEY FINDINGS

Profile of a Traveller

Sample Demographics: At A Glance

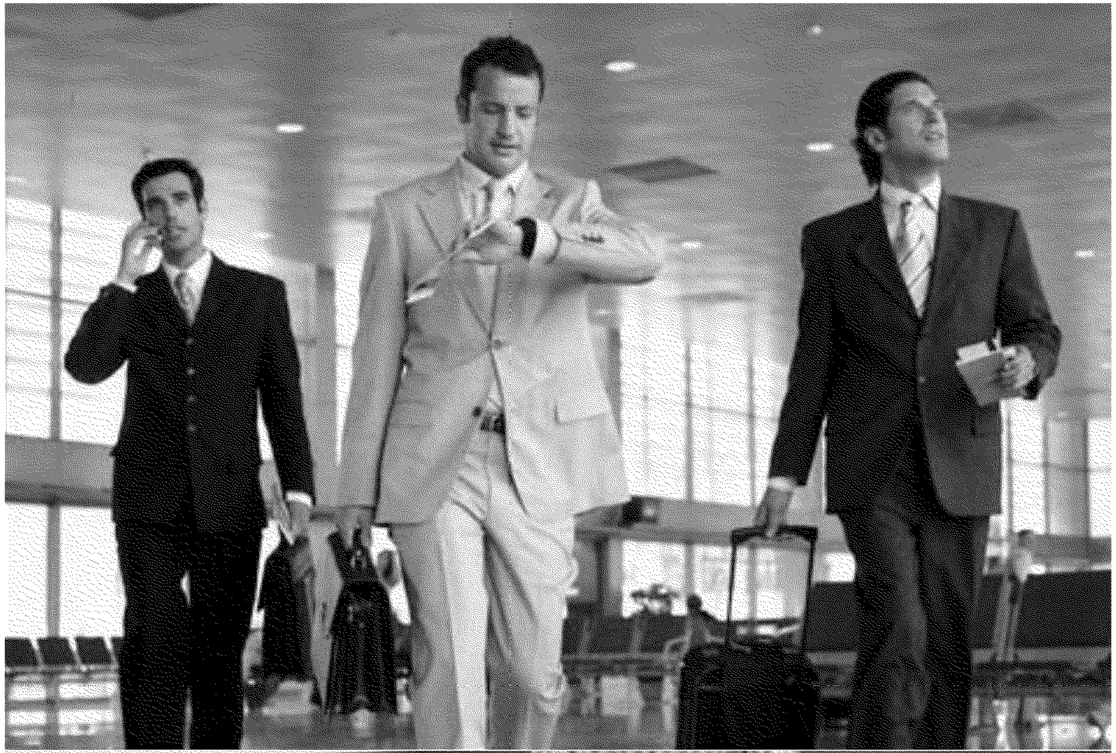
Average Age: 40 for travellers, 43 for Pearson Employees

Male/Female: 46/54 for GTHA residents, 59/41 for Pearson Intercepts, and 73/27 for Pearson Employees

GTHA resident additional demos: 53% are married, and 23% have kids

Pearson Intercepts: Fairly evenly split between non-Ontario, US, and International

Data can be found in the appendix of this report



Business vs. Non-Business Travellers

Business Travellers are more likely to be male

Business travellers have flown out of Pearson an average of 5-6 times last year vs. about 2 times for non-business travellers

In the GTHA, business travellers are more likely to be married, earn higher incomes, and have children vs. non-business travellers

Business travellers from the Pearson Intercepts are more likely to be travelling from other provinces or from the US compared with non-business travellers, who are more likely to be travelling from international destinations

Data can be found in the appendix of this report

Travel Behaviour

Average # times flown from Pearson in P12M: 3 times

Luggage: 69% of GTHA residents check in 1 standard sized bag, and 75% carry on 1 piece of luggage; non-Ontario residents tend to travel lighter, checking in fewer bags.

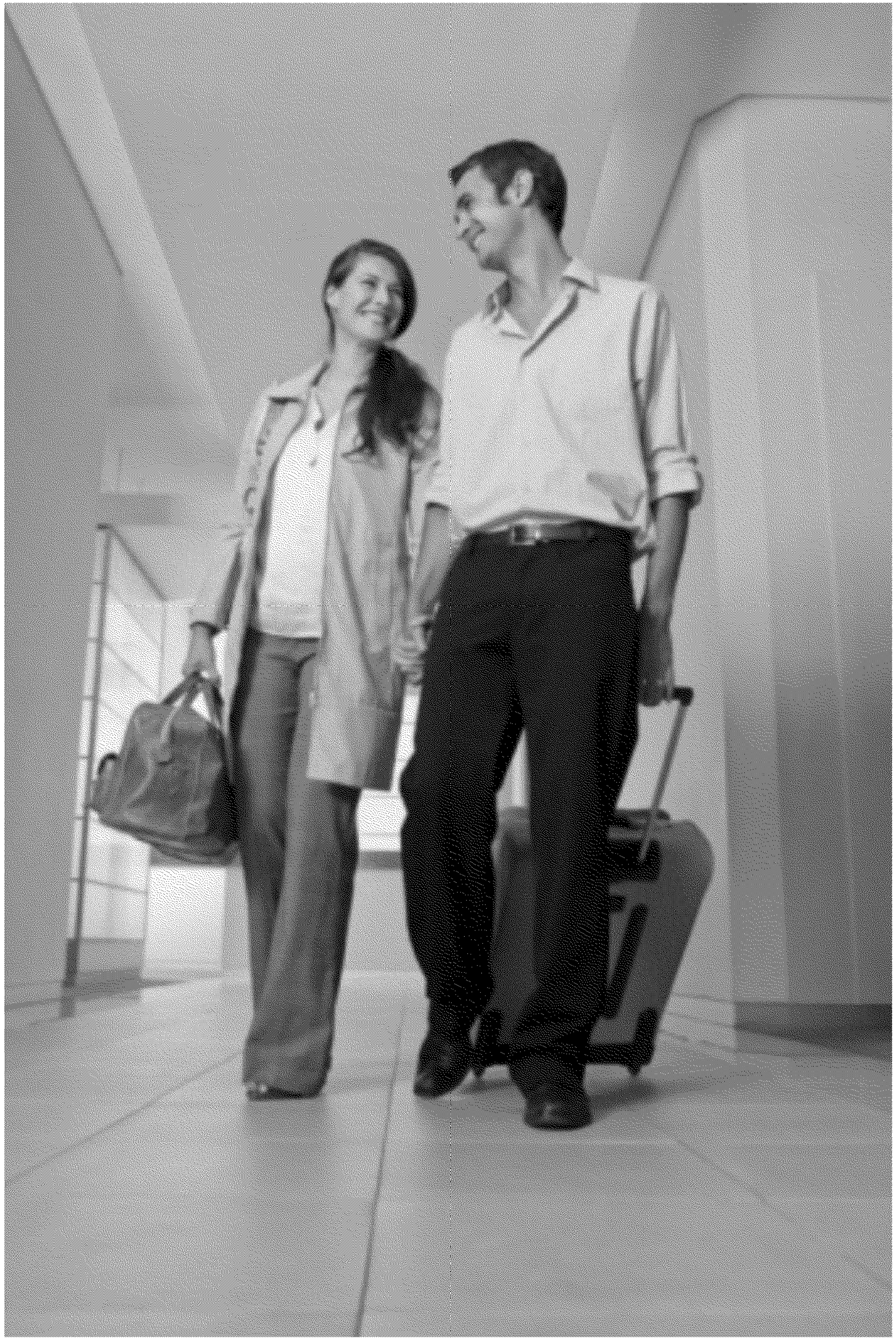
Seasonality: Fairly equally split across the year

Travel destination for GTHA residents: Business travellers tend to travel within Canada and to the US, whereas the majority (75%) of non-business travellers fly to International locations (including the US)

Travel companions: Among GTHA residents, 59% of business travellers travel on their own, and 76% of non-business travellers are joined by a companion. For non-Ontario residents, 73% of business travellers travel solo, while over half (53%) of non-business travellers have at least one companion traveling with them.

Airport usage: While only a minority of travellers fly into and out of Billy Bishop Airport (10% of business and 7% of non-business travellers), interestingly, those who leave for the airport from work are more likely to use the Island Airport compared with those who leave from home (14% vs. 8%).

Data can be found in the appendix of this report



Current Travel To & From the Airport

Over 90% of GTHA residents leave from, and return to, their home when travelling.

This has enormous implications for the ARL, both in terms of communications, as well as in terms of logistics.

Current Travel To & From the Airport *(continued)*

Most travellers (about 80%) use the same transportation method to get to and from the airport.

GTHA residents generally get to and from the airport via: someone else driving, limo/car service, or taxi. On the other hand, nearly half (48%) of non-Ontario residents have someone drop them off/pick them up at Pearson, and 13% rent a car. And over two-thirds (68%) of Pearson employees drive themselves and park at the airport.

Exclusion per Committee Direction

While speed and convenience are the top reasons for selecting specific transportation methods (inexpensive is mentioned primarily for public transportation options and 'someone else driving me'), GTHA residents most dislike traffic jams. The expense is also mentioned for taxi and limousines, and the amount of time is a concern for public transportation methods.

Awareness & Appeal of the Air Rail Link

Given that the ARL isn't going to be operational for another 4 years, awareness is extremely high – 65% of GTHA residents and 85% of Pearson Employees are aware of the project. Awareness is, not surprisingly, lower among non-Ontario residents (13%).

Furthermore, interest in taking the ARL is quite high, with 65% of GTHAA travellers and 62% of non-Ontario travellers saying they definitely/probably would take the ARL in the future. Employees are less interested in using the ARL to commute to work – 41% say they would be likely to take it, and the same percentage claim they would not use it.

The most interested GTHA residents are: younger (under 45) and those who live or work in downtown Toronto. Those who live or work in the surrounding areas (particularly in the Halton/Hamilton region) are the least likely to anticipate using the ARL.

Likelihood to Use the ARL – By Region

Lowest likelihood to use | Highest likelihood to use

T2B=<40% | T2B=70% +

Perceptions of the ARL

The most important attributes – those most highly correlated with likelihood to take the ARL – are those associated with convenience and speed and ease of service.

Given that the ARL is still at the early development stage, it is not surprising that survey participants rate these functional attributes more modestly. The current strengths of the ARL are its ability to improve perceptions of the city and Pearson. It is also rated very highly for being comfortable, modern, and the environmentally friendly choice.

Access & Egress Points

As we saw with transportation methods to and from the airport, nearly all respondents (over 90%) anticipate using the same access/egress points to get to the ARL, and about the same percentage anticipate using the same method (primarily the TTC) to get to and from the station.

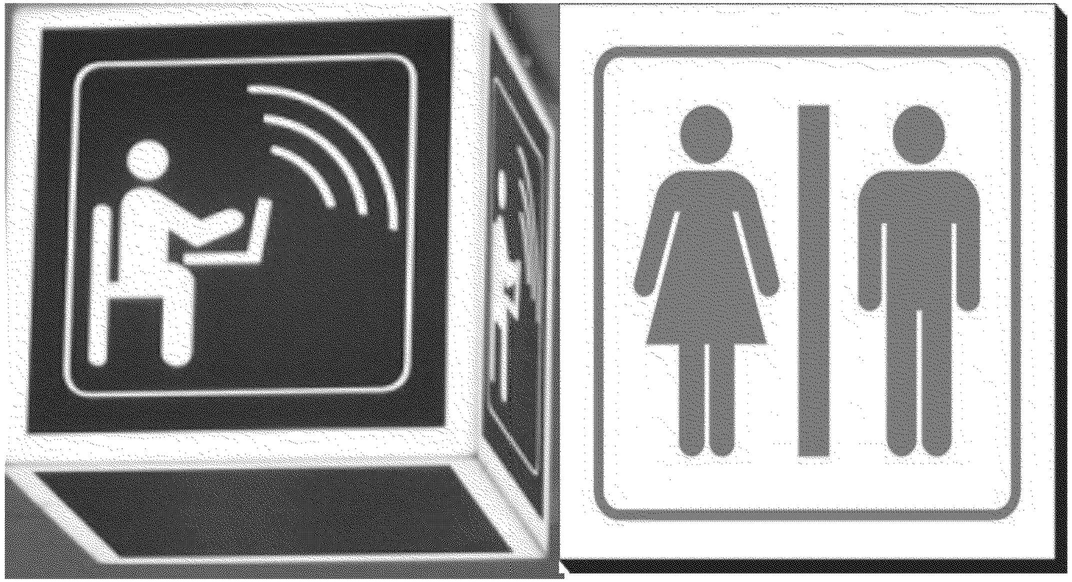
Given that nearly everyone travels to Pearson from home, and given where survey respondents live, it isn't overly surprising that one-third of GTHA residents anticipate using Bloor Station, and more than half plan to use Union.

Exclusion per Committee Direction

ARL vs. the Competition

While it's important to understand overall appeal of the ARL, it equally important to understand the consideration set, and how likely travellers would be to take the ARL compared with what they are currently using to get to and from Pearson.

When asked this question directly, only 28% of GTHA residents say they would prefer their current method. While 34% of non-Ontario residents would prefer their current method, that is driven primarily by the large proportion who are picked up/dropped off by a friend/family member/colleague – although over half (53%) would still consider taking the ARL. Among Pearson Employees, 39% would stick with their current method of transportation (primarily driving themselves and parking at the airport).



Amenities

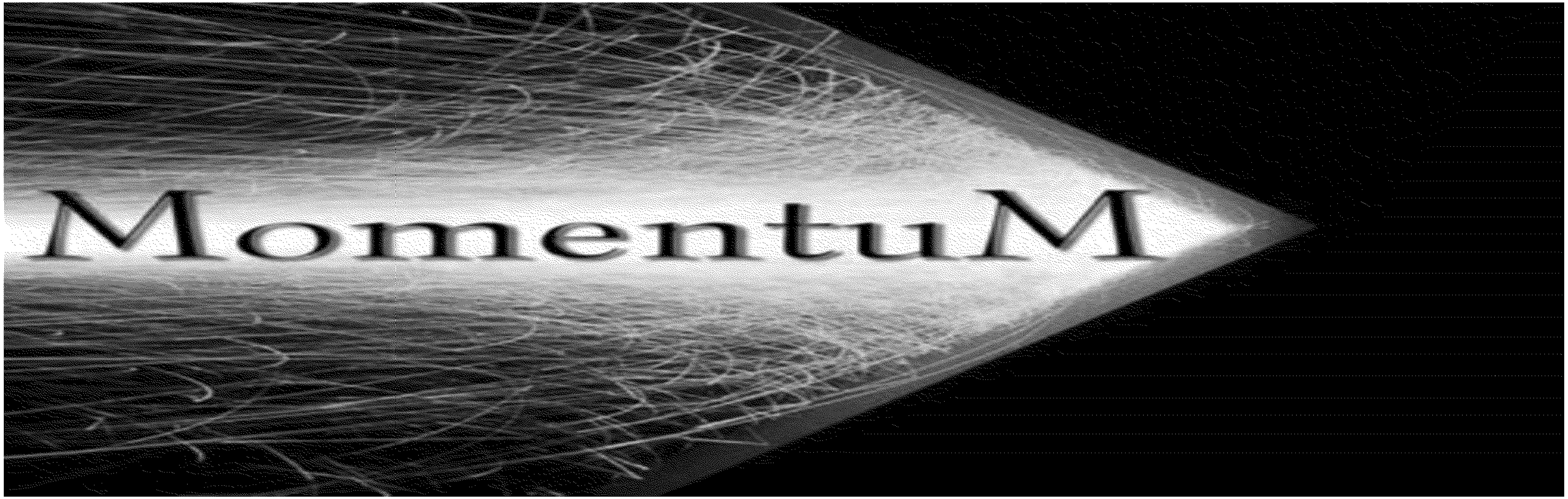
Finally, towards the end of the study, we asked respondents about a number of potential additional amenities that are being considered for the ARL.

The most popular, across the board, are: onboard washrooms, free Wi-Fi, large luggage racks, onboard flight information display screens, and the ability to collect loyalty points. The least important amenities are: leather seats, free newspapers, public telephones, and refreshments/snacks (at stations, at lounges, and on-board).

These amenities go beyond 'nice to haves' – the inclusion of the most popular amenities has the potential to increase ridership significantly.

When asked specifically about ticketing facilities, self-service is seen as far more important than staff facilities.

IMPLICATIONS & CONSIDERATIONS



Awareness and appeal of the ARL is high. The ARL is seen as more than just an A-to-B rail service: it is seen as benefiting not only the individual, but the city and the airport. Metrolinx needs to keep up the positive momentum.

In order to do this, Metrolinx should:

- continue communicating the key benefits and reasons to believe
- keep a consistent message
- be as transparent as possible: address both the good and the bad
- consider creating communities – both actual and within social media platforms – to be ambassadors

Clearly there is excitement and high expectations around the service. With this comes the need to meet these expectations.

Nearly all GTHA residents leave from, and return to, their home when travelling. Place of work, as the point of departure, is limited.

This will impact communications and advertising strategies (and possibly logistics).

Metrolinx will need to build a compelling story that incorporates this insight, either in terms of messaging or even visuals. Or… attempt to change behaviour by reframing the work place as a point of departure (as Porter has successfully done).

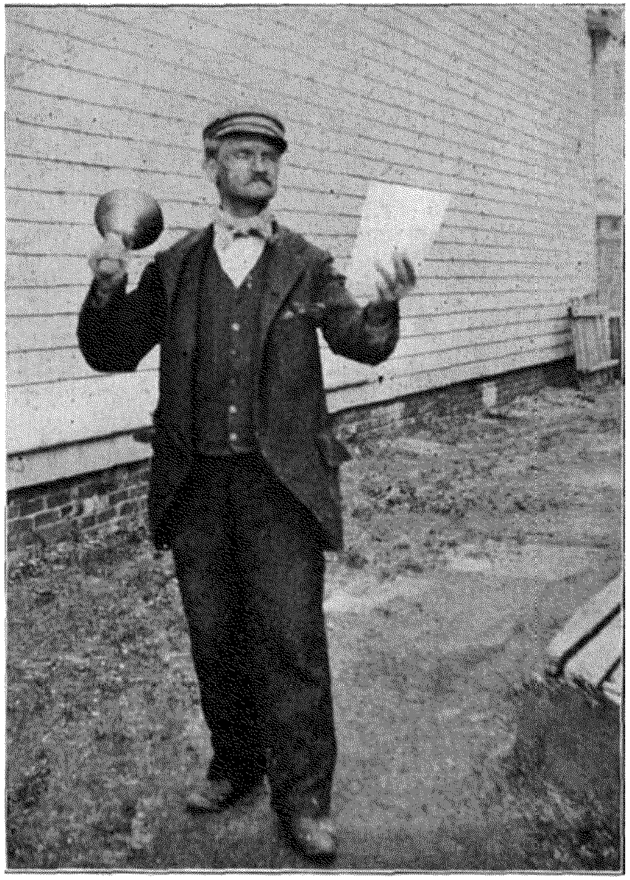
Furthermore, TTC would be the number one way GTHA residents would to get to their preferred ARL station.

Given its connection along the subway line, this is one of the reasons why Bloor Station is emerging as a more popular than anticipated station.

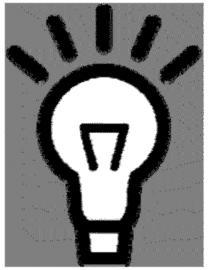
This means a feeder strategy will be crucial. Most travellers will have baggage with them – how will the TTC accommodate this? Exclusion per Committee Direction Exclusion per Committee Direction Exclusion per Committee Direction There will be a need to engage the TTC in conversation to address this potential demand.

Would it be possible to provide a designated ARL shuttle bus (similar to what is currently provided by Porter Airlines) within a specific kilometer radius to the key access/egress points? GO Buses currently have capacity for luggage, and would be perfectly suited to this task – just re-brand for the ARL.

Messaging Strategies – Some Suggestions

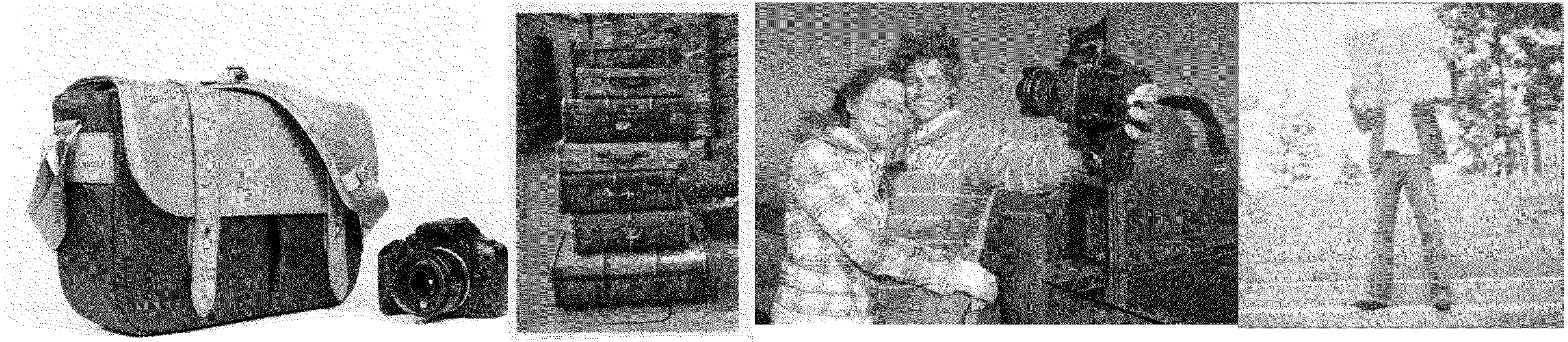


Traffic jams are a clear pain point for those travelling to and from the airport. Out of a person's control, traffic jams create unneeded stress and anxiety. Service consistency is an excellent point of differentiation for the ARL, and one that should be harnessed and communicated against.



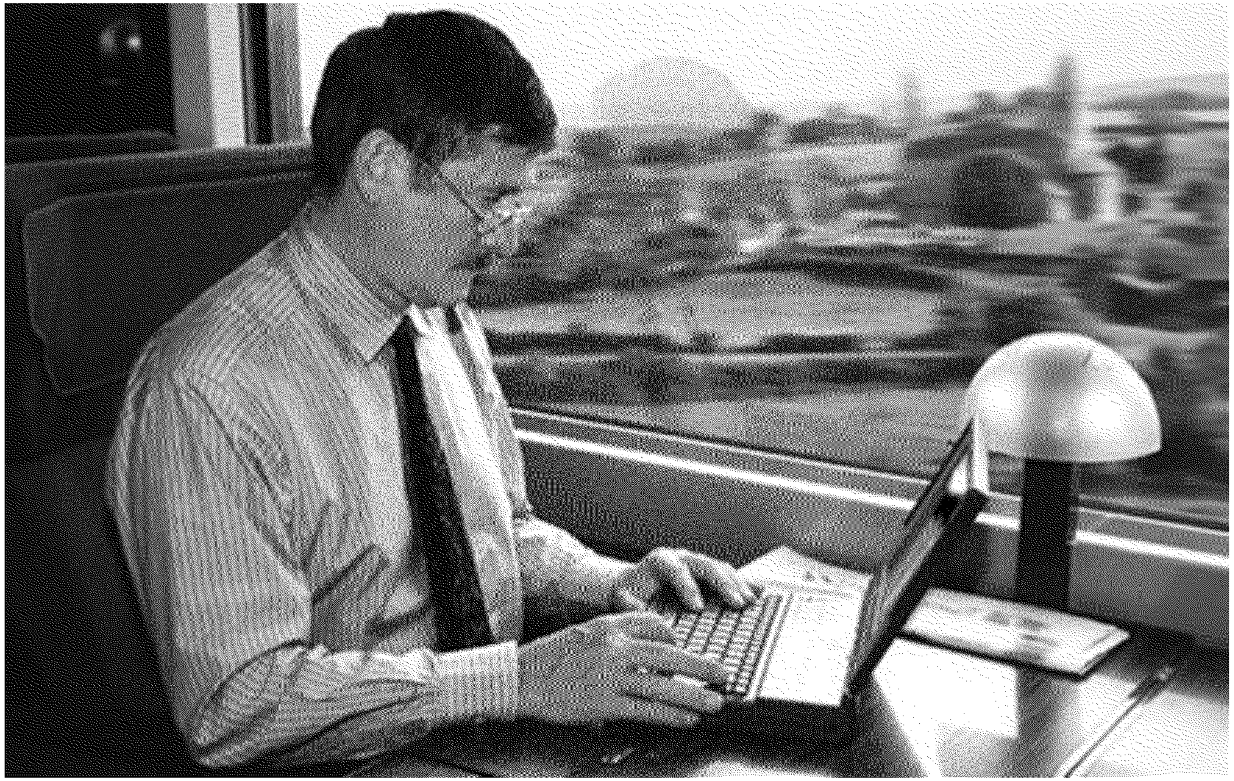
Emphasize the **speed and convenience** of the ARL. Given that the ARL is still in the development phase, it is not surprising that travellers are more cautious of their perceptions of the ARL as the best or fastest way to the airport. However, it will be concerning if these doubts continue, and Metrolinx should consider communication that is designed to address these concerns directly.

Be careful when communicating "premium" – this can often equate to "expensive". Rather, always be specific when communicating the benefits of the ARL. Furthermore, it does not appear that price is the primary driver of selecting the ARL over other competitors and thus, should not be the lead message.



Awareness Building: Non-GTHA Residents

While awareness is fairly low among non-Ontario residents, interest is very high. It may be worth it to get ahead of the curve, and begin raising awareness of the upcoming service. As many of those who fly into Toronto do so on a semi-regular basis (about twice per year), it may be worth-while to place advertisements in Pearson terminals, include articles in in-flight magazines, etc. This segment represents a potential excellent opportunity for ARL ridership.



Amenities: More Than Just Nice to Have

The most important amenities (onboard washroom, free Wi-Fi, large luggage racks, onboard displays, etc) are not only are deemed important by travel lers, but also have the potential to increase demand for the ARL. This makes these amenities more than just nice to have, but real drivers of ridership.

Therefore, not only is it important to include them in the service, but it will be even more important to communicate the inclusion of these amenities to travellers. These amenities enhance the value of the service.

Exclusion per Committee Direction

Pearson Employees

While overall interest among those working at Pearson Airport is modest, those living in downtown and those in Toronto East, in particular, demonstrate strong likelihood to use the service to commute to work. Exclusion per Committee Direction

Exclusion per Committee Direction

Interest and usage among employees at Pearson Airport may increase once the service is available in 2015, and particularly if it has been seamlessly integrated with the TTC.

Thinking Ahead...

The ARL is off to a tremendous start with considerable positive brand momentum and imagery.

It will be important to track changes in a number of key metrics over time, especially as we near 2015. This will allow Metrolinx to refine messaging and the brand image over time, and course-correct if any issues arise. Some key topics that should be measured over time include:

- Aided and unaided awareness of the ARL;
- Top of mind impressions of the ARL;
- Likelihood to use;
- Perceptions of the ARL

Some additional research opportunities exist, including: a consumer segmentation in order to hone the key target market and determine influential messaging strategies, testing alternative positioning and marketing messages, Exclusion per Committee Direction etc.