

Mobile tickets for transport -
When? Why? What happened? What next?

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When and where did all of this begin?

- 2000 - First mobile ticket sold in Helsinki in (Car Free Day)
- 2005 - First German city launched but standardisation made for slow growth
- 2007 – Stockholm launched
- 2008 - Copenhagen
- 2011 – UK (rail only)
- 2012 - Oslo
- 2012 – Florence, Italy
- 2013 - Mobile apps in transport started to take off in many European markets giving way to many deployments but still limited in terms of transaction volumes.



Why has it been so successful?

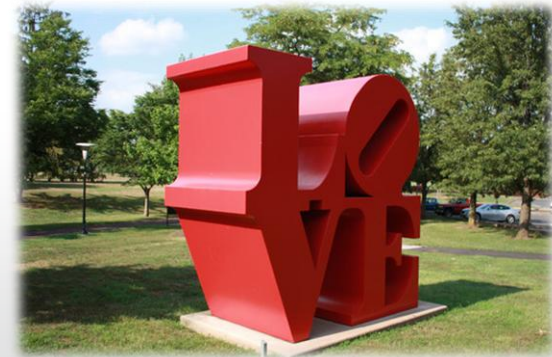
1. Consumers love it

- No registration required
- Convenient



2. Cities love it

- Lower or no cash handling
- Improved margins on single tickets
- Conversion rates of 40% common
- Up to 60% of revenue from mobile



Mobile tickets increase total ticket sales

What happened in Sweden?

1. Sweden was late to implement the PSD
2. Complex but important for mobile operators – 60% of mobile payment market value
3. Swedish mobile operators jointly created an electronic wallet – WyWallet to meet the license requirement
4. WyWallet forced cities to issue tenders for the payment solutions (The Swedish Purchasing Act)
5. RFPs later won by PSPs or system integrators offering six different payment methods



What happened in Sweden?

COMPLICATED

Where are we now?

- Mobile ticketing (SMS + online/apps) volumes set to double every 2 years
- **Simplicity** and **convenience** still the main success factors
- SMS tickets and application based tickets will co-exist:
 - SMS tickets for central "few zone" approach or "mobile-only" ticket to achieve volumes
 - Travel planners for complex parts of the network
- New business models have emerged
- Cities with established services struggle to navigate new regulation with tight timelines
- The future is **NFC - the investments have begun**



What next?

- Demographic shift and climate change make public transportation **'cool'** again
- Mobile tickets = 30-40% of the total ticket volume and up to 60% of the total revenue
- **SMS** still the backbone of many deployments
- **Operator billing** key in adding profit to lower priced single tickets
- Technical service procured separately from payment service to allow for flexibility
- **NFC** clearly the next major investment project
- Public procurement of automatic fare collection systems has finally started to include 'mobile'



Questions?

“A Developed country is not a place where the Poor have cars, it's where the Rich use Public Transport”

- Enrique Peñalosa, former Mayor of Bogota, Columbia, and sustainable transport guru

