

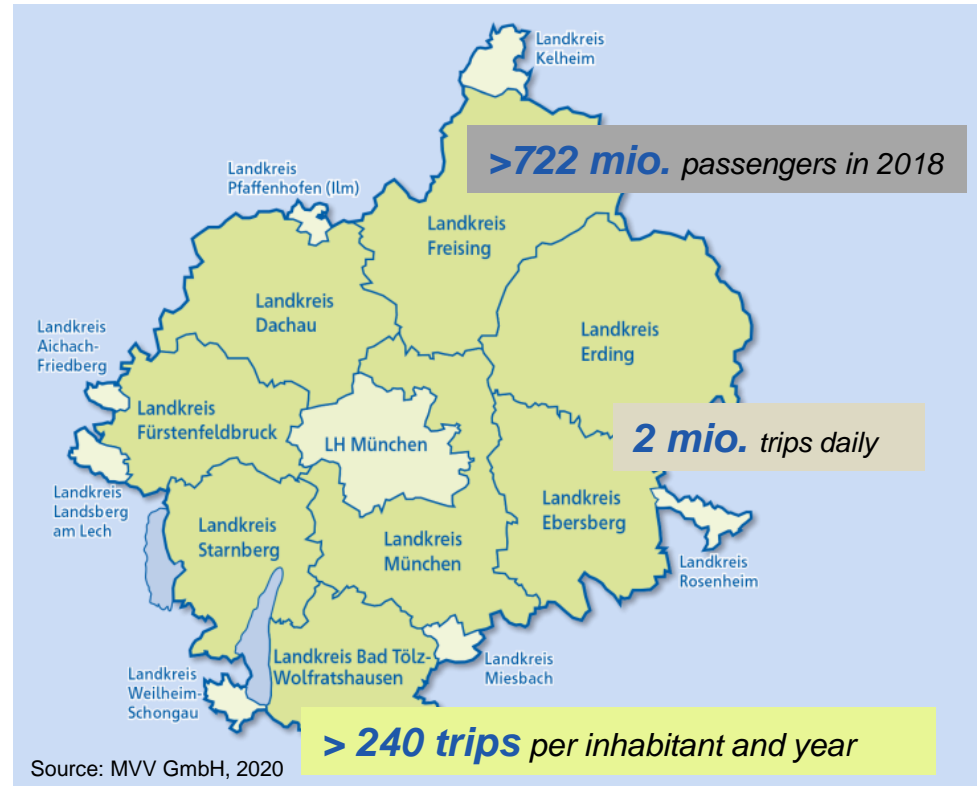
New technologies enable innovative tariff approaches



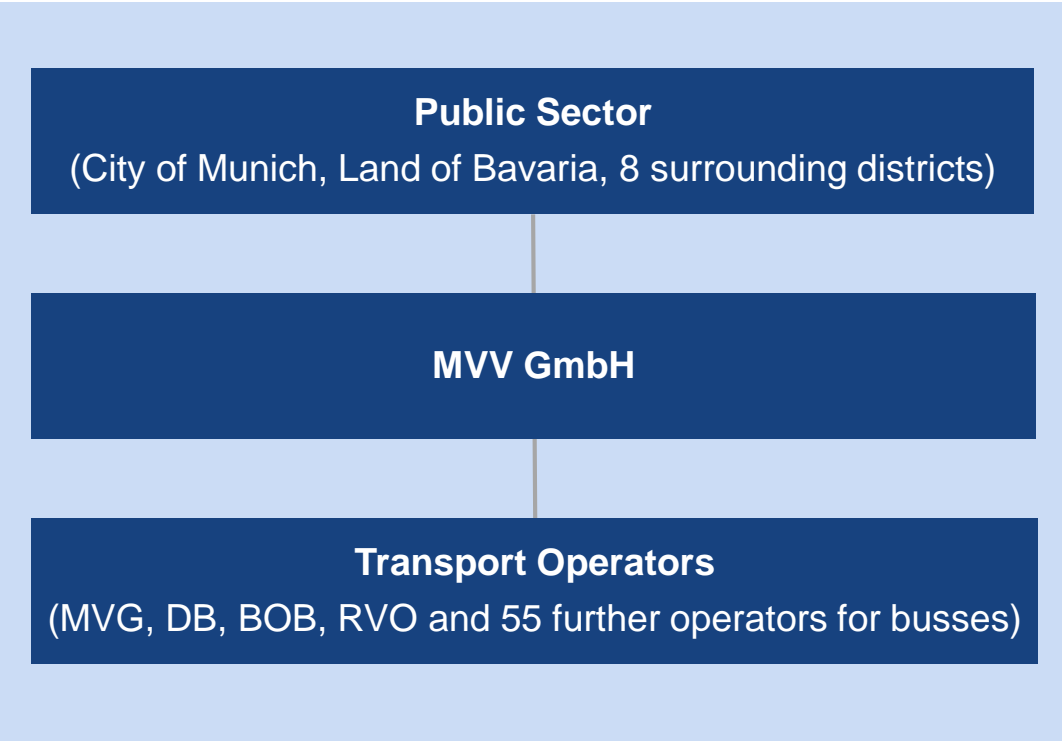
Transport Ticketing Global London 2020



- Area: 5.530 km²
- City of Munich and 8 surrounding rural districts with 175 municipalities
- Population: 2.9 million inhabitants (1.5 million in the city of Munich)
- Main benefit:
one network – one timetable – one tariff



Organisation of the Munich Transport and Tariff Association (MVV)



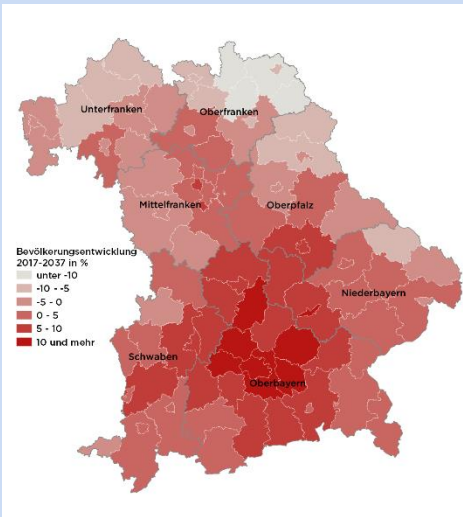
*political decisions
share holders of MVV*

transport management

transport supply

The population of Munich region is growing – and with it the traffic.

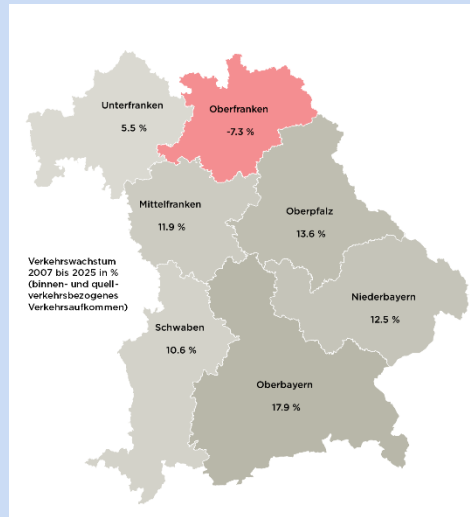
Population Development



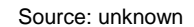
Commuters MVV



Traffic Development



Source: unknown

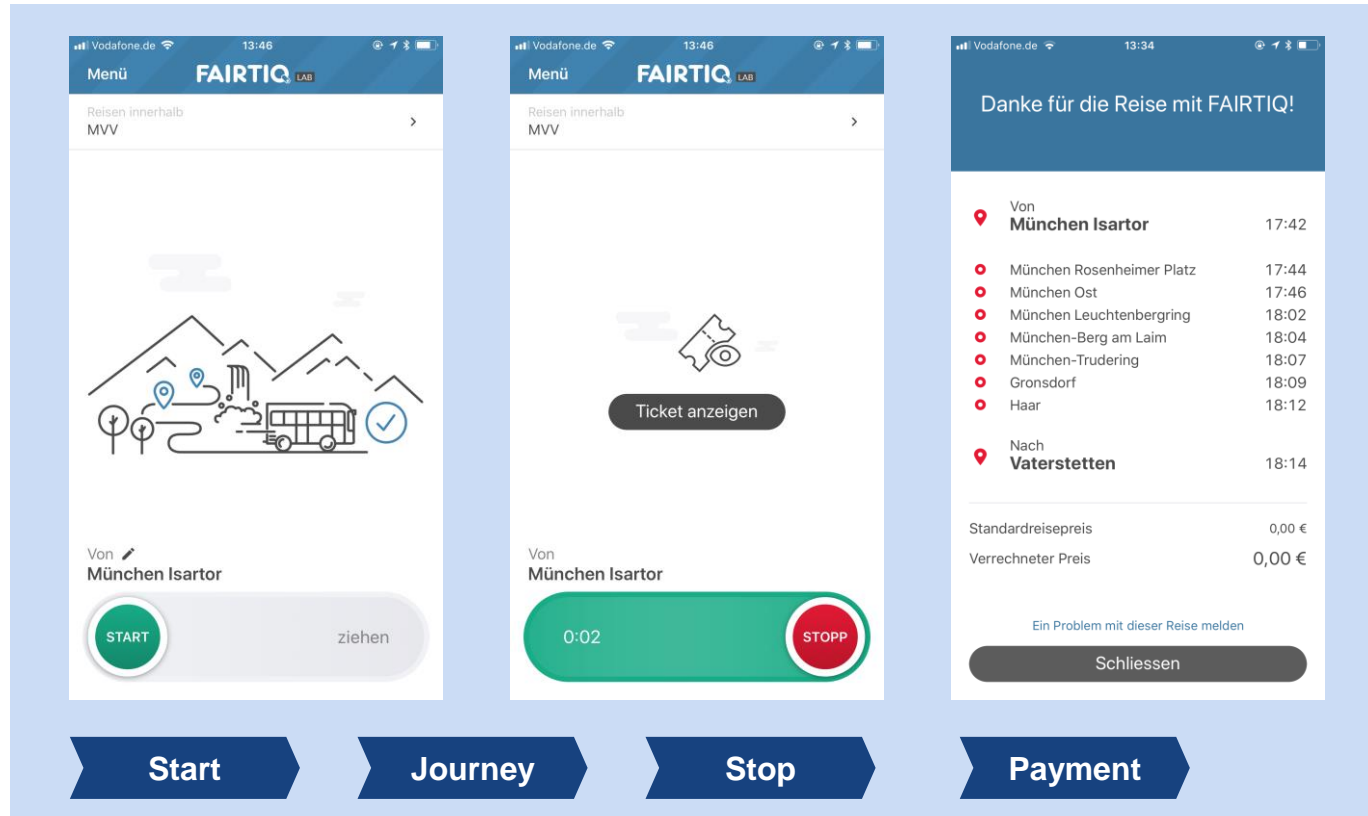


Digital solutions as in-/out-systems can be motivating for using public transportation.

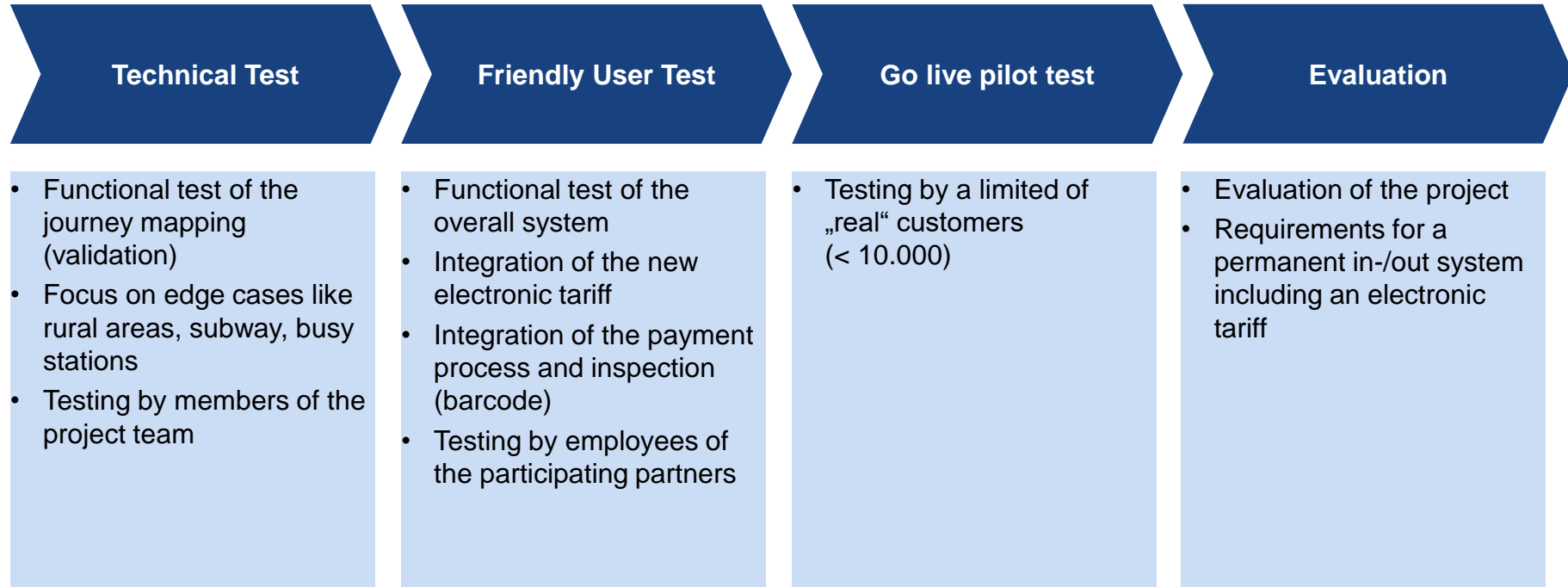
- Two-year project with a limited number of customers (start planned July 2020)
- Sales: In-/out-system based on a smartphone technology with no infrastructure planned (service provider: Fairtiq, since autumn 2019)
- Pricing: Development of an electronic tariff for occasional and flexible users as well as new customers (Consultancy: mobilité, since autumn 2018)
- Accompanied by market research (qualitative und quantitative methods)



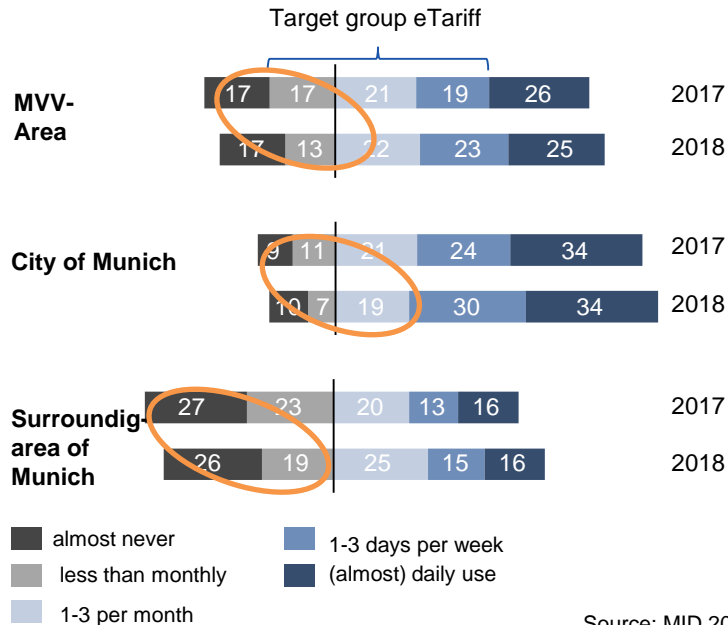
The technical base of the MVV pilot project is the FAIRTIQ Lab App.



The in-/out-technology will be tested with FAIRTIQ Lab App in several, consecutive steps.



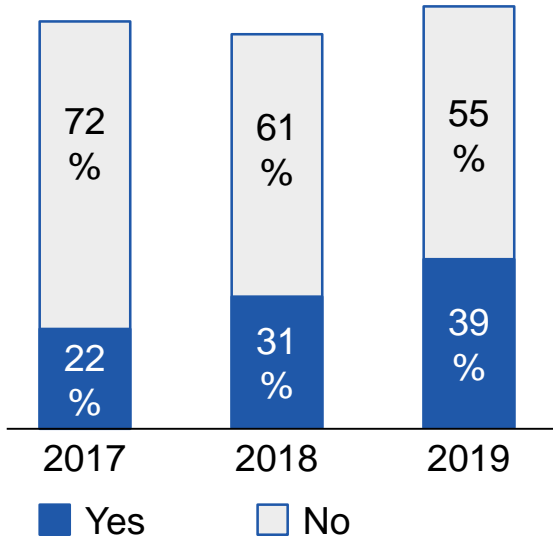
User frequency of public transport



Challenges for occasional users

- Irregular user behavior
- Complex pricing and sales systems
- Missing cost overview
- Pre-planning necessary, but often not possible

Do some of your employees work fully/partly at home?¹⁾



Source: Bitkom | Total under 100 % due to abstentions.

New work models change mobility needs

- Due to homeoffice, project work etc. passengers do not have the same travel patterns any more (monday to friday, 9 to 5)

Current products are based on strict travel patterns: day – week – month – year.

MVV Ticket Portfolio

Single Trips



Single Ticket
One destination, one ticket, and off you go. It's that simple. With the Single Ticket you get a ticket that is tailored to your precise journey. →



Stripe Ticket
There are ten stripes at your disposal. Whether you are travelling today or next month, alone or with others, near or far: you are ready to go at any time with a stripe ticket in your pocket. →

Day Tickets



Single Day Ticket
A whole day to do exactly as you please at one fixed price. Whether it's shopping, visiting friends or going out to eat: you choose how far you want to go and the MVV will take you there. →



Group Day Ticket
Whether it's for your girlfriend or husband, your grandma or mother-in-law, the Group Day Ticket is designed for couples and families, as well as for groups and school trips.

Challenges for customer individuality

- Complex systems of products
- Pre-planning is essential, but does not meet the expectations of the customers

Source: MVV GmbH, 2020

How do we define a digital pricing system?

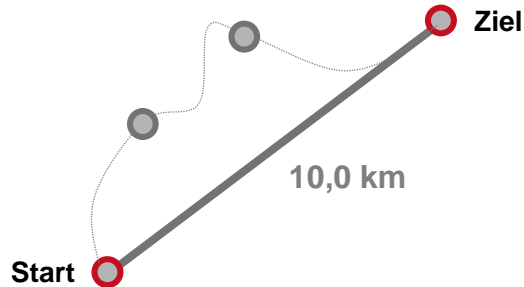


- Flexible, transparente und valued pricing
- Based on IN-OUT-Systems
- No need for tariff zones

Pricing model for our test: price per trip + price per linear distance (km).

1

Linear distance



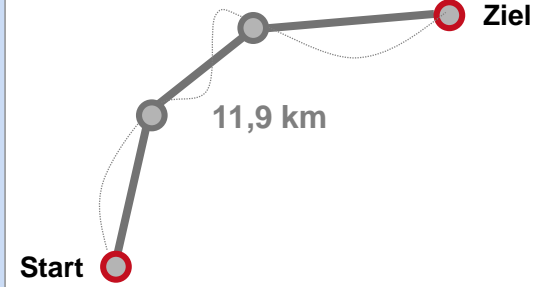
2

Real distance



3

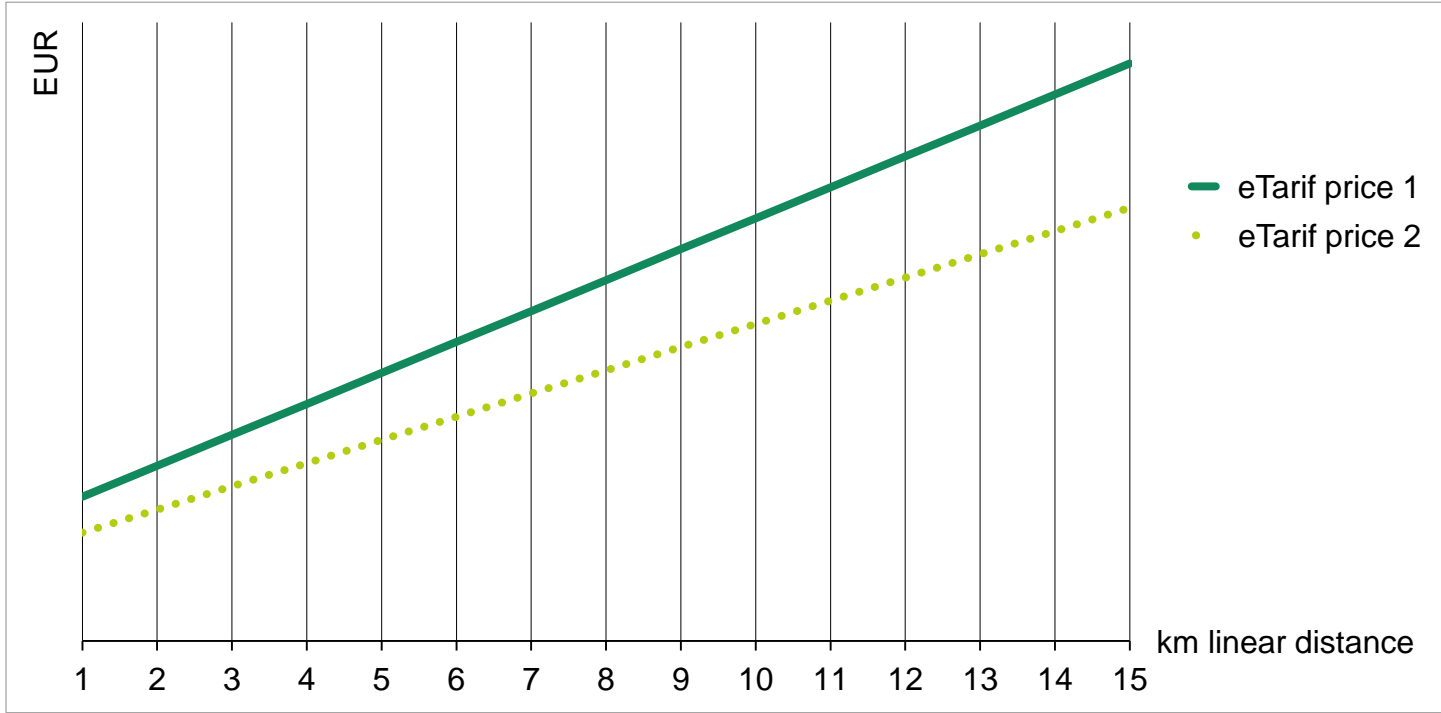
Mixed distance



Price differentiation is needed due to market acceptance.



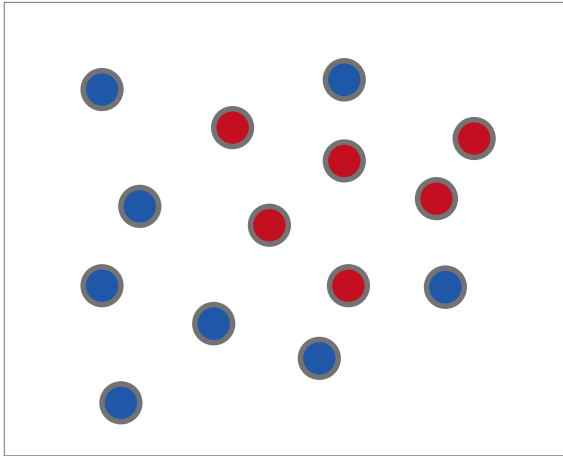
Pricing model (basic price and performance price)





Source: MVV GmbH, 2020

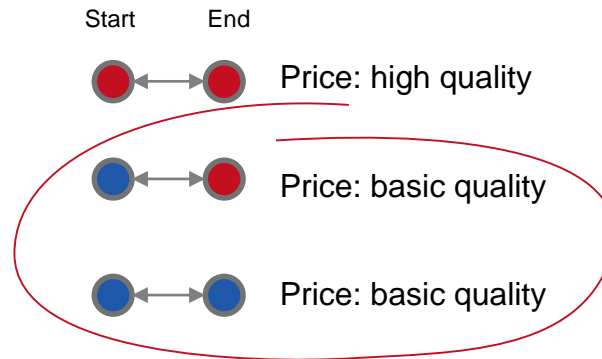
The modified price differentiation is based on the quality of a stop.

Categories of public transport stops



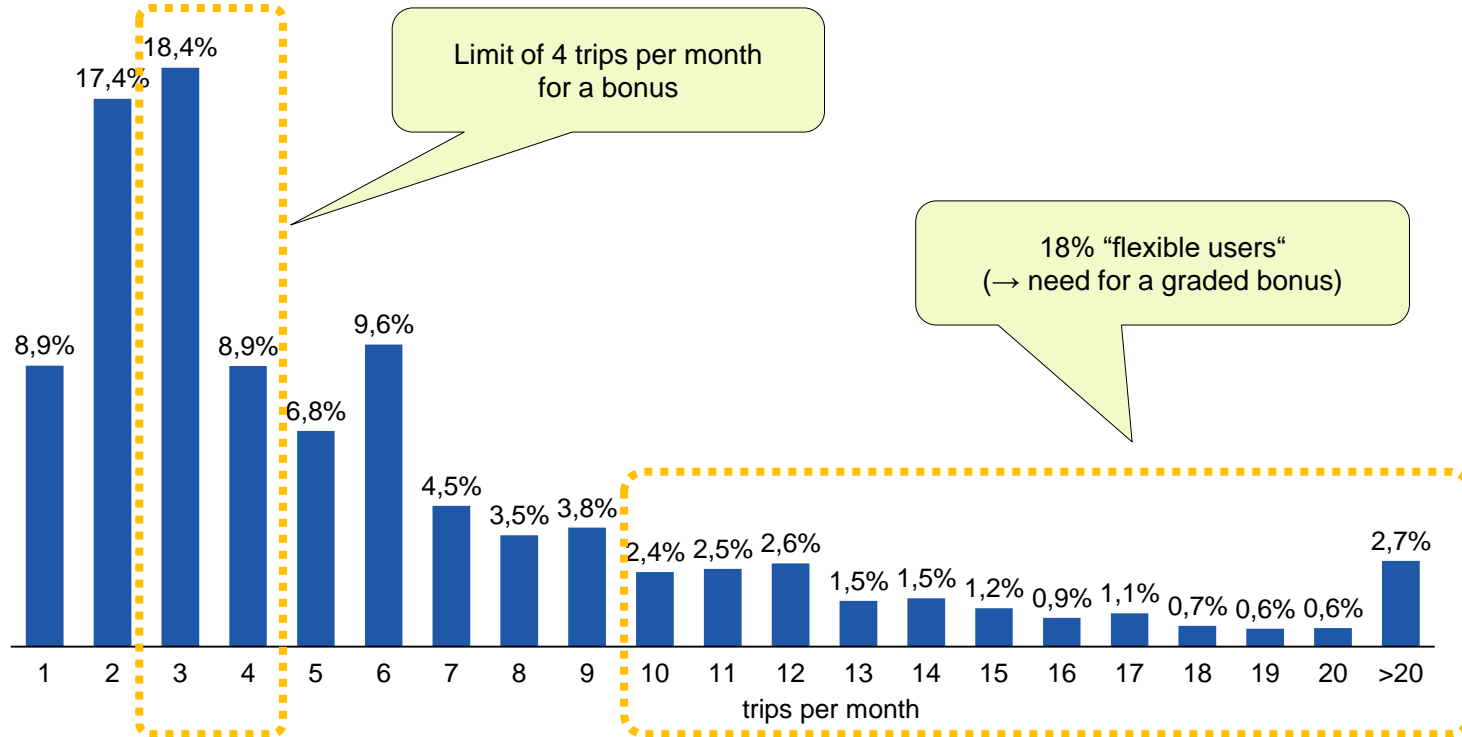
-  Stop with basic quality
-  Stop with high service quality

- Service quality of a stop (number of departures per day) is a criteria for the price differentiation



How do our occasional passenger behave – ideas for a targeted bonus within the electronic tariff.

Share of customers [%]



Source: MVV GmbH, MVV Ticketshop, 2018

Pricing and sales merge into one service.



Source: MVV GmbH, 2019



Thank you!

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