Reinventing the wheel: The future of public transit

By Jason Blackhurst

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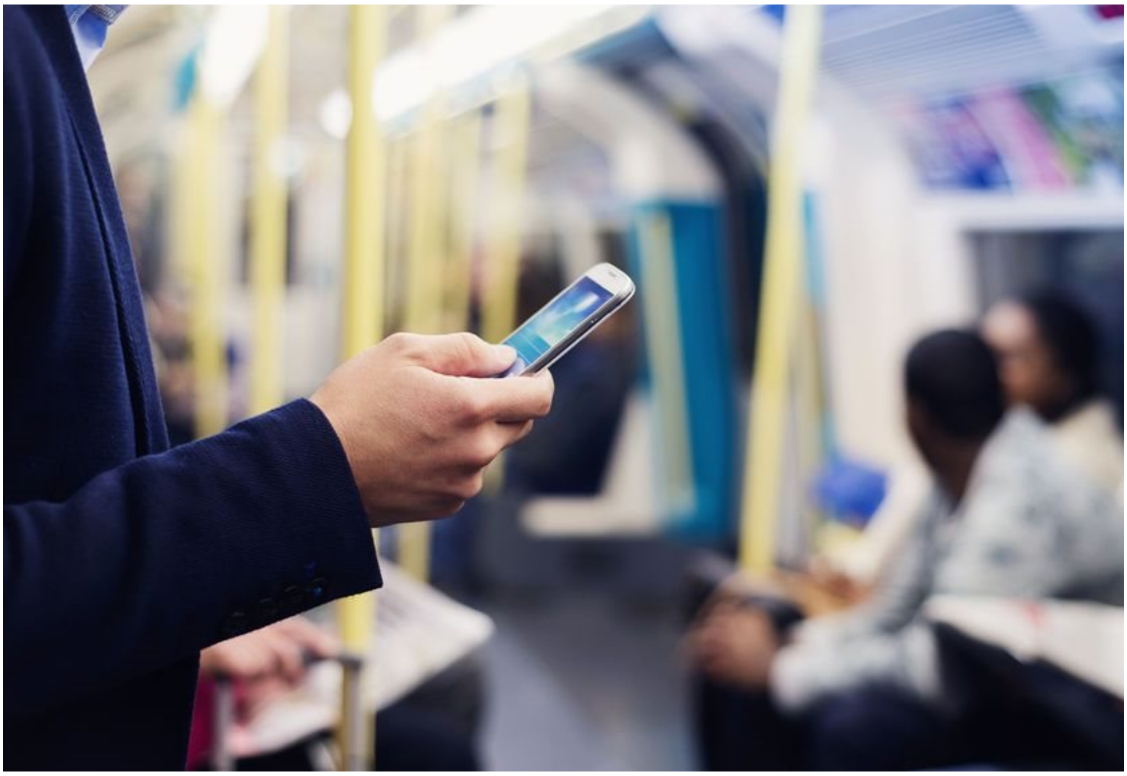
The last year was a difficult one for public transit operators. Ridership dwindled as many workers traded in cubicles for home offices. Now with some cities headed toward reopening, transit systems are likely to begin seeing a surge in passengers returning. Visa's Future of Urban Mobility Study found that 4 out of 5 people (84%) are planning to ride public transit at pre-pandemic levels.



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That said, 63% of riders cite being concerned over Covid-19 for their decreased use of public transit. Between emphasizing public health and managing a shift in perceptions around commuting, public transit operators need to ensure they meet the new expectations of their passengers. With over 300 million contactless cards in the US alone, consumers are trending toward touchless transactions in their everyday interactions.

For transit riders, contactless enables a safe, streamlined experience by swapping transit-specific payment cards in favour of what’s already in their wallets. Reducing complexity and cost can help draw in more riders in the long run. And intrinsically, the more people ride, the more community benefits.

Powering the tap to ride experience

At Visa, for example, we’ve witnessed the rising demand for contactless payment options first-hand, working on over 700 ongoing projects with public transit operators globally, and already helping to power over 450 live projects around the world. Beyond that, in the last year, we’ve seen Visa contactless transactions for transit fares grow nearly six times compared to pre-Covid-19 levels.

Our Future of Urban Mobility Study shows that 88% of passengers expect transit operators to offer contactless payments as an option.

Most recently, Visa and its global payment management platform, Cybersource worked with Porto's public transit, Metro do Porto, to bring contactless solutions to riders. With the rise in demand for touchless options, open loop systems are becoming an essential part of creating a sustainable, efficient, and inclusive travel experience for riders.

To help drive adoption, Visa is partnering with the International Association of Public Transport (UITP) to launch the Urban Mobility Open Payments Forum, to help facilitate the harmonisation of solutions and processes and make it easier and less costly for public transport organisations to implement open loop payments. In addition to its global transit partners, Visa partners with operators across the U.S. to implement Tap to Ride.

Why go contactless

While some aspects of normal life are starting to return, the demand for contactless payment options, which took off during the pandemic, is likely here to stay. Incorporating any system that reduces the need for physical contact goes a long way to help boost that confidence.

According to the Visa's Future of Urban Mobility study, nearly 40% of riders surveyed wanted reduced contact with common surfaces. With innovations like Visa's contactless payment technology, public transit operators have the ability to provide more equitable fare options and payment structures like fixed fares, fare capping, time-based fares, and concessions.

For people who depend on public transit, providing as many options as possible helps to ease financial burdens and ensure everyone can get where they need to be. For operators, traditional means of fare collection and ticketing bring added complexity to the system, which often come with additional costs on the back end.

An open loop contactless system can be run far more effectively and, in some cases, generate a nearly 30% cost reduction[6], giving transit operators the flexibility, they need to put more focus on critical operations. In addition to the cost savings, taking a digital approach to fares and ticketing gives operators deeper insight into travel patterns, which have shifted dramatically since the beginning of the pandemic.

The contactless commute is here to stay

As more and more transit systems get in on the contactless payment trend, the benefits are clear. Whether it's helping to reduce costs, streamlining passenger experience, or bolstering public health and safety, tap to ride solutions offer operators a simple tool to get riders back on track.

ABOUT THE AUTHOR

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