CASE STUDY

# Mobile ticketing: Turning smartphones into transit ticket machines

Combining mobile and payment technology improves user experience and cuts operating costs

Overview

With more people travelling to cities for business and leisure, public transit in urban areas is under significant pressure. Faced with increased demand, public transit operators are looking to make urban mobility services more convenient so that they continue to attract people and support business growth. As a result, many are turning to mobile ticketing solutions.

By utilizing the device travelers already carry with them—the smartphone—mobile ticketing provides transit authorities with a quick way to implement digital transformation, decrease operational costs and improve user experience.
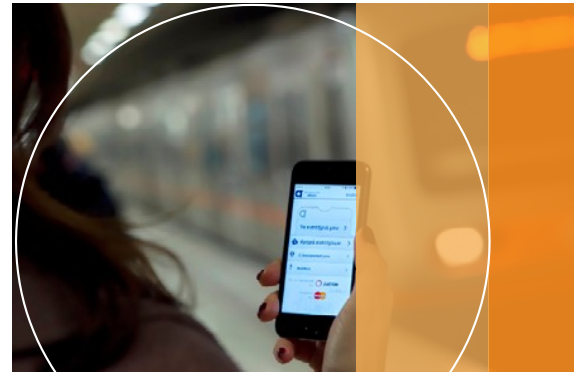
Challenge

Cities, although varying in size, geography and infrastructure, all face similar transit challenges. Authorities are increasingly looking at how to drive efficiencies, encourage use and enhance customer satisfaction across public transit networks.

Traditional fare collection methods that rely on cash are slow to process and expensive to manage, but full-scale infrastructure change can be costly and take a long time to launch. The question therefore many transit authorities are facing is: How can they quickly transform their public transit network and digitize services while avoiding significant investment?

Solution

In Athens, Boston, Las Vegas, New York and other major cities around the globe, transit authorities are now providing a quick and convenient service to their customers by eliminating rider queues and adding thousands of ticketing machines. Importantly, they aren't spending large amounts of time or money updating infrastructure, instead they are utilizing the device already in the pockets of millions of riders: the smartphone.

Smart Ticketing

Mobile ticketing allows public transit users to buy and display transit tickets on their smartphone, improving the overall experience and reducing operational costs for transit operators.

masabi

By combining mobile and payment technologies, Mastercard and its technology partner, Masabi, are utilizing in-app payments to deliver JustRide. The white-labeled mobile ticketing platform allows users to buy and display tickets for current and future travel using a smartphone or connected device.

Supported by Mastercard Payment Gateway Services (MPGS), which enables global transaction processing and supports quick roll out, the solution is deployable in cities in as little as three months. Masterpass, the Mastercard digital payment service, is embedded into the solution allowing users to purchase fares wherever they are; this saves them time, eliminates queues at ticket machines and removes transit authorities from the expensive and time-consuming business of managing and distributing tickets.

Mobile ticketing requires little or no infrastructure upgrade, so it's simple for transit agencies to deploy and easy for riders to use.
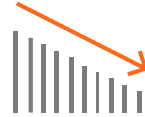
Transit authority benefits

Low or No Capital Cost
No need to invest in new or upgraded gates/terminals

Quick to Market
JustRide can launch in as little as three months

Reduced Cost
Reduced operational costs (ticket issuance/cash handling) and lower cost of fare collection

Increased User Satisfaction
Simple and convenient for new and existing customers to use

Data and Analytics
Access to near real-time data across the transit network

Communications vehicle
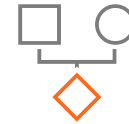Real-time service updates to customers

Rider benefits

Convenience
Users purchase fares and display tickets from their smartphone anywhere, anytime

Speed
No time spent waiting in line, looking for lost paper tickets or topping up pre-paid smartcards

Simplicity
To get started, users only need to download one mobile app

About Justride

JustRide is used by transit authorities worldwide to improve customer satisfaction and reduce the cost of fare collection.

The cloud-based, end-to-end mobile ticketing and fare collection platform allows tickets to be displayed on screen via a readable image or scanned via a QR code. With Masterpass at the heart of the solution, JustRide allows a preferred payment method to be stored within the in-app digital wallet, meaning that riders can purchase tickets anywhere, anytime.

A white-label solution, fares are purchased and displayed in a transit authority's branded app and tickets are either checked visually on screen, using an inspector's smartphone, or with a transit gate scanner. The platform also provides transit agencies with near real-time data, allowing reporting and analytics on what's happening across a network.

By utilizing the smartphone riders already carry with them, digital transformation and increased user satisfaction is achieved in as little as three months.

New York's Gone Mobile

With thousands of daily commuters and visitors looking to travel across the city, New York's public transport infrastructure was under significant pressure.

Challenges:

- The city's Long Island Rail Road and Metro North lines serve 174 million riders each year
- Significant time wasted queuing at ticket machines, a source of frustration for riders
- High cost of fare collection
- Significant capital investment needed to upgrade the existing systems

MTA eTix, a white-labeled version of JustRide, was launched across New York's Metro North and Long Island Rail Road lines in 2016.

Benefits:

- Quick deployment
- Integrated payment system
- Downloadable via Apple Store and Google Play
- No infrastructure upgrade

Results:

- Reduced cost of fare collection
- 280,000 unique users within the first three months
- 8% of tickets sold, network wide, via eTix after only three months
- Improved user experience: The deployment followed a pilot program, in which 92% of participants indicated they were satisfied or somewhat satisfied with the app, and 94% stated they were very likely or somewhat likely to use it upon rollout
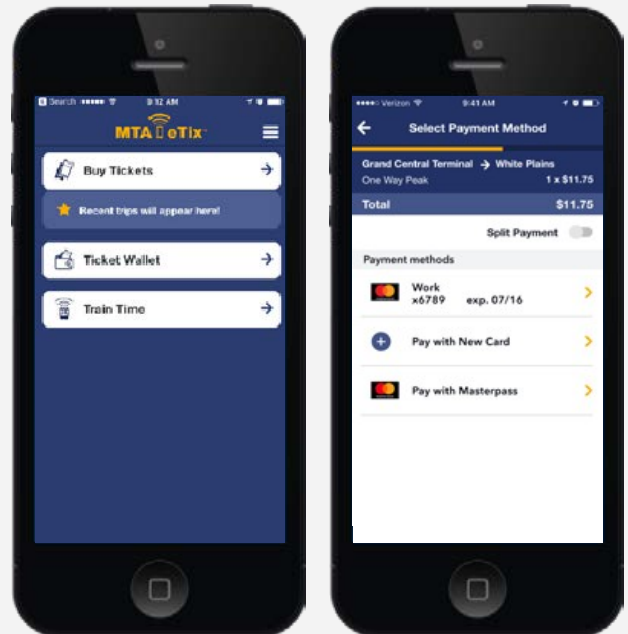
New York Govenor Andrew M. Cuomo, while announcing the MTA's rollout in summer 2016.

"This new app puts riders first by eliminating the ticket line and helping them get where they need to go with more freedom and convenience than ever before."

ANDREW M. CUOMO
New York Govenor

Let's connect!

Contact Mastercard's global transit solutions team **mobility@mastercard.com**.

Mastercard Transit Solutions:

Partnering with cities, transit agencies and technology partners, Mastercard has been architecting flexible transit solutions that support local infrastructure requirements for almost a decade and is leading the next generation of urban mobility solutions. **For more information on our global transit activities, visit: mastercard.com/transit**