Demystifying open loop payment in public transport

Webinar, 25 April 2023

Webinar Agenda

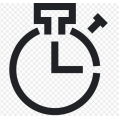
Urban Mobility Open Payments forum

- **Introduction of UITP**
- **Open Loop Payment in public transport**
- **System elements and payment process**
- **Case study Ostava –** one of Europe's very first implementations
- **Open loop payment – today and tomorrow**
- **Your turn** - Questions and answer

You will receive the presentation via email.

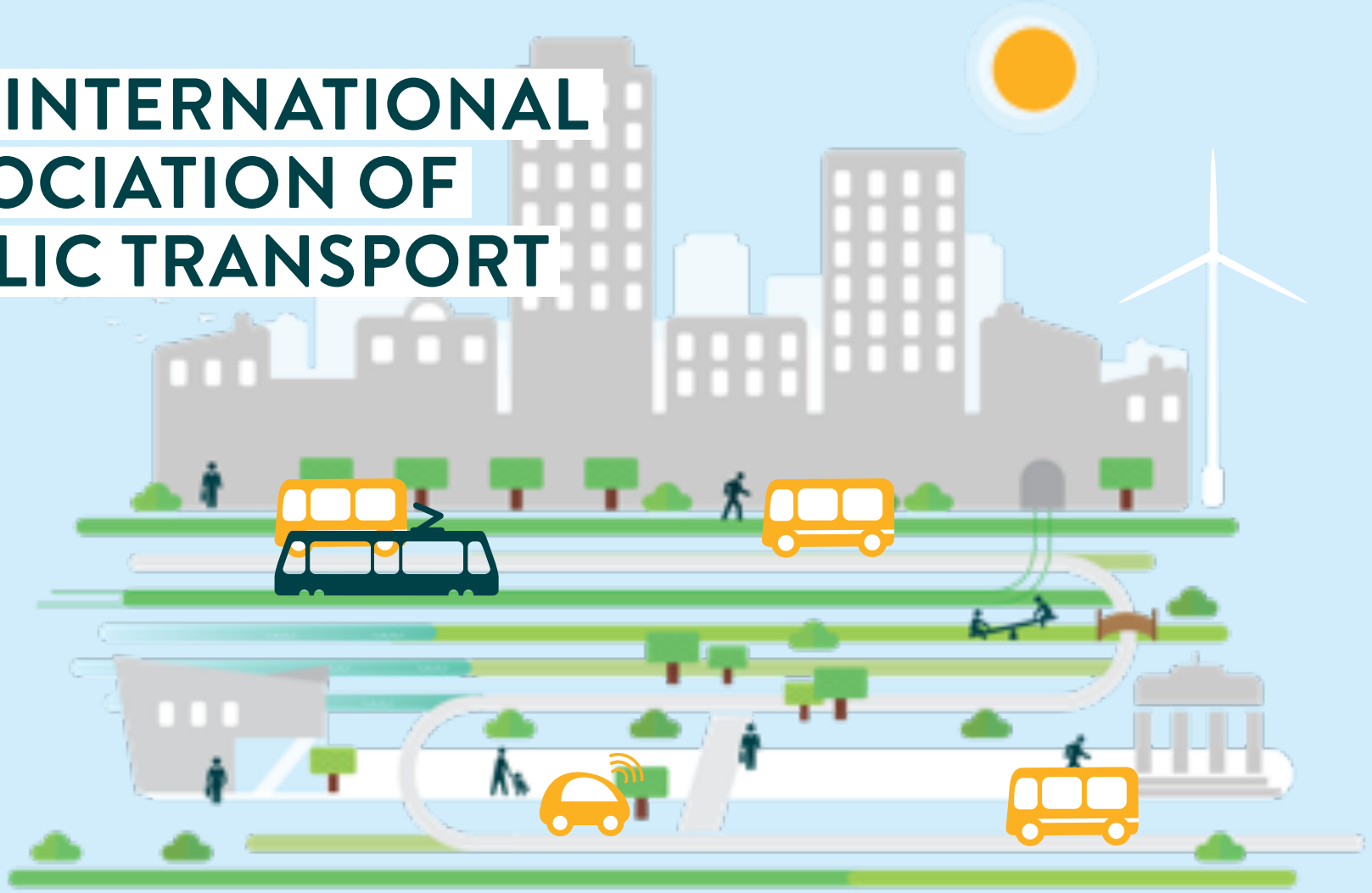
Write your questions & comments in the chatbox.

Raise your hand to speak, introduce yourself & happy to see you!



Let's keep it short and sharp.

THE INTERNATIONAL ASSOCIATION OF PUBLIC TRANSPORT



OUR VISION

We are working to **enhance quality of life**
and economic well-being by supporting and promoting
sustainable transport in **urban** areas worldwide

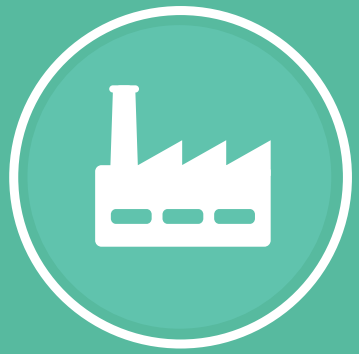
A DIVERSE **MEMBERSHIP ASSOCIATION**

WHO ARE OUR MEMBERS?

AUTHORITIES

OPERATORS

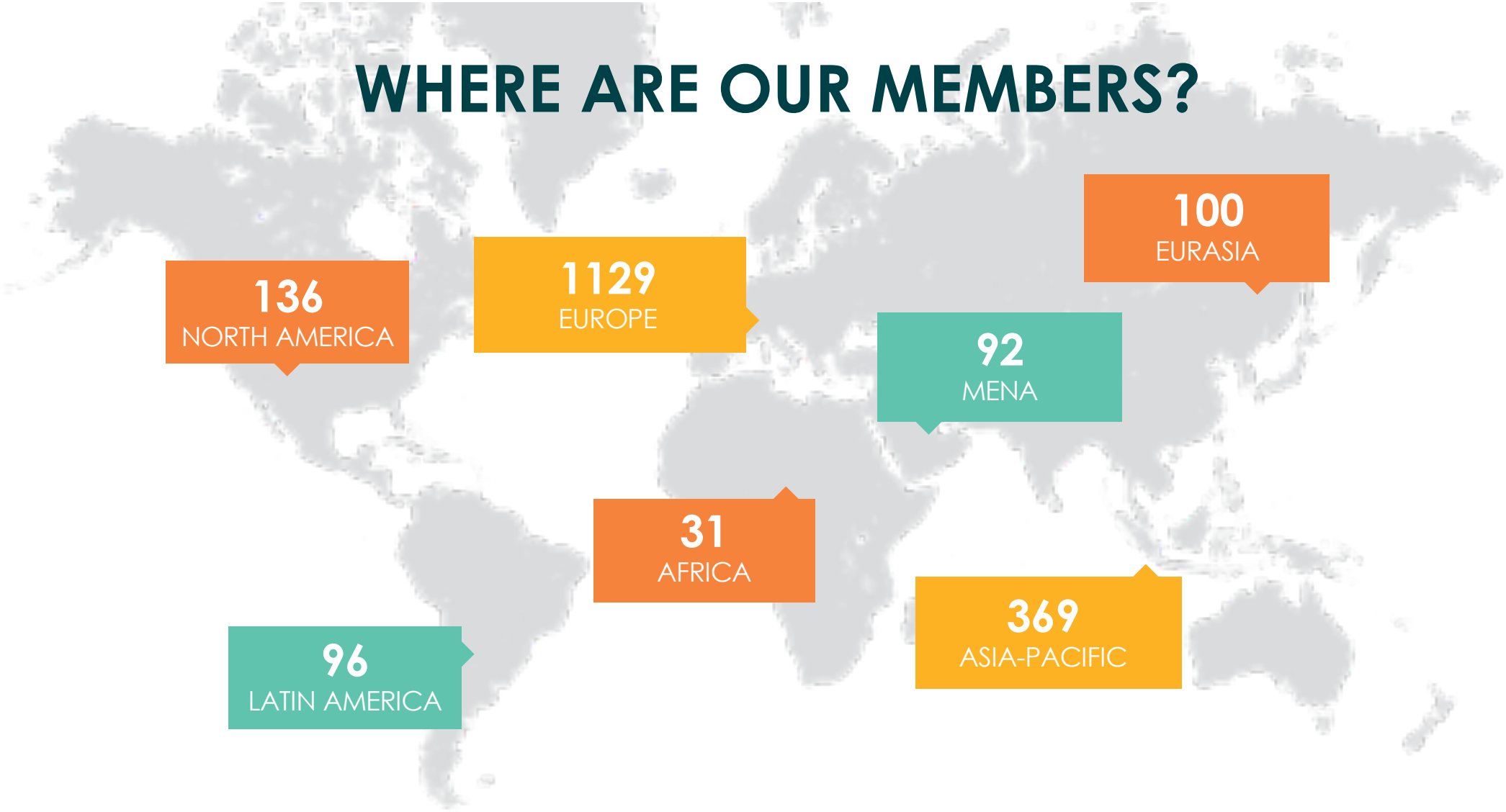
INDUSTRIES



RESEARCH INSTITUTES & ACADEMIA

ASSOCIATIONS

WHERE ARE OUR MEMBERS?



WHAT WE DO

ADVOCACY

We engage with **decision makers** and key **international organisations** to promote sustainable mobility solutions.

KNOWLEDGE

We inspire **excellence** and innovation by generating cutting-edge **knowledge** and expertise.

NETWORKING

We bring people together to **exchange** ideas, find solutions and forge **partnerships**.

CONCRETELY…

We release **publications** & **statistics**

We lead **knowledge** and **innovation** via Committees and projects

We organise **events,** bringing together the public transport community

We deliver **training sessions**

We safeguard and promote our sector and the **benefits of public transport**

We **advocate** with and for our members

…and much more!

UITP
4-7 JUNE
BARCELONA 2023
GLOBAL PUBLIC TRANSPORT SUMMIT
Join the Defining Event in Public Transport
• Covers all urban and regional transport modes
• Wide variety of sessions and an outstanding exhibition
• A truly global event with participants from over 80 countries
www.uitpsummit.org
BRIGHT LIGHT of the City
WHAT CAN YOU EXPECT?
2,500 Attendees
380 Exhibitors
40,000 Exhibition space
300 Speakers
15,000 Exhibition visitors
100 Press/media representatives

WHY BECOME A UITP MEMBER?

Open loop payment in public transport

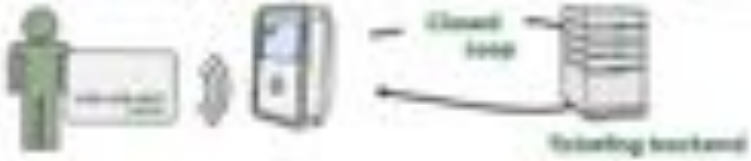
100 YEARS OF TICKETING

Ticketing system has evolved over the period of time. The challenge has shifted from choosing a **tariff scheme** to to understanding the **potential of technology**...

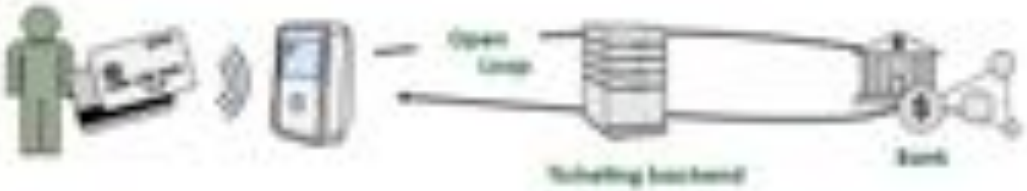
CLOSED/ OPEN LOOP

From separate processing of payment and ticket validation to directly accepting payment cards

Closed Loop: Money in the fare collection system



Open Loop / EMV: Money on your bank account



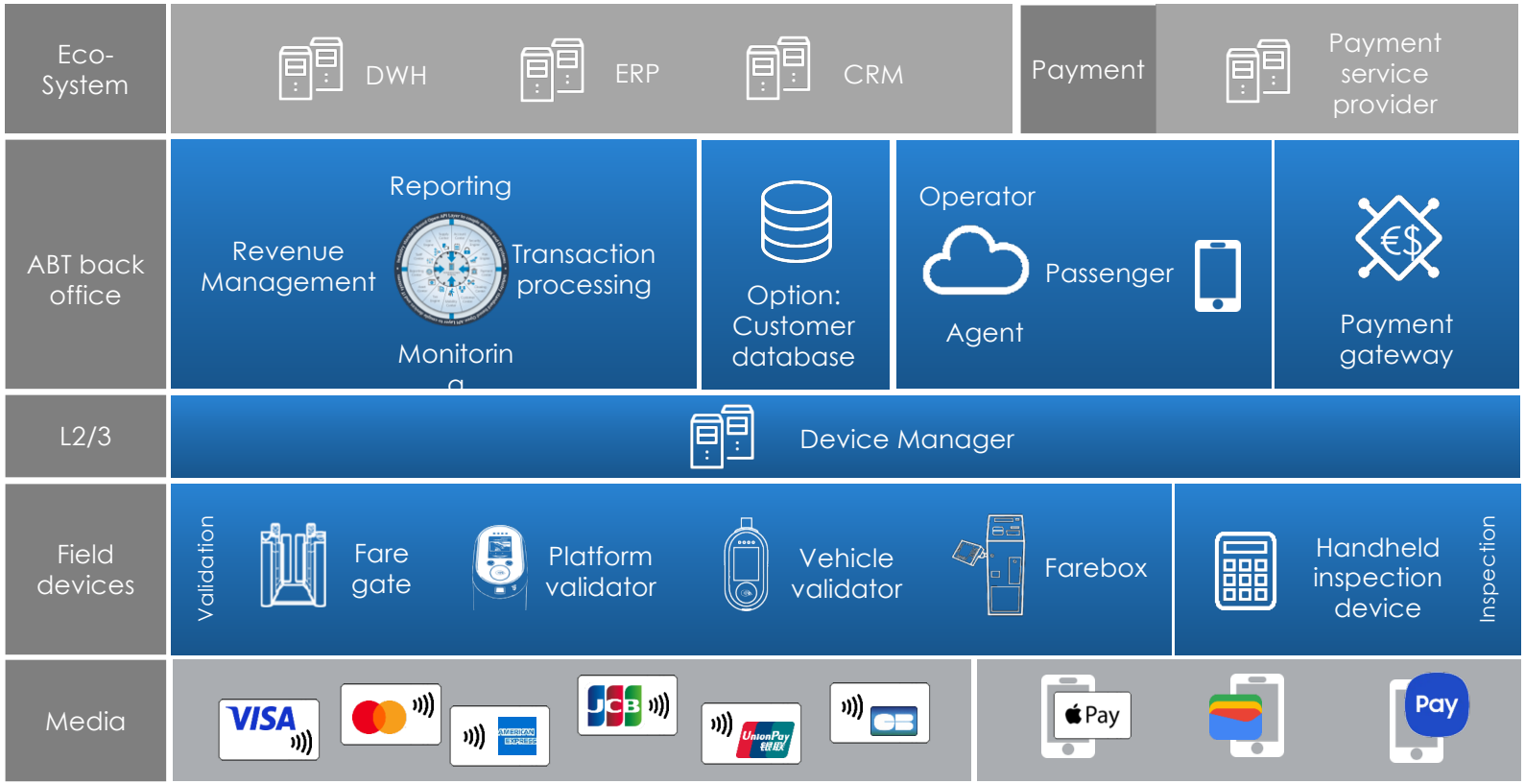
... Open loop solutions

Multi modal transit	EMV is interoperable with a certified Terminal
Contactless	Use your contactless card, mobile device or wearable to pay
Speed at faregate	Delayed authorization allows the customer to walk through the faregate
First ride risk	ODA, Deny lists, Declined Authorization Protection, Card not present Debt Recovery*

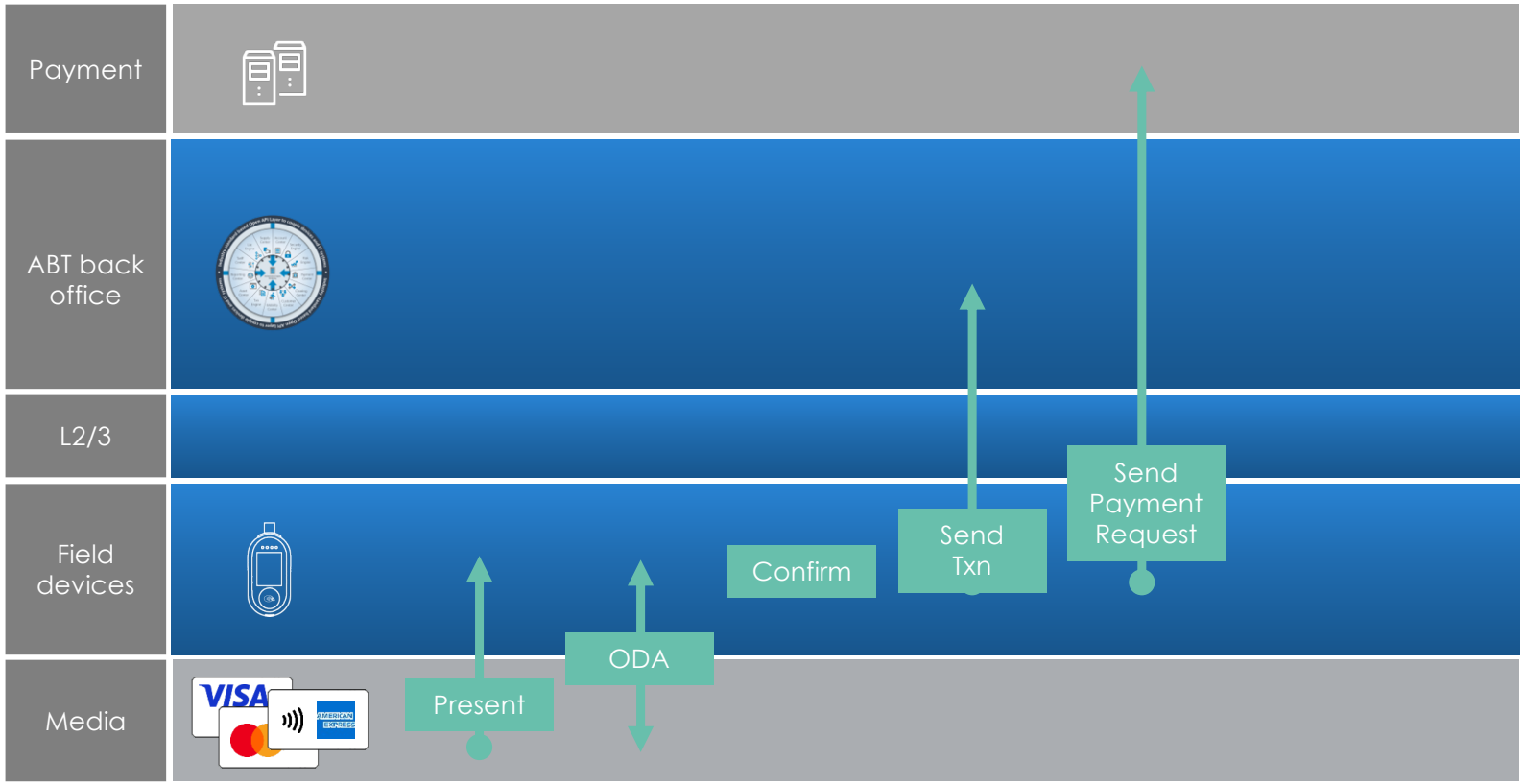
*Scheme policy applies

Six steps to implement open loop payment in public transport

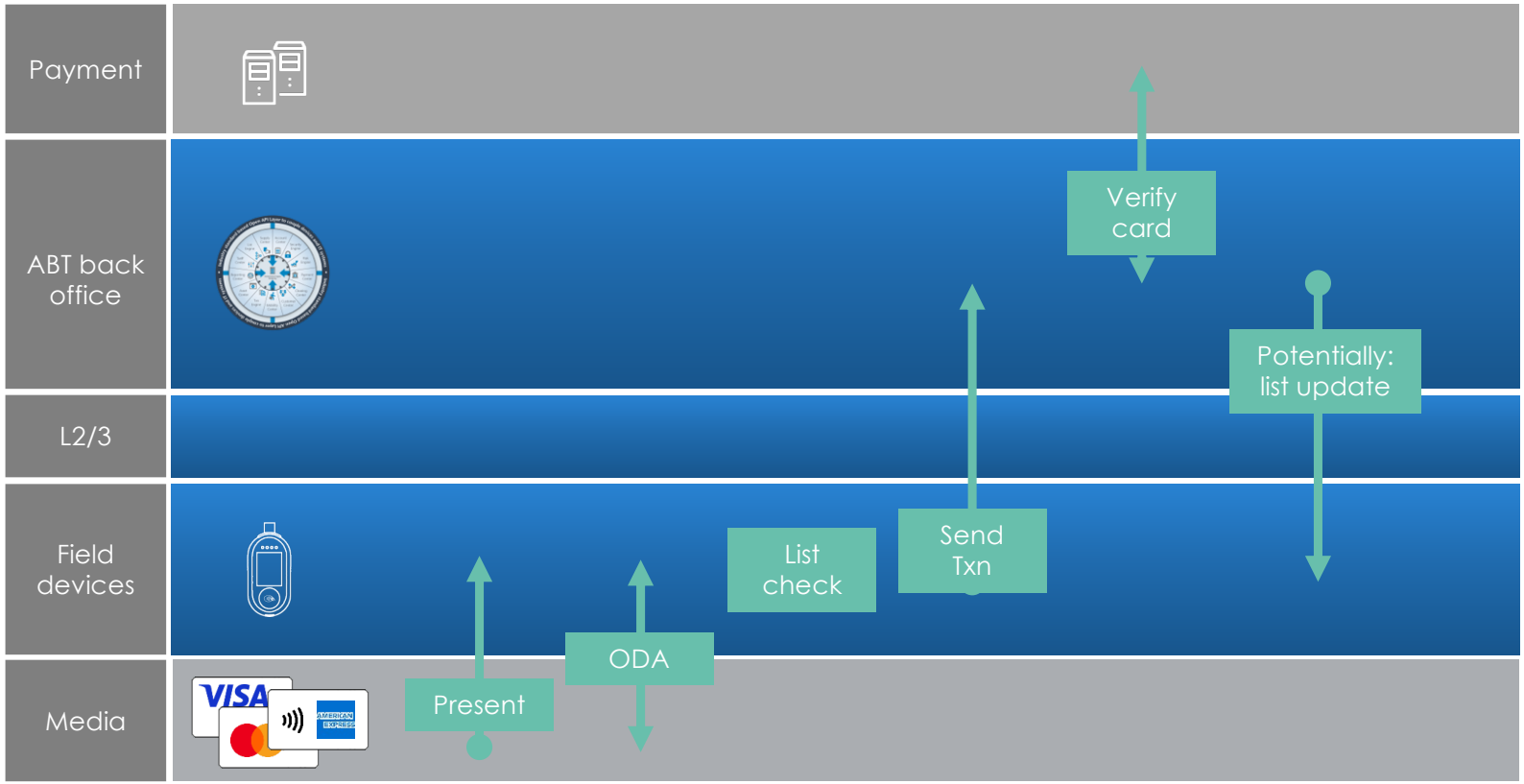
SYSTEM ELEMENTS



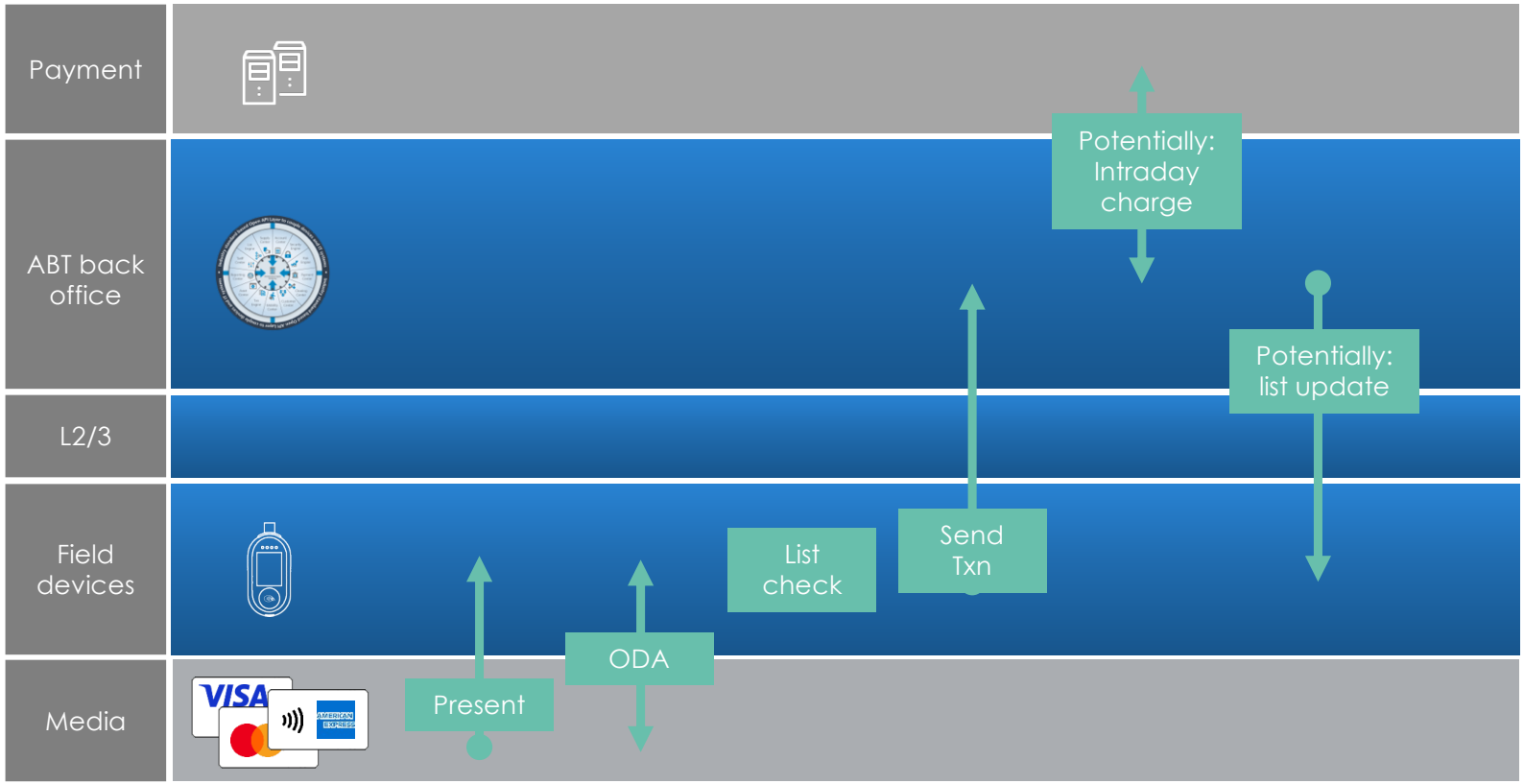
PROCESS FLOW, MODEL 1



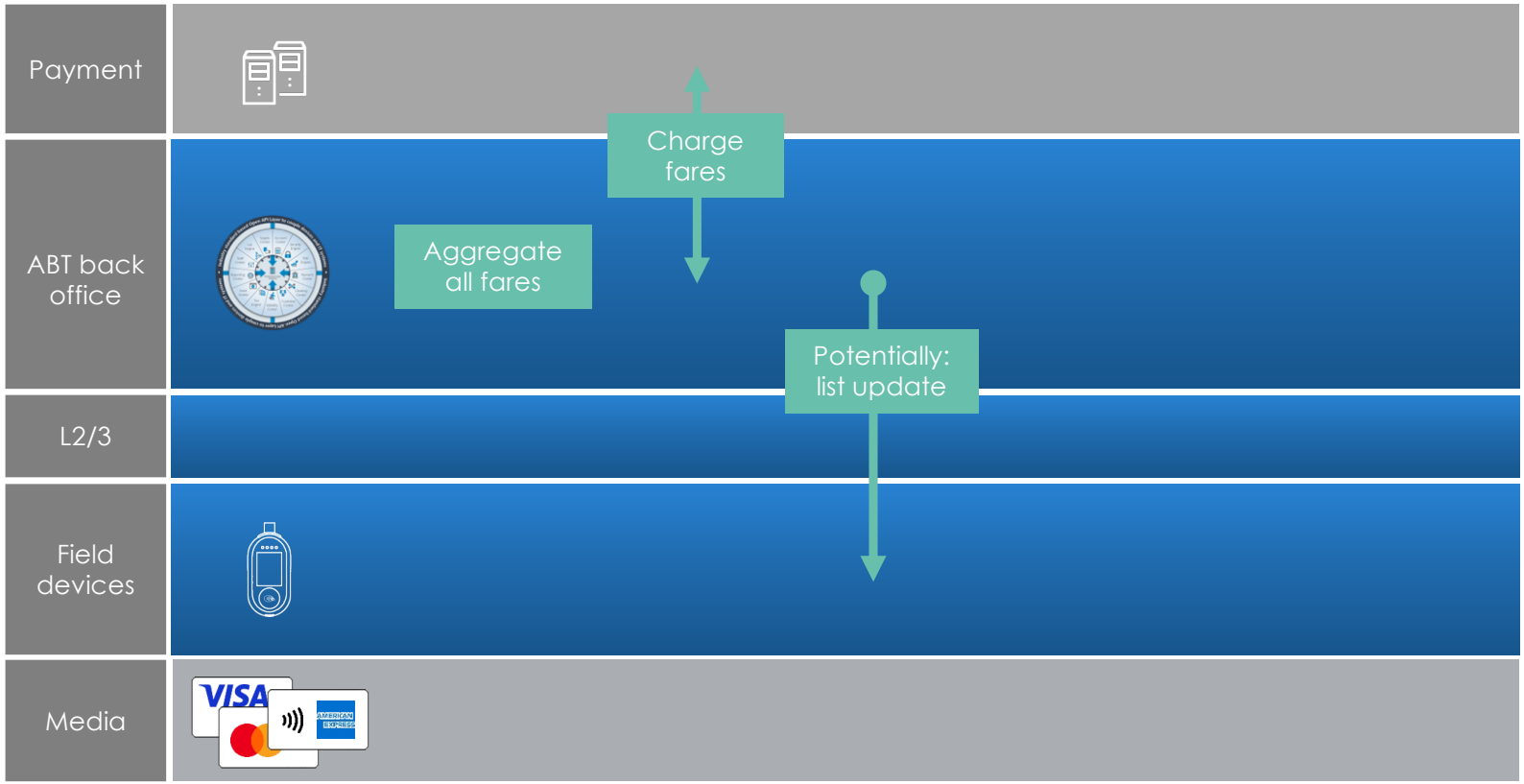
PROCESS FLOW, MODEL 2 – TAP 1



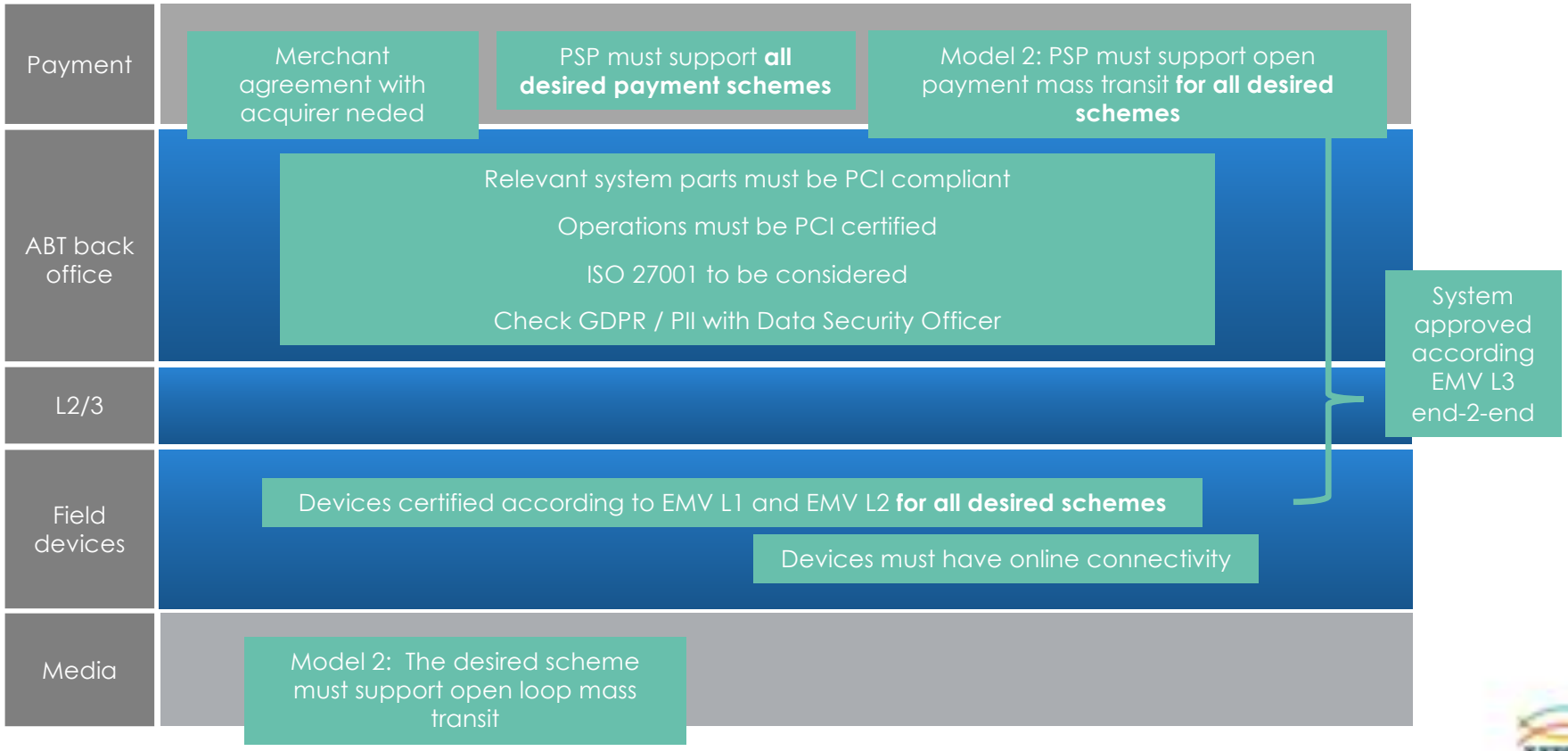
PROCESS FLOW, MODEL 2 – TAP X,Y,Z



PROCESS FLOW, MODEL 2 – PAYMENT



(TECHNICAL) PRE-CONDITIONS



Ostrava

– one of Europe's very first open-loop implementations.

Previous

paper validators

New

validators with cEMV acceptance

Greetings from Ostrava

DOPRAVNÍ PODNIK OSTRAVA

Daniel Morys

Chairman of the Board
Public Transit Operator Ostrava

Link to the video

GOING CONTACTLESS IN OSTRAVA

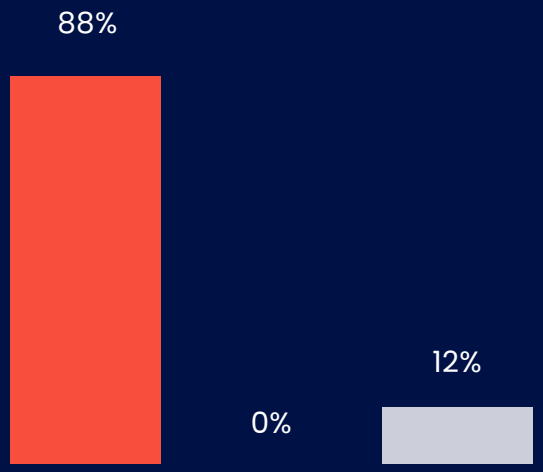
- Ostrava was the first city in Czechia to introduce ticketing through contactless bank cards
- It was the second such solution in Europe (after London)
- The system incorporates more than 2,200 check-in terminals in over 600 vehicles

BENEFITS OF CONTACTLESS TICKETING

- **Seamless travel -** contactless ticketing facilitates seamless travel across transport modes and geographic boundaries**.**
- **Safe & comfortable** - In a world touched by a global pandemic, contactless ticketing is preferred by most travellers.
- **Savings for passengers** - contactless technology automatically calculates the most optimal fare available to a customer.
- **Lower costs for operators** - contactless ticketing and fare collection leads to significant cost savings for transport operators.
- **No ticket needed** - There is no need for a paper ticket – a bankcard, smartcard, phone or a smart wearable will do the trick by becoming your 'Digital Ticket'

2016

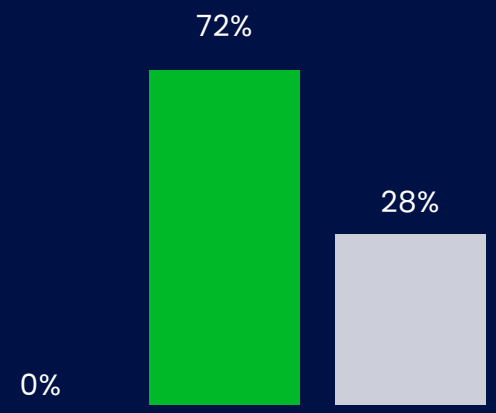
in 2016, paper tickets prevailed



city Ostrava

2022

in 2022, most payments made by cEMV



city Ostrava

Since November 2018,
digital ticket sales have exceeded paper ticket sales.

The main objective has been achieved!

1 ton of paper saved on tickets and counting

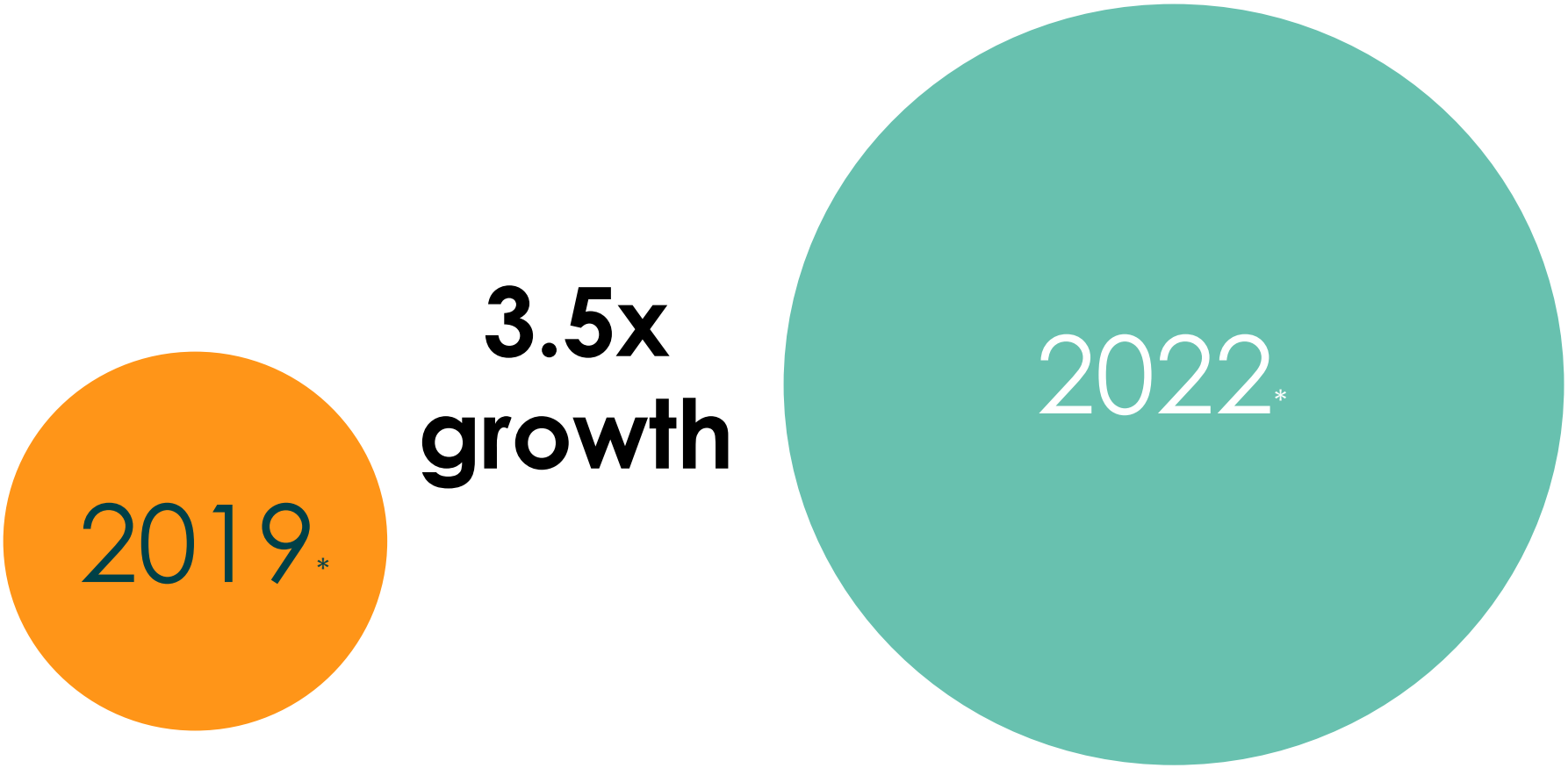
1.703.720 €

saved since implementation

- and counting

Open loop payment : Today and Tomorrow

Consumers are tapping to ride in greater numbers than ever



Source: Visa processed contactless transit transactions, Oct 2019 – Sept 2022

45%

of riders would take more public transit trips if paying were easier

Source: Visa Economic Empowerment Institute:Reimagining ridership: Open-loop payments and the future of urban mobility.
75 Transit agencies surveyed globally in addition to 3,000 passengers across 6 cities during 2022

9.5%

growth of ridership with the introduction of open-loop payments

Source: Visa Economic Empowerment Institute:Reimagining ridership: Open-loop payments and the future of urban mobility.
75 Transit agencies surveyed globally in addition to 3,000 passengers across 6 cities during 2022

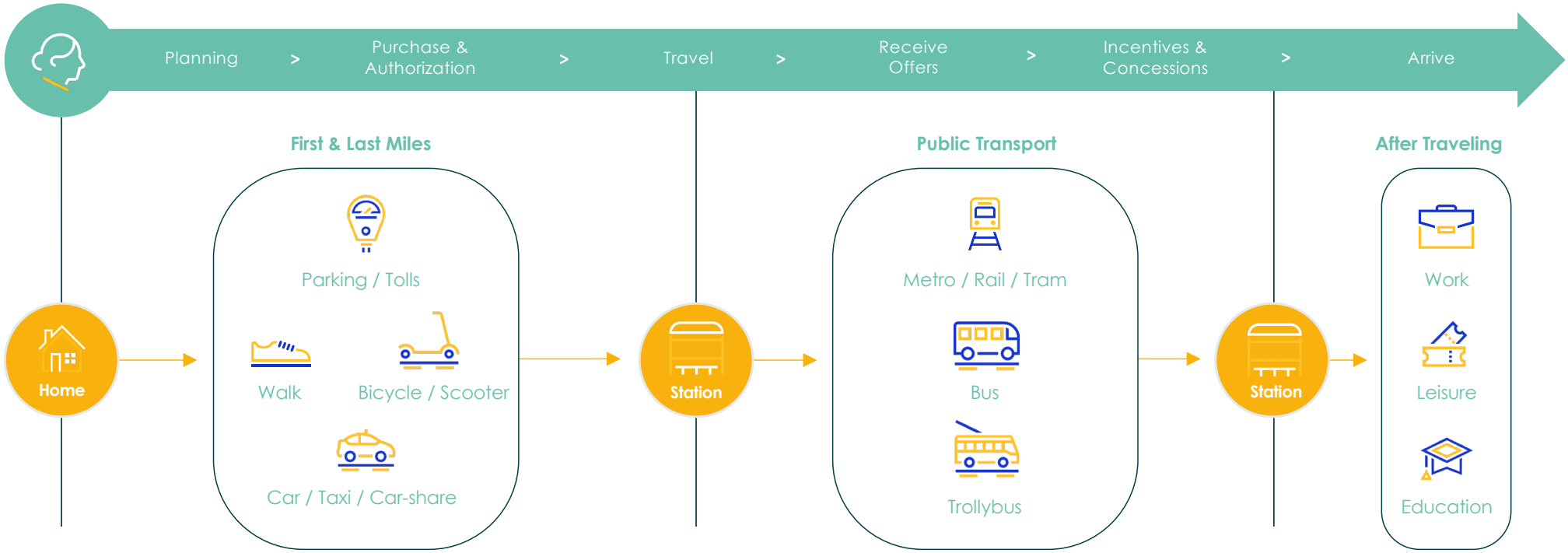
83%

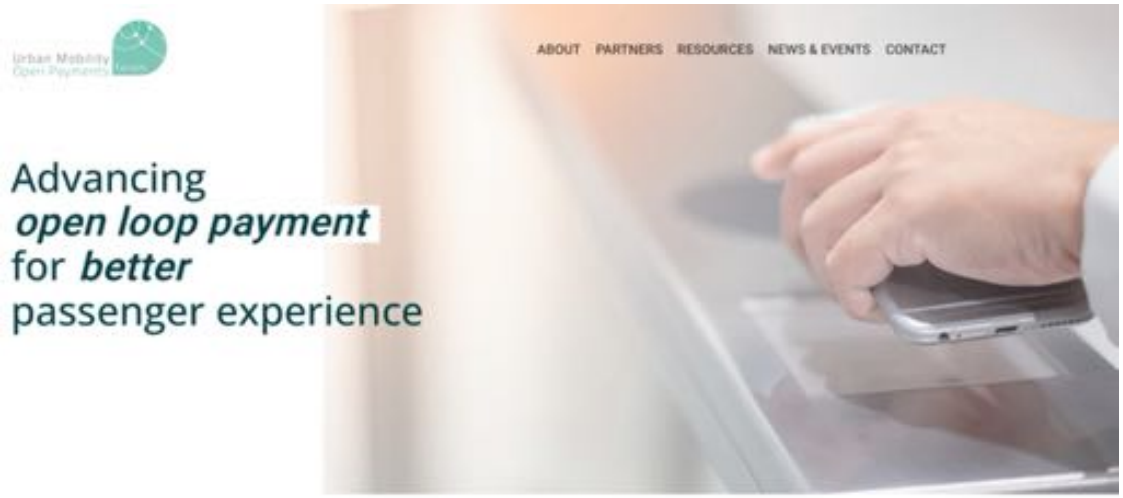
of transit agencies plan to adopt open-loop systems in the future

Source: Visa Economic Empowerment Institute:Reimagining ridership: Open-loop payments and the future of urban mobility.
75 Transit agencies surveyed globally in addition to 3,000 passengers across 6 cities during 2022

Connecting our door-to-door journeys

More connected and convenient payment options **encourage ridership**, making cities more livable and sustainable, and paving the way for enjoyable and efficient door-to-door journeys.





Interested to learn more about open loop payment in public transport? Visit the website of the Urban Mobility Open Payment Forum: https://openloopmobility.uitp.org

How can we help you?

Urban Mobility Open Payments forum

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