

NAVIGATING THE FUTURE OF REVENUE COLLECTION IN PUBLIC TRANSPORT

WORKSHOP CONCLUSIONS

Ticketing and payment systems in public transport are undergoing significant transformation, driven by evolving customer expectations and the emergence of new technologies. Yet, the transition toward modern, integrated revenue collection remains a complex, resource-intensive endeavour. Public Transport Operators (PTOs) and Public Transport Authorities (PTAs) must ensure that their investments deliver not only technical and operational efficiency but also long-term financial sustainability and user acceptance.

This paper highlights the key takeaways from the workshop ***“Navigating the Future of Revenue Collection in Public Transport”***, organised by UITP’s Urban Mobility Open Payments Forum during the UITP Summit in Hamburg on 18 June 2025. The session brought together PTOs, PTAs, and industry stakeholders to reflect on recent developments, exchange experiences, and identify pressing challenges and priorities for the future of fare collection.

Through a series of roundtable discussions, participants explored multiple dimensions of revenue collection: from changing customer behaviours and technological innovation to the broader shifts shaping the mobility landscape. This summary captures the emerging trends, benefits, and obstacles discussed, while also pointing to issues that will need to be addressed in future work programmes.

We extend our thanks to all participants for their valuable insights and lively contributions to the debate!

KEY TRENDS AND DEVELOPMENTS

1 Changing Passenger Expectations

Demand for convenience and seamless experience

Passengers increasingly expect straightforward fare structures, intuitive ticketing systems, and integrated travel across operators and modes. Passengers prefer payment solutions similar to those already used in other sectors - fast, contactless, and without separate accounts or physical media.

BENEFITS	CHALLENGES
<p>Improved passenger satisfaction and increased ridership</p> <ul style="list-style-type: none"> Simplified, frictionless systems that mirror familiar digital experiences may attract more users to public transport. 	<p>Passenger mistrust due to opaque pricing</p> <ul style="list-style-type: none"> Lack of transparency in dynamic or account-based fare systems (often termed "black box") can lead to passenger discomfort or distrust.
<p>Reduced dependency on physical infrastructure</p> <ul style="list-style-type: none"> Leveraging passengers' personal payment methods helps reduce the need for ticket vending machines, fare media issuance, and physical infrastructure. 	<p>Fragmentation and lack of interoperability</p> <ul style="list-style-type: none"> Diverse or incompatible fare structures across multiple operators disrupt seamless travel and discourage passenger uptake.
<p>Real-time fare transparency</p> <ul style="list-style-type: none"> Integrated digital solutions allow passengers to access real-time information about fares and journey management, enabling better travel decisions. 	<p>Overly complex fare structures</p> <ul style="list-style-type: none"> Complicated fare zones, rules, or interchange penalties present barriers for infrequent or new passengers, limiting public transport attractiveness.
<p>Enhanced image of public transport</p> <ul style="list-style-type: none"> User-friendly systems will improve public perception, positioning public transport as a modern, efficient, and competitive option. 	

Digital skills and appetite

Passenger expectations are increasingly shifting toward digital-first, app-based interactions, particularly among younger, digitally literate users. Yet, digital reliance must be balanced against risks of excluding less digitally proficient or digitally underserved groups.

BENEFITS	CHALLENGES
<p>Personalised, targeted fare offerings</p> <ul style="list-style-type: none">• Digital platforms facilitate customer segmentation, allowing operators to offer personalised fare products or promotions that can encourage increased ridership.	<p>Excessive data requirements discourage uptake</p> <ul style="list-style-type: none">• Requiring extensive personal information or complicated sign-up processes likely deters occasional or first-time passengers.
<p>Reduced operating costs</p> <ul style="list-style-type: none">• Digital solutions significantly reduce reliance on physical media, reducing staffing costs and operational overhead associated with traditional fare sales.	<p>Digital exclusion of vulnerable groups</p> <ul style="list-style-type: none">• Elderly, unbanked, or lower-income populations may lack access to or familiarity with digital payment systems, potentially reducing equitable access to transport.
	<p>Privacy and anonymity concerns</p> <ul style="list-style-type: none">• User apprehension around data usage and privacy may restrict adoption and limit the potential for data-driven personalisation or customer relationship management (CRM).

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Evolution of the Urban Mobility Market

Growth of leisure and off-peak travel

Many PTAs/ PTOs notice that post-pandemic lifestyle changes have led to increased off-peak and leisure travel, transforming passenger travel patterns and presenting new challenges for traditional fare structures.

BENEFITS	CHALLENGES
<p>Balanced network demand</p> <ul style="list-style-type: none"> Increased off-peak travel can distribute demand more evenly throughout the day, allowing for more efficient use of resources and enhanced passenger comfort. 	<p>Reduced relevance of subscription-based fares</p> <ul style="list-style-type: none"> Traditional monthly passes or commuter tickets may decline in value, requiring more adaptable fare products such as flexible multi-ride passes, pay-as-you-go, or fare-capping schemes.
<p>Attraction of new passenger segments</p> <ul style="list-style-type: none"> Flexible and targeted fare products can attract new users beyond traditional commuter markets, such as tourists, leisure travellers, or infrequent riders. 	<p>Revenue forecasting complexity</p> <ul style="list-style-type: none"> Less predictable travel patterns complicate revenue management, requiring more dynamic and sophisticated fare and revenue-planning models.
<p>Operational cost efficiency</p> <ul style="list-style-type: none"> Reduced peak-hour pressure may optimise fleet usage and staffing, potentially reducing operational expenditures. 	<p>Designing inclusive yet flexible pricing</p> <ul style="list-style-type: none"> Operators must balance the pricing needs of regular, loyal users with products that also attract occasional and leisure travellers.

Increasing relevance of first and last mile services

The rise of Mobility-as-a Service (MaaS) and micromobility solutions highlights passenger demand for truly door-to-door travel solutions, requiring stronger integration between traditional public transport and new mobility providers.

BENEFITS	CHALLENGES
<p>Improved multimodal integration</p> <ul style="list-style-type: none"> Unified digital platforms facilitate seamless journey planning, integrated pricing, and simplified transfers between traditional public transport and emerging mobility services. 	<p>Complex integration with private operators</p> <ul style="list-style-type: none"> Coordination challenges with private MaaS or micromobility operators introduce complexities in contractual arrangements, fare-sharing, and governance.
<p>Enhanced network accessibility</p> <ul style="list-style-type: none"> Integrating first and last mile solutions expands the effective coverage and attractiveness of public transport in suburban and low-density areas. 	<p>User confusion due to multiple providers</p> <ul style="list-style-type: none"> Fragmented or unclear pricing structures within integrated platforms risk confusing passengers, reducing the effectiveness of multimodal integration. <p>Establishing effective governance models</p> <ul style="list-style-type: none"> Achieving equitable and sustainable revenue-sharing agreements among multiple operators poses administrative and strategic challenges.

3 Technology and Innovation

Digitalisation of ticketing and operations

Digital transformation continues to reshape public transport ticketing and payment operations, offering efficiency gains and operational enhancements while introducing new complexities.

BENEFITS	CHALLENGES
<p>Reduced costs and enhanced efficiency</p> <ul style="list-style-type: none"> Digital ticketing reduces cash handling, physical media costs, and staffing requirements, lowering the overall cost per transaction. 	<p>Potential exclusion of digitally underserved populations</p> <ul style="list-style-type: none"> Digital-only solutions pose barriers for unbanked or digitally disconnected users.
<p>Scalable infrastructure</p> <ul style="list-style-type: none"> Digital systems can be upgraded, expanded, or adjusted more easily without significant hardware investments. 	<p>High upfront investments and legacy system complexity</p> <ul style="list-style-type: none"> Transitioning from legacy to digital fare systems requires substantial capital and technical resources.
<p>Flexible supplier relationships</p> <ul style="list-style-type: none"> Digitalisation enables more agile contractual arrangements, such as performance-based agreements, reducing the risk of lock-in or rigid service-level agreements (SLAs). 	<p>Passenger mistrust of automated pricing</p> <ul style="list-style-type: none"> Digital and automated fare calculation methods may be perceived as opaque or untrustworthy, potentially affecting customer satisfaction and uptake.
	<p>Information security</p> <ul style="list-style-type: none"> Digital ticketing introduces cybersecurity risks, demanding robust measures to protect sensitive passenger data and payment information.

Increased data availability and utilisation

Fare-collection systems generate detailed, real-time passenger data, offering opportunities for improved service delivery, customer insight, and strategic decision-making.

BENEFITS	CHALLENGES
<p>Enhanced revenue management and strategic planning</p> <ul style="list-style-type: none">• Data insights improve forecasting, customer relationship management (CRM), and asset allocation, supporting more targeted and effective operational decisions.	<p>Data privacy and security risks</p> <ul style="list-style-type: none">• Increased data collection can conflict with privacy expectations, particularly in markets with strict anonymity or regulatory requirements.
<p>Personalisation and loyalty programmes</p> <ul style="list-style-type: none">• Granular data enables tailored offers, loyalty programmes, and passenger incentives aimed at growing ridership and customer retention.	<p>Risk of customer alienation</p> <ul style="list-style-type: none">• Excessive monitoring or poorly communicated data usage practices can erode passenger trust and discourage system use.
<p>Improved fraud detection</p> <ul style="list-style-type: none">• Real-time data analytics enhances fraud monitoring and enforcement, reducing revenue leakage.	<p>Balancing data utility with passenger comfort</p> <ul style="list-style-type: none">• Agencies must collect meaningful operational and passenger data without exceeding acceptable limits of user trust or comfort.
	<p>Risk of strategic overwhelm</p> <ul style="list-style-type: none">• Excessive reliance on detailed analytics may obscure strategic focus if not aligned clearly with operational objectives.