UITP ADVANCING PUBLIC TRANSPORT | **KONE**

> **REPORT**

HOW TO MAKE STATIONS LIVELY HUBS FOR CITIZENS AND PUBLIC TRANSPORT USERS: TRENDS

DECEMBER | **2022**

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INTRODUCTION

A lot has happened during the last two years: what has changed and to what extent do the COVID-19 and the current economic and energy crises impact mobility demand and passenger travel habits and behaviours today? What are regional commonalities or differences? What could the consequences for the stations be – worldwide and in different parts of the world?

Our sector has a long and strong experience in contributing to sustainable transport and in making cities nice places to live and work. It is constantly innovating to continue playing its key role for people and for the planet.

To complement existing studies and reports on various aspects of station development for the future, this new UITP and KONE study aims at taking a fresh look at societal, technological, and economical aspects that appear to be emerging and might influence the future of stations.

This study focuses on mobility hubs, that are multimodal stations and serve as entry points to public transport systems but also provide ancillary services and social activities. Beyond exchange of knowledge, best practices and recommendations, our aim is to

provide operators and other relevant stakeholders industry ideas and inspiration of how to adapt stations in the future.

This present report is a first step of our study. It summarises the observations identified in existing reports and publications and is based on initial discussions with UITP stakeholders from all around the world. These observations may show changes in the behaviour and needs of citizens and public transport users and will impact the role of the stations in the future as well as any available services and functions.

The final report will provide potential innovative solutions and best practices for stations to respond to new needs and expectations of the customers of the future.

Making stations lively hubs for citizens and public transport users will contribute to making public transport the only solution for healthy cities.
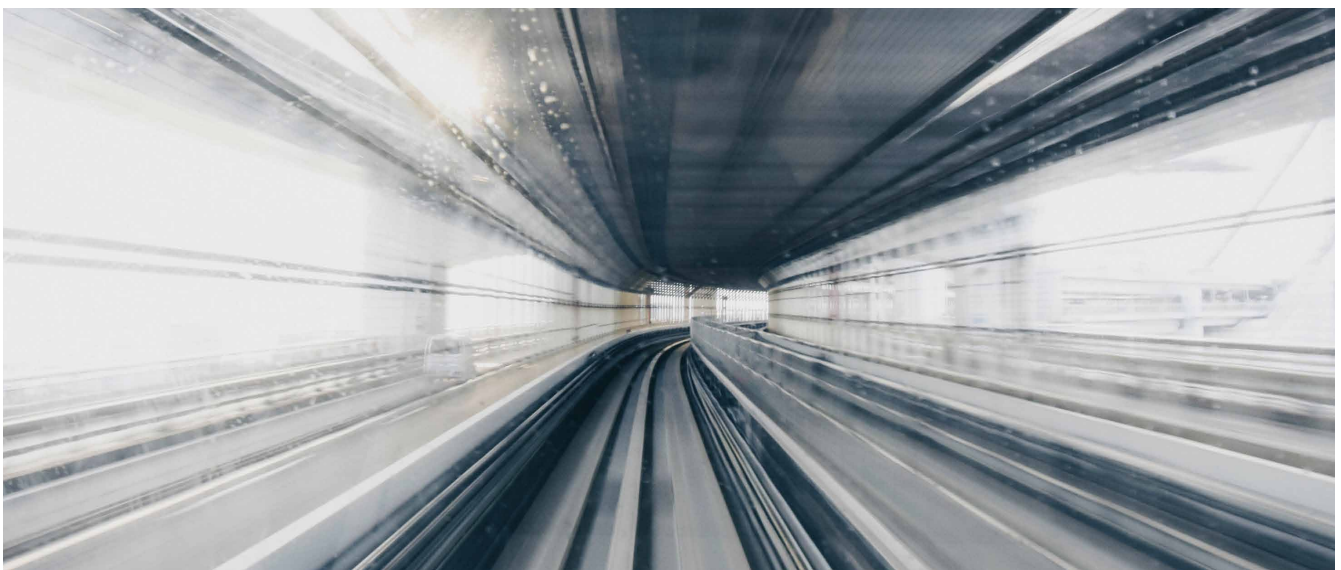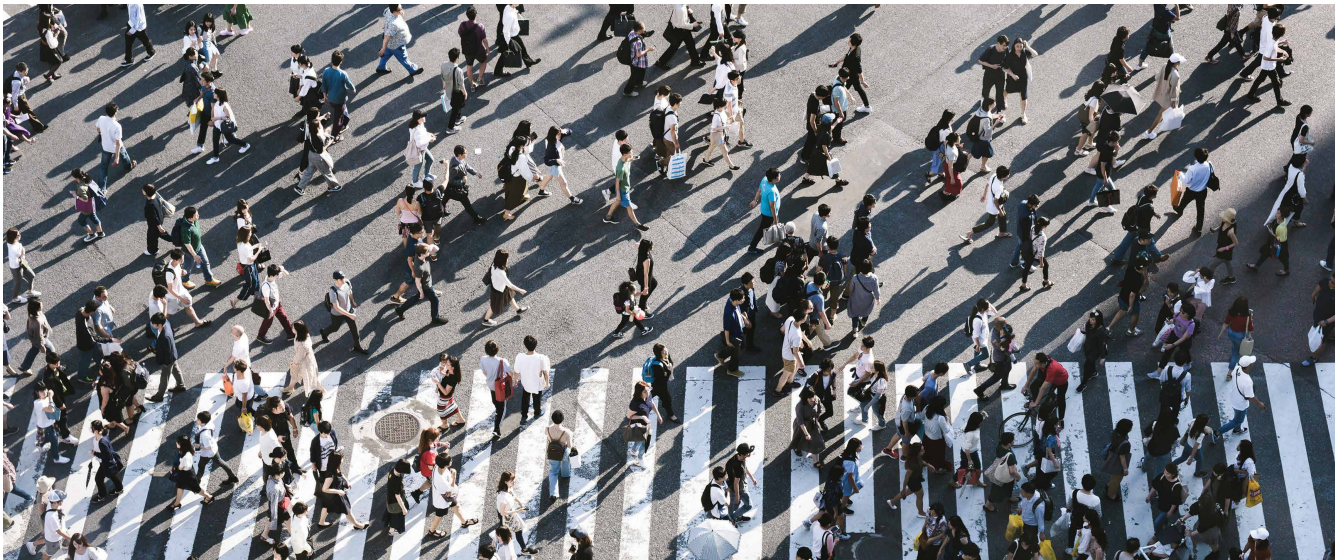
CURRENT CONTEXT OF UNCERTAINTY

In the past, projections showed that demand for public transport was growing. With a global population due to reach 8.6 billion by the end of the year 2030[1], global demand for passenger transport is projected to increase three-fold between 2015 and 2050 from 44 trillion to 122 trillion passengers, according to ARUP[2]. In this respect, public transport will continue to be vital for commuters and other users and needs to deal with growing passenger flows and improve crowd management.

Nevertheless, the global pandemic has disrupted this development and these projections need to be re-evaluated:

- At the beginning of the pandemic, following travel and mobility restrictions, we have seen that passenger numbers collapsed[3]. While figures seem to be recovering, it is too early to say to what extent public transport is going to recover and if this recovery follows the same or new patterns of travel demand.

- Remote working and education have become the norm not only during the pandemic, but also afterwards for some of the companies around the world. The appetite and acceptance of this concept might vary across cities and cultures, so we are not sure yet if remote work and education will persist or disappear.

- Concerns about crowded areas and an increased potential for flexible working models triggered an increased interest of leaving cities and relocating to less densely populated areas. It is still unclear if this trend may continue in some countries or will reverse in the future.

For all these aspects, we do not know for sure how these observed factors will evolve in the different parts of the world, but the station of the future must adapt to any changes and challenges to remain attractive to passengers.

GENERAL ASPECTS

Besides uncertainties triggered by the global pandemic, there are some general societal, technological, and economical factors that also shape our context which need to be monitored, in terms of opportunities and challenges for the transport sector and for stations.

1 https://www.un.org/en/desa/world-population-projected-reach-98-billion-2050-and-112-billion-2100
2 Future of Stations, ARUP 2020
3 Coronavirus (Covid-19) Flash update: Ridership evolution, UITP, 2022

SOCIETY

With the evolution of the societal factors which will be discussed below, new needs and customer preferences are emerging, that will influence how stations need to be developed or renovated for the future.

Age of population

One major observation is the ageing global population as well as a worldwide trend towards a higher income, people living longer, and being fitter and more active[4]. With an increasing life expectancy, the proportion of those who are 60+ is increasing and will reach around 43% of the population in Europe by 2025[5], 16% in Asia by 2040[6], 22% in the US by 2050[7] and 11% in Latin America in 2021[8] – a region expected to have the fastest rate of population ageing in the world over the coming decades. The share of this population segment can only continue to grow. This is why it has caught the attention of policy makers and economic operators and how the concept of Silver Economy[9] emerged.

This could be an opportunity in terms of attracting new customers from "silver" customer group to serve and more consistent demand outside the peak hours and comparatively lower peaks.

The challenge for stations to remain attractive is to satisfy more diverse expectations.

Household composition

Changes in household composition of families, with members sometimes living in separately, children staying longer with their parents due to the difficulty to buy or rent a house/apartment, several generations living in the same house, etc.[10] These might have an impact on daily routines and journey patterns as well as how the individuals interact with mobility options.

Positive for the public transport sector is that younger people are comparatively less car dependent and may be longer captive users choosing to use public transport over cars to travel.

With differing travel patterns, current understandings of passenger flows would need to be revisited to ensure that the offer and stations remains suitable for both the operator and the passenger.

4 Rosling, Hans, Ola Rosling, and Anna Rosling Rönnlund. 2019. Factfulness: Ten Reasons We're Wrong about the World - and Why Things Are Better than You Think. London, England: Sceptre.
5 The Silver Economy, European Commission, 2018
6 https://worlddata.io/blog/silver-economy-asia
7 https://www.statista.com/statistics/457822/share-of-old-age-population-in-the-total-us-population/
8 Silver Economy, a mapping of actors and trends in Latin America and the Caribbean, IDB Lab, 2021
9 Silver economy – the market for goods and services for people aged 65 and over. Source: https://www.iso.org/news/Ref2168.htm
10
- https://www.pewresearch.org/fact-tank/2022/07/20/young-adults-in-u-s-are-much-more-likely-than-50-years-ago-to-be-living-in-a-multigenerational-household/
- https://ec.europa.eu/eurostat/statistics-explained/index.php?oldid=494351#Development_over_the_years

Remote work and education

After two years of lockdown and remote work, in Europe, people are reluctant to come back to the office/school[11]. This leads to various adaptations of working habits.

The positive impact of remote work and education is a better distribution of peaks/off peaks.

The negative impacts are the risk to lose customers and different travel patterns to deal with.

Customer expectations

People expect a personalised service to suit their needs. With many new business and service models appearing, customers have become used to receiving services free-of-charge or at a considerably reduced cost meaning that operators need to also ensure that paid services are kept to a minimum. This can include free Wi-Fi, teaming up with local businesses and cafes to provide offers that can be attractive to travellers.

The opportunity is to provide new services to meet customer expectations and improve the perception of public transport.

The challenge would be to find a compromise between the collective and shared nature of public transport and the personalisation of services.

It is also necessary to find a compromise between the expectation of free services, a sustainable business model for stations and attractiveness to future investors.

Health awareness

For various reasons, including an increasing life expectancy and the recent global pandemic, there is an increasing awareness about health.

With the COVID-19 crisis, concern about hygiene and cleanliness has increased, which is quite a challenge for public transport systems to manage in places with large numbers of people such as stations.

With an increase in journeys made by bike and by foot, public transport can develop its offer to capture this growing group of travellers, including offering different services dedicated to bikes.

People that can take shorter journeys avoiding public transport will in turn allow for more capacity for those taking longer journeys that are less possible by cycling/walking.

11 Source: https://www.gartner.com/en/newsroom/press-releases/2021-06-22-gartner-forecasts-51-percent-of-global-knowledge-workers-will-be-remote-by-2021 ; https://www.gartner.com/smarterwithgartner/9-future-of-work-trends-post-covid-19 ; https://www.prnewswire.com/news-releases/owl-labs--global-workplace-analytics-state-of-remote-work-report-1-in-2-people-wont-return-to-jobs-that-dont-offer-remote-work-after-covid-19-301148456.html

TECHNOLOGY

This section is focused on technological factors that should be taken into consideration while implementing new services for passengers at stations.

Digitalisation

The recent years have seen enormous progress in technological innovation. Digitalisation can especially be considered a game changer with internet availability everywhere, and quick access with widespread use of smart phones. Some physical services such as ticketing sales at stations can be reduced with staff being redeployed to other tasks within the station providing a more visible human presence. For those who avail of the digital services, their journey begins at the moment they access the services, which is often before they have even left their front door as they are able to get anything they need from the digital ticketing hall of the station.

Digitalisation brings the opportunity to further develop new relevant services based on collected data and to enhance the overall passenger experience at stations. It also allows to re-imagine certain services that at the beginning had a physical nature and required presence at a station.

Digital communications channels can be used to show customers what is behind the scenes (e.g., how cleaning procedures during/after the pandemic were organised) thereby increasing trust.

Digitalisation can also help to improve station management and maintenance; connected equipment supports new concepts and more direct and simplified interaction between the operator and the customer such as allowing passengers to report any damage.

The challenge is to deal with cyber security and privacy concerns generated by collecting data and its use as customers may be less willing to use the various digital services if they lack trust or do not see the value in return for their data.

First and last mile services

New mobility models, such as Mobility as a Service (MaaS) or ride hailing, typically based on digital channels for such as planning, booking and payment, provide new options to move around in a city. The first of such services were developed independently of the public transport sphere by private players leading to areas which are lacking integration.

Well-integrated, these services could be excellent complements to public transport, especially at urban transport nodes characterised by stations.

Left unconsidered, the services would evolve individually leading to two or more discrete offers potentially leaving passengers lost amongst an oversupply of services.
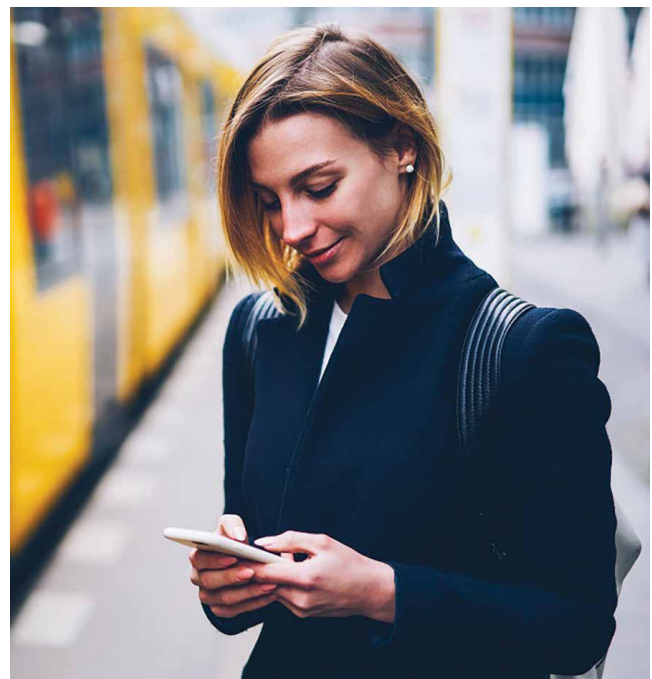
ECONOMY

The events of recent years have been highly influential on the current economics of station management. Even though it is not possible to accurately predict the future economic context, it is important to highlight the potential impacts especially towards the building and governance of stations.

Ageing stations

Public transport infrastructure has a lengthy life cycle, and while new lines and services continue to expand, stations as part of the urban fabric have to adapt together with the city.

Stations historically are at the centre of cities and are attractive for potential investors in terms of land value capture and central location.

This, however, means that with a station's lengthy life cycle we must deal with ageing stations[14] will need to be renovated and upgraded several times in their lifespan, including integration with new services.

Energy costs

Currently, we see tendencies of inflation[12] and a substantial increase in prices for fuel and energy which may undermine global economic growth for years to come[13].

Fuel prices may increase public transport demand as travellers seek out cheaper options, however if continued high energy prices lead to an economic downturn, this could result in a general decrease in travel.

Energy is a significant component of the operating costs of public transport operators, and the uncertainty in energy prices is an additional challenge which can potentially impact the ability to maintain service levels without additional financial support.

Scarcity of staff

All industries currently suffer from shortage of staff and have difficulties to attract new employees[15].

In order to ease the issue of a scarcity of staff, technology and automation/self service, could be developed in order to maintain service.

With automation of some tasks, employees may see a change in their responsibilities, potentially combining tasks from several different roles which interact with customers, ensuring a more visible human presence in stations.

12 https://www2.deloitte.com/xe/en/insights/economy/is-the-global-surge-in-inflation-here-to-stay.html
13 https://blogs.worldbank.org/developmenttalk/energy-shock-could-sap-global-growth-years
14 First railway stations started to appear at the beginning of 19th century
15 https://wttc.org/Portals/0/Documents/Reports/2022/WTTC-Staff%20Shortages-August22.pdf

CONCLUSION AND NEXT STEPS

All the factors listed above could potentially influence public transport customers' behaviour and expectations. What are their specific needs and what could be developed to attract/retain them? What would they like to see at stations in the future?

The first project workshops highlighted two customer groups with distinct expectations, which could provide an interesting focus for the development of innovative concepts and services: Gen Z and the group of Silver economy.

▸ The "Silver economy" generation are representatives of older travellers[16] that are comparatively well-off and mobile with active lifestyles that is forecasted to have a huge increase in the global spending power in the next years and to impact on growth and jobs in countries with high income[17], and

▸ The "Generation Z" describes a passenger group of people born after 1996[18] that has grown up with access to the internet and social media, and which is adopting new values and concerns around issues, such as an open-mind, globalisation, sustainability, or consumption. Generation Z will have a huge spending power by 2026[19].

Creating spaces that can cater the needs and expectations of contrasting traveller groups could help transforming stations into inclusive spaces full of life.

The next step of our study will mainly focus on these two user groups to identify their common, specific and conflicting needs, as well as solutions for stations, concentrating on three main aspects: station management, station design and technology.

16 In some reports, including the ones published by OECD, representatives of "Silver economy" are people starting from 65+ y.o., but in our study we include in this group people from 50+ y.o.
17 https://www.bruegel.org/blog-post/embracing-silver-economy
18 Generation Z is broadly defined as the 72 million people born between 1997 and 2012, but Pew Research has recently defined Gen Z as anyone born after 1996.
19 https://www.insiderintelligence.com/insights/generation-z-facts/

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