

# BoltBus NACTO Overview

November 2011

## ■ BoltBus Lineage

- BoltBus is division of Greyhound and is affiliated with Peter Pan Bus Lines
- Greyhound began operating inter city bus service in 1914
- Peter Pan began operating inter city bus service in 1933
- BoltBus was started as a platform for growth and a test of new business practices
- BoltBus is a stand alone division with a dedicated management team
- BoltBus's first date of operation was March 27, 2008
  - First date of operation in Philadelphia was April 10, 2008

## ■ David Hall Bio

- 25+ years in the transportation industry
  - 10+ years with United Parcel Service and 15+ with Greyhound
- MS – Intermodal Transportation – University of Denver – Denver, Colorado
- BBA – Management – Hardin-Simmons University – Abilene, Texas

# Background to BoltBus

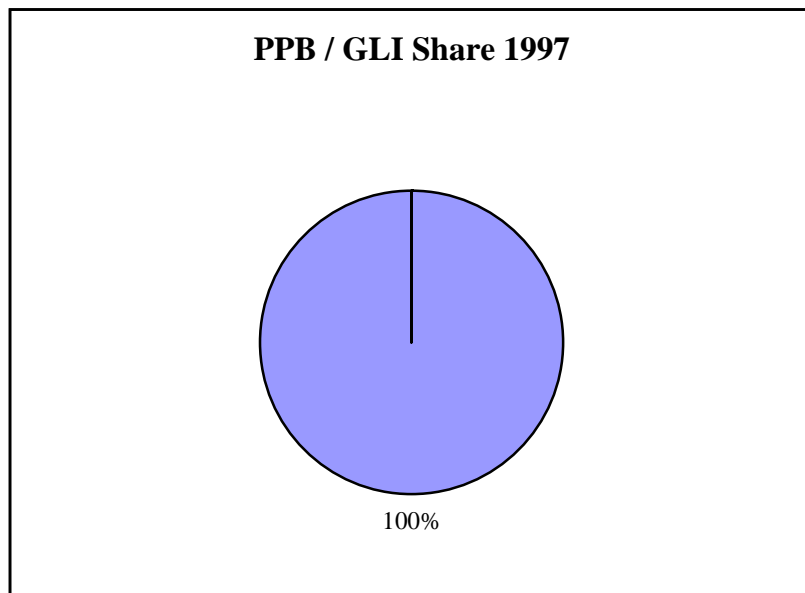


- Traditional bus service has been in decline since the 70's
  - Traditional bus service is defined as from a bus terminal to a bus terminal
  - Old school - brick and mortar building, lots of labor and costs overall
  - How does the consumer buy the service – from a human ticket agent
  - Personal car ownership has also risen
  - Numerous discount airlines have started up
  
- Non – traditional bus service began about 10 years ago
  - Non – traditional usually runs from a street corner to a street corner, usually with great access to local transit systems
  - New school – little brick and mortar, not a lot of labor or indirect costs
  - How does the consumer buy the service – from a web site, very low cost
  - Cheaper - can pass along the lower cost structure to consumer with lower ticket prices
  - This non traditional segment has been growing explosively
  - Currently there are about 15 non - traditional bus carriers operating in the Northeast

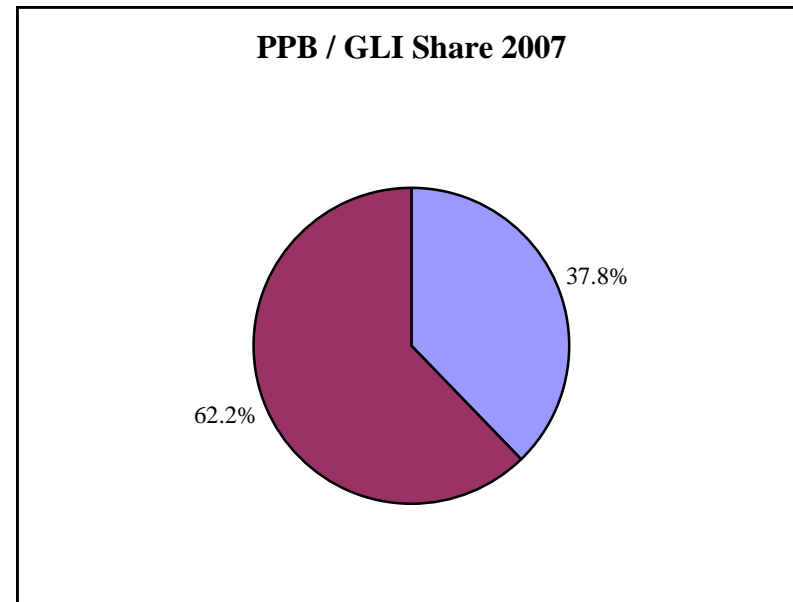
# Market Share Analysis (August '07) Majority of Markets – Northeast Corridor



- Conducted by Greyhound to understand market share
- New competitive entrants had dramatically grown the overall market
- In ten years the market size had grown by 2.9m Customers or 80%
- We did not expect non – traditional to be bigger than traditional



3.6 Million Total Customers



6.5 Million Total Customers

# Examples of Non - Traditional Carriers



New York Baltimore Washington DC Albany, NY Premium Outlets

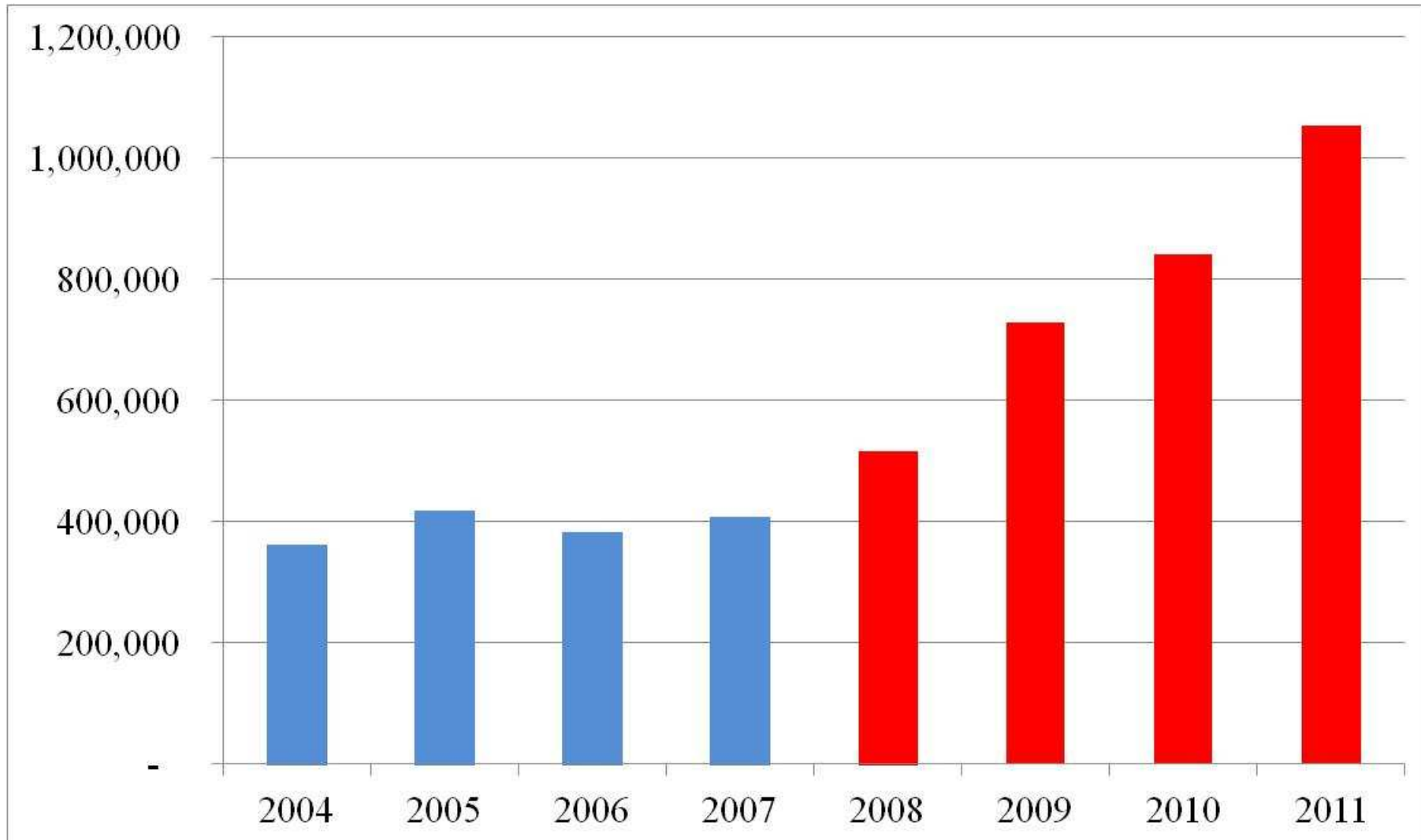
## Dragon Coach



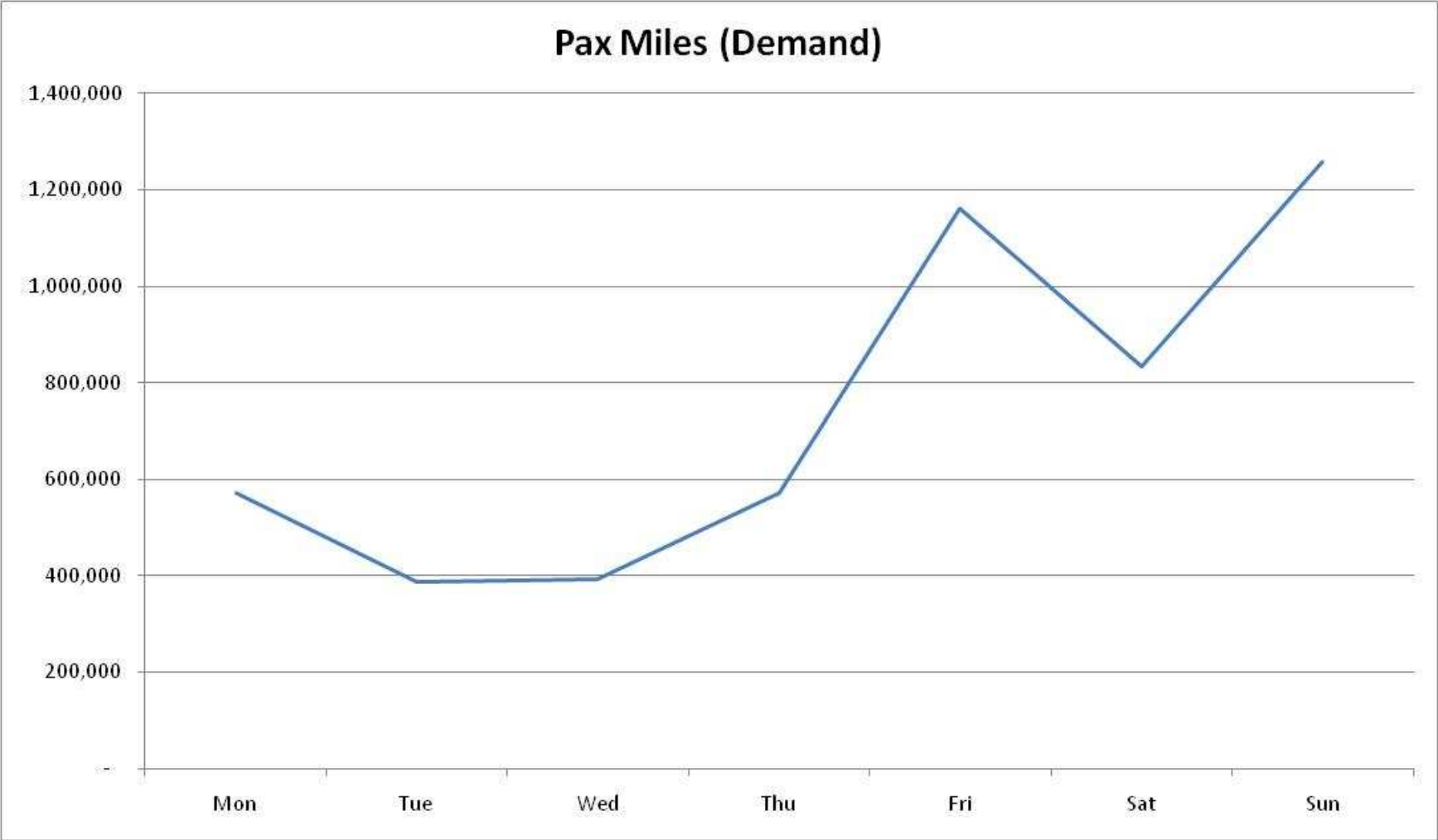
## ■ Brand Fundamentals

- Be an easy and fun company to do business with
- Full spectrum of fare availability – fares start at \$1
- Reservation service
- Ticketless
- Friendly / professional employees at all customer touch points
- Boarding process -- A / B / C like an airline
- Free Wireless Internet and 110 volt power plug ins
- Simple loyalty program
- Additional leg room (about 3 inches more than standard)

## Huge Market Growth - Example (Greyhound + Bolt)



# Typical week





# Customer Insights



## ■ Top 3 items our customers desire

- A low affordable price
- Safe / comfortable trip (including curbside environment)
- Connectivity to local transportation

## ■ Demographics

- 76% of our customers are between 18 – 34 years old
  - 30% are between 18 – 24 years old
  - 46% are between 25 – 34 years old
- 82% either have a college degree or are in school currently
- 64% are female
- 53% have household incomes above \$50k
- 65% arrive to ride our service via local transit (either train or bus)

# Current Operation



- We currently run about 1,100 departures a week
- Our occupancy rate runs about 80%
- 97% of our tickets are sold on line
- 93% of our fleet is wheelchair lift equipped
- Safety systems
  - CADEC - Speed and idling
  - DriveCam - monitor and enforce safe driving behaviors
- We operate from 8 pure curbside locations
  - Largest locations: New York -- 33<sup>rd</sup> Street and 7<sup>th</sup> Avenue, New York -- 34<sup>th</sup> Street and 8<sup>th</sup> Avenue and Philadelphia -- 30<sup>th</sup> Street and JFK Boulevard
- We operate from three terminal locations
  - Port Authority in New York, Union Station in Washington D.C. and South Station in Boston

# Our Thoughts



- We run a business that has proven to be both high growth and profitable
  - Our desire is to be good corporate citizens
  - Follow all regulations
    - When issues arise we will be responsive and determined to rectify
  - We will improve local area if needed and desired
  - We do contribute to local events and charities
- Location philosophy
  - Our passengers want easy connections to other transit modes
  - Location and proximity to transit is very important
  - We believe several medium sized locations is better than one very large location
  - The area passengers wait is as important as the curb space for the buses
    - Narrow curb = problems
  - Believe separate arrival and departure areas are needed and helpful
- Fees and Regulations
  - We are open to reasonable fees (recovery of lost revenue, etc) and regulations
  - As long as they are applied to all carriers equally
  - Believe public notice / commentary is important
  - We also believe that loud constituents should not overly dictate the process