

CONSUMERLAB



# COMMUTERS EXPECT MORE

An Ericsson Consumer Insight Summary Report  
June 2015

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## METHODOLOGY

This Ericsson ConsumerLab report explores the commuter experience when using public transport (bus, train and metro) and personal vehicles (bicycle and car). It is the result of a combination of qualitative focus group discussions and quantitative surveys which took place between October 2014 and January 2015.

### Qualitative research

Qualitative research was conducted in four cities (London, New York, São Paulo and Shanghai). 15 focus group discussions and 16 accompanied journeys were carried out with a total of 133 employed smartphone owners aged 15–69.

### Quantitative research

Quantitative research was conducted in three cities in Brazil (Curitiba, Rio de Janeiro and São Paulo).

Online surveys were conducted by Ericsson ConsumerLab Analytical Platform between 2014–2015 with a total of 1,500 smartphone users who commute at least 2 days a week to work/school.

### Glossary

**Commute:** routine journeys to/from home, work or school

**Co-modality:** the use of two or more modes of transport (personal/private/public) to maximize the sustainability of a journey

**Commuter loyalty:** the voluntary use and recommendation of public transport services, even when access to private transport is available

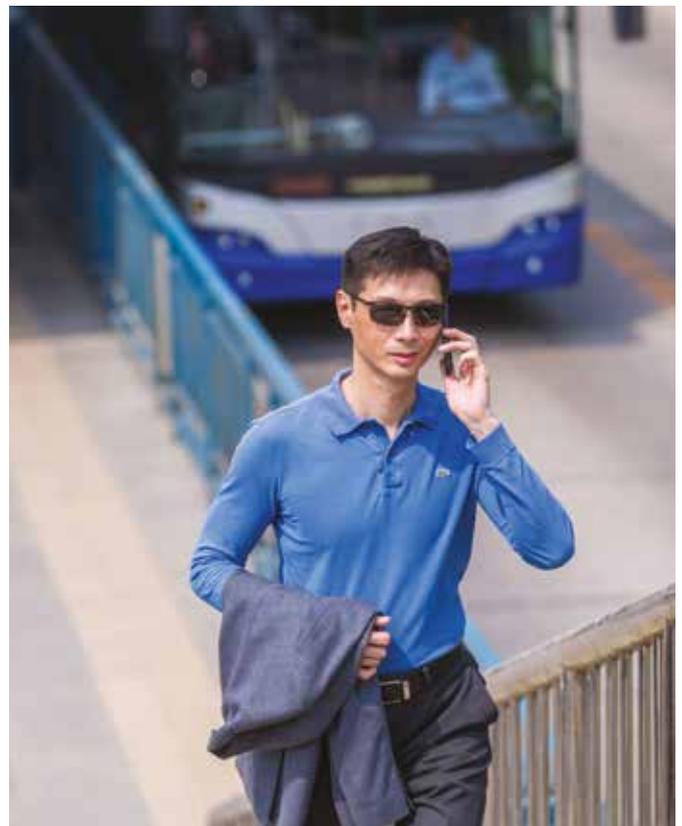
## THE VOICE OF THE CONSUMER

Ericsson ConsumerLab has over 20 years' experience of studying people's behaviors and values, including the way they act and think about ICT products and services. Ericsson ConsumerLab provides unique insights on market and consumer trends.

Ericsson ConsumerLab gains its knowledge through a global consumer research program based on interviews with 100,000 individuals each year, in more than 40 countries and 15 megacities – statistically representing the views of 1.1 billion people.

Both quantitative and qualitative methods are used, and hundreds of hours are spent with consumers from different cultures. To be close to the market and consumers, Ericsson ConsumerLab has analysts in all regions where Ericsson is present, developing a thorough global understanding of the ICT market and business models.

All reports can be found at:  
[www.ericsson.com/consumerlab](http://www.ericsson.com/consumerlab)



# DYNAMIC COMMUTE

Today, commuters are taking advantage of greater connectivity and new apps to simplify their daily commute. Take for instance the typical commute in New York for Joanna. She starts her day by using an app on her smartphone to check if the bus will arrive on time to take her kids to school. After dropping her kids off, she checks the app again to get a bus to the metro station. Since connectivity is not available on the metro, she reads emails and makes a few calls before her one-hour metro ride to work.

When she arrives at the platform she finds out the metro is late, but does not know when it will arrive. Joanna wishes she had real-time information available so that she could plan the rest of her day and use her commute time more effectively.



## KEY FINDINGS

### Commuters perceive commuting time as unproductive, dull and long

- > Globally, on a weekly basis, consumers spend 20 percent more time commuting than on leisure activities. 47 percent of people that spend more than 9 hours a week commuting are not satisfied with the time they have for leisure
- > Brazilians spend the most amount of time commuting (2.1 hours per day). However, due to safety reasons Brazilians are not able to use their time productively, unlike commuters in New York and London

### Commuters use the internet to be productive during their journeys and to manage their commute

- > Public transport commuters in New York lead in the use of email/SMS/IM while commuting, with 70 percent doing so to remain productive
- > 82 percent of London commuters and 79 percent of New York commuters rely on travel-related apps to plan their commute

### The public transport industry is perceived as lagging behind – commuters have high expectations for seamless connectivity

- > Commuters perceive connectivity to be a basic requirement and they demand uninterrupted connectivity while commuting. However, during their commute, 55 percent and 66 percent of commuters globally are dissatisfied with communication and video streaming services, respectively
- > Commuters want integrated real-time and crowd management information, unified payment options and services that span across travel modes

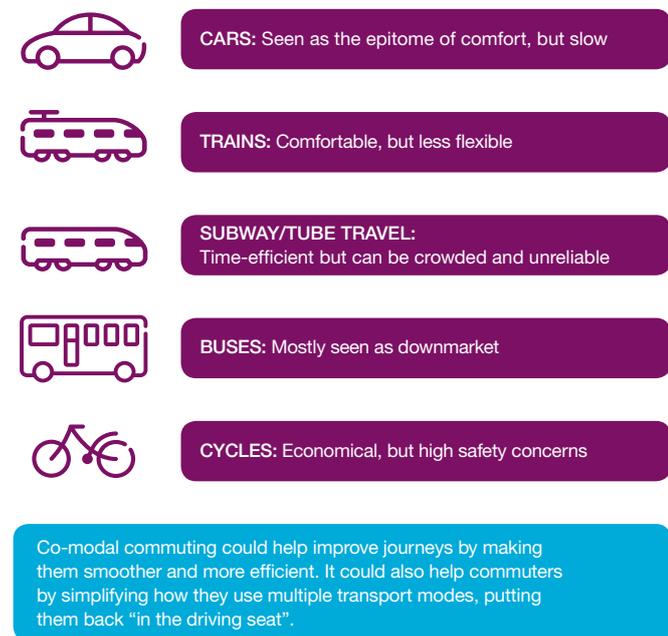
### In the future, commuters want personalized services from the public transport industry

- > 33 percent of Londoners would use personalized services such as dynamic bus routes on a weekly basis
- > “Always on” connectivity, followed by personalized services, are most appealing for commuters in London, New York, São Paulo and Shanghai. 86 percent in Brazil find these services to be useful

# THE EVOLVING TRAVEL EXPERIENCE

The cities included in this study – London, New York, São Paulo and Shanghai – all have similar modes of transport available, including buses, trains and metros. Yet, when it comes to co-modal usage and efficiency, the cities are in different stages of development.

Figure 1: Pros and cons of different forms of transport



Source: Ericsson ConsumerLab, Commuters expect more, 2015

London is the frontrunner in terms of integrating different modes of transport and communication to commuters. Ericsson ConsumerLab Analytical Platform's 23 country consumer trends and lifestyle 2014 study shows that globally, on a weekly basis commuters spend 20 percent more time commuting than on activities that they enjoy, such as socializing with friends. Furthermore, 47 percent of people that spend more than 9 hours a week commuting are dissatisfied with the amount of leisure time they have.

Figure 2: Average time spent commuting each day (hours)



Source: Ericsson ConsumerLab Analytical Platform, 23 country study, 2014  
Base: 950 commuters from 4 cities

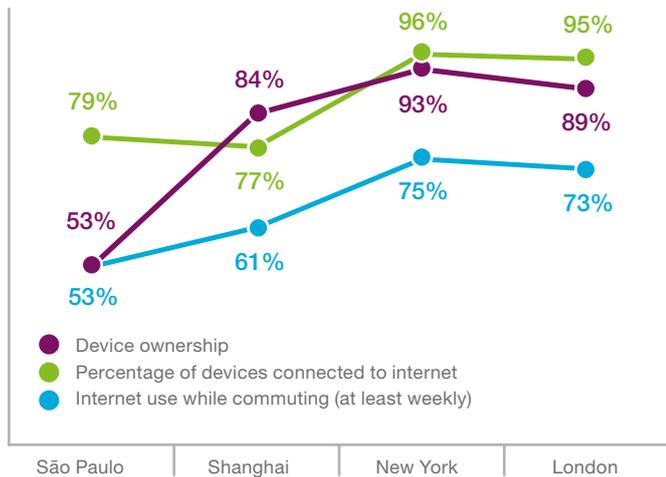
Close analysis of the research has shown that at an overall level commuting is the fifth most time consuming activity (6.5 hours per week), after working (34.5 hours/week), spending time with a spouse (18.2 hours/week), using the internet (16.2 hours/week) and watching TV (12.6 hours/week). Figure 2 shows the average amount of time people in different countries spend commuting. This affirms the reasons for commuters' pain points and frustrations with spending several hours unproductively while commuting, which we observed during our qualitative research analysis.

These daily challenges with commuting affect not only the satisfaction of the commuter, but also their co-workers and family, and, from a wider perspective, businesses and society. While keeping commuters happy is important, across the four markets studied it was found that they are not satisfied with public transport services. But sometimes commuters do not have any other option, so they remain loyal to public transport. Therefore, it is important to explore the various factors that satisfy them.

## Commuters take control

As seen in Figure 3, many commuters stay connected through their smartphones, which can contribute to them feeling in control and productive while commuting. Ericsson ConsumerLab Analytical Platform on-device measurements from a 5 country study (India, Japan, South Korea, UK and the US) in 2014 shows that 79 percent of commuters use travel-related apps to help them reach bus/train stations on time. The study also reveals that in the US there has been a 192 percent increase during 2014–2015 in the total number of unique visitors making travel-related payments via smartphone browsers and apps for transportation services such as Uber and Skyscanner. This indicates a change in commuters to seek out alternative forms of transport. It shows that commuters are taking charge of their commute with the help of smartphones wherever and whenever they find that public transport cannot provide them with the convenience they seek in their journeys. For instance, a suburban commuter may not have a bus service to connect them to metro stations or their services may be less frequent.

Figure 3: Smartphone internet use while commuting



Source: Ericsson ConsumerLab Analytical Platform, 23 country study, 2014  
Base: 950 commuters from 4 cities



🔄🔄 If you get stuck in traffic, you spend the rest of the day trying to be extra proactive to make up for the fact that you turned up late.”  
São Paulo, male

**Keeping busy**

Commuters engage in various activities on their smartphones when commuting. Figure 4 shows that some of the most frequently performed tasks both in cars and on public transport are sending SMS, checking emails, instant messaging (IM), listening to music and browsing the internet. Also, at 44 percent, more public transport commuters in London are making voice and video calls compared to commuters in other cities.

People who use public transport have more flexibility to perform various tasks, compared to those that travel by car. For instance, 70 percent of people using public transport in New York, 62 percent in London, 51 percent in São Paulo and 47 percent in Shanghai send text messages such as SMS and IM. In contrast, fewer car commuters in all cities perform the same activities, except in São Paulo.

Figure 4: Activities while commuting



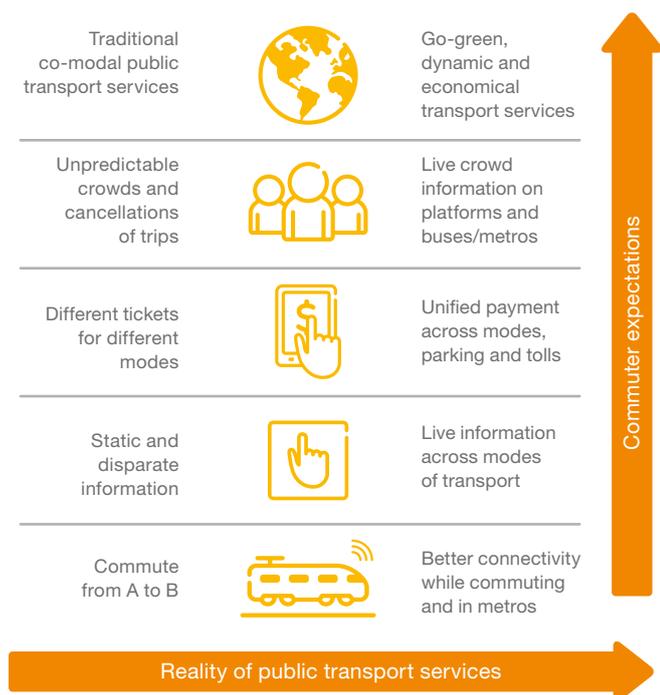
Source: Ericsson ConsumerLab Analytical Platform, 23 country study, 2014  
Base: 950 commuters from 4 cities

# EXPECTATIONS FOR THE INDUSTRY

Today, commuters are ahead of the transport industry in appreciating and accepting innovative apps and services. They feel these services are simple, economical and directly benefit them by improving their commute. On the other hand, the perception of the public transport industry across the markets is that it falls behind in catering to the growing expectations of commuters who use smartphones. Figure 5 shows how commuter expectations are changing, and the need for the transport industry to rethink their offering. Static and disparate information, old ticketing systems and inefficient crowd management have all resulted in a satisfaction gap between commuters and the public transport industry.

The satisfaction gap is not only service and infrastructure-related, but also linked to commuters' perception of network satisfaction while commuting.

Figure 5: Evolving needs of commuters



Source: Ericsson ConsumerLab, Commuters expect more, 2015

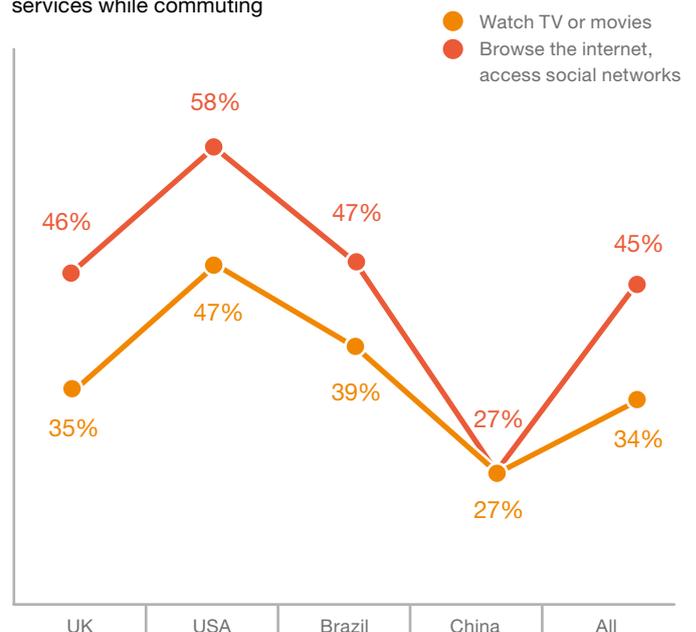
"I love watching TV shows on my mobile but connectivity is very poor underground."  
Shanghai, male



It is interesting to note that commuters perceive connectivity issues differently on private versus public transport. They feel that the mobile operator is responsible for poor connectivity when they travel by cars or taxis. However, they hold the public transport industry responsible for poor connectivity when they travel on metros, trains or buses.

Today, commuters want to experience seamless connectivity so that they can be entertained, for example by watching video on their smartphones. But, in reality Figure 6 shows that globally, 66 percent are dissatisfied with video streaming services and 55 percent with communication services, while commuting. There is a major need to focus on how to satisfy the growing expectations of smartphone commuters today.

Figure 6: Satisfaction with video and communication services while commuting



Source: Ericsson ConsumerLab Analytical Platform, 23 country study, 2014  
Base: 950 commuters from 4 cities

# CASE STUDY: PUBLIC TRANSPORT IN BRAZIL



Based on the results from the qualitative study conducted across four markets, Ericsson ConsumerLab aimed to quantify the major reasons for commuter satisfaction and loyalty towards public transport services.

At an overall level, Brazilian commuters are not satisfied with existing public transport services, as seen in Figure 7. Dissatisfied customers are more likely to use private transport, regardless of high charges for parking or congestion. Today's commuters value speed and efficiency, but they understand that improvements to the transport industry will not happen overnight. Therefore they turn to apps and services that improve the efficiency and speed of their commute by providing real-time information and alternative/better routes.

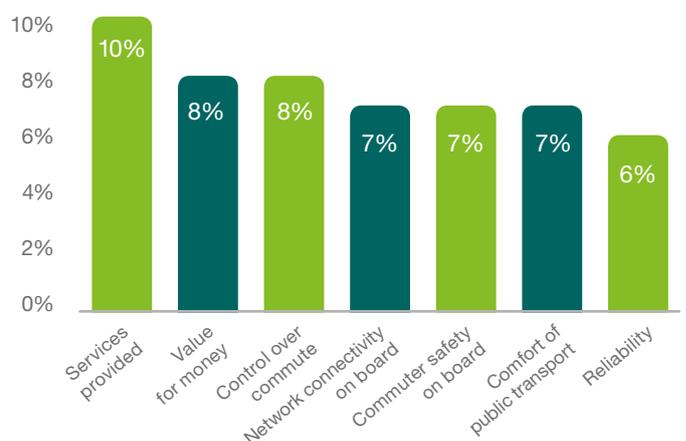
## Satisfaction with connectivity on board

Today, commuters feel that connectivity and internet services are an integral part of their experience. Figure 8 on the next page shows that there is very low (7–8 percent) onboard network satisfaction among bus, metro, and car commuters in Brazil.

Significant dissatisfaction means commuters feel that they can neither entertain themselves nor productively use their commute time.

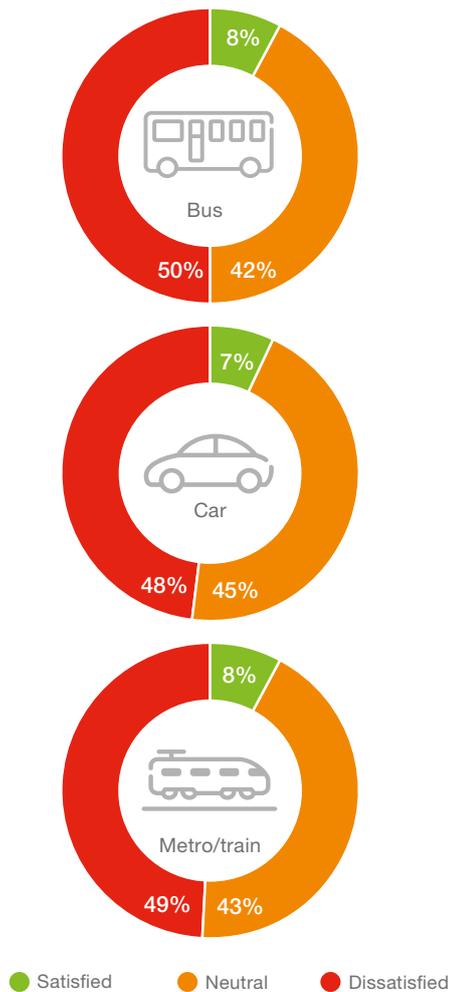
This, combined with public transport service issues, adds to frustration among Brazilian commuters.

Figure 7: Satisfaction with public transport (top two answers shown)



Source: Ericsson ConsumerLab, Commuters expect more, 2015  
Base: Commuters who use smartphones in Brazil

Figure 8: Onboard network satisfaction

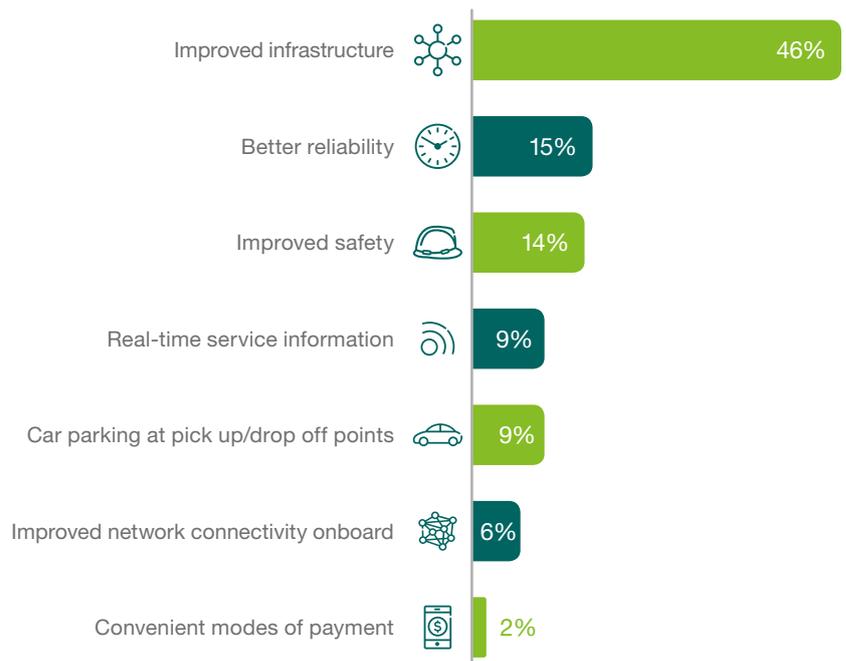


Source: Ericsson ConsumerLab, Commuters expect more, 2015  
 Base: Commuters who use smartphones in Brazil

It is clear that Brazilian commuters are not satisfied with the reliability, comfort, safety and connectivity of public transport. As a result, it is very challenging to get them to use these services. 46 percent feel that an improved infrastructure can encourage car commuters to use more public transport services (Figure 9). In-depth analysis shows that 40 percent of Brazilian car commuters feel parking costs are too high and 32 percent of car commuters feel there is insufficient parking near public transport stations. However, a better parking infrastructure near bus/metro stations can encourage people to only use their cars for getting to and from stations. In order to keep people using public transport, commuters' basic expectations must be met. If not, it is likely that they will revert to using their private cars instead.



Figure 9: Drivers for switching to public transport (top answer shown)



Source: Ericsson ConsumerLab, Commuters expect more, 2015  
 Base: Commuters who use smartphones in Brazil

# CONNECTING WITH COMMUTERS

Commuters are sometimes frustrated with their travel experience. For instance, a London commuter said that his main issues are that he does not find out about delays until he reaches the station and the trains are often overcrowded. Such repeated frustrations may lead to dissatisfaction and greater usage of private or personal vehicles. Therefore, this study led to the identification of 8 loyalty factors, which are outlined in Figure 10. These could be further explored from the ICT perspective to build new and innovative services.

Figure 10: Drivers of commuter loyalty to public transport



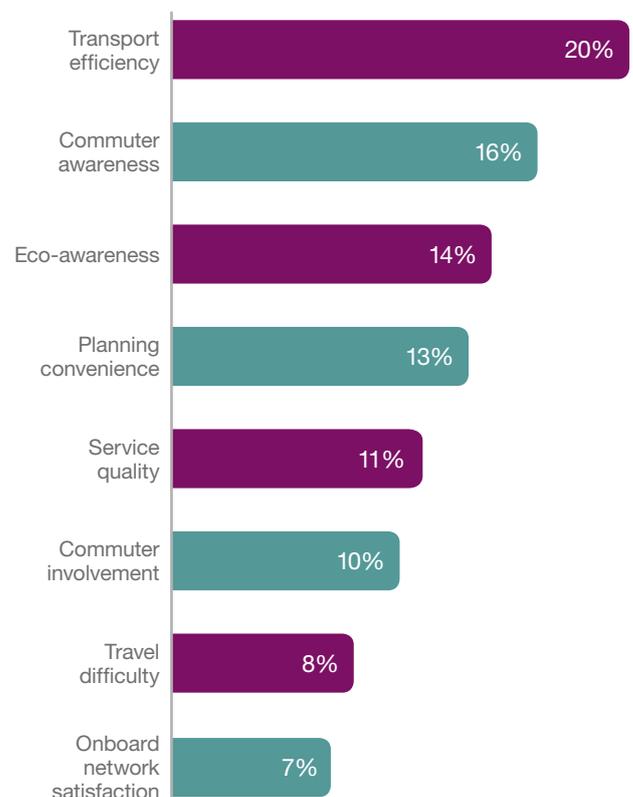
Source: Ericsson ConsumerLab, Commuters expect more, 2015  
Base: Four country qualitative study (London, New York, São Paulo and Shanghai)

All of these drivers, with the exception of travel difficulty, positively influence commuter loyalty. Across all cities, commuters consider transport efficiency to be a prominent factor in driving commuter loyalty.

When looking at the Brazilian case study, transport efficiency significantly drives loyalty among Brazilian commuters (Figure 11). This is followed by commuter awareness (16 percent) of the different modes of transport and their schedules across the city.

Building on these drivers by developing supporting apps and services can enhance commuter awareness of how to efficiently use the various commuting options and co-modal services available in a city. This could be, for instance, a service that shows car commuters how public transport can complement their current travel by improving efficiency, lowering costs or highlighting how much time they can save on their commute. The solutions that commuters would find most helpful are those that further improve the predictability of their commute and feature real-time route alternatives.

Figure 11: Drivers for loyalty



Source: Ericsson ConsumerLab, Commuters expect more, 2015  
Base: Commuters who use smartphones in Brazil

# LOOKING TO THE FUTURE



Commuters who use smartphones expect more personalized services

To explore how ICT (information and communication technology) could improve the experience and overall satisfaction while commuting, Ericsson ConsumerLab presented three new concepts in all focus group discussions conducted across four cities: Always On, Personalization and Smoother Commute.

Always On means that commuters can always be connected to uninterrupted, reliable and high quality internet services. This concept is perceived as a basic requirement by commuters, and an unmet need due to the lack of connectivity underground in metros/tunnels and while commuting. Some of the additional suggested features that could differentiate the services of this concept are: information on the level of crowding in buses/trains, integrating with loyalty programs and a focus on safety alerts.

The Personalization solution keeps commuters up-to-date with travel information such as delays and gives options for alternative routes. Some of the additional features that could increase the uniqueness of the concept include discounts for frequently-used routes, real-time seat reservation and parking reservations based on commute history. These suggestions highlight the fact that commuters want the transport industry to recognize and reward their loyalty.

The Smoother Commute solution focuses on increasing co-modal efficiency to address gridlocks. Some of the additional features that contribute to the uniqueness of the concept are unified payments across different modes of transport as well as for tolls and parking, and technology that suggests alternate routes and modes.

Our analysis of the focus group discussions revealed that the Always On concept was found to be very useful to commuters in all four cities. This is because it is the basis for all other services. This concept was very appealing to São Paulo commuters, while the Personalization concept was very appealing to Londoners and New Yorkers and the Smoother Commute concept was appealing to Shanghai commuters.

In the qualitative usefulness rating, Always On was the top rated concept, followed by Personalization and Smoother Commute across four cities.

The concepts were quantitatively tested in the Brazilian market, revealing that 90 percent would use the Always On service, and 86 percent would use the Personalization and Smoother Commute services if available to them in the future (Figure 12).

In all markets there was a greater expectation for and openness to innovative solutions. As seen in Figure 13, 43 percent of people in São Paulo would use interactive road navigation solutions on a daily basis to guide them. 33 percent of Londoners are open to using dynamic bus routes rather than fixed routes on a weekly basis. Also, 35 percent of New Yorkers are willing to use traffic volume maps to track how crowded a location is, on a daily basis. Commuters feel that these concepts can help bridge the gap between the transport and ICT industries and give way to more commuter centric services.

## Always On



With a Wi-Fi connection I can watch video clips or enjoy music. It also gives me more accurate positioning about which stop I need."

Shanghai, male

## Personalization



I would love to have my own personal space on the metro so I would pay to reserve a seat."

London, female

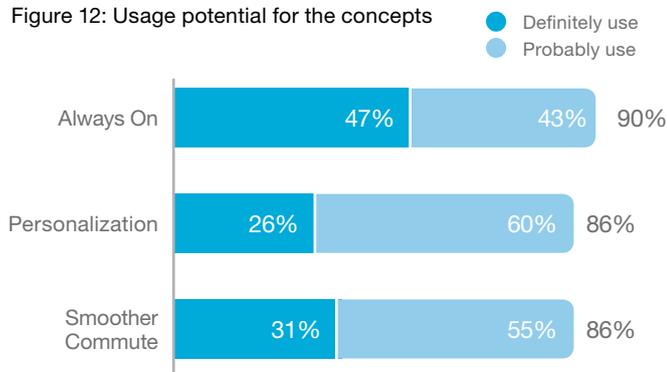
## Smoother Commute



The convenience of having information to help with journey planning if there are difficulties en route would be beneficial."

New York, male

Figure 12: Usage potential for the concepts



Source: Ericsson ConsumerLab, Commuters expect more, 2015  
 Base: Commuters who use smartphones in Brazil

Today, commuters around the globe are spending more hours commuting than on pleasurable activities such as socializing with family and friends. Since commuters spend more time commuting than hanging out with friends, in the future commuting should evolve beyond just going from one place to another into an activity that the commuter can enjoy by using it for leisure, recreation or being productive. Today, commuters are already using ICT services to make their travel time more efficient and productive. The public transport industry is lagging behind in developing services to meet commuters' expectations.

Figure 13: Usefulness of future services



Source: Ericsson ConsumerLab, Analytical Platform, Smart Citizen, 2014  
 Base: 2,944 respondents from 3 cities

Commuters are optimistic about the future and think that the public transport and ICT industries can help them resolve current pain points. In the future, commuters will want public transportation options that are time-efficient, create value and offer a stress-free experience. Providing better infrastructure and service quality as well as integrating various services with

technology solutions can help the transport industry to meet commuters' needs.

Commuters, the ICT and public transport industries have to jointly leverage their expertise to improve services for a better way of living and commuting.

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Our services, software and infrastructure – especially in mobility, broadband and the cloud – are enabling the telecom industry and other sectors to do better business, increase efficiency, improve the user experience and capture new opportunities.

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