

Reservation System Consulting

Board Briefing

January 22, 2019



Agenda

- Background of the Study
- Key Findings
- Alternatives Considered
- Recommended Alternatives
- High Level Cost Estimate
- ORCA Roadmap
- Next Steps

Introductions

- **Curtis Pierce** - Project Manager
- **Kathleen Gilligan** - Deputy PM
- **Amy Martin** - Consultant
- **Andrew Amey** - Amey Consulting

Background

Goals

- Maximize passenger satisfaction
- Operate the ferry as efficiently as possible
- Relieve pain quickly

Approach

- System evaluation
 - Research, interviews, survey
- Fit/Gap Analysis
- Peer Analysis
- Vendor Landscape
- Alternatives Analysis
- Recommendations
- Draft Requirements

Key Findings

- Supply and demand are imbalanced
- Reservation system seen as valuable & important
- Desired system functionality remains unmet
- Reservation usage is unique among peers
- Fast Ferry services are attractively priced
- No existing system meets KT's needs
- KT Fast Ferry customers have diverse travel needs

Alternatives Considered

- Modify current system
- Replace with Commercial off-the-Shelf (COTS) system
- Replace with custom system
- Proceed without a reservation system
- Increase fares on peak sailings to manage demand
- Add a reservation fee

Alternative Pros and Cons

Modify current system

Pros	Cons
<ul style="list-style-type: none">● Riders understand current system● Staff understand current system● Meets basic need of reserving seats● Capable of accommodating incremental improvements● Existing relationship with vendor● Limited investment to date● Scalable vendor (accommodate user growth)● Leveraged hardware investment● Integration opportunities	<ul style="list-style-type: none">● Cost of continued enhancements● Not built for KT's specific use case● Some rider dissatisfaction likely to persist

Alternative Pros and Cons

Replace with Commercial off-the-Shelf (COTS)

Pros	Cons
<ul style="list-style-type: none">• Demonstrated track record with other clients• Keeps up with changes in technology• Public perception of more modern approach	<ul style="list-style-type: none">• Ongoing operating costs likely higher• Does not leverage previous investment• Potentially limited customization opportunities• Customers would need to familiarize with new system

Alternative Pros and Cons

Replace with custom system

Pros	Cons
<ul style="list-style-type: none">● System built to KT's specific needs● Improved customer interaction experience● Potential for nextgenORCA and/or other integrations	<ul style="list-style-type: none">● Highest overall cost option● Lengthy schedule to implement● Requires staff time and effort● Ongoing maintenance costs likely to be high, including KT personnel

Alternative Pros and Cons

Proceed without a reservation system

Pros	Cons
<ul style="list-style-type: none">• Lowest cost option• Potentially greater perception of fairness	<ul style="list-style-type: none">• Likely higher KT customer service resources initially• Potential for poor behavior in queues (e.g.: greater line jumping, saving a place for friends)• Lack of reservations negates time and certainty benefits of a fast ferry• No reservations creates potential for additional out of pocket costs for riders

Alternative Pros and Cons

Increase fares on peak sailings to manage demand

Pros	Cons
<ul style="list-style-type: none">• May better balance supply and demand for service	<ul style="list-style-type: none">• Does not currently fit with KT policy• Different fares for different routes may cause confusion• May be perceived as catering to wealthy, elite customers• Requires study, public consultation which takes time• May discourage participation among employers

Alternative Pros and Cons

Add a reservation fee

Pros	Cons
<ul style="list-style-type: none">● Likely to decrease “no shows”● Likely to reduce multiple peak period reservations● Customers financially accountable for “no show”● Responds to some customer requests● Potentially shifts demand to other sailings	<ul style="list-style-type: none">● Requires study, public consultation, possibly Title VI study● More walk-ons could potentially delay sailings● Potentially results in a loss of customers● Administrative time and costs may increase

Recommended Alternatives - Near Term

- **Retain the current reservations system and seek prioritized enhancements from current vendor**
 - *Benefits: Known entity; capitalize on existing investment; financially most feasible option*
- **Charge a non-refundable, reservation convenience fee**
 - *Benefits: Discourage reservation “hoarding”; defray some costs*

Additional Alternatives - Near Term

- **Amend the reservation system policy to allow each unique user to make only one reservation per direction per day.**
- **Review other key policy issues related to the reservation system.**
- **Provide customers with real-time visibility into the availability of walk-up spaces on each sailing.**
- **All additional technical work should be built with the next generation ORCA architecture and APIs in mind.**

Recommended Alternatives - Longer Term

Following introduction of second operating passenger vessel:

- **Analyze demand for reservations once additional sailings are in place**
 - Determine whether reservations are still needed
- **If retaining the system, consider increasing walk-ups, lowering reservations**
- **If retaining the system, provide a mobile app as a passenger benefit**

High-Level Cost Estimate

- Improved screen flows for reservations
- New log-in and verification features
- Implementation of convenience fee
- Development of an API for linking reservations to a mobile application
- Development of an API for to show real time reservation availability per sailing
- Build configurability for cancellation timeframes, number of directional/daily reservations
- Improvements to barcodes to allow for more consistent scanning on dock
- Improved reports and query capabilities
- Consideration of next generation ORCA integration opportunities in ongoing design updates

Implementation costs: Estimated between \$75,000 and \$125,000

Mobile app development, integration, testing costs: Estimated \$200,000-\$500,000

ORCA Roadmap

- Currently, little integration between systems
- Launch of next generation ORCA in 2021; integrations possible by 2022
 - Numerous integration options: tie to reservations, collect fares and fees, common sign-on, management in one app
 - Multiple APIs and a 3rd party development framework
 - Any development by KT should plan for these

Recommended Next Steps

- Review amended requirements
 - Prioritize by importance/urgency
- Engage with vendor
 - Develop product roadmap, budget, schedule
- Adopt a reservation fee and associated policies
- Develop metrics to assess customer behavior & preferences
 - No-shows to gauge reservation fee impact
 - Customer satisfaction (ongoing)
 - Reservation utilization (post-new passenger vessel)
- Prepare for future ORCA integrations

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