

## VANCOUVER TAXI INDUSTRY – RESULTS OF PEAK DEMAND & SUPPLY OF TAXIS STUDY

### Introduction

BC's introduction of the country's toughest drinking and driving laws in September 2010 proved to be a significant development for the Vancouver taxi industry with regards to transporting people out of the downtown core on Friday and Saturday nights.

Previous to this legislative change, Vancouver's four taxi companies had spent several years working closely with the City of Vancouver to provide adequate late-night weekend service in light of limited public transit options and the significant growth of the Granville Entertainment district over the past decade.

In consideration of the fact that the industry understands and embraces its role in providing a public service as part of the transportation continuum, the Vancouver Taxi Association (VTA) filed an application for 65 peak weekend temporary operating permits (TOP) as a six-month pilot commencing on April 29, 2011 and ending on October 30, 2011. The request was supported by Vancouver City Council on March 3, 2011, and approved by the Passenger Transportation Board on March 16, 2011.

In order to properly understand the impact of this pilot, the VTA commissioned Garland Chow, an Associate Professor at the Sauder School of Business and an expert in transportation system management, to undertake an extensive study, the results of which are summarized in this brief.

The performance of the Vancouver taxi industry was gauged by three surveys of taxi service in the downtown entertainment corridor – one before the TOP pilot project was operational, one in the middle of the pilot project, and one after the pilot project had ended. The surveys were designed to measure perceptions of all taxi service (dispatched or flagged) based on user experience.

### Key Facts, Findings & Data

- The screen line count was administered at 13 locations, 7 in the Granville zone, 4 in the Gastown zone and 2 in the Yaletown zone
- In the April 2011 screen line count, an estimated 7482 taxis and 528 limousines or 8010 vehicles passed by the 13 counting locations between 10:00 pm and 4:00 am
- In the November 2011 screen line count, an estimated 7656 taxis and 738 limousines or 8394 vehicles passed the 13 counting locations between 10:00 pm and 4:00 am
- Overall dispatched trip volume increased by 4.26% from the April period to the Sept/Oct period with the increase in traffic originating from downtown locations being slightly higher at 5.2% than from non-downtown locations at 4.09%
- Based on figures provided by Yellow Cab, overall flagged trip volume increased by 11.65% from the April period to the Sept/Oct period (this data from the other companies was not available)



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- Flagged trips consistently account for over 70% of the trips for the weekend nights (9:00 pm to 6:00 am), and for critical 1:00 to 4:00 time period, the flagged portion of taxi business rose to about 84% of the trips in April (pre-TOP) and to 86% in Sept/Oct (with TOP)
- Trips originating from downtown represent 40.5% of total traffic for weekend evenings
- Peak demand between 2:00 and 3:00 am is almost 6 times greater than demand for any hour between 10:00 pm to 1:00 am
- 96% of the taxi fleet of the 3 taxi firms (excluding Vancouver Taxi, which did not provide data) was actively providing dispatch service in April and 97% was actively providing dispatch service in Sept/Oct (thesmall numbers of taxis in the fleet that are not in service are within the normal range of vehicles out of service in a fleet for maintenance)
- Based on Yellow Cab statistics (which is the largest taxi company in Vancouver and the only one that was able to provide data on dispatched AND flagged trips), total trip volume between the hours of 9:00pm-6:00am on Friday and Saturday nights increased by 9.8%, **which directly correlates with the fact that the increase to Yellow Cab’s fleet as a result of the TOP was just over 9.6%**
- Approximately 9% (conservative estimate) to 16% (the highest total recorded) of taxi pickups on weekend evenings are taken by suburban taxis that are not licensed to pickup service in Vancouver (this is a conservative estimate based on the October 2011 taxi patron survey and the April and November 2011 screen line count surveys)
- Over 78 % of the dispatched trips were responded to within 10 minutes, over 92 % of the trips were picked up within 15 minutes and over 97 % of the trips were responded to within 30 minutes in April. The service during the Sept/Oct TOP period was over 77 % of the dispatched trips were responded to within 10 minutes, over 91 % of the trips were picked up within 15 minutes and over 97 % of the trips were responded to within 30 minutes (these figures are for weekend evenings, and are dramatically faster on weekdays)
- There was a dramatic improvement with regards to not only the overall processing times for taxi patrons, but also in their satisfaction levels with both flagged and dispatch response times

<b>Table 43 Dispatch Service Level Change Summary</b>			
<b>Service Performance Metric</b>	<b>April – Pre TOP</b>	<b>Sept/Oct – WITH TOP</b>	<b>% Change</b>
<b>Total Customer Service Cycle</b>	30.6 minutes	24.1 minutes	-21.2%
<b>Satisfaction with flagged taxi service - % satisfied or highly satisfied</b>	65%	78%	13.3%
<b>Satisfaction with dispatched taxi</b>	25%	9%	-60.0%



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service - % dissatisfied or highly dissatisfied			
Satisfaction with flagged taxi service – Average score	3.5	3.9	11.4%

- Taxi patrons had to walk a longer distance (likely due to the Granville St. closure) in Sept/Oct, but the overall time to successfully flag a taxi was basically the same, indicating that taxi patrons under TOP were able to flag a taxi down faster once they reached an area where taxis circulated
- Taxi patrons reporting **drivers who asked where their destination was before entering the cab dropped from 26% in April to 17% in Sept/Oct; boarding refusal also decreased from 21% to 8%**
- The October survey found a substantial improvement in customer satisfaction with overall very satisfied rating going from 20% in April to 23% in October and the Satisfied rating going from 43 to 48%. Total satisfaction (Very satisfied and satisfied) went up from 63% to 71%, an improvement of 12.7%

**Points for Mayor & City Council to Consider**

- Trip volume for taxi service in the downtown core on weekend nights increased directly in line with the amount of Temporary Operating Permits put on the road for the pilot project
- The Vancouver Taxi Industry recognizes the need for more cabs on the road, which is reflected in our recent application to the Passenger Transportation Board for 99 permanent weekend evening taxi licences
- The issue of out-of-town cabs picking up in Vancouver remains a significant issue, with enforcement failing to reign in these vehicles from operating outside of their jurisdiction
- An application from 16 out-of-town suburban cab companies remains in front of the Passenger Transportation Board for consideration, representing a direct assault on the viability and the future of the Vancouver industry
- According to Mr. Chow, “An increase in taxi licenses would cause that productivity to decrease if the non-Vancouver licensed taxis continued to compete. Only if there is a commensurate and substantial increase in demand, would there be enough business to support both the legal and illegal fleet at the same productivity that was achieved in April 2011.”
- We continue to work closely with the City of Vancouver, the VPD and the Passenger Transportation Board to ensure the adequate service is available to the downtown core on Friday and Saturday nights
- If new licenses are going to be issued, the opportunity to alleviate the demand in the downtown core on the weekend should go to the Vancouver companies



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