



Guide to Building Your Microtransit/On-Demand Transit Services in 2023

Table of Contents

Introduction	3
What is microtransit?	4
How does microtransit help agencies serve communities?	5
How can agencies build their on-demand transit strategy in 2023?	8
Work with an experienced implementation partner.....	12
Start planning your on-demand transit journey.....	13



Introduction

Buses in disrepair, driver shortages, neighborhoods without transit access. Mass transit has a laundry list of shortcomings—not to mention the challenges brought by COVID-19—but it's more possible than ever to fill those holes with new solutions. Microtransit—or on-demand transit—is picking up the slack, and it's here to stay.

“My agency is stuck on the mass transit hamster wheel. How can I get in on microtransit?” Read along, and discover what makes [microtransit](#) unique, and how you can roll it out successfully at your agency.



What is microtransit?

Mass transit, paratransit, or microtransit? While we've relied on bus routes, rail systems, and paratransit vehicles for years, microtransit is here to stay, with options and benefits for even more riders than ever before. It's a trend you just can't ignore

In the words of the [U.S. Department of Transportation](#), microtransit is a private or agency-owned "shared transportation system that can offer fixed routes and schedules as well as flexible routes and on-demand scheduling." Microtransit is, in fact, flexible enough to provide door-to-door, door-to-fixed, and door-to-rail route service. The model relies on [dynamic routing that leverages mobile apps](#) to provide efficient transport that adapts to passenger needs and solves first-mile, last-mile problems.

How does microtransit help agencies serve communities?

Getting where you want to go exactly when you need to is one of the best parts of microtransit. And it has a massive impact on communities.

It serves the underserved.

People who need transit services are often the ones who can't take the best advantage of it. Any of a number of roadblocks to adequate transit can stand in the way, including:



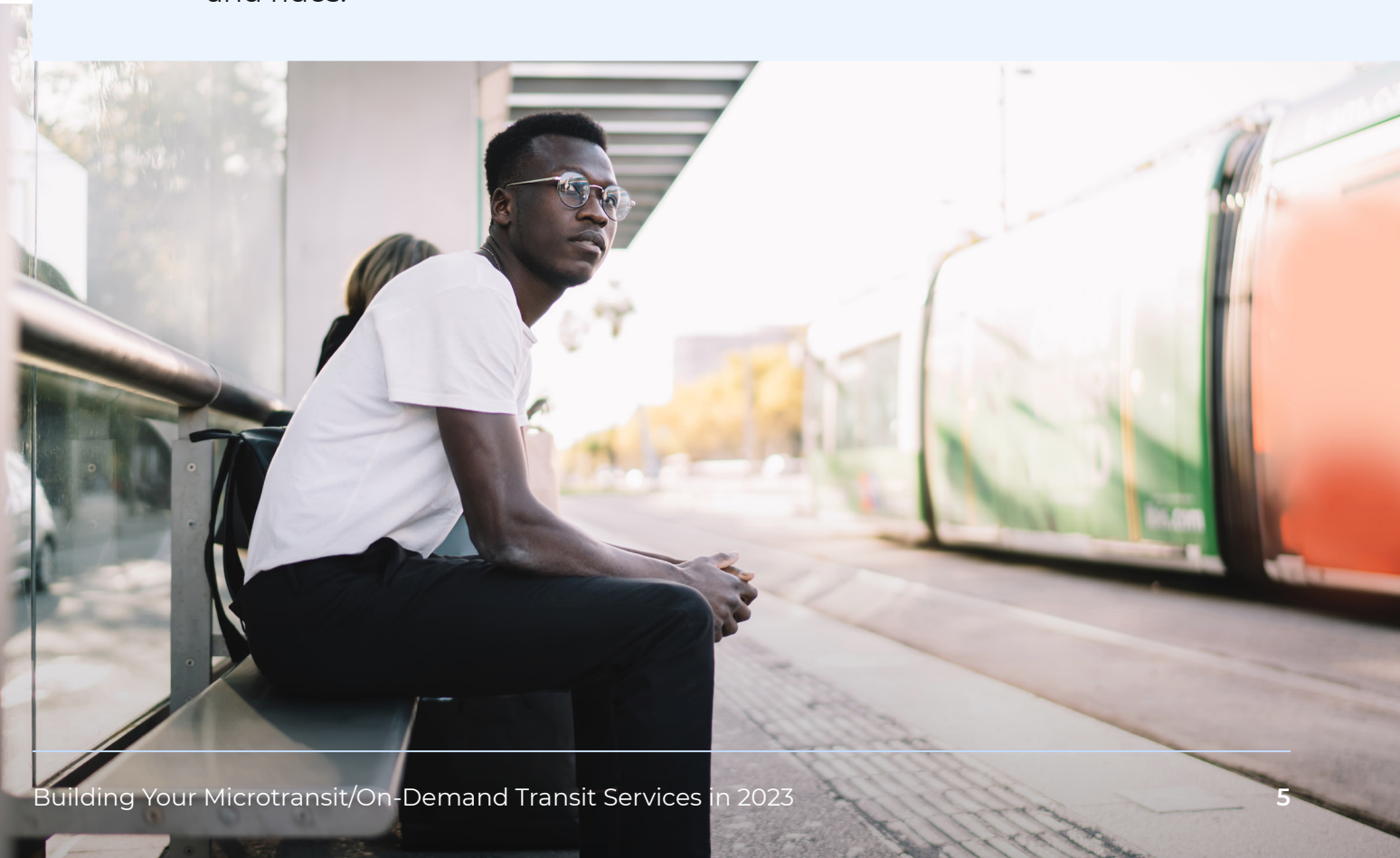
Mass transit doesn't cover their neighborhoods.



Overnight shifts require people to commute during out-of-service times.



Riders don't have personal vehicles to reach transit stops and park and rides.



The biggest challenge comes down to cost. Income barriers stand in the way of the majority of riders who desperately need transportation services. According to the [American Public Transportation Association](#), 70 percent of Americans who depend on buses earn less than \$50,000 per year. On top of this, 48 percent of transit users in small cities and 45 percent of riders in mid-size cities earn \$15,000 or less per year.

While mass transit is generally designed to be affordable, costs are rising—and it adds up when you rely on it to get around. Microtransit and on-demand transit services give underserved populations better access.

70% | \$50K

70 percent of Americans who depend on buses earn less than \$50,000 per year.

48% | 45% | \$15K

48 percent of transit users in small cities and 45 percent of riders in mid-size cities earn \$15,000 or less per year.



It improves service levels and customer experience.

The most important part of on-demand transit is that it meets rider needs, and that's where microtransit fills in the gaps. Picture this: A van travels through low-density neighborhoods that typically go unserved by mass transit, picking up passengers to go shopping or attend medical appointments or even delivering them to the nearest fixed route.

Microtransit and the tech working alongside it allow you to [do more for riders](#), such as provide:

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Web and mobile booking options to increase flexibility for customers



Advance booking options to help riders plan ahead



Payments and booking in one app to streamline trips and ease of use



Real-time location, time, and vehicle information to boost rider convenience

The right [on-demand transit solutions](#) can pack a major punch for communities, but only if you do the heavy lifting to answer riders' pain points. Next, we'll look at the best way to craft your transit strategy for the year ahead.

How can agencies build their on-demand transit strategy in 2023?

It takes significant research—and even a little trial and error—but you can start putting your on-demand transit strategy for the upcoming year in motion now. Start by following three essential steps:

1

Ask the right questions to begin planning.

Does on-demand transit actually make sense for your population at this time? Sharpen your pencil and consider the move from multiple angles, such as population density, age, income, vehicle availability, and more.

Let these questions guide your early planning efforts:

- ☒ What are the goals of your service?
- ☒ How big is your service area?
- ☒ What are the demographics of your prospective customer base?
- ☒ What service delivery model will you use?
- ☒ What type and how many vehicles will you use?
- ☒ What times will the service operate?
- ☒ Are there major benefits of implementing on-demand transit?

Depending on how you answer these questions, you'll begin to figure out the best type of service to pursue, so use it as a strategic opportunity.



2

Choose your operating model.

Do you prefer to go it alone or create a network for support? There's more than one way to be successful with on-demand transit, including four common models:



TRANSIT SYSTEM OPERATING MODEL

A transit system operating model provides on-demand transit that's owned and operated internally—from drivers to vehicles—but uses third-party software. This is generally most effective when an area already has transit systems and the associated infrastructure in place.



THIRD-PARTY OPERATING MODEL

Carrying a slightly smaller burden, a third-party operating model provides on-demand transit that's fully or partially run by external sources. If you don't have the resources or systems in place to implement your own solution, third parties can assist by providing everything from software to drivers to vehicles.

There's more than one way to be successful with on-demand transit.



TRANSPORTATION NETWORK COMPANY

Without the means—or even the need—to provide a rigid schedule of service, you might consider a transportation network company (TNC). Here, transit is owned and administered by the transit system but operated by the TNC to provide a model that more closely mirrors a flexible ridesharing service. As a result, you may not control driver training, safety, customer service standards, or even employee availability.



HYBRID OPERATING MODEL

Sometimes the best way to provide service just depends. If you're in that boat, a hybrid operating model may be ideal. This strategy combines the best of in-house and third-party operations by switching between the two depending on the locality or type of trip requested. Hybrid models provide additional flexibility because they expand access for communities that don't have fixed-route service, and both in-house and third-party systems can share the same booking and dispatching application.

3 Prioritize equity and inclusion.

Low-income and disabled people generate the [highest demand for transit services](#), but the system is often not on their side. These groups have distinct disadvantages when it comes to mass transit—especially in light of COVID-19. The pandemic created a transit shortage, disrupting both the quantity and frequency of transit opportunities that these populations rely on regularly.

On-demand transit provides an alternative, even when mass transit is threatened. When designing your on-demand transit strategy, remember to take these groups into account. A couple of difference makers might include:



Flexible schedules



Longer operating hours

Between regular medical appointments, mobility accommodations, and early work shifts, marginalized groups have extensive transit needs, and your service can rise to meet each one.

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Work with a partner such as Ecolane.

Your transit capabilities can reach new heights when you have an expert partner by your side. Ecolane is the industry-leading provider of intelligent web-based [transportation scheduling software](#), with solutions that deliver for your operation and riders alike.

Explore the Evolution platform.

Ecolane bridges the gap between scheduling, planning, and billing with our [Evolution](#) platform. Our on-demand transit technology stands out because it has real-time capabilities. Evolution provides route analysis and planning, plus it leverages your existing resources to ensure safe, accessible, and equitable transportation for communities without other options.



EQUITABLE AND ACCESSIBLE

Ecolane is proud to provide [ADA- and WCAG 2.1-compliant](#) technology solutions, from our self-service web portal to our accessible mobile app. Riders can easily interact with the platform, which functions seamlessly with:

- ☒ Screen readers
- ☒ Increased color contrast
- ☒ Keyboard-only navigation
- ☒ Bookmarklets

Ecolane is empowering agencies to effectively serve more riders. Won't you ride into the future of on-demand transit with us?



Start planning your on-demand transit journey.

Microtransit and on-demand transit services are turning mass transit on its head, leveraging technology to fill in gaps and get riders where they need to go. Your agency can expand its capabilities as soon as 2023 by building a next-level on-demand transit strategy. Do your research, choose an ideal operating model, and keep accessibility at the core.

Learn how Ecolane supports on-demand transit and expands access to those who need it most. Schedule your demo today.

[Request a Demo](#)

