



# Growth

We will seize opportunities to offer innovative products and services in all markets that we serve.

VIA is recapturing the momentum for growth in passenger rail achieved in the decade before 2003. Record increases in both ridership and passenger revenues were achieved in 2005.

Much of this success is due to the customer focus framed by the *Moving Forward* plan. Improved on-time performance alone has helped recapture customers who were frustrated with delays in the past. Service improvements, such as more responsive frequencies and schedules, have made rail travel a more attractive option for new customers. As just one example, the reorganization of departures on Toronto-Sarnia trains has increased ridership by six per cent, while revenue on this service has grown by 13 per cent.

In addition, VIA has focused on capturing new markets and customers through effective marketing and pricing strategies, marketing partnerships, and innovative products that distinguish passenger rail in the marketplace.

## MORE FLEXIBLE FARE STRUCTURE

VIA introduced Flexi Fares to provide customers with a more flexible fare structure, to increase choices for customers, and to eliminate complex restrictions on booking discount fares. This new pricing structure is simpler to understand, resembles that offered by other passenger services, and responds to the growing trend among customers to book seats closer to their desired departure date.

In order to make rail travel more accessible to seniors, VIA offers the Seniors' Companion Fare during the shoulder and off-peak season on Western and Eastern services, whereby seniors can take advantage of the standard seniors' discount and get a free companion ticket in *Comfort* class. The Kids Travel Free program provides an attractive option for family travel. And in September, VIA introduced gift cards in fixed denominations of \$25, \$50 and \$100, as well as a flexible value gift card that is reloadable, encouraging reuse.

## STRATEGIC PARTNERSHIPS

Strategic marketing and promotional partnerships with other service providers have been effective tools for increasing VIA's attractiveness and availability to new customers.

For example, the AIR MILES® Rewards Program now encourages its members to exchange their reward miles for VIA gift cards, which can be redeemed for rail travel. This program was launched in September 2005, and sales in the first four months exceeded expectations. Similar partnership opportunities are being explored with other programs and organizations. VIA's agreement with Expedia Canada, allowing customers to make hotel and rental car reservations directly from VIA's web site, continues to generate steadily increasing commission revenues for the Corporation.

Intermodal partnerships are another opportunity to attract new customers. VIA has partnered with WestJet to offer a seamless rail/air travel experience, and has integrated rail operations with bus services at its Halifax and Miramichi stations. The Corporation is currently exploring options with the City of Guelph to establish an inter-regional transportation centre at the Guelph passenger station.

## NEW PRODUCTS AND SERVICES

In 2005, VIA completed a very encouraging pilot project offering Wi-Fi capabilities, or wireless Internet access, to *VIA 1* customers in the Quebec City-Windsor corridor. This kind of service enhancement attracts business customers who appreciate the opportunity to make productive use of their travel time, playing to the unique strengths of passenger rail in the marketplace. The project was a resounding success, and in 2006 Wi-Fi service will be expanded and offered on all trains and in select stations in the Corridor.

VIA offered customers the use of the *Glenfraser* lounge car on selected departures to Niagara Falls in 2005, and feedback on the experiment was enthusiastic. The Corporation is evaluating the potential revenue benefits of providing lounge car service on these trains, and between Montreal and Toronto, on a seasonal basis.

VIA is also exploring opportunities to increase ridership by re-deploying fleet capacity to key growth markets. For example, in 2005 VIA discontinued the seasonal *Bras d'Or*<sup>™</sup> tour service in Nova Scotia, which had been unable to recover from declining tourism since 2003, and also discontinued its overnight service between Montreal and Toronto. At the same time, VIA introduced a 13-week additional frequency for the Niagara Falls-Toronto service, and the service will be available for a 20-week period in 2006. VIA is now considering options for adding weekly, seasonal or special theme trains in other markets.