



Christmas/New Year's Travel Forecast U.S. Intercity Bus Industry



Chaddick Institute for Metropolitan Development
DePaul University | December, 2015

2015 Christmas/New Year's Holiday Travel Overview

U.S. Intercity Bus Industry

Chaddick Institute for Metropolitan Development, DePaul University
December 14, 2015

This Intercity Bus Briefing summarizes the Chaddick Institute for Metropolitan Development's travel estimates on scheduled intercity bus lines in the United States over the 2015 Christmas/New Year's holiday period. These estimates draw from a variety of data sources, including proprietary reservation information on Wanderu.com, a leading booking site for bus travel, and the Chaddick Institute's Intercity Bus Data Set. The results show the anticipated travel volumes over the 12-day holiday period from Wednesday, December 23, 2015 to Sunday, January 3, 2016, which allows for comparisons with air and automobile travel estimates made by the American Automobile Association (AAA).

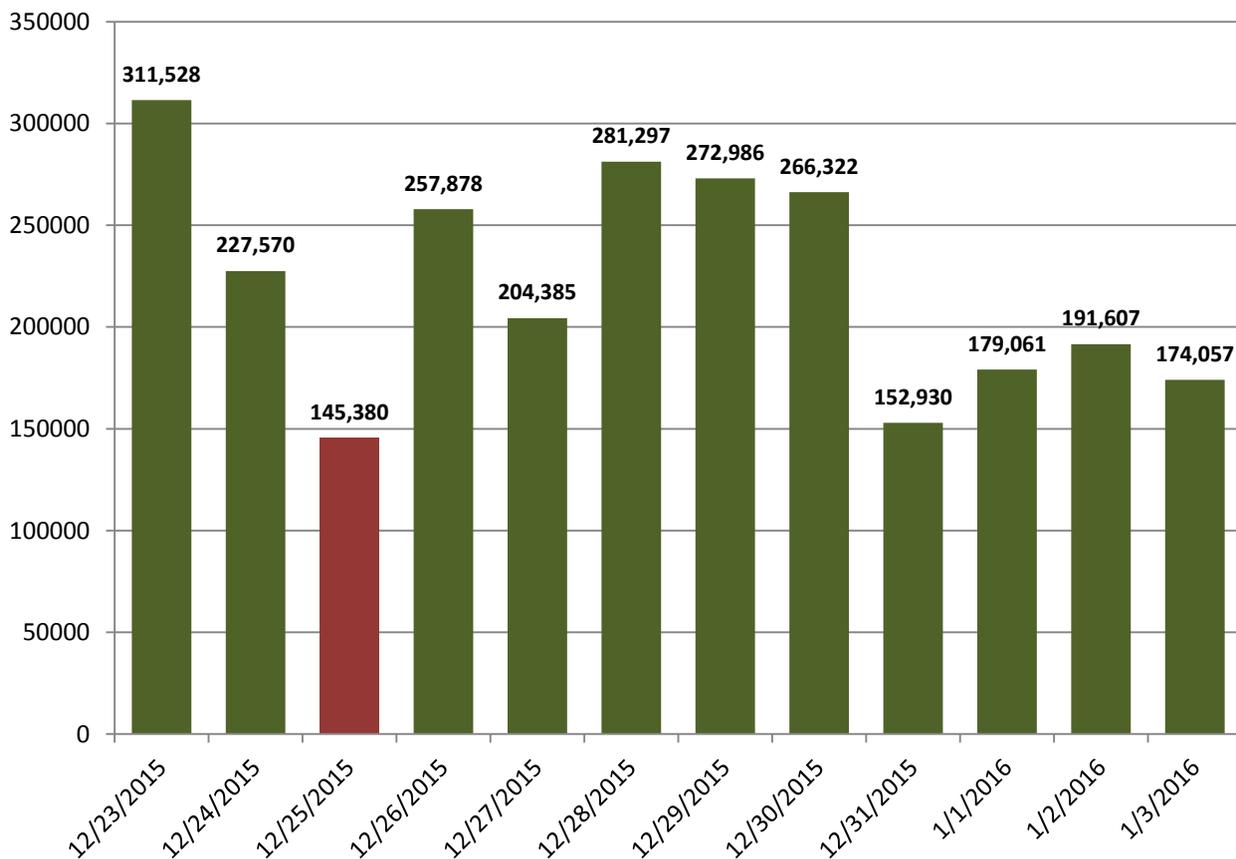
HOLIDAY TRAVEL PROJECTIONS

Our estimates for the holiday bus travel volumes are as follows:

- **An estimated 2.6 million passengers will make trips by bus** between Wednesday, December 23, 2015, and Sunday, January 3, 2016. This represents about a 13% increase over the typical travel levels during the late autumn/early winter season, and is 1 – 2% higher than the same period last year.
- **Travel is expected to be highest on Wednesday, December 23, which is likely to be one of the busiest travel days of December. An estimated 311,528 people will travel this day—resulting in traffic volume about 35% above normal-Wednesday levels this time of year.** Monday, December 28 will be the second-busiest day, with more than 280,000 passengers taking intercity buses.
- **Passengers traveling on a budget are finding bus travel to be a particularly attractive option.** A few weeks before the holiday, afternoon departures on Wednesday, November 25 were available between Los Angeles and San Francisco for \$42.50 each way, while Chicago-to-Cincinnati fares were \$32. Airfares, by comparison, were \$120 and \$377 on these routes, respectively, one way.
- **Christmas Day remains more lightly traveled than most other holidays, but the prevalence of travel on this holiday is growing as more and more Americans hop on buses to make short-hop trips to visit family. A forecasted 145,380 will travel by bus on Christmas, slightly fewer than the 148,389 that are projected to travel this past Thanksgiving.** Bus lines will be running normal schedules on many routes on Christmas.
- **The intercity bus has regained its prominence as a major player in holiday travel since its rebirth began with the advent of new city-to-city express services starting in 2006.** BoltBus, Megabus, and BestBus are currently among the major players in this sector.

- **Carriers are placing heavy emphasis on safety this holiday season.** Megabus.com and EndDD.org, an organization dedicated to inspiring individuals and communities to take action to end distracted driving, are reminding Americans to travel safely during the holiday travel rush—historically one of the year’s most dangerous weeks for traffic crashes. Travelers are encouraged to use the hashtag #DistractedRiding to share the joy of travel out of the driver’s seat—a recognition of the value of traveling by bus and the dangers of distracted driving

Figure 1:
Forecasted Travel Volumes on U.S. Intercity Bus System
 2015-16 Christmas/New Year’s Holiday



FACTORS AFFECTING TRAVEL DEMAND

The following factors will affect the demand for travel:

- Stronger consumer spending will fuel this growth in bus travel. The average price of gasoline being less than \$2.10 over the Christmas/New Year’s holiday will soften demand for fuel-efficient modes, such as intercity buses, by making automobile use less expensive. Despite this fact, bus travel is still expected to be up by 1 – 2% compared to last year.
- The ability for passengers to check baggage, including large suitcases stuffed with holiday gifts, at no charge is giving bus travel a new edge over airlines among budget-minded travelers during the

Christmas holiday. All the major bus lines allow passengers to check at least two bags for free.

- A larger share of bus passengers are traveling in groups over this holiday than during other times of the year. As a result, we expected demand for reserved seating, which guarantees passengers can be seated together, will rise sharply. Reserved seating was introduced by Megabus in 2014 and recently expanded to allow travelers to choose among 20 seats per bus across its entire North American system.
- All major bus lines have recently improved apps that allows customers to see where their bus is and when it will arrive at their destination, making it a popular new offering during the Christmas holidays. The BoltBus, Megabus USA, Peter Pan and Greyhound mobile bus tracking application are among the most heavily used.
- The growth in bus travel is being driven in part by sophisticated booking sites that allow customers to search for customized options. Wanderu.com, a leader in online bus bookings, estimates that 20% of its reservation activity involves additional bookings that carriers would not otherwise attract. These bookings are spurred by value-added conveniences, such as a station locator and mobile apps.
- The rise in bus travel has several favorable implications. Buses are generally more fuel efficient than other major modes of intercity travel, creating environmental benefits. They also lessen congestion on roads by reducing private vehicular traffic, which is particularly important during high-traffic holiday travel periods. Bus travel is also generally priced less than air and rail travel.

Table 1:
Christmas/New Year’s Holiday Travel Estimates
Projected Ridership: Intercity Bus Service in the United States

Projected Ridership, All Distances	2,675,322
Projected Ridership, City to City Express Service	739,066
Projected Ridership, > 50 miles	2,488,049.46
Projected Ridership Growth vs. 2014	80,259.66
Additional Trips over Holiday Period vs. Normal (non-Holiday) Levels	347,792

This table shows the estimated number of passengers traveling on scheduled U.S. intercity bus lines for the 12-day period (Wednesday, December 23 – Sunday, January 3). These do not include passengers using charter, tour, and airport-shuttle operations.

Figure 2:
Advance Bookings by Travel Date on Wanderu.com
 Expressed As % of all Bookings in November, 2015

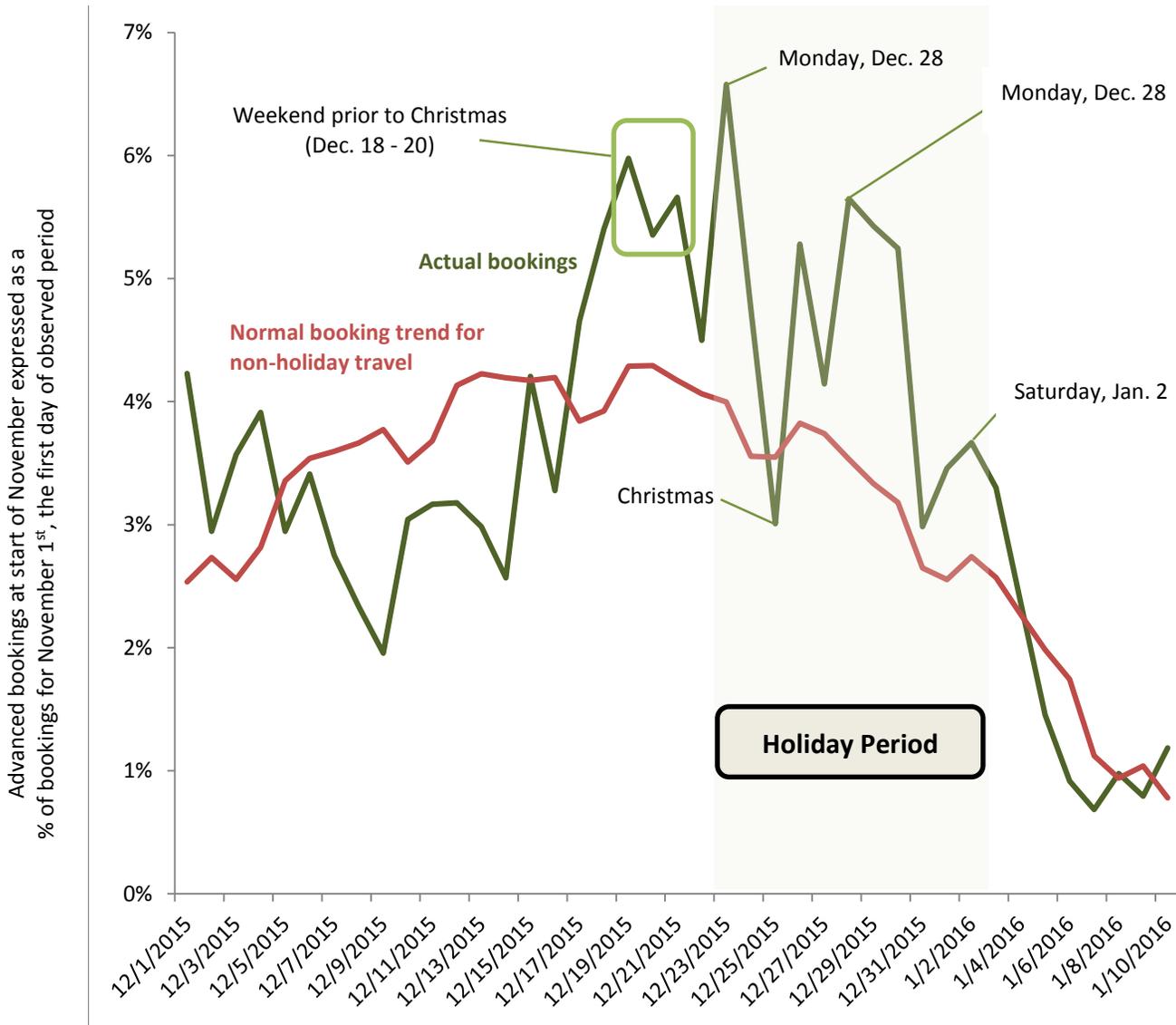


Figure 2 shows the sharp rise in bookings for the Christmas holiday period on Wanderu.com, a leading travel booking aggregator website specializing in bus transportation. Strong bookings on Friday, December 18 to Sunday, December 20 and on Wednesday, December 23, indicate that travel peaking will begin well before the holiday. This data is one of the components of the Chaddick Institute forecast. The “normal booking trend” line is derived through multiple regression analyses taking into account advance purchase days, as well as the day of week of travel.

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