

2020 Outlook for Scheduled Intercity Bus Service in the United States



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MAKING CONNECTIONS

2020 Outlook for the Intercity Bus Industry
in the United States

BY BRIAN ANTOLIN, JOSEPH P. SCHWIETERMAN & MATTHEW JACQUES | JANUARY, __, 2020



Includes 2019
Year in Review



CHADDICK INSTITUTE FOR METROPOLITAN DEVELOPMENT AT DEPAUL UNIVERSITY | POLICY SERIES

2020 Outlook

for the Intercity Bus Industry
in the United States

Hosted by the Chaddick Institute for
Metropolitan Development at DePaul
University

TRENDS IN THE INTERCITY BUS INDUSTRY

TREND 1:

A **strong economy helped strengthen demand for scheduled coach travel** in major corridors, but low fuel prices nationwide remain a mixed blessing. Uncertainty over demand contributed to Stagecoach's decision to sell its Megabus unit to a venture capital firm.



FirstGroup to sell Greyhound business



By Alex Janiaud

FirstGroup (FGP) will
activist investors seek to
FirstGroup also looks p

Business

Stagecoach sells off North American arm in £214m deal



Save 4



Saturday 12 January 2019

 News World News

Stagecoach sells under-pressure American division to focus on UK

The deal comes just weeks after an £85.4 million writedown in the US arm sent Stagecoach tumbling to a half-year loss.



in its bus and rail services in the UK



GREYHOUND & MEGABUS

TRENDS IN THE INTERCITY BUS INDUSTRY

“Pop up” bus service

TREND 2:

Technology platforms are giving smaller charter companies and regional players a greater ability **compete with well-established operators in some of the country’s most heavily traveled corridors.**





TRENDS IN THE INTERCITY BUS INDUSTRY

TREND 3:

Scheduled bus operators are **increasingly emphasizing service linking metropolitan regions rather than just city centers**. A related trend is added service to/from airports and train stations with the goal of providing passengers greater connecting opportunities.

The logo for FlixBus, featuring the word "FLIXBUS" in a bold, sans-serif font. The "X" is stylized with a green and orange gradient.The logo for ourbus, featuring a green stylized graphic of a bus or train above the word "ourbus" in a green, lowercase, sans-serif font.The logo for megabus.com, featuring the text "megabus.com" in a yellow, lowercase, sans-serif font inside a dark blue rounded rectangle.



USA TODAY

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Bus company launches service from L.A. to Las Vegas and beyond

Nancy Trejos, USA TODAY

Published 5:42 a.m. ET May 22, 2018 | Updated 5:28 p.m. ET May 22, 2018



Photos

Bus company launches service from Los Angeles to Las Vegas and more

BREAKING NEWS

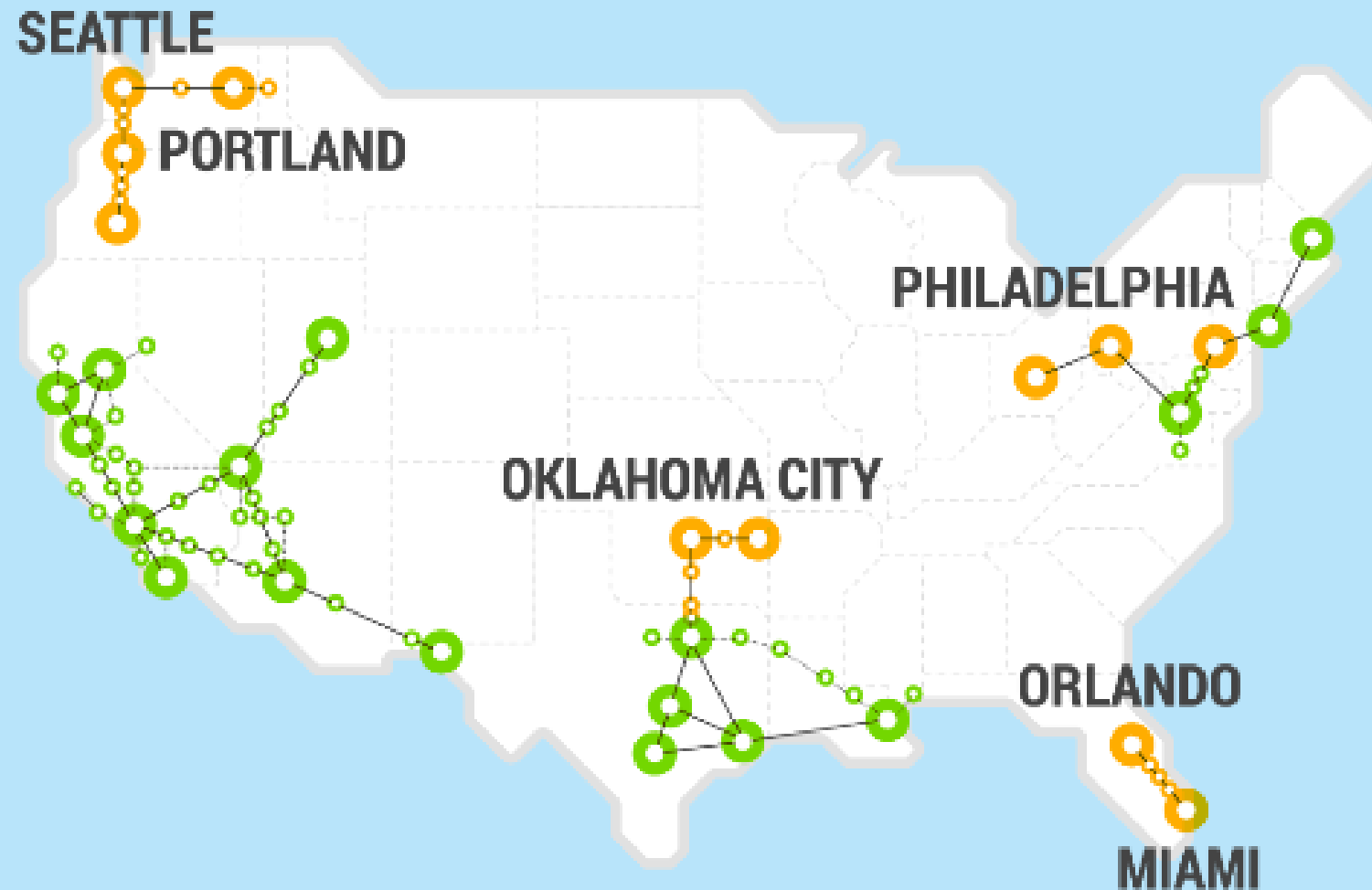


White House: Pres. Trump will sign spending bill and declare national emergency.

WATCH NOW



NOW SERVING: FLORIDA AND THE PACIFIC NORTHWEST



FLiXBUS

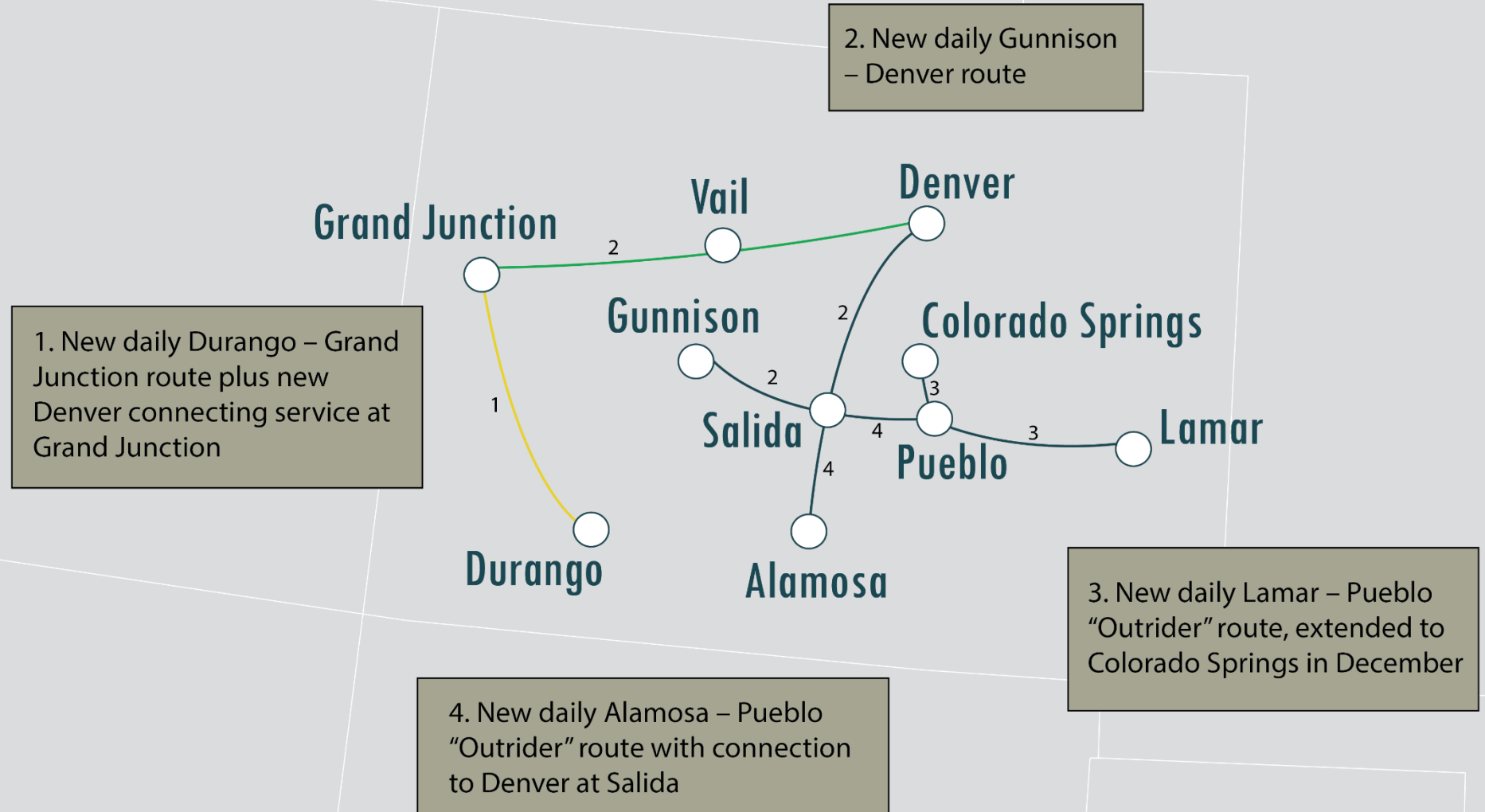
TRENDS IN THE INTERCITY BUS INDUSTRY

TREND 4:

State supported services – one of the primary growth drivers in the industry over the past five years – are growing more sophisticated through strategic partnerships and sustained federal funding.



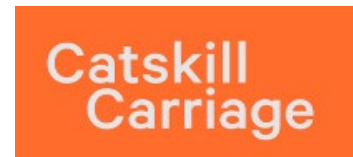
COLORADO



TRENDS IN THE INTERCITY BUS INDUSTRY

TREND 5:

The push to **stratify service by offering both economy and premium** options continues. In 2018, five carriers rolled out expand premium offerings in the Northeast, while two others expanded it in other parts of the country.





VONLANE

SUMMING UP: THE SHORT-TERM OUTLOOK

- **Possible changes at megabus.com stemming from Stagecoach's sale** to Valiant. Further expansion by Flixbus.
- **Continuing challenges presented by persistently low gasoline prices**, particularly outside the Northeast Corridor.
- **More premium services being rolled out**, including the possible expansion of Vonlane outside of Texas and Oklahoma
- **Continued state and federal investment** in rural and connector services, including Section 5311.