2020 Outlook for Scheduled Intercity Bus Service in the United States

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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 sell activist investors seek to privatise the US arm of the bus and rail services firm.

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

Nancy Trojos, USA TODAY  Published 6:42 a.m. ET May 22, 2018 | Updated 5:28 p.m. ET May 22, 2018
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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.
1. New daily Durango – Grand Junction route plus new Denver connecting service at Grand Junction

2. New daily Gunnison – Denver route

3. New daily Lamar – Pueblo “Outrider” route, extended to Colorado Springs in December

4. New daily Alamosa – Pueblo “Outrider” route with connection to Denver at Salida
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.