

BC FERRY CORPORATION: PRICE ELASTICITY STUDY

Services Provided: TEMS evaluated price elasticities for B.C. Ferry services for both passenger and commercial freight traffic. Services included cost-benefit analysis and ridership and revenue studies.



Description of Project: TEMS carried out a price elasticity study for the B.C. Ferry Corporation. The first aim of the study was to establish price elasticities for B.C. Ferry services on a route basis as compared with competitive air and helicopter services. The analysis established price elasticities for both passenger and commercial freight traffic. Second, the analysis evaluated the impact of fast ferry services and established revenue maximizing strategies for existing and proposed fast ferry services.

The work has involved developing a forecasting model and was based on a stated preference analysis of user behavior. In the stated preference analysis, the response of passenger and commercial traffic to a series of service issues including price, vessel schedules, seasonality of service, and on-board services was evaluated.

The model was set up for B.C. Ferry Corporation staff to use on an ongoing basis and to allow them to evaluate and develop alternative pricing strategies, as needed, for management assessment.

Project Start Date

June, 1996

Similar Issues:

- Ridership/Revenue forecasts
- Cost/Benefit Analysis
- Price Elasticity Assessment
- Financing Strategies