

Legislative Council Panel on Transport

“Ride 10 Get One Free” Promotion by MTRCL

Introduction

On 11 July 2005, MTR Corporation Limited (“MTRCL”) announced that the “Ride 10 Get One Free” Promotion would not be further extended upon its expiry on 15 July 2005. This paper reports the response of the Administration and MTRCL on the discontinuation of the promotion.

Background

2. The “Ride 10 Get One Free” Promotion was first introduced by MTRCL in March 2000 and expired in April of the same year. In light of the economic conditions, MTRCL reintroduced the promotion in December 2001, and upon its expiry, further extended the promotion for a few times until 15 July 2005. During the promotional period, passengers receive one bonus point on their Octopus Card with each MTR ride (Airport Express Line journeys excluded). For every ten bonus points accumulated with the same adult/concessionary Octopus Card within each promotional week¹, passengers can redeem one single journey ticket.

Responses from the Administration

3. The Government has all along been actively encouraging public transport operators, including MTRCL, having regard to their respective operating conditions and social and economic conditions, to reduce their fares or offer concessions as far as possible to help reduce travelling expenses of the public.

4. We fully understand the public’s desire for fare concessions, and have

¹ Promotional week commences on Monday and ends on the following Sunday. From 4 October 2004 onwards, promotional week commences on Monday and ends on the following Friday.

been encouraging MTRCL to extend its fare concessions, including the abovementioned “Ride 10 Get One Free” Promotion. Noted that the economy has not yet fully recovered, Government had approached the Corporation on a number of occasions when the fare concessions were about to expire, relaying to the Corporation calls from the public for an extension. Indeed, having considered the request reflected by Government, MTRCL has extended the “Ride 10 Get One Free” Promotion for three times in the past one year. Before the expiry of the “Ride 10 Get One Free” Promotion in July, Government also asked the Corporation to consider request from the community for further extension of the promotion. Nonetheless, in view of the improving economic situation, the Corporation eventually made its commercial decision of not extending the promotion.

5. Hong Kong thrives on an economy of free enterprise. This is one of the major reasons that accounts for Hong Kong’s strength in attracting overseas investment. It follows that whether to reduce fares and/or offer concessions are the commercial decisions of individual public transport operators. We consider that business concerns which serve as public transport operators should from time to time initiate appropriate measures to attract passengers.

Responses from MTRCL

6. MTRCL’s stance on the provision of fare concessions is set out in Annex.

Environment, Transport and Works Bureau
July 2005

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MTR Ride 10 Get One Free Promotion

Purpose

1. This paper updates members on the promotional offers provided by MTR Corporation to passengers.

Background

2. In view of the economic downturn in Hong Kong, which was made worse by SARS, the “Ride 10 Get 1 Free” promotion had been offered from time to time in the last few years. It was first introduced in 2000. On average, about 300,000 free single journey tickets were redeemed each week under the latest “Ride 10 Get One Free” scheme which was offered up to 15 July 2005.
3. In addition to “Ride 10 Get One Free”, the Corporation has also made available other promotional offers, e.g. fare savers, inter-modal fare discount with other transport operators, \$2 flat fare for children and senior citizens on selected Sundays and public holidays, etc. In fact, MTR fares have been frozen since 1997 for eight consecutive years in view of the local economy. The average fare per journey on MTR is now \$6.5 in 2004, compared to \$6.81 in 2001.
4. According to an international benchmarking exercise with members of the Community of Metros (CoMET) in Asia, Europe and America conducted by Imperial College, London University, the average MTR fare per passenger journey is among the median despite the fact that most other metro systems receive subsidies from their governments.

New MTR promotional offers to passengers

5. Upon the expiry of the recent “Ride 10 Get One Free” promotion, the following promotional offers have been introduced:

a. Free Single Journey Ticket

A new bonus point for Single Journey Ticket redemption scheme has been introduced. Passengers who have registered to become a MTR Club member² using their registered Octopus cards to take the MTR and Airport Express will automatically earn one point for every \$1 spent on fares³.

After collecting 200 points, passengers will get one Single Journey Ticket to any destination on the MTR (except Airport Express) until 31 October 2005. There is no weekly or monthly target set in this promotion and accumulated points can be used for redemption anytime during the promotion period.

b. \$100 Cash Coupon

MTR Club members will get a MTR Shopping Centre \$100 Gift Voucher with 2,500 points earned. The voucher can be used at the MTR’s shopping centres.

c. \$2 Travel Promotion

The \$2 travel promotion for Child and Elder Octopus cardholders is offered from 17 July to 16 October 2005. A flat fare of \$2 on each MTR journey (Airport Express not included) is offered on Sundays and Public Holidays for passengers using Child or Elder Concessionary Octopus.

d. Discount Coupons for a Taste of France

In addition, from 18 July to 14 August 2005, passengers are able to redeem a set of Delifrance discount coupons when they accumulate 10 bonus points on the same Octopus card between Monday and Friday of any one week during

² To join the MTR Club, passengers should first acquire an Octopus and sign up with a valid HK Identity Card at the MTR Website (www.mtr.com.hk) or at the eIstant Bonus Terminals at one of 18 designated MTR stations. Between 17 July to 30 July, ambassadors are deployed at eIstant Bonus Terminals to help new registrations. New members who sign up successfully will also receive either an MTR Single Journey Ticket, MTR Club Pin or MTR Shops \$10 cash coupon as a welcome gift. Currently there are 350,000 members enrolled for the MTR Club.

³ MTR Club members spending every \$10 unit in a single purchase of \$100 or more at designated outlets of MTR’s shopping centres, including Paradise Mall, Telford Plaza, Maritime Square, Luk Yeung Galleria and The Lane can also earn one point.

the promotion period.

Conclusion

6. “The Ride 10 Get One Free” promotion was introduced at a difficult time for Hong Kong when it suffered from an economic downturn made worse by SARS. The Corporation is pleased to see that the economy has recovered and has been growing over the last 18 months. However, the Corporation has continued to launch new promotions to thank passengers for their support.

7. The Corporation will from time to time review its promotional offers to passengers and continue exploring more options to thank passengers for their continued support.

MTR Corporation Limited

July 2005