



Revitalizing TTC Branded Merchandise: Progress, Insights, and Strategic Direction

Date: February 3, 2026

To: TTC Board

From: Chief Strategy and Customer Experience Officer

Recommendations

It is recommended that the TTC Board:

1. Endorse the strategic direction for TTC merchandise and licensing which includes:
 - a. Online Store Promotions and Enhancements
 - b. Vending Solutions
 - c. Retail Store Collaborations
 - d. Brand Licensing Partnerships

Summary

In 2025, the TTC made significant progress in revitalizing its TTC-branded merchandise program through a renewed strategic focus. Key initiatives included strengthening business practices, introducing new and refreshed merchandise, delivering pop-up retail activations, piloting partner collaborations, and exploring opportunities for continued program expansion.

At its meeting of June 23, 2025, the TTC Board directed staff to assess the feasibility of establishing a standalone TTC brick-and-mortar retail store at Davisville Station or another suitable location.

Based on this direction, staff conducted a comprehensive review of peer transit agencies, market interest, and the TTC's current merchandise performance. The review suggests that, at this time, a standalone TTC brick-and-mortar retail location is not the most effective approach. Accordingly, staff recommend focusing efforts on strengthening existing merchandise channels and pursuing alternative opportunities to enhance the TTC's presence within the branded merchandise space. The option of a standalone retail location will continue to be assessed as market conditions and program maturity evolve.

Background and Analysis

In order to best inform the development of TTC's strategy, staff undertook a review of 10 peer transit systems across North America and internationally (see Table 1 – Transit Agency Review). The review confirmed that stand-alone transit retail stores are uncommon and typically only operate as part of transit museums or through third-party partnerships. Market testing through a Request for Information (RFI) in October 2025 resulted in no expressions of interest from vendors willing to operate a TTC-branded store.

A limited two-day “Holiday Pop-Up” pilot at Queen Station served as a market test of in-person TTC retail. While the pilot did not recover initial build-out and staffing costs, it generated strong customer engagement and increased awareness of the TTC Shop. Staff are continuing to analyze the results and insights from this test to better inform the potential role of in-person retail and the design of future pop-up initiatives.

Sales and revenue from the online shop have remained steady, and promotion of the store will be significantly increased in 2026 to drive additional growth. Leveraging strategic partnerships and capitalizing on major upcoming City events are also expected to contribute to higher online sales. Increased revenue from this stream will help build the case for dedicating resources to this area, enabling further acceleration of growth.

Building on the work completed to date, staff have identified a range of opportunities to further strengthen and evolve the TTC-branded merchandise program. These opportunities reflect market insights, lessons learned from recent pilots, and a focus on scalable, customer-centric approaches. Accordingly, staff recommend pursuing the following strategic program streams:

1. Online Store (TTC Shop)

To improve performance of the TTC Shop, staff propose to:

- Modernize the website, including mobile optimization;
- Expand merchandise offerings, including inclusive sizing and themed collections;
- Establish an annual promotional plan;
- Strengthen program oversight through enhanced vendor performance management;
- Continue pop-up activations to expand customer reach.

2. Vending Solutions

Staff propose piloting a next-generation retail vending solution at a TTC station during FIFA World Cup 26™ Toronto. The pilot will evaluate:

- Product sales performance;
- Revenue structure and cost implications;
- Potential deployment of additional units.

3. Retail Partners

Staff recommend establishing one to two retail partners in 2026 to increase in-store product availability without added TTC operating costs. Evaluation of Retail Partners will include:

- Product sales performance;
- In-store foot traffic;
- Brand management

4. Brand Licensing

Staff propose formalizing cobranded product partnerships with Toronto, Canadian and strategically aligned brands. These collaborations are intended to leverage partner audiences and brand equity to extend TTC's market reach, strengthen brand awareness, and enhance the overall reputation of TTC-branded merchandise.

Table 1 – Transit Agency Review

| | Online Store | Brand Collaborations | Retail Partners | Pop-Up Shops | Vending | Third-Party Storefront / Museum |
|------------------------------|--------------|----------------------|-----------------|--------------|---------|---------------------------------|
| TTC | • | • | | • | | |
| CTA (Chicago) | • | • | | • | | |
| LA Metro | • | | | | • | |
| Metrolinx (Toronto) | • | | | • | | |
| MTA (New York) | • | • | | • | | • |
| Muni (San Francisco) | • | | • | • | | |
| RATP (Paris) | • | • | • | | | |
| STM (Montreal) | • | • | • | • | | |
| TFL (London) | • | • | • | | | • |
| Tokyo Metro | | • | • | • | | |
| TransLink (Vancouver) | • | • | | • | | |

Diversity, Equity, and Inclusion Matters

A cornerstone of the TTC's Corporate Plan 2024-2028 is Equity, Diversity, Inclusion, and Accessibility (EDIA), and as a proud leader in providing accessible public transit in Toronto, the TTC is committed to ensuring reliable, safe, and inclusive transit services for all TTC customers.

Staff have carefully evaluated a work plan, prioritizing initiatives that enhance the accessibility of products, such as expanding the TTC merchandise offerings, including size-inclusive options, reflecting the diversity of consumers. The work plan also focuses

on improving website accessibility features and mobile-responsive design for access on various devices.

The TTC's Racial Equity Office and the TTC Advisory Committee on Accessible Transit (ACAT) will be consulted, as appropriate, on potential partnerships.

Innovation and Sustainability Considerations

As part of the TTC's ongoing commitment to innovation and sustainability, the proposed merchandise and licensing strategy reflects a modernized distribution approach, designed to meet buyers where they are – both online and in person. This direction incorporates a pilot of emerging technologies and alternative retail models, including a next-generation vending retail concept. Additionally, the initiative will leverage enhanced retail information technology to improve merchandise trend analysis and reporting, while actively monitoring and reducing aged and excess inventory. Consideration is also being given to limited-run and on-demand production models to mitigate overproduction and align with sustainable merchandising practices.

Corporate Plan Alignment

The TTC merchandise and licensing strategic direction supports the Operating Budget through diversified non-fare revenue while enhancing the quality, variety, and accessibility of TTC-branded products. With a new and expanded merchandise selection, and broader distribution channels – including online vending, retail, and brand collaborations – this strategy provides employees and riders with meaningful opportunities to celebrate their connection and loyalty to the TTC.

In doing so, the initiative directly advances key strategic directions outlined in the TTC 2024-2028 Corporate Plan:

Pillar 1 – Build a Future Ready Workforce, invest in employee experience, and improve employee engagement

Pillar 2 – Retain Customer Loyalty

Pillar 5 – Address the Structural Fiscal Imbalance, Maximize Non-Fare Revenue

Financial Impact

The TTC's non-fare revenue from merchandise and licensing has been limited to online sales and infrequent pop-up sales through the TTC Shop, with performance declining since 2020. This decline reflects reduced strategic focus and internal and third-party limited staffing capacity.

To address this decline, the TTC has implemented structured vendor management, strengthened operational processes, and initiated market testing of new revenue strategies, including retail expansion, vending solutions, collaborations, and brand

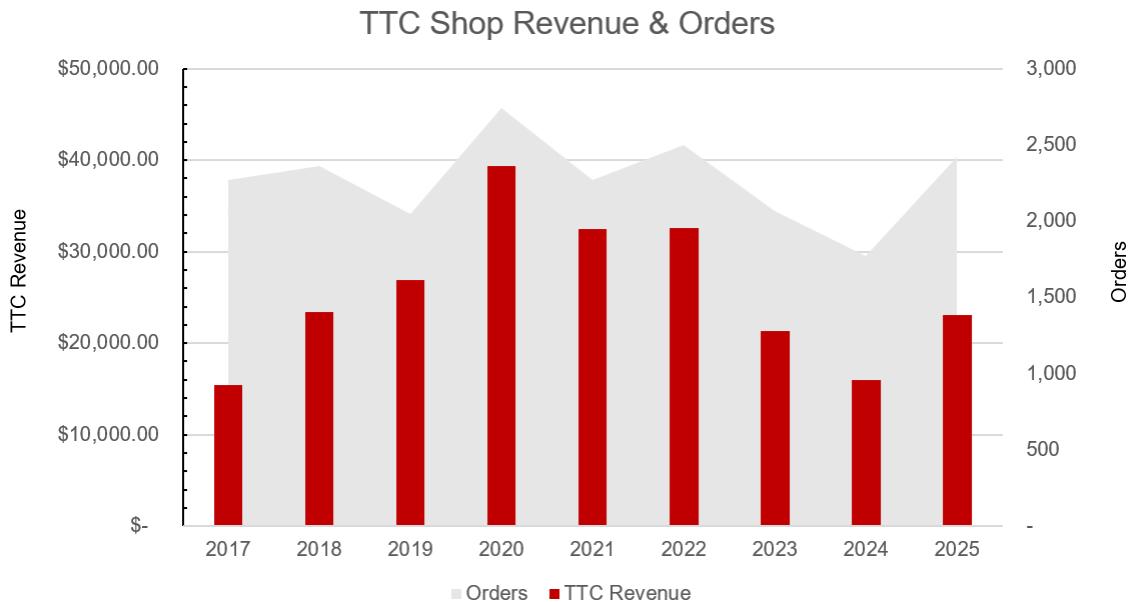
licensing. These early actions have not only reignited revenue growth but have already driven results that surpass 2023 sales performance.

With continued investment in non-fare revenue efforts, the TTC stands to develop a branded revenue stream. In addition to direct revenue, merchandise programs enhance brand equity, which supports customer goodwill. Elevating Torontonians' allegiance through identity wear and product ownership mitigates reputational risk. When people demonstrate allegiance to a brand, they are more likely to engage in the brand community, express brand loyalty, and forgive occasional issues.

Table 2 – Yearly TTC Shop Sales & TTC Revenue

| Year | Royalty ¹ | TTC Revenue ² | TTC Shop Total Sales ³ | Orders ⁴ |
|------------|----------------------|--------------------------|-----------------------------------|---------------------|
| 2017 | 12-13% | \$ 15,427 | \$ 162,870 | 2,268 |
| 2018 | 13-14% | \$ 23,420 | \$ 161,449 | 2,360 |
| 2019 | 14-15% | \$ 26,868 | \$ 175,093 | 2,047 |
| 2020 | 15-16% | \$ 39,334 | \$ 177,676 | 2,744 |
| 2021 | 16-17% | \$ 32,523 | \$ 170,419 | 2,270 |
| 2022 | 17% | \$ 32,615 | \$ 165,956 | 2,502 |
| 2023 | 17% | \$ 21,344 | \$ 136,929 | 2,065 |
| 2024 | 17% | \$ 16,005 | \$ 114,345 | 1,770 |
| 2025 | 17% | \$ 23,065 | \$ 161,448 | 2,418 |
| | | \$ 207,535 | \$ 1,390,203 | 20,444 |
| Max | | \$ 39,334 | \$ 177,676 | 2,744 |
| Min | | \$ 15,427 | \$ 114,345 | 1,770 |
| Avg | | \$ 25,622 | \$ 158,465 | 2,272 |
| Med | | \$ 23,420 | \$ 162,870 | 2,270 |

1. Royalty is the contracted percentage of net sales generated from applicable products sold on TTCShop.ca.
2. TTC Revenue is the royalty revenue paid by SVS Marketing to TTC, as documented on the TTC Invoices to SVS Marketing. Royalty revenue does not apply to all products.
3. TTC Shop Total Sales represents the gross value of all purchases, including subtotal, taxes, discounts, shipping, returns, fees, etc., as reported through SVS Marketing e-commerce platform.
4. Orders are defined as the total a completed customer checkouts that result in a confirmed purchase transaction, as reported through SVS Marketing e-commerce platform.



The Interim Chief Financial Officer has reviewed this report and agrees with the financial impact information.

Contact

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Attachments

Attachment 1 - Decision History

ATTACHMENT 1

Decision History

May 16, 2024: TTC Corporate Plan 2024-2028 & Beyond. The TTC's 2024-2028 Corporate Plan was approved by the Board. Report: [TTC Corporate Plan 2024-2028 & Beyond](#).

[TTC Board Decision](#)

June 23, 2025: Non-Fare Revenue Strategic Review. The Board directed staff to explore the feasibility of establishing a brick-and-mortar TTC store at Davisville Station, or an equivalent centralized location.

[TTC Board Decision](#)