charterUP

The Road Ahead

Measured Optimism: The Charter Bus Industry Outlook for 2025

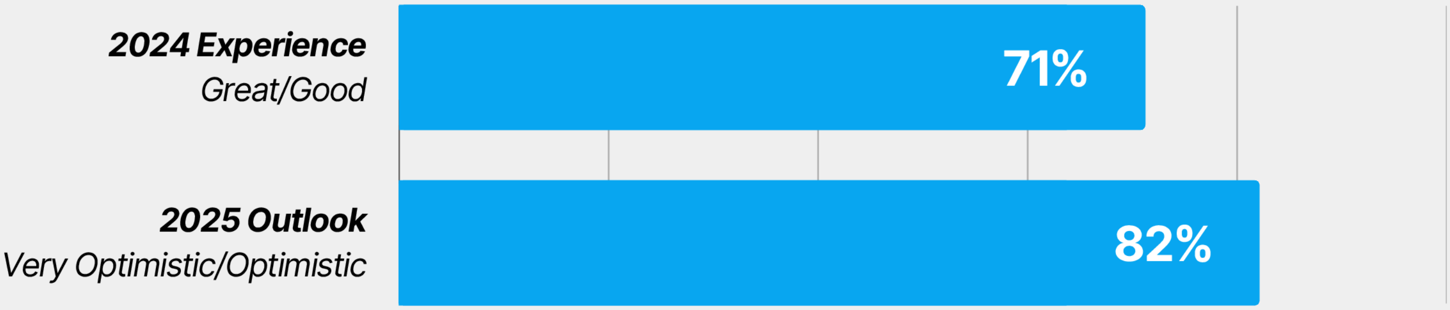
Welcome to CharterUP's very first edition of The Road Ahead, where we share key market insights from our network of bus company operators, with the goal of increasing awareness of key opportunities and challenges that lay ahead in our industry. These insights provide a real-time pulse on market sentiment, fleet investment trends, and technology adoption that operators and other industry observers can use for benchmarking, analysis, and decision-making.

In this report, we share the results of our latest survey of more than 100 bus company operators.

Despite Rising Costs, Charter Bus Operators Are Highly Optimistic About 2025

As the bus industry enters 2025, operators reveal a landscape marked by optimism, measured expansion, and persistent industry challenges. After a solid 2024, the vast majority of respondents believe that our industry will continue to perform well in 2025, despite increasing insurance costs and difficulties attracting and retaining drivers. Technology continues to play a major role in the transformation of our industry, with Samsara and Motive leading the charge as the most popular ELD systems, and Limo Anywhere and Busify the most popular bus management platforms.

Industry Confidence Soars for the Year Ahead



As we look toward 2025, the charter bus industry is brimming with confidence.

The vast majority of operators are expressing optimism about their business prospects—even more so than 2024. This upward trend signals that industry leaders anticipate stronger demand and improved business conditions in the year ahead.

Calculated Growth

Fleet Expansion Plans Underway

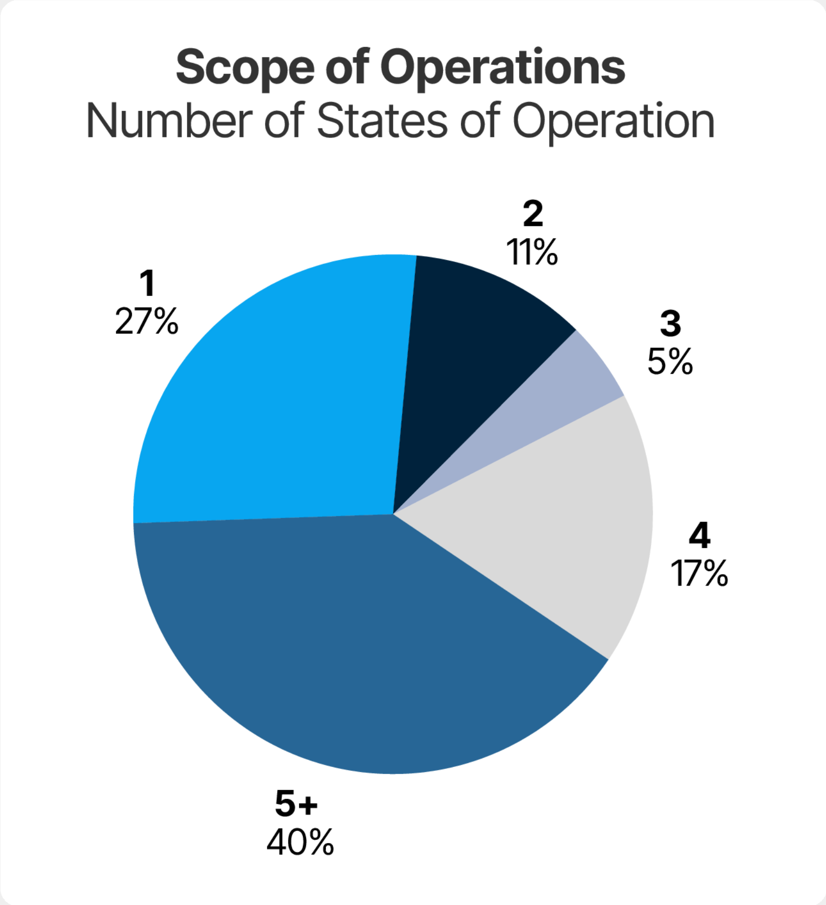
This optimistic outlook translates directly into planned action, with operators planning measured expansion of their fleets in the coming year. Just over 50% of companies plan to add at least one motorcoach in 2025, while just under 50% of companies plan to add at least one minibus. Many companies plan to make no changes to fleet size, with a small handful planning for net fleet size reductions. On average, companies are looking to add about one net new motorcoach and one net new minibus to their operations—a cautious yet confident approach to growth that aligns with anticipated demand.

Home-Field Advantage

Regional Focus Remains Strong

Our industry continues to thrive on local expertise and regional relationships. More than a quarter of operators focus exclusively on a single state, while roughly a third serve five or more states. The majority fall somewhere in the middle, maintaining a regional focus, potentially due to regulatory variances, operational costs, and demand concentration.

This strategy of operators leveraging their deep understanding of local markets and needs continues to deliver positive results despite broader market pressures.

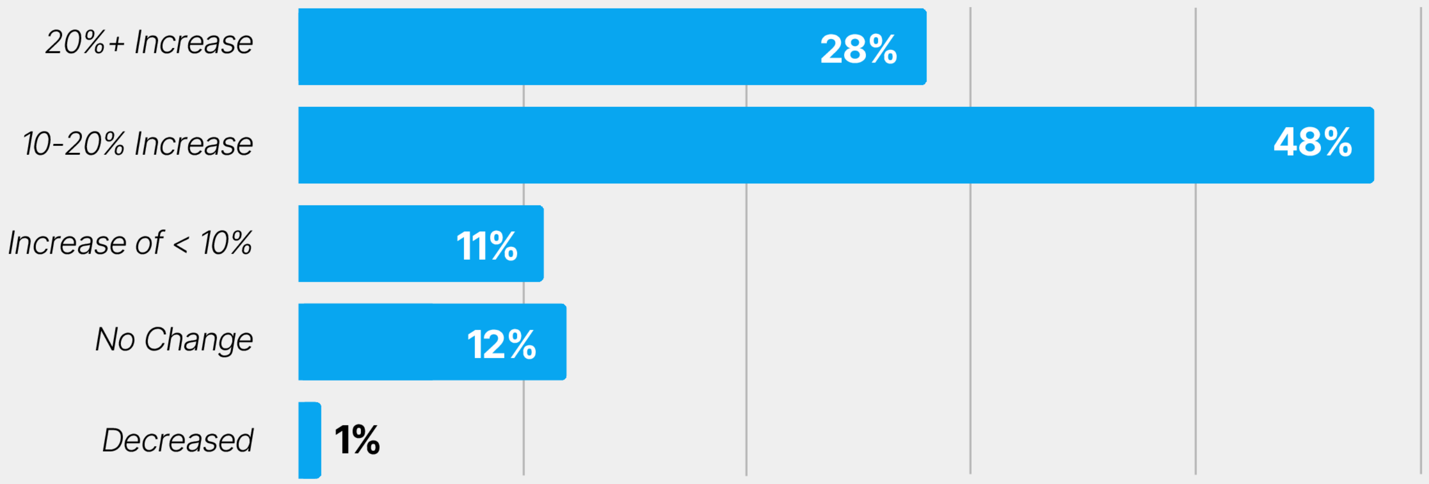


The Insurance Challenge

Navigating Rising Costs

Indisputably the most significant concern facing operators today is the steep climb in insurance premiums. Nearly three in four operators experienced double-digit percentage increases year-over-year, with more than a quarter seeing their rates jump by 20% or more.

Insurance Premium Increases Year-Over-Year

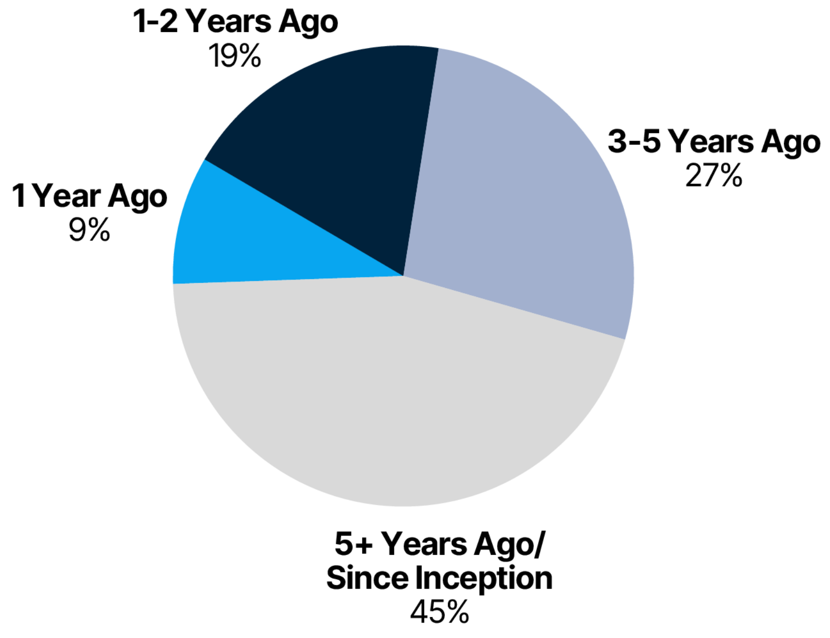


Despite these dramatic increases, and not surprising considering the often-high costs of changing insurance carriers, insurance carrier stickiness remains remarkably strong. Almost half of all operators have been with the same carrier for five or more years (or at least since founding, if less than five years ago), while only about a quarter have switched in the past two years.

This stability suggests that, outside of local market dynamics around insurance carrier choices, relationships and service quality remain crucial factors in this critical business partnership.

Insurance Loyalty

Time Since Last Carrier Switch



The Big Three

What Keeps Operators up at Night?

When asked about their top concerns, operators consistently highlight three key challenges: Insurance costs, new business generation, and driver shortages.

Notably, operators expressed less concern about vehicle availability and regulatory issues, suggesting that the industry has largely adapted to recent supply chain challenges and compliance requirements.

Insurance Costs

By far the most pressing concern, with more than a third of operators ranking insurance costs as their number one concern and two-thirds placing it among their top three challenges.

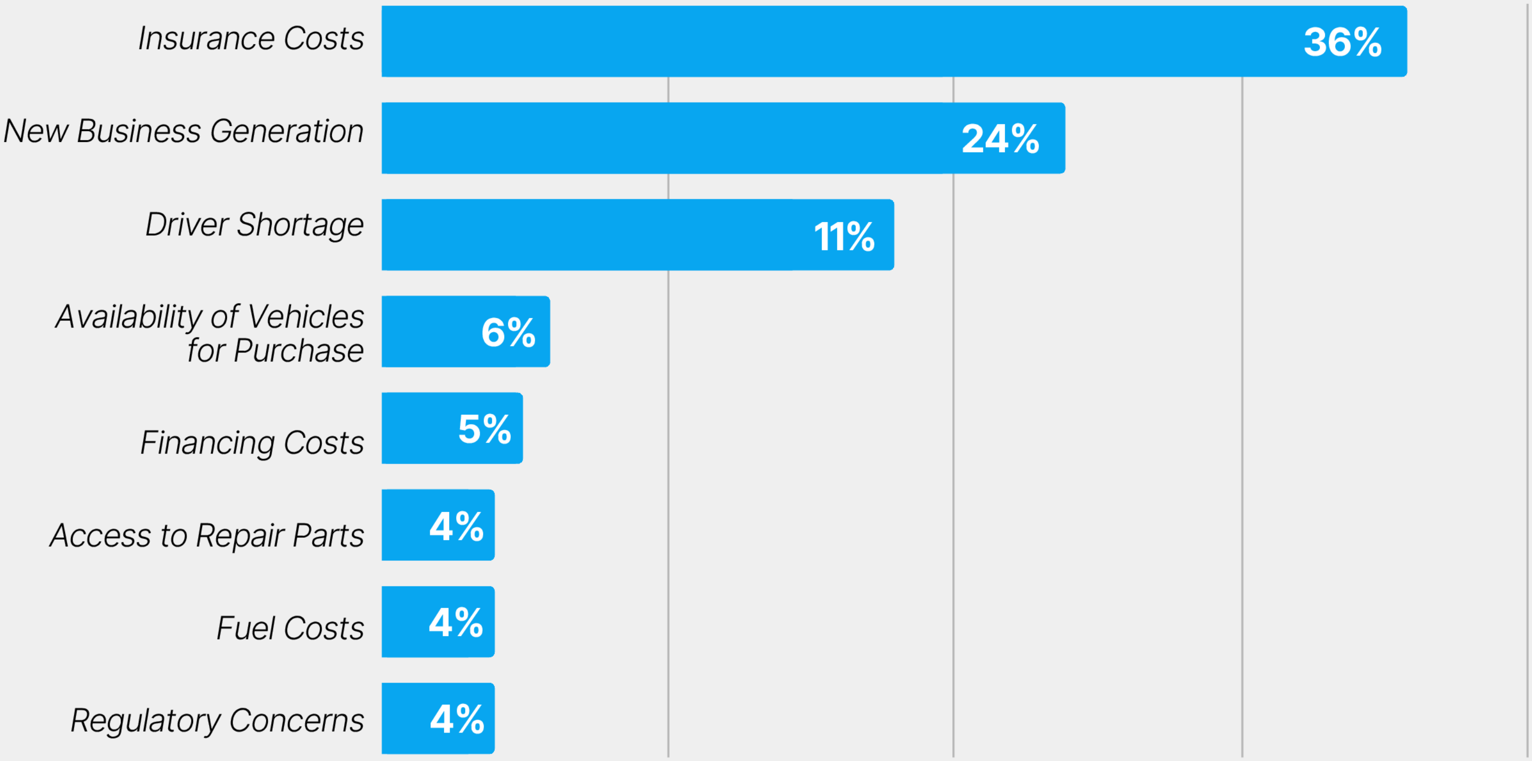
New Business Generation

Nearly a quarter of respondents identified business generation as their primary concern, with almost half ranking it among their top three.

Driver Shortages

A persistent industry-wide challenge, with nearly one in five operators ranking driver shortages as their most significant concern and nearly half placing it in their top three concerns.

Percentage of Operators Ranking Issue as Their No. 1 Challenge



Technology Trends

The Foundation of Modern Fleet Operations

As a technology-first company, CharterUP is naturally interested in both hardware and software trends. Two categories - Electronic Logging Devices (ELDs) and Fleet Management Systems - help build the foundation of our industry.

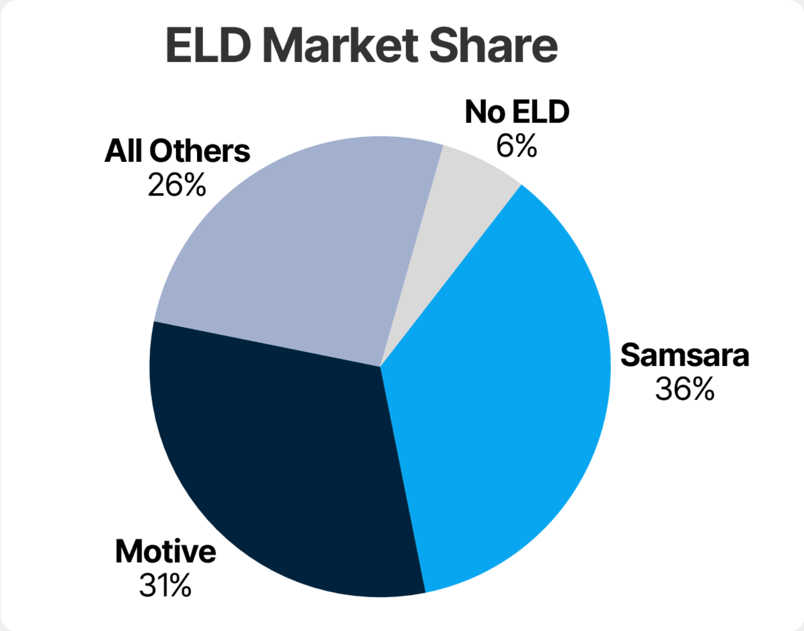
Given how integral these systems are to fleet operations, the survey included questions relating to use and trends regarding both ELDs and Fleet Management Systems.

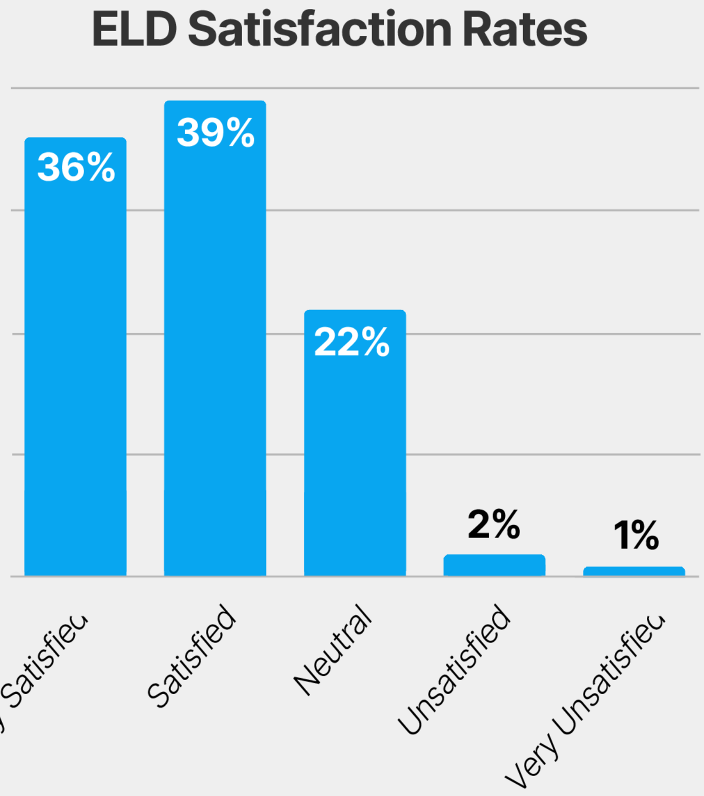
Electronic Logging Devices

High Satisfaction, Evolving Loyalty

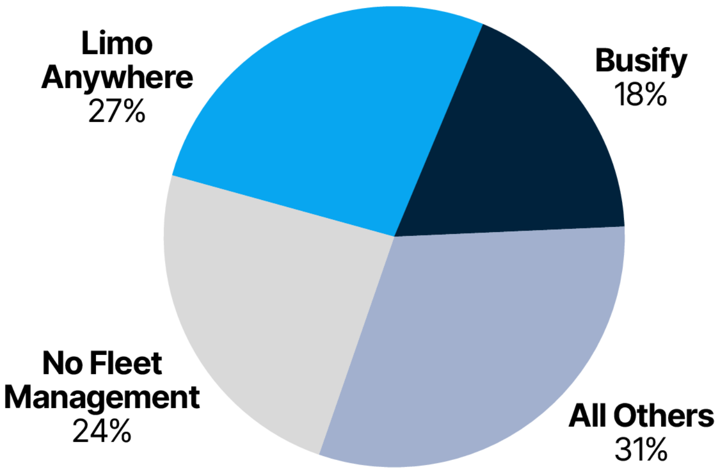
When it comes to Electronic Logging Devices (ELDs), the market shows strong consolidation around two dominant players—Samsara and Motive—who together serve nearly three-quarters of surveyed operators. Overall satisfaction rates are impressive, with three in four operators expressing satisfaction with their current systems.

Despite this high satisfaction, the ELD landscape shows signs of movement. Just over half of operators have used the same system for five or more years, and nearly one in five are considering a switch in 2025 — suggesting opportunities for innovation and improvement in this essential technology space.

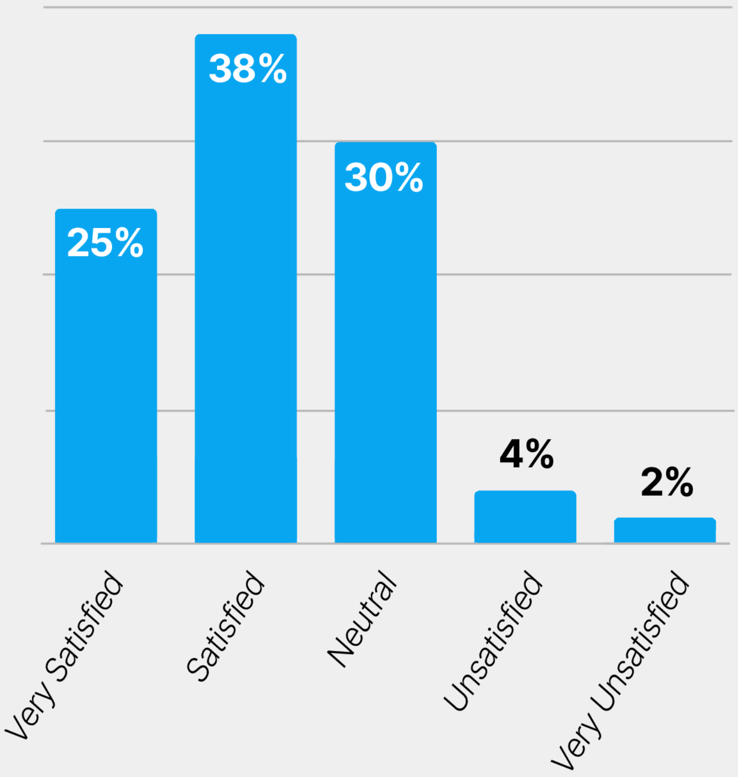




Fleet Management Market Share



Fleet Management System Satisfaction Rate



Fleet Management Systems

Diverse Options, Strong Loyalty

The fleet management system market presents a more diverse picture, with leading providers Limo Anywhere and Busify capturing significant but not dominant market shares.

Limo Anywhere appears to have an edge with legacy limo operators, while Busify seems to be the preferred choice among motorcoach operators.

While satisfaction rates are somewhat lower than for ELDs, loyalty is notably stronger—more than two-thirds of operators have used the same system for five or more years, and only about one in eight are considering a change in 2025.

The Road Ahead

Navigating Challenges, Embracing Opportunities

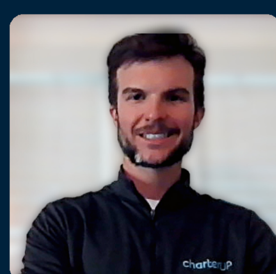
As we look to 2025, the charter bus industry stands at a crossroads of optimism and challenges. Operators are ready to grow and evolve but must navigate significant cost pressures, business development challenges, and workforce constraints to realize their goals.

Technology continues to play a crucial role in this journey, with ELDs and fleet management systems forming the backbone of efficient operations. While satisfaction with these systems is generally high, there remains room for innovation and improvement to better serve the industry's evolving needs.

For industry stakeholders—from insurance providers to technology vendors to business partners—these insights offer a roadmap for addressing operator pain points and supporting their path to success. The year ahead presents both opportunities and challenges, but with the right strategies and partnerships, well-prepared bus companies are positioned to successfully navigate 2025.

Ready to Propel Your Business to New Heights?

If you're looking to unlock new business opportunities or enhance your fleet technology systems, please reach out to our Director of Partnerships, Kyle Cunnion, to learn how CharterUP can help you grow in 2025 and beyond.



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