

Overview of Transit Marketing

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Presentation Content

- **Discussion: How to market public transportation?**
- **Definition of Marketing**
- **The Marketing Process**
- **Market Research Techniques**
- **Design of Service and Marketing Plan**
- **Marketing to Consumers and Businesses**
- **Measuring Ridership and Customer Satisfaction Results**
- **Final Comments**

How to Market Public Transportation?

Definition of Marketing

Those actions that help bring together customers and products or services, including market research into customer needs, image marketing, customer information, and measurement of customer satisfaction.

Marketing is so basic that it cannot be considered a separate function... It is the whole business seen from the point of view of its final result, that is, from the customer's point of view.

PETER DRUCKER

A ... goal for the marketing is to aim to maximize Consumer satisfaction. The marketer's task is to track changing consumer wants and influence the company to adjust its mix of goods and services to those that are needed. The marketer makes sure that the company continues to produce value for the target customer markets.

PHILIP KOTLER

The Marketing Process

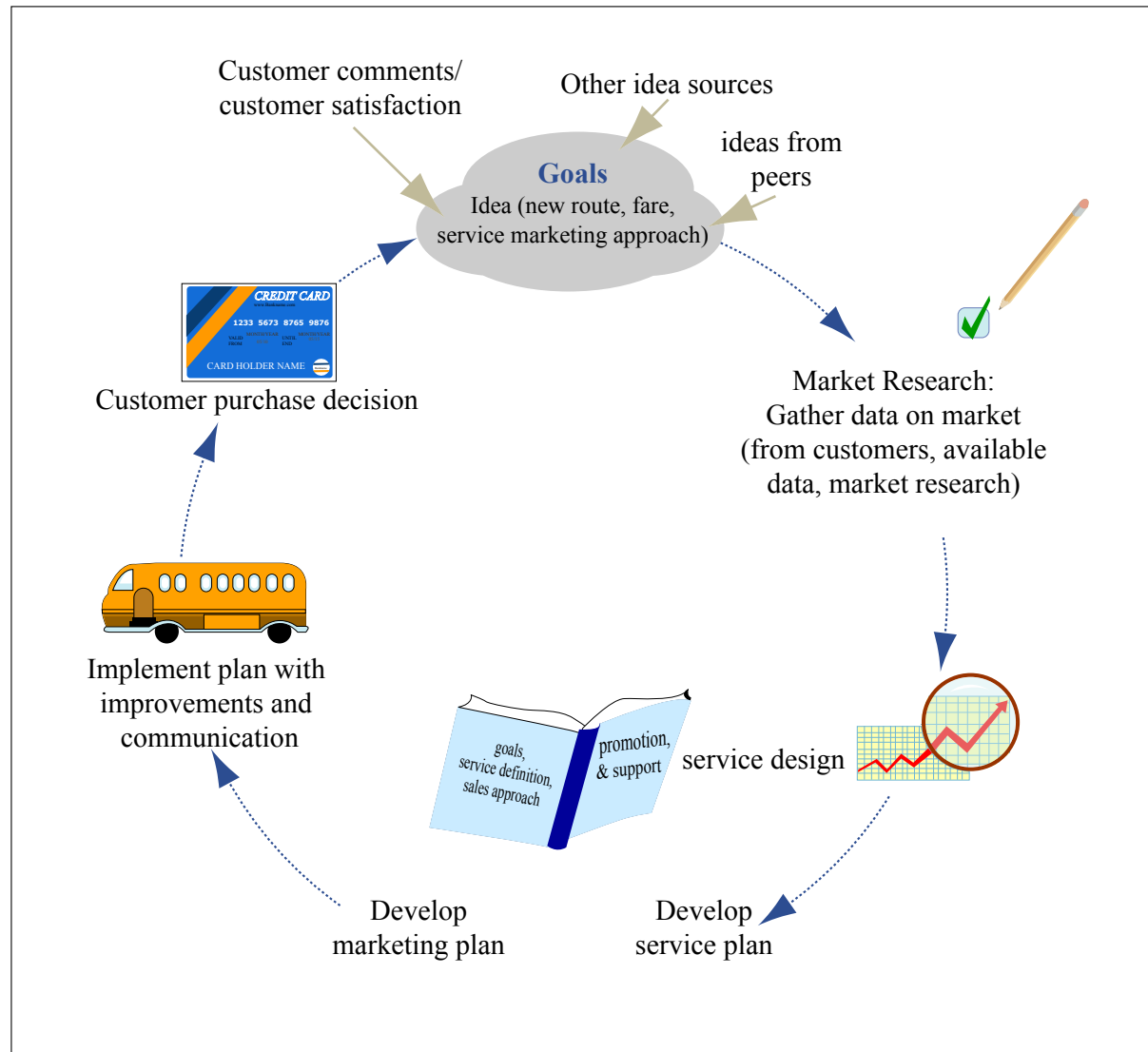


Figure by MIT OpenCourseWare.

The Marketing Process

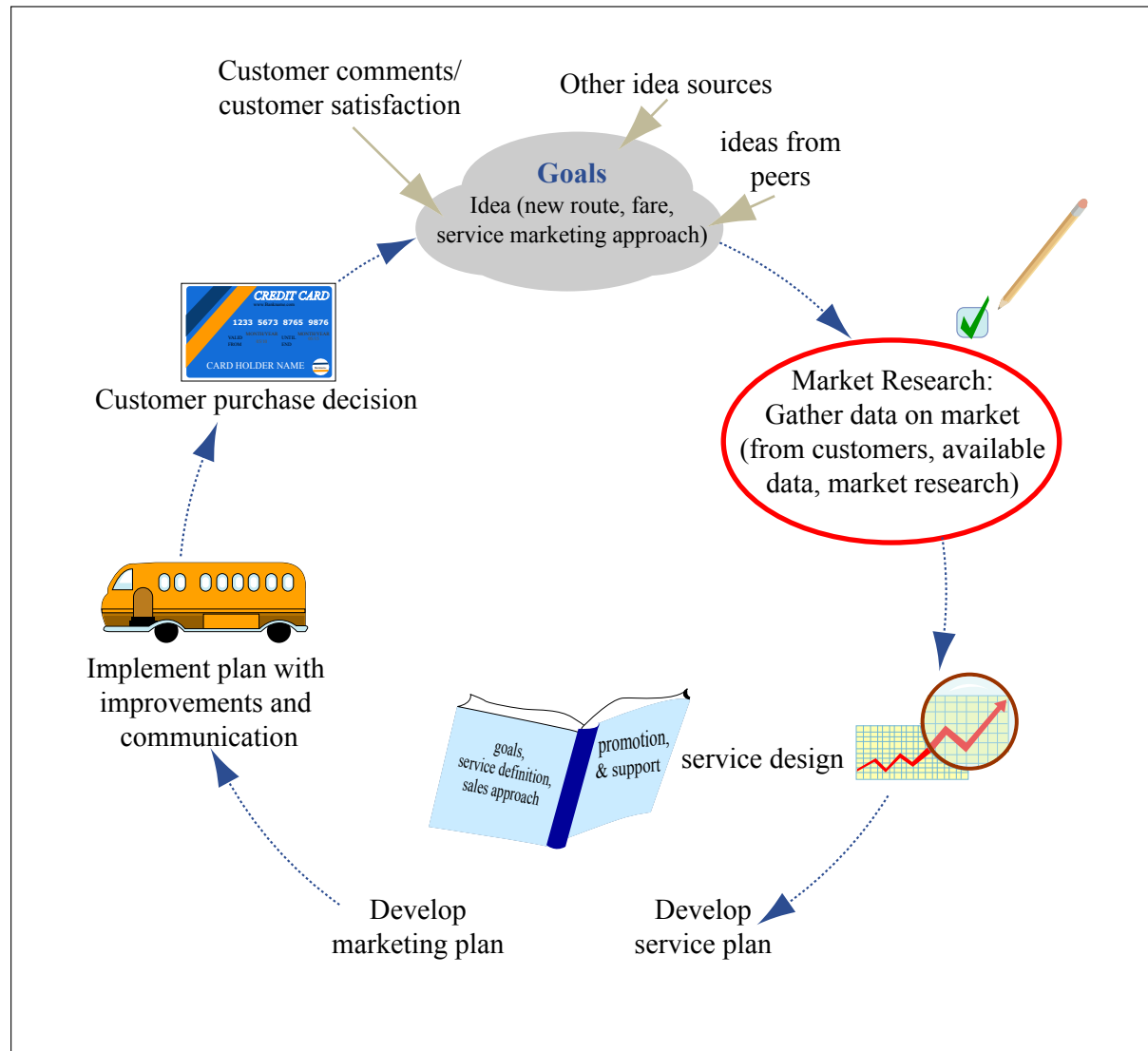


Figure by MIT OpenCourseWare.

Market Research: Secondary Data Sources

- ▶ **Census data on population/demographics/journey to work**
- ▶ **Employer data**
- ▶ **Travel model analysis**
- ▶ **Future projections of population/employment/development**
- ▶ **Existing route data**
 - Total ridership on the route
 - Ridership per hour
 - Ridership by time of day
 - Ridership by route segment

Primary Sources: Techniques to Develop New Information

- ▶ **Focus groups**
- ▶ **Stakeholder outreach**
- ▶ **Public outreach**
- ▶ **Ride checks**
- ▶ **Transfer analysis**
- ▶ **Rider surveys**
- ▶ **Consumer Panels**
- ▶ **Non-rider surveys**

Stakeholder Outreach

- ▶ **Transit agency management/board/drivers**
- ▶ **Political leaders with an interest**
- ▶ **Business leaders/ Chamber**
- ▶ **Human services reps**
- ▶ **Rider reps**
- ▶ **City/town planners**
- ▶ **MPO**

Public Outreach

- ▶ **Open advisory group sessions**
- ▶ **Public hearings**
- ▶ **Public workshops**
- ▶ **Media events**
- ▶ **Web pages with feedback**
- ▶ **Online surveys**
- ▶ **Neighborhood meetings**

Transfer Analysis

- ▶ **Pass data from fareboxes**
- ▶ **Paper transfer data from fareboxes**
- ▶ **In Hartford, found more than 50% of riders were transferring in downtown.**

Rider Surveys

- ▶ **Measure satisfaction**
- ▶ **Demographics**
- ▶ **Trip purpose**
- ▶ **Frequency**
- ▶ **Desire for change**
- ▶ **Specific actions**
- ▶ **Typical costs \$15-\$25**

▶ **Example: Value of Transit Amenities—TCRP Report 46**

- Benches
- Arrival information
- Shelters
- Low floors
- Seats with padding
- Luggage racks

Consumer Survey Panel

- **Can be a very quick and cheap way to get feedback**
 - **Use of web survey software like Survey Monkey.**
 - **Participation can be increased by using rewards.**
 - **Can undertake complex tradeoff questions.**
- **Example: TCRP Report 123 on Mode and Residential Location Choice**
 - Used the NJTransit Commuter Rail Survey Panel and
 - A nationwide panel to get complex information on mode choice and residential location choice.

Non Rider Surveys: Phone Surveys

- ▶ **Typical costs \$45-\$65**
- ▶ **Public attitude toward transit**
- ▶ **Likelihood of riding**
- ▶ **Improvements desired**
- ▶ **Willingness to pay**
- ▶ **Market segmentation**

Market Segmentation

► TCRP Report 36

	Milwaukee	DC	Boise
Auto-bonds	25%	21%	26%
Practically on-boards	41%	44%	33%
Be more	16%	18%	15%
Service skeptics	18%	22%	26%

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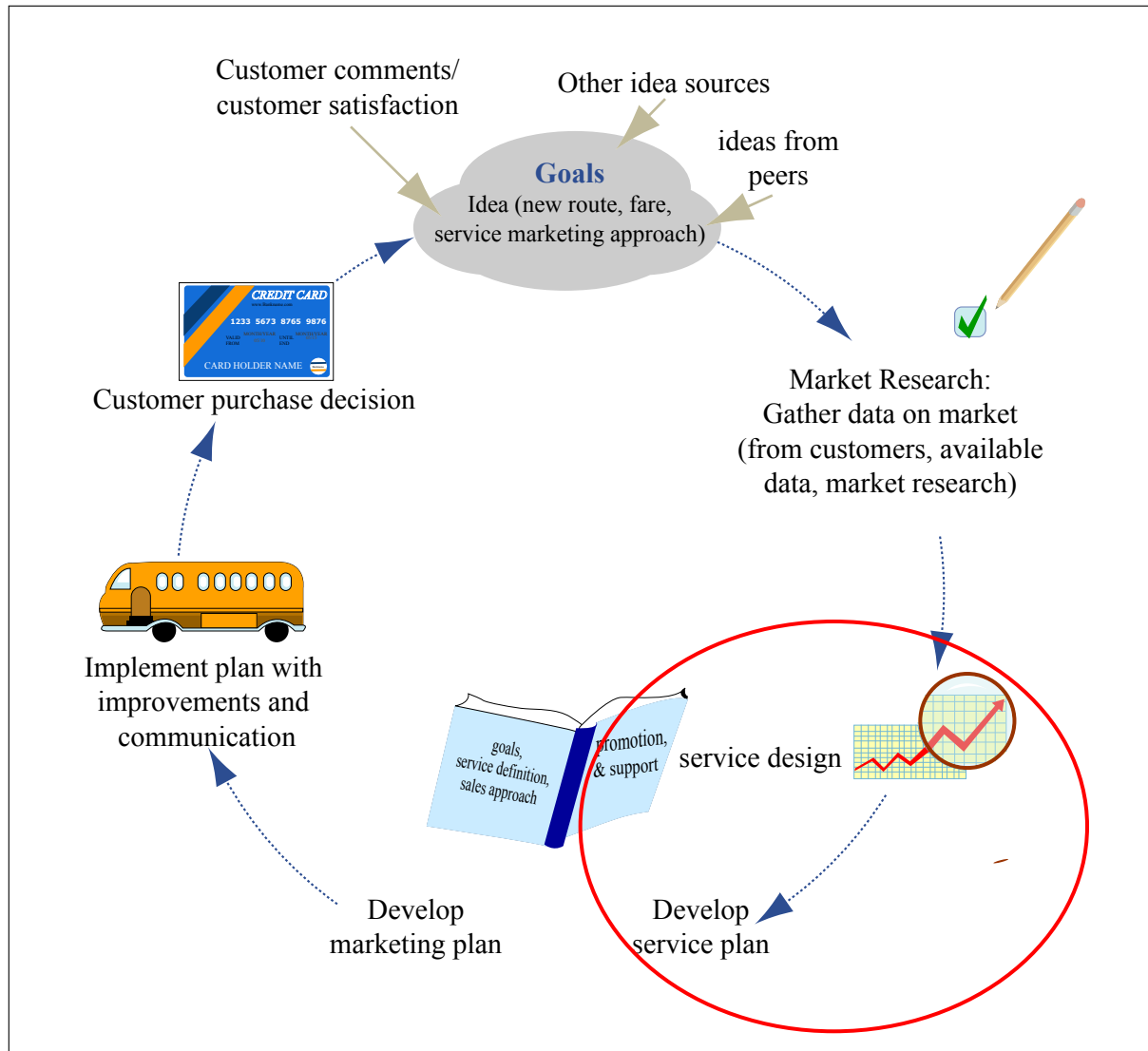


Figure by MIT OpenCourseWare.

Designing the Service

- **Simple and as direct as possible.**
- **At least hourly service for urban areas, half hour to attract choice riders.**
- **Clockface headways if possible.**
- **Clean, safe, attractive facilities and vehicles**
- **Make fare payment easy**
- **Make schedules understandable**
- **Make it nice enough for your mother to approve**

The Marketing Process

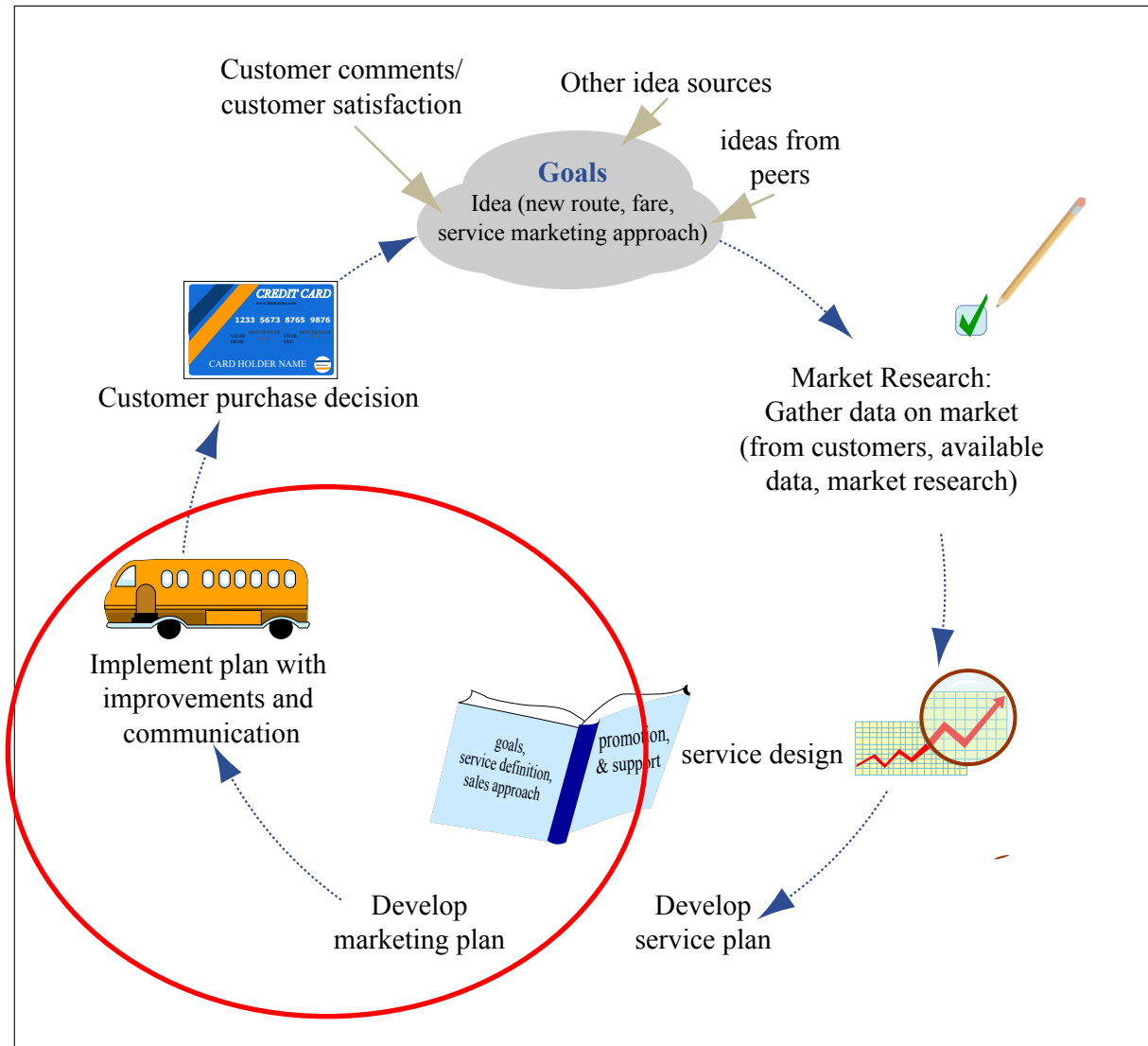
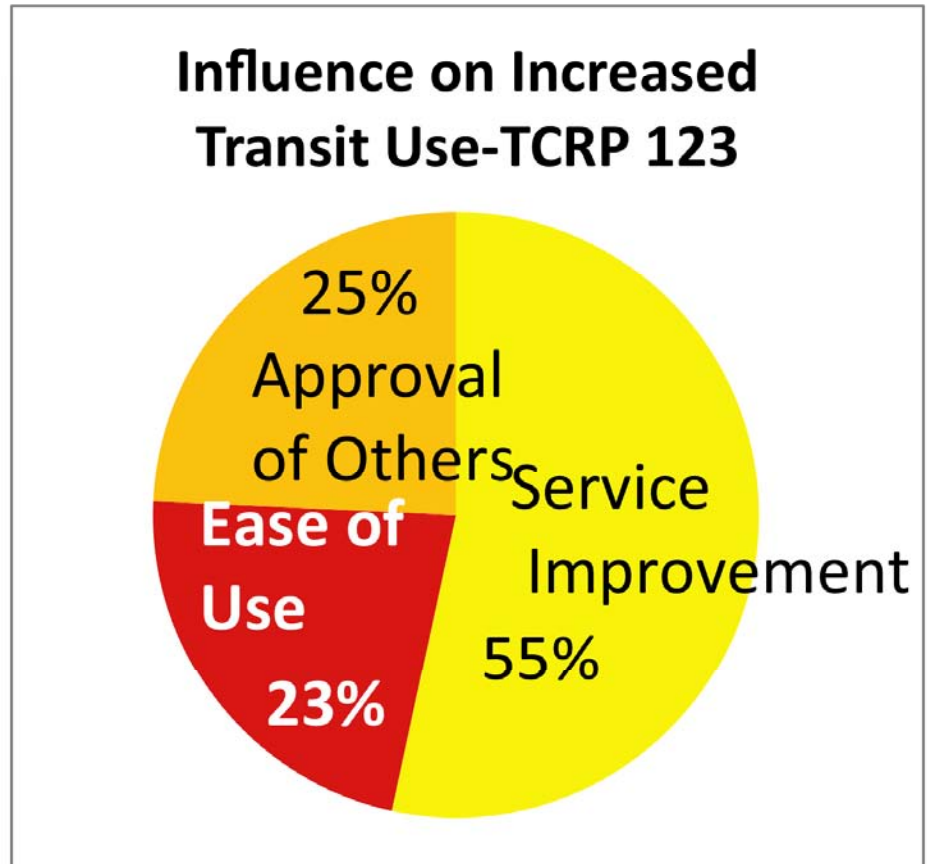


Figure by MIT OpenCourseWare.

Purpose of Transit Marketing

- ▶ Telling customers about a new service or feature
- ▶ Help customers to understand how to use the service
- ▶ Increase the stature of transit



Telling Customers about Service

- **Maps**
- **Schedules**
- **Newspapers & flyers**
- **Web pages**
- **Direct mail**
- **Press releases**
- **Partner with radio/TV**
- **New media**
 - Facebook
 - U-Tube

Helping Customers to Use Transit

- ▶ **Werner Brog—Individualized marketing programs**
 - Surveys to determine interest
 - Those interested are given information and an incentive
 - Analysis of travel diary to offer suggestions
- ▶ **Travel training**
- ▶ **Using transit 101 on U-Tube**
- ▶ **Designing services that are easier to understand**
- ▶ **Making it easy to pay the fare (universal passes/free fare)**
- ▶ **Real time information about schedules**
- ▶ **Making sure customers feel safe**
- ▶ **Insuring customers are not stranded**

Communicating the Value of Transit

▶ APTA's Campaign to Increase Transit's Stature

- Advertisements on Marketplace (public radio)
- Print ads emphasizing benefits

Example: Adelaide Market Research & Trials

➤ Non-users didn't use transit because of

- Lack of knowledge
- Genuine issues with level of service—"it doesn't go where or when I want to go"
- Fear of not being in control
- Poor image of the product
- Perceived person security issues

➤ Non-users were more negative than users

Example: Marketing to Business

- ▶ **Tax incentives**
- ▶ **Help in jobs access programs**
- ▶ **Advantage of saving on parking**
- ▶ **Can contribute to clean air programs**
- ▶ **Organized by employers;**
- ▶ **Employer associations like TMAs; and**
- ▶ **Third party organizations like TransitChek and many others**

Examples of Transit-to-Business Marketing Programs

- ▶ On-site pass sales
- ▶ Pass subsidies
- ▶ EcoPass
- ▶ Vouchers
- ▶ Employee surveys
- ▶ Carpooling/ vanpooling
- ▶ Shuttle services
- ▶ Access to jobs
- ▶ Reverse Commute
- ▶ Relocation help
- ▶ Guaranteed ride home
- ▶ Employee transportation coordinators

Employer Pass Programs

▶ Example: Albany New York

▶ Example of typical results: SEPTA survey of Compass users

- ComPass use increased transit for work for 19%
- ComPass use increased transit for non-work 32%

Results-TransitChek

- **TransitChek: Early results 1989**
 - Transit use increased by 16%
 - Auto use decreased by 17%
- **GAO study of federal employees showed 21% mode shift**
- **TCRP Report 107 analyzes many systems' results.**

Guaranteed Ride Home

➤ **An inexpensive program which helps with less flexible services**

- Vanpooling
- Subscription bus
- Scheduled bus

The Marketing Process

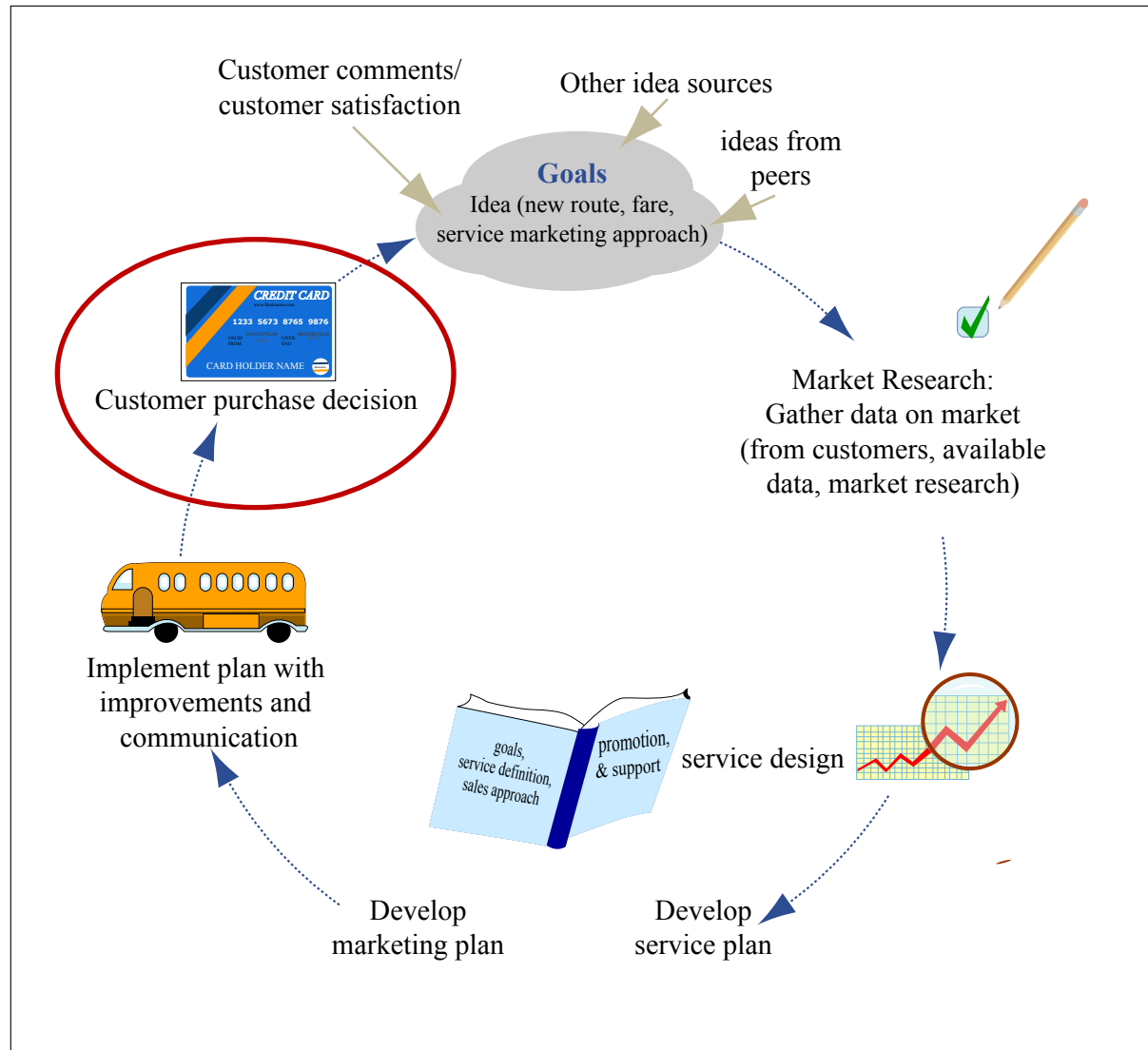


Figure by MIT OpenCourseWare.

Putting Results Together

- ▶ **Project for VIA in San Antonio**
- ▶ **Objective to show cost effectiveness of different transit improvements**
- ▶ **Combined in a spreadsheet model for VIA**
- ▶ **Multisystems with Mark Warne.**

VIA Ridership Model

Action	Change in boardings %	Net cost per new trip (\$)
General Advertising Budget up 10%	0.18	-0.04
2000 free-ride tickets/month at special events	0.02	0.74
2000 free-ride tickets/month to new residents	0.04	0.47
Employer Passes to 10 more companies than now		
No employer subsidy	0.18	-0.65
With employer subsidy	0.55	-0.67
Employer parking cash-out	0.92	-0.67

VIA Ridership Model

	Change in Boardings %	Net cost per new trip
On-Board Amenities		
Package racks	0.03	-0.01
Bike racks	0.03	-0.04
Route maps and schedules	0.06	-0.38
Electronic information	0.1	0.19
driver courtesy training	0.06	0.37
seats with some padding	0.06	-0.08
Fully cushioned seats	0.09	0.28
seats with head and arm rest	0.1	0.38
security camera	0.05	0.49
Low floor bus	0.03	0.59

VIA Ridership Model

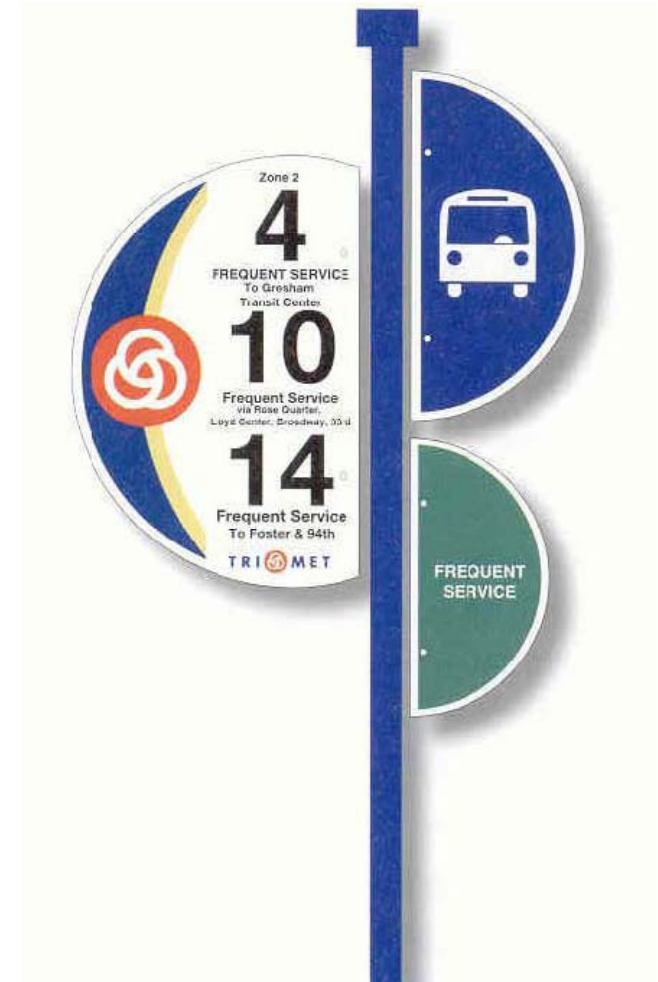
	<i>Value of action at top 10 % of stops (if no stops now had amenities)</i>	
Bus Stop Amenities	Change in Boardings %	Net cost per new trip
Basic shelter	0.2	3.29
Improved (dome) shelter	0.6	1.63
Trees	0.4	-0.18
Standard bench (with ads)	0.4	-0.59
VIA Bench w/o ads	0.1	-0.21
Ride Guides	0.3	-0.34
Electronic information	0.6	1.93
Enhanced lighting	0.3	0.68
Phone, basket	0.1	1.20

The Impact of Frequency Improvements

- **Response varies widely**
- **Average elasticity (percent increase in ridership due to a 1% percent increase in service was around .5**
- **In some rare instances have elasticity greater than 1. Experience tends to be in two clusters—around 1 and around 0.3.**
- **Ridership is more sensitive in off-peak, when service has been less frequent, and in middle/upper income areas.**
- **Extended evening service may add more riders to daytime service than can be seen on the evening service.**
- **Australian findings of value of weekend service.**

Example: Trimet (Portland OR) Frequent Service Initiative

- ▶ Program increased frequency on major bus lines.
- ▶ frequency adjustments coupled with improved amenities and improved customer information systems.
- ▶ extensive marketing and promotional effort.



Courtesy of TriMet. Used with permission.

The Marketing Process

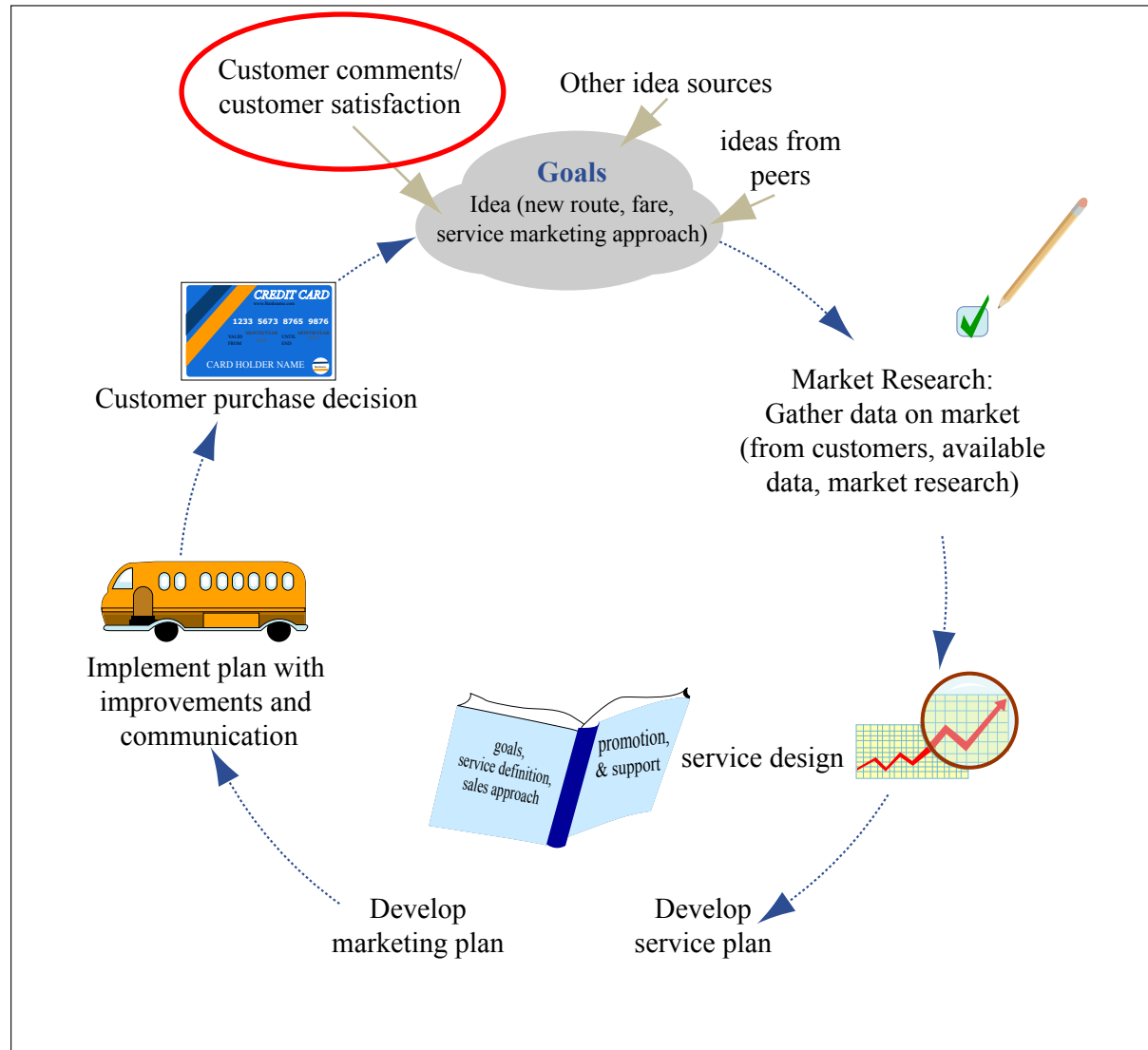


Figure by MIT OpenCourseWare.

TCRP Research: Customer Satisfaction Index

- ▶ **Rider survey to gather phone numbers**
- ▶ **Telephone follow-up**
- ▶ **Measured how satisfied people are overall**
- ▶ **Measure satisfaction with particular issues such as safety, comfort, convenience, performance/reliability, ease of using, condition of vehicles and facilities, value of service**

Computation of Impact Scores

Suntran (Albuquerque NM)

Attribute	Satisf. w/ Pb	Satisf. w/o Pb	Gap Value	% With Pb	Impact Score
Frequency of service on weekends	6.71	8.20	1.49	0.58	0.86
Hours of service during weekdays	6.34	8.11	1.77	0.45	0.80
Frequent service	6.35	8.00	1.65	0.42	0.70
Reliable buses that come on schedule	6.65	7.99	1.34	0.50	0.67
Short wait time for transfers	6.19	7.88	1.69	0.33	0.55
Safety from crime on buses	6.48	7.41	0.93	0.06	0.06

Comparison of Situations

► Sun Tran top attributes

- Frequency of service on weekends
- Hours of service during weekdays
- Frequent service
- Reliable buses that come on schedule
- Short wait time for transfers

► CTA Rail top attributes

- Trains that are not overcrowded
- Reliable trains that come on schedule
- Frequent service so wait times are short
- Cost effectiveness, affordability, value
- Availability of seats on the train

Typical Budgets

Item	Baltimore	Cleveland	Denver	Pace
Employees	8	4	9+	7.5
Budgets	1.42 M	1.45 M	1.5 M	1.45 M
% Total	0.75%	0.87%	1.03%	1%

Conclusion

- ▶ **The most successful transit agencies have figured out how to communicate with Stakeholder and the public—they have succeeded in convincing these of the value of transit.**
- ▶ **There is widespread cutting of service in these tough times—30% cuts in some places.**
- ▶ **Still over 70% of the referendums in November of 2008 were successful.**

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