

JEFFTRAN Marketing Plan

Prepared For



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Introduction

The purpose of this plan is to provide JEFFTRAN strategies and tactics with which to develop a dynamic, yet cost-efficient marketing program. The plan first examines the goals for the marketing plan. It then reviews current marketing efforts. Finally, the plan presents recommended strategies and tactics. This plan is developed in concert with the overall Transit Development Plan (TDP). As further introduction, marketing in the context of this plan is defined.

What is marketing?

For a successful marketing effort, four things need to be in place and working in concert in attracting and retaining customers. Customers are both people who ride the system as well as people who don't ride but support the system through funding. These four things, sometimes called the "marketing mix," are:

- *Pricing*—the charge for the product or service. This is the fare charged by JEFFTRAN. A well-developed fare policy can encourage ridership.
- *Product*—the features and attributes of the product or service. For JEFFTRAN this means operating clean buses with courteous drivers, adequate service levels and on-time service.
- *Promotion*—informing customers about products or services offered by a business. Everything from providing public information to participating in special events serves to promote JEFFTRAN.
- *Place*—where and how your product or service is delivered. This is the route network of JEFFTRAN.

Other parts of the TDP address the product and place portions of the "marketing mix." This section of the TDP addresses the "pricing" and "promotion" elements.

System Goals

In the development of the overall TDP, JEFFTRAN established goals and objectives. The bolded goals and objectives are specifically addressed by this marketing plan. The other goals and objectives are addressed elsewhere in the TDP.

The goals and objectives established for the TDP are:

Goals

1. Provide convenient, reliable, comfortable, accessible, and safe transportation for the public.
2. **To promote the advantages of transit.**
3. **To support the City's objectives for increased ridership.**

Objectives

1. Expand the transit route network where appropriate
2. Improve transit by expanding service hours and frequency.

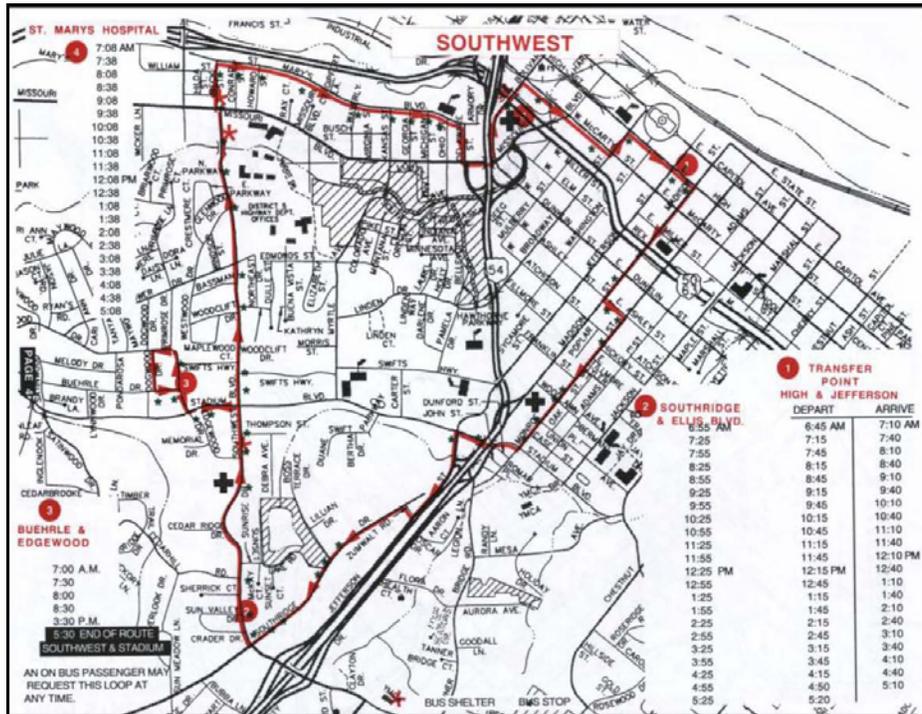
3. Improve cost-efficiency.
4. **Adopt measures to ensure the adequacy of future revenues and funding.**
5. Provide an efficient paratransit system.
6. **Provide clear transit information to customers.**

Current Marketing Efforts

Currently, JEFFTRAN has no formal marketing program. Information provided to the public is fairly basic. A rider's guide is available at City offices, JEFFTRAN's offices, major stores, hotels and State office buildings. This information is also available on the City's web site including: bus schedules, paratransit information, hours of operation, fares, transfer point description and map, announcements and phone numbers and times for asking questions. Beyond printed and web based information, little other material is provided to riders. Further, there were no "special event" marketing efforts and no advertising. Implicitly, JEFFTRAN's marketing strategy was to provide basic information on system use. Finally, JEFFTRAN's fares have not changed since 1982.

According to information gathered for the TDP from JEFFTRAN riders, the rider's guide is difficult to understand. Maps and schedules in the guide are also used on the web site. Figure 1 presents a typical map/schedule from the rider's guide.

Figure 1: Typical JEFFTRAN Route Map/Schedule



What may present some challenges to riders are:

- Routing on the map is difficult to read—the routing blends in too much with the surrounding geography.

- The background map, while geographically accurate, is too busy. Too much information on the map distracts the reader.
- Hard to get a sense of order of time points. While the time points are numbered and referenced on the map, the reading on the Southwest schedule, for example, is right to left. A more typical reading pattern is the opposite—left to right. See Figure 2, presented later in this section.
- Major destinations such as shopping centers and hospitals are difficult to pick out on the maps.

JEFFTRAN's web site is generally a good source of information though it does not present route and schedule information effectively. Its shortcomings are related to the clarity of printed material used in the web site as addressed above. One area of improvement beyond clearer information would be the inclusion of a system map which should help orienting people to the system. Finally, while web based information is becoming more common among the general population, it is still mainly used by affluent, higher educated portions of the population. Unfortunately, at this time, the typical Internet population does not use JEFFTRAN to any great degree. It would not be necessary to invest much more resources (beyond the below recommended programs) on the web site until more Internet savvy people are using JEFFTRAN.

Recommended Strategies and Tactics

This section reviews strategies and tactics based on the marketing mix. The first recommendation addresses how JEFFTRAN can market the proposed fare increase. The second set of recommendations address promotional initiatives to address various JEFFTRAN stakeholders.

Pricing –Fare Increase

One of the recommendations of the TDP is to increase fares. Among the challenges in marketing any kind of a price increase is to minimize the loss of customers but it is also important not to lose community goodwill.

There are four audiences that typically need to be addressed regarding fare increases. They are:

1. Employees, especially drivers.
2. Riders
3. Local Elected Officials
4. General Public

Employees/Drivers are among the first people to be informed about the fare changes. They are JEFFTRAN's ambassadors to the public and need to have clear and accurate information about the fare change and why it is necessary. It is very likely customers will seek information and clarification from the employees and drivers more than any other source. Further, as they will be expected to enforce the policy, the sooner the employees are up to speed with the change, the better. Management can communicate with employees through: special meetings; informal sessions in the break room; and through office bulletin boards. Information placards can be placed in the break room

and/or near dispatch. Finally, each employee can be given a memo outlining the changes. Using all of these means in concert can be effective in making sure no one misses the message.

Riders are an obvious group to be informed since they are the ones being asked to pay more for the service. Two things need to be communicated to riders. First, information on the new fare structure and its effective date are vital. A lead time of one month before the effective date would be adequate, though brief announcements can take place earlier if desired. Second, are the reasons for the changes and how the changes will benefit the riders. The fare changes can be linked to a series of service improvements. They can also be linked to the reality of higher operating costs (most notably fuel). Typically, riders would rather see a fare increase to cover costs rather than a reduction in service. No matter, it is important to provide a reasonable rationale. Since fares have not been raised since 1982 and the consumer price index since that time has gone up 96.4 percent (consumer prices have almost doubled) the economic reasons should be palatable.¹

The communication with riders can occur several ways. The first way would be through public hearings held regarding the fare increase. Public hearings are mandatory per federal regulations. Meetings held at times and places accessible to riders are an excellent opportunity to make the case for the change. Second, interior bus signage is effective. Since riders are on the bus, they will be able to take in the information on each and every trip. Third, rider bulletins can be distributed on buses which would provide another written message. Fourth, information can be broadcast on the local community channel as well as the JEFFTRAN web site. It is recommended that interior bus signage and local government channel broadcasts publicize the fare change at least one month in advance of the effective date. The rider bulletins can be distributed twice—a week before the change and a full-weekday before the change.

Local Elected Officials are mainly city councilmen and the mayor. While these people would have already approved of the fare change, they will, nonetheless, potentially field questions from their constituents, important social service groups and, perhaps, the media. Just before the fare increase takes affect, JEFFTRAN, through normal channels, should remind the elected officials of the fare change and the salient facts about the change. The communication can be through a written memo and/or through a verbal reminder at a City Council meeting. This can take place within two weeks before the effective date of the change.

General Public is the population at large who, in the main, do not ride the bus with any regularity. A general announcement the day before the increase is sufficient. A one or two paragraph press release explaining the change will provide the public basic information. While most of the General Public will not have a vested interest in the change, it is important for JEFFTRAN to let the public know that it has sound business reasons to make a change. This can contribute to a positive image of the bus system.

¹ Source: August 2005 Consumer Price Index (CPI) –All Urban Consumers versus 1982-1984 CPI, US City Average. From US Bureau of Labor Statistics web site at <http://data.bls.gov/cgi-bin/surveymost>.

Tactics:

- Use abstract representation of the routes. It is not vital that route maps be represented in a geographically pure way. A system map which shows the entire route network can provide some spatial indication about the transit system, but it is not entirely necessary for it to be scaled as a road map. One reason is that riders will need to consult schedules to determine the time distance between locations. The system map can graphically represent the service area but it is not necessary for it to be a scaled map. Figure 2 shows an example of abstract route graphics and schedule information from Raleigh, North Carolina. Many transit systems use this type of route representation.
- Change how route and schedule information is communicated to the public using one of these three formats:
 - *Revised schedule book*—which is similar to the format now used by JEFFTRAN. The difference would be that the revised book would have more abstract route graphics and be professionally designed. See Figure 3 for a sample from Davenport, Iowa. The advantage of this format is that a rider will have all of the system schedules in one place. However, many riders do not need all the routes. This can cause the system to spend more money on public information because it is supplying too much information to the public. An improved schedule book would cost about \$3,100 per 3,000 units, not including design and set-up. Design and set-up could cost about \$2,000 to \$3,000.

Figure 2: Sample Abstract Route Map and Schedule (Raleigh, North Carolina)

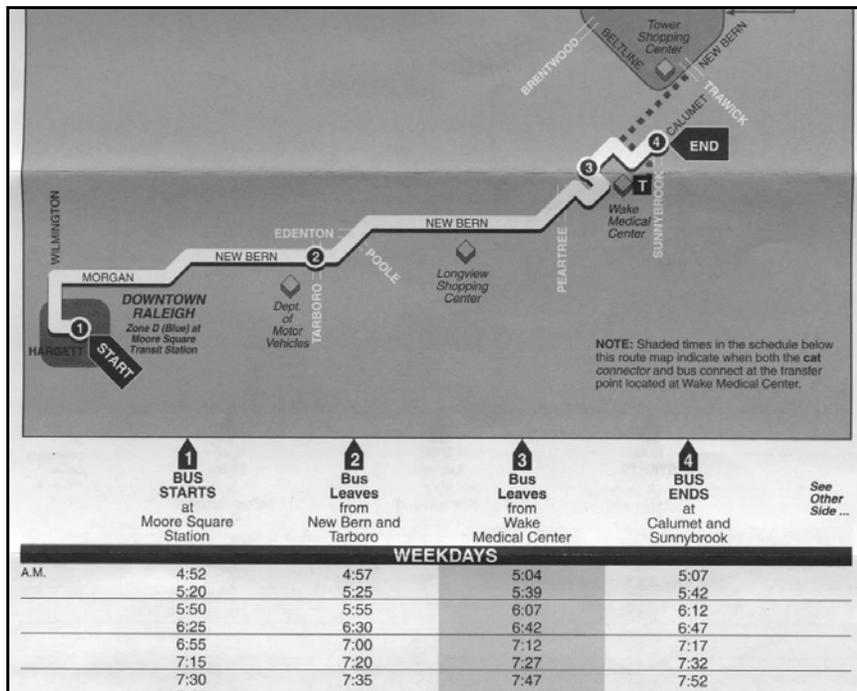


Figure 4: Sample Schedule/Map Combination from Bettendorf, Iowa

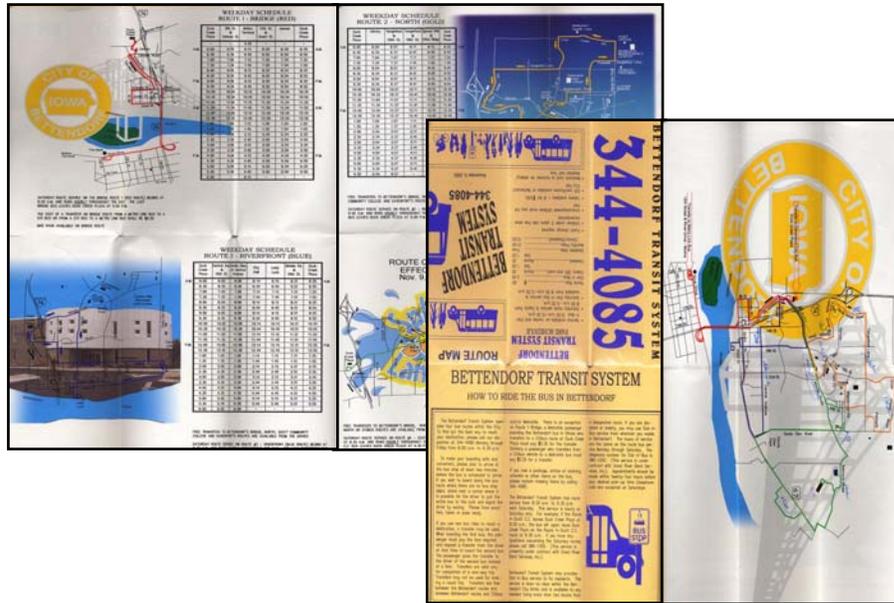


Figure 5: Sample Individual Public Schedule from Des Moines, Iowa



Recommendation

Produce individual schedules (black and white or one-color) and system map (four-color).

Institutional Partnerships

Institutional audiences include businesses, universities, government agencies and other organizations that have employees or clients that would likely use the bus system. Organizations who have limited on-site parking or entry level wage employees can sometimes find it advantageous to work with the bus system in providing employee transit incentives. Employers sometimes are motivated to provide transit benefits as a way to attract and retain employees by providing such incentives. Going through institutions can be a very effective means of attracting riders. Employees are more apt to listen to their employers. When employers communicate a transit incentive it will get their attention more than most other forms of communication.

The typical organizational incentive is some kind of subsidized fare program. In the case of JEFFTRAN, the 20-ride pass (adult and student) can be used. If an unlimited ride monthly pass is added to the fare policy, then it would also be covered by an institutional subsidized fare program.

There are two basic strategies that JEFFTRAN can use with institutional customers: employer subsidy program and a “fee based” program which is more typical at universities/colleges.

Goals Addressed:

Increase New Riders

Promote the advantages of transit

Strategy 1: *Employer Subsidy Program (ESP)* is where the employer discounts the cost of transit fare media. For example, if JEFFTRAN were to sell an unlimited ride monthly pass for \$21, the employer might pay part of the cost of that pass, thus allowing the employee to acquire the pass at a lower price. Thus, the employer may pay JEFFTRAN \$21 for the pass and in turn charge the employee \$18, creating a \$3 subsidy. Some transit systems match the employer discount. In this example, JEFFTRAN would match the \$3 employer discount and the employee would pay \$15 for the pass—about a 28% reduction in the retail price of the pass. The lower price could be an incentive for the employee to use the system. Usually a discount of about 15 percent or more is a good discount level. A lesser discount would not be attractive. This kind of program can be applied to private businesses or public employers such as the State of Missouri, Cole County, or City of Jefferson City.

In the case of the State of Missouri, there may be a possible conflict with the shuttle service provided by JEFFTRAN. While the State employees who park and ride the shuttle may be drawn to JEFFTRAN's main line service, the numbers that would be diverted would likely not materially impact the demand for the shuttle. If it did at some point, it would be anticipated that the increase in passenger revenue on the main service could in some way offset some of the loss in shuttle revenue.

Many systems have similar programs including Kansas City and Des Moines.

Tactics:

- Establish monthly pass, per earlier TDP recommendation.
- Identify employers who have employees who would likely ride bus. If possible, obtain zip code residential addresses to determine proximity of employees to bus service. If it is not possible to obtain such information, use anecdotal information from the employers as to where people live. This will verify if there is sufficient number of potential riders.
- Identify someone at each employer to act as a “transit coordinator.” Often times it can be someone in the human resource area of the firm.
- Determine an appropriate discount level. Fifteen percent off the regular price of the pre-paid fare instrument would be a minimum discount. The discount can be a combination of employer and JEFFTRAN subsidy.
- Develop printed information pieces, include on web site.
- Schedule “transportation fairs” at the employers to allow face to face contact with employees. This will allow trip planning with employees and allow them to ask questions about the ESP.
- Set a start date for the sale of passes, work out some kind of consignment arrangement with the employer, and begin sales.

Goals Addressed:*Increase New Riders**Ensure adequate revenue and funding**Promote the advantages of transit*

Strategy 2: *University Pass* works in a similar fashion to ESP except instead of employees, students and/or faculty and staff use the pass. The pass would allow unlimited rides during a specified period. There are three options in which JEFFTRAN could work with local colleges, such as Lincoln University. They are, according to TCRP Report 94²:

1. *Voluntary (“opt in”) participation* – students decide if they want to buy passes at the university’s rate; for example, University of California-Irvine buys passes from Orange County (CA) Transportation Authority for \$33.50/month and sells them to students for \$13/month.
2. *Voluntary (“opt out”) participation* – students automatically receive passes unless they elect not to participate; for example, University of Washington (Seattle) students are charged \$33 per quarter, and faculty/staff \$46.50 per quarter.
3. *Mandatory participation* – students automatically receive passes and cannot opt out of the program; for example, University of Colorado (Boulder) students are charged a mandatory transit fee of \$19.52 per semester.

JEFFTRAN, if possible, should pursue the “mandatory” option, but the targeted institutions may be reluctant to levy such a fee. In that case, one of the voluntary options could be pursued instead.

² *TCRP Report 94—Fare Policies, Structures, and Technologies: Update*, 2003, (Transportation Research Board, Washington, DC), pages 53 to 54.

Tactics:

- Identify the colleges/universities with good JEFFTRAN service.
- Determine transportation issues facing the institution. Is there sufficient parking? Is the institution trying to attract disadvantaged people, people who would ride the bus?
- Determine residential locations of students/faculty/staff.
- Determine route capacity and service times of routes connecting residential locations with university or college. JEFFTRAN should make sure there is some room for ridership on the routes and that the timing of service is convenient to potential riders.
- Consider conducting survey of potential riders and gauge interest in service and a university pass program.
- Prepare proposal with institution and lay out plan.

Strategy 3: *Summer Youth Pass*—would involve working through Jefferson City Public School District and/or the City's Park and Recreation Department. A youth pass would allow the holder to ride the bus unlimited times during the summer months. The youth would buy the pass at a deep discount. According to the on-board survey, 21 percent of the riders are 25 years of age or younger. The youth pass would be targeted to the under 18 years of age group with the assumption that not many people in this age group currently ride in the summer. Thus, the risk is low in losing revenue by getting this group to ride. Summer Youth Passes are common in the US. The Indianapolis transit system has marketed summer youth passes in the past.

Tactics:

- Develop summer youth pass mechanism and pricing. A nominal \$20 fee for the summer (school out to school in) for unlimited rides could be considered. JEFFTRAN should initially limit the program to students entering first through twelfth grade.
- Contact the Jefferson City School District. The School-Community Relations Department would be a good starting place if there are no other contacts known to JEFFTRAN.
- Outline the plan to the district.
- Develop printed material explaining the program.
- Arrange for sale at the schools. Schools should be accountable for reconciling passes sold and money collected.
- Start sales about one month prior to end of school.

Internal/Funding Sources

Funding sources are mainly the City of Jefferson City's elected and senior management officials. While they likely have varied levels of knowledge of JEFFTRAN, most probably do not have first hand experience with riding the system on a regular basis. This disconnection is a challenge since people are more likely to support something they know and less likely something they don't know. People not knowing the transit system well may not fully appreciate what the system has to offer, and thus may not be in a position to understand what funding it truly needs.

Two strategies are proposed to bridge the “experience gap” between funding sources and JEFFTRAN.

Goals Addressed: *Ensure adequate revenue and funding*
Promote the advantages of transit

Strategy 1: *Open House/Annual Report*—involves JEFFTRAN proactively reporting to the City Council and others about its activities. The annual report can be simple and include key operating and ridership statistics. It can also include highlights of the prior 12-months (such as community events in which JEFFTRAN was a participant).

An open house format may also be added. This would contain the contents of the annual report and allow a tour of JEFFTRAN’s facility. It is also an opportunity to educate people on what JEFFTRAN does. Open houses will be difficult to get people to attend, but tying in an open house with some other event might work. For example, a meeting on the TDP might entice people to come. The dedication of a new building or bus might also be an important event. Events that might garner positive media coverage (where the mayor or some senior elected official would attend) would be another way to improve attendance at the open house. Another variation would be to have a display at City Hall where JEFFTRAN staff can meet elected officials prior to a regularly scheduled meeting and present the annual report.

Tactics:

- Prepare annual report; decide on items that JEFFTRAN can highlight that indicate the good work being done.
- Print and distribute annual report; arrange for presentation at a City Council meeting. Coordinate presentation with distribution of the report.
- Decide if collateral events can be created that warrant an open house format.
- If an open house is called for, select a date and time that is most convenient for councilmen and mayor to attend. Might consider special shuttle from City Hall to JEFFTRAN open house location.

Strategy 2: *Rider Postcards* involves creating profiles of riders as well as their testimonials about the service. This information is condensed into a single sheet or a postcard. The purpose of the postcard would be to acquaint officials with those who actually ride the bus and what the bus means to them. The postcards might have the individual’s photo on one side and information on the other. This approach has been successfully used by transit systems in Iowa to obtain additional funding from the State. See Figure 6 for a sample postcard used in Iowa.

Tactics:

- Identify some people who represent your typical rider. See if they would consent to have their photo taken and used on the postcard. About five to six people would be a good number to start with. Try to find people who are dependent on the bus; young and old, male and female. Try to find people

that dispel the stereotype of bus riders (e.g., “little old ladies”, or low-income people who don’t work).

- Interview the people you have chosen. Find out how long they’ve used the bus, how they use it, which route(s) they use, and their experience in using the bus. These must be honest and truthful statements. You should at least use their first name, but first and last is best.
- Postcards can be 4 inches by 6 inches or 5 inches by 7 inches in size, or they can be larger if desired.

Figure 6: Sample Rider Postcard from Iowa



General Public

The general public is the community at large. They may never or very rarely consider using JEFFTRAN. The underlying goal in promoting JEFFTRAN to this group is to inform the community about transit needs and how the system is attempting to meet those needs.

Goals Addressed: *Ensure adequate revenue and funding*
 Promote the advantages of transit

Strategy 1: *Public Service Announcements (PSAs)* are advertisements that run on television and/or radio relaying messages for the public good. Radio and television stations are not required to run PSAs and some TV stations rarely run pre-produced spots. However, some do and it can be a good way for JEFFTRAN to get “mass media” exposure. PSAs may run at odd times during the day and may not necessarily run during peak times. Another outlet may be the local community channel on the local cable system.

Tactics:

- Work with Lincoln University or other institution about producing JEFFTRAN specific ads (for radio, TV, or print). One of these institutions may do so as a class project.
- Contact local media outlets, including the local cable community channel, about their PSA policies.
- Arrange to air/print productions.

Goals Addressed: *Ensure adequate revenue and funding*
 Increase New Riders
 Promote the advantages of transit

Strategy 2: *Community Partnerships* through in-kind contributions is another effective promotional activity. The idea here is for JEFFTRAN to align itself with community significant events. For example, “Salute to America” is an event that JEFFTRAN may work with. It could provide a free shuttle service to take people from remote parking to the venue. In exchange for this service, JEFFTRAN could be listed as a sponsor on event advertising. This has two benefits. First, JEFFTRAN’s image is boosted because it is associated with a high profile event. People tend to transfer good feelings about an event to its sponsors. Second, when JEFFTRAN operates a shuttle chances are it will be serving people who normally don’t ride the bus. It is a wonderful opportunity to showcase the bus service with a new group of people. They may never end up riding the service on a regular basis, but JEFFTRAN has an opportunity to show how riding the bus can be a satisfying experience. This translates into goodwill and a positive community image. The Indianapolis public transit system successfully used this approach in the 1990s.

Tactics:

- Identify worthwhile community activities by working with
 - Parks and Recreation Department
 - Convention and Visitor’s Bureau
 - Chamber of Commerce
 - United Way
 - Local sporting event groups (like marathon or walk-a-thon organizers)
 - Local media
- Look for activities where JEFFTRAN can provide a transportation shuttle or allow people to ride the regular bus service as part of the activity.

Table 1 summarizes the above promotional recommendations and compares them with TDP marketing goals and objectives.

Table 1: Comparing Recommended Promotional Strategies with Goals/Objectives

<i>Audience/Strategy</i>	<i>Goal/Objective</i>			
	Increase Riders	Clearer Information	Promote Advantages of Transit	Ensure Adequate Funding
Riders				
Revise Public Information	✓	✓		
Institutional				
Employer Program	✓		✓	
University Pass Program	✓		✓	✓
Summer Youth Pass	✓		✓	✓
Funding Sources				
Open House/Annual report			✓	✓
Rider Postcards			✓	✓
General Public				
Public Service Announcements			✓	✓
Community Partnerships	✓		✓	✓

Implementing the Marketing Plan

Table 2 on the next page provides estimated costs for the above marketing program. The costs of printed materials assume the cost of design as well as printing of the indicated quantities. Items noted in the comments referring to “program materials” and “give-a-ways” are brochures explaining the programs and promotional items (e.g., coffee mugs or pencils with JEFFTRAN name and phone number on them) that may be distributed at program meetings with prospective customers. The actual costs of the

items in the table are dependent on whether the City has in-house capabilities and the ability of the City to leverage “quantity” discounts should similar materials be bought by other departments. The costs are truly estimates and the City may well obtain these products at a much lower rate depending on local circumstances.

Also included in the cost is the hiring for a part-time marketing coordinator. This person would have the duty to implement the above recommendations, mainly focusing on the parts of the program requiring public contact. The person would also be responsible for preparing the marketing program materials. A full time JEFFTRAN person may need to accompany the marketing coordinator when making visits to schools and employers.

The estimated cost to implement the program per year is just over \$52,000. These costs could be reduced if the City of Jefferson City has in house printing capabilities that are less expensive than going out of house. The marketing position might be shared with another department to create a full-time job. A person with a 40 hour work schedule might better put in a more productive 20-hour week for JEFFTRAN as they can fill-in with the other duties if the JEFFTRAN portion of the job experiences delays or downtime. For example, while the marketing person is waiting for a return phone call from a JEFFTRAN contact, the person could be working on something else for the shared department.

If the City is not in a position to finance the full marketing program, the following are recommended priorities:

1. Rider
2. Funding Sources
3. Institutional—university and summer youth pass
4. Institutional –employer
5. General Public

Table 2: Summary of Estimated Marketing Program Costs

Program	Annual	Comments
Revise Public Information	\$ 12,790	<i>Up to 9 different individual route schedules and one system map (47,500 B&W schedules/yr and 1,825 maps/year, incl's one modification/year per unit)</i>
Employer Program	3,000	<i>program materials; give-a-ways (assume using existing fare media)</i>
University Pass Program	3,000	<i>program materials; give-a-ways; use student IDs</i>
Summer Youth Pass	4,000	<i>program materials; give-a-ways; 1,000 passes</i>
Open House/Ann report	1,500	<i>materials; refreshments give-a-ways</i>
Rider Postcards	2,500	<i>materials; refreshments give-a-ways (1000 postcards)</i>
Public Service Announcements	10,000	<i>subsidizes production costs; air time free assumed</i>
Community Partnerships	In-kind contribution	<i>JEFFTRAN to operate service; advertising by partner</i>
Staff Person	15,600	<i>Part Time person (20 hrs/wk, no benefits, \$15/hr)</i>
Totals	\$ 52,390	