

REGIONAL PUBLIC TRANSPORTATION PLAN FOR THE LEHIGH VALLEY



DRAFT INTERIM REPORT MARKETING PLAN

SUBMITTED TO:

**LEHIGH AND NORTHAMPTON
TRANSPORTATION AUTHORITY**

PREPARED BY:



Under subcontract to,
and in consultation with

ABRAMS-CHERWONY GROUP of



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MARKETING PLAN

The LANTA marketing plan is a companion to the overall Regional Public Transportation Plan for the Lehigh Valley (LVRPTP) and follows up on specific recommendations and observations outlined in the Marketing Practices and Peer Review Report. Because the overall LVRPTP focuses on service-related improvements and any related pricing issues, this document as well as the previous marketing document focuses exclusively on the “promotion” part of the marketing mix.

Introduction

Typically a marketing plan, through an introductory situational analysis, would detail the factors that will affect LANTA in the timeframe of the plan. Because of the extensive work in the LVRPTP to this point, doing so here would be redundant. Therefore, a more direct approach is being used based on the areas covered in the Marketing Program and Peer Review.

LANTA has had a history of including service product and system pricing as a method to attract and retain customers. This document recommends the sound use of marketing practices, strategically applied in order to help make a future LANTA as envisioned in the LVRPTP as successful and attractive as LANTA has been in its current form.

The plan is organized as follows:

- Objectives
- Discussion of each objective
- Proposed tactics
- Budget guidance by tactics as appropriate

In addition, an implementation matrix is provided that covers a period of three fiscal years. The matrix suggests how to phase or prioritize the tactics so that appropriate budgeting can take place, and provide a way for staff to match the tactics to LANTA’s overall business plan. It also will show how some tactics will be ongoing after their initiation. The uncertainty of Act 44 funding from the Commonwealth of Pennsylvania will affect the timeline for the implementation of the service plan aspects of this study. This, in turn, may affect the implementation timeline of many of marketing recommendations that will need to be implemented in conjunction with service improvements. Therefore, it will also be necessary to determine which elements of the Marketing Plan will be implemented independent of the service plan, and which will be done in coordination with service improvements. In response to the funding situation, specific years for program implementation have not been identified.

This plan is also meant to be as strategic as possible. Recognizing that the tactics suggested are implementable using numerous methods, the level of detail herein focuses on the objectives, reasoning, timing and budget considerations. It is assumed that staff or others

affiliated with the authority will ultimately decide the best methods for implementing these tactics at a more detailed level.

There are also unforeseen factors related to new government programs, the economy and consumer behavior that may in the future affect the plans suggested herein. LANTA staff needs the flexibility to respond to those factors as they relate to marketing transit services. So in using this plan, it is suggested that staff revisit it annually to determine if some tactics should be modified, implemented sooner or are no longer relevant. It is possible that LANTA's staff, seeing opportunities arises, may want to add more tactics or expand the objectives. This is welcomed and encouraged. However, this plan, much like its companion report, is focused on the main reasons why marketing is valuable to a transit authority. In brief, it is the three "R's" of public transit marketing:

- Recruitment of riders
- Retention of riders
- Reputation of the system

These three factors underpin every objective and tactic proposed in this report. They are also the drivers that elevate this from merely a report to a functioning operating document.

Objectives and Tactics

Objective 1: Assure continued effectiveness of printed, non-printed, and distributed public information core (PIC) elements.

Discussion - After reviewing LANTA's public information core (PIC) elements, comparing them to those of their peers, seeing public comments regarding some of those elements, and understanding that LANTA is preparing itself to reach out to new riders, it was recommended on a number of levels that LANTA also embark on an effort to enhance and improve its PIC elements. Whether printed or electronic, each element is a brand contact point that helps lead current or potential customers through their use of the transit system. Each element is designed to do a specific job in that regard. There are existing methods and technologies that could be studied and considered for use by LANTA that have been effectively used by its peers. Therefore a number of the tactics recommend actions that would take LANTA's marketing efforts up to a higher level just as it intends to do with its service product.

Note: The public information core (PIC) elements are considered to be the system map, individual route guides, bus stop signs, destination/header signs, telephone information and the web site. For this report, public information outreach efforts, material distribution, electronic distribution of information and other similar activities are related to the PIC and are included under this objective.

Tactic 1A:

Modify and improve the system map and individual route guides by revising the graphics and adding graphical features that help customers better understand those pieces as well as making them easier to use by an audience of new riders.

Budget Guidance:

It is suggested that \$25,000 to \$30,000 be budgeted for the graphic design services needed to accomplish this tactic.

Tactic 1B:

Review public information distribution system in order to improve the visibility and use of this service. Add or remove locations as required, and find ways to integrate promotion of the locations into existing or new marketing and communications efforts. Select locations, such as the ATC, that are known as or have the potential to be significant ridership generators and pursue the scheduling of live customer service representatives (CSR's) to interact with people at those locations once a year.

Budget Guidance:

This could be done within the current budget for this activity. However, potential new costs may be in additional staff time or overtime of CRS's, increased quantities of printed information pieces, display equipment (information racks, etc.), and delivery or other costs related to servicing the display locations.

Tactic 1C:

Design and install more informative bus stop signs, as well as update or create new information displays at transit centers or key bus stops.

Budget Guidance:

The largest cost associated with this tactic will be the design, construction and installation of bus stop signs. For the design component about \$10,000 should be budgeted to assure the range of uses and locations are considered. The actual "construction" of the signs will involve acquiring and preparing the blades for installation and the final cost is the installation of the signs at each stop. Therefore it is suggested that the budget for construction and installation be \$50 per stop (\$20 per stop for the blade and \$30 per stop for installation). The updating or creating of new information displays at transit centers or key transit stops needs study by staff to determine methods and the number of locations. This entire tactic may qualify as a capital improvement project and could qualify for funds accordingly.

Tactic 1D:

Study potential costs for installing a bus stop based telephone information system using schedule and/or real time information.

Budget Guidance:

In Raleigh, NC, the city's transit system has recently gone out to bid to acquire an AVL based dispatch system. The system will also include the ability to code each bus stop, and tie the code to a telephone system that allows a passenger to check on the next bus (or buses) in real time. According to Raleigh officials, this system in total could cost up to \$1.5million, but they could not provide an estimate as to how much of that is the stop based information component. If LANTA is considering an AVL system, this feature should be priced. This too could qualify as a capital project and qualify for funds accordingly. Also this system should be looked at in conjunction with improving the coverage of telephone information discussed below in Tactic 1E.

Tactic 1E:

Revise and improve telephone information service hours adding hours of live CSR coverage and by adding automated schedule information, to the current system for fares and general system information.

Budget Guidance:

In order to increase the information coverage by live CSR staff, LANTA would need to hire and train additional CSR's. LANTA will need to make cost estimates based on how many new coverage hours are established and whether it is better to hire full or part time CSR staff. Whatever the case, LANTA's prevailing wage and fringe structure will apply.

With regard to automated information, a typical IVR (Interactive Voice Response) application would run about \$100,000 with annual maintenance costs running approximately \$15,000. It should be noted that this approach and the automated bus stop information system discussed above in Tactic 1D should be looked at together. This may qualify as a capital project.

Tactic 1F:

Add Spanish speaking capability to the CSR staff through hiring or language training. Note: Spanish as an option should be considered for the automated systems recommended above in Tactics 1D and 1E.

Budget Guidance:

It is possible that implementing this tactic may not result in increased costs to LANTA anything if a Spanish speaking CSR is hired to fill a future vacancy or a position that occurs due to the expansion of live CSR coverage. If not, language training costs may vary depending on local resources.

Tactic 1G:

Graphically update and functionally reorganize LANTA web site, integrate the web-based trip planner, and continue to support/expand options to obtain information via wireless devices. Consider the addition of a video library of short videos to help customers better understand the system. Add the capability to sell select fare options on line. It is also recommended that use of the web site be tracked so that the effectiveness of these changes is evaluated.

Budget Guidance:

It is possible that \$40,000 to \$50,000 will be needed to update the web site (Note: this could be substantially less depending on local costs and work scope), and \$5000 to \$8,000 to add basic Google-based trip planner (mostly internal costs). Costs for a video library will be based on the video production, which may be done through a separate contractor. Budgeting \$4,000 to \$7,000 for the on line fare sales component is recommended.

Objective 2: Implement an enhanced system brand

In reviewing the marketing practice review, it was observed that the authority uses LANTA and Metro as co-brands. That report suggested that one, unified brand be developed and used consistently. LANTA has done a good job displaying its original brand and would likely apply a new or revised brand in similar fashion. A re-branding process would also reinforce LANTA's intent to move forward and create an improved authority to service the Lehigh Valley region, as well as its current and future customers.

Tactic 2A:

Study and adopt a single dominant brand name that reflects a customer driven, improved and forward looking LANTA. Move quickly to convert to the use of a new brand at all points of brand contact (i.e., printed material, website, signage, vehicle, and facility graphics).

Budget Guidance:

The process to create a unified or dominant brand name should involve a development phase (study, research, graphic design, etc.) and an implementation phase (renaming, revision, application, etc.). It is recommended that in the

development phase an assessment is made to determine where and how replacement of the visual branding elements will be made as well as finalizing the phasing and all costs associated with the brand implementation. It is recommended that the branding development be done jointly by staff and appropriate consultants and that a budget of \$30,000 to \$40,000 be allocated for this phase. Initially it would be prudent to budget at least \$50,000 for the implementation phase, but this expense should be finalized in the development phase. Recognize that some of the greatest costs will be in areas where labor is needed (e.g. changing vehicle and facility graphics.)

Tactic 2B:

Continue to use local cable television and radio to as high a degree as affordable to establish and support new brand identity while marketing new and revised services and products. Continue to use real customers in advertising to provide creditable testimony and reputational continuity. Focus on reach to appropriate target audiences and effective frequency of message as well.

Budget Guidance:

LANTA currently spends approximately \$100,000 a year on paid advertising. The Marketing and Practices and Peer Review so recommended that the advertising budget be expanded based on a percentage of operating costs. Following that guidance, the ad budget may be increased \$35,000 to \$50,000.

Tactic 2C:

Continue to publish the newly initiated customer newsletter and launch companion employee newsletter to support new service and branding initiatives. Both publications should be issued no less than on a quarterly basis. It is further suggested that the employee newsletter be mailed to homes rather than be distributed at work.

Budget Guidance:

Depending on how the newsletters are published, and distributed, costs will vary. Therefore it is suggested that a budget of \$2,000 to \$2,500 per issue be planned or \$16,000 to \$20,000 annually (two publications, four times a year.) Some or more of these costs may come out of the existing system budget. Also, it is possible that the customer newsletter could be tied to a relationship marketing program and would continue to be distributed exclusively via email which could reduce costs appropriately.

Objective 3: Devise a series of locally based public information and advertising campaigns to support service improvements and new service launches.

The LVRPTP calls for a number of changes in service that will result in new or modified routes, changes in service frequency, the potential of introducing bus rapid transit and the connecting of neighborhoods or nearby transit services. It is likely that the service improvements and/or restructuring will occur in organized and logical phases. Each time these changes occur it is an opportunity to position LANTA as moving forward on a macro scale, while recruiting and retaining riders on a micro scale. Depending on the improvements or changes and the geographical areas they affect, each campaign will be slightly different in that the mix of techniques or media outlets may vary depending on circumstances. The following tactics are suggested to facilitate the creation of an effective mix at each stage, as well as help LANTA reach and maintain ridership and productivity goals expected due to the changes.

Tactic 3A:

Develop high level of on street and passenger information such as rider alerts, brochures and signage at affected bus stops. Add an outreach component that would commit staff to riding or walking routes affected to more personally explain changes. Provide operators, and others with direct customer contact, with training that will help them explain changes. Conduct neighborhood meetings or informational displays, or other special events and ceremonies to promote or kickoff changes.

Tactic 3B:

Predetermine how to provide and pay for incentives to retain or attract riders. Incentives to consider would be free rides, free or discounted ride coupons, contests, etc. Some existing customers will be inconvenienced or displaced by service changes so use of incentives will likely help ease those effects, get them through the changes, and retain them as customers.

Tactic 3C:

Develop printed brochures designed specifically to serve as “get around guides” during transitional periods that compare and contrast changes. Repurpose those for other uses such as the web, paid print, or for informational displays.

Tactic 3D:

Whenever practical, use direct marketing techniques such as direct or married mail to deliver localized messages about the changes as well as service details such as route maps and schedules, and incentives.

Tactic 3E:

Use interior signage on all buses to communicate changes. Design larger-than-standard or multiple sign message units to call attention to the changes.

Tactic 3F:

Modify the web site so as to feature these changes in a prominent and easy to access format.

Tactic 3G:

Devise and implement a theme as was done for the LVRPTP process (e.g. Moving LANTA Forward) and apply to all the above tactics.

Tactic 3H:

Support each phase with paid advertising. It is possible that the level of detail on these changes may require use of mainstream, neighborhood/community, and ethnic print outlets.

Tactic 3I:

Apply sound public relations tactics to deal with news media and utilize existing resources such as the passenger newsletter, the web site, etc.

Budget Guidance:

It is assumed that the bulk of LANTA's advertising budget (and increases if enacted) as well the bulk of its print/web budget will be devoted to these efforts. Each change phase will need its own campaign and costs should be estimated according to the significance of the changes, the timing, and the campaign techniques applied.

Objective 4: Launch a relationship marketing program (RMP) for LANTA customers and others interested in local transit matters.

Considering the depth and detail of potential service changes that may affect LANTA customers, there is a need to implement those changes in a way that maximizes the understanding that customers and key stakeholders have. A very good method to do this is to create a relationship marketing program. The benefits and features of such a program are described in depth in the Relationship Marketing and Partnerships section of the Marketing Practices and Peer Review.

Tactic 4A:

Convene one or two customer focus groups to test the RMP concept, its features and their receptiveness to the program products being delivered electronically or occasionally by traditional mail.

Tactic 4B:

Structure the new LANTA passenger newsletter to be the main communication instrument of an RMP. It should explain, prepare and offer insight into the changes to be occurring within the LANTA system. The newsletter can be distributed electronically or printed for select audiences.

Tactic 4C:

To supplement the newsletter, add more features to the RMP such as periodic transit related offers or discounts from retailers or service providers. In between newsletters, provide brief updates or alerts to advise of seasonal schedule changes, major detours or special events or promotions.

Tactic 4D:

Devise a strong identity and recruitment campaign to sign up as many people as possible. Use email lists developed during the LVRPTP process. This could be done as an on going activity as well as just about any LANTA function or promotional event. As part of the recruitment process, be sure to gather relevant information about the participant and their use of LANTA.

Budget Guidance:

This objective should be treated as an effort that uses all the tactics suggested above. The newsletter has already been established and delivery via email is generally at little or no cost. The program would require building identity or message templates, the funding of recruitment and the maintenance of member data. It is suggested that \$25,000 - \$30,000 a year be budgeted for a RMP start up over the next three fiscal years.

Objective 5: Study and initiate new partnership programs especially in the areas of employer and university passes.

It is likely that the service changes that would come about through the implementation of recommendations LVRPTP would place LANTA in a position to approach businesses and higher education institutions about discounted pass programs. LANTA's deep discount fares are an advantageous starting point for structuring employer or university programs. As shown in the Marketing Practices and Peer Review, very few of LANTA's peers are without such programs. The marketing review document also suggested that LANTA staff

work with a third party or community leader to help get discussions going for these initiatives.

Tactic 5A:

Research and develop an employer pass program

Tactic 5B:

Research and develop a university pass program.

Tactic 5C:

Continue sponsorship efforts of a community relations nature (e.g. toy drives) and look for ways to build on these opportunities. Also look for ways to use sponsorships as an advertising opportunity where an event audience is well matched to a significant LANTA target market. (The opportunities may also be used in conjunction with the campaign tactics recommended previously under Objective 4)

Budget Guidance:

In developing the concepts of an employer or university pass one of the key areas to be studied is effect on revenue. Many of the university pass programs are structured to be revenue neutral, while employer pass programs may initially result in slightly less revenue in the very earliest stages. Without knowing the exact structure of each, the guidance herein is to point out that revenue effects are important to consider. The promotion of an employer pass is usually targeted within the work location of an interested employer, but early on a community wide campaign or series of campaigns are recommended to raise overall awareness and produce sales leads. Having customers act as internal advocates with employers is a very effective tactic. Similarly, students are key advocates in the establishment of university pass programs. Aside from revenue considerations, it is appropriate to use advertising and promotion budget resources to structure appropriately targeted campaigns to generate support on the employer side, and to generate approval and eventually participation in the form of having and using a pass at any campus interested. It is likely that such campaigns could be funded from existing budgeted funds during the next three fiscal years.

As for the sponsorships and promotional partnerships, these may be done most cost efficiently when conducted in conjunction with scheduled media buys and negotiated as a value added component. However some opportunities may not lend themselves to that approach, or there may be elements to these activities such as prizes, free rides, banners, etc. that will need to be considered from a budgeting stand point. Because LANTA has done some of these promotions in the past, it would be assumed that any expenses would come out of the marketing budget.

Objective 6: Resume market research studies by creating a program of projects according to a cycle that maximizes the use of information gathered and respects the budget resources available.

LANTA is well positioned to take on a variety of research activities. The concepts discussed in the following tactics reflect a collection of research activities that will provide both actionable and evaluative information. Adopting a research program like that outlined below will probably help LANTA not just meet, but exceed Pennsylvania's research requirements. Of consideration is the fact that LANTA is expected to take on many new service and program initiatives and the cumulative effect of those efforts should be evaluated and measured and turned into follow up action steps where appropriate.

Tactic 6A:

Review and revise (and/or streamline) past customer satisfaction surveys. Focus on elements related to system operating characteristics that most affect use and customer satisfaction. Conduct customer satisfaction research at least every other year.

Tactic 6B:

Annually track changes in the makeup of customer characteristics by conducting research that focuses on demographics and key measures of use and fare payment. An annual survey of this type is recommended at least through the year following the last of the major LVRTPT service initiatives being implemented. This type of survey could then be alternated with the customer satisfaction survey.

Tactic 6C:

Do limited scope evaluations of service improvements as needed.

Budget Guidance:

Looking at the LANTA peer group it appears that "The Rapid" in Grand Rapids budgets \$15,000 to \$40,000 annually depending on the research to be done and would provide a model for LANTA, and is suggested that a similar approach be taken.

LANTA Marketing Plan - Implementation Matrix

TACTIC	Year 1	Year 2	Year 3	NOTES
1A	SP	IM	CS	
1B	SP	IM	CS	
1C	SP	IM	CS	
1D		SP	IM	
1E	SP	IM	IM	
1F		IM	CS	
1G	IM	CS	CS	
2A		SP/IM		
2B	CS	CS	CS	
2C	CS	IM (1)	CS	
3A		SP/IM	SP/IM	
3B	SP	IM	CS	
3C		IM	CS	
3D		IM	CS	
3E		IM	CS	
3F		IM	IM	
3G	SP	IM	CS	
3H		IM	CS	
3I		CS	CS	
4A		SP/IM		
4B		IM	CS	
4C			IM	
4D	SP/IM			
5A	SP	SP/IM	SP/IM	2
5B	SP	SP/IM	SP/IM	2
5C	IM	IM	IM	
6A			IM	
6B		IM	IM	
6C		IM	CS	

KEY:

ST: Study/Initiate Planning

IM: Implement

CS: Continue/Sustain

1: Employee Newsletter Implements

2: May require on going efforts to study and implement based on employers or institutions.

Summary

There are 29 tactics suggested to serve the six objectives set forth in this plan. Yet it is assumed that, if fully implemented, many other tactics may come into play or evolve from those suggested. It is also important that while planning for marketing and working those plans that LANTA be opportunistic, such as the agency's response to the 2008 spike in gas prices, when circumstances indicate there is an opportunity to gain or retain riders. This plan has also assumed that LANTA will consider recommendations made in the Marketing Practices and Peer Review, especially those concerning budget and staffing for its marketing efforts.

As a final over-arching tactic, LANTA staff is encouraged to use the guidance herein to formulate a series of annual plans to help assure that marketing objectives are fully supporting organizational objectives and programs.

Much like other major functional areas within a transit organization, there are day to day marketing activities that will go on, but are not mentioned in this plan. As expressed in other ways in this report and the Marketing Practice and Peer Review Report, LANTA will get the best return on its marketing investment by focusing on the strategic areas covered. Think of those areas as the marketing infrastructure which through a set of strategic improvements and initiatives will also assure continued effectiveness and success.

It should be noted that Act 44 funding from the Commonwealth of Pennsylvania will affect the timeline for the implementation of the service plan aspects of this study, which will affect implementation decisions regarding the marketing recommendations included in this plan. Therefore, moving forward, it will also be necessary to determine which elements of the Marketing Plan will be implemented independent of the service plan, and which will be done in coordination with service improvements.