

Appendix D: Marketing Strategies to Promote California’s Intercity Routes

This is an initial effort to identify marketing strategies that will promote California’s intercity bus routes. Due to the resource needs of rural communities, focus in this analysis is on providing rural regional transportation planning agencies (RTPAs) with guidance to create and support agency specific marketing plans. For this we have provided a situational analysis identifying potential target markets and competitors; marketing objectives for our target market, promotional efforts and partnerships; and marketing strategies designed to retain current transit users and to gain access to new markets.

D1. Overview of Services

Caltrans is the government entity that oversees the state-wide transportation system. It promotes improvement and sustaining California’s rural regional intercity transportation system through its Division of Rail and Mass Transportation (DRMT). Caltrans’ DRMT is the designated state-wide grantee for the Federal Transit Administration’s (FTA) Section 5311 formula funding program, which provides supplemental funding for public transit service in non-urbanized areas that have populations of fewer than 50,000 residents. These rural areas supported by FTA Section 5311 formula funding do not currently have a centralized marketing strategy for the rural intercity bus services they provide. While the diversity of operating environments supports a diversity of marketing plans for each RTPA to ensure maximum effectiveness, the DRMT is attempting to support those efforts through this marketing strategy and the identification of common objectives, timelines, resources and guidelines to encourage the RTPAs efforts to provide rural intercity bus service.

D2. Situational Analysis

Target Market

Target markets for rural intercity bus service will vary significantly by region. The intercity bus needs of the communities surrounding Los Angeles will not necessarily be the same as those in the Sierra Nevada Mountains. Because of this, it is suggested that each RTPA decide what its own target market should be. Assuming the rural intercity transit bus system is focused on providing affordable, reliable, and accessible transportation services, it is reasonable to expect the system’s customers to belong to multiple target market groups. These may include:

- Current Riders – While current riders already use the intercity bus system, retaining riders using the system is just as important as attracting new riders to the system.
- The Transit Dependent Population – The transit dependent population is taken to consist of the elderly, those with disabilities, low income individuals, and those who have no

access to a vehicle. For this population, intercity bus service is sometimes the only method by which they can travel outside of their area of residence.

Industry Analysis

Due to limited resources and greater demands, intercity transportation services in the RTPAs tend to be less developed than those of their urban counterparts, due to their rural nature. Because of this, a large portion of their potential target market is either underserved, unaware of services or utilizing national carriers such as Greyhound and Amtrak. Visibility and recognition of the rural intercity bus system in California varies widely by provider and location. National brands such as Greyhound and Amtrak are much more recognizable than local transit services because the local agencies do not have the marketing resources of larger national carriers. This can be attributed to Greyhound and Amtrak's national, ¹ well established presence. Additionally, much of this is related to the size and scope of larger intercity providers, but there is also an element attributable to a lack of a dedicated marketing strategy.

Complimentary Service

This section examines Greyhound and Amtrak as the most established complimentary services to the rural intercity bus system. These services are widespread and, in some cases, the only intercity systems present. Their complimentary service allows rural intercity bus systems to benefit from Greyhound and Amtrak's existing services by focusing on connections to their stops and stations. If this is done successfully, rural intercity bus systems will not need to replicate Greyhound and Amtrak services and need only consider how to make those services more accessible to their area of service. In addition to Greyhound and Amtrak, this section also considers self-transportation as a potential complimentary service.

Greyhound²

Greyhound is an international brand providing service to the United States, Canada and Mexico. Its brand is simple and embraces, "affordable long-distance travel in North America and a unique national network." While Greyhound does provide routes for nearby locations, it is most commonly associated with and designed for long-distance travel.

Greyhound's services in California include 115 bus stations in 40 of California's 58 counties. Of the 21 counties covered in this marketing plan, Greyhound provides direct service to eight: Del Norte, Humboldt, Lassen, Mariposa, Mendocino, Nevada, Siskiyou, and Tehama Counties. Service to these counties includes 18 bus stop locations with the most in Mendocino (5), Humboldt (4) and Del Norte (3) Counties.

¹ Information on Greyhound and Amtrak's brand scope is available on their websites: <https://www.greyhound.com/>; <https://www.amtrak.com/home>

² All information concerning Greyhound was obtained from <https://www.greyhound.com/>

Although Greyhound brands itself as affordable travel, it also positions itself as a premium option for transportation. Offering premium amenities, a rewards program, consumer technology and various partnership benefits Greyhound's position in the market and is used to attract customers. Among Greyhound's strengths are its extensive national presence and the resources that come with it, allowing for uniformity in services and widespread brand recognition.

Even with these strengths Greyhound does not offer easy, efficient local transportation in many rural areas. Additionally, the deregulation of intercity bus transportation led to many of the rural routes Greyhound offered being discontinued. It is an essential opportunity for rural intercity bus providers to fulfill the needs no longer met by Greyhound and pursue opportunities to utilize Greyhound's existing services as connections options. While Greyhound does not serve every county in California, the rural intercity bus system can provide a connection to Greyhound so its users can reach the major areas in California.

Amtrak³

Amtrak is a national transportation service. Its main focus is passenger rail and also provides connector services with Amtrak Thruway bus, van, taxi, commuter train, or ferry services. These connector services were intended to provide guaranteed, on-time transportation to rail stations, but have adapted to additionally provide popular location routes when coupled with Amtrak train services.

Of the 21 counties included in this marketing plan, Amtrak Thruway buses provide service to 7: Humboldt, Mariposa, Mendocino, Mono, Nevada, Tehama and Tuolumne Counties. In these counties, Amtrak provides transportation to more prominent cities with a few stops in each. Amtrak rail service spans California and has rail stations in two of the rural counties included in this plan: Nevada and Siskiyou Counties. Tickets for bus and rail services are combined fares. Fares are offered for one-way, round-trip, and various time length passes with changing promotions and discounts.

While it is apparent that Amtrak services are not widely available for California rural counties, the rail and bus services that are available are marketed as reliable with premium services. As with Greyhound, Amtrak's national presence and resources give it the ability to have flexible pricing strategies and strong marketing efforts. This is another opportunity for the rural intercity bus system to provide intentional connection services to an existing, reliable California transit system.

³ Amtrak information was obtained from <https://www.amtrak.com/ccurl/158/578/California-Thruway-Map-2012.pdf>

Self-transportation⁴

Although self-transportation is not often considered a complimentary service to the public transportation industry, it can provide access to rural intercity bus system services for those that are not in close proximity to regular stops or stations. An overwhelming majority of county households have access to one or more vehicles. Households without access to a vehicle make up at most 9% of the working population in Mono County, while some counties, like Modoc and Trinity County have less than 1% of households without a vehicle. Across all California rural counties 2% of all workers do not have access to a vehicle with the majority of working households have access to between two and three. Because most rural counties contain few households without access to a vehicle, it is difficult to attract individuals to use public intercity bus transportation.

There are ways that the rural intercity bus system can encourage a complimentary relationship between self-transportation and bus services. Like many larger transit services, the rural intercity bus system can provide safe parking for transit users. Additionally, it will be vital that transit system make reliable stops to common destinations, such as health centers, college campuses and populated workplaces, where self-transportation users make routine, consistent travel. This has the potential to convert self-transportation users into rural intercity bus users.

Rural Transit Service Analysis

While each transit service will have its own set of strengths, weakness, threats and opportunities, the following is a summarized version of the common attributes shared across California’s rural county transit services:

Table D1 S.W.O.T. Analysis of Intercity Transit Services Marketing

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> • Established services or partnerships in all counties • Affordable prices • Existing community partnerships • Caltrans support 	<ul style="list-style-type: none"> • Lack of target market awareness • Low visibility and recognition • Lack of educational efforts • Inconsistent, low funding 	<ul style="list-style-type: none"> • Increase in the use of public transportation • New community partnerships • Reinvented marketing plan • Consumers increasing use of technology • Connectivity with larger urban areas 	<ul style="list-style-type: none"> • Low gas prices increase the likelihood of self-transportation • National transportation services and their resources

⁴ Data concerning self-transportation was obtained from the American Community Survey

D3. Marketing Objectives

Target Market Objectives

Rural intercity transit provides services to a wide range of people. Currently, it is estimated that Caltrans' public transit serves 1.4 billion transportation users annually.⁵ While rural transit serves fewer passengers than urban transit, it is still an important part of Caltrans' services that provides transportation to many transit dependent riders. It is the objective of this marketing plan to obtain more of the market by pulling from complimentary services and substitute markets. In addition, we believe that local transit agencies should mindfully work to retain current users.

Promotional Objectives

As discussed with respect to Complimentary Services above, there have been challenges in enhancing visibility and recognition of rural transit services. Through a series of active marketing efforts, explained in Section D4, rural intercity transit's objective is to increase visibility and awareness for smaller intercity services leading to an increase in ridership on those services. Because many of the smaller intercity services act as feeder services to national carriers this can lead to an increase in ridership on more well-known services as well.

Additionally, it is the objective of the rural intercity bus system to enhance the ease of use and knowledge of the various connectivity options provided by rural transit services. If transit users are able to better determine what intercity services are available outside of their local jurisdiction, then transfers between service providers will become more seamless and the rural intercity bus system will become easier to use, thereby increasing ridership.

Partnership Objectives

A recognized strength of successful rural transit services is the connection to the community and other local resources. It is the objective of the rural intercity bus service to maintain and create new community connections. Many of the current and potential passengers of intercity bus service are those individuals that cannot travel on their own, whether because of a disability or because they do not have a vehicle.⁶ These are often the same individuals that use community, health, and social services. Maintaining and creating connections with the gatekeepers of these services can increase ridership as these gatekeepers will tell their clients about the intercity bus service.

⁵ "Transportation Funding in California" *Economic Analysis Branch Division of Transportation Planning*. 2015. http://www.dot.ca.gov/hq/tpp/offices/eab/fundchrt_files/Finalized_Draft_2015_Transportation_Funding_in_CA.pdf

⁶ Jiao, Junfeng; Dillivan, Maxwell. "Transit Deserts: The Gap between Demand and Supply". *Journal of Public Transportation*. Vol. 16, No. 3. 2013

D4. Marketing Strategies

This section presents a number of different marketing strategies. While many of these strategies seem passive, each strategy should be approached as an active marketing strategy. Active marketing is defined as a marketing strategy where proactive actions are being taken on the part of the marketer to connect and engage with potential customers.⁷ Online, agencies have the opportunity to create a dialogue with users by replying to social media or blog posts rather than passively sending materials like media posts or emails. Offline, active marketing can take the form of attending community events to speak with potential passengers instead of simply posting information at bus stops, or actively surveying households to see if they use the intercity bus service instead of waiting for people to contact your organization with questions. Research has shown that using active marketing techniques can generally increase ridership between 10% and 15%, with some active marketing campaigns resulting in a 33% increase in ridership compared to passive marketing.⁸

Individual Market Demonstration Program

One specific form of active marketing that has seen success in places such as Bellingham, Washington; Durham, North Carolina; Cleveland, Ohio; and Sacramento is the Individual Marketing Demonstration Program (IMDP).⁹ IMDP focuses on personalized marketing to potential customers who might consider using intercity bus service. IMDP consists of the following steps:

- Contact households by mail and phone to deliver a short survey to determine if members of that household are regular intercity transit users (R); interested in becoming a regular intercity transit user (I); or are not interested in becoming a regular intercity transit user (N). Because of the sub-branding benefits discussed in Section 2, each individual jurisdiction and service provider should choose which households along their service corridor should be surveyed.
- Responses from the (R) and (I) groups are responded to.
- (R) and (I) respondents are provided with the information necessary to either keep them using intercity bus service, or convince them to use intercity bus service. This information could be material on timetables, routes, possible connection, and more.

⁷ See definition here: <http://www.mbaskool.com/business-concepts/marketing-and-strategy-terms/10762-active-marketing.html>

⁸ Klementzchitz, Roman; and Roider, Oliver. "Active Measures as Part of Dialogue Marketing Promoting the Use of Public Transport in Rural Areas". 2015. Transport Problems. Volume 10 Issue 4.

⁹ "Testing the Impact of Personalized Feedback on Household Travel Behavior. National Center for Transit Research at the Center for Urban Transportation Research. University of South Florida.

Ideally, this information should be delivered either over the phone, or during a home visit. This task is perfectly to be undertaken by a mobility manager. However, many rural transit agencies that operate intercity bus routes do not have the resources for a mobility management position. It is very common for smaller communities to have travel needs filled by volunteers. A volunteer could easily disseminate this information to the (R) and (I) respondents. Another way to send out the necessary information, although not ideal, is by email. This is a less desired method of distributing the information as it is less personal, and therefore the respondent is less likely to alter their behavior because of it.

In Bellingham, Washington alone this program led to a decrease in personal vehicle miles traveled of 8%, while increasing public transit ridership by 14%.¹⁰ IMDP is also the perfect marketing tool to introduce the Smart Trip Program, discussed further in the Incentive Programs sub-section below.

Fundamental Communications

Fundamental communications is the most basic marketing strategy that should be implemented by all transit agencies, and service providers. Fundamental communications are comprised of branding and passenger information.¹¹ Without these two pieces, potential passengers would not know that the service existed. To the extent possible, fundamental communications should occur as active marketing efforts, not passive marketing.

Branding Strategy

Branding is what identifies one service over another. Because of the magnitude of the intercity bus system in California, a statewide marketing campaign is unlikely to be successful. Each service provider should individually brand their own segment of the intercity bus system, while still making sure passengers know that their fragment is part of a larger, easily accessible network. The important elements of branding include:

- A single name, whether that is the actual company name, or an agreed upon moniker
- One agreed upon logo
- Uniform vehicle colors and graphics
- Strategically decorated bus stop signage and facilities

¹⁰ Lindquist, Kathy; Poor, Aaron; and Rodwell, Julie. "Evaluative Results of Individualized Marketing Programs for "SmartTrips" Programs: Synthesis". 2009. WSDOT Transportation Planning.

<http://www.wsdot.wa.gov/NR/rdonlyres/2F79323A-641D-46D2-AE6B-41BC10D1971F/0/SmartTripsEvaluationI>.

¹¹ "Fundamental Communications". *National rural Transit Assistance Program*.

<http://nationalrtap.org/marketingtoolkit/How-To-Guide-for-Marketing-Transit/Strategies-for-Marketing-Public-Transit/Fundamental-Communications>

Information Strategy

Similar to how passengers will not use services they don't recognize, passengers will also not use the intercity bus network if they do not know when and where they can travel. Effective, easy to use information about route details, connections, timetables, etc. can attract passengers that are unsure about whether to use a personal vehicle or use the intercity bus system. There should be passenger information for each of the following items:

- Printed riders guide (no more than 2 pages in length)
- Easy to navigate website
- Integration with Google Transit and (note AND, not OR) other transit planning tools
- Schedule and route information at each bus stop
- Telephone and email support

All of these passenger information tools should be designed and implemented with the passenger in mind. This is why it is important to maintain a clear definition of each agency's target market so that the materials meet the various needs of riders. All users of this plan should keep in mind that it may be necessary to revise the design of any passenger information.

Building Awareness

In order to expand a ridership base, there must be broad awareness and support for the existence of intercity bus service in the communities served. The most effective way to build awareness is through communications, including both free and paid communications.¹² This marketing strategy is inherently active, but a conscious effort should be made to be as active in communication as possible.

Non-Paid Communications

It is common to associate reaching out to the community through communication with paid advertisements. However, there are many methods of non-paid communications that can actually be more effective than paid advertisements. These methods are also more active and individually engaging, making it more likely they will have a positive impact on ridership. Non-paid communications include:

- Meetings with community leaders/decision makers
- Meetings with social service and civic organizations
- Meetings with local businesses
- Attendance at local community events

¹² "Strategies for Building Awareness, Image and Support". *National Rural Transit Assistance Program*. <http://nationalrtap.org/marketingtoolkit/How-To-Guide-for-Marketing-Transit/Strategies-for-Marketing-Public-Transit/Strategies-for-Building-Awareness-Image-and-Support>

Paid Communications

In the age of the internet and easily accessible consumer information, paid communications come in many forms. Possible forms of paid communication marketing include:

- Newspaper advertisements
- Radio advertisements
- Television advertisements
- Direct mail
- Online advertisements
- Social media advertisements

Users of this plan should note that in many smaller communities, non-paid communications such as attending community events, and meeting with community and social leaders might yield greater results in terms of increased ridership, besides the fact that they will avoid high costs. This is due to the population's more limited access to the internet, radio and television.¹³

Gatekeeper Outreach

This marketing strategy is directly related to non-paid communications. Targeted strategies are important, because they are both cost effective, and target the populations most likely to become passengers on the intercity bus system. This strategy is also active by nature, but efforts should be made to ensure the execution of this strategy is as active as possible.

A gatekeeper, as it relates to transportation, is considered an organization or individual who controls access to a large number of potential passengers. Marketing directly to these gatekeepers about the benefits of the California intercity bus system, and specifically the local segment of the system, can open the door to a multitude of potential new passengers. However, outreach does not stop with initial contact. Gatekeepers must be educated on all aspects of the transit system so they can help their constituents with questions about the intercity service, as it is more likely the constituents will address these questions to the gatekeeper, not the operating agency/company. Some examples of gatekeeper organizations include:

- Medical facilities
- Social service organizations
- City/county agencies
- Retirement communities
- Major places of employment
- Education centers

¹³ Paules, Rick. "Only 43 Percent of California's Rural Residents Have Broadband Internet Access." 2016. Pacific Standard. <https://psmag.com/only-43-percent-of-californias-rural-residents-have-broadband-internet-access-992ce0f42f52#.74e8aeco0>

Incentive Programs

Incentive programs can help market a transit system in two ways. First, any sort of monetary benefit to using one service over another will result in passengers telling their friends and family about the service. This word of mouth advertising can help attract new passengers. Second, it helps incentivize existing passengers to use the service more often as the more the passenger uses the service, the larger the benefit the passenger will receive. Transit incentive programs generally take the form of providing a free ride after X number of rides have been taken, or having discounted fare tickets if so many rides are purchased at once.

Smart Trip Programs

The Smart Trip Program is a specific incentive program that has been used successfully in Whatcom County in Washington State. The program is a rewards platform that lets a passenger earn points for traveling by intercity bus instead of driving themselves.¹⁴ The rewards earned can vary by jurisdiction so each segment of the California intercity bus system could have rewards set up with its own local businesses. However, it is recommended that Caltrans oversees the entire program and establishes a statewide rewards program awarding a prize at the end of each year for the region that has the most participation in the local programs. This prize would be larger in nature than the local rewards and might come from a statewide, or national company such as Amazon. A metric would have to be developed so competition could be equitably measured between areas of differing size.

This strategy would require resources up front to establish. The necessary components of this project for both local transit agencies/companies, and Caltrans would be:

Local Agencies:

- Active marketing using the methods described in the sections on Target Market Objectives and Promotional Objectives to introduce this program to local communities
- Outreach to local businesses to find companies willing to participate in the rewards program

Caltrans:

- Develop a website and/or application where users of the program can find information and log intercity bus trips
- Monitor local agencies'/companies' implementation of the program
- Develop a scoring metric for the statewide competition
- Conduct outreach to larger companies to find a sponsor for the statewide competition
- Design training and support materials to educate local agencies prior to implementation

¹⁴ More information on the Whatcom County program can be found here: <https://www.whatcomsmarttrips.org/>

A competitive program such as the Smart Trip Program would help market the individual segments of the intercity bus system and provide a competitive aspect that encourages word of mouth marketing among users of the program. The program's success would require diligent active marketing on the part of local agencies providing education that would lead to adoption of the program.

Annex D1

Resources for Implementation

Resources for the implementation of marketing plans are widely accessible through internet searches. However, there are two specific resources that aided with the creation of this marketing plan. These resources are presented here:

- **Smart Trip Program Website** – The website from the Whatcom County Smart Trip Program (<https://www.whatcomsmartrips.org/>) can serve as a starting point for the California Smart Trip Program. The website has many useful resources about the prizes offered (including a grand prize of \$1,000 in cash), serves as an example of a web platform and trip logging system, and has other frequently asked questions about the Smart Trip Program.
- **Rural Transit Assistance Program Marketing Toolkit** – The Rural Transit Assistance Marketing Toolkit was developed by Transit Marketing, LLC with the help of the National Rural Transit Assistance Program (RTAP), who hosts the information on their website.¹⁵ The toolkit is designed with the specific challenges of marketing in a rural environment, where resources are limited, in mind. The website includes a how-to-guide, marketing tools, a detailed list of strategies, a workbook for making a marketing plan, and a photo library where agencies can download photos to use in advertisements and marketing campaigns.

¹⁵ Found here: <http://nationalrtap.org/marketingtoolkit/>