Transit Marketing:

Strategies for San Juan, Puerto Rico

by

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Submitted to the Department of Urban Studies and Planning in Partial Fulfillment of the Requirements for the Degree of Master in City Planning at the Massachusetts Institute of Technology

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ABSTRACT

Public transit systems in the United States and elsewhere are often poorly marketed and thus poorly regarded by users and non-users alike. Several forces, including environmentalism, frustration with the costs of traffic congestion and increasingly higher demands on government sector performance are combining to provide transit systems with an opportunity to reform their image and play a larger role in shaping metropolitan areas. Given this background, marketing will be an important contributor in shaping transit’s future. Sound transit marketing relies on three key principles, (a) an understanding of the breadth of the task, (b) a focus on maintaining existing ridership, developing new ridership and fostering a positive public image for the system and (c) a means of evaluating the results of marketing efforts to organize future agency planning. Each of these issues is addressed in this work and is then applied to the context of San Juan, Puerto Rico. San Juan, in the midst of a $1.3 billion dollar investment for its first modern rail transit system, faces a number of marketing related challenges, though few are unique. The challenges include transit’s poor image and the technical difficulty in ensuring the integration of several transit modes for seamless service. This research addresses the first of these challenges, providing strategies to change and manage the image of transit.

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This work is dedicated to all who believe in the future of public transportation.
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CHAPTER 1: INTRODUCTION

Urban mass transit ridership has been falling in most areas of the United States since the end of the Second World War. This decline has been brought about by a range of developments that have made transit a less competitive means of transportation. One of these developments is the under-valuation and under-utilization of marketing in transit management. While neither the abandonment of transit nor marketing is universal, both trends have been widespread.

San Juan, Puerto Rico is in the midst of a large investment for a new rail transit system, the city’s first. The city is increasingly choked by traffic congestion and its current public bus transit system is both inadequate to the task of addressing congestion and is poorly regarded by users and non-users alike. Given this background, managers face substantial challenges in successfully improving transit service in San Juan.

Several recent urban rail transit starts have shown that beyond sound operational performance, a creative and broad-based marketing strategy has been instrumental in developing high levels of ridership and has improved public acceptance of transit in those cities. The marketing strategies employed also helped overcome the significant problems of negative public perception that the transit systems faced. San Juan faces this same challenge, among others, but has the opportunity to position itself for success with a commitment to excellence in transit marketing. This research seeks to prepare managers for that task by addressing two questions:

- What current and new transit marketing practices will be beneficial for San Juan?
- How might these recommendations be packaged as not just a set of activities but rather as part of a viable management strategy?

1 Lovelock, p. ix, Smith, pp. 30-32, Deka, p. 71
2 Tren Urbano Environmental Impact Statement 1995
Background

Tren Urbano, "The Urban Train" will be the first rail transit system in the 1.3 million person San Juan Metropolitan area since the original passenger train service ended in the 1950s. At present, transportation options in the area consist of public buses, private jitney van service (known as "publicos"), some ferry routes, taxis and increasingly, the private automobile. Walking and bicycling for functional distances are almost non-existent. Tren Urbano is projected to include five phases of rail transit over the next two decades. The first phase, twelve miles in length with sixteen stations, is scheduled to open in the fall of 2001. This research is concerned with the marketing of the first phase, though the principles and recommendations should be valuable for the study and the implementation of future phases.

Overview

To answer the questions stated above, this research is presented in five chapters. The first chapter provides an introduction to the work and discusses the importance of marketing for services such as public transportation. The second chapter contains an overview of fundamental marketing concepts from various fields relevant to transit. Lessons and concepts from marketing practice are then used to develop what is termed the 'Three Dimensional' approach to generating public support for transit systems. The approach is then applied to the transit context, where it is intended to maximize the impact and effectiveness of marketing. Chapter three presents descriptions of innovative transit marketing efforts in practice, relating the experiences of several cities with rail transit systems. Each of these examples is then evaluated in light of the Three Dimensional approach to consider its effectiveness. The fourth chapter provides a brief statement of background on the city of San Juan and finally, recommendations for the marketing program and suggestions on its implementation. The concluding chapter summarizes the key themes in transit marketing and reinforces the importance of marketing for transit. Figure 1-1 provides an overview of the themes of this research.
Why market public transportation?

Transit, as with many government services, may not be associated with good marketing, but rather with just the opposite, poor service quality and management. However, as congestion and air quality problems grow more severe in major metropolitan areas and as public services are increasingly held to higher standards, marketing functions are likely to play a more important role for transit. Managers familiar with current marketing practices will be better positioned to develop strategies for their own programs when resources are more constrained and ridership is ever more important.

In many areas auto-use is growing and transit ridership is falling. However, several factors support the counter-argument that public transportation will not fail but rather will be even more important in the future. Increases in highway congestion, levels of air pollution and concerns about patterns of development are merging in many areas to generate interest in new approaches to mobility. Most citizens no longer believe we can simply add highways to reduce congestion and are taking an interest in new options to address mobility needs. If these trends continue, public transportation can assume a more important role in the future.
On the other hand, some of transit's long standing problems remain-- it is often inaccessible, slow and difficult to use. As well, desire for personal security, for smaller, more flexible government and the complexity of today's trip demands are factors that argue for continued or increased use of private automobiles. The fast growing Intelligent Transportation Systems industry seeks to keep cars available and practical for everyone, promising technological solutions to ensure easy driving for decades into the future. How should transit position itself in this environment?

For public transportation to survive and indeed to make a contribution to addressing the problems of pollution, development and congestion, it must become more reliable, inviting and pervasive. What would this imply for transit?

- predictable and rational schedules, routes and frequencies
- well designed stations / stops, easy transfers, safe travel and transfer points, comfortable, with logical routing, and good information to the public
- extensive coverage – in terms of geography, modes, accessibility and service hours

Only if these three goals are met can transit keep the transit dependent riders, attract mode choice riders and earn the favor of decision-makers and the public as a sound societal investment. Part of achieving this goal requires that transit services be known for excellence in operations, that there be a public commitment to supporting transportation and land use changes and that public transit really represents a viable option for certain types of trips.

This will be a difficult transition and some of these issues are outside of the control of transit managers. However, part of the managerial response can be to improve transit marketing. Transit marketing may not be widely studied, but marketing is and lessons can be drawn from other fields for use in the transit context. Marketing may take

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3 Mode choice riders are those who have more than one transportation option. Usually this refers to car owners who sometimes take transit because it may better meet their needs for a particular
many forms but in all cases it is (a) promoting the use of a service or a good, (b) providing information to users, potential users and other affected individuals and (c) proactive. In addition, marketing may be employed to promote any of at least four types of products or services:

- an existing product or service (transit)
- the idea of a future service (extensions or enhancements to transit service)
- a newly revised or updated service (feeder buses to a rail station)
- the choice of one service over another (transit versus driving)

In fact, a transit marketing campaign will almost surely have to address each of these challenges at some point, and often respond to several simultaneously. Anticipating each of these scenarios should help mangers as they form marketing and operations strategies.

**Three Basic Principles for Transit Marketing**

To organize the reader's understanding of marketing's role for transit, the following three principles have been used to guide this research. For each of the principles noted, a number of implications are also given; these are further developed in the subsequent chapters and in the final recommendations.

*Marketing comprises a broad range of activities*

The traditional perception of marketing as promotion and advertising is not wrong, but it is incomplete. Marketing is a multi-disciplinary function including planning, pricing, product definition and contributing to the future direction of the organization. The concept may be restated as two points:

- marketing concerns must play a role in overall organizational strategic and long-term planning
- marketing functions are the responsibility of managers throughout the organization, not just the “marketing” staff

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trip. Also known as choice riders, this group may chose to use transit for broader social reasons.
**Transit Marketing should have three goals**

- to maintain existing ridership
- to generate new ridership
- to improve public support for mass transportation

This point has several implications:

- marketing programs must focus as much on the system’s existing riders as on non-riders (i.e. potential riders)
- early and on-going market research is needed to support the allocation of organizational and marketing resources
- developing external relationships with allied parties outside of the transit agency can be a means to widen public support
- transit is part of a city’s welcome mat for outsiders, transit agencies should see themselves as part of the hospitality industry train employees accordingly
- managers must strive to create an organizational culture that can integrate and utilize new information from outside of the organization for planning purposes

**Strong marketing programs anticipate the need for internal and external evaluations**

Organizational resources should not be allocated to marketing activities without a plan for assessing their impact on the organization’s success.

Implications:

- managers must develop a clear statement of goals at the outset of any planning process
- plans should permit a quantification of the resources allocated to marketing and the resulting outputs
- the organization must make a commitment to periodically review its performance against previously stated targets
- reviews should include a commitment to use customer and peer evaluation information in performance assessment
- managers must develop a means of incorporating evaluation results into the planning process

Managers keeping these three principles in mind should be in a position to develop effective marketing programs. However, the most important aspect of a transit
system’s success is reliable operational performance. Issues of design, routing and equipment selection do contribute to the both the operator’s and the user’s experience of the system but their impact can be overwhelmed by unreliable performance at the outset of a system’s operation, when public opinions are forming. Transit’s future depends on a number of factors. Some, such as land development, are out of its direct control, but the allocation of senior management attention to marketing functions presents a real opportunity for transit to improve its image and its performance.

The subsequent chapters of this research provide additional detail to reinforce the principles noted above and help to organize them for managers. The concept of “Three Dimensional Marketing”, detailed in the second chapter, works with these points to provide transit managers with a means to approach the task of developing a marketing strategy that will meet the operator’s needs and satisfy the demands of the public.

### Contribution to Tren Urbano

The arrival of the Tren Urbano rail transit system represents several important new developments for the San Juan metropolitan area:

- A substantial physical improvement in transit capacity
- A new management challenge (i.e. a new technology and issues of integration with the existing bus and public van systems)
- A chance to reshape perceptions of transit
- A first look at the viability of the proposed future extensions to the new rail system
- A long-term opportunity to change travel behavior

While superior operations performance may be the most important aspect of Tren Urbano's initial success, decisions about the system's marketing strategy will also play a critical part in how the city addresses each of the opportunities listed above.

Marketing’s contribution to Tren Urbano’s success may be measured in two ways. First, effective marketing will contribute to higher levels of ridership, which in turn will
help meet projected improvements in access and congestion; both sorely needed in San Juan. Second, marketing, as an outward-focused management activity, offers the opportunity for transportation managers to bring together actors from different backgrounds to contribute to shaping the marketing strategy. Having a broad range of inputs contributing to the formation of Tren Urbano's image should help bring the metropolitan area together around its new link and offers a potential organizational model for other area-wide planning tasks.

This research is targeted to provide timely and focused recommendations to Tren Urbano managers. Marketing concerns are already being considered in San Juan and will need to be carefully addressed during the next two years. The 1998 restructuring and marketing of the metropolitan bus system is also a key opportunity to test and develop marketing expertise. Formation of the overall strategy for marketing Tren Urbano by late 1999 will permit managers to plan for resource allocation well in advance of the critical period for marketing, beginning six months prior to the start of revenue service. The results of this research should prove valuable as (1) background on current transit marketing practices and (2) options to consider in developing the overall marketing program for the system.
CHAPTER 2: KEY PRINCIPLES IN MARKETING

Too often transit managers see marketing as simply advertising or as the static display of public information. This narrow view of the marketing function may be a significant factor in the public’s current low opinion of transit. To improve transit marketing, we can benefit by looking beyond transit, to the business world and to the evolving marketing efforts of other government services to learn more about marketing’s potential.

Marketing is part of the work of every organization. Whether large or small, private, governmental or non-profit, organizations need to consider how they are perceived, how their actions affect this perception and how their organizational goals are affected by the actions of consumers and by other stakeholders. This chapter is divided into two sections; the first discusses several elemental principles of marketing and their importance for government services, especially those such as transit which may be accessed by any member of the public and which have substantial impacts on metropolitan areas. The second section introduces the concept of ‘Three Dimensional’ marketing and applies marketing techniques to the transit context.

While marketing practices have primarily been developed in the private sector, much of this knowledge can be, and has been, transferred to the public sector with welcome results. Effectively incorporating marketing into the management of an operations focused entity such as a transit agency can be difficult, however. Success requires a commitment from senior management and a stable base funding for marketing activities. Recall from the introductory chapter that three themes will be considered throughout this research. The first of these, that marketing comprises a broad range of activities, is discussed here and should be understood as a key principle in developing marketing programs.
Marketing Concepts and Functions

In a generic sense, marketing is well understood. Most often we think simply of advertising and other visible attempts to sell products. While this is the heart of the communications aspect of marketing, there is much more that goes on before an advertisement enters into the consumer’s view. The term marketing, as it is used in this study, refers to a wide range of functions to be undertaken by numerous managers within an organization. Marketing should not be taken to include only advertisements and promotions to consumers, but rather as a broad effort to develop deep and lasting consumer and public interest in the continued provision of the organization’s services. In the Tren Urbano case, this interest, developed and managed by the area transportation authority, will ideally come from all areas of the city-- from business leaders, community groups, elected officials and from the public itself. Developing and maintaining this support will be one of the key factors in achieving early and sustained high ridership levels for any transit system.

The American Marketing Association defines marketing as:

"the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives." \(^4\)

This definition contains two critical points. Starting with the last phrase, individual and organizational objectives, the emphasis is on the relevance of the product or service to unmet needs. A marketing campaign may be called upon to do two potentially incompatible tasks, first, it is asked to sell the production department’s outputs and second, to satisfy customer needs. Where available products are not in line with consumer demands, the marketing challenge is greatly increased. This is often the case with transit as services may be considered unsafe, inadequate or they simply do not serve the desired destinations of some potential users.

\(^4\) Cronin, et. al. Module 1
This relates to the second point from the above definition, *planning, pricing and distribution*. If an organization’s outputs are developed without prior planning, or if the same product is made available for years without regard to changing external conditions, selling that good is doubly difficult. However, where organizations make efforts to understand consumer demands and where senior managers work to incorporate those ever changing demands into the product planning cycle, marketing becomes seamless and comparatively simple. To stress the importance of this integrated thinking, Cronin states that marketing is not simply the visible advertisements but rather "a management orientation, that stresses the importance of customer satisfaction and includes all the activities required to implement this philosophy."5 The activities required to conduct a marketing program are discussed below.

**Marketing Organization**

Marketing tasks are generally discussed with reference to the “Four P’s”, promotion, price, place and product. While there are numerous variations on this common segmentation, it does capture the vast majority of marketing functions.6 The four P’s are a means of organizing the key tasks to be addressed by the manager in preparing for a marketing effort. Figure 2-1 depicts these four aspects of marketing.

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5 Cronin, et. al. Module 1
6 Cronin, Lovelock, Kotler
Promotion may include any type of communication, whether regular or special and may be conducted via any media. Examples include advertising, mailings, radio and print communications, face-to-face exchanges and others.

Pricing is a complex topic only briefly discussed here. A firm’s production may be priced in a number of ways, by the piece, by time, by time of day, as multiple purchases, in advance, at the point of sale and others. Identifying the appropriate price structure requires a thorough understanding of the product’s position in the market and of the actions of competitor organizations.

For further reading, research on transit system fare structures was conducted in a Master’s thesis entitled: Intermodal Fare Integration: Application to the San Juan Metropolitan Area, by
Place once referred simply to the location where an organization’s outputs were made available to consumers, such as a store. As the pace of information exchange has increased, however, the place concept in marketing has evolved considerably. Consumers can often access goods and make purchases remotely, making the traditional face-to-face sale now only one of many means to acquire goods.

The term product may be used to designate either goods or services produced by an organization. From a marketing point of view, the important characteristic of these outputs is that they may be modified to respond to changing market conditions. Organizations with static products will suffer as consumer demands and the products of other organizations evolve. Organizations that can not easily or quickly alter their products (such as the transit industry) should concentrate on developing new and more flexible promotional, pricing and place strategies.

The four P’s are a simple way to organize the major tasks involved in marketing. Each setting may demand a redefinition of the details but the fundamental division of tasks is likely to serve most marketing programs as a good starting point.

Market Research

* A wise man recognizes the convenience of a general statement, but he bows to the authority of a particular fact.  
  – Oliver Wendell Holmes, Jr.

For organizations to develop outputs that will be profitable or effective they require information on the nature of the market they seek to enter. Properly conducted, market research can help organizations refine their outputs as well as their marketing strategies for greater effectiveness. Market research allows organizations to test assumptions about the performance of their product and to predict its success in a given context. Market research for consumer products is familiar to most people but it may also be used for more fundamental business decisions such as plant location, profit

Joseph Barr of the Massachusetts Institute of Technology in 1997.
analysis, studies of price elasticity, or to determine compensation for members of a sales staff for example.  

Market research is also used to guide the development of marketing programs. With reliable information on consumer behavior and preferences, managers can intelligently decide how much to budget for advertising and for what kind of advertising, how to target messages to particular consumer groups and find solutions to other resource allocation decisions. As the four P’s indicate, marketing is a multi-dimensional task, bringing together aspects of product planning, production, distribution, communication and others. Market research underlies most of these functions and is one of the most important marketing functions, and perhaps also the most difficult to undertake for managers with little marketing experience.

The process of conducting market research should vary depending upon the nature and intended use of the research. However, in all cases, the following steps will help organize the task.

1. Define the problem and research objectives

   Is the organization’s goal to increase sales by entering new areas, by changing its products? Managers should define a limited set of objectives to pursue with the market research.

2. Develop the research plan

   What resources are already available? What new information will have to be collected or purchased? Many organizations hire professional market research firms to conduct their studies. Professional firms can apply both the time and the expertise required to carefully conduct market research.

3. Collect the information

   Market research may be conducted in a wide variety of ways including the use of focus groups, surveys, interviews with experts

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8 Kotler 1994, p. 132
and others. The key is to consider how to collect the best information at the lowest cost.

4. Analyze the information

Carefully reviewing the results of research is key to effective use of market research funds. Managers should determine whether they are able to answer the original research questions and if new questions can also be answered by the findings.

5. Present the findings

A market research effort will fail if managers are unable to present the information in a useful form and incorporate that information into the organization’s process.9

Conducting high-quality market research is a complex process that will not be fully treated here. Professional market research firms have developed the skills to carry out market research much more quickly and effectively than can most individual organizations. For most managers it is more important to learn to develop good skills in guiding the development of a market research plan than to conduct market research on their own. Equally important is the ability to incorporate the findings of market research into the organization’s work planning process.

Finally, managers should consider the timing of market research. A new study should be undertaken at the outset of any significant organizational change to help guide product development and the corresponding marketing strategies. However, market research can be valuable at other points in time as well. Changes in the external environment, technology changes and other indirect impacts on an organization represent opportunities, and in some cases demands, that the product, the marketing or both be re-evaluated. Managers can economize by doing limited, highly targeted market research periodically, while undertaking more substantial research less frequently.

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9 Adapted from Kotler, 1994, p. 132
Market segmentation

Market research is essential to the next step in marketing, market segmentation. Segmentation is the process of targeting both products and marketing interventions to the audiences where they will have the greatest impact. Segmentation is familiar to most people; examples include varied prices for air travel, both in terms of quality (first class) and as related to time of purchase. Goods may be shipped by regular mail or by more expensive overnight express. In providing these varied offerings, firms have responded to the range of customer demands they see. In marketing, segmentation may be by means of communication, by new versus existing users, by time of day or year, by geography or by demographic characteristics and others. The market research plan should be designed to produce an initial segmentation strategy.

The segmentation process can be broken into six steps:

1. Identify segmentation variables and segment the market
2. Develop profiles of resulting segments
3. Evaluate the attractiveness of each segment
4. Select the target segments
5. Identify possible positioning concepts for each target segment
6. Select, develop and communicate the chosen positioning concept

Segmentation is necessary for effective marketing, but managers should be cautioned not to over-segment. Creating too many segments that are too small would result in a waste of marketing resources. Ideally, segments should be:

- **Measurable**: If a segment cannot be clearly defined, it may not be worth targeting
- **Substantial**: A segment should be the largest possible homogenous group for whom it is worth tailoring a specific marketing effort.
- **Accessible**: Marketers must believe they can effectively reach the proposed segment with their message.

Kotler, 1994 p.265
• *Differentiable*: To merit segmentation, segments must be shown to respond differently to the same marketing message.

• *Actionable*: The organization must have sufficient resources to pursue each of the segments it defines. Where resources are constrained, less segmentation will be possible.\(^{11}\)

The results of marketing research should indicate possible segmentation options and each should then be checked against the above criteria before a complete marketing strategy is developed. Segmentation decisions will also help managers determine staffing and functional requirements for marketing, as well as the most appropriate methods of communications for marketing efforts.

**Key Marketing Related Functions**

In addition to periodic market research, there are several ongoing functions that are important components of a marketing program. These include: community relations, public information, customer service, marketing and public relations, among others. Each of these functions overlaps to some extent and all of them may not need to be formally represented in an organization. In fact, many of these functions or certain tasks within each may also be conducted by outside professional firms. Examples of outsourcing include the production of advertising materials, management of media contacts and others. Regardless of which tasks are completed internally, an organization’s managers must nonetheless ensure that all tasks and functions are well coordinated with other internal operations. Figure 2-2 depicts a hierarchy of these key functions in terms of their temporal perspective and their degree of interaction with other parties. Some functions, such as public information may be relatively static and organized for short-term effectiveness. At the other extreme, market research is a highly complex and interactive function, generally used for longer-term planning purposes. Further discussion of each function follows below.

\(^{11}\) Kotler, 1994, p. 280-1
Marketing is the strategic organizing effort required to bring the various sub-functions together and to provide an organizational context for the activities.

Market research is the process of examining the context in which the organization’s product will be deployed and from that, determining how to allocate organizational resources for maximum effectiveness.

Community relations consists of direct contact with the public in areas affected by a project. It is often the most visible part of the early planning and construction phases for a system. In a sense, it is the agency’s public involvement in local politics. Examples include learning about the community’s concerns as planning or construction is undertaken and informing the community about a project’s status. Once construction is completed, community relations functions may be maintained or be merged into other communications functions.

Public / Press Relations is used to address targeted short-term information needs and communications for unplanned events. Information may be made available to the public or to specific sub-groups of concern.
**Customer Service** is the task of responding reactively to direct customer inquiries or concerns. Examples include staffing a telephone information line, a lost-and-found office and addressing the planning requirements of special groups or events.

**Advertising** is the direct act of placing messages where the public can receive them, either in print or in the electronic media. The messages generally convey promotional or static information, not developing news regarding specific events.

**Public Information** is the task of actively providing service related information, whether repeat or new, to the concerned public. Examples for transit include fare, routing and schedule information.  

It is important that managers recognize the inter-relationships between these functions as well as their characteristics. For example, public information, as noted above, is a relatively simple function, but nonetheless fills a critical need for consumers. It is generally a one-way transfer of static information, using signs or postings. In the case of transit this might include schedules and timetables at a kiosk. In contrast, community relations functions are highly interactive and must evolve in lockstep with any changes in the organization’s activities. In addition, some marketing related functions are short-term in nature, such as promotion for a special event, while others, like community relations address long-term customer concerns.

**New approaches for specialized marketing**

Two sub-fields of marketing, services marketing and social marketing are of particular relevance for transit managers. Each takes fundamental marketing concepts and refines them slightly to meet the needs of their organizations. This section provides a brief overview of the major components of each of these two sub-fields. Transit, as a service conducted to address identified social needs, can benefit from consideration of these

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12 Adapted from Lovelock p. 173
13 Newly developing technology such as automated schedule information displays and real-time information for customers are changing the face of public information functions. However, the fundamental nature of public information – the provision of direct information to the concerned public remains the same. Technological improvements, mostly in terms of greater targeting and interactivity of information, tend to blur the distinction between the functions described above but
marketing strategies in developing its own marketing and work planning. Though they are increasingly recognized as important aspects of marketing management, both of these subfields have been defined relatively recently.

Services Marketing

Services marketing involves the promotion and sale of intangible products. Familiar examples include the financial and travel service sectors, and many others. Transportation is generally considered a service as well. Though the definition of a service is somewhat imprecise, the services sector may best be understood as existing at the opposite end of the spectrum from that a pure physical good, such as standing timber. The services sector might provide any number of means of accessing this physical good, such as managing real estate transactions, transport of lumber or the assembly of finished furniture. Palmer defines a service as "the production of an essentially intangible benefit...which through some form of exchange satisfies an identified consumer need."\(^{14}\)

Services may be defined by their intangibility and by three other characteristics, inseparability, variability and perishability.

Most services are consumed as they are produced, an example is transit where passengers can only ride when service is offered. While this is obvious to any observer, it has important implications for managers. The most fundamental of these is that production employees (train operators in this case) become the public face of the organization and thus play a critical role in the marketing of the product. Managers of service organizations need to respond to this issue as organizational structure is defined. Training programs in customer service and sensitivity are valuable as is a good system of delivering key organizational information to front-line employees. Figure 2-3 depicts two important dimensions of the customer view of service producers and suggests appropriate management responses. Managers who attempt to understand the customer’s

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\(^{14}\) 1994 p. 3
experience of the services will quickly recognize the importance of the concepts of intangibility and inseparability.

**Figure 2-3: Key characteristics of Services Marketing**

**Intangibility of Services**

Leads to Consumers:
1. Having difficulty in evaluating competing services
2. Perceiving high levels of risk
3. Placing great emphasis on personal information sources
4. Using price as a basis for assessing quality

Should result in management action to:
1. Reduce service complexity
2. Stress tangible clues
3. Facilitate word-of-mouth recommendation
4. Focus on service quality

**Inseparability of Services**

Leads to Consumers:
1. Being co-producers of the service
2. Being co-consumers of the service with other consumers
3. Traveling to the point of service production

Should result in management action to:
1. Attempt to minimize the negative impact of simultaneous production and consumption
2. Manage consumer-producer interaction
3. Improve service delivery systems

*Variability:* Because the consumption of services is inseparable from the production, no monitoring of the output can be conducted prior to the offer of sale. Quality may vary in each service encounter and may be very difficult to accurately measure.

*Perishability:* Unlike goods, services cannot be stored after manufacture. A service that has already taken place cannot be sold or marketed. The manager’s
response to perishability is to try to more accurately estimate demand and to attempt to spread out peaks in demand.\footnote{15}{Palmer p. 6}

The field of services marketing is rapidly growing and is changing as the service sector evolves. Much of the change in the sector is brought on by the increasing ease with which information can be shared, a theme that is important to transit as well for both managers and passengers. As information is more widely available, suppliers and consumers can more easily compare competing services and can function in the market with greater confidence. Managers should recognize that if a competitor’s product information is more readily available than their own, their market share is likely to fall. For example, automobiles are transit’s primary competition and their manufacturers make great efforts to disseminate information about their availability and their advantages over other means of transportation. In contrast, information on transit is usually scant and often difficult to find. This is doubly important for services, as unlike goods, services can not be compared directly, making the information provision a critical component of their marketing. Transit systems should benefit from more active use of service marketing practices.

Social Marketing

The field of social marketing involves the use of adapted business marketing techniques to affect changes in social behavior. Though efforts to shape social behavior have been present since the beginning of civilization, the organized field of social marketing has only been recognized in the last ten to fifteen years.\footnote{16}{Andreasen, p. 3 & 7} Social marketing has at its center the idea that the appropriate presentation of the appropriate information will lead to desired changes in public behavior. In their formal use, these practices have been employed primarily in the field of public health. Campaigns to limit drunken
driving, smoking and teen pregnancy are well known examples. Issues of education, the environment and literacy have also been addressed with social marketing techniques.\textsuperscript{17}

Social marketing is distinct from consumer goods marketing in that the benefits of changed practices, such as improved nutrition, are received by the customer and by society but not directly by the marketer.\textsuperscript{18} Social marketing practices should be valuable for the promotion of transit systems in that they provide tools to shape public behavior. A social marketing effort may be targeted widely or may be focused on specific market segments. Social marketing campaigns generally have several core elements in common, including:

\begin{itemize}
  \item \textit{Cause}: A social objective that change agents believe will provide a desirable answer to a recognized social problem
  \item \textit{Change Agent}: An individual, organization, or alliance that attempts to bring about a social change
  \item \textit{Target Adopters}: Individuals, groups, or entire populations who are the target of appeals of the change agent.
  \item \textit{Change Strategy}: The direction and program adopted by a change agent to effect the change in the target adopter's attitudes and behavior
  \item \textit{Channels}: Communication and distribution pathways through which information is exchanged between change agents and target adopters.\textsuperscript{19}
\end{itemize}

Figure 2-4 depicts the interaction of the major components of a social marketing effort. A cause is identified, either by those directly affected or by others outside of the immediate area; a cause may be any issue or problem that could be lessened by changes in the behavior of the target adopters. Change agents identify a means of addressing the problem and develop a strategy to convey information to target adopters. Agents utilize

\textsuperscript{17} Kotler 1989 p.5-6
\textsuperscript{18} Andreasen, p. 3 & 7
\textsuperscript{19} Kotler 1989 p. 17-18
channels of communication to convey their message. The selection of appropriate channels to reach the target adopters is critical to the effectiveness of social marketing. For example, discussing teen pregnancy using loudspeakers on moving trucks would be highly ineffective compared to doing so with small, more personal groups of teens and counselors. What is important to recognize in managing the entire social marketing effort is the circular interplay between the target adopters and the identified problem – this will be continually affected by both the change strategy and by changes in the external environment. The implication is that even with a sound initial strategy, change agents will need a means of monitoring the effectiveness of their intervention and a means of adjusting its nature and scope as conditions demand.

**Figure 2-4: Social Marketing in Action**

The prior behavior of the target adoptors creates the issue that change agents seek to address.

The strategy must anticipate the interplay between the cause and the adopters.

The adoption of changed behavior by the target adoptors affects the magnitude of the cause.

Successful social change campaigns are generally organized to respond the following points:
Force: The willingness with which a target adopter changes behavior is a combination of the person's predisposition towards that behavior and the effectiveness of the message of the social campaign. Campaigns should be designed to respond to recognized pre-dispositions of target groups. For example, transit use is often associated with lower class status. Change agents should acknowledge this preconception and design a campaign that works to change attitudes, encouraging more people to try transit.

Direction: Target adopters should have, or be given, the information required to respond positively to a campaign's objectives. Even a person whose interest is caught by the message will not likely change his/her behavior without an understanding of how to take the next step.

Distance: The campaign must reduce and communicate the effort required for an individual to adopt the new behavior. Effort may be measured in terms of cost, physical difference and complexity, among others. How can the campaign make new behavior more accessible?

Mechanism: The existence of an agency, office or outlet that allows individuals to translate motivation into action. Change agents should be prepared to work with adopters as they alter their behavior.

Reliable performance: The agency must perform its tasks as the campaign has stated it would. New adopters need the reassurance that new behaviors are sound and safe choices.20

Social marketing techniques are most frequently used in settings where:

- The final objective is to influence the behavior of the target adopter
- Target behaviors compete with comfortable or familiar practices
- Community pressures make change difficult even if a target adopter finds the new behavior attractive
- External support ("other publics") are considered important to success21

The implications for transit marketing are easy to identify in this context. Marketing messages must be clear and persuasive, utilize familiar terms and build on any

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20 Adapted from Kotler 1989 p. 10-11
21 Andreasen p. 5
positive images of the service. Transit system information must be easily understood and widely available. Obstacles to transit use, including access to information, cost perceptions and others, must be reduced and the design and location of physical facilities must be accommodating to new users. Finally, the system must live up to all of its own statements on performance, reliability and safety.

In the United States, the effort to re-frame the issue of drunk driving provides an example of these concepts in action. In the past, drunk driving, though not condoned, was often seen simply as laughable behavior, fodder for stories among friends. Today, most view it as socially unacceptable behavior, and as something that may be punished severely. How did this change come about? The campaign started with the use of fact. Most people have some individual experience with drunken driving, either personally or through the experience of others. Though this experience affects each person, it was not until the collection and dissemination of information on the national scale of the problem that drunk driving became a serious topic for a majority of people. The campaign presented aggregate figures on deaths, accidents, injuries and other quantifiable information on the effects of drunk driving, allowing debate to emerge on the importance of the issue and consideration of how it might be addressed. Factual reports from reliable sources such as government offices, doctors and police officers helped give a new authority to the issue that kept it from remaining simply as one’s own stories about drunks.

The continued wide scale presentation of information on the effects of drunk driving helped build an image of an orderly society in which this behavior was an aberration, a discrete problem that could, in fact, be addressed through changes in individual behavior. The cause was clearly identified by change agents who, with law, medicine and media on their side, presented authoritative information to the target audience. At the same time, achievable solutions were suggested to key figures within the target group. The participation of highly visible spokespersons and the personalization of the impact of drunk driving through advertisements both helped to
promote changes in individual behavior. As more individuals changed their behavior, the practice of drunk driving became more notable and gradually less tolerated. Today, though drunk driving is still with us, it is diminishing and a generation of teens is being raised in this new context, one that might change long-term attitudes about the practice.\(^{22}\)

To reinforce the reader's understanding of a social marketing campaign's organization, the above story can be summarized by inserting the key components of a campaign into the narrative. The italicized words are drawn from the flow chart in figure 2-4. The *cause* was the injury, loss of life and costs suffered from drunk driving accidents. The *change agents* were affected groups such as child advocates, parents and public health officials. The *strategy* was to use facts and authority figures such as doctors and police to publicize the impacts of drunken driving. Multiple *channels* were used, including television, billboards, radio and advertisements. Information was conveyed so that it was available to key target groups, such as students, young men, sports fans and others. Finally the *target adopters* were these same target groups, those most prone to drunken driving and their families and others who play influential roles in their lives.

The successful examples of social marketing programs mentioned above each represent an area of social concern, where the benefits of changed behavior accrue to society but do not necessarily accrue directly to the individual whose behavior is changed. As with the recycling of one aluminum can, the immediate societal benefits of one additional transit rider in a metropolitan area are few, both to society and to the rider. However, the rider, in changing his or her travel behavior does contribute to societal goals such as clean air or reduced congestion.\(^ {23}\) Widespread adoption of new behaviors with difficult to perceive individual benefits is critical for some campaigns and requires a high degree of voluntarism, that is, a willingness to change among the target group. In this way, transit marketers face challenges similar to those of many social campaigns and should consider organizing their work accordingly.

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\(^ {22}\) Gusfield p. 52 & 76
\(^ {23}\) Deka p. 71
Organizations entering planning for social marketing campaigns should consider the following steps:

1. Formative listening to stakeholders / customers
2. Development of a planning strategy and tactics
3. Development of an organizational structure and control systems
4. Conducting a pre-test of the initial assumptions
5. Refinement of the plan
6. Implementation
7. Monitoring and adjusting
8. Evaluation of results

These steps are common to many other types of marketing campaigns but two aspects deserve additional attention. The first term, formative listening to stakeholders / customers is roughly equivalent to the task of market research in other settings. Market research is critical for all types of campaigns. Though experienced managers may have well grounded assumptions about consumer behavior in their field, a careful and professional market research effort can provide an organization with the detail required to mount a successful marketing campaign.

The fourth item on the list, pre-testing assumptions, is critical to the effectiveness of a marketing campaign. The translation of consumer attitudes into appropriate marketing responses is a difficult task and proposed marketing activities can be effectively fine-tuned with pre-testing on small groups of representative consumers. Responses to proposed messages and methods by these groups can be used to improve the impact of the campaign. Both of these points underline the importance of the early initiation of planning for marketing programs.

24 Andreasen p. 309
Marketing government services

The active use of marketing practices for the promotion of government services in the United States began only in early 1970’s. However, with increasing limitations on government spending and increasing competition for funding and in service provision, marketing should appeal to more government offices in the future. Managers can expect that most private sector marketing practices can be used to market government and social service agencies as long as the fundamental differences between public and private purposes are recognized in work planning. The most important differences include: targeting, autonomy and flexibility, market exposure and political influence.

Targeting: While private firms may have large markets, their target customers may be segmented by their need for the firm’s product. Government services, especially those as pervasive as transportation, may be used by any or all members of the public and must be promoted accordingly. Government managers must also target their efforts to serve particular groups but may need to do so in ways that do not exclude any other members of the public from accessing taxpayer funded services. As an example of this complexity, the “public” may be divided into at least nine sub-groups for which separate marketing or communications strategies are needed. Figure 2-5 depicts a possible division of these publics. Managers must attempt to understand the needs of each of these and possibly other groups, in order to appropriately target both their services and the communications methods used to market those services. For some groups, especially service consumers, direct contact is likely the best method of communication. For others, such as the business community, newspaper advertisements may convey the necessary information.

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25 Crompton and Lamb, p. 31
26 Kotler, 1994, p. 31
**Figure 2-5: Publics of concern to government managers**

Autonomy and flexibility: Private firms have the discretion to re-invent themselves at the whim of the board or of senior managers. They might choose to do this to take advantage of changes in the marketplace, to respond to new technologies or for other reasons. Government services, though they can and should evolve over time, are generally established to serve a continuous function within society and have far less flexibility in the nature of their outputs. While government services do respond to technological and other types of changes in the external environment, their mission is generally constant for the duration of most planning horizons. The implications for marketing are that government bodies often can not change prices (fees), offerings or messages as fast as a private firm might.

Market exposure: In contrast to private operations, government services do not have to be provided profitably. Profit for government services, if it is measured at all, may be measured in terms of social welfare, or social benefit. While government services should be managed efficiently, managers may take a long-term view of efficiency that is not possible for most private operations. This can make service effectiveness measurement and marketing evaluation especially difficult as outputs are often more intangible.

Political influence: Finally, government services are subject to the impact of direct political influence and their provision may be altered by these forces. Managers need to acknowledge the difficulties this can place on marketing efforts, such as the need to provide certain services or use certain suppliers.

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27 Adapted from Crompton and Lamb, p. 34
Evaluating Marketing Efforts

Resources committed to marketing functions, as with all other organizational resources, should be examined periodically to assess their contribution to the organization’s mission. The evaluation of a marketing program, however, can be difficult as the program’s outputs are often less tangible than those of other functions. It can also be difficult to attribute consumer behavior to the effects of a marketing program as behavior is shaped by a wide range of influences, many of them outside of the control of the organization in question. Nonetheless, marketing programs can be evaluated and subsequently refined for better performance. Managers who make an effort to evaluate marketing functions in a manner similar to the evaluation of other functions will improve overall organizational recognition of the importance and the integral nature of marketing.

Evaluations may be conducted at two levels, (1) internal, which relates to the achievement of set targets by organizational staff and (2) external which relates to consumer opinion regarding the organization, its outputs and its marketing. For internal evaluations the structure and organization of a marketing program at its outset will affect the ability of managers to assess its impact at its conclusion. Marketing programs with vague goals and a poor record of actions taken will be virtually impossible to evaluate. In contrast, programs with clearly stated goals, with quantifiable objectives and with key target dates for defined accomplishments will be comparatively easy to assess. (Work planning for marketing is discussed further in Chapter 4.) Managers who anticipate the evaluation process during the program design phase should have little trouble conducting an internal evaluation of their efforts. Figure 2-6 depicts some of the key advantages and disadvantages of the two types of evaluations.
An internal evaluation should include several topics and may be designed as more or less complex depending upon time, budgetary or other constraints. For each activity specified in the marketing program, the evaluation should provide a comparison of target and actual dates, costs (materials, services and other) and staff time requirements. In addition it should provide a review of any changes to the program and the rationale for each change and a tracking of sales (or other appropriate measure) relative to marketing efforts. Finally, the review should provide recommendations categorizing activities as contributors, neutrals or detractors from the marketing effort. The recommendations should also propose staffing and budget changes to make future marketing more efficient and effective. An internal evaluation can be conducted at any point in time but may be most useful for managers just prior to the organization’s annual work planning process.

External evaluations may be considered a type of market research and can take many forms. While an internal evaluation reviews staff’s commitment to and fulfillment of the organization’s marketing plan and is thus an important measure of management capacity, an external evaluation attempts reveal the customer opinion of the organization and is thus an important source of strategic information. As is the case with market research, an external evaluation relies heavily on information that can be difficult to quantify but that is nonetheless important for marketing planning. An external evaluation should attempt to provide a sense of the customer’s view of:
the organization’s image and how it compares to other options consumers may choose
- the product’s reputation, usefulness and other qualities, and how these compare with the qualities of competing products
- the effectiveness of the organization’s communication strategy, including all marketing and promotional efforts
- Other information as required by managers

As with market research, external evaluations may best be conducted by an outside professional firm with relevant experience. The time commitment required for such evaluations and the fact that customers may speak more freely to a person not directly connected to the organization being evaluated both make this a stronger option. Managers should be directly involved in the development of the evaluation process, however, to ensure that it meets their information requirements. As with market research, a host of methods are appropriate for external evaluations, including surveys, phone interviews, direct mail, focus groups, point-of-service questionnaires and others. Regardless of how it is conducted, an external evaluation should be designed to provide useful and timely information for managers involved in product and marketing planning.

To summarize the first section, the reader should recall that marketing:

- Is part of the work of virtually all organizations
- Is the responsibility of all staff, especially in service organizations
- Includes many different sub-functions
- Requires advance planning and research
- Benefits from after-the-fact evaluations

Three Dimensional Marketing: Generating public support for transit

Transit marketing has traditionally suffered from marginalization, lack of imagination and in some cases, has been almost completely ignored.\textsuperscript{28} This research contends that in an age of information and of ever more complex travel demands, marketing

\textsuperscript{28} Smith and Oram Check Citation
is increasingly important to the success of public transportation and that the approach to transit marketing must be carefully conceived to contribute effectively in today's context. The marketing concepts and terms introduced above are now used as a base upon which to develop a new approach to the practice of transit marketing entitled Three Dimensional Marketing.

Three Dimensional Marketing is centered on the premise that identifying and responding to the interests of the major stakeholders in a transit system, and involving them in the planning and implementation of marketing activities is essential to the success of the transit system. This requires that the term "marketing" be used more broadly than has been the case in the past for transit.

The fundamental concept of Three Dimensional marketing is that the transit agency should develop mutually beneficial relationships with other government offices, with businesses and with the public. The purpose of these relationships is to develop broad-based support for the transit system and to use these opportunities to further promote the system. Three-dimensional Marketing differs from traditional transit marketing in this way but also in that from the start, it seeks to be broadly conceived, proactive, responsive, coordinated between various contributors and to anticipate an after the fact evaluation of marketing activities. Figure 2-7 below illustrates the opportunity presented for transit by the convergence of common interests among the three primary stakeholders of a transit system. Transit agencies making new capital investments can take advantage of this opportunity during the system planning stage. Other, more established systems can work to develop marketing and other management tasks in light of these synergies.
To take advantage of the interaction between these groups, a new approach to marketing is necessary. In the past, marketing for transit has often consisted of the following major sets of activities: promotion, advertising, market research, public relations, information collection and dissemination. Each of these fundamental activities has been discussed earlier. A Three Dimensional marketing program would continue to conduct these activities but add the following tasks as well:
• **Coalition building**: Development of VIP support and working with organizations outside the transit authority in the development and promotion of the transit system.

• **Social marketing**: Working with the public throughout the life of the project, and involving members of the public in promoting their transit system.

• **Long-term strategic planning**: Involving marketing concerns in organizational planning and using the outputs of market research to contribute to decision making.

• **Involvement of actors outside the transit authority in the planning process**: Related to coalition building but repeated as it is essential to a broader interpretation of marketing and to creating wider public support for a transit system.

• **Evaluation**: The investment of resources in a marketing program is unwarranted if no attempt is made to assess their impact on overall agency goals.

As an example of several of these principles in action, consider the difference between the traditional and the more broadly conceived marketing objectives in figure 2-8 below. The new objectives, though more complex, are more proactive and more inclusive of other forces that can shape transit ridership. Managers operating from a work plan with broad-based objectives such as these will need to work in close coordination with stakeholders outside of the transit agency to fulfill their marketing related objectives.

**Figure 2-8: Traditional vs. Three Dimensional Marketing Objectives**

<table>
<thead>
<tr>
<th></th>
<th>Objective</th>
<th>Fundamental Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Traditional</strong></td>
<td>Increase ridership</td>
<td>Promote sales of the existing product</td>
</tr>
<tr>
<td><strong>Three Dimensional</strong></td>
<td>Make transit more responsive to consumers</td>
<td>Use market research to refine the product</td>
</tr>
<tr>
<td></td>
<td>Promote public support for transit investments</td>
<td>Broaden support groups / allies</td>
</tr>
<tr>
<td></td>
<td>Promote transit's role in economic development</td>
<td>Coordinate planning and promotions with businesses</td>
</tr>
<tr>
<td></td>
<td>Leverage the resources of external groups</td>
<td>Maximize opportunities for outside support, especially VIPs</td>
</tr>
<tr>
<td></td>
<td>Respond to the trend of privatization</td>
<td>Role specification</td>
</tr>
</tbody>
</table>
Generating the resources and partners with which to achieve these objectives adds a new dimension to the managers work--a key aspect of Three Dimensional marketing is the cultivation of influential supporters outside the transit agency. Public transportation is a large and visible aspect of a city’s infrastructure; this visibility provides ample opportunity for both supporters and detractors to identify themselves and contribute to shaping the image and future direction of the transit system. Part of the challenge for marketers is to harness these voices for the benefit of the system. Figure 2-9 lists some of the potential contributions and benefits each of the major groups of potential partners.

**Figure 2-9: Potential partners in marketing for transit agencies**

<table>
<thead>
<tr>
<th>Contributions</th>
<th>General Public</th>
<th>Private Sector</th>
<th>Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broad support</td>
<td>- Targeted support</td>
<td>- Joint development</td>
<td>- Promotional assistance</td>
</tr>
<tr>
<td>Volunteer time</td>
<td>- Joint development</td>
<td>- Ridership promotion</td>
<td>- Service planning input</td>
</tr>
<tr>
<td>Planning input</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>- Responsive transit</td>
<td>- Improved access for labor</td>
<td>- Improved access for employees</td>
</tr>
<tr>
<td>- Improved use of government resources</td>
<td>- Reductions in congestion</td>
<td>- Corporate visibility</td>
<td>- Public health</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Land use changes</td>
</tr>
</tbody>
</table>

Perhaps the most challenging aspect of developing these relationships is identifying appropriate individuals who can help support the transit system. Private individuals working with the transit agency as partners (may also be referred to as VIPs or opinion leaders), may have widely varying backgrounds. Crompton and Lamb\(^{29}\) define opinion leaders as individuals who take an interest in certain topics, are willing to be active disseminators and are trusted by certain others in society. They may not have technical or even firsthand knowledge of an issue but people nonetheless turn to them for information, advice and as models of certain types of behavior. Identifying opinion leaders and assessing their potential role in the marketing effort is a key part of market research and should be initiated early on in the marketing planning process.

\(^{29}\) p. 269
Opinion leaders may be identified in four principal ways. Market research should be designed to scout potential allies in several ways as described below. It is important to remember that opinion leaders can have a wide variety of backgrounds; managers should keep an open mind about where to look.

- **Position:** Key elected officials and business leaders are often well known or highly visible throughout the metropolitan area.
- **Reputation:** Some individuals play a “power-behind-the-scenes” role in the area and can become key, if less visible supporters.
- **Event-Analysis:** The history of a public event can often be traced to learn who made what happen and how.
- **Social Participation:** Some leaders are simply gregarious people with little official authority but who have an ability and an inclination to influence others with their words or behavior.³⁰

As opinion leaders are identified managers should consider how they might become involved in the marketing plan. Participation may range from providing background support to assuming visible public roles. Examples of individual involvement can include: participation as panelists in public or neighborhood meetings, review of marketing plans with transit agency staff, discussion of community or business goals with transit managers, serving as spokespersons for transit advertisements and in press releases and other efforts. While some opinion leaders may willingly participate in marketing efforts, others, such as political figures, may not be regular supporters. Though the support of local elected officials can be critical, their participation typically depends upon their perception of the benefits to their career and when those benefits will be accrued.³¹

**Applying Three Dimensional Marketing to the transit context**

Transit management, as with many other fields, is adapting to changing internal and external and environments. Figure 2-10 outlines some of the key changes of concern and each point is discussed in the subsequent text. In this new context, marketing may

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³⁰ Crompton and Lamb p. 274, 276
³¹ Crompton and Lamb p. 246
take on an increased role in transit management and managers will need to adapt marketing practices accordingly.

**Figure 2-10: Changes in the operational context of transit in the U.S.**

<table>
<thead>
<tr>
<th>Prior Context</th>
<th>Current Context</th>
<th>Emerging Trends</th>
</tr>
</thead>
<tbody>
<tr>
<td>To 1960s</td>
<td>1960s to 1990s</td>
<td>1990s</td>
</tr>
<tr>
<td>• Private funding</td>
<td>• Public funding</td>
<td>• Privatization of operations</td>
</tr>
<tr>
<td>• Private operations</td>
<td>• Public operations</td>
<td>• Incentive contracting</td>
</tr>
<tr>
<td></td>
<td>• Falling portion of all journey-to-work trips</td>
<td>• Congestion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Environmentalism</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Land use</td>
</tr>
</tbody>
</table>

In the prior context, private operators using private funding provided transit services. The focus was outward, toward the customer and the competition. Fare revenue, based on ridership, was key to profitable operations. The ability to respond to customers needs and provide better service than the competition ultimately affected the success of a provider.

In the United States, beginning in the 1960s, transit services began to be publicly operated and publicly funded. In response to this new environment, transit managers began to focus upward, toward the funding sources, and away from the customer and the competition. Part of the justification for the use of government funding for transit was that transportation was not simply a physical investment but also a social tool to promote equity, development and access. Though this is still true today, the social rationale for transit investments did not translate into a continued customer focus and marketing, a customer-focused activity, dwindled in importance.

Today, in the U.S. and elsewhere, several trends are at play that should increase the value placed on marketing transit services to users. Two forces internal to the industry, the increasing privatization of operations and the use of incentive based
contracts, are reorienting the motivations of transit managers toward the customer through closer attention to revenues and to ridership. In addition, external forces, including concerns about the environment, the effects of congestion and land use patterns are all more prominent, providing an opportunity for transit to regain some of its lost relevance. These emerging trends offer the potential for both improved operational effectiveness and a more supportive environment for innovation in transit management.

Given this background, two of the most difficult obstacles to marketing transit, unreliable operations and its insignificant social role are diminished. This, coupled with evidence of successful adoption of private sector marketing practices by other sectors (such as public health) presents a real opportunity to look at means of strengthening the marketing function within transit management.

**Organizational Approaches**

Much of the potential for marketing is tied to the fundamental organizational approach a transit agency uses in approaching its work. As in other industries, a transit agency may measure its success in a myriad of ways. Managers might look at ridership, at any of various cost per rider measures, at operations costs and others. Much of what a manager can measure after the fact, however, is determined by the organization’s basic orientation. Figure 2-11 depicts three major orientations that managers may demonstrate. Transit agencies have been, and in many cases, continue to be dominated by production oriented managers. In a production orientation, managers tend to focus on the optimization of outputs, with secondary concern for the market in which those outputs are offered. As an example, a production-oriented transit manager may prefer to use larger buses on a particular route, stressing the greater number of passengers carried per driver. In contrast, a marketing-oriented manager planning for the same route may favor using a larger number of lower capacity buses which, while less labor efficient, are preferred by passengers because of their higher frequency. Successful organizations today have
recognized the limitations of the production orientation-- the same should hold true for successful transit marketing programs.

**Figure 2-11: Organizational Orientations**

<table>
<thead>
<tr>
<th>ORIENTATION</th>
<th>AIMS</th>
<th>EMPHASIS</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRODUCTION</td>
<td>To increase profits by reducing production costs and designing a product with more features</td>
<td>Production management</td>
</tr>
<tr>
<td>SALES</td>
<td>To increase profits through sales volume</td>
<td>Selling and promotion of the current product</td>
</tr>
<tr>
<td>MARKETING</td>
<td>To satisfy customer needs at a profit to the organization</td>
<td>Organization-wide focus on identifying and meeting customer needs³³</td>
</tr>
</tbody>
</table>

The marketing orientation has become dominant in many industries throughout the world as competition between organizations has increased. The emphasis of the marketing oriented business is put on creating an environment where the customer wants to buy rather than one where the producer needs to sell.³⁴ Transit is often described as having neither of these characteristics, providing one explanation for falling ridership in many settings.

A marketing orientation includes three key components:

- **Customer orientation:** The organization works to understand its customers so that it can create superior value for them, both now and as their needs evolve over time.

- **Competitor orientation:** The organization works to understand both the short-term strengths and weaknesses of its competitors and their long-term strategies and potential.

³³ Palmer p. 25
³⁴ Palmer p. 37
• *Inter-functional coordination:* The organization utilizes the capacities of staff from all parts of the organization to create superior value for its customers.\(^{35}\)

Though production, sales and marketing orientations are the most commonly noted organizational categorizations, a fourth, entitled *societal marketing*, is discussed by Cronin and Kotler. Cronin:

The societal marketing concept suggests that the social and economic justification for an organization's existence is the satisfaction of customer wants and needs while meeting organizational objectives and simultaneously preserving or enhancing both the individual's and society's long-term best interests. This orientation extends the marketing concept to serve three bodies rather than two-- customers, the organization, and society as a whole.\(^{36}\)

The societal marketing concept attempts to address the fact that a marketing orientation overlooks long-term societal costs. Consider two examples: Hamburgers and fast-food are well liked by consumers and responsive organizations have developed to offer these goods. However, the meals generally have high fat contents and while the packaging is convenient, it results in a high amount of waste material and is rarely recyclable. Long-term consumer health and the environment are affected by these market responsive businesses. As another example, American auto makers have responded to the preference for large automobiles despite their higher costs, higher energy consumption and the damage they cause in collisions with smaller vehicles.\(^{37}\) Both of these examples point to opportunities for organizations to link the performance of their products to long-term concerns, concerns that are both self-enlightened and that could attract customers with long-term approaches to consumption. The societal marketing concept may be said to be a blend of a marketing orientation and the goals of social marketing, as described earlier.

\(^{35}\) Palmer p. 27  
\(^{36}\) Cronin, et. al. Module 2  
\(^{37}\) Kotler, 1994 p. 28-9
Organizations adopting a societal marketing approach chose to simultaneously consider three goals of equal merit: company profits, consumer satisfaction and the public interest. This approach could prove to be an evolutionary step in management, as company goals initially focused on profits, then worked to incorporate customer concerns (a marketing orientation) and now may look to consider societal impacts as well. Two well-known companies have achieved success with this strategy. The Body Shop, which sells environmentally and socially responsible cosmetics in recyclable packaging, has been open and thriving since 1976. The Ben and Jerry’s ice-cream company sells premium ice cream while noting that their executive pay is not more than seven times that of their workers and that a portion of their profits go to charity. While the success of these two companies may be due largely to quality products, it is clear that their larger message is appealing to consumers.38

The societal marketing concept is an important trend in marketing and should be considered where feasible in developing marketing strategies. For managers of government services, caution should be taken in not overstating the impacts of certain practices as the negative publicity from unrealized societal impacts could be damaging. The concept may be most valuable for managers of upper level government organizations that focus more on service to the public than on profit. The focus encourages consideration of internal processes that respond to both current customer needs and to the longer-term implications of today’s decisions. The concept is intriguing for transit managers as their work is conducted as a service to society, yet one that must increasingly strive to be competitive in its market.

Marketing Functions for Transit

As discussed in section 1 of this chapter, marketing management is generally segmented into work in four areas: promotion, price, place and product. Decisions on each of these aspects of the task help to form the overall marketing strategy for the organization and to position the product and the organization in the market place. In marketing transit, some alterations may be made to the traditional “Four P’s” but the concept remains a useful
organizing tool. Figure 2-12 details a revision of the traditional segmentation designed to serve the needs of transit marketing programs.

**Figure 2-12: The Marketing Mix for Transit**

<table>
<thead>
<tr>
<th>Category</th>
<th>Major decision categories</th>
</tr>
</thead>
</table>
| **Product**            | • Vehicle (size, appearance, seating, ride quality, etc.)  
                          • Operating characteristics (routing, speed, reliability, schedule, nature of other passengers)  
                          • Staff (professionalism, politeness, competence)                                                                                                               |
| **Pricing**            | • Fare (availability of discounts, transfer procedure)  
                          • Frequency of payment (every ride, weekly, etc.)  
                          • Method of payment (cash, check, ATM, debit card, manual or automated)  
                          • Special event pricing                                                                                                                                         |
| **Communications Options** | • Media (TV, papers, radio)  
                                • Outdoor advertising (billboards, posters)  
                                • Direct mail  
                                • Maps, brochures, timetables  
                                • Telephone information line  
                                • Web site  
                                • Personal selling by drivers and other agency personnel                                                                                                         |
| **Distribution**       | • Location of routes and stops (access to places and to other means of transportation)  
                          • Timing of service (hours of operation, schedules at specific locations)  
                          • Location of information (when and where it is available)  
                          • Location of fare payment (at stations, electronic, at a Transit Store)                                                                                      |

Managers may consider this list of decisions in two ways. The first is that for both operational and marketing planning, each of these choices has to be made in the process of deploying the system and each alternative has benefits and disbenefits. In

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36 Kotler, 1994 p. 30  
39 Adapted from Lovelock, Oram and Cronin It is important to note that the marketing functions suggested above should not be viewed as a means of developing a list of marketing staff, in fact this could be counterproductive. Rather, managers should view this list as a set of decisions that need to be made by the organization and with the input of different managers with different backgrounds.
some cases, much of the decision making is already completed, as with rail system
alignments. In others, such as the choice of advertising options, managers have much
more frequent opportunities to test choices.

The second perspective is to consider that most customers will be evaluating the
transit system by asking questions derived from the list in Figure 2-12. Where do I
transfer to get to the zoo? Do I need a separate ticket? How can I get this information?
How comfortable are the seats? Managers who attempt to think like customers will
quickly recognize the importance of many of these decisions and will be better placed to
consider the tradeoffs of particular choices. This relates to the earlier discussion on
production versus market orientations. Production-oriented managers will focus on
meeting their own quantifiable operations targets. Market-oriented managers attempt to
blend these requirements with an understanding of the customer’s view to try to find an
optimal set of outputs that satisfies both demands. An important means of learning more
about how customers think is market research, which is discussed further below.

Market Research for Transit

Making resource allocation decisions requires accurate information, much of
which has to come from outside of the organization. Transit managers who are
aggressive in their collection of external information and who work to use it for decision
making will run stronger, more responsive organizations. Market research is an
important form of information collection for transit agencies and should be fundamental
in defining marketing and operational strategies. The topic of market research was
introduced earlier in this chapter and is expanded here with regard to its application for
transit programs.

It is important to note at the outset that market research can be a complex and
time-consuming process. Many transit agencies (and other organizations) do not have

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40 Oram, p. 7
the internal resources required to conduct substantial market research and choose instead to hire professional firms to undertake all or part of the task. Professional market research firms often have the experience and knowledge of the area that allows them to more quickly collect and analyze information. Transit managers who elect to hire professional firms should nonetheless remain actively involved in the process of defining the research and in ensuring that the recommendations are prepared in a form that is useful for internal decision making. Firms that conduct market research may also have the capacity to contribute to other, ongoing marketing functions as well and there may be economies in selecting one agency for a range of marketing tasks.

Market research in the transit context might be conducted to facilitate any number of decisions including route selection, station design, vehicle choices and other elemental aspects of a transit system. As well, market research can support ongoing decision making, such as service changes, and the development of a marketing program. The focus here is on the uses of market research in establishing a transit marketing program.

Recall again that transit marketing programs should have three basic goals: (a) to generate new ridership, (b) to maintain existing ridership and (c) to improve the image of public transportation in general. A program to achieve these goals might utilize principles from services, social or other marketing sub-fields. Market research should be designed to support these basic aims as well as other, more specific issues. While market research can be used for many purposes, the research agenda should always seek to address at least three basic questions:

- What are the characteristics of the market?
- What are the major trends influencing those characteristics?
- How is the system performing relative to the demands of the market?

Each of these questions has important research implications. The “market” for a transit system should be the entire metropolitan area and should also include visitors to

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41 Lovelock, p. 55
the city. This is not to say that managers should be actively contacting every single citizen of their area, but rather that every member of the area and every visitor should be considered a potential rider. Strategies that encourage non-riders to consider transit should be researched.

A study of the characteristics of a market might include facts on basic demographics, employment and residential trends, travel patterns and others. Collecting this information is useful, but understanding what is influencing those trends is still more important for marketing planning. What is it that consumers are responding to? To government policies? To the marketing efforts of other organizations? Is their behavior constrained, such as for drivers with no access to transit, or is it choice behavior, as with consumers who choose to locate in certain residential areas?

Coupled with trying to understand consumer behavior is the issue of the transit system’s performance. Objective measures of performance, which a transit agency can collect internally, such as on time performance are an important part of this assessment and should be used in marketing planning. However, there are also subjective and external measures of performance that should be a key part of the market research plan. What are customer perceptions of the system’s on time performance? How do these differ from the manager’s measurements of actual performance? For example, where a system runs reliable, scheduled headways of 30 minutes, managers may be satisfied with their performance. However, customers, especially those arriving just after a vehicle has passed, may perceive the performance as abysmal.

How might a manager respond to these apparently contradictory findings? If the resources are available, headways might be reduced. When that is not possible, the customer’s perception of the system’s performance might be improved by clearly posting the system’s scheduled headways and if possible, approximate arrival times at key stops. Another strategy could be to improve the facilities at the waiting area, making the wait more comfortable. Auto users have responded to the inevitability of congestion by
continually upgrading the comfort and utility of their vehicles. The addition of radios, coffee holders and cellular phones do nothing to eliminate congestion but do make it less uncomfortable. Simple and inexpensive fixes can have great deal of impact on customer satisfaction, without complex or difficult changes to the system's operating plan. These are examples of working outside of the production orientation, thinking of ways to respond to customer needs without entirely re-tooling the organization. Market research should be designed to reveal these types of opportunities to improve service. For the agency’s marketing to have credibility, however, the system needs to run reliably on schedule if service schedules are posted. This interplay between marketing and operations interests may be difficult but can be minimized where reliable information is used to support managers' decision making.

Beyond these three key questions, a transit system should conduct additional market research targeted to its specific needs. Older systems may need to learn less about the physical characteristics of their markets and more about the travel patterns of new residents. New systems may need to cover a large range of topics to develop a sound marketing program. A generic, ten-step approach to organizing market research is depicted in Figure 2-13.42

The information in Figure 2-13 provides a starting point for managers designing a market research process. Each of the steps is important as it helps define the market research as more or less comprehensive, costly, interactive and effective. In some cases, useful information may be readily available without conducting first-hand research, in others a substantial amount of footwork will be necessary on the part of the transit agency.

42 Adapted from Lovelock, p. 57
Figure 2-13: Organizing Market Research for Transit

<table>
<thead>
<tr>
<th>Task</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Purpose of research: Why is information to be gathered?</td>
<td>The focus may be to seek new riders, to assess the implications of a service change or for other purposes. Key question: Is the agency prepared to make changes if the information leads that way?</td>
</tr>
<tr>
<td>2. Statement of research objectives</td>
<td>Objectives should be clear and be derived from the overall purpose</td>
</tr>
<tr>
<td>3. Review of existing data: What is already known?</td>
<td>How can the process be completed most quickly and at the lowest cost while still meeting the objectives?</td>
</tr>
<tr>
<td>4. Cost/benefit analysis: Is the research worth the cost?</td>
<td>Are the objectives important to fulfill? Is the timing of the research appropriate both internally and externally?</td>
</tr>
<tr>
<td>5. Research design: Exploratory, descriptive, causal, other</td>
<td>This should be derived from items # 2 and 3.</td>
</tr>
<tr>
<td>6. Methods of primary data collection</td>
<td>What are the sources? Riders, managers, elected officials, stored data?</td>
</tr>
<tr>
<td>7. Research tactics: Sampling, instrument design, pre-testing</td>
<td>How can managers ensure accurate and reliable results at the lowest cost?</td>
</tr>
<tr>
<td>8. Field operations: collection of the data</td>
<td>Which staff should be involved, what outside resources may be needed?</td>
</tr>
<tr>
<td>9. Data analysis</td>
<td>Ensure that the research design provides sufficient time to conduct analysis.</td>
</tr>
<tr>
<td>10. Interpreting the data: recommendations and report writing</td>
<td>The report should be built around the original research questions and provide information in a manner useful for future planning.</td>
</tr>
</tbody>
</table>

Outsourcing Marketing Functions

Marketing, and especially market research, are complex functions. As a result, many organizations chose to outsource some or all of their marketing functions to professional firms. Outsourcing may be limited to the development of materials and
promotional items or may be more comprehensive and include many of the visible and background functions of a marketing program. Regardless of what tasks are considered for outsourcing, transit agency managers should remain actively involved in the planning and evaluation of their marketing programs. Without this level of participation, the program may not best represent the interests of the agency and the concerns of the public. There are several advantages to using outside professionals for marketing functions. The most important of these is the experience in marketing that they bring, reducing the impact of the learning curve for managers with little experience in marketing. As well, some marketing functions, such as market research, are time intensive but not continuous processes and it may be more prudent to contract for some or all of these functions rather than to depend on existing staff.

The costs of outsourcing marketing functions may be substantial and should be considered carefully. With outsourcing, managers can save by having fewer full-time marketing staff employed and can schedule marketing functions with more flexibility. However, with outsourcing a manager can expect to have less day-to-day control of the marketing program, making a set of clear objectives and an evaluation process essential. Evaluation was briefly discussed earlier in this chapter and should be carefully considered before any outsourcing is agreed upon.

Summary

This chapter has focused on three issues—fundamental principles of marketing, introduction of the Three Dimensional approach and discussion of the application of these to the transit context. The reader should recall that marketing is a broad set of activities, not one limited to its most familiar components, advertising and promotions. Transit, as a service that can cover an entire metropolitan area, has important advantages and disadvantages with regard to marketing. Transit’s visibility makes its faults prominent but can also be used to help highlight its contributions to the health and economic performance of a city. The principles of both the services and the social marketing approaches are important for transit managers to recall, as they address many
of the marketing challenges transit faces. Finally, the context for transit management is changing, as congestion increases and as government services are more often managed by professionals or by contracted private firms. In this new context, managers who develop more innovative transit marketing programs attempt to identify and respond to the interests of the major stakeholders of the transit system, and involve them in the planning and implementation of marketing activities. This is the key to Three Dimensional marketing and necessitates that managers take a broader view of the marketing challenge.

The next chapter discusses several transit marketing efforts, providing the reader with a view of how some have chosen to organize their work in light of several of the themes from this chapter.
CHAPTER 3: INNOVATIVE TRANSIT MARKETING: PROGRAMS IN ACTION

The previous chapter discussed the key generic components of marketing and their application to the transit context, providing background as to how programs may be developed. This chapter discusses several active transit marketing programs to consider their approaches to the task. While there are significant contextual differences for all transit systems, valuable lessons in marketing for San Juan can be drawn from the experience of others. Each case consists of a description followed by a brief evaluation of the effort in light of the both the three key principles for transit management introduced in the first chapter\(^1\) and also in light of the Three Dimensional approach to developing support for the transit system. Each of these cases has strong points and represents an attractive option for other transit managers to examine.

The marketing efforts examined here all show evidence of having worked to create broad-based marketing programs and to attempt to address the needs of both riders and non-riders alike. However, except in one case, the third key principle, evaluation, has not been addressed as directly by the programs examined. Marketing is difficult to evaluate. It appears that managers are deciding that if a system’s ridership is deemed adequate, marketing is considered successful. While ridership is a fundamental concern of all transit managers, high ridership should not be credited to marketing efforts alone without a more detailed examination of the impact of the marketing functions.

The focus of the information presented below is not on the detailed development of marketing messages that customers might be exposed to but rather on the integration of different management functions and their contribution to the successful marketing of

\(^1\) Recall from Chapter 1 that:
- Marketing is a broad set of activities
- Transit Marketing should have three goals:
  - to maintain existing ridership
  - to generate new ridership
  - to improve public support for mass transportation
- Strong marketing programs anticipate the need for internal and external evaluations
transit systems. For this reason, the subjects of station design, ticket sales and security are discussed.

The cases presented show that marketing benefits from a) the involvement of staff from all areas of the agency, and b) a recognition of the importance of outside voices in establishing public transportation as a key issue of public policy, one that is of concern to politicians and to citizens alike. Successfully framing the nature of a city’s public transportation system as an important issue of public concern can help during system expansion, and also to market the service to riders once it is available.

**Nine key actions for marketing effectiveness**

Figure 3-1 lists nine categories of actions and notes which of the four transit marketing efforts described addressed these points. The reader should note that the marketing efforts described here vary widely in scope and in context and thus they should not be scored against each other to depict a “best” strategy. Successful approaches in one city may not lead to success in another context. Though each of these marketing efforts engaged in most of the types of activities noted in the table, each program receives an “x” only in the areas where it was considered strongest. Each of the nine categories is described briefly below.

**Figure 3-1: Key Marketing Actions**

<table>
<thead>
<tr>
<th>Tactics Employed</th>
<th>Case</th>
<th>St. Louis</th>
<th>Dallas</th>
<th>Philadelphia</th>
<th>New York</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wide range of activities</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broad outreach</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market research</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partnering</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early start</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intensive staff time commitment</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Develop public support</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Establish a customer orientation</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Evaluation</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>
Each of these nine sets of activities has been used in some combination to help transit marketing programs succeed. Though there is some overlap between the categories, each can nonetheless be understood as a distinct area of concern. A brief description of each is provided below to illustrate the role and importance of the mix of approaches to transit marketing.

**Wide range of activities:** In addition to the traditional marketing activities such as advertising and promotions, strong marketing programs make an effort to try new tactics, such as innovative ticketing, free-ride periods, and use of gifts-in-kind to fund marketing efforts.

**Broad outreach:** Marketing programs that extend their reach to targeted audiences can often take advantage of the increased leverage from those investments. While general advertising is inexpensive, it often may not reach certain potential riders or provide the information needed by some to make use of the system. Outreach should be targeted to both riders and non-riders alike to build ridership and support for the system.

**Market research:** As discussed in the previous chapter, market research is essential to accurately targeting resources and messages for transit marketing. Market research not only helps initiate programs but also provides a basis against which to evaluate programs after the fact.

**Partnering:** Marketing managers may take on any number of “partners” fitting a wide range of descriptions. The purpose of partnering is to involve other stakeholders in the design and more importantly, the implementation of the marketing effort. Examples might include community groups, elected officials, other government departments, business leaders and others who can help promote the transit system.

**Early start:** Getting marketing planning started early is essential to integrating marketing with other management functions, generating sufficient funds, building the necessary relationships and gradually building wide public support for the system. Depending on the context, visible marketing activities may need to start six months prior to the start of revenue service, though this can vary significantly.

**Intensive staff time commitment:** Especially for a new system, marketing requires a large amount of time, much of it in public, from transit staff. The involvement of staff from throughout the organization in some marketing functions also helps build understanding of the service nature of transit and of the marketing challenge for non-marketing managers. The use of volunteers is another means of
generating the person-hours needed for certain time-intensive marketing functions.

*Develop public support:* Transit systems benefit from vocal support from a wide range of groups. The marketing effort *should* develop and make use of support from local VIPs, from riders and from non-riders alike.

*Establish a customer orientation:* Transit services are infamous for their production-focused management style. *Managers* who make an effort to improve customer service and customer orientation among their staff will see improved customer satisfaction and stronger external support that should generate ridership.

*Evaluation:* Marketing resources should not be expended without a plan to assess their impact on agency goals. Though marketing is more difficult to evaluate than are certain production goals, it can be measured *in* a number of useful ways. Managers should be creative in developing and testing evaluation methods.

**St. Louis and Dallas: Two Recent Rail Starts in the United States**

The city of St. Louis, Missouri opened its first rail transit service in 1993 and the system has exceeded it’s ridership targets since opening day. In fact, the system’s 1997 ridership was above the projected level for 2010. Dallas, Texas opened its first rail service in June of 1996 and has added two extensions in the last year. This system has also exceeded projected ridership. Through the first four years of their rail operations, the Bi-State Development Agency and the Dallas Area Rapid Transit Agency (DART) have won over twenty industry awards in recognition of their marketing and operational successes. According to ongoing market research conducted by the transit agencies, the addition of rail service in these cities has brought new riders to transit, has improved bus ridership and has broadened the demographic range of transit users.

The three most critical contributions to their successes were the following:

- The transit operating agencies view themselves as part of the hospitality industry and coordinate closely with hotel, convention and sports event planners. Fully 1/3 of the St. Louis riders are in the “special event” i.e. non-work category.

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2 Information in this section was gathered during a visit to St. Louis, Missouri on June 18, 1997 to meet with staff of the Bi-State Development Agency and of Citizen’s for Modern Transit. Phone interviews were conducted on June 27, 1997 with staff from DART in Dallas, Texas.
• Private supporters actively promoted the rail systems starting up to eight years before service was initiated. In St. Louis, Citizen’s for Modern Transit (CMT), a group formed with the backing of city businesses, continues to serve as a key voice in transportation planning and promotion. Bi-State staff say that the rail system would not have succeeded without CMT. In Dallas, the Chambers of Commerce of the thirteen relevant municipalities have been critical supporters throughout the system’s history.

• Both agencies made an early, agency-wide commitment to customer service and marketing. All staff, from bus/train operators to office assistants took part in the promotion of the system. Staff left their desks to talk to riders, potential riders and other groups before, during and after the start of revenue service.

System Descriptions

The Bi-State Development agency owns and operates transportation services in the metropolitan St. Louis area, serving a population of 2.4 million in both Missouri and Illinois. MetroLink, the 18 mile light rail service, was opened in 1993 and will be nearly doubled in length with an eastward extension due to open in 2001. The system currently consists of a single line with 18 stations serving the airport, residential areas, major downtown attractions (convention center, sports stadiums) and downtown workplaces.

Current rail ridership is approximately 44,000 per day. By comparison, bus ridership is approximately 150,000 per day. Bi-State has extension plans beyond the eastern extension due in 2001 that include additional western lines, commuter rail and a multi-modal terminal in downtown St. Louis.

DART operates buses and the new rail service in the 1.4 million person Dallas metropolitan area. The light rail system covers twenty miles in three branches, carrying approximately 30,000 passengers per day to nineteen stations. An eight-mile commuter rail line and a downtown multi-modal terminal complete the current system.
Marketing and Customer Service

The keys to Bi-State and DART's success in marketing were:

- Provision of quality, reliable, clean service.
- A full, early and sustained effort by staff at all levels and in all departments to promotion and communication of the system's opening and operation.
- Early and sustained integration of private support in system promotion
- A commitment to respond to all complaints, concerns and questions as quickly as possible
- Proactive provision of customer information
- Aggressive tie in of transit service to special events

Particular effort was expended in the pre-revenue stage to help current bus riders and potential new transit users to learn about the systems. Agency staff and outside supporters conducted literally hundreds of talks, presentations and community forums to help the public learn about changes in service in the years leading up to the openings.

In St. Louis, 70 of the city's 118 bus routes now serve as feeders to the rail system. It was critical that bus riders be carefully informed regarding changes to the system. For two weeks before the initiation of rail service, Bi-State implemented a "Bus Buddy" program. Uniformed Bi-State office staff were placed on buses to provide riders with face-to-face information about upcoming changes in bus routes, transfer procedures, route maps and customer information contacts. Bus Buddies stayed on buses for a week after rail service began to continue to provide information.

For the first week of rail service in St. Louis, Bus Buddies were augmented by uniformed "Ambassadors," staff members located at each rail station to help riders learn to use the ticketing system, passenger assistance phone and with boarding. Ambassadors are still used during special events, such as football games. Many Ambassadors are volunteers from outside the transit agency. In Dallas, the "Commuter Tutor," a uniformed employee, conducted information sessions at each station before its opening to help area residents learn about rail, ticket buying, safety and transfer procedures.
St. Louis offered free rides for the first three days of train operation, allowing users to test the system at no cost. The free ride program was so attractive that crowding became a problem, especially at rush hour when working riders wanted to use the system. In Dallas, free rides were offered for the first week. In the second week, as revenue service began, bus routes initiated feeder service to stations.

Bi-State currently offers a “Free Ride Zone” in the downtown business area which allows unlimited free rides from 11am – 2pm. This is sponsored by a downtown business group that provides a partial subsidy for operational costs during the period. The program contributes to ridership and to business interest in the rail system.

Bi-State does not do TV advertising but does some radio announcements, mostly paid for by trading ad space on trains. Businesses in the downtown St. Louis area report a 15-30% increase in sales since the start of MetroLink services. In Dallas, downtown office occupancy rates have dramatically increased and DART has begun to sell the air rights over its stations for development. A joint development project currently being planned will provide private funding for an entire new station on one of the lines.

**Funding Marketing Activities**

Both agencies faced severe shortages in funding for start-up marketing activities but due to strong private support, attracted funds to meet their needs. In Dallas, the Chambers of Commerce raised $1.2 million in support, much of it as in kind donations. Creative bartering and the efforts of CMT raised $750,000 for St. Louis. Marketing and promotional activities were undertaken using existing agency staff and volunteers, keeping costs low. Major corporate support was attracted by “selling” cars to advertisers who were then able to place their logo on the car’s exterior for a full year. Ad space inside trains and buses was traded for ad space in newspapers and other publications and many other materials used in marketing were donated.
Security

The public in both cities was very concerned about security problems, especially as the systems served some areas with poor reputations. Security and safety problems have been minimal, however. The keys to this success are:

- A strong visible presence of uniformed security staff
- A focus on limiting the occurrence of “quality of life” crimes such as littering, disruption and unpleasant behavior
- Clean and attractive stations
- Zero tolerance policies on graffiti

In St. Louis, security is provided by a combination of dedicated police officers from the city’s police force, armed private security guards, fare inspection officers and plainclothes security officers. Bi-State pays the city for police officers who are assigned full-time to transit duties. Private security guards are slightly less of a visual deterrent than municipal police officers but can offer up to 50% savings on wage costs. The private security officers have arrest powers while on Bi-State property. Fare Inspection Officers are licensed security officers with training and have the authority to issue citations for fare evasion as well as other offenses.

Security personnel roam the system, and are not designated to any particular station or car. An average of 20-25 security personnel is on duty at any one time over the 18 mile line. The one exception is a Park-and-Ride lot at what was considered the most insecure location. This lot has two permanent police officers and is now one of the most heavily used stations by drivers. All security personnel are equipped with radios for immediate contact with the Operations Control Center or others as required. To inform users about the plainclothes security officers, ads were produced showing a group of similarly dressed train passengers and passers-by were invited to try to identify the plainclothes officer.
Closed circuit television is used at all MetroLink stations. Bi-State hopes to double the number of CCTV cameras to allow for greater security monitoring in areas adjacent to stations, including bus transfer areas. This will also allow the Control Center to hold buses to allow overlap for transfers. Additionally, cameras may be added to all trains and buses in the future.

**Ticket Sales**

Dallas and St. Louis both sell tickets and passes at numerous non-station locations including transit-specific MetroRide stores, supermarkets, via employers and other locations. In St. Louis, more tickets are now sold at these non-station locations than at the stations themselves, indicating that riders enjoy this flexibility and choose to combine transit ticket purchases with other errands. MetroRide stores sell all types of tickets, a range of logo merchandise (t-shirts, canvas shopping bags, medallions, etc.), provide maps for all train and bus routes and answer routing and other questions for riders.

**Stations**

MetroLink stations are either at-grade, elevated or underground. All stations have high platform boarding. All stations are designed to have no dark corners or other spaces for potential crimes to occur. The at-grade and elevated stations have little or no shelter and are merely open platforms, with small lights located on low poles. Elevators and escalators are provided at several stations, wheelchair ramps at the others. Several stations provide bicycle parking and bicycles are allowed on all trains at all times.

All stations have customer courtesy intercoms that are used not only for emergency purposes, but also for general questions about routing and timetables. A staff member in the control center responds to all questions at the time they are asked.

Dallas encouraged extensive community involvement in the final design of the stations and the surrounding landscaping. A strong community arts program is in place.
and has provided area residents with an important sense of ownership and commitment to the rail system.

**Citizen’s for Modern Transit**

Citizen’s for Modern Transit (CMT) is a private, non-profit transportation advocacy organization that was formed in 1985 with the expressed purpose of supporting the development of the St. Louis MetroLink. CMT is partially funded by a downtown business association. Additional funding comes from members (1,600), in kind support and private foundations. CMT has been vital to MetroLink’s success and continues to support improvements in transportation planning and Bi-State’s transportation services.

CMT’s role has been to provide a voice outside of government to promote MetroLink. CMT, unlike many environmental or citizen groups that may have a voice in transportation planning, has been purely an advocacy group for transit, finding ways to support Bi-State and to help spread word about MetroLink. CMT members and staff gave hundreds of presentations to communities and other groups to help St. Louis learn more about its transportation future.

Part of CMT’s success is due the fact that its members and its board contained professionals from many fields. This gave the organization credibility and access to a broad range of expertise. For example, much of the market research was organized and some of it conducted by CMT members at greatly reduced cost. Perhaps the most newsworthy CMT contribution was to raise $750,000 to assist Bi-State in its early marketing efforts. CMT also organized and conducted trips for St. Louis opinion leaders to other cities with rail transit to show them how the system benefited the area. CMT’s role today is to continue to promote transit use, promote the new extensions and to manage two of the five area Transportation Management Associations.
Summary

<table>
<thead>
<tr>
<th>St. Louis &amp; Dallas</th>
<th>Basic principles of transit marketing</th>
<th>Three Dimensional Approach to developing support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broad set of activities</td>
<td>X Government</td>
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<tr>
<td>Three goals</td>
<td>X Public</td>
<td>X Private sector</td>
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<tr>
<td>Evaluation</td>
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St. Louis and Dallas can be considered together in most respects as they represent very similar contexts. In both cities, the uncertainty about how and when the systems would be built was turned into an advantage as it allowed time for public support to develop. With each setback in the early approval process the rail system’s supporters grew stronger and more organized. The systems benefited from wide and deep public support generated by a broad range of activities and attention to the needs of both existing and new transit riders. Extensive private sector support helped improve the image of transit. While the support of top elected officials was strong, it is not apparent that much vocal government support was generated at other levels. This is perhaps the most difficult aspect of Three Dimensional marketing so it is not surprising that the systems were more effective in the other two areas. Overall, however, these cities can, and do serve as excellent models for other cities in terms of integration of existing and new transit modes, wide public support and enthusiastic private sector participation.

Expanding the definition of marketing: Experience from other cities

This section provides a short description of several marketing related interventions by various transit agencies. Each provides an example of how transit agencies and their partners are moving beyond simple advertising and promotion to build ridership and strengthen the relationship between their transit agencies and the cities they serve.
Construction in Philadelphia: An opportunity for improved Community Relations

The construction phase of a new rail transit system is marked by disruption, congestion and often by negative public reaction. Agencies that work to carefully inform the public of the project status and to respond to community needs can greatly improve their public image. Having a positive reputation prior to the start of passenger service can substantially facilitate marketing tasks for managers in the future.

The Southeastern Pennsylvania Transportation Authority (SEPTA) needed to rebuild an old elevated rail transit line through the center of a bustling and densely developed neighborhood. In response to early and substantial public concern of the impacts of the construction, project managers agreed to work hand-in-hand with a newly formed neighborhood group, the Frankford Elevated Reconstruction Advisory Group (FERAC) to guide the construction process and deliver a welcome project on schedule.

To initiate the community involvement process, community relations staff first visited a selection of business owners along the alignment to gather preliminary information face-to-face. The second stage was a meeting with community leaders to discuss the project aims. Next, open public meetings were held. At that meeting it was suggested by community members that a neighborhood committee be formed to serve as the central point of contact for both SEPTA and for the community. This group would provide for the necessary two-way communication in ways that SEPTA could not hope to achieve alone.

SEPTA also decided to set up offices near the construction area called Community Information Offices (CIOs). The CIO’s goals were to:

- maintain ridership during reconstruction
- provide reasonable mitigation measures for the inevitable disruptions

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- ensure that the project was not delayed due to public concerns
- publicize through all appropriate media the project's plans, progress and achievements

Prior to the start of heavy construction, the contractor was brought into meetings with SEPTA and FERAC, these meetings continued throughout the construction process. The meetings helped each party understand the requirements of the others and ensured that all pertinent issues were heard before problems arose. For those riders who were temporarily diverted by the construction, SEPTA worked out alternative routings and provided special bus services for some destinations.

Staff members of the CIOs personally visited every affected business to learn what their concerns were regarding the impending reconstruction. The office also served as a point of distribution for all SEPTA rider information and for ticket/pass purchases, this soon became a popular service. The relationship between FERAC and SEPTA was strong enough that when community members challenged SEPTA on some construction practices, FERAC came to the defense of the transit authority. The investment in community relations was paying off.

The CIOs were closed after the completion of construction, but both SEPTA and FERAC continued to meet, principally to discuss future transportation needs and their impact on the community. The community then proceeded to develop a plan to address its larger concerns and SEPTA members assisted in parts of this planning as well. Though SEPTA did not initially seek a role in community development, this process goes hand in hand with many transportation issues and the agency believes that a strong community can lead to a strong ridership base, justifying the continued investment of staff time.
Summary

<table>
<thead>
<tr>
<th>Philadelphia</th>
<th>Basic principles of Transit marketing</th>
<th>Three Dimensional Approach to developing support</th>
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<tbody>
<tr>
<td>Broad set of activities</td>
<td>x</td>
<td>Government</td>
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<tr>
<td>Three goals</td>
<td>x</td>
<td>Public</td>
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<tr>
<td>Evaluation</td>
<td>x</td>
<td>Private sector</td>
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The Philadelphia case is distinct from those of St. Louis and Dallas in that it represents only a portion of the overall marketing effort for SEPTA’s system. Nonetheless, it provides an excellent example of a thorough and detailed approach to a complex reconstruction project. The customer service aspects of the project were interpreted very broadly, allowing a wide range of activities to be suggested and carried out. Within the goals of the reconstruction, the marketing and customer service orientations of the effort ensured that all key stakeholders were included provided and them each with the kind of information and role that best suited their interests. Given the true two-way nature of the communication it allowed each stakeholder to understand and assess its role almost continually. Though the program was not formally evaluated, the fact that SEPTA staff has stayed on in the community is evidence of the importance of that newfound role for the agency.

Station Managers in New York City: Innovative Customer Service

In response to concerns about customer service and bureaucracy, the Metropolitan Transit Authority (MTA) in New York City developed the Station Manager Program in the early 1990’s. The program placed a manager in charge of several stations who was empowered to bring customer concerns quickly and directly to the appropriate office of the MTA, speeding up the responsiveness of the organization. The program was modeled in part on a similar program in London. The goals and objectives of the MTA program were to provide:

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4 Information for this case is drawn from an article by Carol E. Meltzer "The Station Manager Program: A study in management innovation" Paper presented at the 1994 APTA Rapid Transit Conference
• improved customer service through face-to-face interaction with riders
• an improved sense of control of the station environment through coordination, implementation, and monitoring of operational policies and plans for station cleanliness, security, defects, passenger flow, revenue activities and quality of life
• a team approach to coordinate station activities through interaction with superintendents, and managers of other operating divisions to improve station cleanliness, response to repair defects, turnstile availability, and public address system performance
• improved station staff supervision through on-the-job training and monitoring
• improved community relations through participation at community board meetings and other public meetings to create a favorable climate between the transit authority and the community

Each station manager’s picture and contact information is prominently displayed at each station. A manager’s job requirements include:

• greeting travelers and answering questions on the platform
• supervision of station staff (token booth attendant, cleaners, etc.)
• communication of customer concerns to MTA management
• outreach to communities through special events, participation at meetings, school programs, business improvement district meetings and to elected officials

The program has been highly successful, as measured by both qualitative comments and by numerical scores, such as the time required to repair defects. Customer comments and those from elected officials and community groups have been positive throughout. Approximately 40% of the 469 New York City stations were in the program after two years of operation, providing a good control group against which to measure the impact of the program. Program stations consistently received higher marks in the areas of: cleanliness, fare evasion and time to repair defects. The program won the 1992 APTA award for management innovation and was a finalist for the Ford Foundation’s Innovations Award Program in 1993. As the MTA prepared for a gradual transition toward an automatic fare collection system in the mid-1990s, the station managers were slated to play a key role as front-line educators for the public as the new system was implemented.
Summary

<table>
<thead>
<tr>
<th>New York</th>
<th>Basic principles of Transit marketing</th>
<th>Three Dimensional Approach to developing support</th>
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<td>Broad set of activities</td>
<td>x Government</td>
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<td></td>
<td>Three goals</td>
<td>x Public</td>
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<td></td>
<td>Evaluation</td>
<td>x Private sector</td>
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As with Philadelphia, this case represents only a portion of the total marketing effort for the New York City transit system. However, within the context of the station manager program, this represents a very thorough marketing / customer service effort. The attention to detail, the staff time commitment and the station manager’s ability to take a role in community events all contributed greatly to the effectiveness of the effort. As well, given the size of the New York City system, evaluation was possible as “managed” stations could be compared with stations without managers. The results, both quantitative and qualitative, showed clearly that a commitment to active rather than merely responsive customer service has paid off for New York.

**Attracting Tourists: Transit’s Potential**

Transit systems are often perceived as primarily a service for the daily commuter. While this is generally their most visible function, a number of cities are making efforts to attract tourists, visitors and other non-traditional riders to transit. Most cities with sizable transit systems are also important destinations for tourism and business travelers. In response to concerns about congestion and the opportunity presented by excess off-peak transit capacity, some cities have aggressively marketed their transit systems to new groups of riders. Working in conjunction with convention planners and tourist bureaus, managers have improved passenger information systems, offered new pass programs and coordinated shuttle services to meet the special needs of groups.

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Information for this case is drawn from an article by Valerie Sandler Kretchmer and Deborah Brett “Attracting Tourists to Mass Transit” Urban Land Vol. 53, no. 2 February 1994 pp. 16-20
While some cities, such as San Francisco and New Orleans have rail systems that serve easy-to-promote tourist destinations such as waterfronts and other attractions, other cities are working to market the transit system itself. In Detroit, tours of transit station art are provided and for others, tours of the transit system’s operations center are arranged, both for a small fee. In Boston, visitor passes for different numbers of days are available at numerous locations and hotels are encouraged to include passes in their weekend getaway promotions. Toronto sells family passes to visitors and reduced-rate convention passes in advance to large groups.

Transit agencies in New Orleans, San Jose, Pittsburgh and Washington, D.C. all work directly with convention planners to promote transit as an attraction for visitors. Transit system maps are included in convention materials and printed in multiple languages to accommodate overseas visitors who are often predisposed to using transit. In Washington, the system’s reputation for cleanliness, reliability, ease of use and safety helps attract tourists.

Transit agencies are also working to attract area residents to use transit for special events such as sports, entertainment and shopping. Those systems that serve these types of destinations can have much more varied ridership, taking advantage of available capacity outside of normal business hour travel peaks. Where key tourist / occasional rider destinations aren’t served by regular transit routes, special-purpose shuttle buses can be set up to carry travelers.

Conclusion

The short cases presented above illustrate that transit marketing is not just a matter of developing popular slogans and advertisements but also a commitment of substantial staff time for customer interaction and a dedication to building and utilizing relationships with other institutions outside of the transit authority. In addition to the summary comments above, a number of other observations may be drawn from these cases that could benefit transit managers. A listing of these is presented in Appendix A.
CHAPTER 4: MARKETING SAN JUAN’S TREN URBANO - RECOMMENDATIONS

The arrival of the completed new rail transit system in San Juan will be an important day for the city and for the island of Puerto Rico. The addition of new transit capacity will address some of the congestion problems of the metropolitan area but will also have several benefits that are more difficult to quantify. Among these are increased visibility for San Juan as a modern city, a new level of choice in mobility and the chance for a boost in economic activity and business confidence stemming from the $1.2 billion public investment. The most important determinant of the system’s success will be on-time performance and reliable, safe operations. However, a well designed and implemented marketing program will be a necessary complement to the operations objectives and can help boost the system’s image with the public and with area decision makers. The marketing program can also be expected to play a role in the future development of Tren Urbano. As planned, the system consists of the first 12-mile section, due to open in 2001. Several extensions are planned beyond this trunk line, however and the public acceptance of these developments will be shaped in part by the image and performance of the first line section. Ensuring that both operations and marketing start off well will be very important to the eventual success of the system.

This chapter contains three sections. The first provides background by describing some of the contextual challenges for transit marketing in the San Juan area. The second and principal section contains the recommendations for the development of the marketing program. The recommendations are divided into four time-based phases to aid the coordination of tasks. Finally, the third section provides a suggested set of organizational tools for the work planning required to implement the marketing program.

Operational Context for Tren Urbano

The San Juan metropolitan area presents several noteworthy, but not unusual challenges to effectively marketing a rail transit system. This section describes the key issues facing Tren Urbano managers in developing and implementing a marketing
program. Feedback from community forums, professional market research and other sources can help to further define this context and the challenges it presents. The objectives and activities developed in the final marketing plan should respond directly to these challenges.

It should be noted, however, that the single most important marketing tool is the consistent provision of high quality transit service. In an area such as San Juan, which has high levels of auto ownership, transit has very little margin for error in proving its ability to satisfy customer needs. High quality service goes beyond effective operations to include consistent, courteous and professional staff interaction with the public at every level. To a large extent, the service will "sell itself" if these conditions are consistently met or exceeded.

The Context for Marketing Rail Transit in San Juan, Puerto Rico

From a planning and engineering viewpoint, Tren Urbano is considered a highly appropriate and necessary investment. Levels of traffic congestion are high and worsening. The alignment travels through a densely developed portion of the metropolitan area and much of the system's route travels on easy-to-obtain pre-existing rights of way, limiting costs and disruption. However, current social and development conditions in the metropolitan area present formidable obstacles to encouraging high ridership on transit. The most significant issues are:

6 Tren Urbano Environmental Impact Statement 1995

7 This list was developed from focus group research conducted by Alan Hoffman in 1995 with Hato Rey area office workers and nearby University of Puerto Rico students and also from the author's observations and discussions in 1997. Hato Rey is the area of the city with the heaviest concentration of jobs, many of them professional. The Tren Urbano alignment passes directly through Hato Rey, with several stops in the area. The attitudes expressed by these focus group participants are especially important for marketing as a large portion of the ridership is projected to be made up of workers in this area. Students as well will be important to ridership as two stations will serve the university campus area.
• **Security:** Security both perceived and actual, is a serious problem in San Juan. Personal assaults, burglaries and car thefts are widespread and affect residents’ attitudes towards travel and mode choice. Current transit alternatives, in part because of their low reliability, are viewed as serious threats to personal security.

• **Composure:** The use of public transportation is closely associated with several forms of reduced personal composure. These include, but are not limited to:
  - exposure to the elements (wind, rain, sun)
  - interaction with different classes of people (i.e. the poor)
  - ‘sweat-inducing’ behavior (running for the bus, waiting at transfer points)
  - proximity to strangers (stations, crowded vehicles)
  - loss of control of schedule (time commitment, uncertainty)
  - security concerns

• **Reliability:** San Juan’s current mass transportation systems (ferries, buses and jitney vans, also known as publicos) are characterized by low reliability, poor ridership and a poor image among the general public. The buses and publicos are used primarily by transit dependent riders. Additionally, having witnessed events of the past, the public is skeptical about the viability of large-scale construction initiatives such as Tren Urbano.\(^8\)

• **Development Patterns:** Development patterns in San Juan are highly automobile oriented. Many residents live in gated or nearly gated developments, sidewalks are often non-existent or in poor condition. Walking, such as to a transit stop is perceived as a chore, undignified or dangerous. Auto travel, despite severe congestion and parking limitations, is the preferred mode, both for social as well as practical reasons.

• **Connectivity:** Current transit systems offer poor connectivity. This is due in part to the area’s development patterns that present few locations where trips may easily consolidate. However, operational practices also affect connectivity; buses and publicos operate on limited and often unpublished routes that do not provide for efficient transfers. These factors limit the utility, perceived and actual, of the transit system.\(^9\)

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\(^8\) The most recent example of a widely ridiculed public project is the Teodoro Moscoso Bridge, a privately operated toll facility in eastern San Juan. Source: Author’s observations and personal memo from Ramon Flores to Nicholas Karahalios, September 6, 1994.

\(^9\) In early 1998, the metropolitan area bus routes were restructured. Unprecedented efforts to improve public information were initiated. Though too early to assess the results of this effort, it is a welcome development in light of the information requirements for Tren Urbano to be a success. Publicos continue to operate completely apart from either service. Their future role is uncertain at this point.
• **Auto Use:** The metropolitan area, though densely developed, is characterized by increasingly high levels of auto ownership. Automobiles are also an important status symbol and are a part of the social life of area residents. Marketing efforts should not target the auto as the “enemy” but rather should focus on congestion, lack of space for new roads, social disruption, time savings and pollution as the reasons to support and use public transportation. Messages might also suggest the protection and preservation of automobiles by not risking them to the dangers of the trip to work.

• **Attracting Mode Choice Riders:** Current transit services in the metropolitan area serve primarily transit dependant riders. For Tren Urbano to succeed, both operationally and socially, it will need to attract a certain percentage of its riders from the mode choice population (i.e. those with access to cars).

Tren Urbano will be the newest and most reliable addition to the transit system in San Juan. However, if either operations or marketing efforts fail to respond to the above issues, the system will be ineffective in meeting its goals. While significant, these issues are common for most transit systems in increasingly auto-dominated societies. Managers in San Juan, despite the uniquely Puerto Rican context of the culture, can learn from strategies used in other areas to address these challenges.
Recommended Actions

Overview

Marketing activities for Tren Urbano must respond to the context in the San Juan area but also must begin to reshape the image of transit in the minds of the city’s residents. Managers and marketing staff need to approach that challenge with the confidence that their work will be effective and productive. The process of mounting a successful marketing campaign will be complex and may best be broken into several major components. This section is divided into four sub-sections, each devoted to one of the four time-based phases for the marketing program. The four phases are summarized in figure 4-1 and each is subsequently discussed in more detail.

Figure 4-1: Recommended Phases for Tren Urbano Marketing

<table>
<thead>
<tr>
<th>Phase</th>
<th>Title</th>
<th>Time</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Pre-Revenue</td>
<td>Early 1998 - early 2001</td>
<td>Community relations activities and developing a base of support for Tren Urbano</td>
</tr>
<tr>
<td>B</td>
<td>Opening</td>
<td>Mid 2001 - early 2002</td>
<td>Preparation, opening and initial revenue service</td>
</tr>
<tr>
<td>C</td>
<td>Ridership Development</td>
<td>Early 2002 - early 2003</td>
<td>Attract and retain of a solid core of regular and special event riders</td>
</tr>
<tr>
<td>D</td>
<td>Evaluation and Revision</td>
<td>Mid 2003</td>
<td>Revise marketing plan for future years</td>
</tr>
</tbody>
</table>

Each of these phases is dated based on the assumption that revenue service begins in November of 2001. If that date changes, marketing activities should be shifted accordingly.
Preliminary goals for the Tren Urbano marketing plan

As the reader considers the organization of the marketing work in these phases, the following goals and objectives should be kept in mind. Drafted as part of the procurement process for Tren Urbano, these goals can be expected to evolve but are illustrative of the early thinking as to how to orient the marketing program.¹⁰

- To build awareness of Tren Urbano’s value to the San Juan Metropolitan Area
- To contribute to meeting or exceeding ridership forecasts
- To achieve effective coordination of marketing functions between the system’s owner, the Puerto Rico Highway and Transportation Authority and its contracted Operator, the Siemens Transit Team

The final marketing plan will rely on the coordinated efforts of both the Puerto Rico Highway and Transportation Authority (The Authority) and the contracted operating agency’s staff. While the Authority will have final say in the form and content of the marketing program, the operating staff are expected to be the primary implementers of the marketing program.

In support of the goals identified above, the following preliminary objectives were also defined. In support of each objective, proposed activities are listed in the descriptions of each of the phases later in this chapter.

- To build awareness and enthusiasm prior to the initiation of Tren Urbano revenue service
- To continually build ridership over the course of the contract
- To educate potential riders about the benefits, costs, safety, and efficiency of Tren Urbano
- To gain broad based media coverage of the system, its opening, long-term benefits, and positive impact on the area

¹⁰ From Siemens Transit Team Operations and Maintenance proposal documents
To proactively address the security concerns of riders, potential riders and those near the alignment

- To build support for developing additional lines throughout the San Juan Metropolitan Area
- To achieve effective inter-institutional coordination of marketing efforts

With these preliminary goals and objectives as background, each phase is discussed below. For each phase, the description contains broad objectives, major organizational tasks, and recommended activities. Phase A, because of its foundational nature, is somewhat more detailed than are the later phases.

**Phase A: Pre-Revenue Early 1998 to Early 2001**

Broad objectives:

- Initiate work planning process for development of the marketing plan
- Conduct market research
- Develop early support for Tren Urbano among key opinion leaders in the San Juan area
- Prepare for start of Phase B activities

During the first phase of marketing, staff will primarily be engaged in work planning, market research and the cultivation of supporters outside of the transit agency. These efforts will provide the base from which more traditional marketing activities can be implemented. Discussion of each of these issues follows.

**A timeline for development of the marketing plan**

The first task for managers should be to draft a timeline to organize the development of the marketing plan. On the following page, figure 4-2 provides a suggested format for this timeline. The exact format is less important than the fact that managers need to try to anticipate the range of tasks that will need to be completed and the range of actors who may be involved, both in planning and in implementation. A
useful method of developing timelines is to define the goal at the outset, such as *Hire and train 50 “Bus Buddies” by March 15*, and then to work backwards from that date, detailing the tasks that will be required to achieve the stated goal. Some of the key dates, such as the availability of a rail car and track section for test rides, will be set by others and will provide milestones the marketing program can use to organize its work. Developing a visual timeline as in the table below is also valuable in assessing future workloads and staff needs. Managers may find that too many tasks are clustered at one point in time and that events should be rescheduled or that staff levels must be adjusted.

**Market Research**

Market research will help target marketing efforts and should be conducted by an experienced, outside research firm. As discussed in earlier chapters, market research permits managers to test assumptions about their product or service and to gauge public opinion on relevant issues. No significant effort should be undertaken in developing the content of a marketing plan prior to having some results available from market research. Recall that in St. Louis, before the new rail system opened, the presumed riders fit the description of the bus riders. However, after ridership had been established, surveys showed that rail riders were wealthier and much more racially diverse, requiring different marketing approaches. Marketing resources can easily be wasted if messages and methods are poorly selected.

While aspects of the marketing program will be applicable to the entire market, some segments of Tren Urbano ridership and some of its supporters will be better accessed and influenced by more targeted approaches. The suggestions here should be discussed among Tren Urbano managers and professional market researchers prior to the start of research. Tren Urbano market research should initially focus on at least four subgroups.
Figure 4-2: Sample Timeline Format for Development of the Marketing Plan

<table>
<thead>
<tr>
<th>Phase</th>
<th>Tasks and Key Milestones</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year</td>
<td></td>
<td>1998</td>
<td>1999</td>
<td>2000</td>
<td>2001</td>
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<td>Quarter</td>
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<td>4</td>
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<td>2</td>
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<td></td>
<td><strong>Internal</strong></td>
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<td></td>
<td>Chose focus of market research</td>
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<td></td>
<td>Circulate draft within Authority and STT</td>
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<td></td>
<td>Discuss joint marketing options with AMA</td>
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<td></td>
<td>Refine draft work plan</td>
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<td></td>
<td>Discussion of funding and staffing needs</td>
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<tr>
<td></td>
<td><strong>Prototype car available for tours / visits</strong></td>
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<td></td>
<td>x</td>
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<tr>
<td></td>
<td>Marketing staff hired</td>
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<td></td>
<td><strong>Start of revenue service</strong></td>
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<td></td>
<td><strong>External</strong></td>
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<td>Initiate market research</td>
<td></td>
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<tr>
<td></td>
<td>Initiate contact with select external groups</td>
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<tr>
<td></td>
<td>Expand network of external supporters</td>
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<td></td>
<td>Conduct follow-up market research</td>
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<td></td>
<td>Pre-test marketing devices with focus groups</td>
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</table>
A separate set of marketing activities is needed for each. The groups are:

- transit dependents
- mode choice riders
- residents within ¼ mile (400 meters) of the alignment
- organizations and associations

In conducting market research, certain standard questions or issues should be covered for all persons / groups surveyed. These may include:

- relevant demographics (age, sex, income level, housing, car ownership)
- trip origin and destination information
- timing of travel
- purposes of travel
- sources of information on travel options
- attitudes regarding travel (i.e. congestion, connections, parking)
- attitudes regarding service standards and expectations

Additional detail should be gathered individually from each of these market segments as described in Figure 4-3. The topics suggested are likely to be important issues for each of these groups, however, other topics may be identified as the final research plan is developed. The third column suggests what are likely to be the key messages appropriate for each segment. While these preliminary suggestions may prove valid, they should be tested during the market research process.
Once the first round of market research has been conducted, managers should carefully analyze the findings in light of prior assumptions. Though some of the organization of the marketing campaign can be conducted without the full results of market research, the messages and exact methods can now be developed. In addition, managers should determine what types of ongoing market research should be conducted. Though some ridership information will be collected almost continually, further information on customer attitudes and preferences may also prove valuable at this point. Finally, recall that Phase D of the marketing plan is an evaluation of its effectiveness through the first two years. Information needs for the evaluation need to be anticipated.
as the program is developed. Record keeping throughout the development of the marketing plan will also be critical to the effectiveness of the evaluation.

**Positioning Transportation Services in Metropolitan San Juan**

**Objectives**

- To frame mass transportation decisions as key public policy issues for the San Juan metropolitan area
- To foster the development of beneficial relationships with external organizations

**Rationale**

Public transportation is often perceived as a service provided only to a small population with limited influence. In the ideal situation, the metropolitan area would view the provision of public transportation as an important contributor to economic development, labor productivity, attracting tourism and shaping area growth. For Tren Urbano to succeed in this way, both the Authority and the operator need to aggressively position transportation choices and their implications in the eyes of decision-makers and the public. This communication is especially critical during the construction period, when the public and political leaders will be scrutinizing the disruption and investment required for Tren Urbano.

The successful positioning of transit services in metropolitan San Juan will depend in part on the degree of integration between Tren Urbano and AMA (Autoridad Metropolitana de Autobuses, The Metropolitan Bus Authority). At present the two agencies operate separately, though they both ultimately report up through the Secretary for Transportation and Public Works (Departamento de Transportacion y Obras Publicas, DTOP). While some organizational separation may continue to be appropriate, passengers will most likely view the two agencies as one and their satisfaction or dissatisfaction will be directed at both simultaneously. While AMA is currently established and accustomed to operating alone, it and Tren Urbano will need to learn to
work together both operationally, in terms of ensuring efficient transfers, and also in
terms of public statements. The público, or jitney van system, currently the largest
carrier of passengers in San Juan, operates completely independently and its future role is
not clear at this point. Marketing messages should focus only on issues that are under the
control of Tren Urbano and AMA. Managers and should not make claims, for example,
about the effectiveness of publicos as feeders to Tren Urbano stations.\footnote{For further discussion on the público issue, see the 1997 Massachusetts Institute of Technology masters thesis by Sam Lau entitled: \textit{Strategies for improving Jitneys as a Public Transport Mode.}}

Development of external support

To develop a foundation for Tren Urbano marketing and ridership enhancement, a
core group of private supporters should be developed among business and other leaders
in the metropolitan area. The early identification of vocal leaders who value the addition
of Tren Urbano will be critical to the ultimate success of the rail system and its potential
for expansion.

Appropriate individuals might include members of business associations, mid-level
elected officials, labor leaders, heads of community groups and representatives of other
relevant professional associations. Market research can also be used to identify these
individuals and to select means of initiating their involvement. St. Louis and Dallas both
provide excellent examples of the potential benefits of organized input from external actors.
In much the same fashion, organizations can also be encouraged to publicize Tren Urbano to
their constituencies. For San Juan, important external voices may include:

\begin{itemize}
  \item business associations
  \item citizens' groups
  \item neighborhood associations
  \item non-profit organizations
\end{itemize}

Because of their specialized functions, these groups may be particularly well
placed to help the Authority and STT determine the content and format of aspects of the
communications and marketing plan and also to assist with the dissemination of information to their members and to the general public.

Recommended strategy for positioning

- Identify private and non-governmental groups in the San Juan Metropolitan area with an interest in economic development, transportation, the environment and other relevant fields. Identify groups representing destinations (employers, stadiums, shopping areas, hospitals, etc.) In selecting groups to target, organized associations near the alignment should receive first priority. Second priority should go to larger organizations in the metropolitan area with an interest in Tren Urbano.

- Identify any government departments outside of DTOP that should receive special attention, including offices addressing issues of public health, the environment, services for the poor and economic development.

- Identify and provide special attention to groups who may not support the construction and use of Tren Urbano

- Provide each group with information on Tren Urbano, encouraging them to discuss their questions and concerns and to participate in making Tren Urbano a successful addition to the city

- Solicit their help in targeting information campaigns to special market segments

- Seek opportunities to utilize their distribution channels and member meetings to promote Tren Urbano

- Study the development of one or more Transportation Management Associations (TMAs) that can transport riders to and from stations.

Though perhaps outside of the domain of immediate STT responsibilities, it is important to support the development other professional organizations to manage and support transportation options. Transit use and the viability of rail extensions will be greatly served by a organizations and a metropolitan area that view transportation as a managed set of choices rather than as an obstacle to efficient business and to a high quality of life.
Functional Planning

Functional planning addresses the material resource issues of staffing and budgeting as well as the interaction between marketing functions and other management tasks within the organization. As Tren Urbano is a new group within the Department of Transportation and Public works, its staffing needs must take into account both vertical and horizontal relationships with other groups, most notably, AMA. Some functions will best be housed in their home agencies, others could serve both agencies simultaneously, while still others may be placed at a higher level within the overall DTOP organization. Each of the parties will need to coordinate closely to ensure the optimum number and placement of staff for all functions. Marketing, because of its visible role will need to be very attentively managed.

Staffing

For marketing functions to be truly effective and integrated into the overall organization, the senior manager responsible for marketing activities should report to the system’s General Manager. It may be said that to minimize the distinction between production and marketing staff, no job titles should include the word “marketing.” This is probably more possible on paper than in practice but the intent should not be discounted. Where staff with varying responsibilities work closely together they can learn from each other in ways that can help the organization better achieve its overall objectives. While staff may be organized into different working groups, even a simple measure such as locating workspaces near other key departments can foster the integration and creativity necessary for marketing success. Though some staff requirements can easily be predicted, such as the need for a customer information telephone clerk, final staffing requirements for the marketing effort should be determined only once the work plan has been developed and funding levels are known.
Budgeting

The budget for the Marketing Plan should be derived from the Resource Requirements section of the work plan. Careful elaboration of the work plan will make cost justification and budget development relatively straightforward. Each cost item in the budget can be tagged to a specific activity in the work plan for ease of reference. This tagging will also simplify selection of activities if any budget alterations are required. Recognize that many marketing activities make use of items that can be donated in kind from supporters, such as free advertising, printing and other services. The development of external supporters of the transit system will increase the likelihood of receiving these types of donations.

Relationship of marketing to other communications functions

As part of the Operations and Maintenance contract issued by the Authority, a Customer Service, an Advertising and a Public Information Plan are required in addition to the various operational plans. A well-developed marketing plan should provide the organizing context for these subordinate communications related functions. Marketing, while overlapping with these functions (among others), should be seen as distinct in that marketing activities attempt to proactively stimulate and create demand for the service through improved understanding of the system’s features and benefits. Public information, for example, is a more static function, whereas marketing should be active and coordinated effort to reach key audiences, especially San Juan decision makers and mode choice travelers. Chapter 2 provided a discussion of the interplay between public information, customer service and other related functions.

Recommended Activities for Phase A

This section provides planning and action recommendations for the Tren Urbano rail transit system in San Juan, Puerto Rico. These recommendations attempt to build on the lessons from current transit marketing practices, respond to the challenges of the San Juan context and utilize the Three Dimensional approach to developing public support.
For each of the four phases, several marketing activities are presented. Some activities are clearly time-bound, such as those having to do with the start of revenue service. Others may be carried out over unspecified time periods, provided that managers develop a means to assess their continued validity.

**Marketing Activities**

The preceding sections of this document discuss foundational issues of context and organization for Tren Urbano marketing activities. While the goals, objectives and activities contained in this document are preliminary suggestions that will require refinement, it is important to continually identify appropriate specific new marketing activities during that process.

This section introduces a sample of proposed activities designed to help achieve the stated marketing goals. Prior to implementation, the Authority and Siemens Transit Team should review all activities (with the assistance of external supporters where appropriate) and proposed activities should be assessed against the findings of professional market research.

The final Marketing Plan should contain a coordinated schedule of activities with responsibility for implementation detailed next to each listing.

Under each objective box below, suggested activities and brief descriptions are listed. *Pre-Revenue* activities are focused on the period from the present to the beginning of revenue service. *Ongoing* activities may begin during the pre-revenue period but typically continue beyond opening day as well.
Phase A Pre-Revenue: Early 1998 to early 2001

Objective A1: To build awareness and enthusiasm prior to the initiation of Tren Urbano revenue service

- Set up prototype vehicle for tours/visits

  Prepare prototype car with functioning lights, communications, doors and Tren Urbano facts and figures where advertising would normally be placed. Allow visitors to board the car, test the seats and passenger intercom system and view the changing variable message signs.

  Provide a system map, a newsstand and other station features to give visitors a sense of how the stations will function.

  Invite disabled groups to visit the car and test its accessibility features.

- Provide opportunities for area opinion leaders to familiarize themselves with the components of successful rail / bus transit systems of other cities.

  The addition of the rail system will provide substantial benefits to the metropolitan area; carefully communicating these benefits will be critical in gaining wide public support for Tren Urbano. Opinion leaders in San Juan will benefit from opportunities to learn how the rail system will work with the buses and help to shape the city. Evidence of positive economic development impacts and beneficial community interaction from other cities will be vital to help San Juan residents learn about the impact of Tren Urbano. Community groups, professional associations, mid-level elected officials and others can be important allies for Tren Urbano in developing high levels of sustained ridership. Appropriate Authority and STT staff should participate in these efforts as well. Appendix B provides greater detail on how these learning opportunities might be structured.

- Conduct informational forums and promotional events with general public and with special groups

  Hold meetings with the general public and special groups to explain the need for Tren Urbano, discuss issues of general mobility in the metropolitan area and the benefits of the system. Forums are also opportunities to explain parking options, transfer procedures, distribute system maps with information on connecting bus/publicos, distribute area maps/descriptions of each station and features of that area.

  Link the development of Tren Urbano with Puerto Rico’s history and culture. Cultural tie-ins are important to the success of any large-scale change to a city and can play a real role in shaping the image of the transit system. The San Juan
metropolitan area has a rich history as a growing set of once separated municipalities that were connected in part by a train until the 1950s.¹² A number of San Juan area residents will still remember the earlier train and may serve as excellent spokespersons for Tren Urbano promotional activities.

Invite Public drivers to special forums to discuss routing arrangements and station features that will support transfers.

**Phase B: Opening Mid 2001 to early 2002**

Broad objectives:

- Initiate dissemination of detailed passenger information
- Provide opportunities for the public to learn how to use the new system
- Increase promotion of Tren Urbano, utilizing the inputs of external supporters
- Prepare for ongoing marketing activities in Phase C

Phase B, The Opening, should be the most visible phase of the marketing program. The start of revenue service for Tren Urbano will be a critical day; however, the success of that day will depend less on the execution on opening day than on the prior months of preparation. The coordination and timing of a number of simultaneous tasks during this phase will require significant staff time and a learning curve for managers.

Intensive marketing efforts should begin approximately six months prior to the start of revenue service to provide ample time to communicate the key messages for this phase. These messages should respond to the findings of market research conducted earlier in the marketing program addressing issues such as:

- Security
- Reliability
- Convenience
- Quality customer service

Phase B takes place during an important change in the internal organization of the operator. For the first time, all staff in all working areas will be in place and beginning

¹² Source: Personal memo from Ramon Flores to Nicholas Karahalios, September 6, 1994.
to carry out their specified functions. The community relations functions, underway throughout the construction phase will be reduced and some staff likely moved into marketing or related functions. Operations staff will assume a newly important role in the organization and all departments will gradually establish their roles and responsibilities. Prior to this stage, it will be important for managers to anticipate and develop organizational decision making structures that create a customer-oriented workplace. Without this consideration, Tren Urbano passengers, the focus of the task, will be less well served and ridership may suffer.

In the second phase, Tren Urbano should actively involve external supporters in the preparation for the start of revenue service. Supporters should be invited to contribute to the development and implementation of Phase C marketing activities and to assist in the identification and recruitment of additional influential supporters.

In addition to the continuation of appropriate activities from Phase A, Phase B should focus on the following:

<table>
<thead>
<tr>
<th>Phase B</th>
<th>Opening: Mid 1998 to early 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective B1:</td>
<td>To educate potential riders about the benefits, costs, safety, and efficiency of Tren Urbano</td>
</tr>
</tbody>
</table>

- Conduct forums with groups and individuals to provide general information about Tren Urbano and specialized information of interest to targeted groups.

- Develop a temporary system of “Bus Buddies” and “Station Ambassadors” to help travelers become familiar with the new system (as in St. Louis and Dallas).

- Consider development of a permanent system of roaming Customer Service managers to address passenger issues face-to-face at stations. Modeled on the New York City Station Managers program discussed in Chapter 3, this might comprise two staff assigned to undertake similar customer service functions along the whole alignment of Tren Urbano. These staff could interact with station personnel, cleaning and security staff as well as with customers. In addition, the transfer areas outside stations should also be monitored. Regular Tren Urbano office or operations staff might fill the positions on a rotating basis. This would help develop an understanding of customer service / marketing functions among a wider group of staff and expose passengers to the knowledge of the system that different staff members can provide.
- Encourage the development of Transportation Management Associations

Transportation Management Associations (TMAs) are important to promoting ride sharing and public transportation use. Provide information and assistance to interested parties to guide the development of TMAs.

- Maintain a frequently updated Tren Urbano Web site

A modern and dynamic web site should be in place well before the initiation of revenue service. The site should contain, facts and figures about the service, a Q&A section, news briefs, a system map, station area maps and lists of attractions, contact information, an electronic suggestion box, links and other features. The site could be maintained by a student group or by an interested business.

<table>
<thead>
<tr>
<th>Phase B</th>
<th>Opening: Mid 1998 to early 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective B2:</td>
<td>To gain broad based media coverage of the system, its opening, long-term benefits, and positive impact on the area</td>
</tr>
</tbody>
</table>

- Press releases to the media

Provide regular information to key media representatives during the development of Tren Urbano and after service begins. Announce the successful achievement of key milestones. Use the media to disseminate customer service phone numbers and other key pieces of information. Distribute information about jobs created by Tren Urbano and the system’s economic inputs.

- Develop appropriate promotional materials for print, radio and television advertising

- Where possible, utilize external supporters as media spokespersons so that the public sees broad support for the rail system

- Encourage media participation in Tren Urbano events

Invite media to tour the prototype car exhibit. Encourage media attendance at community forums, opening ceremonies and other events.
**Phase B**

| Objective B3: | To proactively address the security concerns of riders, potential riders and those near the alignment |

- Provide detailed information on the security system to all groups

  Develop descriptions and materials detailing the system’s security features for dissemination to all groups. (car intercoms, station emergency phones, video surveillance, etc.)

- Demonstrate the system’s security features

  Have community members assist in periodic testing of security features to provide reassurance that the phones, etc. are working and are responsive.

  Allow media representatives to film their staff testing security features

- Address security issues in a regular Tren Urbano newsletter

  Be the first to mention security concerns, encourage community suggestions on security improvements and solutions.

  Consider incentives for group travel to encourage night ridership and allow travelers to feel safer.

| Objective B4: | To achieve effective inter-institutional coordination of Marketing efforts |

Effectively marketing Tren Urbano will require close and effective coordination between several institutions. The key actors are: The Authority, STT, AMA the professional marketing services firm, advocates from the business community and other external groups.

- Clearly define roles and responsibilities among and within agencies

  The work plan should clearly delineate the office or position responsible for each task. Staff should develop appropriate day-to-day coordination mechanisms.
• Conduct a regular interagency coordination meeting with appropriate staff

This meeting should focus on medium-term (1-4 month) level coordination rather than on day-to-day activities. Work plan targets should be reviewed and revised where necessary and new activities should be considered.

• Collaborate on development of the Marketing Plan Evaluation to take place in Phase D.

• Identify and provide professional development opportunities for marketing staff at the Authority and at STT.

• Revise and Update Marketing Plan

    Conduct a quarterly review of the Marketing Plan. Access external resources to continually consider new marketing activities to help build ridership.

**Phase C: Ridership Development, Early 2002 to early 2003**

Broad objectives:

- Establish and maintain a solid core of regular riders
- Continue to attract new riders
- Develop public support for future system expansions

The third phase is set to begin approximately six months after the start of revenue service. This allows for continued heavy promotion and passenger education during a period long enough for users to adjust their travel habits. Once the opening phase has passed, marketing should concentrate on retaining existing riders and continually adding to ridership by attracting new and occasional users.
In addition to the continuation of appropriate activities from Phase B, Phase C should focus on the following:

<table>
<thead>
<tr>
<th>Phase C</th>
<th>Ridership Development: Early 2002 to early 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective C1:</td>
<td>To continually build ridership over the course of the contract</td>
</tr>
</tbody>
</table>

- Produce a monthly report of customer complaints and comments for operations staff to use in operations analysis

  In consultation with operations staff, develop a report that summarizes customer complaints and comments about system performance. Meet with appropriate operating staff to review the report and consider service changes to improve customer satisfaction. Involve operations staff in preparing responses to customer questions and concerns.

- Community Involvement Campaign

  Initiate a program to place artwork and other appropriate installations in stations and on trains. Artwork may be created by school children and community groups and will help spawn additional public interest and a sense of community ownership of Tren Urbano.

- Tren Urbano Newsletter

  Produce a quarterly Tren Urbano newsletter for free distribution in stations and for mailing to interested groups, individuals and key government officials. The newsletter might include information on service changes, station area attractions, customer Q&A section, security tips, employee profiles, etc. To the extent possible, time publication with sports and cultural seasons or the academic calendar.

<table>
<thead>
<tr>
<th>Phase C</th>
<th>Ridership Development: Early 2002 to early 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective C2:</td>
<td>To build support for developing additional lines throughout the San Juan Metropolitan Area</td>
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Fulfillment of this objective should primarily be the responsibility of Authority, but important support will be required from STT. The primary target group should be decision-makers and professionals who would need to support future extensions. Secondary focus should be on citizens and non-governmental organizations with an interest in this issue, especially those along or near the proposed alignments.
• Activities in support of this objective might include:

Forums and tours of the system with government representatives (i.e. City Council Members) and other area groups.

Tours of the system with Federal and other external representatives of interest

Community and special group forums in targeted expansion areas to discuss Tren Urbano extensions, costs, benefits and designs.

Provision of information to the press and to decision-makers about the benefits of system expansion. Discuss the value of Phase I of the rail system including its impacts on businesses, traffic, commute times, etc.

Outreach to business groups about starting Transportation Management Associations

**Phase D: Evaluation and Revision  Mid 2003**

Broad objectives:

• Review and assess marketing program to date
• Draft new multi-year marketing plan
• Study management implications of proposed system expansions

In any management plan, it is important to develop a means of assessing the impact of past decisions. This is challenging in all contexts but especially so in marketing, where the goals and products are often intangible. As noted above, however, if managers anticipate in advance the need to evaluate their programs, the process is much simpler at the end. The development of clear and quantifiable goals and objectives is essential to aiding an effective evaluation and managers should be sure that all staff understand this and that they recognize that an evaluation will take place at a specified future date.

Tren Urbano will have been in revenue service for approximately eighteen months at the point the evaluation is scheduled. During this interval most management practices will have been established and the roles and responsibilities of departments and institutions will be largely formed. Given the short-term nature of the operations contract (five years with
an option to renew), this is an ideal time to review and refocus marketing activities for maximum effectiveness.

While marketing activities from Phase C should continue, the focus of senior managers should be on the evaluation of these practices and the development of a new multi-year marketing plan that addresses the organization’s deficiencies and builds on its strengths. Key tasks in this evaluation include information gathering and analysis, comparative evaluations and future planning.

The collection and analysis of information should include a review of the marketing program to date and of new market research on customer concerns. The review might best be conducted by an experienced consultant from outside of the agency and preferably, outside of Puerto Rico. The consultant should have experience in marketing, transit and in Latin American settings. This review should provide a chronological report of marketing activities with discussion on decision making, staffing, budgeting, implementation and effectiveness. The review should assess the impact of marketing activities against benchmarks and other stated goals throughout the life of the program. This report should form the basis against which new market research is conducted. The market research should focus on confirming agency beliefs about its own performance, on new or emerging trends in the metropolitan area and on any additional services that customers would find beneficial.

From the evaluation and the new market research, managers should reassess staffing and budget levels, departmental and institutional roles, and the focus of the marketing program. The changing political context of the metropolitan area and the status of decisions on rail system expansions should also be considered as the new plan is developed. The plan should cover the remaining period of contracted operation, through 2006. It should anticipate two courses of action at that point, hand over to the new operator or continuation of activities if a second, five-year contract is awarded.
Summary

The recommendations provided above are meant to help managers conceptualize an approach to the task of marketing Tren Urbano. Grounded on the findings of market research, the marketing program may take a different direction than that described here but should nonetheless consider the organizational principles discussed here and in the section below.

Organizing for Marketing

The previous section suggested a set of activities to use in the marketing of Tren Urbano, in effect the goal of the effort. The section below provides information to aid managers in organizing the work of planning a marketing effort. A marketing program that is carefully organized from the outset will be more easily managed and more easily evaluated at its completion. The ability to document quantifiable progress and outcomes from a marketing campaign will facilitate future marketing planning and also assist in making marketing functions more familiar to managers with little experience in the marketing area.

Developing and monitoring a marketing plan requires substantial staff resources at the outset of the planning process. Managers who anticipate this and prepare accordingly will benefit from improved staff performance and stronger organizational support for the marketing program. This section discusses the organizational tasks necessary to prepare and implement a marketing program for a transit system. Key tasks include work planning, staffing projections and identification of preliminary goals and tools. With these tasks completed or underway, managers can proceed to develop specific marketing interventions such as those suggested in Section Two above.
Work Planning

The development of a marketing plan should take the same form of business planning as for any other management function. In fact, the more similar the planning processes for the various functions within an organization, the more likely it is the organization can function efficiently and smoothly. A basic format for strategic planning is depicted in figure 4-4. Several of these steps are appropriate to consider for Tren Urbano marketing planning. Note that the strategic planning process is depicted as essentially circular. This is done to convey the fact that (a) planning is a continual process and (b) that the outputs of planning should be fed back into future planning efforts to maximize opportunities for learning from experience. The features of this planning process are described in more detail below.

Figure 4-4: Steps in strategic planning\textsuperscript{13}

\begin{figure}
\centering
\includegraphics[width=\textwidth]{Steps_in_strategic_planning.png}
\caption{Steps in strategic planning\textsuperscript{13}}
\end{figure}

\textsuperscript{13} Adapted from Kotler, 1994, p. 79 and Smerk, p. 468
Organizational mission -- Different organizations have different levels of freedom in determining their missions. For Tren Urbano, the mission is largely established though there is the complexity of having both an owner and a contracted operator as representatives of the system. Because of its long-term role, the system’s owner should clearly communicate the mission of the organization. This mission might simply be “to provide the best possible mass transportation services for the metropolitan area.”

External environmental analysis – This is a key and often overlooked aspect of work planning. For transit, market research, as discussed in earlier chapters, is perhaps the most important aspect of this analysis. The analysis should consider the major relevant influences on the metropolitan area including development patterns, growth trends and economic indicators. For marketing purposes, the most important external groups are riders and potential riders. Organizations such as the Highway and Transportation Authority and the bus authority may be considered either internal or external, depending upon management relationships with those groups.

Internal environmental analysis – This analysis should consider the strengths and weaknesses of the organization in light of anticipated tasks and developments. Funding, the staff skill base, internal systems and other factors should be reviewed. As a new service, the Tren Urbano management culture and inter-departmental relationships will be evolving during its first phase of operation. What will be important are efforts to establish effective working relationships not just internally but also between Tren Urbano and pre-existing organizations such as the Highway and Transportation Authority, the bus Authority and other closely related bodies.

Goal formulation – As with the organizational mission, goals may be relatively easily generated, depending on the current status of the transportation system. The aim should be to envision what would make Tren Urbano a success in the future and to build the foundation for that success with the first year’s goals. Goals should be considered hierarchically, for example, Tren Urbano’s primary goal might be to run the system with no fatal accidents to passengers or employees. Other less critical goals can follow. The number of goals should be kept to a manageable quantity; enough so that each clearly stands on its own as an area of concern for the organization but fewer than ten so that goals do not overlap or contradict each other. Once the overall goals have been set, supporting objectives (or Strategies) can be developed to provide greater detail. Wherever possible, objectives should be stated quantitatively to facilitate monitoring and evaluation of progress.

A public organization such as a transit agency should have service oriented goals as primary, but it may also set revenue targets for its performance. In contrast, a
private group may have profit as a central goal but in order to provide effective service, it may also place a high priority on strong customer relations. In the case of a private operator providing service to a public agency, most goals can be determined by the contract structure.

A similar approach to work planning is the use of benchmarks. Benchmarking starts with the statement of a desired future outcome. Managers then work backwards from that point to determine the tasks required to achieve the target. Benchmarking is especially useful for event planning, where the end date is fixed and resources need to be brought together to achieve the goal. In marketing, especially for a new system, several key dates, such as the start of revenue service, can be considered “events.” These dates can greatly facilitate the process of setting work objectives and benchmarks. A set of sample benchmarks for Tren Urbano is provided in figure 4-5.14

Figure 4-5: Sample marketing benchmarks for Tren Urbano

<table>
<thead>
<tr>
<th>One month prior to the start of revenue service:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• _____ number of Community Forums have been conducted to provide information on Tren Urbano services</td>
</tr>
<tr>
<td>• _____% of people surveyed know the location of the nearest Tren Urbano station to their home</td>
</tr>
<tr>
<td>• _____% of people surveyed plan to use Tren Urbano at least once during the first two months of service</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Six months after the start of Revenue Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>• _____% of people surveyed have used Tren Urbano at least four times in the preceding month</td>
</tr>
<tr>
<td>• _____ number of media articles have appeared in major print journals concerning Tren Urbano</td>
</tr>
<tr>
<td>• _____% of bus / public riders surveyed have transferred to Tren Urbano at least four times in the preceding month</td>
</tr>
</tbody>
</table>

14 These suggestions are meant to be illustrative only. Final benchmarks should be selected only after market research or other data collection has been conducted and operational feasibility has been considered.
As with the sample benchmarks, targets used in work planning should be based on the results of market research and should be checked for compatibility with the environmental analyses and with other goals and objectives. It is also important for performance benchmarks to be developed and utilized in more than one category. For example, certain benchmarks should detail activities, such as staff training, that must be completed as specified to meet required outputs in other areas. Other benchmarks may be used as a part of the performance evaluation process for a department or a staff member. Finally, some benchmarks may be considered experimental, to be used to test assumptions about performance in a particular area.

Goals and objectives can be consolidated in a simple work plan format that easily conveys the key tasks, dates and responsible staff for each activity. Developing an organization-wide format will facilitate inter-functional coordination and simplify evaluation efforts. A sample work plan format with illustrative objectives is provided in figure 4-6.

**Figure 4-6: Illustrative Sample of Work plan Format:**

**Benchmark:** By the end of 2003, conduct 16 Liaison / Tour events in areas targeted for line extensions

<table>
<thead>
<tr>
<th>Objective</th>
<th>Activity</th>
<th>Responsible</th>
<th>Completion Date</th>
<th>In Coordination With</th>
<th>Resource Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Build support for developing additional rail transit lines throughout the San Juan Metro Area</td>
<td>Arrange Tours of Transit System with City Council Members in Target Districts</td>
<td>Deputy Director – Authority</td>
<td>Two per qtr in 2003</td>
<td>External Relations Manager – STT</td>
<td>10 workdays (preparation and execution) Eight lunches for 5</td>
</tr>
<tr>
<td></td>
<td>Advance Community Liaison in areas targeted for rail extensions</td>
<td>Community Liaison Officer – Authority</td>
<td>Two per qtr. In 2003</td>
<td>Community Organizations</td>
<td>20 workdays (preparation and execution) Refreshments and pamphlets for 50 x 8</td>
</tr>
</tbody>
</table>
Partnering and the establishment of functional roles

Marketing for a transit agency should involve the collaborative work of a number of parties to be most effective. Each of the major parties has different abilities and can contribute in different ways. The key is for managers to proactively anticipate the roles that they will play in the marketing program and examine how those roles will affect and be affected by other actors outside of the transportation authority. For Tren Urbano there will likely be four major actors with a role in the marketing program, the Transportation Authority, the operator, a professional marketing services agency and other outside groups. Each of the roles of the major parties is discussed below.

The Transportation Authority

As the owner and developer of the system, the Puerto Rico Highway and Transportation Authority (PRHTA) will play a management role for all marketing activities for Tren Urbano. Though the operator is expected to be the primary implementer of most marketing efforts, overall guidance for the direction of the program should come from the Authority. Though most system decisions such as alignment and station location have been made at this point, a number of other fundamental issues related to marketing merit ongoing attention at the level of the Authority. One means of describing the likely role of the Authority is provided by Davis and Mundy who describe its function as one of “macro-marketing.” If micro-marketing is a firm level activity relating to the planning, promotion and sales of a good or service, macro-marketing is a process of community allocation of resources for the overall benefit of its citizens. In deciding to build Tren Urbano, the Authority committed to a specific direction for the community’s transportation future, based on study of alternative options.

15 In Gray and Hoel, page 492-5
In making macro-level decisions, the Authority should continue to consider the types of questions that it likely addressed in planning for Tren Urbano, such as:

- What are the community’s objectives?
- Who must be served to accomplish the community’s objectives?
- What combination of service, vehicles, price and promotion is the best means of accomplishing the community’s objectives?
- When should a specific service be initiated, expanded, revised, reduced or terminated?
- How should the community’s public transportation authority be organized to ensure that its objectives are accomplished?

The Authority has lead long-range transportation decision making as well as Community Relations activities through 1998. Given its permanent role in San Juan, it should continue to carry out both these functions as the physical system and the details of the marketing program develop.

The Operator

In the Tren Urbano case, the system’s operator will be a private organization, Siemens Transit Team (STT). STT will work under contract to carry out the day-to-day functions of running the rail system. This will include many of the visible marketing functions. The distinction between responsibilities of the operator and the authority may sometimes be unclear, however, and it will be important to anticipate these questions as early as possible in work planning. A key determinant of the STT role in marketing will be the incentive structure written into its contract for operations and maintenance. The contract provides financial incentives for the achievement of a number of performance related measures but also for reaching specified ridership targets. STT may find it profitable to increase marketing efforts in response to these incentives. While reliable performance is the most important marketing tool the system can employ, an effectively managed marketing program can greatly enhance ridership beyond basic levels. A suggested list of items for inclusion on the position description for the marketing manager is provided in Appendix C.
The Professional Marketing Services Firm

Many transit marketing functions may be conceived or carried out by a contracted professional marketing services firm. The advantages of outsourcing some functions, such as materials development and management of media contacts can be significant if those skills are not well developed among the staff of either the Authority or the operator. The fundamental planning and direction setting for the marketing program should be carried out by internal staff, however, to ensure that the program is in line with organizational objectives. The best areas of involvement for an external marketing services firm are most likely to include market research, materials development, press relations and staff training, among others. In contrast, the areas that would be beneficial to conduct with internal staff are those such as customer service, passenger information functions, and marketing planning. Appendix D provides a brief set of criteria with which the Authority or the Operator may select an appropriate marketing services firm.

External Organizations

The role of external organizations in marketing, as discussed in the St. Louis and Dallas contexts, can be very important to meeting transit system ridership goals. Their involvement in marketing efforts may vary substantially but should generally be focused on developing support and ridership for the system, either from the general public or from targeted segments of the public. Because of their specialized functions, selected external organizations will be particularly well placed to help the Authority and STT determine the content and format of aspects of the Marketing Plan. Their help will also be important in the dissemination of information to their members and to the general public.

Work planning for marketing need not be seen as a new set of planning requirements but rather should be conducted as part of the overall organizational planning at the start of each planning period. Further, if work planning and evaluation processes
for the various types of management functions are more similar, inter-departmental coordination can be enhanced, leading to greater efficiency and effectiveness.

**Conclusion**

This chapter has provided discussion of the context in San Juan, recommendations for the organization of the marketing effort and preliminary recommendations for the Tren Urbano rail system. A key underpinning of this phase of the work is the use of high quality market research to help shape the content and form of the marketing effort. Though marketing is complex, managers will benefit by approaching the task with many of the same organizational tools as would be used for other management functions. In fact the more managers attempt to work with this approach, the more easily will the marketing function be integrated into the other major management functions.
Transit managers in San Juan and elsewhere are operating in a changing environment. The changes are both internal and external to the industry and they may dramatically affect transit’s future role in many cities. As concern regarding congestion and the environmental costs of transportation increase, metropolitan planners everywhere will need to look more carefully at new transportation options and at how these may fit with other planning demands. In addition, as government resources are more often constrained, public sector managers are asked to be more effective but to do so with reduced resources. Finally, the continuing privatization of many formerly public transportation services is expected to increase efficiency and professionalism in the industry. Each of these trends presents an opportunity for marketing to assume a more important role within transit management.

At the start of this research, two questions were posed; what marketing practices would benefit San Juan; and how might these practices be assembled as a management strategy for Tren Urbano? The background for these questions has been addressed via a discussion of marketing itself, of several approaches to transit marketing and with a proposed method of organizing the task of marketing. Given this background, how should San Juan approach the task of marketing Tren Urbano?

First, marketing must not be seen as a simple, add-on function but rather should be an integrated and ongoing aspect of organizational planning for both the Authority and the contracted operator. For this to take place a broad range of managers needs to be involved in marketing planning and they, in turn, will benefit from taking a broad view of the scope and role of marketing functions.

Second, the involvement of stakeholders outside of the transit agency in shaping the agency’s image and its services is a key step in this process and has been a fundamental theme of this work. St. Louis and Dallas both made extensive efforts in this regard and have found that their transit systems have been very well received. Other agencies have
developed stronger, more interactive relationships with the communities they serve and have found mutual benefits in the process. Though an expanded scope of marketing activities does create costs and require staff resources, the benefits can far outweigh those costs. The ‘Three Dimensional’ approach to transit marketing presented here attempts to capture the opportunities presented by these trends for the benefit of transit managers in San Juan and perhaps in other settings as well.

Third, managers in San Juan should recognize that the opportunity to change the image of transit in San Juan may never be greater than with the arrival of Tren Urbano. And while the context in Puerto Rico is challenging for transit marketers, it is not unique. First priority should go to establishing train operations as safe and reliable. Second priority should be given to the development and implementation of a sound marketing program. Fundamental to the success of both of these, however, will be Tren Urbano’s ability to integrate its services with the currently available transit modes in San Juan. The integration of rail transit services with the bus and público (jitney van) services is critical both for the first phase of the rail system and also for the proposed extensions. When marketing messages can tout the availability of effective transit options throughout the metropolitan area, their credibility and impact will be much higher. Extensive, reliable and pervasive transit service is also easier for local leaders to support as they see that it is meeting the needs of the city’s residents. Starting Tren Urbano’s first segment with broad public support and effective operational integration should greatly facilitate the arrival of the future rail system extensions and should ease the marketing challenges they will present.

Recommendations for further research

This research might naturally be extended to address a number of additional related topics.

- Market research: Perhaps the most complex aspect of marketing, market research may also be the most important. Transit managers would benefit from expanded information on the market research process and how its results can best be integrated into organizational planning.
• Evaluation of marketing programs: As with other management functions, marketing programs should be evaluated. Conducting useful evaluations is often difficult, however, as marketing can be much less tangible than other functions.

• Integration of rail with other transit modes: Integration of transit (and other modes such as the automobile) presents challenges on two levels. The first is physical and technical; good examples exist of approaches to these problems, but they are not necessarily simple. The second challenge is institutional. In many metropolitan areas, transportation planning and service provision is the responsibility of multiple agencies, each with its own set of goals. The job of a transit marketer would be greatly facilitated if all services were under the same management.

• Transit Oriented development: San Juan is fortunate to be characterized by warm weather, level terrain and dense development. It is not, however, a city with much transit oriented development. In some cases it may take ten to twenty years before development can be altered by a rail transit system. What can San Juan do now to speed this process? Related to more transit friendly development, a study might also be made of the potential for increased walking and bicycling in targeted areas?

• Role of external organizations: Can organizations outside the transit agency (such as environmental, citizen’s, business or other groups) play a more active role in transit marketing? In the U.S., organizations and private citizens often play a large role in the planning processes; could these roles be sustained into the operations phases as well? What would be the implications?

• Privately operated transit services: How does the shift to private operation of public transit services affect the marketing function? Increasingly, public transit is operated by private contractors. How can contracts be structured to provide incentives for more effective marketing programs?

• The use of Intelligent Transportation Systems for Marketing: The role of technology in information exchange is increasing rapidly. How can marketing managers take advantage of this trend in the pursuit of their goals? Does this provide an opportunity for marketing functions to be more closely integrated with operational functions?
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APPENDICES

A. Observations from Transit Marketing Cases
B. Developing VIP support for transit - Envoy trips
C. Key Functions of the Marketing Manager
D. Criteria for selection of an external marketing services firm
E. Recommended materials and information items
Appendix A: Observations from transit marketing cases

Though the St. Louis, Dallas and other contexts discussed are quite different from San Juan, a number of observations from the experience of these systems will be valuable to Tren Urbano managers and others involved in transit marketing. These observations, noted in six categories, were formed in discussions with managers during the case research. Though valuable reading for managers, these observations may be more appropriate for some settings than others.

Pre-Revenue Activities

- Professional market research is necessary to accurately target marketing efforts
- The allocation of transit agency staff resources to intensive community relations efforts can contribute to the improvement of project design and its completion on schedule
- Existing transit ridership can be maintained during a construction project and perhaps improved afterward with community relations investments.
- Establishing community offices during construction phases offers a transit agency additional points of interface with customers. The distribution of materials and the sale of tickets at a new location may prove to be popular services.
- A brief Free Ride period at the start of service can help jump-start early ridership
- Effective marketing and start-up activities require the participation of a full range of managers from all departments

Institutional Relationships

- Private support (both personal and financial) is invaluable to the promotion, integration and expansion of the system
- The development of Transportation Management Associations (TMAs) that complement transit systems is an increasingly important part of metropolitan transit systems and should be facilitated where possible
- Partnering with non-traditional parties can provide unexpected benefits for all concerned as in the case of SEPTA’s participation in longer-term community planning
- Transit agencies that work with tourist bureaus and other organizations can attract a great number of new riders, especially during off-peak hours. Transit managers should see themselves as part of the hospitality industry and coordinate accordingly.
- Area opinion leaders can benefit from opportunities to familiarize themselves with the components of successful rail / bus transit systems in other cities
Ticket / Token Vending

- Non-station sales locations are an important means of distributing ticket / tokens and other transit related materials
- Pre-testing ticket vending machines with the public is critical to effective design and rapid customer acceptance. This is especially true where machines are highly automated and where customers have little similar experience

Marketing & Customer Service

- A broad commitment to marketing and customer service by senior managers is vital to achieving ridership targets for the system
- The first week of operations is critical to the success of a new rail start. An aggressive program similar to the St. Louis “Bus Buddies” and “Ambassadors” appears to be an effective means to introduce the service
- A clean and well-run transit system can attract riders unfamiliar with transit
- Managers should consider the revenue potential of occasional and special-event riders and develop means of attracting these users with new pass programs, improved customer information and clean, secure transit systems
- Proactive and face-to-face customer service pays off in terms of greater attention to detail and faster agency responsiveness to customer concerns
- Customer information and education is a full-time task requiring full-time staff commitments. In a large system like that of New York, face-to-face customer service has been critical to effective customer satisfaction.
- With the financial support of area businesses, an ongoing Free Ride zone may be considered as a service for lunchtime travelers
- Include a map of the rail system on all bus route maps that offer transfers

Security

- The most important security measure is a strong, visible presence of reliable, uniformed security personnel
- Professional security personnel are worth the higher cost
- A zero tolerance policy on graffiti is the most visible commitment to high quality service
- Ordinances in all municipalities traversed by Tren Urbano should be reviewed to see that they permit arrests or citations for quality of life crimes (litter, disruptive behavior, graffiti etc.)
- Closed circuit television cameras should be installed in all feasible locations
- Fences should be erected along any open areas of the alignment
- Clearly post which forms of behavior are acceptable and which are punishable.
• Place passenger assistance phones or intercoms in park and ride lots and prohibit 24 hour parking at any park-and-ride lots controlled by Tren Urbano

Operations

• Thorough integration of the various modes of transit services is vital to achieving ridership targets
• An interface between bus and rail Operations Control Centers can improve system performance
• Consider initiating service with longer rather than shorter headways – This allows staff to learn their new functions under less demanding conditions and also allows service the to be improved after several weeks. A system that opens with operations at the minimum headway has no room to make improvements in frequency that customers will see and appreciate.
Appendix B: Developing VIP support for transit - Envoy trips

This section describes in detail a key means of developing public support for Tren Urbano.

**External Envoy Tours**

**Description**

*Arranged tours for San Juan opinion leaders to other cities with effective rail transit systems*

**Objective**

To develop the support of influential area residents in taking an active role in supporting and promoting Tren Urbano. Travelers are referred to as Envoys as they will be tasked with promoting Tren Urbano in the metropolitan area after their trip.

**Timing**

Two to four trips, between 1998 and early 2001

**Responsible**

Trips are organized and led by management staff from the Authority and from STT

**Candidate selection criteria**

Select Envoys who:

- are respected individuals within their profession or community
- have the ability to disseminate information about Tren Urbano
- have resources (funding or services) that could be used in promotion / marketing
- can make a commitment to hosting or participating in at least two promotional events upon their return
Envoys might include

- Labor leaders, mid-level elected officials, heads of community groups, business association members, AMA managers, representatives of other relevant professional associations

Limit trips to approximately ten envoys per group with two to four trip leaders.

In addition to the envoys, the program will benefit from the inclusion of other citizens who can add different perspectives on transit, such as a junior manager from Authority and one from STT, two San Juan residents, a bus operator or others.

City selection criteria

Seek cities having some or all of the following features:

- relatively recent rail starts
- rail connections to the airport
- line extensions completed or underway
- high degrees of public acceptance
- smooth intermodal connections

Options might include: Washington, D.C., Atlanta, GA, St. Louis, MO

Suggested Trip Activities

Trip length: Half day for travel each way, full day in host city

- Pre-trip reading on history of rail studies in San Juan and need for Tren Urbano, brief overview of destination city. Notebook issued to each traveler with suggestions of things to observe and ask about
- Travel to destination, evening reception in hotel, invite local transit supporters and others who have served envoy-like functions in the host city
- Briefing / Slide show by host transit agency staff on system capacities, history and lessons learned
- Tour of system including bus transfer – view security features, station/neighborhood interface, station area development
- Lunch with speaker (e.g. senior elected official)
- Panel discussion with 2-3 outside organizations (citizen’s group, business organization, environmental group, TMA and others) who have supported and benefited from the transit system
- Dinner and evening social activity at site(s) served by transit system
- Return to San Juan next morning
Trip Follow Up (within 3 days)

- Debriefing at Authority, discussion of observations, suggestions and discussion regarding Tren Urbano
- Arrangements developed for each traveler’s presentations to their organizations or to other groups
- Request travelers’ help in identifying other individuals/organizations to target for future trips
- Request travelers’ help in identifying funding/resources for future Tren Urbano promotional efforts
- Create a specially targeted update newsletter to keep envoys informed of Tren Urbano progress for at least six months after the start of revenue service

Local Envoy Tours

In addition to travel arranged to other cities, Tren Urbano marketing efforts can be aided with the provision of organized VIP tours of the Tren Urbano system as it nears completion. Objectives and candidates for tours are similar to those described above.

Suggested Trip Activities

Total time: 9am – 5pm

- Mail out pre-tour reading on history of rail studies in San Juan and need for Tren Urbano
- Briefing at a location served or to be served by Tren Urbano station
- Notebook issued to each envoy with suggestions of things to observe and ask about
- Tour of system including bus transfer – view security features, station/neighborhood interface, station area development
- Lunch with speaker (e.g. senior Authority official)
- Panel discussion by 2-3 outside organizations (citizen’s group, business organization, environmental group or others)
- Tour members discuss system and promotional options, initiate planning for follow-up activities
Tour Follow Up

- Authority or STT staff contact local envoys to develop arrangements for their presentation(s) to their organizations or to other groups
- Request local envoys help in identifying other individuals/organizations to target for future tours
- Request envoys help in identifying funding/resources for future Tren Urbano promotional efforts
- Create a specially targeted update newsletter to keep envoys informed of Tren Urbano progress for at least six months after start of revenue service
Appendix C: Key Functions of the Marketing Manager

Tren Urbano marketing functions will be carried out by staff from both the Puerto Rico Highway and Transportation Authority and from Siemens Transit Team (STT), the contracted operator. Most of the day-to-day marketing functions are likely to be carried out by STT. The development of a final job description for the head of marketing activities within STT should take the following points into consideration.

The Marketing Manager shall:

- Ensure that the STT provides appropriate support to the Authority in its community relations, marketing, and public information efforts
- Provide leadership in positioning Tren Urbano as the premier transportation service in the metropolitan area
- Integrate community relations concerns and requirements into all aspects of the Tren Urbano services
- Ensure that the STT’s customer service and public information functions meet all contractual performance specifications
- Support Authority and STT managers in promoting the expansion of the Tren Urbano system
- Coordinate with appropriate staff from the Authority, the Metropolitan Bus Authority and others in promoting the integration of all transit services in the metropolitan area
- Ensure that his / her staff are well trained and prepared to conduct their job functions

Recommended qualifications for the head of marketing activities include:

- A bachelor’s degree in Marketing or a related field
- Five years prior management experience in a marketing related function
- Experience working for or with public sector clients
- Demonstrated ability to work productively with a variety of individuals, both internally and externally
- Proven ability to develop and manage staff members

The head of marketing activities and his / her staff as appropriate should take advantage of professional development activities offered by the FTA and other institutions.
Appendix D: Criteria for selection of an external marketing services firm

In many cases, it is advisable to seek the services of a professional marketing services firm to carry out some of the marketing functions. While the strategic planning for marketing activities should be conducted by Tren Urbano managers, a number of technical and other services may best be performed by an experienced outside firm. This appendix briefly details some of the key considerations involved.

Role: The professional PR firm will work in coordination with the Authority and with STT to market Tren Urbano as outlined in the Marketing Plan.

Specific tasks may include:

- preparation of materials for dissemination to the public and other groups
- management of contacts with media representatives
- suggestions on refinement of Marketing Plan objectives and activities
- skills development for Marketing and Customer Service personnel

The firm selected should posses:

- excellent knowledge of the San Juan metropolitan area
- experience in targeting a wide range of consumers (i.e. different income levels)
- strong materials development capacities
- experience in working with a public sector client
- ability to provide specialized professional training to STT staff
- experience in developing institutional partners
- willingness to commit to a multi-year agreement
- willingness to participate in an evaluation and revision of the Marketing Plan six months after the start of revenue service

The firm should be selected and should initiate work during 1998.
Appendix E: Recommended Materials and Information Items

A number of written and other information materials need to be developed in support of marketing activities. These materials will serve to inform the general public and key target constituencies about Tren Urbano’s use, value and impact on the metropolitan area. In coordination with other staff training efforts, some marketing materials should be used in training on customer service and marketing related functions. Many of these materials will be needed well before the start of revenue service. Managers should plan their work to include significant time for materials development and pre-testing.

A preliminary list of materials follows:

For users

- System maps with bus connections listed, transfer procedure explained
- Station area maps showing adjacent facilities, bus connections, parking and providing basic station area orientation. Area businesses may be invited to fund these maps in exchange for free advertising.
- How to use ticket vending machines
- Rail safety information
- Quarterly Tren Urbano newsletter (start pre-revenue)
- Web site

For Organizations, Opinion Leaders and the Press

- Descriptive background on Tren Urbano (Why rail? Why this alignment?)
- How did Puerto Rico pay for Tren Urbano?
- Congestion and auto use facts and figures, comparison information from other relevant cities
- Descriptions of management structure
- Land Use and other development goals for the metro area
- Plans and rationale for system expansion
- Bimonthly *Tren Urbano Insider’s Newsletter* (start pre-revenue)

For staff

- Code of conduct
- What is customer service?
- Frequently Asked Questions about Tren Urbano
- Summary of Marketing and Customer Service Plans