THE MARKETING OF PUBLIC TRANSPORTATION
CASE STUDY:
COMMUTER RAIL
AT THE MASSACHUSETTS BAY TRANSPORTATION AUTHORITY
by
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Introduction

Public transit agencies in the United States have been and continue to be recalcitrant with their use of marketing. Although there have been numerous journal articles and books written about the need for better marketing of transit services, there has been little movement towards a marketing approach by transit agencies.

In too many agencies across the United States, there is limited or non-existent use of basic marketing practices such as market research, product development, advertising, pricing studies, and evaluation of products and services. A lack of understanding and/or commitment to the customer of transit services is evident. A customer perspective, emphasizing the determination of the transit services wanted by the customer and the development of a means to deliver those services, is all too often missing.

Little or no marketing at a transit agency may already be creating or may ultimately lead to such things as decreasing or static ridership and revenues, poor quality services, and poor image for the agency. As a result, the following goals of public transportation may not be attained: traffic congestion minimization, energy conservation, air quality enhancement, land use conservancy and compactness, and accessibility of transportation to all people regardless of income, age, or physical disability.
The marketing of commuter rail service at the Massachusetts Bay Transportation Authority (MBTA) may or may not be similar to the marketing of other services (i.e., bus, subways) provided by the MBTA and other transit agencies in the United States. The goal of this thesis is to review, analyze, and make recommendations for the marketing program in the Commuter Rail Directorate of the MBTA. In order to achieve this goal, I will first review the general concept of marketing with an emphasis on marketing at transit agencies in the United States. After this review, I will look at commuter rail operations at the MBTA, making comparisons to the general marketing concepts and transit marketing concepts that have been previously explained. Finally, I will make recommendations for the marketing program in the Commuter Rail operations of the MBTA.
MARKETING DEFINITION

General Definition

Marketing is the process by which an organization defines, understands, influences, and satisfies customer demands. Marketing has a consumer orientation rather than a product or operations orientation. A marketing approach "1) insures that the manager knows what and where his markets are; 2) provides effective product service; 3) puts the right product at the right place at the right price; 4) sells to the greatest possible number of customers through the most efficient sales and distribution channels; 5) supports the product/service adequately with advertising and sales promotion"; and 6) evaluates the results.¹

Many businesses have used marketing strategies for years, becoming more and more sophisticated in their marketing approaches in subsequent years. Growth, profits, and customer satisfaction have usually resulted. "It is hard nowadays to find a successful business in which the "customer-comes-first" idea has been ignored or flouted. This is because the marketing concept forces the company 1) to think what it is doing, and why, and then 2) to develop a plan for accomplishing its goals."²

² McCarthy, p. 32.
Customer Versus Operations Viewpoint. A marketing approach has a customer orientation; there is an understanding of the customer and the competitors appealing to that customer. In order to satisfy the customer, services and information are reviewed frequently and updated when necessary.

In contrast, an operations approach in an organization usually means that changes occur slowly and that the few customer services are often standardized. With an operations approach, there is little recognition that the organization presently or potentially faces competition. The assumption is made that as long as the system works well internally, then the customer will buy the product/service that results from that system. Success is cost minimization and achievement of operating standards that are not necessarily related to customer needs and preferences.

In an organization attuned to marketing, both the customer and operations orientations will be present. The results of this kind of comprehensive marketing approach can be: a) improved customer satisfaction, b) improved net operating performance, c) improved productivity*, and d) improved awareness that


* Lovelock and Weinberg, p. 471.
"developing customer demand for a service that isn't produced is as foolish as producing a service for which there is no demand."

* Lovelock and Weinberg, p. 470.
Two specific steps in a marketing concept are a) the selection of target markets and b) the development of "marketing mixes".

a) Selection of target markets. In the selection of target markets, particular groups of customers and non-customers are chosen and segmented according to such characteristics as age, sex, income, occupation, and residence. 

Market research plays a key role in the selection of target markets by determining who these customers and non-customers are and what their needs are. Research may be done via different methods: on-board surveys, telephone surveys, focus groups, employer surveys, information request cards, community advocacy groups, and census data.

b) Development of marketing mixes. Development of "marketing mixes" means the selection of the factors that an organization believes will satisfy the target markets. The four standard factors of the "marketing mix" are called the four p's of marketing -- product, price, place, and promotion.

- Product. This is the development of the right product for the right market. Market research can be translated into new or improved products and services that are refined to meet

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the needs/preferences of one or more market segments. Some of the attributes of the product/service can be convenience, reliability, safety, attractiveness, quality of workmanship and materials, training and delivery by personnel.  

- Price. This is the determination of the right price for the product or service based on the ability and willingness to pay of the consumer.

- Place. The product or service is available when and where the customer wants it, thus recognizing that people have different schedules and locations.

- Promotion. This marketing factor involves communication to a target market. This includes consumer information (schedules, maps, information centers), public relations (media, community activities), advertising (newspapers, radio, billboards), and promotions (merchant discounts, contests).  

Evaluation. To insure that the customer is being served well, evaluation of marketing strategies must be done. Feedback is necessary so to decide what has worked, what hasn't, why, and what needs to be changed to bring about a


more efficient delivery of service to the consumer.\textsuperscript{11} Organizational Structure. Marketing is a senior management function in organizations attuned to marketing; it is not given low echelon status. In these organizations, management recognizes the importance of marketing strategy and research as well as the interdependence of product development, pricing, placement, and promotion. Among employees throughout the organization with a marketing orientation can be found communication, teamwork, and a customer focus.\textsuperscript{12}

In summary, marketing focuses on the consumer. A continuous process of planning, implementation, and evaluation is necessary if the needs and wants of the customers are to be discerned and satisfied.

\textsuperscript{11} Roy Cresswell and Tony Young, \textit{The Urban Transport Future}, (New York, 1982), p. 158.

\textsuperscript{12} Lovelock and Weinberg, p. 403.
Transit Marketing

Transit used by the public had virtually no marketing until the mid-twentieth century. Prior to the 1950's, catering to passengers was not very often a byword. The owners, union members, and politicians were often at odds with the goal of providing a quality service to passengers.

In the 1950's, due to the influx of automobiles and the movement of people to the suburbs, transit passengers rapidly disappeared. Some marketing techniques became necessary for survival of jobs and votes. Marketing in the 1950's focused primarily on advertising and vehicle comforts such as air conditioning; the focus was on the vehicle, not service to customers. In the 1960's, federal and state assistance became available, and marketing experiments were encouraged. A sales orientation using promotions came into view. However, because the product hadn't changed much, the results of experiments and promotions weren't very good. In the 1970's, transit marketing began to develop a customer orientation. Product, price, placement, and promotion were beginning to be recognized as being interrelated. There was also the beginning of the recognition that different market segments of consumers existed with different needs for


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product, price, placement, and promotion. 15

In the 1980's, declining government dollars required some agencies to increase fares and/or reduce services. 16 Marketing in transit continued to be a low priority in many agencies. 17 Advertising and promotion continued to be the accepted marketing forms. However, it was not uncommon for advertising and promotion to be considered luxuries, and be cut from the budget. 18

Customer versus Operations Viewpoint. Public transit organizations in the United States have, for the most part, viewed their role from an operations perspective and not a customer perspective. 19 The operations perspective has emphasized standardized services and the efficient use of capital and labor while a customer perspective would have emphasized the effective design and delivery of transit services that will meet consumer wants and needs. 20


To this day, transit agencies lack agreement as to what place marketing should occupy in the transit organization. Some see it as planning, others as promotion, others as consumer education. And some just don't see it at all.

Transit agencies have done or not done the following with the basic components of marketing:

a) Selection of Target Markets. There has been little market research done at most agencies. As a result, little is known about who the present or potential customer is, and what the customer wants or needs.  

b) Development of Marketing Mixes.

- Product. Public transit's approach to product development has not been very good. Transit has been slow to change its product despite changes in the transportation needs of customers. During the decades when almost all employment was located in the urban core, the existing transit routes served most of the transit needs of the customers. However, times changed. People and industry moved to the suburbs. Competition from automobiles and trucks roared. Despite

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available technology that could have provided faster, more reliable, cleaner transit service, the technological changes were either not implemented or were slow to be implemented.²²

- Price. The basic approach of transit to pricing has been to set a single base fare with a few variations. Very little attempt has been made to optimize pricing arrangements. This one-price strategy is seen as: a) efficient in generating needed revenues, b) simple to understand by riders and collectors, c) easy to administer. However, in setting prices, some things need to be recognized: a) the product and riders aren't homogeneous; the value of the trip varies to the tripmaker, b) different pricing arrangements don't have to be complicated, c) with the one-price strategy, the short-distance rider subsidizes the long-distance rider.²³ Transit has largely backed away from increasing fares; there is a fear that price increases will drive people away. Few transit agencies have a policy in the pricing area; the only policy seems to be not to raise fares.²⁴

- Place. Many transit agencies have shown limited concern with the development of a product/service that is available

in a location and at a time that is convenient for customers. The number and location of transit sites (stations, ticket outlets), the manner of operation of the sites, and the timing of transit service have too often been determined with lack of consideration to customer needs. Moreover, transit agencies have generally failed to recognize that transit customers place a high value on out-of-vehicle time.²⁶

- Promotion. Promotion is the most highly developed aspect of transit marketing. It encompasses a broad range of activities from 1) consumer information to 2) public relations to 3) advertising.

Transit agencies devote the majority of their marketing budgets to advertising as a way to enhance their image and promote usage. However, it has only been within the past two decades that agencies have begun sending different messages to different groups of consumers, recognizing that certain market segments require certain types of messages.

Other than advertising, the most prevalent promotional tools are schedules, timetables, maps, and brochures.

Evaluation. Historically, the transit industry has relied on gross indicators such as ridership and revenues as the means to evaluate its services. Market surveys of customer

²⁶ "Results Are Mixed from Public Transportation Marketing Efforts", p. 20.
reactions have seen limited use as evaluation measures. And even when surveys have been done, their designs have many times been criticized for weakness.

Evaluation of transit services requires the development and maintenance of a good data base. However, because market research in transit agencies is often underfunded, there is generally a lack of the data needed for evaluation purposes.

Organizational Structure. An organizational structure designed to meet the needs of customers has usually not been developed in transit agencies. All too often, battles to protect the boundaries of departmental "empires" take place because employees don't view the transit agency as a system where all the parts work together to provide service to the customer. In effect, a team approach is lacking. Furthermore, an organizational structure is usually lacking for marketing activities in that such marketing activities as public relations, consumer information, and advertising are usually scattered throughout the agency. Design, analysis, implementation, and evaluation of marketing activities is difficult without coordination of personnel.

Furthermore, transit managers have been accused of being too operations-oriented, and placing too much emphasis on new


technology and not enough emphasis on improving the quality of transit service and the quality of employee relations.\textsuperscript{29} They have neither insured that a team effort happens nor have they insured that information is given to all employees, not just those involved in decisionmaking.

\textsuperscript{29} "Public and Non-profit Marketing Comes of Age", p. 10.
Case Study: Commuter Rail at the Massachusetts Bay Transportation Authority

How similar is the marketing of the commuter rail operation at the MBTA to the marketing of other MBTA services and other transit operations in the United States? What changes, if any, should occur in commuter rail marketing?

First, I shall give a general history of the marketing of passenger rail in the United States; then I shall give an overview of the commuter rail operation at the Massachusetts Bay Transportation Authority; and then I shall describe its marketing practices, comparing them to those of the MBTA and public transit. Finally, I shall outline any recommended changes.

Historically, passenger rail lines have not had much marketing. There are several reasons for this. First, the private owners of railroads (Many railroads were privately owned at one time.) did not consider passenger transit as a way to increase their wealth or power. Freight transit and the development of land surrounding transportation facilities were viewed by these owners as far more important than passenger transit. Stories of stock manipulations, illegal holding companies, corruption, political kickbacks, and scandals abound. Consequently, the lack of importance placed on passengers meant that little, if anything, was done in the
way of marketing. The product/service was allowed to deteriorate, prices were not kept competitive, locations of the lines were allowed to be reduced, and promotion was almost non-existent.

Today, despite the enormous competition that the railroads have from automobiles, marketing of publically-owned railroads has been limited because public managers either do not understand the importance of marketing or do not know how to convince funders of the importance of marketing.

Furthermore, the strength of unions has been another reason for railroad marketing troubles. Work rules, high labor costs, and strikes have been factors in creating a negative image of transit and/or keeping transit from being competitive with other forms of transportation—competitive not only in price but also in comfort, safety, reliability, and convenience.

Another reason for marketing problems has been the strength of the political lobbies for those involved, directly or indirectly, in the production of oil, automobiles, and highways. These groups are far more powerful, singly and cumulatively, than transit
organizations. These groups have spent many dollars to market their own products and services much to the detriment of public transportation."

**Commuter Rail at the MBTA.** Historically, the MBTA has only had rail service since the mid-1970's, at which time the MBTA bought rail lines from the financially-troubled Penn Central and Boston and Maine railroads. The original MBTA plan was to continue rail service until rapid rail transit was extended to the areas served by rail. However, rapid rail was never extended. The environment for railroads changed in the 1970's and 1980's. In the early 1970's, the railroads were considered "dead" by many. However, by the late 1970's and 1980's, railroads had returned as a means of commuter transportation. The Boston region had been revitalized; workers from suburbs needed and wanted rail services to get to their jobs.

For the most part, the Commuter Rail Directorate at the MBTA is considered separate from other MBTA operations, and has its own divisions for scheduling, maintenance/purchasing, engineering, and budgeting. The Commuter Rail Directorate owns the equipment, but hires outside contractors to run the system. Presently, the contractor is Amtrak.

The railroads service 45,000 commuters per day, using

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200 vehicles, 84 stations, 8 routes, and 500 miles of track. In contrast, the other transit operations of the MBTA provide service for 550,000 passengers per day, using 1500 vehicles, 83 stations, 167 routes, and 800 miles of track. The operating expenses for commuter rail are 80 million dollars versus 480 million dollars for other MBTA operations. The fare recovery ratio for commuter rail is 25% while the ratio for other MBTA operations is 33%.

Ridership has been increasing steadily on the rails. These increases in passengers have led to capacity conditions during the peak hour service for the rail operations. However, 100 new coaches are expected to be delivered by the end of 1987, thereby relieving the crowdedness and providing room for additional passengers. In comparison, other MBTA operations have also experienced an increase in passengers such that substantial rehabilitation of facilities and equipment additions are taking place.

The current status of marketing of the commuter rail operations at the MBTA can be described as follows:

Selection of target markets. Similar to public transit in the United States and other operations at the MBTA, there is very little marketing strategy or research done for the commuter rail operations. The title of one of the employees in the commuter rail department is indicative of the low
status given to marketing -- "Director of Administration, Finance, and Marketing". According to this director, commuter rail at the MBTA doesn't do marketing "unless you call goals for on-time performance marketing."

In the case of market research, none is done by commuter rail employees. However, a limited amount of research is done by the Department of Development and Public Affairs, a department responsible for all eight directorates at the MBTA. As one employee stated, the amount of research done for the entire MBTA is "microscopic". Occasionally, surveys are done. However, research is not embedded in the MBTA, and a haphazard approach to research is taken.

Development of Marketing Mixes

- Product. Until recently, the Commuter Rail Directorate had done little to assess the volume and trends of ridership. It had been slow to respond to the changes in the transportation needs of users and potential users. It had not assessed the impacts of traffic congestion, suburban living and employment, or the costs and benefits of automobiles to the users. In these respects, the approach to product development by the Commuter Rail Directorate is similar to other MBTA operations and public transit agencies in the United States.

However, as with the MBTA and several transit agencies in the United States, the commuter rail operation is
beginning to pay more attention to product development. New cars have been ordered, several stations have been rehabilitated, and some parking has been added. Furthermore, rail service is expected to be expanded to several areas such as Needham, many South Shore communities, and Providence, Rhode Island.

- Price. The Commuter Rail Directorate has little involvement in the setting of fares for the rail service. A general pricing committee that establishes fares for all MBTA services has the pricing responsibility. Pricing is not demand-oriented in that peak service costs the same as the less expensive off-peak service. Several payment methods are allowed such as cash, check, and credit card. Discounts are offered to special needs groups such as the elderly and students. Also, there are many different fare arrangements such as one-way, twelve-ride, monthly, family, and group tickets.

At the present time, the Director of Administration, Finance, and Marketing in commuter rail is thinking about having a hearing with the pricing committee; she would like to make some changes, such as limiting the variation in fares and restricting on-board payment. But she knows that the chance of any changes is small; political influence is heavy.

Pricing policy for commuter rail is similar to those of the MBTA and other U.S. transit agencies in that pricing policy is generally decided outside of the department, prices
are slow to change, and prices are heavily influenced by politics. Price arrangements for commuter rail are, for the most part, different from those of the MBTA and other U.S. agencies in that there are many different pricing arrangements.

- Placement. There are 84 transit stations, and numerous places for reservation and payment. However, the Director of Administration, Finance, and Marketing expressed a concern that some of the stations are difficult to locate and have limited parking. More locations are expected to be added in the next few years. For the most part, these new locations are being considered and researched because of political influence, not because commuter rail made any efforts to discover consumer need for additional rail service.

Rail services are available throughout the year. More services are available on weekdays and during peak hours in order to accommodate commuters. However, no research has been done to determine whether changes should be made in schedules.

Overall, in dealing with placement issues of location and time, commuter rail at the MBTA reacts. Its reactive mode coincides with many transit agencies in the United States. In comparison to other MBTA operations, commuter rail is perhaps a little more reactive. Other MBTA operations have been making major changes for the past
several years in transit stations via rehabilitation and new locations. Also, scheduling is being computerized for other MBTA operations to get a better understanding of the needs and costs for various transit runs.

- Promotion. The commuter rail operation provides schedules, maps, brochures, and answers to telephone inquiries. These tools are also heavily used by the MBTA and other transit agencies.

No advertising is done for commuter rail. Although this is no different from the other MBTA operations, it is different from other U.S. transit operations where advertising is usually the majority of the marketing budget.

Also, sales promotion of tickets is not handled by commuter rail employees. Other MBTA employees do these jobs.

Some special promotions for commuter rail have been done such as free rides to Lowell and ski trains to areas north of Boston. However, these have not been initiated because of market research; rail employees thought the ideas were worthwhile and implemented them; no evaluation of these promotions was done. In comparison, the other MBTA operations also do few promotions and little evaluation while transit agencies in the U.S. generally do many promotions with some evaluation.
Evaluation. Gross indicators such as ridership and revenues are used for evaluation of commuter rail service. Few surveys have been done on consumer satisfaction with service, prices, times, locations, information materials, public relations, or promotions. All of this coincides with other MBTA and U.S. transit agency operations.

Organizational Structure. Commuter rail at the MBTA has separate divisions for scheduling, maintenance, purchasing, and engineering. Commuter rail shares MBTA services for public relations, promotion, and pricing. Neither the commuter rail nor other MBTA operations has a marketing department; various marketing functions are spread throughout the organization. Many transit agencies in the United States have similar experiences.

Summary of Marketing of Commuter Rail. In summary, the marketing of commuter rail at the MBTA is minimal. Market strategy and research are unknowns. There is minor assessment of social, economic, or political trends. Customer and non-customer preferences are not determined very often. As a result, the product is slow to change. Assessment for additional, safer, more comfortable, or more reliable rail lines generally comes about because of consumer pressure rather than management awareness of consumer need.
Similarly, pricing and placement policies are made with limited customer input but much input from managers and politicians. Finally, promotion is almost a non-entity; the rationale seems to be that public services should not spend money on "frivolous" items such as advertising and public relations.
Recommendations for Commuter Rail at the MBTA

What can be done to get marketing used by the Commuter Rail Directorate of the MBTA? In order for marketing techniques to be implemented, management of commuter rail and the MBTA must be willing to recognize marketing's importance -- must be willing to become customer-oriented -- must be willing to recognize marketing of commuter rail as a way to achieve the overall goals of public transportation -- must be willing to explain to funders what benefits will accrue, directly and indirectly, from the marketing of commuter rail.

Based on the marketing history of commuter rail, finding support from management and politicians for marketing of commuter rail is likely to be difficult. However, all hope should not be lost. An attempt should be made to garner managerial and political support. In recognition of management's concern about spending money and politicians' concerns about getting elected every two to four years, a marketing program should be developed emphasizing projects that use a minimum of tax dollars, that can show short-term results, and that have a good chance of success. If these projects are successful, then the next step in the marketing program would be to develop other short-term, inexpensive projects in hopes that they, too, will be approved and will be successful. The ultimate goal is to gain enough support for marketing so that a comprehensive program can be developed, approved, and implemented.
The following recommendations have been developed for short and long-term projects in the commuter rail operations at the MBTA. Some of the short-term projects (less than 3 years required for development and implementation) may or may not be implemented depending upon the results of research, planning, management and legislative support. However, it is hoped that enough support will be generated to try some of the short-term projects. Long-term goals (3 or more years required for development and implementation) have also been included to give a sense of direction for the commuter rail operations.

Product Development.

SHORT-TERM:

a. Club cars carrying food and newspapers

Purpose: Provide service with amenities as a way of attracting people from their cars.

Planning: Do market research to discover whether there is a need for this type of service. Focus on one line. Determine prices willing to be paid by consumers. Work closely with management and politicians to gain support.

Implementation: Institute service on one line. Promote with local newspaper advertising and free tickets, contrasting the
relaxation and well-spent time to the stress of driving in commuter traffic, inability to read, do work, or eat.

Time Frame: One year for research, gaining support, and amassing equipment and employees. Six months for trial run.

Evaluation: Ridership, revenues, on-board surveys. (On-board surveys will likely be more useful and less expensive than general surveys of market area where club cars will be in service. On-board surveys can be used to ascertain information such as: Is customer new? Will customer leave commuter rail altogether if no club cars are available? Did promotions lead to use? Are prices of tickets, food, and other amenities satisfactory?)

Aftermath: If successful, do research, planning, and implementation on other line(s). The number of lines will probably depend upon the degree of success and the amount of managerial and political support that can be gained. It would be hoped that the time to gain support for additional line(s) would be less than the time needed for support of the first club car. Possibly, the time for research, planning and implementation could be 6 months instead of 1 year. Continue with 6 month trial run for line(s) approved.
b. Express runs

Purpose: Provide quick service with few or no stops as a way of attracting people from their cars.

Planning: Do market research for one line. Determine need and price willing to be paid by consumer. Work closely with management and politicians to gain support.

Implementation: Institute service. Promote with local newspaper advertising and free tickets, contrasting time stuck in traffic with quick delivery time of express runs.

Time Frame: One year for research, gaining support, and redoing schedules. Six months for trial run.

Evaluation: Ridership, revenues, on-board surveys.

Aftermath: If successful, do research on the feasibility of adding more express runs. Approval for additional express runs will likely depend upon degree of success of experimental run as well as support of management and politicians. As with club cars, it would be hoped that the time to gain support for additional express run(s) would be less than time needed for first express run. Possibly, the
time for research, planning, and implementation could be 6 months instead of 1 year. Continue with six month time frame for express run(s) approved.

Price

SHORT TERM

a. Reduction of fares during non-peak hours

Purpose: Attract riders to get better use of equipment and labor.

Planning: Do market research to discover whether there is market for this service. In particular, look into special merchant discounts for shoppers, and talk with larger Boston organizations about flex-time.

Implementation: Institute reduced fares. Promote with newspaper advertising paid by merchants, free tickets, employer materials at workplace.

Time Frame: Six months for research and development of program. One year trial period.

Evaluation: Ridership, revenues, on-board surveys, information provided on discount tickets, information from employers.
Aftermath: Decide whether to continue reduced fare program. If decision is to continue, review program annually, making changes where needed.

LONG-TERM
c. Increase in peak time fares

Purpose: Reduce dependence on taxpayer subsidy by increasing fare recovery ratio from 25% to 35%.

Planning: Do customer research on their attitudes towards prices. At what price would they consider switching transportation modes? Detail effects of price change on ridership and revenues. Discuss results with management, Board of Directors, Advisory Board, legislators, citizens.

Implementation: Institute fare changes. Make sure that public is aware ahead of time that fare changes will occur; if warning is given, the public will be likely to be less angry than if they had been given no warning. Promote via public relations and advertising campaigns.

Time Frame: Three years for discussions with all involved. Once discussion is ended, one year test period for peak fares.
Evaluation: Ridership, revenues, random surveys. (Random survey is to be used so to get information from both users and non-users. In particular, it is important to know whether non-users were once users and how price-sensitive the non-users are.

Aftermath: Determine whether to continue peak fares. If decision is to continue, review annually thereafter. Continue to consider whether fare recovery ratio is adequate and whether it should be increased or decreased.

Placement
SHORT-TERM
Location
a. Signage and directions.

Purpose: Insure that stations can be found easily and that written directions are correct and understandable.

Planning: Review signage and directions for each location on one line, using customer focus groups.

Implementation: Add signs; change written directions.
Time Frame: 6 months for research, making and changing of signage and materials.

Evaluation: Focus groups. (Have signage and materials reviewed by people unfamiliar with the location as a way to insure clarity.)

Aftermath: Change signs and materials that focus groups still consider inadequate. Make sure that all new signs and materials are being reviewed. Furthermore, begin reviewing signage and directions for other line(s), adhering to 6 month time frame. It would be hoped that management and legislators would see the importance of signs and directions, and would require that signs and directions for all remaining rail lines be reviewed and changed within one year.

b. Add Old Colony and Newburyport rail lines

Purpose: Provide additional rail service; fulfill goals of public transportation.

Planning: Market research has already been done.

Implementation: Get funding from state and federal governments.
Time Frame: Two years to begin taking paying customers. Evaluate after one year.

Evaluation: Ridership, revenues, on-board surveys.

Aftermath: Consider ways to increase ridership on these lines. Review surveys; target non-users with similar characteristics as users. Evaluate annually.

Time
LONG-TERM:
  a. Service availability.
Purpose: Add or reduce times of service.

Planning: Do market research to discover whether there is a need for additional or fewer times. Determine financial feasibility of additions or reductions. Work closely with management and politicians.

Implementation: Add or reduce times and vehicles available. Promote with newspaper advertising and public relations pieces.
Time Frame: Additions -- four years for research, funding approval, ordering new vehicles.

Reductions -- three years for research and approval.

Evaluation: Ridership, revenues, surveys.

Aftermath: Decide whether additions and reductions in service have been satisfactory. If not, what needs to be done? Also, should any other additions or reductions be made? Evaluate annually.

Promotion

SHORT-TERM

a. Free passes/free rides/free tickets to sports events and theater.

Purpose: Maintain or gain new passengers; foster positive image among users and non-users.

Planning: Work with sports teams, theaters, restaurants, and Chambers of Commerce. Get discounts and/or financial assistance from them.
Implementation: Promote via direct mail (recipient gets free tickets) and newspaper coupons (drawing for free tickets to be held for all coupons returned).

Time Frame: Do planning for six months; do giveaway for next six months.

Evaluation: Telephone follow-up for those who get free pass, ride, or ticket. (Ask such questions as: Do they continue to use commuter rail? Has their image of commuter rail changed in any way?)

Aftermath: If successful response from ticket recipients, consider doing additional ticket promotions every six months; evaluate annually.

b. Merchant discounts
Purpose: Maintain or gain new passengers for commuter rail and customers for merchants. Foster positive image for commuter rail and merchants.

Planning: There should be an attempt to get some of the larger merchants involved in this, such as Jordan Marsh and Filene's. Also, merchants in tourist cities should be gotten--Rockport, Lowell, Concord. Merchants should pay for
the advertising and discounts. Discount tickets should be printed in such a manner that information about customer can be written on ticket.

Implementation: Promote with newspaper advertising and direct mail to target market.

Time Frame: Develop planning for six months. Give discounts every three months during the next six month period.

Evaluation: Telephone follow-up to customers and merchants.

Aftermath: If positive response from consumers as well as from merchants, then a similar promotion should be considered on a quarterly basis; evaluate annually.

c. Ski tours/bike tours
Purpose: Attract and maintain customers. Foster positive image, especially one showing that commuter rail is not just for the peak hour commute.

Planning: Work with recreational directors of ski facilities and Chambers of Commerce in communities with biking trails.

Implementation: Initiate service. Promote in newspapers, ski/bicycle/sports magazines.
Time Frame: Six months to develop program; one year trial period.

Evaluation: Ridership, revenues, random surveys.

Aftermath: If successful, continue service; review annually. Consider expanding to other geographic areas.

d. Advertising
   - Billboards

Purpose: Gear towards commuters.

Planning: Find billboard locations where traffic comes to standstill in peak hours; talk with billboard companies; check traffic counts. Talk with those businesses who have previously used the locations; what benefit, if any, did they find from having their advertising in these locations.

Implementation: Buy time on billboards; work with advertising agency on promotional message.

Time Frame: Six months to develop and get program approved. Advertise on billboard for one month.

Evaluation: Ridership, revenues, and on-board surveys.
Aftermath: If successful, do another billboard campaign in 6 months. A billboard campaign two times per year should be adequate and inexpensive enough to encourage ridership and enhance image; evaluate annually.

-Radio
Purpose: Gear towards commuters.

Planning: Determine radio stations with most commuter listeners.

Implementation: Buy time on radio stations during commuter hours. Have advertising agency prepare promotional messages. Have ads run during peak hours, emphasizing benefits of "T" such as cost, no traffic, no more helicopter reports, less stress, time savings, ease of use.

Time Frame: Six months to develop and get approved. Advertise on weekdays for one month.

Evaluation: Ridership, revenues, and on-board surveys.

Aftermath: If successful, do another one month blitz in 6 months. A radio campaign two times per year should be
adequate and inexpensive enough to encourage ridership and enhance image; evaluate annually.

-Newspapers

Purpose: Gear towards all drivers.

Planning: Use major Boston newspapers in that many suburbanites (commuters and shoppers) read them.

Implementation: Buy time in newspapers. Have advertising agency prepare promotional messages.

Time Frame: Six months to develop and get approved. Advertise once a week for three months.

Evaluation: Ridership, revenues, on-board surveys.

Aftermath: If successful, continue the once-a-week format for another three months. Evaluate again, and decide whether to continue on permanent basis; if decision is to continue, evaluate annually thereafter.

d. Customer information materials

Purpose: Insure that materials are readable and graphically-interesting
Planning: Review materials with focus groups. Coordinate review with signage and directions. The same focus groups could be used.

Implementation: Re-design.
Time Frame: Review and make changes in six months.

Evaluation: On-board surveys.

Aftermath: Re-design materials if surveyed consumers indicate confusion; repeat survey after implementation of new designs. Insure that new materials are reviewed by focus groups.

Evaluation.
SHORT-TERM:

Purpose: Insure that research, planning, and implementation of programs are proceeding as desired. If not, discover why, and make changes.

Planning: Review each marketing program for such items as whether program has evaluation procedures, whether evaluation procedures measure what they should measure, and whether design of evaluation procedures is biased.
Implementation: Each marketing program should have evaluation measures attached before allowing approval.

Time Frame: Review programs within one year.

Evaluation: Determine whether evaluation procedures were used by employees and politicians, whether the measures gave needed information, and whether the benefits outweighed the costs of evaluation.

Aftermath: If evaluation is viewed as appropriate and worth the cost, continue to require that each marketing program have evaluation measures attached. These measures should continue to be reviewed annually for usefulness and costliness.

Organizational Structure.

SHORT-TERM:

a. Employee training for Amtrak and MBTA employees.

Purpose: To insure that customers are being well-served and that employees feel knowledgeable, confident, and motivated about their jobs.
Planning: Discuss training with labor and management of MBTA and Amtrak. Determine what training is needed for such areas as customer relations, maintenance, marketing.

Implementation: Institute training programs.

Time Frame: Develop within six months. Have one year trial period.

Evaluation: On-board surveys.

Aftermath: If successful, continue training with annual evaluation. Also, begin making customers and non-customers aware of employee knowledge via various promotions and public relations.

LONG-TERM:
 a. Develop marketing department for commuter rail and MBTA

Purpose: Insure that customer viewpoint is being emphasized, that market research is being done, and that 4 p's of marketing are seen as interconnected.

Planning: Develop short-term marketing techniques/programs for commuter rail.
Implementation: Implement techniques/programs. When successful, attempt to implement others. Based on continual success, marketing may then become viewed as an important function, and management of Commuter Rail and MBTA may then require that a comprehensive marketing program be developed.

Time Frame: 4 years for Commuter Rail; 6 years for MBTA.

Evaluation: The comprehensive marketing program should be evaluated for its attention to marketing strategy, market research, product development, pricing policies, placement of product, and promotion. The customer should be the primary focus of the marketing program. Also, personnel should be evaluated for communication, cooperation, and knowledge.
CONCLUSION

In summary, the marketing of commuter rail services at the MBTA is virtually non-existent. However, Commuter Rail is not alone since a lack of marketing also exists for other MBTA operations and for many transit agencies in the United States.

Should marketing be so non-existent for commuter rail? No. Inclusion of marketing into every day organizational activities should be considered the norm. Management, politicians, and labor should recognize that marketing helps to insure that customers are satisfied; this, in turn, helps to insure that the goals of public transportation are being fulfilled; this, in turn, helps to insure that both users and non-users continue their support of public transportation; this satisfaction of users and non-users, in turn, helps to insure that management, labor, and politicians continue to hold their jobs.

To develop and implement a marketing plan for commuter rail at the MBTA, a review was done of general marketing, transit marketing in the United States, and MBTA marketing. By doing this review, an understanding was gained of what the advantages and disadvantages of marketing are, what marketing programs exist, and what programs could exist. Consequently, marketing strategy and research, emphasizing customer satisfaction, were seen as key factors in developing a marketing approach to commuter rail. Furthermore, for
marketing to be successful, the review of marketing indicated that the right product had to be developed and put in the right place at the right time at the right price with the right promotion.

Moreover, this review of marketing recognized the importance of the organizational behavior of managers, laborers, and politicians. Short attention spans, dislike of spending money, lack of cooperation and communication inside and outside transit agencies did not create an environment in which marketing could thrive. However, the behavior of these people was not something that could be changed overnight. Realistically, some the the behavior was unlikely to change.

Despite the likelihood of slow or no behavioral change, attempts could be made to gain the support of management, labor, an politicians. These attempts could be geared towards some of the very areas where these people were sensitive -- money, employer/voter approval, instant gratification. Short-term, inexpensive marketing programs could be developed, limiting the financial and political risk; quick, inexpensive feedback could be provided.

Several short-term marketing programs were recommended, outlining the purpose, planning, implementation, time frame, and evaluation needed. Furthermore, some long-term programs were recommended, acknowledging the fact that these programs would only come into being if the short-term programs were
successful.

A listing of recommendations with time frames proposed follows.
### Commuter Rail Marketing Recommendations

#### Time Frame for Planning and Implementation

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## Time Frame for Planning and Implementation

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Organizational Structure

- Employee training 1/2 yr 1 yr 1 1/2 yr 1 1/2 yr

- Develop mktg plan

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The preceding recommendations indicate that many marketing activities for commuter rail services at the MBTA could be developed and implemented within the next three years. Furthermore, other marketing activities could be developed and implemented within three to eight years; their time frame is dependent upon the support given by management, labor, and legislators. However, whether the time frame is three years or eight years, the important point to be understood is that there are many marketing programs and techniques that can be used by the Commuter Rail Directorate at the MBTA. These programs and techniques, if developed and implemented, can help to insure that the customers and subsidizers of commuter rail are pleased with the services and image being generated by commuter rail. Also, these programs and techniques can help to insure that the goals of public transportation are being fulfilled.
BIBLIOGRAPHY


"Results are Mixed from Public Transportation Marketing Efforts". Marketing News. (April 13, 1984), pp. 1, 20.

