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Rullman & Munger  
MARKETING PLAN  
FOR EL MONTE  
BUSWAY

A MARKETING PLAN  
for the  
EL MONTE BUSWAY SERVICE  
SOUTHERN CALIFORNIA  
RAPID TRANSIT DISTRICT

SCRTD  
1973  
.M37  
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Prepared by  
Rullman & Munger Advertising  
May 1, 1973

## EL MONTE BUSWAY MARKETING PLAN

The recently completed El Monte Busway study not only confirms much that we have suspected about public attitudes toward bus riding but reveals some interesting opinions about the new El Monte Busway service in particular.

Now it remains to put this information to work in a marketing plan that will help to develop a high level of patronage and will favorably impress the public with the progress being made by the Southern California Rapid Transit District in solving the area's transportation problems.

Most marketing programs include four elements:

1. Identifying the marketing problems.
2. Setting goals to solve the problems in whole or part.
3. Preparing programs to meet the goals.
4. Evaluating the progress of the programs periodically, with report to management.

This proposal includes these elements in outlining our marketing proposals. We look forward to the opportunity of assisting the RTD in implementing the program as finally adopted.

Russell R. Rullman, President

Rullman & Munger Advertising  
May 1, 1973

PART 1 - IDENTIFYING THE MARKETING PROBLEMS

Not since the network of PE red cars disappeared has Southern California had any form of transportation which could be considered fast suburban service for the public commuting to downtown Los Angeles. It is important, therefore, that the Busway, with its new concept of exclusive through lanes following the freeway, be totally successful -- not only in sales but in the image projected to the public as the start of the RTD's rapid transit system.

The public must be shown that the Busway is a good investment -- it pays its way. The confidence thus created will make it easier for the RTD to propose and gain acceptance for other segments of the planned system.

The Busway must also help overcome the public's prevailing attitude that (a) The community needs such transportation, but I don't think I ought to have to pay for it (b) I would use the service except for certain reservations I have, and in addition, I need my car.

I. Sales Marketing Problem

Let us consider the sales first. It may be true that if enough patrons can be induced to ride the Busway system, the aura of success will do much to eliminate the reservations of detractors. Certainly if the Busway is not supported by the public all else means little. The initial problem, therefore, is one of patronage volume, the immediate limiting factors of which are the number of commuters to downtown Los Angeles from the area served, and the capacity of the Busway system to handle the traffic.

A. The Busway Market.

1. Total Freeway Traffic

The Highway Department estimates that 72,000 cars, with 1.2 persons per car, traverse the San Bernadino Freeway westbound from El Monte on an average weekday.

2. Total Busway Market

To estimate how many of these riders are potential Busway customers, it becomes necessary to eliminate all but those cars originating from the communities served by the Busway, generally speaking the communities from West Covina west to Rosemead.

An arbitrary estimate of this traffic is 43,200 persons.

3. Saleable Busway Market

The Busway research study just completed indicates a surprisingly large percentage (41%) of those drivers entering the Freeway in the market area are not, in fact, regular commuters to Los Angeles and thus do not qualify as part of the saleable market. Say the market to be 59% of 43,200 or 25,488.

4. Core Busway Market

A market universe contains a percentage of persons who cannot be sold under normal conditions; a percentage which could be influenced by favorable reports (follow the leader); and a percentage which can be sold through normal sales promotion channels. In this instance, the Busway study

indicates that 22% of interviewed commuters are very interested in the Busway service, while an additional 10% are somewhat interested. The balance are either not very interested or not at all interested.

Say the Core Market to be 32% of 25,488 or 8,046 persons.

B. Projected Busway Capacity

The figures shown on the following pages were taken from preliminary schedules prepared for the Phase I Busway report issued in September, 1972.

These figures indicate the scheduling of 85 westbound and 81 eastbound trips during each of the 180-minute rush-hour periods. The headway between buses varies from 1:18 minutes to as much as 10 minutes, so that rush hour service could be considerably increased if demand required. However, for purposes of initial marketing recommendations the original schedules are used as the basis for planning.

1. Phase I capacity

The following information reflects the projected number of trips and seating capacity of lines involved in Phase I of the Busway operation. (\*Indicates no present service.)

<u>LINE NO.</u>	<u>TRIPS/SEATS</u>	<u>PHASE I CAPACITY</u>	<u>PRESENT PSGR COUNT</u>	<u>% TO FILL</u>
<u>60-WEST</u>				
PEAK	19/47	893	395 (44%)	56%
OFF-PEAK	28/47	<u>1316</u>	<u>404 (30%)</u>	70%
		<u>2209</u>	<u>799</u>	

60-EAST

PEAK	18/47	846	344 (41%)	59%
OFF-PEAK	27/47	<u>1269</u>	<u>420 (33%)</u>	67%
		<u>2115</u>	<u>764</u>	

401-402-WEST

PEAK	27/47	1269	290 (23%)	77%
OFF-PEAK	50/47	<u>2350</u>	*	100%
		<u>3619</u>	<u>290</u>	

401-402-EAST

PEAK	29/47	1363	284 (21%)	79%
OFF-PEAK	50/47	<u>2350</u>	*	100%
		<u>3713</u>	<u>284</u>	

403 WEST

SHUTTLE	26/47	1222	*	100%
THRU-BUSWAY	7/47	<u>329</u>	*	100%
		<u>1541</u>		

403 EAST

SHUTTLE	27/47	1269	*	100%
THRU-BUSWAY	6/47	<u>282</u>	*	100%
		<u>1551</u>		

404 WEST

SHUTTLE	10/47	470	*	100%
THRU-BUSWAY	24/47	<u>1128</u>	*	100%
		<u>1598</u>		

404 EAST

SHUTTLE	9/47	423	*	100%
THRU-BUSWAY	25/47	<u>1175</u>	*	100%
		<u>1598</u>		

405 EAST

SHUTTLE	27/47	1269	*	100%
THRU-BUSWAY	6/47	<u>282</u>	*	100%
		<u>1551</u>		

2. Summary of Busway Capacity

TOTAL PEAK and THRU SEATS AVAILABLE	7896	100%
LESS SEATS NOW SOLD DAILY	1313	17%
TOTAL TO SELL PHASE I	6583	83%
% TO SELL OF TOTAL	83%	
TOTAL OFF-PEAK and SHUTTLE SEATS	13160	100%
LESS SEATS NOW SOLD DAILY	824	6%
TOTAL TO SELL PHASE I	12336	94%
% TO SELL OF TOTAL	94%	
TOTAL SEATS DAILY	21056	
TOTAL NOW SOLD	2137	
PERCENT NOW SOLD	10%	
PERCENT PEAK TO TOTAL SEATS	37.5%	
PERCENT OFF-PEAK TO TOAL SEATS	62.5%	

3. Conclusions on Sales Problem

With some 21,000 seats available each weekday, two-thirds of which are new seats with no experience to go on, we believe that the Busway should receive heavy and sustained promotion until initial sales goals are reached. Even if one is impressed by the fact that 60% of peak period seats on Line 60 are now filled without promotion, there is no assurance that the same will hold true during Phase I unless the service and facilities are promoted.

Further, 62% of all seats are available during non-peak periods. Should we then direct the promotion at non-peak riders primarily? No, the rule in advertising and sales promotion is to "fish where the fish are" -- in other words, to put the effort where it is most likely to pay off, which is, of course, to the peak commuter. The promotion will also affect the non-peak commuters and the discretionary riders -- the latter being the most difficult of all to influence, as we know from advertising efforts through the years.

If we can fill the buses during peak periods -- and even require the use of additional buses -- this would be the most effective use of the marketing dollar.

II. Psychological marketing problems.

Certain attitudes reflected in the Busway study can inhibit sales and reduce the effectiveness of advertising and promotion if not dealt with. These include:

- A. Time factors. Speed is certainly one of the big plusses of the Busway, and 59% of the study's respondents felt that the Busway service would be faster than driving. However, up to 22% of respondents also said the speed advantage might be negated by slow feeder buses or poor connections, as well as delays at the Terminal.

One way to counter this feeling would be to make test runs -- perhaps with professional drivers -- incorporating various methods of using the Busway, and proving that the system saves time.

- B. Cost. 43% of respondents felt the Busway would be cheaper than driving -- to put it negatively, 57% said it would cost the same or be more expensive than driving.

The study reveals that the average driver simply does not know what it costs to drive and often refuses to accept official figures.

Marketing should study the cost of driving vs using the Busway and leaving the car at home. In such a case, comparatives would include the reduced insurance rates,

gas and oil, repairs prorated from reduced mileage, tire wear, etc.

It is of special interest to note that only .6-1.7% of respondents mentioned "no parking costs" as one of the Busway's advantages. Focussed interviews revealed that most of the commuters were provided parking at least in part by their employers. Parking cost does not appear to be a big factor for workers, but of course would be an important plus when addressing shoppers and other discretionary riders.

- C. Safety. This is a problem not anticipated by the interviews (the questionnaire was constructed prior to initial operation of the Busway.) Subsequent focussed discussions indicated a very real concern by some potential riders who felt that encroachment by cars on the bus lanes could cause bad accidents. No measurement of the extent of this concern is available, but most of us who have received comments from drivers or other observers of the physical Busway layout feel that the question of safety is one which should be recognized in market planning.

If no accidents occur, the passage of time and the safety record might dispel these fears. On the other hand, the best approach is to correct the situation by (a) physical separation of the Busway from other lanes (b) some sort of equipment, similar to the railroad block system, which would notify a driver well in advance of large objects blocking

the Busway. Press coverage and advertising of such improvements should produce business from those who now use "safety" as an excuse for avoiding patronage.

D. Convenience. 43% of respondents felt the Busway would be less convenient than driving. This was probed in the focussed interviews. Much of this attitude stems from ignorance as to where the buses go after reaching downtown, and it was felt that the bus "wouldn't take me where I want to go."

This again points up the need for public education on the bus systems. Route maps, time tables, press coverage -- a continuous job informing people when and where the buses go is the only answer to such problems.

#### CONCLUSION ON PSYCHOLOGICAL PROBLEMS

We are concerned only with the marketing problems connected with the Busway system, yet inherent in these problems are those of the RTD system generally -- the gradual erosion of the public transportation market in favor of the private automobile, the tendencies of the public to prefer the automobile as income grows, etc.

If, in truth, the Busway represents a quantum improvement in bus transportation, to the point where positive factors outweigh the negatives, we have an opportunity to offer a strong marketing program. At this moment, the attitude of those involved in the survey is on the fence.

And whatever we involved persons feel, those public attitudes will prevail. What we do to influence those attitudes, how we go about changing their minds with regard to the advantages and disadvantages of public transportation, may affect vitally the success of the marketing effort. We must recognize and accept how people feel about the RTD system before we can propose remedial action.

PART 2 - MARKETING GOALS

A. Short Range (Six Months)

1. Fill 8,000 seats daily. This would be slightly less than 4 times present patronage, or on a pro rata basis, an increase of 50% in seat sales to seats available. This also represents approximately 50% of Core Market, peak hour commuters (See page 4).
2. Dispel current negatives. The marketing plan should take into account the negative attitudes of the public as reflected in the Busway study and counter these attitudes appropriately.
3. Provide system information. We believe one of the greatest handicaps of the RTD system is the difficulty patrons have in obtaining information about using the buses. For starters, it is almost impossible to board a bus and obtain a time table, which to outsiders appears incredible. Here, with a new system segment, it is hoped that the situation may be corrected, and that complete details on the routes of lines using the Busway, as well as feeder lines, may be readily available to both passengers and prospects.

B. Long Range (Two Years)

1. Build sales to maximum. It was projected by the RTD staff in its Phase I Plan of Operation, that peak use of the Busway in Phase I will be 9,995 two-way passengers, or

approximately 20,000 seats.

2. Develop a continuous plan to win the patronage of the downtown worker who, we feel, would be better off using the bus. This involves the cooperation of the central city businessmen, of public agencies located downtown, in addition to the patrons themselves. We are aware that stop-and-go efforts have been made to obtain the cooperation of city, county and state officials as well as big business downtown. For this project the pressure should go on and stay on.
3. Provide a continuous school program to educate the grade school and junior high school youngsters on the value of a public transportation system -- and teach them how to use it. The schools have a driver's education program -- why not a bus rider's program? One of the very big problems in winning people to public transportation in California is that a whole generation or two have grown up with little or no contact with buses. Easterners who come to California are much more susceptible to bus service than are our home-grown citizens. This can be reversed by school education.

### PART III - THE MARKETING PROGRAM

Moving into the action phase of the marketing plan, the following steps are recommended:

1. Remedial action is started to combat those psychological factors considered detrimental to success of the Busway.
2. A staff program is prepared to handle the in-house portion of communications and sales promotion.
3. A detailed advertising plan is prepared by the advertising agency and budget approved.

The first has already been discussed on preceding pages. Step 2 was originally outlined in the EL MONTE BUSWAY MARKETING REPORT, submitted by RTD staff in September, 1972, and has been amply supplemented since. It is the specific contribution of the advertising agency in Step 3 which is of concern here.

#### BUDGET CONSIDERATIONS

It hardly needs repeating that a service as revolutionary and saleable as RTD's Busway facility warrants every bit of promotional boost that the District can give it. This includes the employment of all appropriate media with the most efficient use to tell the Busway story to the largest possible number of prospects. The campaign must incorporate both "reach" -- a volume of individual prospects -- and "frequency" -- communicating the message over and over.

The expectation is that the budget required may exceed the amount which prudence dictates may be consistent with immediate

returns. Most new products or services do, in fact, require an investment -- a capitalization in effect -- of promotional dollars to get the project off to the proper start.

Can the Busway promotional dollars simply be extracted from the normal advertising budget? We believe not. In our opinion, considering the jobs to be done through advertising, present budget is inadequate without the burden of the Busway promotion.

By the end of 1973, a three-year period will have ended during which time the District's annual media exposure will have remained at the same level. But if rising media costs continue this year, as is expected, the three-year period will end with media costs 20% higher than in 1970. In other words, simply to keep even with inflation, the District should increase its normal media exposure by 6-7% per year.

The point is clear: in order to give the new Busway service the promotional help it requires -- without further diluting the selling effort in other communities throughout the RTD system -- the Busway program must be separately funded.

### TIMING OF THE PROGRAM

A frequent mistake in launching a promotional program for a new product or service is starting too soon. The public's memory is shorter than we think - and to begin the buildup or introductory phase of the promotion too far in advance is a waste of money.

For maximum efficiency, the Busway campaign should break no earlier than two weeks prior to Grand Opening Day. Outdoor would be first, largely because of logistics...with the other media following closer to the inaugural. Here is the projected timetable for media starting dates.

Outdoor.....two weeks advance.

Newspapers...one or two days advance, depending on day of week the service opens.

Radio.....two days.

Direct Mail..one week, to allow for possible mail delay.

Bus Aprons...two or three days.

Bus Panels...day of start

Television...day of start.

We will divide the campaign into three stages, with varying promotional emphasis on each, as shown below.

Stage 1.=Two weeks prior to opening to three weeks after.

Stage 2.=The next two months.

Stage 3.=The following six months.