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U.S. Department of
Transportation

Mass Transit Management: A Handbook for Small Cities

Part 4: Marketing

Third Edition
Revised
February 1988



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Third Edition, Revised
February 1988

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INTRODUCTION TO THE THIRD EDITION, REVISED

In most fields of transportation, management--rather than equipment, location, or operating rights--is the key to success. Urban mass transportation is no exception. Despite its importance, transit management has received surprisingly little attention, especially in terms of modern business practices. The aim of this handbook is to provide information for the management of mass transit, particularly for small-scale operations in smaller cities in the United States. For the purposes of this handbook, a small city is defined as one that operates 101 buses or fewer. This cutoff point for small transit systems is one used by the federal government. Because of the scale of transit enterprises involved, the handbook assumes that management faces two major constraints: (1) the amount of money available, and (2) the degree of specialization possible with the limited manpower of a small enterprise.

Staff members at the Institute for Urban Transportation (IUT) in Bloomington, Indiana, investigated the practices of smaller transit systems in many parts of the United States to discover firsthand some of the methods and problems of such properties. The best methods used by these properties have been included in this handbook. In addition, a modern, systematic approach to the management of transit firms has been worked into the material as an improvement on the conventional practices of the transit industry. Extensive experience in providing local and statewide technical assistance in Indiana, providing management training for the transit industry, and conducting management performance audits of transit properties has given IUT's staff substantial insight into transit management.

The consumer-oriented approach to business is strongly emphasized in this handbook. The consumer-oriented approach is the major business approach of American business firms. This marketing management technique has been in use since the end of World War II. By adopting this powerful, strategic concept, this handbook is very much a marketing-oriented document. The justifications for this approach seem compelling because the transit industry has traditionally suffered from a lack of marketing expertise and effort. Today, the transit industry still is primarily operations-oriented but it is clear that, nationwide, transit properties of all sizes are becoming more marketing-oriented.

The handbook is divided into four sections. Part I: Goals, Support, and Finance (Chapters 1-3) includes sections on establishing goals and objectives, understanding the consumer,

gaining public support and public action for transit, institutionalizing transit as an integral part of the community, and financing transit. Part II: Management and Control (Chapters 4 and 5) focuses on management itself and the control and information devices needed for effective management. Part III: Operations (Chapters 6-11) covers important areas of day-to-day operation, coordinated as the product element in the marketing mix. Part IV: Marketing (Chapters 12-15) deals with the marketing program and promotional activities.

Because this handbook is intended to serve more as a reference work than a textbook, care has been taken to produce chapters that are complete in and of themselves. Some repetition is inevitable when using this technique, but every effort has been made to reduce duplication by cross-referencing and providing a detailed table of contents. Appendixes are included with some chapters to give more detail on certain subjects without interrupting the flow of the text. A short but relevant bibliography is provided at the end of each chapter.

The handbook aims to promote the concept of results-oriented management as well as marketing orientation. Early in this handbook, the need to establish goals and objectives is stressed. The concept of management by objectives (MBO) is discussed in some detail. MBO recommendations are given for policy-making bodies as well as management. A detailed explanation of how to use MBO for transit management is provided.

The critical concept of consumer orientation through marketing is reflected throughout the handbook, but perhaps most strongly in Chapters 1 and 12. Chapter 1 discusses the goals and objectives of a transit enterprise. It covers consumer behavior as it may be applied to mass transportation and recommends the development of a general marketing-management strategy for transit management. In Chapter 12, the marketing program suggested for the small transit property is developed fully. The relationship between all parts of the transit enterprise is built around a marketing-oriented firm. The marketing mix--product, price, and promotion--is the concept that shapes managerial action in meeting consumer needs. MBO is the means by which results can be attained reasonably.

Throughout this handbook, careful attention has been paid to the consumer and to gearing management thought and the service provided by the transit firm to meet the desires and needs of consumers. Service quality is a key factor with the costs carefully controlled and all aspects of the enterprise planned with specific ends in mind. The aim is to encourage, not a minimum of service at the lowest possible cost, but service that meets consumer needs and desires at a cost carefully calculated and controlled. The ideas and concepts are applicable to both private and publicly owned transit services. Most of the principal ideas are straight from the private sector.

In addition to covering broad strategic concepts of management and matters of systematic, day-to-day operation, this handbook deals with critical factors including public support, finance, and various forms of public ownership. A fair proportion of the contents, therefore, is directed not only toward transit managers, but also toward public-spirited citizens and public officials who wish to inaugurate or improve transit services through public action.

This handbook should be considered a draft, as were the first two editions. It combines the tried-and-true methods--where these appeared to be the best possible practices--with innovation, in the application of modern business techniques to transit. In a world of fast-moving managerial and technical innovation, nothing stays up to date for more than two or three years. What is contained here may be subject to fairly rapid obsolescence.

We sincerely hope that by using this handbook managers of existing smaller transit properties will find many good ideas and suggestions that they may adopt easily to serve the urban traveling public effectively and efficiently. We also wish the very best to persons working in transit, a difficult but highly rewarding field of effort.

PART IV

MARKETING

Through the related concepts of market segmentation and the marketing mix, Chapter 12 provides the detailed basis for the systematic operation of a marketing-oriented transit enterprise. The marketing mix--product, price, and promotion--is geared to meet the needs of the consumer. The emphasis, however, is not on the entire public in a given city as a single, uniform mass of consumers. Rather, the emphasis is on different groups of consumers, or segments of the market, who can be identified by their different responses to the same mix of product, price, and promotional appeal.

The idea common to American business today is that consumers are better served, and the market more effectively developed, by this approach. As an aid to using the marketing mix effectively, sections on market research and pricing are included to simplify the approach from the viewpoint of a small, consumer-oriented transit firm.

Chapters 13, 14, and 15 focus on advertising, public information, and community relations, and are developed from the viewpoint that these elements are essential and interrelated parts of the promotional program. All of these elements are necessary for the successful management and operation of a consumer-oriented transit firm.

CHAPTER 12

THE MARKETING PROGRAM

Introduction

Marketing is a vital part of a good transit system. To be successful, the transit marketing program must be a planned course of action aimed at a particular goal. In general, the goal is that marketing for transit should maximize the value of transit service to the public by meeting consumer needs. This goal does not propose the aimless waste of money in an attempt to generate the largest possible number of vehicle-miles. Rather, this goal means finding needs and developing ways to meet those needs; it means finding ways to increase use of transit facilities, to spread costs, increase revenues, and reduce deficits.

The marketing program and its underlying strategy are important because of the role marketing plays in integrating all the parts of a transit firm to meet the goal of maximizing the value of the transit service to consumers. Marketing poses the initial questions that must be asked and answered by any transit operation:

1. What service is desired and needed?
2. Who desires and needs service?
3. How shall service be provided?

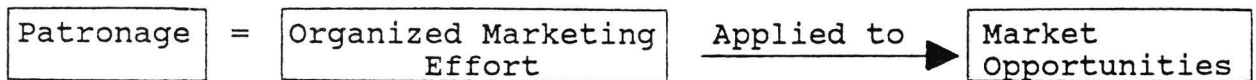
Transit marketing is a creative effort, with major challenges in formulating and carrying out marketing ideas and the rewarding feeling of accomplishment when marketing plans are successful. Marketing may be the most exciting part of transit.

A key concept that must be firmly implanted in all thinking related to mass transportation is that marketing is an integral part of transit and must be treated as such. Too often in the past, transit managers thought of transit marketing as nothing more than advertising, as a luxury that could be turned on or off depending on the state of the budget. In today's competitive transit environment, transit marketing must be considered the core of the transit firm's activities. As a consumer-oriented service--as transit must be--the situation cannot be otherwise.

The Marketing Approach: Meeting Consumer Needs

The marketing program of a transit firm must be geared toward discovering opportunities for providing public service and taking advantage of those opportunities. The privately owned firm will analyze its service carefully and will continue operations that are most profitable in the long run. The publicly owned firm, given the mandate to provide service, will continue to offer the services that are needed and desired by the public--those that are worthy of public support in the long run. The publicly owned transit firm must take all steps possible to understand and serve the transit market, so that revenues are maximized within the limits imposed by the operating budget.

The marketing program takes organized marketing efforts and applies them to market opportunities. The opportunities, of course, are consumer desires and needs. The more careful the analysis of market opportunities and the better the transit service is geared to those opportunities through a painstaking marketing effort, the greater will be the patronage and the satisfaction of the riders.



Organizing for Transit Marketing

The marketing function should be central to transit organization because, as a consumer service, transit has to be sensitive and attuned to the needs of the consumer if it is to succeed in its community role as a service of use and value to consumers. Again, marketing is not a luxury but the central core of any enterprise that seeks to meet the demands of customers. The full scope of marketing programs needs to be recognized and included in transit's organizational structure. Figure 12.1 shows an ideal type of organization for marketing in a large transit property. Regardless of the size of the transit property, the figure is instructive in showing all the tasks of a complete marketing program. Large or small, employing specialized personnel or a few talented generalists, the figure makes clear what needs to be done.

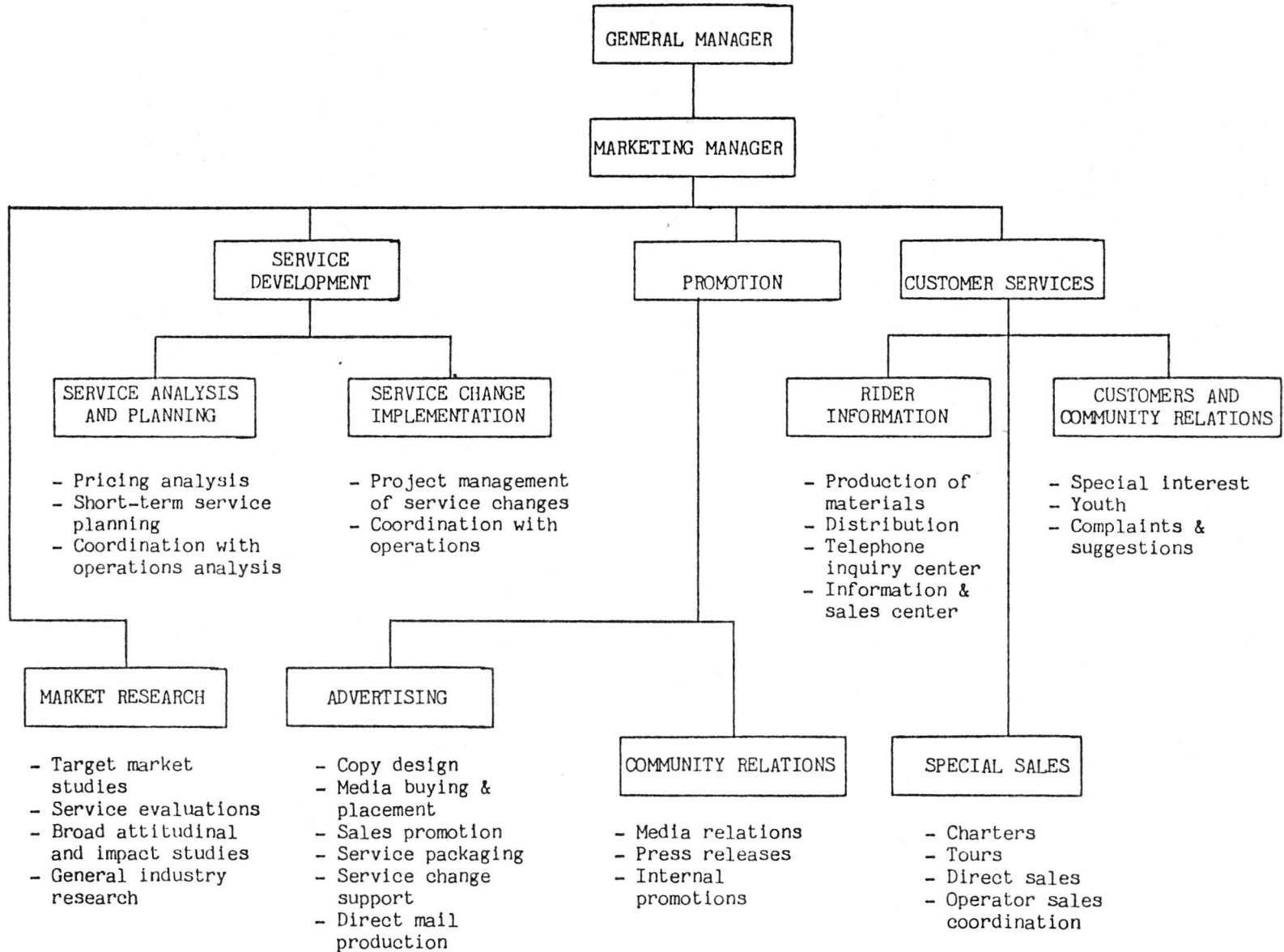


FIGURE 12.1 Recommended Transit Marketing Organization and Functions for Larger Systems
Source [17, pg. 53]

If one assumes that a formal organization chart should have a person represented by each of the boxes shown in Figure 12.1, only a large transit property could organize itself accordingly. For the more modest sized transit operation of 25 buses or more, Figure 12.2 shows an organizational structure that is relevant. Again the tasks outlined below the boxes encompass much of what is shown in Figure 12.1, but combine them in a realistic fashion for a workable marketing department of smaller size than in Figure 12.1. In an organization following the structure in Figure 12.2, some of the personnel might be shared with other parts of the transit organization.

For instance, under market research, the person doing service evaluations could be shared with the operating and planning areas. Market research personnel may also do other types of research needed to feed information to those involved in short-term service planning.

For the small transit property the organization shown in Figure 12.3 is most realistic. Depending upon the intensity of desire to do the best possible job of marketing despite the size of the property, two persons--the marketing manager and one other--could do the absolutely essential tasks.

Considerations in Choosing Marketing Objectives

Perhaps the objectives of the marketing program in terms of service maximization can be initially identified by defining what not to do:

1. The transit firm should not concentrate management's efforts solely on operations. Operations are only part of meeting consumer needs; they are a means to an end, not an end in and of themselves. The cost associated with any one of the operating aspects of a company, such as routes, schedules, equipment, communications, personnel, and so forth, should not be the only factor considered in making operating decisions.
2. Management should not concentrate its efforts on covering short-run costs out of the farebox. Experience has shown that this philosophy inevitably leads to disaster, because it concentrates efforts on fare increases and service cutbacks before the transit property can develop a first rate service within the framework of its goals and objectives, and has begun to build a significant patronage. Given the current situation in the United States, it is usually not possible to offer regular urban mass transportation service at a profit or just to break even. Consequently, most public transportation agencies rely upon financial assistance from local, state, and federal sources. Over a longer period of time, when a properly managed, marketing-oriented transit

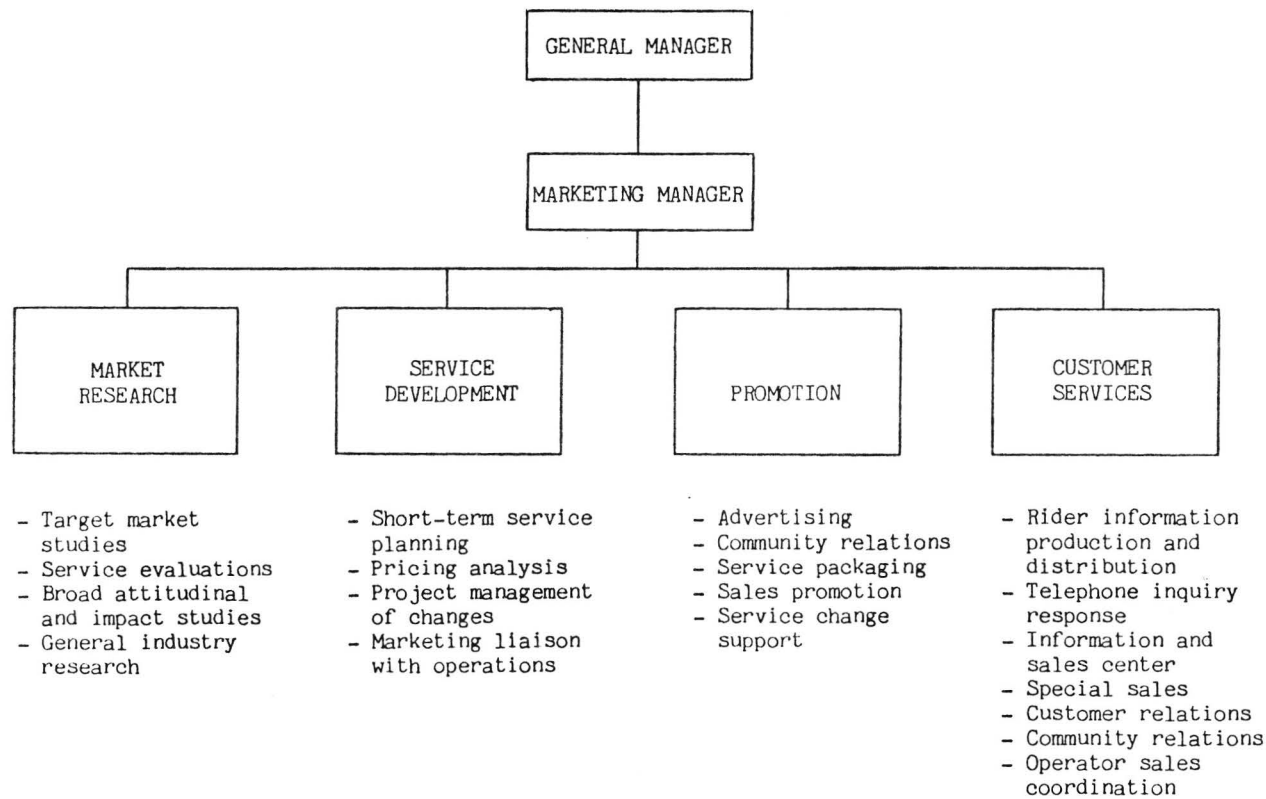
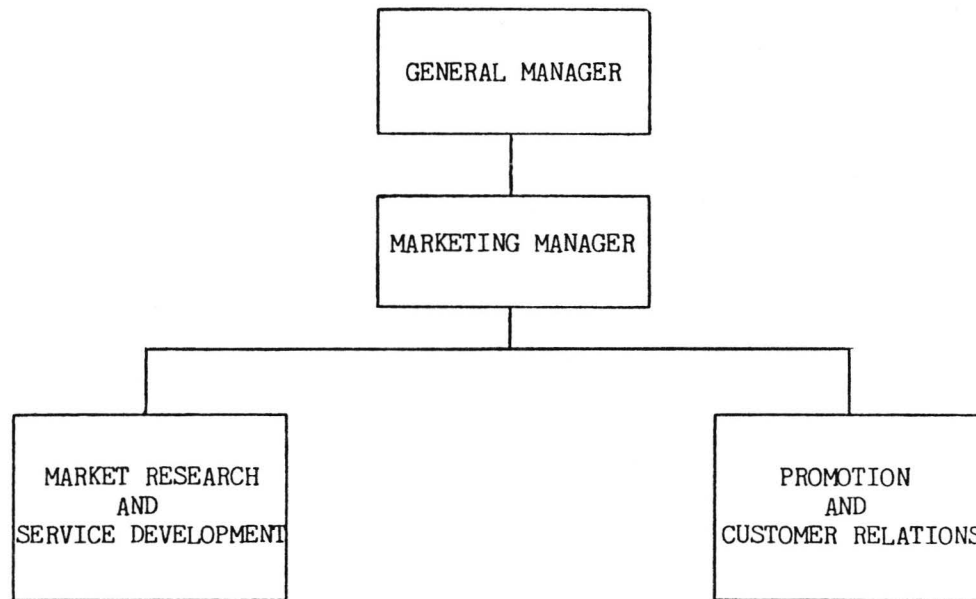


FIGURE 12.2 Recommended Transit Marketing Organization and Functions (Ideal for Medium to Large Transit Properties)
 Source: [17, p. 51]



- Target research studies*
- Broad attitudinal and impact studies
- Service and pricing analysis and planning*
- Project management of service changes*
- Coordination with operations

- Advertising and public relations*
- Rider information design and distribution*
- Telephone inquiry center
- Information and sales center
- Customer and community relations*
- Operator sales coordination*
- Special sales

* Indicates high-priority functions.

FIGURE 12.3 Recommended Transit Marketing Organization and Functions for Smaller Systems
Source: [17, p. 54]

service is in place, management and board members should view high farebox return ratios as a sign of strong public acceptance.

3. Management should not treat the public as a single consumer market for transit. The transit market is made up of many segments and a different approach in terms of service, price, and promotion is needed to meet the needs of these segments.

Transit management has three areas of concern when developing objectives:

1. All parts and functions of the firm under the control of management should be aimed at meeting consumer desires or needs through the product (service), price, and promotion elements of the marketing mix.
2. Cost considerations should not predominate in the initial stages, but costs should be controlled carefully so that nothing unexpected happens. Alterations of the marketing program should be made only after considering the best cost and revenue information available, so that every risk is a calculated one.
3. The various segments of the transit market should be identified and served. Different kinds of people traveling for different reasons with differing constraints on their ability or willingness to expend time, effort, and money require different services, fares, and promotions.

Meeting consumer desires is admittedly a difficult problem. Even under the best of conditions, accurately determining and meeting the needs of consumers or potential consumers of transit service is likely to be a tough proposition. In the real world, transit management faces three major constraints--cost, information, and flexibility.

Cost

The first constraint is the cost of serving different transit markets adequately. Obviously, this constraint can never be totally removed if available funds are limited. This burden can, however, be reduced by:

1. Knowing relevant costs. Cost information must be precise enough to reveal expenditures by route and by class of service (regular route, special, express, charter) so that it is possible to estimate accurately the expenses for any given service. Knowing the cost of promotion allocated to each service or route is essential for measuring the benefits of the promotion. (A total cost figure for advertising is

meaningless unless it is apportioned to its actual uses. Management should keep the expenditures for advertising a new route as a separate item from advertising a new monthly pass.) The cost of no promotion in terms of lost patronage or loss of consumer satisfaction should also be estimated.

2. Knowing relevant benefits. Costs must be balanced against monetary revenues on the basis of routes and classes of service. A calculation of nonmonetary benefits, both to the transit enterprise and to the community, should also be performed.

Information

The second constraint is the lack of information on consumer needs and on the opportunities that exist to meet those needs. Two options to meet this constraint are:

1. Research the market. Some determination of initial regular route and special service needs must be made on the basis of the various segments of the market for transit.
2. Secure continuous feedback of information. Data on actual daily operations and information from and about assorted activities and developments in the community have a bearing on the performance of the transit service.

Flexibility

The third constraint is the lack of flexibility or adaptability on the part of the transit firm. A transit enterprise, whether publicly or privately owned, must either have broad operating powers to begin with or a constant extension of its powers to serve the public. Included in these powers are such factors as:

1. Meeting demand. A transit enterprise must have the ability to change routes and schedules to meet variations in demand.
2. Serving the entire area. A transit firm must be able to operate over an area relevant to the travel needs of the public. In many urban areas, large and small, potential high-demand areas lie outside the jurisdiction of the local transit operation and are often unserved. State enabling legislation or local ordinance, written intelligently, will provide the powers needed to allow service for the entire area.

3. Providing adequate funds. Transit must have the funds to meet its needs--from farebox revenues, from sufficient sources of private capital, or from access to public support through taxation.

Marketing Mix

Product

The transit product consists of the types of service offered, the quality of service, and access to the service.

Type of service. The type of service may be divided into two broad categories: (1) regular route service, and (2) special and local charter services. Within the category of regular route service possible variations include: extra service at peak times, express service, route deviation to serve special places, and a varying route structure. In the latter category would be variations such as timed transfer networks of service linking many nodes of activity, subscription bus service and demand initiated services, such as dial-a-ride.

Quality of service. The quality of service is another product characteristic. Included are such items as air conditioning, seating, decor, reliability, safety, courtesy of personnel, transfer ease, and travel time. All of these factors can be adjusted to meet the needs of various market segments.

Access to service. Access to service is treated separately because of its importance. The old rule of thumb of half-mile spacing between routes is obsolete in this day of automobile availability. Access is really a dimension of the ease of using the transit service. In addition to the spacing of regular routes, access includes the particular park-and-ride, special, and demand-oriented services that help make the use of transit easier for the public. (For more information on access as it relates to routing, see Chapter 10. Chapters 6 through 11 discuss transit operations in detail.)

Price (Fare)

Pricing is an important part of the marketing mix and cannot be considered separately. In other words, price is not totally independent of the product and its promotion; together, the three form the package that consumers buy or reject. Fares must be considered as a promotional variable as well as a source of revenue.

Consistent packaging. Whether the public (or some segment of the public) views fares as high or low is related more closely to the perceived value of the service package than to an absolute sum of money. A high-quality service in terms of frequency and dependability, with clean, air-conditioned vehicles running on a convenient schedule, may be seen as a high-value, low-cost package. In comparison, undependable, infrequent service, using

old, dirty, decrepit vehicles may be judged as high in cost, even though the fare may have been the same in both cases.

Revenue maximization through service. People seem willing to pay for good service; recent research and demonstration programs have proved this point conclusively. Charges above the regular base fare can be levied for extraordinary service. Moreover, if meaningful rider segments are discovered and special services developed to serve them, it should be possible to charge extra for these services. This method can maximize both service to the public and revenue to the transit firm.

Fare collection. Mass transit faces a number of competitive difficulties in trying to match the appeal of the private automobile. One of these is the fact that, in most transit operations, a fare is collected each time the service is used. The transit patron must give up something of value each time he boards a transit vehicle. On the other hand, many trips may be made in an automobile before one has to buy gasoline, get a new license, or make some other overt, automobile-related expenditure. Indeed, if a credit card is used to purchase gasoline, then stopping at the filling station, in terms of actually parting with cash, is a "costless" operation. To compete with the automobile on a more equal footing, fare collection has to be as convenient for the customer as possible. Appendix 12A covers this important issue in detail.

Regular route/regular service. For many years, the common practice in the United States has been to collect a flat fare within a given municipality, regardless of the length of the journey or the time of day at which the trip was made. This system has the great virtue of being simple. Unfortunately, it usually means relatively high fares per mile for short rides. Alternately, distance-based fares, which are common in many other countries, are often quite complicated and either require a conductor or else the driver to figure distances, issue tickets and rider checks, and otherwise monitor the distance each passenger travels. Nevertheless, distance-based fares can be quite attractive to transit patrons, especially to short-distance travelers.

No-fare zones. Several cities provide bus service at no fare in a downtown area, encouraging short journeys in the Central Business District. Such service is convenient for short trips and may act as a very effective promotional activity by attracting patrons to transit who would not otherwise use the service. The cost is minimal because service is provided by vehicles that would be operating in the downtown area anyway. Public support and goodwill developed by the service and reflected in favorable public attitudes toward taxes to support transit, have generally far outweighed the loss in direct farebox revenue.

Ideally, fares should be:

1. Simple and straightforward for both operators and patrons. Fares should be easy to collect, requiring the fewest number of coins possible. For example, a 25-cent fare is good because most patrons will be able to pay it with a quarter. Fares of 22 cents, 27 cents or 31 cents all require excessive change handling for both the operator and the patron. If transfers are used, they should be free or else payable with a single coin. Many transit agencies require an exact fare; the driver carries no change and the rider must have the exact fare to put into a locked farebox. This is inconvenient for the rider, but safeguards the driver against theft.
2. Realistic for firm and patron. The amount of the fare should reflect the objectives of the firm in terms of maximization of profit or service. The fares should not be so high as to discourage use or so low as to be hopelessly uneconomical for the transit system. Since the end of World War II, it has been obvious that maintaining a given or declining level of service while increasing the fare only drives patrons away from transit service. It also is clear that if the quality of service is improved, the fare can generally be increased without a loss of patronage. Probably the best course is to maintain a given fare level as long as possible and work at increasing ridership. When fare increases are necessary, it is best to make them in small, frequent rises. It is better to raise the fare a nickel a year for five years than to raise fares by 25 cents every five years.
3. Standardized. Transit service should not be used as a welfare program, although the service may increase the general welfare of the community and cast transit in a favorable light politically. Ideally, the transit enterprise itself should not subsidize certain citizens at the cost of others. The transit operation should receive the full, standard fare for a given service from all patrons. Of course, that patron may not pay the full fare himself. The subsidy could be paid by a governmental agency. For example, the difference between a low school fare and the standard fare should be made up by the school district. Indigent citizens may receive cut rate tokens or tickets from welfare or aid agencies, but the transit agency should be fully reimbursed at the standard token or ticket price. In any case, a practice today is to use transit as a welfare device, which is in part responsible for transit's poor image, and is a major cause of large operating deficits despite increased patronage.
4. Relative to schedule and route. Fares should be based on distance and time of day traveled. Peak hours are the highest cost times and fares should not be reduced at such times. If discounts are to be given, they should be available only during off-peak hours. Fares based on distance are complicated to collect under current systems. If no better,

easier alternative can be found, then at the very least a system of zone fares should be introduced. An exception is the previously discussed no-fare zone, which is a large scale, permanent promotion designed as a major convenience to the community and as a primary marketing and community relations tool.

Promotional fares. Promotional fares are used either to promote the general use of transit or to promote transit used for special purposes. Generally, such promotions use low, get-acquainted fares for everyone; these fares are not intended as a subsidy to certain classes of patrons. In the first day or week of operation of a new route or service, the transit firm may wish to offer free service to help acquaint people with it. Promotional fares should never be used where they will increase the cost of providing service while diminishing revenues on a continuing basis.

At times, promotional fares may be used in conjunction with some special event, such as a downtown sale or the opening of a new shopping center. The transit firm should be reimbursed completely by the merchants or whoever benefits from the promotion. Indeed, downtown merchants have been known to hire the whole transit system to provide free service on Sundays before Christmas--an event that helps the shoppers, the merchants, and the transit agency.

When contemplating any promotional fare, the following points should be kept in mind:

1. Encourage off-peak use if buses are full during peak hours.
2. Relate fares to patronage and quality. The fare should not be cut if the patronage will develop quickly anyway because of an increase in the quality of service.

Charter Service. Running charters, where federal regulations allow a publicly owned transit system to do so, is one of the most profitable services a transit firm can offer. Because the service is tailored to meet the needs of the group arranging the charter, it is by its very nature high-quality service. At a minimum, the rates charged should cover the cost of operating the charter plus a reasonable rate of return on investment. The level of the charter fare above this base level should reflect such factors as competition from other charter operators and regulations that set charter charges.

Special services. Special services are offerings beyond the regular route services and are aimed at reaching market segments untouched by conventional service. Special services should not be designed to divert patrons from regular routes, but to tap new market segments. Special services may also be used to provide

extra value in the overall transit system. As such, these services should be priced to pay for themselves in terms of operating cost, capital cost, and a reasonable return on investment. An example of such service would be bus service from various parts of a city to a sporting event. Such service benefits the consumer by eliminating the parking hassle common to football, baseball, or basketball games--especially if the home team is on a winning streak!

Promotion

The promotional side of the marketing mix contains a number of elements. It includes advertising through the use of the media, ranging from radio and newspapers to circulars and handbills. Promotion also includes public information, such as maps, schedules, signs, and other forms of information on available services and how they may be used. Community relations is the process of both meeting the public and keeping the public informed of the activities of the transit firm. It is a two-way street of communication and promotion, in that community relations processes also involve finding out what the community wants and returning that information to transit management so that it may be acted upon.

Each of the promotional activities is of such great importance to transit that separate chapters are devoted to each (see Chapters 13-15).

Use of the Marketing Mix

As its name implies, various combinations of product, price, and promotion are blended to meet consumer needs, as identified by the market segmentation process. Through this mix, management has the opportunity to exercise its creativity in meeting market opportunities. In using marketing and the concept of the marketing mix, several factors should be kept in mind including the nature of transit, the influence of external factors, and the (underused) capacity of transit vehicles.

The Nature of Transit

The transit rider is not interested in the bus ride itself, except as it permits him to go to work or to shop or whatever purpose he has for traveling. This fact is important in the marketing strategy because it may be far easier to sell a destination than the bus ride. Use of transit can be promoted as a means to an end, provided it is a better alternative than some other means of travel or than not taking the trip at all.

The transit firm must explore and promote many destinations. Trips to the zoo, a sports event, the county fair, or to the mall for Christmas shopping will certainly attract customers, especially if demand can be stimulated at off-peak times or on routes that are in need of more patronage.

Influence of External Factors

One important element in segmenting the transit market is that the basic needs that exist among transit patrons may not be met by transit alone. For instance, elderly people are often lonely and feel a strong need for the companionship of persons of their own age group. The availability of convenient transit service can provide an opportunity for older people to reach areas where they may find companionship and recreation.

If transit management is trying to sell a companionship destination, it can be successful only if some social institution that satisfies the transit consumer is at the end of the trip. Churches, clubs, and other social institutions for the elderly are a necessary part of meeting the need. The transit firm should appeal to and deal with outside institutions that will help promote needed service and complete the package of overall social, recreational, and other services that should be available in a modern community. This integration of transit into the value structure of the community is vital to the process of institutionalizing transit.

Underused Capacity

One of the major efforts of the marketing program should be to take advantage of the underused capacities of the transit system. Many investigations of market segments and adjustments of the marketing mix should be aimed at generating off-peak traffic. Between 9 a.m. and 4 p.m. and after 6 p.m., most transit systems have personnel and vehicles that are not being fully used. This time is ideal for special services and charters.

Maximizing Service and Self-Support

The marketing program has the job of deciding which services are self-supporting. The information feedback of the data collection system and the constant monitoring of that system should reveal potentially profitable or self-supporting parts of the transit operation. Why these services are profitable or self-supporting should be determined and understood, and the successful technique or conditions should be transferred where possible to other services offered by the transit firm.

At the same time, transit management must identify revenue-losing services and determine what changes are necessary to make the service more profitable, less costly, or more useful in serving the needs of the people. Even a transit operation geared to service rather than profit as a major objective should take all reasonable steps to minimize cost and maximize revenues as long as the principal goal of providing service of value to the consumer is preserved. An annual route analysis can be used to define those routes that require special attention.

By concentrating intelligently on the goal of service, it may be possible to operate profitably or at minimum cost in the

long run. Failure to serve the public can only cause transit to fail, both socially and economically.

Marketing Strategies

Three Approaches to the Market

There are three broad approaches to transit marketing strategies: (1) undifferentiated marketing, (2) differentiated marketing, and (3) concentrated marketing.

Undifferentiated marketing. A firm using an undifferentiated marketing strategy produces one product and attempts to appeal to the entire market with one marketing program. Marketing of soft drinks is one example; conventional marketing of transit service is another.

The undifferentiated marketing strategy assumes that the product or service has a universal appeal and that the market for the good or service is homogeneous. In such a case it is possible to appeal to everyone with the same marketing mix. This approach may work well for a popular soft drink but not for transit.

Differentiated marketing. When using the differentiated marketing strategy, a firm still appeals to the entire market; however, differentiated marketing separates the market into different customer groups or segments and appeals to these segments with different marketing programs. Automobile manufacturers have used this approach with great success, as have manufacturers of soap, cereal, cigars, and hair preparations. In essence, the differentiated market strategy relies on covering the whole gamut of the market, with variations of what is essentially the same basic product. The products or services, while similar, have different images and different prices. Advertising and promotional efforts are used to create a different image and justify a price differential.

Concentrated marketing. A firm using a concentrated marketing strategy does not appeal to the entire market. The marketing program does not attempt to be all things to all people. Instead, concentrated marketing focuses its efforts on a large share of a particular market segment. As with the differentiated strategy, the firm aims at a segment of the total market. This strategy is beneficial if the firm's resources are modest, and because the resources of most small-scale mass transit properties are quite limited, a concentrated marketing strategy appears to be most sensible for transit.

Selecting a Strategy

Which marketing strategy should a transit firm choose? Because of transit's typically limited resources, a concentrated marketing strategy should be developed. The marketing investment should be directed primarily at nonusers who are potential users.

Selecting a marketing strategy may not be a clear-cut decision in all cases. Some guidelines should be considered. The following guidelines are applicable to a transit firm.

Stage in life cycle. Nationwide, transit has been in the declining stage of its life cycle for many years, but recently it has begun to turn itself around. The situation may be different on the local level.

Resources. Resources are definitely limited, especially for what may appear to be off-beat marketing schemes of doubtful value.

Product homogeneity. As it is generally operated, transit service is a homogeneous product. Additional opportunities arise through operating express and local buses, or through special services such as subscription bus service, dial-a-bus, or contract service.

Because of the relative homogeneity of transit service, methods of packaging services to appeal to public needs and desires must be thoroughly explored. For example, the desire of older people for an expanded social life presents a number of opportunities for transit tie-ins with senior citizens' clubs, church and welfare groups, and social service organizations. Young people who wish to participate in or attend sports and recreational activities provide transit with another opportunity to increase patronage. Many other possibilities exist in a given area; they just have to be discovered. Transit management will often have to take the initiative in developing the tie-ins and relationships between a desired activity and the possible types of service available to meet consumer needs and wishes.

Market homogeneity. Although generally treated as such, it is unlikely that the market for transit is truly homogeneous. The problem is defining market segments and discovering those that can be served advantageously within the cost constraints and overall goals of the transit enterprise. Segmentation already has taken place in terms of the old, the handicapped, the young, the poor, and others who make up what is assumed to be the basic captive market for transit. Although it is possible to stimulate demand for more and different types of trips among current patrons, it is more important to cultivate new segments, as long as appeals to one segment do not counteract or sabotage appeals to other segments.

Competitive marketing strategies. Whatever marketing strategy is chosen depends upon the business in which a transit firm sees itself. If a firm sees itself in the public transit business, it generally enjoys a monopoly and therefore faces no competition. If, on the other hand, a transit firm sees itself in the transportation business (moving people for hire) it very definitely faces competition.

If transit firms are to be effective in their marketing efforts, they must see themselves in the transportation business, with the private automobile as the major competitor. As is well-known, the automobile appeals to many aspects of human need and desire apart from the need for transportation. This fact is a clue to the kind of creative marketing program transit must develop.

Guidelines for Developing a Strategy

The complete strategy to be adopted by a transit firm interested in aggressively marketing its service should:

1. Develop a concentrated marketing strategy that appeals to the most accessible or easily reached potential-user segment. This theme would either be a psychological, status-upgrading theme, or a promotion of destinations that use transit to reach them. Whatever the theme is, it should revolve around solving problems and meeting the needs of the public.
2. Hold on to current patrons by providing a high quality product. Factors such as reliability, convenience, comfort, access, and flexibility should be stressed and delivered.
3. Go after the next best potential market segment and repeat the process. Up to a point, this outreach to other market segments should get easier, assuming the level of service quality remains high, because word-of-mouth advertising from satisfied customers is an extremely powerful promotional device. Eventually, a point will be reached where the cost of attracting a new segment effectively becomes so great that it is beyond the capabilities of the transit firm.
4. Explore the possibilities of tying into other activities--recreation, social activities, and so forth--with transit service. Considerable cultivation and development may be necessary to promote these activities.

After the transit operation has caught on and progressive development of new segments is underway, the means of appeal should stress:

1. Quality of service--especially dependability and the ease with which the public may use the service.
2. Advertising--promising no more than can be delivered.
3. Introduction of special services to meet special needs.
4. The use of promotional fares.

Actions and alternatives must be carefully planned and evaluated. The transit firm should make cautious, evaluated expenditures for advertising and other promotional efforts. Even with a carefully designed marketing and advertising program, there appear to be thresholds of effectiveness in the amount of money spent on advertising, or in the amount of promotional effort used on consumers. Precisely what this point may be is difficult to say for small-scale mass transit because experience is relatively limited; to invest in advertising below this threshold level is worse than not investing in advertisement at all. In developing patronage in given market segments, advertising and promotional investment are probably more important to the transit firm than their investments in buses and facilities. Investments in hardware are generally passive; that is, they can only hold a rider after the active promotion investment has attracted him.

Segmenting the Market

The concept of market segmentation is a powerful tool and one that is used by many U.S. business firms. For most producers of goods and services, the meaningful market segment is the smallest unit for which it is worthwhile to tailor a separate marketing program in terms of the product and the necessary promotion. Some important guidelines should be noted in determining the market segments. Segments should be:

1. Measurable. Measurability refers to the ability to find information on the market that is of value. Information may already exist on consumer characteristics (the census, for example) or it may have to be acquired through a separate research effort. The danger here is using certain information primarily because it is available, rather than because it is pertinent.
2. Accessible. After it segments the market, the firm must determine the degree to which it can effectively focus its marketing effort on those segments. For example, in analyzing the market for travel a transit agency may find segments it cannot easily serve (for example, salesmen who cover the entire urban area carrying their samples).
3. Substantial. Each market segment must be large enough to justify separate cultivation in terms of service and promotion.

Once the market has been segmented, management can spot marketing opportunities more easily than if the market is treated as a single, large homogeneous unit. The allocation of the marketing budget and adjustment of service, price, and promotion can be accomplished more easily and efficiently once a breakdown of the market has been made.

Market Segmentation Model One

The best and probably the simplest segmentation method to use is one based on the strengths of the transit marketing mix. By providing a mix certain to have a fairly broad appeal, and then using research to find out what segments actually use the service, the transit manager may find valuable clues leading him to discover other useful market segments. In short, marketing-mix action leads to the discovery of new opportunities. The question, then, is: What potential strengths should be developed in the marketing mix?

Market Segmentation Model One, shown in Figure 12.4, focuses initially on two broad categories of trips that are best served by transit in which reliability and flexibility--in terms of service area--are stressed. This market segmentation model is used where transit service is already provided, not in start-up situations.

In the following discussion of the model the letters preceding each paragraph correspond to the letters in Figure 12.4.

- a. Trip maker. Begin with an effort to understand the type of person who makes trips and why through research on basic demographic information and general knowledge of the community served.
- b. Decision making. Consider important factors in consumer decision making.
 - Dependability or reliability.
 - Time cost.
 - Effort cost.
 - Money cost.
- c. Image. Consider transit image as a part of the filtering process in consumer behavior; the better the image, the easier it will be to attract riders.
- d. Transit service. Consider:
 - Quality of service: frequency, schedule convenience, equipment, and support facilities that serve the customer.
 - Access: route structure, interchange facilities, and ease of use.
 - Price: fares, fare structure, and fare collection methods.
 - Promotion: advertising, public information, and community relations.
- e. Transit role: the transit agency's managerial and operational strategy and tactics.

- f. Market research: after service has been operated for some time, conduct research to understand riders and nonriders better.
- g. Segments served: from market research, determine the segments that are served most successfully.
- h. Segments not served: from market research, determine the segments that have potential but that have not been attracted by the current marketing mix.
- i. Strategy and action: determine future strategies and actions necessary to reach additional segments and maintain those currently served. Return to "e" and repeat e-i.

In a nutshell, the transit firm's strategy should be to take action that anticipates the potential transit rider's concerns about service attributes (routes and schedules, equipment, maintenance, and so on), and that maximizes dependability while minimizing time, effort, and cost. Promotional work and pricing are manipulated in conjunction with the service to build image, inform the public, and encourage transit use.

To make the best use of the model, managers should pay special attention to guaranteeing dependability and to image building by using well-trained drivers, well-maintained vehicles, and convenient schedules. Routes should be designed to provide for maximum coverage of key residential areas and places of economic and social activity. The communication and control system is critical to maintaining dependable service. Transferring, when necessary, should be made as convenient as possible.

The action taken with the service attributes is strengthened by the promotional effort (advertising, public information, community relations); promotional effort is aimed principally at building an image of public acceptability, selling the dependability and flexibility of the service, and concentrating on the low time, effort and money costs of using the service. Strong thematic appeals should be aimed at overcoming the social stigma of using transit service.

With this method of segmenting, market segments are "discovered" after the marketing action is taken. After the service is geared up and operating with the emphasis outlined above, marketing research is used to find out what segments are being served in terms of demographic, trip purpose, or other meaningful factors. Based on this research, transit management can determine what segments are satisfied and can try to identify what groups are not being satisfied, and why. Decisions can then be made about those elements of the marketing mix that must be adjusted to reach new segments or consolidate transit's hold on those consumers who already use the service.

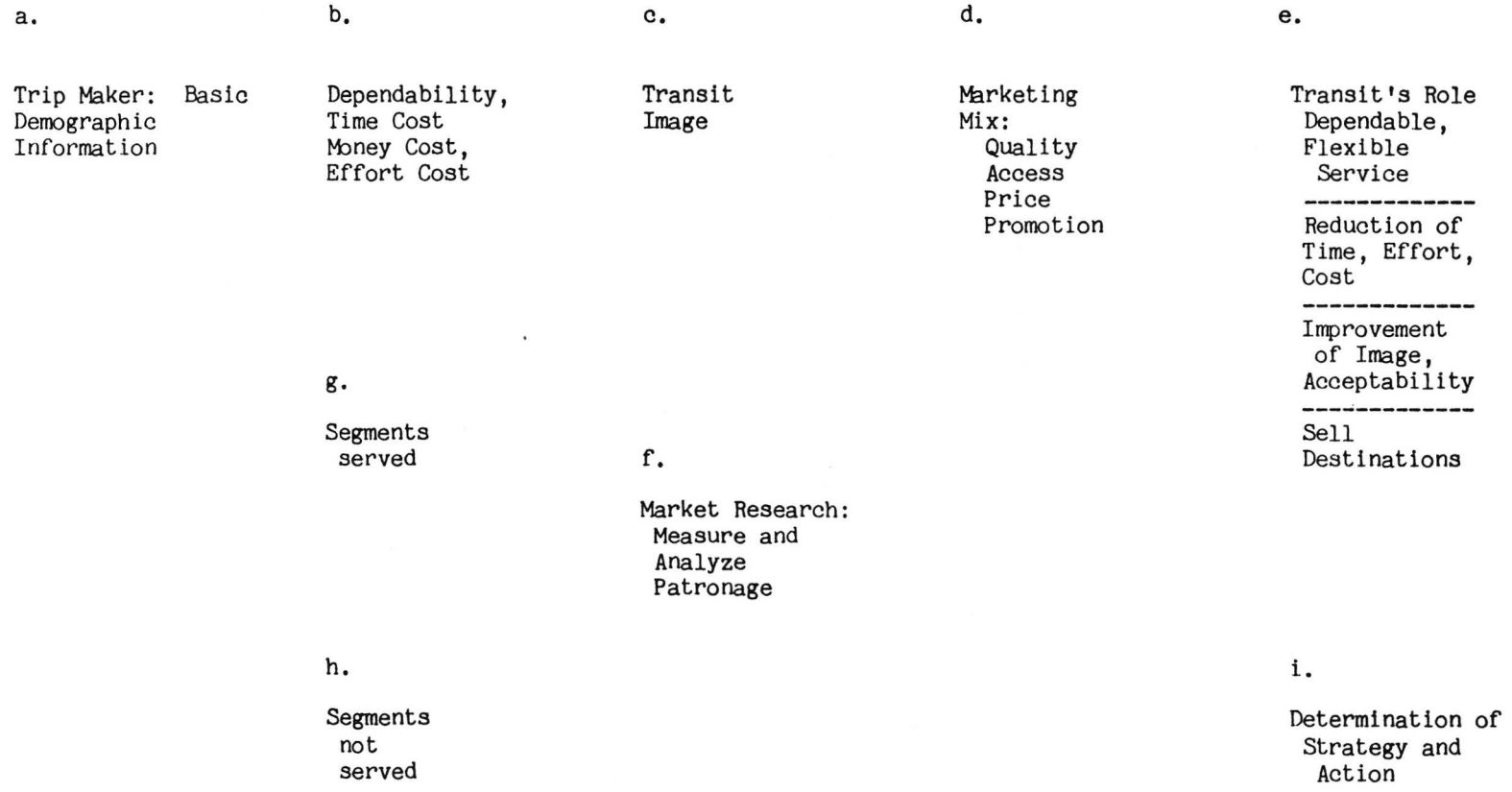


FIGURE 12.4 Market Segmentation Model One

Market Segmentation Model Two

Alternative methods of market segmentation generally stress either (1) socioeconomic and demographic characteristics of the population or (2) trip purpose. Although more difficult to use effectively, models based largely on demographic characteristics are commonly used because at least some of the necessary information is usually easy to find. Use of models that rely heavily on demographic and trip purpose factors (often called modal split models by planners) are not recommended, unless they are modified by including behavioral-action constraints (time, energy and money costs of various actions), and by marketing-mix factors.

Market Segmentation Model Two is best used where no transit service is offered, or where substantial service increases or major changes in a system are planned. Census reports and local planning reports typically provide most statistical information on the demographic characteristics of a population. Trip purpose information is available from the routine origin/destination studies carried out by state highway departments and by local planning agencies. The major problem with using this approach occurs when too much information is available, thus making it difficult to handle because it can then be interpreted in so many ways. Furthermore, the categories used by census takers, city planners, and highway planners may not be relevant to transit.

Moving from left to right in Figure 12.5 the combinations of demographic information (for example, a low-income, young woman, with a college education and access to a car, living on the north side of the city) are classified into discretionary and nondiscretionary trips, and then modified by estimated constraints on time, effort, and money. New ridership possibilities can be derived by looking at various combinations of demographic factors and the general nature of the trip; estimates of the number of persons involved can be plugged in from available information. Speculation on the time, effort, and money cost of making a trip by transit, and the availability of time, effort, and money possessed by potential consumers, will provide clues to the product, price, and promotion necessary to tap selected market segments.

If used before any transit service is actually operated--upon which firmer estimates may be based--the technique in Market Segmentation Model Two will provide ballpark estimates, but not precise information, on the number of persons who will use transit. Moreover, because the model depends on finding new market segments to deal with--none of them really certain before the fact--the transit manager may be confused or may attempt to disperse his efforts too broadly. Nevertheless, Market Segmentation Model Two provides guidance and a place to start; it can be improved upon with experience, moving to the segmentation techniques shown in Market Segmentation Model One (see Figure 12.4).

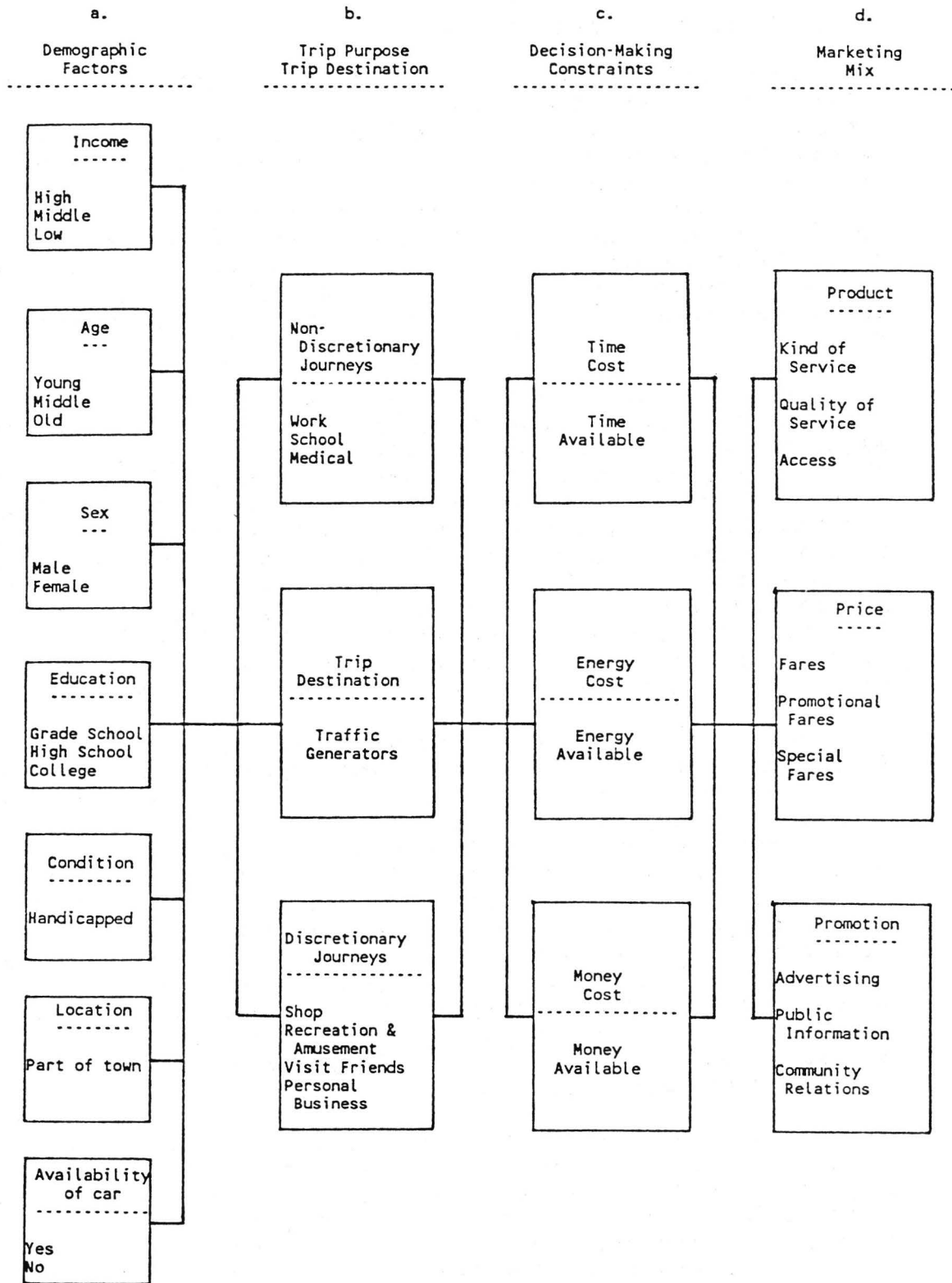


FIGURE 12.5 Market Segmentation Model Two

Putting Market Segmentation into Action: An Example

An example of putting market segmentation into action will help explain the technique. The process begins by developing customer profiles of existing and potential user groups (see Table 12.1 for a sample). Many other segments are possible, such as teenagers; those in the table are only used as an example.

The proposed customer segments are chosen before putting market segmentation into use. The segments chosen are relatively broad but identifiable segments with sufficiently different characteristics for separation and segmentation. For this example, the proposed segments are:

1. Manager/professional: relatively well-off financially, educated, usually have a car available, function under time constraints, travel in peak hours, make downtown-oriented trips from suburban or outlying urban area homes.
2. Clerical: white collar workers, generally middle class, middle income, educated, have a car available, have time constraints, travel in peak hours.
3. Inner city: low income, have little education, probably lack a car, suburban job orientation, travel in peak hours.
4. Elderly: low income, have relatively little education, have difficulty in getting around physically, probably lack a car, travel in off-peak hours.
5. Suburban housewife: middle to high income, educated, have a car available, travel in off-peak hours.

Based on the customer profile and the proposed segments, strategies are developed that are expected to meet the varying needs of the selected market segments. These are the basic elements of the marketing mix (see Table 12.2). The use of this technique will allow the provision of service geared to the concept of market segmentation. The operations should, of course, be monitored continually to find out exactly what is happening. The segments may be more clearly defined, service and pricing adjustments may be made, different media may be tried to reach the segments, or the thematic material may be changed.

Market Research

To identify market segments, research is needed. Other informational needs, too, can be met only through research into the market served by a given transit firm. Some information, such as ridership and revenue figures, should be gathered on a routine basis and should not require special effort.

TABLE 12.1 Customer Profiles of Existing and Potential User Groups

Segmentation Bases	Customer Segments				
	Manager/ Professional	Clerical	Inner City	Elderly	Suburban Housewife
Benefits					
Travel time savings (1)	High	High	Med	Low	Med
Dependability (2)	Med	Med	High	Med	Med
Cost savings (3)	Low	Med	High	High	Low
Accessibility (4)	High	High	Low	High	High
Travel time options (5)	High	High	Med	Med	Med
Purpose of trip (6)					
	work recreation	work shopping	work shopping	shopping medical	shopping recreation
Geography					
Origin (7)	suburb/cc	suburb/cc	cc	cc	suburb/
Destination	CBD	CBD	suburb	cc/CBD	suburb
Potential frequency of weekly use					
Heavy (5 or more trips)	X	X			
Medium (2-4 trips)			X		
Light (1 trip)				X	
Nonuser (0 trips)					X
Usage time (8)					
	peak	peak	peak	off-peak	off-peak
Demographics (9)					
Hshld. income (\$000)	\$35-40	\$20-25	\$12-20	\$ 6-12	\$20-40
Age	35-54	25-34	35-64	over 65	35-54
Education (years)	13-16	12-15	8-12	5-12	13-16
Availability of car	Yes	Yes	No	No	Yes

(1) Travel time savings: The reduction in the amount of time required for the user to travel from origin to destination.

(2) Dependability: the increase in the likelihood that the user's expected departure and arrival times coincide with the actual service provided.

(3) Cost savings: the monetary savings to the customer from using transit service.

(4) Accessibility: the minimization of user effort required in getting to and from the transit stations.

(5) Travel time options: the number of alternative travel times available to the user for a given transit trip.

(6) Refers to primary trip of each customer segment.

(7) cc=(urban area other than central business district); CBD = (central business district).

(8) Peak: 7:30 to 9:30 a.m. and 4:30 to 6:30 p.m.; off-peak: 9:30 to 4:40 a.m. and 6:30 to 7:30 p.m.

(9) Based on United States Census Bureau data.

TABLE 12.2 Alternative Marketing Strategies--A Conceptual Format

Marketing Mix Elements	Customer Segments				
	Manager/ Professional	Clerical	Inner City	Elderly	Suburban Housewife
<u>Service</u>					
Vehicle characteristics	standard capacity 40-60; air conditioned; carpeted	standard	standard	bus/van capacity; 10-25; air conditioned carpeted	bus/van
Routes	fixed	fixed	fixed	variable	variable
Hours	6a.m.-7p.m.	6a.m.-7p.m.	6a.m.-7p.m.	9a.m.-9p.m.	9a.m.-9p.m.
Direct/transfer	direct	primarily direct, except at major interchange points	transfer	direct	primarily direct, with inter-zone transfer
Arrival/departure times	fixed	fixed	fixed	flexible	flexible
Interval time (per route)	peak: 3/hour	peak: 3/hour	peak: 2/hour	2/hour	2/hour
Coverage	total metropolitan area	total metropolitan area	total metropolitan area	selected downtown locations	selected suburban locations
Origin	high	high	moderate	low	low
Destination	moderate	moderate	moderate	low	low
Availability of Station parking	some	limited	unnecessary	unnecessary	unnecessary
<u>Pricing</u>					
Fares	full	full	discount	discount	promotional
Volume purchase discounts	yes	yes	no	no	no
<u>Promotion</u>					
Theme	service benefits, work activities	service, low price, socializing	low price, dependability	low price, time flexibility, peer group interaction	time/trip flexibility, cut auto use
Media	spot television, business papers, local radios	spot TV, local radio	local radio, direct mail	direct mail, spot TV	spot TV, local radio, local newspaper
Transit Information	Central metropolitan area information center	multiple ticket locations	mobile information centers	special operator	special operator

More complicated research efforts are likely to require outside professional help, but simple information gathering can probably be handled by in-house personnel. Information on the city can be found by consulting the city planning agency, and virtually all communities are under the jurisdiction of a planning agency or the census.

Conducting market research that involves digging out original sources often seems to be a mysterious process. Some research techniques are quite complex and require a highly skilled staff of researchers assisted by a large computer. However, assembling original and otherwise unavailable information necessary for small-scale transit enterprises does not require the high degree of sophistication necessary in probing a national market. One major reason is that well-qualified managers understand their local market and its needs simply by being close at hand.

Complaints

A useful source of information that may be forgotten is the complaint department. Any well-managed transit property should have a systematic procedure for handling customers' complaints. Analysis of the problems that occur regularly can provide clues to needed service improvements.

Information Requests

Another source of information is the telephone information service offered as part of the transit firm's public information program. An analysis of the requests for information may reveal marketing opportunities that might otherwise be neglected. For example, if over a one or two-month period several hundred callers ask how to reach an ice skating rink, this is a sign that perhaps service should be provided if it is not already offered, or that a promotional effort should be launched to emphasize the pleasure of ice skating and how easy it is to get to the rink on the bus. The inquiries may also be an indication that the maps, schedules, and other sources of public information are not sufficiently clear. Gathering the facts can be reasonably easy and inexpensive this way.

Questionnaires

Probably the best data collecting device in terms of simplicity is a formal questionnaire, consisting of direct, undisguised questions. Any questionnaire must be pretested on a small-scale basis to make sure that the questions are properly worded and are not misleading. Unless the questionnaire is used to study a complex subject, such as the psychology of consumer motivation, it is generally not necessary to hire expensive, specialized outside personnel to interpret the data.

Designing the questionnaire. Designing good questionnaires is an art. Basic guidelines follow:

1. Be brief. Only ask questions that relate to the objective(s) of the questionnaire. The shorter the questionnaire, the more likely it is that transit patrons will cooperate. This fact must be balanced against the information required.
2. Ask realistic questions. Do not ask questions that cannot be answered either because they deal with information a respondent could not possibly remember (How many times did you say "hello" to the driver on Route 8 in 1956?), or because the respondent would be offended by the question (How many times have you had your driver's license revoked?).
3. Ask relevant questions. Avoid questions that are interesting but not relevant to the objective.
4. Word the questionnaire precisely. Choose a form easy to analyze. Close-ended questions have prescribed choices. (Which color do you like best: blue, orange, green or red?) Open-ended questions allow the respondent to answer in his or her own words. (What is your favorite color?) Open-ended questions are much harder to analyze and must be used cautiously in the absence of skilled personnel.
5. Choose wording carefully. Wording should be simple, direct, unambiguous, and unbiased.
6. Use an orderly sequence. The initial questions should help create interest; open-ended questions may be used here to get the respondent talking. Difficult or personal questions should be used toward the end. Neutral questions should be asked in a logical sequence.
7. Design an attractive format with an easy-to-read typeface and with sufficient space allocated for written answers.
8. Coordinate questions with other data. Income groupings, trip purpose data, and any other information on the questionnaire that is to be cross-checked with the census, local planning reports, or state highway department reports, should be consistent with the categories used in those reports. For example, if local planning reports present income data in increments of \$2,000--such as \$0-\$1,999, \$2,000-\$3,999, and so on--the questionnaire should use the same breakdown whenever possible.

Examples of various types of questionnaires, and how they may be used, are shown in Appendix 12B.

Drawing the sample. The sample to be used in conducting survey research is important in terms of cost and accuracy. The

sampling plan for a survey answers three important questions about the sample unit, size, and procedures:

1. Who is to be surveyed, the decision maker or the person most likely to know?
2. How many persons are to be surveyed? For accurate estimates, use 0.5% to 1% of the total population of the relevant urban area; in the test work, a small sample of 50-150 people will suffice.
3. How will those surveyed be selected? For exploratory research, almost any method of determining the desired respondents will do. For extremely accurate estimations, a probability sample is usually used. The small transit firm, however, can use a good questionnaire and a reasonably fair means of getting a random sample (the 50th name in the second column of every third page of the telephone directory, for example), rather than spend money for a highly accurate probability sample. The extra accuracy is not likely to be worth the cost.

Administering the questionnaire. There are several ways to conduct a survey: by telephone, through a personal interview, by mail, and through panel discussion questionnaires.

1. Telephone interviews. The telephone interview provides a quick and inexpensive way to gather information. A major drawback is the limited amount of information that may be collected over the telephone because a call should really be limited to five minutes to avoid an excessive intrusion into the respondent's time. Another problem is the bias that is involved in any telephone sample. Many residents in a community do not have a telephone, and many of those who should be reached do not have their numbers listed. Therefore, other means would have to be used to reach them. A third problem is the unwillingness of many people to answer any survey questions over the phone because they fear that there may be some "catch" involved. On the positive side, the telephone interview technique makes it possible to gather a relatively large sample quickly and at a low cost, and to interview in the evening, when it is often difficult to get people to respond to a personal interview. Furthermore, experience shows that people are often more willing to talk over the telephone than at a face-to-face interview.
2. Personal interviews. The personal interview gives the researchers a better opportunity to obtain an accurate sample of the population or of a particular subgroup. More information can usually be gathered in a personal interview than over the phone, and the interviewer has the opportunity to alter the questions slightly to meet a particular

- situation or circumstance. On the minus side, personal interviews are more costly to conduct than telephone interviews because more interviewers are needed to complete the same number of interviews in the same time period; in addition, extra time is needed to travel to and from interviews. The interviewer may also bias the response by his personality or through lack of training. Interviewers must be selected not only for their skill, but for their ability to represent the transit enterprise positively to the public.
3. Direct mail. The mail questionnaire is often advocated as being a low-cost way of gathering data. Such questionnaires enable the respondent to give a considerable amount of information at leisure. Unfortunately, management has little control over the sample, and the response rate to such questionnaires is generally quite low. Typically, only those persons with strong opinions will bother to complete the questionnaire. Responses can be substantially increased by follow-up mailings, telephone calls, or the offer of some reward for completion. On this latter point, a transit firm could offer a reward of, for example, four free tokens for every completed questionnaire returned. By the time extra mailings, telephone calls, and premiums are paid for, it may turn out that the mail questionnaire is not so inexpensive after all.
 4. Panels. The use of a panel provides another means of gathering information. A continuing panel set up by the transit agency could be used to monitor the firm's effectiveness in all aspects of its performance. The panel should consist of a random sample of the population including both users and nonusers. This group would be questioned regularly. The questioning might be accomplished in person, by telephone, by mail, or through a weekly travel diary, in which the panel members might record their trips, impressions, and so forth. The usual problems of sample selection and response bias would be present, but the panel could provide a regular flow of information at relatively low cost.

The methods briefly outlined above are effective for gathering basic factual information fairly accurately and easily. None of these methods is likely to provide an accurate reading of the motivation behind the actions of the respondents.

In terms of getting maximum mileage for the research dollar, probably the best methods are the on-board type of personal interview, the telephone interview, and the panel. The bus interview provides direct contact and feedback from known patrons of transit service. The telephone method quickly covers a more general population. A panel may reveal trends over time that may be highly important to transit management. Home interviews are likely to produce the greatest amount of information, but at a relatively high cost.

If great accuracy and depth are required, a professional research firm may be hired. Such firms can design a questionnaire, conduct a survey, and analyze the results. Another way to get professional help, especially for a publicly owned transit system, is to use the services and professional skill of the city's planning department.

Note for Chapter 12

1. Many books have been written on sampling and on sampling procedures. It is impossible to do justice to the subject in this brief space. A book discussing simple and straightforward sampling methods should be consulted. See the bibliography for this chapter.

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The numbers in parentheses are NTIS order numbers.

APPENDIX 12A

THE MARKETING PROGRAM: FARE COLLECTION

Introduction

The actual act of collecting the fare is as much a part of the total pricing package of the marketing mix as is the fare itself. As noted earlier, the overt nature of usual fare collection methods may make the charges seem more burdensome than they actually are. To maximize the ease of selling transit to the public there must be steady progress toward less irksome collection systems through the use of passes, credit cards, and so on.

Cash Fares

Cash fares may be collected by hand, where all money is handled directly by the driver. The most common method of fare collection in the United States is through the farebox. Some fareboxes provide only a locked vault from which the driver cannot withdraw any money to make change. Other fareboxes contain counting devices that register the amount of money deposited and recirculate the change; obviously, the driver does have access to the money in this case. Still other fareboxes will register the fares deposited, but the money goes into a locked vault that is inaccessible to the driver.

In recent years, electronic fareboxes have become popular. The latest models provide a key pad where the driver may punch in codes to indicate types of riders (elderly, special fare, youth fare, promotional fare, token, ticket, etc). These fareboxes commonly sound a tone when the correct fare is deposited. Some are now equipped with a slot through which a prepaid pass may be passed through to register that a fare has been paid.

Because of violent attacks on bus drivers during a serious wave of robberies in larger cities during the late 1960s, many transit firms have moved to an exact-fare plan under which the driver does not carry change. Persons without the exact fare are given a receipt, which they must take or send to a disbursing agent to receive their change. The advantages and disadvantages of these exact-fare plans are:

1. Increased safety for drivers. At one time, drivers may have carried \$100 or more in change, which made the robbery of a

bus fairly profitable. Locked fareboxes make it impossible for even the driver to get the money out. The farebox vault can be removed only at the garage.

2. The exact-fare plan speeds passenger flow.
3. The necessity of having to have the exact change may discourage some occasional riders from using the service.
4. Special personnel and facilities are needed to store and handle the lock-type fareboxes.

Tickets and Tokens

The use of tickets and tokens is common in many parts of the United States. Tickets and tokens are usually offered to the consumer at a slight reduction in the price per ride. They offer two advantages for transit operators:

1. Money is collected in advance of the actual ride, which can improve the transit agency's cash-flow position.
2. Faster loading of vehicles is possible because token and ticket users have the exact fare in hand.

A slight reduction in the price per ride for tokens or tickets may be justified as payment for the use of the patron's money before he uses the service. However, if tickets or tokens do amount to a considerably reduced fare, the question must be raised as to whether their use merely adds to peak demand. Perhaps the use of low-cost tickets and tokens should be restricted to off-peak uses of the service. In any event, the use of such means should be considered carefully in terms of how it fits into the marketing mix and how it affects costs, revenues, and ridership.

Passes

Passes sold for a given time period and permitting an unlimited number of rides have not been used extensively in American transit operations until recent years, yet they offer some notable advantages in helping to provide an attractive package of transit service. The patron need not part with cash or a cash substitute (token or ticket) each time a trip is made. Because passes are usually shown to the driver rather than being punched or marked in any way, their use speeds loading and is about as painless a way of collecting a fare as is possible.

As with tokens, if passes are priced too far below the regular fare for an average number of rides, they may dilute revenue seriously, unless they help create a substantial increase in the number of patrons. It is, however, quite reasonable to

charge passholders a bit less per average ride because the patron is asked to surrender a large sum of money when the pass is purchased. As with tokens and tickets, the transit firm has the advantage of being able to use the patron's money in advance of the time he actually uses the service.

If passes are to be used as an important part of the marketing mix, it is wise to consider the various classes of passes and the proper sets of pass prices to match the service involved.

1. Unconditional monthly passes. Some passes may be good for use at any time of the day, any time of the week. Because these provide the greatest advantages and flexibility for the patron, they should not be priced at too low a rate. As a starting point in setting a price for the pass, such passes may be priced at 22 times the round trip fare, on the notion that the average passenger rides for 22 working days each month. An adjustment may be made to the price in order to arrive at a convenient monthly pass price for promotional purposes. Weekly passes may be used; they have the advantage of a lower initial cost and may be more attractive to lower income riders. Weekly passes may be priced at five times the daily round trip fare.
2. Peak-hour passes. Except perhaps as a promotional device for services just getting underway, it seems unwise to use passes to promote peak-hour travel. To the transit operator, the main advantage of passes would be its convenience to patrons during the loading process. If the average time to load pass-holding patrons at rush hour is considerably less than the norm, pass use may improve the quality of the ride by making the trip faster.
3. Off-peak passes. Such passes, which may offer a considerable reduction from the standard fare, would be good only in off-peak hours, say from 9:30 a.m. to 4:00 p.m. on weekdays, or on weekends or Sundays only. They would encourage the use of the transit service during generally slack times of patronage. An alternative would be to reduce all fares at off-peak times.
4. Pass/cash combinations. The pass, purchased either on a weekly or monthly basis, is used in conjunction with a cash fare, which is lower than the regular base fare. The pass is shown and the fare deposited in the farebox. This system can substantially lower the average fare for riders who use the service 10 or more times per week. In some cases the cash fare part of the combination is required only at peak hours.
5. Daily passes. This type of pass is good for one day only and is usually priced at twice the regular fare. It may be in the form of a ticket that is shown to the driver on subsequent trips, or as a special transfer that may be used for an entire day. A daily pass may promote lunch hour transit use by

patrons who regularly ride the bus to and from work and who wish to do some shopping at midday. This system may not increase revenues from a given patron, but it does make transit use more attractive. Some transit properties use this device on Sundays or holidays, perhaps allowing two persons to travel on one daily pass, to stimulate patronage at otherwise low periods of transit use.

If the use of passes is to be a major part of the marketing mix, acquiring a pass should be made as easy as possible. Passes should be available at a number of businesses around the city. Banks, savings and loan associations, chain drug stores, and convenience store chains are good outlets because they are easy to find and are conveniently located for easy access by the public. Passes may be sold by bus drivers (unless drivers do not handle cash), and through the mail from the transit firm. A main terminal or major information center is an excellent place to sell passes. In some cities, passes are sold to major employers who may give them to their employees or sell them at a discount. In addition to being an excellent promotion for transit, free or discounted passes can help an employer provide a fringe benefit for employees, or provide equity where free parking is available to employees owning cars.

Obviously, monitoring the use of passes may present problems. Passes are usually sold to be used by just one person; this provision can be abused very seriously. It is not unknown for one passholder to board a vehicle and hand the pass out the window to another rider, who in turn hands it out the window to another, and so on. This is a common practice in some places with transfers. One way to control this situation would be to charge a lower price for passes that include the patron's picture. The basic picture pass is purchased annually or on some other time basis and is updated each month with a stamp to validate the pass for a given time period, such as a month. Modern methods of providing photo identification cards quickly and inexpensively could make buying a picture pass not much more difficult than buying an ordinary one. One problem, of course, is that such passes cannot be sold easily on buses.

Counterfeit passes may be another problem; passes with the patron's picture on them are one way to counteract counterfeit passes. Fake passes made through photocopies of real passes can be thwarted by using a reflective material in the pass that makes reproduction difficult. Probably the best defense against pass fraud is periodic inspection by supervisors empowered to issue summonses and impound counterfeit passes.

Another problem with passes is the loss of revenue due to discounting. Unless the sale of passes is promoted strongly, there may not be enough pass-owning patrons to compensate for the possible loss of revenue. Decisions about the firm's pass policy should be carefully considered, and action on pass use should be continually controlled and reevaluated. Management and

policymakers should have a definite objective of either increasing patronage or increasing revenues or both, before embarking on a pass program.

Credit Card and Other Electronic Systems

Like passes, credit cards are attractive because they do not require a cash transaction at the time of the ride. Unlike the pass, however, the credit card fare collection system would levy the charges after the act of travel, probably on a monthly basis. In use, the card would simply be inserted into a fare register, which would note that a ride was being taken by a particular patron.

The advantage of the credit card system goes beyond that of mere fare collection. Traffic data could be collected by the registering of patron numbers along with the date and place of boarding and alighting. The credit card system would permit differential pricing by time of day, discounts and incentives on certain trips and, by keying in boarding and alighting places, a distance-based fare system. Furthermore, if the credit card system is part of a general credit card program in a given city or region, it would benefit from the promotional efforts by others who use the credit card system. This factor would greatly ease the burden of promotion and advertising for the transit operation.

The use of credit cards seems to offer many advantages. Whether or not the credit card system would encourage use and increase the value of transit service enough to make it worthwhile to the consumer is debatable, however. Another question is whether it is easier to use a credit card, registering device, and computer printout billing, rather than some other system, such as the ordinary pass. Currently, no operating conventional credit card systems are in use, although several are expected to be developed shortly.

Notes for Appendix 12A

1. Some registering fareboxes are capable of storing data on the various kinds of passenger and fares; they can be used as part of the data collection system.
2. Several automatic fare collection systems are in use in conjunction with rapid transit systems, but these are based on the principle of a prepaid fare value, stored on a magnetic card. The collection device subtracts a fare each time a ride is taken.

APPENDIX 12B

QUESTIONNAIRES FOR MARKET RESEARCH

The five questionnaires that follow are examples of various types that may be used. They are shown only as examples and are not intended to be either a definitive or an exhaustive display of questionnaire variety.

Questionnaire 1 is an example of the close-ended type (see Figure 12B.1). It is intended to be administered by an interviewer in the home of the respondent. It is structured so that only a limited number of answers are possible for most questions, thus simplifying collection and categorization of the data. This type of questionnaire can be used to find out who is using transit and who is not. It can also be used to discover at least some of the reasons for use or nonuse, in addition to the respondents' general awareness of the system. Personal household interviews tend to be relatively long, but this questionnaire is easily adapted to any reasonable length. The form is also coded so that a keypunch operator can tabulate data directly from it. Electronic data processing is not necessary for the analysis of the questionnaires, but it can speed up the work and make it much easier.¹

Questionnaire 2 is an example of an open-ended questionnaire (see Figure 12B.2), and is also intended for use in home interviews. In this type of questionnaire, the respondent is free to give any answer he or she wishes. This method accommodates responses that might not fit neatly into the close-ended type of questionnaire, and may provide valuable insight on who is not using transit service and why not. Because of its nature, however, the open-ended questionnaire is harder to analyze than the close-ended type because of the variety of possible responses. Interpretation will require considerable subjective judgment on the part of the analyst. Sometimes this type of questionnaire is used in a small-scale, preliminary survey to help in the preparation of a close-ended questionnaire that is to be used in the main survey.

Questionnaire 3 is an example of a short questionnaire designed to be administered to a bus passenger on the bus. (see Figure 12B.3). This kind of questionnaire is used to gather more information about the patrons of a given route, which can then be used to develop patronage profiles for an entire system. This approach allows management to find out who is actually being served. Because of the relatively short period that a responding

gained is obviously limited. A series of related surveys with many respondents, conducted over time with a wide variety of questions, can provide a broad base of information without overburdening any one patron. In this questionnaire, the response possibilities are coded.

Questionnaire 4 is designed to be completed by a respondent on his own, either while on the bus or later at his convenience (see Figure 12B.4). No interviewer is needed; the driver hands the questionnaire to each passenger who boards the bus. The form is necessarily short and concise, and is designed to be as unambiguous as possible. The scratch-off format eliminates the need for a pencil or a pen. The completed questionnaire may be placed in a box on the bus or returned by mail. (The reverse side of the questionnaire card is a business reply postcard.) This format is relatively easy to administer and complete; but, because there is no way to control the sample, the results are somewhat uncertain.

Questionnaires 3 and 4 can be used only to find out more about existing transit patrons. These can be supplemented by home, telephone, or other types of interviews with nonusers to gain a more complete research profile.

Questionnaire 5 is for telephone interviews (see Figure 12B.5). It is short and concise to save time and minimize inconvenience on the part of respondents. Again, the form is coded to ease the checking and keypunching process.

The usefulness of a questionnaire depends upon the relevance of the questions asked and the ability to tabulate and analyze the results. A clear idea of the objectives of a given questionnaire will help in formulating questions. Electronic data processing, easily and inexpensively handled by the many computer service bureaus across the country, is an aid to tabulation. Microcomputers, increasingly common in even small transit properties, can also be used to handle and analyze the data. Analysis is easier and more meaningful if the data can be compared with data from other sources.

Hello. I'm (interviewer's name) from Transit Research, a national research/polling company. We're talking briefly with residents of Orange County who are 16 years of age or older about transportation problems in the county. Your household has been randomly selected to represent the needs and attitudes of your neighborhood. (INTERVIEWER: CHECK MALE/FEMALE QUOTA AND ASK FOR MALE/FEMALE RESPONDENT AS NEEDED. YOU DO NOT HAVE TO TALK TO HEADS OF HOUSEHOLDS ONLY).

1. BY OBSERVATION: Male.....1 Female.....2

2. In your opinion, what is the single biggest transportation problem facing Orange County today? (PROBE FOR COMPLETE, SPECIFIC ANSWER)

3. Do you know what Orange County's bus system is called, that is the official name? (DO NOT READ ANSWERS)

- Orange County Transit District or OCTD....1
- Rapid Transit District or SCRTD or RTD....2
- Dial-a-Ride.....3
- Park-n-Ride.....4
- Other: _____ X
- Don't know.....Y

4. As you think about the County's bus system, would you say your overall attitude toward it is: extremely positive, somewhat positive, neutral, somewhat negative, or extremely negative?

- Extremely Positive...1
- Somewhat Positive...2
- Neutral/Don't Know...3 (GO TO Q.5)
- Somewhat Negative..4
- Extremely Negative...5

4a. Why is that? (PROBE)

5. Now, I'm going to read a list of things about the County's bus system, and I'd like you to rate the system on each point by answering: excellent, good, fair, or poor. Here's the first one: (READ LIST & RECORD RATING FOR EACH - ROTATE ORDER)

	Excel.	Good	Fair	Poor	No Opinion
a. Bus service close to your home.....1	2	3	4	Y	
b. Frequency of buses in your area.....1	2	3	4	Y	
c. Progress toward improving the overall bus system.....1	2	3	4	Y	
d. Keeping the public informed.....1	2	3	4	Y	
e. Bus service close to place of work.....1	2	3	4	Y	
f. Bus service close to shopping.....1	2	3	4	Y	
g. Efficient management.....1	2	3	4	Y	
h. Responsiveness to public's needs.....1	2	3	4	Y	

6. How many blocks is it from your home to the nearest bus stop?

- 1 block or less...1
- 2 blocks.....2
- 3 blocks.....3
- 4 blocks.....4
- 5 blocks.....5
- 6 blocks.....6
- 7 blocks.....7
- 8 blocks.....8
- 9 blocks or more.....9
- Don't know.....Y

7. What color are the Orange County Transit District bus stop signs? (DO NOT READ LIST)

- Blue....1
- White....2
- Orange...3
- Blue & White...4
- Blue & Orange...5
- Other: _____ X
- Don't know.....Y

8. Do you know where the buses that stop near your home go for all or part of their routes?

- Yes....1
- No....2

FIGURE 12B.1 Questionnaire 1: Example of a Closed-ended Questionnaire Source: [2]

9. Could you tell me about how often the buses run in your neighborhood?

Every 10 minutes or less.....1	31-35 minutes.....6	
11-15 minutes.....2	36-45 minutes.....7	22 _____
16-20 minutes.....3	46-60 minutes.....8	
21-25 minutes.....4	Over 60 minutes.....9	
26-30 minutes.....5	Don't know.....Y	

10. Were you aware that OCTD offers neighborhood Dial-a-Ride service, that is where you can call-in for door-to-door service in zones throughout Orange County? Yes..1 No.2 23 _____

10a. IF YES TO Q. 10, ASK 10a---What does it currently cost to ride Dial-a-Ride?

Under \$1...1	\$1...2	\$1.01-1.24...3	\$1.25-1.50...4	Over \$1.50....5	
Other: _____X DK...Y					24 _____

11. Were you aware that OCTD offers car pool matching services? Yes...1 No...2 25 _____

12. Do you ever have the need for a service to find someone to carpool with you? Yes..1 No.2 26 _____

13. Have you seen, read, heard, or received any advertising or other information about the county's bus system during the past few months?

Yes....1 (ASK Q.13a-c) No....2 (SKIP TO Q.14) 27 _____

a. Where was that? (DO NOT READ LIST; PROBE: WHERE ELSE?)

Newspaper.....1 (ASK Q.13b)-----13b. Which newspaper?(PROBE;DON'T READ LIST)		
Radio.....2	The Register.....1	
Mail.....3	L.A. Times.....2	Q13a 28 _____
Exterior bus sign.4	Anaheim Bulletin.....3	
Interior bus sign.5	Fullerton Tribune.....4	Q13b 29 _____
Billboard.....6	Orange Coast Daily Pilot...5	
Bus bench.....7	Other: _____X	
Bus stop sign.....8	Don't know.....Y	
TV.....9		
Other: _____X		
Don't know.....Y		

13c. What was the message, idea, or theme of the advertising? (PROBE: What else?) 30 _____

31 _____

14. Besides advertising, have you seen, read, or heard any news stories or articles about Orange County Transit District in the past few months?

Yes....1 (ASK Q.14a-b) No....2 (SKIP TO Q.15) 32 _____

a. Where was that? (PROBE: Where else? DO NOT READ LIST)

Newspaper.....1 (ASK Q.14b)-----14b. Which newspapers? Any others?(DON'T READ)		
Radio.....2	The Register.....1	Q14a 33 _____
TV.....3	L.A. Times.....2	
Other: _____X	Anaheim Bulletin.....3	Q14b 34 _____
	Fullerton Tribune.....4	
	Orange Coast Daily Pilot...5	
	Other: _____X	
	Don't know.....Y	

15. What does it currently cost to ride the regular OCTD bus? (DO NOT READ LIST)

Free.....1	60¢ during off-peak/75¢ during	
10¢ during off-peak/50¢	rush hours.....6	
during rush hours for	75¢.....7	
senior citizens.....2	\$1.00.....8	35 _____
25¢.....3	\$1.50.....9	
50¢.....4	Other: _____X	
60¢.....5	Don't know/can't remember.....Y	

16. Were you aware that monthly bus passes are available at a reduced rate? Yes..1 No.2 36 _____

FIGURE 12B.1 Questionnaire 1 (Continued)

17. If you wanted or needed to use the bus, where would you first go to get information?

Call OCTD.....	37-1	----- Q.17a. How would you get the phone #?	
Look in phone book.....	2	Call operator.....	38-1
Go to library.....	3	Look in phone book.....	2
Use schedule I already have.....	4	Already know it.....	3
Use bus book.....	5	Other:.....	X
Other:.....	X	Don't know.....	Y
Don't know.....	Y		

18. What improvements would be absolutely necessary to get you to ride the OCTD bus?
(OR MORE OFTEN)

19. Were you aware that Orange County has just developed a 15 year plan to improve the transportation system in Orange County? Yes...1 No...2

20. Were you aware that Orange County is considering increasing the sales tax 1¢, that is from 6¢ to 7¢, to finance the improvement of the transportation system in the county?
Yes....1 (ASK Q.20a) No....2 (SKIP TO Q.21)

20a. Do you know what specific improvements that money will be spent on?(DON'T READ)

Build new freeways.....	1	(IF RESPONDENT SAYS "freeways",	
Widen existing freeways.....	2	PROBE FOR NEW VS EXISTING)	
Improve local streets and roads.....	3		
Add more buses to current system/improve transit system.....	4		
Start a light rail transit system.....	5		
Other:.....	X		
Don't know.....	Y		

21. If there were a vote held tomorrow, would you vote for or would you vote against a sales tax increase of no more than one cent, with all funds going toward improving the transportation system in Orange County, that is freeways, roads, the bus system, and a light rail transit system? For...1 Against...2 Don't know...Y

21a. Why is that? _____

(INTERVIEWERS: ROTATE THE NEXT 4 QUESTIONS)

22. Would you be more or less likely to vote for this measure knowing that at least some of the money would be spent on improving the freeways in Orange County?
More likely....1 Less likely....2 Don't know....Y

23. Would you be more or less likely to vote for this measure knowing that at least some of the money would be spent on improving the roads in Orange County?
More likely....1 Less likely....2 Don't know....Y

24. Would you be more or less likely to vote for this measure knowing that at least some of the money would be spent on improving the bus system in Orange County?
More likely....1 Less likely....2 Don't know....Y

25. Would you be more or less likely to vote for this measure knowing that at least some of the money would be spent on a light rail transit system in Orange County?
More likely....1 Less likely....2 Don't know....Y

FIGURE 12B.1 Questionnaire 1 (Continued)

Interviewer: _____

Date: _____

Travel Survey Questionnaire - Head of Household

Information is to be completed by the interviewer: check the correct answer or fill in the blank in response to each question.

Name of interviewee: Mr. _____ Phone: _____
Ms. _____
Mrs. _____
Street Address: _____ City: _____ State: _____

Age: _____

1. Have you noticed any changes in the public transportation system during the past year? yes no
 2. What kinds of changes have you noticed?

 3. Do the existing public transportation services satisfy most of your travel needs? yes no
If no, why? _____

 4. What particular types of changes or modifications in the existing public transportation system would be of immediate benefit to you?

 5. If you were to make a trip in the city to a destination you had never been to previously, how would you find out how to get there and how would you get there?

 6. What is the size of the household or family where you live? _____ (persons)
 7. How many automobiles are available for family use? _____ (number of vehicles)
 8. Are you a licensed driver? yes no
 9. Are you married? yes no
 10. Do you have children? yes no
 11. What is the total annual gross income of the household in which you reside?
 Less than \$5,000 \$25,000 - \$35,000
 \$5,000 - \$15,000 more than \$35,000
 \$15,000 - \$25,000 Don't know
 12. How many years of formal education have you completed?
 Regular schooling
 Vocational (commercial)
 Special education
 13. How long does it take you to travel from home to work?
_____ (hours/minutes)
 14. How do you normally travel to work?
 Your own car or family car Taxi
 Friend's car or car pool Walk
 Bus Other (specify) _____
- Remarks _____

FIGURE 12B.2 Questionnaire 2: Example of Open-ended Questionnaire

GLPTC PASSENGER SURVEY

2007

Dear Passenger:

Thanks for riding on the GLPTC system. It is important that we know how well we are serving you so would you please take just a moment now to answer the following few questions. Simply check the one best answer to each question, then return this questionnaire to your driver. We sincerely appreciate your help.

1. How did you pay your fare when you boarded this bus ?
 - 50¢, cash 15¢, cash E & H pass
 - 35¢, cash adult monthly pass spring pass
 - I presented a transfer token
2. What time did you board this bus ?
 - before 9:00AM after 9:00 AM
3. When you got on this bus did you buy a transfer ?
 - yes no
4. If yes, which bus will you transfer to ?
 - #1 Market Square #6 Fourth Street
 - #1 Salisbury #6 Jefferson Square
 - #2 Union Street #7 Northwestern
 - #2 Schuyler #7 18th Street
 - #3 Lafayette Square #8 Klondike
 - #3 Happy Hollow #8 Wabash
 - #4 Tippecanoe
 - #4 Stadium/Airport
5. Why did you use the bus for this trip ?
 - I don't drive I drive, but there was no car available
 - I enjoy the bus
 - the bus is more convenient I drive, but I still like to take the bus
6. What types of trips do you make on GLPTC buses ?
 - work or school, and other trips work or school, only
 - shopping/social only occasional trips only
7. How many one-way bus trips do you make in a week ?
(a trip to work and back is two trips)
 - less than 1 4 8 12
 - 1 5 9 13
 - 2 6 10 14
 - 3 7 11 15 or more
8. Has the number of trips you take each week changed in the past year ?
 - yes, increased no, stayed the same
 - yes, decreased I'm a new rider
9. How long have you been riding GLPTC buses ?
 - 3 months or less 1 - 2 years
 - 3 - 6 months 2 years or more
 - 6 months - 1 year
10. Do you feel that GLPTC services have improved over the past 18 months ?
 - yes, definitely no, stayed the same
 - yes, in some ways don't know
11. How do you rate GLPTC's overall service and performance ?
 - excellent very good good fair poor
12. What is your best source of information about GLPTC bus service ?
 - newspapers TV drivers, or friends
 - radio posters brochures
13. What is your age ?
 - less than 16 21 - 34 51 - 64
 - 16 - 20 35 - 50 65 or over
14. What is your total annual household income ?
 - less than \$ 5,000 \$25,000 - \$35,000
 - \$ 5,000 - \$15,000 more than \$35,000
 - \$15,000 - \$25,000 don't know

If you have any other comments that you would like to make, please list them here:

Thank you again! Please return to your driver.

FIGURE 12B.3 Questionnaire 3: Example of On-board Questionnaire
Source: [4]

Please mark only one answer to the following questions:											OFFICE USE ONLY
1. How many one-way bus trips do you take in a typical week? (A trip to work and back is 2 trips.)	less than 1	1	2	3	4	5	6	7	8	9	
	10	11	12	13	14	15	16	17	18	19	
2. Has the number of trips you take per week changed since Metro took effect six months ago?	Yes increased		Yes decreased		No stayed the same			New Rider			
3. How long have you been riding Metro buses?	3 months or less		3 to 6 months		6 months to 1 year		1 to 2 years		more than 2 years		
4. Do you feel that Metro is an improvement over LANTA's former system?	Yes definitely		Yes in some ways			No		Don't Know			
5. Have you used Metro's hotline number, 776-RIDE?	Yes					No					
6. Do you ride Metro on Saturdays?	Yes regularly		Yes sometimes		Yes rarely			No			
7. What types of trips do you take on Metro buses?	Commuting trips and other trips		Shopping/social trips only			Commuting trips only			Occasional trips only		
8. How do you rate Metro's overall service and performance?	Excellent		Very good		Good		Fair		Poor		
9. Age	15 or under		16-19		20-34		35-50		51-64		65+
10. Sex	Male					Female					
11. In which category did your total family income fall last year?	5,000 or under		5,001 - 15,000		15,001 - 25,000		25,001 - 35,000		35,000+		
Please mark all that apply:											
12. How do you get information about Metro?	on-board	in mail	by phone	news-paper	friend/relative	at work	other				

Please hand in completed card to the driver or drop it in the mail at your convenience. Thank you for your cooperation. LANTA

PLEASE COMPLETE ONLY ONE SURVEY TODAY!

FIGURE 12B.4 Questionnaire 4: Example of an On-board Survey with a Mail-back Option
 Source: [3]

Metro Survey Day

December 3, 1986

Dear Passenger,

Please help us to improve your bus service by completing the questionnaire on the reverse side of this card.

Read each question and then scratch off the best answer next to it with a coin or a key.

Give the completed card to your bus driver today, or drop it in the mail by December 5th. No postage is necessary.

It will only take a few seconds to read and complete the card and the information you give will help LANTA serve you better.

We thank you for your assistance.



12M/11/86



NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES



BUSINESS REPLY CARD
FIRST CLASS PERMIT NO. 1086 ALLENTOWN, PA

POSTAGE WILL BE PAID BY ADDRESSEE

LANTA
12th and Cumberland Sts.
Allentown, PA 18103

TERRE HAUTE TRANSIT UTILITY MARKETING STUDY

HOUSEHOLD SURVEY

May 1987

Telephone Number: _____

INTRODUCTION: Hello, my name is _____ and I am calling for the Terre Haute Transit Utility (the local bus company). The Transit Utility is conducting a study of ways to improve bus service. Would you take a few minutes of your time to answer some questions?

If they say no, they don't use the bus, say:
"This survey is targeted specifically for those who do not or rarely use the bus."

o Are you 15 years of age or older?

If no, ask to speak to someone who is and begin again.

1. By observation: (DO NOT ASK)
____ Male
____ Female
2. Have you personally used local bus services in the past year?
____ Yes
____ No
3. Have you personally used local bus services in the past month?
____ Yes
____ No
4. Does anyone in your immediate household ride the bus once a month or more?
____ Yes
____ No.
5. In your opinion, how well does the local bus company do its job?
____ excellent
____ good
____ fair
____ poor
____ don't know

FIGURE 12B5. Questionnaire 5: Example of Telephone Interview
Source: [4]

6. Please tell me your reaction to the following statement:
"Bus service is a valuable public service in our community."
(READ OPTIONS) Do you...

agree strongly
 agree
 disagree
 strongly disagree
 don't know

7. What would be or what is your best source of information about local bus service? (READ OPTIONS, if necessary)

newspapers
 radio
 TV
 posters
 bus drivers
 friends
 information by telephone
 information by mail
 other _____
(write in answer)

8. Would you consider buying a 10-ride book of tickets for bus rides if you saved 30-50% of the bus fare?

yes
 no
 uncertain

9. How many people live in your household?

1
 2
 3
 4
 5
 6 or more

FIGURE 12B5. Questionnaire 5: (Continued)

10. What is your age; and the age of the other members in your household?
 (READ OPTIONS, if necessary)

(Check appropriate column for respondent and all other household members.)

	Under 18	18-24	25-34	35-49	50-64	over 64
Respondent						
Other						
Other						
Other						
Other						
Other						
Other						

11. What type of home do you live in? (READ OPTIONS)

- single family (detached)
- apartment
- student housing
- other: _____ (write in answer)

12. How close do you live to a bus route? (READ OPTIONS)
 Do you live....

- right on a bus route
- within a 5-minute walk of a bus route
- within a 10-minute walk of a bus route
- within a 15-minute walk of a bus route
- more than 15 minutes walk from a bus route
- don't know

FIGURE 12B5. Questionnaire 5: (Continued)

Notes for Appendix 12B

1. All questionnaires must be checked for mistakes or missing information; this is especially necessary for self-administered questionnaires. If a form is not precoded for keypunching, it must be coded during the checking process, which adds to the time and labor costs.

Sources for Appendix 12B

- [1] Gigante, Lisa and Emily Koo, Marketing Public Transit-An Evaluation, Michigan Department of Transportation, February 1985. This report is available from the National Technology Information Service, Springfield, Virginia 22161; and also from the Office of Technology Sharing, Office of the Secretary of Transportation, U.S. Department of Transportation, Washington, DC 20590.
- [2] Retzlaff, Jeffrey and Soucie, Kevin, Use of Market Research in Public Transit, Milwaukee, Wisconsin: University of Wisconsin-Milwaukee, Center for Urban Transportation Studies, May 1985.
- [3] Special thanks to Richard Oram of Transit Innovations for providing this sample.
- [4] Developed by Urbitran, Inc. for Indiana DOT, under project IN-08-8011-07.

CHAPTER 13

THE ADVERTISING PROGRAM

Introduction

Advertising is any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor. It is essentially a one-way form of communication; its basic function is the cultivation of demand. Advertising accomplishes this function by stimulating prospective buyers' desires for a given good or service to satisfy some need or want.

Studies show that the average consumer is exposed to hundreds of advertisements every day. Every time someone reads a newspaper or a magazine, listens to the radio, watches television, rides to work, or goes shopping, he encounters many forms of advertising. Research studies and, more importantly, income statements indicate that advertising can increase sales. For this reason almost every successful business, including those in the service industry, devotes a sizable portion of its promotional budget to advertising.

At the beginning of this handbook a simple model of consumer behavior was used to show that transit management should be sensitive to the needs of consumers as a guiding management principle. An important part of the behavior of consumers is the mental process of selecting between alternatives. Naturally, the consumer can only choose between alternatives that are known to him. As a vital part of selling its service to the public, transit must promote itself as a reasonable travel choice or it will be ignored when travel decisions are made. Advertising will help keep transit within the range of choices facing the consumer. Advertising has a definite and creative role to play in the marketing of transit service, as do the promotional activities that are closely allied to advertising.

The Purpose of Advertising

The purpose of advertising is to make potential buyers respond more favorably to a firm's product or service. Advertising achieves this purpose by providing information to the consumer to make him aware of alternative goods or services, by modifying consumer desires, and by supplying reasons for the consumer to prefer a particular company's product or service.

For the transit agency, specific advertising objectives are:

1. To expose the public to the availability of service and to maintain the public's awareness of the service.
2. To attract riders by stimulating a desire to satisfy transportation needs through transit service.
3. To develop and project a favorable image of the transit agency to the public.

How these objectives are achieved depends on the advertising message, the media, and other factors that are discussed below.

Developing an Advertising Program

Defining Advertising Goals and Objectives

Given the many opportunities available where advertising can be used, it becomes essential for management to develop a clear concept of exactly what it wants to achieve through its overall advertising effort. The agency's advertising campaigns must be carefully planned, right down to the specific advertisements. Defining goals and objectives for the marketing and advertising program is a key requirement for effective advertising planning and the measurement of results.

Advertising goals should be stated as specifically as possible. Three considerations should be taken into account when establishing advertising goals and objectives: (1) the condition of the advertising program: is it a continuing or spasmodic program, does it have a general theme used over the years, does it have history of adequate funding, are governing board members and management supportive; (2) the effect the advertising is intended to have on those who view or hear it; and (3) the desired result, which should be clearly identified and quantified if possible. Reaching toward specific market segments should be a major thought behind the establishment of advertising goals and especially specific marketing and advertising objectives.

The often stated objective, "To increase ridership," is not precise enough to be useful. It would be better stated, "To increase ridership by 30% during the Christmas campaign, December 1 through January 15." The more specific the goals and objectives, the better they will guide management in developing an effective message, choosing the appropriate media, and evaluating achievement.

It should be remembered, however, that advertising is only one part of the marketing function. Well-planned advertising campaigns and clearly defined goals and objectives will not compensate for a bad product or service, not knowing the segment

or segments of the market to aim for, or other faults in the marketing program. Effective advertising and a sound product are necessary components for increasing ridership.

Determining Advertising Strategies

A clear statement of advertising goals and objectives makes it much easier to find solutions to the remaining problems of developing themes and messages and choosing the appropriate medium of expression, but it cannot be expected to resolve these problems. Major decisions are needed to determine:

1. How much money should be spent for advertising.
2. Which themes should be used for the general advertising program and for programs aimed at specific segments of the market.
3. Which media should be used to translate the themes into messages aimed at various segments of the public.
4. How the advertising should be timed during the year.
5. Which means should be used to evaluate and control advertising effectiveness.

Developing Advertising Budgets

Advertising is essential to the small transit operation if it is to gain and maintain the ridership necessary to sustain itself as a useful public service. Advertising is the key to consumer awareness and, just as important, advertising has the power to decrease or eliminate negative psychological associations and to help strengthen the positive image of the operation.

The transit industry is faced with a dilemma. The industry desperately needs a stronger approach to advertising, public information, and community relations; yet, it also faces financial constraints that inhibit a strong advertising effort, and that may be detrimental to public information and community relations. Persons planning and carrying out advertising programs may be handicapped because the transit industry does not have a strong advertising tradition. Moreover, where transit is publicly owned there is often resistance to advertising transit on the grounds that none of the other public services such as parks, the police, the fire department, or rubbish collection advertise. The fact that most other public enterprises or services are monopolies and that consumers have little or no choice in their use is often lost on public officials.

The question arises: How much money should a small transit operation spend advertising its service? Transit operations need

to know the most efficient and effective ways to use their advertising dollars. Advertising mass transit successfully means getting the greatest possible return on a limited investment. Some promotional activities closely associated with advertising may be carried out at little or no cost, such as providing a "free" bus to senior citizens groups on a regular basis to help them participate in some special activity involved with an outing. Newspaper articles or broadcasts may cover the event as a human interest story, but it is also promotional in the community awareness sense. There are ways of making advertising dollars go further: advertising space on vehicles may be traded for newspaper advertising space or broadcast time. How to choose the correct blend of paid and inexpensive or free advertising and promotion is a challenging problem.

In theory, a business should spend money on advertising until the benefits from the last dollar spent equal the benefits from the last dollar spent on any alternative use of funds. The economic truth of this reasoning cannot be disputed, but neither can this reasoning be used practically to solve the budgeting problems of a small transit property. Compilation of sufficient data to make such an idea workable would not be cost-effective because the returns or benefits generated by advertising expenditures are not specifically identifiable in quantitative terms.

Several widely used methods of determining the extent of an advertising budget are discussed in the sections that follow.

Arbitrary allocation. Some companies simplify the advertising budget decision by arbitrarily assigning a particular amount of money. Usually, the budget is set on the basis of what the company can afford, although the decision-making process is seldom clearly defined. The arbitrary method admits a lack of understanding of the costs and returns of advertising, and in no way (except coincidentally, perhaps) does the outlay match the promotional tasks of the firm.

Percentage of sales. Using this method of budget allocation, a company's advertising budget varies with what it can afford, in that prior sales (or lack of sales) dictate the amount spent on advertising. This method could have advantages for a company whose growth and rising sales were assured from year to year. The difficulty with this method is that it is purely routine, and serious problems can arise when sales revenues drop. As sales fall, so do advertising expenditures, despite the increased need for advertising to help stimulate business. It is clear that any lengthy cutback in advertising, especially in a competitive market, could spell disaster. The percentage also has the disadvantage of being unrelated to long-range programs that are dependent on periodic budgeting.

Knowing the disadvantages of the above methods, how is the small transit operator to determine what should be spent for the advertising program? The answer involves yet another approach.

Objectives and tasks. In the objectives and tasks method, the advertiser decides on the marketing objectives to be accomplished through advertising and then estimates a budget that would cover the expenditures needed to achieve the objectives. This method has a logical appeal. It seems sensible to analyze and appraise opportunities and to formulate objectives. It follows that once the objectives are outlined, management should prescribe the tasks involved to attain the objectives and, once the tasks have been formulated, the cost of achieving those objectives. In the case of the small transit property, the budget will probably be limited. With this constraint in mind, management must proceed with the tasks associated with the most important objectives and work on ways to get the maximum value out of advertising expenditures.

Developing Advertising Themes

Advertising effectiveness is a function not only of the size of the budget but also of what is said, how it is said, and where it is said. This section discusses the first of these factors; it involves the content and design of the advertising message.

Message content and design must be based on the image that the transit property wishes to present. The message must be formulated to meet the stated objectives, and it must be geared to accomplish the tasks of the action plan by which the objectives will be met. Transit management's first step in determining the content of the advertising message is to get an analysis of the intended audience in one or more segments of the market.

Much of Chapter 12 dealt with the nature of the market for mass transit. The market is realistically described as anything but homogeneous. Nevertheless, the market can be broken down into relatively homogeneous segments by differing criteria. The purpose of segmenting the market is to stimulate the response of various groups of consumers to different marketing mixes of product, price, and promotion.

Theme. Marketing research techniques used by experts can provide invaluable information about a particular segment's responses to different kinds of appeals (such as rational, emotional, associative, and so on). Furthermore, the experts can often indicate which specific appeal will be most useful in reaching given segments of the market, or the whole market, on the basis of sample information. Examples of some of the many appeals include:

1. Service characteristics--the kind of service, whether it is regular, flexible, and convenient; the quality of service, its dependability, safety, and speed; and the cost of service, in money, time, and effort.

2. Advantages of using transit--saving money and avoiding parking problems; this may be used to advantage in selling destinations (the zoo, ball game, county fair) rather than selling transit directly.
3. Company image--the impression of the public, either positive or negative, when hearing the name of the transit property or seeing a bus or the transit symbol. Image is difficult to define but is clearly important; the names Lincoln and Hitler convey strong images.

An infinite variety of themes can be used in transit advertising, depending upon the service to be promoted or the segment of the market that is being sought. Several general themes may be used consistently and continuously, such as the theme of convenient and reliable service. The same point can be made in different ways, as exemplified by the well-known low-calorie beer commercials that stress but two points: "Tastes good and is less filling." A continuing theme for transit can be saving money by using transit; an especially persuasive argument can be made about the savings that accrue if using transit removes the need to purchase and operate a second or third family automobile. Where parking is expensive and perhaps difficult, the use of transit in eliminating parking expense and hassles can be a continuing message theme. Where winter weather is fierce and magnifies automobile problems, the dependability of winter bus service is a good media theme from November through March. Not having to chauffeur the children to recreational activities and from after-school activities is another example of a continuing theme.

Message. Once the themes have been selected, the advertiser's next job is to consider how to get the message across to the intended audience. First, the message must be designed to gain the attention of those at whom it is aimed. The message should be simple, direct, and designed with the target audience in mind. Different advertising strategies may have to be used to target the 16 and under crowd as opposed to people 65 or older. For maximum effectiveness, the number of themes per advertisement should be kept to one or two. The message must arouse the needs and desires of the target consumer and suggest ways to meet those needs. It should also relate to the experiences (backgrounds) and characteristics of the potential riders.

One natural theme for transit advertising is saving money. By itself, the subject is rather bland; the target market will need to be energized by some suggestion of how the savings accrued from the use of transit might be used. For example, advertisements aimed at white collar, middle class people might stress the fact that an average of \$1,370 may be saved each year by using transit for to go to and from work. It could then be pointed out that \$1,370 can be used for a vacation, saved to send

the children to college, used for new appliances, or saved for the down payment on a house. An interesting way to portray this savings is as a raise in pay that is tax free.

Translating the theme. The advertisement translates themes into words, symbols, pictures, sounds, and colors that stand for those themes. Today, this type of translation is perhaps more of an art than a science. It requires a highly developed and specialized creative skill, and an understanding of the psychology of motivation and communication. Management of small transit operations might want to seek out professional or semiprofessional talent to assist in this important task. Several sources of experienced talent are available for translating promotional themes into effective marketing packages. The most obvious is a professional advertising agency. The advantages of hiring one of these firms are many. Likewise a transit property may put an advertising specialist on its own payroll. The major drawback of using professional talent is the expense involved. Because financial constraints are very likely to play a restricting role, less expensive talent sources may have to be sought.

One such source is the training ground of advertisers--a university or college. Working on the design of an advertising campaign for a small transit company could be an interesting project for a graduate class or an individual student interested in marketing or advertising. In addition, expertise in related disciplines, such as psychology and sociology, is readily available on a university campus.

Another source of advertising advisors that may be extremely useful to a transit operation with limited financial resources can be found on the staffs of local media. Many newspaper and radio stations are able to provide assistance in designing ads for their customers. Although perhaps not as experienced or as capable of giving highly specialized advice or preparing innovative programs as some of the professional advertising agencies, media advisors can generally do an adequate job of designing effective ads because they are usually well-acquainted with their audience and the capabilities of their medium. The hazard of this approach lies in the chance of creating an ineffective, piecemeal effort, instead of an integrated campaign. Much of the program's success depends on the skill of the local media people and the development of a close working relationship between transit management and media personnel.

In terms of results, the financial outlay required to obtain skilled professional or semiprofessional assistance in advertisement design will very likely prove to be a worthwhile investment. It is apt to be less expensive in the long run than doing it yourself.

Selecting a Medium

The objective of selecting a medium is to ensure that messages are received in the intended way by the intended audience in an efficient manner. This objective implies two criteria for selecting media: (1) the medium should be a suitable vehicle for the intended message and (2) the coverage of the medium should be as extensive as possible, without wasting coverage.

Regarding the first criterion, all advertising media are suited to carrying some sort of message. Not all messages are alike, however, and not all media are equally suited to carrying a particular type of message. For example, newspapers and circulars are useful for showing detailed information on the location and schedule of a new route, but it would be almost impossible to give the same information over the radio. Radio and television may be useful for selling certain ideas about transit and for advertising a telephone number that the public may call to receive more detailed information.

With respect to advertising coverage, the market served by a transit agency is usually located within a well-defined geographical area, described by the extent of the franchise granted or the area served by a publicly owned property. To use promotional dollars most efficiently, advertising has to be directed to this specific market area. To reach the entire mass transit market, however, an advertising medium that serves a much larger geographical area may have to be used. This can be justified if the medium chosen is particularly effective in presenting the message. The main point still remains: wasted coverage must be kept at a minimum.

In choosing an advertising medium, management should take relative costs into account. Not only should rates be considered, but effectiveness as well. Very often, relative costs of different media are compared in terms of cost per 1,000 persons reached. Media that traditionally have been most effective for the presentation of transit advertising include city and community newspapers, local radio stations, outdoor billboards, bus cards, direct mail (expensive, but often highly effective), circulars (good if well-distributed), and space in the Yellow Pages.

Television. Television must be considered and used with care because such advertising is generally too expensive for a small transit firm. Television also has a high probability of wasted coverage. The broadcasting range of many television stations extends far beyond the community served by the transit firm. Unless the advertising is very effective in reaching the relevant audience, much of the money spent on television advertising may be wasted because the coverage is too broad. The same problem may exist with radio advertising. A possibility for communities with cable television is to use the cable stations

for advertising. Cable stations usually cover a smaller geographic area and may target certain market segments that are also sought by the transit advertiser.

Newspapers. Newspapers provide detailed information and allow the reader time to read and understand that information. An example would be the route map and schedule for a new route, or complete information on how to use special bus service to reach baseball games. In print advertising the use of the logo and other symbols can readily identify the transit property and can help develop and promote the image of the property. Ads can also be placed within the newspaper to reach certain segments of the market. Advertisements promoting transit service to baseball games should be located in the sports pages, while ads in the entertainment section can be used to promote transit as a way to reach movies or theatrical events.

Radio. Radio advertising cannot present highly detailed information but it is very effective in putting an idea across, such as saving money by using transit or avoiding hassles by riding transit to do Christmas shopping. A radio ad could plug transit's information number, or a convenient new monthly pass. In many markets radio has segmented itself: some stations appeal to youths, others to older people or to the better-educated, wealthier segment of the market. Even small cities usually have several stations that are geared toward different segments of the listening audience during the broadcasting day. Radio advertising can therefore be carefully aimed at specific segments of the market. To help their advertisers, most stations have survey research findings that confirm the markets they reach.

Billboards. Outdoor billboards come in all sizes and can convey relatively simple messages such as an information number to call or some very basic continuing advertising theme. Both the content and the site of the billboard are important in conveying an effective message. Advertising professionals should be asked for advice on this subject.

Bus cards. Ads carried on the bus itself can reach two different market groups. Those persons inside reading the car cards are already riders; they may be reminded of how much they save or perhaps informed of some new service or other change in the system. Special trips can be promoted by this means, such as service to baseball games or concerts. The ads on the exterior of the bus can reach out to potential customers, perhaps promoting transit use to special events or pushing the save money theme. External ads must be kept simple because of the limited viewing time.

Direct mail. Direct mail advertising is not cheap; its cost can be reduced if ads for transit can be included with utility bills (a natural if the utility is city owned; a possibility if the utility is privately owned) or other mailings by local government or by cooperating businesses. For example, a bank might offer to include transit ads along with the bank's regular

mailings of customer statements in return for free bank advertising on the outside of city buses. The content of the transit ad may point out a special service or explain how to use it, provide coupons that might be traded for transportation, or promote the convenience of buying a monthly transit pass by mail.

Circulars. Circulars are probably best used when directed toward a specific audience; they may be targeted to a particular neighborhood and might include maps and schedules for local services. Circulars can also be used to promote some new service to be offered in a given area. If citywide coverage is wanted, transit could try to make arrangements with local supermarkets to put a circular in each grocery bag when customers' purchases are being packed; again, this might be done as a trade-off.

Telephone directory. A map of area bus routes can be run in the Yellow Pages along with informational telephone numbers. Information on passes or special services might be run along with the map. Discount coupons are now common in many yellow pages sections; the transit system might run coupons for free rides or a discount on the monthly pass.

In many cities there are telephone numbers to call for the time and temperature or for the weather forecast. Transit could pay to have a transit spiel run first. The messages can be changed to reflect the time of year, for example: "Forget winter driving hassles; use the bus. Just call 555-5555 for information." "Don't chauffeur the kids; let them use the bus: call 555-5555 for information on special junior passes."

Time and temperature signs. Time and temperature signs are popular and much watched. These signs can be bracketed with the transit system logo and information number. Some of these signs print out a message that may include the weather forecast as well as a plug for transit service and transit's information telephone number. If appropriate, such a sign can be installed at the major downtown transfer point or at major transfer locations such as shopping centers.

Other opportunities. Special sessions in the schools can teach children how to use the transit system. Sessions can be accompanied by material that the children can take home for their parents. Explaining how the bus works is of great interest to children. A visit to the transit maintenance facility is another way of getting youngsters interested in the transit system. This type of promotion can be just as useful as paid advertising.

Another promotional/advertising possibility is to use the placemats of local fast food outlets to tell the transit story. A system map showing destinations easily reached on the bus could be printed on the placemat. Transit games and puzzles may be used as part of the copy.

Stretching Advertising Dollars

Cross plugging. Advertising dollars can often be stretched by applying some of the tricks of the trade. "Cross plugging" is one such device. This technique involves the support of both the transit agency and another entity--a radio station, a local newspaper, a shopping center, or a sports organization, for example. Both the transit company and the other entity benefit from the advertising by agreeing to run or carry ads for the other organization. Often a trading agreement can be worked out, whereby a radio station will advertise the transit system for a comparable amount of advertising carried or displayed by the transit system on behalf of the radio station. Advertisements for such outside entities can be placed in the car card racks or on the exterior of the vehicles. In this way, out-of-pocket advertising expenditures are reduced, while coverage is increased for both parties.

Tie-ins. Each medium has unique features that transit may capitalize upon. When advertising on the radio, an effort should be made to associate transit ads with a disc jockey or other popular personality. An interesting ploy is to have the radio personality conduct man-on-the-bus interviews and gather testimonials that will then be played back during broadcasts. The personality will usually make an extra comment in the lead-in and follow-up of the purchased ad, in effect, providing another testimonial.

Newspapers offer the possibility of tie-ins with merchants of fast food outlets; picture a cut of a bus and a snappy motto such as "It's no fuss to use the bus to get to Burger Heaven." The newspaper can run coupons that may be sent in or otherwise traded for transit rides. An annual report on the transit authority may be prepared as an insert in the paper and the report can include the number to call for information along with maps and schedules or other promotional material.

Another possibility is to run a transit calendar as a newspaper insert at the end of the year. The calendar might use the history of transit in the town as a theme illustrated with interesting pictures from the past. Each page of the calendar could include the number to call for information and a particular transit promotion for a given month or week (free Sunday service during the Christmas shopping season sponsored by the Downtown Merchants Association, for instance, or Nickle Days to coincide with a major shopping mall's special sale days). To make sure the calendar is kept and used, it should include space to write in appointments, holidays, appropriate gifts for wedding anniversaries, key telephone numbers for city offices, etc. The calendar could be a joint venture of the transit property and some local business or businesses in order to keep costs down.

External promotions often provide a vehicle for transit advertising. Tie-ins with local events are a practical and natural way to promote and advertise transit. If downtown

merchants are having special sale days, they can be joined with a nickel day transit promotion scheme; that is, "Transit returns to the good old days when a ride cost only a nickel." Some retailers might join in the nickel promotion by bringing back the nickel ice cream cone or the nickel beer. The promotion benefits the business community and the transit agency by providing an inexpensive way for more customers to reach the stores during special sales while also introducing more people to the transit service.

Timing Advertising Expenditures

The timing of advertising expenditures has two aspects: (1) the macro-scheduling program, and (2) the micro-scheduling program. Macro-scheduling involves deciding how the total advertising appropriation should be allocated over the year. Micro-scheduling involves the best media phasing of, for example, a monthly advertising appropriation.

Macro-scheduling program. During the course of a year, transportation demand changes in a predictable way; for instance, transit use in most cities goes down in the summer when people go on vacation and most children are not in school. Increasing customer awareness at these times helps to increase ridership (especially in off-peak hours) among people who do not ride the bus regularly. It should be remembered that advertising is expected to have a delayed effect, as well as an immediate effect. For this reason, the peak in advertising expenditures should come before the expected peak in ridership, and the trough in advertising expenditures should come before the expected trough in ridership. Despite the expected ups and downs in ridership, advertising should continue regularly throughout the year.

Regular advertising is important because each advertisement reinforces previous advertisements. Spasmodic advertising is not as effective a use of resources as are regular messages. A consistent base level of advertising should be part of every marketing plan.

Micro-scheduling program. Micro-scheduling is used to determine how much advertising repetition a particular segment of the market should be exposed to if a message is to be effective. Market research may be helpful in these determinations. Having too low a number of repetitions may be a waste because memorable (favorable) identification cannot be established. Frequent advertising repetition may also be wasted if it does not bring about further increases in awareness, message familiarity, or positive feelings toward the service. Excessively repetitious advertising is harmful if it leads to boredom or irritation. In the case of transit, many people see buses in operation, yet the service is often overlooked. In general, frequent reminders of the economic advantages and the convenience of riding the bus, plus publicization of the destinations that company buses serve, are good policy.

Evaluating and Controlling Advertising

Advertising must be carefully planned to be effective. As already noted, advertising objectives must be developed, and specific tasks must be designed and implemented to achieve those objectives. Management should continually evaluate the advertising effort to develop an idea of how effective the promotion has been. This type of appraisal is yet another function of the marketing research department.¹

In general, advertising effectiveness breaks down into two measurable components, communications effectiveness and sales effectiveness. To study communications effectiveness, marketing researchers use tools such as memory tests and recognition tests to determine whether the attention of the reader, viewer, or listener was caught by the advertisement. In this manner, the researchers can determine if the messages that the advertiser is attempting to communicate to the audience are, in fact, received by that audience.

The sales effectiveness of the advertising message can be measured only after it has been determined that the individual has received the ad. Through interviewing techniques and by reviewing ridership (sales) data, marketing researchers can judge the direction and, in some cases, the impact of the advertising message on target individuals.

Measurement of this sort is both reasonable and important. In an industry such as mass transit, most factors affecting sales remain fairly constant. Along with the quality of the service, advertising is probably the single most important management-controlled variable affecting ridership. Management needs to know as much as possible about the communications and sales effectiveness of its advertising program.

Company Image

Company image is a vital force in marketing theory and practice today, and its importance is increasing. Image is the combination of objective perceptions and subjective attitudes that people hold, related to a product or entity. An image creates an implied meaning or symbol that transcends the actual product or service.

Too often, and with too much validity, the image of transit is laced with negative aspects such as choking exhaust fumes, dirtiness, commercialism, lack of courtesy, and the unfavorable connotations of the word "public" in public transportation. It should be understood that if a transit operation is saddled with a negative image, even the most realistic and functional qualities of the service will be tarnished and people will find reasons to reject the service and seek another alternative. The development of an image, therefore, must create positive associations if it is to be effective.

One way to overcome a weakness in product personality is to inject completely new elements into the image and sail off in a new direction. If the image is exciting and full of rich new meanings, the deficiencies are buried and forgotten. Instead of wasting time and effort in defensive actions, the advertiser can quietly erase negative associations with a halo of positive overtones.

Such an advertising innovation was carried out in Los Angeles, where the Southern California Rapid Transit District began to advertise bus service around the idea of an "Extra Car." The advantages of having an "Extra Car" were promoted, rather than the idea of simply riding a bus. The selling point was the destination; the bus ride to it became incidental. This new promotional approach proved successful and ridership increased. Another approach used the theme of "The Greater Metropolitan Car Pool" for the transit system in Minneapolis and St. Paul. Assuming that carpools have a better image than transit, management capitalized on that point by pushing transit as a bigger and perhaps better carpool, one with a greater variety of departures and trips than any ordinary carpool. Alternately, the money-saving theme "You can bank on it" portrays the use of transit as a good way to save money. Banks and savings institutions might be involved as a natural place to put the money saved, and those businesses might also be sales outlets for monthly passes. The main point is to push transit forward in advertising campaigns that are clever and interesting and help build a favorable image.

Note for Chapter 13

1. For those interested in specific techniques of the analytical process, Blattberg and Stivers have published an article that deals with one aspect of transit promotion, entitled, "A Statistical Evaluation of Transit Promotion," Journal of Marketing Research, VII (August 1970), pp. 293-299.

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CHAPTER 14

THE PUBLIC INFORMATION PROGRAM

Introduction

Public information complements the advertising and community relations functions of the promotional program. All three work together to help inform the general public of available services and explain how to use them. Advertising should be used to attract interest through the use of the media, and community relations acts as a two-way street of communication by selling the service and finding out what the public wants. Public information is mainly aimed at helping people to use the transit service. Without an effective public information program, the transit firm has failed to perform a critical task. Failure to provide adequate public information is one reason why service is likely to be underused, regardless of how good it may be.

The Role of Public Information

Public information should provide answers to questions that the public is likely to ask, such as the following:

Question

What kind of service is offered?

Where does it go?

When can I use it?

Where can I catch the bus?

How much does it cost?

How can I use it?

Sources of Information

Information on regular route service and special service (dial-a-ride, subscription, downtown free zone, contract, and so forth).

Maps.

Schedules.

Shelters and bus stop signs.

Fare schedules and promotions.

Schedules, maps, signs, promotional material.

Some of this information will, of course, be made available through the maps and schedules regularly provided by transit firms. Other information can be made available through brochures on how to use the transit service or through a telephone information service. Regardless of the type or format of public information used to respond to the public's needs and questions, detail must be provided so as to be useful, and yet not so much detail so as to be confusing.

Conveying Information

In conveying information to the public, certain guidelines should be followed:

1. All information should be simple, both in design and presentation; uniform graphics should be used in all written materials, including schedules, maps, headsigns on vehicles, and information brochures.
2. Transit information should stand out and be instantly identifiable through the use of symbols, color schemes, and other means.
3. A sufficient amount of information should be presented to keep the public adequately informed.
4. Cost should be kept at a reasonable level through cost sharing, by using inexpensive techniques and materials, and by avoiding useless coverage.

Identification Scheme

An important consideration in developing a product or company image is the establishment of an identification scheme to ensure rapid recognition of the product or company. Consistent use of graphics schemes is essential. Three basic parts comprise an identification system: color, logo, and typography.

Color. Color is attention-catching. It can arouse feelings and associations, and give life and energy to an advertisement. Eye-catching color schemes can be used on buses and carried over into letterheads, advertisements, bus stop signs, maps, shelters and everything associated with the transit service.

Logo. The logotype or logo is a representative symbol for a product or company. It is usually a visual design or trademark, but it can also be a sound pattern or jingle used in radio advertising. A logo is a shorthand summary of meaning and feeling. It communicates the message faster than words can. A transit property with a long official name may want to adopt a simpler name or a logo; the South Bend Public Transportation

Corporation was dubbed TRANSPO for that reason. The word TRANSPO is used on a logo in conjunction with an identifying color scheme and is used in all information and advertising material.

Typography. Whether the company or product is identified with a script, block, or another kind of typeface, the typography should be legible and consistent from one promotion to another. Today the preference of graphic specialists is for clean, unembellished lettering and design. Whether newfangled or old-fashioned, the typography should be easy to read.

Major Means of Conveying Information

Schedules. Printed schedules should be available to riders. Schedules should be clear and easy to read so that the rider has no doubt as to when a particular route or service is available. The goal is to publish a schedule of minimum complexity and maximum information. The key characteristics must be simplicity of design format, straightforward presentation of information, catchy color combinations, clear schedule listings, and unambiguous instructions. Complicated and cumbersome schedules should be avoided.

Some guidelines for schedule format include:

1. The schedule title should clearly show the route number and route name. The title should be printed at the top of the schedule so it can be seen when the schedules are placed in a rack. Major points served should be noted on the face of the schedule as well as in the listing of time points in the body of the schedule. If color-coding is used on routes, the same color should be used in printing the schedule. To ensure readability under difficult lighting conditions, there should be sufficient contrast between the color of the print and the paper.
2. The logo and other symbols of the transit property should be prominently displayed.
3. Schedules should show times for all major points along a route, called time points, and not just the terminal points. The schedule format should read across the page from left to right, the same way a book is read. If a map is used in the the schedule, it should show the times the buses reach each stop; one way of doing this is to assign a number to each time point and use the same number on the map to show the time point location along the route.
4. Different typefaces or column shading should be used to avoid confusion between a.m. and p.m. schedules.
5. Each route should be shown separately.

6. Reference symbols (for example, * means: "Runs only on Saturdays") should be kept to a minimum.
7. The telephone number to call for information should be prominently displayed.

The schedule for each route should be printed on a card or made into a folder small enough to fit into a pocket or purse. Most patrons will need schedules for only one or two routes. If a transit operation runs a limited number of routes, such as three or four, they may all be combined into one timetable. Combining too many routes in one folder is likely to provide needless information and add undesirable complexity to the schedule, however. Even so, with careful attention to graphic design it is possible to have a system map, all route schedules, and basic information on how to use the transit service entirely within one folder of a relatively convenient size. A transit system that has structured itself into a multi-centered, timed transfer form of operation will have to issue timetables and maps that show connections because connectivity is the heart of the system. In this case, a systemwide map and schedule brochure may be essential for the consumer to make sense of the service.

Drivers may receive separate schedules that include additional information such as the run number. With advances in microcomputer word processing, it is now possible to print out schedules of varying completeness at low cost, including camera-ready copy for production of public timetables. Nevertheless, the schedule used by riders should also be usable by drivers and supervisors.

Schedules should not look cheap--thin paper, poor reproduction, and crude maps make a bad impression--but there is no need to go to great expense in duplicating. The schedules may be reproduced on different colors of paper, or colored ink may be used in the printing process. The multilith process is inexpensive and provides an output of excellent quality. When used in conjunction with a changeable type typewriter or a word processor, the multilith process is flexible enough to permit other forms and documents to be prepared and duplicated quickly, easily, and inexpensively.

To help defray some of the cost of publishing the schedules, advertising space may be sold in the schedule folders. Indeed, the entire cost of preparing the schedules may be recovered in this fashion and the trade-off provides a good example of public sector/private sector cooperation. Nevertheless, advertising segments should not compete with the schedule information or contradict the image the transit firm is trying to build.

Maps. Maps should be clear, easy to read, and graphically competent. The simplest and easiest way to convey map information on route location is through the use of line drawings, often called strip maps. The strip map should show not

only the streets on which a given route operates, but also the points at which connections and transfers can be made to other routes (see Figure 14.1). Some symbol (such as the letter T in a circle) may be used to indicate transfer points. The time points on the schedule can be picked out on the map by use of assigned numbers. If the scale of the map is sufficiently large, other features may be included, such as major traffic generators (shopping centers, businesses, and so forth). The maps should be included as a part of each route schedule folder.

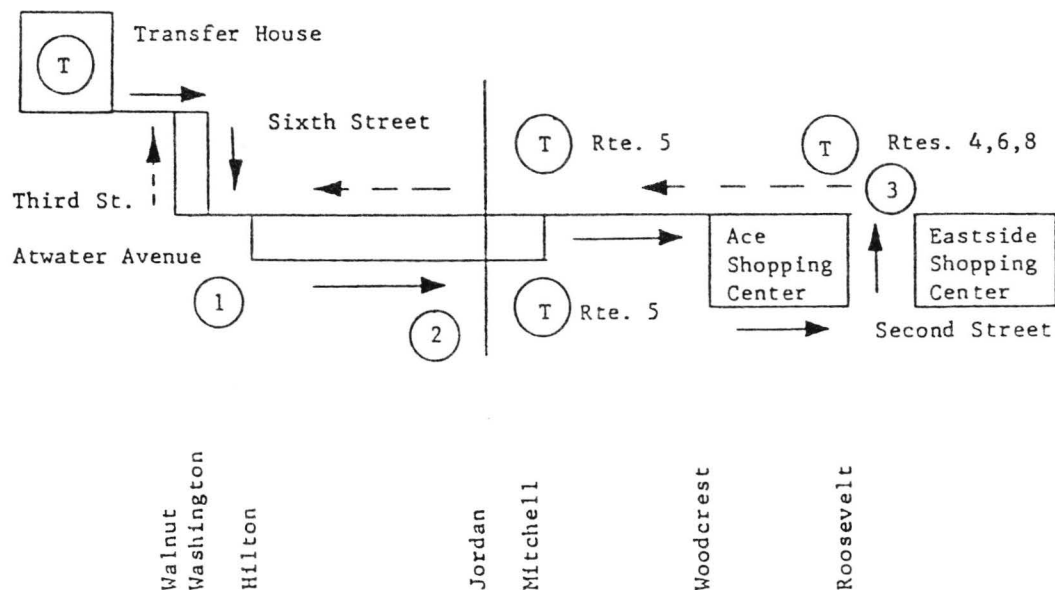


FIGURE 14.1 Example of Strip Map

A full transit system map and city map should also be available. Stylized maps are popular and are generally easier to read than a transit route map superimposed on a standard base map of the city. The stylized map should bear some semblance of geographic correctness so that the public is not confused. One way to help share the production cost of the system map is to prepare it in cooperation with the city government, the chamber of commerce, or a local organization that prepares and distributes maps of the city. Ideally, a system map should be included as part of the Yellow Pages in the local telephone directory. The local telephone company may provide this service free.

A system map may require the use of several colors if the system operates a number of routes. This can be expensive, and gives even more reason for the transit property to share the cost of production with others.

Some transit systems sell a bus book, which contains maps, schedules, and other information about transit service. As an incentive for purchase, coupons for free rides equal to the price of the book may be attached at the back. Such a publication affords enough space to provide a larger amount of information in one place than would otherwise be possible. As with all publications, the bus book should be readable and easy to use.

Bus stop signs. Each bus stop should be clearly marked with a distinctive sign carrying the logo of the system and any other graphics, such as color, that identify the transit system or the route. At a minimum, each sign should carry the system logo, an indication that it is, indeed, a bus stop (the symbol of a bus and the words "Bus Stop," "Board Here," or "Welcome Aboard" are often used), and a telephone number to call for information.

Better yet, each bus stop sign should also include a route schedule, plus a map of the route. The schedule posted may be either the regular route schedule or an individually typed schedule showing the times when buses pass that particular stop. The use of a microcomputer and word processor can produce a schedule tailored to each stop. The schedule and map may be mounted easily on pressed wood board or a thin aluminum plate and sealed from the weather with plastic. The standard graphics used in the signs may be printed on pressure-sensitive adhesive plastic mounted on aluminum plates. A suggested sign format is shown in Figure 14.2.

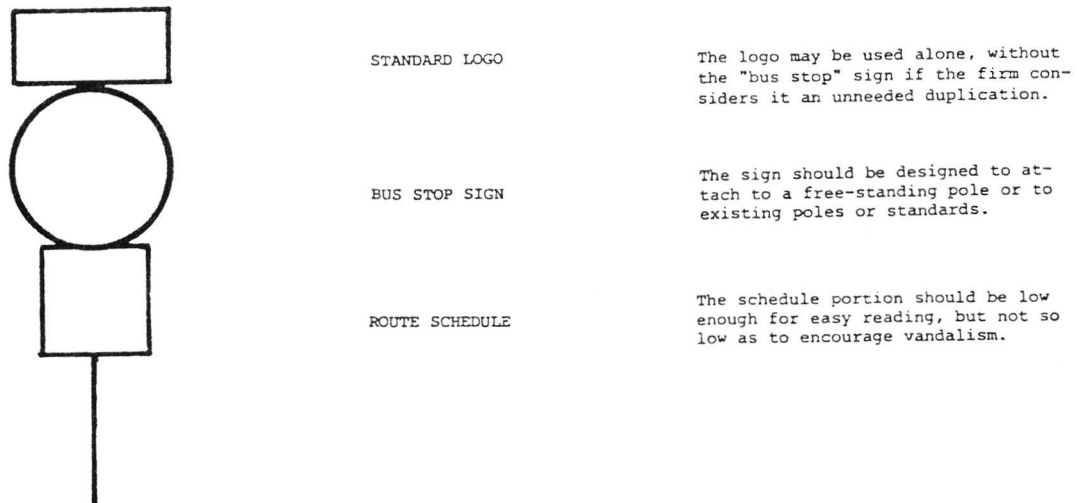


FIGURE 14.2 Bus Stop Sign Format

Information tablets. Information tablets differ from regular bus stop signs in that they provide considerably more information. For example, information tablets would include a map of the entire system plus many or all of the route schedules. Information tablets should be installed at major terminal and transfer points and at stops serving major traffic generators. Information tablets should also be placed at points where many persons new to the system are likely to need them such as at hotels and motels, a convention center, a shopping center, an office complex, or a college or university. Major public buildings and office buildings are also logical sites for such information.

Telephone information. Telephone information service is a necessary part of any public information program. The telephone number to call for information should be displayed conspicuously on all information tablets and on all maps and schedules, as well as on the advertising copy used by the transit firm. Persons needing information should be able to call that number and find a knowledgeable and courteous person, specially trained and ready to help solve their travel problems.

Guidelines for telephone information service include the following points:

1. Sufficient telephone lines and personnel should be made available, so that no one desiring information will have an overly long wait. At a small transit property, probably only one person, who could also handle some other matters, would be necessary to provide telephone information. Extra personnel should be available at times when inquiries are expected to be heavy. Alternately, all transit staff could be equipped with schedule and route information, so that callers seeking information could be helped by any staff person. This arrangement would only be feasible where the number of information calls is apt to be small.
2. The information operator should have complete knowledge of the system, and should be trained in good telephone techniques. (The local telephone company usually will handle the latter type of training at no charge.)
3. The information operator should be stationed close to the dispatcher or controller of the system operation, in order to know the status of system operations. This information link could also be achieved through direct phone communication.
4. Telephone information operators should keep records of the types of questions asked. If the same questions are asked with regularity it is a sure sign that more complete information is necessary on maps and schedules.

5. Where desired, and as a follow-up to each information call, a map and schedule should be sent to the party requesting information. A mailing list for distribution of public information may be developed in this way.
6. Complaints may also be handled by the telephone information service. Records should be kept of the types of complaints so that steps may be taken to prevent future complaints of the same sort.

Handbills and direct mail. The use of handbills or circulars delivered to a particular neighborhood can be a valuable way of distributing information at low cost. By direct delivery of route schedules and maps in the market area of a given route, it is possible to pinpoint distribution and avoid waste. Maps and schedules for a given route may also be distributed at stores and shopping centers served by the route.

Direct mail is a good way to distribute public information, although it is much harder to pinpoint the particular coverage of the information. Nevertheless, direct mail is a relatively easy and inexpensive means of distributing systemwide information directly to potential users. It is most effective when service is initiated, or when major systemwide changes occur in routes or schedules. Mailings based on phoned-in requests for information are also cost-effective and practical.

Personal contact. Uniformed employees delivering information to residents and businesses may convey a good transit image. The process is costly, however. Such personal contact can be carried out as part of a market research survey, so that the interviewer would not only gather information, but also leave some information as an integral part of the visit. With the permission of employers or facility owners, a portable information booth may be set up in a prominent location to display detailed information on how to use the service, how to read the maps and timetables, and other pertinent matters.

Newspaper advertising. Public information can be incorporated into a regular newspaper advertising campaign. For example, a different route might be featured each week as part of the marketing program. In addition to the map and schedule, the ad might include information on points served along the line.

At certain times, particularly when new service is to be offered or when service is to be made available for a special event (county fair, circus, athletic event, and so on), newspaper advertising should contain special schedules and maps. Transit management should have information on the transit system printed when a new system is started or when a large influx of new people is expected. The latter situation might occur when a new industry goes into operation or when many new students arrive during the fall in a university or college town. Periodic advertising of system maps and schedules in newspapers is another

way of distributing information, but is more wasteful than other means of dissemination in terms of coverage. Complete maps and schedules may be included as part of the Sunday supplement in local papers; this may be part of the annual report of the transit agency to the citizens. Selling advertising in the transit insert can help to reduce this cost.

Public displays. Major businesses should have maps and schedules available in attractive counter or wall display racks. Information tablets, including a system map and, at the very least, schedules of nearby routes, should be posted in major public buildings and in large apartment buildings. Airports, railroad and intercity bus stations, factories, schools, and hospitals are other places where information should be readily available.

Community services. Social and welfare agencies are other places where public information may be disseminated. For the elderly and for persons in lower income groups, access to transit information may be extremely important. Receptionists at these agencies should be instructed as to how the transit system works, so that they may provide guidance on the use of the system, as well as maps and schedules.

The Welcome Wagon and other newcomer welcome services provide cheerful greetings to new residents in the community. Transit management should ensure that these greeting services provide new residents with a copy of a transit system map, bus schedules, and other promotional materials including coupons good for free rides on the transit system.

Another major place to distribute public information is on the buses, in the form of "take one" schedules or maps. Maps of the route on which the bus is operating may be included in the car card space above the windows. Of course, these cards would have to be changed if the bus were assigned to different routes during the day.

Special promotions. A pass good for a week along with complete schedule information can be sent out to the first person listed alphabetically under each letter in the local telephone directory. Each week the next person listed receives the information and pass. This method may attract new riders, build goodwill, and disperse public information in a novel way.

Adoption of the suggestions for the dissemination of public information will obviously depend on the human and financial resources available--but failure to have an effective public information program is false economy, and the temptation to cut back on this program should be avoided.

CHAPTER 15

THE COMMUNITY RELATIONS PROGRAM

Introduction

The third promotional element of the marketing program is community relations, which is, in essence, the transit agency's dealings with people and government. In the normal course of events, a transit firm has literally thousands of dealings with people every day, ranging from contact with the public by bus drivers and other employees to participation of transit employees in community projects and newspaper items about transit service. Community relations represents all organized forms of communication and contact with the company's riders and potential riders, apart from advertising.

Community relations may be defined as a planned program of policies and conduct that strengthens public awareness of the transit system and its benefits. Moreover, community relations can be viewed as "telling" the public, and also as "listening" to the public. Community relations is a two-way street of communication. A good community relations program is a system that provides a flow of information in two directions, bridging the gap between the transit property and the community in a way that usually cannot be achieved through advertising or public information. Figure 15.1 illustrates the role of community relations in the transit firm.

Favorable relations with the community, and particularly with community organizations and groups, are absolutely essential for the success of a firm offering a public service. Gaining public acceptance and support for a transit agency is an important managerial function and an important part of the process of institutionalization.

In building public confidence and understanding, community relations primarily deals with people's attitudes and the company's image. Because it takes time to develop positive attitudes, community relations should be a continuous effort, not a spasmodic or one-shot affair. By keeping communications flowing both ways, company policy and conduct can be guided and adjusted to the developing attitudes and desires of the public.

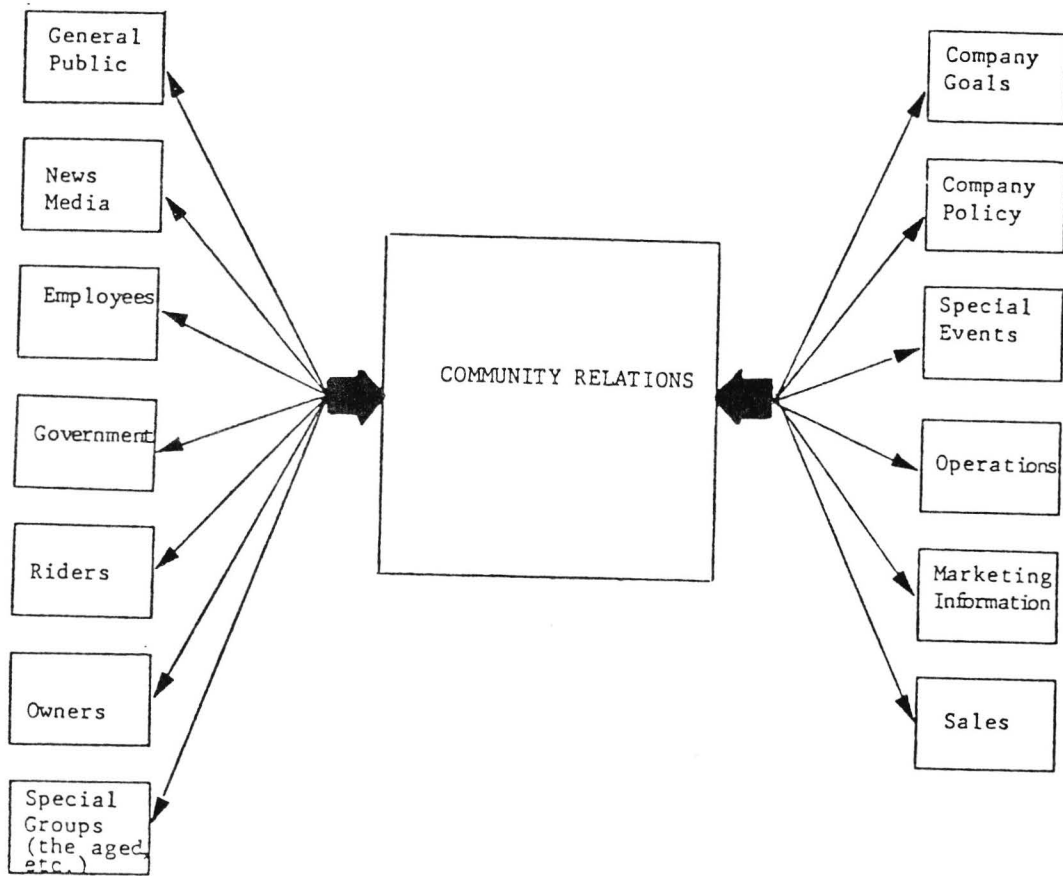


FIGURE 15.1 The Role of Community Relations

Effective Community Relations

The community is composed of several distinct publics, which form a basis from which transit management can develop an effective community relations program. The segments comprising the whole of the community, from transit's point of view, may be classified generally as transit employees, customers, the general public, government officials, stockholders (in the case of a private transit company), and the media (newspapers, radio, and television). Some communities may vary slightly from this pattern if, for example, they are dominated by a single business or institution (such as a government agency), but this breakdown will usually be valid. The remainder of this chapter deals with these segments and their interrelationships with the transit property.

Transit Employee Relations

Good community relations begin at home, with the establishment of good relations with the employees. If the employees are convinced that the transit company is a good employer and is working for them as they work for it, they will try to put something extra into the job. This extra effort constitutes "esprit de corps" and results in a momentum that

propels an enterprise ahead and sets it apart from those in which such employee enthusiasm is lacking.

Employees are able to sell service by their actions and by word of mouth. A friendly word from the bus operator, the sincere and sympathetic handling of a complaint, and a cheerful and courteous response to a question are but a few of the many ways that transit employees can positively affect customers--and the community in general. To maximize employees' positive contributions to the company, management must devote some effort to establishing and maintaining a genuine interest in the employees and their work, as well as ensuring that employees are well-versed on company matters.

Employee involvement in the transit property is an integral part of institutionalizing transit in the community and in implementing management by objectives (MBO). The most effective process of institutionalization starts with the employees of the transit agency. They have to know what management is trying to do and understand its importance.

Employees can be the greatest promoters of community relations because they deal with the public daily. Ensuring that employees are knowledgeable about the transit property can be taken for granted or easily overlooked. Few things are more discouraging to employees than feeling that they are the last to find out what is going on, especially when important news about the transit property is heard in a broadcast or read in the newspaper rather than coming to them firsthand from top transit management. This problem can be overcome through formal and informal employer/staff meetings, training programs, and other methods of internal communication such as newsletters. Employees also can provide a quick and ready barometer of public attitude and reaction to service changes through day-to-day feedback to supervisors and managers. Employees with high morale and pride in their company will significantly increase their value as promoters of company goodwill.

Some of the most effective ways in which good relations with employees may be established and maintained include: (1) demonstrating management's concern for the well-being of employees, and (2) keeping employees informed.

Employees' well-being. Management's concern for employees' well-being can be conveyed through safety awards programs, the establishment of a company credit union, a suggestion system for employee response and management action, the formation of a labor-management committee, company club or recreational activities (bowling, softball, basketball, and so forth), picnics, employee "open houses," Christmas parties, and so on. None of these are particularly original ideas but all have a history of success if management sincerely works at making them succeed. None of the suggestions need be carried out in an elaborate fashion; for example a transit employees softball team

can be outfitted simply and at low cost with fits-all-sizes caps and T-shirts emblazoned with the transit system's logo.

Some small transit properties have established fitness centers for all employees. Much of transit work is sedentary, and to stay fit employees need to exercise on a regular basis. Facilities should include space to work out, necessary fitness equipment, and showers. A fitness program is solid evidence that the transit property cares about the welfare of its employees.

Employee information. Management can promote unity of purpose among its employees by setting up information meetings (on safety, courtesy, and so forth--best handled in small groups and on a continuing basis), arranging regular meetings with top management, preparing employee manuals for new workers, funding an employee news publication, setting up an information rack or bulletin board, and distributing an annual report (one that is understandable, readable, and available). Again, these actions for providing information need not be costly; an employee newsletter can be just that, a simple, news-filled, multilithed letter, issued on a regular basis.

Customer Relations

The transit property exists to serve its clientele. Yet, because of the severe competition of the automobile, transit patrons must be continually reassured that their decision to ride the bus is a wise one. This aim can be accomplished through a positive approach to public relations. The public should be informed of the positive benefits of transit to the community and of the efforts the transit agency is making to improve service. Riders will become skeptical if they only hear about the transit agency's financial problems and declining ridership. The positive approach extends through the entire service. Some suggestions for promoting a positive image include:

1. Employee courtesy through training (neatness and cleanliness required).
2. Clean, dependable equipment.
3. Full and accurate news coverage on accidents and other unplanned or fortuitous events, which if handled poorly may damage the property's image.
4. A planned program of news releases on matters of general interest to the riding public and matters affecting the property in a positive manner, such as an award of a capital grant, the delivery of new buses, an employee with a long and enviable safety record, or the 300,000th passenger of the year.
5. Courteous telephone information service.

6. Procedures for handling complaints that include: a sincere letter of regret and full investigation into the cause of complaint; and a program to lessen complaints through better training of employees and better management practices.
7. "Take-one" information in vehicles including newsletters, schedules and so on.
8. Simple fixtures, such as neat trash recepticals, to help keep buses, terminals, and bus stops free of litter.
9. Mailing list for schedules, maps, and so on.
10. A lost and found box in the main terminal or head office.

The community relations program also provides an opportunity for actively selling transit service, particularly special services. At least one member of the management team should develop a presentation adaptable to virtually any group or situation--women's clubs, Rotary, Jaycees, and so on. This program should be informative as well as entertaining and should contain what may best be described as a sales pitch in order to build positive attitudes toward the transit firm. Positive contacts made with key people in the community may help ensure that the ABC Bank agrees to partially subsidize bus passes for its employees, and the XYZ Corporation helps sponsor subscription bus service for its employees.

General Public Relations

The objective of good relations with the general public is to have the transit firm identified as a good neighbor in the community, a source of opportunity, a promoter of the community, and most of all--as part of the process of building transit into a true community institution--an essential element of the community. Being all of these things requires more than just lip service. An active effort to be a leading force in community activities must be exerted at every opportunity, not only by management but by employees on all levels.

Cooperation with community leaders is of the utmost importance when making any kind of contribution to the community. Municipal authorities, the press, union leaders, educators, and leading businessmen are much more likely to support transit activities if they have prior knowledge of the firm's efforts and achievements. (Full press coverage of the transit firm's role in community affairs will depend on providing news media with adequate information in advance of the project.)

In addition to providing the very best bus service possible, a small transit company can be of service to the general community in many ways. By acting as a good neighbor, the company

will will find itself enjoying the reputation of a leading citizen. A few suggestions for worthwhile projects follow.

1. Take the lead in solving traffic congestion problems.
2. Cooperate with charity drives through employee and management contributions, participation (this form of cooperations may require large amounts of time), and public assistance--a specially painted bus supporting the local United Fund drive, for example.
3. Assist in accident prevention programs.
4. Aid police with safety checkups.
5. Help in community planning.
6. Distribute annual reports to community leaders.
7. Help support local vocational education programs.
8. Assist community redevelopment efforts.

An unusual example of a community role for transit is for the transit property to fit out an older bus as an emergency support vehicle to provide shelter, resting place, food, and communications for firemen fighting a major blaze, or for public safety personnel handling some major problem.

Government Relations

A good relationship should be developed with all levels of government, whether a firm is privately or publicly owned. Good relations are especially important at the local level, otherwise transit may become the favorite whipping boy of politicians. For example, the transit system may have almost daily problems with police and traffic departments. These problems are best solved through a good rapport with the proper officials before they become emotional issues of debate by the city council or in the news media.

Management must be open and positive in all dealings with government and should cultivate an attitude of mutual trust with local government officials. All reasonable steps should be taken to enhance the status of the transit agency in the eyes of public officials. The transit firm should never be in the position of publicly butting heads with government officials. Difficult or controversial matters should be worked out in advance whenever possible. The transit firm can usually do much more than the minimum required to win the trust and support of municipal officials and others. The extra effort will be worth it.

Establishing good government relations starts by keeping the list of key personnel up to date; when personnel changes occur, they should be noted. As many contacts as possible with public officials, either personal or indirect, should be developed. Transit operators should also:

1. Brief government officials on all important transit actions.
2. Mail officials pertinent speeches, articles, the proofs of important advertisements, and so forth.
3. Forward copies of the transit system's annual report to government officials in addition to those who, by law, are supposed to receive it.
4. Invite officials to important company affairs.
5. Invite public officials to tour the property to gain firsthand insight into what it takes to operate an effective transit service.
6. Sponsor community service projects.
7. Participate in community activities.

One sovereign rule should apply: the transit firm, publicly or privately owned, should never become involved in partisan politics. The company should never permit its vehicles to carry election campaign posters or slogans for any cause, unless they are in the form of paid advertisements. Even then, the wisest policy is probably to avoid all political advertising.

Stockholder Relations

As with government officials, stockholders of a privately owned firm should be provided with more than the bare minimum of information. Even though the number of stockholders may be small, they cannot be ignored. To foster good relations and maintain support, stockholders can be accommodated in several ways:

1. Publish and distribute readable and interesting annual reports, even if only in mimeographed, multilithed, or photocopied form.
2. Use the annual meeting of stockholders to better acquaint stockholders with management.
3. Invite letters from stockholders that comment on company goals and policies.
4. Send letters of welcome to new stockholders.

5. Put out a new issue of the transit newsletter when an important event occurs.
6. Consider sending general publicity, printed matter, and company publications to stockholders occasionally.

Media Relations

Like community leaders, newspaper, radio, and television personnel are more likely to support (or at least not oppose) a transit agency's activities if transit-related events are made known to them in advance, in an honest, open, and convincing manner. An important point for transit management to remember is that reporters have to be educated; like most people, they know very little about transit, and what they know may be wrong.

In dealing with the media, two rules should always be followed: (1) be frank in all discussions and, (2) play fair with media representatives in the community. If these rules are observed, the media should never have a legitimate complaint against the transit property, and the property will earn the respect and goodwill of the media representatives who report to the community.

Observing these two rules will be made easier if the transit firm chooses one person to be the liason with the media. This person should know every detail of the operations, policies, and plans of the transit firm. Ideally, he or she should be a member of upper management so as to add more authority to the company voice. Fact sheets and new releases are important, but they cannot replace media contact with a responsible, open, and honest person who can speak with authority on matters pertaining to the system.

Pertinent and reliable information provided in a timely fashion is a keystone of media relations. This should include information on transit events in the state or on the national level that may have impact locally. At least once a week, and more often if possible, the transit agency should supply the media with news releases. Many subjects are appropriate for news releases but the best items focus on service to the community. Under this heading are items relating to route extensions, new equipment and facilities, traffic congestion, training programs, and so on, all producing improved service in terms of routes, schedules, or comfort. A human interest item on one of the employees is another possibility.

When an important story is about to break, the newspaper, radio, and television representatives should be notified in advance. If on-the-spot coverage is anticipated, such as the introduction of new service or new buses, the transit agency should provide as much help as the media needs. Electrical power for cameras and equipment, protected space for sheltering tape

recorders and other components, and suitable elevation and lighting for cameras should be provided where necessary.

Maintaining contact with editorial writers also helps. Although editorial writers make their own decisions about what to write, they are often receptive to good suggestions, and they need correct facts and figures to do their jobs properly.

Finally, management should try to keep abreast of all that goes out over the air or in print concerning the transit property. In this way, management has a means of measuring the kinds of information the public receives. A collection of newspaper clippings, divided by different topics is a good idea; reporters may then check past clippings to get background information for new stories. Misconceptions and mistakes of the past can be repeated in the future if steps to provide better information are not taken. It is harder to collect broadcast news but an effort should be made to do so, again with the idea of making sure error does not crop up and get repeated.

A Comprehensive Program

Good community relations can bolster public support of a transit firm, and can help create a favorable image of the transit system. A community relations program links various segments of the community with the transit agency. Community relations starts within the company among all personnel and is maintained from within by management--which must provide at all times a sympathetic ear to complaints, an honest and accurate information service, and a clear line of communication with leaders outside the company. The people responsible for community relations must be ambidextrous, in that they must be able to see transit as the rider and general public see it and, at the same time, be sympathetic to the problems of transit personnel and management. Combined with advertising and public information, community relations completes a comprehensive and constructive marketing program.

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