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Report 02.326

13 June 2002

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Report to the Passenger Transport Committee
from Andrew Cutler, Communications Manager
and Helen Wood, Senior Advisor Corporate Policy

Research Based Public Transport Marketing

1. Purpose

This paper outlines the first phase of a research based marketing strategy for public transport, based around the following components:

- i. research to understand barriers to using public transport in this region and to identify the segments of the population where there is the greatest potential for growth in usage.
- ii. pilot programmes to test the potential of individualised marketing and other means of improving the provision of information about public transport services.
- iii. co-operation on public transport marketing issues with transport operators and other regional councils.

2. Background

The Passenger Transport Committee considered a marketing/communications strategy for the Transport Division on 14 March 2002 (Report 02.114). It was resolved that a research based marketing plan be prepared to achieve the following two goals:

- *The public has a positive perception of public transport and the role it plays in achieving a sustainable region.*
- *Information about and promotion of public transport has contributed to an overall increase in patronage.*

Councillors particularly expressed interest in understanding the behaviour and motivation of public transport users and non-users in the Wellington region.

\$200,000 has been allocated for a public transport marketing strategy in the proposed 20002/2003 annual plan.

3. Research: What Do We Know So Far?

Our aim in marketing public transport is to change behaviour – attract new users and increase usage by existing users and at the same time advance the broader objective of the WRC in respect to sustainable development. To know what will work in bringing about this change we need to start with a thorough understanding of the needs, wants and perceptions of potential customers.

3.1 Wellington region

Our principal source of public transport research in the Wellington region is limited to the annual passenger satisfaction survey that is required of us by Transfund. Passenger transport surveys over four years have consistently found satisfaction with bus and train services to be generally high. In the 2001 survey around two thirds of respondents rated the bus, train or ferry service as good or excellent. For the five attributes of reliability, frequency, journey time, quality/comfort and price, around half rated them as good or excellent.

Whilst this type of quantitative research is useful for monitoring purposes, it only gives us an indication of the behaviour and experiences of public transport users and tells us nothing about non users.

The potential for other types of research is demonstrated by the recent focus group research in the Hutt undertaken as part of the Hutt Valley Bus Service Review (note this is also the subject of a preliminary report to the Committee). This has shown us that when we “dig below the surface” with both users and non-users we can obtain much useful information about perceptions and attitudes to public transport.

The research has found that bus services in the Hutt Valley are perceived as “tired”, and that there is scope to improve the image of services. It has also been found that there is a lack of awareness of existing services and that people would like more information about services. A notable exception is the Flyer service between the Hutt and the airport of which there is a high awareness.

In general we don’t know enough about perceptions and the barriers to public transport usage in this region – what would make a difference to people using services. Nor do we know whether a preference for public over private motor transport can be significantly influenced by concerns of sustainable development. We can however gain some useful insights from marketing research and marketing campaigns in other parts of New Zealand and Australia.

3.2 Research on image and branding

Focus group research exploring branding and communication issues was undertaken for Environment Canterbury in 2000. The research found that to increase patronage there was a need to move perceptions of public transport from necessity based use to an active choice of travel mode.

It was found that different groups of passengers have different needs from an information and branding perspective. Particularly amongst young people, the main barriers to using bus services relate to the image of services.

However the Christchurch researchers found that the perceptions of the Orbiter, a new suburban ring service, were quite different. This service was viewed as modern, attractive, convenient, a mode of choice and was perceived as not being “a bus”. This is particularly interesting because it demonstrates the successful application of marketing techniques including a distinctive brand applied across all elements of the service (including buses, stops, timetables and advertising) and a communication strategy highlighting travellers destinations and the benefits for passengers.

The Christchurch research also found that the relationship most people have with the bus service is with their own particular bus route rather than the network. The researchers concluded that if the bus services were to move forward – in terms of service, technology, performance and patronage – an integrated identity (brand) with values customers could relate to was needed.

3.3 Individualised marketing

In Auckland and in Perth there has been some success with individualised marketing. Individualised marketing programmes recognise that each person’s situation is unique and that their transport needs are likely to be different.

In Auckland the Regional Council has run work-based public transport promotions for several years to raise awareness of public transport options by staff who work at hospitals. These promotions involve personalised on-site travel planning days carried out by people who know Auckland’s public transport system, supported by an internal communications campaign (posters, group email, senior management advocacy) and free trial travel offers. Research is currently underway evaluating the effectiveness of the February 2002 promotion run in conjunction with the Auckland District Health Board. The Auckland Regional Council (ARC) is planning further promotions targeting other major employers and destinations such as shopping malls.

In Perth there has been success with individualised marketing promotions. This has involved direct phone contact to identify households interested in finding out more about alternatives to the car such as cycling, walking and public transport, followed up with information on travel options by phone or through home visits including free test tickets and personalised timetables. In the programme people are encouraged to consider an achievable objective of changing just a few of their car trips per week to an alternative mode. Around 40% of those contacted were interested in more information.

4. Proposed Focus Group and Quantitative Research

The focus group research in the Hutt and Christchurch has demonstrated the value of exploring perceptions of services and barriers to using public transport with both users and non-users. It is proposed to extend this type of research approach to the rest of the region, with a particular emphasis on information that will assist us to design

marketing and communications promotions including the alignment of these with our commitment to sustainable development. In particular the research will explore:

- Market segmentation - whether different groups have different perceptions and would respond to different promotions and the role of various motivators (eg concerns about the environment; costs of travel; comfort, reliability and safety)
- Image and branding of services
- Barriers to using services – what would make a difference
- Information requirements – in what form do people want information on services
- Technology improvements eg real time information and integrated ticketing.

The key messages emerging from the focus group research would then be tested for consistency across the region through a quantitative survey.

It is anticipated that the focus group and quantitative research would cost around \$60,000.

5. Proposed Marketing Initiatives

The focus group and quantitative research will assist us to identify the motivators and barriers of particular segments of the population. We will then be in a position to develop targeted marketing programmes and information tools for different market segments.

5.1 Pilot market segmentation programmes

Based on the results of the research it is proposed that we pilot several marketing initiatives that have been shown to work in other markets. The purpose of the pilots will be to:

- Apply the results of the focus group / quantitative research to practical marketing tools, and gain further feedback from participants
- Use pilot marketing programmes to gauge costs / benefits of broader application throughout the region.

The options proposed include:

- a) A travel-planning pilot along the lines of the Auckland programme, targeting the employees of a major employer e.g. public hospital. The objective would be to see if there is potential to increase patronage by supplying transport information that is relevant to individual circumstances and by providing special offers to try-out services. Such a programme would of course require the co-operation of transport operators and working with the internal communications staff of the selected organisation. The cost, including display and promotional materials, would be in the order of \$10 - \$15,000.
- b) A direct marketing trial similar to the Perth model where households were contacted by phone to see if they would like more information about public transport options. Again, the objective is to increase patronage through supplying

personalised travel planning information. This pilot could draw on the WRC's recent experience in running the Water Wisely direct marketing campaign. The cost would be around \$50 – 60,000 for this trial.

5.2 Pilot information tools

We also propose a promotional campaign if the initial research shows that there are opportunities to promote the use of public transport. The messages, target audiences and tools would be developed from the findings of the focus group and quantitative research. Note there may be an opportunity to focus the campaign in the Hutt to support the bus services review.

The options proposed include:

- a) A campaign promoting public transport, in co-operation with operators, using bus-advertising, radio advertising or other media as identified by research. The budget for this would be around \$40,000.
- b) Further research to design and test tools to provide information about public transport for example the design of timetables or information kiosks. The budget for this would be around \$10,000.

6. Long Term Picture: Public Transport Marketing Initiatives

6.1 Second phase

Once we have a better understanding of barriers and perceptions from the research phase, we will be well placed to consider:

- the branding of public transport in the region
- the design of a programme of targeted marketing.

6.2 Co-operation with operators and other regional councils

A preliminary discussion with transport operators in the region indicates a mutual interest in public transport research and marketing and a desire to share (non-commercially sensitive) information and knowledge. In particular the following issues have been identified:

- the infrastructure has to be consistent with and support the marketing message eg there may be a need for driver training
- the need to influence the territorial local authorities to proactively support public transport
- there is potential for joint promotion and branding to encourage greater use of public transport.

We have also had initial discussions with officers of ARC and Environment Canterbury that suggest there is benefit in working together on public transport marketing issues.

The ARC recently engaged Booz Allen Hamilton to investigate the way in which ARC, territorial authorities and transport operators understood public transport customer needs. The research revealed limitations in the available information about public transport customers and it was recommended that ARC initiate strategic market research beginning with research to identify segmentation of the public transport market. This is consistent with the approach proposed in this paper.

7. Recommendations

It is recommended that the Committee:

1. *Note that our aim in marketing public transport is to attract new users and increase usage by existing users and at the same time advance the broader objective of the WRC in respect to sustainable development.*
2. *Agree to market research to understand barriers to using public transport in this region and to identify the segments of the population where there is the greatest potential for growth.*
3. *Agree to pilot programmes to test the potential of individualised marketing and other means of improving the provision of information about public transport services.*
4. *Note that officers are discussing public transport marketing issues with transport operators and officers of other regional councils*

Report prepared by:

HELEN WOOD
Senior Advisor Corporate Policy

ANDREW CUTLER
Communications Manager

Approved for submission by:

ANTHONY CROSS
Manager Public Transport