

Marketing At the MTA

The marketing functions at the MTA are handled by various MTA staff in several different departments. Most marketing work is currently done by the Rideshare Director, Rideshare Committee, the Executive Director, and the Customer Service Department. With the exception of sales of space for advertising on benches, shelters, and signs on buses to outside firms, MTA does not have any staff dedicated solely to marketing related functions. It has been approximately 10 years since MTA had a full-time Marketing Director who handled marketing activities. During the October Board meeting a job description for a marketing position was presented for consideration by the Board. This position has not yet been budgeted and filled.

The Rideshare Associate reports directly to the Executive Director and is responsible for coordination of ride matching and car/vanpooling activities, outreach to local businesses and agencies to determine the needs of area employers, the development of new programs to meet needs, administration of the Mobility Check program, and other special services and promotions of those services. It falls to the Rideshare Associate to coordinate marketing and promotion of new services. In this capacity, the Rideshare Associate is a member of the Rideshare Committee, a committee that works on the development, marketing, and promotion of all new services and on the redevelopment of existing services that no longer meet the needs of the community.

Marketing Plan

Each Fall, the MTA staff works directly with its marketing consultant to develop an annual marketing plan. The MTA staff that are involved in the development of the annual marketing plan are the Executive Director, the Director of Customer Service, and the Rideshare Coordinator.

With the marketing agency, this group makes decisions related to design, layout, expenditures, target audiences, media releases, and anticipated marketing results and the evaluation of those results. The annual marketing plan includes marketing objectives, key strategies for advertising and promotions, public relations, research and tracking, and target audiences for various campaigns.

Advertising and promotional campaigns vary based on the service being promoted. Most consist of bus ad signs, bench ad signs, print ads, 30-second radio spots, and media releases. The MTA Advertising Sales Office negotiates with newspapers and radio stations for the purpose of acquiring print ad space and air advertising time. Space is reserved for print ads and is placed directly by the contracted advertising agency. Radio spots are approved by the Rideshare Committee and are placed directly by the advertising agency. On occasion, direct purchases are made for specific campaigns and promotions.

The MTA produces an extensive variety of advertising and promotional media, and handouts that provide information relating to the MTA and its transit services.

Marketing Goals and Objectives

The goal for the 1999-2000 marketing plan was to continue to enhance MTA's image through an integrated marketing communications program that made the best use of available resources, including media trade, MTA's own media vehicles, targeted promotions, and public relations. Objectives included:

- Generate increased usage for bus, trolley, vanpools, and Access Ride
- Attract new users through improved communications and continued introduction of new programs that meet specific needs
- Continue to position public transportation and the MTA as the key to Nashville's successful growth as a major urban player
- Increase trip frequency among existing riders through special activities and promotions
- Expand the MTA customer database to allow for more targeted advertising and promotional programs
- Reduce air pollution to relieve traffic congestion by enticing people to use public transportation
- Find ways of reaching new riders through increased visibility at special events and targeted programs that encourage trial use of the system.

Targeted Programs

During 1999-2000 a number of targeted marketing programs were undertaken. A selection of some of the larger undertakings includes:

- MTA Website - came on line March 2000 for MTA customers with internet access
- Transit Guide 2000 - available March 2000 for MTA customers without internet access
- Improved system map - more comprehensive and understandable
- Direct mail campaigns - to targeted businesses and individuals who may use the service being marketed. Use mailing lists from promotions and other lists. Identify who they are trying to reach and where they are located (with contractor's assistance).
- Door-to-door Opry Mills service campaign - literature distribution to those businesses and households within the area of Opry Mills services
- Midtown Connector Community Outreach - information booths were set up at three grocery stores in three sectors of the city served by the Midtown Connector to provide information about this new service.
- Quarterly publication of the Commuter Connection - information guide to commuting in middle Tennessee that has a circulation of approximately 15,000.

- Special event service and promotions such as Tennessee Titans games, relocation of remote parking lots, advance ticket sales, promotions and press releases
- Try Transit - community outreach campaign to eight targeted groups: city-wide bus riders, student riders, college students, tourists, downtown commuters, special event riders, disabled riders, and senior riders.
- Clean Air Month - a \$40,000 campaign to promote the use of public transit with the objective being to encourage the public to take part and contribute to a healthier environment. Clean Air Month is a collaborative effort between RTA, American Lung Association, Tennessee Department of Environment and Conservation, and the Metro Health Department.
- RIDE Team - a partnership between MTA, RTA, the TMA Group, and Tennessee Vans. RIDE Team's collective efforts enhance the effectiveness of regional ridesharing and increase the overall efficiency of the Rideshare program. The RTA maintains the ride-matching database. The MTA requests matches based on call-in requests from the MTA's rideshare telephone line.
- Mobility Check program - vouchers from employers to employees for transportation, having a tax benefit for employers. The program is initially promoted via direct mail to business. Follow-up meetings are scheduled to fully explain the program to interested employers. The program recently took a large jump in size when the USDOT signed on (\$200,000 contract value).
- Vanpool services - MTA offers leases to employers and individuals operating vanpools.

Marketing activities and promotions for ACCESS RIDE services are handled separately by another private contractor, working directly with the ACCESS RIDE staff.

General Programs

Along with its marketing agency, the Rideshare Committee selects what MTA programs and services are marketed. Some long-established programs that include marketing efforts to the general public, such as Clean Air Month, occur each year. Other programs are marketed to the general public for shorter, more focused periods of time.

For example, each year the Rideshare Committee reviews existing services to determine whether they are still meeting the needs of the public. Market specific campaigns are then developed to improve the performance of under-performing routes and services.

Examples of marketing efforts to the general public include:

- **Clean Air Month** - the objective of this collaborative program is to make information available about products and services, including transit (both bus and commuter rail), that contribute to a healthier environment. Events included a "Clean Air Party in the Plaza", with exhibits on how the

public can make a difference, an RTA clean air website, \$0.25 bus fares on Wednesdays in May, free commuter rail rides, presentations, community outreach, demonstration trolley rides, and “Share-a-Ride Day”. A brochure detailing Clean Air Month efforts and outcomes was created and distributed to the public.

- **Try Transit** - conducted along with Clean Air Month, this community outreach campaign target eight groups, including city-wide bus riders. This outreach campaign provided in-depth information to the public about MTA’s various services through site visits and direct mail. The program also offered free coupons to “Try Transit” and solicited information from the public about their transportation needs and wants.
- **Reintroduction of the “Zone” service** - MTA talked to users of the service to determine how to make it better meet their needs. As a result, the service was reintroduced to the public via radio and other media releases, with an easier to read color-coded map. The fare was lowered to \$0.25 from \$0.30 and bus and bench signage for the “Zone” was changed because patrons thought it looked like a restaurant ad. The impact of this change is being measured through ridership data collected through fare boxes and analyzed by the Director of Operations.
- **“It’s Time for Transit” campaign** - newspaper advertisements promoting the progress being made by MTA, quoting statistics on ridership and recent service improvements, and including plans and a strategic vision for the future.
- Annual updates of the MTA system map
- Bi-annual schedule updates that match routine service changes.

As with targeted marketing efforts, advertising to the general public is often placed in newspapers and on the radio through the use of trade value, coordinated through MTA’s advertising Sales Executive. MTA bus, bench, and other facility signs are also utilized to the fullest extent possible.

Staff Qualifications and Experience

Presently, there is no marketing department at MTA. Aside from the Rideshare Director, who handles some marketing related activity, and a Sales Executive, who handles sales of advertising space to outside vendors, there are no employees fully dedicated to marketing functions. Of the MTA staff that is involved in marketing activities, excluding advertising sales, none have an educational background in marketing, or significant work experience (outside of present MTA duties) in marketing.

Most of the work done on marketing in the MTA is done by staff members who have other primary responsibilities. Rather than having in-house expertise, MTA has chosen to contract for marketing expertise.

Outside Resources

MTA contracts for the majority of its marketing needs, including advertising, printing, graphics layout, press and media releases, and direct mail. Although it is now maintained and updated in-house, MTA also contracted for the initial development of its website.

MTA's primary marketing contract recently ended after a long-time relationship with one firm. A new firm was awarded the contract. A part of the reason a new firm was selected was that the MTA wanted to tie ridership trends and other statistics to marketing efforts. The new marketing firm committed to developing an annual marketing plan that includes measurable goals, goals that will allow MTA to assess the success of individual programs.

The new marketing plan was presented at the November 2000 MTA Board meeting. However, the full plan has not yet been approved due to concerns about not having fully identified and researched targeted markets and questions about measurement tools.

Conclusions

MTA does not have a Marketing Department or a true marketing staff. Instead, MTA has chosen to delegate marketing related duties to various MTA staff members, and to contract for specific marketing expertise. Staff from various MTA departments coordinate with the marketing consultant to develop marketing and advertising campaigns. The majority of marketing and advertising campaigns are targeted campaigns that are developed to complement new, specialized, and reintroduced services.

The marketing materials that the MTA has developed are similar to those that other transit systems use, well prepared and presented, and are well suited to the MTA's services and programs.

The marketing approach so far has been focused on promotion and advertisement. These plans have not provided MTA with the tools it needs to gauge the results of these activities. More comprehensive Marketing activity, such as research to identify service needs, understanding the local marketplace, input into pricing decisions and the tools to measure results have been largely absent. The little work that has been done appears to have been based largely upon general perceptions and conventional wisdom relating to public transportation needs, desires, and target markets.

Marketing and advertising results from past plans have been documented in quarterly summaries. These summaries list the activities of each quarter, but generally do not attempt to quantify activity outcomes or compare outcomes to the achievement of goals. Results are not reported in a way that they can be tied to ridership trends or other statistics. Nor do the reports provide statistics that can be used to gauge the success of programs. Therefore determining the extent to which past marketing and advertising campaigns were successful is difficult.

Some of the documented key strategies of the 1999-2000 marketing plan focused on research, tracking, and developing marketing tools that reach people. It is unknown whether any of the proposed surveys were completed or what actions were taken as a direct result of the survey outcomes. The 2000-2001 marketing plan has not been approved by the MTA Board due to concerns about not having fully identified and researched target markets and due to questions about measurement tools.

Recommendations

Responsibility for marketing functions should be focused and organized under a qualified director of marketing. Contracting for outside marketing and advertising expertise has its place but is no substitute for the development and management of an integrated marketing program.

The successful candidate should be a seasoned marketing professional who is not tasked with non-marketing related job responsibilities. Current participants and contributors to the marketing program should continue to provide marketing support under the direction of the new director. The new approach would hopefully move MTA beyond ad hoc promotion and advertising campaigns of the past to a more balanced integrated marketing approach.

The MTA should also review the role of the marketing consultant that works with ACCESSRIDE and integrate the work of that program with overall marketing program – particularly as the recommendations of the SRTP are finalized and the possible use of the ACCESSRIDE system as the provider of substitute services develops.

Cost implications

The cost of the recommended Marketing Director is included in the recommendations from the Governance section of this audit (approximately \$60,000 salary plus \$15,000 in benefits – Note also Marketing positions may also include a component of incentive compensation depending on job scope). The follow-on costs associated with upgrading and building a more sophisticated Marketing function may well be funded through reallocation of existing activities in the near term. Longer term there are likely to be expanded investments in this function. If the Marketing group is effective, however, these costs can

be thought of as self-funding. That is, specific goals related increased ridership, revenue, etc. should be directly tied to Marketing funding and performance evaluations.