

MINUTES OF DIRECTORS MEETING
LANE TRANSIT DISTRICT

SPECIAL MEETING/WORK SESSION ON
LTD MARKETING PROGRAM AND GOALS

Wednesday, March 16, 1994

Pursuant to notice given to The Register-Guard for publication on March 14, 1994, and distributed to persons on the mailing list of the District, a special meeting of the Board of Directors of the Lane Transit District was held on Wednesday, March 16, 1994, at 5:30 p.m. in the LTD Board Room at 3500 E. 17th Avenue, Eugene.

Present: Pat Hocken, President
Dave Kleger, Treasurer
Thomas Montgomery, Secretary
Kirk Bailey
Rob Bennett
Steve Engel
Phyllis Loobey, General Manager
Coleen Fox, Minutes Recorder

Absent: Tammy Fitch, Vice President

CALL TO ORDER: Ms. Hocken called the meeting to order. She informed the Board that at this special meeting no decisions would be made. The purpose of the meeting was to hear a staff presentation by Ed Bergeron, LTD Marketing Administrator, on the current marketing program and LTD's long-term marketing goals.

CURRENT MARKETING PROGRAM AND LONG-TERM GOALS: Mr. Bergeron began the presentation by giving background on the need for marketing at LTD. He cited four primary reasons for the need: (1) to replace lost riders; (2) to increase the ridership of current customers; (3) to communicate service details; and (4) to educate the community about transit values and benefits. Mr. Bergeron said that replacing lost riders was an important task since 39 percent of all LTD riders were new each year. He noted that this figure was derived from the Origin and Destination survey done once every two years. Mr. Bergeron noted that such a high turnover rate was not unusual, and that for many businesses, transit and non-transit alike, approximately one-third of the customers turn over annually. With respect to how current riders could be encouraged to increase their ridership, Mr. Bergeron said that this could be achieved by creating pricing plans that make it economically beneficial for riders to ride the bus more frequently. He cited the example of monthly passes, which are more cost-efficient than paying per ride. Mr. Bergeron explained that there was also a need to communicate service details because there were changes in services every year. He said that keeping the public informed was important for maintaining and increasing ridership.

Mr. Bergeron outlined Marketing Division responsibilities. He listed the following responsibilities: advertising, creating printed materials, keeping in touch with the news media, working with sales outlets, doing ridership promotions, conducting market research, and handling charter services. In response to Mr. Engel's question about the most recently conducted market

research, Mr. Bergeron said this was done in 1990. He noted that at that time the focus had been on maps, digests, and an opinion survey. Mr. Bergeron explained that as a result of this research, changes were instituted at LTD. He gave the example of the elimination of timetables because market research showed them to be redundant. He also gave the example of "attitudes and awareness" surveys, on which people rate the job that LTD is doing. He cited a study of attitudes and awareness done in the San Francisco Bay area that was targeted toward regular transit and non-transit users. Mr. Bergeron said that it was interesting to note that people who did not use the bus rated it less favorably than those who regularly rode. Some of the areas where non-users rated transit less favorably were simplicity, safety, modernity, and cost. He said that given that many of these attitudes seemed to be based on misconceptions, marketing could play a role in improving transit's image and getting these people on the bus to see what the conditions actually are like. Mr. Bergeron added that LTD had won the Blue Heron award for recognition of the important role it played in bringing conventions to Eugene through its charter services.

Mr. Bergeron gave examples of the benefits of bus riding, such as cleaner air, reduced stress, and lower costs. He compared these benefits to negative perceptions about transit such as increased noise, graffiti, and safety problems. He noted that marketing could help promote the benefits and dispel negative images based on false perceptions. Mr. Bergeron showed the Board two videos: one which promoted LTD as well as other alternative forms of transportation, and one which focused entirely on LTD, elaborating on the benefits of transit.

Mr. Bergeron reviewed the marketing budget for the period from fiscal year (FY) 1987-88 to FY 1993-94. He explained that the major areas of budget expenditure were as follows: (1) staff and administrative support; (2) direct service communications; and (3) transit promotion, education, and corporate image. He noted that the trend in the past few years had been to spend more on direct service communications because of significant service changes that had to be communicated to the public. Mr. Bergeron explained that this was a very staff-intensive process. He said that although spending had increased in this area, the overall budget through this period had remained relatively flat due to limited marketing funds. Therefore, as expenditures for direct service communications increased, the expenditures for transit promotion and education decreased from FY 1991-93. This year, money had been allocated for promotion and education, but because other agencies were involved in the process, the campaign had been slowed and the investments not yet made. He said that if the Board wanted to proceed with the process, the investments in promotion and education would be made.

Ms. Hocken said that as she understood it, staff were asking the Board to approve approximately \$66,000 to continue with the marketing efforts. Mr. Bergeron confirmed this and explained that as a percentage of the total LTD budget, the marketing budget had declined in recent years. He said that consequently, non-transit riders saw less and less about LTD, because less money was available for promotion. Direct service communication had increased from \$132,553 in FY 1987-88 to \$276,676 in FY 1992-93, but had decreased to \$196,700 in FY 1993-94 because LTD had discontinued timetables. He noted that this reduction allowed for more money to be budgeted for promotion and education.

In response to Ms. Hocken's question about whether the employees at the Customer Service Center were part of this budget, Mr. Bergeron said they were not.

Mr. Bergeron showed an outline of the marketing budget development process. He displayed a flow chart which began with LTD goals and objectives and budget projections. These led to an annual rate review and annual service plan which in turn led to the creation of promotion and pricing plans. At the end of the process, a marketing action plan was designed, which fed into and was supported by the marketing budget. Mr. Bergeron noted that with each fiscal year, the direction and goals of LTD were updated, and that for the next year, staff wanted to bring new Board members into the process. He said that the recommendations and objectives for the coming year would determine the direction of marketing efforts.

Mr. Bergeron provided background information on the history of the public education campaign. In 1991, the LTD Board had discussed strategies for increasing service levels and correcting operational problems. In the winter of 1991-92, strategic goals for the period 1992 to 1995 were approved, including goals to strengthen partnerships with other agencies and to assume a leadership role in the community as a promoter of alternative transportation. In 1992, service increased by 6.7 percent, and in 1993, service increased by 6.4 percent, both to help correct the operational problems the District was experiencing and to position the District to help the community meet local, state, and federal transportation and land use regulations.

Mr. Bergeron explained that if the Board authorized staff to begin the activities and to use the public education campaign budget to cover associated costs, work would begin on the research, design, and promotion campaigns in the spring of 1994. As an example, he noted that LTD would be involved in the promotion of a high-speed train that would be on display in Eugene on March 30. He stated that full campaign implementation would occur in FY 1994-95, and that in FY 1995-96, tracking, research, strategic planning, and implementation would continue. He added that in the next 10 years, much money would be spent on public transit, and it was important that the public be made aware of what was happening.

In response to Mr. Engel's question whether staff were asking for a "yes" to go ahead with this project, Mr. Bergeron said they were. He added that this was an appropriate time for Board members to ask questions and request more detailed information about the project, if needed.

Mr. Engel asked if staff were asking for an allocation of funds for the campaign prior to having definite ideas about the nature of the campaign. Mr. Bergeron listed suggested themes that the campaign could address: (1) problems associated with current transportation; (2) State and Federal mandates; (3) LTD in the community's future; (4) transportation alternatives; and (5) benefits of LTD transit, car pools, Park & Rides, and bicycle services. Mr. Bergeron said that it was important to know what the community was thinking before beginning the process, although he could probably predict 80 percent of the research results based on past experience. He also noted that with respect to allocating funds, the Budget Committee had approved money for the public education campaign, but the Board had wanted to be certain before moving ahead.

Mr. Engel asked if other agencies had made commitments to work with LTD on the campaign. Mr. Bergeron said that other agencies had committed to working with LTD, but had not committed funds to the process.

Ms. Hocken said that she felt that it was appropriate to tie joint activities into the TransPlan process, but was less enthusiastic about the general approach to encourage people to use alternative modes of transportation.

Mr. Engel asked if the other agencies would eventually support their involvement with funds. Mr. Bergeron said that he did not know, and that within the forum of the Metropolitan Policy Committee (MPC), the agencies had not been willing to make the commitment. He said that staff had indicated that there was something that each agency could contribute. In response to Mr. Engel's question about how the coordination of activities would take place to avoid conflicts, Mr. Bergeron said that LTD would work with agencies that are MPC members and would work to ensure that themes were consistent. He noted that it was primarily LTD's program. He said that similar programs were happening around the country, and showed videos from Vancouver, B.C., which detailed a partnership between public and private agencies. He explained that the primary mandate of the "Go Green" campaign in Vancouver was public education. He also showed a video created by Spokane Transit that was an example of a transit agency taking the lead in promoting alternative transportation of all kinds.

In response to Ms. Hocken's question about how this would coordinate with the Origin and Destination Survey, Mr. Bergeron said that the survey gave information about current riders, so it was limited in its use as a tool for the community at large. He added that the information gained from the Origin and Destination survey would be used where applicable.

Mr. Engel asked if the plan was to monitor the effects of public awareness on ridership in a few years, and if this sort of monitoring would indicate to staff whether the campaign had been successful. Mr. Bergeron said the results of past surveys would be compared with the results of this one to see how the evaluation of LTD had changed. In response to Mr. Engel's question, Mr. Bergeron said that the last attitudes and awareness survey was done in 1988. He noted that his earlier remark about knowing 80 percent of the survey answers in advance was based on the fact that there have been so few research dollars in the past few years that the marketing division had been forced to extrapolate from other sources and indicators about the public's attitude toward LTD.

Ms. Hocken asked if the data compiled would serve as baseline data and be compared with results (if the same questions were asked) a few years into the future. Mr. Bergeron responded that there were some old issues to track as well as new questions to ask. He suggested that there may be new issues and, therefore, new questions in the future, as well. Mr. Engel asked if it was possible that a few years from now awareness might be raised without a correlating increase in ridership. Mr. Bergeron said that this could happen due to a number of factors, such as lower gas prices and high turnover. Mr. Engel noted that the San Francisco study seemed to indicate that "convenience" (or the perception of inconvenience) was the greatest attitude/awareness difference between users and non-users. Ms. Hocken said that whether or not transit is convenient is heavily dependent on destinations and how the system serves desired destinations.

Ms. Loobey explained that the public education campaign grew out of staff concerns about the changing world and changing issues with respect to transportation. She said that the community was not currently informed or involved in the TransPlan Update process, and that Goal 12 would have a tremendous impact on the future of Eugene and Springfield. She noted that LTD had a big interest in the issues, because millions of dollars were being spent on projects such as high-speed rail and the Ferry Street Bridge. She said that, for example, with the implementation of the Transportation Rule Implementation Program (TRIP), there had been much concern and input by the business community, but the community as a whole was not informed. She said that

with the Sony plant, there was an opportunity to have transit-oriented development, but that Springfield as a community had not even begun to think about this possibility. She said that, similarly, with respect to high-speed rail, the metropolitan community at large did not understand the significance of locating the southern terminus in Eugene. She said that given the relatively uninformed public, LTD had to act and take a leadership role.

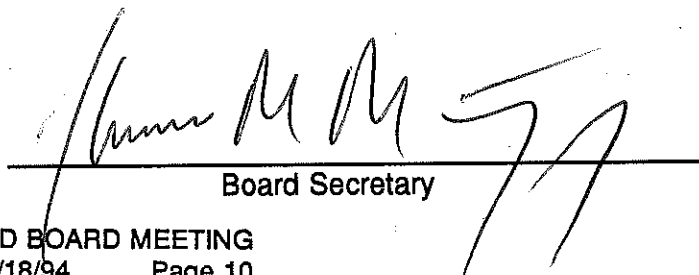
Mr. Bennett said that he agreed and felt that the public was not yet "on board" with respect to these issues. He said that the procedure usually was to have elected officials deal with the business community first and then try to make their case effectively to the public. He noted that the business community had a different set of questions than the public, and that its primary concern was gaining the highest market share. Mr. Bennett said that he felt the case must be made to the community first. In response to a question from Mr. Engel, Mr. Bennett said that he felt it was LTD's responsibility to be educators and to play a major role. Mr. Bennett said that although he was not exactly sure how to present the case, he felt that, for example, the argument about running out of gasoline was not an effective nor persuasive tool to convince people to ride transit. He thought that raising issues such as congestion and parking problems might be more effective in convincing people to cut back on automobile use. Mr. Bennett also thought that LTD primarily should be promoting the bus while supporting other modes of alternative transportation. Mr. Montgomery agreed that the bus ought to be presented as a solution to many of the problems associated with automobiles.

Mr. Bennett suggested looking into ways to make riding the bus a more pleasant experience, such a headphones similar to those on airlines. Mr. Bergeron said that as the transition from the "transit-dependent rider" to the "choice rider" is made, LTD may have to find ways to enhance the experience.

In response to Mr. Engel's question about the reason for the 30 percent annual turnover in riders, Mr. Bergeron said that it was possible that riders bought cars or moved. One major factor was the fact that so many students are riders and that they comprise a population that turns over quickly.

Ms. Loobey said that, at the regular Board meeting later that evening, the Board would be asked to take action on a staff recommendation that staff go ahead with the public education campaign. She said that the original amount approved for this campaign was \$190,000. However, that amount would not be spent by the end of FY 93-94. Staff were asking for approval to begin the public education campaign, at an estimated expense of \$66,000 during the current fiscal year.

ADJOURNMENT: With no further discussion, the meeting adjourned at 7:15 p.m.


Board Secretary