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YORK REGION TRANSIT YRT/VIVA MARKETING AND COMMUNICATIONS UPDATE - 2007

The Transit Committee recommends the following:

- 1. The presentation by Mary Lou Johnston, Manager, Marketing and Customer Service, York Region Transit, be received;**
- 2. The recommendation contained in the following report, December 17, 2007, from the General Manager, Transit, be adopted.**

1. RECOMMENDATION

It is recommended that this report be received for information.

2. PURPOSE

This report provides an overview of the 2007 YRT/Viva marketing and communications program activities, summarizes market research results and showcases award-winning marketing campaigns.

3. BACKGROUND

York Region has become one of the fastest growing communities in the country. The Region continues to add 20,000 jobs and new residential population of 40,000 annually. This growth requires a well-planned and successful transportation network that includes improvements and growth to public transit.

Transit ridership has grown from 7.5 million to over 17 million in just 5 years. New transit initiatives continue to be introduced in both the York Region Transit (YRT) network and the Viva bus rapid transit service.

Effective and ongoing education, marketing and communications to key target groups are vital for both current and new riders. Strategic marketing provides compelling reasons to overcome resistance to public transit through education about YRT/Viva services, as well as building the brands and encouraging new riders to embrace the Region's transit system.

3.1 Annual Marketing Plan Outlines Year's Objectives

Each year, a YRT/Viva Marketing and Communications Plan is developed which outlines the year's objectives, target groups, tactics, as well as ongoing market and customer research guidelines.

This year's plan included ongoing measurement programs, such as rider and non-rider surveys and focus groups, to gain insight into our target audiences and to properly gauge the impact of our communications on them. This requires staff to be accountable for the strategies and to quantify results. It also allows the refinement of products and messages for greater impact, according to the results of the measurement programs.

Research has shown that well-planned and executed education and marketing have made public transit an increasingly relevant and viable alternative for the residents of York Region.

This is still the beginning of the transit lifecycle; YRT is just over five years old and Viva is practically brand new. The combined offering of YRT/Viva is only beginning to be communicated to residents and this year's plan took that into account.

4. ANALYSIS AND OPTIONS

The goal in 2007 was to continue to drive new riders to transit and to increase current riders' usage. The immediate goal was to increase revenue boardings by 10% this year and maintain the current ratio of population to transit ridership growth of 1:4.

To achieve this, the Marketing and Communications Plan outlined key principles, target groups, essential programs, campaigns and communication messages. All facets of the 2007 Marketing and Communications Plan reflect three key principles:

- Inform.
- Educate.
- Engage.

The plan also highlighted the need to continue to promote the individual goals of YRT and Viva, while reinforcing the theme of connectivity in order to have a positive impact on public transit as a whole. Education and marketing in 2007 included tactics that fall under four key strategies:

- Engage the public.
- Promote innovations.
- Increase transit usage.
- Expand the market.

Outlined below are several of the successful marketing and communications programs and campaigns that met our four key strategies. All of our 2007 marketing and communications activities are listed in Attachment 1.

4.1 Key Strategy #1 - Engage the Public

Past research identified that engagement activities were the most memorable and effective type of marketing among riders and non-riders. This year was full of public activities and engagement. Outlined below are the details of each engagement activity.

4.1.1 Mall Engagement (Target – Riders and Non-Riders)

Every weekend throughout the summer, from May until September and again in November and December, staff have been engaging the public at a rotation of malls throughout the Region. This opportunity allowed staff to meet with riders and potential riders, build brand awareness and enlist support through a memorable and fun activity. Based on recent market research, this activity has proven to be memorable and successful at engaging the public.

4.1.2 Business Benefits Program a Growing Success

This program is designed to enlist partnerships and support for transit by working with targeted businesses throughout the Region. The program offers a bulk monthly pass discount to businesses, lunch 'n' learn sessions on transit for their employees and e-communication opportunities to register on the YRT website for automatic transit news and updates. This allows staff to meet with businesses and personally build positive and engaging relationships in support of transit.

This year's program has seen staff make contact with more than 40 local businesses and has enlisted the backing of over 10 of them. As part of this program, staff are also working with the Smart Commute Associations, local Economic Development offices, Boards of Trade and Chamber of Commerce to build awareness and gain endorsement for transit within the business community.

4.1.3 Youth On Board Program (YO!) Expanding for 2007/08

This program is focused on youth attending high school in York Region. In January 2007, the YO! program was launched as a pilot in nine high schools in York Region. The program recruits two students from each participating high school to act as transit ambassadors for YRT/Viva. This is a peer-to-peer transit education opportunity with access to school resources at minimal costs.

Between January and June, the pilot program proved to be successful and was appreciated by students, principals and teachers. Results of the pilot program survey among students indicated that over 90% of the students would like to see the program continue in their school. A further 80% found it useful and made them more aware of transit and its benefits.

Based on the pilot's success, the program will be introduced on a staged basis into all high schools in York Region. This expansion has the support of both the York Region Public and Catholic School Boards. The goal is to have this program operational in all 42 high schools by February 2008.

4.1.4 Public Engagement Events Reach 100 for YRT/Viva

Events and campaigns that engage the public will create a strong impact at a grassroots level and make it easy to enlist their support for transit. Staff have spoken with residents at more than 100 events this year.

4.2 Key Strategies #2 & #3 - Programs and Campaigns to Increase Transit Usage

Programs and campaigns aimed at involving current and new riders focused on increasing transit usage by promoting the benefits and conveniences of YRT/Viva. This year's campaigns included:

- The 'York, connected' one-system campaign that communicated the benefits of two services (YRT and Viva) combined to provide one effective, convenient and easy-to-use transit system.
- A 'Go Green, Ride Blue' campaign/rider contest that communicated the message that using transit benefits the environment. This campaign coincided with National Clean Air Day.
- A third campaign messaged the technological benefits of the new 'RideQuest Click' and 'RideQuest Call' features on the YRT website and in the call centre. These new features make trip planning more accessible and convenient for riders.

Research results, outlined below, indicate that these types of campaigns are well-liked, leave a positive impression and can lead to the trial use of transit.

4.3 Key Strategy #4 - Expanding the Market – Chinese and South Asians

Over 39% of the Region's population is new Canadians and, therefore, the target market this year was expanded to reflect the cultural mix. The largest ethnic targets are Chinese and South Asian, so communication advertorials have been translated into their languages. A second focus was attendance at local multicultural events.

4.4 YRT/Viva Wins Marketing and Communications Awards

YRT/Viva was the recipient of several marketing awards in 2007 for excellence in marketing and communications. The first was the Summit Creative Awards which recognize and celebrate creative accomplishments internationally. YRT/Viva won for its student campaign 'Connect' which messaged the ways in which students can connect on public transit. This campaign won a total of five Summit Creative Awards in several categories.

The second award was an AdWheel Award from the American Public Transit Association (APTA). This association awarded YRT/Viva first place in the 28th Annual

AdWheel Award competition recognizing YRT/Viva's light pole banner outdoor advertising campaigns.

Receiving these prestigious awards is an immense accomplishment and demonstrates YRT/Viva's originality, creativity and excellence in communications.

4.5 Market Research Results - 2007

This year, a continuous measurement system was established to gain insight into target audiences (both riders and non-riders) and to understand the impact of communications and marketing on them. It also allowed staff to make improvements to the campaigns and messages to achieve greater impact.

4.5.1 Market Research Results – Spring/Fall 2007

Research took place in the spring and fall 2007 and was designed to:

- Provide insight, and track and analyze awareness and perceptions of YRT and Viva.
- Benchmark awareness and perception levels of YRT and Viva, including the brand and various aspects of service (routes, fares, frequency etc).
- Provide insight into awareness, familiarity and effectiveness of specific campaigns conducted this year.

The first round of research in the spring consisted of qualitative research using focus groups of riders and non-riders and quantitative research using telephone interviews with 800 York Region residents. The fall research used the baseline questions from the spring, but was updated to use on-board surveys with riders, as well as telephone interviews with non-riders.

Some of the key research results include:

- Awareness and familiarity of YRT and Viva is almost universal.
- Service 'must haves' are frequency, speed and connectivity.
- Circumstances that may invoke transit trial are poor weather conditions, evening/weekends for special events, and more convenience (frequency, dedicated lanes).
- Information source usage (website, route map, etc.) is similar for both YRT and Viva riders.
- Consistent and frequent exposure, plus high reach advertising, can have significant breakthrough potential.
- The overall reaction of riders to the marketing campaigns indicate at least half agree that it grabs attention, they like it, it imparts learning, it leaves a positive impression and would lead to increased transit usage.

Generally, market research indicates that consistent and ongoing marketing and communications are:

- Building awareness.
- Educating about transit benefits.

- Improving the perception of transit through education.
- Encouraging trial through successful programs and campaigns.

Further details of the research results are outlined in Attachment 2.

In addition to market research, other factors that indicate our success and growth are:

- Revenue Ridership – an increase of 12.4% in 2006 and 6.9% to September 2007.
- Website visits – an increase of 28% in 2006 and 15% to October 2007.
- Call Centre - customer calls increase 6% in 2006 and 6% to October 2007.
- Customer Satisfaction – increase of 11% based on fall 2006 survey.

5. FINANCIAL IMPLICATIONS

The 2007 approved marketing and communications budget of \$1,950,000 was segmented and designed to include customer communication, ongoing educational and partnership programs and target marketing as outlined above.

This year's communications and marketing budget represents 3.8% of total revenue. The marketing industry average is about 9% for business-to-consumer marketing, but it always depends on the unique situation of the particular business. For example, is the business new or well-established, are there new products or services to communicate, is there a perception problem, etc.? This year's marketing budget was developed for YRT and Viva based on the need to provide communication resource materials to riders, build awareness of new services and products and to continue to effectively market the individual benefits of transit to non-riders.

In order to maximize our marketing dollars, programs were targeted at markets most likely to try transit. Ongoing measurement was undertaken to ensure the effectiveness of the marketing and communications programs and to confirm our objectives are being met. Research indicated that marketing and communications programs had a positive effect on riders and non-riders. Awareness is now almost universal, perceptions are improving and ridership continues to grow. Additionally, our programs and campaigns are well-liked, educational, have changed perceptions and have the potential to lead to increased or new riders.

It takes a steady marketing investment to change consumer attitudes and perception and to build awareness and knowledge of a service. In order to protect the investment made thus far, staff must continue to promote the benefits of transit through strategic and targeted marketing and communications in upcoming years. Strategic marketing provides compelling reasons to overcome resistance to public transit through education about YRT and Viva services, as well as encouraging new riders to embrace the Region's transit system.

6. LOCAL MUNICIPAL IMPACT

YRT/Viva staff work closely with local municipalities to provide information through transit displays in municipal offices, explore opportunities for co-promotions, attend local municipal events, and provide information in other languages.

7. CONCLUSION

It is apparent from research that transit is beginning to resonate with residents of York Region. It is necessary to continue to build upon the success and reach out to target audiences. There is a great opportunity to continue to attract and hold riders, with new services, new technologies and new features. To be successful, marketing and communications must let residents know about these exciting transit benefits. To ensure ongoing value and impact, continual tracking and research will help evaluate and refine each program.

The 2008 marketing plan will build on the successes of 2007. It will also introduce new, exciting marketing and communications programs to meet overall transit goals and objectives.

For more information on this report, contact Mary-Lou Johnston, Manager, Marketing & Customer Service (ext.5614) of the Transit Branch of the Transportation Services Department.

The Senior Management Group has reviewed this report.

(The attachments referred to in this clause are attached to this report.)