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YORK REGION TRANSIT MARKETING AND COMMUNICATIONS UPDATE

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, June 1, 2007, from the General Manager, Transit be adopted:**

1. RECOMMENDATION

It is recommended that this report be received for information.

2. PURPOSE

The purpose of this report is to provide an update on the 2006 marketing and communications successes and to outline ongoing or proposed 2007 Marketing and Communication Plan activities.

3. BACKGROUND

Residents of York Region use transit for work, school, and leisure travel. Ridership has grown from 7.5 million to 17.5 million in just five short years. This is the largest increase in transit usage anywhere in Canada. In addition, York Region continues to add 40,000 new residents and almost 20,000 jobs each year. This rapid population and economic growth demands a strong investment in public transit. It also requires that more people switch to transit use from their cars in order to achieve the Region's transit mode share target of 17% by 2031. Continued education, marketing and communications will be needed in order to build support for the YRT/Viva brands, and encourage riders to embrace and utilize York Region's transit system.

3.1 Marketing Successes in 2006

In 2006, the challenge was to position YRT and Viva as integral interdependent services providing seamless transit travel. The 'York, Connected' theme has linked both services together, as well as telling residents that YRT and Viva connect to all municipalities in York Region. This theme was consistently applied to all public education and marketing campaigns.

The 2006 marketing program focused on key target groups, identified in our research to be office workers, students and women. Messages were aimed at the target audiences most likely to respond to new offerings and services. Programs included an award winning university and college student campaigns and the 'Hop on, Hop off' campaign to promote the two-hour transfer, which means more trips, more often on one fare. Other campaigns promoted the '50 Cents to GO' program, and the development of a 'Business Benefits' program to build business partnerships and support for transit.

Riders also received easy-to-understand and easy-to-use educational materials, such as the MyTransit and Viva newsletters, route navigators, on-street information at Viva stations and YRT stops, transit information displays at local municipal facilities and up-to-date information on the YRT website.

Grassroots presence was reinforced with posters, light-pole banners and information kiosks at over 85 community outreach events.

The 2006 marketing and communications initiatives contributed to the following measurable successes:

- Revenue ridership increased by 12.4%.
- Customer satisfaction scores increased by 11% vs. 2004 survey results.
- Website visits reached two million, an increase of 28% over 2005.
- Call centre activity increased by 6% over 2005, now averaging 17,000 calls/month.
- Public awareness of the YRT and Viva brands is now almost universal, based on recent market research.
- Winner of the International Summit Creative Award for 'YRT-Viva Connect' campaigns targeted at university and college students.
- Familiarity with transit services and programs is growing through marketing but some programs and services need more promotion to non-riders.

Overall, the improvements to transit, coupled with the strong marketing and education program, has begun to change the perception and attitudes towards public transit in York Region. The 2006 marketing and communications program has built the foundation to continue to showcase our successes in future years and continue to grow ridership and support for transit in York Region.

Several marketing campaigns and programs from 2006 have been submitted to the American Public Transit Association Adwheel Awards program. These awards honour the best in public transportation marketing, advertising, promotion and communications. Award winners will be notified later this year. Examples of some of the YRT/Viva campaigns are shown in *Attachment 1*.

4. ANALYSIS AND OPTIONS

Moving forward in 2007, there is a need to continue to build on our success. Currently, transit accounts for approximately 9% of the total weekday peak period trips, with the remainder being mainly by car. To begin to turn this ratio around, marketing needs to engage target audiences, prioritize high potential target segments and understand their primary motivators.

Research has shown that 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 still brand new. The combined offering of YRT/Viva is only beginning to be communicated to residents.

There continues to be a compelling need for proactive initiatives to build upon the marketing opportunity. The demonstrable success of the campaigns has resulted in an overall increase in public engagement with transit. The momentum must be maintained in order to remain successful. It takes years of substantial and steady marketing investments before consumer attitude and perceptions change. It takes even longer to change behaviour.

4.1 Target Market

Research confirms that the target demographic with the most potential to become transit riders is the 15 to 45 age group. It represents 46% of the Region's population. This year, the marketing plan targets four distinct segments:

- Office Workers - especially in the Viva corridors.
- Teenagers 15-19 - they have little or no independent mobility.
- Women - account for 56% of riders.
- New Canadians - 39% of the Region's population are new Canadians.

This year's marketing and communications activities will be developed to attract these target markets.

4.2 Marketing and Education Strategy and Tactics

All facets of this marketing and communications plan reflect three key principles:

- Inform.
- Educate.
- Engage.

The plan highlights 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 will include tactics that fall under four key strategies:

- Promote innovations.

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

4.2.1 Promote Innovations

The advantages of transit will be emphasized and communicated by continuously promoting product and service innovations that illustrate the connectivity benefit in relevant ways to the current and potential rider.

This year's technological innovations include web-based trip planning, Interactive Voice Response (24/7 schedule information by phone), WiFi (internet connectivity on buses), schedule information directly to your cell phone, onboard news on TV screens, and security cameras at terminals. These state-of-the-art technologies will not only provide customer benefits but also inspire pride and interest in riding transit.

4.2.2 Increase Transit Usage

Programs and campaigns aimed at involving current riders will seek to increase trips by encouraging the use of transit more often for new uses. Promotion of the two-hour transfer, 50¢ to ride YRT/Viva to local GO train stations, and bulk discounts on monthly passes will also encourage more trips, more often. The 'York, connected' campaign will persuade residents to use transit instead of driving or to use it more often. It will also communicate the benefits of two services combined to provide one effective, convenient and easy-to-use transit system.

Activities will provide for continued promotion to students to increase usage and brand awareness through on-campus media and engagement programs. Our new 'Youth-on-Board' (YO!) program will also be expanded to include all high schools in York Region.

4.2.3 Expand the Market

Over 39% of the Region's population is new Canadians and therefore the target market will be expanded to reflect the cultural mix. The largest targets are Chinese and South Asian, so communication will be translated into their language and there will be a focus on multicultural events. Cultural or language barriers that act as disincentives to transit use will be dealt with by means of education toolkits in ethnic languages containing useful items such as maps and other information.

4.2.4 Engage the Public

Research identified that engagement activities were the most memorable and effective type of marketing among riders and non-riders. This year's plan is full of opportunities for public activities and engagement. Events, campaigns and programs that engage the public will create a viral impact at a grassroots level and make it easy to enlist their support. Outlined below are the details of each activity.

4.2.4.1 Mall Engagement

Every weekend throughout the summer between May and September, YRT staff will be engaging the public at a rotation of malls throughout the Region. This is an opportunity to meet with riders and potential riders, build brand awareness and enlist their support through a memorable and fun activity. The Viva Challenge held in 2005 proved to be memorable and successful at engaging the public, based on recent research.

4.2.4.2 Business Benefits Program

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

4.2.4.3 Youth On Board Program (YO!)

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 for 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 cost. Since January, the program has been successful, and is appreciated by students, principals and their peers. Based on this success, the YO! Program will be expanded to all high schools in York Region over the next year.

4.2.4.4 Public Engagement Events

Events and campaigns that engage the public will create a strong impact at a grassroots level and make it easy to enlist their support. This year, YRT/Viva staff will participate in Earth Day and Public Works Week events. Other events include two customer appreciation day events in May and October, a Clean Air Week event in June, an 'Amazing Race' event in the fall and participation in Santa Claus parades late in the year.

In addition to these planned engagement campaign activities, YRT/Viva staff will participate in over 85 community outreach events in 2007. These events are throughout the Region and range from festivals and fairs to school orientations.

The YRT website will also be utilized with engaging content to maintain interest and provide a compelling destination for target audiences who turn to the web for information and entertainment.

For many events, a media relations strategy will be developed to increase support for transit and to spread the good news about YRT and Viva. Whenever possible, a partnership will be created to lay the foundation for ongoing and positive media support.

5. FINANCIAL IMPLICATIONS

Based on recent research and tracking, this year's approved marketing and communications budget of \$1,950,000 is segmented and designed to include customer communication, ongoing educational and partnership programs and target marketing.

A \$970,000 segment of this year's marketing budget is allocated to effectively provide riders with ongoing education, communication and resources in order to use the system safely and conveniently. Another \$250,000 is planned to establish effective and ongoing partnership and engagement programs aimed at our target markets. A final \$730,000 segment will be used to promote new transit products and technologies, and for marketing the benefits of transit to both riders and non-riders.

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. Whether or not the business is new or well-established, there are new products or services to communicate, or there is a perception problem, all influence the amount spent on marketing. This year's marketing budget was developed based on the need to provide communication resource materials to riders, build awareness of new services and products, and continue to effectively market the benefit of transit to non-riders.

It takes 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, we must continue to promote the benefits of transit through strategic yet targeted marketing and communications. Strategic marketing provides compelling reasons to overcome resistance to public transit through education about YRT and Viva's services, as well as encouraging new riders to embrace the Region's transit system.

6. LOCAL MUNICIPAL IMPACT

YRT/Viva staff work closely with municipalities to provide local information through transit displays in municipal offices, explore opportunities for co-promotions and to attend local municipal events. This year's plan also targets new Canadians which make up 39% of the Region's population. Staff will work with local municipalities to attend ethnic celebrations, 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. Now is the time to build upon the success and continue reaching out to target audiences. There is a great opportunity 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 us evaluate and refine each program.

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

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is attached to this report.)