

Canadian Urban Transit Association  
Association canadienne du transport urbain



Region of Waterloo/Grand River Transit

## MARKETING TRANSIT IN CANADA: MEETING THE RIDERSHIP CHALLENGE

*To prepare for Grand River Transit's upcoming Bus'n'Bike marketing campaign in the Region of Waterloo (Ont.), area citizens volunteered as models during a photo shoot and showed how easy it is to use the bus fleet's new bike racks.*

Canadian transit systems are working hard to satisfy today's riders and attract new ones tomorrow. More than ever, they rely on marketing strategies to understand and engage current and potential customers.

Transit marketers contributed to record-breaking national ridership in 2004 through their efforts in research, service planning, customer relations, promotion and community partnerships. Despite this range of functions, they manage to be effective with only limited resources. Most Canadian transit systems spend less than one percent of their operating budget on marketing activities.<sup>a</sup>

This issue paper will review several key aspects of marketing as practised by Canadian transit systems. These include promotional tools like **branding and positioning**, **targeted marketing** and **special events**. They also include **customer information**, **fare incentives**, **partnerships** and **research**.

### The scope of transit marketing

When transit customers board a bus or train, they are not just participating in a transaction — they are making transit an integral part of their lives. Transit systems have responded with a customer-centred approach to marketing that moves beyond the conventional "product, pricing, promotion and placement" approach to product marketing.

The full scope of transit marketing involves a broad range of actions to identify and meet customer needs. These include service planning and promotion, setting of fare structures and levels, public information and education, and management of community and customer relations. All these actions involve an iterative cycle of researching customer needs and strategic opportunities, planning and implementing measures, then evaluating and reviewing objectives and tactics.

## Key challenges

Transit marketers face several unique challenges that are not shared by their colleagues in more conventional areas of product marketing.

**Diverse customer needs.** The transit market includes a variety of groups including students, seniors and commuters. Each of these groups has different interests and lifestyles; each travels for different purposes; each chooses transit for different reasons; each responds to different messages; and each is best reached in different ways. This diversity requires marketers to think and work in multiple, parallel channels.

**The challenge of selling social benefits.** Traditional marketing works by emphasizing a product's direct benefits to consumers. However, transit provides several vital community benefits (social, economic and environmental) that can also be used to attract riders. Finding strategies to carry these social marketing messages effectively, however, requires creativity.

**Service development constraints.** Transit systems are constrained in their ability to add or modify services in support of marketing objectives. Municipal budgets are limited, the logistics of route and schedule changes can be complex, and transit systems must mind their social objectives as well as their business goals. These factors can make it difficult for transit systems to respond quickly to new market opportunities.

**Limited resources.** While effective marketing need not be expensive, it must compete for resources with the day-to-day operating needs of transit systems. By definition, marketing opportunities are almost limitless. It is a constant challenge to identify innovative, cost-effective strategies and delivery mechanisms that make the best use of available dollars.

## Strategy: Branding & positioning

Every transit system works to develop a positive *brand*, which is the sum of the perceptions and experiences of its customers. As such, a transit system's brand plays a large role in influencing the attitudes and travel decisions of both riders and non-riders.

**Brand creation or enhancement.** Marketing tools can reshape or enhance a transit system's brand. The goal is to improve the competitive position of transit services, relative to car travel, as perceived by current and potential customers.

Recently, many systems have created distinct brands for new express routes and bus rapid transit services. These brands incorporate a unique "identity" for stations and fleet, distinctive vehicle interiors, and special customer information. They also incorporate efforts to build a strong public appreciation of the service's distinct benefits. Recently launched brands include the VIVA service of York Region Transit (Ont.), the MetroLink service of Metro Transit in Halifax Regional Municipality, and the iXpress service of Grand River Transit in the Region of Waterloo (Ont.).<sup>b</sup>



**Positioning campaigns.** Marketing tools can also be used more subtly to position transit as an attractive and beneficial public service. A common positioning strategy is the development of messaging campaigns to strengthen the public perception of transit as a smart and sensitive way to get around.

Some campaigns address a broad set of issues — for example, Whistler Transit (B.C.) has run a series of humorous and provocative advertisements that highlight transit's convenience, affordability, and social and environmental benefits.

Other positioning campaigns focus on a single issue. One example is GO Transit's recent "All routes lead to a healthier environment" campaign in the Greater Toronto Area. Another is BC Transit's 2004 "Gas Pains" campaign that promoted local transit services as a financially sensible choice at a time of rising gas prices.

*St. Albert, Alberta*

### Rebranding gives St. Albert Transit a boost

Around 2003, staff at St. Albert Transit realized that a change was needed. In a municipal survey almost 40% of residents said they had "no opinion" about the transit service, and negative opinions were being expressed in local media. The transit system needed a new identity that was clearly tied to the service's broader community benefits.

A comprehensive rebranding process was begun to improve the public's awareness and understanding of transit in St. Albert. The system developed a new name: StAT, which is an abbreviation from Latin for "instantly." It also created a new logo, ride guide and website address ([www.ridestat.ca](http://www.ridestat.ca)). In fall 2004 it launched a campaign of bus board and newspaper advertisements that emphasized transit's financial, environmental and health benefits for both riders and non-riders.

As a result of the \$25,000 campaign, ridership has grown by almost 5% and a 2005 community survey of residents led to several key findings:

- 81% agreed that "Public transit makes the community a better place"
- 61% of non-transit users agreed that "Even though I don't use public transit, I still benefit from it"
- 80% recalled seeing the new logo
- 28% said they were better educated about transit's benefits
- 14% said that the campaign had encouraged them to use transit more



*St. Albert Transit won a CUTA National Transit Corporate Recognition Award in 2005 for its rebranding campaign. See [www.ridestat.ca](http://www.ridestat.ca) for more information.*

## Strategy: Targeted marketing

While branding and positioning strategies target a wide public audience, more selective approaches can bring other benefits. Targeted marketing campaigns let transit systems offer customized information to specific audiences like commuters, students, festival patrons, families on weekend outings, or tourists.

"Individualized marketing" is an emerging form of targeted marketing. It uses one-on-one consultation to identify and overcome obstacles that prevent individuals from taking transit more often. This technique has had good results in several international applications, and it is starting to be tested in Canada. In the Greater Vancouver Regional District, TransLink is planning a "TravelSmart" individualized marketing program in six neighbourhoods as part of Transport Canada's Urban Transportation Showcase Program.<sup>c</sup>

## Strategy: Special events

Transit marketers know that special events can encourage non-users to try transit, and create opportunities for free media exposure. A special event revolving around a major public concern like air quality can boost visibility and ridership while also benefiting a transit system's brand and competitive position.

Examples of special events include the free transit service on smog days offered by Transit Windsor (Ont.) in 2003, and the 2-for-1 fares offered by OC Transpo (Ottawa, Ont.) and Société de transport de l'Outaouais (Gatineau, Que.) on Clean Air Day each June.

### Greater Montreal, Quebec

#### Car Free Day

Since 2003, Montreal has been one of 1,500 international communities celebrating Car Free Day (« En ville, sans ma voiture ! »). The Agence métropolitaine de transport (AMT) and the Société de transport de Montréal (STM) have been key partners in the annual event.

In 2003, the event closed several downtown Montreal streets to traffic between 10:00 a.m. and 3:00 p.m., generating extensive media coverage and one-day bus and subway ridership increases of 10% to 15%. The 2004 event closed more streets in two different areas, and doubled participation to 25,000 people.

Follow-up surveys in 2004 revealed the event's impact: 89% of Greater Montreal residents were aware of it, 81% approved, and even 69% of solo drivers supported future events. It was estimated that 40% of regular car commuters in the area affected by the event found alternative transportation like bus, subway, bike or carpool.



For more information see [www.amt.qc.ca/comm/enville05](http://www.amt.qc.ca/comm/enville05)

## Strategy: Customer information

Transit marketers know that potential customers can be discouraged when information is hard to find or understand. As a result, they have made rider guides and schedules easier to read and interpret, and expanded customer information onto the Internet with cutting-edge technologies like web-based trip planners.

New operational and communications technologies have led to real-time arrival displays and multipurpose video displays at passenger terminals and bus stops. Such tools offer more than information — they send the message that transit systems are modern, sophisticated and eager to help customers get the most out of their travel experience.

### Greater Toronto Area, Ontario

#### GO Transit targets post-secondary markets

GO Transit has improved commuter services for student riders in recent years. The system now serves eight colleges and universities, most of which are in the busy Highway 407 corridor. Because post-secondary students have a high turnover rate (nearly 30%), GO Transit undertakes an annual marketing effort to keep them informed of their transit options.

Since 2003, the "GO to School" campaign has involved on-campus transit booths, campus newspaper advertisements, posters and wallet card handouts. In 2004, GO Transit's 1.3 million college and university riders represented a 60% increase over 2003 levels.



Several campus-oriented GO routes now run above capacity, and some will be upgraded to bus rapid transit quality in the near future.

GO Transit staff speak with York University students at a special event to celebrate the millionth rider on GO's Highway 407 bus service in 2004.

### St. John's, Newfoundland and Labrador

#### Keeping Metrobus customers informed with TimeTrack and Live Chat!

In April 2004 the St. John's Transportation Commission (Metrobus) introduced TimeTrack, the first web-based real-time schedule information service in Canada. TimeTrack allows customers to follow the progress of all routes in service and learn whether their bus will arrive on time. TimeTrack has quickly become the most requested page on the Metrobus.com website.

Metrobus has also launched a service called Live Chat! that lets website visitors ask questions of Metrobus information staff in real time.



Metrobus won a CUTA National Transit Corporate Recognition Award in 2005 for its TimeTrack service. See [www.metrobus.com](http://www.metrobus.com) for more information.

## Strategy: Fare incentives

Transit fares are another opportunity to extend conventional marketing strategies. For example, a number of Canadian transit systems now sell transit passes to employees at participating workplaces through payroll-deduction programs. These passes often include a discount, and some take the form of "permanent" pass cards that are more convenient than monthly paper passes.

High-tech "smart cards" also offer the possibility of integrating the fare systems of neighbouring transit systems and promoting cross-boundary transit use — which are two key objectives of the Greater Toronto Area Farecard to be launched in 2007.<sup>d</sup> In Gatineau (Que.), the Société de transport de l'Outaouais uses data from smart card usage to better understand passenger habits and preferences, and to develop services that better meet customer needs.

## Strategy: Community partnerships

Transit marketers can extend their reach by partnering with agencies that share objectives or customers. These "win-win" arrangements can heighten exposure, reduce costs, deliver added value to customers and even serve a greater social purpose.

Edmonton Transit is one system that sees local partnerships as a way to make more of its resources, build relationships with key customer groups, and improve the image and perceived value of public transit. The agency has struck successful local partnerships with charitable causes like the United Way and Edmonton's Food Bank, as well as with environmental and business groups like the Sierra Club Canada and Chamber of Commerce, and government agencies.

Other transit systems have partnered with the local tourism industry to mutual advantage. For example, the Société de transport de l'Outaouais (Gatineau, Que.) has created a special bus route linking numerous hotels to local attractions, and participating hotels offer free bus tickets to interested hotel guests.

*Victoria, British Columbia*

### Partnership is music to the ears of transit customers

BC Transit and the Victoria Symphony have joined forces to attract patrons and make effective use of their marketing budgets. A recent arrangement gave the Victoria Regional Transit Commission \$33,000 worth of free advertising in Symphony media in exchange for printing the Victoria Symphony logo and a musical theme on 276,000 transit passes. This cross-promotion improved the public's awareness of both organizations.

The Symphony also offered transit pass-holders a discount on the 2004 Concert for Kids, which nearly sold out with an attendance of 1,200 people, almost double the previous year.



## Strategy: Market research

Successful marketing strategies require a solid understanding of current and potential customers — who they are, what they value, and what they need. Several types of research can help transit systems acquire this information.

**Telephone surveys.** These help systems to thoroughly understand the perceptions and experiences of users and non-users. When conducted carefully, they are statistically reliable. In Greater Vancouver, regular rider satisfaction surveys have been conducted since 1989.<sup>e</sup> TransLink's quarterly surveys measure rider demographics and travel patterns, the effectiveness of system marketing and advertising, and reactions to proposed new products and services.

**Online surveys.** These are growing in popularity and, while they are not statistically reliable, can provide a quick and inexpensive understanding of customer issues. A recent online survey by the Toronto Transit Commission on platform video screens yielded 1,300 responses.

**Intercept surveys.** Personal contact allows researchers to talk with customers directly, or to hand out a questionnaire that riders can fill out at their convenience. An annual rider survey by GO Transit involves distribution of about 40,000 questionnaires.

**Focus groups.** These sessions allow researchers to discuss specific issues in depth with a random selection of users or non-users. Typical focus group subjects include proposed fare structure changes and marketing campaigns.

**Other.** Twice each year, the Société de transport de Laval (Que.) arranges for independent evaluators to pose as "mystery customers." They provide detailed feedback on 11 aspects of their transit experience, helping the STL to evaluate and improve its operations.

*Edmonton, Alberta*

### Customer concerns offer valuable information for marketing efforts

Edmonton Transit System (ETS) has developed an innovative process for extracting knowledge from more than 10,000 annual customer phone calls. Feedback information from these calls is stored in the system's Commendations and Concerns Tracking Information Software (CACTIS).

By examining the CACTIS data, ETS can monitor the impact of new promotions and programs, capture changing trends in customer perceptions, and identify key reoccurring themes. Results of CACTIS analyses have been used to help target customer communications, and to understand the customer impacts of service and policy changes.

*Edmonton Transit System won a CUTA National Transit Corporate Recognition Award in 2005 for its analysis of customer concerns data.*

## REFERENCES

- Data provided by CUTA members
- See [www.vivayork.com](http://www.vivayork.com), [www.halifax.ca/metrotransit](http://www.halifax.ca/metrotransit), and [www.grt.ca](http://www.grt.ca)
- See [www.translink.bc.ca/Plans\\_Projects/Urban\\_Showcase](http://www.translink.bc.ca/Plans_Projects/Urban_Showcase)
- See [www.mto.gov.on.ca/english/traveller/farecard](http://www.mto.gov.on.ca/english/traveller/farecard)
- See [www.translink.bc.ca/Polls\\_Surveys](http://www.translink.bc.ca/Polls_Surveys)

The Canadian Urban Transit Association (CUTA) is the voice of Canada's public transit industry. For additional information including research reports, industry updates, news bulletins and more, please contact us or visit our website.

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