



Minnesota Regional Transit
Board: Records.

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REGIONAL TRANSIT BOARD

Mears Park Centre
230 East 5th Street
St. Paul, Minnesota 55101
612/292-8789



Metropolitan Transit Commission
560-6th Avenue North
Minneapolis, MN 55411-4398

MEETING NOTICE

RTB/MTC JOINT RETREAT ON THE RTB'S TRANSIT MARKET RESEARCH STUDY

Tuesday, January 7, 1992
8:30 a.m. - 11:45 a.m.
Room 32
Earle Brown Center
St. Paul (see map on back)

AGENDA

1. Call to Order
2. Background Overview
3. Review Consultant Findings
4. Review Consultant Recommendations
5. Question/Answer Session
6. Discussion
7. Adjourn

Michael Ehrlichmann
RTB Chair

Todd Paulson
MTC Chair

35W

35

Highway 36



Larpentour Avenue

Fairview Avenue

Directions: From I-94 go north on Snelling to Commonwealth Avenue and the entrance to the state fairgrounds. Go through the fairgrounds on Commonwealth to Randall and turn right on Randall and go approximately two blocks north to the Center.

From I-35 take Highway 36 exit and turn south on Cleveland to Larpentour. Go left on Larpentour to Gortner, turn right on Gortner and go to Buford. Turn left on Buford to the parking area.

= Handicapped access and parking
→ =

Earle Brown Continuing Education Center

St. Paul Student Center

McNeal Hall

Buford

Cleveland Avenue

one way

two way

Classroom Office Building

Fitch

Carter

Gortner

Randall

parking

parking

Boyd

State Fairgrounds

Fairgrounds Entrance

Commonwealth Avenue

Highway 280

Raymond Avenue

Como Avenue

University Avenue

Interstate 94

Avenue

Snelling

Earle Brown Continuing Education Center
1890 Buford Avenue
St. Paul, Minnesota 55108
(612) 624-3275

REGIONAL TRANSIT BOARD

ROLL CALL AND ATTENDANCE SHEET

DATE: 1/7/92

BOARD OR COMMITTEE: Marketing

Member Name Present Vote Vote Vote Vote Vote Vote Vote Vote

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7/1/91 John Gobur

mff Gail Sees, Koffman, Stuart

Jff Wright, Bill Hillman

Staff

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Diane Harbert

1991 Marketing Study

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**Significant Findings
and Recommendations**

Introduction

The 1991 Regional Transit Board Marketing Study has been a comprehensive marketing examination of transit services in the Twin Cities metropolitan area. The study has defined who currently uses transit services and why, the potential markets and their service needs, the people who used to ride and what it will take to get them back, and community attitudes and support for regional transportation development.

The research and analysis was undertaken to provide the information and insight to increase bus ridership in an area encompassing 80 cities and towns. Over the last ten years regular route ridership in the metro area has decreased even though the area has had increases in population and employment. In the past year a fare increase further eroded transit ridership.

Objectives

To meet an overall objective of increasing transit ridership the Regional Transit Board set forth three research objectives for this study.

1. Determine who currently rides the bus and why they ride.
2. Identify people who used to ride and determine the reasons for leaving the system.
3. Identify and describe the potential markets for increasing ridership.

From these objectives information needs were identified and a comprehensive research program was developed.

Special Issues

In addition to the formal objectives, a number of special issues were identified by RTB, the consultant and the marketing committee. Analysis was conducted to address each of these issues.

- Recent fare increase**
Examine the reasons for the ridership loss.
- Safety and security**
Identify how this issue impacts use of the bus, and what can be done to improve safety and security (from a customer's perspective).
- Seniors and people without a car**
Examine how each of these two groups use present services, and how they evaluate the service.
- Direct mail marketing**
Provide information for formatting direct mail marketing programs.
- Telephone information**
Define who recently has called for bus information and their evaluation of the operator assisted service.
- Light rail**
Identify and describe supporters of LRT.

Research Program

A four-part research program was devised to achieve the project objectives, gather the information necessary to meet project information needs, and to address the special issues. The consultant:

1. Examined secondary data, previous research reports, marketing campaigns and ridership statistics.
2. Interviewed 1000 persons by conducting a region-wide, randomly selected telephone survey with special sampling for riders, former riders and potential riders. Data was examined by geography, age, income, commuters and car availability segments.
3. Conducted four focus group sessions (riders, former riders, potential riders and commuters).
4. Completed seventeen personal interviews with large regional employers to gain their opinions and willingness to support marketing initiatives.

Definitions

While reviewing the significant findings it is important to understand the definitions for riders, former riders, and potential riders used in the study.

- A rider was defined as an individual who had used bus service in the past month.
- A former rider was an individual who had not used the bus in the previous month but had used the service in the past two years.
- A potential rider was defined as someone who was willing to try bus service if improvements were made. They are not currently riding or former riders.

Report Organization

This report presents the most significant findings from the research, as well as a section detailing recommendations for improvement. A section labeled 'selected observations' is also included. These represent consultant comments collected from a review of information, discussions with regional transit professionals, and observations of system operation. All the results from the research, statistical methods, and data files are available in separately bound documents.

Significant Findings

Public transportation in the Minneapolis, St. Paul metropolitan area is at a crossroads. While nearly one-in-five people have recently used transit service, ridership is in a 10 year decline. Present services are designed to serve a market that is becoming less significant in regional travel. Continuing present service design, delivery and marketing strategies will not reverse ridership declines.

Fortunately, the Twin Cities marketplace offers numerous opportunities for increasing transit ridership. The number of people willing to try transit is large, and former riders are willing to return to the service. Taking advantage of these opportunities will require redefining present service to better serve a changing marketplace and aggressively pursuing new markets. It will mandate a greater flexibility and speed of response, as well as innovation in service development and marketing.

With primary responsibility for planning and coordinating cost effective transit services, the Regional Transit Board needs to assume a more aggressive role in the development of transit service and its marketing. RTB must assume some of the responsibility for the decline of transit ridership, and initiate new, more aggressive policies that foster ridership and service innovation, and become the lead player in service and new program development. The remaining part of the responsibility for transit ridership belongs to MTC. Given the opportunities in the marketplace, a management dedicated to increasing ridership and revised marketing strategies, ridership should be expected to increase and continue to do so year after year.

This situation, opportunities and approach become the principal conclusions of the analysis of how to increase transit ridership in the Minneapolis, St. Paul metropolitan area. In the next section the significant findings of the research are presented. These significant findings represent conclusions gleaned from each of the four research tasks. These findings relate to project objectives, the issues investigated, and market place descriptions. These are followed by the consultant recommendations, for the near and long term, for increasing ridership.

The Metropolitan Area is a Solid Transit Market, With Significant Regular Use of Transit Services

- Nearly one-in-five (18.5%) area residents is a regular user of transit service; they have used the bus at least once in the past month.
- In the more urbanized areas regular transit use is even more significant. One-in-three (32%) regularly use services in Minneapolis, St. Paul and the area defined as the first ring suburbs.
- Slightly more than half of regular users have been using the service five years or more.
- Most riders use the service often. Nearly three in four ride at least once a week.

As Many People Ride Transit For Convenience as Lack of Car Availability

- When asked to state the most important reason for using the bus as many riders stated "convenience" as "don't have car".
- Environmental concerns, saving money or avoiding traffic are not significant factors.

All Riders Rate System Performance Positively, Seniors Rate Performance Very Positively, People Without A Car Less Positively

- 56% of all riders rate the general service they receive as excellent or very good. Only 8% rate it fair and 6% poor.
- 31% of all riders believe the service has improved in the past two years.
- Riders were asked to rate twelve individual service characteristics. On-time performance and driver courtesy receive high marks (52% very good or excellent). Riders are most "upset" by bus shelter availability, cost and telephone availability. Each of these were rated fair or poor by at least 30% of the riders.
- Safety while waiting is a concern; safety while riding is not as important.
- When riders prioritize their concerns by what is most important to them, the service characteristics receiving the highest fair/poor ratings were:
 - Fare (44%)
 - Bus Shelter Availability (39%)
 - Safety (Waiting) (36%)
 - Travel Time (26%)
 - Frequency of Service (25%)
- Of the twelve individual service characteristics rated, seniors rated ten of twelve higher than the ratings by all riders. Less than favorable ratings were recorded for telephone availability and clarity of timetable information.
- People without access to a car rated general service performance on-par with all riders. However, ratings for individual service characteristics were rated less positively (of all twelve characteristics rated).

Transit Support Among Major Employers Has Significantly Eroded But Major Employers Offer Significant Potential

- Five to eight years ago many Minneapolis/St. Paul employers were active in employee transportation, either because of a concern for the environment, energy costs or as a means to attract and retain good employees. In the 1990's many employers are concerned about their own survival, competing in a world marketplace, and a need to quickly develop new products/services.
- Many have had layoffs of management personnel, restructured their operations, plan to spin off divisions forming separate entities, or are examining all ways to reduce expenses.
- Moving people to new locations, suburban employers looking for low skilled labor offer potential for transit. Also, employers looking to reduce parking expenses offer potential.
- Several of the major employers interviewed indicated the rideshare organization has lost credibility.
- Employer comments included poor response to phone inquiries to MTC and not returning phone calls.
- Many no longer view MTC as having the resources, flexibility or speed to meet their needs.

Former Riders Experience Personal Change, Present Bus Service No Longer is Convenient

- Most of the reasons given by former riders on why they no longer ride relate to a change in job or residence and the decreased convenience of bus service to that location or place. Few reasons for no longer riding related to delivery of service (on-time performance, safety, bus driver friendliness).
- When asked to rate service characteristics, former riders were more concerned than riders with service frequency and travel time. Cost and telephone availability were less of a concern.
- Sizable portions of former riders have recently changed jobs (31%) or residence (20%), or purchased a car (22%).
- 8% stated the fare increase as the reason for no longer riding.
- Only 15% of former riders would not consider using the bus again. 34% indicated they were very likely to return to the service

The Potential Market for Transit is Large, and Resides Outside the Cities of Minneapolis and St. Paul

- The size of the potential rider market is large, equal to 42% of all non-riders.
- 65% of the potential rider group reside outside the area defined Minneapolis, St. Paul and the first ring suburbs.
- Only 18% reside in Minneapolis, 6% in St. Paul.

Potential Riders Are Employed and Have Positive Views of Public Transit

- 70% are employed, with half of those employed as managers or professionals.
- Most are unaware of present services or it's benefits, but positively view public transportation.
- Less than half (42%) see traffic congestion as a major problem.
- Most see taking the bus to downtown as safe.
- A majority (53%) would be willing to try the bus for work. Travel for non-grocery shopping also holds potential (46%).

Service Needs of the Potential Rider Audience Varies By Location

- Results show improved service to suburban destinations as the top rated need. However, results differ by geography. Those in Minneapolis rated improved safety followed by 15 minute commute service and shorter travel times as their top rated needs.

Transit Ridership Has Declined Because Travel Has Changed, and The Environment Is No Longer As Supportive

- Transit continues to serve the Minneapolis and St. Paul downtown areas well. However, these markets as transit opportunities are in decline. They no longer dominate regional travel.
- People's shopping destinations have changed with transit oriented people (especially in Minneapolis) no longer shopping downtown, or not travelling to downtown as frequently as in the past.
- Growth in the commute market has been in suburban destinations where the transit network is not well designed or service not available.
- Support from the business community has waned.
- No dramatic change has occurred in market penetration or traffic management regulation in two markets offering significant ridership potential (University of Minnesota, State Office Workers).
- Safety while waiting at the bus stop has become an issue.
- There has been a lack of service innovation to attract new riders; frequency of service on many route "branches" is poor.
- The service has become more complex with many options and exceptions to routing and schedules.
- A media based marketing strategy has not effectively motivated sufficient trial of service.

Planning and Marketing of the Fare Change was Off-Target

- The ridership decrease from the fare change was a result of current users riding less often and people leaving the system. The impact seems to be distributed equally between the two.
- Most riders did not understand the change when it was implemented; many riders still do not understand the benefits or options.
- The combination of adding a deep discounting strategy with zone charges, express surcharges and discounts for select groups has created a complex system where the benefits (to riders or potential riders) are far from obvious.
- The marketing of the fare increase was strategically incorrect; headlines and copy assumed riders understood the fare structure and options available to them. The fare brochure lacked the details riders needed to understand the changes. An increase in the amount of marketing money available, in our opinion, would not have made a difference.
- Planning for the change was also poor. The proposed changes were made with limited data on customer perceptions, riding habits, sensitivity of cash paying riders, and reduction of trips (as compared to loss of a rider). The magnitude of the fare change proposal on current ridership and as a means to attract new riders appears to have been lost on management and policy makers.

The Predominate Market for Present Services is Shrinking

- ❑ Transit currently enjoys a sizable market share. Non-riders attitudes toward transit, in general, are positive. However, the principal markets for transit (downtown Minneapolis and St. Paul) are becoming smaller in relationship to regional travel and less attractive to transit patrons for shopping travel.
- ❑ Present transit service design is nearly exclusively downtown oriented. In the last ten years both the work trip and shopping trip markets have radically changed, and present service design does not serve these new opportunities effectively.
- ❑ In the 1990's there will be as many jobs in the I-494 corridor as in downtown Minneapolis.
- ❑ In the past, people who rode the bus to shop would be attracted to the retail offerings in downtown Minneapolis. Now much of the retail activity in downtown is targeted to an upscale audience. People who potentially would use transit to shop are attracted to more value oriented stores like K-Mart and Target; they no longer shop as often in large department stores. Most K-Mart and Target type stores are located in the suburbs within malls that they developed centered on their store (not in regional malls).
- ❑ Just for ridership to remain at its present level, bus market share to downtown Minneapolis and St. Paul would have to significantly increase.

Evaluation of Telephone Information Indicates Poor Access, Excellent People

- One-in-four area residents have called MTC for bus information (computer aided or operator assisted) in last six months.
- For those using the operator assisted service, waiting time and number of busy signals receive fair or poor ratings by approximately 40% of callers.
- Both operator courtesy and operator helpfulness were rated very good or excellent by three of four callers.
- Many of the people who call for operator assisted service are frequent riders.

LRT Supporters Reflect Characteristics of the General Population

- Forty-seven percent either strongly agree or agree that light rail is the best solution to the growing amount of traffic congestion in the Twin Cities.
- Twenty-six percent of the population stated building a light rail system as a high priority transportation improvement.
- LRT supporters have the same characteristics as the general population; the only distinguishing item is their stronger support of public transit.
- LRT supporters exhibit stronger agreement that traffic congestion is a problem (as compared to the general population). However, this equals only 30% of the LRT support group.
- As compared to the general public, bus riders are not necessarily LRT supporters.

RTB At Critical Juncture Concerning Future Transit Ridership

- ❑ In the next year three major events will impact transit ridership in the 1990's.
- ❑ The Mall of America will open. The mall, located in a community with transit potential, will attract people from all over the region. It will most likely spur additional development in it's vicinity, both retail and commercial. If it develops like similar projects in other cities it will significantly alter regional travel for shopping and employment.
- ❑ I-394 will open representing an important departure from past transportation development practice, and a significant test of the region's HOV strategy. I-394 includes transit stations along a corridor presenting the opportunity to increase ridership to downtown, suburb-to-suburb service and reverse trip service. If successful, it also may be used as a prime example of how LRT would be successful (transit stations, coordinated bus service, improved cross-suburb connections.
- ❑ Plans call for a comprehensive operations analysis of MTC service to be conducted. In most cities these are defined as a means to make service more efficient. In most cases the service becomes less effective and more difficult to understand, and less appealing to potential riders. The COA should be seen as an opportunity to restructure services to meet changed travel needs, and to make the service easier to use.

While Many Organizations Provide Transit Service There is No Sense Of A Regional System

- ❑ While the MTC dominates name awareness as the transit operator in the region, the number of people who relate to the non-MTC services is growing. Most residents have little or no understanding of the agencies responsible for transit. They relate to the service that they use, see advertising for, or drive behind.

As the number of transit operators grow, the potential for confusion and missed opportunities grows. For example, a person may view transit only as a locally provided service, and dismiss it as a result. Possibly, by driving to a nearby Park and Ride lot or making a connection the person could have used transit conveniently. The concept of a regional network of coordinated transit services is not currently recognized.

Marketing For Non-MTC Services is Inconsistent

- ❑ Based on review of secondary data and discussions with regional transit officials, it appears that marketing non-MTC services is a hit or miss proposition. There appears to be little planning or documentation on what should be done, opportunities, programs or scheduling.

Recommendations

Increasing transit ridership in RTB's service area will require an aggressive posture and innovative new programs. It will require new approaches and risk taking. It will require a keen understanding of the changes taking place in the community and an ability to respond to those changes quickly. Finally, it will require more accountability and responsibility on the part of RTB and all its service providers.

The effective marketing of public transit will involve more than advertising campaigns or promotions. Improvements to the transit product, changes in strategy, and new policies are crucial to increasing ridership. The recommendations presented in this section reflect this approach to marketing. The recommendations encompass a number of marketing categories (product, employers, promotions, rider retention), involve regional policy and strategies, and concern the role of RTB.

Ilium views RTB much like a private holding company. While it does not exclusively design, market or operate services, it does administer such activities. Part of RTB's success should be defined by the results of its individual operating units, MTC, Opt Outs, rural services, and Metro Mobility. For the largest operating unit, MTC, the results are not favorable. Ridership is down and the principal market for the service is not growing as fast as other areas of the region.

To ensure RTB's future success MTC must succeed. To do this RTB needs to assert itself in a number of areas critical to transit service development, marketing to employers and regionwide marketing. RTB must also lobby for changes to regional policies that will be positive for transit. Recommendations in each of these areas have been specified. Other recommendations relate primarily to MTC marketing. Many of these recommendations are targeted to increasing ridership in the near term.

The recommendations have been organized by the following nine areas.

- Product
- Marketing Strategies
- Marketing Promotions

- Rider Retention
- Employer Marketing
- RTB Policies
- RTB Marketing
- LRT Positioning
- Market Planning

Product

Recommendation: Become Principals in the Service Design Process for Mall of America, and I-394

RTB planning staff should become principals in the service design process for Mall of America and I-394 service. Using this study, data from the transit needs assessment, and the travel behavior inventory RTB planners should be looking to significantly improve non-downtown transit travel

Each of these final service plans should be scrutinized and approved by RTB, and be thought of as beginning the process for achieving the transit vision for the community.

Service design work for both these projects should coordinate MTC and Opt Out services to gain the maximum regional benefit.

The end product (service designs and schedules) should more than meet RTB's approval; RTB must be very satisfied that each will meet a regional objective of increased market share for non-downtown travel.

Product

Recommendation: Set a New Objective for the Comprehensive Operational Analysis (COA)

The objective of the COA should be to reorganize present services to meet changed marketplace needs. It's intent should be a restructuring of service, and the simplification of the system (route numbering, exceptions, interlining, branching). Alternative service concepts and innovations should be included in the analysis and encouraged.

RTB should be active participants in the COA, and the final recommendations should be approved by RTB staff and board.

In addition, Ilium recommends a peer group of transit professionals who have successfully restructured service as part of a COA be established, and involved in the COA's development. This group should be from similar sized transit agencies, and knowledgeable of alternative service designs successful in urban and suburban settings.

Product

Recommendation: Develop Express Bus Service to Major Employers from Park-and-Ride-Lots

Potential riders and former riders indicated strong interest in a service that would operate from a park and ride lot(s) direct to a major employer or employment center. The employment location should be suburban, located in either the first or second ring suburbs.

Based on the results from this study there is the potential for routes from city to suburb, suburb to suburb, and regional (e.g. from a St. Paul suburb to Minneapolis suburb on opposite ends of the compass).

The routes should be set-up as “experimental” or “demonstrators” and involve negotiations with the employer(s) on frequency of service, amenities, marketing responsibilities, and required service performance.

Marketing Strategy

Recommendation: Change Marketing Strategy to a “Retail” Approach

Current market strategy emphasizes highly creative messages that generate awareness to a regional audience.

Ilium recommends changing this strategy to a “retail” approach; this approach emphasizes programs, promotions, campaigns that motivate trial of service. The messages are more direct, not cute and communicate tangible benefits and specific information to motivate trial. Many times this approach is localized recognizing the differences between St. Paul and Minneapolis, for example, or Bloomington and St. Louis Park.

The “retail” approach is driven by results (increased ridership, tickets redeemed, telephone calls for information), and generates immediacy (act now!). It targets by geography, demographics, travel habits or segments of all three.

Marketing Strategy

Recommendation: Change MTC Research Focus

In the last 10 years MTC has undertaken a number of consumer research projects. Several of these projects involved research of advertising effectiveness.

Ilium recommends that ridership be the means to evaluate advertising effectiveness. Use scarce research dollars to gain consumer input in program development (the fare increase would have been an excellent test), to gain additional information from target audiences for market planning, or to gain consumer opinions for longer term transit development (LRT).

Marketing Promotion

Recommendation: Use Direct Mail Marketing

In markets of varying size and demographics around the country direct mail marketing has worked for transit agencies. Response rates of 30% have been recorded, with 7% the norm. Based on the Ilium research, direct mail will be effective for attracting both commute and off-peak riders.

It is important to include in the mailing specific route and schedule information, plus selected how-to information. Both must be localized and detailed (try not to encourage calling the information number).

If the target is the commute market a week of free rides is recommended. All offers should have an expiration date.

If the mailings are done correctly and creative costs controlled results from other markets' indicate farebox revenues generated from these campaigns more than cover the development/ mailing costs.

Marketing Promotion

Recommendation: Use One Time Price Reductions to Invite and Entice People to Ride

These can be targeted to former riders who used to ride for shopping, people who left because of the fare increase, or to attract a target audience.

The reduction should be no longer than one day, or could be limited by time, day of the week, or place (origin or destination).

Combining a price reduction with a major shopping day, or in combination with a major retailer's special sale (as part of a cooperative promotion) should be successful.

Combining a price reduction with national transportation week is a good way to tell riders "we appreciate your business." Price reductions could also be used as part of a major employer's marketing agreement, or as part of an "employer challenge" campaign.

Marketing Promotion

Recommendation: Promote Transit Use for Community Special Events

Potential riders indicated an interest in using the bus for social, recreational trips. This interest was among all age groups, those employed and people with a car.

Community festivals, celebrations and events offer the opportunity to build off-peak ridership and introduce transit to non-riders.

The demographics of current transit riders will be very appealing to festival organizers. Significant potential exists for trading a sponsorship or advertising in festival publications for inside bus advertising or allowing coupons distributed on the bus.

Advertising for these events should provide as many routing and schedule details as possible, with ease of travel a principal benefit.

Marketing Promotion

Recommendation: Implement a Healthcare/HMO Coop Marketing Program

Some 44% of adults in Minneapolis and St. Paul belong to a Health Maintenance Organization or HMO. Ilium recommends that RTB take an active role in healthcare related transportation by working with organizations like Group Health, Inc. and Physicians Health Plan. RTB could sell tickets or passes to each HMO for the use of their patients and for employee transportation to clinics with limited parking space.

The HMO's could also sponsor cooperative mailings to their memberships for RTB.

Rider Retention

Recommendation: Buy More Bus Shelters

Bus shelters were identified as a very highly rated improvement by bus riders.

More shelters should help retain current riders by increasing the convenience, safety and appeal of the service.

Each shelter should contain a system map and schedule.

Rider Retention

Recommendation: Deal with Perception of Safety

Once the public gains a perception that the "bus isn't safe" or "going to Minneapolis isn't safe" it is very difficult to turn this perception around quickly. It is much worse, however, to ignore. The problem (real and perceived) will not go away by itself, and requires a multi-agency (transit, police, city, social service) response.

At the outset Ilium recommends focusing on the issue of safety while riding. While the research indicates safety while waiting was more of a concern, safety while riding is the place to start because most of the solutions are within the direct responsibility of the transit operator. Based on experience in other markets our recommendations are:

- Identify problem routes and times; target 95% of the resources at the trouble spots
- Place plainclothes and uniformed police on the bus, randomly riding high profile routes (or times). Publicize to passengers (via bus cards) in a positive fashion, but do not overdo
- Ensure internal communications, how to respond, procedures, rules on drivers carrying "weapons", etc. are all clearly understood by all employees. A "test" of the system may be appropriate
- Training on problem resolution will help bus operators

For the longer term the issue of safety at the bus stop must be addressed. As a general recommendation, the issue of safety should become one of the criteria when locating a stop, in the service design process, and for service frequency decisions. Also, gaining information and experience from other communities is vital. Most major cities have been dealing with this issue for years.

Finally, better community relations is part of the solution. A better understanding among community organizations, community leadership and the transit agency will aid in selecting the appropriate response.

Rider Retention

Recommendation: Continue to Promote the Telephone Information Computer to Transit Riders

Current riders clog lines for operator assisted telephone information. Many of these calls could be answered via the computer because customers are looking to verify a schedule.

Inside bus advertising or special promotions should be effective in diverting some traffic from the phone operators.

The target audience for this service is younger adults. Like automated teller machines, computer accessed information appeals mostly to the young; older people seem to have difficulty with this technology.

Rider Retention

Recommendation: Extend Ridership Promotions to Riders

When conducting ridership campaigns to attract new riders do not forget the importance of retaining current riders. Extend promotions or contests to the rider audience, and/or add a special incentive for riders only.

Employer Marketing

Recommendation: Redefine Employer Marketing

This study has identified commuters as a prime target market, and that most of the growth in the commuter market is in non-downtown locations. The region has a large number of corporate headquarters and a relatively few employers employ a large percent of the workforce.

Employers perceive the MTC as cumbersome, unresponsive and inflexible.

They have also stated that their operations are changing radically , and that employee transportation is less of a concern than five years ago. Public transit is no longer a priority (the exception is IDS).

Penetrating the commuter market requires a new approach to employer marketing. Ilium recommends a new organization or entity with the responsibility to increase mode share to employers be established. We do not see this entity as part of the MTC, but a direct responsibility of the RTB.

This entity would act as a wholesaler of transit services, with the responsibility and authority to negotiate contracts with employees to significantly increase transit market share. This entity would have a budget for transit service operations and authorization to contract for service. They would be able to negotiate bulk discounts of transit fares, and contract for marketing services.

One of the objectives of this recommendation is to put into place long term incentives that will encourage ridership, becoming "an institutional benefit" to riding the bus. A second focus of this recommendation is to impact present corporate policy including policies on parking cost and availability.

RTB Policies

**Recommendation: Establish Ridership as the Number
One Priority**

All service providers need to be reminded (or refocused) that increased ridership is the number one objective.

Organizations and managers should be accountable to (and rewarded) for achieving ridership targets.

RTB Policies

Recommendation: Establish a Simplified Pricing Policy

The existing fare policy for transit services in the Twin Cities is extremely complex. In focus group sessions even frequent bus riders were confused about fares especially zone charges. If frequent users of transit service find fares difficult to decipher how can new riders hope to understand such a structure?

Ilium proposes that the current fare structure be evaluated with a view to the potential for future changes to the design and delivery of service, and for simplicity. The objective should be a fare structure that compliments service design and is easier to understand, in addition to one that maximizes revenue.

RTB Policies

Recommendation: Lobby for Changes to Parking Pricing and Capacity

Ilium's research shows that parking capacity has increased in recent years as real estate development in the Twin Cities took off. With low energy prices, companies like 3M and public entities such as the University expanded their parking capacity and reduced their participation in transit.

Ilium recommends that RTB begin a public information and lobbying program to legislatively limit and reduce the amount of parking spaces available to major employers and major developments. This program may be developed to offer a trade of parking spaces for transit incentives.

RTB Marketing

Recommendation: Expand RTB Corporate Identity Program

In order to increase RTB name awareness, improve the public understanding of RTB's purpose, and build the concept of a regional transit network, Ilium recommends RTB expand its current corporate identity program.

All vehicles and services administered by the RTB should be identified by an RTB logo. This would include taxis, vans and buses. In addition, all bus stop signs, advertising and public communications should include reference to RTB.

RTB Marketing

Recommendation: Begin a Direct Mail Campaign to Opinion Leaders

Ilium recommends that RTB increase the understanding of its mission and purpose by launching a direct mail campaign targeting opinion leaders. Ilium understands that RTB does mail a newsletter to certain legislative and municipal officials but our recommendation is to go beyond that effort.

Ilium proposes RTB begin a direct mail campaign in the first quarter of 1992 with a mailing to all legislative, municipal, business and civic leaders in its seven-county service area. The first mailing would include a presentation of all services provided by RTB plus a brief description of RTB service plans for all seven-counties. Future mailings would focus on progress, recent decisions, and issues under discussion. The mailings would also encourage comments on these issues and the development of position papers for presentation to the RTB board.

RTB Marketing

Recommendation: Produce a "Report to the Public"

Ilium recommends that RTB produce and distribute a report to the general public. In order to improve public understanding of RTB and to help transit ridership, Ilium proposes that RTB print an "annual report" as a newspaper insert. Ilium recommends RTB insert the report in both the Minneapolis and St. Paul daily newspapers.

Ilium also recommends the RTB place a comprehensive system map in the annual report. This could serve to boost ridership by giving the 500,000+ subscribers to the two daily papers the information they need to ride RTB sponsored services.

LRT Positioning

Recommendation: Work to Gain LRT Support Among Bus Riders

Current bus riders are not strong supporters of LRT.

For the LRT program to be successful it must increase community support, and riders seem an obvious potential target.

RTB should use on-board newsletters, on-board advertising or mailing to riders (names/addresses obtained at various meetings) to communicate to riders how LRT benefits them.

LRT Positioning

Recommendation: Communicate Multiple Benefits of LRT

It is a mistake to focus LRT benefits on one issue, relief of area traffic congestion. Most area residents have not yet been affected by area traffic.

Benefits other than relief of traffic congestion should be communicated, to target LRT audiences

Market Planning

Recommendation: All Transit Services Should Produce an Annual Marketing Plan and Quarterly Progress Reports

Each of the transit systems should plan and submit to the RTB an annual marketing plan. The plan should include goals, situation, strategies, work program, target audiences, schedule and budget. It should be a requirement for release of operational funds.

Each of the plans should reflect the situation and needs of the community served, as well as, any special factors that may influence ridership or community support.

Each quarter the management of these systems should develop and submit a progress report on marketing activities to RTB. The form and format of this report should follow the activities presented in the marketing plan.

Selected Observations

In the course of this project the consultant reviewed a large amount of previously collected data, held discussions with RTB, MTC, Opt Out personnel, reviewed transit operations "on the street" and examined MTC and Opt Out marketing. From this review a number of findings can be stated that we believe are important for future transit development, but were not specifically identified by the consumer research.

These are presented as observations, comments and suggestions.

Why Does Route 52 Exist?

- Route 52, the University of Minnesota service, operates a number of routes from neighborhoods in Minneapolis and St. Paul to the University. Each of these routes duplicates portions of MTC routes. The university's location is adjacent to downtown Minneapolis and is on one of the best bus routes in the region.
- From our perspective Route 52 duplicates existing service, and results in poorer local service (peak and off-peak) for the non-student population living along these routes. Some local routes may be marginal performers as a result of student riders using Route 52.
- A recent survey of students indicated only 19% rode the bus to school; and the top two reasons for not taking the bus were "it is inconvenient" and it "takes too-long".
- During several discussions it was noted that recent University decisions have not been pro-transit, and that current ridership is down substantially.
- The University is a major regional employer and a major trip generator. It's population of student, faculty and employees should be prime transit potential riders. This is an opportunity that should not be missed.

Delegation of Market Planning

- It is the practice of MTC to delegate some or all of the planning of transit marketing activities to an advertising agency.
- The advertising agency prepares the strategy and programs to meet agency goals. Since an advertising agency is "media driven" (media is their expertise and how they make money), the strategies and programs they propose as solutions will be media oriented.
- While media may be one element to achieve a goal it is only one; there are many more methods, not media driven, that can be effective in achieving transit marketing goals.

Two Agencies

- The MTC currently has one agency for advertising and one for direct mail marketing.
- Given the size of the marketing budget and the tasks to complete, paying for the overhead at two agencies may not offset the benefits.

Relationship Between Opt Outs and MTC

- The relationship between the Opt out communities and the MTC is not typical as compared to other cities who successfully contract for service.
- The MTC "runs the show", responsible for service planning, scheduling, timetable printing in addition to providing the service.
- We see the Opt out communities giving up too much in this relationship. If the transit managers for these communities believe they represent their community, want to be responsible, and know the travel needs of it's citizens the best, then they should be responsible for service planning, not MTC.

Service Changes Drive Phone Calls

- ❑ The MTC changes service four times a year and, as we understand, makes many “small” adjustments between service changes.
- ❑ The customer notices these changes, both regular and in-between. It’s one of the principal reasons they call the information center.
- ❑ The cost of changes in-between and four times a year should be calculated. MTC should calculate the extra staff, printed materials, computers, advertising, driver time, etc. involved in making changes four times a year. We suspect the cost is substantial.
- ❑ Making changes in between schedule changes is a balance between being responsive to the customer by making adjustments to running time, and creating a perception that the service is always in the state of flux. Some of these in-between changes can be avoided by better planning and schedule writing, and an understanding of the impact of change.
- ❑ We do not suggest a loosening of any standards; transit should still be operated by the “minute” for both customer and driver.

RTB’s Uneven Role in Transit Service Development

- ❑ RTB has been very active and aggressive in LRT planning, Metro Mobility operations, and establishing rural service operations. In terms of urban area bus planning and marketing the activity and aggressiveness have been lacking. Yet, the success of regular bus service particularly those operated by the MTC represent the present and future of transit development in the Twin Cities.

Conclusion

The Minneapolis, St. Paul metropolitan area has the potential to become one of the best transit markets in the United States where ridership grows year after year and the community strongly supports transit development. The area begins with a strong base to work from; nearly one-in-five residents currently use the service, and service performance is solid. The area has multiple opportunities for growth. Attitudes toward bus service and willingness to try the service are very positive. Employers are willing to negotiate arrangements that will benefit ridership in the short and longer term. Ilium expects innovations in service design that increase the availability and competitiveness of transit in non-downtown markets will be accepted by the public.

Getting from here to there will not be easy, nor can it be done in just a year. Clearly, a number of changes can be enacted immediately, and in terms of product improvement 1992 looks like a pivotal year. The Mall of America and I-394 services should be viewed as how the future transit network for the entire region will look and function. Other changes will require a concentrated longer term effort to alter past practices and deal with a number of difficult issues, with a dedication to increasing ridership and service to the customer the results will be well worth the effort.