
MODERN TRANSIT MARKETING IV: *HOW TO DETERMINE ITS EFFECTIVENESS*

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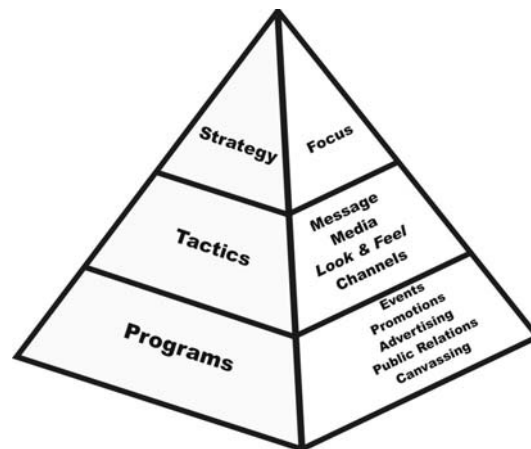
"*Half my marketing dollars are wasted, I just don't know which half,*" wrote John Wanamaker, an advertising pioneer in the early 20th Century.

Today, with restricted budgets and limited manpower, most transit agencies cannot afford to waste marketing dollars. However, both budgets and resources are stretched to the limit by just implementing a good marketing campaign. The added step of evaluating each activity is given a low priority.

Evaluation can play a vital role in increasing your marketing effectiveness. Many people shy away from evaluation, wary of the cost, concerned that their own performance will be judged, or fearful that an evaluation will cast their program or campaign in a poor light. Yet, the benefits of conducting a systematic and thorough evaluation far outweigh the drawbacks. A well-planned evaluation can help you accomplish three important ends:

1. **Measure program success.** For example, did your summer youth pass campaign increase students' use of the transit? Did your campaign have any unintended effects (e.g., did the increase of youths onboard deter seniors from using the system)?
2. **Determine if the campaign was implemented as planned.** This provides a context for understanding your outcomes. For example, if your campaign was ineffective, was that because the message was wrong or because the print ads never made it into the newspaper?
3. **Test or improve the efficacy or efficiency of campaign elements.** One function of evaluation is to systematically identify and assess the need for changing elements of a campaign, tactic, or strategy to increase effectiveness or save costs.

A strong marketing plan is built in three layers: Strategies, Tactics, and Programs. Strategies provide focus for your marketing program and all marketing-related expenditures (See *Modern Transit Marketing Part II – How to Pull it Together*). Tactics and programs implement your marketing plan. Tactics are the message (what you say), media (how you deliver the message to the customer), and the *look & feel* (mood, tone, and image). Programs consist of campaigns and promotions (See *Modern Transit Marketing Part III – How to Make it Work*).



So, how do you evaluate your marketing plan?

By monitoring the success of each individual program, adjustments can be made in the tactics and strategies to keep them on course. The evaluation of a transit marketing program consists of five steps:

1. **Clearly state what you want to accomplish.** First you must ask yourself a series of pointed questions. Is the objective of the campaign or promotion to increase ridership, promote awareness, or change attitudes? Who is the target market? How does the campaign support your marketing strategies and fit into your marketing plan? What will tell you if the campaign was successful?

For example, your objective may be to increase ridership on Saturdays through a co-op promotion with local merchants. Your target market would be patrons to key shopping and recreational destinations on your Saturday routes. The campaign supports your overall strategy to broaden your ridership base and increase ridership on non-peak runs. A 15 percent increase in Saturday ridership would mean the campaign was successful.

2. **Build a quantifiable measure into the campaign or promotion.** Determine what quantifiable data you can collect to measure the success of the program. Code each element so you can monitor the activity it generates (e.g., code coupons indicating where each was published). If you cannot code each element, build into your response mechanism a method for the respondent to indicate where they heard about the promotion.

For our Saturday promotion example, two mechanisms could be built into the campaign: (1) number of promotional coupons redeemed at each local merchant, and (2) the increase in Saturday ridership. You may need to work with your operations department to provide you with Saturday ridership numbers by route and by stop *before* (as a control), *during*, and *after* the promotion runs to determine the overall effectiveness.

3. **Monitor and analyze the results you are achieving:** Remember, there are no failures in marketing, just different outcomes! Monitor your program on a weekly basis, but remember that marketing activities may take from 30 to 90 days to produce results. Also, look for unintended outcomes.

In our Saturday ridership example, you would (1) compare Saturday ridership during and after the promotion to ridership on the same routes before the promotion, and (2) determine which merchants redeem the highest number of coupons and from which source. You should also consider unintended results, such as a corresponding increase or decrease in ridership on other days.

4. **Calculate the *Return on Investment* for the program and how it affects the overall marketing strategy:** *Return on Investment* is simply the ratio of the net gain divided by the total cost. The gain may include both *tangible benefits* (i.e., increased revenues from increased ridership) and *intangible benefits*. Although they may be difficult to measure, *intangible benefits* often can be quantified into Key Performance Indicators, such as percent awareness. After 90 days, evaluate the program in relationship to your total marketing plan.

For our example, Saturday ridership increased 15 percent or 300 riders. The cost of the promotion was \$3,000. If the average new rider takes the bus 15 times during the next year at \$1.00 per trip, the ROI would equal $(\$4,500 - \$3,000) / \$3,000$ or 50 percent plus intangible benefits from expanding awareness and broadening the ridership base.

5. **Make adjustments to the marketing strategy, tactic, or planned programs as needed.** Analyze which activities are drawing the best results and why. Then, adjust your strategies and tactics to shift in that direction. If you decide to drop a specific activity,

drop only one at a time, so you can measure the impact that change has on the total marketing plan. Build a database of marketing result information that can help you over the long term to avoid the same mistakes and lead to more successful campaigns.

An evaluation element should be built into your Modern Transit Marketing plan and into each and every campaign. By continuously monitoring the results of your marketing efforts, you can improve its effectiveness of every marketing dollar.

This is the final in a series of four articles on marketing your transit service.