

Appendix C Demographic & Market Analysis Research

This appendix presents research data on RTA's current and potential customers, and public opinion in general to supplement Chapter 2. This information is useful to understanding both the long and short-term strategies and initiatives contained in the Long Range Plan.

2001 RTA Research Highlights

RTA conducts regular surveys of three target audiences – current riders, potential customers, and the general public. The first group is surveyed while traveling RTA, whereas the other two are surveyed by telephone in their homes.

Onboard Survey

Here are some major findings from the 2001 Onboard Survey.

RTA's passengers display a somewhat different demographic profile compared with the County's population overall. Nearly sixty percent are women, while men constitute just over 40%. More than half (57%) of the customer base are African-American, 28% white, and the remainder Hispanic, Asian, and other. The overall median age is 33, somewhat below the County's, and their median income is \$21,920, trailing the County's by a substantial margin.

More than half of RTA's passengers has no higher than a high school diploma, while 16.4% have earned one or more college degrees. About one-third (37%) of all riders have no vehicle in the household.

About half (49%) have used RTA for at least five years; while 13% started traveling with RTA within the previous year.

The most frequently used form of fare payment is cash at 36% of all boardings. Forty percent characterize their trip as "work," 21% for "school," 11% for "shopping," and 8% for "medical/dental appointment."

Highest customer ratings were given for

- RTA's driver operating the vehicle safely
- RTA's driver being courteous
- RTA providing a sense of security while riding
- Reasonable fare
- Arriving at the stop as scheduled
- Reasonable travel time

At the other end of the spectrum, lower ratings were allocated for

- Seating comfort
- Overall management of RTA
- Cleanliness of the bus or rapid car on the outside

- Cleanliness of the bus or rapid car on the inside
- Cleanliness of the bus or rapid shelter
- RTA's driver calling out all the stops.

These need to be put into a broader context. When one compares customer ratings of attribute "importance" against the above "performance" ratings, one finds that attributes considered more important are also the ones receiving the higher performance grades.

Customer Ratings of RTA Attributes

<u>2001 Onboard Survey</u>	<u>Total</u>
RTA driver operating the vehicle safely	4.32
RTA driver being courteous	4.08
Security while riding	3.94
RTA Fare is reasonable	3.93
RTA arriving at the stop as scheduled	3.91
The travel time is reasonable	3.87
RTA driver being helpful to riders	3.85
Comfortable temperature on the RTA vehicle	3.84
RTA service is available when I need it	3.78
RTA vehicle is in good working condition	3.77
Easy to get information about RTA	3.75
Park-n-Ride lots are clean	3.73
Safety waiting for the bus or train	3.69
RTA service, overall	3.68
RTA employees, overall	3.67
Seating comfort	3.60
RTA management, overall	3.58
The bus or rapid car is clean on the outside	3.54
The bus or rapid car is clean inside	3.50
The RTA shelter is clean	3.07
RTA driver calling out all the stops	3.00
ALL ATTRIBUTES	3.72

Potential Customers

Another survey is carried out by telephone, in which those familiar with RTA but not regular customers, provide their input as to make transit travel more attractive. Some highlights from the most recent study follow.

- Potential riders give high ratings to safe vehicle operation, to operator demeanor -- esp. courtesy and helpfulness, and to vehicle condition.
- They are less favorable about security both while riding RTA buses and trains or while waiting at stops or rail platforms. They would like to have operators call stops more of the time, and would like shelters to be cleaner.

Potential Customer Phone Survey 2001

RTA driver operating safely	4.30
RTA driver courtesy	4.25
RTA driver helpful	4.22
RTA vehicle is in good working condition	4.14
Park n Ride lot cleanliness	4.12
RTA employees	4.12
Travel time is reasonable	4.05
Comfortable temperature	4.01
Reasonable fares	3.98
Bus or rapid car is clean on the outside	3.98
RTA arriving at stop as scheduled	3.92
RTA service, overall	3.90
Bus or rapid car is clean on the inside	3.87
RTA management, overall	3.84
RTA service is available when I need it	3.77
Easy to get information about RTA	3.67
Seating comfort	3.62
Security while riding	3.57
RTA driver calling stops	3.52
The RTA shelter is clean	3.38
Security while waiting for the bus or train	3.12

General Public Opinion

The third major survey effort of the year focused on the attitudes and opinions of the general public. These views are important in that they reflect on the continuing public support for the one-percent sales tax collected in Cuyahoga County for RTA.

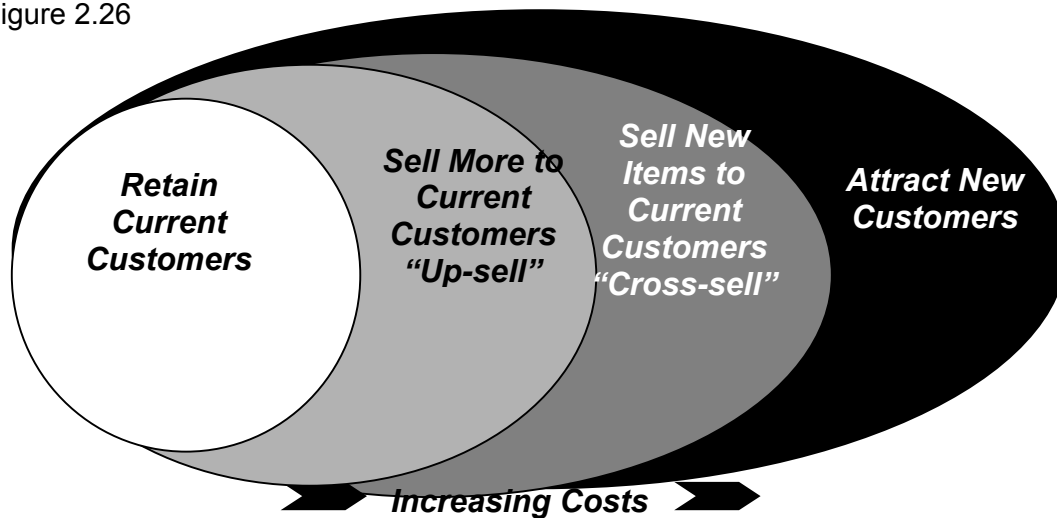
The following table shows RTA attributes ranked according five-point ratings on attributes describing RTA. The list shows high approval levels (scores of 3 or higher) for all aspects of RTA operations assessed in the survey. Some attributes, however, are rated more highly in the aggregate than others.

<u>Attribute</u>	<u>2001 Mean Rating</u>
RTA is a valuable resource within Cuyahoga County	3.99
RTA fares are reasonable	3.96
RTA is sensitive to the needs of people with disabilities	3.92
RTA is doing a good job operating transit	3.91
RTA is sensitive to the needs of elderly people	3.91
RTA is convenient to use	3.85
RTA service is dependable	3.84
RTA exhibits honesty and integrity	3.83
RTA is responsive to the needs of the people of Cuyahoga County	3.82
RTA drivers are safe drivers	3.75
Compared to a year ago at this time RTA is doing a better job	3.72
RTA uses money wisely	3.57
RTA has enough service in my area	3.54
It is safe to ride RTA at any time	3.51
RTA listens to the public before making decisions	3.30

Marketing Objectives

RTA's marketing objectives intend to interweave retaining and up-selling to current customers, and attracting new customers. The following graphic illustrates the range of marketing objectives for any organization seeking to retain and attract customers, and to increase sales and revenues.

Figure 2.26



The first and most economical use of marketing resources is customer retention. Prevention of customer loss or "churn" is an efficient way to invest marketing communications dollars. Reassuring current riders about the value and safety of transit travel, along with operational excellence, helps to retain customers.

Customers who start riding RTA within a previous year generally constitute about 13% of the overall base. With 87% retained from year to year, and those customers riding more often than those newly attracted, retention tactics can be very productive in ridership and revenue generated. Currently we estimate the percentage of the prior-year's-end customer base to be lost over the course of the following year. Since current customers ride about 1.11 times for every ride by a new customer, RTA's current rate of customer loss is estimated to be 14%. (In a hypothetical year when ridership does not change and year's-end customer base includes 13% new customers, the rate of losing old customers would be less—approximately 12%.)

After that, the next best approach is to encourage existing customers to buy more of what they are already buying. This might include encouraging an additional one or more trip per week. Or it could include promoting passes so as to facilitate additional rides during the day (e.g. downtown loop trips at lunch hour) or on weekends.

The next most feasible marketing object is to “cross-sell” other products or services a customer is not currently using. For example, recreational riders taking the Green Line to a Browns’ game might be encouraged to use transit for work or school.

Finally, and least efficient on a marketing cost per ride basis, are efforts to attract new riders to transit who have no previous experience with the system or who have not ridden on transit for a long time. This can be the most challenging and costly objective to achieve.

All four marketing objectives can be pursued effectively to increase both revenues and ridership.

Market Segments and Marketing Objectives

For 2002, RTA will segment its customers into the following four categories: current transit-dependent customers (no vehicle in household) riding five or more days per week, current choice customers (one or more cars in household) riding five or more days per week, other current transit-dependent riders, other current choice riders, potential customers, and the general public/taxpayers (without regard for current ridership status).

Target Segments for RTA Marketing Communications Activities in 2002

SEGMENT	MARKETING OBJECTIVES
1. Current Choice Customers Riding Five Or More Days Per Week	Retain, Upsell, Attract, Inform of Changes
2. Current Transit-Dependent Customers Riding Five Or More Days Per Week	Retain, Upsell, Inform of Changes
3. Other Current Choice Riders	Upsell, Cross-sell, Attract, Inform of Basics
4. Other Current Transit-Dependent Riders	Upsell, Inform of Basics
5. Potential Customers	Attract
6. The General Public	Enhance RTA Image and Retain Public Opinion Support

The following pie charts show, respectively, the proportion of the RTA customer base constituted by each of several segments and the shares of total ridership attributable to these customer categories.

Figure 2.27

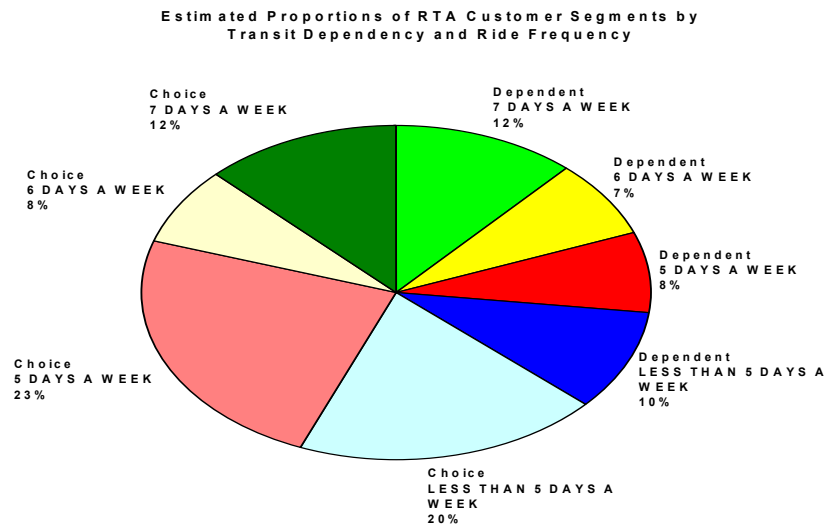
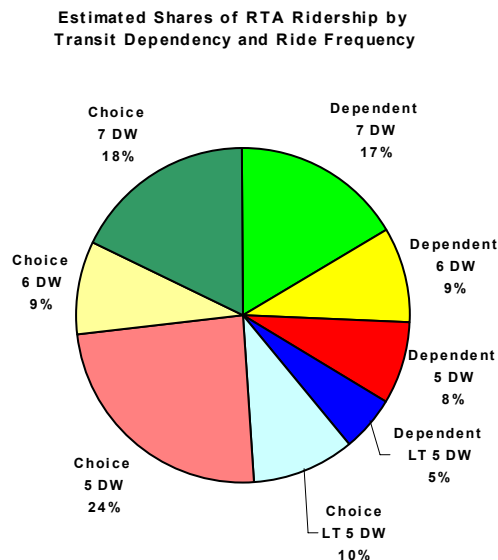


Figure 2.28



People who ride at least five days per week comprise 71% of RTA's customer base but 85% of total boardings. Those depending on RTA and riding that often amount to 27% of all customers, while the choice group is about 44% of the whole. They account for 34% and 51% of all unlinked trips, respectively.

Current regular users (five or more days per week) with a car in the household (and therefore considered a "choice" rider) display these demographic tendencies.

- 53% are women.
- 58% are African-American, 27% White.
- 54% are from 22 through 49 years old, with a median age of 30 years.
- Median income is \$25,170.

- 46% have at least some college coursework, and 17% have one or more college degrees
- 50% are going to or from work, and 26% to or from school.
- 46% have used RTA for 5 years or more.
- 14% have used RTA for 1 year or less.
- They are less likely than average to pay fares with cash (37%) and more likely to use a monthly pass (14.4%) or express farecard (2.2%).
- They are slightly less likely to have to board with a transfer.
- This segment includes about two-thirds of those who board with a student farecard (5.5% compared with 3.6% overall).

Retention is a major objective for this large and vital segment. Ensuring a high level of customer satisfaction across all aspects of their relationships with RTA is essential. This group needs to be the target of multiple marketing communication “touches” by means of emails, mailings, or customer satisfaction surveys. In fact, Marketing and Communications elements with customer contact responsibility (chiefly the Customer Service Center and the Telephone Information unit), should be open to ongoing customer satisfaction survey processes.

If resources permit, this segment should be the foundation of a Customer Relationship Management database and tracking system. The paper schedule mailing list, web site “guest book” and listservs, phone contacts with CSC and TIA can represent a starting point for the CRM application. Keeping this segment well informed about schedule and route changes, through channels they prefer, should be a high priority in 2002 and in the years to come.

While they ride extensively, “regular” customers may still be open to some degree of “up-selling” initiatives for either improved cash flow, expanded trip making, or both. Passengers paying cash fares should be encouraged to purchase prepaid fare media such as five- and ten-ride farecards, and weekly and monthly passes.

They should also be persuaded to subscribe to RTA’s Commuter Advantage program, bring them both tax advantages and delivery convenience for their fare media purchases. Messages encouraging trip extension by loop and circulator service can help this group realize greater perceived value from individual rides and from multi-ride or extended-period media purchases. They can also reinforce--on an after-purchase basis--the wisdom of being a RTA “subscriber”.

Consideration might also be given to a “frequent-flyer” incentive such as a free twelfth monthly pass after buying eleven or a free monthly pass when signing up one or more co-workers for Commuter Advantage.

Here are some demographic characteristics of current transit-dependent RTA riders who use the system at least five days per week.

- 63% are women.
- 65% are African-American, 28% White.
- 68% are from 22 through 49 years old, another 17% from 50 to 64, and with a median 39 years.
- Median income is \$15,985.

- Most of this segment (64%) has a high school diploma or less and about 15% with one or more college degrees.
- 50% are going to or from work, 11% to or from school, and 11% to or from shopping.
- 64% have used RTA for 5 years or more.
- 8% have used RTA for 1 year or less.
- They are least likely among segments to pay fares with cash (28%) and more likely to use weekly passes (35%).

Infrequent choice customers show a distinctly different profile from the others.

- Half are (50%) are men.
- 48% are African-American, 31% White.
- They are the youngest group with a median age, 27 years, and they have the largest group of young people.
- They are the wealthiest segment at a median income of \$25,357.
- Very well educated, one fourth have at least an undergraduate degree (8% have a graduate degree)
- Almost one-third (31%) are traveling to work on RTA, and 28% are heading to or home from school and 11% are heading to a medical or dental appointment.
- This group displays a high propensity to be a new rider (16.5%) and the lowest likelihood to be a long-term customer (37.6% versus 49% of all riders).
- They pay their fares by cash most of the time (48%).

The fourth customer segment, infrequent riders with no vehicle in the household, shows some specific tendencies, as well:

- 64% are women.
- 45% are African-American, 38% White.
- Their median age is 39 years and this group has the largest percentage (13%) age 65 or over.
- Median income is \$7,500.
- A majority of this segment has a high school diploma or less (64%) and about 12% with one or more college degrees.
- Just 15% are using RTA for a work trip, only 12% for school.
- But 19% are traveling to shop and 17.8% to receive medical or dental services.
- They are the second highest segment in terms of having used RTA for 5 years or more (47%) and the second least likely grouping to be a new customer (11.6%).
- They are the second least likely segment to pay fares with cash (35%) and the second most likely to use fifty-cent farecards.

When the findings related to rating RTA attributes are similarly broken down according to patronage frequency and car ownership, the relative ranking of the attributes changes little from one to the next. A summary of the ratings demonstrates that riders who have family cars display lower ratings than the transit dependent riders. Within each of these two groups, regular customers (riding 5 or more days per week) provide better ratings than those riding less frequently. It appears that more frequent riders have significantly more occasions to develop solidified expectations and standards. Infrequent riders have fewer opportunities to form firm expectations. In short, the most frequent riders are the

most satisfied customers especially if they have no choice and display “customer loyalty.”

Customer Ratings of RTA Attributes 2001 Onboard Survey	<u>Dependent frequent</u>	<u>Dependent other</u>	<u>Choice frequent</u>	<u>Choice other</u>
RTA driver operating the vehicle safely	4.46	4.21	4.34	4.24
RTA driver being courteous	4.18	4.15	4.09	3.94
Security while riding	4.10	3.94	3.97	3.80
The travel time is reasonable	4.02	3.88	3.82	3.81
RTA arriving at the stop as scheduled	4.03	3.87	3.84	3.91
RTA Fare is reasonable	4.01	3.95	3.98	3.75
RTA driver being helpful to riders	3.94	3.83	3.87	3.78
Comfortable temperature on the RTA	3.95	3.86	3.81	3.83
RTA vehicle is in good working condition	3.89	3.89	3.72	3.73
RTA service is available when I need it	3.76	3.89	3.77	3.81
Safety waiting for the bus or train	3.83	3.76	3.63	3.69
Park-n-Ride lots are clean	3.83	3.60	3.81	3.54
Easy to get information about RTA	3.83	3.89	3.74	3.66
RTA service, overall	3.85	3.60	3.68	3.49
RTA employees, overall	3.71	3.61	3.74	3.56
RTA management, overall	3.66	3.60	3.59	3.44
The bus or rapid car is clean on the outside	3.61	3.57	3.49	3.54
The bus or rapid car is clean inside	3.58	3.58	3.47	3.44
The RTA shelter is clean	3.10	3.05	3.04	3.12
RTA driver calling out all the stops	3.03	2.92	3.03	2.93

This framework of research findings provides a backdrop for understanding the marketing strategies outlined in the second half of Chapter 2.