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Metropolitan
Transportation
Authority

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TO: BOARD OF DIRECTORS

THROUGH: ROGER SNOBLE
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FROM: MATT RAYMOND
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SUBJECT: NEW DIRECT MARKETING PROGRAMS:
NEW RESIDENT and E-MARKETING

ISSUE

MTA's Communications department has initiated two new direct marketing pilot programs to attract non-riders to the Metro Bus and Metro Rail system. These programs, called the New Resident Direct Mail Program and the E-Mail Marketing Program, have been mentioned briefly during oral reports at the Executive Management and Audit Committee and are described in detail below.

DISCUSSION

New Resident Direct Mail Program

Each month, thousands of people establish new residences within Los Angeles County. Some are new arrivals to Southern California, while others are simply relocating to different neighborhoods within the County. In either case, a change in residence usually necessitates a change in daily travel patterns.

To reach individuals at this opportune time as they are considering new commuting options, MTA is now sending a letter from the CEO to people establishing new residences in the County. The letter introduces the Metro System and suggests that the recipient investigate using a bus or train to access work, errands or leisure activities. As an incentive, the letter offers a free Metro Weekly Pass for one week to allow the recipient to sample the system. To obtain the pass, the recipient must return a coupon in a courtesy reply envelope.

Launched in April 2003, approximately 20,000 of these mailings are being sent each month. So far, the offer has produced an extremely high response rate of 5%, meaning approximately 1,000 new customers are being drawn to sample the Metro system each month. Residents who request the weekly pass also are sent a Metro

Bus and Metro Rail Rider's Guide, along with other system information and a comment card to return after trying the system.

This program has been used successfully at several other transit agencies in the nation, and the strong initial response indicates that it can provide similar positive results for MTA.

E-Mail Marketing Program

Internet usage continues to increase, and more and more people are relying on electronic communications as their primary source of information. Many organizations are supplementing their traditional print communications with innovative Internet campaigns. It should be noted that Internet usage is particularly high among demographic groups that would tend to ride transit by choice.

To capitalize on this situation, MTA is creating a new program to publicize its services through attention-getting e-mail campaigns. Several colorful, animated electronic messages are being created which can be sent to large numbers of e-mail addresses simultaneously. Each message will highlight one of MTA's programs, such as the introduction of a new Metro Rapid line or the benefits of the Metro Freeway Service Patrol. The e-mails will conclude by offering the recipient the option of signing up to receive additional announcements via e-mail from MTA on a regular basis.

In much the same manner as traditional direct mail, the recipients of these e-mail messages can be selected through their geographic proximity to the service being promoted. In order to avoid the appearance of spam (mass blind e-mailing) only existing e-mail contact lists or pre-authorized commercial lists will be utilized. The first of these messages will be used later this month to preview the opening of the Metro Gold Line.

Because there are no printing costs, the E-Mail Marketing Program offers a way to reach new audiences with MTA information that is both innovative and cost-efficient.

NEXT STEPS

MTA Communications will continue to monitor the success of both of these pilot programs, modifying and/or expanding them as warranted. Status reports will be provided to the Board at the quarterly Communications briefings.