

Marketing Plan



INTRODUCTION

Champaign-Urbana Mass Transit District (MTD) is a Champaign County-based mass transit system, operating buses and the Illinois Terminal intermodal facility in downtown Champaign.

As part of the 2014 Strategic Planning process, this marketing plan was developed. The detailed situation analysis and many external assessments can be found in that document. The goal of the marketing plan is to complement the strategic plan and become one of the goal areas to further enhance the marketing efforts of MTD.

HISTORY

City Lines operated the community's bus system beginning in the 1940s. Ridership peaked at one million passengers in 1958 followed by a gradual decline. When City Lines realized they could not make a profit, they sold the system in 1965 to another private bus company, Westover Transit Management Corporation. Westover also owned and operated the transit systems in Bloomington-Normal, IL and Quincy, IL. In a story that appeared in the November 17, 1970, Champaign-Urbana Courier newspaper, P.E. Cherry, then manager of Westover, described the state of affairs as declining ridership, 22 year old buses and deficit spending.

A request was made to the Illinois Commerce Commission to cease operation of the public transportation system. The hearing on the petition was put on hold in lieu of a local referendum to create a mass transit district supported by property taxes. The issue was voted on November 24, 1970, and was approved by a five to one margin. The District had 25 buses running on five routes. The fare was thirty cents.

The first Board of Trustees of the newly formed Champaign-Urbana Mass Transit District was appointed December 15, 1970 and operations began August 2, 1971. The first Managing Director in August 1971 was Thomas Evans. Evans resigned in October 1972 and Henry Jolman served as Acting Managing Director until a permanent replacement could be found. On March 1, 1973, James Mansbridge was named the District's second Managing Director. Mansbridge resigned in November 1973 and C. Lynn Watson served as the interim director from the time Mansbridge resigned until Monday, January 25, 1974. That day, William (Bill) Volk took over as Managing Director. Volk, a graduate of Indiana University, had been the Assistant Director for the Ft. Wayne, Indiana mass transit system.

The District originally was housed at 501 North Fifth Street in Champaign in space leased from City Lines. On March 29, 1974, the architecture firm of Berger and Kelly Associates presented plans for a new garage/office facility to be built at 801 East University Avenue in Urbana. The Board approved a final draft of the plans on September 20, 1974. The groundbreaking took place Tuesday, February 18, 1975, and the project was completed for use on November 1, 1975.

In March 1977, a second public referendum was held to increase the property tax levy. If approved, MTD promised to introduce evening and weekend service, build more shelters, introduce a half-fare cab program for qualified individuals, expand routes, have more frequent service on some routes, introduce a low-cost annual pass, and ensure that any new buses purchased were accessible for persons with disabilities. The referendum passed and MTD delivered all of the promised improvements.

HISTORY

Ridership continued to grow. To keep up with the demand, in December 1980 the 801 E. University facility was added on to with the addition of first floor offices, a second floor, a basement, and additional bus storage space. In September 1981, the storage and repair facility expanded east into half of the former Plywood Minnesota facility at 803 E. University, more than doubling the company's storage capability. In December 1992, the District purchased the other half of the building and expanded into the space.

In 1999, MTD reached another important milestone with the completion of Illinois Terminal, a true multimodal center serving local mass transit, intrastate and interstate bus services, and Amtrak. The facility provided MTD with an enclosed transfer station and additional income through the leasing of office space. The revenues generated through leases and fees cover all Illinois Terminal expenses.

MTD's Operations and Administration functions moved to 1101 East University in Urbana in August 2003. The building was empty at the time but had formerly been occupied by Motorola.

The District celebrated its 40th anniversary in 2011. Today, MTD carries over 13 million passengers annually.

Today MTD provides nearly 13 million rides per year. The one-way bus fare is \$1. Transfers are free and may be used to connect with another route at a transfer point to complete a one-way trip. An annual bus pass can be purchased for \$72. The Annual Pass allows unlimited rides. A Day Pass, good for either Saturday or Sunday, can be purchased for \$2. A Monthly Pass is available for \$15. All University of Illinois students, faculty, staff, and retirees have unlimited access to all routes and services. At the University of Illinois at Urbana-Champaign, which lies within the District, all 42,000+ students pay a transportation fee every semester in exchange for unlimited use of the bus services. The District currently levies about 29 cents of property taxes per \$100 of assessed valuation. The seven members of the Board of Trustees are appointed by the Champaign County Board.

Although Willard Airport lies outside the boundaries of the District, MTD offers District residents bus service to and from the airport on a route funded by the University to support their aviation program.

Keeping with its commitment to sustainability, MTD introduced hybrid diesel-electric buses to its fleet in fall 2009.

In addition to transit services offered by MTD, Champaign County also has transportation services through inter-city bus services, regional charters, local bus services, rural transit, Amtrak trains, car sharing, and taxis. Bicycles and automobiles are also modes of transportation for many in the area.

The mission of MTD is “Leading the way to greater mobility.” The organization wants to provide the highest quality of city bus service to the Champaign Urbana community for a reasonable price. In addition, collaboration with community transportation initiatives including: the University of Illinois projects; Champaign County Regional Planning Commission CATS and Transportation studies; Economic Development Corporation projects; and initiatives within the cities of Urbana, Champaign, and Savoy are high priorities to give residents convenient ways to get around town (“gotta get there”). The MTD vision states “MTD goes beyond boundaries to promote excellence in transportation.” MTD strives to exceed the expectations of riders and the community.

SITUATION ANALYSIS

The current MTD began operation in 1971. Since that time the system has grown from a small transit provider to a mid-size and highly respected organization. Research continues to confirm that Champaign-Urbana residents appreciate and value MTD and also look to the organization as an example of how to run a mass transit district. The basic market need is for a professional, reliable transit service experience at a reasonable price point. There are two distinct segments that are in need of these services: students and community commuters.

MARKET SUMMARY

MTD possesses good information about the market and knows a great deal about the common attributes of loyal customers via existing survey instruments, focus group data, etc. MTD can use this information to better understand who is served, their specific needs, and how to best communicate with them.

As part of the 2014 Strategic Plan, a report on national and local trends was explored. Please refer to that section for the findings.

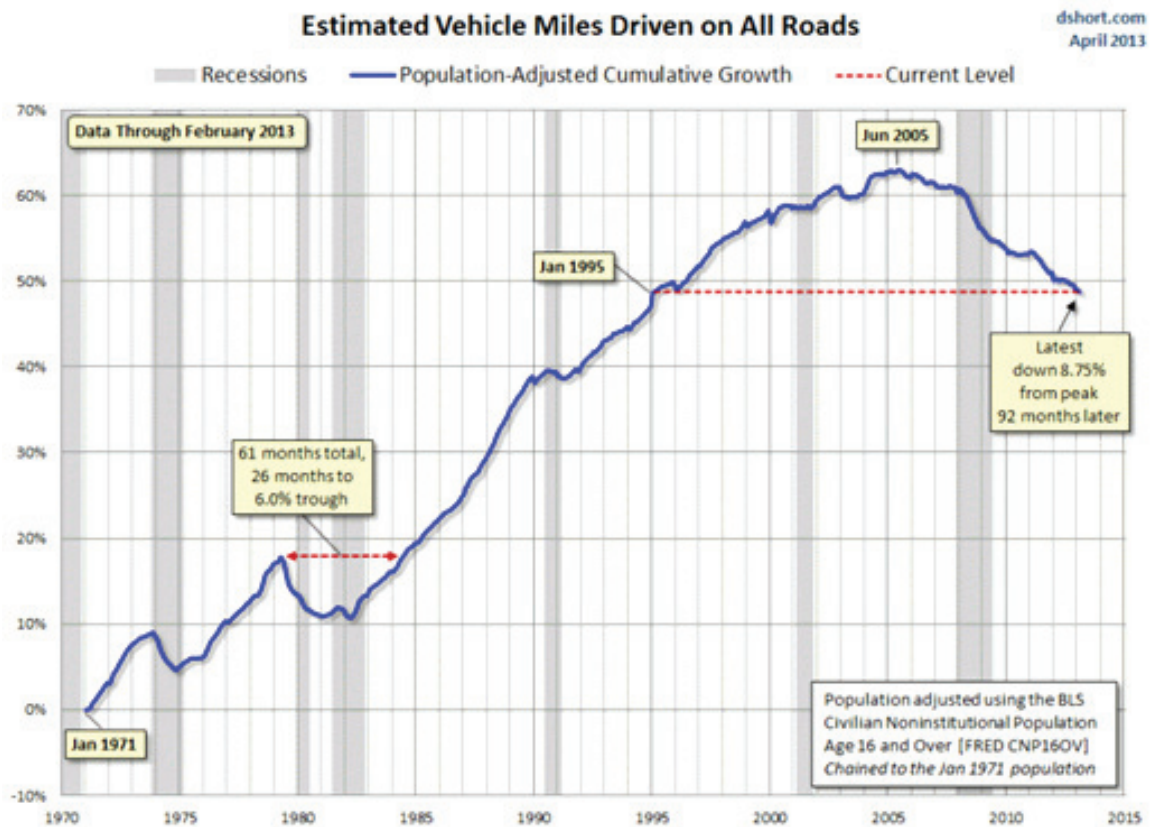
KEY BENEFITS

MTD is providing customers with a reliable, professional transit service for U of I students and area residents. MTD seeks to fulfill the following benefits that are important to customers:

- Convenience
- Reliability
- Professionalism
- Customer Service

TRANSIT TRENDS

In the last decade, there has been a steady decline in vehicle miles traveled, a decrease in young licensed drivers, and a shift in mode preference from the automobile to other modes. Additionally, the proliferation of a variety of media sources that can now be accessed on personal cell phones, which requires a level of concentration not possible while driving, but easily accessible while traveling on transit, has impacted the way we communicate. The following charts illustrate some of these trends.



TRANSIT TRENDS

National Statistics

Licensed Drivers by Age		
Age	1983	2008
16	46.2%	31.1%
17	68.9%	50.0%
18	80.4%	65.4%
19	87.3%	75.5%
20-24	91.8%	82.0%

*Source: Spivak and Schoettle
University of Michigan, 2011*

U. S. Transportation Mode to Work by Age

	Auto	Transit	Bicycle	Walk	Other
21-25	91.5%	3.5%	0.9%	2.8%	1.3%
26-30	92.3%	3.3%	0.7%	2.4%	1.3%
31-35	93.5%	2.9%	0.7%	1.8%	1.1%
36-40	94.0%	2.9%	0.7%	1.5%	0.9%
41-45	94.5%	2.5%	0.6%	1.5%	0.9%
46-50	94.3%	2.6%	0.6%	1.6%	0.9%
51-55	94.6%	2.5%	0.5%	1.5%	0.9%
56-60	94.5%	2.6%	0.4%	1.6%	0.9%
61-65	94.3%	2.2%	0.3%	2.3%	0.9%

Source: National Household Transportation Survey 2011

MARKET TRENDS

MTD RIDERSHIP

Both the university community and general community in Champaign and Urbana are technologically sophisticated and environmentally conscious. These characteristics result in residents reducing their automobile travel as well as being drawn to high-quality bus service. The national trends, combined with local preferences, will increase the demand on transit service, even without route expansion or span-of-service expansion.

The Champaign-Urbana Urbanized Area Transportation Study (CUUATS) has identified several local transportation conditions in their 2012 Report Card. There is continued growth in “Journey to Work” travel by workers over the age of 16 in the CUUATS service area. In 2000, 6.8% of the working population used transit. This gradually increased in ten years to 7.3% in 2010; but has accelerated to 9.1% in 2011. The 2014 goal is 9.0% for planned growth, and there is an expectation that this trip purpose will increase in the future. This trend is expected to continue and CUMTD can take advantage of the propensity towards transit in young population groups with service that meets their travel needs.

Residential land use in the CUUATS is complementary to transit. CUUATS has indicated that 91.0% of housing is within ¼ mile of a bus route. High-density housing has an even stronger relationship to bus routes, with 97.9% of duplexes, 98.2% of apartments, and 100% of fraternities/sororities within a quarter-mile of a bus route. The largest employers, University of Illinois (10,820 employees) and Carle (6,000 employees) have most of their facilities near transit service.

Fiscal Year	Ridership	Percent Change
2008	9,365,436	---
2009	9,919,993	5.9%
2010	10,134,192	2.2%
2011	10,543,662	4.0%
2012	11,107,631	5.3%
2013	12,028,172	8.3%

MARKET TRENDS

Several additional trends have emerged in the market that will affect growth and future market planning:

- 1.** University of Illinois student population is projected to remain the same for the overall population and among international students. However, the student housing developments on Green Street, the trend toward less parking availability, fewer parking permits requested, and the significant number of transit-savvy international students may increase demand and need for shifts in service on campus.
- 2.** Infill development in the cities of Champaign and Urbana.
- 3.** Increasing senior population that may require more/different information and services.
- 4.** Continuing development on the fringes of the communities, particularly as it relates to economic development and connecting employees with employers.
- 5.** Communication opportunities based on changes in MTD leadership and retirements in the community.
- 6.** Communication challenges if there are changes in services based on any possible decreases in funding.
- 7.** Current trends on weekends pointing to future growth in non-peak and peak periods. Non-peak time period ridership can develop additional ridership and revenue with no additional vehicles. It utilizes vehicles more fully and provides additional work/shopping/socializing opportunities for passengers.

SWOT ANALYSIS

The strategic planning consulting team conducted interviews with forty-two external community stakeholders and leaders. Simultaneously, the consulting team interviewed members of the board and staff. Nearly all of the interviews were conducted one-on-one, with the others conducted in a small group setting. The following SWOT analysis captures the key strengths and weaknesses, and describes the opportunities and threats facing MTD. A more complete explanation is outlined in the SWOT analysis in the Strategic Plan.

EXTERNAL STAKEHOLDERS SWOT SYNOPSIS

Strengths

- ▣ Fleet
- ▣ Leadership
- ▣ Collaboration with partners
- ▣ Marketing

Weaknesses

- ▣ Perception caused by empty buses and lack of concise explanation
- ▣ Communication
- ▣ Routes
- ▣ Relationships with the business community

Opportunities

- ▣ Leadership for all mobility – different modes
- ▣ Communication Plan to build believers, reintroduce
- ▣ Infill development and population shifts
- ▣ University of Illinois relationships and strategic growth
- ▣ Economic Development and Illinois Terminal

Threats

- ▣ Resource Management
- ▣ Funding – CUMTD and infrastructure
- ▣ Retirements

SWOT ANALYSIS

INTERNAL STAKEHOLDERS SWOT SYNOPSIS

Strengths

- ▣ Leadership
- ▣ Service quality
- ▣ Infrastructure & Technology
- ▣ Innovation
- ▣ Relationships/partnerships

Weaknesses

- ▣ Communications
- ▣ Succession planning
- ▣ Safety and Training
- ▣ Organizational Structure/Human Resources function

Opportunities

- ▣ Organizational structure
- ▣ Service outside of campus area
- ▣ Data utilization
- ▣ Expansion of role and/or modes
- ▣ Continuation of calculated risks

Threats

- ▣ Funding
- ▣ Stress of the system/Future Growth
- ▣ Knowledge transfer
- ▣ Cost of Operation
- ▣ Loss of relationships
- ▣ Technology

ONLINE SURVEYS

In an effort to obtain information from internal and external stakeholders who did not attend any of the in-person interviews, online surveys were developed to gather similar information.

External Results

53 individuals answered a series of questions about the services and impressions of CUMTD. 96% or 51 individuals were current or past riders. 83% of participants believe CUMTD is living up to its stated mission and vision. The respondents suggested CUMTD ranks highest in terms of value (good service for price), safety, technology and environmental responsibility. There were no significant areas of negative perceptions noted.

When asked where CUMTD should place its focus in the next five to ten years, routes and schedules received 88% of the responses. The highest areas of opportunity were increased ridership, technology, responsiveness, changes at the University of Illinois, and demographic changes in the community. The respondents suggested decreased ridership and lack of responsiveness would pose the biggest threats to the organization should they occur.

94% of the respondents agreed or strongly agreed with the statement, "Transit investment can enhance the quality of life and help to sustain economic development in the community."

Internal Results

61 current employees answered a series of questions about the services and impressions of CUMTD. Participants ranged from new hires to employees with 15+ years of seniority. 90% of the participants believe CUMTD is living up to its stated mission/vision. Employees believe the organization ranks highest in environmental responsibility, being community-minded, and technology. 19% of respondents suggested the organization rates poorly on internal communications, with another 29% giving a fair rating. 91% would like to see CUMTD continue to be innovative and mobility leaders in the community.

SWOT ANALYSIS

Employees participating in the online and printed copy surveys strongly agree U of I changes, increased ridership, technology and U of I changes will provide the areas of greatest opportunity for the organization. Lack of responsiveness ranked the highest for imminent threats. The group did suggest the economy and CUMTD leadership will most affect the organization's future. When given a list of values that should guide MTD, the respondents suggested all should be given high priority in guiding the organization. Those values were: service, responsibility, quality, efficiency, accountability, and excellence.

When asked what specific items would enhance the employees' ability to improve MTD, 70% suggested internal communication. Customer service training, educational courses, job training, and transit related conferences followed with a significant, but lower number of respondents.

MTD SERVICES

MTD's public transportation services operate in the cities of Champaign and Urbana, the Village of Savoy, and on the University of Illinois campus. MTD offers fixed-route bus service, demand response service, ADA Paratransit service, and a Half-Fare Cab Program.

FIXED-ROUTE BUSES

A "fixed route" is transit lingo for a bus route that operates on a set schedule following published routing. All of MTD's bus routes are "fixed routes." The one-way cash fare for a ride on a fixed-route bus is \$1 with one free transfer. MTD offers a Monthly Pass for \$15, an Annual Pass for \$72, high school and younger student one ride tokens at a cost of \$3 for six tokens, and a Saturday or Sunday all-day pass for \$2.

MTD operates fixed-route service during weekday daytime, weekday evening, and on Saturday and Sunday. During University of Illinois Fall and Spring semesters, some routes operate nearly 24 hours a day, seven days a week.

There are 19 weekday daytime routes, eight weekday evening routes, 11 Saturday routes, and 10 Sunday routes. MTD operates the 280 tranSPORT on Saturdays when there are Illini football home games.

DEMAND RESPONSE SERVICE

Demand response service operates through prior arrangement "on demand" when the rider telephones for a ride. MTD's 335 SafeRides service, funded primarily by University of Illinois student fees, is a demand response service intended for those within a certain boundary to travel safely. SafeRides is available to groups of three or fewer to travel within an area bounded roughly by University Avenue on the North, Windsor Road on the south, Vine Street on the east, and State Street on the west. The rider phones MTD to make arrangements to be picked up at a certain location within the boundary and dropped off at another location within the boundary. The fare is the same as for fixed-route service and the service is open to the public. 335 SafeRides operates during the UI Fall and Spring semesters, and, for fewer hours, during UI Fall, Winter, and Spring Breaks.

ADA PARATRANSIT SERVICE

This transportation service is available to persons with physical or cognitive disabilities that make it impossible to use fixed-route service. ADA Paratransit Service is by

MTD SERVICES

reservation only and all reservations must be made at least 24 hours prior to service. Eligible riders submit an application and become registered prior to using the service. When their eligibility has been confirmed, the customer receives a DASH card which, in addition to making them eligible to use ADA Paratransit service, entitles them to free rides on fixed-route bus service and access to the Half-Fare Cab Program.

Some riders receive conditional eligibility to use ADA Paratransit Service. This means that under certain circumstances where the customer would be unable to use fixed-route service (for example, at night for someone who has night blindness), they can access ADA Paratransit Service.

DASH CARDS

DASH Cards can also be issued to people 65 years of age and older. These seniors may use their DASH Card to ride MTD's fixed routes whenever they want as often as they want. They must renew their card, and take a photo ID, every three years.

HALF-FARE CAB PROGRAM

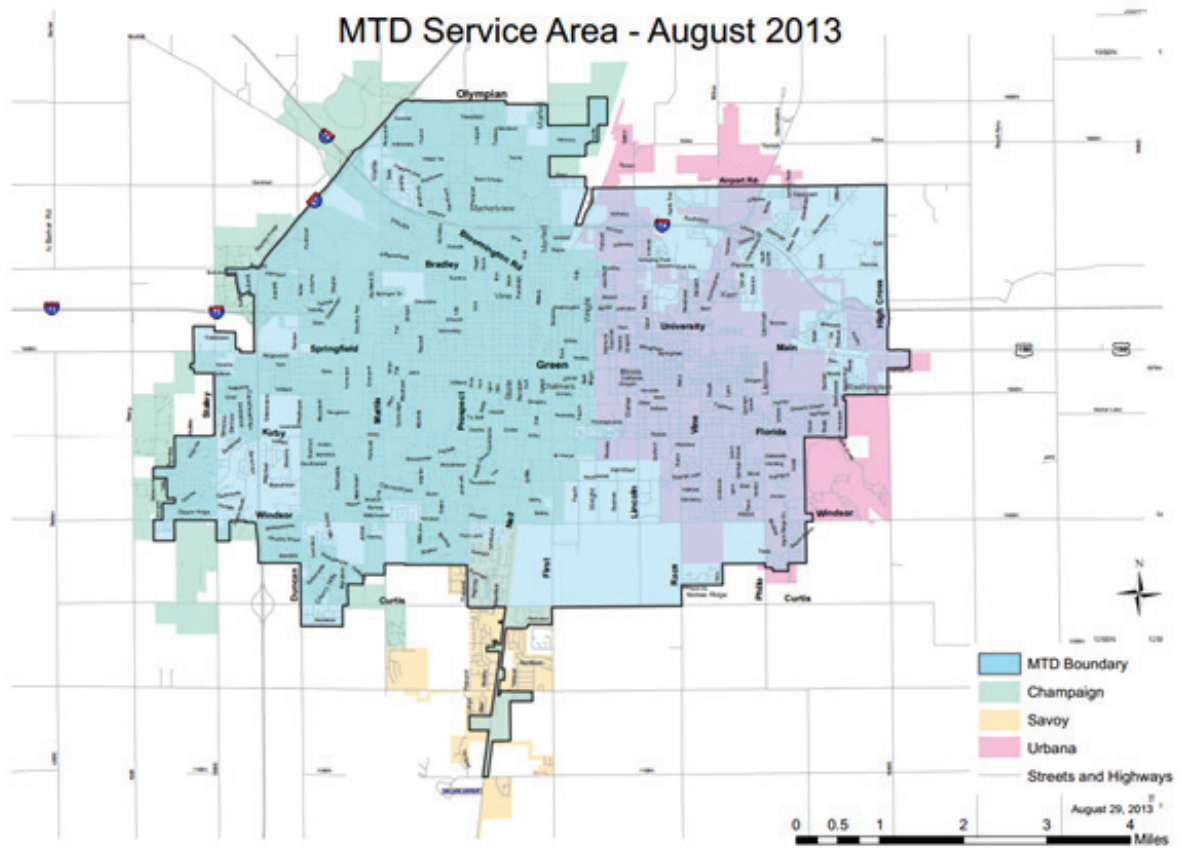
The Half-Fare Cab program is a supplement to fixed-route service. Those eligible have a DASH card and must show the card to receive discounted cab rides taken within MTD boundaries at certain times. Only certain cab companies participate in the program. The customer pays half the fare and the participating cab company submits a form to MTD for reimbursement for the other half of the fare.

iSTOP

iStops are MTD stops located on and near the University of Illinois campus where it is unnecessary to pay a fare or show identification for certain routes. Signage at the stop identifies which routes are iStops; these routes are identified with an orange stop sign-shaped icon with an "i" in the center.

DESIGNATED STOPS

In certain high-density, high-ridership areas, especially in the University District, buses will board and alight passengers only at designated stops. In designated stop zones, buses will only stop at designated locations. It is much safer and more efficient to board and alight passengers at designated stops.



FARES/FEES

Regular Cash Fare: A standard ride costs \$1, one-way, with free transfers from route-to-route. Seniors and Medicare Card holders may travel for \$.50 or free with a DASH Pass.

School Fares (High School and Younger): Cash fare is \$1. Students may also purchase six tokens, each valid for one, one-way ride, for \$3. School tokens are accepted at all times from those in high school or younger.

Children's Fare: Children who are 46 inches or shorter in height may ride free when accompanied by a fare-paying passenger.

Free Transfers: Free transfers are issued for connections with other MTD routes. Transfers are issued ONLY at the time a fare is paid and are valid only at points where routes intersect. Transfers are issued to allow a passenger to make a complete, one-way trip, and are not intended to allow a passenger to make a return trip to the point of origin. Transfers must be used on the first connecting bus.

Annual Pass: For \$72, you can buy a non-transferable annual pass. All Annual Passes start on the first day of the month and are good for 12 months of unlimited travel on MTD.

Monthly Pass: The non-transferable \$15 Monthly Pass is good for unlimited riding for any one-month period. The pass starts on the first day of the month and may only be purchased at Illinois Terminal.

All-Day Pass: Ride all day Saturday or Sunday for just \$2. An all-day pass can be purchased from any driver until 7 p.m.

DASH Pass for Seniors: Seniors sixty-five and older may obtain a DASH Pass — good for free, unlimited travel on any regular MTD service, by providing proof of age at Illinois Terminal.

DASH Pass for Riders With Disabilities: Medicare Card holders and persons with significant difficulty boarding or alighting from an MTD vehicle may qualify for a DASH Pass, good for free, unlimited travel on any regular MTD service.

iCard (University of Illinois I.D.): All eligible University of Illinois students, faculty, and staff have unlimited access to all routes and services at all times. Arrangements with the University make it unnecessary for these riders to pay a fare.

MARKETING MIX

Target markets will be identified through the marketing plan. To reach each of the target audiences, several “P’s” are considered when developing the best methods and messages to communicate to these markets. They include:

Product – What does the target market want/features/how will it be used/brand?

Price – What is the value/price sensitivity/price compared to competitors?

Place – How is your service accessed/distribution channels?

Promotion – How best to share message with target market/identify reach through advertising or many other types of marketing methods?

Politics – How to carefully navigate problem solving and messaging to bolster popular support while operating within the political environments of municipal, county, state, and federal government?

People/Psychology – Who will target market interact with from our staff/community? How can marketing messages help target markets make the shift from automobile autonomy to public transportation?

As a marketing avenue and target market are decided for each marketing goal, these marketing mix areas will help direct the type of marketing and the message that will be most effective.

TARGET MARKETS

1. U of I students
 - a. University housing
 - b. Off campus
2. U of I faculty and staff
3. Community members
 - a. Riders
 - b. Non-riders
 - c. Seniors
 - d. Employers/employees
4. Middle and high school students/parents
5. Internal workforce

MARKETING GOALS

STRATEGIC PLANNING GOAL 1

MTD will deliver high quality traditional and innovative transportation services that are safe, reliable, environmentally responsible, and user friendly.

Marketing Goals

1. Ensure consistent effective communication including information about the availability of rider tools, and encourage the further development of tools to enhance rider experiences.
2. Establish MTD as a truly sustainable transportation alternative and a leader in sustainability initiatives.

STRATEGIC PLANNING GOAL 2

MTD will encourage use of a variety of transportation means, including transit, biking and walking to promote mobility in our community.

Marketing Goal

Develop strategies to communicate MTD's leadership role in mobility along with the opportunities and advantages MTD provides in the community.

STRATEGIC PLANNING GOAL 3

MTD will ensure fiscal responsibility, leverage existing funds and investments, and proactively seek new funding to support current and future mobility needs.

Marketing Goals

1. Communicate MTD's fiscal responsibility to internal and external stakeholders.
2. Allocate a marketing budget to the level needed to support Strategic Plan Growth Scenario.

MARKETING GOALS

STRATEGIC PLANNING GOAL 4

MTD will explore and adopt new and innovative technologies that improve service delivery to anticipate, meet and exceed community expectations.

Marketing Goals

1. Explore new opportunities with social media and continue to effectively use existing social media.
2. Conduct market research to anticipate, meet and exceed community expectations.
3. Research and implement strategies to maximize ad revenue.

STRATEGIC PLANNING GOAL 5

MTD will develop strategies to ensure transparent, clear and consistent communication with external partners and within the organization.

Marketing Goal

Participate on the leadership team to develop an internal and external communication plan.

STRATEGIC PLANNING GOAL 6

MTD will provide high quality career opportunities and continue our commitment to efficient, fair and ethical business practices.

STRATEGIC PLANNING GOAL 7

MTD will develop public-private partnerships to create living/working/public space environments through mobility enhanced development that supports local government and University growth objectives.

Marketing Goal

Coordinate public engagement for awareness, gathering input, positioning, and sharing information regarding future growth initiatives.

BUDGET

Based upon information gathered through the strategic planning process, an appropriate budget should be dedicated to marketing and communication, including, but not limited to: staff, advertising, printed pieces, collateral material, social media, website and research.

RESEARCH

MTD has done an excellent job of conducting research to gather input/opinions for not only riders and “customers” but also the community. Research should continue and a schedule for types of research and frequency be developed to continue to measure progress. The excellent research that has been done will serve as a benchmark for future research.