

**Introduction to Multimodal Urban Transportation Systems (MUTS)**  
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**Module No # 03**  
**Lecture No # 12**  
**Public Transportation: Transit Marketing**

In this lecture we will look at the various transit marketing strategies, how that we have understood how to finance public transportation in our urban areas.

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So in this lecture, we will be looking at giving you an overview of why transit marketing is required, what are the different strategies in marketing, and how that can help improve transit ridership, transit revenues, and so on and so forth.

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## Transit marketing

### Introduction

- Transit marketing embodies a philosophy of management and operation of transit.
- It is aimed at discovering and exploiting the opportunities to serve public.
- A transit organization should adopt a marketing strategy that is appropriate to its position in a competitive transportation market.



Source: [www.smartcitiesdive.com](http://www.smartcitiesdive.com)

So when we talk about public transportation often the aspect of marketing is neglected because we look at public transportation primarily from the point of view of either providing service or looking at it from the point of view of efficiency, i.e. of how well the buses are running, or whether they are running on time or not, or from the point of view of maintenance cost, and so on and so forth.

But marketing especially can boost all of this. Through marketing you can create a brand value, you can attract new riders, you can keep your existing riders and there can be tremendous benefit if you indulge in the proper marketing strategies for transit in various urban areas. This is a new thing that is picking up because not only does it generate extra revenues for the operating agencies but also helps in collecting fares, or increasing the fare box collections, so on and so forth.

However, marketing has to be very focused and targeted, i.e. whom are we trying to attract. It can be different for different bus routes. Maybe one bus route is going through a certain type of area in the city, so the marketing should be geared towards that kind of an area, whereas if it is going towards particular facilities like airports it should be geared towards those kinds of activities. So we will give you an overview of how marketing is getting more and more used in urban public transportation systems, especially we will look at the bus transport here and see how it is helping in different ways.

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## Transit marketing

### Introduction

- Promotional efforts should also be developed for current non-users who may be viewed as potential riders.



- Transit marketing plan should be made with a statement of objectives and plan of action to achieve the objective.

Source: [www.brogan.com](http://www.brogan.com)

So when we are talking about marketing, it should have clear objectives. Marketing is not just a way of advertising or putting your advertisement on a bus that is not relevant to the user or to the overall goals of the public transportation system. So marketing should not be seen as only a source of raising revenues, it is one of the sources of raising revenues yes, but it should also be coupled with the larger goals of increasing ridership or attracting new riders, i.e.keeping the choice riders in the public transport domain and so on. So, again, when we are talking about marketing we should not be looking at it only from the point of view of blanket advertisement on the buses.

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## Transit marketing

### Goals of transit marketing

- To attract private vehicle users to public transport.
- Retain the existing public transport users.
- Create a brand that carries desired values with it.
- Increase the market penetration of trips

Overall what is being observed is that there are 4 kinds of goals for transit marketing, first is to attract private vehicle users to public transportation. So whoever is currently using their own 4 wheelers or 2 wheelers for travel, to attract them to public transportation you can always use marketing. Now there are different strategies of marketing which we will be getting into but that is one of the primary goals of transit marketing.

Second is to retain the existing public transport users. It is also essential to keep your existing users, so that they should not be moving away from the use of public transportation and their experience should be enhanced. So how do you market that enhanced experience of public transportation? The third is to create a brand that carries desired value with it. We will give you some example where various agencies that have created a brand, everybody loves a brand to either buy a branded product or use branded services.

So marketing allows you to brand your public transportation as well and then once you create a good brand, a brand that helps provide good efficient transportation will help you with the first 2 goals of attracting new people and keeping your keeping your existing people. Finally, it does help in increasing the market penetration of not only the trips, but with the help of the increased trips, it also increases your revenues.

So now you can go into a different, a newer area, you can expand your public transportation system, you can attract more passenger trips and that will also increase your revenues. So overall these are the goals that should be kept in mind while you are marketing for public transport and not just have the aim of generating revenues through advertisement.

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## Transit marketing

### Why is marketing required for transit services?

•Any product or service that is for people, compete with each other.



•Those brands that can compete better gets higher share in the market.

Source: www.uottawa.com

If you look at this chart you can almost recognize any of these brands, right? So why can you recognize these brands? Now they have not only created a brand value but the services that they provide are being appreciated by all of the users. So it is the services that everybody, be it whatever Facebook provides or whatever Toyota provides in the automobile industry or whatever the Nike provides in the athletic goods industry, everybody loves them.

The first thing is to increase or improve the services that you provide. By improving the services, you will create a brand value. Once you have a brand value, then you can attract more and more people to it. So it is kind of a chicken and egg thing, we create a logo and a brand value first or should we improve our efficiency first or improve our services first. We should always look at doing both hand in hand because as you keep on improving your services your brand value keeps on increasing.

But in order to capture the benefits that your increasing services or the benefits of the services that you are providing, you have to have a brand. You have to create a brand. Any of these products, I mean Walt Disney to Amazon, you know Amazon why is getting very popular in India? So all of these have created a brand. So that is what even transit services or public transportation is looking for, right? Public transportation provides you the service that takes you from point A to point B.

So why cannot we market it in such a way that people will get attracted to it or there will be more and more users of public transportation.

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**Transit marketing**

**Why is marketing required for transit services?**

- Products that have many players will have cut throat completion.
- The success also depends on how well they place themselves in market via their marketing plans.
- Some high completion sectors include FMCG, food & beverage, insurance, pharmaceuticals, higher education, etc.

We have often seen that whenever there is competition there needs to be marketing. there needs to be people. The information about the services that you provide has to be spread to more and more people. Same is the case of public transportation. Now the people have so many options to travel from point A to point B in any urban area. So why should people use public transportation?

Unless you can market your product, which is the bus you are running, or the metro you are running or whatever other mode of public transportation, i.e. taxis you are running, or even now you have Ola, Uber, etc., the users won't be attracted. Otherwise people would get attracted to another alternative mode of transport which may be doing a better job of marketing itself.

So whenever there is competition you always have to put forward your case strongly, i.e. all the benefits, all the services that you provide, in such a manner that people get attracted to your services. Some of the high competition sectors in India are food and beverages, all the fast moving consumer goods, insurance, etc., so anywhere there is competition you see there is heavy marketing that goes on.

Now public transportation has always remained away from marketing because essentially they were being provided by the government. Plus, there were so many takers of public transport, especially in India. When there are so many takers of public transportation, then you kind of get complacent, i.e. that you already have a large user base, you do not have to really market your product to attract more people.

But now that public transportation in declined in many of the urban cities, and in many of the urban areas where private transportation is on the increase, then we have to pay some attention towards how to strategically market your public transportation service. This becomes very important in the case of current scenario of public transportation in India.

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**Transit marketing**

**Why is marketing required for transit services?**

- If a brand stays out of marketing in a fair market, the chances of its decent market share falls.
- Trips** should be considered as a commodity for which various types of transportation systems compete.
- Two wheeler and car companies market aggressively to share their product.
- Marketing PT can help in achieving good trip market share.

If you look at the private vehicle industry, they are doing tremendous amount of marketing. How many ads do you see, in either the print media or electronic media or in television, that markets 2 wheeler or a 4 wheeler? There are constant advertisements of these vehicles that are out there, trying to attract the people to buy them, and as soon as you buy them you are bound to use them.

So there is so much advertising that is going on, or marketing that is going on, of these private vehicles. So what they have done is, they have already created a brand. Are they piggy backing on a worldwide brand, then they are trying to attract users or trying to sell to them the services that they provide. However, when it comes to public transportation services there is not so much that is being marketed.

Everybody believes that people automatically will use public transportation. But that belief is sometimes not very true, you have to still put yourself out there. So in this case if you look at what is it that we are selling, so if you look at purely from the point of view of marketing and say that what commodity we are selling? We can say that trip is the commodity.

If you consider trips as a commodity that various types of transportation systems compete for, i.e. every transportation system is competing for your trip. The next trip that you take, which mode should you use? Will you use an auto rickshaw, will you use a cycle rickshaw, will you use the bus, metro, will you use taxi, Ola, Uber? So these are all the competing modes that are competing for your next trip.

So how do you make sure that public transportation gets that trip? That in itself is the essence of marketing, i.e. how you market yourself. Now, this may be very new concept for people say in transportation engineering who more worried or more focused on engineering, or transportation planner / urban planners, who are looking at planning aspects.

But you have to really integrate marketing into your planning and engineering. Then you would see that your product or your commodity would attract more and more users, and that will be eventually beneficial to the transportation system as a whole, and to the traffic system as a whole, to the urban planning, and that will actually benefit you. So this is all about integrating marketing into your planning policy and engineering strategies.

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So what are the strategies -- broadly that you use in marketing? First is, we have talked about it, is of marketing the system. What are the facilities that the system provides you? Where does it connect to you? What are the frequencies, how comfortable is your ride, so on and so forth. This is marketing the system. Then it is marketing for revenue, of course this will generate lot of revenue.

Now you can sell prime spot on your bus may be going through some of the prime locations in the area. Now if you want to sell the product to all the people where the bus is going to, you can advertise on the bus. Now everybody can look at it, so those are traditional benefit of marketing for revenue, reach, etc., Next strategy would be to reach all socio economic segments. Now this is a very important strategy when it comes to public transportation because public transportation is mass transportation.

So it is for all of the society, it is not only for certain class, it is for all society, and especially when we are trying to attract choice users, we have to be attracting their socio economic strata as well. We cannot just say that public transportation is for captive riders. But it is also for choice riders, so how do you attract them? You have to have some outreach programs.

Every time you have a celebrity take a ride on a metro, if a celebrity take a ride on a bus, that kind of markets the product, that can market the bus such that "hey look it is such a safe system, you can go on it, take a ride on this, do your own work, not worry about driving by yourself, not

worry about getting into an accident, etc.”. So all of this can be done through outreach programs., These are the 4 different strategies, broadly the 4 different strategies of marketing, that can be applied to public transportation marketing..

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So now these have been started by some of the public transportation organizations in India as well. The first thing in branding is to develop what is called a logo. you have to have a logo in order to market yourself, otherwise people will not be able to identify you, or distinguish you from other brands, or distinguish you from other types of public transportation systems plying on the road.

So you would see that Namma metro in Bangalore has developed a logo, Janmarg in Ahmadabad has come up with the logo, Janmarg is the BRTS system; and this is the rainbow, which is the BRTS system that connects Pune to Pimpri. All of them have already developed a logo. So when you immediately spot a bus with this logo you know where this bus is going or you know what system is that bus operating under.

So that is a BRTS system, you already can distinguish that service from other services, i.e. other bus services in your city. So that is what a logo does, a logo creates a brand for that system. There are other ways of branding your system as well, you can include the names with the logos that each one of them have done, have a catchy slogan with the logo, and you could have tag line, etc.

So you can have different kinds of branding that can be done, prominent logos, distinct logos or something with one punch line or with one name of the system, is something that has been practiced for a long period of time.

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Again even internationally when you see there are several logos that you can easily identify when you travel abroad. The London underground subway logo, the New York city subway logo. So all of these things have created a brand values in themselves. Now when you say that you are going to use the underground tube in London, everybody knows what that is what kind of service it provides.

So everybody has the information, so all that information has already been marketed to the users and now they can even spread the word. So in this case what happens is once a user is attracted to your brand, they can spread the benefits of using the brand just by word of mouth. I tell my friend, well I took the London metro, I took the Namma metro in Bangalore that was a wonderful experience you can just get on there and get off.

And then the other person also gets attracted to it and that is how you can build your ridership or build your brand value of your system.

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Now if you look at the marketing for revenues, there are different ways of doing that. People sell souvenirs of transit systems, you can sell small miniature metro rails with the logo on it at various shops, these all generate extra revenue for your public transportation systems. Remember public transportation system, like we saw in the previous lecture, run on subsidy many of the times, these subsidies are provided by the government.

So the government incurs extra cost for running these systems. So all of these other avenues of generating revenue always helps out in reducing the amount of subsidy that is required. As you remember from the previous lecture the fare box collection does not always cover for all the maintenance and operation costs, and certainly does not cover for the capital costs. So many times these revenues, these additional revenues from marketing, can always help reduce the subsidy, can always help balance the balance sheet.

As you see, for all the public transportation systems so you can do so by selling souvenirs. We have already talked about advertisement in the buses and inside the buses. You can also advertisements in the bus stops. If you got to any major city in India, this is taking place. Bus stop is the location where lot of people gather, so it is a prime location for putting advertisements. Agencies are printing advertisements on tickets as well.

Now although we are trying to go away from printed tickets but still a lot of printed tickets are used or maybe smartcards that are used those could be branded and also advertised or different

types of advertisement could be or printed on the on the smartcards as well. So that is another way of doing it. Also property development at transit stands and corridors. This phenomenon is known as Transit oriented development, TOD. So what this is a brand new phenomenon, even in India it has been there for about 4 or 5 years, since the first TOD policy has come out.

But you will see some of the metro stations already, what they do is they allow greater FSI or an FAR around those stations and allow high intensity development, mixed use high intensity development, to happen, so the land prices goes up. The activity around the metro stations intensify that allows people to stay close to the metro and use the metro. This is also a kind of marketing, also helps to generate extra revenues.

Now all the land around the station, usually some of the land around the station, does belong to the transit authority, and by selling those land rights, some authorities also sell air rights, the air space on top of the metro station can also be sold for creating office spaces, garages, parking garages, and so on and so forth, that can generate extra revenue for your public transportation system.

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Here are some examples, where you can see the buses in London, you can also have unique designs for your main office buildings, that can also be marketed as saying that this is the public transport agency's office headquarters. That is a good way of saying that 'Hey we are here for customer service, if you have any need you can come here talk to us directly'. So that is the way

of giving out good marketing or good promotion of your brand as well and this is an example of advertising at the bus stops that helps generate revenues..

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**Transit marketing**

**Marketing strategies: Reaching all socio economic segments**

- The market for PT does not consist of homogeneous mass of consumers, but is divided into segment of consumers with different needs.
- The concept of market segments and marketing mix can be applied in transit marketing.



Source: [www.transitcenter.org](http://www.transitcenter.org)

Also when we talk about reaching out to all socio economic segments, there has to be the public transit which has to be marketed specifically for vulnerable users, specifically for people who otherwise do not have any options to travel. So attract them to very comfortable public transportation systems. For eg. you can always have ladies special. For example, ladies' special buses which is run by the Jammu and Kashmir state road transport corporation, I have shown here.

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**Transit marketing**

**Marketing strategies: Reaching all socio economic segments**

- For example the high income segment may be offered air conditioned coach express service at higher price.
- Elderly may be encouraged to use the transit services during non-peak hours at concessional rate.



Source: [www.tripsavvy.com](http://www.tripsavvy.com)

You can also have special buses that cater to the socio economic group that can afford higher prices. You not only look at lower socio economic group people, but also look at high socio economic. Because remember we have to attract the choice users as well so we give them a comfortable ride, we say that “Hey this will give you the services that you need and so why not you ride with us’.

So the recent steps that our central government has taken, you may have come across them, where they are improving the quality of intercity rail transport right. So you are getting more comfortable trains, better food on the train, etc. So all of this helps improve the services and then you can then market yourself. You can then market the Indian rail or you can then market the metro. So that is the aim of help generating more revenues from your improved marketing.

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Other targeted socio economic group may include people who go to the airports. So there may be shuttle buses from various points in your city that take people directly to the airport. So you may want to distinguish them by specific design by logo in order to attract people. “Hey once you see this you will remember before the next trip to the airport that you take that; well there was a bus that I could now easily hop on from close to my home and get to the airport”.

Rather than looking for an expensive alternative of parking at the airport. So you can specialize, so these are all examples of how you can market for different socio economic groups.

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## Transit marketing

### Marketing strategies: Outreach programs

- Conducting promotional events to create awareness about public transportation.

- Develop a comprehensive plan for outreach through different media forums

- Some of these include participation in exhibitions, distribution of pamphlets, having kiosks at important locations, radio, television, conducting competitions, school kids visit, etc.

Then outreach strategies, like I said, you also have to have certain outreach strategies from time to time., You cannot do these outreach strategies all the time. You have to create, awareness about public transportation system, have a plan for that, may be every year, 4 times a year, or 5 times a year, etc.. You will have certain events focusing around your public transportation systems. For example, Kolkata trams have now taken up this strategy of giving you heritage tours around Kolkata onboard a tram system, which is very historic and has been there for a long time.

So in order to revive tram system Kolkata road Transport Corporation, or the agency that manages it, has taken this marketing strategy of reviving couple of tram coaches by developing a tourist circuit which will take them to different historic sites, and now they are being marketed to different people around different times to say that that “hey now can take this for heritage tour around the city”. So these are kind of outreach programs that have to be developed, have to be marketed, make pamphlets of it, having kiosks that provide information, using print, television, media.

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## Transit marketing

### Marketing strategies: Outreach programs



In order to put the word out there about all these public transport systems that you have. We have already talked about how you can have celebrities, how you can have, I mean celebrities need not be national or international celebrities, they could be local people who everybody looks up to, you can have your mayor of the city or somebody very popular in your community, take a ride on the bus transport system.

A doctor who is very well known in the community, takes a ride on the public transport system gives you the health benefits of using public transportation systems, for example, that will help create an awareness and it will give a higher promotion of your public transportation system.

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## Transit marketing

### What can be marketed in PT?

- PT advertisements can capture the following aspects:

- **Socializing**
- **Counter risk of private vehicles like accidents**
- **In travel work**
- **Inclusiveness**
- **Low fare**

What can be public transport system marketed for? what are you marketing them for? You can say that you can socialize while you are taking a public transport trip, you can chit chat with people, know more about what is happening around. Because this is one of the negatives of increasing car usage, i.e. that people are getting more and more isolated in their lives. They are travelling by themselves, they are working by themselves, there is less and less social interaction, so public transportation can improve social interaction. You can reduce the risk of accidents that usually is associated with use of private vehicle. You can conduct lot of work while traveling, when you are driving you cannot do anything else. But while you are taking a metro or while you taking a bus you can do other things, you can productively use that time, it promotes inclusiveness.

All parts of the society can use this bus and of course it has a monetary benefit which is having low fare. So all of these things can be marketed, all of these things about the public transportation system can be marketed.

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Alright so I gave you a broad overview of how transit marketing can be conducted. We looked at why is it needed? How can it help? How can you create a brand value? What outreach program you can conduct and what are the elements of public transportation system that can be marketed. Thank you very much for your attention.