




February 21, 2018

To: Members of the Board of Directors

From: Jennifer L. Bergener, Managing Director 

Subject: Amendment to Contract with Truth and Advertising to Support Pacific Surfliner Field Marketing Engagement Program

Overview

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency is responsible for promoting the Pacific Surfliner intercity passenger rail service and implementing marketing programs aimed at increasing ridership, revenue, and awareness. Staff has prepared an expenditure plan for a field marketing engagement program for Board of Directors' review and approval. The program will build on existing partnerships and marketing efforts as well as develop new initiatives designed to enhance awareness of the service while strengthening relationships with local communities.

Recommendations

- A. Approve the proposed expenditure plan for the Pacific Surfliner field marketing engagement program.
- B. Authorize the Managing Director to amend Agreement No. L-7-0004 with Webb & Duffy's, doing business as Truth and Advertising, by \$500,000, for direct costs of purchasing sponsorships, media, consultant services and near-term fulfillment in support of the Pacific Surfliner Field Marketing Engagement Program.

Background

Per the terms of the interagency transfer agreement with the State of California, the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) is responsible for marketing the Pacific Surfliner intercity passenger rail service in order to enhance public awareness of the service and increase ridership and revenue.

The LOSSAN Agency works closely with its consultant team and external partners to develop and implement an array of marketing activities designed to

strengthen the Pacific Surfliner brand, build a strong online presence, improve the customer experience, add value for passengers, and leverage strategic partnerships. These marketing activities have contributed to year-over-year increases in ridership, revenue, and fare box recovery on the Pacific Surfliner.

On August 21, 2017, the Board of Directors (Board) approved Agreement No. L-7-0004 between the LOSSAN Agency and Webb & Duffy's, doing business as Truth and Advertising, in the amount of \$250,000, to provide consulting services for integrated advertising and direct response marketing for the Pacific Surfliner for a one-year initial term with two, one-year option terms. On December 6, 2017, the Board approved an expenditure plan for the 2018 Pacific Surfliner winter marketing campaign and authorized the Managing Director to amend Agreement No. L-7-0004 with Truth and Advertising, by \$400,000, for direct costs of purchasing campaign advertising.

Discussion

The LOSSAN Agency has worked with Truth and Advertising and subconsultant Monarch Sports, LLC to develop an integrated Field Marketing Engagement Program (Program) for the Pacific Surfliner designed to:

- Leverage key collegiate and professional sports sponsorships to connect with the regional target audience for the Pacific Surfliner service
- Drive awareness of the Pacific Surfliner in specific markets
- Influence consumer purchase decisions within communities served
- Increase ridership, positive brand associations, and visibility of the Pacific Surfliner
- Uncover opportunities to expand reach and influence in college markets to build awareness in that key demographic
- Promote brand goodwill and partnerships with key convention and visitors bureau partners

The Program is also designed to maintain and expand relationships and advertising programs with strategic partners along the route that were previously managed and funded by Amtrak. In December 2017, Amtrak's field marketing presence including staff support and budget supporting the Pacific Surfliner service was eliminated. The LOSSAN Agency staff had relied heavily on support from Amtrak for co-marketing and cost-sharing opportunities, as well as the coordination, management, and implementation of various sponsorships and promotional partnerships with sports teams, festivals, special events, and trade shows along the LOSSAN Rail Corridor. The Program will help bridge the gap created by the elimination of these positions.

The Program will provide marketing continuity through existing partners and extend the reach and impact of these efforts to new partners. The Program will include investments in sponsorships, memberships, and advertising programs secured and coordinated through strategic partnerships with convention and visitors' bureaus (CVB), collegiate and professional sports franchises, live event promoters, and local event producers throughout the LOSSAN rail corridor.

Expenditure Plan - Pacific Surfliner Field Marketing Engagement Program

Travel Industry/CVB Memberships	\$40,000
Sports Marketing	\$375,000
Consumer Events/Trade Shows/Live Events	\$57,000
Promotional Marketing Programs	\$28,000
TOTAL	\$500,000

This proposed expenditure plan will support the LOSSAN Agency's participation in strategic sponsorships in target markets that leverage partnerships to build awareness of the Pacific Surfliner service, while developing and strengthening relationships with local communities.

By generating interest and engagement with the Pacific Surfliner service, the development of the Program will position the Pacific Surfliner brand as top of mind, build awareness, extend brand value, and drive customers to PacificSurfliner.com and Amtrak points of sale.

LOSSAN Agency staff will develop key analytic benchmarks to support ongoing program evaluation and measure audience effectiveness. Areas of focus for measurable performance metrics will include: social audience activation, targeted email marketing, hyper-targeted media placements, content engagement, media impressions, and click rates. Data will be used to provide insight to inform future marketing decisions.

The fiscal year (FY) 2017-18 and 2018-19 approved LOSSAN Agency Business Plan and budget includes \$2 million for marketing expenses. Additionally, the California State Transportation Agency has authorized the utilization of prior year marketing surplus funds, which total approximately \$2.2 million. LOSSAN Agency staff will utilize prior year surplus funds ahead of any new marketing funds received.

Planned activities in each area are detailed below.

Travel Industry/CVB Memberships

Identify and develop relevant cooperative advertising, social media, and promotional opportunities. Partners may include the following:

- San Diego Tourism Authority
- Visit Anaheim
- Los Angeles Tourism and Convention Board
- Ventura CVB
- Oxnard CVB
- Santa Barbara CVB
- Santa Barbara Chamber of Commerce & Visitors Center
- San Luis Obispo County CVB
- San Luis Obispo Chamber of Commerce
- Central Coast Tourism Council
- Visit California

Sports Marketing

Connect with highly visible sports partners to represent the LOSSAN Agency's strategic priorities in key communities. This includes, but is not limited to, negotiating high-impact sponsorships to acquire bundled, multimedia assets that deliver maximum impact and drive ridership in key markets. Key to this effort will also be developing and tracking measurable performance metrics such as clicks, media impressions and extended-use digital assets that align with established program goals.

Fulfillment of sports marketing programs includes coordinating and ensuring timely delivery of all creative assets including print, radio, digital and social media, as well as the development of special promotions and fares discounts to incentivize trial and repeat ridership to support program initiatives.

Immediate opportunities may include the following:

- Big West Basketball Tournament- March 8-10, 2018
- San Diego Padres, Anaheim Angels, Los Angeles Dodgers
- California Interscholastic Federation - Southern California high schools
- California State University, Fullerton, and/or California Polytechnic State University – San Luis Obispo Mustang Sports
- Los Angeles Galaxy professional soccer
- University of Southern California, University of California, Los Angeles, University of California, Santa Barbara, San Diego State University, and similar sports programs
- In season Los Angeles Rams and Los Angeles Chargers Game Day Program ads
- Sponsored sports radio features
- Local ESPN television spot buys
- Local media tour travel segments

Consumer Events/Trade Shows/Live Events

Connect with event organizers to outline the LOSSAN Agency's goals and objectives and negotiate agreements to extend market reach, clicks, impressions, and return on investment.

Fulfillment of event sponsorships includes coordinating and ensuring timely delivery of all creative assets including print, digital and social media, as well as the development of special promotions and fares discounts to incentivize trial and repeat ridership to support program initiatives.

Events may include the following:

- LiveNation FivePoint Amphitheatre 2018 Season
- Red Hat Society Train Hoot – 25th Anniversary Celebration
- Del Mar Horse Racing Summer Season
- Railroad Safety Poster Contest (Partnership Southern California Railway Plaza Association)
- Seaside Highland Games, Ventura
- Santa Barbara Earth Day
- San Luis Obispo Lunchtime Summer Concerts in the Park Series
- California Strawberry Festival, Oxnard
- Oxnard Salsa Festival

Promotional Marketing Programs

Develop and/or support new marketing program initiatives for key audiences. This includes, but is not limited to, the support of both existing and new opportunities to drive ridership and customer loyalty in specific demographic groups.

Programs may include the following:

- California Everyday Discount Program including special fares for students, children, seniors, and passengers with disabilities
- Santa Barbara County Peak-Period Service
- New Kids and Senior Discount Programs
- Automobile Club of Southern California - California Discount Rewards Program
- Disneyland – Southern California Resident Ticket Sales Promotion
- Small group discount programs
- Kids 'n' Trains school group discount program

Summary

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency staff has prepared a proposed Pacific Surfliner Field Marketing Engagement Program expenditure plan for the Board of Directors' review and approval.

Attachment

None.

Prepared by:



Emilia Doerr
Marketing & Communications Officer
(714) 560-5370