



February 20, 2019

To: Members of the Board of Directors

From: Jennifer L. Bergener, Managing Director

Subject: Pacific Surfliner Marketing Update

Overview

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency is responsible for marketing the Pacific Surfliner service and setting an annual work plan to enhance public awareness of the service and increase ridership and revenue. A marketing update is presented to the Board of Directors each quarter. This report provides a summary of marketing activities and performance through January 2019.

Recommendation

Receive and file as an information item.

Background

The Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency's (Agency) efforts to create awareness and generate interest in the Pacific Surfliner service include a broad range of marketing activities from communicating critical rider information and engaging with audiences through various channels to launching new service promotions and working to increase revenue related to key business objectives.

The current marketing program is outlined in the LOSSAN Agency's Fiscal Year (FY) 2018-19 and 2019-20 Annual Business Plan (Business Plan). The marketing program is fully funded by the state and is planned to be \$2 million annually. The focus of the FY 2018-19 marketing efforts are to support key priorities outlined in the Business Plan, as well as engage in the marketing strategies and programs designed to help grow awareness, ridership, and revenue.

Marketing staff focuses on promoting Pacific Surfliner ridership by developing and implementing an array of marketing programs designed to strengthen the Pacific Surfliner brand, build a strong online presence, improve the customer experience, add value for passengers, and leverage strategic partnerships.

Discussion

Performance Summary

In late 2015, the PacificSurfliner.com website was launched to provide both current and prospective riders with a more relevant online experience, to better engage audiences along the corridor, and attract new riders. The website captures relevant data about visitors and directs them to Amtrak points of sale to complete the ticketing process. One of the key metrics that the LOSSAN Agency uses to help measure the impact of marketing activities on ridership and revenue is Amtrak referral sales reports. These reports track the number of visits to PacificSurfliner.com that ultimately result in successful bookings on Amtrak.com.

In 2018, Amtrak reported a consistent increase in sales and revenue from leads generated by PacificSurfliner.com – a positive indicator that passengers are booking tickets as a direct result of engaging with the LOSSAN Agency's marketing efforts and visiting PacificSurfliner.com. Amtrak reports that the Pacific Surfliner website drove approximately 530,000 qualified sales leads to Amtrak.com in 2018, resulting in 55,737 bookings and \$3,707,677 in revenue. Due to a data processing issue, referral sales tracking date is not available for January and February 2018.

				
Unique visits to PacificSurfliner.com	Referral traffic to Amtrak.com	Bookings on Amtrak.com	Revenue	
2018 TOTAL	1,447,232	530,370	55,737	\$3,707,677

Sales referrals from PacificSurfliner.com represents only a portion of overall ticket sales, as passengers are encouraged to use a variety of channels to purchase tickets including going directly to the Amtrak.com website and the Amtrak mobile app. Currently, sales reporting is not available for direct bookings on Amtrak.com, the Amtrak app, via phone, or in station.

Year-Over-Year Performance

Amtrak reports an average 95 percent increase in revenue in 2018 over the previous year from PacificSurfliner.com sales referrals generated by the LOSSAN Agency's marketing efforts.

While there have been fluctuations in overall Pacific Surfliner ridership and revenue year-over-year, the number of sales leads delivered to Amtrak.com continues to consistently increase, demonstrating that people are buying tickets as a direct result of visiting PacificSurfliner.com. Approximately 1 in every 10 customers who arrived at Amtrak.com after visiting PacificSurfliner.com completed a booking, resulting in a 10 percent conversion rate, which exceeds industry benchmarks.

The LOSSAN Agency uses a combination of broad reach and targeted marketing efforts to ensure that high-quality sales leads are directed to PacificSurfliner.com. As the Pacific Surfliner marketing program continues to grow and diversify, the LOSSAN Agency will continue to work to increase the volume of website traffic to PacificSurfliner.com, as well as a high ratio of bookings to referrals.

Many of the bookings on PacificSurfliner.com are assumed to be from new or latent riders, as most regular passengers tend to book directly through Amtrak.com or the Amtrak mobile app. This illustrates that the LOSSAN Agency's marketing efforts are crucial to not only maintain current customers, but also to reach new and distinct markets that present opportunities to grow ridership and revenue. It is especially important to capture new market segments. New passengers on the Pacific Surfliner can then be turned into lifelong customers by Amtrak through its national sales and promotional efforts, retargeting activities using transactional data, and loyalty incentives like Amtrak Guest Rewards that drive customers back to Amtrak points of sale for future ticketing.

Sales referrals continue to be an important metric to monitor, as data on direct bookings on Amtrak.com and the Amtrak mobile app is currently not available. LOSSAN Agency staff continues to work with Amtrak to refine reporting and insights.

(Note: Referral sales tracking data is not available between October 2017 and February 2018 from Amtrak.com due to data processing issue.)

Always-On Advertising Campaigns

The LOSSAN Agency drives valuable traffic to the Pacific Surfliner website consistently throughout the year through always-on advertising strategies focused on keeping the Pacific Surfliner top of mind, while continuing to drive sales referrals to Amtrak.com for ticketing. Strong performance from digital advertising campaigns drives website traffic and sales in a relatively consistent way throughout the year, allowing LOSSAN Agency staff to leverage historical

performance data to constantly refine audience targets and bidding strategies to maximize efficiency and increase return on investment.

Advertising campaigns are designed to utilize specific tactics to drive awareness of the Pacific Surfliner service and then engage prospective customers through the purchase consideration process. Finally, qualified users who have a high awareness of the Pacific Surfliner service can then take action and convert their interest into a booking transaction.

Different marketing strategies and advertising channels are used at various stages of the customer journey, starting with broad awareness of the Pacific Surfliner service through nurturing prospective customers through the purchasing decision.



Awareness: Digital display advertising on both mobile and desktop devices help drive awareness of the Pacific Surfliner service.

Consideration: Social media campaigns can target users geographically, behaviorally, and demographically driving engagement and nurturing consideration through targeted content and relevant information.

Conversion: Paid search advertising captures users who have a high awareness of the Pacific Surfliner service and a high propensity to complete a purchase.

Promotions

In February 2019, the LOSSAN Agency launched a ridership campaign to promote mid-week travel on the Pacific Surfliner. The offer includes a 50 percent discount on a companion fare, which gives audiences a compelling incentive to travel between Mondays and Thursdays when Pacific Surfliner trains typically have more seating capacity. The integrated media campaign will build off of the Hug the Coast theme from 2018, which had a very positive reception by partners,

media, and consumer response measured through online activity and engagement.

Partnerships

The LOSSAN Agency continues to build and cultivate partnerships to increase market share and brand awareness in target markets, driving key audiences to take the train. Participating in cross-promotional opportunities with strategic partners helps to decrease advertising costs and provide added value for Pacific Surfliner customers.

Pacific Surfliner Game of the Week

In January 2019, the LOSSAN Agency launched a new partnership with KDOC-TV to promote awareness of the Pacific Surfliner service in targeted regional markets. The sponsorship affords the LOSSAN Agency unique presenting status of the “Pacific Surfliner Game of the Week” broadcast, a live and locally produced sports program featuring high school and college teams. In addition to providing extensive high-value commercial placements across the KDOC-TV broadcast schedule, this unique media partnership demonstrates a positive affiliation with local communities through support of Southern California student athletes and schools. The partnership provides a valuable opportunity for the Pacific Surfliner to build its brand awareness by leveraging the Orange County and Los Angeles reach of KDOC-TV as well as the television station’s established legacy and unique status in Southern California.

Sponsorship with 2019 Big West Conference

The LOSSAN Agency has partnered with the 2019 Big West Conference (BWC) to promote awareness of the Pacific Surfliner service and the everyday student discount program in targeted regional markets. The BWC provides the opportunity to engage directly with college sports fans as well as the students and families affiliated with BWC member institutions including California State University, Fullerton; University of California, Santa Barbara; University of California, Irvine; California Polytechnic State University – San Luis Obispo; and University of California, San Diego. Last March, the LOSSAN Agency sponsored the BWC Basketball Tournament at the Honda Center, which is located across the street from the Anaheim Regional Transportation Intermodal Center, providing easy access to Pacific Surfliner service. This year’s sponsorship will continue to grow our college marketing efforts with expanded elements promoting visibility throughout the conference leading up to the BWC Basketball Tournament in March, including placements on Fox Sports broadcasts, in-venue visibility at the Honda Center and local

campus venues, college athletic websites and social channels, and in-game activations designed to promote the Pacific Surfliner service.

California Everyday Discounts for Veterans

Launched January 7, 2018, the California Everyday Discounts program is designed to preserve ongoing savings that were reduced or eliminated by Amtrak on a national level. In February 2019, the LOSSAN Agency reinstated a 15 percent everyday fare discount for U.S. Veterans. The offer discount was developed in coordination with the state's two other intercity passenger rail services, the Capitol Corridor and the San Joaquins, to maintain the best possible fares for passengers who have come to rely on year-round discounts.

Summary

A summary of marketing activities and performance through January 2019 is provided. Recent marketing efforts include always-on advertising campaigns and promotions designed to strengthen the Pacific Surfliner brand, build a strong online presence, improve customer experience, and offer added value for passengers. Amtrak continues to report a consistent increase in sales and revenue from bookings generated by the PacificSurfliner.com website – a positive indicator that passengers are booking tickets as a direct result of engaging with the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's marketing efforts.

Attachment

None.

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