



June 17, 2019

To: Members of the Board of Directors
From: Jennifer L. Bergener, Managing Director
Subject: Quarterly Marketing Update

Overview

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's fiscal year 2018-19 marketing effort supports key priorities outlined in the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's Fiscal Years 2018-19 and 2019-20 Business Plan by engaging in marketing strategies and programs designed to help grow awareness, ridership, and revenue on the Pacific Surfliner service. This report provides a summary of marketing activities and performance through April 2019.

Recommendation

Receive and file as an information item.

Discussion

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.

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

Performance Summary

The Pacific Surfliner website captures traffic and drives users to Amtrak points of sale for ticketing. One of the key metrics that LOSSAN Agency staff reviews to help align marketing activities with ridership and revenue is Amtrak referral

sales reports, which includes bookings generated by PacificSurfliner.com and resulting sales and revenue on Amtrak.com.

For the period from March 2019 to April 2019, Amtrak reported an increase in sales over the previous year from leads generated by the Pacific Surfliner website – a positive indicator of people 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 228,041 qualified sales leads to Amtrak.com in the 2019 calendar year to date, resulting in 37,492 bookings and \$1,306,103 in revenue. Referral sales tracking data is not available between January 2018 and February 2018 from Amtrak.com due to data processing issue, so a year-over-year comparison cannot be made for those months.

While there have been fluctuations in overall ridership and revenue year-over-year, lead volume delivered to Amtrak.com continues to consistently increase, demonstrating that people are buying tickets as a direct result of visitation to the Pacific Surfliner website.

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

			
Unique visits to PacificSurfliner.com	Referral traffic to Amtrak.com	Bookings on Amtrak.com	Revenue
2019 TOTAL (Jan-Apr)	876,333	228,041	37,492
	\$1,306,103		

Marketing Highlights

A summary of ongoing marketing programs and initiatives is provided below.

2019 Ridership Campaign

The Hug the Coast 2019 campaign was launched in February 2019 to create demand for travel on the Pacific Surfliner during the winter and spring when there is more seating capacity on trains. This was accomplished by building on the

existing Hug the Coast theme and evolving the messaging to celebrate both the unique Pacific Surfliner experience and the inner journey that moves our passengers to embrace traveling to both familiar and new destinations.

The campaign included a mix of advertising strategies that provide broad reach and frequency along the Pacific Surfliner route as well as more targeted digital strategies that promote engagement through actionable and measurable means, such as clicking through to PacificSurfliner.com. The media campaign consisted of advertising on broad-reach channels, such as billboards, ads in print publications, and digital radio to deliver the campaign message to large audiences. These tactics were critical to generating a high volume of impressions, driving visibility and general awareness across the corridor. The campaign also utilized tactics to drive customers to PacificSurfliner.com through cost-effective digital advertising; targeted placements to improve online visibility on search engines, partner websites, and social media; and partnerships that helped extend the overall reach of the campaign to relevant audiences.

Mid-week Companion Fare

In February 2019, the LOSSAN Agency launched a special fare offer to promote mid-week travel on the Pacific Surfliner. The offer included a 50 percent discount on a companion fare, which gave audiences a compelling incentive to travel between Mondays and Thursdays through June 2019 when the train has typically more seating capacity. The integrated media campaign builds 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.

Kids 'n' Trains

Kids 'n' Trains is a seasonal travel program for school and youth groups. It is designed to fill seats on select Pacific Surfliner trains mid-week by offering special pricing to school groups for travel between Mondays and Thursdays. The program encourages schools to travel by train when planning field trips, giving kids in grades K-12 and their adult chaperones the opportunity to experience rail travel. This program introduces thousands of kids and adults to the pleasure and ease of travel on the Pacific Surfliner. Their positive experience helps develop a new customer base for the route in the future. To promote the Kids 'n' Train program in the 2018-19 school year, an email outreach campaign to over 150 public and private schools was completed and it is anticipated that more than 110 field trip groups will have traveled on the Pacific Surfliner Kids 'n' Trains program in the 2018-19 school year.

Partnerships

To encourage consumers to travel on the Pacific Surfliner, offers were promoted to popular destinations such as Disneyland, resulting in even more online visibility, earned media, and referral traffic for Pacific Surfliner bookings.

The LOSSAN Agency continues to build and cultivate partnerships along the corridor to increase market share and brand awareness in target markets, driving key southern California 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.

Disneyland Resort Partnership

In February 2019, the LOSSAN Agency and *Disneyland*® Resort brought back the popular “take the train and save” promotion with special savings on both train travel and theme park admission through May 20, 2019. For a limited time, kids ages 2-12 could ride free on the Pacific Surfliner to and from Anaheim with a full-fare, paid adult. Additionally, Pacific Surfliner passengers could unlock an additional 5 percent savings on the SoCal Resident Ticket offer for *Disneyland*® Resort theme parks. The partnership continues to promote ridership in key southern California markets as well as offer added value to Pacific Surfliner customers. There continued to be positive reception to this promotion by partners, news media, and consumers as measured through online activity and engagement.

Anaheim Ducks Sponsorship

The LOSSAN Agency partnered with the Anaheim Ducks to promote taking the Pacific Surfliner to the Honda Center for 2018-19 season home games, and to build general awareness of the Pacific Surfliner service. The Anaheim Ducks are housed at the Honda Center, which is located across the street from the Anaheim Regional Transportation Intermodal Center, providing easy access to Pacific Surfliner service. The sponsorship was designed to embed the Pacific Surfliner brand into the Anaheim Ducks’ market, and integrate with their loyal fan base through co-branded activities including advertising elements at the Honda Center and digital placements on AnaheimDucks.com, email blasts, and social media posts across various Anaheim Ducks social media channels. Additional exposure was also achieved via radio advertising throughout the season on KLAA 830AM.

The LOSSAN Agency further expanded the Anaheim Ducks’ sponsorship to create activation campaigns that allowed consumers to take part and interact with the Pacific Surfliner brand, further increasing the consumer connection.

A high-profile sweepstakes encouraged fans to take the train to the Honda Center for a chance to win four game tickets and a VIP Penalty Box Experience on March 12, 2019.

New Pacific Surfliner Website

A new PacificSurfliner.com digital platform is scheduled to launch in summer 2019. In addition to redesigning the look and feel of the website, the launch will include implementing a new content management system, which will help the LOSSAN Agency effectively manage future growth of its marketing program and related digital activities. The LOSSAN Agency's investment in a new digital platform will allow future marketing efforts to effectively, keep pace with evolving technology and customer expectations.

Since its launch in late 2015, PacificSurfliner.com has continued to gain traction as an online destination for current and prospective riders, with 4.5 million page views in FY 2017-18 along with consistent year-over-year increases in unique site visitors. The website acts as the hub of all marketing activities, highlighting the unique onboard experience while also providing relevant schedule, station, and trip planning information before ultimately directing users to Amtrak points of sale to complete the ticketing process.

Many of the bookings on PacificSurfliner.com are assumed to be from new or latent riders, as frequent passengers tend to book directly through Amtrak.com or the Amtrak mobile app. This illustrates that the LOSSAN Agency's digital 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.

The LOSSAN Agency consistently drives valuable traffic to the Pacific Surfliner website throughout the year with marketing strategies focused on keeping the Pacific Surfliner top of mind. The new website is designed to continue to increase customer engagement and booking transactions on PacificSurfliner.com.

LOSSAN Agency staff has been working with a contracted web development vendor to develop the new Pacific Surfliner website with the following objectives:

- Create a highly engaging, personally relevant online experience
- Implement Episerver as a content management system (CMS) and migrate content from existing production site
- Grow sales via online bookings by leveraging customer data in various forms for actionable personalization strategies
- Improve customer service by delivering timely, accurate, and relevant information

- Ensure a seamless digital experience for Pacific Surfliner audiences including integration between PacificSurfliner.com and other digital marketing channels such as social media, Amtrak.com, and online advertising

Immediate enhancements to the new site will provide better audience insight, improved site management, and improved customer experience. Highlights include the following:

- Ability to collect user data - The site booking widget will be able to collect user data before directing them to Amtrak.com to complete their purchase. New functionality will be implemented to solve pain points such as limiting options to Pacific Surfliner destinations, controlling promo codes, and allowing the editor to easily control content and links.
- Episerver Digital Experience Cloud - Implementation of the fully managed cloud solution is secure and scalable, which helps to reduce information technology costs and minimize downtime.
- Website management efficiencies - The Episerver platform provides a user-friendly CMS with an intuitive interface. It enables website editors to drag-and-drop content to quickly create new digital experiences that are automatically responsive to different devices, without the need for developers.
- Timely, accurate, relevant website experience - In addition to making website updates more efficient, marketing staff will be able to deliver alerts in real time and can personalize the content users see based on their location, interests, and behavior.

Summary

A summary of marketing activities and performance through April 2019 is provided. Recent marketing efforts included an integrated media campaign and various 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 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.

A new PacificSurfliner.com digital platform is scheduled to launch in summer 2019. The new website is designed to improve website management, enhance the customer experience, and increase engagement and booking transactions.

Attachment

None.

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