



May 18, 2020

To: Members of the Board of Directors

From: Donna DeMartino, Managing Director *Donna DeMartino*

Subject: Pacific Surfliner Marketing Update

Overview

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's Fiscal Year 2019-20 marketing efforts support key priorities outlined in the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's fiscal years 2019-20 and 2020-21 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 from January – March 2020 including strategic marketing and communications response to the COVID-19 global health crisis.

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, such as communicating critical passenger information, engaging with audiences through various channels, launching new service promotions, and working to increase revenue related to key business objectives.

The LOSSAN Agency staff focuses on promoting ridership along the rail 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. In response to the novel coronavirus (COVID-19) pandemic, staff worked to quickly develop and execute crisis communications, distribute up-to-date information on service impacts, and adjust marketing messages to align with adjusted service levels and public health concerns. As the Pacific Surfliner continued to provide a core-level of service for essential travel, staff developed

and executed an informational campaign to communicate ongoing efforts to run train service in a safe manner for crews and passengers.

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 include bookings generated by PacificSurfliner.com, and resulting sales and revenue on Amtrak.com.

From January 1 through February 29, 2020, Amtrak reported a consistent year-over-year increase in sales and revenue from leads generated by the Pacific Surfliner website – a positive indicator of people booking tickets as a direct result of engaging with our marketing efforts and visiting PacificSurfliner.com.

January – February 2020

- 99,000 qualified leads to Amtrak.com (+5% vs previous year)
- 12,006 bookings (+35% vs previous year)
- \$757,157 in revenue (+34% vs previous year)

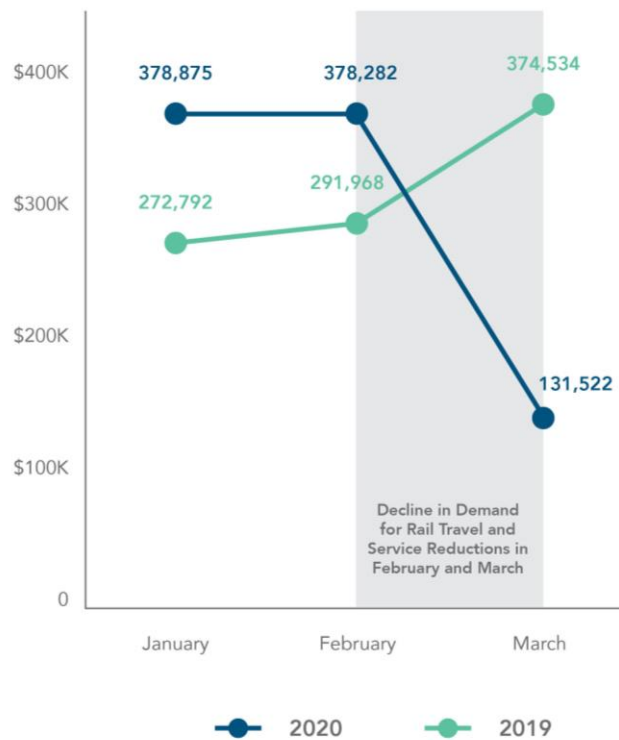
While there have been fluctuations in overall ridership and revenue year-over-year, lead volume delivered to Amtrak.com consistently increased during this period, demonstrating that people are buying tickets as a direct result of visiting the Pacific Surfliner website.

In March 2020, Amtrak reported a decrease in sales and revenue from leads generated by the Pacific Surfliner website, aligning with a drop in overall ridership from statewide policies restricting travel, and the associated reduction in Pacific Surfliner service, during the COVID-19 crisis.

March 2020

- 19,279 qualified leads to Amtrak.com (-70% vs previous year)
- 2,265 bookings (-61% vs previous year)
- \$131,522 in revenue (-65% vs previous year)

Year Over Year Revenue by Month



Year Over Year Performance

Overall for January through March 2020, Amtrak reported a 5% decrease in revenue from leads generated by the Pacific Surfliner website. During this time, 118,433 leads were delivered to Amtrak.com. The decrease can be attributed to service impacts and travel restrictions due to COVID-19. Sales referrals from PacificSurfliner.com represent 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 and other Amtrak-owned and operated points of sale including the Amtrak app, call centers, and station agents. Amtrak also manages its own national advertising and discounts program (including flash sales and share fares). LOSSAN Agency staff continue to work with Amtrak to coordinate marketing efforts as well as refine reporting and insights.



Unique visits to
PacificSurfliner.com



Referral traffic to
Amtrak.com



Bookings on
Amtrak.com



Revenue

	Unique visits to PacificSurfliner.com	Referral traffic to Amtrak.com	Bookings on Amtrak.com	Revenue
Jan-Mar 2020	288,594	118,433	14,271	\$888,679
Jan-Mar 2019	333,030	158,915	14,725	\$939,294

Momentum from increased sales referrals in January and February kept quarterly year over year decreases relatively low. Additionally, it is safe to assume that many of the bookings generated by PacificSurfliner.com are from new or latent riders as most regular passengers tend to book directly through Amtrak.com or the Amtrak mobile app. This illustrates how the LOSSAN Agency's marketing efforts are crucial for not just maintaining current customers, but also for reaching new and distinct markets that present opportunities to grow ridership and revenue, in addition to providing leads and customer data for Amtrak to monetize in the future. It is especially important to capture new market segments and acquire new customers as the service experiences fluctuations in overall ridership. New passengers on the Pacific Surfliner can then be converted by Amtrak into lifelong customers through Amtrak-owned sales and promotional efforts, retargeting activities through transactional data, and loyalty incentives like Amtrak Guest Rewards that drive customers back to Amtrak points of sale for future ticketing and revenue generation.

Novel Coronavirus Response and Crisis Communications

In March 2020, LOSSAN staff responded to the novel coronavirus (COVID-19) crisis by swiftly developing and executing crisis communications, distributing up-to-date information on service impacts, and pausing promotional marketing plans to align with adjusted service levels and public health concerns. Staff pivoted from promotional marketing strategies and tactics by modifying media and partnerships in market to communicating critical service updates and other important information to customers.

A statewide stay-at-home order went into effect on March 19, 2020, directing individuals to stay at home except for essential needs. As a public/government agency, the Pacific Surfliner continued to provide a core-level of service for essential workers (healthcare, emergency services, food, energy, critical government, etc.) and those out for essential needs (get food, care for a relative or friend, get necessary health care, etc.). A reduced service plan for the Pacific Surfliner went into effect on March 24, 2020, and with traditional marketing activities on pause, efforts largely shifted to immediately communicating the extra

safety measures that Amtrak put in place, as well as changes affecting the schedule, stations, onboard service, and more.

- *PacificSurfliner.com*: The website acts as the hub for all information and was the destination for all communications materials.
 - Homepage Refresh: The homepage was designed to inspire travel and to market the dramatic allure the Pacific Surfliner service and the beauty of the coastline on which it travels. Due to COVID-19, staff redesigned and adjusted messaging on the page to present a more subdued, and less aspirational experience, with the understanding that, the Pacific Surfliner is temporarily offering more of an essential service than a destination-oriented journey. The updated homepage also elevated critical service information with prominent links to modified train schedules and a travel advisory page that details service impacts due to COVID-19, tips on staying safe, and information on enhanced precautions to keep passengers and crews safe.
 - Chairman's Message: A message from the LOSSAN Agency Chairman of the Board was added to the website, providing reassurance to Pacific Surfliner customers during these difficult times and to build confidence and trust in the LOSSAN Agency and the Pacific Surfliner service.

Travel Advisory: Staff developed a new page to house all service impacts related to COVID-19. In addition to the message from the LOSSAN Agency Chairman of the Board, the page features a variety of passenger information such as:

- Ticket policies
 - Reduced schedule impacts
 - Staffed station updates
 - Other service impacts (i.e. cashless payments and food/beverage impacts)
 - Safety & cleaning measures
 - Personal safety tips
- Schedule Change and Modified Timetable: On March 24, reduced Pacific Surfliner schedules went into effect in response to a drop in ridership (the result of statewide travel restrictions and health concerns related to COVID-19). Approximately half of the Pacific Surfliner trains were suspended, making the timetable outdated. An existing schedule adjustment page on the website was repurposed to share details about the service reductions and provide a link to a streamlined digital timetable reflecting the reduced schedule.

- *Social Media Alerts:* The official Pacific Surfliner Twitter account (@PacSurfliners) is a growing resource for customers to get the latest service information. As updates were posted to the website, alerts were also shared on Twitter to an audience of nearly 12,000 followers.
- *Station Signage:* To reach regular customers and riders in-transit, signs were printed and distributed to stations along the Pacific Surfliner route. Posters were placed on the platforms directing passengers to visit the website for the latest information, and signs were placed at stations where the ticket window and/or station building was closed.
- *Amtrak.com:* LOSSAN staff collaborated with Amtrak to publish service alerts on Amtrak.com for major changes, including the implementation of the reduced schedule and station closures.
- *Amtrak Email:* LOSSAN staff worked closely with Amtrak to send out approximately 3,650 email notifications to Pacific Surfliner-ticketed customers with upcoming trips. This allowed the LOSSAN Agency to guide customers to PacificSurfliner.com, the most updated and relevant resource for the latest service information.

Staff continues to closely monitor developments in train operations, stations, and other areas, including local public health conditions, to effectively determine what needs to be shared to keep Pacific Surfliner customers and the public informed.

Essential Service Informational Campaign

As the Pacific Surfliner continued to provide a core-level of service for essential travel, staff again shifted efforts to develop and execute an informational campaign to communicate ongoing efforts to run train service in a safe manner for crews and passengers. The campaign was also designed to promote brand awareness and keep customers engaged until conditions improve and people are comfortable with traveling again. The campaign focused on keeping the Pacific Surfliner brand relevant while balancing evolving public health concerns, travel restrictions, and public sensitivities. The efforts also were designed to achieve frequency of messaging on a limited budget by leveraging existing partnerships to secure cost-effective media placements. This included complimentary no-cost placements from partners to help maintain a level of brand awareness while enabling Pacific Surfliner to demonstrate support for the communities it serves.

- *Informational Broadcast Spots:* Staff developed public service messages that highlighted efforts to run essential service while creating a sense of goodwill through the Pacific Surfliner brand. The spots directed the public to PacificSurfliner.com for modified train schedules and other service updates.

The following media groups ran broadcast spots on a courtesy basis to support the Pacific Surfliner during these challenging times. Staff is estimating approximately 1,200 courtesy radio spots will run in media markets across the LOSSAN rail corridor in April and May with an estimated value of more than \$20,000.

- Entercom LA (KNX1070, Jack-FM 93.1, K-AMP 97.1, KROQ 106.7)
 - Entercom San Diego (Alt 94.9, TheFan 97.3 and Sunny 98.1FM)
 - Cumulus radio in Oxnard and Ventura (KRUZ 103.3, KBBY 95.1, 100.7 KHAY)
 - Entercom San Diego (Alt 94.9 FM, The Fan 97.3 FM, Sunny 98.1)
 - Angles Radio in Orange County AM830 AM KLAA
 - KDOC-TV in Orange County and Los Angeles
- *Community Partnerships:* Staff worked with strategic partners to secure visibility and complimentary no-cost placements that help maintain a level of awareness for the Pacific Surfliner as a valuable partner in the community.
 - The Anaheim Ducks included the Pacific Surfliner in the Honda Center's "Stronger Together" campaign including digital messaging displayed on their marquee sign that is visible from the 57 Freeway.
 - The Los Angeles Angels provided elements at no cost including a 24-hour digital takeover of Angels.com and placement on the Big-A sign, which is visible from the 57 Freeway.
 - *Public Relations:* Service announcements were distributed to media and the public highlighting continuous efforts to provide an essential and safe form of public transportation. The announcements received a combined total of 292 press mentions resulting in a reach of over 259 million earned media impressions and a publicity value of \$129,639.85.
 - *Virtual Views Videos:* Staff launched a series of video-based social media posts that feature stunning views taken from aboard a Pacific Surfliner train. These videos allow users to virtually experience the beauty of the route, providing a short break from the headlines and reminding them of the scenery that awaits them. Early response to the virtual experiences has been positive with social media users saying they miss the train and asking for more videos. Staff continues to monitor and optimize for brand engagement and visibility.
 - *Video Call Backgrounds:* LOSSAN Agency staff created digital backgrounds for video conference users who want to meet in front of scenic Pacific Surfliner views. Virtual backgrounds are a novel way to showcase the Pacific Surfliner brand as more people are working from home during the coronavirus pandemic and relying on videoconferencing to meet with

coworkers and clients. Sharing digital backgrounds allows the Pacific Surfliner to connect with consumers seeking more reassuring messages from brands they trust in anticipation that travel activity will eventually resume.

Summary

From January 1 through February 29, 2020, Amtrak continued to report increase in sales and revenue 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 visitation to the Pacific Surfliner website. The LOSSAN Agency's marketing efforts are crucial for not just maintaining current customers, but also for reaching new and distinct markets that present opportunities to grow ridership and revenue. Sales referrals from PacificSurfliner.com help acquire new passengers that are then captured by Amtrak for ticketing. Additionally, all sales leads and customer data can then be monetized by Amtrak for future ticketing and revenue generation.

In March 2020, LOSSAN staff responded to the novel coronavirus health crisis by quickly developing and executing crisis communications, distributing up-to-date information on service impacts, and pausing promotional marketing plans to align with adjusted service levels and public health concerns. Staff pivoted from promotional marketing strategies and tactics by modifying media and partnerships to focus on communicating critical service updates and other important information to customers. As the Pacific Surfliner continued to provide a core-level of service for essential travel, staff developed and executed an informational campaign to communicate ongoing efforts to run train service in a safe manner for crews and passengers. The campaign was also designed to promote brand awareness and keep customers engaged until conditions improve and people are comfortable with traveling again. The efforts also were designed to achieve frequency of messaging on a limited budget by leveraging existing partnerships to secure cost-effective media placements. This included complimentary no-cost placements from partners to help maintain brand awareness while demonstrating support for communities along the rail corridor.

Attachment

None.

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