2019 Amtrak Marketing Update

Hampton Roads Transportation Planning Organization
March 20, 2019
Marketing Program & Initiatives

• Funding
  • $1.7M Annual Budget
  • DRPT direct spend budget
  • Amtrak national marketing budget

• Partnership
  • Amtrak and DRPT Marketing teams
  • Consultant Support: Siddall Communications

• Strategy
  • Data trend analysis informs media buys
  • Monitor and redevelop strategies to grow ridership
Who rides the train?

Gender:
- Female: 60.5%
- Male: 39.5%

Age:
- 18-34
- 35-54
- 55+
Why are they riding the train?

- Leisure: 69%
- Business: 31%
Where are they going?

1. Richmond Staples Mill → Washington
2. Charlottesville → Washington
3. NYC → Richmond Staples Mill
4. Newport News → Washington
5. Charlottesville → NYC
Virginia Sponsored Route Ridership

FY2019 YTD
3Y Average
2018 YTD Monthly Ridership Totals vs. 3-Year Average
Newport News

Virginia
Sponsored
Route
Ridership
2018 YTD Monthly Ridership Totals vs. 3-Year Average
Norfolk

Virginia Sponsored Route Ridership
On-Time Performance (OTP)

- OTP is affected by many factors: capacity, equipment, operations, and weather.
- OTP can have predictable cycles:
  - Construction season
  - Heat restrictions in Summer, snow in winter
Each State Sponsored Route is Unique

- Hampton Roads is a 2-station market.
  - Amtrak Thruway Bus connects Newport News and Norfolk
  - Newport News offers two daily round trips
  - Newport News offers midday service
  - Hampton Roads riders “open-jaw” between both stations

- Richmond Route has the most options with Hampton Roads, Long Distance, and the Carolinian.
  - Richmond has the busiest Amtrak station in the Southeast
  - Ridership in Richmond is down more than other Routes
Goal: Increase Ridership

- Understand current train travel perceptions
- Understand current ridership barriers and develop strategies to overcome them
- Identify key consumer insights to leverage for creative messaging
- Forecast the impact of these efforts through ongoing measurement and assessment
Virginia Customer Satisfaction Index

Reliability/OTP – How satisfied are you with the reliability and on-time performance of the train?
Value/Price – How satisfied are you with the value of Amtrak service received for the price paid for the trip?

<table>
<thead>
<tr>
<th>Route</th>
<th>Factor</th>
<th>Very Satisfied</th>
<th>YTD Trend</th>
<th>Very Dissatisfied</th>
<th>YTD Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lynchburg/Roanoke</td>
<td>Reliability/OTP</td>
<td>75%</td>
<td>-8%</td>
<td>8%</td>
<td>+3%</td>
</tr>
<tr>
<td></td>
<td>Value/Price</td>
<td>79%</td>
<td>-4%</td>
<td>4%</td>
<td>+2%</td>
</tr>
<tr>
<td>Richmond</td>
<td>Reliability/OTP</td>
<td>75%</td>
<td>-2%</td>
<td>9%</td>
<td>+2%</td>
</tr>
<tr>
<td></td>
<td>Value/Price</td>
<td>75%</td>
<td>-3%</td>
<td>4%</td>
<td>+1%</td>
</tr>
<tr>
<td>Norfolk</td>
<td>Reliability/OTP</td>
<td>80%</td>
<td>+3%</td>
<td>6%</td>
<td>-2%</td>
</tr>
<tr>
<td></td>
<td>Value/Price</td>
<td>80%</td>
<td>-2%</td>
<td>4%</td>
<td>+2%</td>
</tr>
<tr>
<td>Newport News</td>
<td>Reliability/OTP</td>
<td>61%</td>
<td>-6%</td>
<td>19%</td>
<td>+9%</td>
</tr>
<tr>
<td></td>
<td>Value/Price</td>
<td>71%</td>
<td>-6%</td>
<td>7%</td>
<td>+4%</td>
</tr>
<tr>
<td>Amtrak National</td>
<td>Reliability/OTP</td>
<td>74%</td>
<td>-2%</td>
<td>10%</td>
<td>+1%</td>
</tr>
<tr>
<td></td>
<td>Value/Price</td>
<td>70%</td>
<td>-3%</td>
<td>6%</td>
<td>+2%</td>
</tr>
</tbody>
</table>
Project Overview

**Qualitative Research (focus groups)**
Uncover the practical and emotional drivers Virginia consumers associate with train travel and Amtrak

**Economic Forecasting (model)**
Develop a modeling tool to better assess and predict the potential effects of new pricing strategies on ridership

**Quantitative Research (survey)**
Use findings from qualitative phase to inform a large-scale, quantitative benchmark survey among Virginia travelers
67% of respondents would take the train.

Four in five respondents are satisfied with their train travel experience.

Satisfaction with train travel is significantly higher than satisfaction with Amtrak.

Avoiding traffic are reported as the greatest benefits to traveling by train in Virginia.

Destinations and stations are reported as the greatest barriers to traveling by train in Virginia.
Decision Tree of Travel Needs

- Destination Options
  - Y/N
  - Train Schedules
    - Y/N
    - Ticket Price
      - Y/N
      - “First / Last-Mile” Hassle
        - Y/N
Getting to the station and parking

“Flying back to Norfolk late at night and going to long term parking is one thing. Arriving back in Newport News late at night and who knows where you parked your car is another.”
— Leisure 55+

“Hampton Roads sorely lacks public transportation which would help making getting to train station easier.”
— Leisure 55+

“I love that there is a station in Roanoke, but the parking is a big issue.”
— Student

Departure times and destination options

“More train options from C-ville going westward in state, helping to minimize travel on the interstate which is seriously overcrowded.”
— Leisure -55

“Adding a regular or hourly train schedule would probably increase. It would be considered a more reliable form of transportation such as a bus service that usually runs this way.”
— Business

“For all the other investments the state could make, those focused on making sure that the trains can meet the existing timetables (seem to be among the most vital.”
— Business
Proximity to Known and Trusted Public Transportation

“The train station destination is a consideration, dropping off at Union Station is ok as I can usually get to anywhere I need to go.”
— Leisure 55+

“Location would come in to play too, how far would the train station be from my destination as with driving I can usually just drive right up to my destination.”
— Leisure -55

Partner with ground transit and ride sharing providers

“Pair with Lyft/Uber/Taxi to offer some sort of “door to door” ticket whereby you'd have a voucher for the estimated cost of a ride to your hotel/home. The ridesharing company would automatically alert drivers and summon them as the train gets there. I'd even settle for being able to book a taxi to pick me up at some stations through some sort of centralized process.”
— Business

“This for me could very well change my mind about driving all together. Especially if I can go "Door to Door". For a little more money this would be worth it for me.”
— Business
## What are they willing to pay?

<table>
<thead>
<tr>
<th>Discount</th>
<th>Terms</th>
<th>YTD Ridership</th>
<th>Impact on % Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>Full-Fare</td>
<td>359,729</td>
<td>57.5%</td>
</tr>
<tr>
<td>14-Day Advance</td>
<td>25%</td>
<td>132,168</td>
<td>21.1%</td>
</tr>
<tr>
<td>AAA</td>
<td>10%</td>
<td>10,823</td>
<td>1.7%</td>
</tr>
<tr>
<td>Children</td>
<td>50% - 1 child: 1 adult</td>
<td>15,006</td>
<td>2.4%</td>
</tr>
<tr>
<td>Disabled</td>
<td>10%</td>
<td>11,999</td>
<td>1.9%</td>
</tr>
<tr>
<td>Military</td>
<td>10%</td>
<td>10,196</td>
<td>1.6%</td>
</tr>
<tr>
<td>NARP</td>
<td>10%</td>
<td>1,576</td>
<td>0.3%</td>
</tr>
<tr>
<td>Senior</td>
<td>10% - 65+</td>
<td>49,062</td>
<td>7.8%</td>
</tr>
<tr>
<td>Veterans Advantage</td>
<td>15%</td>
<td>22,482</td>
<td>3.6%</td>
</tr>
<tr>
<td>Students</td>
<td>10%</td>
<td>8,584</td>
<td>1.5%</td>
</tr>
<tr>
<td>VRE Step-Up</td>
<td>15 – 20%</td>
<td>43,762</td>
<td>9.2%</td>
</tr>
<tr>
<td>Flash Sales</td>
<td>Terms Vary</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Fare Scenarios and Assumptions

Existing Promotions

- **Flash Sale Discount:** 30 percent off flash sale (customers either purchase quickly or lose). Assumed 25 percent of ridership would take advantage of this discount.

- **Advance Purchase Discount:** 25 percent off ticket price discount (with a 14 days advance purchase). Assumed 25 percent of all ridership would take advantage of this discount.

Potential Promotions

- **Intra-Virginia Discount:** Permanently discounted tickets as a result of Intra-Virginia travel (including Washington D.C.). This discount is applied to all riders.

- **Student Discount:** Pre-paid student ticket pack (e.g. six-pack of tickets at one upfront price). Assumed 20 percent of student ridership would take advantage of this discount.

Past Promotions

- **Demographic Discount:** Permanently discounted tickets based on demographics (e.g. student, senior, military). 10 percent off ticket price. Assumed 10 percent of all riders would take advantage of this discount.
Results of Fare Discount Scenarios

Amtrak VA-Sponsored Trains served 844,434 riders in FY 2018

- Flash sale: 2.8% (+23,800)
- Advance purchase: 2.3% (+19,700)
- Intra-VA discount: 6.1% (+51,100)
- Student multi-pack: 0.9% (+7,500)
- Demographic discount: 0.3% (+2,800)
Amtrak Ridership in Virginia Model Summary

Estimated Change in Annual Revenue

Total Virginia Revenue FY18 $46.5 million
Focus groups reviewed and marked up two Amtrak Virginia Flash Sale ads. Overall, Option B was the preferred choice.

“The scenic visual and text with the sale’s exact end date were the main points of preference.

“I think of the scenery and the train riding through places in all of my visions! [Option B] is more attractive to the consumer, plus it has the sale details advertised!”
— Leisure 55+
Amtrak begins new second service out of Norfolk

NORFOLK, Va. - Looking to travel north to Washington, D.C., New York City or Boston? Now there's a new option.

Tourist in Your Town: Travel on the Cheap in Hampton Roads

For your next trip out of Hampton Roads, you may want to take the Amtrak train — it’s cheaper and you can get right on board when the train arrives.

Earned Media
Paid Media

TV Morning News Sponsorship
- Ran :05 Amtrak commercials on the morning news between 4:00-9:00 am
  - 4 weeks (3/13-4/7)
  - 38 spots
  - 2 stations (WAVY and FOX 43/WBBT)
  - 1,231,200 total impressions

Radio Morning Traffic Sponsorship
- Ran spots on WHRV (NPR - Norfolk)
- "This traffic report is brought to you by Amtrak, proudly serving the Hampton Roads area with trains leaving Norfolk and Newport News daily. More at Virginia.Amtrak.com"
- Read following daily traffic reports during AM drive time
  - 5 weeks (3/6-4/4)
  - 2 days a week
  - 160,000 listeners per week

- These additional frequencies also come in, who stream online and through the app:
  - 88.5 WHRG FM, Gloucester Pt., Mathews, Williamsburg VA areas (NPR format)
  - 91.9 WHRE FM, Eastville, VA (NPR format)
  - 90.1 WHRX FM "The Shore" Nassawadox, VA (NPR format)
  - 88.1 WHRL FM, Emporia, VA (NPR Format)
  - 101.7 at the Westin, Virginia Beach (NPR Format)
Take The Train To A Holiday Tour In Virginia!

by Amtrak Virginia | Posted: Nov 29, 2018

December 3: Colonial Williamsburg’s Grand Illumination

Take the train into Williamsburg, walk south a few blocks and enter the setting for an 18th-century Christmas. During Colonial Williamsburg’s Grand Illumination, you can see the town dressed for the holidays, hear musical performances on stages throughout the historic area, and walk in a spectacular display of fireworks. No event tickets are required to walk the streets, but don’t forget to ring those bell buildings.

Take The Train To The Best Shopping In Virginia

by Amtrak Virginia | Posted: Dec 1, 2017 | Updated: Dec 4, 2018

Norfolk:

The return of passenger rail in 2012, Norfolk constructed a depot near the waterfront that’s both classic and thoroughly modern. The station building includes a waiting room.

Shopping Destinations: Harrods, Grist, Norfolk Premium Outlets, MacArthur Center

In-Kind
Social Media

Amtrak Virginia
Sponsored

Students: book your ride home for Thanksgiving right now. You’ll get 25% off if you book 14 days in advance – and you can bring home all the laundry you want with no extra baggage fees! #amtrakhome #turkeyandlaundry #amtrakva

https://www.amtrak.com/virginia

Students: book your ride home for Thanksgiving 14 days in advance and receive 25% off!

View all 2 comments
SEPTMBER 10

Liked by koddall and 82 others

Amtrakva
Off on an adventure. Book 14-21 days in advance, save 25%. #richmond #vawine #northeastern #valleymont #valleyleaf #valleyleaf #northeastern

HANGING WITH THE GOOFY UNCLE 25% OFF
Students keen to see more representation in advertising

“I would like to see more advertisements that are geared towards Millennials. I think that train travel can become a cool and trendy thing if marketed to the right group. Millennials are traveling more than ever so that is the audience that needs to be catered to.”

— Student
Words such as calm, friendly, soothing, enjoy, and peaceful were favorite descriptors among respondents.

Communicating the stress-free benefit of reduced traffic.
Short Term (1-5 Years)

- Develop strategies with Amtrak and Host RR to address frequent issues affecting On-Time Performance
- Monitor Amtrak’s implementation of customer improvement plan and impact on customer service survey data
- Develop Marketing Strategies based on survey results
- Improve Wi-Fi performance on Amtrak trains

Medium Term (5-10 Years)

- Take an active role on multi-state committee to advise Amtrak on re-fleeting of locomotives and train equipment

Long Term (10+)

- Advance project to add capacity
Opportunity Mapping

- **High Importance**
  - Is the best value for my money
  - Has door-to-door convenience (i.e. you can get to your final destination easily)
  - Is clean
  - Is timely and reliable
  - Is comfortable
  - Has good customer service
  - Offers desirable destination options
  - Has easy pre-boarding and boarding experience
  - Offers flexibility (ability to make changes and/or book with short notice)
  - Has hassle-free security
  - Has Wi-Fi and streaming services

- **Low Importance**
  - Is quiet
  - Offers quality food options
  - Offers a variety of food options
  - Offers adult beverage options
  - Is pet-friendly
  - Is family-friendly
  - Provides appealing scenery
  - Is good for professionals

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Average performance of attributes vs Average importance of attributes
Satisfaction with Amtrak

Interest in Amtrak for next out-of-town trip

Knowledge Score

High Knowledge Score n = 97
Med Knowledge Score n = 564
Low Knowledge Score n = 364

58% 32% 56%
21% 44% 37%
37%

59% 40% 68%
25% 35% 23%
34%

55% 32% 44%
37%
Impact of Advertising

INTEREST IN TAKING AMTRAK

- **Aware of Advertisements**: 65%
  - 31%
  - 34%

- **Not Aware of Advertisements**: 32%
  - 47%
  - 32%

- **5 - Very interested**
- **4**

Aware of Ads $n = 266$
Not aware of ads $n = 518$
**Amtrak is winning on sentiment, but losing on service. Fundamental practical issues such as reliability, schedules, and routes get in the way of truly loving Amtrak.**

**Messaging should be focused on rational aspects of travel where perception gaps exist (i.e. timeliness, reliability, value, and door-to-door convenience) and DRPT's service improvement plan.**

**Service Improvement Plan**

**DRPT mission awareness increases consideration of Amtrak in the Commonwealth.**

**For families in particular, let more customers know about DRPT's mission and how it relates to Amtrak travel.**

**Increase Commonwealth Visibility**

**The more someone knows about Amtrak in the Commonwealth, the higher their satisfaction ratings and interest in traveling with Amtrak. Knowledge about DRPT’s service plan especially lifts these ratings.**

**Reach out to people with the Service Improvement Plan. Emphasize DRPT’s service improvement plan specifics in communications with prospective and current riders.**

**Implementation and Promotion of Virginia Specific Discounts and Options**
## Implications and Recommendations

<table>
<thead>
<tr>
<th>FINDING</th>
<th>IMPLICATION &amp; RECOMMENDATIONS</th>
<th>NEXT STEPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising recall for Amtrak is low, but has a significant impact.</td>
<td>Increased media spend, especially for messages about service improvements, could go a long way toward increasing satisfaction ratings and interest in taking Amtrak in the future.</td>
<td>Continuously Review and Improve Marketing Strategies</td>
</tr>
<tr>
<td>Amtrak stations are often mentioned as a barrier to train travel, and specifics need to be addressed.</td>
<td>There is no one solution for overall station improvement. Each station has individual issues to be addressed. Quantico Station may need special attention to improve military perceptions of Amtrak.</td>
<td>Statewide Station Assessment</td>
</tr>
<tr>
<td>With lower ratings for trains and Amtrak all around, Millennials need a closer eye.</td>
<td>Less than expected satisfaction and NPS scores from Millennials warrant a closer look from Amtrak, and a communications focus on riders ages 35 and under.</td>
<td>All of the Above</td>
</tr>
</tbody>
</table>