SUMMARY STATEMENT

ITEM NO. PATCO-12-028          SUBJECT: Maximizing PATCO Marketing through Cooperative Efforts

COMMITTEE: Finance

COMMITTEE MEETING DATE: November 21, 2012

BOARD ACTION DATE: December 12, 2012

PROPOSAL: That the Board authorizes staff to continue to promote PATCO ridership through co-promotions with various community organizations and venues through provisions of advertising space and low cost programs in 2013.

Amount: No more than $1,400/campaign

PURPOSE: To maximize opportunities for co-promotions while minimizing costs to PATCO.

BACKGROUND: Co-promotions are very low cost marketing tools which are common in the transit industry.

In the past, PATCO has allowed various organizations to use unsold advertising space at no charge to promote their event/initiative. These arrangements were limited to those situations which were also in PATCO’s interest in terms of attracting ridership, particularly during off-peak times. When the term of an advertising contract expires and another paying customer has not yet committed to pay for the space, the unsold space can be made available to promote events and venues while also encouraging passengers to ride the train to those destinations. Once the space is sold, the contractor removes the “cooperative marketing” ad and replaces it with ads that generate revenue both for the contractor and for PATCO.

One example of such an arrangement was the display of posters promoting the Collingswood Farmer’s Market, which is held on Saturday mornings adjacent to PATCO. The Collingswood community organization promoting this weekly event paid for production and installation of the posters. The posters were displayed ONLY in unsold spaces on PATCO facilities. Having ads in the spaces is beneficial to PATCO because it conveys to the public the potential benefit of advertising on PATCO. In addition, such campaigns promote ridership to Collingswood during the off-peak
Saturday ridership statistics for Collingswood are more than 50% of the weekday ridership. This 50% marker is achieved at only three New Jersey stations: Broadway, which serves a significant number of transit-dependent customers, Collingswood, and Haddonfield. Promoting attendance at Collingswood and Haddonfield events contributes to this positive ridership pattern.

PATCO has received free exhibit space in return for promotion of events. Space as a paying sponsor would range from $500 to $2500 or more. An example would be the annual Haddonfield Art and Craft Festival. PATCO promotes such events through seat drops of flyers and preparation of Tweets, FaceBook posts, and Variable Message Signs. Communications include programming the Variable Message Signs on the platform and Twitter and FaceBook posts.

Another example of co-promotions is the sponsorship of events through which PATCO was able to purchase a portion of radio ads. PATCO has worked with both Haddonfield and Collingswood and received on-air radio promotion at a fraction of the cost that would otherwise be incurred. Costs were considered marketing expenses. For example as a cooperative venture PATCO has been able to “buy in” to a joint radio campaign on KYW for $1,000 whereas similar exposure would have cost PATCO $2,655 if purchased on its own.

Cooperative marketing has included discounts made available to PATCO customers by venues and businesses. For example, the Franklin Institute offered PATCO customers a discount. PATCO distributed flyers (printed by Franklin Institute) on the trains to promote off-peak ridership and included information about the discount on PATCO’s website. The cost to PATCO for the change to PATCO’s website display (both to post and to remove) was approximately $300. The Franklin Institute included PATCO information on its website, reaching a very wide target audience. The benefit to PATCO is potential increased ridership at approximately $300 marketing expense.

As mentioned briefly above, use of the Variable Message Signs on the station platforms is a very low cost way to promote both a venue or event and ridership.
Maximizing PATCO Marketing through Cooperative Efforts

It is recommended that the Board authorize PATCO to continue to work with community organizations and venues to promote PATCO ridership through co-promotions.

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<th>SUMMARY:</th>
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<tr>
<td>Amount:</td>
<td>Not to exceed $1,400/marketing campaign</td>
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<tr>
<td>Source of Funds:</td>
<td>Operating Budget</td>
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<tr>
<td>Capital Project #:</td>
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<td>Operating Budget:</td>
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<td>Master Plan Status:</td>
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<td>Other Fund Sources:</td>
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<td>Duration of Contract:</td>
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<td>Other Parties Involved:</td>
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RESOLUTION

RESOLVED: That the Board authorizes PATCO to continue to work with other organizations through co-promotions throughout 2013.

SUMMARY:  
Amount: Not to exceed $1,400/marketing campaign
Source of Funds: Operating Budget
Capital Project #: N.A.
Operating Budget: 1000 291
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: N/A
Other Parties Involved: N/A