

FARE CHANGES AND FARE CAPPING MARKETING STRATEGY

Fare Change and Fare Capping Launch Campaign to Educate Riders on the new Metro Fare Policy Change

The Metro Board of Directors approved a package of several fare changes, including fare capping, which together will make Metro fares simpler and more equitable. Metro's new fare policy, known universally as fare capping, is a major change to the current fare system. Under this new fare policy, riders paying with a TAP card will ride for free after they have reached their maximum number of fares paid in a 1-Day and 7-Day time period. This change needs to be communicated to LA County communities of frequent, occasional, and potential Metro riders. Tactics to drive interest in learning more and drive traffic to a landing page are needed to effectively communicate program details outside of short-form advertisements such as digital ads. A comprehensive marketing plan for Metro's fare changes and fare capping policy will include Metro-owned assets on the bus and rail system, along with paid media. This plan is in development and will intersect with the customer journey and mitigate any potential rider confusion.

Fare Changes and Fare Capping Marketing Strategy:

The Marketing approach is focused on utilizing an evergreen/'always on' messaging strategy with Metro as the parent brand and TAP as the brand. Marketing is developing messaging that will extend to all the programs that are powered by TAP: Fare Changes and Fare Capping, LIFE, Reduced Fares and Students K-12/College Vocational riders. Focusing on communication by audience, rather than by program, will allow each audience to easily identify which benefit is best for them.

Target Audiences:

Primary

- All Metro riders
- Metro pass holders (full/reduced fare)
- Metro Low Income Riders (LIFE)

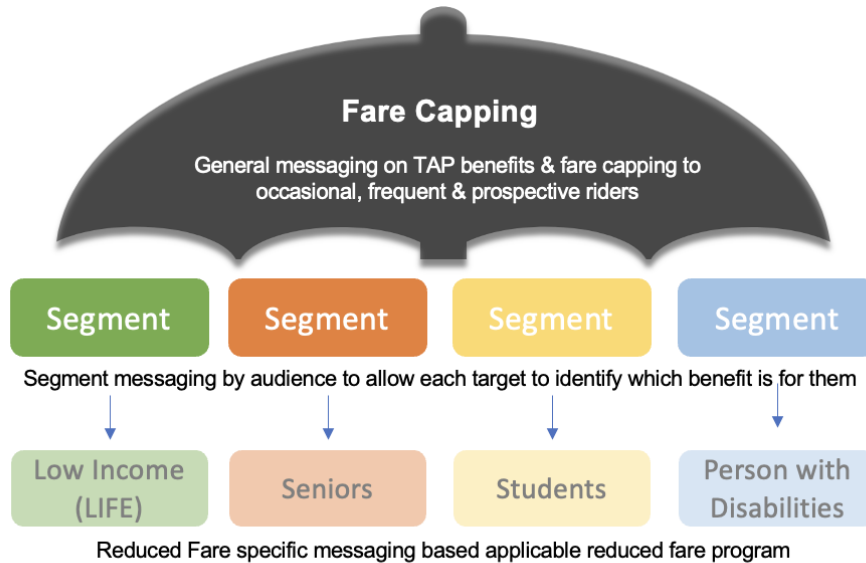
Secondary

- Metro cash paying riders
- Casual riders/tourists unfamiliar with transit

Flighting strategy:

To best prepare customers for these changes and to ensure they understand how they will be affected, Marketing's campaign flighting approach will have both Fare Changes

and Fare Capping general messaging and Reduced Fares/LIFE messaging running simultaneously. This allows us to reach our audience but also refine and recommend the fare product that suits their needs.



Fare Changes and Fare Capping Campaign Phases

Campaign Approach by Phase:

PRE-LAUNCH: June 1- June 30

During the pre-launch phase, Staff will leverage a mixture of high-awareness media channels to pique the interest of current riders and public customers. The campaign will highlight the benefits of the Fare Changes and will be featured on Metro owned outlets. (i.e., metro.net, tap app, bus and rail interior posters). For the general public, the message will be Fare Capping “Coming soon” and will be on public-facing marketing materials (ie, digital banner ads, Bus and Rail vehicle wraps) to let riders know that they have a lot to gain by staying tuned.

LAUNCH: July 1- Sept 30

During the launch phase, staff will leverage a similar media mix to the pre-launch stage, and will increase the weight on high awareness media channels such as Out of home (OoH), Paid Digital and Search Engine Marketing to amplify awareness and engagement. A blend of high-impact scalable media tactics will complement owned and earned media. The messaging approach will be similar to pre-launch but Fare Capping

messages will now target segmented audiences: LIFE, Reduced Fares Seniors & Persons with Disabilities and Students K-12 and College/Vocational.

SUSTAIN: *Oct 1 – Dec 31*

During the sustain phase, staff will maintain awareness through fundamental digital channels that are cost efficient and can educate riders about the benefits and effects of Fare Capping.

A targeted media mix for each audience segment is being developed. Recommended channels per target audience will dictate creative images and segmented messages. Please note, messages are still in draft at this stage and are not final. Staff has a clear strategy in place to develop future fare-capping messages which are outlined below:

Developing Fare-Capping Messages

A two-phase message testing research approach is being utilized to develop and refine fare-capping messages.

1. Phase 1: Fare Capping Messaging Focus Groups

- **Approach:** Eight early draft fare capping message concepts were shared with participants and evaluated for their clarity and appeal.
- **Methodology:** Twelve focus groups were held with cash and TAP users, six in English and six with Spanish-dominant speakers. Participants included:
 - Riders who ride at least once a week (most ride 3+ days/week)
 - Mix of ages (20 to 72), genders, ethnicities, incomes below \$50,000, and geographic residences within LA County.
- **Findings** include:
 - The best-performing concepts contained:
 - “Free rides” in the headline or prominently placed.
 - “Unlimited rides”
 - “Never pay for more than...”
 - “For the rest of the day” or “for the rest of the 7-day period”
 - Confusing or troubling terms and phrases included:
 - “Just add Stored Value.” The term Stored Value was not understood. Participants called for plain language like “Just add money to your TAP card.”
 - Key points to clarify in messaging:
 - Free transfers do not contribute toward fare caps.
 - Passes are going away and being replaced by fare capping.
 - Interest in fare capping was mixed:
 - Very few felt they rode Metro enough to benefit from fare-capping, including those riding 3-5+ days per week.

- Nearly all felt the caps were too high and the benefit was too low.
- Many were suspicious that Metro was doing this for their own good.
- Riders have bigger concerns and desires than this fare change, i.e. buses arriving on time and it being safe to ride.

2. Phase 2: A/B Message Test Survey

- **Approach:** Revised messages, incorporating learnings from the focus groups are currently being tested for clarity and appeal in an A/B test survey.
- **Methodology:** Survey of n=900 adult monthly Metro bus riders with demographics weighted to mirror the 2022 CX Survey.
- **Timings:** Survey is currently in field and results are expected by March 24th.