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NOVEMBER 14, 2022

TO: **BOARD OF DIRECTORS**
THROUGH: **STEPHANIE WIGGINS**
CHIEF EXECUTIVE OFFICER

NALINI AHUJA
CHIEF FINANCIAL OFFICER

FROM: **DAVID H. SUTTON**
SENIOR EXECUTIVE OFFICER, FINANCE (TAP)

MICHELLE NAVARRO
SENIOR EXECUTIVE OFFICER, FINANCE (OMB)

SUBJECT: **FARE CAPPING - COMPREHENSIVE OUTREACH PLAN**

ISSUE

This report provides updates on the comprehensive outreach plan to launch Fare Capping and the work to understand cash paying customers to convert them to TAP.

BACKGROUND

In March 2021 (File ID 2022-0704) the Board of Directors approved moving forward with the fare capping pilot. In June 2022, staff provided an update on the fare capping timeline (File ID 2022-0351), and in September 2022, an oral report, Fare Capping Update (File ID 2022-0664), was presented to the Board. This prompted a discussion about the importance of a comprehensive outreach plan to launch fare capping. In addition, there was a directive to do a deep analysis into understanding cash paying riders and to ensure that TAP is easily accessible to non-English speaking riders.

DISCUSSION

In response to the recent discussion at the September 2022 Board meeting, the communications strategy has been expanded to:

- Engage with riders via focus groups, in-person surveys at bus stops, online surveys, and in-depth interviews to understand cash use, identify barriers to using TAP and fare payment habits
- Build awareness with the public on the proposed fare changes to align with fare capping
- Increase the accessibility of TAP by growing the TAP Vendor Network
- Implement new marketing touchpoints for LIFE, Reduced Fare, and other discounted fare programs

TAP Regional Marketing Campaign & Research into Understanding the Cash Customer**TAP Regional Marketing Campaign to Convert Cash Paying Riders to TAP**

In Fall of 2022, TAP launched a regional campaign on all 25 TAP agencies, including Metro, with the goal of converting cash paying customers to TAP. This campaign will educate riders on the benefits of using TAP and highlight the many locations in LA county where riders can buy TAP cards and load fare. This will ensure cash paying customers become familiar with TAP and enjoy existing benefits before implementing fare capping. The campaign is evergreen, and messaging will be updated periodically based on campaign effectiveness and research results. This campaign is being promoted throughout traditional print and digital channels and will be available in English and Spanish.

Additionally, digital ads are geo-targeted to riders near high cash paying bus lines and stops. As the campaign progresses and the messages are updated, key print pieces, such as rail posters, bus cards, and take ones, will also be available in Armenian, Chinese, Japanese, Korean, Russian, and Vietnamese.

Staff will report back in Spring 2023 with updates on this regional campaign. For details, please see Attachment A-TAP Regional “Cash to TAP” Marketing Campaign.

Understanding the Cash Customer through Surveys at High Cash-Paying Bus Stops, In-Depth Interviews with Riders About Their Fare Payment Habits, and Focus Groups to Test the Fare Capping Marketing Message

A comprehensive research plan is in progress to learn why some riders pay with cash instead of TAP and what would incentivize these riders to use TAP. The plan includes a mix of focus groups, in-depth interviews, and multiple in-person and online surveys with cash- and TAP-paying, English- and Spanish-speaking Metro riders. The interviews and surveys include questions about ridership, how and when they use cash or TAP to pay their fare, and if and when they frequent TAP vendors.

In-depth interviews are currently taking place and offering insight into how Metro riders pay their fares. So far, 23 interviews have been completed with a mix of cash and TAP paying riders of different ages and ethnicities. The following information should be considered preliminary due to the small sample size, but it sheds light on the reasons behind riders' fare-payment method choices.

- Some riders use both cash and TAP depending on the occasion. For example, on days in which one rider knows she will ride a lot, she uses a day pass to save money per ride. When taking single round trips, she often uses cash
- Cash riders are most motivated to switch to TAP when there is a financial incentive. Signing up

for a Reduced Fare Program or LIFE motivated many customers to switch over to TAP from cash. Looking forward, some cash users would be motivated by LIFE's 20 free rides (which will be increased to 30 free riders as part of this proposal) or fare-capping to switch to TAP

- Infrequent Metro riders see less of a benefit in switching to TAP

To learn more and validate findings with a larger sample, staff is continuing to hold these interviews and is using the results to create questions for the broader surveys that are planned. These surveys will be conducted online and in person at high cash paying bus stops.

The third phase of this research, which will take place in late 2022, will leverage the findings to develop potential messages to explain fare capping better, and then test those messages with both English and Spanish speaking riders. Testing these messages will ensure that the final fare capping launch campaign is clear and compelling. To review the full Market Research Plan, see Attachment B. For a list of bus divisions and routes with high cash use, see Attachment C-Bus Divisions and Routes with the Highest Cash Use.

Additional focus groups are being planned in early 2023 to engage with customers who speak other languages, including Armenian, Mandarin, Japanese, Korean, Russian, and Vietnamese. These focus groups will delve into their ridership and fare payment habits and guide the development of TAP marketing messages.

A series of polling questions geared toward understanding cash riders was taken at the Metro Budget Telephone Town Hall on October 18, 2022. Questions were asked in both English and Spanish about how participants pay fare, if they pay cash and why, and if fare capping is adopted, will they convert to TAP to get the benefits. The answers suggested that some participants were unaware of the benefits of TAP and where to find it. Encouragingly, 83% indicated they would either move to TAP or continue to use TAP. Staff will use this data, coupled with the results of larger interviews, surveys, and focus groups, to update messaging targeted toward cash riders in the TAP regional campaign and for the fare capping outreach plan. Please refer to Attachment D - Metro Budget Telephone Town Hall Polling Questions and Results.

For a full list of outreach tactics, please refer to Attachment E - Public Hearing on Proposed Fare Changes Outreach Plan. A full report and analysis of all research efforts will be included in an update to the Board in late winter of 2023.

Fare Capping Launch Campaign to Educate Riders on How Fare Capping Works, How It Benefits Them, and When It Will Go Into Effect; Coupled With Free TAP Card Giveaway

In Winter/Spring 2023, a fare capping marketing and information campaign will launch to officially introduce fare capping to all riders and communicate the exact launch date. This final, formal message will be chosen after extensive testing with both English and Spanish speaking cash and TAP paying riders. This will ensure that the final message is understandable, clear, and effective. Additional messages will be rolled out based on the findings of the focus groups with speakers of languages other than English or Spanish.

The formal launch campaign message will be promoted through traditional print and digital channels, including important customer education tools, such as video tutorials and in-depth FAQs. Key

materials will be available in English, Spanish, Armenian, Chinese, Japanese, Korean, Russian, and Vietnamese.

Free TAP cards will be distributed to customers before fare capping implementation, which has proven to be a successful strategy for past campaigns. The distribution of these free TAP cards will target high cash paying bus stops, social service agencies, and community events. For the initial plan, please see Attachment F-Initial Fare Capping Outreach & Launch Campaign.

Post Launch - Ongoing Fare Capping and TAP Education Plan

After the formal launch campaign, TAP and the Metro Communications department will continue educating riders on fare capping and how to get on TAP. Staff will continue leveraging the research results and testing new messages for future campaigns.

Growing the TAP Vendor Network in Underserved Communities

The TAP Vendor Team continues to add new vendors and ensure that TAP is accessible for non-English speaking riders. Currently, there are 1,499 locations around LA County where riders can purchase TAP cards and load fare. There are two types of TAP vendors. Traditional vendors sell TAP cards and load both passes and Stored Value for customers. TAP Barcode vendors consist of larger chains, like CVS, 7-Eleven, and Albertsons, and have added TAP cards to their gift card racks. These locations only load Stored Value through a barcode on the TAP card.

Vendor locations make TAP readily available to people who speak languages other than English. Currently, 26% of traditional TAP vendors specifically target Spanish-speaking customers. However, many small businesses that sell TAP communicate with customers in several different languages and are not included in this percentage. In early 2023, the team will add 21 Northgate Markets serving the Latinx audience, increasing the percentage of vendors serving Spanish-speaking customers to 31%. Staff continues to recruit new vendors in underserved communities, communities where the dominant language is not English, and areas with a high percentage of fare paid in cash.

For a list of new vendors and a breakdown of TAP locations in key neighborhoods, please see Attachment G-TAP Vendor Updates.

Locations Across LA County to Buy TAP cards and Load Fare

Customers can purchase and load Stored Value onto TAP cards with cash or debit/credit cards at:

- The farebox on about 2,500 Metro buses
- 1,499 TAP retail vendor locations (more locations coming soon)
- TAP Vending Machines at rail stations, J Line (Silver), G Line (Orange)
- Municipal bus transit centers
- taptogo.net
- TAP Mobile app
- Or by calling the TAP Customer Service Center

To see an example of areas high in cash use with a vendor location overlay, please see Attachment H-Maps of High Cash Paying Locations.

Developing New Touchpoints to Market LIFE, Reduced Fare Programs, And Other Discount Programs to Cash Paying Riders - In Progress

Staff is exploring new ways to market discount programs to riders, specifically cash paying riders, to ensure riders are aware of the savings associated with these programs. TAP and Metro Communications are identifying new customer touch points at fare purchase points, streamlining the application process, increasing the opportunities to apply for reduced fares, and getting Reduced Fare TAP cards into customers' hands faster. Additional ideas are being collected and prioritized, and staff will provide an update in Spring 2023 before fare capping launch.

NEXT STEPS

November 2022

- Public Hearing on Proposed Fare Changes - November 14, 2022, at 5 pm

December 1, 2022

- Board Update/Report including:
- Recommendation on Fare Changes
- Results of the Public Hearing on Proposed Fare Changes

March 2023

- Fare Capping Implementation Schedule
- Report on results of In-Depth Research: Surveys and Focus Groups
- Formal Fare Capping Marketing Plan, including final launch messaging and creative

Spring 2023

- Metro Fare Capping Launch

Spring 2024

- Regional Fare Capping (requires regional consensus); briefings and discussions are underway