

A Division of METROLINX

DRAFT MARKETING PLAN

PRESTO Conversion Campaign for GO Customers

Draft – September 27, 2012

Situation Analysis

GO Transit operates two different fare payment systems; legacy fare media (paper tickets and passes) and smart card technology (PRESTO). With the adoption of PRESTO on the GO system, the intention was to discontinue 2 and 10 ride tickets and GO monthly passes. To eliminate multiple fare systems as of August 1, 2012, GO two and ten-ride tickets were discontinued. As of January 1, 2013 the GO monthly pass will be discontinued.

By November, GO forecasts having 70% PRESTO usage. After Service Guarantee, this should jump higher if PRESTO is the desired tool for credits.

Total Daily Trips on GO: 226,000 rides

- Total Daily Customers: 115,000 (Approx 2 rides = 1 Customer)
- Total Daily Train Customers: 90,000 (180,000 trips per day)
- 60% Presto Users: 54,000 (and climbing)
- Monthly Pass Users: 14,500 (and declining)
- Single Ride Users: 10,000
- Day Pass Users: 8,000
- Group Pass Users: 3,500

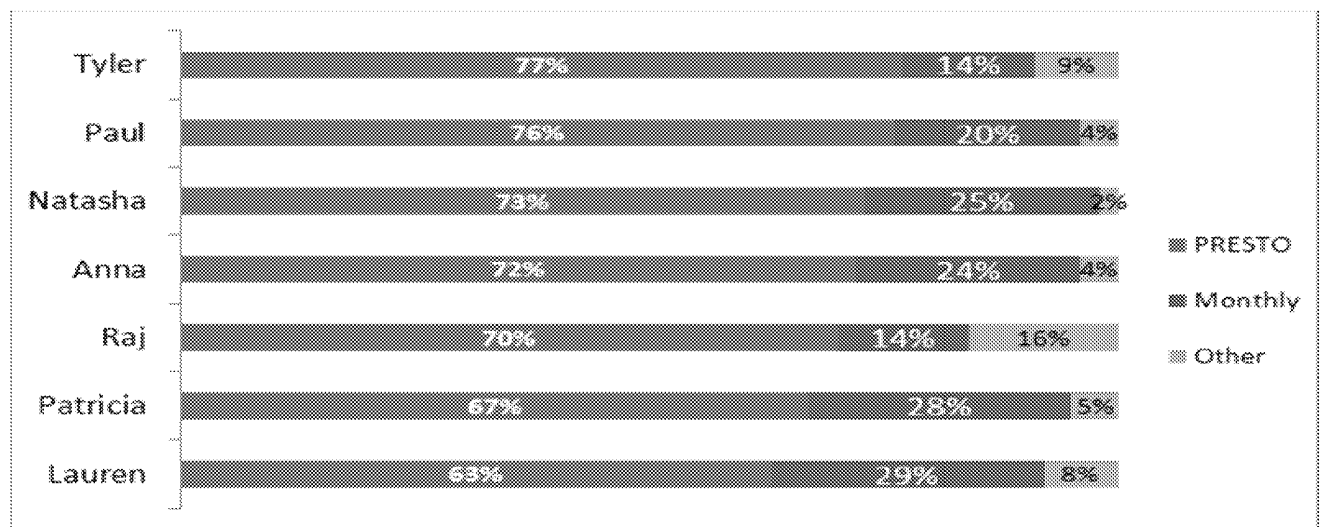
Since the launch of PRESTO on GO Transit, marketing efforts have touted the benefits of the fare card in order to increase card adoption. To date, GO Transit has issued 200,000+ PRESTO cards and the number continues to rise. However, there still remains that 25% of customers who do not wish to part with their trusty monthly pass. For these customers, none of the benefits of PRESTO outweigh the easy 'get it and forget it' use of a monthly pass.

We expect that some GO monthly pass users will continue to be a challenge to convert to PRESTO as they are not convinced of the card's advantages over traditional monthly passes. With the upcoming discontinuation of monthly passes, these customers will have to convert to PRESTO or pay cash for each commute. A PRESTO uptake campaign will be launched to ease the fear and anxiety monthly pass customers have about PRESTO, by making them more comfortable with the card by understanding how it works and its benefits. Although, this campaign is launching in conjunction of the start of public communication about the discontinuation of GO monthly passes, the intent is to promote the benefits of the card overall,

and position it positively, rather than tie it and directly message with the monthly pass discontinuation.

Strategic Considerations – Segmentation of Monthly Pass Holders

According to a GO Transit’s e-panel Let GO Know, the current Monthly Pass Holders can be segmented as follows:



Monthly Pass Holder information across the segments indicates:

- Anna and Patricia are the least comfortable with technology
- Tyler and Raj are predominately bus riders
- Approximately 5,000 monthly pass holders are students who have been consistently converting to PRESTO
- The Paul segment is exclusively business people
- Lauren has no other commuting alternative

Note: detailed segmentation information can be found in the appendix.

Our internal research shows that this segment will hold onto their monthly pass until there is a compelling enough reason to make the switch, marketing efforts will commence in early October in alignment with communications launch about monthly pass discontinuation and will continue until GO monthly passes are discontinued completely.

For some GO customers our research demonstrate there are certain obstacles to greater PRESTO take-up. These are: fear, anxiety and resentment.

- Fear: Not knowing how to use the card; Riders fear they will miss their train and will be embarrassed if they are caught by transit enforcement after forgetting to tap.
- Anxiety: Forgetting to tap on/off and then not knowing what to do; Not understanding how much it will cost them per month as compared to what they are used to paying.
- Resentment: Do not want to make the switch because they are used to the monthly pass and have no reason to change. This segment feels it should be their choice to convert or not. They are not happy that the choice is not up to them and have no interest in switching, no matter how many benefits are presented to them.

Refer to the **Tactics** section to review the programs being developed to address the concerns of each segment.

Strategic Approach

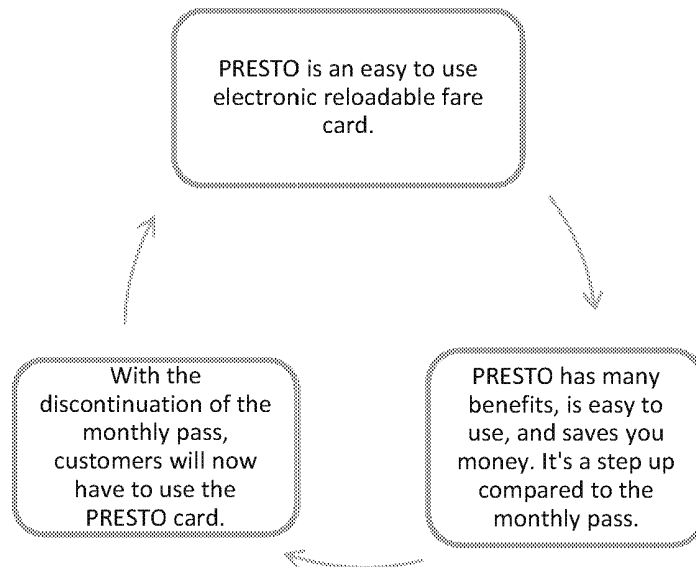
GO monthly pass holders will be the focus of this marketing plan. This customer segment will be targeted through the identified tactics highlighting the benefits of PRESTO, while trying to alleviate their fear and anxiety about PRESTO.

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Objectives

- To make GO monthly pass holders comfortable with the PRESTO fare card by removing their fear and anxiety, prior to the discontinuation of monthly passes, by highlighting the many benefits of the PRESTO card, without connecting it to the discontinuation of the monthly pass.

Key Messages



Tactics and Timelines

From experience, we have seen that one-to-one promotion has been the most effective when selling the benefits of PRESTO and increasing card uptake, as opposed to large-scale marketing campaigns.

Examples of the one-to-one promotion include:

- On-the-spot sales of activated and pre-loaded PRESTO cards to customers lined up at stations to buy GO monthly passes or tickets. Outreach activities at GO stations and terminals as PRESTO was rolled-out across the system. Customer Service Representatives were on-site promoting PRESTO to GO customers and providing them with information. At Union Station, a large PRESTO-branded booth was set up to promote the card to the thousands of people who passed by it each day and provide information to customers. The one-to-one time with customers proved most beneficial when introducing PRESTO and helped generate “buzz” among customers. Customers also became experts on PRESTO and convinced their commuting friends to try it.
- A two-week long “PRESTO Patio” was set up at Union Station in June 2012, and promoted as the go-to resource where customers could learn more about PRESTO, ask questions, get more information and enter to win either a loaded PRESTO card if they didn’t have one, or a credit voucher to add money onto their card.
- A staffed PRESTO information stand is a permanent feature in Union Station.

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- PRESTO is promoted to students at orientation days at targeted educational institutions and information included in frosh week kits as PRESTO continues to be introduced to the student market by GO Transit. Since two and ten-ride tickets have been discontinued, student's most economical GO fare payment choice is PRESTO. PRESTO information and issuance is part of the activities taking place at the four-week long student outreach event in Union Station in September 2012. Customer Care Coordinators periodically visit high student traffic areas, such as Square One GO Bus Terminal to educate students about PRESTO and answer their questions.

The above examples lead us to believe that the best way to target our monthly pass holders is through similar one-to-one marketing. The following outlines the recommended tactics.

Tactics for Launch	Description	Responsible	Timeline	Challenge Addressed
\$6 Issuance Fee	The \$6 issuance fee has been waived for GO customers since the launch of PRESTO and will continue to be until further notice. The fee is not waived if customers buy the card online at prestocard.ca .	GO	On-going	Resentment
Cash 'n Dash Program	GO Customer Care Coordinators promote PRESTO and conduct on-the-spot card sales to customers while lined up to buy tickets or passes at stations during monthly pass sales times, busy Fridays and other opportune times to sell pre-loaded \$20 PRESTO cards. Customers can use the card right away and are educated on how to use the card and its benefits.	Station Operations and CCC's	On-going with emphasis on monthly pass sales period.	Fear, Anxiety and Resentment

Monthly Pass POP – hand out *-see creative considerations	A customized hand out to be given to customers when they buy their monthly pass (starting with November pass sales)	Strategic Communications	October 9	Fear, Anxiety and Resentment
PRESTO Fare Calculator for GO riders	Similar to the current GO fare calculator but the PRESTO calculator will not only show the cost of trips based on loyalty but also the comparison to monthly pass costs.	Strategic Communications & IT	October 1	Anxiety
Customer Info Booths	During monthly pass sales times, PRESTO info booths pop up at key stations, bus terminals and Union Station. Will be a place customers can go to ask questions and get issues resolved.	SOPS, CCC's & Strategic Communications	October 9	Fear, Anxiety and Resentment
On the GO, PINS boards, CSA announcements	Each week a new benefit of PRESTO can be communicated to customers.	Customer Contact	October 9	Fear, Anxiety and Resentment
Floor decals	Floor decals around PRESTO fare payment devices to bring attention to their locations and to address customer's anxiety regarding where to find the machines.	Strategic Communications	TBD – if needed.	Anxiety
Get Spotted and Win Contest	CCC's could spot customer's tapping on/off PRESTO machines and declare them winners of \$10 vouchers. We would ask customers to tell us what they like about the PRESTO card, have their picture taken and put their testimonials on our	SOPS & Strategic Communications.	TBD- if needed.	Fear, Anxiety and Resentment

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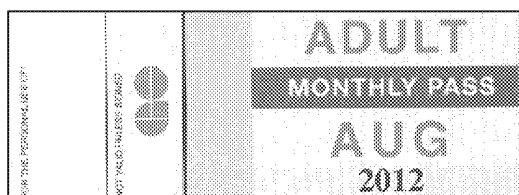
	website.			
You Tube Videos	Short and instructional addressing the top five customer irritants: • Override • Underpayment • Setting defaults • Tapping on/off • Registration			Fear, Anxiety and Resentment

Creative Rationale

As monthly pass holders are not accustomed to receiving any additional handouts with their monthly pass, the recommended creative in the form of a handout at point-of-purchase (POP), will give pause. This aligns with the proven tactic that one-to-one messaging works with potential PRESTO users, rather than mass market advertising.

Draft creative options for the hand-out are presented below along with creative rationale. The handout would accompany the purchased monthly pass. (August pass pictured here as sample)

The aim of this campaign is to create a sense of comfort with PRESTO, by alleviating the fear and anxiety customers feel about using the card. The conversational, engaging, and informative messages will focus on all the benefits of PRESTO.



Option 1 – Monthly Pass Ticket Look-a-like. RECOMMENDED

Tone: The messaging is purposely fun and engaging to draw attention resulting in retention. The quotes are coming from monthly passes themselves, who recognize the benefits of a PRESTO card and are trying to tell their loyal customers why it's important to switch.

Manner: The look of the POP has been designed to look like a monthly pass so GO Transit customers will look twice at it to discover the messaging and intent.

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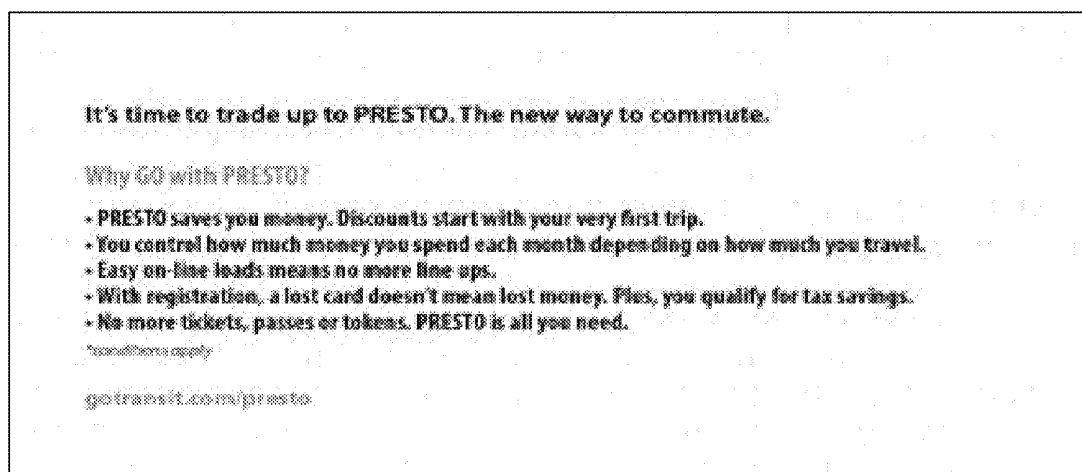
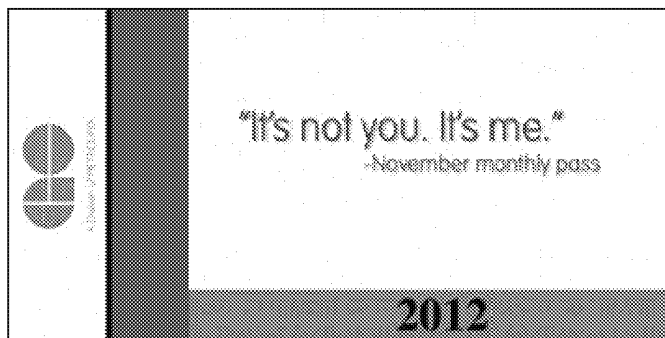
Benefit: Various messages, all focusing on the numerous benefits of the PRESTO card, can be out in the environment at the same time, sparking discussions between GO customers.

Execution: The POP will accompany the monthly pass when sold to a customer.

What it doesn't say: The creative will not outright mention the discontinuation of the monthly pass. Rather, it will aim to create a sense of comfort and ease with the customer so they become more receptive to PRESTO and positively associate it as the replacement to their monthly pass.

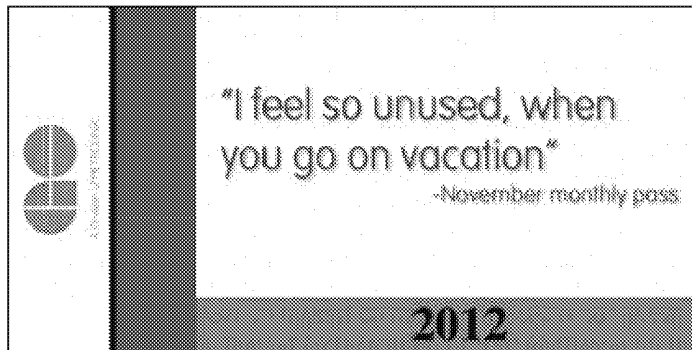
GO Customer Segment it appeals to and why: The tone and manner appeals to 5 out of 7 of our customer segments. These customers appreciate humour and PRESTO has not been identified as one of their pain points, therefore making them more open to the concept. This segment makes up a large portion of current monthly pass holders.

Option 1: Front



Back

Front



Back

PRESTO lets you control how you travel. Vacations, sick days and holidays don't mean lost money. Pay as you go, save as you go. It's time to trade up to PRESTO.

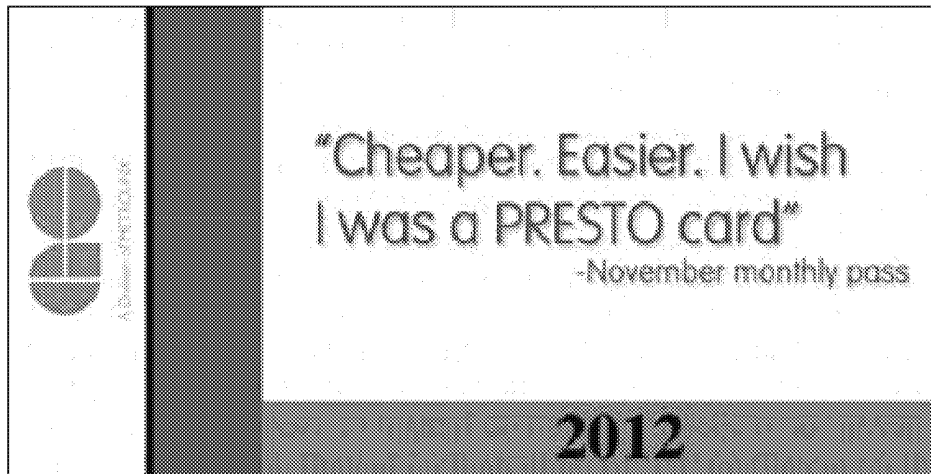
Why GO with PRESTO?

- PRESTO saves you money. Discounts start with your very first trip.
- You control how much money you spend each month depending on how much you travel.
- Easy on-line loads means no more line ups.
- With registration, a lost card doesn't mean lost money. Plus, you qualify for tax savings.
- No more tickets, passes or tokens. PRESTO is all you need.

*Conditions apply.

gotransit.com/presto

Front



Back

PRESTO is always the cheaper option whether you're taking a single trip or commuting the entire month, because discounts start with your very first trip. It's time to trade up to PRESTO. The new way to commute.

Why GO with PRESTO?

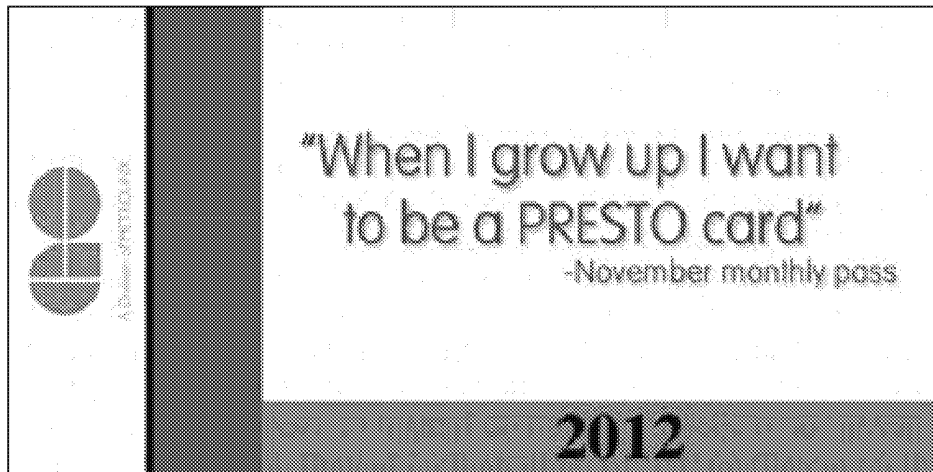
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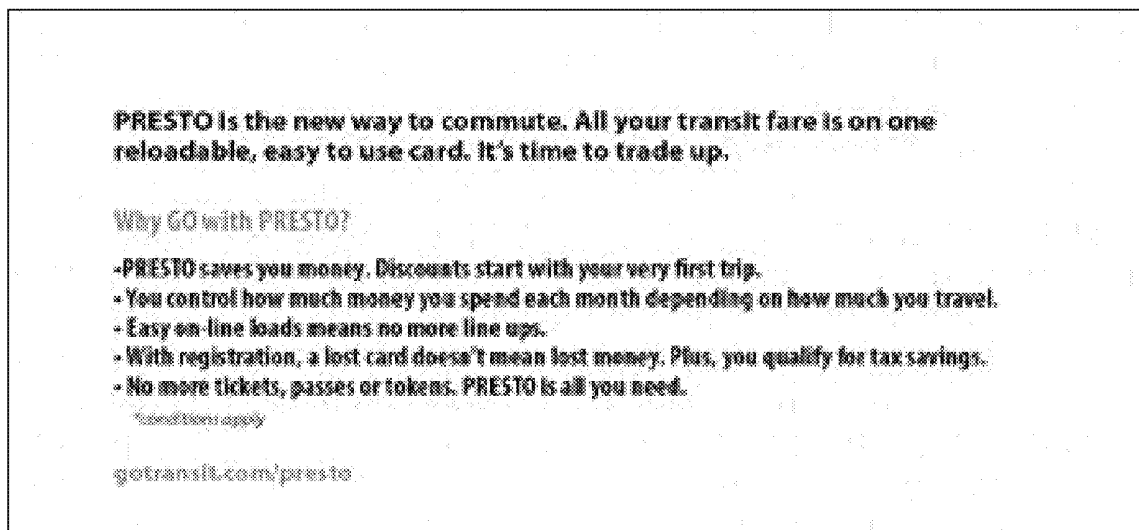
gotransit.com/presto

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Front



Back



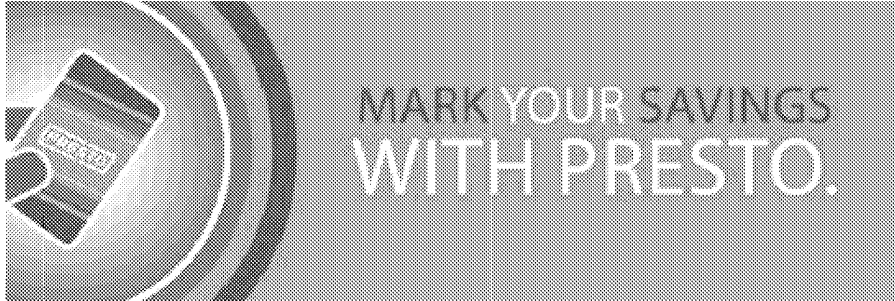
Option 2 – The wallet, the bookmark, the postcard

Tone: The messaging is factual and straight forward. Compared to option 1, it is more traditional in nature and something the customer may expect. It outlines the benefits of PRESTO to the customer.

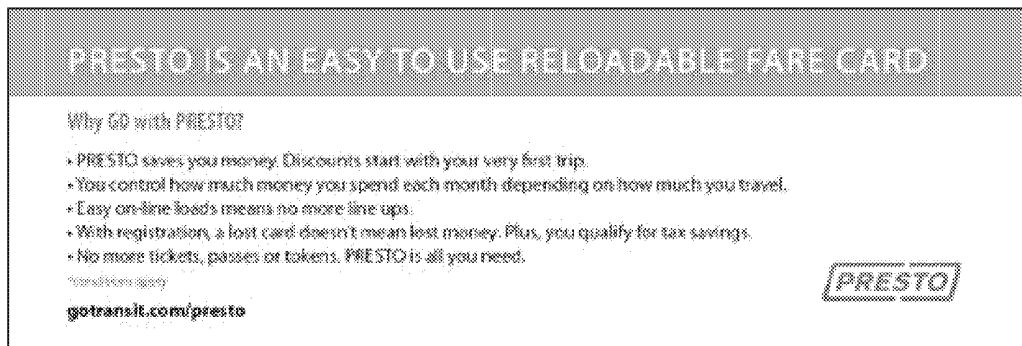
Manner: The paper wallet will give customers something to look at and explore. The PRESTO z-fold information card will be stuck inside the wallet. The information card outlines all of

Option 2 – Bookmark

Front

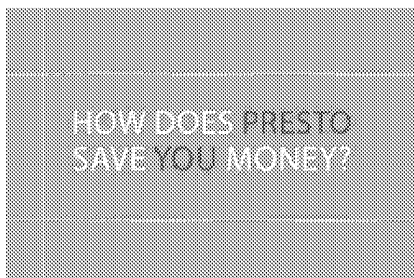


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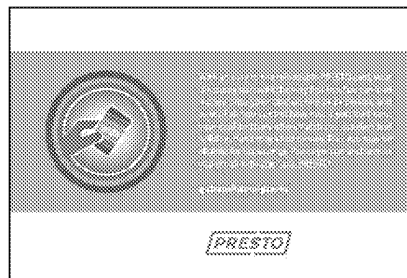


Option 2 – Postcard

Front



Back



APPENDIX: Examples of past campaigns done by GO Transit:

A



B



C



A. Teaser campaign was launched in August 2009.

B. Brand building campaign launched in 2009

C. Fence banners at GO stations - campaign continued into January 2010 as PRESTO was rolled out to all stations.

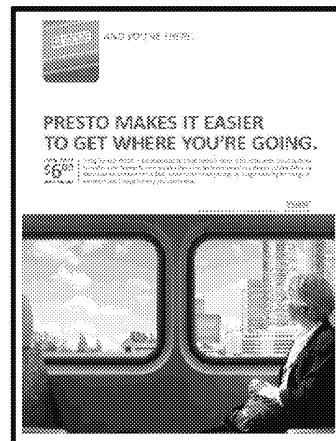
Teaser campaign was a great success in creating buzz about PRESTO. The campaign continued to garner card uptake and customer interest once the card was available. Tactics included, posters, fence banners, lure brochures, user guides, website, YouTube video, and customer outreach.

Next major GO focused PRESTO Campaign was launched April 2012 in order to increase card uptake and highlight the benefits of PRESTO prior to the discontinuation of GO 2 and 10-ride tickets. Monthly pass numbers continued to decrease while PRESTO card uptake continued to increase, therefore deeming it a successful campaign. Tactics included transit shelter posters, station posters, flyers, brochures, bus decals and posters.



Recent campaigns done by PRESTO:

PRESTO launched this campaign in November 2011 and ran until December 2011. Campaign aimed to increase awareness of the PRESTO brand and benefits and increase transit rider card uptake. Main messaging: *Limited time offer for purchase of card without \$6 issuance fee via prestocard.ca.* Tactics included paid advertising, in-bus posters, station posters, and website.



Appendix

Across Segments, Passengers' Biggest Pain Points Are Around Capacity

Profile	Demographics	Reasons for Taking GO	Top 3 Pain Points
1. 26% of passengers  "I absolutely love GO as it gives me time to be all by myself allowing me to decompress and feel relaxed."	Gender 76% female 24% male Age 49.9 Avg. HH Income \$108k Top live / work Live: Toronto Work: Toronto	Work commuting (96%) - No traffic jams - Quickest way to destination - Environmentally friendly - Gives me "me" time	1. Not non-stop to destination 2. Infrequent 3. PRESTO Card
2. 15% of passengers  "GO helps me avoid traffic jams which I hate. However, I'm not the biggest fan as I find it crowded and many fellow passengers are not courteous."	Gender 94% female 6% male Age 45.6 Avg. HH Income \$101k Top live / work Live: Peel Work: Toronto	Work commuting (98%) - Offers free parking - No traffic jams - Quickest way to destination - Station is nearby	1. Seat availability 2. Inconsiderate fellow passengers 3. Not frequent enough
3. 15% of passengers  "I have a pretty positive experience on GO and being a businessman, it helps me catch up with work during my daily commute. However, I would appreciate better seat availability."	Gender 8% female 92% male Age 47.1 Avg. HH Income \$132k Top live / work Live: Halton Work: Toronto	Work commuting (98%) - Offers free parking - No traffic jams - Station is nearby - Quickest way to destination	1. Lack of seats 2. Not non-stop to destination 3. Infrequent
4. 11% of passengers  "I really don't have many positive things to say about GO other than that I like the free parking. I find it crowded, expensive, boring and frequently delayed."	Gender 61% female 39% male Age 40.6 Avg. HH Income \$103k Top live / work Live: Peel Work: Toronto	Work commuting (89%) - No other alternative - Offers free parking - Station is nearby - Environmentally friendly	1. Expensive 2. Not non-stop to destination 3. Too crowded
5. 9% of passengers  "I really like GO as it is clean, reliable and environmentally friendly. However, I find that service does not cover my area well or frequently enough."	Gender 39% female 61% male Age 36.6 Avg. HH Income \$78k Top live / work Live: Various Work: Toronto	Work commuting (70%) - Environmentally friendly - Often get a seat - Is clean - Reliable	1. Infrequent 2. Not enough service coverage 3. Too much focus on Toronto
6. 10% of passengers  "I really enjoy my time on GO as it helps me spend time with my buddies."	Gender 79% female 21% male Age 48.6 Avg. HH Income \$94k Top live / work Live: Peel Work: Toronto	Work commuting (92%) - Offers free parking - No traffic jams - Quickest way to destination - Station is nearby	1. Expensive 2. PRESTO Card 3. Crowded
7. 9% of passengers  "I like GO – I feel privileged that I don't have to take local transit like my friends to class. However, it would be really helpful if there was more service."	Gender 61% female 39% male Age 21.3 Avg. HH Income \$55k	School commuting (79%) - Environmentally friendly - Can use my phone or laptop - Can get a seat - Comfortable	1. Infrequent 2. Communication of delays 3. More off-peak service