

To: Marketing Planning and Legislative Committee

Date: October 29, 2013

From: Anne Muzzini, Director of Planning & Marketing

Reviewed by:

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### Subject: Re Branding

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#### Background:

The MP&L Committee has been discussing re-branding for several months. Color options, graphic design changes for the lettering and logo, and bus paint schemes have been explored. The latest selections are attached. Staff was asked to see if there was any evidence that re-branding increases in ridership. A table showing the results of interviews with transit agencies who have re-branded is attached.

#### Summary of Issues:

##### Cost

Re-branding could cost \$2.3 Million dollars if the fleet is repainted all at once. If phased in over a 5 year period the cost will be less - \$1.2 Million – because repainting will be included in the replacement price of the buses purchased during that period.

##### Ridership Increases

If the re-branding resulted in significant ridership increases that were sustainable over time, then the re-branding would have a positive financial impact. However, there is no evidence that re-branding alone increases ridership. Research of other transit agencies indicates that where ridership grew the re-branding was paired with service improvements.

The following chart shows how many years it would take to pay off the re-branding cost if it resulted in a fare/ridership increase. Current fare revenues for fixed route are equal to \$4.6 Million a year.

IF \$2.3 Million Cost		IF \$1.2 Million Cost	
Fare Revenue Increase	Years to Pay Off	Fare Revenue Increase	Years to Pay Off
5%	10	5%	6
10%	6	10%	3
20%	3	20%	2

### Public Perception

It is very difficult to know whether or not re-branding would result in an increase in public approval and good will. It is also very difficult to quantify. Based on discussions with other operators who have re-branded one possible outcome is that the public is confused, or that they are upset that the agency spent funds on their image without making service improvements.

### **Requested Action:**

Staff requests that the Committee consider the pros and cons of re-branding in light of other operator's experience. In addition staff suggests that it is time to get the Board to weigh in on re-branding prior to moving forward with finalization of colors and designs.

## **IMMEDIATE CONVERSION**

### BUS FLEET

Fixed Route - 104 buses (121 less 3 trolleys and 14 BR buses)

- Repainting - \$14,000 per bus X 104 buses = \$1,456,000  
(White background with stripes)
- New logo/mountain decals -\$250 per bus x 121 buses = \$30,250  
(Preferred design requires logo and mountain decal changes)

Paratransit – 63 Vans

- Repainting - \$6,200 per vehicle = \$390,600
- New logo/mountain decals - \$250 per vehicle x 63 = \$15,750

**Fleet Repainting Total - \$1,892,600**

### BUS STOP SIGNS

- Materials \$35,000
- Labor \$65,000

**Bus Stop Sign Total - \$100,000**

### BUILDINGS

- Restripe administration, maintenance, paratransit, and fuel station buildings - \$200,000 - \$300,000
- Building and on street signage - \$10,000

**Buildings Total – \$310,000** (Rounded to \$300,000 in Grand Total)

### OFFICE SUPPLIES AND PROMOTIONAL MATERIALS -

- Office Materials (letterhead, envelopes, business forms, etc) - \$7,000
- Marketing Materials - \$15,000
- Website Change - \$5,000

**Office Supplies and Promo Materials Total - \$27,000**

**GRAND TOTAL - \$2,329,600**

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## **FIVE YEAR PHASED CONVERSION - (using same paint/decal estimates as above)**

### YEAR 1

Office building, street signs, print materials \$437,000

### YEAR 1-5 - SCHEDULED BUS REPLACEMENT – PAINT CHANGED AS REPLACED

54 Fixed-route – No Cost

55 Paratransit – No Cost

### YEAR 1-5 - REMAINING FLEET (Due for replacement 2018-2024)

50 Fixed-Route - \$712,500

8 Paratransit - \$51,600

Total long term =\$764,100

If the long term replacement needs are folded into years 2-5 the annual expense is \$191,000

**GRAND TOTAL – \$1,201,100**

**Feedback from transit agencies having undertaken re-branding efforts:**

Agency	Conversion	Additional Changes	Response
MARTA, Atlanta GA (Metropolitan Atlanta Rapid Transit Authority)	Over 3 year period led to some confusion.	None. Under new leadership and redesigning again. Will make service improvements this time.	New look was well received, but not what people wanted (more frequency). No increases
Golden Empire Bakersfield, CA	In 2010- all at once	No service changes	Good response from community. Revamped service in 2012 and ridership decreased – still haven't recovered.
Fairfax Connection Fairfax, VA	All at once	In conjunction with introduction of real time and new fare instruments.	Good response and media attention. They used to be confused with WMATA (Wash. DC). No ridership increase.
Pinellas Suncoast Transit Author. St. Petersburg, FL	Took place 10 years ago	No service improvements	Good response from the public, but no noticeable ridership increases.
HRT Transit Norfolk, VA	Over time (several years)	No	Running 2 brands confusing. No increases. Risky if not delivering what current riders want.
Lane Transit Eugene, OR	Investigated/did not		Concern over leading the community to believe this is something new and improved when it's not.
Omnitrans San Bernadino, CA	Began last year- almost complete	Introduced real time and a new mobile friendly website	Positive feedback but flat ridership
Sun Metro El Paso, TX	Began in 2009 painting in house or when replaced	Complete overhaul of service improvements	They have seen increases which they attribute to service improvements since re-branding is taking so long.

Milwaukee County Transit Milwaukee, KS	2010 used same colors in new design	Changed with the conversion to "Clean Diesel"	Well received, but no noticeable increases.
LAVTA, (Wheels) Livermore, CA	2010 Introduced the Rapid bus line with unique branding	New Rapid Service	Public was confused and wouldn't ride it. Now after 3 years they are seeing increases.
LA Metro Los Angeles, CA	Began several years ago in response to poor service and public opinion.	Completely retooled service based on market research. Three sub brands-local, express, rapid	Reducing headways on express and rapid routes generated ridership gains
HART, Tampa, FL (Hillsboro Area Rapid Transit)	Metro Rapid service has unique but similar design for other HART services	This is a new service just introduced.	Some degradation of existing, but overall well received and understood.
Rochester Genesee Regional Transit	Re-launch set for 2014	There will be significant service improvements based on market research	To be determined.
GRATA Grand Rapids, MI	Completely reinvented in 2000 when changes in state law allowed ability to seek prop. Taxes to support transit.	All services changed and expanded to respond to commuter and community needs	Ridership doubled in 10 years.

**Increase in Ridership Necessary to Pay Off Re-Branding**

**IF \$2.3 Million Cost for Re-Branding**

FY 2012-13 Fare Revenue	
Fixed Route	\$ 4,641,248
Paratransit	\$ 614,160
	\$ 5,255,409

5% increase in Fixed Route Fares Sustained											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Cummulative Gain
Additional Fare	\$232,062	\$232,062	\$232,062	\$232,062	\$232,062	\$232,062	\$232,062	\$232,062	\$232,062	\$232,062	\$2,320,624

10% increase in Fixed Route Fares Sustained							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Cummulative Gain
Additional Fare	\$464,125	\$464,125	\$464,125	\$464,125	\$464,125	\$464,125	\$2,784,749

20% increase in Fixed Route Fares Sustained				
	Year 1	Year 2	Year 3	Cummulative Gain
Additional Fare	\$928,250	\$928,250	\$928,250	\$2,784,749

**IF \$1.2 Million Cost for Re-Branding**

5% increase in Fixed Route Fares Sustained							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Cummulative Gain
Additional Fare	\$232,062	\$232,062	\$232,062	\$232,062	\$232,062	\$232,062	\$1,392,375

10% increase in Fixed Route Fares Sustained				
	Year 1	Year 2	Year 3	Cummulative Gain
Additional Fare	\$464,125	\$464,125	\$464,125	\$1,392,375

20% increase in Fixed Route Fares Sustained			
	Year 1	Year 2	Cummulative Gain
Additional Fare	\$928,250	\$928,250	\$1,856,499

## Current Branding



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