

Mason City Transit

Ridership Study and Recommendations



PROJECT STATEMENT

In a report to the City of Mason City, students in the Entrepreneurial Management Institute: Business Consulting class conducted market research and provided recommendations to attract new riders for the City's public transit system.

By appealing to new target groups and individual riders of the metropolitan public transit system, Mason City officials hope to enhance the quality of life in the community, promote sustainability, and encourage workforce mobility and access to more entrepreneurialism and small business.

Students made recommendations on the identification of new target markets, specifically customer demographics and location, as well as effective marketing strategies and channels to reach those markets. The student team also conducted a competitive/best practices analysis of transit system in cities across the US of similar size and demographics in order to identify successful marketing strategies and tactics.



SWOT Analysis – Internal Environment

Strengths:

- Transit Manager interacts closely with passengers and drivers (Otto, 2016)
- Willingness to change (Otto, 2016)
- New manager whose time will be split 75% transit/25% Safety. Current manager is 25% transit (Otto, 2016)
- ADA accessible (Van Steenhuyse, 2016)
- Send multiple buses on West Central route (Van Steenhuyse, 2016)
- Good sense of who current riders are (Van Steenhuyse, 2016)

Weaknesses:

- 1 full-time employee, 17-part time (including the 16 drivers) (Otto, 2016)
- No uniforms for drivers – would give a more professional appearance (Otto, 2016)
- The current Transit Manager is also in charge of several other areas other than transit; this will not be the case with the new manager who should come on board January, 2017 (Otto, 2016)
- Transit Manager is not a Transit Planner. There is no Transit Planner in office (Otto, 2016)
- No current marketing efforts (Van Steenhuyse, 2016)
- Not reaching NIACC students (Van Steenhuyse, 2016)
- Not reaching Mercy Medical employees (Van Steenhuyse, 2016)

Recommendations

Signage Example 2 (Iowa City, IA)



Signage Example 3 (Iowa City, IA)



Social Media Examples

Example 1 (Iowa City Transit)



Example 2 (Iowa City Transit)



Recommendations

Signage Example 2 (Iowa City, IA)



Signage Example 3 (Iowa City, IA)



KEY RECOMMENDATIONS

- **Social media:** Increased social media presence was a common suggestion by experts, along with current and potential riders. We strongly recommend utilizing Facebook and Twitter.
- **Signage improvements:** Based on our research, bus stop signage is prevalent around the US, and an effective method to reach current/potential riders.
- **Co-branding and Incentivization:** All riders that were interviewed expressed an interest in using business partnership incentives. We strongly recommend:
 - Providing coupons for riders, which would incentivize them to utilize area businesses, and frequent shoppers would have incentives to utilize Mason City Transit.
 - Partnerships with frequently visited businesses along the West-Central route—which is the most popular route—such as Hy-Vee or Walmart.
 - Utilizing punch cards- This incentivizes riders, and opens up local advertising possibilities
- **Operational Improvements:** Implementing uniforms - bus drivers in Mason City, as well as current and potential riders mentioned the idea of bus drivers having some kind of uniform to give the position more professionalism.

SWOT Analysis – External Environment

Opportunities:

- Mobile applications to provide riders with arrival times, route information, and real-time bus position data. In a 3 year study, Candace Brakewood of the City College of New York, analyzed ridership patterns in NYC after a real-time transit application was implemented. The application led to a 2% ridership increase, which equals upwards of \$6.3 million in new revenue over the three-year study period (Brakewood, 2015)
- Tailoring routes towards work commuters, and a continued expansion of bus hours. Central Community Transit in Willmar, MN surveyed 235 riders about their CCT experience. Many wanted expanded hours on nights and weekends, to get to and from work (Bolta, 2015)
- Targeting NIACC students, and Mercy Medical employees to increase ridership
- 2015 bill to increase public transit funding \$49 billion increase will allow transit systems to enhance rider experience, convenience (WSJ, 2016)

SWOT Analysis – External Environment

Threats:

- The market may be too small for a real-time bus tracking application. "We implemented 'Where's my Bus' a year ago, and people just aren't using it." – John Griffin, Program Coordinator for Clinton Transit
- Crude oil prices are expected to drop throughout 2016-17. As oil prices decrease, public transit ridership often decreases too (IBISWorld, 2016)
- Struggling economy- Unemployment has been on the decline, but if it does increase, ridership could drop. When unemployment falls, transit ridership increases; when it rises, ridership decreases (IBISWorld, 2016)
- Poor perceptions of public transit. Potential riders may have negative preconceptions about riding buses.
- Other forms of low-cost transportation could reduce public transit ridership: Biking, walking, carpooling