Market Segmentation and TDM Communications: SmartTrips Welcome Case Study

Using social messaging and market segmentation for transportation behavior change campaigns

Overview: Over the last ten years, the use of market segmentation to more effectively influence decision making has steadily permeated the websites, inboxes, and Facebook pages of our lives. Market segmentation uses preferences, behaviors, knowledge, attitudes, needs, location, and demographic information to strategically separate populations into categories in order to more strongly influence desired behaviors. Grouping target populations by similar characteristics can closely match individuals with relevant information and services. For years, consumer markets have used segmentation strategies for capital gain. So how can this widely used, profit driven strategy for reaching populations be applied to TDM and transportation behavior change? The following is a summary of how TDM professionals can use market segmentation to more efficiently and effectively allocate their marketing resources. Each step includes examples of how this approach was applied by Portland’s Bureau of Transportation for use on its SmartTrips Welcome behavior change program.

Step 1) Defining the desired change in behavior:

What is the ultimate goal of the behavior change this messaging campaign will address and, correspondingly, what transportation messages would most strongly influence each appropriate market. Is the goal to shift travel behavior to a certain mode? What types of trips is your target population taking (commute, neighborhood, shopping, etc…)? Is the overall goal VMR? Mode shift? This is very important to keep in mind as you move through the following steps.

Example from SmartTrips Welcome:
Welcome wanted to reduce Vehicle Miles Traveled (VMT) by target population participants as compared to a control group by shifting drive alone trips to walking, biking, transit, car sharing, or carpool.

Step 2) Generate market data:

In this context, market data refers to any useful information you can ascertain on the target population relevant to the desired behavior change. If market data is not initially available on target populations it must be strategically generated.

- Available information: what information is currently available to you. This is usually contact information. For example, if you work for a Transportation Management Association, what details (home address, email, commute mode preference, etc…) about individuals can you request from the companies and organizations you represent?

- Generating market data:
  - Surveys: sent out electronically or through post mail, surveys can establish travel behavior (trip diary), primary mode choice, and attitudes/barriers. You can also ask direct questions indicating preference (e.g. What mode of transportation are you interested in learning more about?)
- **Purchase contact information**: contact information can usually be purchased through a private third party
- **Individualized marketing data**: if you are offering participants a chance to request materials and/or information in an individualized marketing format, use the materials requested as indicators for messaging (e.g. If they request transit, bike, pedestrian related material, message accordingly)

*Example from SmartTrips Welcome:*
SmartTrips Welcome used three approaches for generating market data. First, we purchased a list with target population home address. This information allowed us to be able to engage the population directly, which allowed us to issue a current travel behavior survey in conjunction with an online order form. The second approach was individualized marketing data acquired from participants requesting materials and information. The third approach was a travel and attitude survey issued in conjunction with the online order form.

**Step 3) Defining the markets:**

Using the market data established in step 2, define which indicators will be used for segmenting the population. Indicators for market segmentation refer to the categories (home residence, commute destination, primary mode, available facilities/service, etc...) generated in step 2 that will ultimately segment participants into groups. Indicators will vary across, and perhaps within, programs depending on available market data, overall TDM goals, and TDM services/resources available to each market. Depending on your capacity, combine indicators to more effectively segment (e.g. commute destination AND primary mode).

<table>
<thead>
<tr>
<th>Travel preferences/behavior</th>
<th>Demographic information</th>
<th>Mode choice</th>
<th>Barriers</th>
</tr>
</thead>
<tbody>
<tr>
<td>o Primary commute mode</td>
<td>o Age</td>
<td>o Tips on travel/commuting</td>
<td>o Safety</td>
</tr>
<tr>
<td>o Primary neighborhood travel mode</td>
<td>o Income</td>
<td>o Useful links</td>
<td>o Cost savings</td>
</tr>
<tr>
<td>o Trip diary: travel destinations, mode choice for specific trips</td>
<td>o Language preference</td>
<td>o Smartphone apps</td>
<td>o Weather tips</td>
</tr>
<tr>
<td>o Travel frequency</td>
<td>o Education</td>
<td>o Maps/trip planning tools</td>
<td>o Time</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region: home addresses</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>o Awareness of local active transportation events</td>
<td></td>
<td>o Tips on travel/commuting</td>
<td></td>
</tr>
<tr>
<td>o Local active transportation facilities</td>
<td></td>
<td>o Useful links</td>
<td></td>
</tr>
<tr>
<td>o Area transit service and bike/pedestrian infrastructure</td>
<td></td>
<td>o Smartphone apps</td>
<td></td>
</tr>
<tr>
<td>o Rideshare/ridematching opportunities</td>
<td></td>
<td>o Maps/trip planning tools</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region: commute destination/work address</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>o Rideshare/ridematch opportunities</td>
<td></td>
<td>o Tips on travel/commuting</td>
<td></td>
</tr>
<tr>
<td>o Local transit service</td>
<td></td>
<td>o Useful links</td>
<td></td>
</tr>
<tr>
<td>o Available incentive opportunities</td>
<td></td>
<td>o Smartphone apps</td>
<td></td>
</tr>
<tr>
<td>o Transit/vanpool</td>
<td></td>
<td>o Maps/trip planning tools</td>
<td></td>
</tr>
</tbody>
</table>
**Step 3.1** Sort the individuals in a spreadsheet or database by the appropriate indicators and separate accordingly.

*Example from SmartTrips Welcome:*
The target audience was already separated geographically into disparate service regions, so that was a natural indicator. From the trip diary portion of the travel survey, subclassifications (bike/walk, transit, drive alone) were generated by using participant’s primary commute mode and primary neighborhood travel mode (three classifications) from the travel behavior survey.

**Step 4** Establish method for messaging:
Some examples include:
- Electronic mail (web pages, email blasts, e-newsletters)
- Post mail (newsletters, postcards, order forms)
- Visual presence (banners, posters, signs)
- Bike delivery vehicles and one on one conversations during delivery

*Example from SmartTrips Welcome:*
Welcome used email addresses for customized messaging – since this was required at the time when participants ordered material.

**Step 5** Create market appropriate messages:
Using the participant data generated in step 2, the indicators from step 3, and keeping in mind the method of distribution from step 4, build messages accordingly. Here are some TDM examples/considerations/opportunities for strategically creating appropriate market segmented messages:

**Reinforcement vs. Encouragement:** Two considerations when building your messages
- Reinforcement for individuals who are already exhibiting the desired behavior. For instance, if a participant is using transit as her primary commute mode then supportive messages reinforcing this good behavior (e.g. tips on transit apps, thank you cards, health statistics of transit riders)
- Encouraging change in undesirable behavior. If, for example, a participant is driving alone to work, message local transit service or how to use regional ridematching services

**Step 5.1** Depending on the size of the population and the depth of your desired segmentation, create a ‘message matrix’, like the one used below by SmartTrips Welcome, to organize the population segments.
**Example from SmartTrips Welcome:**

- **SmartTrips Welcome** used a two phased market segment approach. One targeted primary commute mode choice and one targeted primary neighborhood mode choice. This division segmented the population further and allowed regional commute trip and regional neighborhood trip-specific messaging.

- **Program participants** were divided into 9 sections and coded internally by region (North Portland, East Portland, Southwest Portland) and by primary commute mode and also primary neighborhood mode (e.g. North Portland/transit riders, East Portland/drive alone, Southwest Portland bike/ped).

- ‘Quick Tips’ were highlighted in the email blasts for each region/behavior class. The example below was for the ‘East’ region ‘drive alone’ commute class (blue text represents hyperlink):

  - **Share the Load!** With [Drive Less Connect.com](#) you can search for a ridematch in your neighborhood for your daily commute and occasional trips such as a weekend getaway or events. The next time you plan a trip - think rideshare!

  - **Park and Ride.** Get to know your local [TriMet Park & Ride](#)! Outer Northeast and Southeast Portland are both home to Park & Ride locations near either the Blue or Green MAX lines. Park your car for the day or just a few hours and enjoy the bus or MAX ride in to the central city.
Step 6) Create timeline and launch the messaging campaign:
Create a timeline for the program’s launch factoring in the message impact on the participant and how the effort fits in with rest of the program’s components.

Example from SmartTrips Welcome (customized messaging components in blue):

- Welcome SmartTrips mailings
  - Initial postcard: September 7
  - Paper order form: September 14
  - Reminder postcard: September 28

- Deliveries to participants
- Follow-up phone calls (2 weeks after delivery)
- Individualized messaging: Email blast to participants divided by modes, trip purpose and geographic region
  - Primary commute mode focused messages - October 16
  - Primary neighborhood mode messages - October 24
- Pledge form follow-up — November 14 - 21
  - Initial email with pledge certificate
- Welcome SmartTrips participants-specific Bi-monthly newsletter 6 issue: December 2011, February 2012, April, June, August, October
- General SmartTrips e-blast Bi-monthly: January 2012, March, May, July, September, November

Step 7) Measure the campaigns performance:
By measuring the performance of the messaging campaign, assessments can be made regarding approach, timing, presentation, wording, and overall effective for reaching the program’s goals. This will vary depending on your method for messaging (step 4). Electronic messaging can be measured by rate of receipt, open rate, clicks, etc. ...
Example from SmartTrips Welcome:
SmartTrips Welcome used EMMA email marketing program to send messages and measure performance. Here is an example of measures exported from EMMA for the Southwest Transit Neighborhood message:

<table>
<thead>
<tr>
<th>response totals as of May 24, 2012 9:41 am</th>
</tr>
</thead>
<tbody>
<tr>
<td>total received</td>
</tr>
<tr>
<td>total bounces</td>
</tr>
<tr>
<td>people who opened it</td>
</tr>
<tr>
<td>people who clicked</td>
</tr>
<tr>
<td>people who opted out</td>
</tr>
<tr>
<td>new people who signed up</td>
</tr>
</tbody>
</table>

Typical open rates by industry for government emails are 14.3%, transportation is slightly higher at 17.6%.