

NJ TRANSIT – COMPREHENSIVE MARKET SEGMENTATION STUDY SCOPE

Summary

NJ TRANSIT seeks to conduct a comprehensive market segmentation study to identify discrete personas of both riders and non-riders of our system, in order to develop new products, services and compelling marketing campaigns to drive our ridership and revenue, particularly after the severe impact of the COVID-19 pandemic.

In short, this study will help NJ TRANSIT understand **why** customers choose, or don't choose, to use NJ TRANSIT for their transportation needs.

This comprehensive study will drive substantial increased revenue, ridership and customer loyalty for NJ TRANSIT, through:

- Development of new segment-based products, lines and services, in accordance with NJ TRANSIT's Strategic Plan and stated objectives;
- More efficient and effective marketing campaigns, through more targeted media and advertising buying against discrete segments;
- Greater customer loyalty, by delivering services and messaging that is uniquely compelling to the specific needs and attitudes of segmented customers;
- More efficient internal operations, through a common understanding of our customers, and a more targeted approach throughout all aspects of the business.

Deliverables

This study should identify 4-6 discrete customer segments **each** of riders and non-riders, with each segment having its own unique needs, attitudes and behaviors, which could be leveraged for product development and marketing purposes.

These "personas" should be relatable and easily identifiable by NJ TRANSIT employees. Segments should be "evergreen" and not subject to significant change at their core, though subject to changes in size (incidence) as conditions vary.

In addition, a 5-7 question, segment-based "typing tool" should be created, to enable NJ TRANSIT to classify new audiences into its segmentation structure, through all customer touchpoints and in future research projects.

Proposed Methodology

This research would be conducted in the NJ TRANSIT service area (NJ, Eastern PA, and Greater NY City), and will seek to identify the rational, emotional and behavioral drivers of choice in public transportation solutions.

A minimum of 1,500 riders and 1,500 non-riders should be surveyed, to generate sufficient segment-level data for a robust model and typing-tool. NJ TRANSIT can provide a gift card sweepstakes prize as an incentive for the survey.

Survey collection should be done via both online and offline methods.

Modeling should weight responses to match key population demographics (age, gender, race, income, etc.) of the NJ TRANSIT service area.

Proposed Timing

The total project is estimated to take 12-15 months to complete from initiation.

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| - Need, Attitude & Behavioral element identification | 60 days |
| - Survey formulation & testing | 60 days |
| - Survey fielding | 30-60 days |
| - Data analysis & segmentation modeling | 60-90 days |
| - Model testing & validation | 90 days |
| - Presentation & Typing Tool Delivery | 60-90 days |

NJ TRANSIT Customer

- NJT Client & Project Sponsor - Vaughan Williams, Chief Marketing Officer, vwilliams@njtransit.com
- NJT Project Liaison/Support - Susan O'Donnell, Senior Director, Business Analysis & Research (sodonnell@njtransit.com)

Other Considerations

- NJ TRANSIT marketing, creative services and social media resources will be made available to support this effort, including, but not limited to: advertising the survey throughout the NJ TRANSIT system (i.e., in stations and on vehicles), social media posts & advertising, press releases, etc. The NJ TRANSIT office of Business Analysis & Research can also provide survey support and can mine any of our Customer Satisfaction or Origin-Destination survey data if it would be helpful to the project. We can help program and host an online survey using Survey Monkey and we will also provide support and deliverable reviews.
- Connectivity with other transit systems and services, such as MTA, PANYNJ, PATCO and SEPTA, should be considered in this segmentation, but ridership on those systems is not the primary focus of this study.