

In one shopping center that has 52 stores plus a hotel and many offices, we maintain a courtesy booth that is staffed 8 hours a day, 6 days a week. The staff person dispenses schedules and information, sells tokens and passes, and usually handles 17,000 to 30,000 inquiries per month. When a staff member is not present, a sign on a red telephone remaining on the desk invites people to use this direct line to our information service. Out telephone answering service is generally handled by 2 people, but we have 17 people who are trained to answer the phone. During an emergency situation, we can have 6 people answering the phones within 60 seconds.

Our schematic bus route maps are color-coordinated to match the routes and time-tables. On the back of the map we have listed the many points of interest most often asked for through our answering service.

When it was necessary to raise the fare in Rochester, we passed out 100,000 copies of "Fare Facts." We also used other media to ensure that the public had received the message. As a result, we had only 27 phone calls and 3 letters of complaint following the increase in fares.

RTS and General Motors are working together in the development and demonstration of a new passenger information system. These signs, 3 each at 2 major downtown bus stops, will indicate the route number and destination of each bus before it arrives. This project is coupled with GM's platooning system of moving buses more rapidly through downtown.

There are other information services to residents. A brochure entitled "A Ride Through History" tells of the historical sites in Rochester. Those taking this tour buy a 50-cent ticket and may get on and off the bus to see as many sites as they wish along one route for only one fare.

Another brochure, "Charter Power," tells of our charter services. One form of charter that we have been encouraging is for senior citizens who live at new apartment locations that are designed for their use but have no nearby shopping facilities. We inaugurated a special bus to take them to local shopping markets, and the idea was so successful that we now have several buses providing this type of transportation. An unusual charter was that by a bride and her wedding party who wanted to stand on the bus on the way to the church so their dresses would not be wrinkled.

We offer a free ride to go downtown shopping to encourage new riders, and of course we do get a full fare when the rider goes home. We conducted a park-and-ride campaign at several fringe parking lots and advertised this park-and-ride facility on the sides of the bus, at bus stops, and in media campaigns. In some heavily used downtown locations, we post schedules.

Our marketing budget, including salaries of the director of advertising and public relations and the artist-secretary, is \$62,500. This is the amount of the guarantee from transit advertising. The cost of marketing park-and-ride is above that amount and is funded by the Rochester Genesee Regional Transportation Authority, our parent company.

M. L. Kelley, Jr.  
Eastern Airlines

As a starting point, I would like to use some of the questions assigned for this discussion.

1. What are some general guidelines for good marketing strategies?
2. Can these strategies be applied to a product such as public transportation?
3. If so, how can they be applied?
4. What can be expected from an intense effort devoted to marketing public transportation?

Questions 1, 2, and 3 have to do with the consumer and his needs. And here we enter into the marketing process just like any goods manufacturer when we ask: Who is our customer? What is he seeking? How does our product meet his various needs, and how does it stand in his personal value system?

From this the marketing process takes us into the development of basic strategies and then substrategies and the examination of copy, media, and sales promotion approaches.

Everyone's marketing business is equally complex, but, in transportation to paraphrase George Orwell, ours is more equal than others. First, there are geographic differences in what we offer and how our services are perceived; we have a patchwork quilt in terms of competition; and we exist in an environment that is regulated in routes, pricing, and even the kinds of dealer programs we can run. The product we deliver to the passenger varies by a number of criteria: mechanical, where the airplane we fly makes a difference; weather, where the airplane we fly may be delayed; and the service on board, where there are tremendous variables based on the human equations. Finally, we have a product with relatively low penetration. Only half of all adults in the United States have ever sampled our product. Only 21 percent of the adults have used our product in the past year.

Perhaps because things were so complex, the market for air travel initially was considered as a single entity, a homogeneous society in which people demanded or got almost identical services or values from the product. In short, airline marketing was directed to the entire market in order to sell to the greatest possible number. As one effect of this approach, product marketing efforts become more and more similar. Every carrier talks about its aircraft, its seats, its food, its personnel, always trying to develop a point of difference. And, of course, when a point of difference is developed, it generally can easily be duplicated. This still persists to some extent. Thus, for the consumer it becomes increasingly difficult to differentiate among carriers; and, because there are few discernible product differences, customer usage often becomes merely a function of advertising and promotion weight.

From this broad marketing approach, some market segmentation began to appear slowly along what we might call "traditional" lines. We singled out business people, vacationers, and personal travelers and, later, a number of more specialized subgroups. Marketing strategies were still fairly basic. For instance, most vacation offerings were 7 days/6 nights or multiples thereof largely because that is how the hotels and tour operators had always done business. The airlines began to build marketing organizations geared to these market definitions to ensure that one person or group could concentrate on those segments with the most potential. Eastern, I might say, was among the first to develop this product manager concept, which gives continuing attention to and thorough analysis of market opportunities.

Let us look a little deeper at the kinds of consumers Eastern wants to communicate with: the business men and women who have unique travel needs, the vacationer whose wants with respects to an airline are different from those of the business person, the personal traveler whose motivation to fly is unlike that of both the business person and the vacationer. There are also subgroups such as military, youth, ethnic groups, and others looking to satisfy distinct needs related to air travel.

How does an airline such as Eastern approach this problem?

We know that the business person is a frequent flyer. Because of this, his or her own experiences play a big part in the decision to choose an airline and are not easily swayed by advertising. But there are a number of important aspects on Eastern that we must communicate to business people. First, we want them to know where we fly. When they are going from point A to point B, we want to be sure they are aware that Eastern can take them there.

Our primary medium for making business people aware of Eastern's destinations is radio. We chose radio because it allowed us to make the cities we were talking about come to life. We looked for interesting, unusual, and exciting aspects of cities and created stories about them. In the series using the voice of Orson Welles, which has now become quite well-known, such diverse subjects were covered as the Cloisters in New York, the Morning Call in New Orleans, and even a bargain basement in Boston.

A second important reason for using radio was its low price.

Besides telling about the cities we fly to, we had another important goal: to tell business people why they should fly Eastern. This means making them aware of the number and time of Eastern's flights between cities.

And radio provided us with the required local flexibility to accomplish our goal. We could run 50-second commercials and follow with 10 seconds of local pertinent information about Eastern service. For example, in Atlanta, at the end of the New York commercial, the announcer would say: "Eastern Airlines has 12 daily nonstop flights with service to all 3 New York airports. Eastern also has after-dinner flights which save you 20 percent off the day coach fare. For information and reservations, call Eastern, or your travel agent."

We have also used newspapers to inform the public about our destinations and our service superiority. One technique by which we have tried to provide interest about cities was by way of useful maps in our ads. Incidentally, our research tells us that we have made good progress in letting people know where we fly. Awareness of cities has doubled and in some cases even tripled.

Because of the importance of business people to Eastern, we are continually looking for new products that we think will appeal to them and, coincidentally, to personal travelers, people flying to visit friends and relatives. One example is Eastern's after-dinner flights, which provide individuals with significant cost savings if they are willing to fly at off-peak hours. Another product, unique to Eastern, is leisure class, which allows customers the possibility of flying free if they are willing to accept that they might be delayed to the next flight. Breakfast-at-dawn flights, much like after-dinner flights, provide cost savings for early flyers.

A concept that provides a convenience to the customer is our "call Eastern" program in Atlanta. It allows the flyer to call Eastern no matter where he is going. If we cannot take care of his needs, we will make arrangements for him on another airline.

Earlier I talked about research as a means of measuring our progress in informing consumers about our destinations. In addition to measuring results, we also use consumer research to help us identify new business opportunities. An example of where research helped us is in developing a marketing program for the fall period, which traditionally for Eastern had been a very slack time of the year.

We started to study the fall problem intensively in 1970. We found the consumer had changed considerably within a few years. Leisure time and recreation had taken on new meaning. Because of job commitments, people were not taking 2 or 3 weeks' vacation at one time but were breaking up their vacations into smaller segments. Many people found this more relaxing and beneficial anyway. In addition, long holiday weekends were being used to travel short distances, and many city dwellers were taking part in a mass exodus from metropolitan areas to places where they could relax and enjoy their long weekends.

So we designed a promotion built around a low weekend air fare and special ground packages. We began the 1971 campaign in newspapers. The newspaper advertising was coupled with an intensive magazine and radio campaign suggesting that people could afford to take a break at these special prices. Sales promotion materials such as brochures, shopping bags, and counter displays were used to reinforce the concept and to provide more information through the travel agents and in the terminals and ticket offices.

In all of this autumn-weekender material, never once did we talk about a vacation. This is not a vacation; it is an impulse purchase. We have been very careful to define it that way. The results have been excellent; 1971 weekend package sales were 200 percent higher than the previous year, which in itself had represented a large jump from 1969.

So we have started to make great strides in filling in one of those valleys that plague the airline's sales picture. We also put on a similar program for spring. It was tailored slightly differently to the market, but again was based on the realization that a spring trip—not a vacation—is part of our new living patterns.

The spring promotion kicked off with newspaper advertising. Television commer-



cials also were added. Both the advertisement and the commercials were drawn from a special stage set that we erected in the Kennedy airport terminal. Basically it employed figures of different types with cut-out heads. People put their heads in the cut-outs and instantly became somebody else for the weekend, which was our theme. Prior to the Easter rush, we had people at Kennedy taking pictures of visitors to the set, giving them Polaroid prints.

In sales promotion we backed up the advertising with a travel agent display that dispensed a brochure giving details of all the special packages, and we also produced conventional travel agent reference materials. Results of the spring promotion showed the same kind of performance that we have had from the autumn weekenders.

In our summer program, we have also made strides to change the product and to appeal to new segments of the market. The traditional summer audiences consisted of consumers taking advantage of off-season rates at their vacation destination—singles and couples, young and old with low to middle incomes. The segment that was lacking in our view was the true family segment. Too many families were still driving to the mountains or to a nearby beach.

So for families we developed special products that offered great values in ground accommodations. One of our basic strategies was to focus on the family vacation as a rewarding and enriching experience, not only for the children who could learn something in their travels, but also for the parents who could share in that learning process and take delight in it. We developed that theme in commercials showing the range of family activities in Florida, a father and son rafting in Jamaica, and a little girl sketching and recollecting her Puerto Rico vacation.

In addition to television, we advertised in magazines. This advertising was supported by a newspaper supplement that explained the types of accommodations and prices available to families.

A further series of newspaper advertisements continued to point out the features of our family product and the difference in cost between using the family car and flying to one of our destinations. And, of course, we backed it up with travel trade advertising and collateral material designed to give agents the information they needed. To support this program in very topical fashion, we developed educational kits on the ecologies of Florida and Puerto Rico and offered them in scholastic magazines. We are still getting requests long after our supplies have run out.

In one year, summer bookings rose 35 percent. And this family segment proved what we had believed: that it could be a substantial source of new revenue for the airline.

We then added a further ingredient to the family program: Disney World. Some years before the opening, Eastern entered negotiations with the Disney people and made an agreement with them to be designated as the official airline of the new park in Florida. One of our introductory commercials about Eastern and Disney World featured a little girl dreaming about meeting various Disney characters and then waking up to find the magic kingdom outside her window.

We also prepared a supplement that appeared in major magazines and that comprehensively described the attraction and facilities at Disney World and positioned Eastern as the best way to get there. Announcement ads appeared in major newspapers in major markets to reinforce the connection and give price information on the tour packages. An extensive trade effort told travel agents that Eastern was best equipped to supply them with information for their customers. Sales promotion materials for the trade and general public supported that thrust; we even added in-flight items for further merchandising impact. We were able to have a little fun with Disney too. Last Christmas when the Kennedy terminal was crowded with vacationers and people going home from the holidays (many of them children), we were able to raise a smile on many young faces by playing in the terminal the Mickey Mouse Revue, a series of Disney figures assembled as an orchestra.

I should add a word about Eastern's 1972 winter campaign. "Winter. Love it or leave it" was a promotion theme designed to make us visible in the winter to people who are in the vacation market at that time. It had impulse elements, recognizing

that, although many traditional winter vacationers are committed early, there are new entrants to the market who can be encouraged to fly with us. This campaign humorously depicted miserable winter scenes of snow and slush and then quickly switched to show the sunlit beaches of various destinations.

In addition to these major market segments, Eastern markets a number of other products to smaller but still important consumer groups. Because the air travel needs of these groups are unique, we use special media and even special copy to explain Eastern's story.

For example, research tells us that a significant portion of Eastern's flyers are golfers. So we developed a program addressed to this interest group, with Jack Nicklaus, as Eastern's golf pro, placing his endorsement on specially tailored golf vacations. In addition, we promote golfing vacations to this segment in specially targeted print media throughout the year. The Flying Golfers Club gives its members special information on courses, equipment, and instructions, all outlined in a bimonthly newsletter. Periodically, membership drives for the club are run in selected publications.

A key part of any airline is its planes, which represent a tremendous investment. At Eastern we believe that we are developing one of the most modern fleets in the world. A good example is Eastern's L-1011 Whisperliner, which was introduced in newspapers with an advertisement detailing its various features in blueprint form. An introduction commercial showed the excitement of the arrival of this big plane for the first time in one of our communities. The underlying thesis was that because we care about people we bought a plane that could bring the benefits of wide body air travel to all cities.

How do we pull all of these approaches together? We seek consistency in tone of voice (with Orson Welles in both radio and television), in style, and in the graphic and logo treatment. But, clearly, that is not enough. We need something that appeals to the common value systems in all our consumers, a sustaining program that glues everything together and presents a unified impression or image to air travelers.

One element that we have defined as important for us to get across is size. And research studies show that size in our business is often associated with multiplicity of destinations. That is the rationale for a series of destination commercials, covering such extremities of our system as Montreal, Jamaica, Los Angeles, and Mexico.

Another important element is expressed in the commitment we made when we first adopted our "wings of man" theme. That was perhaps most effectively articulated in one of the first commercials, called "boy and bird," to introduce that theme. It linked the dream of freedom to the dream of flight and stated our intention to make man as at home in the sky as he is on land—to be the wings of man.

I mentioned at the outset that I would discuss 4 questions. The first three I have dealt with. The fourth was, What can be expected from an intense effort devoted to marketing public transportation? Well, there is all the difference in the world between expectation and actual results, and I can tell you some of the results of the program I have outlined.

1970 and 1971 have been recognized as the 2 most difficult years in recent airline history. In those 2 financial years Eastern was the largest carrier operating in the black. We made modest profits, while airlines of comparable size had sizable losses. We were able to do this, too, without resorting to the large furlough programs that have been such a sad fact in our industry in recent years. In 1971 and for the first 6 months of 1972, we had the highest load factor in the industry. Although our expectations might have been more ambitious, we have some cause for pride.