



Information Item

Date: October 26, 2016

To: Mayor and City Council
From: Edward F. King, Director of Transit Services
Subject: Big Blue Bus BOGO (Buy One, Get One) Promotion

Introduction

On May 13, 2016, Big Blue Bus launched a Buy One, Get One campaign, also known as BOGO, to celebrate the return of rail to Santa Monica and to inspire residents and visitors to try transit. Santa Monica residents, visitors, current and new Big Blue Bus customers, were encouraged to try Big Blue Bus as their connection to and from the new Expo Rail Line. This report provides a summary and key results on the effectiveness of the promotion.

Background

Beginning in August 2015, Big Blue Bus initiated a series of service changes called the Evolution of Blue, designed to provide first-last mile links and easy connections to Expo, meeting the needs of many Big Blue Bus (BBB) customers and attracting customers that may not have considered public transport a viable option in the past. Shortly after the launch of Expo Light Rail, the City Council at its special meeting on [August 23, 2015](#) selected *Establishing a New Model for Mobility* as one of its five strategic goals. Signaling a new wave of mobility options in the City of Santa Monica, the Council committed \$575,000 in general funds to BBB to develop and administer the BOGO promotion aimed to encourage and incentivize public transportation use.

Discussion

The goals of the BOGO promotion were to:

1. Generate excitement around the opening of Expo Light Rail and excite people to try transit in conjunction with rail.
2. Encourage riders to consider BBB as the most cost-effective and convenient way to connect to Expo.
3. Incentivize non-riders or lapsed riders to give BBB a try.
4. Build and instill goodwill within the community.
5. Encourage adoption of TAP (Transit Access Pass) as a universal fare-payment instrument.

The Business Rules for the promotion limited participants to \$110 worth of free Big Blue Bus passes or \$20 free Stored Value per person, per week. All products were required to be loaded on TAP cards. The promotion was available at *Blue: The Transit Store* and at the Mobility Center located in the Santa Monica City Hall Lobby. In June, online sales began, allowing customers from all over the region to participate. Big Blue Bus staff partnered with the City Mobility campaign team, GoSaMo, to promote BOGO with bus advertisements, advertisements in local publications, digital signs, and a robust social media/email campaign.

There was high demand for the promotion, which resulted in a consistent queue at the Transit Store location for the duration of the promotion. Staff encouraged customers to make the short walk to City Hall or to purchase BOGO promotional products online. Many older adults from the community also took advantage of the promotion after receiving assistance from BBB staff with applying for their reduced rate TAP card.

The BOGO promotion ran for four months. BBB staff announced on September 2nd that the promotion would end on the following, Friday, September 9th.

As shown in Attachment B, the data collected from the BOGO promotion show that there were 15,965 unique transactions by 8,927 unique customers. The average BOGO customer received \$40.00 of free value. More than 39.9% of customers were Santa Monica residents and more than 70.7% of total customers lived inside the BBB Service Area by zip code. In addition, 4.7% of BOGO customers were international visitors.

The most popular product purchased during the promotion was Stored Value, accounting for 66% of total sales. This is the product that serves as a “cash wallet” and can be used on Big Blue Bus as well as onboard all Los Angeles County municipal operators, including Metro’s rail system. The next two most popular products were BBB 30-Day Pass (12%) and BBB 13-Rides Pass (10%).

During the promotion, 5,582 TAP cards were sold by Big Blue Bus. An average of 181 TAP cards were sold each month in the 5 months prior to the promotion (December – April). During the promotion (May – September), Big Blue Bus sold an average of 1,177 TAP cards per month.

Overall, the BOGO promotion provided \$392,794.00 of free value in the form of BBB fare media or stored value on TAP. The \$10 30-Day Youth Pass subsidy accounted for an additional \$29,150.00. The administrative cost of the promotion was \$35,442.21, spent on staff time, supplies, and expenses. Another \$16,879.54 was used to provide free rides on all Big Blue Buses during the opening day of the Metro Expo Line. A total of \$474,266 was expended through BOGO. The remaining \$100,733.91 is available to extend the Youth Pass subsidy to encourage greater ridership among youth. Big Blue Bus staff, in response to Council direction to provide a reduced rate for the monthly Youth Pass, is drafting a proposal for Council consideration at a future meeting.

Other Key Findings

- Participation Frequency
 - 65% of customers participated in BOGO once
 - 18% of customers participated in BOGO twice
 - 17% of customers participated in BOGO three or more times
- More than 6,000 TAP cards were sold by BBB during the promotion

Having developed and administered BOGO in a short timeframe, BBB staff realized several improvements that can be made for future fare promotions. Customers were frustrated with the complexities of the promotion, especially when combined with existing complexities of TAP and regional transit in general. Customer inquiries about the BOGO promotion and about using TAP added considerable time to each transaction, increasing the wait time for all customers present. Another aspect that challenged customers was not having a program end date from the launch of BOGO. Customers routinely inquired about when the promotion would end and BBB customer service representatives were only able to provide them with “when supplies run out” and an estimate of “will end sometime in September”. Having a date-certain program end would be helpful to both customers and staff.

The full impact of the promotion on BBB ridership will take several months to fully realize. Ridership numbers for June and July have yet to be finalized. Additionally, a survey of participants will be conducted in October to obtain additional data on participation and effectiveness.

Summary

The Buy One Get One (BOGO) promotion was unlike any other promotion Big Blue Bus or the City has conducted to increase BBB awareness and ridership. The promotion was extremely popular and achieved its goal of providing an easy and affordable option to connect people to the Expo rail line via Big Blue Bus. In addition, BOGO introduced Santa

Monica's new model of mobility to individuals with varied knowledge of public transportation and mode-sharing between bus, rail, bike and other modes.

Prepared by: Suja Lowenthal, Transit Planning & Community Engagement Manager,
and Nathan Pope, Transportation Management Specialist

Attachments: **A.** Business Rules for Promotion
B. BOGO Dataset

Big Blue Bus
Buy One, Get One Free (BOGO) Promotion

Business Rules

Rules:

- 1) Customers are limited to one purchase per week and are asked to supply the following information: First Name, Last Name, Zip Code, and email address in order to obtain discount, and must provide valid identification.
- 2) Fare products available through this program are available only on TAP and are not available on magnetic stripe cards. If the customer does not have his/her own TAP card, cards will be available for purchase for \$2 each.

Fine Print:

- 1) Valid at Santa Monica City Hall Mobility Kiosk and at Blue: The Transit Store during regular business hours starting May 13th, 2016 while supplies last.
- 2) For each transit fare product purchased on a TAP fare card, receive a second product of equal or lesser value free.
- 3) Free products can be loaded on same or different TAP cards.
- 4) TAP cards are available for purchase at the Santa Monica City Hall Mobility Kiosk, Blue: The Transit Store, at ticket vending machines along the Metro Rail network, or at one of several hundred TAP retailers across Los Angeles. To locate a TAP retailer near you, visit taptogo.net.
- 5) Limit of \$110 purchase (plus \$110 value free) per person per week (Monday – Sunday). Fare products provided for free are not returnable for cash value. Fare products are not to be offered for re-sale.
- 6) Products available for purchase under this program include the following Big Blue Bus fare products:
 - Day Pass, Senior/Disabled Day Pass
 - Seven Day Pass
 - 13 Ride Pass, Senior/Disabled 13 Ride Pass
 - 30 Day Pass, Senior/Disabled 30 Day Pass
 - Express 30 Day Pass, Senior/Disabled Express 30 Day Pass
 - Youth 30 Day Pass

❖ *Users must have the appropriate reduced-fare TAP card to add discounted fare media*
- 7) Passengers may also load stored value (up to \$20 per visit) as part of their allotted \$110 value, and receive an equal stored value free.

Rules subject to change.

BOGO Customers

	Store	Online	Total	%	Notes
Total Transaction	14608	1357	15965		
Individual Customers	8115	812	8927	70	Customer Overlapping
Customers in Santa Monica Area Code	3343	223	3566	39.9%	Not all people gave zips Minimums
Customers in BBB Service Area Area Code	5691	617	6308	70.7%	
Customers with an LA County Zip Code	6991	839	7830	87.7%	
Customers with an Internation Adress	415	1	416	4.7%	
One Time	5267	565	5832	65.3%	
Two Time	1447	183	1630	18.3%	
Three Or More	1377	134	1511	16.9%	

BOGO Transactions By Week

	Dates	Stores	Online	Total	Notes
Week 1	5/13-5/22	1195	0	1195	*Weeks 1 and 2 not differentiated
May Week 2	5/23-5/29	1195	0	1195	*Weeks 1 and 2 not differentiated
Week 3	5/30-6/5	993	34	1027	Online Sales started
Week 4	6/6-6/12	908	82	990	
Week 5	6/13-6/19	898	71	969	
Week 6	6/20-6/26	803	81	884	
June Week 7	6/27-7/3	704	70	774	
Week 8	7/4-7/10	664	63	727	
Week 9	7/11-7/17	818	58	876	Seascape Released
Week 10	7/18-7/24	761	50	811	
July Week 11	7/25-7/31	648	46	694	
Week 12	8/1-8/7	723	57	780	
Week 13	8/8-8/14	728	63	791	FB Adds
Week 14	8/15-8/21	800	85	885	
Week 15	8/22-8/28	776	89	865	
August Week 16	8/29-9/4	829	134	963	
September Week 17	9/5-9/9	1170	378	1548	End of BOGO Announcement
Grand Total		14613	1361	15974	
		91%	9%		

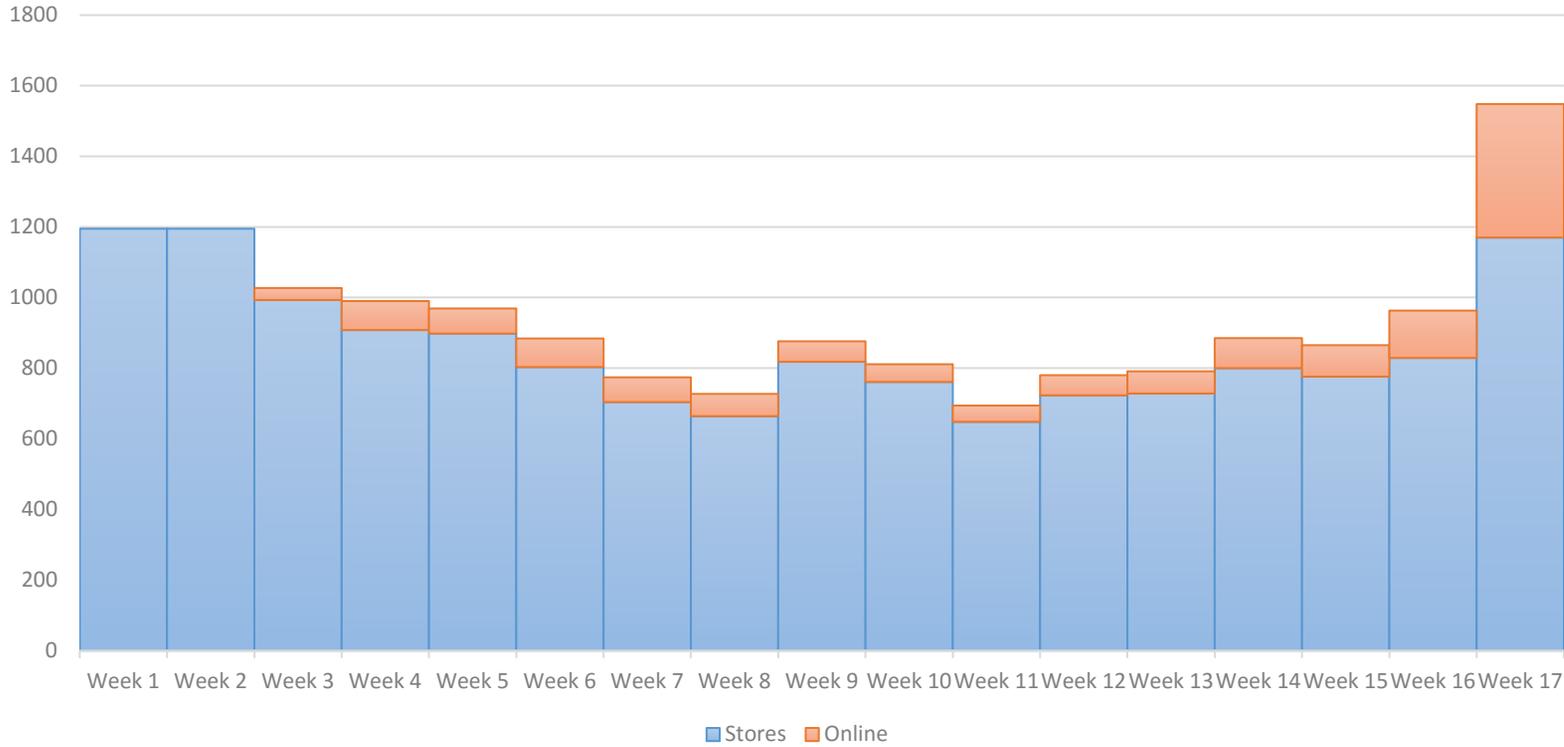
BOGO Transaction By Month

	Stores	Online	Total
May 13-30	2390	0	2390
June	4306	338	4644
July	2891	217	3108
Aug	3856	428	4284
Sep 1-9	1170	378	1548





BOGO # of Transactions By Week



Fare Products Sold by Month during BOGO

Time Period		Day Pass		13-Ride		7-Day		30-Day		30-Day	
		Day Pass	S/D/M	13-Ride	S/D/M	7-Day	30-Day	S/D/M	Express		
		\$ 4.00	\$ 1.50	\$ 14.00	\$ 6.00	\$ 14.00	\$ 50.00	\$ 24.00	\$ 89.00		
May 1st - 12th	Store	0	1	107	62	18	36	11	1		
	Online	0	0	0	0	0	0	0	0		
	Total	0	1	107	62	18	36	11	1		
	Total Value	\$ -	\$ 1.50	\$ 1,498.00	\$ 372.00	\$ 252.00	\$ 1,800.00	\$ 264.00	\$ 89.00		
<i>BOGO Starts</i>											
May 13st - 31th	Store	\$ 30.00	86	1112	666	68	333	118	50		
	Online	\$ -	0	0	0	0	0	0	0		
	Total	30	86	1112	666	68	333	118	50		
	Total Value	\$ 120.00	\$ 129.00	\$ 15,568.00	\$ 3,996.00	\$ 952.00	\$ 16,650.00	\$ 2,832.00	\$ 4,450.00		
June	Store	\$ 31.00	14	1062	378	193	510	126	38		
	Online	0	0	180	0	0	28	0	8		
	Total	31	14	1242	378	193	538	126	46		
	Total Value	\$ 124.00	\$ 21.00	\$ 17,388.00	\$ 2,268.00	\$ 2,702.00	\$ 26,900.00	\$ 3,024.00	\$ 4,094.00		
July	Store	43	28	767	300	199	366	112	22		
	Online	0	0	148	0	4	26	0	12		
	Total	43	28	915	300	203	392	112	34		
	Total Value	\$ 172.00	\$ 42.00	\$ 12,810.00	\$ 1,800.00	\$ 2,842.00	\$ 19,600.00	\$ 2,688.00	\$ 3,026.00		
August	Store	\$ 70.00	22	893	372	329	466	122	33		
	Online	0	0	208	0	0	46	0	14		
	Total	70	22	1101	372	329	512	122	47		
	Total Value	\$ 280.00	\$ 33.00	\$ 15,414.00	\$ 2,232.00	\$ 4,606.00	\$ 25,600.00	\$ 2,928.00	\$ 4,183.00		
September 1st - 9th	Store	0	30	577	165	92	204	70	10		
	Online	0	0	208	0	2	26	0	12		
	Total	0	30	785	165	94	230	70	22		
	Total Value	\$ -	\$ 45.00	\$ 10,990.00	\$ 990.00	\$ 1,316.00	\$ 11,500.00	\$ 1,680.00	\$ 1,958.00		
<i>BOGO Ends</i>											

30-Day Express S/D/M	Youth 30-Day	Stored Value	TAP Card	Total Value	BOGO Value	Time Period
\$ 40.00	\$ 28.00	\$ 1.00	\$ 2.00			
0	20	5330	89			May 1st - 12th
0	0	0				
0	20	5330	89			
\$ -	\$ 560.00	\$ 5,330.00	\$ 178.00	\$ 10,166.50	\$ 5,083.25	<i>BOGO Starts</i>
0	124	91013	883			May 13st - 31th
0	0	0	0			
0	124	91013	883			
\$ -	\$ 3,472.00	\$ 91,013.00	\$ 1,766.00	\$ 139,182.00	\$ 69,591.00	
4	182	132736	1106			June
0	0	10650	322			
4	182	143386	1428			
\$ 160.00	\$ 5,096.00	\$ 143,386.00	\$ 2,856.00	\$ 205,163.00	\$ 102,581.50	
0	151	100861	804			July
0	0	8470	257			
0	151	109331	1061			
\$ -	\$ 4,228.00	\$ 109,331.00	\$ 2,122.00	\$ 156,539.00	\$ 78,269.50	
10	893	114733	879			August
0	0	11535	348			
10	893	126268	1227			
\$ 400.00	\$ 25,004.00	\$ 126,268.00	\$ 2,454.00	\$ 206,948.00	\$ 103,474.00	
2	268	56997	595			September 1st - 9th
0	0	14060	388			
2	268	71057	983			
\$ 80.00	\$ 7,504.00	\$ 71,057.00	\$ 1,966.00	\$ 107,120.00	\$ 53,560.00	<i>BOGO Ends</i>

BOGO Fare Products Totals

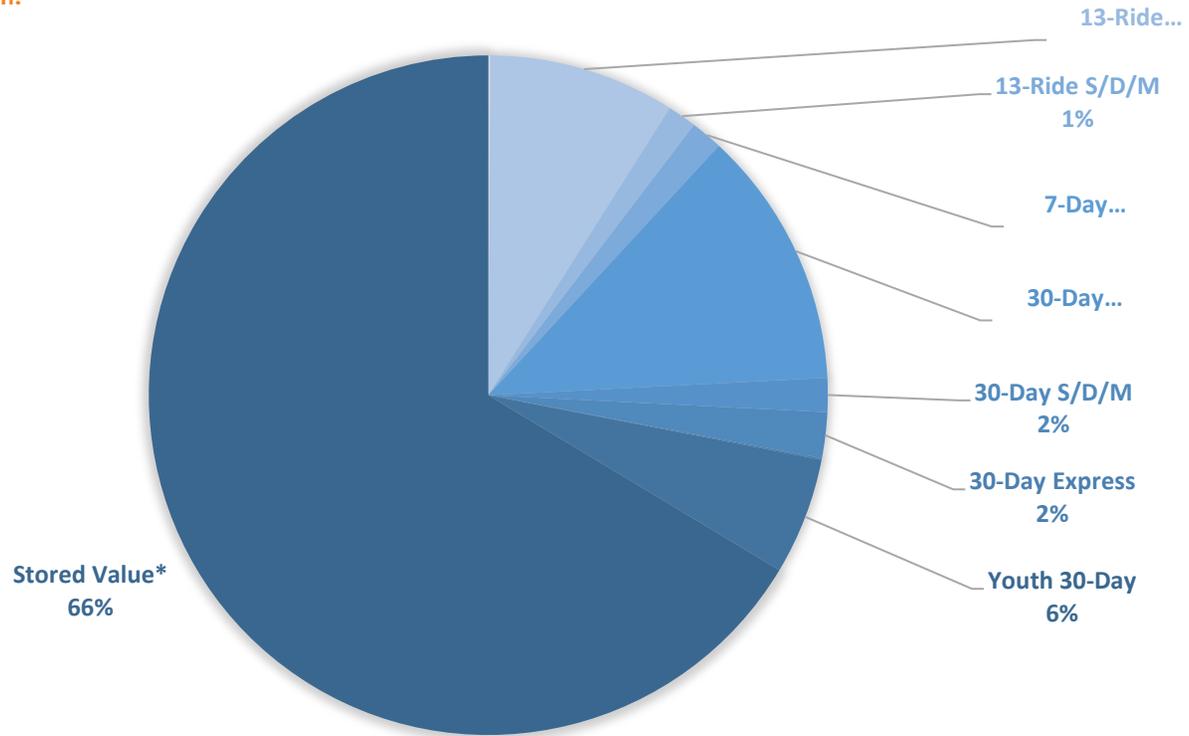
% # sold	# Sold	Value	BOGO Value	%	Pass
1%	104	\$ 696.00	\$ 348.00		0% Day Pass
1%	158	\$ 270.00	\$ 135.00		0% Day Pass S/D/M
42%	5155	\$ 72,170.00	\$ 36,085.00		9% 13-Ride
15%	1881	\$ 11,286.00	\$ 5,643.00		1% 13-Ride S/D/M
7%	887	\$ 12,418.00	\$ 6,209.00		2% 7-Day
16%	2005	\$ 100,250.00	\$ 50,125.00		12% 30-Day
4%	548	\$ 13,152.00	\$ 6,576.00		2% 30-Day S/D/M
0%	16	\$ 17,711.00	\$ 8,855.50		2% 30-Day Express
0%	16	\$ 640.00	\$ 320.00		0% 30-Day Express S/D/M
13%	1618	\$ 45,304.00	\$ 22,652.00		6% Youth 30-Day
	541055	\$ 541,055.00	\$ 270,527.50		66% Stored Value*
	5582	\$ 11,164.00	\$ -		TAP Cards

*More than actual due to inability to separate non-BOGO Stored Value purchases during BOGO promotion





BOGO VALUE SOLD



TAP Cards sold during BOGO

Time Period	TAP Card	Total TAP cards sold	Total Value	Percentage of BOGO Customers
	\$ 2.00	5582	\$ 11,164.00	63% of BOGO Customers bought TAP card
May 13th - 31th	Store	883		
	Online	0		
	Total	883		
	Total Value		\$ 1,766.00	
June	Store	1106		
	Online	322		
	Total	1428		
	Total Value		\$ 2,856.00	
July	Store	804		
	Online	257		
	Total	1061		
	Total Value		\$ 2,122.00	
August	Store	879		
	Online	348		
	Total	1227		
	Total Value		\$ 2,454.00	
September 1st - 9th	Store	595		
	Online	388		
	Total	983		
	Total Value		\$ 2,002.00	



TAP Cards

Month	Sold	
Dec-15	139	
Jan-16	178	
Feb-16	193	
Mar-16	219	
Apr-16	178	181 Average/Month
May-16	972	BOGO
Jun-16	1428	
Jul-16	1061	
Aug-16	1227	
Sep-16	1201	

1229 Average/Month

BOGO Funds Allocations

GF Allocation	\$ 500,000.00
Youth Subsidy	\$ 29,150.00
BOGO Subsidy	\$ 392,794.34
<hr/>	
Remaining Funds	\$ 78,055.66

Supplies and Expenses / Staffing and Personnel

GF Allocation	\$ 75,000.00
Supplies and Expense	\$ 16,836.30
Free Fare Day	\$ 16,879.54
Labor Expenditures	\$ 18,605.91
<hr/>	
Remaining Funds	\$ 22,678.25

Total GF Allocation	\$ 575,000.00
Total Expenditures	\$ 474,266.09
<hr/>	
Total Remaining Funds	\$ 100,733.91

