

When you can't give your customers what they want

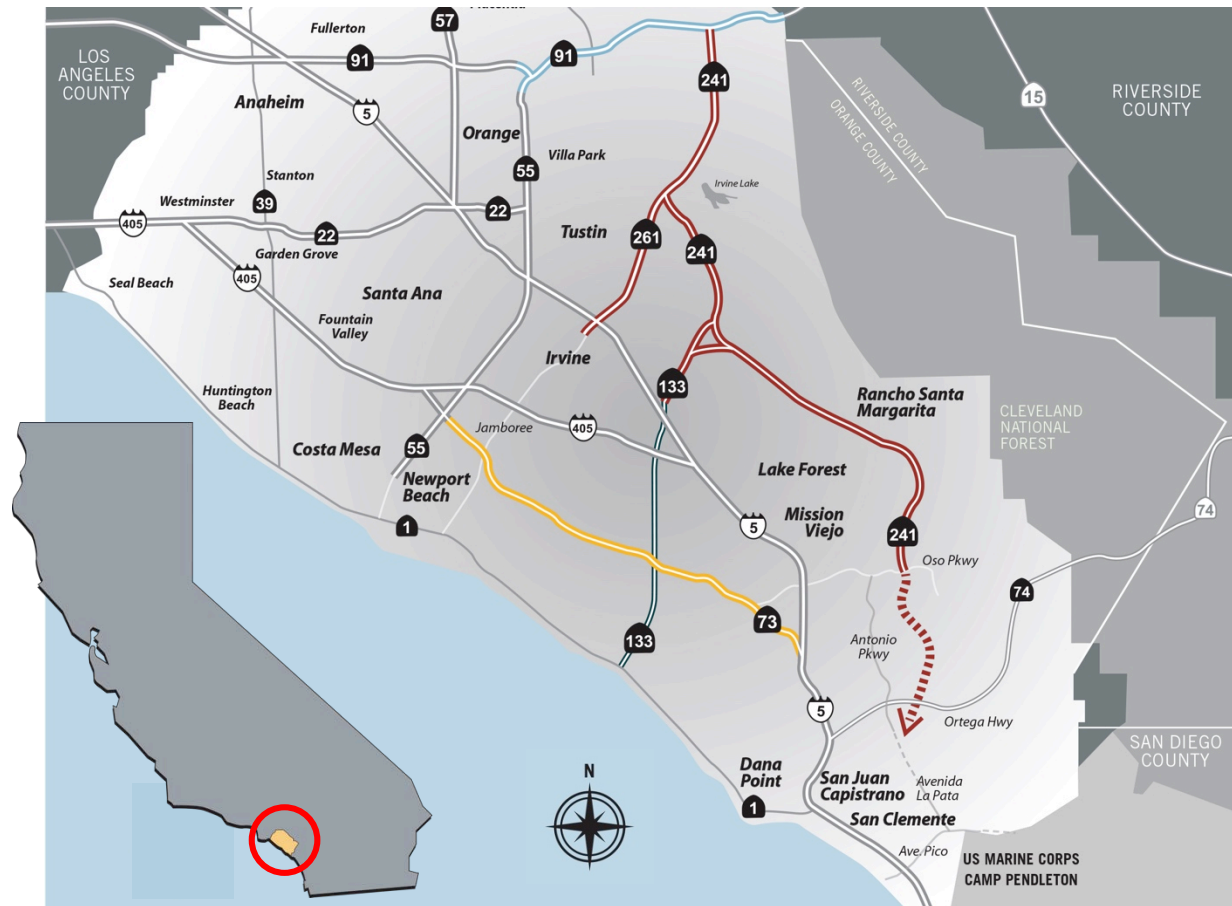
Lisa Telles, Chief Communications Officer
Orange County, California





TCA Toll Roads

- State Routes 73, 133, 241, 261
- Miles: 51
- Average Daily Traffic: 260,000
- Annual Toll Revenue: \$326.4 Million
- Collection Type: AET





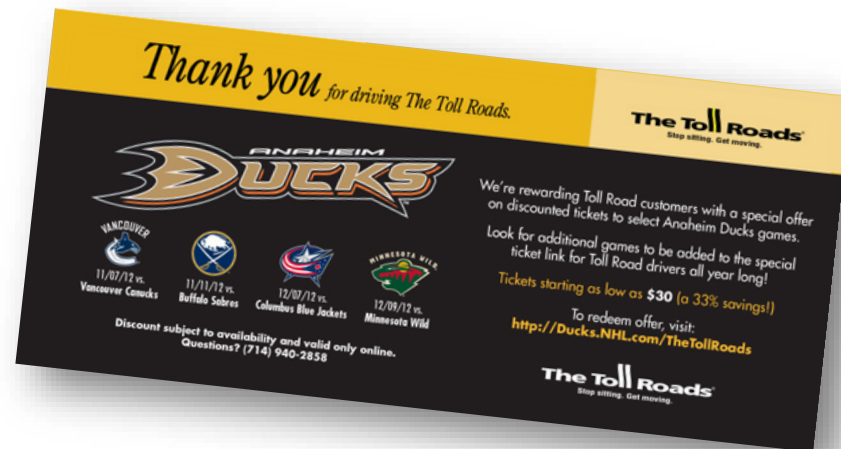
Our Customers Say...

“I spend a lot of money on your roads, can I get a high-volume discount?”



Analysis of the Question

- Can giving a discount to our most loyal customers lead to increased traffic and revenue?
- What are our most loyal customers really asking?
- End of cash toll collection required a revamp of Toll Road Tuesdays program.





Feasibility Study

The #1 reason to offer a loyalty program is if your competitor is offering one.

The trend is to unwind points based programs because they are expensive to manage.

- Commissioned a study to determine the feasibility of a traditional loyalty program for FasTrak customers -- Cogensia was awarded contract through and FRP Process
 - Original Goals:
 - Reward and recognize the Top 10% of FasTrak customers
 - Increase transactions and revenue
 - Study Scope
 - Consider TCA business model
 - All revenue is pledged to pay the bonds issued to construct 51 miles
 - Identify loyalty program options analyze
 - Quantify expected behavior changes, revenue impacts, ROI for potential programs
 - Provide Recommendations



Top 10% FasTrak Customers

- Top 10% FasTrak Accounts Compared to All FasTrak Accounts
 - Located close to entry ramps
 - Have more transponders
 - Spend more/drive more often
 - Drive more during rush hours
 - Drive on weekends
- Top 10% spend 7x more
- These customers need very little incentive to drive The Toll Roads
- Very price insensitive

Conclusion:

A points based rewards program to earn discounted tolls will not increase ridership for the top 10%. They are already driving The Toll Roads when ever they can.



Considerations and Analysis

- Fundamental Loyal Program Considerations
 - Do you want to promote retention?
 - Do you want to drive incremental revenue?
 - Do you want to rewards and recognize the value of top customers?
 - Do you want to add value for account sign up?
 - How much time and money are you willing to spend?
- Several programs and awards were simulated in a model – target changed to all customers
 - For every X trips taken, earn a free trip.
 - For every X trips taken, earn a weekend trip.
 - For every X trip earn points to redeem for benefits, not tolls
 - Benefit could be entry into a sweepstakes
 - Different levels of ridership earn tiered benefits
 - Targeted communications to thank patrons



Study Conclusion

- A loyalty program based on points will deliver marginal ROI performance, at best
 - Sweepstakes had most potential
- Considered timing with our conversion to AET
- So what did we do?
 - Re-worked The Toll Roads Tuesday program to provide added value for all accountholders at a low implementation cost.
 - Implemented a targeted email communication to accountholders to provide account and toll road tips and to announce special offers provided by partners.





The Toll Roads Rewards Program

- 1) New Goals
 - Add value and thank customers
- 2) Who is eligible?
 - All accountholder who drive one time during the month and have opted into the program.
- 3) Distribution
 - Email only
- 4) Will Toll Road Tuesday partners be interested in an email only program?
 - YES
- 5) Simple, low cost execution
- 6) Opportunity to provide accountholders additional information
 - About The Toll Roads
 - About policies and initiatives



Implementation

- Offer is negotiated with the partner and scheduled
 - Partner provides artwork and the unique discount
 - Approval checklist and deadline calendar
- On the last day of each month an email is sent to accountholders who have opted in with three sections:
 - LEARN: Account and Toll Road tips
 - SAVE: Announce the next month's reward for driving at least once
 - KNOW: Agency news

You are receiving this email because you signed up to receive email updates from The Toll Roads. [unsubscribe](#)

Facebook Twitter Blog

The Toll Roads

LEARN

WHY DOESN'T MY TRANSPONDER ALWAYS BEEP?

It's okay if your FasTrak transponder occasionally doesn't beep when you pass through a tolling location. Usually when a transponder is silent, it is still working and if it does fail to read, the appropriate toll is deducted from your account based on a reading of the vehicle's license plate number. That's why it's important to have the vehicle's license plate number registered to your account. If you notice a high number of "pay-by-plate" transactions on your FasTrak statement, you need a new transponder. You can request a replacement transponder via our [website](#) or [free app](#). A new transponder will be mailed to you, along with a prepaid envelope to be used to return your old transponder to us.

SAVE

THE TOLL ROADS REWARDS PROGRAM: LAGUNA BEACH ART FESTIVALS

With the [Toll Roads Rewards Program](#), FasTrak and ExpressAccount customers who drive The Toll Roads at least once a month receive discounts from a special retail partner. The June Rewards offer includes special discounts from several Laguna Beach art festivals: [Festival of the Masters](#), [Festival of Arts, Art & Fair and Thrift](#)! restaurant, by mid-July, the coupons will be emailed to FasTrak and ExpressAccount drivers who drove once in June and are opted in to receive promotional materials from The Toll Roads. If you received this email directly from us, you are already opted in to the program.

KNOW

TCA MAKES EVERY DROP COUNT

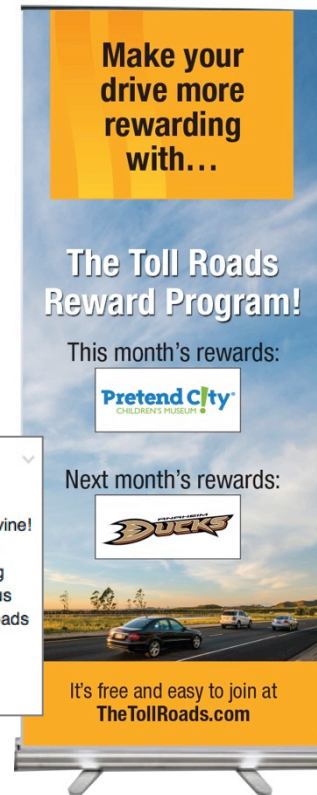
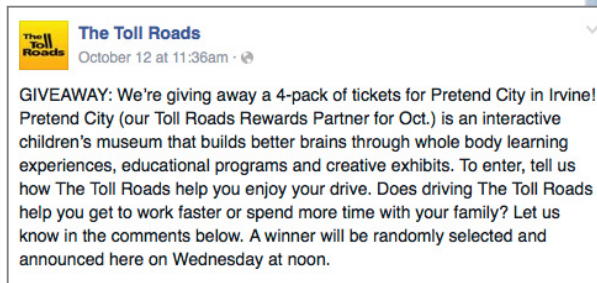
The Transportation Corridor Agencies (TCA) is partnering with a multi-agency water conservation campaign in Orange County with the message, "Every Drop Counts," to help raise awareness and address California's severe drought. Internally, TCA has embraced the message that every drop counts for many years. The 51-mile toll road system, built by TCA, uses almost no water on The Toll Roads through a combination of native and drought-resistant landscaping, waters the existing 2,000 acres of slopes along The Toll Roads, nearly 85 percent requires no irrigation and most of the remaining 15 percent is irrigated with recycled water. To learn how you can help save water, visit [ocwatermart.com](#).

The Toll Roads
Transportation Corridor Agencies
[TheTollRoads.com](#)

The Toll Roads (State Routes 79, 133, 241 and 261 in Orange County, California) are property of the state, maintained by Caltrans and operated by the Transportation Corridor Agencies, a government agency created by the state legislature in 1986.

Implementation

- Writing and design is done in-house
- Lobby banner
- Social media component to promote the promotion, increase awareness for the partner and tease the offer to drivers.
 - Partners like this because they get increased exposure.
 - Negotiate free tickets to raffle off during the month through social media.





Implementation

- At the end of each month a query is run for eligible accounts
- An email is sent mid-month with a Thank You message and the offer coupon

Facebook Twitter Blog

The Toll Roads Rewards

Thank you
for driving The Toll Roads
in June!

**Special offers from
art festivals in Laguna Beach.**
Click below to view these deals!

 25% off tickets	 \$3 off admission
 2 for 1 admission	 Complimentary dessert with entrée purchase

Please enjoy these savings as a token of our appreciation.
Upcoming rewards: Drive in July for savings from MUZEO Museum and Cultural Center.

The Toll Roads
of Orange County

This message was sent to wcloud@thetollroads.com from:
The Toll Roads | 125 Pacific | Irvine, CA 92618
[Unsubscribe](#)



Results

Icontact Email Subject	Date Sent	Number of Fastrak Opt in	Number of Express Account	Total	Drivers who drove	% of opt- ins and drove	Open ratio rate	Redemptions
Omni La Costa September Promotion	10/6/15				173,172	55%	29.3% as of 10/12	
September - Latest News & Savings: Online Safety, Pretend City and More	9/30/15	290,728	29,338	313,934			23.20%	
Hertz August Promotion	9/9/15				265,823	85%	19.2% as of 9/9	0
August - Latest News & Savings: OnLine Toll Calculator, Omni La Costa Resort and More	8/31/15	289,983	29,212	314,086			24.7% as of 9/3	
Muzeo July Promotion	8/7/15				177,914	57%	28.8% as of 8/19	285
July - Latest News and Savings: Hertz, Help Your Summer Guests, CHP Catches Violators	7/30/15	290,056	29,159	313,245			24.80%	
Art Festival June Promotion	7/7/15				177,916	57%	31.20%	Festival of Arts 172, Pageant of the Masters 805, Art-A-Fair 43, Tivoli 5
June - Latest News & Savings: MUZEO Museum, Summer Road Trips & More	6/30/15	288,952	29,001	312,124			23.20%	
Catalina May Promotion	5/8/15				176,228	56%	31.6% as of June 15	6
Laguna Beach Art Festivals, Transponder Beeps & More	5/29/15	287,035	28,776	315,811			27.6% as of June 3	
Angels April Promotion	5/7/15				176,815	57%	36.6% as of May 13	856



What We've Learned

- Customers will press reply to the email and ask all sorts of questions
 - Cleaning up email changes
 - Customer questions – “I’ve been meaning to ask”
 - Ask questions that become future stories
- Emails have generated new partners
- News media coverage – deals columnist

Partners booked through November 2016

Partners like the program and request the following year



Tips

- Make the process simple for you and your customers
- Create an editorial calendar and schedule dates for running queries
- Create guidelines for the types of partners you will agree to
 - Access from toll roads
 - Simple offer
 - Destinations
 - Sporting events
 - Restaurants -- Chains
 - Services – with a nexus
- Create a unique look and feel
- Use social media to support the program
- Test the links and notify the partner when email with offer goes out



Finally,

Be ready when they say:

“I spend a lot of money on your roads,
can I get a high-volume discount?”



Partners



SANTA CATALINA
ISLAND COMPANY

