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BOARD MEMORANDUM

TO: Citizens Advisory Committee
 Santa Clara Valley Transportation Authority
 Board of Directors

THROUGH: Michael T. Burns
 General Manager

FROM: Carolyn M. Gonot
 Chief Development Officer

SUBJECT: Market Segmentation Analysis

FOR INFORMATION

There is an increased awareness in the transit industry that not all current and potential transit users are the same, and that satisfying their needs requires a better understanding of who they are. Market segmentation is a market research tool frequently used in the private sector to capture one's customers. Market segmentation is the identification of groups of customers, or market segments, that have similarities in characteristics or needs and who are likely to exhibit similar purchase behavior and/or responses to changes in the marketing mix.

VTA staff has been conducting Market Segmentation Analysis since October 2005, as part of the Comprehensive Operations Analysis (COA). The Market Segmentation Analysis will provide a sophisticated and detailed understanding of Santa Clara County residents' demand for public transit. Key steps in the study include collecting demographic and attitudinal data through a telephone survey, analyzing potential demand based on market segmentation/mode choice models, and developing an interactive Service Planning Tool. Results from the analysis will be translated into service improvement plans and marketing strategies to directly support the COA.

At the October Advisory Committee meeting, staff will present an overview of the initial Market Segmentation Analysis results.

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