

Rev. 1735

# Marketing Plan to Accelerate the Use of Vanpools

December 1977

MASTER

Prepared for  
U.S. Department of Energy  
Office of Conservation and Solar Applications

Under Contract No. CR-04-60437-00

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Washington, D.C. 20461

by  
Grey Advertising, Inc.  
Under Contract No. CR-04-60437-00

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### Purpose of this Document

This is one of two manuals developed by Grey Advertising, Inc., under contract with the Federal Energy Administration, which became a part of the Department of Energy on October 1, 1977, to design and implement a Vanpool Demonstration Program involving large employers in various parts of the country.

This manual is the first step in translating the success of a few companies' vanpool programs into a prototype for national expansion. It attempts to present and analyze the dynamics of the vanpool market--i.e., the conditions which create demand (market)...for the product (vanpools), factors which stimulate and impede the growth of this market, supportive governmental actions/incentives desired by prospective vanpool companies, and forecasts of market conditions which would impact upon the viability of vanpools.

The other manual, "Vanpool Implementation Manual," is intended to explain the concept of vanpooling and its benefits to both employers and employees, while serving as a practical guide for the implementation of such a program.

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## I. INTRODUCTION

### A. Project Objectives

The objective of the FEA Vanpool Demonstration Project is to establish, document, and demonstrate in action the near-term and long-range viability of vanpools as an instrument of national policy for conserving energy, reducing the number of vehicles on the road, and improving the environment. Available case studies have already demonstrated that correctly conceived, designed, and implemented, vanpool programs could be self-supporting and remarkably successful.

Through this Demonstration Project, we want to translate the success of a few companies' vanpool programs into a prototype for national expansion. To accomplish this:

... We must identify:

- The incentives which would motivate employers to adopt vanpools and induce employees to participate.
- Vanpool benefits which would answer specific needs of American business firms.
- Specific needs and concerns of employers and employees which relate to vanpooling.
- Factors that stimulate and impede the adoption of vanpools.
- Areas in which a supportive Federal role could stimulate employers to adopt vanpools.

... We must develop specific marketing strategies:

- To motivate employers to adopt vanpools by addressing their individual needs and concerns.
- To demonstrate through hard facts and case histories that it is in the company's best interest to do this.
- To induce employees, through their employers, to participate and help operate the program.

The ensuing report endeavors to fulfill the above objectives.

#### B. Scope Of This Report

In this report, we aim to accomplish the following:

First, we have presented and analyzed the dynamics of the vanpool market -- i.e., the conditions which create demand (market) ... for the product (vanpools), factors which stimulate and impede the growth of this market, supportive governmental actions/incentives desired by prospective vanpool companies, and forecasts of market conditions which would impact upon the viability of vanpools.

Second, we have identified and prioritized employer and employee needs which could be answered by vanpools; employer concerns regarding the economics, operation, and employees' participation/cooperation in this ride-sharing program; and incentives influencing employer and employee decisions to vanpool.

Third, on the basis of the above two steps, we have developed the following marketing (planning) strategies:

- ... We have classified employers and employees on the basis of their basic needs and concerns.
- ... We have developed marketing strategies to address each identified need and concern of employers and employees.
- ... We have evaluated appeals of alternative/complementary incentives for each classification of employer and employees.

Fourth, we have identified the major problem areas and the available opportunities, and defined marketing objectives.

The fifth step entails the formulation of marketing strategies for each classification of employer and employee.

The final step involves the development of an information materials package for employers, employees, and the general public.

All of the above steps are interrelated, and logically evolve in the above outlined sequential order.

#### C. Methodology

The background analysis contained in this Marketing Plan was developed via:

- . A review of existing information and case histories.
- . Interviews with companies with existing vanpool programs.

Interviews with companies without vanpool programs.

Consultation with vanpool experts.

### 1. Review Of Existing Information

We reviewed all the published material available on vanpools. This material was compiled through the following sources:

- ... FEA made available to us virtually all existing studies, brochures, and other documents on this subject.
- ... In the course of our interviews with companies having vanpools, we acquired other printed material...brochures, employee questionnaires, company vanpool newsletters, etc.

### 2. Interviews With Companies With Vanpool Programs

We conducted interviews with executives of twelve companies with vanpool programs. The thrust of these interviews was to identify and understand:

- ... Their reasons for launching a vanpool program.
- ... The measure of and reasons for success.
- ... Impediments and problems encountered.
- ... How these problems were met.
- ... Their major concerns relating to the vanpool program.
- ... How their program could be improved.

... What type of Federal support action would be most helpful to the program.

... Their assessment of the future of their program.

### 3. Interviews With Companies Without Vanpool Programs

We interviewed executives of eighteen companies who did not have vanpool programs. The purpose of these interviews was to pinpoint and understand:

... Their needs which could be answered by vanpools.

... Their concerns regarding launching and operating a vanpool program (impediments and problems they foresee in adopting vanpools).

... Factors and incentives that would motivate them to adopt vanpools.

... Areas in which supportive Federal assistance (exclusive of funding the project) would be most helpful.

### 4. Consultations With Vanpool Experts

We participated in a large number of meetings and seminars with leading experts in the area of launching and operating vanpools. The input derived from these meetings was very valuable.

## II. BACKGROUND ANALYSIS

### A. Dynamics Of The Vanpool Market

#### 1. Transportation To Work: Market Conditions

Since the end of World War I, American society has developed around the automobile. The automobile has profoundly influenced the location and decentralization of industries, the growth and redistribution of the urban population, and residential concentration and dispersion of employees vis-a-vis their place of work.

In much of America, over the past few decades, employers have chosen their work sites, and employees have chosen their residences, on the basis of the transportation-to-work range of the automobile. The planning of highway arteries and suburban and inter-urban transportation facilities has been directed to increase this transportation-to-work-range of the automobile. Even the regulatory environment in much of the country has been traditionally biased in favor of the use of the private automobile. Consequently, the automobile has become a firmly integrated fixture in American society in general, and in transportation to work in particular.

Studies conducted by the Opinion Research Corporation (for FEA) reveal that people are willing to pay more money for the convenience of using their car. A survey conducted in April, 1975 indicated that if people had to drive less, 80% of the public preferred to reduce pleasure driving rather than non-pleasure driving such as driving to work.

These trends give us some understanding of the nature and level of the public's resistance to give up the automobile as the major transportation mode to work.

About three-fourths of the private cars used for commuting to work are occupied by only the driver. Nonetheless, the remaining one-quarter of private cars used for commuting to work carry one or more passengers, and account for 47% of all those who travel to work in private cars.<sup>1</sup>

Nationally, 60% of all person miles of work trip travel is by auto drivers, whereas 10% is by public transit riders. Consequently, a 10% increase in commuter auto occupancy would reduce VMT (Vehicle Miles Traveled) by as much as a 60% increase in transit ridership.<sup>1</sup>

Thus, the payoff potential of ride-sharing programs to work is enormous. Its importance is further enhanced by the fact that about one-third of all gasoline consumed in the United States is in commuting to and from work, and the average number of people in each car is 1.4. In places like Los Angeles, Dallas-Fort Worth, and Minneapolis-St. Paul, work trip auto occupancy averages less than 1.2 persons per car, with

1. U.S. Department of Transportation, Carpool Incentive and Opportunities, Washington, D.C. - February, 1975 - p. 16

85%-90% of the commuter vehicles driven alone. If the national average is raised by just one more person per vehicle, it would result in a daily savings of 700,000 barrels of oil, or 29,400,000 gallons of fuel. At 55¢ per gallon, the American public would save almost \$6 billion a year!

## 2. Size And Growth Of The Vanpool Market

A study conducted by the Environmental Protection Agency in October, 1975 estimated that about 32 companies/organizations had ongoing vanpool programs, with a total of 368 vans. At least 18 of these companies were expanding their vanpool programs in 1976. A summary of these existing programs and 1976 plans is presented in Table I.

On the basis of our study of recent vanpool literature and our field trips, it appears that the number of company vanpool programs in the country is likely to rise significantly through 1976 and beyond given the effort and support contemplated by the F.E.A.

A number of the ongoing vanpool programs are pilot efforts, and these companies are planning to expand their programs because of the intensity of employee participation and demand. In the initial years, thus, additional growth in the vanpool market will stem from companies with ongoing programs. Our analysis of the existing vanpool programs indicates that employee participation levels range from 2% to over 25%, with most companies clustering around 3% to 6% employee participation levels.

Thus, two sources of growth: 1. New programs and 2. Expansion of existing programs.

TABLE I  
PLANNED EXPANSION OF KEY EXISTING VANPOOL PROGRAMS

<u>Company/Organization</u>	<u>August, 1975</u> <u>No. Of Vans</u>	<u>1976 Plans: Est.</u> <u>No. Of Vans</u>
Aerospace Corporation	13	17+
Alan M. Voorhees	1	2+
American Can	1	1+
Caltrans	3	3
Cenex	21	21+
Chrysler	6	6+
Continental Oil	10	36+
Cooper and Woodruff	10	6
Corning Glass Works	10	10
Erving Paper Mills	6	6
General Mills	16	18+
Golden Gate Bridge, etc. District	1	1+
Gulf Research & Development	2	3+
Hoffman-LaRoche	20	32
Honeywell Corp.	4	4+
Modnar	4	4
Montgomery Ward	14	14+
Nabisco	13	13+
Polaroid Corp.	2	2+
Prudential Insurance	4	16
Ralph M. Parsons Co.	31	31+
Reston Commuter Bus	3	3+
Sarnia Commuter Van Co-ops (Polisar Ltd.)	16	16
Scott Paper Co.	2	4
S. Calif. Commuter Bus Service	13	13+
Sperry Flight Systems	10	10+
Sperry Univac	3	3+
Tektronix	2	2+
Texas Instruments	12	17
Tennessee Valley Authority	12	12+
3M Company	75	75+
Winnebago Industries	18	18
Total Vans	368	519+

Source: The U.S. Environmental Protection Agency  
Vanpooling: A Summary And Description Of Existing Vanpool  
Programs  
January, 1976  
Washington, D.C.

On the basis of the above assumptions, we estimate that the existing 32 programs will have over 520 vans (compared to 368 in 1975), and the expected addition of about 30 companies will result in another 200 to 250 vans. Thus, it is quite likely that by the end of 1976 we may have as many as 60 companies with vanpool programs with a total of 770 vans, outside of the demonstration markets and without taking into account the workshop program.

### 3. Factors Affecting The Growth Of The Vanpool Market

#### a. Stimulating Factors

##### 1.) The Availability Of Gasoline

Presently, gas is amply and freely available because of the open door importation of petroleum. Oil imports are currently running at an annual rate of approximately 40% of total consumption. Consequently, the public's concerns regarding fuel shortages have diminished. This decline in the consumer concern regarding the supply of fuel is further reflected in sharp increases in sales of full-sized high gas consuming cars in the past six months.

This dependence upon petroleum imports will increase our economic and political vulnerability to the actions of the oil cartel. Many economists believe that the U.S. will, somehow, act to curtail its oil imports during the next few years.

Our domestic production of oil is unlikely to rise to make up for a reduction in imports. In fact, the U.S. output of oil

has declined during the past year or so. Our known reserves are barely adequate to last us for the next ten years, given the present production rate. Under these conditions, we may pass through protracted periods of gas shortages unless we learn to use gas more efficiently.

Such a situation is expected to increase the receptivity of vanpools and other ride-sharing programs among employers and employees.

## 2.) The Cost Of Gasoline

In a market-oriented free economy, the price of gas...other things being equal...is inversely related to the supply of gas. Therefore, as gas shortages occur, the price is expected to rise correspondingly.

It is almost certain that, for many years to come, the U.S. demand for gasoline will be in excess of available supplies. Therefore, the price of gas is expected to rise. Each rising level of price will motivate a significant number of households (depending upon their income levels and economic and personal priorities) to search for steps to economize on gasoline.

The expected trends in gasoline prices, therefore, are apt to increase employer and employee receptivity to vanpools and other ride-sharing programs.

### 3.) The Cost Of Cars, Insurance, Maintenance, And Taxes

Costs of automobiles have risen sharply in the past few years, primarily due to increasing raw material shortages, labor costs, and the addition and improvement of emission controls and safety devices. Insurance and maintenance costs and, in most states, costs of auto registration and taxes have also risen sharply.

On the basis of historical trends, it appears almost certain that the costs relating to the purchase and maintenance of the car are expected to continue to rise. This may generate strong disincentives to buy a second car, which is often used for work transportation, especially when a convenient and comfortable alternative to driving to work is made available through vanpools or other ride-sharing programs.

4.) The Cost of Parking

Even where ample parking facilities are provided by employers at work sites, the company has to pay for parking facilities. It is estimated that the creation of parking facilities costs about \$1,000 for each parking space on the ground, and about \$5,000 for each parking space on an elevated structure, plus yearly costs of \$60 to \$80 per space maintenance.

Fast rising real estate values and taxes make it a doubtful economic proposition for most companies to continue to maintain vast tracts of land for employee parking.

Opportunities for substantial savings in investment in land, parking facilities, and land taxes exist for all major employers, especially the growing companies. As more employers become aware of these facts, they are likely to opt for ride-sharing programs which would economize on allocation of companies' financial resources on unnecessary parking land and facilities.

In some downtown areas of the country (Los Angeles, for example), it is a common practice for employers to pay for or subsidize employee parking costs in adjacent garages. For these companies, vanpools will yield enormous cost savings.

#### 5.) Traffic Congestion

The extensive urbanization of the United States, built around the mobility range of the private automobile, has created massive traffic congestion problems, especially during rush hours...not to mention the consequent environmental concerns. With the expected continuation of increases in the number of automobiles on the road in the years ahead, traffic congestion at rush hours is apt to become more critical.

Consequently, we may have a growing population of drivers who become fed up with driving to work every day. The incidence of such drivers is likely to be greater among middle-aged and older (35 to 63 years old) age groups who have been driving to work for a number of years and would welcome a more relaxed mode of commuting to work. Vanpools will have a much higher level of receptivity among these people.

#### 6.) The Economics Of Vanpools

Against the background of the expected impact of the foregoing five factors, the economics of vanpooling, vis-a-vis

the personal car, are expected to become increasingly more favorable in the foreseeable future.

At present, "a person driving alone who makes a daily twenty-mile commuting trip (round-trip) in a standard-sized automobile can save about \$400 a year if he joins a vanpool. If he elects to sell his automobile, he can save more than \$1,400 in yearly commuting costs."<sup>1</sup> These savings are expected to become even more impressive in the year ahead.

#### 7.) Dissemination Of Knowledge On Vanpooling

To date, the general public is virtually unaware of vanpooling. As the Federal Energy Administration disseminates information on vanpooling, through communication programs to the general public and through marketing programs and workshops to employers and employees, this awareness is expected to increase substantially in the next few years. This should stimulate not only employer-initiated vanpools, but also employee-initiated and "third party" designed vanpool programs based on common residential concentrations of commuters whose work locations may be adjacent to each other.

#### b. Impeding Factors

On the basis of our field interviews with companies, and the research of existing FEA studies, company surveys, and regional transportation

1. Baltimore Department of Transportation, Vanpooling: A New Low Capital Transportation Alternative, Regional Planning Council, Baltimore, Maryland, p.3

planning literature, we have been able to identify the following major impediments to the growth of the vanpool market.

1.) The Lack Of Precise Knowledge About Vanpools

Most companies (including some with ongoing vanpool programs) lack sufficient knowledge on vanpools including exactly what vans are and what they can accomplish. Most companies thought vans to be mini-buses with wooden or plastic seats which cannot match the comfort of a private automobile. Most employers were not aware of the financially self-supporting potential of vanpools. Neither was there sufficient recognition of the economic benefits of vanpools for employers and employees which transcended the present and prospective energy considerations that beset the country.

Employers often had misconceptions regarding the viability of vanpools. Specific areas of employers' lack of knowledge about the viability and benefits of vanpools are identified in Section C of this chapter.

It is sufficient to note here that the lack of precise and adequate knowledge about vanpools is among the most important impediments to employers' receptivity to adopt vanpool programs.

2.) Limited Employee Participation

A number of companies with ongoing vanpool programs report that

insufficient employee participation impeded the expansion of their current programs. Similarly, a majority of non-pooling companies are also concerned about the prospect of employee participation. In both cases, employers were either unaware or insufficiently aware of factors that would motivate a significant number of their employees to vanpool. Virtually all these companies emphasized their need for more information in this area. This was considered one of the major areas where government help was needed.

### 3.) Local Regulatory Impediments

According to the transportation regulations in many states, vanpools are "common carriers", and should obtain operating authority for each route. These regulations are, in part, designed to guarantee a transit monopoly. The major effect of these and similar regulations is to prohibit or discourage "more efficient and/or consumer-oriented carriers from providing mass transit service. The only option available to an individual is to buy his own car to obtain service oriented to his specific needs."<sup>1</sup>

In California, Connecticut, Minnesota, Tennessee, Washington, Maryland, laws have been changed to exempt vanpools from these regulations. But in the rest of the country, the regulatory environment is not too favorable to vanpools.

1. University of Tennessee Transportation Center, Buspool, Vanpool, Carpool: Transit Planning For Results: A Consumer-Oriented Approach, p.6

The trend of new legislation in this area is to exclude "vans from economic regulations, provided the vehicle has less than 15 passenger seats and the driver is on the way to or from his place of employment."<sup>2</sup>

#### 4.) Geographic Dispersion Of A Company's Employees

A significant number of employers reported that their employees were so scattered geographically in the surrounding suburbia that the potential of vanpooling for them was quite limited.

Single company vanpool programs were not feasible under these conditions. A third party vanpool approach, such as the Commuter Computer approach in Los Angeles, or multi-company vanpool programs has potential for success in these cases.

#### 4. Supportive Governmental Action Desired By Companies

The following findings have been deduced from our interviews with vanpooling and non-vanpooling companies. Most company spokesmen felt that:

... The government should publicize vanpooling and generate interest..."The public doesn't know much about it."

... The government should assist interested companies by providing

2. Federal Energy Administration, Knoxville & Portland: Two Successful Commuter Pooling Programs, Lew Pratsch, Washington, D.C., November, 1975, pp. 21-22

information and expertise in starting and implementing vanpools, so that companies can save time and avoid errors common in such programs.

... "There is not enough material, brochures, and documented facts to promote vanpooling among employees."

"Need more information on how to get more employee participation."

... The Federal and State governments could be very helpful in the areas of clarification and removal of regulatory barriers, especially workmen's compensation, overtime pay, and common carrier laws.

Only one company, out of some 30 companies contacted by us, recommended government subsidy. Otherwise, most companies felt that the government should not get directly involved financially in a company's vanpooling programs.

The thrust of most recommendations centered around the need for more publicity on vanpools among the public, dissemination of vital information to interested companies on the benefits of vanpooling to employers and employees, and how to get greater employee participation in the program.

B. Classifications Of Companies By Their Vanpool Potential

Other things being equal, our fieldwork and research indicate that the following types of companies offer relatively greater potential for vanpools:

1. Companies With 500 Or More Employees in One Location

Our studies of vanpooling companies indicate that about 3% to 10% of their employees participate in vanpools. Most of these companies estimate their vanpooling potential at around 10% to 15% of their labor force. On this basis, we estimate that companies with 1,000 or more employees offer viable potential for successful vanpool programs.

If we establish an initial goal of 5% participation, a company of this size should be able to sponsor five vans. This does not mean that in special cases and "suitable" locations, somewhat smaller companies may not be considered for the Demonstration Program. But it does mean that we should primarily concentrate on those companies who offer greater near-term as well as long-term potential for vanpooling activity.

2. Companies With Many Managerial/Professional Employees

Our field studies indicate that managerial/professional employees tend to be more sophisticated and influenced by considerations such as energy conservation, social and environmental problems, and monetary savings. A significant number of them are in the middle and upper middle income ranges and are concerned about inflation and the erosion of their buying power. Primarily because of these factors, we find that the existing mix of vanpoolers among most of the companies we interviewed is heavily weighted in favor of white-collar employees.

3. Companies With A Significant Number Of Employees Earning Between \$8,000 And \$35,000 A Year

Our talks with virtually all of the vanpooling companies indicated that most of the vanpoolers in their current programs were earning between \$14,000 and \$35,000 a year. Thus, the composition of vanpoolers was heavily weighted by employees in middle and upper-middle income groups. However, it is believed that \$8,000+ represents a more realistic "floor" to this definition than \$14,000.

4. Companies Located Outside Of Central Cities And/Or Outside The Reach Of Mass Transportation Facilities For A Significant Proportion Of Their Employees

The basis of this criterion is self-explanatory, as evidenced by the fact that some of the most successful vanpooling companies are located either outside of central cities or beyond the reach of mass transportation facilities for a significant proportion of their employees. We recognize that central cities also offer significant opportunities for the growth of vanpools. For the present task, however, we have opted to go after the suburban market where opportunities are relatively greater and mass transit competition is relatively minor.

5. Companies Who Have A Sizable Number Of Employees Who Travel Ten Miles Or More, One Way

With very few exceptions, most vanpooling companies found that their programs had greatest appeal among employees who were required to travel greater distances. The economics of vanpooling become very attractive for these "long distance" commuters. Also, appeals of the comfort and convenience of vanpooling ... relaxation, reading, absence of driving

strains, guaranteed door-to-door service, and coming to work fresh... are especially important to these long distance commuters. The extra time spent picking up fellow passengers is not as much of a disincentive to long-haul commuters as it is for those who require only 15 to 20 minutes to commute to work in their automobiles.

6. Highly Profitable Growing Companies, Especially Those In Sophisticated Industries

These companies tend to foster a liberal and forward thinking atmosphere for middle management who are not afraid to push new projects.

Highly profitable, fast-growing companies are anxious to take on public service commitments and positive actions on energy and environmental problems. Virtually all highly profitable growing non-vanpooling companies we interviewed expressed interest in vanpooling, and wanted to know more about it.

7. Large Natural Resource And Energy-Related Companies To Whom A Positive Public Relations Image Is A Major Consideration

Among companies with ongoing vanpool programs, energy and natural resource-related companies valued the importance of vanpools for projecting their public image as a concerned company. These companies were looking forward to significantly expanding their vanpool program at their existing and other sites.

Among non-vanpooling energy and natural resource-related companies that we interviewed, there was substantial interest in finding out how vanpools could be adapted for their needs.

8. Companies Who Enjoy Large Governmental Contracts, Especially Defense Contracts

Most of these companies, vanpoolers and non-vanpoolers, are interested in demonstrating to the government and the public their concern for national priority problems which affect the vulnerability of the nation.

9. Employee And Community-Oriented Companies

These companies tend to offer substantial potential for vanpools because the economic and other employee benefits, and the positive community relations value of vanpools, have great appeal for them.

10. Companies Whose Top Management Holds Or Has Held A High Position Of Public Trust With The Government, Chamber Of Commerce, Or Other Organizations

These company leaders are apt to be more receptive to vanpooling. The Executive Vice President of a major chemical company (non-vanpooling)

we interviewed was also the President of the local Chamber of Commerce, and his group was looking for a civic service project that would benefit both business and the community. He had pushed carpooling within his company, and estimated that 1,900 employees were currently carpooling at their facilities. He had heard about vanpooling, but was not sufficiently familiar with it.

Companies headed by similar individuals seem to offer relatively greater potential for management commitment to vanpooling programs.

#### 11. Companies With A Relatively Higher Mix Of 30 To 60-Year Old Employees

Companies with a high concentration of employees in younger (23 to 30-year old) age groups seem to offer, other things being equal, somewhat lesser potential for vanpools. Younger employees tend to be single and/or less concerned about the economic benefits of vanpools. To them, the prestige of owning a second car and/or driving their own car to work appeared to be highly important.

On the other hand, older employees...a majority of them with family and other responsibilities...tend to react more favorably to opportunities for saving through a suitable alternative to driving to work. Since they probably have been driving to work for many years, the economics and comfort of vanpools may have relatively greater appeal for them. Our studies of existing vanpool programs largely substantiate the finding that older employees tend to constitute a majority of steady vanpoolers.

## 12. Companies With Ongoing Carpool Programs

A number of non-vanpooling companies we interviewed were enthusiastic about their successful carpool programs, in which over 20% of their employees participated. These companies offer good potential for vanpools because, in most cases, they have already established a grid and matching system (often computerized), so that the basic groundwork for vanpooling already exists. Most of these companies are not sufficiently familiar with vanpools, and often consider vanpools as an alternative to carpooling rather than as a complementary ride-sharing program.

To sum up, the foregoing types of companies appear to offer relatively greater potential for success for adoption and expansion of vanpool programs. Marketing strategies developed in the next chapter are apt to produce better results with these types of companies.

C. Identification And Priorization Of Employer Needs And Concerns

On the basis of our field interviews and research of existing vanpool literature, we have been able to identify the following employer needs and concerns:

1. Employer Needs Which Could Be/Have Been Aided By Vanpools

a. Needs Of Companies With Vanpools

Our findings indicate that the following needs, in the order of their stated importance, primarily motivated a majority of companies to start vanpools:

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1.) Need for affirmative action on the energy shortage to improve public relations and to enhance the company's image

This need was primarily emphasized by most vanpooling companies, and was given the highest priority by :

... Energy and natural resource-related companies.

... Those who did a substantial amount of their business with the government.

... Fast-growing, profitable, and progressive companies.

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2.) Need to relieve present parking congestion and/or to alleviate the need for additional parking as the company grew

Present and prospective parking needs were cited by a majority of companies as one of the major reasons for starting vanpools.

The prioritization of this necessity, however, varied among companies, depending upon their location and geographic environment. For these companies, fuel shortages and the energy problem became a catalyst to motivate them to start vanpools.

3.) Need to alleviate traffic jams at the entrance/exit gates and adjacent arteries near work sites during rush hours

This need generally coalesced with the need to alleviate parking congestions.

4.) Need to overcome inadequate public transportation for their employees

Companies who faced this problem were also interested in providing low cost, convenient transportation to their employees without creating an excessive financial and administrative burden on their resources.

In cases where public transportation and parking facilities were either inadequate or inconvenient, even a significant proportion of short distance commuters (within a range of 10 miles) tended to participate in vanpools.

Although virtually all of the vanpool programs were started with the above four fundamental objectives, most of the companies we interviewed acknowledged that they profited from other incidental (or fringe) benefits of vanpools. These benefits were not as yet quantified, but they were clearly visible to the company management. They include:

- 5.) Increased punctuality and reduction in tardiness of employees.
- 6.) Less travel fatigue and a resultant increase in vanpooling employees' productivity.
- 7.) Better work attendance.
- 8.) Improved labor supply and reduced turnover of employees, especially middle and lower management and "non-professional" employees.
9. Better company-employee identification and "company spirit".
- 10.) Improved employee morale and company loyalty.
- 11.) Preparedness for probable gasoline shortage.

b. Needs Of Companies Without Vanpools

Virtually all of the 18 non-vanpooling companies we interviewed had heard of vanpooling, but a majority of them were unconvinced that vanpools can solve their company's transportation-related problems. These companies' apprehensions regarding vanpools themselves are presented in the next section. The following findings present a summary of needs of these companies, that we were able to identify, which could be effectively addressed by vanpooling.

- 1.) Well over one-half of the non-vanpooling companies were concerned about the parking problem at their present

sites. An additional three companies had adequate parking facilities now, but were concerned about the future, in view of their expansion programs. However, none of these companies had evaluated the potential of vanpooling in terms of reducing investments for the purchase of land, creating parking facilities, paying land taxes, maintenance and other costs for...say, 50, 100, or 1,000... parking facilities. In other words, these companies were not aware of many of the corporate benefits of vanpools, in these and the many other areas which we will identify in the ensuing analysis.

- 2.) Close to one-half of these companies were concerned about the "energy crisis" and possible fuel shortages, but did not see any immediate urgency to do anything about it. All of these companies felt that if there was another gas shortage, they would then start vanpooling or similar ride-sharing programs.
- 3.) About one-quarter of these companies were concerned about traffic congestion in arteries leading into their work sites during rush hours.
- 4.) A number of these companies stated that they had a problem of "long walks" from parking spaces to their main building, especially during bad weather conditions. At least five of the respondents considered this problem very severe.

5.) Close to one-half of these companies mentioned that they were concerned about employee, community, and public relations, but were not certain that vanpooling could do much in this area. These problems received a relatively low priority consideration among non-vanpooling companies.

6.) About one-third of these companies felt that they had excellent ongoing carpool programs in which over 25% of their employees participated, thanks to management commitment and involvement.

It seemed to us that these companies thought of vanpooling as an alternative to carpooling, rather than a complementary mode of work transport. They were not aware that at 3M and other companies with highly successful vanpool programs, carpools carried far more employees to work and were growing. Thus, vanpools, carpools, and even chartered buses can co-exist, carry a growing number of employees, and increase the impact of ride-sharing alternatives.

7.) Well over three-quarters of the non-vanpooling companies emphasized their need for more information and documentation on vanpooling and its benefits to the company and its employees.

- 8.) Non-vanpooling companies in energy-related businesses were quite concerned about the need for energy conservation. Their principal concern was how to make their employees participate in vanpooling and other ride-sharing programs.
- 9.) Close to one-quarter of these companies were interested in doing something in relation to their employees' economic transportation, convenience, and fuel savings, as long as it did not entail significant financial outlays. These companies acknowledged that a significant number of their employees had to drive one-half hour or more each way to work. These non-vanpooling companies were looking into vanpooling, but did not have sufficient information to make any definitive decision.
- 10.) None of the non-vanpool companies mentioned employee punctuality, productivity, travel-to-work fatigue, labor supply, or company site accessibility problems.
- 11.) Almost one-quarter of non-vanpooling companies, however, mentioned that the dispersion of employees in the surrounding suburbia was a major problem in developing ride-sharing programs, and their situation was inappropriate to the applicability of vanpooling.

## 2. Employers' Concerns About Vanpool Programs

This section presents our findings on major employer concerns relating to problems of starting, operating, and expanding vanpools.

### a. Concerns Of Companies With Vanpools

Vanpooling companies' concerns fall into two broad categories:

- ... Concerns relating to operating their existing programs.
- ... Concerns relating to the expansion of their program.

#### 1.) Concerns Relating To Operating Existing Programs

The most frequently mentioned concerns in this area, in order of their importance, were the following:

- . Unfavorable insurance rates
- . Workmen's compensation, liability, and collision
- . Legal and regulatory impediments
- . Choosing and training vanpool drivers/coordinators
- . Unforeseen cost elements and availability of personnel time to administer and oversee the program
- . The level of employee interest and participation in the program
- . Fear of creating a situation of employee favoritism
- . Possibility of setting program precedence that could not be lived up to.

- Insufficient documentation of the program's benefits in printed materials, brochures, and publicity kits for employee communication. The major concerns have centered around the cost of developing this literature.

#### 2.) Concerns Relating To The Expansion Of The Programs

Employers' concerns regarding the expansion of the program centered around two major problems:

- ... Availability of personnel time to oversee and push the program. Management in even the most progressive companies was reluctant to make available additional personnel time for vanpooling. Companies were ready to advance funds for buying additional vans, if required, but were reluctant to be saddled with additional, reoccurring fixed overhead administrative costs. The probable reason for this attitude could most likely be traced to a lack of documented concrete cost-savings analysis to demonstrate the savings potential of these additional outlays.
- ... With few exceptions, most companies were concerned about employee interest and participation in expanding their current programs. It seemed that most companies were unsophisticated in the area of developing

proper strategies for marketing vanpools among their employees. Often, company communication programs and materials to promote vanpools among their employees were minimal. Some companies had not even thought of promoting among their employees: the savings potential of eliminating a second car; reductions in car insurance costs; comforts of vanpools with reclining airline seats, reading lights, air conditioning, fold-out tables, radio, etc.; and other advantages.

Most of the companies felt that the government can render an outstanding service in developing and disseminating documented printed materials and brochures to employers for their use in promoting vanpools among their employees.

b. Concerns Of Non-Vanpooling Companies

The most frequently mentioned concerns of non-vanpooling companies regarding vanpools, in order of their importance, were the following:

- ... Well over one-half of the companies were primarily concerned about the capital outlays and hidden costs of the program. The same companies were unconvinced of the self-supporting potential of vanpools.
- ... A significant number of companies (one-fourth) expressed concerns about start-up procedures, administration, operations, and vehicle maintenance problems.

- ... Some companies were concerned about the labor union contract implications.
- ... An equally significant number of employers were concerned about vehicle insurance and company liability. Some of these companies stated that their legal departments also had apprehensions about undertaking these risks.
- ... Although "employee participation and cooperation" problems were not "top of the mind" concerns among non-vanpooling employers, a majority of employers felt varying degrees of apprehension about them. These employers felt that their employees would be unwilling to give up the freedom, mobility, and flexibility of their personal car, as long as the present fuel situation was not critical.

Our overall impression was that virtually all the non-vanpooling (and for that matter, many vanpooling) employers were profoundly unaware or insufficiently informed about vanpools, their precise benefits to the company and employees, and how to promote them among their employees.

D. Identification Of Employee Needs And Concerns

These findings are primarily derived from our talks with vanpooling employers who were able to perceive their employees' attitudes and reactions to their vanpool programs. Non-vanpool employers were primarily concerned with the company's needs and concerns, and had only peripheral knowledge of their employees' needs and concerns.

The following findings are essentially employers' perceptions of their employees' needs and concerns.

1. Comfort And Convenience Of Commuting To Work

A number of non-vanpooling companies reported that their employees are not likely to relinquish the comfort and convenience of their private cars. They appear to have intuitively assumed that vanpools are not quite as comfortable and convenient as a private automobile.

Even a significant number of vanpooling employers cited their employees' concerns regarding comfort and convenience as prime reasons for their lukewarm support and low level of participation in vanpools.

In short, a majority of employees (reportedly) do not consider vanpools an acceptable alternative to their personal car in terms of convenience and comfort. Therefore, most of them are not prepared to give up the use of their car for work trips, even if it costs them more.

2. Economical Transportation To Work

This consideration was uppermost in employees' minds when the gas supply

situation was critical and the price of gas was soaring. Nonetheless, the need for a more economical mode of transportation to work for their employees was cited by many vanpooling and non-vanpooling employers. Most of the employee concerns regarding the economics of vanpooling stemmed from inadequate documentation and insufficient employee knowledge about them.

3. Inflexibility Of Schedules And Lack Of "Freedom" Of The Personal Car

Employees were quite concerned about their freedom and flexibility in planning their going home or lunch hour itineraries. This concern was paramount among those who frequently work late, among younger age groups, and among single employees.

4. Time Consumed In Door-To-Door Pick-Up

This employee concern was cited by many vanpool and non-vanpool employers.

5. Long Walks To The Worksite After Parking

This problem exists at many work locations, and is quite bothersome during bad weather conditions. At these locations, a *prima facie* need for vanpools exists. A number of non-vanpooling employers cited this as one of their major problems.

6. Insufficient Motivation To Give Up The Prestige Of The Second Car For Work Trips

This problem primarily existed at worksites in the southwestern part of

the country where highway congestion is minimal. This problem probably exists among employees in 25 to 35 year age groups who consider their second car as a hard-won luxury.

The possibility of substantial savings by giving up the second car are probably not critical enough for these employees to forego the "prestigious luxury" of owning a second car. The question, however, is...how would these employees react if vanpools were promoted as an ultimate in comfort and the luxurious way to go to work; if vanpools meant "riding first class"; if vanpools were the most prestigious way to go? Such an appeal, coupled with the prospect of saving annually some \$1,400 by giving up the second car, may have a telling impact on this audience.

#### 7. Uncertainty And/Or Unawareness Of The Benefits Of Vanpools

This stems from employers' unawareness and/or lack of communication of this information to employees. Many employers have not actively solicited employee participation. Instead, they took a low key approach, and have waited (and are still waiting) for response from employees.

#### E. Other Key Findings

During the course of our field work, we talked with very successful as well as marginally successful vanpooling companies. From these extended talks, we were able to identify some of the key ingredients of successful vanpool programs as well as the pitfalls common in marginal programs. These findings relate to employers, employees, and the successful planning and operation of a vanpool program.

1. Once an employee has started vanpooling, he/she is unlikely to prefer any other mode of transportation to work. This was true for not only 3M, where over 97% of the participants intended to continue using vanpools, but also for other companies which had a much smaller number of vanpools and where the management commitment was minimal.
2. Even when the price of gas declined to around 50¢ a gallon, vanpoolers in these areas stayed with the program, and their preference for vanpools over other modes of transportation to work remained undiminished.

This is an extremely important fact. It establishes vanpools as a superior mode for work transportation in relation to the private automobile, and its appeal, to those who have used it, transcends economic considerations.

3. In cases where employee support and participation of a company's vanpool program was lukewarm, we found the following common elements:

- ... Lack of convincing employer commitment to the vanpool program.
- ... Lack of adequate employer communication regarding the key benefits of vanpools. Benefits such as the economics of giving up the second car, reduced insurance costs, savings of "after tax" dollars in work transportation, and other items were not even thought of or communicated by most of these employers.
- ... Employers did not try to "sell" comfort and convenience features of vanpools. The element of "riding first class" seems to have been missed in virtually all employer promotion communications.
- ... None of these companies offered significant incentives to vanpooling employees. Only a few of these companies offered special parking priorities to vanpools. None of these companies even considered offering incentives such as:
  - . Making vans or cars available to employees on the basis of mileage charges, for lunchtime errands.
  - . Giving special recognition to vanpoolers within the company.
  - . Arranging for alternative transportation for overtime workers.

- Free ride for a week.
- Subsidizing fares.

4. Conversely, where employer commitment was convincing, and where employer communications and incentives to employees exemplified this commitment, employee support and participation for vanpools was extensive.

5. Major ingredients of the most successful vanpool operations included the following:

- ... These programs were kept simple, unstructured, and flexible.
- ... The employee matching system was kept sufficiently simple and comprehensible that even a clerical employee could take care of all its details. Most managements were concerned about complex grid charts and computer programs for matching employees for vanpools. 3M, for example, initially operated with a simple manual matching system.
- ... Central control was kept at a minimum, and maximum responsibility was delegated to the vanpool coordinator/driver. The axiom used by management was: "Don't over-manage".
- ... All possible uncertainties pertaining to regulations, insurance costs and liabilities, and union and labor

problems were resolved. The top management did not want to see unforeseen costs or legal problems coming up after the program had started.

- ... The management had recognized the need for employee education programs, and to demonstrate and convince employees of the benefits of vanpools. Some of these successful companies felt that they would have done even better if they had strongly emphasized the comfort, convenience, and safety elements of vanpooling to their employees.
- ... Some companies felt that they should develop feasible and realistic targets for expansion, and then determine the necessary steps to achieve them. These steps would primarily deal with strategies, incentives, and promotion communications to employees to increase their participation.
- ... Successful vanpooling companies felt that building the demand for vanpools among employees by maintaining the "exclusivity" and attractiveness of the program was very important. In some cases, vans were specially improved for comfort. After extensive employee interest and cooperation were stimulated, the emphasis on exclusivity created a pent-up demand and waiting lists for vanpools. Thus, employee interest was sustained and enhanced.

- ... Vanpools offer a high level of service, and guaranteed seats.
- ... Many pools offer door-to-door service.
- ... The new employee kits of most of the successful vanpooling companies included information on company vanpools.
- ... Some companies have vanpool newsletters (for example, General Mills' VaNews), featuring special events for vanpoolers and related activities and items. Such newsletters, and activities like a semi-annual or quarterly celebration of "Energy Day", involving sweepstakes, citations, awards, etc. to vanpoolers, tend to stimulate employee interest and participation in vanpools.

6. Successful vanpooling companies have tried various incentives for employees to join vanpools. The following list includes some of the tested, as well as contemplated, incentives:

- ... Where parking is a problem, special parking passes have been successful in inducing employees to vanpool. These privileges tend to attract even short distance commuters, who travel to work 10 miles or less, one way.
- ... Where parking is plentiful, priority parking privileges near the work site tend to be effective in attracting employee participation, especially in areas where bad weather conditions are frequent.

- ... Arrangements with local authorities about special tolls, reserved lanes, and similar driving privileges for vanpools. These advantages not only reduce costs, but cut down driving time for vanpools...thus balancing the time consumed in picking up the riders.
- ... Suitable insurance rating class for vans to reduce the ride-sharing costs.
- ... Availability of the van or a company car to vanpoolers, on a mileage cost and first come first served basis, for personal appointments or errands during lunch hours or working hours.
- ... Availability of a special van or a station wagon for vanpoolers who work late.
- ... Offering a free ride of one to four weeks per year to regular vanpoolers.

7. Company use of the van during working hours for deliveries, pick-ups, or as an interplant or interoffice minibus to transport employees

and similar needs. The company reimburses the vanpool program, on a mileage basis, for the use of the vans. This represents additional income for the vanpooling program, and entails a more efficient use of the van. The company also saves money by not having to invest in alternative transportation facilities for these purposes.

8. Some companies have considered using vans as a visible means of promoting themselves as a "good company to work for". One company had its vans painted in company colors.
9. Some of the companies which had leased or rented vans felt, in retrospect, "that it was a mistake"...it would have been less expensive if the vans had been purchased.
10. Most of the vanpool programs were administered by the Transportation Personnel or Administration Department. When necessary, they called upon the Legal, Accounting, Traffic, Insurance, Public Relations, or Systems (Computers) Departments.

In this chapter, we have identified the major problems which could restrain or are restraining the potential of vanpool growth, and the opportunities available for solving these problems and propelling the vanpool market forward.

A. Problems

1. There is a profound lack of accurate and documented information on the benefits of vanpools among employers, since it is an entirely phenomenon. This is reflected in:
  - ... Lack of commitment among a majority of vanpooling employers, and
  - ... A reluctance to adopt vanpool programs among a majority of employers.
2. The level of awareness and information on vanpool benefits among employees ... the potential participants ... appears to be even lower than those of employers. This has resulted in:
  - ... Low levels of eligible employee participation in company vanpool programs, due to lack of awareness.
  - ... Absence of initiatives by employees to impress upon the management their interest in and need for vanpooling.
  - ... A basic need to inform employees of the benefits of vanpooling.
3. The regulatory environment and barriers...many real, some imagined or unclarified...present formidable impediments against the adoption

of vanpool programs by many companies. Although the regulatory environment against ride-sharing programs is improving, as an increasing number of states are exempting vanpools from common carrier and other restrictions, many companies' Legal Departments and other areas have serious concerns about them. This has caused a number of companies not to even explore the viability of vanpools for the solution of their employee transportation and related problems.

4. Many companies with successful carpool programs feel that they do not need vanpools, since they would be redundant.

5. Many companies seem to be unaware of the seriousness of our current levels of foreign trade deficits on the petroleum account alone. Nor do they have much idea about the critical state of our seriously depleted petroleum reserves. Consequently, they feel that:

... There is no energy problem now.

... If and when "another energy crisis develops", they would probably do something about it.

6. In considering the adoption of vanpool programs, most managements were concerned about the:

... Financial viability of vanpools...especially the initial cost of vans and self-supporting potential of the program.

... Administrative and operating costs, and

... Ignorance of legal aspects without firm knowledge.

... Lack of expertise and know-how within the company to formulate and administer the program.

7. There appears to be a "shortage" of knowledgeable vanpool "professionals" throughout the country, in the private and public sectors, who have the technical knowledge to initiate and implement vanpool programs. This problem is generally faced by all new industries in the early stages of their growth. When demand for the product becomes sufficiently broad-based, "suppliers" tend to take over the task of servicing and stimulating the growth of the market.

The problem here, however, is that of providing the initial technical assistance required to nurture this industry until market demand becomes sufficiently strong to generate its own momentum.

B. Opportunities

Many of the opportunities described here emerge from the government's initiative to expand the demand base of the vanpooling market.

1. A series of opportunities stem from the fact that:

... The "product" is good,

... It works, and

... People love it and stay with it after they have tried it.

2. The vanpool market has been barely tapped, and substantial room for expansion exists.

3. A majority of problems are amenable to solution through the development and dissemination of well-documented sales program directed toward employers and employees, specifically:

... Benefits that would impress employers to adopt vanpools.

... Benefits of vanpools that would motivate employees to participate.

... Information that would allay employers' and employees' concerns regarding vanpools.

... Compelling facts about the real gasoline situation in the country, and eventualities likely to surface in the near future.

4. The success of many vanpool programs has given us opportunities to publicize. A good publicity program would impart further momentum to the growth of this new market/product.
5. One of our major opportunities lies in the area of creation of a well-coordinated and planned "technical assistance" program, with the participation of available expertise from the private and public sectors which would facilitate the growth of vanpooling. This would be a major "seed" effort whose multiplier impact would be immense, and would substantially abbreviate the "gestation period" for this new industry.
6. Authorities are becoming increasingly aware of, and responsive to, accommodating the needs of vanpool programs.

To sum up, most of the problems impeding the acceleration of the growth of vanpools exist in the area of developing and disseminating correct and compelling knowledge and promotional material on vanpools; their benefits to employers and employees; how to motivate various segments of employers and employees to participate; convincing employers of the financial and other viabilities of vanpools; providing them with the necessary technical assistance; and obtaining their commitment to be prepared to face almost certain fuel shortages in the near future.

Yet, the opportunities available substantially surmount these problems. The marketing strategies developed in the ensuing chapter are designed to capitalize on these opportunities.

IV. OBJECTIVES

To sell/convince employers to initiate a Vanpool program at their company, ideally consisting of at least 3 vans, and to expand their program once initial commitment has been made.

To motivate employees at the newly committed "Vanpool company" to join a Vanpool either as a rider, or as a driver/coordinator.

To determine from these programs effective strategies for national Vanpool expansion.

## V. BASIC IMPLEMENTATION STRATEGIES

To evaluate the effectiveness of our Vanpoos marketing strategies and tactics, we will test-market them against selected variables. To accomplish this we have devised the following basic implementation strategies (approaches). These are: "One on One Alone"(Nassau/Suffolk); "One on One with Public Information Program"(Chicago); "One on One with Third Party Operation"(San Mateo/Santa Clara); "Workshop Market"(Hartford/New Haven/Bridgeport).

### A. "One on One"Alone

- ... Utilizing the Background Analysis developed/distilled by Grey, we will identify and classify potential employer/sponsors in terms of those needs/concerns which can be addressed by Vanpooling.
- ... Grey will develop and apply the appropriate incentives to meet those needs/concerns and thereby gain employer commitments to Vanpool Pilot programs.
- ... Grey recognizes particularly as a result of field work that going-in cost will be the most formidable obstacle to company acceptance -- this will be considered in all strategies.

/Note: Any further classification/refinement of employer categories will be considered following completion of field work/

Key to this strategy is the fact that the Grey Field Representative will:

Classify the employer according to this employer's needs and concerns relating to vanpooling.

Within this classification, the benefits appropriate to each individual employer will be prioritized.

Thus, this basic marketing technique by Grey will result in a strategic approach tailored to the unique circumstances of each vanpool employer prospect. To implement this, the Grey Field Representative will first call a middle-management staff employee and determine information with respect to the above needs and concerns.

## 1. Specific Employer Classifications

- a. Employers primarily concerned with space/parking, traffic congestion, and related problems.

Vanpool programs to be marketed to this category of employer by demonstrating and documenting the following benefits to be prioritized by Grey Field Representatives:

- ... How vanpools can reduce a company's financial outlays; no new parking facilities; case histories.
- ... How vanpools could alleviate traffic jams at arteries leading into company grounds.
- ... Improve accessibility to the worksite.
- ... Improve employee punctuality, productivity.
- ... Reduce employee turnover.
- ... Employee benefits: low cost, convenience, etc.
- ... Energy saving.
- ... Good community relations.

... Additional incentives/benefits will be added as a result of further Grey field investigation.

b. Employers primarily concerned with lack of adequate transit facilities to their worksites.

Vanpool programs will be marketed to this category of employer by demonstrating and documenting the following benefits to be prioritized by Grey Field Representatives:

- ... Improve accessibility to the worksite
- ... Improve labor supply, attendance, punctuality, productivity.
- ... Reduce tardiness, labor turnover
- ... Reduce outlays on parking facilities
- ... Employee benefits: low cost, convenient transportation
- ... Save energy
- ... Good community, employee relations
- ... Additional incentives/benefits will be added as a result of further Grey field investigation

c. Public Relations & Positive Publicity-oriented Employers

Vanpool programs will be marketed to this category of employer by demonstrating and documenting the following benefits to be prioritized by Grey Field Representatives:

- ... Public Relations: affirmative action on the energy shortage
- ... Parking Needs
- ... Less traffic congestion and tie-up at the work site.
- ... Employee benefits, low cost, convenience.

- ... Improve accessibility to work
- ... Improve employee punctuality and productivity
- ... Reduce turnover of non-professional employees.
- ... Additional incentives/benefits will be added as a result of further Grey field investigation.

d. Employers with a combination of concerns

In this category of companies the concerns will be priorized, and the appropriate incentives applied.

2. Employee Considerations

Overall employee benefits and concerns identified by Grey will be addressed to all employer sites, and in Implementation Manual.

- ... Top management identification with, and commitment to, a Vanpool program is a most effective example to potential employee/riders. This commitment must be conveyed in as many ways and forms as possible.
- ... To those who are primarily concerned with economical transportation to work, market vanpools by demonstrating and documenting:
  - ... Cost savings compared to the single occupancy car and alternate modes of transportation.
  - ... Savings on personal car insurance.
  - ... Savings from either the elimination of the second car needed for work or reduction in insurance cost of the second car.

- ... To those who are interested in comfort, convenience, flexibility of the personal car, market vanpools by documenting and demonstrating:
  - ... Comforts of vanpools: reclining airline seats, radio, air conditioning, relaxed travel.
  - ... Travel first class without driving chores, traffic anguish.
  - ... Door-to-door service, preferred parking space, and less walking and exposure to bad weather after parking.
  - ... Read newspaper, chat with friends, and come to work fresh.
  - ... Available use of vans (on a mileage basis) for special errands during lunch hour by reserving it in advance.
  - ... Autonomy for arranging schedules by participants in each vanpool.
  - ... Possibilities of arranging special pools for employees who have to work late.
- ... To those who are motivated to contribute to the national commitment for conserving fuel, market vanpools by documenting and demonstrating:
  - ... Energy saved annually by replacing 7 autos on the road per van.
  - ... Document facts on our nation's energy balance sheet.
  - ... Potential contribution of the company's vanpool program in improving environment by decreasing pollution and traffic congestion in the adjacent community.

...In communities where second car is considered a hard earned prestige symbol, market vanpools as a first class chauffered, elegant way to go to work.

...Where required and feasible, market vanpools by creating special incentives and status for vanpoolers. These include:

- ... Privileged parking
- ... Special recognition within the company and company bulletins and news media.
- ... Other incentives.

Specific concerns in each company will be handled as required by Grey on a specific basis.

### 3. Intra-Company Employer/Employee Information Activities

Grey will utilize an information program target at companies with the following objectives:

- ... To help convince the employer to adopt the Vanpooling Concept for his company.
- ... To assist the employer in his efforts to persuade his work staff to adopt Vanpooling as a mode of to-work transportation.
- ... To work directly to convince appropriate employees that Vanpooling is an effective means for them to travel to and from work.

The thrust of our intra-company activities with respect to one-on-one advertising/information efforts toward those employers and employees whom we hope to enlist as potential Vanpooling candidates will be as follows:

4. Employer Activities

a. Employer Script

A telephone script will be developed for initial solicitation of the employer and will include suitable screening and classification sections.

b. Employer Letter Series

A letter series will be developed for use by the field account representatives to reach the necessary corporate executive echelon for purposes of employer solicitation or follow-up.

c. Flip Chart Presentation

This type of presentation in table-top size will be developed to present the Vanpooling story in one simplified chart form. In this way the Vanpooling message will be insured of delivery no matter what the size of the meeting and no matter what particular space limitations there are.

5. Employee Activities

In terms of intra-company communications we would prepare the following additional materials for use in communicating the Vanpooling concept to Employees within the various Vanpooling Companies.

a. Vanpool Slide Presentation

While the general description of the Vanpool concept will be identical to that incorporated in the Employer presentation -- the key to this presentation will be an exposition of the employee benefits associated with Vanpooling.

b. Plant and Office Poster

Simple, generic description of Vanpool concept to complement company displays.

c. Paycheck Envelope Stuffer

Four page folder describing the advantages of vanpooling.

d. Sample Staff Memos

Four separate versions to be adapted within company requirements - primarily by company staff - but where possible with Grey assistance.

e. Employee Newspaper Ad Mats

Two versions -- 300 lines.

f. Employee Audio Communications

These would be audio messages in the form of radio spots capable of being transmitted over the company sound system. (3 versions - 120 seconds, 60 seconds, 30 seconds).

## 6. Tactics

NOTE: The following section outlines specific tactics which will be considered for employment in the selling of individual employers and employee groups on the vanpooling concept.

The circumstance of their use will depend upon the individual company situation and individual employee situation confronted.

Grey will, of course, document the use of these strategies in each case so as to permit the tracking of the effectiveness, practicability and usefulness of the strategies when the individual company program is evaluated at the conclusion of the Demonstration Program.

Further, the tactics included here by no means comprise all tactics to be employed. As emphasized in the marketing plan, realistic business-like approaches to these employer companies will require tactics which speak to individual employer situations as they are encountered.

These tactics which evolve from the development of the responses to individual company strategy will also be documented and evaluated at the conclusion of this program.

### a. Employer Tactics Under Consideration

Where company shows complete disinterest, we will consider positioning vanpooling as an Energy Contingency Program. In this way, to convince companies that it is worthwhile to anticipate the next energy crisis with the start-up of a van program -- a means of preparing for unattainable or overly expensive fuel for employee transportation.

In the case of employer contacts, Grey to use case history selling technique where appropriate:

- ... Taped interviews with Vanpool experts discussing specific Vanpool problem areas, i.e. van acquisition, payroll deductions -- as complement and reinforcement to selling Grey field representative activity.
- ... Use of conference calls with Vanpool experts. Where possible, actual meeting with Vanpool pioneers, i.e. Bob Owens, Bill Fortune.

Grey to consider use of specified selling approaches such as:

- ... Aerial photography of employer parking lot.
- ... Provide employers with special test rides in vans.

b. Employee Tactics Under Consideration

Given the fact that experience shows that once employees start Vanpooling they continue, strong consideration should be given the following tactics:

- ... Free ride for one week/2 weeks/month.
- ... Special additional inducements. Special initial parties, get-togethers for vanpooling.
- ... Free morning coffee.

Give special recognition to vanpoolers, including:

- ... Recognition in company newsletters for vanpooling.
- ... Specially marked parking places for the vanpool.
- ... Specially designed logotype for the van.

Use of employees in intra-company communications media including recording announcements over company audio system, appearances in company newspaper.

B. "One-on-One" with Public Market Information Activity --- Chicago

This strategy is identical to the "one-on-one alone" strategy, except a public information program would be applied in addition to the intra-company activities (used in all one-on-one markets) to determine the effectiveness of this type of incremental input.

By implementing generalized information programs in a single one-on-one market, we will be able to determine whether or not this added strategic factor can appreciably increase the opportunity for employer interest in Vanpooling programs and subsequent employee subscription to such programs. The reasoning behind testing a general public information strategy in a particular market is that with a concept such as Vanpooling, with its inherent newness; participation on the part of potential employer/employees may well be enhanced by their perception that they are participating in something of an accepted (with-it) concept as opposed to an ephemeral, unrecognized experiment.

It should be noted that we are not recommending advertising messages. We feel that the newness of the Vanpooling concept requires a fuller, more complete explanation. Our market-wide activities will be designed:

... To create a more market-wide awareness that Vanpooling is practical, economical, and effective means to travel to and from work.

- ... To create favorable attitudes toward the concept of Vanpooling
- ... To create a playback awareness among target employers and employees of the market wide awareness/enthusiasm re Vanpooling.

The thrust of this approach will be a public information program designed to focus considerable attention on the Vanpooling idea and its particular application to the chosen market.

The activity will be event-oriented and designed to obtain maximum coverage from the press in the market.

Public Information Activity will be centered around familiarizing the press in the market with Vanpooling through the means of:

- ... Press Conferences - Introductory/Follow-up

Introductory event should include the attendance of key Vanpool experts, as well as, Federal and Local Officials. It should also include the display of various types of vans.

Follow-up Press Conference would be scheduled within ninety days of initial press conference to introduce local companies who are initiating/exploring the Vanpool concept.

- ... Press Releases

Periodically, throughout the life of the Vanpool Implementation Activity, there will be specific releases sent out to all appropriate media in the market to publicize the adoption of

testing of Vanpooling by companies in the market. In other words, in the General Information market, we will be very attentive with respect to drawing public attention to all appropriate activities - as the opportunities present themselves.

... Other Activities

As appropriate, events capable of press coverage will be given emphasis. Included here would be special television or radio talk show interviews with visiting Vanpool experts, appropriate government representatives or employers who have adopted Vanpool programs.

In addition, local events which lend themselves to special vanpool displays will be employed where possible, i.e. State/Local fairs, shopping center events.

C. "One-on-One" with Third Party Involvement --- Santa Clara/San Mateo

This strategy is identical to the "one-on-one" alone strategy, except that the employer will lease the van from a "third-party" along the lines of the Crocker Bank Leaseplan in California. The Grey Field Representative will arrange for the employer to work with the appropriate "Third Party" Leasing Organization. The latter will:

- ... Underwrite 100% financing of the vans
- ... Provide the maintenance and administrative support necessary for the vanpool program
- ... Provide a financial system for the driver/coordinator.

D. Workshop Activity --- Hartford/New Haven/Bridgeport

Utilizing the same basic approach as the "one-on-one alone," with its focus on Employer/Employee needs and concerns, Grey will utilize a series of workshops to reach prospective employer vanpool sponsors, and get them to initiate Vanpools at their worksites.

The over-all purpose of the Workshop Market is to determine whether solicitation techniques involving less personal attention than "one-on-one" selling can effectively sell companies on Vanpooling. Specifically, we will attempt:

- ... To apply and refine the Workshop Technique as a means of accelerating the growth of the Vanpool concept.
- ... To conduct at least 8 Workshops in the Hartford/New Haven/Bridgeport areas.
- ... To get the maximum number of attendees to initiate Vanpool programs at their companies.

1. Strategy/Workshop Market

The Vanpool Workshop Program in the Hartford area will be designed to explore and refine the dynamics of the works op technique, while using the workshop to stimulate Vanpool activity. To accomplish this we must motivate the primary factor in the vanpool market -- the employer. Convincing the employer to adopt vanpools, and showing him how to do it successfully, comprise the essence of this undertaking.

To motivate employers, we must demonstrate the benefits of vanpools to their companies. We have to present them with facts that will inform and move them to initiate vanpool programs. The design of our Workshop Market will revolve around this approach.

To effectively inform, make aware, and motivate workshop participants, we will propose a definitive, systematic, and succinct compilation and presentation on every aspect of Vanpooling.

Our thrust will be directed toward the overall benefits of vanpools as well as the mechanics of implementing a vanpool program.

• Through our research, marketing, and communications efforts oriented toward the "one-on-one" market problems of the Vanpool Demonstration Project, we have already gained considerable background and information in this field. This knowledge, and specifically the experience acquired in dealing with company executives during our field trips, will be an invaluable asset in developing effective content for all workshops, production of training materials, training the workshop leaders, and implementing the workshop.

Basic information approach will be similar to that reflected in the overall One-on-One Plan for the other three markets.

Therefore, the Vanpool concept will be communicated to attendees by:

- ... Identifying Employer Benefits
- ... Allaying possible concerns regarding Vanpool implementation
- ... Detailing procedural steps for implementing a Vanpool program
- ... Recommending techniques/incentives to entice employees to join a Vanpool
- ... Specifying sources of follow-up information

Personnel and staffing considerations

- ... The management of the Workshop Market will be handled by the same Account Group currently responsible for the balance of the Implementation Contract: Mr. Santrizos (Vice-President-Management Supervisor), and Mr. Press, (Account Supervisor).
- ... The actual conduct of the Workshop Market will focus around a Workshop Leader. To the extent appropriate, he will be assisted by a qualified Account Person in conducting the sessions.

While the Workshop Leader will be a very experienced Grey Executive, he will be carefully indoctrinated by the Account Group in all aspects of Vanpooling. Specifically, he will be thoroughly familiar with:

- ... The Marketing Plan Document
- ... The Implementation Manual, which will be his key "teaching tool"

## 2. SOLICITATION PROCEDURES

The overall objective of this step in Grey's conduct of the Hartford Workshop Market will be to induce the highest calibre of executive attendance. It is our intent that their individuals come from prime prospective sponsors in accordance with the considerations detailed in our Marketing Plan. Our approach will involve 3 aspects:

- ... Sources of names from which we can identify potential workshop attendees
- ... An Information Plan to publicize the workshop and solicit attendance
- ... Follow-up methods to assume adequate attendance

### a. Information Plan

The purpose of the Public Information Plan is to broadly communicate to the business community and State/Local Officials the fact that the vanpool workshops will be held, and encourage attendance by all interested parties. The Public Information Plan will also include the development of the necessary materials and means of reaching those prospects whose names are already available. The components of this plan follow:

b. ... Press Coverage

Several weeks prior to the time that a workshop is scheduled, a press release describing the workshop, its purpose, and the time, date, and place at which it will be held, will be sent to local newspapers and radio and television stations. We believe that this advance publicity will reinforce the commitment of those executives who already plan to attend and should stimulate others who may not have been approached to attend as well.

We also plan follow-up press releases after completion of the workshops. These will help generate added publicity for the Vanpool program. To the extent possible, these releases will also include the names of those who attended the workshop, thereby enhancing their stature and that of their company in the local community. Further, we plan on encouraging press events as well as interviews in local media.

c. ... Direct Communications

We will prepare copy for two invitation letters, each to be accompanied by a return postcard, explaining the purpose of vanpooling and the workshops, and describing when and where the workshop will be held. These letters will be sent to all prospects whose names have been collected via the methods described in Part A of this section.

d. Follow-up Methods

In the event that we do not receive a confirming return postcard indicating that the prospect will attend, within one week after the second letter is mailed, or if a negative response is received, a personal telephone call will be made by the Workshop Leader or his staff to the prospect urging him to attend. To facilitate this call, we will prepare two suggested telephone scripts:

... The first script would be used when calling executives who had not replied to the letters.

... The second script would be used when calling executives who had indicated that they did not plan to attend the workshop.

The incentives offered in these scripts, and the reasons advanced for developing interest in vanpooling, will be derived from the strategies being prepared in the Marketing Plan. Thus, we anticipate

that these phone calls will represent an additional opportunity to convince prospects to attend the workshops.

In the event that the above efforts are not successful in generating a sufficient number of participants for a specific workshop, we would telephone executives who had indicated their intention to attend, requesting them to recommend executives at other companies in the area who they believe would profit from attendance at the workshop. The invitation process would then be implemented with this new list of names.

2. CONDUCT OF THE WORKSHOPS

a. Scheduling and Planning

The job function most directly involved in the logistical aspects of the meeting is that of the Workshop Leader and his Assistant. These individuals will work closely with and under the direct supervision of the New York based Account Group. Prior to the final scheduling of the actual workshop meetings, the Workshop Leader and his Assistant will arrange for the following:

... Meeting Site

Both of them will make every effort to arrange for a meeting site at no cost to the Government. This will include coordination with private companies whose personnel may be attending the meeting and whose offices might be available for such a purpose.

... Attendance

The Leader/Assistant will conduct written/telephone follow-up and re-follow-up efforts to assure maximum attendance at the meetings.

... Guest Speakers

Using our own contacts and those of the FEA, Grey will arrange for appropriate speakers, such as executives from existing Vanpool companies.

...Exhibits

Assuming local dealer cooperation, we intend to utilize contacts at the major auto makers to arrange for vans to be parked in front of each meeting site on Seminar Day in the various workshop cities.

...Additional Activities

The Workshop Leader will arrive in the market at least one day before the seminar meeting. In addition to firming up all details regarding meeting arrangements, he and his assistant will:

- ... Confirm all scheduling and attendance arrangements
- ... Make in-market contact with local energy officials
- ... Contact the local press
- ... Arrange for those activities with respect to displays/exhibits, which might be necessary.

In short, the day before will be spent in a thorough reconnaissance of the meeting function and the details previously worked out.

Regarding the meeting itself, the Workshop Leader will specifically and personally review one day in advance:

- .Meeting room (accessibility, ventilation, size, etc.)
- .Seating/table arrangements
- .Audio/visual facilities
- .Electrical facilities
- .Materials availability
- .Telephone message accessibility
- .And other requirements bearing on the proper conduct of the meeting

### 3. THE MEETING PROGRAM

With respect to the actual conduct of the meeting itself, the workshop will consume an entire day, and for this reason, it is imperative that a diverse, interesting, and motivating day be arranged for the attendees. The following details have been considered in planning a typical meeting day;

#### a. Morning Session

The morning session will focus on the concepts and objectives of Vanpooling. Specifically this will consist of condensed and selected presentation of the most relevant aspects of the Marketing Plan.

#### b. Afternoon Session

The afternoon session will stress the practical steps of actually initiating and administering a vanpool program. The presentation will focus on the Implementation Manual, with each attendee having his own copy to "follow through" with the Workshop Leader.

#### c. Guest Speakers

Guest speakers will be utilized at effective times during the meeting to help maintain the level of interest of the attendees.

#### d. Teaching Aids

Teaching aids such as tape-recorded interviews with executives of our Vanpool "Round-Table" will be interjected during the meeting day. We anticipate revising and experimenting with techniques like this to test their effectiveness, and to keep them topical. In addition, all relevant sections of the Marketing Plan and Vanpool Implementation Manual will be abbreviated and put on acetate-mounted cards for use with

overhead projector. In addition, the Vanpool Implementation Manual will be used as a significant teaching aid by the instructor.

Members of the Account Group will attend a number of workshops to help present selected topics, as well as to monitor their conduct.