

MERGING
ROADWAY
NETWORKS
INTO
MEDIA
NETWORKS

PRESENTED BY: **SAM MCCLAIN**
VP OF SPONSORSHIP
(407) 456-1917

AGENDA

- Travelers Marketing Overview
- Statewide Sponsorship Opportunities
- Business Models
- Contracting and Deliverables
- Recommendations from Lessons Learned

Sam McClain

- *VP of Sponsorship* for six years
- Project Manager for all DOT sponsorships
- Experienced in state and sponsor negotiations
- Collaborator on development of new programs
- Background in Marketing

Experience

Travelers Marketing
VP of Sponsorship
2008 – present

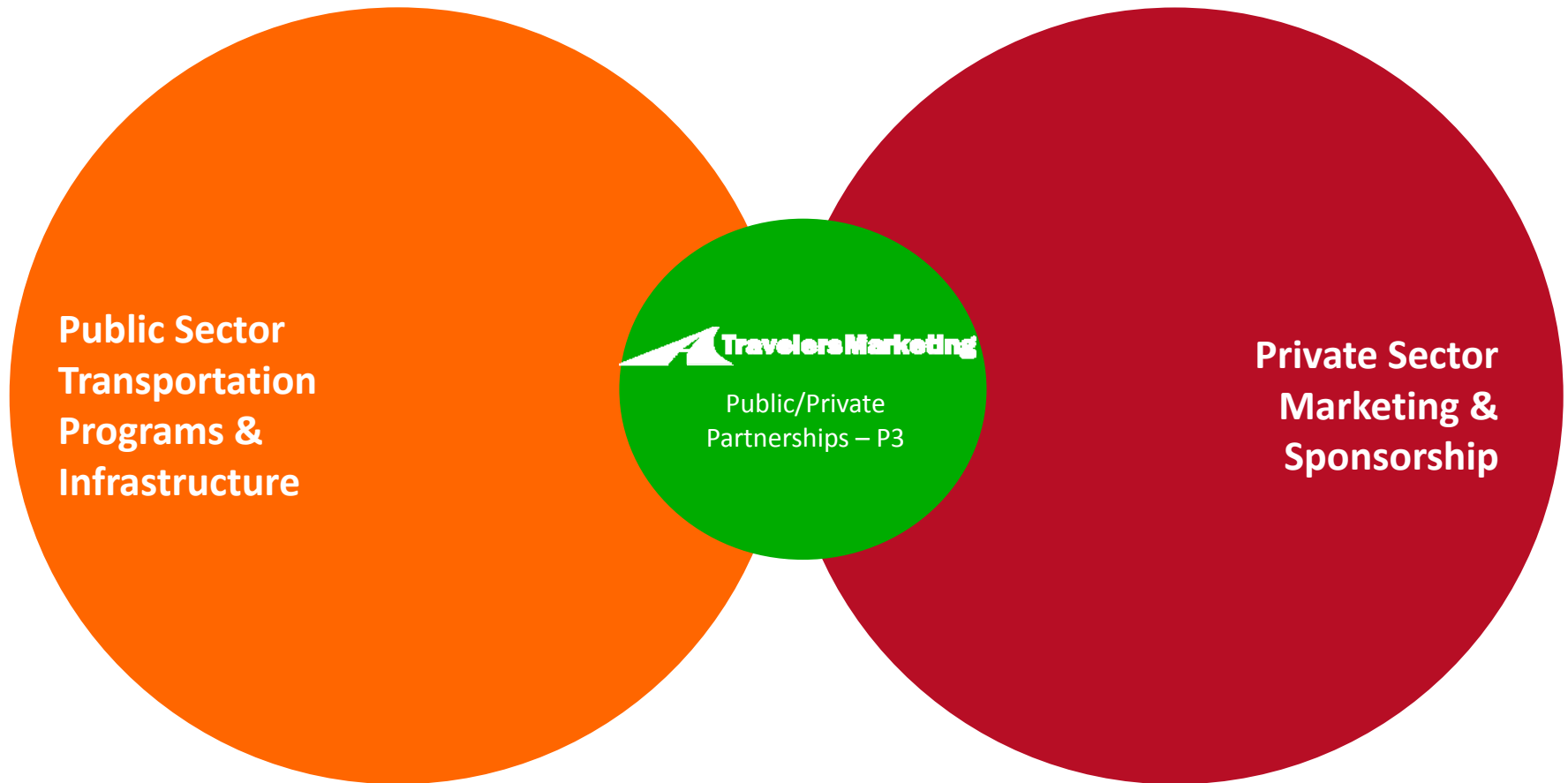
State Farm
Marketing Manger
2001-2008

Pioneer Electronics
Senior Brand Manager
1997-2000

Penn State University
*BS in Business
Administration &
Marketing*



COMPANY OVERVIEW



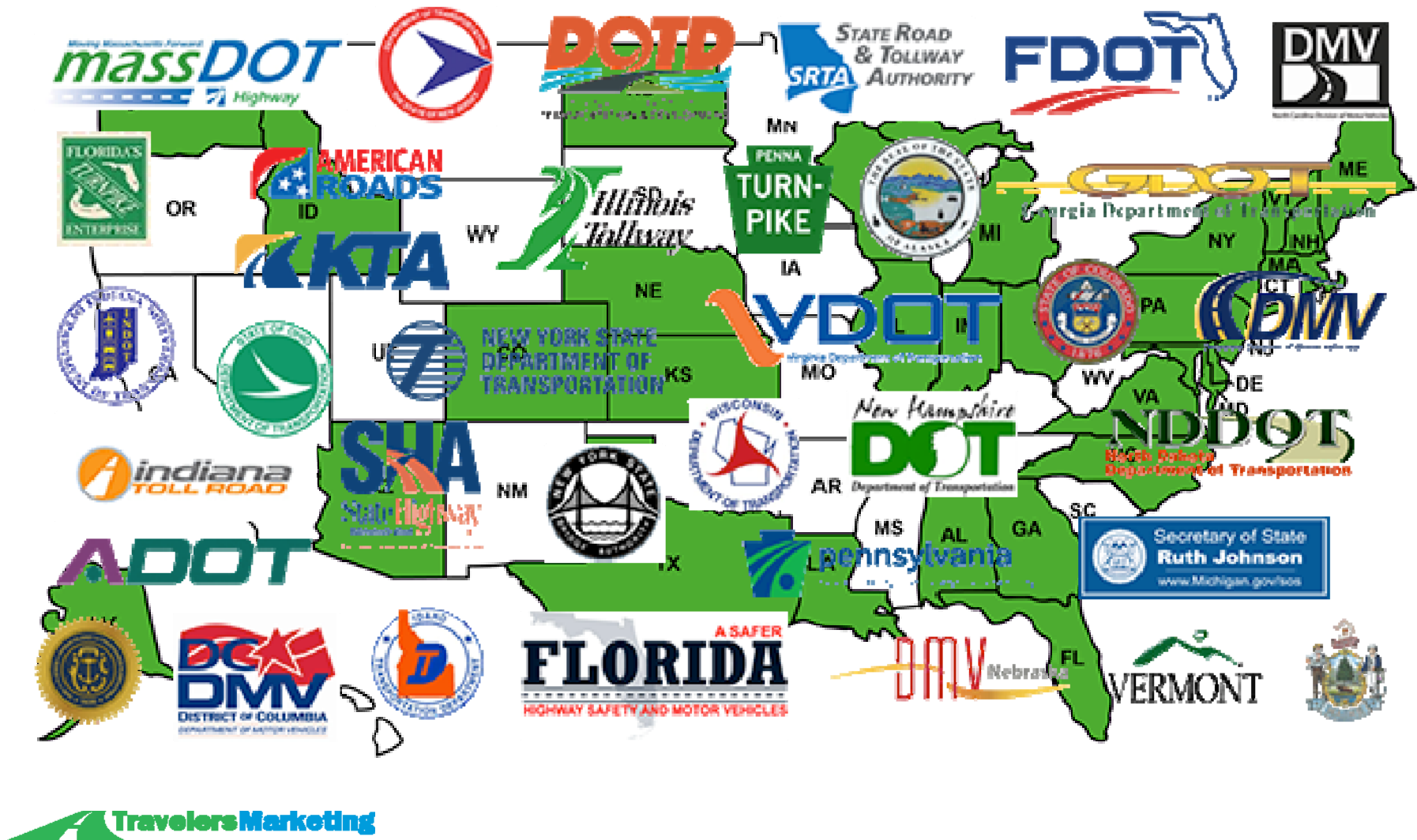
COMPANY OVERVIEW

- Founded in 1997, now working with 33 states
- Identify public sector roadway assets to be developed into marketing platforms
- Value roadway marketing platforms
- Secure corporate partners
- Activate and manage sponsorships



\$100
MILLION
IN REVENUE
GENERATED
FROM
DOT ASSET
MARKETING
PROGRAMS

ROADWAY PARTNERS



MARKETING CLIENTS



MARKETING PROGRAMS



Safety Service
Patrol
Sponsorships
in 13 states
with 3 more
states set to
launch
in 2014

MARKETING PROGRAMS

Rest Area
Sponsorships
in Virginia and
Arizona with
Texas, Ohio,
Wisconsin, Florida
and Pennsylvania
expected to move
forward
in 2014



MARKETING PROGRAMS



*The Parent's
Supervised
Driving Program
Sponsorship
in 14 states, plus
Washington DC,
and counting...*

MARKETING PROGRAMS

Turnpike Roadway
Information
Program (TRIP)
Sponsorship
in Pennsylvania
and
5-1-1 Sponsorship
in Georgia



MARKETING PROGRAMS



Toll Plaza
Advertising
in Florida,
New York,
Pennsylvania,
Kansas,
Alabama,
Indiana
and Georgia

MARKETING PROGRAMS

Service Plaza
Advertising
in Illinois,
Florida
and Kansas



MARKETING PROGRAMS

Yellow DOT
Sponsorship in
Pennsylvania.



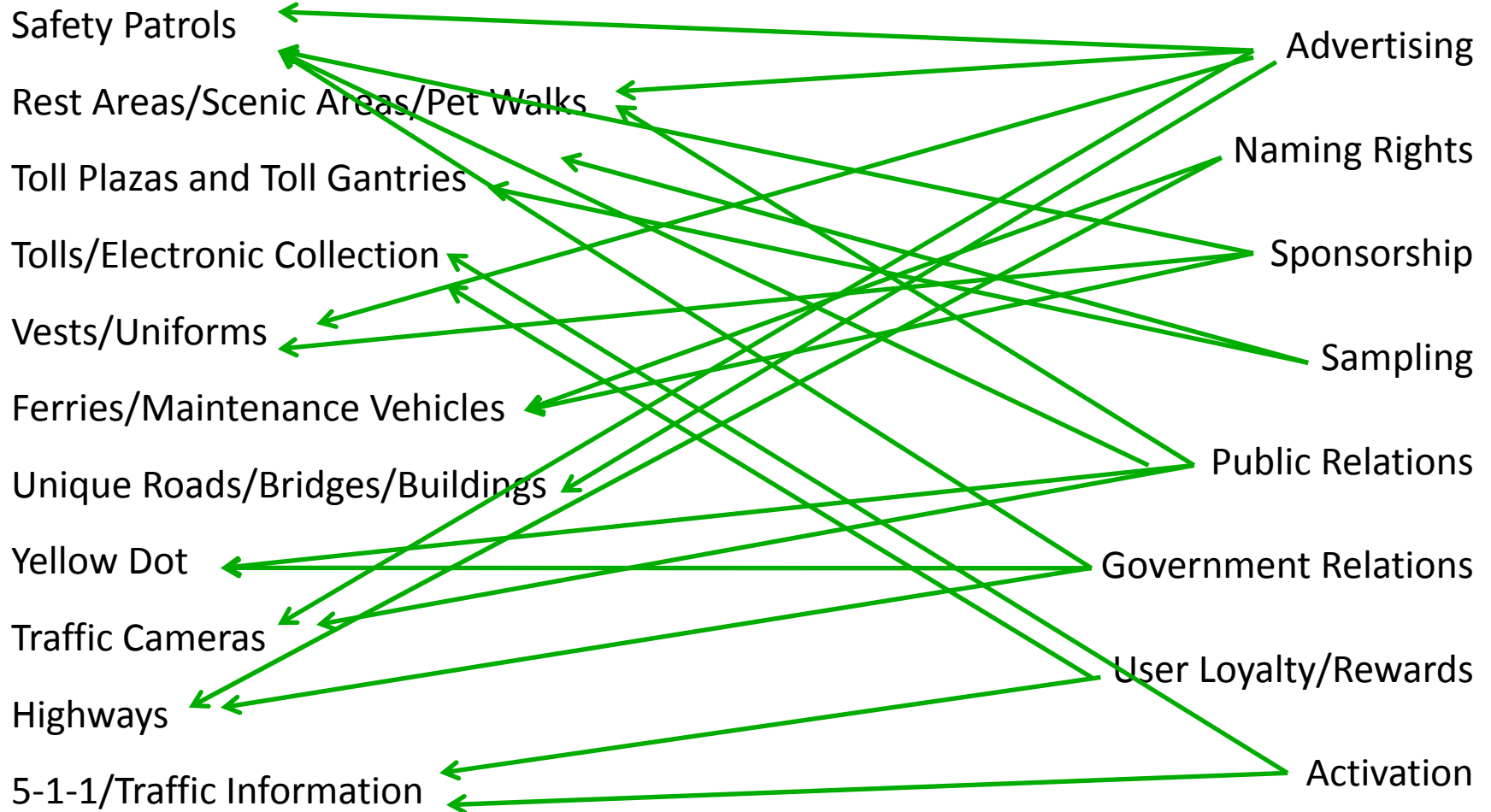
Pennsylvania's Yellow Dot Program was created to assist citizens in the "golden hour" of emergency care following a traffic crash when they may not be able to communicate themselves. Placing a yellow dot in your vehicle's rear window alerts first responders to check your glove compartment for vital information to ensure that you receive the critical medical attention you need.

The program is a cooperative effort among the Pennsylvania Departments of Transportation, Health and Aging; the Pennsylvania State Police; the Pennsylvania Turnpike Commission; and first responders and local law enforcement.



ROADWAY ASSETS

MARKETING



BUSINESS MODELS

Objective:

Generate maximum revenue on behalf of state

Approach:

Five potential business models

SINGLE ASSETS

Defined: Release RFPs for single assets; hire multiple firms for each asset.

PROS

Focused approach for each individual asset

Potential to generate maximum revenues/asset

CONS

More work for the state

Requires management and contracting with multiple firms who may compete

Dependence on program **AND** on selected vendor for varying degrees of success

No synergy

SUPER SPONSOR

Defined: Release RFP's seeking sponsors to respond directly.

PROS

Ensures delivery of revenue – **IF** sponsors respond

Eliminates any revenue share

CONS

Loss of sales process

Loss of opportunity to generate competition and interest in the market

Loss of marketing agency means state must manage and activate sponsorships

THE BUNDLER

Defined: Release RFP seeking operations and marketing work.

PROS

One state contact (“prime”)

Ensures operators and marketing team work together

CONS

Connects two services typically not performed expertly by one agency

Less likely to maximize all services

Prohibits qualified candidates from responding if unable to team

Reduces revenue share to the state

THE TWO STEP

Defined: Release one RFP seeking a consultant to value programs; then a second RFP or a “Phase 2” for an agency or sponsor to sell the programs.

PROS

Provides thorough review of state assets

Assures independent valuations

CONS

Separates the valuation from the sale

Compounds possibility of misleading valuations from consultants with little to no experience of selling

Prolongs the timeline from assessment to sale = loss of revenue

WHOLE IN ONE

Defined: Release RFP seeking a consulting agency to identify, value, sell and manage all state marketing assets.

PROS

- One state contact (“prime”)
- Provides thorough review of state assets
- Combines valuation with the sale
- Offers project management and delivery
- Reduces state staff time
- Synergistic advantages

CONS

- Few agencies qualified to handle all aspects
- Prioritization of assets may delay some sales
- Fewer checks and balances
- Budget required to pay for consulting portion

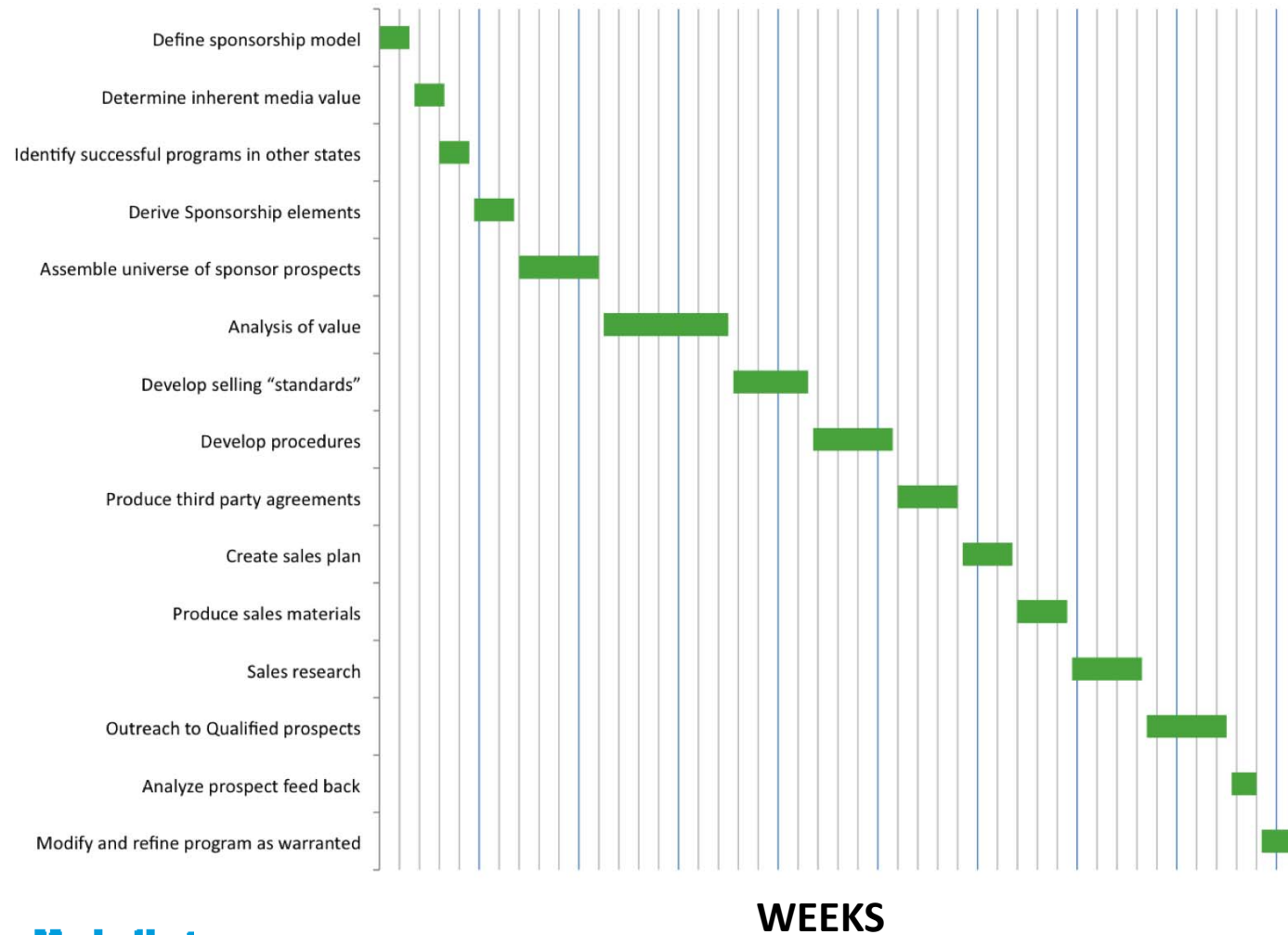
CONTRACTING

- State contracts with vendor
 - Term and Services
- Sales cycle – 180-240 days
 - Assessment and sales occurring simultaneously
- Vendor contracts with sponsors
 - Longer term sponsorship contracts
 - Shorter term advertising contracts

PAYMENT STRUCTURE

- Assessment/consulting fee
 - Hourly or by asset?
- Infrastructure costs
- Sponsorship fee
 - What does it cover?
- Revenue split for sales
 - Commission-based
 - Vendor receives payment ONLY when state receives payment
- Sales = mutually beneficial

ASSET ANALYSIS TIMELINE



VALUE

- Potential viewership (“CPM”)
- Prominence of sponsor identity
- Market comps
- Alternative marketing opportunities
- Evaluation of media coverage
- Valuation of all elements
- Promotional value
- Interaction/Direct response activity
- Exclusivity premium

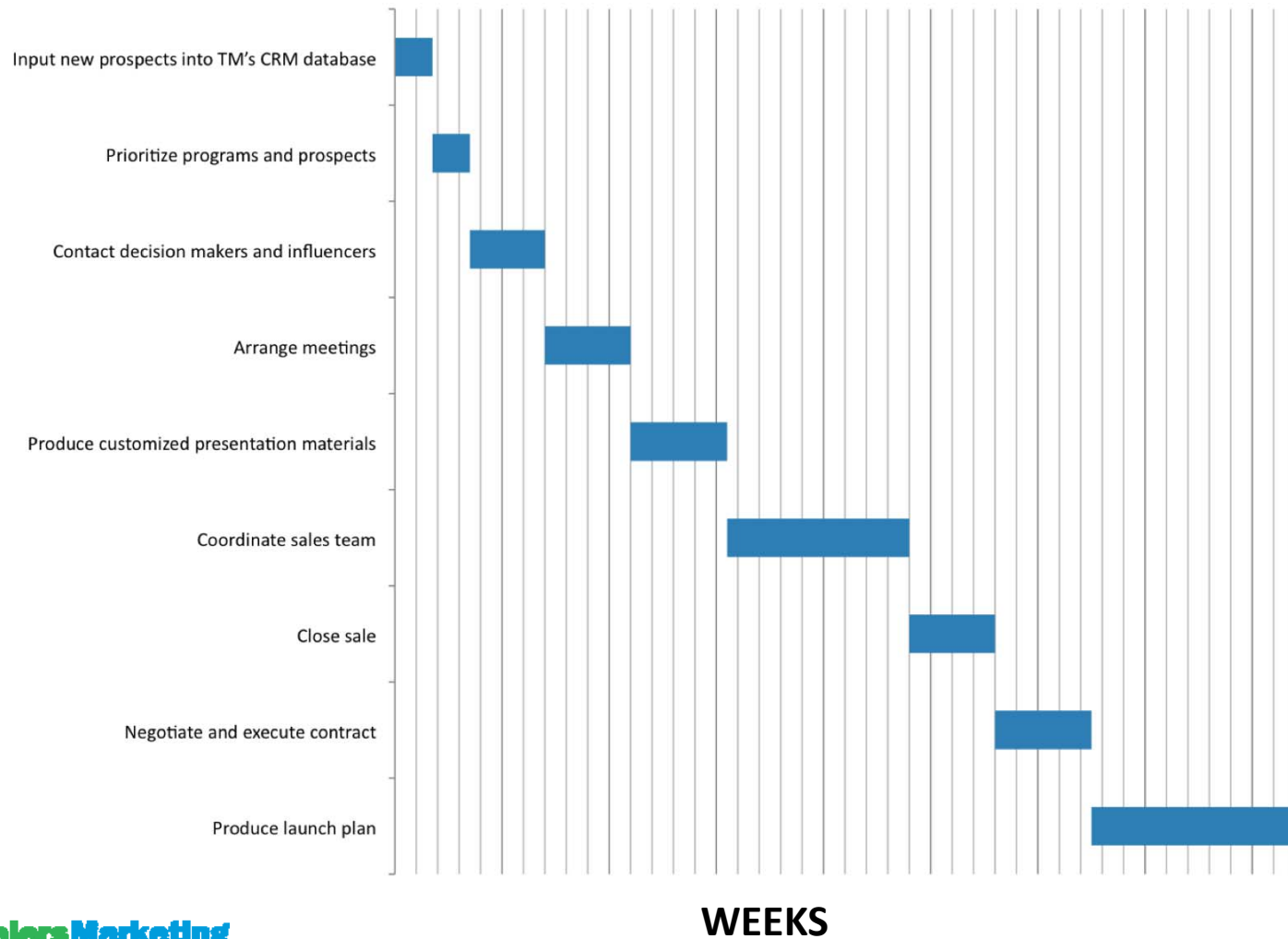
SALES PROCESS

- Assessment of the market
- Creation of sales materials
- Geo-mapping of sponsors and advertisers
- Press releases to announce marketing opportunities
- Prospect development
- Sales outreach
- Tracking and analysis of sales activities
- Close of sale - contracting

SALES PROSPECTS

- Insurance and Financial Services
- Automotive
- Fuel and Convenience
- Hospitality
- Travel/Tourism
- Broadcast and Media
- Telecommunications
- Retail

ASSET SALE TIMELINE



LESSONS LEARNED

- Marry the medium to the message
- Multiple consumer engagement opportunities and access points in one sponsorship program
- Ongoing reporting keeps sponsors engaged
- Valued based on marketing comps, not state expense of program
- Infrastructure should exist to maintain sponsorship and advertising programs
- Guarantee requirements can hurt state objectives, more than help them (new programs are not yet monetized)



With 17 years
of creating
marketing
programs for
DOTs,
Travelers
Marketing has
learned some
best practices

RECOMMENDATIONS

Select companies that have:

- A track record of success – projections vs. actual delivered
- Experience monetizing transportation assets
- Management and activation services to ensure renewal of marketing agreements
- Contacts with private sector agencies

QUESTIONS

