



Regional Transit System

Bus Advertising and Bus Shelter/Bench Advertising Regional Transit System 12/4/2008

#080416

Bus Shelter/Bench Advertising

- History
- Research Findings
- Pros and Cons
- Recommendations

Bus Shelter/Bench Advertising

■ History

- City Commission meeting on June 26, 2000
 - Eller Media Company presentation on AdShel bus shelters
 - Item referred to the City Beautification Board (CBB) and City staff for recommendations
- City Commission on August 27, 2001
 - CBB recommended rejecting proposal based on
 - Community space in principle should not be leased or used for commercial gain,
 - Advertisements would clutter and cheapen the look of our right-of-way green space, and
 - Maintenance problems and vandalism would be highly visible and reflect poorly on Gainesville.

Bus Shelter/Bench Advertising

- Research Findings
 - 13 Florida Transit Agencies responded
 - 5 Do not advertise on shelters or benches
 - 6 Advertised on both shelters and benches
 - 2 Advertising on benches but no shelters
 - None chose to advertise on bus shelters alone
 - FY08 Gross revenue range from \$113,110 for Palm Tran (outsourced, \$88,100 shelters and \$25,510 benches) to \$1.9 million for LYNX (in-house)

Bus Shelter/Bench Advertising

■ Research Findings

- Lee Tran reported FY07 revenue of \$482,160 (in-house, \$385,544 for benches, \$96,616 for shelters)
- Agencies outsourcing bus shelter and bench advertising averaged a return of 10% - 30% of total advertising revenue from the vendor.
- Operating costs associated with the in-house advertising program range from 20% - 30%.
- Most agencies report that their contractors maintain their bus stops and some have contractors who are responsible for installing shelters at the contractor's cost.

Bus Shelter/Bench Advertising

- Pros
 - Additional revenue
 - Cost avoidance
- Cons
 - Existing City ordinances prohibiting bus shelter/bench advertising
 - Aesthetic impact on the City
 - Potential conflicts with vendors on content ads
 - Lost opportunity to develop future community service and revenue partnerships with existing and potential advertising clients

Recommendations

The City Commission: 1) do not implement a bus shelter/bench advertising program; and 2) consider expanding the existing RTS in-house bus advertising program.

Alternative Recommendation A

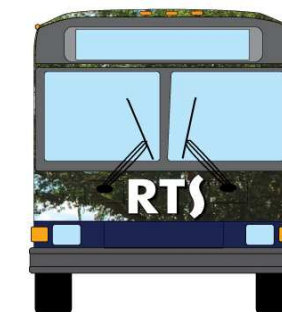
The City Commission: 1) do not implement a bus shelter/bench advertising program; and 2) retain the existing RTS in-house bus advertising program.

Recommendations (cont.)

Alternative Recommendation B

The City Commission direct the City Manager to initiate a planning petition that would allow off-premise advertising and solicit proposals for bus shelter/bench advertising program through an RFP process.

Bus Advertising



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Bus Advertising

- History
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Bus Advertising

- History
 - City Commission meeting on April 28, 1997
 - Discussed City's existing P&C Media exterior bus advertising contract
 - City received about \$18K per year for placard advertising on all its buses
 - P&C Media unable to secure contracts for fully painted/illustrated advertising on 5 buses allotted.
 - Discussed possible advertising partnerships between RTS and 3 other entities to generate interest in concept of fully painted/illustrated buses.
 - Recommendation to hear presentation by Transit Director on concept.

Bus Advertising

■ History

- City Commission meeting on February 26, 2001
 - RTS Agreement for Bus Advertising Services
 - Three year contract with Philbin & Coine, Inc. (P&C), n/k/a Obie Media Corporation (OBIE) beginning 1/1/98
 - Sell bus advertising in and upon all City buses
 - OBIE presented 2001 marketing plan to RTS 11/1/200 and RTS renewed commitment to partnership with OBIE
 - Obie agreed to pay City/RTS fifty-four (54%) of all revenue collected for advertising space after deductions.
 - Obie agreed to annual minimum guarantee payments
 - City Commission approved one-year extension

Bus Advertising

- History
 - RTS brings bus advertising program in-house 2002
 - Contract with OBIE expired 12/31/01
 - Decision based on performance issues

Bus Advertising

- Research Findings

Six (6) Florida Transit Agencies responded

- 3 contract with Lamar Transit Advertising
- 1 contracts with CBS Outdoor
- 2 have in-house advertising programs
- Each offer interior and exterior bus advertising

Bus Advertising

- Research Findings
 - In-house Programs
 - Revenue range (interior and exterior) from FY07 \$400,000 gross for Lee Tran (Lee County) to FY08 \$1.7 million gross for LYNX.
 - Agencies did not provide cost of programs.
 - Outsourced Programs
 - Agencies did not provide percentage and revenue amounts they receive from their vendors.
 - Agencies did not provide cost of programs.

Bus Advertising

- Research Findings

RTS In-house Program

- Gross Revenue was \$75,505 for FY 07 and \$192,457 for FY08.
- Deduct FY 08 program costs of \$40,998 for FY08 Net Revenue of \$151,459
 - Accomplished with .60 FTE

Bus Advertising

- Research Findings
 - Fleet sizes and buses available for advertising range from 45 to 290 buses.
 - RTS has a fleet of 105 buses
 - 89 Buses running peak during Fall/Spring service
 - Assigned to specific routes
 - All are available for interior advertising
 - 61 buses available for exterior advertising
 - Exterior ads too large for smaller buses
 - No exterior ads on 12 new Low-rise Gillig buses
 - 55 Buses running peak during summer

Bus Advertising

Drivers



UF Bus

Riders



Bus Advertising

- Pros of in-house program
 - Maintain creative control over ad content to maintain the City's standards
 - RTS has an existing and respectable program
 - Easily expanded - increase .60 FTE contribution to 1.0 FTE.
 - Increased revenue could be compromised if outside agencies do not perform as promised.
 - RTS Marketing, Operations and Maintenance have long-standing successful relationship
 - Heightened complexity of coordination between Operations and advertising when using outside bus advertising vendor

Bus Advertising

- Cons of in-house program
 - Outsourced program may generate more gross revenue
 - Important figure is the net revenue to City/RTS.
 - Make sure net revenue offsets any disadvantages of having an outsourced program.

Bus Advertising

- Recommendations
- Expand the existing RTS in-house bus advertising program. RTS believes that advertising revenue will increase if RTS has one person dedicated to this program. Revenue comparisons between FY07 and FY08 (\$75,505.05 to \$192,457.12) shows this trend.
- Alternate recommendations: Retain the existing RTS in-house bus advertising program.

Bus Advertising

