Cashing in on Passengers’ Eyeballs

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Aviation Business General Manager
Massachusetts Port Authority
Presentation Outline

- Massport’s Experience - Current Advertising Program
- Considerations in Developing a Master Plan
Potential respondents to the Authority’s upcoming Advertising Request for Proposals (“Advertising RFP”) shall not rely on any content of this presentation, whether written or oral, in the development of their response to the Authority’s Advertising RFP.
Massport Properties

Boston-Logan International Airport

L.G. Hanscom Field

Worcester Regional Airport

South Boston Seaport Properties
2003 Advertising RFP

BOSTON LOGAN, BLACK FALCON CRUISE TERMINAL, & LOGAN EXPRESS SITES
2003 Advertising RFP

- **Option B:** Luggage Carts
2003 Advertising RFP

- **Option E:** Black Falcon Cruise Terminal (Interior/Exterior)
Option F: New innovative advertising / marketing approaches (non-traditional).
2003 Advertising RFP

Clear Channel Airports

AMI

Direct Media

Wall/ JCDecaux
2003 Advertising RFP

Experience

- **Client/Agency Confusion:**
  - Client/agency confusion in determining which concessionaire has right to sell the various advertising assets.

- **Locations:**
  - Managing locations and inventory to avoid oversaturation/clutter of locations.

- **Pricing/Revenue:**
  - Ensure that we maximize revenue and not diminish fees to due to competition (avoid price cutting).
2003 Advertising RFP

**Experience**

- **Competition/Cooperation:**
  - Create Competition among concessionaires while also building relationships to foster cooperation and ability to leverage the overall program.

- **Staff Time:**
  - **Contract Management**
    - 1 concessionaire vs. 5 concessionaires
  - More involvement with each program
    - Developing non-traditional opportunities
  - Overseeing contract rights to particular locations and respective agreements.
2003 Advertising RFP

Experience
2003 Advertising RFP

*Experience: Non-Traditional Advertising*

- Devote more time and resources to develop non-traditional campaigns
  - More time working with the concessionaire to develop and define the program(s)
  - Desire for large format/big splash – identifying locations opportunities
- Internal Approval Process
- Flexibility
- Concessionaire working with corporate marketing departments vs. advertising agencies
2003 Advertising RFP

Naming Rights - Expectations

- Million Dollar Naming Rights Package
- Right to rename the Logan Garage Structures.
2003 Advertising RFP

*Naming Rights - Expectations vs. Reality*

- **RFP Issued 2007**
  - Naming Rights for the Logan Garage structures: Central Parking Garage & Terminal B Garage
  - Not as simple as Naming a Structure
  - Multi-Touch Program
    - Way-finding Signage & Directories
    - Product Display Areas
    - In-Terminal Marketing
    - Exterior/Interior Banners
    - MPA Website and Collateral
  - **MAG for year 1: $2,175,000.**
- **Approval Process**
- **Result:** Timing and Economic conditions lead to potential clients pulling out of RFP Process.
2003 Advertising RFP

Naming Rights – Reality (Scaling Back)

- Parking Passport Gold Sponsorship
  - Naming Rights for Massport’s Guaranteed Parking Program
  - Includes some elements from the Naming Rights Multi-Touch Program
    - Signage (limited)
    - Walkway Banners/Video Monitors/Valet Booths
    - Exterior Sign
    - Interior Garage Signage
    - MPA Collateral
  - Staff Time/Approval Process
  - 3 Year Program - $675,000
  - Utilized unused garage facility assets
Cashing in on Passengers’ Eyeballs
2003 Advertising RFP

Sponsorships - Long Term Partnerships

- Long Term Advertising Partnership with Dunkin Donuts
- Initially – 1 Year Agreement
- 7 Years – $1.7 Million
2003 Advertising RFP

Experience

*JCDecaux acquired Wall in 2009

Advertising Sales 2004-2011

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2003 Advertising RFP
Successes - Pedestrian Bridge & Column Wraps
Master Plan

**GOAL:** CREATE A UNIQUE ADVERTISING ENVIRONMENT THAT INCORPORATES INNOVATIVE, CUTTING-EDGE TOOLS AND PRACTICES THAT REFLECT CURRENT AND FUTURE TRENDS IN PUBLIC SPACE ADVERTISING.
Master Plan

Considerations in Developing a Master Plan

- Viability review of MPA Properties?
  - (Logan, South Boston Seaport District, Hanscom, Worcester)
- Historical Performance Analysis?
- Market Analysis & Trends?
- Industry Assessment?
- Locations?
- Media Types?
- Electronic Mediums?
  - (Web based, Mobile Applications, Digital Signage, Wi-Fi)
Master Plan

Considerations in Developing a Master Plan

- What do advertisers want? Large format? Display space?
- How to incorporate Non-Traditional Advertising Sponsorship?
- How to handle the Outdoor Advertising Program? FHWIA?
- Need for a consultant?
Master Plan

*Electronic Medium - Web Based*

- Types of Web Advertising:
  - (Banners, Text, Pop-Ups, Sponsorships & Partnerships)
- How do you best monetize your web page?
- How do we generate revenue without interfering with operational objectives?
- What are best practices for advertising sourcing, management, and delivery?
- How do other airports / industries leverage web based assets?
- Who is the appropriate company to manage / sell?
Master Plan

Electronic Medium – Mobile Applications

- Explosion of mobile apps.
  - Number of mobile apps is approaching 1 million, with 2,000 applications being released a day! (“Mobilewalla” website)
  - 88% of airports are planning to invest in mobile app development by the end of 2015. (9th SITA Survey in collaboration with ACI and Airline Business)
- Are there advertising revenue sharing agreements and best practices for advertising sourcing, management and delivery?
- How are other airports, agencies, and commercial data providers leveraging? What is the business Model?
- Current airport apps include:
  - iFLY Pro, Airport Transit Guide, Gate Guru, goHow, FLYsmart, etc.
- Should the airport develop its own app?
Master Plan

*Electronic Medium – Digital Signage*

- What is the capital investment?
- How is advertising to certain sign locations sourced, managed, and delivered?
- What are the cost guidelines for size, rotation, and peak period charges?
- What is the Average Unit Audience metric (AUA)?
- How does digital fit with your airport infrastructure?
Fee or Free???

Would an advertising concessionaire have the expertise to maintain system?
  - Need to subcontract with a Wi-Fi company to maintain the system?

If Free – Allow advertising/sponsorship to pay for the service?

How has the industry evolved? How are other airports handling?
Master Plan
Management & Leasing Strategy

- Direct Operation? (Does MPA have staff/expertise/resources?)
- Single Advertising Concessionaire?
- Multiple Advertising Concession Packages?
  - Split by Properties
  - Indoor / Outdoor single or separate packages?
Master Plan

Overall Inventory

- Is less more? (Reduce potential clutter?)
- Right type of medium? Trends for more digital and large format?
- Fixed units vs. variable units?
  - dioramas vs. wraps
- Occupancy rate? Use of unsold inventory? PSA locations?
Master Plan

Learn from Others

● How are other airports managing?

● Analysis of other RFP’s in the market place:
  ● Chicago, Philadelphia, Phoenix, San Francisco, Houston, etc.

● Input from the Incumbent Concessionaires

● Analysis of other Airport Programs:
  ● Outdoor Displays:
    ● JFK, Toronto Pearson, Dallas-Ft. Worth, Munich Airport- Germany.
  ● Jet Bridges:
  ● Large Displays:
    ● McCarran International
  ● Equipment Sponsorships:
    ● Chicago O’Hare, McCarran International
Master Plan

- Massport to issue RFP early 2013

- Insanity: doing the same thing over and over again and expecting different results.  
  Albert Einstein
Logan Advertising
Logan Advertising
Master Plan

Thank You