

OUEEN CREEK

Discussion to consider and direct staff to develop an advertising display program with NIW Vision.

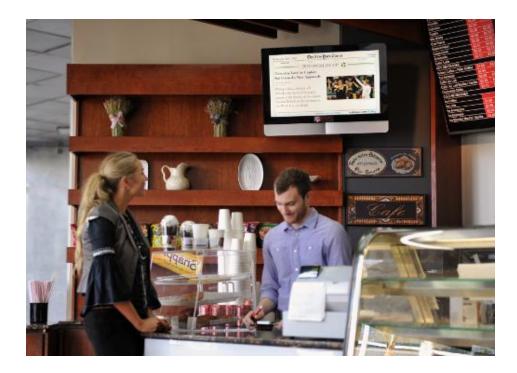
December 7, 2011





Relevant Council Goal:

KRA 8: Land Use / Economic Development **Objective 8:** Enhance the opportunities for Queen Creek businesses to succeed.









Description of Service

- NIW Vision
- Place high-def monitors in high-traffic locations
- Digital ads scroll continuously
- Typical model
 - ✤ NIW Vision installs the system (\$500 install fee)
 - System scrolls through 30 slides every 5 minutes
 - Town sells 15; NIW Vision sells 15
 - Current price for ad: \$300 per quarter
 - Slides are static; no video
 - Up to 3 of the Town's 15 slides can be used for Town purposes



Photo Examples of Current Display Locations





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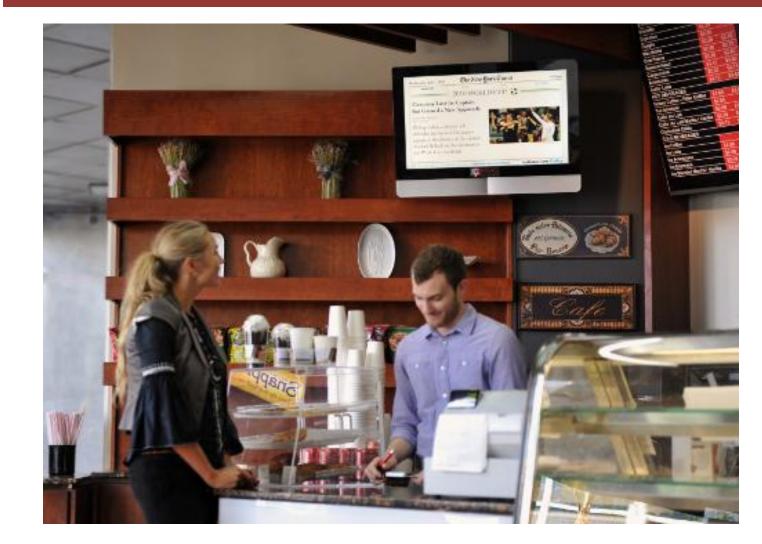
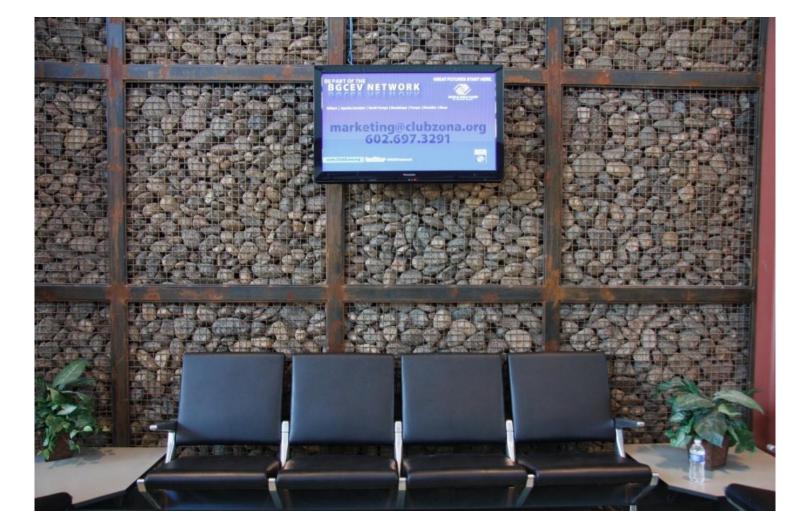




Photo Examples of Current Display Locations





Typical Expense / Revenue Model

- Initial install fee of \$500
- Monthly maintenance fee of \$100*

*Monthly fee waived if minimum of 2 slides are sold

- Town sold slides: 60% to Town
- NIW Vision sold slides: 20% to Town



Examples of Potential Revenues in Typical Model

Sold Out

Town sells 15 @ \$300 for quarterly revenue of \$2,700 NIW Vision sells 15 @ \$300 for quarterly revenue of \$900 **Annual Revenue at "Sold Out": \$14,400**

50% Sold

Town sells 8 @ \$300 for quarterly revenue of \$1,440 NIW Vision sells 7 @ \$300 for quarterly revenue of \$420 Annual Revenue at "50%": \$7,440

Low Sales

Town sells 0 @ \$300 for quarterly revenue of \$0; cost \$300 Maint Fee NIW Vision sells 5 @ \$300 for quarterly revenue of \$300 **Annual Revenue at "Low Sales": \$0**



Potential Options

- 1) Develop an agreement with NIW Vision as described as a typical model
- Develop an agreement as described above, but develop a partnership with a local organization to share responsibilities and revenues
- 3) Develop an agreement with NIW Vision to have them manage all 30 slides
- Continue to work with NIW Vision to determine terms of an agreement that is 100% turnkey – no cost to the Town; NIW Vision manages
- 5) Do not pursue the program at this time



Questions?



Examples of Potential Revenues in PARTNER Model

Sold Out

Town & Partner sell 15 @ \$300 for qtly revenue of \$2,700; split to \$1,350 NIW Vision sells 15 @ \$300 for quarterly revenue of \$900 Annual Revenue at "Sold Out": \$9,000

50% Sold

Town & Parnter sell 8 @ \$300 for qtly revenue of \$1,440; split to \$720 NIW Vision sells 7 @ \$300 for quarterly revenue of \$420 Annual Revenue at "50%": \$4,650

Low Sales

Town & Parnter sell 0 @ \$300 for qtly revenue of \$0; Split cost of \$300 Maint Fee NIW Vision sells 5 @ \$300 for quarterly revenue of \$300 Annual Revenue at "Low Sales": \$600



Examples of Potential Revenues in NIW VISION MANAGED Model

Sold Out

NIW Vision sells 30 @ \$300 for quarterly revenue of \$1,800 Town pays \$300 per quarter maintenance fee* Annual Revenue at "Sold Out": \$6,000

50% Sold

NIW Vision sells 15 @ \$300 for quarterly revenue of \$900 Town pays \$300 per quarter maintenance fee* Annual Revenue at "50%": \$ 2,400

Low Sales

NIW Vision sells 5 @ \$300 for quarterly revenue of \$300 Town pays \$300 per quarter maintenance fee* Annual Revenue at "Low Sales": \$0

*First year also includes \$500 installation fee



Examples of Potential Revenues in TURNKEY-NO COST Model*

Sold Out

NIW Vision sells 30 @ \$300 for quarterly revenue of \$900 Annual Revenue at "Sold Out": \$3,600

50% Sold

NIW Vision sells 15 @ \$300 for quarterly revenue of \$450 Annual Revenue at "50%": \$1,800

Low Sales

NIW Vision sells 5 @ \$300 for quarterly revenue of \$150 Annual Revenue at "Low Sales": \$600

*First year also includes \$500 installation fee