City of Seattle//

RFI: Revenue-Generating Marketing Ideas, Public-Private Partnership Concepts, Advertising-Supported Public Amenities

Submitted November 15, 2012

City of Seattle RFI //

Letter of Interest

Jeremy,

It is our pleasure to submit the enclosed response to the City of Seattle Public-Private Partnership Program RFI. Headquartered in Vancouver, WA, Pinnacle Marketing Group is a full-service marketing agency specializing in products and services. We are a diverse group of strategic thinkers, creative consultants, designers, brand ambassadors and everything else that helps move business forward across screen and channels.

We dig deep. We don't give you big ideas—we give you great ones, the kind that only develop from industry insider knowledge and results-focused momentum. We understand complex ecosystems and have helped some of the world's largest brands navigate channels. We know what it takes to sell complex ideas across diverse channels and stakeholders, and we look forward to demonstrating our distinct capabilities that position our agency beyond traditional marketing agencies.

We are technical. As a marketing agency focused in the technology industry, we stay on the cusp of cutting edge innovations across industries and fields, including marketing, media and technology. Supported by award-winning creative, we provide go-to-market strategies for brands such as Intel, Rhapsody and Samsung, to name a few.

We are committed to contributing to our local economy. As we enter our tenth year of business, we have made a commitment to support businesses within our local community. To that end, we have developed a fee structure that ensures we can deliver best-in-class ideation and media implementation while contributing to revenue generating ideas for the City of Seattle.

We look forward to working with the City of Seattle to develop a robust advertising platform that drives innovation and incremental revenue.

Warm regards,

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Overview

Introduction ::

PMG is excited to lend to the City of Seattle its marketing and advertising expertise for the planning and execution of a new program built to generate City revenue via the funding of public amenities through robust public-private partnerships. Seattle's distinct environment, natural attractions and vibrant culture provide an ideal backdrop for the City to collaborate with the private-sector to spur economic growth. Improvements to City services and amenities—augmented by direct private-sector investment—will create a mutually beneficial "Seattle Experience" for residents, visitors and the business community. However, thoughtful approach to partnerships is paramount for this effort to succeed. The following proposal reflects an immersive experience for the Seattle community, one that transcends screens to create an innovative marketing, communications and advertising platform for the City.

PMG has worked with companies such as Rackspace, Rhapsody, AT&T, CDS Global, OpenMarket and HTC providing a full spectrum of marketing and advertising services. Our capabilities include:

- Full-suite advertising and marketing creative services

- Media strategy, planning and management

- Strategic business planning and consulting

- Co-marketing and sponsorship development

- Project management, production and vendor management

- Public relations and social media

- Interactive strategy, design and development

- Event marketing and management

PMG approaches all projects collaboratively—working closely with our clients and partners—while remaining flexible through our processes to facilitate seamless work flows, and on-target results.

Approach ::

PMG's approach to the RFI reflects an initial evaluation of potential opportunities for public-private partnerships. Considerations were made related to the appeal, value and reciprocity to public-private partners, Seattle residents, and visitors. Consumer behavior patterns were reviewed to ensure solutions are built to enhance — rather than disrupt — the Seattle Experience. In addition, customization and personalization opportunities were identified from the standpoint of both advertiser and end-user.

Inspiration for program themes that succinctly express program offerings were kept top-of-mind. To that end, for purposes of this RFI, PMG has tentatively proposed the name, mySeattle, for the integrated advertising program. Whatever the ultimate name of the program, the objective is to construct a look, feel and message that communicate the following commitments:

1. Connecting the private-sector to Seattleites in flexible, meaningful and engaging ways.

2. Introducing Seattleites to the best the City has to offer.

3. Outlining reciprocal partnerships that benefit both public and private stakeholders.

Program Elements

Multichannel, Multi-Partner Platform ::

PMG proposes a multichannel advertising strategy, utilizing a mixture of advertising platforms and technologies to create deeper engagement levels through multiple touch points and interactivity. The advertising platform's media mix includes the transformation of traditional City fixtures, services, amenities, visual art displays and digitally based properties. The myriad of media opportunities also create a lucrative advertising platform for maximum revenue generation to the City.

mySeattle Website ::

It is recommended that the City of Seattle develop a website to exist as a central communication hub for the program, existing as a conduit to all advertising and program communications tools. The target audience for the mySeattle website would be consumers – residents, tourists and local community business – displaying information such as local events, transit schedules and local business information. The site would also provide information about the mySeattle Mobile App, including directions on how to download the App.

Private-sector revenue generating opportunities would be offered via on-site advertising, by way of purchasing digital banner ads. Additional advertising revenue opportunities include the ability to sponsor certain sections, or through the inclusion of a local community directory.

The site would also serve as a sales channel for advertising sales, allowing potential advertisers to download rate cards and general program material.

mySeattle Mobile App ::

Wireless devices are becoming more engrained in consumer's daily lives. Advertising and communications strategies cannot overlook these devices. Nielsen reports that 54.9% of US mobile phone owners now own a smartphone as of Q2 2012. As part of Google's "Our Mobile Planet" initiative, a report was released in May 2012 on U.S. smartphone usage that states the following:

- 80% of smartphone users don't leave home without their device.

- 97% use smartphones at home, 83% while on the go, and 78% while in brick and mortar stores.

- 57% use search on their smartphones daily

- The average American has 28 Apps installed on their phone (6 of those are paid Apps) and has used 11 Apps in the last 30 days.

- 94% of respondents had used their smartphone to look for local information and 90% of those had taken action as a result. Of those, 70% connected with the business, 66% actually visited the business, and 36% made a purchase.

- 58% look for local information weekly while 27% do so daily.

- After finding local business information on their mobile, 15% of respondents said they had read or written a review, while 13% recommended the business to someone else.

Consumer mobile behavior presents a distinct opportunity for the City of Seattle to communicate and engage with audiences in a very direct and targeted manner, while creating a digital advertising property ideal to private-sector advertisers. According to Google, 89% of U.S. smartphone users notice mobile ads; 48% while in an App, 46% while on a website, 40% while using a search engine, and 27% while watching a video.

The mySeattle App would create a go-to resource for visitors and Seattle residents looking to explore the City for local happenings, general City information, special offers, recommendations and beyond. Mobile Application content and capabilities considered include:

- Seattle history

- Events calendar / updates

- Interactive City map

- Transit info. / schedules

- Offers, discounts and coupons from local businesses

- Consumer-submitted business reviews

- Social media integration

- Rewards community - audience to receive virtual badges or merits based on number of social media check-ins they've completed at Seattle locations

A mobile Application also presents additional appeal through the mobile technologies it will leverage, such as SMS (Short Message Service), MMS (Multimedia Message Service) and Push notifications (messages sent to users who have opted in to receive them). These messaging services provide a two-way communication method allowing the App, and potential advertisers, to facilitate direct messages to and from users.

The App would also leverage LBS (Location Based Services). LBS is a software application for mobile devices that utilizes GPS to obtain knowledge of where a mobile device is located. These may be query-based and provide the end user with useful information such as "Where is the nearest bus stop?" They may also be formatted to include push-based messages that deliver information—such as coupons or other marketing information—to audiences in a specific geographical area. By programming "geo-fences" into an App, a message may be sent to a mobile device as soon as the device "trips the fence" at that specific geographic location. Including LBS capabilities within the advertising platform creates interactive opportunities for advertising to connect with Seattle residents directly, increasing the program's appeal to local advertisers.

Specific ideas for LBS within the mySeattle App include:

- **mySeattle App Tour / History Tour**

    Using LBS, users of the App will have the option to take an App-led tour. The App would provide a list of must-see locations with directions and relevant information provided from the City. LBS could be utilized to show users their current location, while also sending direct messages as a user trips a geo-fence.

    Alerts include, but may not be limited to:

    1. When they've reached a designated location.

    2. Historical facts relevant to a nearby location.

    3. Special offer from a partner business near a location.

    Beyond simple text alerts, MMS could be utilized to deliver a multimedia message like an image of what the location looked like 100 years ago, creating a stimulating, interactive and educational experience for the user. MMS can also be leveraged by (and opportunities sold to) advertisers, allowing local business to send coupons via barcodes when a resident is close to their location.

- **mySeattle App Alerts**

    A variety of alerts can be delivered to users based on their location, examples include special offers and coupons, events notifications, and City-promoted activities.

- **mySeattle App Transportation Info.**

    LBS could also be leveraged to show users nearby public transportation options as they're navigating the City.

The App may also utilize NFC (Near Field Communications) technology to trigger the delivery of similar LBS-triggered SMS, MMS and Push notification messages. NFC is a set of standards for smartphones and similar devices to establish radio communication with each other through close physical proximity. In other words, is a quick response tool that allows information to be received on a user's device, without having to scan or embed software. NFC tags are programmed to send distinct messages, content or links to NFC-enabled mobile devices. NFC tags may be embedded in objects, such as credit cards, or adhered to the exterior of objects, such as advertising displays. For example, in the City history tour, a user could tap an NFC tag installed near or on a historical site to receive on their mobile devices relevant facts and images.

QR (Quick Response) codes are an alternative technology-based solution that can deliver the same results as an NFC tag, for devices that are not NFC-enabled. QR codes are two-dimensional barcodes that may be read via a QR-code scanner on mobile devices. Once the mobile device has scanned the code, a URL is delivered (in form of SMS, MMS or Push), directly to the user's device. For example, the City of Klagenfurt in Austria embarked on a project called "Project Ingeborg" aiming to tie old buildings, and old literature to technology in a new way. Visitors are provided the ability to download books, works of art and other information relevant to particular locations via NFC tags and QR codes.

Another technology the App could utilize is AR (Augmented Reality). Augmented reality is a live, direct or indirect view of a physical, real-world environment whose elements are augmented by computer-generated sensory input such as sound, video, graphics or GPS data. With AR, an App user holds up their mobile device to view a physical location—where the physical location then appears differently (being augmented) on their device. For example, an App titled "City Lens" uses a device's camera to display nearby restaurants, stores, and other notable locations in augmented reality style, along with important information about each location — including reviews, directions, hours of operation, and more. AR could be utilized in the mySeattle history tour feature, allowing users to take a picture of a current location, which the App then identifies and produces a live image of what that location looked like 100 years ago.

:: User Customization and Privacy

It's important to note that the mySeattle App would allow users to opt-in or opt-out of the various services offered within that App. For example, a Seattle resident may have no interest in LBS triggered City history Push notifications, but may still want to receive LBS Push notifications regarding special offers from local businesses. A settings function would allow users to customize the experience.

:: In-App, In-Web Advertising Opportunities

The combination of messaging capabilities, LBS, NFC and AR provide an interactive platform for both users and advertisers. Private-sector businesses would be offered advertising opportunities ranging from traditional in-App banner ad placements to sponsored in-App offers, as well as customized in-App sponsored experiences. The mySeattle website would also be leveraged to create additional digital advertising retail space.

The City of Seattle may provide a significant value-add to advertisers through data mining. Mobile Apps allow for useful data collection gained from tracking user behavior within the App, including redemptions, location tracking and more. This information is highly valuable to potential advertisers, sequentially raising the value and sticker price of the mobile ad placements.

The high-tech status of the App's capabilities also enable the City of Seattle to facilitate some less conventional advertising initiatives for the private-sector, encouraging lively public spaces and activities. Outlined below are a few thought-starters to help envision the potential for future campaigns:

- **Sponsored App Experience**

  Companies could look to enhance the App experience for users by sponsoring additional features. For example, Starbucks could sponsor an Augmented Reality experience within the App's history tour that displays imagery of its first store when first built.

- **Scavenger Hunts**

  Companies could sponsor a City scavenger hunt facilitated by the mySeattle App, delivering clues and directions via the App's messaging services to users' mobile devices. Companies would be encouraged to purchase advertising space on the cities' physical properties to promote the event.

- **Gaming**

  Companies could sponsor an in-App game, only accessible by mySeattle App registrants. App users could compete for prizes provided by the sponsor.

- **Community Polls**

  In support of the City and its community members, the App could be used as a vehicle for companies looking to flex their social responsibility arm, which may garner additional social and media exposure. Companies could promise a certain monetary level of support to a community program of the community's choice. Users of the mySeattle App would have the ability to vote on where they'd most like the money spent.

- **Company-Funded Perks**

  Companies could offer App users special perks such as free public transit for a day, in exchange for the user posting a message about the company on a social network via the App. The user would then present the App at the transit station to redeem a free ride.

Driving Digital Engagement through Awareness ::

To drive App downloads and engagement, physical advertising properties are required to increase awareness and drive adoption. The mySeattle advertising platform would also include physical fixtures, promoting the App, as the App may reciprocally direct users back to physical points of interest, amenities and services within the City—in sum, creating a connected, seamless experience. In addition, these fixtures provide additional revenue generating opportunities through advertising and sponsorships, maximizing revenue opportunities for the City.

A specific mySeattle brand will be created, applying a distinct look and feel to the digital properties themselves, as well as to other program advertising and fixtures in forms such as wraps, signs or plaques.

:: Evolving Information Booths

There are several informational booths located in downtown Seattle. These information hubs can be leveraged to promote the mySeattle App and other digital properties. The creation of additional booth(s) near Belltown would provide information for users outside of the Pike Place, Downtown and Central Business District, where current booths reside.

Recommendations for information booths include:

- mySeattle App download information
- LCD interactive displays (displaying info. such as a daily City snapshot i.e. weather, events, community highlights, etc. - sponsored by a private business)
- City maps
- History guides
- Attraction guides
- Transportation guides
- Entertainment guides
- Events calendars
- Emergency services info.

Advertising and sponsorship creative updates to booths may include the use of wraps, various signage or use of digital displays.

Physical interactive stations may be developed to create interest and engagement from Seattleites. Concepts include a green screen that houses a camera function similar to a photo booth where people may pose to take pictures, and choose Seattle-themed backgrounds to place digitally. The photos may be easily sharable via email and social networks. Participants would be given the opportunity to post pics on properties such as digital bus billboards or transit centers. Stations may be funded by companies purchasing station advertising space or by committing to full station sponsorship rights.

:: Enhancing City Fixtures

Physical properties including transit shelters, parking meters and light posts would be utilized to provide advertising space. It is recommended that opportunities to add digital components such as LCD interactive screens on transit shelters also be considered. For example, Yahoo in 2011 initiated a campaign to install huge poster-size touchscreens on more than 20 San Francisco bus shelters. Commuters were encouraged to play online games via the touch screens against people at other bus stops. The neighborhood that racked up the most points before the end of the campaign was awarded a large block party. The screens were made possible by an advertising alliance between Yahoo and the San Francisco Municipal Transportation Agency.

:: Adding Art Fixtures

It is suggested a 'Sponsor Seattle Art' program be initiated, encouraging companies to fund local Seattle artists in producing, designing or painting visually intriguing art fixtures to be installed in downtown Seattle neighborhoods. Art could include sculptures, street art, murals, etc. Inspiration may be found observing CowParade, one of the world's largest public art projects. Cows are created and installed in cities, which are then painted by local artists or celebrities. Both small and large companies have sponsored the cows.

The City of Seattle may consider revenue opportunities by offering companies the chance to sponsor local artists, funding art creations for the City. The City may also source local artist talent internally, fund design and execution of the artists' creations, and hold a yearly auction or sponsorship opportunity for companies to "host" the artwork for a year. Signage would be placed near the artwork representing the company supporting the piece that year.

Technology would also be leveraged within the art, placing QR codes, NFC tags or interactive LCD screens on, within or near the art pieces. Content could include images or video of the artists' process, or a text bio sharing inspiration and stories behind the ideation of the art.

:: Sustainability Enhancements

Initiatives to encourage sustainability in Seattle may be considered for private-sector sponsorships. Considerations include the donation of funds towards recycling initiatives and solar powered installations in public locations, including transit shelters. For example, the City of Portland promoted the world's first solar-powered, cordless trash compaction system as an environmentally conscious way to manage trash collection. The Portland Adopt-A-Belly program is a public-private partnership that allows companies to purchase BigBelly solar-powered waste compaction devices for placement in central Portland.

QR codes and NFC tags would be placed on, within or near sustainability enhancements for people to access additional information regarding the installation via their mobile device. Specific content provided may include an image of what the landscape looked like before the sustainability enhancements were made. Or conversely, an image and text content could be provided showing the long-term vision for future sustainability improvements in an area. For example, an image may show an area free of cars, utilizing only public transportation.

:: Leveraging City Amenities

Sponsorships and advertising space may be provided in relation to City amenities, including options such as: pet waste bag dispensers, bike racks, water fountains, bathroom facilities and waste management stations.

REVENUE MODEL

Advertising Sales and Sponsorships ::

PMG has successfully designed, developed and delivered co-marketing campaigns and strategic partnerships that rely heavily on sponsorships, donations, earned media and market funding. PMG will develop sponsorship and advertising packages in addition to cultivating in-kind partnership opportunities within Seattle's media network to expand the campaign reach.

PMG is interested in providing performance-based services to solicit sponsorships and advertising sales, serving as the City of Seattle's media agent.

Partnership Model ::

Partners may be utilized for any physical and digital production required for program executions the City of Seattle pursues. In addition, non-traditional partnerships may be forged with local media, leveraging sales teams and relationships to support PMG in the ad sales and sponsorship partnership recruitment processes.

Campaign Design ::

PMG's initial fees would include a start-up fee, billed per hour or by contract, for the planning, ideation, infrastructure/advertising design, and vendor management efforts to set-up the public-private partnership program.

Revenue Projections ::

The following revenue projections are designed to provide estimated benchmarks for various elements outlined in the mySeattle program. PMG has prepared two revenue projections highlighting conservative and aggressive approaches to incremental revenue generated from the proposed program. Further incremental revenue opportunities will likely be generated through program refinement and advertising / sponsorship development.

mySeattle Advertising / Revenue Projections :: Conservative Approach

	Annual Revenue
mySeattle website advertising	
Banner ads (assumes $10,000 per month, blended)	$120,000
Annual sponsorship (assumes 10x sponsors @ $20k blended sponsor rate annually)	$200,000
Directory (assumes 100 businesses @ $500 annually)	$50,000
App advertising	
App sponsorship (assumes 10x sponsors @ $5k ea annually)	$50,000
App listing (assumes 50 businesses @ $200 ea annually)	$10,000
App offer (assumes $5k per business x20 companies, frequency TBD)	$100,000
Augmented Reality add-on ($20,000 per company, x5 companies annually)	$100,000
Traditional advertising	
Information booth sponsorship (~20 booths x$5k per month)	$1,200,000
Entertainment booth sponsorship (assumes 5 booths @ $50,000+materials donation annually)	$250,000
Sustainability booth sponsorship (assumes 5 booths @ $50,000+materials donation annually)	$250,000
Art Fixtures sponsorship ($100,000 fee x15 fixtures annually)	$1,500,000
City Fixtures sponsorship (~30 fixtures x$2,500 per month)	$900,000
Estimated Annual Revenue to City of Seattle*	**$4,730,000**

Excludes program set-up, media commissions

mySeattle Advertising / Revenue Projections :: Aggressive Approach

	Annual Revenue
mySeattle website advertising	
Banner ads (assumes $20,000 per month, blended)	$240,000
Annual sponsorship (assumes 20x sponsors @ $20k blended sponsor rate annually)	$400,000
Directory (assumes 100 businesses @ $500 annually)	$50,000
App advertising	
App sponsorship (assumes 50x sponsors @ $5k ea annually)	$250,000
App listing (assumes 200 businesses @ $200 ea annually)	$40,000
App offer (assumes $5k per business x100 companies, frequency TBD)	$500,000
Augmented Reality add-on ($20,000 per company, x10 companies annually)	$200,000
Traditional advertising	
Information booth sponsorship (~20 booths x$10k per month)	$2,400,000
Entertainment booth sponsorship (assumes 5 booths @ $100,000+material donation annually)	$500,000
Sustainability booth sponsorship (assumes 5 booths @ $100,000+material donation annually)	$500,000
Art Fixtures sponsorship ($250,000 fee x15 fixtures annually)	$3,750,000
City Fixturse sponsorship (~30 fixtures x$2,500 per month)	$900,000
Estimated Annual Revenue to City of Seattle*	**$9,730,000**

Excludes program set-up, media commissions

Timeline ::

A detailed project timeline and budget will be provided upon program acceptance, reflecting incremental program refinements and requirements from the City. For planning purposes, based on prior experience, the following timeline reflects key planning timeframes, though important to note, some activities are able to run in tandem:

- Kick-off and development (1-2wks)
- Program strategy and refinement (4-6wks)
- Branding and creative development (6-8wks)
- Digital development – website, App (12-14wks)
- Partner and advertising program development (4-6wks)
- Fixture identification and adverting platform design (4-6wks)
- Media and public relations strategy and development (4-6wks)
- Advertising package and rate card development (2-3wks)

Thank you.

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