

Minnesota Department of Transportation

Rest Area

INFORMATION

Number of Persons Rest Area per Day	Estimated Avg. Number of Persons Entering Rest Area Building per Day
persons	622 persons

75% of those stopping entering the building.



Rest Area Sponsorship Study



Telephone Interviews
with
Minnesota Businesses

December, 2003

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Project Background

The State of Minnesota, through the Minnesota Department of Transportation (Mn/DOT), manages a statewide system of rest areas and travel information centers. Mn/DOT is interested in exploring various approaches to help the State of Minnesota fund rest area maintenance and operations. One option under consideration is a corporate sponsorship program. Business sponsors would agree to pay money to help fund the maintenance and operation costs of these existing facilities. In exchange, sponsors would be given some degree of exposure for their business at a Mn/DOT rest area and/or travel information center.

A research program was designed to address a combination of objectives and customer segments. The design included multiple methodologies. To address the business community, a two-phased approach was utilized. In the first phase, one-on-one interviews were conducted to identify the sponsorship issues important to the business community as well as the scope of questions to ask of the MN business market. Two focus groups were also conducted among users of rest areas to identify sponsorship issues of importance among the general public.

The information learned in Phase I was used to build a survey instrument reflective of market interest and concerns; and then administered to a representative sample of Minnesota businesses in Phase II (148 businesses were interviewed).

This report contains the findings of the 148 business interviews conducted in December, 2003.

Project Objectives

The overall objective of this project is to determine the marketability of business sponsorships for Mn/DOT's Class I and Class II Rest Areas and Travel Information Centers among Minnesota businesses. Marketability includes the following:

- Identify which elements of a sponsorship program are most appealing and marketable to the business community.
- Understand the expectations of the business community in exchange for a financial commitment to sponsor a rest area.
- Determine potential interest of the business community in investigating a Mn/DOT rest area sponsorship program.
- Identify potential barriers or impediments that relate to program participation.
- Determine the perceived value of sponsorship by classification of rest area.
- Understand if there are potential differences in expectations and/or interest by size of sales revenue.
- Profile business types with varying sponsorship interest levels.

Methodology

Telephone interviews were conducted with a stratified random sample of Minnesota businesses. A total of 148 interviews were completed. Respondents were screened to be responsible for making decisions about their company's advertising, promotion, sponsorship programs or charitable giving programs. Respondents were also screened for familiarity with Minnesota's roadside rest areas.

Calling records were purchased from Survey Sampling, a firm widely recognized as a reliable and cost-effective source of sample for studies of all types. Prior to purchasing sample, a count of Minnesota businesses by annual sales volume was reviewed. To insure that information was collected from a cross section of businesses, quotas were established for six different groups. These groups are identified in the table below. A random sample was drawn for each of the business groups. From a separate list, interviews were also completed with Chamber of Commerce's in communities located near rest areas. At the end of the interview, respondents were asked their company's total sales revenue for 2002. Companies were classified into groups for analysis based on this response.

Interviews were conducted by MarketLine Research from their calling facility in Minneapolis. All telephone interviews were completed during the time period December 3 through December 23. The average interview length was 17 minutes. A total of 3,255 calls were attempted to complete the 148 interviews. The margin of error for a sample of this size is +/- 8.1%. A copy of the questionnaire is provided in the Appendix.

Minnesota Business Annual Revenue Selections			
<i>SSI Breakouts</i>	<i>MN Business Counts</i>	<i>Sample Breakouts</i>	<i>Interviews Completed</i>
Under \$1 million	177,888	Under \$1 million	10
\$1.0 - \$4.9 million	13,967		
\$5.0 - \$9.9 million	2,443	\$1.0 - <\$10.0 million	43
\$10.0 - \$24.9 million	1,677	\$10.0 - \$24.9 million	21
\$25.0 - \$74.9 million	857	\$25.0 - \$74.9 million	24
\$75.0 - \$199.9 million	240	\$75.0 - \$249.9 million	14
\$200.0 - \$499.9 million	84		
\$500.0 - \$999.9 million	30		
\$1.0 billion +	40	\$250.0 million +	29
Chamber of Commerce			7
Total	197,226		148

Note of caution: Small base sizes when viewing data by revenue size.

Executive Summary

Rest Area Appeal

A strong majority have positive impressions of the state's rest areas.

Sponsorship Experience

➤ Most companies are approached quite often to sponsor an event or program, regardless of the size of the company. Two thirds are approached at least every month.

➤ A majority of companies (two thirds) were involved as a sponsor in the past year, while one third did not participate at all.

➤ There is a lot of diversity in the types of events or programs that companies sponsor. Although there may be a great variety of events available to participate in, most companies are very selective in the type of events they sponsor. They want to sponsor events that fit with their company's mission and audience.

The larger companies, compared to smaller companies, seem more likely to sponsor events or programs that don't have an immediate pay back – non-profits or charitable events and environmental programs. Smaller companies tend to support events that are very localized and are more likely to have an immediate impact on their business – customer appreciation, new customer development or good will.

➤ Only half the companies indicated that they have established criteria to help them evaluate sponsorship opportunities.

➤ The major factors that companies consider when deciding whether or not to participate are relatively straightforward. There isn't one or two major criteria, there are multiple considerations. The primary considerations are understanding who will benefit as a result of this event; how much of a financial commitment is required; does it fit the company's mission or philosophy; who will attend; and is the location within their marketing area.

➤ Companies tend to ask themselves the obvious questions about an event or program. All the criteria eventually leads back to what they think they'll get out of participating. That is, how it will impact their business and whether the type of event appeals to them. Although there may be good intentions or a demonstration of community spirit; they really want some type of financial return for their support.

➤ The benefits of sponsorship mentioned most often are name visibility and the opportunity to be perceived as a good corporate citizen in their community.

➤ The problems of a sponsorship mentioned most often relate to three things: being able to justify the costs because they aren't sure what they received in return for their investment; feeling the loss of control because the funds weren't spent wisely; and realizing that the people who attended weren't a "good fit" for their business.

➤ Companies are concerned about measuring the return on their investment, loss of direct control, and addressing the right audience.

Initial Reaction to Concept

- Half the respondents had a positive reaction to the sponsorship concept, whereas one in five had a negative reaction. Over two thirds of the transportation related companies were in favor of the idea.
- People in favor of the sponsorship idea think it's a good way for a company to gain visibility and/or a good way for the state to generate revenue without increasing taxes.
- People opposed to the idea don't like mixing the public and private sectors, or they are concerned that the rest areas may become privatized/commercialized.
- Nearly eight of 10 think it is appropriate for the public and private sector to work together on programs like the Rest Area Sponsorships. Chamber of Commerce's, transportation oriented companies and small businesses tend to be the groups who favor the idea most.
- More than eight in ten companies think that the proposed number of signs provides adequate exposure for a sponsor. Almost three fourths of the largest companies think the amount of exposure is what they would expect.
- A majority think that the potential areas for more exposure do add some value. Fewer than 15% think that the elements mentioned add a great deal of value.
- A majority think that a display case inside the main building does add value to the program. One fourth of the people think that the display case adds a great deal of value.
- A vast majority of people don't think the program as presented should be changed.
- Almost eight in ten people would like more information before making a decision about participating in the program. Their requests focused on the numbers and type of people who use the rest areas; rest area locations; more details about the signage and details about the program itself. In addition, some wanted more information about how their specific company would benefit.

Interest in Concept Participation

Full Service Rest Area

- The majority of companies express little interest in the sponsorship program. Nearly one in five companies expressed interest in investigating the sponsorship program further (assuming it was available). Transportation related companies tended to express the most interest.

Pricing Reaction

- Over 80% would expect to pay less than \$70,000 for a Full Service Rest Area Sponsorship
- When asked at what price a FULL SERVICE rest area is a BARGAIN, the average price was \$22457. When asked at what price a full service rest area is EXPENSIVE, the average price was \$53694. A graph of the Bargain and Expensive pricing information shows that the two lines cross at \$28,000 – a price where the number of people who regard the price as a bargain is equal to the number of people who regard the price as expensive. This generally represents the median price.

Interest in Concept Participation

Limited Service Rest Area

➤ Only one in ten companies expressed interest in investigating the sponsorship program (assuming it were available for Limited Service Rest Areas). Chamber of Commerce and transportation related companies tended to express the most interest.

Pricing Reaction

➤ 80% would expect to pay less than \$15,000 for a Limited Service Rest Area Sponsorship

➤ When asked at what price a LIMITED SERVICE rest area is a BARGAIN, the average price was \$3632. When asked at what price a limited service rest area is EXPENSIVE, the average price was \$11141. A graph of the Bargain and Expensive pricing information shows that the two lines cross at \$5,000 – a price where the number of people who regard the price as a bargain is equal to the number of people who regard the price as expensive. This generally represents the median price.

Sponsorship Duration

➤ Half the respondents would expect to have exclusive rights for one year while one fourth expect this sponsorship term to last at least two or three years.

Sponsorship Sharing

➤ Without making a commitment, one third of the respondents indicated that they would rather partner with other firms to sponsor rest areas than to have an individual sponsorship. Interest in being a sponsor increased dramatically once the offer was made to share the cost and recognition with other companies.

Sponsorship Dollars

➤ Over half of the companies think they would classify a rest area sponsorship as an advertising expense. One third think that they would consider it a good will expense, or the cost of being a good corporate citizen.

Planning and Marketing Considerations

Although companies - regardless of annual revenue – expressed limited interest in the program, it appears that a corporate rest area sponsorship program is a viable program for selected businesses. Businesses and consumers alike have a very positive perception of the statewide system of rest areas. This adds to the viability of such a program and Mn/DOT should consider the following to refine the program and define its niche market:

- Cost of a sponsorship is critical to the program's interest and pricing needs to fit the perceived value for the exposure received. Since this is a new concept, most companies don't have a point of reference to relate potential benefits to cost. Mn/DOT should continue to evaluate its cost structure for the rest area program in order to set an optimal acceptable price based on setting an objective to maximize revenue.
- Engage a marketing consultant to help identify potential sponsors and marketing support when approaching companies and/or agencies. This will also provide Mn/DOT negotiating flexibility. A consultant can:
 - ◆ develop marketing communication materials that clearly identify and detail the benefits of sponsorship
 - ◆ determine the potential advertising value of proposed signage and other potential elements of the program
 - ◆ determine potential pricing of the program relative to other marketing opportunities
- Consider the possibility of having public discussion of a rest area sponsorship program. This would provide an opportunity to gauge public support for such a program and measure businesses' interest in participating. This may present the opportunity to gain input on pricing of such a program.
- It is advised that different price levels for a sponsorship be tested.
- The level of proposed signage and exposure for a sponsor is perceived to be appropriate. Consider adding to the elements that were tested (brochures, maps, website, display cases, etc.) as a means of adding value and providing flexibility to the program. These types of recognition opportunities also help a buyer rationalize the purchase.
- For added flexibility with different sizes or types of companies, consider both an individual sponsorship program and a partnership program.
- There are potential program issues that Mn/DOT should prepare to address. The research identified that some people are concerned about commercializing rest areas. Any sponsorship program needs to consider communications that would address these concerns.

- Even though there wasn't strong interest in the Rest Area Sponsorship program with any of the business groups, the results of the study provide a great deal of information to refine the concept and prepare for possible implementation.
- Because of the increased interest in joining with other companies to be a rest area sponsor, consider evaluation of both an individual sponsor program and a partnership program. It may be possible to implement both programs.
- There are potential issues with this program that Mn/DOT needs to be prepared to address.
 - ◆ The research identified that some people are concerned about commercializing the rest areas. Any sponsorship program needs to consider these concerns.
 - ◆ There are a relatively small number of business people who are not in favor of a corporate sponsorship program. They are against partnerships between the public and private sectors. This seems to be related to individual's opinions, not the businesses.
- Consider the possibility of having public discussion of a rest area sponsorship program. This would provide an opportunity to gauge public support for such a program and measure businesses' interest in participating.

This may present the opportunity to gain input on pricing of such a program. The potential success of this program will depend on testing new price points.

Summary of Detailed Findings

Rest Area Appeal

QD. Before we begin, what is your overall impression of Minnesota's roadside rest areas?

A strong majority have positive impressions of the state's rest areas.

Impression of Minnesota's Roadside Rest Areas

Rating Scale	All Companies	Company Annual Revenue						Chamber of Commerce
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More	
Very good/Good	85%	80%	84%	86%	84%	93%	86%	100%
Fair/Poor	9	20	12	5	12	0	7	0
Very good	36%	40%	30%	43%	38%	50%	31%	43%
Good	49	40	54	43	46	43	55	57
Fair	8	20	12	5	8	0	7	0
Poor	1	0	0	0	4	0	0	0
<i>n =</i>	148	10	43	21	24	14	29	7

Sponsorship Experience

Q1. Thinking now about your company's advertising and promotion programs, what different media vehicles do you typically use?

**Print vehicles are used by the greatest number of companies – large and small.
Only one percent of all companies stated that they don't do any advertising.**

Advertising and Promotion Vehicles Companies Use

Media Vehicles	All Companies	Company Annual Revenue						Chamber of Commerce	Transportation Companies	Customer Base	
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More			Consumer	Business to Business
Newspapers	44%	50%	46%	48%	42%	36%	31%	86%	38%	70%	21%
Radio	33	40	26	38	42	21	28	71	23	58	12
Direct Mail	26	10	21	33	29	43	28	0	38	27	26
Magazines	24	0	21	24	21	43	24	43	46	17	29
Internet	18	0	21	19	17	29	17	0	23	15	22
Television	14	10	12	10	9	7	28	14	31	27	4
Trade Shows	10	0	9	14	12	14	10	0	0	0	20
Billboards	10	10	5	0	4	14	24	14	31	17	4
Trade Publications	9	0	2	0	4	36	21	0	31	2	16
Yellow Pages	9	20	19	5	4	0	3	0	15	14	5
Do not advertise	1	0	0	10	0	0	0	0	0	0	3
<i>n =</i>	148	10	43	21	24	14	29	7	13	66	77

In addition to the media vehicles listed above, other types mentioned included: Seminars, Free standing inserts, Tip-ins, Flyers, Telemarketing, Brochures, Promotional giveaways, Public Relations, Coupon books, Tractor trailer graphics, Sponsorships, Word-of-mouth, Newsletters
Note: Multiple responses accepted; total may exceed 100%.

Both traveler media vehicles – radio and billboards - are used by one quarter or more of the companies with \$250 million or more in revenue and transportation oriented companies. Although billboards are used by only 10% of all the companies, one fourth of the largest companies and one third of the transportation oriented companies indicated that they use billboards as part of their communication program.

Media vehicles with a broader reach – newspapers, radio and television – tend to be employed more often by consumer oriented companies than those with a business-to-business orientation.

Q4. How often is your company approached and asked to sponsor an event or program?

Most companies are approached quite often to sponsor an event or program, regardless of the size of the company. Two thirds are approached at least every month.

Frequency of Being Approached for a Sponsorship

Rating Scale	All Companies	Company Annual Revenue						Chamber of Commerce
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More	
At least monthly	64%	50%	60%	62%	67%	71%	69%	71%
At least once a week	28%	20%	30%	33%	25%	7%	38%	14%
Once a month or more often	36	30	30	29	42	64	31	57
Once every two or three months	16	30	14	14	25	14	7	14
Less often than that	19	20	26	24	8	14	17	14
	<i>n</i> = 148	10	43	21	24	14	29	7

Later in the interview, many of the executives talked about how often they were approached. They talked not only about the number of times they are approached to sponsor an event or program, but also the many different groups asking for their support. A good number of companies are offered many more opportunities than they can possibly support. As a result, many are frustrated about being bothered so often.

Typical comments talking about the frequency of requests and their frustration included:

- ◆ “You get so many of them. You get way too many of them that you can't sponsor.”
- ◆ “There are so many, it is hard to choose.”
- ◆ “Too many opportunities. There are unlimited opportunities for us; therefore, we have to be very judicious about the decisions we have to make.”
- ◆ “Too many, once you do it once, you are doing it all the time.”
- ◆ “Sponsorships, once you do it once, you do it all the time.”
- ◆ “They keep asking all the time! You sponsor something once and they'll ask you to sponsor everything.”
- ◆ “They keep asking every time, the same companies ask monthly almost.”

Q2. How many times in the past year has your company participated in sponsorships? In this case, we mean events or programs that receive corporate financial support and publicity, but are not done for benefiting employee clubs or other employee activities.

A majority of companies (two thirds) were involved as a sponsor in the past year, while one third did not participate at all.

Number of Times Participated in Sponsorships

Number of Times Participate in Sponsorships	All Companies	Company Annual Revenue						Chamber of Commerce	Transportation Companies
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More		
None	32%	70%	37%	29%	38%	21%	17%	14%	23%
1 or 2	16	0	19	14	8	21	21	29	0
3 to 5	23	10	14	19	38	36	24	29	8
6 to 9	7	10	14	0	4	7	3	14	15
10 to 15	8	0	9	5	4	14	10	14	23
16 to 29	5	0	7	10	4	0	3	0	8
30 or more	5	10	0	14	4	0	10	0	15
Mean	5.82	4.10	4.30	10.05	5.17	3.71	8.08	4.14	11.83
<i>n =</i>	143	10	43	19	24	14	26	7	12

One in 5 of the larger companies (\$75 million to less than \$250 million) didn't participate as a sponsor for any event or program in the past year.

As may be expected, the smallest companies – those less than \$1 million in annual sales revenue – appear least likely to participate in sponsorships.

Transportation companies who participated in the study reported sponsoring twice the number of events or programs (11.83) in the past year than the average for all companies (5.82 events). The Chamber of Commerce's participated in events or programs at a level very similar to that of the lowest revenue companies.

Note: This question addressed the number of times a company participated as a sponsor in some event or program. We did not ask about any financial commitments for any of the sponsorships.

Q3. What type of events or programs do you typically sponsor?

There is a lot of diversity in the types of events or programs that companies sponsor. Although there may be a great variety of events available to participate in, most companies are very selective in the type of events they sponsor. They want to sponsor events that fit with their company’s mission and audience.

The larger companies, compared to smaller companies, seem more likely to sponsor events or programs that don’t have an immediate pay back – non-profits or charitable events and environmental programs. Smaller companies tend to support events that are very localized and are more likely to have an immediate impact on their business – customer appreciation, new customer development or good will.

Type of Event or Program Sponsored	All Companies	Company Annual Revenue						Types of Sponsorships	
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More	Chamber of Commerce	Transportation Companies
Net - Sports Related	26%	0%	22%	38%	33%	36%	24%	0%	44%
Net – School Events/Educational	23	67	33	15	27	27	5	17	11
Net – Community Events	19	33	15	8	20	9	19	67	11
Net – Health Related	16	0	22	15	0	36	14	0	0
Youth Programs/Organizations	15	33	18	15	20	9	5	17	0
Industry Related/Industry Shows	8	0	4	8	13	9	14	0	33
Charitable Events/Non-Profits	6	0	0	8	0	9	19	0	22
Environmental Programs	6	0	7	8	0	0	14	0	0
Others	12	0	7	8	0	0	14	0	0
	n = 96	3	27	13	15	11	21	6	9

Note: Multiple responses accepted; total may exceed 100%.

Differences between the larger companies and smaller companies are not necessarily the type of events or programs sponsored; it’s often the level of involvement. For example, sponsoring a Minnesota Twins broadcast as compared to sponsoring the local T-ball team.

Q5. Do you have established criteria that you use to determine whether or not to participate as a sponsor for an event or program?

Only half the companies indicated that they have established criteria to help them evaluate sponsorship opportunities.

Companies With Criteria to Evaluate Sponsorship Opportunities

<i>Have Established Criteria</i>	<i>All Companies</i>	<i>Company Annual Revenue</i>						<i>Chamber of Commerce</i>	<i>Transportation Companies</i>
		<i>Less than \$1M</i>	<i>\$1M - \$9.9M</i>	<i>\$10M - \$24.9M</i>	<i>\$25M - \$74.9M</i>	<i>\$75M - \$249.9M</i>	<i>\$250M or More</i>		
Yes	49%	30%	46%	43%	50%	64%	52%	71%	31%
No	51	70	54	57	50	36	48	29	69
<i>n =</i>	<i>148</i>	<i>10</i>	<i>43</i>	<i>21</i>	<i>24</i>	<i>14</i>	<i>29</i>	<i>7</i>	<i>13</i>

Neither the level of sponsorship activity nor sales revenue are not good indicators of whether or not a company uses established criteria to help them evaluate the appropriateness of an event. Seven in ten transportation related companies don't have established criteria even though they had the highest number of sponsorships in the past year (mean of 11.83 events). Half of the companies with \$250 million or more in sales revenue said that they don't have established criteria.

This provides an interesting opportunity for a new program. Since many companies must make subjective judgments about the merits of each sponsorship opportunity, anyone seeking a sponsor for their event or program needs to clearly define the potential benefits of sponsorship, list the important elements which may impact a company's business, and describe fully who is expected to attend.

Q6. What are the major factors you consider when deciding whether or not to participate as a sponsor of an event or program?

The major factors that companies consider when deciding whether or not to participate are relatively straightforward. There aren't one or two major criteria, there are multiple considerations. The primary considerations are understanding who will benefit as a result of this event; how much of a financial commitment is required; does it fit the company's mission or philosophy; who will attend; and is the location within their marketing area.

Major Factors Considered When Evaluating Sponsorship Opportunities

Factors Considered When Evaluating a Sponsorship Opportunity	All Companies	Company Annual Revenue						Chamber of Commerce
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More	
Net – Who Benefits	38%	10%	35%	48%	29%	36%	48%	57%
- beneficial to our business/our industry	16	0	19	14	12	7	21	43
- benefits to community	13	0	5	14	21	21	10	43
- who benefits/who benefits most	5	10	2	14	21	21	10	43
Net – Cost Factor/Concerns	33%	30%	37%	33%	25%	43%	31%	29%
- cost/financial commitment	18	10	19	14	8	21	31	14
- sponsorship budget	8	20	7	14	12	7	0	0
- cost benefit ratio/bang for the buck	6	0	12	5	4	7	0	14
Net – Type of Organization	26%	20%	30%	29%	25%	14%	28%	14%
- core value of organization	7	0	9	10	4	7	10	0
- if youth program/helping kids	7	20	7	10	4	0	7	0
- if non-profit/ charitable organization	5	0	9	0	4	7	7	0
Net - Audience	18%	0%	12%	10%	29%	36%	24%	0%
- visibility/impact/who attends	15	0	12	10	25	29	17	0
Net - Location	16%	10%	28%	5%	17%	7%	10%	14%
- local event/if close	10	10	21	5	4	7	3	14
	<i>n</i> = 148	10	43	21	24	14	29	7

Only factors mentioned by 5% or more of the respondents are listed.
Multiple responses accepted, totals may exceed 100%.

Q6. What are the major factors you consider when deciding whether or not to participate as a sponsor of an event or program? (open-ended responses)

Companies tend to ask themselves the obvious questions about an event or program. All the criteria eventually leads back to what they think they'll get out of participating. That is, how it will impact their business and whether the type of event appeals to them. Although there may be good intentions or a demonstration of community spirit; they really want some type of financial return for their support.

Critical factors are: what's in it for my company, how much will it cost, is it a good fit, who will attend and where is it?

When asked what factors are considered when deciding whether or not to participate as a sponsor for an event or program, typical responses included:

- ◆ “What the value is to the company. Does it promote what our company has to offer? Does it align with what we do as a business? What I mean is, we are a solution provider so we try to keep our focus within the industry, is it going to benefit the industry? Our company wouldn't market what we sell to the masses.”
- ◆ “If it's local or not, well we do the local things just to support our local school clubs or whatever it is.”
- ◆ “How much it costs and where it is going to be located.”
- ◆ “What the program is, who it benefits and who the group is that's holding it, what they're core values are or what the beliefs of the organization are.”
- ◆ “Is audience at the event a good match for the strategic people we want to be influencing, how much bang for the buck, but it's really about the audience.”
- ◆ “We look at each one individually, things that are important are how much it costs and how many people are involved.”
- ◆ “Who'll be there, who'll see it. Whether or not the people participating in the event will know who we are. If not, then it's not beneficial for us to sponsor.”
- ◆ “Costs, price, how much it's going to cost me. Who is the benefactor and that goes in two categories, one of the benefactors would be us -- are we going to generate customers or sales off this promotion. The second part would be what benefit is there to the organization we are supporting.”
- ◆ “Costs fit and efficiency. How much it costs, whether it fits with our business objectives, and whether it's an efficient spending of money to reach my target.”
- ◆ “Who is going to benefit from it? The costs. If it benefits children, that's high on our list...like youth organizations or disadvantaged people.”
- ◆ “Who the audience is? If it really is going to generate any good will to our business. Obviously the perceived cost/benefit ratio.”
- ◆ “Does it fit our product and our representation of what we are as a company? Then after that it's the financial commitment involved and who is the audience.”
- ◆ “Typical advertising measures - the numbers of impressions and then the costs to reach those people and then probably the strategic fit, does it fit what were trying to do.”
- ◆ “The audience that's included. Whether they're people we touch on a daily basis, like people we work with or clients that we need to build relationships with.”
- ◆ “If it has value to our business. That a potential customer might see the sponsorship.”
- ◆ “We look at exposure that we're going to receive, but we have a commitment to the community, so we look at how we can benefit ourselves as well as the community.”
- ◆ “We like to tie it in to some sort of charitable organization that is the primary criteria.”
- ◆ “If I believe in the cause.”

Q7. In your opinion, what are the major benefits of sponsorships to your company?

The benefits of sponsorship mentioned most often are name visibility and the opportunity to be perceived as a good corporate citizen in their community.

Major Benefits of Sponsorship

Major Benefits of Sponsorship to a Company	All Companies	Company Annual Revenue						Chamber of Commerce	Transportation Companies
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More		
Net - Recognition	42%	40%	40%	43%	50%	50%	38%	29%	62%
- name recognition/ awareness	34	30	40	43	42	29	17	29	38
- corporate image	8	10	5	0	8	7	21	0	23
- brand identity	6	0	5	0	12	14	7	0	8
Net – Improve Public Relations	39%	30%	30%	52%	38%	50%	38%	57%	38%
- shows concern for community	20	0	14	33	12	21	24	43	8
- promote good will	14	10	12	10	17	29	10	14	31
- support community events	5	0	2	5	17	0	7	0	0
Net – Marketing Benefits	20%	20%	21%	14%	21%	21%	17%	43%	31%
- exposure to potential clients	10	21	12	5	4	7	7	43	0
- reach customer audience	5	0	5	5	4	7	10	0	15
Advertising exposure	12%	0%	14%	19%	4%	21%	10%	0%	0%
	n = 148	10	43	21	24	14	29	7	13

Although companies talk about the recognition and public relation benefits of being a sponsor, they end up wanting much more. Throughout the survey they continually refer to the fact that they think they should get something in return for their financial commitment. Even as they spoke of support to charities or non-profit organizations they refer to development or reinforcement of their corporate image. Very few companies mention making a commitment of resources while expecting nothing in return.

Almost two thirds of the transportation related companies thought that name recognition was the most important benefit they received from being a sponsor, the highest for any of the business groups divided by sales revenue.

Q7. In your opinion, what are the major benefits of sponsorships to your company? (open-ended responses)

Typical responses explaining the major benefits of sponsorships to their company included:

- ♦ “Name recognition, well they see your name out there so they know that we're around, that's the whole point of advertising right?”
- ♦ “Name recognition. Building awareness of our name with a specific audience or building an association with that group.”
- ♦ “Getting the name out there. Association I guess. Is it a good cause, are they reaching an audience that's your customer.”
- ♦ “Brand awareness. So people recognize our name.”
- ♦ “Just awareness and our image. Awareness of our company and what we stand for.”
- ♦ “Promoting our company's brand image. To make people aware and understand the services we provide to clients.”
- ♦ “Exposure, in terms of increasing your corporate identity recognition and maybe brand identity things of that nature.”
- ♦ “Probably just the exposure. If we sponsor an event and our prospective customers see it, the chance of us getting new customers is greatly increased.”
- ♦ “Increased awareness of our company and our products. Generating potential company contacts, that's about it.”
- ♦ “Getting the name out in the public, an opportunity, face to face, to build business relationships.”
- ♦ “They show community involvement, community pride. It's just a good way to get your name out there.”
- ♦ “Shows that we are giving back to the community. I mean we're helping people that have been using our company and show the community that we are giving.”
- ♦ “I think a good public image. An image of being part of the community, giving back to help the community prosper and grow.”
- ♦ “I would say help us be recognized as a community leader. They would have positive customer opinion about us.”
- ♦ “Public relations and the advertising benefit. Basically we try to give people a good feeling about our business that we are responsible corporate citizens. basically just trying to get more name awareness for our company.”
- ♦ “Good will is part of it, and supporting the industry we are part of.”
- ♦ “Visibility to people in the industry that we do business with. A lot of them are charity related, so it also supports our community.”
- ♦ “My mindset just doesn't run that way. I consider sponsorships a form of charity. There is no financial return. The benefit is good citizenship, doing what is right, and sharing our bounty.”

Q8. What do you think are the major problems or drawbacks of a sponsorship?

Problems of a sponsorship mentioned most often relate to three things: being able to justify the costs because they aren't sure what they received in return for their investment; feeling the loss of control if the funds aren't spent wisely; and realizing that the people who attended weren't a "good fit" for their business.

Problems or Drawbacks of a Sponsorship

Major Problems or Drawbacks of a Sponsorship	All Companies	Company Annual Revenue						Chamber of Commerce
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More	
Net – Cost/Expense Involved	40%	40%	40%	48%	33%	43%	41%	43%
- how to justify costs/assess return	23	20	19	33	17	29	31	0
- cost/expensive/unaffordable	12	20	19	5	8	0	14	14
Net – Type of Sponsorship	34%	10%	39%	38%	46%	21%	38%	43%
- repetitive asking for sponsorships	13	0	16	19	12	7	10	14
- funds not used wisely	6	0	2	5	8	0	14	14
- no tie-in with company products	5	0	5	5	8	7	3	0
Net – Lack of Visibility or Audience	17%	0%	9%	14%	29%	14%	31%	0%
- not targeted to specific audience	10	0	7	5	17	7	17	0
- does not generate leads	5	0	2	10	12	0	3	0
	n = 148	10	43	21	24	14	29	7

It appears that many companies are not very prepared to participate in sponsorships. They don't have established criteria to help them evaluate sponsorship opportunities. Likewise, they don't have established ways to help them measure the success of a sponsorship. As a result, the success of most sponsorships are measured subjectively.

A sponsored event or program should make every effort to provide feedback to its sponsors to demonstrate the event's success. Whenever possible, objective measures and/or factual information should be provided to sponsors.

Q8. What do you think are the major problems or drawbacks of a sponsorship? (open-ended responses)

Companies are concerned about measuring the return on their investment, loss of direct control, and addressing the right audience. They also tend to think of sponsorships as an expense, not a donation.

Typical responses relating problems or drawbacks of a sponsorship included:

- ◆ “Deciding who to fund. Deciding to alienate those not to fund. There's probably about 200 events/organizations who would like us to sponsor their event and we can't do very many of them.”
- ◆ “The costs to benefit ratio is number one.”
- ◆ “Return on investment. Does it generate any leads or opportunities for us as a business?”
- ◆ “Cost is the primary problem. Whether or not the benefits, measuring the benefits we would get from cost. We do some charitable giving and we expect nothing in return. But when we are talking sponsorship, we need a positive return on our investment.”
- ◆ “It's not a measurable investment with an ROI, return on investment, for every dollar you spend, you have to get something back, at least double and that's not really measurable.”
- ◆ “Lots of times its inability to track the value back to us. Inability to assess return on investment.”
- ◆ “You don't get the rate of return you expect.”
- ◆ “There's no way of knowing how much you get return out of those, sometimes you hear but most times people don't say anything, you don't know what your dollar got you, how much return your getting.”
- ◆ “Costs, a lot of times sponsorships are high, they're expensive and from a marketing perspective, you're not guaranteed to reach your market.”
- ◆ “They don't tie into the company's products or services and it's the wrong audience.”
- ◆ “You spend money on people that don't fall into your target market.”
- ◆ “Effectiveness in reaching our target audience. I can't customize my message and I can't target it to the people I want to reach.”
- ◆ “Not knowing where you money is spent and ROI--not knowing the return on investment. Also, not knowing or determining who and how many you're reaching.”
- ◆ “I guess how well the mission is defined, the purpose of it. If it is clearly defined what the organization is going to do, and how the money is going to be used. It isn't always clear.”
- ◆ “Events that are poorly executed, you don't get the exposure you want or paid for.”

Initial Reaction to Sponsorship Concept

Q9. Using a 10-point scale where 10 means Sponsorship is an “Excellent” idea and 1 means it is a “Poor” idea, how good of an idea do you think this is as a means to offset the cost of maintaining the state’s rest areas?

All respondents were read the following concept which introduced the idea of a corporate sponsorship program.

Rest Area Sponsorship Concept (as read to respondents)

In response to reduced operating dollars, the State of Minnesota is considering different options to fund rest area maintenance and operations. As I mentioned, one option being considered by the State is a corporate sponsorship program for both its FULL SERVICE rest areas and its LIMITED SERVICE rest areas. These are the rest areas along major State highways and freeways. So that everyone has the same information, I’m going to read a brief description of the program Mn/DOT is considering.

The State is considering seeking businesses to sponsor Minnesota rest areas. Business sponsors would agree to pay money to help fund the maintenance and operation costs of these existing facilities. In exchange, the State would list the sponsor’s name and logo in the rest area as well as along the highway as motorists approach and leave the rest area.

Half the respondents had a positive reaction to the sponsorship concept, whereas; only one in five had a negative reaction. Over two thirds of the transportation related companies were in favor of the idea.

Reaction to Sponsorship Idea	All Companies	Company Annual Revenue						Reaction to Sponsorship Idea	
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More	Chamber of Commerce	Transportation Companies
Positive reaction to the concept <i>Rate idea 7, 8, 9 or 10</i>	53%	70%	49%	57%	50%	50%	52%	57%	69%
Neutral <i>Rate idea 5 or 6</i>	27	30	21	24	38	29	24	43	23
Negative reaction to the concept <i>Rate idea 1, 2 3, or 4</i>	20	0	30	19	12	21	24	0	8
Mean	6.26	7.30	5.86	6.67	6.54	6.00	6.03	6.57	6.85
Base =	148	10	43	21	24	14	29	7	13

There are not dramatic differences between any of the business groups based on annual sales volume.

Q10. Respondent were asked to explain their rating 1 – 10 rating of the sponsorship idea.

Companies in favor of the sponsorship idea think that it's a good way for a company to gain visibility and/or a good way for the state to generate revenue without increasing taxes.

Typical responses of those in favor of the sponsorship idea included:

- ◆ “Because for the state it's a great opportunity to raise money from a corporate standpoint it fulfils corporate advertising desires, they could have thousands of vehicles driving by even if they don't use the rest stop. You would get a lot of visibility.”
- ◆ “Cause I think there will be people willing to jump on it, with the right companies they would be willing to put their name on an opportunity like that, especially guys with like Coke or Pepsi, I think the only potential downfall is people thinking everything is becoming an ad, and I think the sponsors will need to feel you'll have high enough quality at the facilities to get them to put they're name on it.”
- ◆ “I think it's a good idea. I think it's a good avenue for a business to advertise and I also think it's a good way for the sate of MN to offset some costs.”
- ◆ “I think it has the potential if the roadside rests are married with the right company and image it would have appeal to the companies looking for new appeals to promote their brand.”
- ◆ “It's creative. It's a new idea to offset costs, I think it's a good idea. With budget cuts and everything, I think it's a better way to offset the costs rather than come up with new taxes.”
- ◆ “Because I think there's a mutual benefit for the organization and MN. The organization gains advertising awareness and the perception of being a good community player and then MN gains offsetting revenue.”
- ◆ “Because the rest areas are a valuable commodity for the state and public and this provides businesses to underwrite those costs. They would have the ability to gain value through community awareness and good will. MN rests areas are perceived as some of the best in the country also.”

Individuals opposed to the idea don't think that there should be a mixing of the public and private sectors, or philosophically don't like the idea. Others are concerned that rest areas may become privatized/commercialized.

Typical responses of those opposed to the sponsorship idea included:

- ◆ “I think the state has other places they can save money to keep other things going they don't need to keep dipping into the pockets of business. I think that state functions should be funded by state money, not from private business money.”
- ◆ “I have mixed emotions about coming to corporations when it should be a state venture. I realize that there are budget cuts, but I think it is the responsibility of the state to fund it, we all have our responsibilities.”
- ◆ “I don't know that the rest areas would necessarily cater to the target audiences that a lot of corporations may be looking for and you know in terms of usage I don't know, I'm sure they have research on the number of visitors and demographics. If they don't it would be hard to justify a program.”
- ◆ “The state should maintain them, not try to privatize them.”

Q12a. How appropriate do you think it is for state government to enter into business partnerships such as this with the private sector?

Nearly eight of 10 think it is appropriate for the public and private sector to work together on programs like the Rest Area Sponsorships. Chamber of Commerce’s, transportation oriented companies and small businesses tend to be the groups who favor the idea most.

Public Private Partnership Reaction

Appropriateness of Public Private Partnerships	All Companies	Company Annual Revenue						Chamber of Commerce	Transportation Companies
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More		
Appropriate <i>Rate 3 or 4</i>	78%	90%	74%	76%	83%	71%	76%	100%	92%
Not appropriate <i>Rate 1 or 2</i>	20	10	26	19	17	28	21	0	0
Very appropriate (4)	31%	20%	35%	38%	25%	14%	38%	29%	46%
Somewhat appropriate (3)	47	70	40	38	58	57	38	71	46
Not very appropriate (2)	15	10	23	10	13	14	14	0	0
Not at all appropriate (1) <i>n =</i>	5 148	0 10	2 43	10 21	4 24	14 14	7 29	0 7	0 13
Mean	3.05	3.10	3.07	3.10	3.04	2.71	3.11	3.29	3.50
<i>Base =</i>	146	10	43	20	24	14	28	7	12

Almost half the transportation oriented companies indicate that they think the sponsorship idea is “Very appropriate”. Slightly less than four in ten of the largest companies think the idea is “Very appropriate”.

Q13. Still thinking about this idea of businesses participating in a sponsorship program. The amount of exposure a SPONSOR would receive is the company's name and logo on a large sign along the roadway just before the rest area, another smaller sign on the rest area site, a plaque inside the building and a sign on the acceleration ramp leading back to the highway. Thinking specifically about your own company, do you think this amount of exposure for being a sponsor is more than you would expect, less than you would expect, or just what you would expect?

More than eight in ten companies think that the proposed number of signs provides adequate exposure for a sponsor. Almost three fourths of the largest companies think the amount of exposure is what they would expect.

Reaction to Proposed Signage

Reaction to Proposed Signage	All Companies	Company Annual Revenue						Chamber of Commerce	Transportation Companies
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More		
More than expected	28%	40%	42%	29%	17%	29%	7%	43%	8%
Just what expected	57	60	51	48	67	43	72	43	69
Less than expected	10	0	5	19	8	21	10	14	23
<i>n</i> =	148	10	43	21	24	14	29	7	13
Mean	2.19	2.40	2.38	2.10	2.09	2.08	1.96	2.29	1.85
Base =	140	10	42	20	22	13	26	7	13

Almost one fourth of the Transportation related companies indicated that the proposed number of signs is less than they would expect. This is also the group that believes the most important benefit of a sponsorship is visibility, name recognition.

Q14. The program may also include other potential areas to recognize sponsors, for instance a prominent display in Mn/DOT's State Fair booth, at Transportation conferences, in a special brochure for travelers, on the State highway map and listing on the rest area website. In your opinion, how much value do these potential areas of exposure add to the sponsorship program? A great deal of value, some value, very little value, or no value at all?

A majority think that the potential areas for more exposure (State Fair booth, highway map, website, etc.) do provide some additional value. Fewer than 15% think that the elements mentioned add a great deal of value.

Perceived Value of Additional Exposure Elements

Perceived Value of Additional Elements	All Companies	Company Annual Revenue						Chamber of Commerce	Transportation Companies
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More		
Add value <i>Rate 3 or 4</i>	70%	80%	70%	76%	70%	71%	62%	72%	69%
Add little or no value <i>Rate 1 or 2</i>	30	20	30	24	29	29	38	28	31
A great deal of value (4)	14%	40%	21%	5%	8%	21%	0%	29%	7%
Some value (3)	56	40	49	71	62	50	62	43	62
Very little value (2)	20	20	14	19	17	29	31	14	23
No value at all (1)	10	0	16	5	12	0	7	14	8
Mean	2.75	3.20	2.74	2.76	2.67	2.93	2.55	2.86	2.69
Base =	148	10	43	21	24	14	29	7	13

A majority of the largest companies (\$250 million or more) think that these elements add “some value”, none think that they add “a great deal of value”.

Q15. If a display case was provided inside the main building to display your company's products or services, or to tell a story about your company, how much value do you think this would add to the sponsorship program? Would you say a great deal of value, some value, very little value, or no value at all?

***A majority think that a display case inside the main building does add value to the program.
Of these, one fourth think that it adds a great deal of value.***

Perceived Value of Display Case

Perceived Value of Display Case	All Companies	Company Annual Revenue						Chamber of Commerce	Transportation Companies
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More		
Add value <i>Rate 3 or 4</i>	70%	60%	72%	67%	67%	79%	69%	71%	85%
Add little or no value <i>Rate 1 or 2</i>	30	40	28	33	29	21	31	29	15
A great deal of value (4)	26%	30%	32%	14%	25%	29%	17%	43%	23%
Some value (3)	44	30	40	52	42	50	52	29	62
Very little value (2)	19	30	14	19	17	21	24	14	15
No value at all (1)	11	10	14	14	12	0	7	14	0
Mean	2.85	2.80	2.91	2.67	2.83	3.07	2.79	3.00	3.08

Base = 147 10 43 21 23 14 29 7 13

Respondents tended to perceive more value from a potential display case on-site than they did from other elements that may broaden awareness of their participation in the sponsorship program.

Q16. If you could change or modify anything you have heard about this concept, what might it be?

A majority of companies weren't able to offer suggestions to change or modify the program.

Suggestions for Concept Improvement

Perceived Value of Display Case	All Companies	Company Annual Revenue						Chamber of Commerce	Transportation Companies
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More		
No suggestions/Nothing	43%	70%	44%	24%	42%	43%	55%	14%	62%
Don't know	12%	20%	12%	24%	12%	0%	3%	13%	0%
Net - Signage	10%	0%	9%	10%	8%	21%	7%	14%	8%
- fewer signs/less commercial	5	0	5	5	4	7	3	14	0
- additional signage	2	0	5	0	0	7	0	0	0
What are the benefits?	6%	0%	7%	14%	4%	7%	3%	0%	0%
Don't pursue/Dislike concept	5%	0%	9%	5%	4%	0%	7%	0%	0%
	<i>n = 148</i>	<i>10</i>	<i>43</i>	<i>21</i>	<i>24</i>	<i>14</i>	<i>29</i>	<i>7</i>	<i>13</i>

Comments/suggestions mentioned by 5% or more of the respondents are listed.

Of those able to, comments or suggestions mentioned most often relate to signage. Executives who preferred fewer signs were concerned about the appearance of commercialism within the rest areas.

A few individuals took this opportunity to mention that the program should not be implemented. These were some of the individuals who don't think the state and private sector should have partnerships or that the state should be responsible for maintenance of the rest areas with current tax dollars.

Often times the most encouraging aspect about such a large "Nothing" response is that there aren't strong negatives to the program elements as presented.

If the decision is made to move forward with this program, Mn/DOT should consider any changes or additional elements that may add value to potential sponsors.

Q17. What information, other than cost, would you need from Mn/DOT in order to make a decision about participating in this type of sponsorship program?

Before making a decision about participating in the program, a majority of companies would like more information. Their requests focused on the numbers and type of people who use the rest areas; rest area locations; more details about the signage and details about the program itself. In addition, some wanted more information about how their specific company would benefit.

Requests for Additional Information

<i>Desired Information</i>	<i>All Companies</i>
Net – Demographics	30%
- traffic patterns/number of people traveling through	16
- number of people who stop at the rest area	11
Net – Location of Rest Areas	23%
Net – Signage Information	20%
- size of signs/how many signs	7
- quality of artwork	6
- what’s included on signs	5
Net – Sponsorship Information	18%
- length of commitment	14
Benefits/potential return	9%
Details of program/printed materials	8%
Upkeep of facility/ who maintains	8%
Nothing else	15%

n = 148

Only information requests mentioned by 5% or more of the respondents are listed.

There were not dramatic differences in the type of requests by business size.

Much of the rest area user information companies are interested in – demographics of rest area users, location of rest areas and traffic counts by rest area - Mn/DOT has readily available.

Interest in Full Service Rest Area Concept Participation

Note: This interest question for FULL SERVICE rest areas was asked only of companies in calling samples of \$10 million or more in annual sales. Five companies in these samples reported sales volume of less than \$10 million at their location. These companies are excluded from the responses to this question.

THIS INTRODUCTION READ TO ALL SAMPLE GROUPS Mn/DOT recognizes that the amount of exposure your business would receive is an important element of the program and would likely be part of your decision criteria.

FULL SERVICE REST AREA INTEREST QUESTION READ ONLY TO SAMPLE GROUPS WITH \$10 MILLION OR MORE SALES REVENUE

Q19. With that in mind, I'm going to read you a brief description of one of Minnesota's FULL SERVICE rest areas. These rest areas are the most visible and most visited. They are located on both the Interstate and non-Interstate highways. For purposes of this discussion, let's assume this rest area is located on the interstate and over 85,000 people drive by this rest area each day and over 7,500 people stop. Based on the number of signs we talked about earlier – one along the roadway just before the rest area, another on the rest area site, a plaque inside the building and a sign on the acceleration ramp leading back to the highway – there is the potential for over 34 million name impressions annually. Based on everything you've heard, and assuming any information you would need from Mn/DOT was available to you, how interested may your company be in investigating the sponsorship program for a FULL SERVICE rest area?

The majority of companies express little interest in the Full Service sponsorship program. Nearly one in five companies expressed interest in investigating the sponsorship program further (assuming it were available). Transportation related companies tended to express the most interest.

Reaction to Detailed Full Service Rest Area Concept

Reaction to Full Service Concept	All Companies	Company Annual Revenue						Chamber of Commerce	Transportation Companies
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More		
Interested <i>Rate 3 or 4</i>	19%	NA	NA	28%	19%	17%	15%	NA	33%
Not interested <i>Rate 1 or 2</i>	81	NA	NA	72	81	83	85	NA	66
Very interested (4)	4%	0%	0%	0%	9%	0%	4%	0%	8%
Somewhat interested (3)	15	0	0	28	10	17	11	0	25
Not very interested (2)	30	0	0	33	19	33	33	0	33
Not at all interested (1)	51	0	0	39	62	50	52	0	33
Mean	1.72			1.89	1.67	1.67	1.67		2.08
Base =	78		0	18	21	12	27	7	13

Less than 5% of the companies indicated that they were “Very interested” in investigating the sponsorship program. This is in contrast to half the companies indicating that they were “Not at all interested.”

Major Reasons Interested in Full Service Rest Area Concept

When asked to explain their interest in investigating the program, only two reasons were mentioned more than once. One was the opportunity to gain exposure or visibility of the corporate name. Second, was that they felt that they were a partner in the community and wanted to support the community.

Some typical comments representative of people who are interested in the concept:

- ♦ “The exposure. Just that there’s a lot of exposure and depending upon the amount of money it would cost, it might be a good way to market the company.”
- ♦ “Brand image. Being seen as being a partner in community development.”
- ♦ “We’re always looking to help and this is a way to do it.”

Caution, small sample of 15 respondents.

Major Reasons Not Interested in the Full Service Rest Area Concept

The major reasons for disinterest in the concept are because of the perceived “poor fit” between the rest area users and the type of business customer base and the cost.

Reasons Not Interested in Full Service Rest Area Concept

Major Reasons Not Interested in Investigating the Concept	All Companies	Company Annual Revenue				Transportation Companies
		\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More	
Net – Not Related To Their Business	62%	62%	65%	60%	61%	62%
- only B-to-B/not consumer	27	15	18	50	30	25
- travelers not potential customers	13	23	12	0	13	25
- business out of state	13	8	18	10	13	12
SubNet – Location of Business	8	15	12	0	4	12
- not located next to rest area	6	8	12	0	4	12
Net – Wrong Type of Audience	21%	31%	12%	20%	22%	12%
Net – Cost/Expense Involved	13%	15%	18%	10%	9%	0%
Does not fit business model	11%	8%	6%	10%	17%	0%
	<i>n</i> = 63	13	17	10	23	8

Typical responses for disinterest in the concept included:

- ◆ “Because we have no consumer products. We sell business to business.”
- ◆ “Because the audience that were chasing is a very narrow segment of the population. cause people we need to reach are the decision makers at large business.”
- ◆ “It's just not consistent with how we approach doing business. we don't this, we don't engage in that type of practice with our business strategy.”
- ◆ “We are a national company and we’re business to business. Because we would be targeted advertising, we market to hospitals. This I look at as more of a consumer opportunity.”
- ◆ “Because we market business to business.”
- ◆ “We don't sell services to the general public.”
- ◆ “We have a target market and I don't know how effective it would be in reaching them we don't have that much revenue.”

Pricing Reaction

Pricing Research

Two different research methods were used to better understand what price respondents would expect to pay for a rest area sponsorship. Both methods were used for the Full Service Rest Area Concept and the Limited Service Concept. The question flow was as follows. Specific wording for each question is shown at the top of the following pages.

A1. Respondents were read a concept describing the (Full Service/Limited Service) rest area sponsorship. They were then asked how interested they were in investigating the sponsorship program. As just shown, they rated their interest on a four-point scale. To gain insights into their attitude about the concept, they were asked to explain their rating.

B1. They were then asked the first of two pricing research techniques.

Price Expectations

For the first question they were asked what they would expect to pay to sponsor a rest area. To establish a point of reference, respondents were told that Mn/DOT calculated the annual cost of maintaining and operating each rest area. They were then asked if they would expect to pay more than or less than a reference price point. These reference price points were selected by Mn/DOT and reflected their best estimate as to what would be required to fund the maintenance of the rest areas. The reference price points were:

\$70,000 for a Full Service Rest Area

\$15,000 for a Limited Service Rest Area

C1. Depending on their response, respondents were then asked if they would expect to pay prices at \$10,000 increments in the direction they just indicated – more or less than the reference price point.

Price Ranges

After responding to these pricing questions, respondents were immediately introduced to the second pricing research method.

A2. The second pricing method employed part of a research technique referred to as Price Sensitivity Meter. In this case, respondents are asked to give two different price points. The purpose is to identify a range of prices that respondents are willing to pay for a sponsorship/or think a sponsorship is worth. The specific questions asked are shown on a following page.

B2. The cumulative frequencies are plotted on a chart as shown on the following pages. The point at which the two lines intersect – Bargain and Expensive – is referred to as the Indifference Price Point. At this point, an equal number of respondents think the sponsorship is expensive as believe it is a bargain. This generally represents the median price. The prices provided by a respondent should not be interpreted as a propensity to buy at that price. It is indicative of what they perceive to be a price relative to its value.

Pricing Reaction – Full Service Concept

Full Service Rest Area – Price Expectations Research

Q20a. My next questions address what you would expect to pay per year to sponsor a full service rest area. To calculate sponsorship pricing for a participating business, the state has calculated the annual cost of maintaining and operating each specific rest area. Considering a FULL SERVICE rest area, how much would you expect to pay per year for sponsorship? Would you expect to pay more than \$70,000 per year or less than \$70,000 per year?

When given price points, eight in ten expect to pay less than \$70,000 per year for a Full Service rest area sponsorship.

Expected Sponsorship Cost of Full Service Rest Area						
<i>Amount Expect to Pay for Full Service</i>	<i>All Companies</i>	<i>Company Annual Revenue</i>				<i>Transportation Companies</i>
		<i>\$10M - \$24.9M</i>	<i>\$25M - \$74.9M</i>	<i>\$75M - \$249.9M</i>	<i>\$250M or More</i>	
More than \$70,000	8%	11%	14%	8%	0%	8%
Less than \$70,000	83	89	81	83	82	77
Don't know	9	0	5	8	18	15
<i>n =</i>	78	18	21	12	27	13

Full Service Rest Area – Price Expectations Research continued

Half the companies would expect to pay less than \$30,000 per year to sponsor a Full Service rest area.

because of small sample, n counts shown

Detailed Price Expectations – Full Service Rest Area

<i>Amount Expect to Pay for Full Service</i>	<i>All Companies</i>	<i>Company Annual Revenue</i>				<i>Transportation Companies</i>
		<i>\$10M - \$24.9M</i>	<i>\$25M - \$74.9M</i>	<i>\$75M - \$249.9M</i>	<i>\$250M or More</i>	
Less than \$30,000 per year *	39	13	10	5	11	8
\$30,000 to \$40,000	5	0	2	1	2	0
\$40,000 to \$50,000	13	3	1	3	6	1
\$50,000 to \$60,000	3	0	1	1	1	0
\$60,000 to \$70,000	2	0	2	0	0	0
\$70,000 to \$80,000	2	1	0	1	0	0
\$80,000 to \$90,000	0	0	0	0	0	0
\$90,000 to \$100,000	1	1	0	0	0	0
\$100,000 to \$110,000	1	0	1	0	0	0
\$110,000 to \$120,000	0	0	0	0	0	0
More than \$120,000 per year	1	0	1	0	0	0
Don't know	11	0	3	1	7	3
<i>n =</i>	<i>78</i>	<i>18</i>	<i>21</i>	<i>12</i>	<i>27</i>	<i>12</i>

* The amount expected to pay for a Full Service Rest Area Sponsorship could be lower, the price point stopped at “less than \$30,000 per year”.

Full Service Rest Area – Price Ranges Research

Q21. Next, I'm going to ask you about two different price points and what you would expect to pay for sponsorship per year.

Respondents were read the following two questions. No price reference points were provided.

Q21a. At what price do you think sponsorship of a FULL SERVICE rest area is a BARGAIN? [RECORD RESPONSE TO NEAREST WHOLE DOLLAR]

Q21b. At what price do you think sponsorship of a full service rest area is EXPENSIVE? [RECORD RESPONSE TO NEAREST WHOLE DOLLAR]

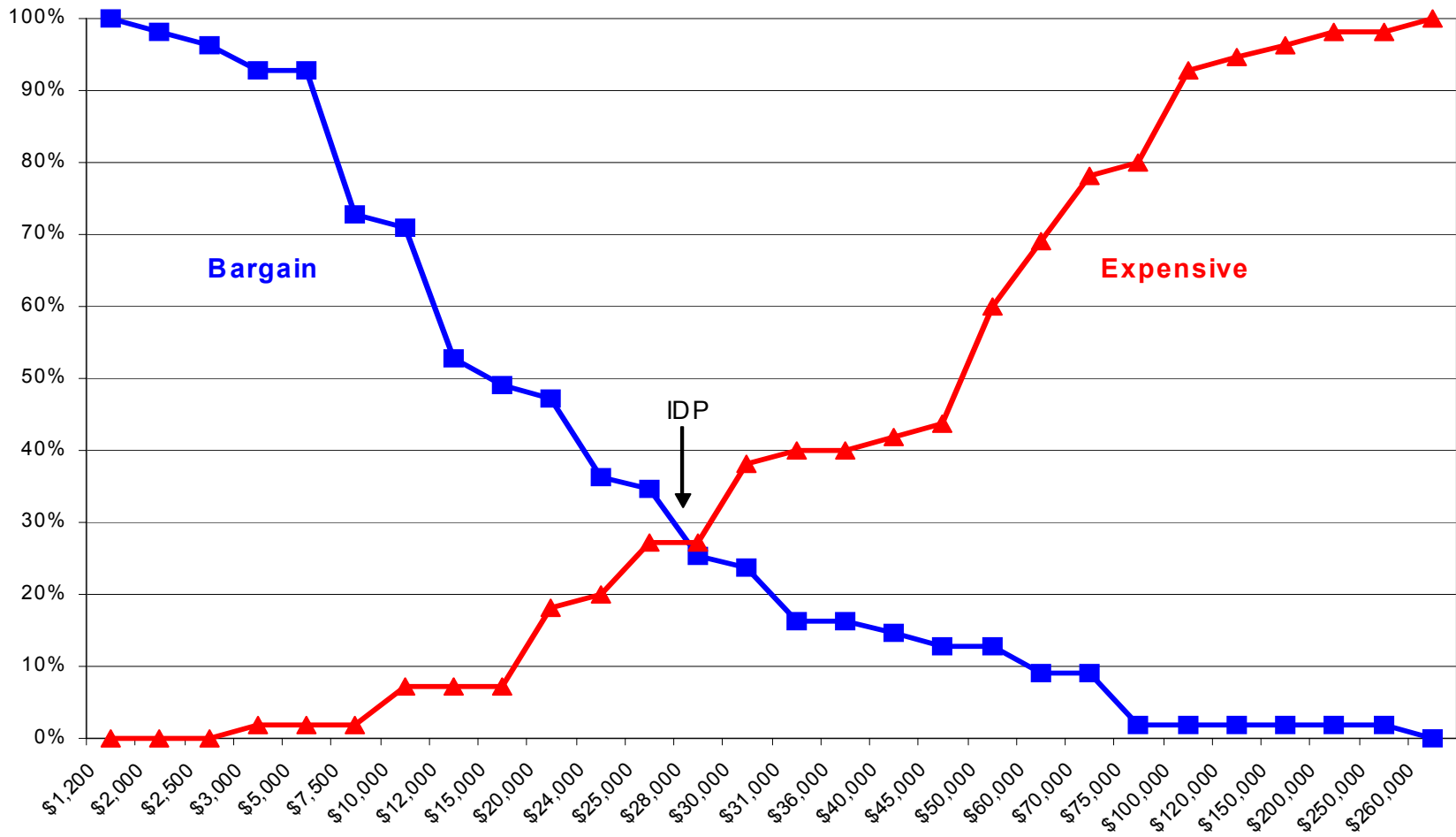
The price at which an equal number of people think a Full Service sponsorship is a bargain or expensive is \$28,000.

Price Sensitivity Meter – Full Service Rest Area						
<i>Mean Dollar Amounts</i>	<i>All Companies</i>	<i>Company Annual Revenue</i>				<i>Transportation Companies</i>
		<i>\$10M - \$24.9M</i>	<i>\$25M - \$74.9M</i>	<i>\$75M - \$249.9M</i>	<i>\$250M or More</i>	
Bargain	\$22457.41	\$17553.85	\$38384.62	\$21300.00	\$15138.89	\$15000.00
Expensive	\$53693.89	\$45250.00	\$74172.39	\$49636.36	\$44250.00	\$36000.00
<i>n =</i>	78	18	21	12	27	13

The following page shows a Price Sensitivity Analysis chart. It was created by plotting the cumulative frequencies for all the responses to each question. Where the two lines intersect - “Bargain” and “Expensive” - is referred to as the point of indifference (IDP). This is the point at which an equal number of respondents believe the sponsorship is expensive as believe it is a bargain (\$28,000).

The prices provided by a respondent should not be interpreted as a propensity to buy at that price. It is indicative of what they perceive to be a price relative to its value. However, this technique does require that the respondent have a good reference point. This reference point is not a price point provided to them, but one that they can compare to in their mind. The Indifference Price Point is based on the executive’s experience with price levels in the market and will change with market conditions. Because this concept is so new and there is nothing in the marketplace to serve as a direct comparison, executives may not have a true reference point in mind. This is one reason we are recommending additional pricing research be conducted if a decision is made to move forward with the sponsorship program.

Full Service Rest Areas Price Sensitivity Analysis



Interest in Limited Service Rest Area Concept Participation

READ FOR SAMPLE GROUPS WITH \$10 MILLION OR MORE SALES REVENUE Mn/DOT is also considering a more affordable sponsorship option. For this option I'm going to read you a brief description of a typical LIMITED SERVICE rest area. These rest areas range from scenic overlooks along the highway to rest areas with vault toilets, basically rest rooms with non-flushing toilets and are typically operated seasonally from April through October. These rest areas are located on non-Interstate highways. For purposes of this discussion, let's assume over 16,000 people drive by one of these LIMITED SERVICE rest areas each day and over 250 people stop. Based on the number of signs we talked about earlier – one along the roadway just before the rest area, another on the rest area site and a sign on the roadway leading back to the highway – there is the potential for approximately 6 million name impressions annually.

READ FOR SAMPLE GROUPS WITH LESS THAN \$10 MILLION IN SALES REVENUE

Q22a. With that in mind, I'm going to read you a brief description of one of Minnesota's LIMITED SERVICE rest areas. These rest areas include scenic overlooks along the highway to rest areas with vault toilets, basically rest rooms with non-flushing toilets and are typically operated seasonally from April through October. These rest areas are located on non-Interstate highways. For purposes of this discussion, let's assume over 16,000 people drive by the rest area each day and over 250 people stop. Based on the number of signs we talked about earlier – one along the roadway just before the rest area, another on the rest area site, and a sign on the roadway leading back to the highway – there is the potential for approximately 6 million name impressions annually.

READ FOR ALL SAMPLE GROUPS Based on everything you've heard, and assuming any information you would need from Mn/DOT was available to you, how interested may your company be in investigating the sponsorship program for a LIMITED SERVICE rest area? Would you say very interested, somewhat interested, not very interested, or not at all interested?

Only one in ten companies expressed interest in investigating the Limited Service sponsorship program (assuming it were available). Chamber of Commerce's and transportation related companies tended to express the most interest.

Reaction to Detailed Limited Service Rest Area Concept

Reaction to Limited Service Concept	All Companies	Company Annual Revenue						Chamber of Commerce	Transportation Companies
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More		
Interested Rate 3 or 4	11%	10%	9%	10%	12%	7%	7%	43%	15%
Not interested Rate 1 or 2	89	90	91	90	88	93	93	57	85
Very interested (4)	0%	0%	0%	0%	0%	0%	0%	0%	0%
Somewhat interested (3)	11	10	9	10	12	7	7	43	15
Not very interested (2)	25	10	28	33	21	22	24	28	31
Not at all interested (1)	64	80	63	57	67	71	69	29	54
Mean	1.47	1.30	1.47	1.52	1.46	1.36	1.38	2.14	1.62
Base =	148	10	43	21	24	14	29	7	13

Major Reasons Interested in Limited Service Rest Area Concept
Major Reasons Not Interested in the Limited Service Rest Area Concept

Overall, reactions to the Limited Service Rest Area concept are very similar to those reported for the Full Service Rest Area concept. Those interested in the Limited Service concept think it is an opportunity to build awareness of the company.

Major reasons given for disinterest in the Limited Service concept are also similar to those mentioned about the full service concept. This isn't perceived as a good business fit, or rest area users aren't their primary customers. Cost is also a concern.

Major Reasons Not Interested in Limited Service Rest Area Concept

Major Reasons Not Interested in Investigating the Concept	All Companies	Company Annual Revenue						Transportation Companies	Chamber of Commerce
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More		
Net – Not Related To The Business	45%	33%	59%	37%	38%	31%	48%	46%	25%
- only B-to-B/not consumer	17	0	15	16	19	15	26	18	0
- travelers not potential customers	11	22	18	16	5	0	7	9	0
SubNet – Location of Business	9	11	18	5	5	0	4	9	25
- not located next to rest area	5	11	8	5	5	0	0	0	25
Net – Type of Audience	34%	22%	33%	32%	29%	38%	41%	36%	50%
Net – Cost/Expense Involved	14%	11%	26%	0%	10%	15%	11%	18%	25%
Does not fit business model	8%	44%	5%	5%	5%	15%	7%	0%	0%
	n = 63			13	17	10	23	13	7

Multiple responses accepted, totals may exceed 100%.

Typical responses for companies who are not interested in the Limited Service Rest Area concept included:

- ♦ “Just because we're not a retail business and don't think that there's a benefit.”
- ♦ “The potential customer base would not exist because travelers through the state are not our potential customers.”
- ♦ “Just lack of dollars to spend on that.”
- ♦ “Just the dollar costs would not benefit us. Not enough people to see it. “
- ♦ “We're too small of a industry to do that, I don't think it would benefit us for what we're being charge I don't think it would benefit us.”
- ♦ “Because we are not consumer based. We look for specific customers.”
- ♦ “I question the value to our company. I mean that I don't know, regardless of the number of impressions you quoted, I don't know if those impressions would positively impact our business. I cannot calculate a positive impact on our business with people seeing signs at a wayside rest area.”

Pricing Reaction – Limited Service Concept

Limited Service Rest Area – Price Expectations Research

Q23a2. My next questions address what you would expect to pay per year to sponsor a limited service rest area. To calculate sponsorship pricing for a participating business or Chamber of Commerce, the state has calculated the annual cost of maintaining and operating each specific rest area.

Considering a LIMITED SERVICE rest area, how much would you expect to pay per year for sponsorship? Would you expect to pay more than \$15,000 per year or less than \$15,000 per year?

Eight in ten expect to pay less than \$15,000 for a Limited Service Rest Area sponsorship. Not even the largest companies expect to pay more than \$15,000 for this sponsorship.

Expected Sponsorship Cost of Limited Service Rest Area

Amount Expect to Pay for Limited Service	All Companies	Company Annual Revenue						Chamber of Commerce	Transportation Companies
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More		
More than \$15,000	7%	0%	14%	10%	4%	7%	0%	14%	0%
Less than \$15,000	80	50	74	90	83	79	86	86	85
Don't know	13	50	12	0	12	14	14	0	15
<i>n</i> =	148	10	43	21	24	14	29	7	13

More than one in ten “Don’t know” what they would expect to pay to sponsor a Limited Service rest area.

Limited Service Rest Area – Price Expectations Research continued

Two thirds of the companies expect to pay less than \$7,000 for a Limited Service rest area sponsorship.

because of small sample n counts shown

Detailed Price Expectations – Limited Service Rest Area

Amount Expect to Pay for Limited Service	All Companies	Company Annual Revenue						Chamber of Commerce	Transportation Companies
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More		
Less than \$3,000 per year *	34%	2%	8%	7%	6%	1%	5%	0%	5%
\$3,000 to \$5,000	17	0	3	4	1	1	7	1	1
\$5,000 to \$7,000	16	0	4	3	3	3	3	0	2
\$7,000 to \$9,000	16	1	5	2	3	4	1	0	1
\$9,000 to \$11,000	14	0	4	2	4	1	3	0	1
\$11,000 to \$13,000	5	1	0	1	0	1	2	0	0
\$13,000 to \$15,000	7	0	5	0	1	0	1	0	0
\$15,000 to \$17,000	3	0	2	0	0	0	0	0	0
\$17,000 to \$19,000	1	0	0	0	0	0	0	1	0
\$19,000 to \$21,000	6	0	3	2	1	0	0	0	0
More than \$21,000 per year	1	0	1	0	0	0	0	0	0
Don't know	28	6	8	0	5	2	7	0	3
<i>n =</i>	<i>148</i>	<i>10</i>	<i>43</i>	<i>21</i>	<i>24</i>	<i>14</i>	<i>29</i>	<i>7</i>	<i>13</i>

* The amount expected to pay for a Limited Service Rest Area Sponsorship could be lower, the price point stopped at \$3,000 per year.

Limited Service Rest Area – Price Ranges Research

Q24. Next, I'm going to ask you about two different price points and what you would expect to pay for sponsorship per year.

Respondents were read the following two questions. No price reference points were provided.

Q24a. At what price do you think sponsorship of a LIMITED SERVICE rest area is a BARGAIN? [RECORD RESPONSE TO NEAREST WHOLE DOLLAR]

Q24b. At what price do you think sponsorship of a limited service rest area is EXPENSIVE? [RECORD RESPONSE TO NEAREST WHOLE DOLLAR]

The price at which an equal number of people think a Limited Service sponsorship is a bargain or expensive is \$5,000.

The largest companies would expect to pay less than the average for all companies.

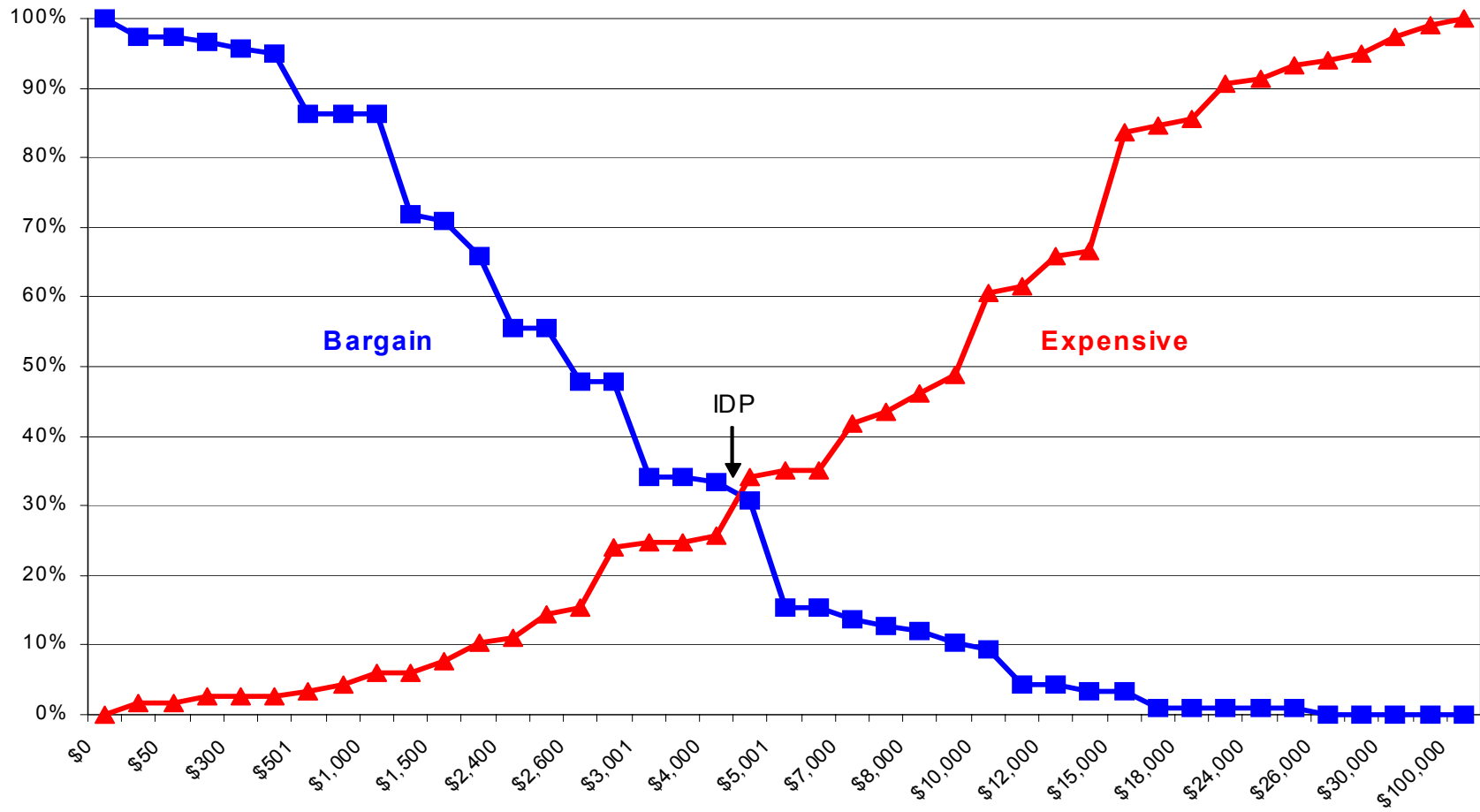
Price Sensitivity Meter – Limited Service Rest Area

Mean Dollar Amounts	All Companies	Company Annual Revenue						Chamber of Commerce	Transportation Companies
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More		
Bargain	\$3631.511	\$1240.00	\$4387.14	\$3410.53	\$3527.78	\$4375.00	\$2808.70	\$3857.14	\$2400.00
Expensive	\$11140.71	\$5180.00	\$11908.16	\$10560.00	\$16821.11	\$12272.82	\$7875.08	\$7000.14	\$6318.27
n =	148	10	43	21	24	14	29	7	17

The following page shows a Price Sensitivity Analysis chart. It was created by plotting the cumulative frequencies for all the responses to each question. Where the two lines intersect - “Bargain” and “Expensive” - is referred to as the point of indifference (IDP). This is the point at which an equal number of respondents believe the sponsorship is expensive as believe it is a bargain (\$5,000)

The prices provided by a respondent should not be interpreted as a propensity to buy at that price. It is indicative of what they perceive to be a price relative to its value. However, this technique does require that the respondent have a good reference point. This reference point is not a price point provided to them, but one that they can compare to in their mind. The Indifference Price Point is based on the executive’s experience with price levels in the market and will change with market conditions. Because this concept is so new and there is nothing in the marketplace to serve as a direct comparison, executives may not have a true reference point in mind. This is one reason we are recommending additional pricing research be conducted if a decision is made to move forward with the sponsorship program.

Limited Service Rest Areas Price Sensitivity Analysis



Sponsorship Duration

Q25. For how long a period do you think a company should have exclusive rights to the sponsorship of a rest area location?

Half the respondents would expect to have exclusive rights for one year while one fourth expect this sponsorship term to last at least two or three years.

Sponsorship Duration

Duration of Sponsorship	All Companies	Company Annual Revenue						Chamber of Commerce	Transportation Companies
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More		
Less than 1 year	5%	10%	2%	10%	0%	7%	7%	14%	0%
1 year	51	10	44	67	67	29	62	43	77
2 years	13	20	14	5	17	0	17	14	8
3 years	10	0	19	5	4	21	3	0	0
More than 3 years	14	30	14	10	8	29	3	29	15
<i>n</i> =	148	10	43	21	24	14	29	7	13
Mean	1.76	2.50	1.99	1.40	1.52	2.46	1.33	1.93	1.54
<i>Base</i> =	136	7	40	20	23	12	27	7	13

Three in four transportation related companies expect the sponsorship to be one year.

Sponsorship Sharing

Q26. As you may have heard in the media, Mn/DOT's rest areas are at risk of being shut down due to a loss of operating dollars. The state is considering two rest area sponsorship ideas to prevent rest area closings. One option is the one we just discussed whereby the company receives visibility at a specific rest area location in exchange for financial support. The second option would involve several businesses working together to contribute to the state's rest area program as a whole and in return receive statewide public recognition for preventing the closures from happening. For a company like yours, which sponsorship idea would your company be more inclined to support individual rest area sponsorship, or partnering with other companies, or neither?

Without making a commitment, one third of the respondents indicated that they would rather partner with other firms to sponsor rest areas than to have an individual sponsorship.

Interest in being a sponsor increased dramatically once the offer was made to share with other companies.

Sponsorship Sharing

Partnership Idea	All Companies	Company Annual Revenue						Transportation Companies	Chamber of Commerce
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More		
Individual sponsorship	16%	10%	5%	19%	25%	7%	24%	15%	29%
Partner with others	36	20	42	43	42	53	10	38	43
Neither	49	70	54	38	33	40	66	46	29
<i>n =</i>	148	10	43	21	24	14	29	13	7

Budget Assignment of Sponsorship Dollars

Q27. *Would your company classify this type of sponsorship as an advertising expense, a promotion expense, or an expense assigned to corporate good will?*

Over half of the companies think they would classify a rest area sponsorship as an advertising expense. One third think that they would consider it a good will expense, or the cost of being a good corporate citizen.

Sponsorship Dollars

Classification of Sponsorship Expense	All Companies	Company Annual Revenue						Transportation Companies	Chamber of Commerce
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More		
Advertising	57%	50%	72%	62%	33%	43%	55%	62%	71%
Promotion	7	0	7	0	21	0	3	0	29
Corporate good will	32	30	21	33	46	57	34	31	0
<i>n =</i>	148	10	43	21	24	14	29	13	7

If classified as an advertising expense, most companies would require additional justification and the expense would also be more closely scrutinized. This expense would also compete with the mix of all the other items in a company's advertising budget.

Generally, the larger the revenue in a company, the more this is likely to be perceived as company good will.

Demographics/Classification Information

Q28. Do you consider your primary customer base to be consumers, or businesses/industrial?

Customer Base

Primary Customer Base	All Companies	Company Annual Revenue						Transportation Companies	Chamber of Commerce
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More		
Consumer	45%	60%	51%	38%	62%	36%	34%	46%	NA
Business/Industrial	52	40	20	62	46	64	69	54	NA
<i>n =</i>	148	10	43	21	24	14	29	13	7

Q29. Approximately how many full time employees are employed at your company?

Number of Employees

Number of Employees	All Companies	Company Annual Revenue						Transportation Companies	Chamber of Commerce
		Less than \$1M	\$1M - \$9.9M	\$10M - \$24.9M	\$25M - \$74.9M	\$75M - \$249.9M	\$250M or More		
Average number of employees	962	25	64	426	177	844	3,399	3,481	NA
<i>n =</i>	148	10	43	21	24	14	29	13	7

Appendix

MarketLine Research, Inc.

research to help you make better decisions

Research Highlights – Mn/DOT Rest Area Sponsorship Study

Mn/DOT is exploring the possibility of a corporate sponsorship program to help offset the cost of maintenance and operations of its rest areas. In this program, a company would receive some degree of visibility in exchange for financial support. A research program was designed to provide insights into the marketability of business sponsorships. This program included qualitative interviews with business executives and focus groups with Minnesota residents who are heavy users of rest areas. Information learned from these interviews provided input for a quantitative telephone survey conducted in December, 2003 with 148 corporate executives with marketing responsibilities from a cross section of Minnesota business groups with varying levels of annual revenue.

Even though there wasn't overly strong interest in the program with any of the business groups, a rest area sponsorship program appears to have merit among selected businesses, especially transportation related businesses. The results of the study provide a great deal of information to refine the concept for possible implementation.

Minnesota companies, regardless of size, are approached frequently to sponsor events or programs, two thirds at least monthly. Because of budget and time restraints, they're very selective in what they'll sponsor. Transportation related companies participated in an average of 12 events in the past year, twice the average for all companies.

Companies often make subjective judgments about deciding whether to participate as a sponsor. Only half have established criteria to help them evaluate sponsorship activities. They take into account who benefits; the financial commitment required; who'll attend and does it affect their marketing area. They are most interested in name visibility with current/potential customers and the opportunity to demonstrate that they are good corporate citizens. Even though companies have a fairly good understanding of what they want, very few have established ways to measure the return on their investment. Like decisions to participate, measures of success are also subjective.

The marketing executives reacted to the concept three times. When first introduced to the sponsorship idea, just over half had a positive reaction to it. Of the transportation related companies, over two thirds were positive. One in five companies in the whole group was negative. Companies in favor of the idea think that it's a good way to gain exposure and/or a creative way for the state to generate additional revenue without increasing taxes. A strong majority think it's appropriate for state government to enter into such a business partnership with the private sector.

After hearing a brief description of rest area visitorship numbers, highway traffic counts and opportunities for exposure, one in five expressed interest in investigating the program for a Full Service rest area; whereas, only one in ten were interested in the Limited Service program. Reasons for disinterest were because a company is business-to-business oriented, feelings that rest area users don't fit the company's customer profile, or potential cost.

When the marketing executives reacted to the idea a third time, one option was described as a partnership with other companies. This time five in ten companies expressed interest in either a partnership or individual program.

Planning Considerations

Although companies - regardless of annual revenue – expressed limited interest in the program, it appears that a corporate rest area sponsorship program is a viable program for selected businesses. Businesses and consumers alike have a very positive perception of the statewide system of rest areas. This adds to the viability of such a program and Mn/DOT should consider the following to refine the program and define its niche market:

- Cost of a sponsorship is critical to the program's interest and pricing needs to fit the perceived value for the exposure received. Since this is a new concept, most companies don't have a point of reference to relate potential benefits to cost. Mn/DOT should continue to evaluate its cost structure for the rest area program in order to set an optimal acceptable price based on setting an objective to maximize revenue.
- Engage a marketing consultant to help identify potential sponsors and marketing support when approaching companies and/or agencies. This will also provide Mn/DOT negotiating flexibility. A consultant can:
 - ◆ develop marketing communication materials that clearly identify and detail the benefits of sponsorship
 - ◆ determine the potential advertising value of proposed signage and other potential elements of the program
 - ◆ determine potential pricing of the program relative to other marketing opportunities
- Consider the possibility of having public discussion of a rest area sponsorship program. This would provide an opportunity to gauge public support for such a program and measure businesses' interest in participating. This may present the opportunity to gain input on pricing of such a program.
- It is advised that different price levels for a sponsorship be tested.
- The level of proposed signage and exposure for a sponsor is perceived to be appropriate. Consider adding to the elements that were tested (brochures, maps, website, display cases, etc.) as a means of adding value and providing flexibility to the program. These types of recognition opportunities also help a buyer rationalize the purchase.
- For added flexibility, consider both an individual sponsorship program and a partnership program.
- There are potential program issues that Mn/DOT should prepare to address. The research identified that some people are concerned about commercializing rest areas. Any sponsorship program needs to consider communications that would address these concerns.

Description of Transportation Related Companies Mn/DOT Rest Area Sponsorship Study

Brief description of company's business:



- One of North America's largest producers of heavy-duty trucks
- Manufacturer of transport systems for a variety of mobile applications
- A conglomerate that owns these transportation related companies: a fleet of over 200 trucks; manufacturer of auto and truck equipment and repair products; telephone, cable and internet services company
- Global leader in supply chain and transportation management services/fleet leasing/fleet maintenance
- Nationwide transit company with a dedicated fleet of trucks and logistic services and solutions provider
- Provides a wide range of truckload carriage and logistics services in various lengths of haul in the United States and Canada.
- A full truckload flatbed, specialized, heavy haul and dry van carrier serving the continental United States, Canada and Mexico.
- Commercial and residential transfer and storage company
- A full service relocation company with a focus on quality customer service.
- A booking and hauling agent providing moving and distribution services to Household and Special Product markets worldwide
- Second largest quick-lube chain in the U.S.
- Manufacturer of recreational vehicles
- Manufacturer of recreational equipment
- Major airline company

Rest Area Program Background

Over 20 million travelers stop at Minnesota Safety Rest Areas annually. The rest areas offer a wide range of services depending on the particular facility and upon its classification within Mn/DOT's Rest Area Program. Following is a description of the statewide system of rest areas.

Class I Rest Areas (42 locations)

Typically located on 15 - 30 acre sites. Buildings are clean, modern and feature:

- ◆ flush toilets;
- ◆ complete heating systems and sometimes air conditioning;
- ◆ drinking water;
- ◆ picnic facilities;
- ◆ lighted parking lots for cars, recreation vehicles and commercial trucks;
- ◆ site lighting;
- ◆ maps; vending machines and pay phones.

Class I Rest Areas frequently include pet exercise areas, scenic views, and interpretative information about significant historical, cultural, or natural sites related to its region.

Travel Information Centers (11 locations)

Officially, these facilities are classified as Class I Rest Areas, however, they offer a staffed tourist information counter.

Class II Rest Areas (22 locations)

Usually occupy sites of 5 - 15 acres. Feature vault toilet facilities with separate facilities for men and women, water well, picnic facilities, paved parking lots, site lighting and other site amenities. Seasonally operated.

Class III Rest Areas (13 locations)

Sites range in size from 1 - 5 acres. Feature unisex vault toilet facilities, picnic facilities, site lighting and other site amenities. Some have paved parking lots and water wells. Seasonally operated.

Wayside Rest Areas (170+ locations)

Mn/DOT's most simple and diverse facilities with sites sized around 1 - 5 acres. They do not have toilet facilities, but typically offer scenic views, historical markers, interpretive information or other points of interest. Seasonally operated.

Class I and Class II Rest Areas are generally confined to high volume routes, primarily Interstate Highways, National Highway System routes and Minnesota Interregional Corridors. A few popular summer travel routes are included in the service network.