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# Union Railways: Ad Spot Pricing Dilemma? (B)

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## Abstract

Faced with considerable losses and increased pressure to generate alternative sources of funding, Union Railways (UR) twice attempted to auction ad spots at their flagship trains and stations. On both the occasions, the market responded with substantially lower bids than management's expectation. Surprised by the lackluster response, the management decided to conduct a detailed analysis of the ad spot market and engaged a team of advisers. They were tasked to help UR decide the base price for different types of ad spots (e.g. billboards, window skins, bogie door skins) and to recommend whether the ad spots be sold to either one or multiple intermediaries. Equipped with data (e.g. prevalent market rates and industry best practices) from multiple sources, the advisers faced the daunting task of designing a simple pricing mechanism that can work for multiple types of ad spots.

## Keywords

Pricing, out of home advertising, business-to-business markets, public transportation

Uzair Khan, Deputy Commercial Manager at Union Railways (UR), entered the room with a worried look and greeted the project advisors who were enjoying their sandwiches in a relaxed atmosphere. It was 1 July 2014 and the advisors for the sale of advertising spot rights at UR assets (i.e., major stations and trains) were meeting Uzair to deliberate on reserve price mechanism for the upcoming third auction. During the previous two attempts, no direction on reserve price was given to the market, and this resulted in unacceptably low quotes from the bidders. It was then decided that a member of UR commercial team along with designated project advisors would work to estimate reserve prices for the ad spots in order to solicit reasonable quotes from the market.

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**Notes:** This case is the second of a two-part case series. The present case focuses on issues related to pricing, while part one, 'Union Railways: Selling Advertising Rights on Trains and Stations' (*AJMC*, volume 13, issue 2), focused on issues related to product definition and promotion. Both the cases can be taught together as well as separately. All names in the case have been changed. The case is exclusively prepared for academic discussions and does not represent effective or ineffective handling of a situation.

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After exchanging pleasantries, the room atmosphere turned serious as Uzair put forward the agenda for the meeting: How to devise reserve prices for UR assets such that it took into account differences in ad spots (e.g., 1,200 sq. ft billboard in front of the train station or 600 sq. ft at the reception, or the exterior of the bogie (also known as railcar, railway wagon, railway carriage) entrance door (7' × 3'), or interior windows (2' × 2') of a bogie in a train)? Should they put all the ad spots of a train station on auction for a single bidder or should they bundle them? For bundling, should they include all the ad spots in a zone (e.g., reception area or AC bogie) or should it be a combo with ad spots from different zones, for example, one at the reception, one at platform 1, one in the AC bogie, one in economy class, etc.

## **Brief History of Union Railways**

It was the British who first established a railway network in the country, Nepa. In 1847, Sir H Edgware (Commissioner), while conducting a survey for Korum seaport, proposed constructing a rail network connecting the southern seaport with the rest of the country. At the time of the Partition, Nepa inherited a majority of the railway structure of the two companies that operated in its demarcated territory, that is, Nine-Western and Ceylon-Asset. Initially, the operations were managed under a subdivision of Ministry of Communications, but then in 1974 a separate Ministry of Railways was established under the Federal Government of Nepa.

The earliest reported statistics (i.e., those of 1950–1955) showed that at inception, UR transported 78.9 million passengers/annum (UN Nepa population estimate of 1955: 41.1 million people) and carried 9.2 million tons of freight/annum. It earned 37.6 per cent of its revenues from passenger train journeys and 53.5 per cent of revenues from freight train journeys. Railway operations experienced growth till the 1970s, but the growth trajectory halted in the 1980s, and since then the organization had continuously been struggling to restore its operational excellence of yesteryears. In financial year (FY) 2012–2013, UR recorded the lowest operational output in its history, both for passenger and freight business. During the year, UR transported 41.9 million passengers (UN Nepa population estimate of 2011: 173.6 million people) and carried nearly 1.01 million tonnes of freight. The revenue mix had also swung strongly in favour of the unprofitable passenger train business such that it contributed 74.9 per cent to revenues and freight trains contributed 11 per cent only.

While struggling to control the rising costs of the organization, the newly elected Minister for Railways was eager to create new sources of revenue. A potential idea was to utilize spaces at major stations and trains, and convert them into profitable out-of-home (OOH) advertising spots for advertisers to promote their brands. As railway stations and trains enjoyed high traffic and long exposure time, it was expected that these ad spots could bring considerable value to the advertised brands. For this purpose, two major stations, that is, Korum (2.3 million passengers) and Rajpur (2.8 million passengers) and the two most important trains, that is, Rawal Mail (1.4 million passengers) and Kite Express (1.25 million passengers) were shortlisted for the first phase of the project.<sup>1</sup>

## **Out-of-Home (OOH) in Practice**

In FY 2012–2013, OOH was the third most preferred advertising medium for advertisers after TV and print. An advantage of OOH advertising was that while other media (TV, print, Internet and radio) advertising heavily depended on consumers' media consumption habits, OOH advertising engaged

consumers while they were outdoors for daily activities. OOH activities included advertising on billboards (static, digital, mobile), posters, bus/taxi flexes, kiosks, street advertising, etc. A myriad of OOH outlets and spots were available in the market; therefore, large organizations (e.g., MNCs, established local brands) normally hired intermediaries, commonly referred to as 'agencies' to purchase ad spots on their behalf for their outdoor campaigns.<sup>2</sup> These agencies primarily reduced hassle for their clients (brand managers) by reducing complexity in media buying that involved selection between multiple mediums (e.g., TV vs print vs OOH), multiple outlets within each medium (e.g., site vendors<sup>3</sup> 'A' or 'B' for OOH; Millennium or City News) and multiple spots within each outlet (e.g., billboards owned by site vendor A at two different traffic signals on the same road; Millennium TV ad spot in the 8 p.m. programme or the 9.30 p.m. programme).

### *Ad Spot Buying Process*

In a typical scenario, a brand manager appointed an agency to run their nationwide OOH campaign and conducted a campaign briefing session to cover details of the product, target market (demographics), prescribed budget and campaign starting dates. After the briefing session, the agency developed an OOH media plan (containing various sites of single/different vendors along with their negotiated rates, locations, sizes, etc.) and shared it with the client. After analysing and/or revising, the client gave formal approval to start the campaign on a prescribed date. This was followed by the agency working on printing the skin (flex to be displayed on board) and ensuring timely delivery to site vendors. When the campaign was launched, the agency collected visuals on a daily basis and eventually shared these with the client in the form of a report. Thus, by engaging agencies, brand managers significantly simplified their media buying and execution as they did not need to deal with vendors, negotiate rates, lock sites, provide skins (material on which the ad was printed) for display and sort out execution and payment issues related to multiple vendors.

For attractive spots, agencies participated in auctions to lease the spot on an annual basis from site owners. For such self-leased spots, agencies typically claimed to charge between 15 per cent and 25 per cent profit margin. However, most spot purchases involved multiple intermediaries, for example, the client (brand manager) bought an advertising spot from an agency, who in turn bought it from site vendor holding annual lease of the spot from the site owner (i.e., site owners to site vendor to agency to client). In such cases, agencies charged commission in the range of 3 per cent–10 per cent. Normally, hundreds of site vendors marketed their billboards to agencies and sometimes to clients directly for display. These vendors developed PowerPoint (PPTs) slides with actual visuals of the sites, details (size, location, traffic count, target market A/B/C along with the monthly/annual display rates) and then circulated them through emails on weekly basis to the targeted agencies/clients or even other vendors.

Few companies in the transportation sector had used their site locations to their advantage and had developed OOH ad spots at their sites. These companies, as site owners, either auctioned off multi-year lease to site vendors or sold it directly to end consumers (i.e., brand managers, agencies). Swift Express and National Aviation Authority (NAA) were two such organizations which had successfully executed OOH advertising projects and now served as active competitors to other OOH media outlets.

### *Swift Express*

Swift Express, which started its operations in 1999, was the biggest transport service company in Nepa. Its high standard buses, courteous staff and punctuality gave it a strong competitive advantage over others. The primary operation of the company was to provide intercity connectivity to passengers across

Nepa. In addition, it also operated an intracity bus service in Rajpur and Swift cab service to facilitate pick and drop of passengers to/from their terminals.

In 2012, a new marketing director, Mr Sheriar Haris, was hired to streamline marketing activities of the company and evaluate possible opportunities to generate incremental revenue. Sheriar and his team decided to create advertising spots at their terminals and on their buses (Exhibits 1A and 1B) to generate revenue by letting brands advertise on them. It was expected that such opportunities would attract advertisers because being the most reputed intercity transport service, Swift Express had a substantial total footfall of nearly six million passengers per annum across its 50 terminals all over Nepa where passengers from different age groups and income levels boarded the bus service on a regular basis.<sup>4</sup>

To set prices for different ad spots, the team first divided their stations into three categories based on the monthly footfall at these sites (Exhibit 2). Subsequently, through discussions with a designated media agency for the sale of these ad spots, they estimated prices depending on their understanding of the prevalent market rates in outdoor advertising. While setting the prices, they considered passenger footfall and spot location (e.g., inside the terminal was twice as expensive as outdoors). As for their bus operations, both inter and intracity, they applied a uniform fixed rate (Exhibits 3A and 3B). To sell its ad spots, Swift used a dual channel. For brands with which Swift enjoyed a strategic partnership, it sold the spots directly to them on monthly basis, and for all other clients it used a designated media agency on a commission basis.

### *National Aviation Authority (NAA)*

NAA, Nepa, was a government-owned regulatory authority responsible for all civil aviation activities of the country. It owned and operated all airports (except the privately owned Torangi airport) and aerodromes. Zartash International Airport Korum, the largest international and domestic airport of Nepa, served as its head office. In 2014–2015, it looked after air traffic activities of almost fifteen airlines operating in Nepa, of which four were local, that is, Oceatic Airways, Air Sky, Air Nepa and Hummingbird Air.

At NAA, the OOH initiative was propelled by the fact that placing ads at airports provided a significant source of revenue to national aviation authorities all over the world. During FY 2002–2003, NAA had worked to auction advertising rights at the Falad International Airport, Rajpur.

The planning process was executed in two phases. In the first phase, NAA developed ad spots at the airport by identifying attractive locations (based on traffic flow and vantage) and the most suitable advertisement type (billboards, mopies, wall-mounted advertisements, pole signs, trolleys, avio bridges) for these spots. In the second phase, they estimated prices for these ad spots by benchmarking them with rental prices of other local authorities such as Decent Housing Authority (DHA) and Parks and Horticulture Association (PHA). NAA estimated ad spot prices with the highest rental spot rate (usually in high SEC A traffic locations) of DHA and PHA because airports attracted high SEC class passengers; therefore, airport ad spot rates should be at par with high SEC locality rates in the city (Exhibit 4). In order to encourage wider market participation for their multi-year annual auctions and to diversify default risk, different spots were grouped to make multiple bundles, for example, bundle 1: spots in the international lounge; bundle 2: spots in the domestic lounge; bundle 3: car parking area, etc., so that they could be auctioned off to multiple site vendors. During the first round, most of these bundles were auctioned off; a few that did not attract bids were then revised with lower rental prices and subsequently auctioned off in the second round. For example, car parking area bundle did not receive attractive bids at the highest rental calculations; subsequently, the bundle price was calculated with second-tier pricing rentals, and then it was successfully auctioned off (Exhibits 5A and 5B).

### *Parks and Horticulture Association (PHA)*

In the public sector, PHA Rajpur regulated advertising in areas covered under City District Government (CDG) Rajpur, such as Rajpur railway station. Established in 1998, PHA was responsible for maintaining the green belts of Rajpur and regulating the installation of billboards, sky signs and outdoor advertisements on public and private property. For any OOH ad spot that had public exposure from the roads and green belts under the jurisdiction of CDG, permission had to be first sought from PHA. This was usually granted once the relevant dues were paid (see Exhibit 6). However, no such permission was required for ad spot placed inside private property, as no mass public exposure would be generated in such a case.

### *Outdoor Ad Rating and the UR Project*

Historically, it had been seen that expenditure on media was undertaken without detailed deliberation on the ad spot. Businesses aimed for a strategy based on ‘perceived maximum value for the best price’. It was witnessed that some OOH spots were over-purchased, while other seemingly valuable spots received lacklustre response. This had created substantial price variations. To check this unsystematic pricing, Nepa Advertisers Society (NAS) decided to introduce an outdoor rating scale. Through a bidding process which involved six agencies (NOVE, IPS, Marketics, OAO, Oasis Kraft, Odit), NOVE, a consortium of four specialised firms (Informate, Digital Go, Telno and TNA) was selected for the task.

Initially, the NOVE consortium had planned to focus on Korum, Rajpur, Nizamabad and Realpindi as these cities accounted for 75 per cent of the total investment in OOH advertising. The measurement scale for the ratings involved four factors: traffic count, travel survey, site classification and visibility adjustment. Traffic count measured the number of passengers and vehicles using a certain route, provided by satellite imagery and cameras installed by NOVE at traffic junctures across the cities. Travel survey was based on personal interviews determining the profile of traffic. Each billboard in these cities was profiled according to owners and geographical position, which was shown by the factor of ‘site classification’. Location factors including visibility of billboard and distance from a vantage point comprised the variable ‘visibility adjustment’. Finally, values for all four factors were entered into a software, that is, Quantum, to obtain composite rating for a billboard. However, the project was expected to be operational by 2015 and NOVE ratings were not yet available for benchmarking.

Following a similar procedure, two members of the UR research team were sent to visit various locations in Rajpur to collect some primary data on billboards. They were given two sets of billboards: (a) prices at which billboards were auctioned to site vendors (Exhibit 7A) and (b) prices at which site vendors rented billboards to the advertisers (Exhibit 7B). For each billboard, data was collected for the following factors:

‘Clutter density’ included the number of hoardings and boards near the target billboard. The surrounding billboards were classified depending on their size relative to the 1,200 sq. ft billboard. Same size billboards were rated as ‘1’ and double as  $\times 2$ . Half-and quarter-sized ads were categorized as ‘medium’ ( $\times 0.5$ ) and ‘small’ ( $\times 0.25$ ). Thus, an ad spot with a clutter density of 1.5 meant that in addition to the target billboard, that is, 1,200 sq. ft, it had  $(1,200 \times 1.5)$  1,800 sq. ft of additional ad spot area.

‘Number of eyeballs’ was calculated by counting the number of vehicles passing by each billboard in a single minute. Both researchers took two readings for each billboard and an average of all four readings was considered to minimize counting error. Further, to achieve maximum accuracy, two persons were assumed to be in each vehicle, so the average observation was then multiplied by two.

‘Exposure time’ indicated the maximum exposure time for each passing vehicle regarding the targeted billboards. This figure was also separately noted by both researchers and was consequently converted into minutes for a uniform scale.

‘Size’ was calculated by multiplying the width of the billboard with its height.

## **A Conversation with the Consultants**

The mood in the room was sombre. Uzair pressed the consultants (Ashar, Rashid and Zartaash) to come up with a precise and simple pricing solution.

Picking up on Uzair’s argument, Zartaash added,

We need to be very precise as to which factors should be considered in pricing UR ad spots. I know from my previous experience when I owned an advertising agency that ‘number of eyeballs’ was a crucial factor that needed to be considered. The managers have always been concerned about how many people will actually be able to see the ad properly.

Rashid argued, ‘Don’t you guys think that eyeballs are useless if the ad spot has visibility issues?’

Zartaash gave a puzzled look.

‘Well let’s say that if there are a lot of billboards that can dilute each passer-by’s attention, or let’s say the passer-by doesn’t even have enough time to look at it, then don’t you think it matters?’ Rashid elaborated on his point.

‘Oh! So you are referring to clutter and traffic flow? Well, I agree’, Zartaash said while looking at Ashar who had been silent throughout.

Ashar, typical of his ‘out-of-the-box’ thinking and critical style, jumped into the argument,

‘Eyeballs, clutter, and vantage ... guys, they have little value when ad display is done in low SEC areas compared to high SEC areas. You should consider the location profile as well. A low SEC audience will not have the same value as a high SEC audience. As UR station is in a SEC ‘C’ area so the traffic there may not be very valuable.

‘Come on Ashar! This makes little sense. We have brands like Anchorbuoy, PMobile, and Bonny; all such brands will be looking to advertise in low SEC areas. We are not talking about Sansong or Vux’, Rashid rebutted the logic.

Ashar said, ‘The market has its own dynamics and whether it makes sense or not, it is the way things are. Recently, a friend shared some billboard prices of a few major cities in Nepa (see Exhibit 8) and you can clearly see price differences across localities based on their SEC profile’.

Zartaash replied, ‘I do agree with Ashar that SEC profile is very important and let’s not ignore it. By the way, I think one final variable to consider should be the size of the billboard’.

Rashid and Ashar, both nodded in the affirmative.

Seeing that the discussion was reaching an end, Uzair jumped in, ‘Seems like you guys have too many variables for an ad spot, does it really make sense? Also, how will we incorporate all this to come up with one single price?’

‘Well, it’s not a big deal. We can start with the most commonly agreed ones, that is, size, traffic variables (count and flow) and SEC profile. If the results are counter-intuitive, then we can always add more complexity to the estimations’, Ashar explained to Uzair.

Uzair pointed out, ‘Look, we do not only have billboards at UR. What you are doing will only give us some estimate of billboard prices, but what about posters, banners, in-train advertising etc.?’

Zartaash came to the rescue, ‘Uzair, don’t worry. All that we need to do is to come up with a per square foot price. This price value can then be used for all sorts of static ad spots with some modifications based on the characteristics of the ad spot.’

‘Ok so let’s start with Rajpur Station and Rawal Mail and let’s see what we can come up with. But it all has to be done quickly!’ continued Zartaash.

Ashar got up from his chair, went to the board, picked up a blue marker and said, ‘Ok guys! Let’s roll it out. You tell me what to do and I will write it down on the board’.

‘We will not leave the room, until I have written down the recommended prices using this red marker’, Ashar added, lifting the red marker in his left hand.

Suddenly, Uzair relaxed and a grin appeared on his face. He knew that after all the time spent in data collection from different sources, now he would get simple and precise answers to his problems, that is, reserve prices of different ad spots, and whether to sell them to one buyer or many.

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### **Exhibit IA. Swift Terminal Branding**



**Source:** Company Documents.



**Exhibit 1B.** Swift Bus Branding

**Source:** Company documents.

**Exhibit 2.** Swift Terminal Advertising Rates for 2014

Category	City	Estimated Footfall per Month	Rates	
			Inside Lounge	Outside Lounge
A+	Rajpur	300,000	1,000	500
	Realpindi	225,000	1,000	500
	Mult	135,000	1,000	500
	Korum	75,000	1,000	500
	Pesha	105,000	1,000	500
	Fabad	120,000	1,000	500
A	Sialt	6,750	800	400
	Sargo	36,000	800	400
	Bahapur	90,000	800	400
	Chowk Bahadar	60,000	800	400
	Gujawal	4,500	800	400
	Derabad	36,000	800	400
B	Bhalwa	7,500	600	300
	Nowshehr	3,750	600	300
	Mardam	6,000	600	300
	Hariwal	6,000	600	300
	Batkhell	2,100	600	300
	Bhakkitt	3,000	600	300

**Source:** Company documents.

**Notes:** All tariff was subject to 16% GST. Tariff mentioned was for per sq. ft on a monthly basis.

**Exhibit 3A.** Swift Intercity Bus Advertising Rates

3 Months	200,000 + 16% GST
6 Months	300,000 + 16% GST
1 Year	500,000 + 16% GST

**Source:** Company Documents.

**Exhibit 3B. Swift Intracity Bus Advertising Rates**

- **Rajpur City Bus – Exterior Branding (Full Wrap)**  
**120,000 + 16% GST per bus per month**

*Please Note:*

- Above are rental charges only (skin cost & pasting not included)
- Estimated Skin & Pasting Cost: ₹80,000 (over & above rental)
- Tariff negotiable depending on number of buses and lease duration.
- Customized tariff package can be provided to suit client's requirements

**Inside bus branding**

- Inside Bus Panel ₹300,000 + 16% GST per Bus per Year
- Back Seat Branding ₹200,000 + 16% GST per Bus per year

Source: Company documents.

**Exhibit 4. Comparison of Advertising Rates and NAA Recommendations**

[AQ5]

Advertising Medium	Units	DHA	PHA	Cantonment Board	Proposed for Rajpur Airport
<b>Billboards</b>	Per sq. ft/month	166	75 (A+) 55 (A) 45 (B) 23 (C)	75	<b>75</b>
<b>Banners</b>	Per unit/week	N/A	1,000 (vertical) 300 (horizontal)	500	<b>800</b>
<b>Mopies</b>	Per unit/year	200,000	150,000 (A+) 100,000 (A)	N/A	<b>150,000</b>
<b>Pole signs</b>	Per unit/year	10,500	10,500 (A+) 5,500 (A) 2,750 (B)	19,200	<b>10,500</b>
<b>Wall-mounted advertisements</b>	Per sq. ft/month	50	60 (A+) 50 (A)	N/A	<b>50–60</b>

Source: Company documents.

**Exhibit 5A. Pricing of Car Park Area Ad Spots**

Ad Spot Type	Location	No. of Sites	Area (Sq. ft)	PHA Rates		Units	Per Month Fee	
				Cat. A+	Cat. A		Cat. A+	Cat. A
<b>Pole signs</b>	Car park area	25		10,500	5,500	Per year	21,875	11,458
<b>Mopies</b>	Car park area	10		150,000	100,000	Per year	125,000	83,333
<b>Billboards (small)</b>	Concourse hall	24	15	75	55	Per sq. ft/ month	27,000	19,800
<b>N/A</b>	Water tank	1		120,000	120,000	Per year	10,000	10,000
<b>TOTAL</b>		<b>60</b>					<b>183,875</b>	<b>124,592</b>

Source: Company Documents.

**Exhibit 5B.** Tender Response

Tender Notice	Reserve Price (A)	Published	Opening	Forms Purchased	Participants	Highest Bid (B)	Difference (B-A, in %)
1st	184,000	29 November 2002	12 December 2002	3	0		
2nd	125,000	1 March 2003	8 March 2003	1	1	130,786	4.6
3rd	178,000	30 May 2006	17 June 2006	22	7	526,110	195.6

**Source:** Nepa National Aviation Authority.

**Exhibit 6.** PHA Rates (2012/2013)

S. No	Type of Advertisement	Category	Rate/Sq. Ft/Month
1	Sky sign/façade/parapet publicity board installed at private/commercial buildings	A	78
		B	52
		C	45
2	Shop board Plastic sign Dealer sign up to 4 × 4 (per year)	A & B	12
		C	8
		A & B	1,495
3	Streamers (per pole) per week	C	1,075
		A	3,163
		B	1,898
4	Publicity float (per month) (running on temporary basis)	C	1,328
		Mazda Truck	147,200
		Shahzor Van	98,325
5	Publicity on public service transport (per sq. ft/month)	Scooter/Cycle	49,105
		7.0	

**Source:** Company documents.

**Exhibit 7A.** Billboard Site Data (Site Owners to Site Vendors)

No.	Location	SEC	Clutter Density	No. of Eye Balls (Per Minute)	Time of Exposure (Per Minute)	Size (Sq. Ft)	Site Owner Rates (Annum)
1	J Flyover (Cal Bridge) going towards Cal Ground	A	2.88	85.00	0.14	1,200	1,600,000.00
2	J Flyover (Cal Bridge) going towards Firdo Market	A	3.38	87.50	0.18	1,200	1,600,000.00
3	Near Q Phatak FTCF Q to Mod Town.	B	0.50	171.50	0.12	1,200	1,300,000.00
4	Dampura Bridge railway crossing facing Dav Road	B	0.00	99.00	0.11	1,200	1,400,000.00

No.	Location	SEC	Clutter Density	No. of Eye Balls (Per Minute)	Time of Exposure (Per Minute)	Size (Sq. Ft)	Site Owner Rates (Annum)
5	Gashahu Bridge facing Gashahu Chowk	C	0.00	134.00	0.35	1,200	950,000.00
6	Sherpa Bridge	A	1.75	41.50	0.05	1,200	3,100,000.00
7	Overhead bridge Mughalpur	C	0.38	34.00	0.18	1,200	950,000.00
8	Mian Bridge facing G Club outside house # 27.	B	2.75	51.00	0.21	1,200	1,725,000.00
9	Mian Bridge facing Masjid Chowk house # 27.	C	2.00	52.50	0.21	1,200	953,000.00

**Source:** Market Research.

**Exhibit 7B.** Billboard Site Data (Site Vendors to Advertisers)

No.	Location	SEC	Clutter Density	No. of Eye Balls (Per Minute)	Time of Exposure (Per Minute)	Size (Sq. Ft)	Site Vendor Rates (Annum)
1	Def Road at AR Plaza	A	4.00	94.00	0.26	1,200	10,200,000
2	J Flyover (Cal Bridge) going towards Cal Ground (i)	A	3.13	86.00	0.06	500	5,580,000
3	J Flyover (Cal Bridge) going towards Cal Ground (ii)	A	4.25	61.00	0.14	350	5,400,000
4	J Flyover (Cal Bridge) going towards Firdo Market	A	5.38	87.50	0.10	350	5,100,000
5	Hussit Chowk	A	1.63	136.50	0.17	1,200	8,100,000
6	Liberation Roundabout at Big Plaza	A	5.38	257.00	0.10	1,200	10,200,000
7	Mod Town Linkit Road	B	5.25	87.00	0.05	675	5,400,000
8	Wap Town Roundabout	B	2.88	137.00	0.13	1,200	5,100,000
9	Shahi Jamalo	C	0.00	162.00	0.06	600	2,400,000
10	Rajpur Motorway	C	0.50	80.00	0.21	1,200	4,200,000
11	Mega Market Main Blvd Gulmit	A	0.50	95.00	0.05	1,200	9,000,000
12	Mega Market Main Blvd Gulmit	A	0.50	94.50	0.11	1,040	7,800,000
13	Sherpa Bridge	A	1.75	41.50	0.05	1,200	8,700,000

**Source:** Market Research.

**Exhibit 8.** Outdoor Advertising Rates in Different Locations

Benchmark Range 2014: On Monthly Basis			
City	Area Classification	Size	Bench Mark Range
Korum	Cantt	60' × 20'	750,000–825,000
Korum	DHA	60' × 20'	700,000–800,000
Korum	A Class	60' × 20'	650,000–750,000
Korum	B Class	60' × 20'	425,000–500,000
Korum	C Class	60' × 20'	250,000–325,000
Rajpur	Cantt	60' × 20'	1,000,000–1,200,000
Rajpur	A Class	60' × 20'	1,000,000–1,200,000
Rajpur	B Class	60' × 20'	500,000–550,000
Rajpur	C Class	60' × 20'	350,000–400,000
Realpindi	Cantt	60' × 20'	500,000–550,000
Realpindi	A Class	60' × 20'	350,000–400,000
Realpindi	B Class	60' × 20'	200,000–250,000
Realpindi	C Class	60' × 20'	150,000–200,000
Nizamabad	A Class	60' × 20'	550,000–650,000

**Source:** Kinetic Agency.

**Notes**

1. Annual passenger movement at the two stations and trains had been recorded for the year 2012–2013.
2. Small companies often did not engage agencies and preferred to contact site vendors directly.
3. Site vendors were those who had annual lease to sell the ad spot to potential buyers. Quite often, site vendors were different from site owners. Site owners were those who owned the location and had auctioned the selling rights to site vendors.
4. The highest proportion of passengers comprised the age group 21–30-year-olds (44%) and had an income level of US\$297–495 per month (38%).