

**Investigation of Commercial Advertising on
Rest Area Information Kiosks**

Preliminary Paper

British Columbia
Ministry of Transportation and Highways

Highway Environment Branch
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Background

As set out in the Ministry of Transportation and Highways Mission Statement, British Columbia's extensive highway network serves to facilitate the safe and efficient movement of people and goods throughout the province. As part of that mission, our highways are serviced by a network of approximately one hundred eighty Safety Rest Areas along the designated Highway Network. The purpose of these rest areas is to provide, free of charge to the traveling public, quality places to safely leave the highway for any of a variety of reasons. This service increases the comfort, convenience, and safety of our highway users.

The Safety Rest Area Program oversees the development and evolution of the rest area system in our province, ensuring that these important components of our transportation network continue to provide regularly spaced, quality safety rest areas that offer a consistent level of service that is free to travelers. Currently, facilities at our safety rest areas must include, at the minimum, picnic tables, litter containers, and clean washroom facilities. In addition to these, rest areas may also include any of telephones, potable water, lighting, pet walk areas, or information services. The choice of facilities that serve rest areas is in large part decided by what the rest area users request.

The Service Excellence Program, established in 1992 with the intention of improving the level of satisfaction and safety on the Province's highways, has made use of telephone and personal surveys as well as comment cards collected from rest area users in order to learn what the public expects from its rest areas. Among the findings of this program is the need for more information signs in our rest areas. Information facilities were among the top four most requested amenities, and as such, their installation has become a priority concern in the Rest Area Master Development Plan. Rest area information kiosks can now be considered among the necessary services for our highway system.

Kiosks

Several safety rest areas throughout the province include information kiosks which expose the public to traveler and background information. This can include maps of the area, the history of local First Nations, early European settlement, and a look at the areas flora and fauna. The Ministry, in response to positive public interest in the information signs, would like to see more of these kiosks erected throughout the province.

There are many benefits that can be seen from the erection of information kiosks in safety rest areas. They include the enjoyment for the traveling public, the safety of highway users, and the fostering of respect and appreciation of otherwise under-recognized aspects of our province's culture and heritage. People are often eager to learn more about the area they are traveling in, and kiosks offer the perfect venue for sharing knowledge.

Commercial Advertising in Rest Areas

Despite the large amount of important relevant information that is or could be displayed at the kiosks, there is one notably absent class. The Safety Rest Area Program has in the past followed the policy that no commercial activity of any kind be carried out in the rest areas. This includes commercial advertisements anywhere within rest areas. This policy stems from Section 190 of the Motor Vehicle Act which prohibits the sale of merchandise within the highway right-of-way. In order to avoid any potential conflict in the grey area of whether advertising falls within the intention of the Act, there has been no advertising allowed at all.

Support for Advertising

The Ministry's Highway Environment Branch is currently in the process of reconsidering its policy regarding commercial activity in rest areas. This has included research into the possibility of full commercialization, limited vending, non-profit vending, as well as advertising for other businesses. There are several reasons why the possibility of allowing commercial advertising is being explored. They include:

Public Service:

Information regarding local goods and services is appreciated by the traveling public. It is important for people to know where they can receive the things necessary for their trip.

Stimulating Local Economies:

There is money waiting to be spent by people who use our highways. Food, accommodation, souvenirs, day to day necessities, services, and entertainment possibilities are all used by tourists and residents alike. By allowing advertising, local businesses can profit from dollars that may otherwise drive out of the area.

As a specific example, there has been some concern from certain provincial campground operators about the use of rest areas as overnight

stops for recreational vehicles and campers. Unfortunately, the Ministry has found itself in somewhat of a no win situation. While rest areas were never intended to be used for overnight camping, it defeats the purpose of a safety area if drivers are forced to drive well into the night because they are not allowed to sleep along the highway. Ideally, those campers would like to make use of the more pleasant private camping facilities available to them. Since advertising isn't allowed in rest areas, though, it is very difficult for those campgrounds to make their presence known to those campers. An ad complete with directions, distance, amenities, and cost in the nearby rest areas would help the camper, the campground owner, and the Ministry.

Alternatives To Other Advertising Mediums:

Most goods and services require some form of medium through which to advertise what they have to offer. Without ads, there is no way that people can connect with the things and help they need. Because of this, advertising will occur in some form somewhere where the public can see it. Currently, there are many businesses that are taking advantage of roadside billboards. While technically unlawful, a lack of enforcement and the many loopholes in the law regarding billboards means that they are still very plentiful along our highways. With their eye-catching messages, these ads create a very real safety hazard in addition to the blight they place on the landscape.

One of the several valid arguments defending the use of billboards comes from the advertisers. They point out that it is essentially the only way to inform the motoring public of the services they provide or goods they sell. By allowing advertising within rest areas, both the public and the local businesses can benefit in several ways. The public is no longer faced with indiscriminate and distracting billboards, and instead can decide whether or not to read the ads. This increases the safety and enjoyment of the driving experience without seriously affecting the ability to find information about businesses. The advertisers benefit through the ability to place more relevant information directed at a more receptive audience in what will almost surely be a less expensive manner. Also, instead of having to

get the entire message across during only a fleeting second, interested people have the option to thoroughly read the entire ad. The only group to be sorely affected would be the billboard operators who would undoubtedly lose business. They could argue about the ethics of a government agency effectively giving itself monopoly rights over the previously public enterprise of advertising.

Until a true alternative to billboard advertising becomes available, it will remain extremely difficult to rout roadside ads from the landscape.

Raising Revenue:

By leasing out advertising space on information kiosks, the government stands to collect revenue. Assuming that the building of more information kiosks in rest areas is a goal of the Ministry regardless of the presence of advertising, then the cost of beginning an advertising program, including building the actual advertising medium on the kiosks, is relatively small. The revenue generated from the ads could surpass the moderate costs of placing and the minimal costs of maintaining the ads, making the venture attractive to advertising agencies. A portion of the profits from the ads could then be paid to the Ministry, supporting further kiosk construction.

In these days of tightening budgets, all government agencies have to make an honest effort to find ways to cut costs and possibly raise revenue while avoiding or limiting any decrease in service to the public. Although any money raised directly through an advertising program would go into the general coffers of the government rather than rolling directly into special projects like further kiosk building, it may indirectly justify the information kiosk program. There are other options as well, such as having a private firm take on the construction and maintenance of the kiosks, which may by-pass that problem. They will be discussed later on.

Arguments Against Advertising

There are, however, several potential drawbacks to consider as well.

Financial Costs:

As with any project, there are certain costs which must be considered. Advertising in rest areas will require the creation of advertising space, either on existing kiosks or on new ones, the production and placement of the ads, and the maintenance of the area. There would also be costs associated with the management of the advertising program in the ministry, requiring employee time and office resources. Conceivably, the production, placement, and maintenance of the ads could become the responsibility of an advertising firm. Based on the programs of other jurisdictions, the construction of new kiosks and conversion of old kiosks could also be the responsibility of the contractors. Different possibilities are discussed later on.

Public Disapproval:

There has never been advertising allowed in rest areas in British Columbia. The suggestion that this may change will likely rile certain members of the public who see rest areas as one of the last refuges from the omnipotent force of commercial advertising. Some would argue that government agencies should stay out of commercial endeavors based on principle.

As mentioned earlier, a program that would allow advertising would take business from, and therefore upset, operators of other advertising media such as billboards. Since the ministry would completely monopolize the ad space targeting motorists in rest areas, a somewhat valid argument would be brought up that the government is interfering with natural market conditions controlling the demand and resulting supply for ad space.

Advertising Medium

There appears to be only one reasonable venue for advertising in rest areas, namely, information kiosks. Other possibilities, such as freestanding signs or audible ads can't be seriously considered because of their imposing nature and limited additional potential to inform travelers. However, there are several different possible ways that the ads could be displayed on the kiosks. Information gathered from other jurisdictions show that successful methods of advertising can include:

Poster Ads:

These printed paper ads are posted behind a protective panel such as Plexiglas on a limited area of the kiosk and are usually either replaced or renewed every month or so. The benefits include inexpensive capital costs for the structure and the ad, no electricity requirements, little maintenance (only ad replacement and panel cleaning), unobtrusive nature, no added mess, and simple design.

Pamphlet Distribution Racks:

These racks are filled with free brochures for the public to take as they wish. Several jurisdictions allow this kind of advertising in their rest areas. The benefits include better distribution of information for the public, and better exposure for the advertiser. The drawbacks to this system are several, including a more imposing distribution structure, the encouragement to take pamphlets that aren't necessarily wanted, the creation of more garbage and more litter, the possibility of vandalism, and higher maintenance for pamphlet replacement and clean-up.

Video Monitors:

Some jurisdictions have rest areas that have video monitors installed. They offer either video commercials or touch-screen computer based ads. This medium allows for eye-catching or novel advertisements, which would be a benefit to the advertiser, but is more imposing, much more

difficult to install and maintain, and may offer the public little more than could be found on printed ads.

Backlit Signs:

As with video monitors, backlit signs require much more effort for installation and maintenance, especially for those rest areas that don't yet have electricity. They offer little more to the traveling public and are much more imposing.

Direct Phones:

In those rest areas that have phone lines for public telephones, there is the possibility of installing direct line phones that can connect the traveler with such things as businesses, tourist information centres, or local a Chamber of Commerce. Of course the costs of installing, maintaining, and operating these lines would be high, but market conditions may make this feasible in some areas.

Based on the goal of this potential program and the nature of B.C.'s rest areas, I would suggest that poster ads on a monthly or quarterly term would be the most helpful, simplest, and least obtrusive possibility for advertising. It may also be appropriate to differentiate the advertising area of a kiosk from the other information with a sign naming the advertisers as kiosk sponsors, reflecting the idea that money from the ads either directly or indirectly helps to build new kiosks.

Implementation Process

The process which would be needed to implement an advertising program in our rest areas would require several steps, with different possibilities available for certain steps. The following outlines the basic steps:

1. Change the current ministry policy so that advertising is permitted.
2. Build or upgrade the information kiosks.

The construction of the kiosks could be carried out either under the supervision of the Ministry or the advertising contractor. Regardless of who is in charge of this task, the kiosk would follow the design that has been adopted as the Provincial standard. If the Ministry were to build the kiosk, the advertising contractor would likely pay the Ministry a portion of the revenue for the ads. This would offset the cost of the kiosk over time. If the contractor paid for the kiosk, then they would likely retain the revenue from the ads until the kiosk was paid for. Either way, the ministry would have the kiosk erected while the advertisers would help pay for it. Other jurisdictions generally use the latter of these options.

Upgrading existing kiosks would involve relatively low additional direct costs, but those costs could be substantial if it involved extensive redesigning of the kiosk in order to make room for the ads.

3. Establish guidelines regarding allowable ad content and display area.

It would be important from a public relations and government responsibility standpoint to limit the kinds, extent, and placement of ads in rest areas. In other jurisdictions, some of the limitations on ads include:

- ads cannot be visible from the road
- ads cannot encourage the sale or use of drugs such as alcohol or tobacco
- ads cannot support political or religious causes
- ads cannot promote gambling

- ads must be, in the extended sense of the phrase, travel related
4. Contract out the administration and maintenance of the ads to an agency.

It is very unlikely that the government could efficiently take on the administration and maintenance of the advertising program. Finding advertisers, writing up contracts, and producing and maintaining the ads will require considerable effort and expertise. This entire segment of the program will be much more efficiently and professionally administered by private advertising firms which vary in their specialties from billboards, to elevator and washroom ads. Contracting out these responsibilities in an open market will ensure that the ministry gets the best deal it can. It is likely that any number of these firms would take advantage of the opportunity to expand into rest area advertising.

Each rest area offers its own advertising conditions, from high profile sites, like on the Malahat and in the Lower Mainland, to low profile sites with too few users to make advertising profitable. Since each site will have a different demand from advertisers, each site will have to have its own charge for space. The profits, therefore, will vary throughout the province, as will the interest from advertising companies.

Any advertising program that could be developed would have to include a position on how extensively it would apply to the province. In one scenario, advertising could be offered only at rest areas where it would be profitable for the advertising firm. This would limit it to the high traffic rest areas. The money raised at those locations could then either be used to pay for that specific information kiosk, or it could be applied to a province wide program of kiosk construction. Alternately, advertising could be offered in all of or a portion of the rest areas, regardless of whether they are profitable. If an advertising agency were responsible for an entire district, for example, profits from high traffic kiosks could be applied for low traffic ones. This would be inefficient, but offer more consistent service across the province.

Summary of Other Jurisdictions

Below is listed a summary of some of the ways different transportation agencies in Canada and the U.S. have chosen to implement an advertising program in their highway safety rest areas.

Canada

Ontario — There is only one province in Canada that currently has any form of commercial activity in its rest areas. Ontario embraced commercialization fully with its Service Centre Areas. These areas, which include the Shell Service Centre Area which has the distinction of including the largest gas station in Canada, offers a very wide range of information and goods and services for the traveling public. This program is intended as a healthy source of revenue for the Ontario government. Unfortunately, since this program is so huge in scope, it is not particularly relevant to this report.

United States

Washington:

Helen Glynn of the Washington Department of Transportation, and a representative of Storeyco Inc., informed me that certain rest areas in the state have commercial advertising associated with information signs. Seventeen information kiosks in selected rest areas have commercial advertising with them, including ten with direct dial phones. The ads accompany brochure racks that distribute free pamphlets for advertisers. Advertising space currently sells for approximately US\$50 to US\$65 per month for a 7.5" X 11.5" panel.

The Washington state company Storeyco Inc. currently has a contract with the state to administer and maintain the advertising program. It was awarded the contract by offering the highest flat fee to the state for running the program. The contract gives Storeyco exclusive right to rent out ad space in selected rest areas and keep the profit. The Department of Transportation determines which sites will have ads, and that list can be updated from time to time.

Advertisements should be travel related and alcohol, tobacco, or political or religious messages are not permitted.

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98107
(206) 363-1147

Oregon:

Karen Morrison of the Oregon Department of Transportation told me that Oregon, like most U.S. states, does not administer its own advertising in rest areas. Instead, like Washington, it contracts the administration and maintenance of the advertising program out to a private firm. However, there is one difference in the way that Oregon's program works. The Travel Information Council is a quasi-government group that runs certain information kiosks in rest areas along the Interstate 90 highway in Oregon. The Council has contracted the advertising work out to Storeyco Inc. of Oregon, which is affiliated with Storeyco of Washington.

Oregon is currently considering an Adopt-A-Rest Area program such as has been tried in other states. Under such a program, firms make bids on the right to adopt certain rest areas. Once awarded, the firm with the contract maintains the rest areas and supplies certain services, and, in exchange, can sell or display advertising under certain limitations.

Contact:

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Department of
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(503) 986-3000

Travel
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(503) 378-4508

Storeyco Inc.
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Eugene, Oregon
97405

California:

Keith Robinson of the California Department of Transportation (Caltrans) informed me that his state has had advertising in its rest areas for the past twenty years. Much of the advertising is currently being managed under the Adopt-A-Rest Area program in conjunction with their sheltered workshop maintenance program. Under the Adopt-A-Rest Area program, groups or firms are given the right to operate information kiosks in the rest areas on a first-come, first-served basis, although preference is being given to local Chambers of Commerce. By adopting a rest area, the adopter agrees to pay the approximate costs of the sheltered workshops which are maintaining the rest area. In exchange, the adopter has the right to place up signs acknowledging their sponsorship as well as to operate profitable advertising areas in the rest area.

As part of the adoption of the rest area, adopters are permitted to install or refurbish Traveler Services Information Centers. The cost of the construction or refurbishing of these kiosks, as well as any utilities and maintenance, falls on the adopter. The information kiosks have specifications for the type and extent of the ads that are allowed. For example, 40% of the kiosk must be devoted to public service messages like maps, and no ads can be seen from the traveled road. The type of advertising that is used in the kiosks includes backlit sign boxes, direct phone lines, and computers that can print out ads. The advertising profits from the kiosks are shared between the adopter and Caltrans, based on a sliding revenue sharing formula. A typical adopted rest area will have its entire maintenance paid for and turn over a portion of the profits of its advertising to Caltrans, effectively paying the state between US\$25 000 and US\$100 000 per year.

Contact:

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For additional information please contact:

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