POSO
Point Of Sale Outdoor Media

Date:	December 14, 2018
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Title:	President of Point of Sale Outdoor Media
Subject:	Sunset Advisory Commission Hearing – TABC Staff Report, Issue 3.3 – Outdoor Advertising

Dear Commissioners:

Thank you for the opportunity to provide testimony at your meeting on December 13, 2018. As my presentation was oral and limited by time constraints, I would like to follow up by providing my testimony in written form, as well as a visual example to help illustrate our objective.

We support the recommendations of the TABC Staff Report, though we believe that it could and should go further; Brick and mortar retail continues to experience the most disruptive period in its history, and any help it receives by way of ordinance updating is welcome.

POSO advertising is "place-based" media. Place-based outdoor is a type of out-of-home advertising defined by its location at stadiums, arenas, airports, and brick and mortar shopping centers and enclosed malls. To date, POSO media are exclusively found in the parking lots of retail properties, which represent the 70% of nearly every center's area that generates no income except from tent sales, clothing bins and the like.

My company is not an owner of alcoholic beverage production or distribution. Our mission is supporting the economic vitality of retail. We cultivate advertising revenue programs outdoors, on-site at open air retail centers, like those that exist inside enclosed malls, only subject to regulations that do not exist inside malls.

In February 2014, I contacted, and had the privilege of meeting with, Mr. Thomas Graham, the TABC Director of Tax & Marketing Practices. Though we own no billboards, I needed help filing out the billboard permit application as it was the closest available permit app for our needs. The application, drafted in 1985, was a skewed photocopy of the original typewritten document, posted online without fillable fields or a category for our devices. (See 2nd page.)

I was not surprised to learn that Mr. Graham had only seen it submitted a few times over his decade long tenure at the time. Yet, he graciously listened and learned about our objectives and shared TABC Code, SUBCHAPTER B. OUTDOOR ADVERTISING, Sec. 108.53. BILLBOARDS AND ELECTRIC SIGNS: WHEN PERMIT IS REQUIRED.

The last sentence of this code element is, "No permit is required for a billboard or electric sign that is not located within 200 feet of a retail establishment authorized to sell the advertised alcoholic beverage".

The ordinance dated back to 1977, when most of Texas' 254 counties were dry. Research showed that package stores clustered along county borders to attract customers from both wet and dry counties. The ordinance was intended to avoid the appearance of state favoritism to any member of the three-tier system.

That problem does not exist at shopping centers, where property owners lease to one of each type of retailer to offer a diverse mix of retail goods and services that will attract the most shoppers. Though not prohibited by law, no center where Spec's® is a tenant will lease to Goody-Goody® because of the exclusivity clauses in the leases, that effectively enforce that separation. Additionally, rather than favor any single retailer or mode of distribution, POSO advertising benefits the package store and supermarket that sell any brand, and the restaurants and bars at the same location that serve it. Accepting advertising across all tiers enhances the fortunes of all equally.

This is the common model for marketing all brands sold through retail, brick and mortar and online. And we assert that it is the most level approach to marketing at shopping centers especially considering the unique feature of place-based advertising – that it is not everywhere. It is not on the street or in bus shelters. It is not on highway billboards. It is only outdoors, on-site at open air centers, set back sufficiently to not be visible from adjoining right-of-ways.

The approach detailed in the TABC Staff Report for Evaluation falls short of our goal. Restricting advertising to one tier, retailers, does little to support the other retailers who carry the products at each location, and places a financial burden on many smaller retailers wishing to advertise.

That said, any movement away from the 200 foot rule bodes well for shopping centers. The number of POSO advertising signs is limited by total center acreage and inter-unit distance restrictions. A stand-alone store, or ten, across from a shopping center with POSO advertising would receive no benefit or detriment from the ad placement on-site at any center.

I thank you for the courtesy of listening to my presentation, and hope it aids in your evaluation.

Respectfully,

Ray Rodriguez
President, POSO Media

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