



**Ref: TfL 94592**

**Prior Information Notice (PIN)**

**TfL Advertising Concessions for Rail network  
(including London Underground) and Bus  
Shelters**

**CONTENTS**

- 1. Background Information**
  - 2. PIN Questionnaire**
-

# 1. BACKGROUND INFORMATION

## INTRODUCTION

Transport for London (TfL) is seeking to place advertising concessions with a media partner(s) to commence from 1 April 2025 for both its rail network (including London Underground) and its bus shelters.

### **Tube & Rail Advertising Concession**

This involves the right to sell and display advertising on all stations and trains on the following transport services:

- London Underground
- Elizabeth line
- London Overground
- Docklands Light Railway
- Trams
- Victoria Coach Station

This consists of various traditional assets of varying formats from 4 sheets to 96 sheets, as well as a range of digital opportunities including Digital 6 Sheets, Digital 12 Sheets, Escalator Panels, Escalator Ribbons, large scale Landmarks/Video Walls, and Digital Runways (integrated into platform edge doors).

The concessionaire will be responsible for the posting/scheduling of adverts and the installation and maintenance of all advertising assets.

### **Bus Shelter Advertising Concession**

This involves the right to sell and display advertising on TfL's bus shelter estate throughout the Greater London area. This consists of approximately 5,000 bus shelters comprising 9,500 traditional paper advertising panels and 612 shelters with full digital advertising.

The concessionaire will be responsible for posting adverts on the traditional poster panels, as well as the scheduling of adverts across the digital network. The maintenance and cleaning of the bus shelters is conducted by third parties, but the concessionaire will be responsible for the installation, maintenance and cleaning of the traditional and digital advertising panels on bus shelters.

## **Bidding Lots**

The advertising concessions will be tendered in three lots:

Lot A – Tube & rail advertising concession only

Lot B – Bus Shelter advertising concession only

Lot C – Tube & rail advertising concession and Bus shelter advertising concession combined.

## **Questionnaire**

Any interested parties in the above concessions should complete the following questionnaire.

This questionnaire is part of a soft market testing exercise for TfL with the aim of further developing TfL's strategy to commercially exploit its advertising assets.

(Respondents completing the below questionnaire will do so at their own cost.)

---

# MARKET SOUNDING QUESTIONNAIRE

Ref: TfL 94592

## TfL Advertising Concessions for Rail network (including Tube) and Bus Shelters

### 1.0 Introduction and Purpose

The purpose of this Prior Information Notice (PIN) is to seek information from suppliers in the advertising market to further inform the development of TfL's procurement strategy and any related contract specification. Information provided will be used to inform TfL in its continued consideration of the nature of any future procurement activity. If deemed appropriate TfL may, at its sole discretion, enter into further discussions with respondents.

### 2.0 Structure and Format

Suppliers are requested to complete the following questionnaire. Suppliers must adhere to the format of the questionnaire when answering the questions. Where questions cannot be answered fully, please provide relevant explanations and details. Please keep responses concise. Questions should be answered in English.

### 3.0 Background Information about TfL

TfL was created in 2000 and is the integrated body responsible for the Capital's transport system. TfL implements the Mayor's Transport Strategy for London and manages transport services across the Capital for which the Mayor has responsibility. These services include:

- London's Buses
- London Underground (including Elizabeth line)
- Docklands Light Railway (DLR)
- London Overground
- Trams
- London River Services
- Victoria Coach Station
- Red route road network
- Santander Cycle Scheme
- Congestion Charging
- London Cable Car
- And many other services

Further information regarding TfL can be obtained at [www.tfl.gov.uk](http://www.tfl.gov.uk).

#### **4.0 Terms of the Market/ Suppliers engagement**

TfL will not enter into a contract or contracts based solely on the responses to this PIN and no information contained in this document or in any communication made between TfL and any supplier in connection with this should be relied upon as constituting a contract, agreement or representation that any contract shall be offered in accordance with this PIN. Responding to this PIN is not a pre-requisite for participation in any future procurement activity, nor will the provision of a response (or lack thereof) be taken into account in the evaluation of any future procurement.

#### **5.0 Confidentiality and Intellectual Property Rights**

Except as expressly required for the preparation of a response to this PIN, suppliers must not without TfL's prior written consent, disclose to any third party any of the contents of this document or related information. Suppliers must ensure that their employees, consultants and agents are also bound and comply with this condition of confidentiality.

By responding to the PIN Questionnaire, the respondent gives TfL, the GLA and other GLA bodies (and their respective professional advisors) a licence to use the information provided within that response for the purposes of preparing and conducting future procurement activity for the services described in this document. Please do not provide information which you are not content to be used for this purpose.

#### **6.0 Freedom of Information**

TfL is committed to open government and to meeting its legal responsibilities under the Freedom of Information Act 2000. Accordingly, all information submitted to TfL may need to be disclosed by TfL in response to a request under the Act. TfL may also decide to include certain information in the publication scheme, which TfL maintains under the Act.

If a supplier considers that any of the information included in their expression of interest is commercially sensitive, it should identify it and explain (in broad terms) what harm may result from disclosure if a request is received, and the time period applicable to that sensitivity.

Suppliers should be aware that, even where they have indicated that information is commercially sensitive, TfL might be required to disclose it under the Act if a request is received.

Suppliers should also note that the receipt of any material marked 'confidential' or equivalent by the TfL should not be taken to mean that TfL accepts any duty of confidence by virtue of that marking.

Suppliers are asked to include a single point of contact in their organisation. TfL will not be responsible for contacting suppliers through any route other than the nominated contact.



## **MARKET SOUNDING QUESTIONNAIRE**

**Ref: TfL 94592**

**for TfL Advertising Concessions for the Rail network (including London Underground) and Bus Shelters**

**Name of Respondent: \_\_\_\_\_**

**TO BE RETURNED BY 26th May 2023 to:**

**██████████@tube.tfl.gov.uk**

## 1.0 Details of Your Organisation

*(Please insert your responses in the white boxes below the questions)*

1.1 Name of the organisation submitting this response:
Alight Brand Media Ltd
1.2 Contact name for enquiries about this submission:
[REDACTED]
1.3 Contact position (Job Title):
[REDACTED]
1.4 Main office address (including postcode):
Registered Office: 85 Great Portland Street, First Floor, London W1W 7LT  Head Quarters: 58-59 Great Marlborough Street, London W1F 7JY
1.5 Telephone number:
[REDACTED]
1.6 E-mail address:
[REDACTED]@alightmedia.com
1.7 Website address:
Alightmedia.com
1.8 Please provide details of your organisation including its principal business. Please also state your annual turnover and profit / loss after tax for the past 3 financial years, and net assets for the last financial year.
Alight Media was co-founded in 2017 by [REDACTED] and [REDACTED], both ex-senior Directors of Clear Channel UK. Alight Media develops Out of Home advertising assets and markets and sells them to national advertisers, through media agencies, and direct to local advertisers and SMEs. The principal formats are roadside D48s and roadside D6s and C6s (paper 6 sheets.) 80% of Alight Media's D6s and C6s are developed on bus shelters.  2020 Turnover: £3.24m Profit/Loss after tax: (£3.76m) 2021 Turnover: £14.12m Profit/Loss after tax (£1.02m) 2022 Turnover £25.01m Profit/Loss after tax (£0.35m)  Net assets 2022: £15.23m



1.9 If applicable, please provide full details of your ultimate parent company/ holding organisation. You should also attach an organisational chart showing the organisation structure.

The ultimate parent company is: Radiant Holdco Ltd.  
Registered Office: 12 New Fetter Lane, London. EC4A 1JP  
Company registration: 12292876

## 2.0 Scope of the Consultation

### 1. CAPEX COSTS

It is envisaged that TfL will meet the up-front capital costs associated with all asset refreshes and new assets. These costs will be repaid to TfL by the advertising partner on a straight-line basis over a period that is likely to be 5 years. In addition, the advertising partner will pay interest on outstanding capital balances at a rate that is expected to be 6.29%.

What are your thoughts on this mechanism for capital costs as detailed above or would you prefer to fund asset renewals yourselves? Please state the reasons for your answer.

This mechanism works for us but, if necessary, Alight Media would take on the Capex and associated debt.

### 2. CONTRACT DURATION

2.1 It is envisaged that the concessions will run for a period of eight years. What is the ideal contract period which you believe will maximise revenues for both parties?

Alight Media is interested in Lot B – Bus Shelter advertising concession only. An 8 years' contract is acceptable but based on ROI a 10 years' contract would maximise revenues for both parties i.e., Alight Media would pass back a larger share of the revenue for a 10 years' contract.

**2.2** If you currently operate advertising concessions for Metro / railway authorities and/or street furniture/ bus shelter advertising, what is the usual period of time you contract for? Please give brief details of such contracts below.

Alight Media has street furniture/bus shelter contracts with the Sheffield City Region (SYPT), Bournemouth, Poole & Christchurch, Telford & Wrekin, Warrington and Blackpool. Contract durations vary from 8 years (Bournemouth) to 15 years (Warrington).

### **3. COMMERCIAL TERMS**

**3.1** What commercial model(s) do you think would best maximise gross revenues? (Please state your reasons)

- The audiences that the TFL network reach, are amongst the most sort after by brands in UK & Global markets.
- The best approach to commercialising the audiences and driving higher gross revenues is to make those audiences even more accessible to brands.
- The high-level strategic approach we would recommend is to have more detailed audience data accuracy – who, where, when, why – and a technological led approach to making those audiences available to buy.
- The technological approach would include systems and tools that enable brands to buy audiences in advance and in real time, driving competition amongst brands for the audiences, times, and places that they must have.
- More audience targeted availability, via platforms, would increase brand count, yield, and occupancy.
- A consolidated TFL proposition would produce a near monopoly of OoH space in Greater London. This asset would therefore be an essential component in any London and national media plan, driving greater commercially returns via brand count, price, and occupancy.
- The current OOH model which provides discounts for volume and long-term buying is only effective as an incentive when the buyer has alternatives available. The programmatic route provides the best vehicle for this.
- For classic posters pricing based on audience delivery rather than per panel/per station would be commercially beneficial. Currently, London

inventory is priced at a competitive panel rate versus significant lower scoring inventory across the country.

**3.2** Are there any commercial models which you believe would risk maximising revenues? (Please state your reasons)

- The existing commercial models have been successful and will continue to be successful.
- Our approach is to look beyond what exists today, keep what works, but accelerate change in technology and data that will improve the commercial return – driven by increased brand count that is enabled by smarter data, accessibility, and competition.
- There is the potential that if TFL estate particularly London Underground, is traded programmatically at a comparable CPM to its traditional trading model could be short selling themselves. This is because there is clearly a willingness for advertisers to pay a significantly higher CPM for roadside formats across the rest of the country. Again, a consolidated estate could be leveraged as an opportunity to raise CPMs.

#### **4. CRITICAL FACTORS**

**4.1** Are there any critical factors that would **deter** or prevent you from bidding for these concessions?

Alight Media is interested in Lot B and we have a clear understanding of the existing contract with JC Decaux and of TfL's existing advertising policy. As such we would only be deterred from bidding if the list (number) of prohibited products was significantly increased by a change in policy.

**4.2** Are there any specific **technical challenges** that may pose concern at this stage? If so, what mitigating action do you think can be taken by TfL to minimise these risks?

Alight Media is interested in Lot B. We see the advertising estate as continuing to be a mixture of digital and paper 6 sheet assets. Whilst D6s are improving technically, offering more functions and becoming “greener”, we do not foresee any specific technical challenges in installing and operating the assets if TfL’s shelter infrastructure remains broadly the same.

**4.3** Are there any **critical or long lead time items** that may impact on the successful delivery of these concessions? If so, what mitigating action do you think can be taken by TfL to minimise these risks?

Alight Media foresees no critical or long lead times in delivering Lot B. Lead times for digital and paper assets are well established through our regular supply chain.

## **5. FUTURE DEVELOPMENTS**

**5.1** To what extent do you believe automated and /or programmatic trading will benefit TfL in real terms over the contract period?

- Automated and Programmatic trading fits perfectly in our theme.
- Data and Technology will be the biggest drivers of commercial growth in the OOH market for the next decade and more.
- Today we know the value of the audiences TFL provide brands, that is not in question.
- Alongside the increased understanding of TFL audiences, is the need to improve accessibility to those audiences – driven by technology.
- OOH is already seeing exciting growth from automation and programmatic.
- What is behind that growth is the ability for brands to use DOOH as an even more immediate and effective channel for advertising.
- The 2-week campaign cycle has long been a challenge for brands who favour activation over branding. What automation and programmatic integration between media owners and media buyers now enables is efficiency and targeting gains; and that is attracting a longer-tail of brands to the medium.
- We are only just scratching the surface of possibilities, there is a huge education job to do with brands and their intermediaries; but with TFL being a leader of that change, those possibilities could become mainstream for brands more quickly.
- The value of the audiences across the TFL network are undeniable, it is just about how quickly they can become digital audiences available in the £29bn UK media market and not just the £1.2bn UK OOH market.

- Current estimates today suggest that automation and programmatic makes up ~5% of all digital OOH revenue but it is significantly growing year on year. Estimates suggest it could be ~7% by 2024.
- The OOH industry needs to shift how paper panels can be bought through automation, work that is ongoing now. Even just being able to surface live availability of target audiences through paper campaigns, would be a step forward.

**5.2** Would there be advantages for TfL if it were to allow more than one Supply Side Platform access to its digital inventory?

There are two key issues that matter: being connected to quality demand and controlling inventory and price. Allowing multiple platforms to compete for the same inventory is a bad idea, as it gives away control and starts a race to the bottom. However, definitions of DSP / exchange / SSP etc can be fluid (especially in OoH in which such technology is not mature) depending on the commercial needs of the utterer... so there is no right or wrong architecture between single SSP to multiple DSPs, or multiple SSPs to multiple DSPs. However, the latter begs a question: the SSPs still need to be driven from a single source of truth about inventory, and it makes pricing rules more complex; so the advantage is unclear. It is occasionally proposed as a pragmatic solution if it is easier to connect a new SSP to your inventory manager, than a new DSP to your SSP. Put it another way: ultimately you need a single point of control, which is conceptually a single SSP; but as the term is used, it could be acceptable to have multiple SSPs if implemented with care.

**5.3** How would you protect yields on programmatic deals; is TfL potentially de-valuing its estate by trading impacts rather than as a brand building, broadcast medium

Programmatic deals will focus on pre-booked guaranteed campaigns. It is important to recognise that programmatic/RTB is not to be considered distressed inventory. It is premium inventory that the advertiser has shown their interest in, as a solution to their marketing needs, and their buying agencies are using RTB as their delivery method for smarter data-driven purchases.  
Alight Media would be brave on floor pricing, and smart on introducing and managing dynamic pricing.

**6. ANY OTHER COMMENTS**

Are there any other comments you would like to make regarding these tenders?

Thank you, no.