

TEXAS COMMISSION ON THE ARTS
RESPONSE to SLP QUESTIONS
March 4, 2008 Meeting

What benefits can you see for having a single web site for all SLPs?

Benefit – easier for consumers to find out about and purchase SLPs

Concern - TCA is concerned that since the online application will live on the MPI web site, any leads generated by TCA's marketing efforts will be directed to the MPI site where there will be competition from designs being sold by MPI. MPI does not make any money from the sale of our plate and they have a \$40 million obligation to the state. It seems unlikely they will make an effort to give existing SLPs like ours equal visibility on their web site.

What benefits can you see for having an increase in marketing expenditures to raise the awareness of SLPs?

Benefit – increased visibility may result in increased sales of all SLP designs.

Concerns:

1. We have been told MPI will put "millions" into an ad campaign that features MPI plate designs in print, TV and radio advertising. TCA is concerned that small non-profit organizations without large marketing budgets will not be able to compete and will lose visibility among consumers since our designs will not be featured.
2. Based on our experience in 2006, TCA is concerned about the possibility of a misconception among the public that the price of all SLPs has increased significantly. When it was announced that the cost of our plate would increase by \$25 in 2006, TCA experienced a decline in sales and renewals for the next three quarters. We also received numerous telephone and email communications from upset customers. If millions of dollars are expended to promote MPI plates that cost hundreds of dollars and no funds are put towards marketing the \$30 plates, the public may become confused and our SLP sales may be negatively impacted.

What concerns do you have regarding a SLP marketing vendor?

1. TCA is concerned because there is no apparent benefit, financial or otherwise, to MPI for increasing TCA's SLP sales.
2. TCA feels we are being asked to compete with a for-profit business. We are concerned MPI will not treat our SLP the same way they will treat their own designs, that generate revenue required to meet their contractual obligation and earn dollars necessary to run their business. This concern is exacerbated by the fact that MPI has exclusive control over the online application system and is putting millions of dollars into advertising.
3. TCA is unclear about the methodology used to calculate revenue projections, and we have not seen any of the market research conducted by MPI.
4. MPI has no track record in the Texas market or the United States. Their experience is in only one of six of the Australian states.
5. TCA is unclear about the possible ramifications of MPI not meeting the \$40 million obligation and what the impact would be to our plate sales.
6. TCA is concerned about the loss of a connection to a philanthropic cause for the SLP program.

What actions might mitigate your concerns?

1. TCA would like to have a direct, unique, simple and reliable link to the State of the Arts plate on the MPI web site - www.MPI.com/arts or something similar to that. Other existing SLPs it might want something like www.MPI.com/bicycle or www.MPI.com/animal .
2. TCA would like the existing (and lower costing) SLPs to be prominently featured on the MPI home page. We would like to see a banner on the MPI home page that cycles through the existing SLP designs and mentions the \$30 fee – something like: “Support A Good Cause for only \$30.” The banner would provide a direct link to a complete listing of all existing SLPs. A banner of this type would highlight the lower cost plates and give equal visibility to each existing design.
3. TCA would like to be notified in advance of any changes to the MPI web site that would require us to redirect a link for our own web site.
4. TCA would like to be notified when new plate designs are posted for the 10-day public input period so we will have an opportunity to voice concerns prior to production of those new designs.
5. TCA would like TxDOT to reconsider the “no refund” policy.
6. In the future, TCA would very much like to be included in any discussion that will impact SLPs before action has been taken so that our concerns, ideas, suggestions, etc. can be considered as part of the decision making process. All of the existing SLP organizations have a lot of experience and knowledge, and we encourage TxDOT to make the most of this valuable resource.