



# PaperChain<sup>®</sup>

## LINK & LEARN

### Selling against Outdoor Advertising

“May you live in interesting times,” is purported to be an ancient Chinese curse. I am not sure how ancient, or how Chinese, this statement is, but it is certainly accurate. Interesting times are interesting because they are periods of great change. This also makes interesting times quite challenging. So far the 21st century has proved to be quite interesting for the advertising industry. We have seen the growth of digital advertising and decline of many traditional media outlets. With more and more media outlets competing for a diminishing pool of revenue, advertising salespeople working in every media have had to step up their efforts to grab the market share they need to remain profitable. This means that we need to understand our competitor’s media and how to counter their arguments. In this month’s Link & Learn we will look at the outdoor advertising industry.

Outdoor advertising includes everything from signs on public benches, bus stops, transit vehicles, even restroom stalls. The lion’s share of revenue spent on outdoor advertising is spent on billboards, so we will concentrate on this part of the industry. Outdoor advertising has fared better than most media outlets in the last decade. The third quarter of 2013 was the 14th consecutive quarter of growth for the U.S. outdoor advertising industry. While billboards have not grown as rapidly as the new digital media, the billboard industry is projected to grow 5.4% in 2014 with revenues expected to exceed \$7 billion dollars. How did the out of home advertising industry accomplish this feat? The growth of the outdoor advertising revenue offers a lesson for our industry. Three factors led to this growth:

- The embracing of new technologies such as digital boards.
- Aggressive sales efforts and pricing strategies.
- Expansion of the customer base. As traditional national advertisers backed away, the outdoor industry began actively pursuing local retail and service businesses.

The last two points are of particular concern to local print sales people. A few years ago, most billboards were sold to large national advertisers such as auto manufacturers, liquor and tobacco companies. As these accounts dried up billboard salespeople began to actively pursue our traditional customer base. Today the top ten advertiser categories appearing on billboards include service businesses such

**You may download this and all issues of Link & Learn at [www.PaperChain.org](http://www.PaperChain.org)**



# PaperChain<sup>®</sup>

## LINK & LEARN

as HVAC and remodeling contractors, local retail accounts particularly luxury goods such as jewelers, financial institutions including banks and credit unions, communications companies and local/chain restaurants.

### **Selling Billboard Advertising**

Billboard salespeople are generally well trained and are armed with reams of research and traffic data to support their presentations. They are fond of saying, “billboards aren’t a medium, they’re a large!” They take advantage of the large format of their products. Showcasing the customer’s business, and often the owner’s picture, with larger than life graphics has an emotional appeal to many advertisers. Billboard salespeople use “showings” to highlight the value of their products. A showing is the percentage of the local population which passes by a board. For example, if a neighborhood has a population of 10,000 and 2,500 pass by the board on the average day, that board would have a showing of 25. When national agencies place an order for billboards, they typically will not buy a billboard with a showing of less than 50. Boards on less traveled roads are often sold to local retailers. Outdoor advertising salespeople tout the following as benefits of billboard advertising:

- Frequent exposure to local residents and commuters
- 24 hour presence
- Low cpm (based on traffic)
- Visual impact
- Brand awareness
- Selling against billboards

The best tactic to win over a billboard advertiser or to protect your own customers from outdoor reps is to arm the customer with knowledge. Billboard sales presentations are quite simple, “We’ll put up a big sign with your information by the side of a road and thousands of people will read it and come to your store.” Getting the customer thinking about how billboards work will require the billboard rep to work a lot harder.

### **Tell me everything about your business in eight words or less**

Research indicates that the maximum number of words that the average person can read on a billboard is eight. Advertisers should also limit their use of graphics to one or two simple items. Billboards work best for established brands with logos that are

**You may download this and all issues of Link & Learn at [www.PaperChain.org](http://www.PaperChain.org)**



# PaperChain<sup>®</sup>

## LINK & LEARN

instantly recognizable. They are much more effective at reinforcing a brand than they are at creating desire. Generally they are ineffective for making an “offer” to consumers. This only works if the board is close to the advertiser’s place of business and the offer is simple and compelling, “Hamburgers only \$1 ahead.” Billboard salespeople have begun to include QR codes in their customer’s ads. They tell the customer that the board will grab the customer and the QR code will give them the information they need to act on it. This of course would require the passerby to stop, take out their phone, activate the QR reader and access the information. This of course assumes that the customer has a smart phone, has downloaded a QR reader app and is one of the less than 20% of the population who has ever used a QR code.

### **Location, Location, Location**

One of the keys to effective billboard advertising is the placement of the boards. The billboards need to be placed within the advertiser’s service area and easily visible. The better the board’s location, the higher the cost to advertise on it will be. The best boards go to national and large regional businesses. Outdoor sales reps often offer local businesses a “great deal” on a number of billboards. Like anything else, you get what you pay for when purchasing billboard space. The customer should demand to know where the boards will be placed and should research those locations. I recently showed a local home center owner a photo of one of her “bargain” billboards. It was over 25 miles from her location and placed on a hill far back from the side of the road, making it virtually invisible from an automobile. Advertisers need to know that they are buying remnant space.

### **Think Fast**

Billboard salespeople like to talk about how much time Americans spend in their cars. It is true that we spend a large part of our lives behind the wheel, which is why we tend to multitask when we drive, listening to the radio, talking on the phone etc. etc. We are also in a hurry. I did a study on a long straight stretch of highway (a rarity in Western Pennsylvania) to see how long I had to read a billboard. With my glasses I have 20/20 vision and I did this on a clear day. I watched for billboards and noted how close I had to be to read the copy. I did not include boards with lots of type. I found that a well designed billboard can be seen from about a quarter of a mile away. I timed my exposure with a stopwatch and backed this up with the calculations below. The following numbers illustrate the very limited time drivers are exposed to the advertiser’s message at typical highway speeds:

**You may download this and all issues of Link & Learn at [www.PaperChain.org](http://www.PaperChain.org)**



# PaperChain<sup>®</sup>

## LINK & LEARN

A car moving at 10 miles per hour travels 14.666 feet per second.

If a billboard can be read from ¼ mile away:

A driver traveling 40 miles per hour can see the billboard for a maximum of 22 seconds (58.664 Ft/Sec).

A driver traveling 50 miles per hour can see the billboard for a maximum of 18 seconds (71.665 Ft/Sec).

A driver traveling 60 miles per hour can see the billboard for a maximum of 15 seconds (87.996 Ft/Sec).

I did this research to prepare for a presentation to a large advertiser who was considering moving a large portion of his budget to outdoor advertising. To make my point, I made up a couple of “billboards” in an 8 ½ X 11 format on card stock. To simulate the effect of speed referenced above, I walked across the customer’s conference room, held up the printout and ran past the customer. The piece had six words and a phone number on it. After this performance, I asked the customer to tell me what was on the piece and he could not. I then reminded him that this is how drivers would experience his advertising.

### **Exposure vs. Engagement**

Billboards were a part of the landscape before Henry Ford’s first Model T rolled off the production line. The operative phrase here is “part of the landscape.” Human beings naturally filter out most of the visual information we take in. If we did not do this, we would overload our brains and fry our neurons. When a reader picks up a paper, they do so to read the stories and look at the ads. When a driver is going down the highway, they are trying to get where they are going and trying to stay alive in a pack of large metal objects hurtling toward them at a mile a minute. This is not a conducive environment for retaining advertising messages.

People may see a billboard without giving it much, or any thought. I like to ask a customer to describe five billboards they saw on the way to work that morning. Generally they cannot recall one. Billboards get “stale” very quickly, a well designed clever board may attract our attention the first time we see it, but it soon becomes as dull as the telephone poles lining the road. Don’t take my word for this, here’s what the experts say:

**You may download this and all issues of Link & Learn at [www.PaperChain.org](http://www.PaperChain.org)**



# PaperChain<sup>®</sup>

## LINK & LEARN<sup>SM</sup>

*“As media planning expert Erwin Ephron has observed, outdoor advertising is unique in that people are not involved in the medium as they would be when watching television or reading the newspaper...the short time and lack of involvement in the medium mandate that higher frequency of exposure is necessary for billboards to have the same impact as other media.”*

*Source: The Journal of Advertising Winter 2006*

### **Seal the deal with print**

Considering the information above, it is clear that billboards should not be a customer's primary means of promoting their business. Many customers do feel that billboards have a place in their marketing mix. A robust print program can offset many of the limitations of outdoor advertising. Billboards can raise awareness of a business, but it is unlikely that a consumer will remember the customer's contact information. By mimicking the billboards design in a print ad and expanding on the information to include the address, phone number, website, hours etc. a supporting print ad can increase the effectiveness of outdoor advertising. The inclusion of a compelling offer or a coupon can turn a consumer's interest into action.

### **Bigger ain't necessarily better**

As advertising consultants, we should help our customers make good marketing decisions. In many cases, the dollars being spent on outdoor advertising would produce a better return on the advertiser's investment in print. Customers who are currently outdoor advertisers can improve their response by supporting their outdoor program with a print program. Pitting our “little” papers to go up against the “big” outdoor ads may seem like a David and Goliath battle, but don't forget it wasn't size that decided that fight, the victory went to the combatant who packed the biggest wallop.

*This article was written by Jim Busch of the Pittsburgh Pennysaver.*

Link & Learn is brought to you every month as part of PaperChain's<sup>®</sup> mission to provide educational material to the free paper publishers. **If you have an issue you would like to see covered please email [Janelle@wisad.com](mailto:Janelle@wisad.com), put “Link & Learn” in subject line.** Be sure to check out [www.paperchain.org](http://www.paperchain.org) for past issues, electronic ready promotional ads and much more to help you remain competitive.

**You may download this and all issues of Link & Learn at [www.PaperChain.org](http://www.PaperChain.org)**