

SO YOU WANT TO RENT A BILLBOARD
FOR YOUR BUSINESS

AN INSIDER'S GUIDE

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A BRIEF HISTORY OF THE BILLBOARD AS A SALES TOOL

Businesses have been advertising on billboards since at least the Egyptians.

Back then, billboards were carved in stone, and placed on trails leading into towns.

Modern billboards are very similar, except that they are huge, lighted, printed on vinyl, and pretty much geared up for auto traffic. However, the benefits of billboards have been the same for a long, long time:

- They offer the lowest cost per thousand exposures (CPM) of any form of advertising media.
- They reach a captive market of people stuck in traffic who don't have anything else to look at.
- They offer, in certain instances, directional information pointing the customer to your business.
- They offer, in certain instances, point of purchase sales opportunities ("don't stay in that motel, come 2 more miles and stay in mine").

Despite these many positives, billboards are not a good advertising value for every business. That is the first decision that you must make.

IS A BILLBOARD A GOOD IDEA FOR MY BUSINESS?

Of course, a billboard salesman will tell you that it is. But the real answer is based on a fairly scientific group of criteria that only you, as the business owner, can decide:

- Who is the billboard reaching?

Is this traffic your customer base, or just commuters or tourists who will never really stop by and shop?

- How much traffic does the billboard reach?

A good surface street should reach about 10,000 to 20,000 viewers per day, and a highway location should reach from 60,000 to 200,000 viewers per day. Roads that are not well traveled cannot produce enough exposure to impact your sales.

- How much profit will I make per customer?

Are you selling a “big ticket” item like a house, where even one sale will pay for the billboard for a year, or a “small ticket” item like doughnuts, which will require a huge response to get your money back?

- How many customers who see my billboard will actually come to my business?

Is everyone who passes a player for your product (like McDonalds) or is it a pretty specific niche (fireplace tools)?

- What percent of customers who come in will buy something?

Do you have a lot of window shoppers?

- How much does the sign cost, and how many items will I have to sell to get my money back?

This is the most important question.

Look at any billboard opportunity as an investment. Your goal, as the business owner, is to get a good rate of return on your investment. The job of the billboard

is to bring in so much business that you will get your investment back, plus a profit off the billboard. If this is not the case, then you should probably not do it.

However, if you are confident that the billboard will make money for you, then it's time to move to the next chapter.

HOW TO FIND A BILLBOARD TO RENT

Billboards can be a bit tricky to locate. Here are some ideas to find a billboard that might work for you.

- Consult OutdoorBillboard.com under the heading “billboards for rent”.
- Check out the Outdoor Advertising Directory from A-Z on OutdoorBillboard.com and look in the cities and states near you.
- Drive by and write down the billboards in your market that interest you, and call on those sign companies to inquire as to their vacancies.

If there are no billboards in the market you are interested in, and the city does legally allow them, you might want to consider building your own billboard. We have books at OutdoorBillboard.com that describe the process to do this.

HOW TO NEGOTIATE THE BEST ADVERTISING RATE

Negotiating a billboard is a tricky subject because there is normally so little supply in a market that you cannot afford to screw up the negotiations – there may not be another available sign for a year or longer.

The first question is...how long has the sign been vacant? If the answer is only a few days, then there may not be a whole lot of room to dicker. If it's been available for a long time, months and months, you may have some negotiating posture.

Always remember that this is an investment, and treat it accordingly. If the sign costs more than it will return to you, then don't do it! Only you can judge how much to pay. Normally, all ad leases are negotiable, so you should probably not pay full asking price.

To improve your chances of getting a lower price, always have a face-to-face meeting with the ad salesman. This will help in three ways:

- You may establish a “bond” that will make the person give you a better deal (always emphasize that, if the sign works, you will stay on there forever.

- In the meeting, the salesman may give you some clues, obvious or subliminal, as to how firm the price is.
- It's a general rule of sales that salesmen hate to invest time in something that does not pay off. Just by wasting an hour of his time, you have made him more likely to reduce the price.

In the end, a time will come when you have to decide if the sign is worth the price to you.

SIGNING AN ADVERTISING CONTRACT

Besides all of the legal boilerplate, there are really four important considerations in your billboard contract

- 1) What is the rate for the billboard? Make sure that the rate in the contract is the same one that you have been discussing.
- 2) What is the length of the contract term? Is it six months, one year, or longer? A normal lease is one year, but if you are a new advertiser, seek a six month term with a six month option to renew, if the sign works for you. This will allow you to get out of the lease after 6 months if the sign is not proving to be a good investment.

- 3) How often is the sign copy changed? Is it once per year, or once per six months? If you can, try to get a change every six months. This will allow you to try something different if the first ad is not working, and also will keep your ad “fresh”. Also make sure that the contract specifies who pays for the copy change. If you agreed that the company is to pay for it, make sure the contract says so.

- 4) Does the sign have lights and, if so, how late are they on? If you have a business that sells a lot at night, it is mandatory that your sign be lighted. If you are open 24 hours, your sign should be lighted 24 hours. Also make sure that there is some provision in the case that the lights do not come on as promised. Most contracts should give you a 25% discount if the lights aren't working – but perhaps you need a bigger penalty if night is your peak sales time.

THE BASICS OF GREAT ARTWORK

Once you have committed to rent the billboard, having great advertising artwork is essential, and will separate a bad investment from a great one.

- Come up with a theme that tells people in one sentence or less why they should buy your product or service. Think of some of the most

successful ad campaigns of all time such as Wendy's "where's the beef?" or Dr. Pepper's "10, 2 & 4". A great ad will tell in just a few words the entire story of your business.

- The graphic for your ad (photo, illustration, etc.) should support and reinforce your "theme". If you are a veterinarian advertising how you make pets happy, your graphic might be a smiling dog or cat. In today's world of printed vinyl, as opposed to hand-painting, the sky is the limit – use this as a weapon to get drivers to look at your sign. Today you can feature a full color photo that would not have been possible 20 years ago.
- The lettering on your sign should be big – real big. Shoot for letters at least 3' tall on the main copy and never smaller than 18" on any other wording. If the audience can't see your lettering, your sign is doomed for failure. To test out your ad, print it off in 8 ½" x 11" formats and tape it to a wall and see how far you have to move to the paper to read the ad (obviously the closer you have to come, the less successful the sign will be).
- Contrast on a billboard is essential. If you can't read the copy, the sign has no value. Years ago, there was a standardized chart of contrast, from best to worst, devised by the advertising community.

Black on yellow

Yellow on black

Black on white

White on black

Stick with proven avenues of contrast. Most of the really bad signs you see suffer from lack of contrast on the lettering.

- See if your business has the possibility of receiving “coop” money for mentioning a certain product. For example, many western wear stores will receive partial reimbursement for their billboard if they advertise a certain brand of boots on their sign, with a logo. If you have this opportunity, it’s a great way to reduce the cost of your advertising, and be sure to get approval by the manufacturer’s before finalizing your artwork.

TRACK YOUR RESULTS

It is very hard to scientifically prove the effectiveness of a billboard, but here are a few ideas:

- Always ask every customer what brought them in. See how many mention your billboard.
- Compare year ago numbers to sales numbers when the billboard goes up – did they significantly improve? If so, by how much?
- Put up a street map of the city on an easel, and have every customer put a pin on the map where they live. See what streets they approach on, and see if this set of “dots” moves once the sign goes up.
- Put a special in your billboard, and see how many people request it (“mention this sign for 10% off”).

MONITOR YOUR BILLBOARD

At least every two weeks, check your sign for two factors:

- 1) Is the advertisement O.K., or is it torn or damaged, or discolored by bird droppings?

- 2) Are the lights working at night? If not, demand an immediate discount as described (hopefully) in your contract.

CONCLUSION

Billboards can be a great investment for your business. But, like any investment, they require good planning, some scientific thought, and good tracking of performance.

And just like any other investment, it may go up and down in performance for you, but the key is to monitor the trend. A good billboard will allow you to sell enough to get back your ad rent, plus a profit. This profit, however, may fluctuate over time for several reasons:

- Seasonal nature of sales (Christmas, etc.)
- Success of your latest advertisement copy
- Overall market conditions

Be sure to give your advertisement a fair chance to produce for you. It may take 6 months to fairly evaluate the performance of your billboard. Don't expect an overnight sensation, although it has happened before.

If you plan appropriately and have a desirable product or service to sell, there is every reason to believe that a billboard will work for you, as it has for thousands of other advertisers.