

**MOBILE BILLBOARD ADVERTISING**



**Billboards 2Go.com**

# The Exposure Value of Mobile Billboard Advertising Media

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## Overview

The information provided in this brief report is intended to justify the decision of utilizing mobile billboard media in a marketing plan. This information supports the effectiveness of mobile billboard media to generate a good return on advertising dollar investments.

I assert that the fundamental value of mobile billboard advertising lies in the quality of exposures that it generates in comparison to other media. The physical attributes of a mobile billboard, such as the large display size, angle to the road when parked in a high-traffic area, distance traveled on the road, time and place of the message, etc, and their interactions should be factored into the size of audience estimate, along with a measure of noticeability, based on creative effects included in the ad.

I will also examine questions associated with calculating exposures based on impressions only; pointing out that this type of measurement may not be broad enough to give mobile billboard media its fair share of exposure value. Moreover, current measurements being applied to mobile advertising are questioned on the grounds that the factors that affect a mobile billboard advertising campaign vary between the locations, creative, time of exposure and other specific factors.

A few key factors that are a benefit of mobile billboard advertising are as follows:

- 1) In addition to the large reach potential that is possible through mobile billboard advertising, one of the fundamental strengths of the medium is high frequency. There is considerable evidence available that the cumulative effect of repeated exposures is higher than the effect of a series of individual, isolated exposures associated with other media.
- 2) Mobile Billboard advertising is typically viewed in a less cluttered environment than most other media. As a result, an individual outdoor ad is more likely to be seen by the viewer unlike what may be the case with other media formats.
- 3) The locational advantage of mobile billboard advertising is so profound that many local businesses that use mobile billboard advertising do not have alternative media that can provide exposures to their target market.
- 4) The flexibility of mobile allows for quick response to an advertiser's media needs when other media may not be available or affordable.

In an era where other media are facing issues relating to clutter and the pressures of getting the message through to consumers, the exposures provided by mobile billboard advertising are more valuable than ever. Because of the ability to deliver a message at the right time and place, recent trends in media favor mobile billboard ads. Media planners should place heavy weight on the value of these exposures in industry valuation and take advantage of this medium if the budget and copy flexibility permit.

## **Introduction**

Traditionally, advertising space has been valued based on the number of consumers who are exposed to an ad. While the impact of exposure to an individual ad may vary a great deal from consumer to consumer, exposure is a prerequisite for an advertisement to be effective. Thus, exposure is an important yardstick for advertisers, and due to the consistent difficulty in applying other measures of effectiveness for the purposes of pricing advertising, exposure provides a fitting mechanism for setting advertising rates.

The reason the exposure value provided by mobile billboard advertising is very high, lies in three fundamental facts;

- 1) the level of frequency provided by mobile billboard advertising allows advertisers to realize advantages that result from repeated exposures in a way that is not characteristic of most other media;
- 2) mobile billboard advertising operates in a less cluttered environment and is more able to overcome problems for advertisers related to selective perception in comparison to most other media; and
- 3) geographic factors linked to the exceptional ability to pinpoint mobile billboard advertising to an exact target market make the ad exposure exceptionally valuable to certain types of businesses, often retail and service businesses or tourism related business.

The above factors, coupled with the relatively low CPM that is characteristic of mobile billboard advertising, have made it a good value for many advertisers. In a media environment that will only become more cluttered and an economy characterized by an ever increasing service sector, it is likely that the advantages provided by mobile billboard advertising over other media will only increase.

Furthermore, improvements in the technology applied to mobile billboard advertising is a positive feature raising the value of this medium. Technology as advanced as GPS (Global Position Satellite) tracking to substantiate campaign performance, FM Radio Broadcasting and other advancements are making mobile billboard advertising more attractive to media planners.

The remainder of this report will examine unique features of mobile billboard advertising that contribute to the high exposures provided by this medium.

## **Repeated Exposures**

One of mobile billboards advertising's key advantages is repeated exposures. High reach and frequency are consistently listed in marketing and advertising textbooks as being among the major advantages of outdoor advertising critical to outdoor advertising's success. In fact, a study by Taylor, Franke and Bang (2006) found that media efficiency (ability to achieve high reach and frequency in an area at an efficient cost) is one the primary reasons why advertisers should use mobile billboards in their marketing mix.

In practical terms, this is important, because it means mobile billboard advertising has the ability to expose members of a target audience to a message numerous times in a relatively short period of time. The impact of repeated exposures providing greater impact than individual exposures is well documented.

### **Visibility – Overcoming Selective Perception**

Due to the vary nature of this medium, Mobile Billboard advertising is viewed in a less cluttered environment than other media. While many may argue that mobile billboard ads are shown in a crowded field of view, they're actually viewed in a situation where there is less competition for people's attention (e.g., ability to click away; ignore print ads to move on to other articles; get distracted by other stimuli at home, etc). Mobile billboard ads cannot be "turned off" and may be visible many hours a day. In fact, users of mobile billboards rate mobile billboard advertising very high on the visibility dimensions. They have the advantage of being less prone to be "screened out" by consumers in comparison to other types of ads.

In short, the visibility and ability to generate repeat exposures help mobile billboards to be noticed and read by consumers rather than being screened out by selective perception processes, thereby increasing the value of the exposures.

### **Locational Advantages**

The locational advantage of mobile billboards is so profound that there is simply no other available substitute. Mobile Billboards frequently provide directions to a place of business and for many retail businesses, contribute to tangible response in the form of a consumer visits. Thus, it is not surprising that a large group of mobile billboard users surveyed by my company have rated mobile billboards substantially higher on the "ability to increase sales" than other media, and (local television) came in second, but at a dramatically greater media cost. Additionally, in the same survey, when asked if other specific media served as a substitute for mobile billboards, the mobile billboard users rated all other media below the return on investment value compared to the mobile billboard advertising results.

There is sound theory behind the idea that mobile billboard advertising campaigns in close proximity to a retail store or service business can provide a unique advantage to the advertiser. Dating back to Reilly's law of retail gravitation, gravity models have established that in the absence of a known major advantage of an alternative, consumers will prefer to travel less distance to shop. As gravity models suggest a natural preference to travel less distance and shop at nearby places, it follows that mobile billboard advertising message that points a consumer to a nearby location will have a stronger influence on store traffic and sales.

It is well documented that most retail businesses draw a high proportion of their customers from a limited geographic area ("trade area"). The ability of mobile billboards to provide high reach and frequency in a geographically confined area can allow for excellent coverage of a target audience in a local trade area. As has been noted by several well-known studies, advertising works by influencing those who are ready to buy. As a result, consumers should be reached at the time and place when they are ready to buy, and mobile billboards are particularly effective to many businesses in exposing consumers to the message at the right time and place, as they are often are positioned or travel in close proximity to the place of business and being less likely to be screened out via selective perception processes. As with visibility and frequency advantages, the geographic advantage provided by mobile billboards suggests again that they have a very high exposure value.

Mobile billboard advertising exposures can serve multiple goals. It can, in itself, initiate stops, serving a read/react/stop function (e.g., stopping at a retail store location as a response directional sign). Mobile billboard ads can also serve a read/recall function whereby the ad is read and recalled later when the need for the good or services arise.

**Estimating Reach Potential:** Reaching the number of different individuals potentially exposed to mobile billboard ads within a given period of time:

While virtually all measures of advertising effectiveness can be critiqued, measuring “CPM” (Cost-per-thousand) of a mobile billboard message has its own complexities. From the media-planning point of view, the biggest unknown is how to quantify the audiences of a mobile billboard campaign. Certainly, calculating the number of motorists or pedestrians in any given area exposed to a mobile billboard message is not a pragmatic method. The accuracy would be difficult to accomplish and verify and could only be an approximation of various available census statistics. Although, the outdoor media industry has faced this quandary for many years and have developed certain techniques, including counting the passing of motorist and pedestrians in eye view of a specific stationary billboard sign, and subsequently a stationary billboard may be rated for impression value “Reach/Frequency” which is referred to as “Gross Rating Points” or GRPs that is calculated for a month-long period. Since GRPs are traditionally measured by month-long campaigns on stationary billboards; offering a GRP value to a short-term mobile media event has its inherent difficulties.

Additionally, recent studies conducted by the ATA (American Trucking Association) have contributed to a potential system of rating the CPM of advertisements placed on commercial long-haul trucks in various stages of transportation from highway driving to local deliveries. In the future, this information may be utilized as part of a general strategy to calculate the reach potential of a mobile billboard campaign. Since these studies are in their early stages, the mobile billboard industry is taking a watchful approach.

**Important Note:** Decisions to invest in mobile billboard media, presently, are made almost solely on judgment. For cost justification motives, a media planner may utilize the following CPM comparison chart as a useful guide. CPM may be calculated for any medium, for any demographic group, and for any total cost. It conveniently shows the relative cost of one medium to another.

<b>MEDIA RATES</b>	<b>AVERAGE CPM*</b>	
Post Cards (Postage Only)	\$260.00	\$\$\$\$\$\$\$
Magazines (Full Page)	\$32.00	\$\$\$\$
TV Rates (30 second ad)	\$27.00	\$\$\$\$
Newspaper Rates (Full Page)	\$21.00	\$\$\$
Radio Rates (30 second ad)	\$11.00	\$\$\$
Stationary Billboards (30 sheet)	\$7.00	\$\$
Bus Rates (King size)	\$6.00	\$
Mobile Billboard Rates*	\$4.00	\$

\*Average CPM is broadly based on a national averages of conventional media. \*As indicated, Mobile billboards have the lowest CPM compared to its media competitors. The \$4.00 CPM is an average rate based on market research comparisons. The actual CPM with Billboards 2Go will vary slightly depending upon the size of the market, length of campaign, rate structure, and other contributing factors.

**Mobile Billboards are an effective media tool**

As previously stated, many factors present mobile billboard media as an effective tool in the media mix of an ad campaign, but a major element is the sheer number of people commuting on roads on a daily basis, as the following data indicates:

The United States is a country that has been profoundly influenced by the expansion of use of the automobile. The U.S. has approximately 212 million registered passenger cars, trucks, and motorcycles, and that travel more than 4 trillion miles

per year. According to the Automotive News Data Center, the average American spends 443 hours per year driving a car, and averages driving 10,000 miles. Moreover, the number of vehicle registrations and mileage driven continues to grow. The United States is a large nation geographically that is connected by a complex network of highways.

As stated, there is more commuting than ever, and all that snarled traffic is turning trapped motorists into captured audiences. This is all happening while most other advertising sectors struggle with new problems and audience segmentation.

### **What others are saying**

According to an article in Media Life Magazine ( *by Kelly Prentice* )

Mobile billboards have been around for two decades and are now considered by some in the industry to be a standard workhorse of media, rather than the experimental guerilla medium they were once seen as.

No less important, innovations like GPS tracking and specially designed trucks to display the boards have added value and diversity to advertisers' choices. At the same time, studies are popping up that show mobile billboard messages are truly noticed by the public.

Outdoor Advertising Association of America ( *out-of-home trends article* )

For the past few years, mobile billboard advertising has been promoted based on cost effectiveness and ability to enter markets where conventional out-of-home advertising methods are limited or unavailable, "Stephen Freitas, chief marketing officer of the OAAA said, "Now there's conclusive proof of a mobile billboard's value as a powerful marketing tool that impacts awareness, attitudes and opinions."

### **Conclusion**

The exposures to a message provided by mobile billboard advertising are more valuable now than ever. Because it is increasingly difficult to get messages noticed and/or remembered; mobile billboard ads overcome the difficulty of selective perception. Moreover, the context specific advantages based on geography and the advertising message being seen at a time close to when a purchase decision may be made are key advantages of mobile billboard advertising, especially for retail businesses. Mobile billboards show the target audience that the retail store or local event is going to the "next level" to show that it wants their business and the audience will respond positively to the advertiser's efforts.

In terms of ease to buy; mobile billboards offer a flexibility that most other media can't match. With mobile billboards you can buy as little as one vehicle for a short term or long term. You can change your message on the fly for a very reasonable rate. Mobile Billboards are dynamic and unique and will offer a great R.O.I.

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