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Optimizing Your Advertising Dollars

Improving Your Bottom Line with Signs

A Summary of Recent Sign Research

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Optimizing Your Advertising Dollars

Kresky Signs, Inc. has had a reputation for producing effective, quality signage for over 60 years. Our staff includes professionals with expertise in graphic design, sign materials, regulations, standards, and fabrication.

Last year, Kresky Signs was asked to participate in a research project conducted by a Fortune 500 company to study the economic value of signs in business advertising. The results clearly demonstrated that signs are a superior and cost effective form of advertising (see list of findings below).

To help you plan your advertising budget for 2012, we thought it would be a good time to share the results of this research with you. We hope you find this summary valuable and useful to help you "Optimize Your Advertising Dollars."

*Cecelia Brown
President, Kresky Signs, Inc.
2011*

Research Results*

Research shows that signs:

- ☐ Are the least expensive and most effective form of advertising
- ☐ Increase sales and revenues
- ☐ Are so important that many providers of business loans require a business to have a sign
- ☐ Generate more impulse purchases than any other form of advertising
- ☐ Are an investment that continually pays a return
- ☐ Inform people of a business and attract them to it
- ☐ Are frequent reminders of businesses to passersby
- ☐ Are an instant way to brand your business

* See References.

Economic Value of Signs as an Advertising Strategy

Signs of one sort or another have been used for thousands of years for identification, directional information, attracting attention of potential customers, and generating sales. Ancient signs were made from wood or carved into stone.



Ancient Roman street sign



Pompey Wine merchant shop sign



Old English pub sign

Modern signs continue to use wood and stone as well as a large variety of other materials including metal and plastics.



In 2010, a Fortune 500 company conducted research that showed signs are an efficient, effective, and economical form of communication. The research also demonstrated that signs are a superior advertising medium compared to newspapers, radio, and TV. The value of signs has become so recognized that vehicles are being increasingly used as business displays and rolling billboards.



Advertising Media Research

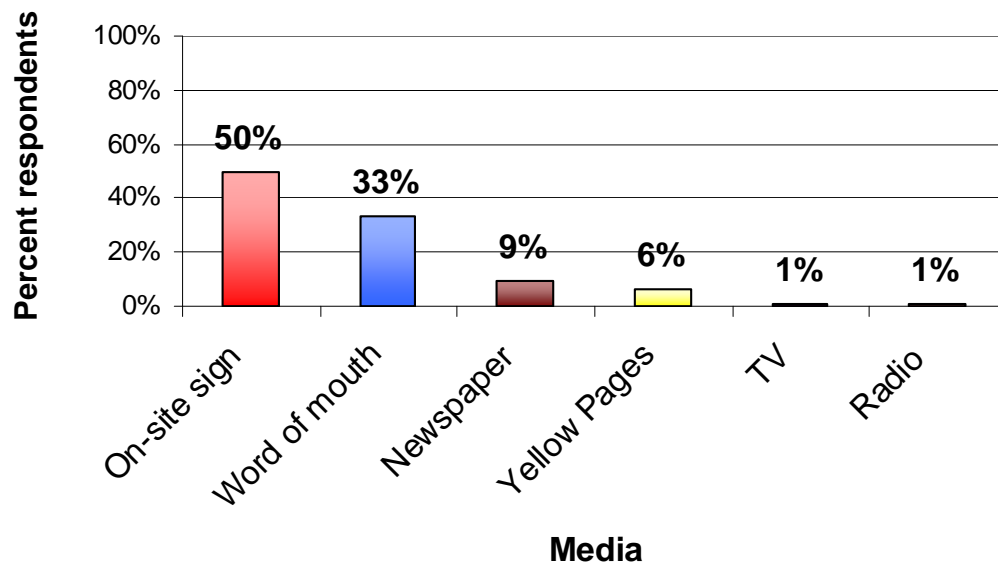
Research showed signs are superior to traditional advertising media for informing people about a business, minimizing overall advertising costs, and helping current and potential customers remember business names and logos.

Optimum Ways to Learn about a Business

When comparing on-site business signs to advertising by word of mouth, newspaper, phone directory Yellow Pages, TV, and radio:

- 📌 **50%** of the research participants reported that they learned about a business from its signs
- 📌 **33%** learned about a business by word of mouth
- 📌 **17%** from a newspaper, the Yellow Pages, TV, or radio

How People Learn about a Business



Advertising Media Research (continued)

Least Expensive Advertising Media

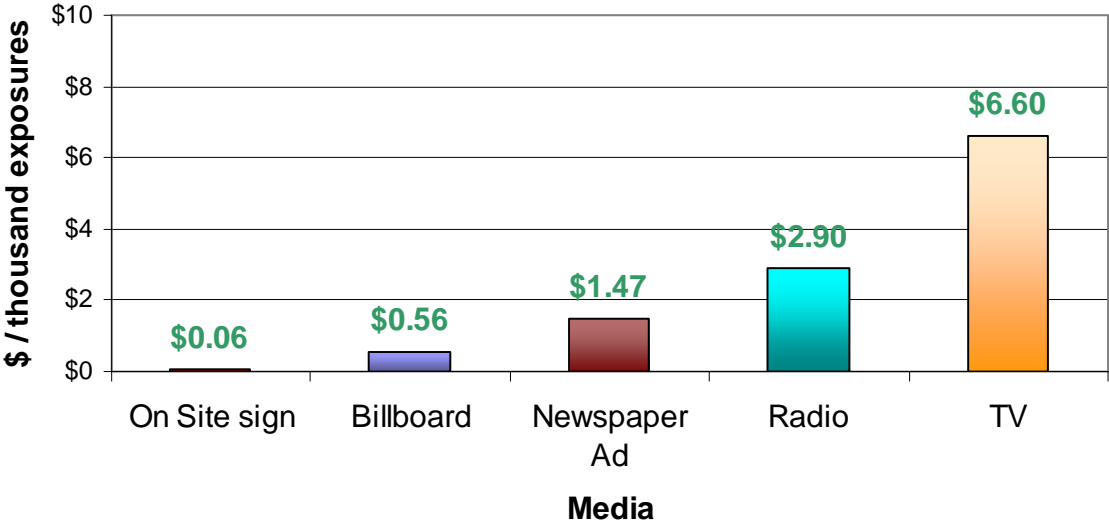
Comparing the cost of advertising (by per thousand exposures) using billboards, newspapers, radio and TV, on-site signs were shown to be the **least** expensive form of advertising.

As shown in the chart below, signs were found to be:

- 100 times less expensive than TV
- 50 times less expensive than radio

TV and radio were found to be the **most** expensive forms of advertising (see chart below).

Typical Advertising Costs for Various Media



On-site signs were viewed by 85% of the retail market an average of 10 times per month at a cost of only \$.06 per thousand exposures.

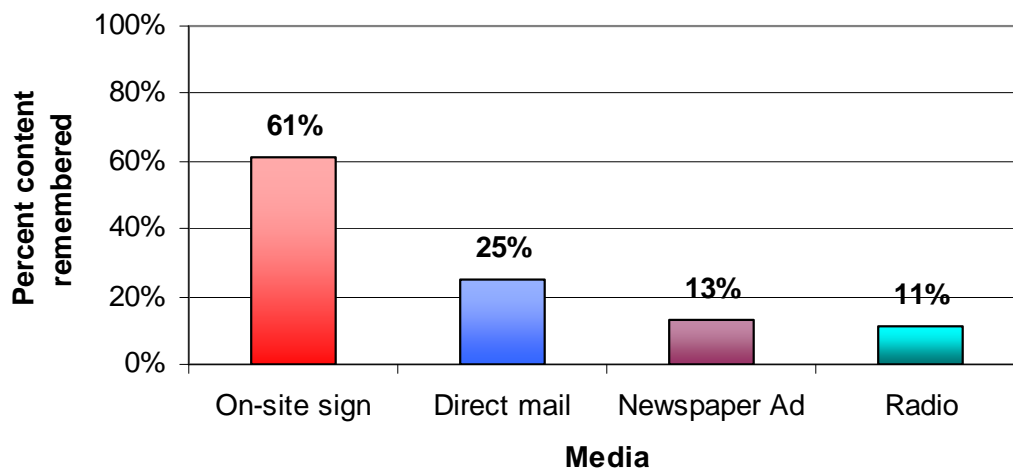
Advertising Media Research (continued)

Readership Retention

Research discovered that people's retention of information from on-site signs substantially exceeded information retained from direct mail, newspaper, or radio.

On-site signs resulted in almost **3 times more** information remembered than direct mail and **6 times more** than newspaper ads and radio.

Remembering Sign Information



When comparing sales and revenue generated by signs,

- Having an on-site sign was shown to **increase revenues from 10% to 75%**
- When signs were placed on a previously blank side of a building, **sales increased from 2.5% to 7.1%.**

Big Impact for Small Outlay

Although it may seem counter intuitive, statistics show that the *most important* time to spend money on advertising is when businesses have the *least* amount of money to spend. During the recession of the early 1980's, companies that maintained their advertising budgets actually *increased sales by 275%* after the recession ended. However, sales of companies that *cut* advertising expenditures during the recession increased sales by only 19% when the economy recovered. Consequently, during economic downturns like we are experiencing at the present, it is crucial to use proven advertising media like signs to achieve the biggest impact with your allocated advertising dollars.

When considering an investment in signs, ensure that they are:

☞ Quickly and easily noticed

Signs should be easily distinguishable from their surrounding environment, the prominent feature of a building or site, and of sufficient size to be quickly and easily noticed by pedestrians and drivers.

☞ Easily understood and remembered

The images on a sign should be legible, easily differentiated from each other and quickly and easily identified and interpreted. For the message of a sign to be remembered, its contents should follow established guidelines for images, layout, colors, and density.

☞ Creating maximum impact

To achieve high impact, your sign should be attractive, portray high quality, adhere to established design principles and motivate people to purchase your goods/services.

☞ Economically viable

Quantity, design, layout, fabrication, material, quality, and size will determine the price of your sign(s). There are many types of materials used in sign fabrication such as metal, plastic, wood, vinyl, and other materials. Each has specific properties and is available in a wide range of prices and quality. If, for example, you need a sign to last only a short time in an interior environment, you would choose a different type of material than for a sign that will be exposed to the elements for many years. Your biggest savings will be realized by choosing the highest quality materials you can afford appropriate to its purpose.

Conclusion

The goal of most business signs is to create "Top of Mind Awareness" for your business by attracting new customers, branding your business, and creating impulse sales. As shown in the research cited in this report, signs have been proven to be the *least* expensive, *most* effective form of advertising. Signs alone can be responsible for capturing up to 50% of your business.

K The cost per view of on-site signs is less than other media.

<u>On-site sign</u>	<u>Outdoor billboard</u>	<u>Newspaper ad</u>	<u>Radio</u>	<u>TV</u>
\$.06	\$.56	\$1.47	\$2.90	\$6.60

K On-site signs are better remembered.

<u>On-site sign</u>	<u>Direct mail</u>	<u>Newspaper ad</u>	<u>Radio</u>
61%	25%	13%	11%

K People learn more about a business from signs than other media.

<u>On-site sign</u>	<u>Word of mouth</u>	<u>Newspaper</u>	<u>Yellow pages</u>	<u>Radio</u>	<u>TV</u>
50%	33%	9%	6%	1%	1%

An investment in a well designed, high quality sign can increase your competitive edge while ensuring you get the most value from your advertising dollars.

*A business without a sign,
is a sign of no business !*

References

- K** *What's Your Signage? How On-Premise Signs Help Small Businesses Tap into a Hidden Profit Center*, The New York State Small Business Development Center, The State University of New York, 2010.
- K** *Creating Effective Variable Message Signs: Human Factors Issues*, University of Virginia, Dept. of Biomechanical Engineering, March 1998.
- K** *Model Guidelines for Visibility of On-premise Advertisement Signs*, Research on Traffic Control Devices. Transportation Research Board, Washington, D.C., 1997.
- K** *What's Your Signage Handbook*, The New York State Small Business Development Center, Albany, New York
- K** *Memory for visual and verbal components of print advertisements*, Psychology and Marketing, 3, 137-150, 1986

For help creating and obtaining your signs,
call Kresky Signs at **(707) 762-4554**
or email Kresky at signs@kresky.com

Get the best sign for your advertising dollars. Use this convenient checklist.

SMART SIGN CHECKLIST

- Identify your target market: Pedestrians Drivers Both
- Identify sign location: Interior Exterior Both
- Determine Viewing distance ___ft.
- Sign size: Width: _____ Height: _____ Thickness: _____
- Decide content (text and images)
- Determine quantity
- Identify potential sign vendors
- Discuss your sign design requirements with selected vendors & solicit their recommendations based on your needs
- Choose a vendor by considering:
 - ◆ Length of time (years) in business
 - ◆ Reputation
 - ◆ References
 - ◆ Capabilities / Services: Graphic design Fabrication Consulting Services
 - ◆ Specialty knowledge: Standards Regulations Permits
 - ◆ Available materials & processes:
 - Screen printing Computer cut graphics
 - Sand Blasting Digital printing Other _____
 - ◆ Lead time: _____ days/weeks
 - ◆ Pricing
- Choose a vendor
- Discuss your sign design needs with your vendor and submit art (text and images) in the format (.ai, .eps, .pdf) preferred by the vendor
- Review and approve vendor's quote
- Place your order

Enjoy your sign !