

Chapter Thirteen

Out-of-Home, Direct-Mail,
and Promotional Product
Advertising

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Learning Objectives

- 13-1** Describe the various types of out-of-home (OOH) advertising and its pros and cons.
- 13-2** Explain how outdoor advertising is purchased.
- 13-3** Discuss the various types of transit advertising and its pros and cons.
- 13-4** List the various types of direct-mail advertising and its pros and cons.
- 13-5** Describe the basic components of direct-mail advertising.
- 13-6** Demonstrate the value of promotional products.

Out-of-Home Advertising ¹

A Global Medium

OOH media reaches prospects outside their homes.

Likely the first advertising medium.

OOH successful in incorporating digital technologies as foundation for growth.

- Growth expected to continue.

Last great mass medium.

- Vehicle for mass audiences, available 24 hours a day, seven days a week.
- Can be used for variety of purposes.

Messaging



One great example of an inspiring billboard is a recent campaign by Corona in support of World Ocean's Day. The campaign combines a traditional board featuring a photo of movie star Chris Hemsworth surfing, over what appears to be a foaming blue wave. But on closer inspection, the “wave” is a carefully constructed pile of plastics, all harvested from ocean waters. A nearby sign for the London billboard reads, “This wave of waste contains the average amount of marine plastic pollution found on every two miles of beach in the UK.”

Out-of-Home Advertising ²

Standardization of the Outdoor Advertising Business.

Standardized **OOH advertising**: out-of-home medium in the form of billboards.

- Uses scientifically located structures to deliver an advertiser's message.
- Plants are advertising companies that own and maintain outdoor ad structures.

In the United States, there are about 164,000 bulletins, 8,800 digital billboards, 147,000 posters, 20,000 junior posters, 63,000 bus shelters, 39,000 urban furnitures, and 29,000 airport displays.

Biggest outdoor advertisers are services, amusements, media and advertising, retailers, restaurants, hotels, financial services, and communications companies.

The Pros and Cons of OOH Advertising

PROS

- Accessibility.
- Reach.
- Frequency.
- Geographic flexibility.
- Demographic flexibility.
- Cost.
- Impact.
- Creative flexibility.
- Location.

CONS

- Fleeting message.
- Environmental influence.
- Audience measurement.
- Control.
- Planning and costs.
- Availability of locations.
- Visual pollution.

Out-of-Home Advertising ³

Types of Outdoor Advertising

Bulletin structures: large, outdoor billboards meant for long-term use.

- Work best where traffic is heavy and visibility is good.
- Measure 14 by 48 feet.
- Must be simple, brief, easy to discern.

Costly, but can be rotated to different locations.

Exhibit 13-1 Most and Least Readable Typefaces on Outdoor Advertising

Most Readable	Least Readable
Upper – and Lowercase	ALL UPPERCASE
Regular Kerning	Tight Kerning
Boldface	Lightface
Uniform Thickness	Too Thick or Thin

The Power of OOH



This Apple board, perfectly suited for night, helps to demonstrate the power of OOH. For a driver on this dark highway, the brand—and the message—are impossible to ignore.

Out-of-Home Advertising ⁴

Types of Outdoor Advertising continued

Standard poster panel: blank panels with a standardized size and border; the message is first printed on large sheets of paper, then mounted by hand on the panel.

Stock posters: ready-made 30-sheet posters, available in any quantity and often featuring the work of first-class artists and lithographers.

Junior posters: smaller type of outdoor advertising, often used in urban areas, close to the point of purchase.

- Space costs half of standard poster panel.
- Production costs are significantly lower.

Out-of-Home Advertising ⁵

Types of Outdoor Advertising continued

Spectaculars: giant electronic signs that grab the attention of viewers in high-traffic areas by incorporating movement, color, and flashy graphics.

- Very expensive to produce.
- Primarily found in world's largest cities.



Spectaculars are expensive, elaborate animated signs found primarily in the hearts of large cities. They incorporate movement, color, and flashy graphics to grab attention in high-traffic areas.

Out-of-Home Advertising ⁶

Types of Outdoor Advertising continued

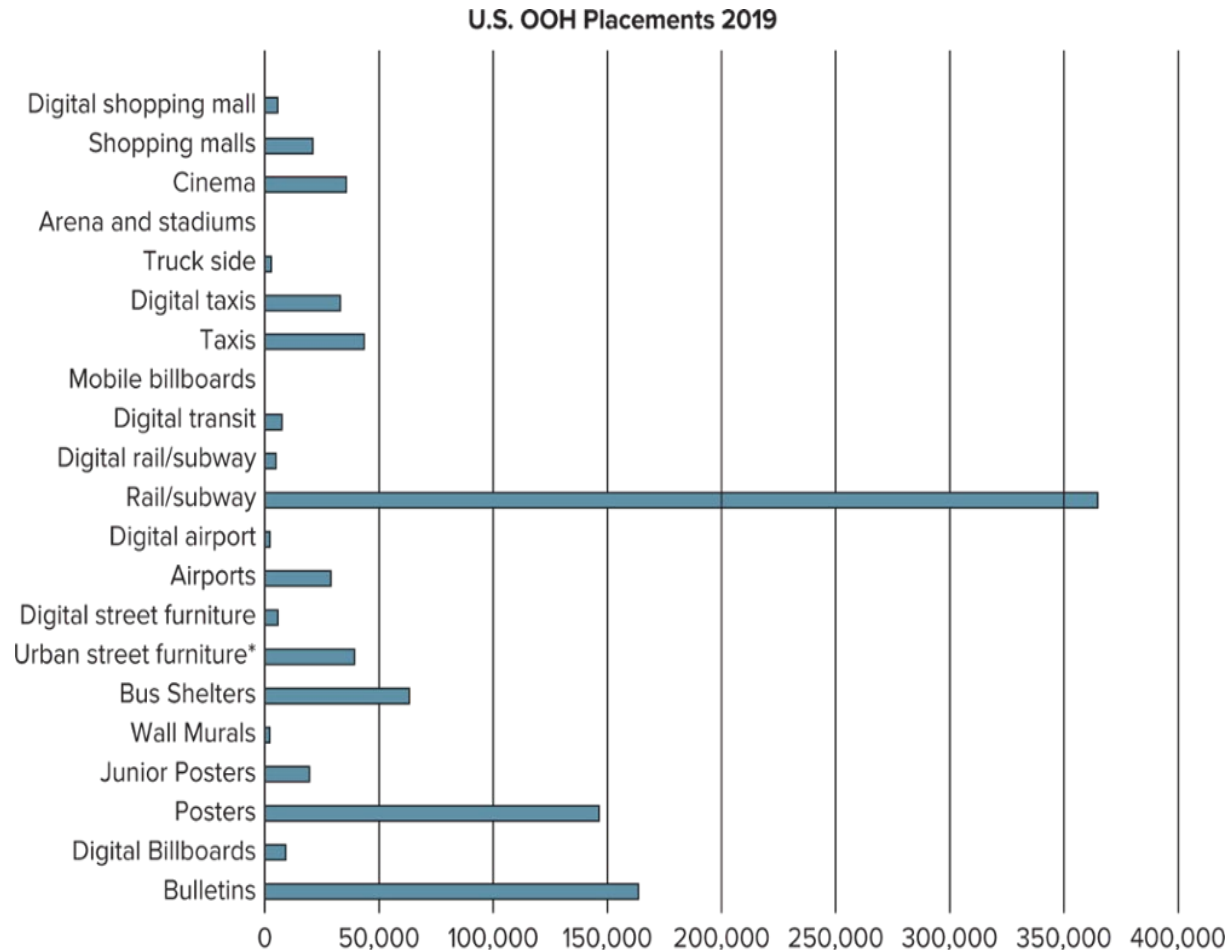
Digital billboards are a time-sensitive and flexible form of outdoor advertising.

- Uses a computer-generated message that changes approximately every seven seconds.
- Messages can be changed almost immediately or streamed from company websites.
- Social media sharing, live countdowns, and locally adaptable.

Purchased via programmatic advertising methods.

- Less costly than traditional billboards.

Exhibit 13-2 Number of Vehicles Within OOH Categories



[Access the text alternative for slide images.](#)

Out-of-Home Media

Out-of-Home Media

Media such as outdoor advertising (billboards) and transit advertising (bus and car cards) that reach prospects outside their homes.

Forty different types, generating \$1.1 billion in revenue in 2019.

- On-premise signage—promotes goods and services or identifies a place of business, on the property where the sign is located.
- Standardized outdoor and transit advertising.
- Bus and taxi ads.
- Cinema advertising.
- ATMs.
- Mobile billboards.
- In-store and mall advertising.
- Digital signs and displays.

Buying OOH Advertising ¹

OOH Advertising

- **100 showing:** basic unit of sale for billboards or posters is 100 gross rating points daily. One rating point equals 1 percent of a particular market's population.

Location, Location, Location

- Key for effective outdoor advertising.
- Rates vary depending on property prices, labor costs, and market size.
- Billboards still offer the lowest cost per thousand impressions.

Exhibit 13-3 Typical Billboard Locations in Baton Rouge



Typical billboard locations in Baton Rouge that would achieve at least 100 GRPs daily when posted for 30 days. The red semicircles indicate which way the boards face.

[Access the text alternative for slide images.](#)

Buying OOH Advertising ²

Technology in Outdoor Advertising

- **Global positioning systems (GPSs):** give the exact latitude and longitude of particular boards to help media buyers determine the best locations for boards.
- Digitized videos show actual boards and environment in which they are located.
- Computerized painting guarantees a high-quality, high-resolution reproduction of a message.
- Digital billboards can be implemented the same day and updated quickly and easily over the Internet.

Creative Outdoor Advertising



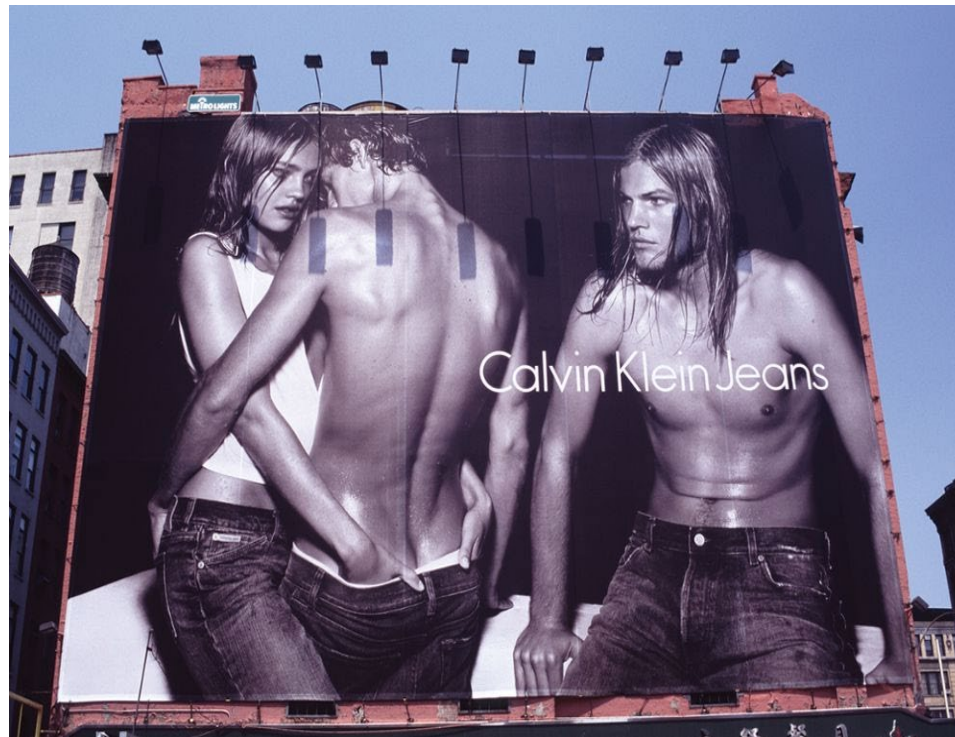
OOH advertising doesn't consist of billboards only. These digital signs in New York are spectaculars, digital images placed in heavily trafficked locations. These messages include both brand messages and PSAs thanking Americans for their efforts during the COVID crisis.

Buying OOH Advertising ³

Regulation of Outdoor Advertising

- The Highway Beautification Act of 1965 controls outdoor advertising on U.S. interstate highways and other federally subsidized highways.
- Each state regulates, administers, and enforces outdoor advertising permit programs through the department of transportation.
- Some states prohibit outdoor advertising altogether.

Comparative Advertising



The public nature of OOH means advertisers are under greater scrutiny than they might be in publications with adult reach. Some groups have reacted strongly to billboard ads featuring sexual themes, alcohol, tobacco, or other offensive products.

Transit Advertising ¹

Transit Advertising

Out-of-home medium that includes bus and taxicab advertising as well as posters on transit shelters, terminals, and subways.

- Cost-effective way for marketers to reach a large audience.
- Popular with local advertisers.



Pros and Cons of Transit Advertising

PROS

- Digital vehicles.
- Long exposure.
- Repetitive value.
- Eagerly read messages.
- Low cost.
- Creative flexibility.
- Need satisfying.
- Environmentally sensitive.

CONS

- Status.
- Crowded environment.
- Limited selectivity.
- Clutter.
- Location.
- Creative restrictions.

Transit Advertising ²

Types of Transit Advertising

Transit shelter advertising: advertisers buy space on bus shelters and on the backs of bus-stop seats.

Terminal posters: one-, two-, and three-sheet posters used in bus, subway, and commuter train stations, or airline terminals.

- Can include special advertising forms as floor displays, island showcases, illuminated cards, dioramas (3-D scenes), and clocks with special lighting and moving messages.

Transit Advertising ³

Types of Transit Advertising continued

- **Inside card:** an ad placed in a wall rack above the vehicle windows.
- **Car-end posters:** transit advertisements of varying sizes, positioned in the bulkhead.
- **Outside posters:** variety of transit advertisements appearing on the outside of buses.
- **Taxicab exteriors:** internally illuminated two-sided posters on the roofs of taxis.

Transit Advertising ⁴

Buying Transit Advertising

Showing: relative number of outdoor posters used during a contract period, indicating the intensity of market coverage.

Full showing: unit of purchase where one card will appear in each vehicle in the system.

Space can be purchased as half or quarter showings.

Cost depends on:

- Length and saturation of the showing.
- Size of the space.

Transit Advertising ⁵

Buying Transit Advertising: Special Inside Buys.

- **Basic bus:** purchase of all the inside space on a group of buses, giving the advertiser complete domination.
- **Take-ones:** pads of business reply cards or coupons, affixed to interior advertisements for an extra charge, that allow passengers to request more information, send in application blanks, or receive other benefits.

Transit Advertising ⁶

Buying Transit Advertising: Special Outside Buys.

- **Bus-o-rama signs:** a jumbo full-color transparency backlit by fluorescent tubes, running the length of a bus.
- **Total bus:** the entire exterior of a bus, including the front, rear, sides, and top.
- **Brand trains:** all the advertising in and on a train is from a single advertiser.
- **Immersive advertising:** integration of advertising into the message delivery mechanism in a way that promotes the product and entertains the audience.

Other Out-of-Home Media ¹

Cinema Advertising

Advertising in movie theaters.

- Includes on-screen advertising, such as commercials airing in advance of movie previews and the feature presentation, as well as lobby-based videos, sampling, special events, and concession-based promotions.
- The coronavirus pandemic in 2020 pandemic had major effect on medium.

Mobile Billboards

Cross between traditional billboards and transit advertising; some specially designed flatbed trucks carry long billboards up and down busy thoroughfares.

Other Out-of-Home Media ²

Digital Arena and Stadium Signage

Digital signs: display text and graphic messages similar to the big screens in sports stadiums.

- Easily and quickly updated.

Mall Advertising

Messages are placed in front of millions of consumers in the mood to make purchases.

- Includes posters on mall directories, door- and window-mounted signage, advertising on escalators and elevators, banners hanging from ceilings, tabletop ads in food courts, and other locations.

Other Out-of-Home Media ³

Augmented Reality

Using digital imagery to project 3-D images in public spaces.

- Expected to grow with time.

Guerrilla Marketing

Using unconventional, low-cost techniques to promote products and services.

- Also referred to as stealth, buzz, ambush, street, or viral marketing.

Direct-Mail Advertising: The Addressable Medium ¹

Direct-Mail Advertising

All forms of advertising sent directly to prospective customers without using one of the commercial media forms.

- Used by for-profit businesses, charities, and political campaigns.
- Targets advertiser's best prospects based on geography, demographics, purchasing behavior, or expressed interest.
- Consumers can opt out.

Many experts predict a decline in dollars spent on direct-mail advertising.



Direct-Mail Advertising: The Addressable Medium ₂

Types of Direct-Mail Advertising

- **Dimensional direct mail:** utilizes three-dimensional shapes and unusual materials.
- **E-mail:** electronic mail messages transferred between computers.
- **Sales letters:** typeset and printed or computer-generated advertisements mailed to consumers.
- **Postcards:** cards sent by advertisers to announce sales, offer discounts, or otherwise generate consumer traffic.
- **Business reply mail:** type of return mail that enables the recipient of direct mail advertising to respond without paying postage.

Direct-Mail Advertising: The Addressable Medium ³

Types of Direct-Mail Advertising continued

- **Folders:** large heavy-stock fliers, often folded and sent out as self-mailers.
- **Brochures:** printed on heavier paper and featuring color photographs, illustrations, and typography.
- **Broadsides:** larger than a folder and sometimes used as a window display or wall poster in stores; can be folded into compact size and inserted into a mailer.
- **Self-mailers:** any type of direct mail that can travel without an envelope, usually folded and secured by a staple or a seal, with a blank space for the prospect's name and address.

Direct-Mail Advertising: The Addressable Medium ⁴

Types of Direct-Mail Advertising continued

- **Statement stuffers:** enclosed in monthly customer statements mailed by department stores, banks, utilities, or oil companies.
- **House organs:** internal and external reports produced by business organizations, including stockholder reports, newsletters, consumer magazines, and dealer publications.
- **Catalogs:** reference books mailed to prospective customers that list, describe, and often picture the products sold by a manufacturer, wholesaler, jobber, or retailer.

Direct-Mail Advertising: The Addressable Medium ⁵

Using Direct Mail in the Media Mix

- Direct mail is efficient, effective, and economical for sales and business promotion.
- Many small advertisers participate in cooperative mailings.
- Companies can save money by mailing only to qualified prospects.
- Companies can build their image by sending higher-quality materials.

The Pros and Cons of Direct-Mail Advertising

PROS

- Selectivity.
- Intensive coverage.
- Extensive reach.
- Flexibility.
- Control.
- Personal impact.
- Exclusiveness.
- Response.
- Testability.

CONS

- High cost per exposure.
- Delivery problems.
- Lack of content support.
- Selectivity problems.
- Negative attitudes.
- Environmental concerns.
- Antispam laws.

Components of Direct Mail Advertising ¹

Acquiring Direct-Mail Lists

- **House list:** a company's most important and valuable direct-mail list, which may contain current, recent, and long-past customers or future prospects.
- **Mail-response list:** a list composed of people who have responded to the direct-mail solicitations of other companies.
- **Compiled list:** a list of people compiled by an organization for a reason other than generating prospects that is then rented to advertisers.
- **List broker:** intermediary who handles rental of mailing lists for list owners on a commission basis.
- Mailing list prices vary according to the accuracy and currency of the data.

Components of Direct Mail Advertising ²

Developing the Offer

The offer is an incentive or reward that motivates prospects to respond to a mailing. Offers should:

- Be clear and specific.
- Offer value to the potential customer.
- Be believable.
- Be easy to acquire.
- Have clear instructions.
- Include conspicuous address and toll-free number.

Offer should promote a benefit that addresses a customer need.

- Include a call-to-action.
- Give a reason to act now.

Components of Direct Mail Advertising ³

Creating, Producing, and Distributing the Package

- Advertisers use in-house staff, an ad agency, or a freelance designer and writer to create direct-mail packages.
- Printing costs are affected by a package's size, shape, type, illustrations, colors, and special features.
- Remaining production and handling tasks can be done by the advertiser or by a local **letter shop**: a firm that stuffs envelopes, affixes labels, calculates postage, sorts pieces into stacks or bundles, and otherwise prepares items for mailing.
- Distribution costs based on weight and delivery method.

Promotional Products

Promotional Products

Useful or decorative articles of merchandise, usually imprinted with a company's name, logo, or message, that are utilized in marketing communications programs.

- **Advertising specialties:** promotional products that are distributed free.
- **Premiums:** relatively valuable promotional items that are given as an incentive for a specific action, such as witnessing a demonstration.



Almost every business uses promotional products, and almost any item can be imprinted with a company's advertising message and logo.



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