

## ***Introduction***

It is now generally agreed that advertising objectives must be set within the context of promotional objectives, which are set within the context of marketing and corporate objectives [Hutt & Speh, 2001] [Bingham & Gomes. 2001][Lichtenthal & Ducoffe, 1994]. While the primary communication vehicle in business-to-business marketing remains the salesperson, non-personal methods of communication including advertising, catalogs, the Internet, trade shows and other forms of promotions have a unique role in the communication process. Effective advertising can make personal selling more productive [Hutt & Speh, 2001],[Dwyer & Tanner, 2002]. Morril 1970] concluded that dollar sales per salesperson call were significantly higher when customers had been exposed to advertising.<sup>1</sup> There is evidence that advertising can “open doors” for an industrial salesperson [Lichtenthal & Ducoffe, 1994]. Several studies (Parsuram (1981), Korgaonar (1986) as quoted in [Lichtenthal & Ducoffe, 1994]) found that advertising generates awareness and favorable attitudes thereby supporting sales rather than *directly* causing them.

One study identified the attributes of each medium that make it best suited for a particular communications task (see table 1). Others [Hutt & Speh, 2001][Messner][Lichtenthal & Ducoffe, 1994] have similarly identified different options available to business marketers.

[Table I about here]

However, “outdoor” as a medium stands out conspicuously for being overlooked in recent systematic discussions on the nature and use of this medium as it pertains to business marketing [Hutt & Speh, 2001] [Bingham & Gomes. 2001].

The myriad options available have confounded both the business and consumer markets. Consumers today get exposed to more than 3000 messages per day in one form or another

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<sup>1</sup> Based on a study involving 100,000 interviews on twenty six product lines at 30,000 buying locations

[Kotler, 1999]. For advertisers, the choices available have also increased dramatically. Almost every option is reaching saturation and getting a share of mind can be challenging. In fact, there has been a tremendous explosion in the use of advertising, to an extent that it has become a nuisance rather than a method of information dissemination. This phenomenon has led to the advent of “permission marketing,” where the consumer reaches to the message as opposed to the medium reaching the customer as with earlier forms of advertising [Association of National Advertisers, 1952]. In some ways it seems that we have come full circle.

The focus herein is to look at the nature and purpose of outdoor advertising as it concerns business marketing. “Outdoor” is the oldest mass communication medium known to man and received much attention in the U.S. between the years after World War II and the early 1980’s [Association of National Advertisers, 1952][Henderson & Landau, 1980][Agnew, 1985]. However, there is a dearth of material about this communication mode, especially as it pertains to business-to-business communications.

### ***Outdoor Advertising Characteristics***

“Outdoor” advertising includes all forms of advertising that provide exposure out-of-doors. These forms may be pictured, written or spoken [Association of National Advertisers, 1952][Agnew, 1985][Nelson & Sykes, 1953]. The most prevalent forms of outdoor advertising are billboards, street furniture, transit and alternative forms. (see table II).

[Table II about here]

Billboards are the predominant form of outdoor advertising and are further classified into bulletins, 80 sheet posters, 30 sheet posters, wrapped 30 sheet posters, squared wrapped posters, spectaculars and wall murals. Technology has provided outdoor advertisers with myriad options.

Most recently, the liberal use of electronics with “outdoor” has created “spectacular” billboards that are more like giant screen televisions, some even with sound.

Street furniture also provides very interesting options for out-of-home media usage. Some of the most prominent forms of street furniture consist of bicycle racks, bus bench / bus shelter advertising, kiosks, sidewalk posters, shopping mall displays, in-store displays and one sheet posters.

Transit advertising options in outdoor media revolve around media on transit or places of transit in airports and subway stations, as well as on buses, taxicabs, trains, etc. Advertising on movable type media like taxicabs and trucks has been shown to provide high recall rates.

Finally, there is an “alternative” form of outdoor media that comprises almost all options not covered in the above three forms. This is probably the fastest evolving category and includes such options as trash receptacle advertising, airborne displays, digital displays, carton and cup advertising, movie theater advertising and stadium and arena displays.

Outdoors today has the capabilities of reaching an audience on a national scale or on a market-by-market basis [Association of National Advertisers, 1952]. Outdoor advertising has evolved to the extent that it can be almost as useful as some traditional forms of advertising like newspaper, radio and TV. Outdoor is strikingly different from other media in one essential aspect – *the medium does not circulate the message to market but the market circulates around the medium*, “the medium delivers its message to people on their way to work, play or shop. [Association of National Advertisers, 1952]” For instance, an executive going to work to deal with a full day of computer related problems would probably “look out for” messages from Dell, Hewlett Packet or Epson. It may seem like a trivial distinction, but if one takes into account the psychological frame of mind of people at the time the message is delivered, it is surely a

powerful medium to access<sup>2</sup>. One of the biggest advantages of outdoor medium vis-à-vis other mediums like television or magazines is that “your audience can’t zap, discard or even click away from it.” [Business Wire, Dec. 4, 2002]

This medium also differs in that it targets a “market in motion” and thus requires a special technique of presentation. Since the maximum number of words one can effectively use in outdoor advertising is seven [Business Wire, Dec. 4, 2002], there is no room for detailed explanations Outdoor advertising may best serve the purpose of a reminder medium that helps register the brand to achieve a top-of-mind recall when the “want” in the buyer needs to be fulfilled.

### ***A Brief History of Outdoor Advertising***

The fifteenth century saw the separation of the producer from the consumer. Production for mass consumption rapidly increased over the next couple of centuries. A method was therefore required to inform the public about the existence of goods and services available for consumption [Nelson & Sykes, 1953], and billposting was a tool of choice that producers employed in large scale giving rise to a field now called mass communication.

Until the fifteenth century billposting was the only means, other than a public address, of disseminating information on a widespread basis [Association of National Advertisers, 1952]. One of the earliest mediums of mass communication was the *stèle* of ancient Egypt [Association of National Advertisers, 1952][Henderson & Landau, 1980][Agnew, 1985]. Hewn from basalt, these *stelai* or tablets were about five feet high, two and one-half feet wide, and eleven inches thick. Displayed prominently in town centers and other areas of high traffic, these *stelais* are the earliest form of mass advertising known to man. Some *stelai* carried messages that promised a

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<sup>2</sup> Selective exposure and attention are likely salient in the outdoor arena.

reward for locating a lost slave [Association of National Advertisers, 1952], while others were used to declare the King's decree and other such information.

In 1450 Johannes Gutenberg is credited with inventing printing from movable typesetting and the dream of duplicated messages was realized [Association of National Advertisers, 1952][[www.oaaa.org](http://www.oaaa.org)]. Widespread commercial application became economically practical and modern advertising was launched in the form of handbills. Invention of the printing press led to the development of two media – the handbill, a circulating medium that was distributed in large quantities, and the posted bill. While the handbill can be considered a forerunner of a modern day newspaper, the posted bill is the forerunner of contemporary outdoor advertising [Association of National Advertisers, 1952].

In the 17<sup>th</sup> and 18<sup>th</sup> century another form of outdoor advertising emerged – the outdoor sign. Taverns, bookmakers and apothecaries identified their place of business with signs that were symbolic of both trade and firm. In 1796, Alois Senefelder perfected the lithographic process that combined the art form of signs with the detail of the handbill to create the illustrated poster [Association of National Advertisers, 1952][[www.oaaa.org](http://www.oaaa.org)].

As billposting became more popular and the space for displaying the messages more scarce, measures were taken to ensure the exposure of the message for a fixed period of time. The billposters began erecting their own structures to display the messages in the high traffic areas and stopped relying solely on the space available on walls. These structures came to be called “fences”. American marketers picked up the technique of billposting with gusto and the special structure that gradually evolved for the use of billposting came to be known as the “billboard” [Association of National Advertisers, 1952]. In 1830's the largest American outdoor

poster of more than 50 feet emerged in New York in Jared Bell's office where he printed posters for the circus in 1835. In 1850 exterior advertising was first used on railways [www.oaaa.org].

### ***The Prevalence of Outdoor Advertising***

Over the years, outdoor advertising has grown steadily at a compounded annual growth rate of 14.62% (since 1970 - see appendix I). Also significant is the fact that the ratio of spending on billboards to spending on other forms of outdoors advertising has come down from a high of 3.73 to 1 in 1970 to 1.5 to 1 in 2002. However, billboards are still the most dominant form of outdoor media currently.

An industry-wide breakdown of expenditure for outdoors (see appendix II) indicates that "Local Services and Amusements" is the industry's top business at 13.3% of total spending with growth even stronger than in 2001. The top five categories of spending remain unchanged from a year ago and collectively represent 50% of total spending. In addition to Local Services and Amusements, these include Hotels & Resorts, Retail, Media, and Restaurants.

### ***Measurement of Outdoor Advertising***

One of the biggest challenges facing outdoor advertising as a viable medium stems from the difficulty of measuring of audience reach / frequency (especially as it pertains to specific customer segments / profile) in verifiable, quantitative terms. This fact, acknowledged by the industry, is a major factor preventing widespread use of outdoor advertising as a significant medium [Steinberg, 1994][Business Wire, 2002][Robertson, 2003]. The lack of specific data pertaining to audience profile is also a major hindrance. This is especially true when it comes to business-to-business advertising since the target segments are typically much smaller and more geographically concentrated, and therefore more "tightly" defined than in consumer products.

The earliest methods of measuring outdoor advertising were in terms of a “showing” [Association of National Advertisers, 1952]. An advertiser could buy a No. 100 showing, or a No. 50 showing and so on. A No. 100 showing was defined as the number of outdoor panels sufficient to provide an advertiser complete coverage of a particular market. A No. 50 showing similarly provided only half the complete coverage of the market.

The Traffic Audit Bureau (TAB), established in 1934, published “impartial” data for such showings. The bureau published two types of data. First, it defined the showing i.e., what is the difference between a No. 100 showing and a No. 50 showing. For example in a study conducted by TAB in Cedar Rapids, it was concluded that a No. 100 showing achieves a reach of 93.1% and a frequency of over 20, over a period of thirty days [Association of National Advertisers, 1952]. Second, TAB also provided data on an individual outdoor panel that it compiled after studying vehicular and pedestrian traffic at the site location. The data took into account individual nuances of the outdoor site and gave a composite rating by considering visibility provided by each site. The visibility took into account the angle of the outdoor site, speed of traffic, length of approach and other such factors [Association of National Advertisers, 1952]. Not much has changed since TAB first began in 1934 and the outdoor industry still uses TAB’s audited data of vehicular traffic as a measurement tool. Thus, while the question of “how many” are exposed gets answered, the issue of “who” is exposed to the medium remains a mystery [Business Wire, June 20, 2002].

Over the that last couple of years measurement of outdoor advertising has received much attention. Various technology driven solutions are being implemented to acquire data that will put the measurement of outdoor advertising at par with the data available for other media. While Nielsen has proposed using a handheld Global Positioning System, Arbitron intends to develop

its own method of acquiring data that will provide audience demographics, geographic definitions, audience estimates such as reach, frequency and Gross Rating Points [Business Wire, June 20, 2002, Business Wire, Oct. 8, 2002]. Other technologies permit billboards to monitor radiation leakage from car antennas to indicate which radio station passing drivers are listening to and adjust their messages to fit the demographic profile of the most popular radio stations [Emling, 2004]. Such advances in the measurement of outdoor advertising data will be a shot in the arm for the industry and will go a long way to putting this often ignored medium in the mainstream of advertising choices.

### ***“Outdoor” and Business-to-Business Marketing***

Despite the infrequent mention of outdoors as a medium for industrial advertising, the use of such medium can be very effective. The key characteristic of outdoor ads that give this medium the flexibility for use in business-to-business (BTB) advertising is the ability to deliver the message constantly and consistently to a select (and often very small) target market. Such a constant reminder could be the differentiating factor that enables the “brand to surpass the threshold level of awareness thus achieving meaningful additions in the brand preference share” [Hutt & Speh, 2001]. While a “larger-than-life” billboard could be an effective means of building the brand, outdoor media is also the most localized of all mass media, thus giving the advertisers the freedom to place it appropriately within the vicinity of the target market.

One of the biggest advantages of outdoor medium lies in its affordability when compared to other forms of advertising, especially the forms frequently used in business-to-business marketing. In 1999 outdoor advertising cost about 81 cents per thousand compared to \$10.40 for a 30 second TV commercial on prime-time network, \$11.03 for a quarter page newspaper ad, and or \$9.14 for a four-color magazine ad [Goodgold, 2003].



The use of outdoor advertising in a business-to-business context is explored next. First, we identify key BTB marketing characteristics and evaluate their implications for the associated use of outdoors as a medium. Second, we examine traditional advertising objectives used in BTB communication strategy and identify the niche that outdoors has the potential to fulfill. Subsequently, we look at the classification of business goods/services and evaluate the conduciveness of these different categories for using outdoor advertising medium. Finally, we conclude by examining the latest technological developments in the field of outdoor advertising and their impact towards its usage in a BTB context.

### ***Characteristics of Business-to-Business Marketing and the Use of Outdoor***

Certain unique business-to-business marketing characteristics may indicate the appropriate use of outdoor advertising, despite the historic low usage of the medium in the industrial arena (see Table IV). An examination of each area follows.

[Table IV about here]

*Geographic Concentration of Buyers* - It is widely known that business buyers (e.g., a specific manufacturing industry) often are located near each other. Examples include, oil production companies in Alberta, Canada's oil fields, chemical companies in Niagara Falls and many automakers in Detroit. Over two-thirds of business firms in the U.S. are located in the Middle Atlantic, East North Central, South Central and Pacific States (see table V).

[Table V about here]

According to one source, over half of business buyers are located in just seven states: New York, Pennsylvania, New Jersey, Ohio, Michigan, Illinois and California [2][Bingham & Gomes. 2001]. Therefore, firms that are selling inputs into these firms' production processes would find

outdoor supporting their selling efforts in these locations. Several firms can be reached simultaneously along a given route and any particular firm could be "pitched" uniquely. The message could also be part of a long-term promotional campaign or developed for a specific "sale" the business marketer is trying to close. This would also work for items offered within and markets these markets.

Even if businesses themselves are not concentrated in a particular geographic location, there are areas of high concentration of business-to-business buying decision- makers that can serve as important outdoor advertising spots in business marketing. For example, transit hubs like airports or commuter train stations or most major hotels in key cities have a high concentration of business buyers at any given point and are thus prime areas for outdoor advertising. In fact, business marketers have recently been exploiting outdoor sites at airports quite well. Accenture Consulting and various network solution providers like Novell occupy prominent outdoor spots in key airports like JFK in New York, Newark International Airport in New Jersey and even at Heathrow International Airport in London.

*The Business Buyer as a Group of People* - Because of the capability of "near target market site" feature of outdoor, the entire buying center (for geographically concentrated firms) can be reached as a group. Placed in proximity to the buying firms' "entrance ways" all buying center (influential) can be reached for most firms in a given geographic cluster. The message can be consistent or varied to differing buying center roles.

Similarly, when it comes to positioning in the BTB market, "the multi-market and multi-person nature of organizational buying [Lichtenthal, 1997] suggests that positioning must be determined in the minds of those involved as members of the buying center. Since a campaign is most effective when it reaches all the members of the buying center, the focus should be on

determining how many different individuals in each buying center role are exposed at least once to a campaign [Lichtenthal & Ducoffe, 1994]. Since individuals in the buying center can keep changing [Lichtenthal 1988] it becomes imperative to use a medium that is “mass,” yet largely concentrated on the target(s). Outdoor advertising, due to its highly localized nature fits well. Along with achieving high reach, outdoor advertising also achieves the much sought after objective of high frequency by being omnipresent in the eyes of members of the target market.

*Derived-demand* - It is generally accepted that demand in business markets is tied ultimately to consumer demand [Hutt & Speh, 2001][Kotler, 1999]. Therefore, a business market, whose product becomes a visible part of a final product (e.g., the Intel processor), might find use of outdoor in high consumer traffic areas in meeting promotional objectives. Going back to the Intel example, the chipmaker may be able to drive up the demand for computers by placing its billboards near college campuses that tend to purchase a lot of computer products. It may be able initiate the demand by placing ads in mass transit. College students tend to use mass transit more than others, they also tend to purchase more computers. Once these outdoor ads drive up the demand for computers, the demand for Intel processors will go up.

*Trade Shows* - Most industries have trade associations and most trade associations hold trade shows usually in the same location or in a limited number of locations. Hence, there is a predictable time sensitive opportunity for promoting to a specific business market. It has been noted [Hutt & Speh, 2001][Messner] that trade shows offer an opportunity to communicate with all members of a firm’s buying center. By extension, the use of outdoor near the trade show site, hotels, and other support areas represents the same promotional opportunity. In fact, information about a specific business marketer’s participation in the trade show can be communicated as well.

*Integrated Communications* – Recently there has been a big push to use Integrated Communications. The basic idea is to target the consumer with multiple channels but in a coordinated way. For example, target the consumer using direct mail, personal selling, radio or television advertising and magazine advertising with similar themes and messages and creative elements. Often “outdoor” is not included in the integrated communications strategy. “Outdoor” present an opportunity to further enhance the integrated communications strategy. A BTB manufacturer who wants to introduce a new money back guarantee policy may use all media (personal selling, television, radio, direct mail, and billboards near their client locations) to emphasize their money back guarantee policy. Such integrated communications are expected to be very effective as opposed to using a different theme and strategy in each medium.

#### ***Advertising Objectives in a BTB Context and the Use of Outdoor Advertising***

Glover, Hartley and Patti [1989] developed an integrated framework for advertising objectives based on three frameworks from consumer advertising (see Table III). Billboards can play an important role in achieving certain advertising objectives.

[Table III about here]

While the ultimate objective of any communication strategy is to drive sales, not all ads have a direct or immediate influence on sales. Different advertising executions are designed to achieve different objectives, the ultimate goal of each of these objectives being to create a favorable *influence on* (increase or sustain) sales. The hierarchy of effects approach (Lavidge and Steiner 1961 in [Lichtenthal & Ducoffe, 1994]) that forms the basis of several models of measuring advertising effectiveness is based on the premise that the audiences must first process information from advertisers, then develop (and/ or change) attitudes, and finally behave (positively or negatively) towards advertisers’ products as a result of these messages. Thus, the

objectives of awareness and knowledge creation form the base of this pyramidal structure. Once a buyer is aware of the brand, the next objective is to create a liking for it by communicating the desired positioning and forming a positive brand image. Finally, the behavioral goal to create preference and conviction that leads to sales forms the third objective at the top of the hierarchy.

In general, the effectiveness of billboards as a medium of advertising in the business-to-business-context is likely to decrease as an advertiser's objectives move from the bottom to the top of the hierarchy of benefits as defined above. Billboards are likely to be very effective if the advertising task pertains to awareness or knowledge creation. They will be relatively less effective in creating brand image or positioning and their role will be rather limited at driving preference conviction and immediate sales<sup>3</sup>.

### ***Classification of Industrial Goods/Services & the Use of Outdoor Advertising***

There is evidence that advertising can “open doors” for the industrial sales person [Lichtenthal & Ducoffe, 1994]. In a study conducted by Mukesh Bhargava and Naveen Donthu, the impact of outdoor advertising on sales was measured in a field experiment on Muttart Conservatory that has displays of flora and fauna and Kinsmen Sports Center [Bhargava & Donthu, 1999]. Conclusive evidence was provided on a positive correlation between the use of outdoors on a standalone basis as well as a part of a larger marketing media mix and sales. Even though the experiment was conducted for consumer services, it can be easily inferred that for business products that have shorter (less involved) buying cycles, or for business products that are standardized (not highly customized) or for business products and services where brand awareness / impression plays an important role in buying decision, outdoors may have a very positive impact.

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<sup>3</sup> This effect may be opposite when using billboards for a specific firm.

Business goods and services can be classified in various ways and it is clear that a different promotional strategy will be utilized for each category (see Table VI)[Bingham & omes. 2001].

[Table VI about here]

If the business product is low priced, high volume, and is a part of the market that has a large number of buying firms or requires high positive brand awareness / impression, then outdoor advertising can be utilized very effectively. Thus business services, consumable office supplies and accessory equipment are prime candidates for out-of-office media usage. They can use the outdoor media for brand reminder and promoting specific features of the product that appeals to a large number of customers. On the other hand, in general, if the product is highly customized, has variable pricing, long buying cycles and fewer buyers and sellers then outdoor advertising can only be used selectively. For example, products falling in categories like raw materials, heavy equipment or process material warrant a more cautious approach towards the usage of outdoor media. These categories may be able to use “outdoor” for brand reminder as opposed to promoting product features.

### ***In the Near Future***

Technology has touched upon almost every facet of our lives and has made the process of informing customers about the merits of goods and services relatively easy. The advent of the Internet has revolutionized the process of information dissemination to “pinpoint” the buyer that is most likely to be receptive to a particular product or service given the time and place.

The outdoor advertising industry is in the middle of a revolution. Almost three years after the dot.com bust it seems that technology has finally caught up with the world's oldest advertising medium. Outdoor advertising is evolving at a rapid pace in essentially three areas.

*Operations & Measurement of outdoor advertising:* As mentioned, measurement of outdoor advertising has received much attention, and various technology driven solutions are being implemented to acquire data that will put advertising at par with the other media. Large companies like Nielsen and Arbitron are utilizing technologies like GPS to acquire data that will soon provide audience demographics, geographic definitions, audience estimates such as reach, frequency and Gross Rating Points [Business Wire, June 20, 2002, Business Wire, Oct. 8, 2002]. Such information will provide business marketers with the tools necessary to specifically target the highly segmented market of business products.

Operational efficiency is being improved through the use of bar code technology that allows outdoor companies to immediately inform advertisers when the message is installed. This technology, similar to what is used at checkout counters in supermarkets, produces a record of exactly when each message was installed on every outdoor location. [www.oaaa.org].

*Technological advancements in billboards and signage:* Vinyl and computerized painting were introduced in the late '70's and today more than 70% of industry bulletins in the US use vinyl instead of hand painted messages on wood or steel frames. Images printed on vinyl give advertisers creative versatility, vibrant colors, durability and precision image reproduction.

[www.oaaa.org]

“Digital billboards that can instantly adjust their messages to the passing audience are popping up everyday in cities across the country,” [Emling, 2004] “Intelligent billboards” that detect leaking radiation from car antennas to calculate the most popular radio station being heard

and adjust their messages to suit the drivers passing by; “oscillating billboards” on top of buses that change messages as the bus moves from one area to another; “sound enabled billboards” that come equipped with motion sensitive infrared device that can launch a recorded message or a jingle lauding the billboards sponsor, are all technological advancements that have already been tested and applied [Emling, 2004][Gale Group, 2002].

Messages on billboards can be changed in the blink of an eye and remotely from a central location that may be miles away from the actual site provide the business marketer with new & inventive options. If Pitney Bowes or Officemax wants to target office-going workers who will take decisions regarding document management for their companies, or if Dell Computer Corporation wants to target the IT manager for its high-end servers, they only need to put billboards on the roads and rails leading into Manhattan or other major cities for just two or three hours in the morning. Retail food purveyors can target the same people when they are going home from work and worrying about dinner. No more wasted dollars in “spillover” for the business marketer and the ability to target the members of the buying center when they are most receptive to the message. “I see a point in time when this is not a fixed screen medium, one in which we’re not buying space but time” – Jack Sullivan, Senior VP Starcom, out of home media director [Brown, 2002].

*More than just billboards:* No more are the options in outdoor advertising restricted to posters, signs or billboards. New options are being discovered on an almost daily basis. Billboards that move with you in subway tunnels, advertising on children’s strollers, advertising on trashcans...the options are ever increasing (see Table II [www.oaaa.org]). While the use of all such innovations may not directly businesses per se, they do provide the business marketer with options that can creatively target the members of the buying center.



*Limitation of Outdoor Advertising:* Outdoor as a medium does have its limitations for use in business-to-business context; the biggest being its inability to support lengthy descriptions that are sometimes essential in BTB advertising – “in order to create awareness, build preference, or arouse interest, an industrial ad should have 300 or more words of copy making, use of tables and charts and a toll free number if possible.” (Donath 1982, in Bellizi and Hite, 1986 as quoted in [Lichtenthal & Ducoffe, 1994]).

### ***Future Research***

Academic research on outdoor advertising is limited and is mostly in the consumer marketing area. Some of the arguments presented above provide ideas for future research in the area. Some research propositions are:

1. Outdoor advertising increases the awareness of business marketers.
2. Outdoor advertising is more effective in increasing awareness than increasing sales of business products.
3. Outdoor advertising is more effective for non-customized, fixed price, short buying cycle business products than customized, variable pricing, and long business cycle business products.
4. Outdoor advertising is more effective when the target customers of the business marketers are geographically concentrated.
5. Outdoor advertising is more effective when the buying decision for the business product is a group decision.
6. Outdoor advertising is more effective when used in trade shows of business products.
7. Outdoor advertising increases the effectiveness of integrated communication programs of business markets.

Some of the above propositions can be tested using perceptual data by polling business marketers, while others may need the design of experiments to collect empirical data such as those created by Bhargava and Donthu 1999].

### *In Closing*

Outdoors especially as it pertains to business-to-business marketing context has been an under-utilized medium that can provide the business marketer with much needed promotional muscle to cross threshold levels. The decision to use outdoor is subject to overall industrial advertising objectives and must take into account nuances at different stages of industrial advertising decision-making. For certain market conditions, product categories, and geographic areas, outdoor can achieve specific industrial advertising or marketing objectives. Outdoors can indeed be an effective medium in a business-to-business marketing context. “Outdoor” also presents a very fertile area for academic research.

**Table I*****Business Media Linkages to Communication Objectives***

Objective	Awareness	Knowledge	Liking	Preference	Conviction	Purchase
Publicity	X					
Advertising	X	X	X			
Fax	X	X				
E-mail	X	X	X			
Direct Mail		X	X	X		
Catalogues			X	X	X	
Online	X	X	X	X	X	X
Trade Shows				X	X	
Promotions				X	X	X
Telemarketing					X	X
Face-to-face					X	X

Source: Internet integration in business marketing tactics – J. David Lichtenthal and Shay Eliaz 2003.

**Table II: Prevalent Forms of Outdoor Media**

<b>Billboards</b>	<b>Street Furniture</b>	<b>Transit</b>	<b>Alternative*</b>
<b>Bulletins:</b> Largest, most practical form of outdoor media located primarily on major highways commanding high density consumer exposure mostly due to vehicular traffic.	<b>Bicycle Racks:</b> Advertising positioned on structures designed to shield parked bicycles. Can be strategically positioned near places of interest to derive maximum benefit.	<b>Airport Terminal Displays:</b> Available in variety of formats throughout the terminals in both departure and arrival areas. Airport displays serve well to target the elusive business or leisure traveler.	<b>Airborne Displays:</b> Large format panels towed by aircrafts. Skywriting is also a popular form of airborne display.
<b>8 Sheet Posters:</b> Located mainly in urban neighborhoods and secondary arterials viewed by both vehicular as well as pedestrian traffic.	<b>Bus Bench Advertising:</b> Silk-screened posters attached to the back of bus benches. Used to reach pedestrian as well as vehicular traffic.	<b>Exterior Bus Posters:</b> Posters fixed outside buses provide mass exposure and build up frequency as bus travels to different area	<b>Digital Displays:</b> Often internet enabled provides weather, news, entertainment etc. and targeted advertising.
<b>30 Sheet Posters (Paper):</b> The largest poster format that is located mainly in commercial and industrial areas on primary and secondary arterials. Delivers messages to both resident and commuter traffic and is used to build reach and frequency	<b>Bus Shelter Panels:</b> Uncluttered and backlit to provide 24 hr. visibility to both pedestrian and vehicular traffic in high circulation areas of metro markets.	<b>Interior Bus Cards:</b> Fixed on frames above passenger seats. Longer viewing times allow for greater copy to be carried on these.	<b>Blimps or custom inflatable:</b> Airships that carry corporate messages or custom designed cutouts meant to attract attention.
<b>Wrapped 30 Sheet Posters:</b> Essentially extensions of 30 sheet posters (paper) that offer a larger surface area than 30 sheets bleed posters.	<b>Convenience Store Displays:</b> Located at the entrance of supermarkets designed for point of sale influence.	<b>Subway or Rapid Transit Rail Systems:</b> Available in various forms like backlit posters, entrance displays and now even in tunnel advertising.	<b>Carton &amp; cup Advertising:</b> Advertising on coffee cups, pizza boxes etc. that places the message directly into the “hands” of the consumers.
<b>Square Wrapped Posters:</b> Stacked or squared 30 sheet or 80 sheet posters that draw attention due to their vertical format	<b>In Store Displays:</b> Located within the supermarkets they come in various formats including TV monitors, backlit displays, shopping cart panels and so on.	<b>Taxicab Advertising:</b> Displays fixed on the roof or trunks of taxicabs provide high recall rates. “Fully wrapped” taxi displays are also becoming popular.	<b>Postcard Advertising:</b> Consists of postcards displaying individual messages. Postcards are available for free in places like restaurants, cafes etc.
<b>Spectaculars:</b> Large and non-standard structures custom designed to gain maximum attention. Frequently imbibe the best of technologies and designed by special design teams. Examples include Times Square in New York City or the “Strip” at Las Vegas.	<b>Kiosks:</b> Free standing information (like newsstands) or telephone kiosks. Primarily meant to reach pedestrian and vehicular traffic in densely populated areas.	<b>Truck-side Advertising:</b> Provides billboard sized alternatives on major metro markets the road along market-to-market routes. Available as mobile billboard displays and fleet displays.	<b>Stadium &amp; Arena Displays:</b> Available in various formats like scoreboards, replay screens, courtside etc. Provides captive audience plus possibility of TV

			exposure.
<b>Wall Murals:</b> custom designed painted or stuck directly on walls using pressure sensitive vinyl they encompass a wide variety of shapes and sizes.	<b>Sidewalk Posters:</b> Located at subway stairwell in New York City.		<b>Trash Receptacle Panels:</b> Patented format has up to four sides on round or rectangular trash receptacle.
	<b>Pedestrian Panels:</b> Backlit bus shelter size showcases located on inner perimeter of sidewalks.		<b>Parking Meters:</b> Three laminated posters affixed to parking meters.
	<b>Shopping Mall Displays:</b> Strategically located at entrance of shopping malls could be 2,3 or 4 sided.		<b>Vending Cart Umbrellas:</b> Advertising on umbrellas on outdoor food vending carts.
	<b>One Sheet Posters:</b> Framed posters at the front of stores.		<b>Gas Nozzle Advertising:</b> Durable plastics over gas nozzle.

Source: Outdoor Advertising Association of America. <http://www.oaaa.org>

\* New Products constantly being produced. Those listed are just some examples.

**Table III: Proposed integrated framework for business-to-business advertising strategy decisions**

Objective Hierarchy	Strategy Hierarchy	Comments	Proposed use of Billboards
Awareness	Corporate Generic	<ul style="list-style-type: none"> <li>• Diffuse – long term benefits. Low persuasion.</li> </ul>	YES
		<ul style="list-style-type: none"> <li>• Benefit offered by competition – no attempt to establish superiority. Informative - limited persuasion.</li> </ul>	YES
			YES
	Pre-emptive	<ul style="list-style-type: none"> <li>• Benefit offered by competition – seeks to establish superiority.</li> <li>• Informative-moderate Persuasion.</li> </ul>	NO  YES
Knowledge Liking	Brand Image	Concentrated on effective benefits without reference to competition. Emotion moderate persuasion.	PERHAPS
	Positioning	Emphasis on differentiation relative to competition. High to moderate persuasion arises from placement in consumers mind.	PERHAPS
Preference Conviction	USP	Concentrates on benefit not delivered by competition. High Persuasion.	NO
Purchase	Direct Appeals to Action	Benefit delivery and incentive to act.	PERHAPS NOT

Source: Glover, Hartley and Patti (1989, pg. 22) as in Industrial advertising decisions [Lichtenthal & Ducoffe, 1994]

**Table IV: Business-to-Business marketing characteristics and outdoor advertising usage**

<b>Business-to-Business marketing characteristic</b>	<b>Use of outdoor advertising</b>
Derived Demand	Outdoor advertising is effective if in proximity to upstream buying firms and customers.
Geographic Concentration of Buyers	<ul style="list-style-type: none"> <li>• Outdoor advertising is effective if used in (or near) region(s) of buying firm concentration.</li> <li>• Ability to target one single firm cost effectively.</li> </ul>
Buyer as a Group of People	Outdoor advertising can reach many individuals simultaneously with one consistent message.
Trade Shows	<ul style="list-style-type: none"> <li>• Efficient use of billboards can generate interest in the trade show per se.</li> <li>• Billboards can be used effectively to direct visitors to specific locations (booths) in the trade show.</li> </ul>
Integrated Communications	<ul style="list-style-type: none"> <li>• Integrated communication campaigns can be more effective by using outdoor advertising in addition to other media.</li> </ul>

\* May not be so when using billboards for a specific firm

**Table V: Geographic distribution of U.S. manufacturing plants based on selected criteria**

<b>Region</b>	<b>Number of Plants</b>	<b>Thousands of Manufacturing Employees</b>
Northeast	26,393	1350
Middle Atlantic	61,894	3,007
East North Central	69,756	4,186
West North Central	24,513	1,322
South Atlantic	53,476	3,104
East South Central	19,718	1303
West South Central	31,304	1,432
Mountain	16,479	596
Pacific	65,362	2,650
Total	368,895	18,950

Source: Business Marketing – Frank G. Bingham Jr. & Roger Gomes, Second edition; pg. 7



**Table VI: Use of Billboards and the Classification of Business Goods and Services**

Type	Key Characteristics	Examples	Comments	Use of Billboards
Major Equipment	Often referred to as “installations”. Exhibits inelastic demand, usually involves direct distribution & close cooperation between buyers and sellers.	Machinery, machine tools, stamping machines, robots	Products usually highly customized, few buyers and sellers, high priced, high emphasis on after-sales services and require detailed description of benefits to trigger buying decision.	Very Limited Role
Accessory Equipment	Used to facilitate production, administrative, clerical or marketing activities. Exhibit elastic demand, longer distribution channels.	Office equipment, personal computers, desktop printers, hand tools & fire extinguishers	Standardized products or at best limited customization, medium to low priced, large number of buyers, intense competition amongst sellers, usually do not require detailed descriptions, brand awareness / impressions plays an important part in buying decisions, often offered by companies that also provide consumer products.	Extensive Role
Process Material	Generally bought per specifications by the customers, cannot be identified or regrouped into finished product, mostly marketed to OEM or sometimes to distributors, considerable emphasis on price and service in the sales process.	Chemicals, plastics, cement, asphalt	Unit pricing may vary but typically orders are very large and thus high priced, long buying cycle and usually loyal customers, in many cases geographically concentrated buyers, benefit based buying decision.	Limited Role – can be decided only on a case-to-case basis.
Maintenance, Repairs and Operating Supplies	Facilitate the production operation, short life and less expensive, standardized specifications and longer channels of distribution	Brooms, paints, bearings, gears, filters, pens, greases, lubricating oils	Very diverse and fragmented product category, usually consists of low priced but high volume usage items, buying cycle could be long or very short, brand awareness / impression may be a significant decision criteria.	Significant Role – could range from extensive for products like brooms or pens or limited for gears and grease.
Business Services	Support organizational operations, spectacular growth, specialized providers, cost effective.	Banking, insurance, advertising, marketing research, consulting	Very involved buying decision, price may vary subject to services, benefits & brand awareness / impression a significant factor in buying decision making, often offered by companies that also provide consumer services.	Extensive Role – for example, Accenture a consulting company, is in the top 100 outdoor advertisers in the country.

\* May not be so when using billboards for a specific firm

Fabricated and component parts	Become part of other products, identified and distinguished easily, consistent quality and strict delivery schedules critical.	Spark plugs, timing devices, switches	Usually geographically concentrated buyers, long buying process, price an important factor, benefits driven buying decision.	Limited Role
Raw materials	Basic lifeblood of industry, inelastic demand curve, usually bought in large quantities, flexible channels of distribution	Farm products, lumber, iron ore, resins	A very vast category, buying decision almost always benefits driven.	Limited to Moderate Role

Source: Business Marketing – Frank G. Bingham Jr. & Roger Gomes, Second edition; pg. 13

**Appendix I**  
**Outdoor Advertising Expenditures**  
**1970 - 2002**

Year	Billboard (\$m)	Street Furniture / Transit / Alternative (\$m)	Total Outdoor (\$m)	Growth % (over previous year)
'70	205,000.0	55,000.0	260,000.0	15.0%
'71	233,000.0	66,000.0	299,000.0	16.7%
'72	268,000.0	81,000.0	349,000.0	9.2%
'73	289,000.0	92,000.0	381,000.0	6.0%
'74	303,000.0	101,000.0	404,000.0	11.4%
'75	333,000.0	117,000.0	450,000.0	18.4%
'76	389,000.0	144,000.0	533,000.0	14.3%
'77	438,000.0	171,000.0	609,000.0	15.6%
'78	499,000.0	205,000.0	704,000.0	20.0%
'79	591,000.0	254,000.0	845,000.0	18.3%
'80	690,000.0	310,000.0	1,000,000.0	10.9%
'81	754,000.0	355,000.0	1,109,000.0	8.7%
'82	807,000.0	398,000.0	1,205,000.0	12.9%
'83	897,000.0	463,000.0	1,360,000.0	9.0%
'84	963,000.0	520,000.0	1,483,000.0	7.9%
'85	1,024,000.0	576,000.0	1,600,000.0	11.6%
'86	1,124,000.0	661,000.0	1,785,000.0	12.2%
'87	1,241,000.0	761,000.0	2,002,000.0	12.4%
'88	1,373,000.0	878,000.0	2,251,000.0	9.3%
'89	1,488,000.0	972,000.0	2,460,000.0	5.7%
'90	1,560,000.0	1,040,000.0	2,600,000.0	4.9%
'91	1,636,800.0	1,091,200.0	2,728,000.0	-3.3%
'92	1,582,800.0	1,055,200.0	2,638,000.0	8.7%
'93	1,720,200.0	1,146,800.0	2,867,000.0	10.2%
'94	1,895,400.0	1,263,600.0	3,159,000.0	10.8%
'95	2,100,000.0	1,400,000.0	3,500,000.0	7.4%
'96	2,256,000.0	1,504,000.0	3,760,000.0	7.6%
'97	2,428,200.0	1,618,800.0	4,047,000.0	9.04%
'98	2,647,800.0	1,765,200.0	4,413,000.0	9.49%
'99	2,899,200.0	1,932,800.0	4,832,000.0	8.34%
'00	3,141,000.0	2,094,000.0	5,235,000.0	-0.8%
'01	3,115,872.0	2,077,248.0	5,193,120.0	0.8%
'02	3,139,261.3	2,092,840.9	5,232,102.2	

Source: Outdoor Advertising Association of America (2003)

**Appendix II**  
**Outdoor Advertising Expenditures**  
**Ranked by total spending**

Industry Categories	Jan -Dec 2002 (\$m)	Percent of Total Revenue	Rank	Jan - Dec 2001 (\$m)	Rank	Category Growth Jan - Dec '02 vs '01 (\$m)	Percentage Change Jan - Dec '02 vs '01 (%)
LOCAL SERVICES & AMUSEMENTS	693,920.3	13.3%	1	654,938.3	1	38,982.0	6.0%
PUBLIC TRANS., HOTELS & RESORTS	542,740.4	10.4%	2	585,330.4	2	-42,590.0	-7.3%
RETAIL	516,052.8	9.9%	3	540,243.1	3	-24,190.3	-4.5%
MEDIA & ADVERTISING	463,893.8	8.9%	4	468,586.1	4	-4,692.3	-1.0%
RESTAURANTS	407,480.3	7.8%	5	396,973.2	5	10,507.1	2.6%
AUTOMOTIVE DEALERS & SERVICES	379,429.5	7.3%	6	349,308.6	6	30,120.9	8.6%
FINANCIAL	329,063.3	6.3%	7	274,900.9	8	54,162.4	19.7%
INSURANCE AND REAL ESTATE	325,030.8	6.2%	8	285,083.4	7	39,947.4	14.0%
BEER & WINE	233,908.4	4.5%	9	209,855.0	11	24,053.4	11.5%
AUTOMOTIVE, AUTO ACCESS & EQUIP	229,585.2	4.4%	10	252,386.4	9	-22,801.2	-9.0%
<b>Total Top Ten Categories</b>	<b>4,121,104.8</b>	<b>79.0%</b>		<b>4,017,605.4</b>		<b>103,499.4</b>	
<b>Total 2002 (Jan - Dec) Outdoor Expenditures</b>						<b>\$5,232,102,156</b>	
<b>Overall Percentage Change Jan - Dec '02 vs '01</b>						<b>0.8%</b>	

Source: Outdoor Advertising Association of America (2003)

\* May not be so when using billboards for a specific firm

### Appendix III

#### Comparison of spends on various media types

<b>Media</b>	<b>Jan - Sept 2001 (\$mm)</b>	<b>Jan - Sept 2002 (\$mm)</b>	<b>% Change</b>
Spanish Language Network TV <sup>4</sup>	\$1,131.5	\$1,420.6	25.54%
Spot TV	\$10,501.9	\$12,041.5	14.66%
Network Radio	\$622.2	\$711.3	14.32%
Sunday Magazines	\$815.6	\$896.9	9.97%
Local Radio <sup>2</sup>	\$3,946.2	\$4,322.8	9.54%
Newspapers (local)	\$13,375.3	\$14,387.9	7.57%
Network TV	\$13,425.4	\$14,374.0	7.07%
National Spot Radio	\$1,613.5	\$1,712.2 (e)	6.12% (e)
Cable TV	\$7,757.5	\$7,682.0	-0.97%
Consumer Magazines	\$11,926.8	\$11,759.2	-1.41%
National Newspapers	\$2,183.0	\$2,111.6	-3.27%
Outdoor	\$1,856.2	\$1,785.5 (e)	-3.81% (e)
Syndication-National	\$2,405.6	\$2,122.1	-11.79%
B2B Magazines	\$6,433.2	\$5,313.7	-17.40%
Internet <sup>3</sup>	\$4,589.6	\$3,755.5	-18.17%

Source: Outdoor Advertising Association of America (2003)

\* May not be so when using billboards for a specific firm