

DENVER BUSINESS JOURNAL

MAY 4-10, 2007

ADVERTISING

Vehicle wrap-around ads drive new wave of business

BY BETH POTTER
DENVER BUSINESS JOURNAL

Vitamin Water's larger-than-life advertisement featuring Broncos star Champ Bailey on a red background on the side of a delivery truck is guerilla marketing at its best — eye-catching, slightly edgy and cheap.

As the truck makes stops around the metro area, people see it up to 14 million times each year, according to a recent study done by the American Trucking Association in Alexandria, Va. About 90 percent of the people who see trucks, buses and other vehicles with advertising on them look at the pictures and words, according to the study. Energy Brands Inc., the company that makes Vitamin Water energy drinks, is in Whitestone, N.Y.

"Customers are telling us they want alternative ways to send messages to consumers," said Scott McLean, owner and president of DI Graphics in Wheat Ridge. "TiVo and digital video recorders and satellite radios allow consumers the ability to tune out the messages. This is an opportunity to hit consumers, because they just can't turn this off."

DI Graphics is on the right track, with the outdoor advertising industry posting national revenue of \$6.3 billion last year and growing 6 percent yearly, according to the Outdoor Advertising Association of America. Billboard ads make up the bulk of the revenue, but ads on vehicles are coming on strong, according to the industry trade group.

McLean expects revenue of about \$20 million in 2007 for slapping logos and other branding graphics on fleet vehicles for companies such as Denver-based Qwest Communications International Inc. (NYSE: Q) and growing its advertising operations for clients such as Snapple, Home Depot and Monster Energy drink.

One of the biggest positives of the truck wrap ad is its price, McLean said. The cost-per-1,000 ad views is lower than \$1, according to studies DI Graphics did of vehicles in certain metro areas around the country.

For all other outdoor advertising, it's about



Champ Bailey is featured prominently on this rolling advertisement for Vitamin Water.

\$4 per 1,000 views, McLean said. For TV, it's \$25-\$30 per 1,000 views.

Survey takers used a "call to action," where potential customers were asked in the ads to call a toll-free number to receive a product promotion, to come up with the viewing numbers.

"We're pretty confident when we study trends of out-of-home marketing," McLean said. "When you look at our products and the utility they serve in the marketplace, our advertising is very efficient compared to [other] outdoor advertising."

In addition, DI Graphics has about 40 percent of all telecommunications fleet graphics nationwide, including a current contract to re-brand 80,000 vehicles for the former Bell-South in a two-year period, McLean said.

That push toward corporate identification and branding also drives business for industry leader Signature Graphics Inc. in Porter, Ind., said Steve Whitaker, vice president of sales.

Logos on company vehicles used to be for identification. Now, graphics on those vehicles are about product branding and marketing, Whitaker said.

"It isn't just about the vehicles, it's about the management of a corporate identity," Whitaker said. "People didn't know what Apple was, what Microsoft was. Now it's more brand-sensitive."

Signature Graphics' national accounts include Coors Brewing Co. and Comcast Corp.

And as the alternative media advertising trend gets bigger, DI Graphics now plans for how many times a corporation may change its branding, McLean said.

For example, celebrity athlete endorsements might change once per season for companies such as Vitamin Water, he said. And Qwest has changed its corporate message several times in the last decade, from the old US West logo and the "Ride the Light" slogan to the current "Spirit of Service" message.

DI also does advertising wraps for vending machines. The third-generation, family-owned company has had to be nimble to adapt to changing markets, McLean said.

"We had to morph from people who were accustomed to selling printing to a team of people finding a solution heavily oriented toward services and agencies," McLean said.