

# GROW YOUR BUSINESS BY THINKING SMALL. SUCCESS STORIES OF THREE DIGITAL BILLBOARD MAD MEN.



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The advertising industry has come a long way from the Madison Avenue firms depicted in the award-winning television series *Mad Men*. The series, which follows the lives of ruthlessly competitive advertising executives in the 1960s, has been praised for its realistic depiction of the era's style, behavior and manners.

Today, the digital billboard industry has its own *Mad Men*. Far away from Madison Avenue, they live in a world of LEDs, permits and land leases.

But digital billboard *Mad Men* have something in common with their fictional counterparts. They are on today's cutting edge of advertising.

Meet three digital billboard *Mad Men*...

## 1. CHRIS COWLBECK, LOOK Advertising LLC, Ardmore, Oklahoma

**Market Type: Small Town**

**Digital Billboards: 5**

Chris Cowlbeck, of LOOK Advertising LLC, isn't a typical independent operator. In fact, he'll tell you his main business is real estate. A number of years ago, Cowlbeck started putting up static billboards with his business partner, Charlie Clowe, a petroleum marketer who also owns C-stores, to advertise their businesses.

Based in the rural town of Ardmore, OK, a market of about 25,000 residents near Interstate 35 in southern Oklahoma, LOOK eventually built a strategic network of traditional billboards to help bolster small businesses in the area that couldn't afford to advertise on other forms of media.



A competitor constructed a digital billboard on I-35 going out of town. This was the first time Cowlbeck had seen a digital billboard in his market, and he was motivated to investigate at the next Independent Billboard Operator Association meeting. Cowlbeck first hired a consultant to determine the viability of using digital billboards in Ardmore and then started crunching the numbers himself.

### **What was it like to finally take the plunge into digital?**

“In July 2009, we turned on our first three digital billboards without pre-selling or pre-announcing them. By the end of September 2009, the boards were 120 percent of pro-forma, with a waiting list. We added two additional boards to keep up with demand. After just 45 days, the two additional boards are nearly 75 percent of pro-forma when we expected 60 percent in six months. I’d say that’s pretty good, especially since our consultant told me that our small market could absorb fewer than two digital billboards.”

### **What’s the key to your success?**

“Two ingredients: frequent free ad changes and a rotary advertising plan.”

### **How does the rotary plan work?**

“The rotary plan gives advertisers space on a combination of LOOK’s five digital billboards, strategically located in the main business corridors and at the main gateway from I-35, giving the ad message greater exposure. The plan can accommodate the smallest of advertisers by breaking larger slots into smaller slots. For example, our Platinum slot can be broken into two Gold slots or four Bronze slots. A Gold slot gets half the viewing time of a Platinum slot, and a Bronze slot gets half the viewing time of a Gold slot (or one-fourth the viewing time of a Platinum slot).

Since it’s harder and more time-intensive to service these customers, we charge a premium for half- and quarter-slots. For example, Bronze customers may pay a 40 percent premium, but that translates into a relatively small dollar amount that they can afford. As a result, our smaller customers are our more profitable customers. Plus, building a base of smaller customers insulates the company from large revenue fluctuations should a customer at a larger level leave.”

### **Why should advertisers change their ads frequently?**

“We encourage advertisers to make frequent ad changes because digital advertisements are for the viewers in cars who are more apt to tune in to new artwork. We don’t charge customers for most changes, so this is a real value-added service that keeps advertisers coming back.”

### **Any words of advice to other outdoor Mad Men?**

“Digital billboards allow us to get creative in how we sell both our traditional and digital inventory. LOOK has 35 vinyl billboards in Ardmore, and we haven’t seen any cannibalization of these boards by the digital billboards. In fact, we found that we are able to sell spots on the traditional boards by offering cameo value-added spots on the digital billboards.”

## 2. MIKE DELICH, Waitt Outdoor, Omaha, Nebraska

**Market Type: Urban**

**Digital Billboards: 3**

Mike Delich knows the outdoor advertising industry. President of Waitt Outdoor, he manages more than 1,500 static billboards in strategic interstate corridors throughout the Midwest.

When Delich came across a handful of locations in Omaha, NE, and Fort Dodge, IA, that were different from his usual interstate sites, he considered them for digital billboard installations. Delich now has two digital billboards in Omaha and one in Fort Dodge. He plans to continue to expand, which will create a digital billboard network in that market.



### **What is unique about your digital billboard locations?**

“These locations are not on the interstate. All are next to a traffic light on a road with high traffic counts. Most advertisers understand that a long red light is a glorious thing when coupled with high traffic counts.”

### **How are digital billboards different than static billboards?**

“I like to think that digital billboards are more like radio, and we sell them that way. With radio, an advertiser can buy spots just for a weekend promotion. We do the same thing with our digital billboards, except digital billboards are more affordable than radio.

We daypart like radio as well. For a restaurant, we can run different ads for morning, afternoon, and evening, and we charge a premium to do that.”

### **What other ways are you optimizing your digital billboards?**

“Most digital billboard operators look at the board as a way to get six to eight advertisers on one face. But we have a limit of 13 advertisers per board and are able to get top rates because the boards are fully leased. We can do this by offering week-long ad contracts on our digital billboards, while most outdoor companies sell by the month. Selling by the week has another benefit: it gives us an extra month of revenue every year.”

### **When did you know you made a good decision?**

“We got a call from a contractor in Omaha who clears ice dams from roofs. His window of opportunity was extremely short, and he had a tiny budget, making traditional media too expensive. Static billboards would have taken too long to produce, so he bought a week of ads on our digital billboard. Within three hours of his ad going live, he had six phone calls. He didn’t renew the ad because he had more business than he could handle. That really showed me the power of digital billboards for small businesses.”

### **Any words of advice to other outdoor Mad Men?**

“Take a conservative but realistic approach to your market. Project your revenues, look at the cost of capital, and model your investment. You will either have a compelling argument to purchase or you won’t. This takes all of the emotion out of the decision. You will want to have a payback within 24-36 months. If you’re still unsure, seek counsel from an accountant, banker or financial advisor.”

### 3. DAVE ROLAND, Roland Advertising, Cookeville, Tennessee

**Market Type: Small Town**

**Digital Billboards: 4**

Dave Roland has always been a visionary in the outdoor industry. Operating in Cookeville, TN, a town of 30,000 residents in a market of 150,000 people, Roland put up the area's first tri-face boards 20 years ago. He had 300 faces in 16 counties when he sold his company.

Itching to get back into the business, Roland started another company featuring tri-face boards in 2004. Shortly after that he was introduced to digital billboards when competitors entered the market. There were four digital billboards in his market when Roland decided the time was right to put up two of his own digital boards.



### **You took a bit of a chance with your locations.**

“We have outstanding locations, close to the street. So I decided to put the signage close to the ground. One of the signs is just 11 feet off the ground. I was a bit concerned that the resolution combined with the close viewing distances might look like a bad big screen TV. But I did my homework with Watchfire, and I know they manufacture the best looking product. The sign came off the truck at 8 am, we turned it on at noon, and it was gorgeous. Immediately I knew my concerns were unfounded.”

### **Why did you decide to put your signs so close to the ground?**

“We are competing with other digital boards in a small market. We needed to do something to stand apart from the other boards. We are taking advertisers away from our competitors because our boards look so much better than theirs. The colors and resolution of the Watchfire boards can't be matched by competitors.”

### **How is the digital billboard business different from tri-face?**

“There's a big difference to the bottom line. My tri-faces can run three ads at \$395 each per month, whereas my digital boards can handle eight ads at \$895 each per month. In the past, we sold all 12-month agreements; but with digital we can sell ads with runs as short as a day if we have the inventory. The ability to cut up spots makes digital a very flexible advertising medium and makes it extremely affordable for advertisers. We've even had local sports teams spend \$300 to advertise their tryouts.”

### **Has the economic downturn affected your business?**

“Digital billboards have almost recession-proofed the outdoor business. Unlike static boards, which require a long-term commitment, digital billboards allow advertisers to do short-term campaigns and promotions. Digital allows me to create marketing strategies that work for just about any business. I can cut up an ad unit into halves, quarters, eighths, or any unit size that a business can afford and still make their phone ring. In fact, a study was done recently that shows the average cost per ad per view on a digital billboard is 2.2 cents.”

### **Tri-face. Digital. What's next?**

“Digital is very exciting. We already have banks that include time and temperature feeds on their ads. Advertisers can tie in RSS feeds to their ads to feature real-time news, weather, sports scores, stock quotes, and more. Once we have our network in place, advertisers will be able to have their spots put in rotation on boards throughout Cookeville.”

### **Any word of advice to other outdoor Mad Men?**

“Digital can be particularly effective for small businesses that cannot afford to advertise in newspaper or radio. We were contacted by a small knife retailer located about 100 yards from one of our boards. They put an ad on the board for six weeks leading up to Christmas. The owner's granddaughter told us they had their greatest sales in 28 years and their single best sales day in history, and the only thing that had changed was advertising on our digital billboard.”

Although these three independent operators thrive in different markets and operate with different marketing schemes, each is very successful. That's because digital billboards are very flexible.

### **Urban or Small Town Areas**

Digital billboards are an appropriate choice for both urban and small town locations. Find the location, project your revenues, and determine how you will finance the board. Learn more about financing by reading "Top 10 Things to Know About Financing Your Digital Billboard" at [watchfiredigitaloutdoor.com](http://watchfiredigitaloutdoor.com).

### **Interstate and City Traffic**

Digital billboards are effective for both interstate and city sites. Advertisers for these locations will differ. Interstate advertisers tend to be directional, such as restaurants, hotels and attractions. City traffic will be nearby businesses and services, such as hospitals, auto dealerships, restaurants and retailers.

### **Short and Long Term Contracts**

Digital billboard operators can write contracts for any term they choose. To some the benefits of long-term contracts may be obvious: stable income and simplified administration. But short-term contracts can be a good choice, too. They are more attractive to small businesses, and any leftover inventory can be sold by the day for a premium rate.

### **Small to Large Advertisers**

Since digital billboards can handle short- or long-term contracts, as well as more or less frequency, digital billboards are extremely affordable for a range of businesses, from small to large.

### **Premium Opportunities**

Independent operators are able to charge a premium for services such as dayparting, RSS feeds and frequent ad display changes.

### **Complements Static Inventory**

Independent digital billboard operators who also own static faces can create packages that combine inventory from static and digital billboards. Some operators give away cameo ads on digital billboards to help sell static billboards or give away a static face to prompt an ad placement on a digital board.

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