



WHITE PAPER

# Vehicle branding: Is there hidden value in your fleet?

## Executive summary

**In today's challenging business landscape, companies often find themselves striving to shrink expenses as much as possible while still maintaining their corporate image and delivering maximum value to customers and shareholders. And because marketing budgets are usually among the first casualties in cost-cutting initiatives, companies often have to get creative in order to remain visible in the marketplace.**

One strategy many companies have adopted is “organic marketing”—that is, turning assets that are already in use for other purposes into effective marketing tools. Organizations with vehicle fleets are in an advantageous position in this regard. A company vehicle can often easily be transformed from a single-purpose operational means-to-an-end into an effective marketing tool to support your corporate image. All it takes is a little vehicle branding.

Graphics or decals can be added to your vehicles to create and strengthen awareness of your company brands, business strategies and services. Whether your vehicles feature a simple logo or a full-coverage “billboard”-style wrap advertisement, they can promote a moving, dynamic, high-impact advertising strategy that can turn heads, increase brand recognition and grow business.

This white paper explores the vehicle branding process and provides the information you need to evaluate the potential value branding can bring to both your fleet and your organization in general.

## Advertising opportunity of vehicle branding

Every day, your vehicles drive past thousands of people who could be among your best customers, prospects, vendors and/or investors. But if your vehicles are unmarked with company branding, they likely pass unnoticed by these key audiences, and you may have missed an important opportunity to grow your business.

Vehicular advertising is certainly not a new phenomenon—for more than a century, companies have recognized the economic value of having a company vehicle double as a mobile advertising campaign. But as more and more research emerges, the more apparent the benefits of vehicle branding become. For example, according to a recently study conducted by American Trucking Association and Robinson, Yesawich & Pepperdine, vehicle graphics offer many advantages:

- 75% of the people surveyed developed a first impression about a company and its products from truck advertising.
- 91% of people notice ads mounted on the sides of trucks and can recall the ad days later.
- Nearly a third of people would base a buying decision on the impression they got from the vehicle.
- Vehicles are the best way to provide targeted, mobile coverage over an entire marketing area.
- Ads are viewed by business customers as well as retail consumers.

At the surface level, branding tells the world who you are. At a deeper level, it demonstrates or reinforces a corporate image and shows how seriously you take your business and your customers' loyalty. Virtually all corporations have major initiatives in place to enhance their image, often focusing on areas like corporate responsibility, sustainability, safety and community involvement. And whether you're a small or medium-sized company trying to differentiate yourself in a highly competitive field, or an established industry leader trying to present a new advertising campaign, vehicle branding can often offer a low-cost way to achieve your goals.

### Is it for me?

Vehicle branding is often effective for insurance companies, food and beverage companies and pharmaceutical companies whose products or services are circulated at a consumer level. By their very nature, these companies have a much broader audience of potential customers who can be swayed to use a company's product or service simply by seeing a vehicle with the company's logo driving through a neighborhood or parked in front of a store.

The benefit of vehicle branding doesn't stop at B2C companies. Many B2B companies can effectively leverage their vehicles to reinforce their corporate values and brand awareness at the local level. No matter your industry or company type, each vehicle in your fleet can serve as a rolling billboard for your business that quickly grabs the attention of prospective customers.

But vehicle branding is not right for every company. Before you consider adding decals or advertisements to your vehicles, you should ensure that a branded approach meets with your corporate goals and policies. Essentially, you need to determine how important it is for your company to communicate with the general public:



For companies in the 0-30% range, perhaps a widespread vehicle branding initiative isn't for you. But for companies that weigh the importance of public image at 50% or higher, the next section will be useful in helping you determine the estimated added value branding can bring to your fleet before you roll out a vehicle marketing initiative.

## Impressions: The value of branding

Traditionally, the value of advertising is expressed as “cost per thousand impressions.” Exactly how much advertisers will pay to expose an ad to 1,000 people depends on both the audience and the medium. For example, a 30-second television commercial costs much more per impression than 60 seconds of advertisement on the radio, because TV is viewed as a more dynamic medium with a more expansive audience. Even billboard or magazine advertising can be fairly expensive, as advertisers know exactly where their messages will appear, and have a pretty good idea of what audience they need to tailor that message towards.

Advertising on a truck or passenger car is different, because it is not always possible to predict exactly where a vehicle will be—and who will be looking at it—at a given time. Therefore, vehicle branding is often significantly cheaper than most other advertising mediums.

But all things considered, it is possible to control the impact vehicle ads have on potential customers if you’re careful to ensure branded vehicles are used in a strategic, targeted way. The time of day during which they’re on the road, and—perhaps most importantly—the type of road on which your vehicles are used will determine the value you receive from branding.

Roadmark, Inc. estimates each road type to have the following impressions per mile:

### VALUE FROM BRANDING

Road Type	Impressions Per Mile
Rural Interstate	31
Suburban interstate	35
Urban interstate	48
Secondary arterial	68
City street—major market	93
City street—secondary market	131

A vehicle earns additional stationary impressions from pedestrians and passing traffic when the vehicle is parked (e.g. making deliveries, positioned at a job site, etc.). In addition, branding provides permanence—your advertising is always visible whether the vehicle is parked or in motion. This is a benefit you don’t have with broadcast media or direct mail.

## How do I do it?

For most companies, the fleet office will partner with the marketing department to establish the ideal branding concept and then select a vendor to design the graphics. As noted previously, branding opportunities can be as simple as adding your company's logo to the truck door, or as elaborate as full-color vehicle wraps. No matter what design you choose, the goal is to get your message across quickly and clearly—after all, your “billboard” is a moving object, and your audience often won't have a lot of time to decipher large blocks of text. With that in mind, when designing decals or graphics, it is important to remember that:

**Less is more** - An eye-catching yet simple design will make the best impression. Keep copy to a minimum—company name, contact information, and maybe a phrase or short list of your services if your name doesn't clearly identify your business. A short tagline can be a memorable addition that differentiates you from your competitors.

**The logo is the most important part** - The public most likely equates your business with your logo more than anything else, so be sure it is prominent in your design.

**Your goal is to “make them act”** - People are more likely to remember a URL than a phone number. In addition, many prefer to research companies online whenever they'd like, rather than call during business hours. Be sure to include your website as well as phone number to entice potential customers.

Once your graphics package is ready to be added to your vehicles, your fleet management company will work with you to establish the right vehicles on which to incorporate the graphics packages, as well as the installation method. It is to your advantage to partner with a fleet management company that has ordering templates and online tools that can help you understand how the branding will look on your vehicles before they're ordered. Decals will typically be treated as “upfitting,” meaning that the fleet management company will make arrangements for the vehicle to be shipped directly to the graphics company for decal application, and then arrange for the completed vehicle to be delivered to your driver or worksite.

## Additional considerations

### Cost and installation time

The cost and installation timing for vehicle decals can vary considerably, depending on the vehicle type and the complexity of your graphics. For example, a basic sedan decal will usually cost around \$300 and take about an hour to install, while a full cargo van wrap can cost \$2,000 or more and may take a full business day to put in place. Another consideration is the vehicle delivery method that is being used to transport the vehicle from the manufacturer to the graphics company to your driver. In most cases, it is best to plan some additional time for vehicle delivery depending on location.

### Impact on resale

Naturally, vehicles without branding are easier to sell at the end of their service term. Fortunately, most of the higher-quality decal packages these days aren't painted directly onto the vehicle, and can be removed easily by the auction house or other resale outlet before sale. So the net impact of branding on your resale proceeds should be minimal.

### Materials

Consider the quality of the material you choose—the old adage “you get what you pay for” certainly applies to vehicle graphics packages. Rather than selecting a branding package “off the lot” from a graphics company, it is often worthwhile to choose custom decals to ensure a more unique and attractive product. In addition, cheaper materials are usually not very durable, and may be difficult to remove when the vehicle goes up for sale. This could result in a greater cost of upkeep during the vehicle's service term, as well as increased reconditioning fees at resale.

### Inventory management

Optimizing vehicle inventory is a critical task of any fleet, but even more so when vehicles are branded. It is important that you anticipate fluctuating volume needs without incurring too much of a surplus. Of course, having too few branded vehicles in your fleet will lessen the value that branding can offer your organization. Work with your fleet management company to achieve and maintain an appropriate balance for your in-service and at-ready inventory.

### **Stay flexible and plan for contingencies**

Vehicle manufacturers and graphics companies regularly cycle their inventories, so the same vehicle-and-graphics package combinations may not be available each year. In addition, should a vehicle be involved in a collision, the repair process may entail decal or wrap replacement. Ensure that you work with your fleet management company to establish a policy that addresses alternative template/order options, as well as procedures for repairs involving branded vehicles.

### **Commercial plating**

In several states, vehicles that include any kind of decaling or branding are required to have commercial license plates, so make sure that your fleet management company has processes in place to properly plate all vehicles in your fleet. In addition, be aware that certain jurisdictions have restrictions on how branded or commercially-plated vehicles can be used. For example, such vehicles may not be allowed to be used or parked on certain roads at certain times of the day. Make sure that your drivers are aware of any local usage restrictions for branded vehicles.

### **Other legal implications**

Some companies are hesitant to use vehicle branding because they believe that such vehicles increase company liability in the event of an incident. But the truth is that your risk of incurring litigation is not impacted by markings on the vehicle any more than when your company vehicle is not branded.

However, vehicles with obvious branding may be at a higher risk for vandalism in certain areas. Therefore, more emphasis on vehicle security may be needed, and drivers should be instructed on how to avoid risky situations.

## **Conclusion**

Almost every major company spends considerable dollars to promote awareness of their products and services, as well as broad corporate messages like sustainability, safety, transparency or community service. Your fleet vehicles can be a surprisingly effective and cost-efficient way to convey such messages to the public. Branding helps you reach your target audience, stand out from your competitors and increase profits, all while leveraging the hidden value of vital assets that are already in use—your fleet vehicles.

**To learn more about vehicle branding for your organization, please contact a member of your Wheels Account Team or e-mail us at [info@wheels.com](mailto:info@wheels.com).**