

# SIGNS... AND THE SMALL BUSINESS



## Information for business from the U.S. Small Business Administration

Successful small business formations and expansions lead the way in creating new markets, innovations, and jobs that fuel economic growth and prosperity. Because small business is important to a strong economy, International Sign Association (ISA) has joined with the U.S. Small Business owners and aspiring entrepreneurs.

### *What is a Sign?*

Most businesses, regardless of size, depend heavily on signs. Signs help people find you; attract people who pass your establishment; present an image of your business; and tell potential customers what goods or services you offer. Signs are the primary form of advertising for small business. On-premise business signage differs from outdoor advertising billboards which market national products. On-premise signs tell people who you are and what goods and services you sell. Signs are a form of landscape art enhancing your commercial area and surrounding environment. Signs are a link between transportation and communication. Each year, 40 million people travel more than 1.7 trillion miles by automobile. Your sign is the most effective way of reaching this mobile group of potential customers.

### *What Signs Can Do for Your Business*

#### **Information and Directional Functions**

Signs identify a business and provide information about it. A noticeable and readable on-premise sign not only alerts the public, but tells them about services offered, prices and hours.

#### **Service Trade Area**

A trade area is the marketing vicinity from which a business owner draws customers – usually within a half mile to a mile of the business. Trade areas differ in shape and size depending on the business and its reliance on transportation networks and may vary seasonally. A sign

communicates important information to consumers located in or passing through the immediate trade area.

#### **Build Image**

Signs are an effective marketing tool in building an image for your business and in helping you identify the market segment you are trying to reach. Through materials and design, a sign can appeal to a given group of potential customers. Color and lighting effects can enhance the impact and psychological response to your business.

#### **Enhance Advertising Recall**

Signs reinforce other advertising expenditures by repeating commercial messages. Many national firms incorporate their logo into their mass media advertising campaigns, such as television, thus increasing product or service awareness.

#### **Generate Impulse Business**

Signs generate business by catching the attention of visitors and newcomers who traverse a trade area. Studies show approximately 50 percent of all consumer items are purchased on impulse sales directly attributable to signage drawing consumers to the point of purchase.

### *What Your Sign Can Do For Your Community and Neighborhood*

#### **Enhance Aesthetic Environment**

Signs enhance the environment by making certain zones of the city more attractive and dynamic and giving them a particular atmosphere. Because the environment is so important, quality signage conveys an image of responsible citizenship by a business owner.

#### **Help Community Safety**

Signs perform two major community safety functions: crime reduction and traffic accident reduction. A well-placed, visible, attractive sign helps direct vehicular and pedestrian traffic, allowing ample time for driver decision making, thus reducing the potential for traffic accidents. Government studies found

highway vehicle accidents actually decrease at intersections where there is commercial signage. Ambient lighting from signs is a major crime deterrent in urban areas. Police reported a three percent rise in crime when downtown signs were turned off during the energy crisis of the 1970's. People felt safer entering well-lighted commercial areas.

### *Advantages of Signs to a Small Business*

#### **A Sign is Necessary to the Success of a Business**

Many industries can attribute a large percentage of business to their signs. Some fast-food outlets attribute as much as 80 percent of their business to their on-premise signage; the travel industry 30 percent; gas retailing 50 percent; and hotels and motels 50 percent. A visible, readable sign can make the difference between profit and loss for many businesses.

#### **Advertising Cost Benefits**

When compared to other advertising costs such as radio, newspaper, television, and direct mail, an on-premise sign is inexpensive. For example, the cost-per-thousand adult exposures with a sign is only a few pennies for 24-hour-a-day coverage. In addition, an on-premise sign cultivates cumulative, long-term awareness of business, stimulating repeat or "brand-loyal" buying of the products and services offered. For businesses with a limited advertising budget, a sign is an inexpensive method to maximize returns per dollar spent.

### *Economic Considerations*

#### **Financing**

A business plan should include signage as a major part of the marketing strategy. Your sign is a permanently visible part of your business and should be considered as an investment. Signs are the most efficient, effective and consistent revenue-generating device for a business.

## Choosing Appropriate Signage

Consider type, cost, and maintenance before selecting a sign. Many sign companies have designers to provide cost effective signage. Many start-up businesses order a sign based on an attractive business card or letterhead design, but small business can learn from large multi-national corporations who understand the importance of a recognizable logo. Rather than ordering a sign from a business card or letterhead, start with designs suitable for an integrated business-marketing plan.

## Type and Design

There are many types of permanent, on-premise signs to serve your business –freestanding, high-rise, low-profile, wall, projecting, roof, marquee, backlit awning, awnings, etc.. Type and size of sign are often regulated by local zoning ordinances. Also consider illumination, which draws attention to your business around the clock, and changeable message capabilities, such as electronic message centers or readerboards. When choosing a sign, remember to consider the image of your business, the profile of your potential customers and the cost.

## Purchasing or Leasing a Sign

It is advantageous to purchase or lease your sign from a reputable company. Experienced sign companies are licensed and bonded contractors who are familiar with uniform building codes and regulations. Reputable companies deliver quality goods, thus reducing maintenance costs and potential public liability. A good company carefully designs and constructs signs adhering to local building codes and design standards which enhance the environment and create a good image for your company.

## Maintenance

No business can afford to have its sign in disrepair. A dilapidated sign implies you are not concerned with your business or your image or that you are going out of business. Some signs are virtually

maintenance-free while others require more attention. Establish an appropriate and cost-effective maintenance routine for your sign and lease your sign to secure built-in maintenance.

## Legal Considerations

### Permits

As signs must meet zoning requirements, most cities require permits for permanent installation of an on-premise sign. Many zoning codes restrict size, height, setback and other locational factors. Reputable sign companies are experienced in obtaining necessary permits for construction and installation of the sign structure. These companies can provide engineering specifications required by regulatory entities. These services should be included in the company's bid.

### Variations

Sometimes a zoning code restricts the type of signage for a given area. For your business to have a sign that satisfies visibility and readability requirements of the location, you may need to apply for a variance to the existing zoning code and regulation. If a business owner can prove the need for modification of the regulations and hardship if the modifications are not obtained, the local planning agency can grant a variance. Sign companies are experienced in the variance application process.

### Insurance

A properly designed, permitted and constructed sign will reduce your potential liability insurance problems.

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sign and graphic solutions

800.500.SIGN | 170 Liberty Street Brockton, MA 02301 | [www.signdesigninc.com](http://www.signdesigninc.com)