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Billboards as Marketing Tools for Wineries

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Billboards are often part of the media mix in winery marketing. This marketing strategy is not inexpensive, however, and winery owners should have some idea of how effective billboards may be for their business before entering a contract. Information on billboard effectiveness may be helpful in determining potential return on investment for their marketing dollars and in estimating potential demand created from billboards which may impact winery production needs.

During the end of August and beginning of September 2009, 22 Tennessee wineries were invited to participate in an on-line survey about billboard effectiveness. Eleven responses were received for a 50 percent response rate. Results of the survey are summarized in this fact sheet.

Six wineries (55%) utilize billboards to market their wineries while five wineries (46%) do not.

Five wineries using billboards reported using them for a wide variation of time periods ranging from one year and nine months to 20 years. Average length of use equaled six years and seven months.

The number of billboards used by five reporting wineries ranged from two to five for an average of 3.6 billboards per winery.

Four wineries reported billboards being located along Interstates. Three wineries reported billboards along state highways.

Five wineries lease billboards from a major outdoor advertising company while two wineries lease billboards from an individual.

Respondents were asked to indicate the approximate distance from each billboard to the interstate exit or highway turn off on which the billboard is located. Distances for 18 billboards ranged from zero miles up to 35 miles. The average distance was five miles.

Respondents were asked to indicate the approximate distance from each billboard to the winery. Distances for 18 billboards ranged from zero to 35.3 miles. The average distance was 7.56 miles.

Average cost per billboard per month ranged from \$300 to \$800. The average for the five responses totaled \$515 per month.

Additional signage is often used in coordination with billboards. Four wineries reported using Tennessee Department of Transportation Tourist Oriented Directional Signage (TODS). Three respondents reported using Interstate Logo Signs, and one winery reported using trailblazer signs of their own design.

Two wineries provided estimates of visitor and sales increases due to billboards over specified periods of time. Average estimated increases in average visitors per month and average estimated increases in monthly sales for the first three months, first six months, first year and January to July 2009 are listed in the tables below.

Average Estimated Increase in Average Visitors Per Month	
<i>Time Period</i>	<i>Visitors</i>
First 3 Months	150
First 6 Months	275
First Year	450
Jan. to July 2009	1,250

Average Estimated Percentage Increase in Monthly Sales	
<i>Time Period</i>	<i>Percentage Sales</i>
First 3 Months	17.5
First 6 Months	40
First Year	37.5
Jan. to July 2009	55

Two additional winery owners provided comments about increases in visitors and sales due to billboards. One owner indicated they had been using billboards for so long that they could not make an accurate estimate of what sales increases were when they first started using them. The owner was certain billboards are effective for them and reported, "I would not be without billboards." Another winery owner indicated they had put up billboards before the winery opened for business. This owner estimated that 50 percent of customer traffic comes from the interstate with 80 to 90 percent of that stopping because of the billboards. This owner claimed that billboards are the most effective form of advertising other than word of mouth for their operation.

Respondents who do not utilize billboards for winery marketing were asked to indicate reasons why from a list of possible responses. Four respondents indicated "billboards are too expensive." One respondent indicated they have considered billboards but have not "gotten around to it."