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WHITE PAPER



Beaming with Brand Presence

Self-Adhesive Films Bolster Integrated Marketing Campaigns, Ushers in Alternative Advertising Concept

“The world is but a canvas to our imaginations.”

The words of the 19th Century American essayist, Henry David Thoreau, could have easily been blogged by modern-day marketers who understand the limitations of broadcast and print media, yet embrace the potential of alternative digital, out-of-home and retail advertising.

Today’s 24-7, WiFi-connected, iPod-toting world demands effective integration of traditional and alternative media, and self-adhesive materials are providing the canvases for the out-of-home and at-retail ads used in today’s sophisticated campaigns.

The value of alternative media is its ability to be easily customized to local markets through the use of digitally-printed, self-adhesive film. Vibrant colors and sharp graphics are yielded through this medium. With today’s printing technology combined with imaginative uses and short runs, self-adhesive films offer solutions to modern-day advertising challenges by reaching today’s “anywhere-and-everywhere consumers” with digitally-printed out-of-home and at-retail campaigns.

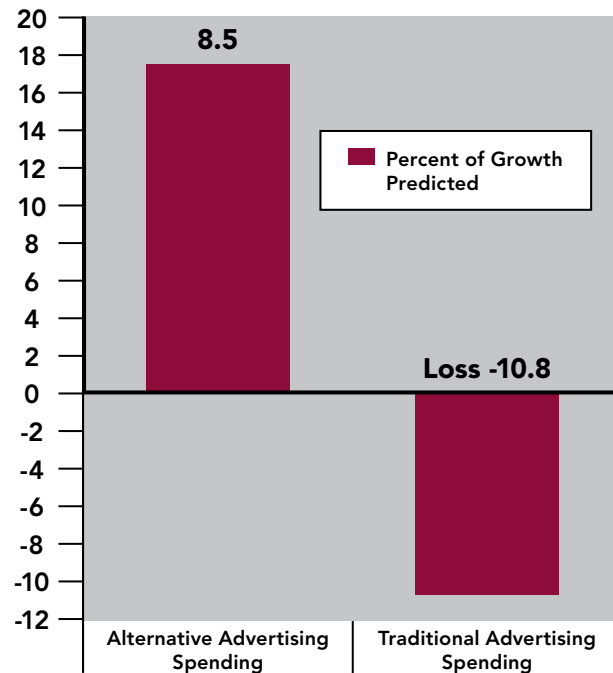
Integration is Key

According to a survey conducted by Yankelovich Partners, a Chapel Hill, N.C.-based market research firm that specializes in consumer values and behavior, Americans are subjected to 3,000 random commercials daily.

In fact, two-thirds of respondents say they feel “constantly bombarded” by ads, while 59 percent say the ads they see have little or no relevance to them.

In an Inc. com article, “The Future of Advertising is Here,” Scott Eagle, chief marketing officer of Claria, a Redwood City, Calif.-based marketing firm, noted that Web site visitors are 14 times more likely to click on an advertisement if it matches their demographic profiles. Such observations pave the way for targeted, integrated campaigns that complement traditional print and broadcast options with more alternative media. In its *VSS Communication Industry Forecast 2008-2009*, Veronis Suhler Stevenson, a New York-based private-equity firm specializing in media and communications companies, predicts growth in alternative media, while forecasting a decrease in traditional advertising spending [See Figure 1].

Alternative vs. Traditional Advertising Spending Prediction 2008-2009



SOURCE: VSS Communication Industry Forecast 2009

FIGURE 1

In fact, AvMed became the first company to “dominate a station.” The AvMed campaign placed graphics on most all of the available space within a Miami-Dade Transit Station, including walls, floors, cement columns, and stairs, both indoors and out. A 20-foot smiley face printed on bright yellow self-adhesive film and positioned on the main landing “greeted” travelers, who also had the opportunity to view 41 cement columns wrapped with yellow and red advertising graphics. The AvMed alternative media campaign was a first for the Miami-Dade Transit Stations.

The same concept worked for Masterfoods, a division of McLean, Va.-based Mars Inc. that used self-adhesive films in a \$40 million advertising and branding campaign for Snickers chocolate bars.

The initial campaign featured two TV spots, a viral component, and, for the first time, a heavy outdoor presence. The outdoor advertising spots included billboards, taxi tops, buses and people movers – all utilizing self-adhesive films. The cross-media campaign proved to be very successful, with sales of the Snickers brand jumping an average of 10 percent in the outdoor markets where alternative media were used.



Station domination by AvMed is shown above. The column graphics measured 6 feet in circumference by 11 feet high, and were printed on vinyl film, which was essential to the success of the column graphic. The circumference and rough textured surface of the columns posed extra challenges and called for a FLEXcon film that was unusually flexible and included an adhesive aggressive enough to adhere to its surface without peeling over the length of the advertising campaign. The vinyl film product chosen is often used on outdoor advertising applications such as bus shelters, building wraps, barricade advertising and many other rough textured advertising surfaces.

The challenges involved with reaching increasingly on-the-move consumers have never been greater. While traditional media—broadcast and print—remain important components of current strategic brand-recognition campaigns, today’s savvy marketers understand that the most effective campaigns integrate the traditional with the “Big 3” alternative media: digital, out-of-home and at-retail.

Soon, such integrated campaigns won’t be optional; they’ll be essential for successful new-product launches and for sustaining and growing sales of existing products. And eye-catching, audience-specific, alternative media utilizing self-adhesive film will continue to be at the heart of it all.

About FLEXcon

FLEXcon is an ISO 9001:2008 worldwide manufacturer of pressure-sensitive films and adhesives for applications including indoor and outdoor advertising, bonding/mounting, and product identification, safety, hazard, bar-coded, and primary labels. The company’s Value-Better-Supreme (VBS) product offering is the most extensive standard product offering in the pressure-sensitive film industry. FLEXcon is also a leader in developing custom solutions to meet unique converting or application needs. FLEXcon’s mission is to provide its customers the highest quality products with exceptional service. The company is headquartered in Spencer, Massachusetts, and has operations throughout North America and Europe, with distribution worldwide. For more information on FLEXcon, visit www.FLEXcon.com.

Enticing Consumers

Consumer Interest Advertising in Alternative Media					
% Who Report "Considerable"/"Some" Interest					
Q. How much interest do you have in the advertising that appears in these places?	All Adults	Age 18-24	Age 25-44	Age 45-64	Age 65+
Billboards	49.3	54.9	51.6	47.5	42.9
Product placement in TV shows	43.5	51.7	45.9	39.7	39.0
Ads at sports or entertainment events	35.8	46.7	38.7	31.6	27.7
Ads at the movies	33.2	50.0	37.8	26.3	20.0
Product placement in movies	31.2	46.7	35.5	25.0	18.8
Ads on buses/trains	26.7	32.8	28.9	23.7	22.1
Ads at bus stops or train stations	24.7	32.5	26.8	20.8	21.3
Ads on postcards	23.1	25.7	23.6	22.0	22.1
Ads on elevators	21.1	27.5	23.5	17.8	16.5
Product placement in video games	20.8	33.6	23.2	14.4	11.9
Ads on top of taxis	17.6	24.3	20.3	13.8	13.3
Ads sent to a cellphone or other mobile device	17.0	27.8	18.3	12.6	11.2
Ads inside taxis	15.9	23.3	17.8	12.6	11.3
Base: Adults Who Have Seen the Particular Form of Advertising Source: MRI's Spring 2007 Survey of the American Consumer. Field Dates March '06 to April '07					

FIGURE 2

There are great synergies to be realized from the various forms of alternative media shown in the table above (Figure 2). For example, self-adhesive ads on train station walls and platforms would effectively direct consumers to a Web site. That is, the out-of-home advertisement begins the dialogue with the consumer and entices them to continue the conversation online. After all, what better way to pass the time than to log on via a Blackberry during a long train ride to the Chicago O'Hare airport?

Or perhaps the conversation begins with a self-adhesive graphic advertisement on the floor of a retail outlet, with a simple "call to action," prompting the consumer to send a text or e-mail to enter to win the product. In both instances, the alternative media advertisement drives the consumer to further engage in the brand in a way that they can relate to—going online or sending a text message while on the go.

Consumers are making more informed choices when making purchases. That means it is imperative for the advertiser to ensure the marketing message is effectively conveyed to consumers, especially in an environment where they are being bombarded with countless other campaigns.

From Healthcare to Candy

When Florida-based healthcare provider AvMed Health Plans wanted to build recognition and be distinctive from other national healthcare plans, it recognized the benefits in striving to reach consumers through out-of-home media.

The Big 3

“Never in history have there been so many unique opportunities for targeted marketing based on consumers’ tastes, interests, special needs and passions,” according to Introduction to the Advertising and Branding Industry 2005-2007 by Plunkett Research, a Houston-based provider of industry sector analysis, trends and statistics.

Today, advertising space is found just about anywhere. While this compounds the dilemma for the media planner, it also speaks to the power of alternative media. Most CMOs will agree that an integrated marketing campaign with alternative media advertising is by far the best way to carry a well-crafted message to a targeted audience.



Examples of alternative media range from digital advertising signs at point-of-purchase locations using in-store video screens and mobile marketing to eye-catching graphics on shopping carts, taxi cab tops, floors and sidewalks and walls in bathrooms, bus shelters, subway stations and airport boarding queues. While the examples are diverse, each falls within one of three alternative media categories: digital, out-of-home and at-retail.

Digital

Digital advertising provides the greatest evidence of a shift from traditional advertising by way of digital billboards, plasma screen kiosks and messaging via mobile devices. Digital advertisements are increasingly being placed in unique locations aimed at stimulating brand purchase decisions. Supermarkets, gas station pumps, taxis, sporting arenas and airports are great spots for digital message screens. It’s even possible for digital billboards to communicate to consumers through regularly changed and highly localized information.

Changing consumer viewing trends is also a component of digital advertising. With the advent of digital video recorders (DVR) that allow viewers to bypass commercials, the traditional 30-second spot on network or cable TV is no longer the prime medium for reaching consumers. Moreover, new entertainment platforms continue to surface. Satellite radio with subscription-based music and programming has increased. Visual programming is now being delivered over a host of telecommunication technologies, challenging cable and satellite TV providers for market share. And millions of cell phone users are subscribing to mobile video, enabling them to watch news, entertainment and sports on vivid, high-resolution cell phone screens.

Mobile marketing indeed has the potential for reaching today’s anywhere-and-everywhere-consumers.

Consumer-engaged digital content, such as blogs, online games, videogames and podcasts, will continue driving the growth in alternative advertising, according to the Alternative Advertising and Marketing Outlook 2006, compiled by PQ Media, a Stamford, CT-based provider of alternative media data.

Also driving growth is the ability of digital media to supply better return-on-investment metrics.

While digital is proving its strength in today's consumer markets, it is most effective when supported by out-of-home and at-retail advertising, allowing digital ads to reach the right consumers at the right time.

Out-of-Home

Perhaps the most wide-ranging canvas for today's advertising strategies is the out-of-home environment. The applications are endless: transit advertising, wall murals, building wraps, stadium/arena signage, street furniture, train station stairwells, concrete columns, and kiosks, and airport check-in counters, to name a few. The list is limited only by the imagination of today's marketers.

The VSS Forecast also cited previous reports that indicated that ad spending in outdoor media surged 12 percent in 2006 to \$7.06 billion, making it the fastest growing ad sector after the Internet. VSS projects a rise of the compound average rate of 13 percent over the next four years, reaching nearly \$13 billion by 2011. Similarly, a report on Entrepreneur.com indicated that "display advertising" will reach \$14 billion by 2012.

Even with a 2 percent reduction in total miles driven this year, commuters will still spend at least 14.7 hours in a personal vehicle each week. Sixty percent of vehicle travel activities are dedicated to regular consumer tasks including shopping, commuting to work, socializing, and eating outside the home. And while consumers might be traveling more efficiently—plotting smarter travel patterns to accomplish common daily tasks—they are being influenced by out-of-home advertising.

David Verklin, former chairman of marketing and media powerhouse Carat North America (New York), has called outdoor advertising "the reach medium." While frequency may be slightly reduced when fewer miles are traveled, reach remains unchanged over multiple weeks as the same consumers are still in the marketplace and are still mobile. That is, a slight reduction in miles driven does not diminish the effect of outdoor advertising, nor provide justification for a lowering of advertising rates. Instead, the adjustment in American driving habits represents a fluctuation, which is really no worse than typical seasonal cycles.

And while some people may be driving less, many more of them are now relying on public transportation, exposing them to a myriad of out-of-home advertising. In the first three months of 2008, Americans took 2.6 billion trips on



public transportation—almost 85 million more trips than last year during the same time period. For example, the Washington, D.C, Metropolitan Area Transit Authority, June 2008 showing ridership was up 12.8 percent compared to the previous year.

Nationwide, ridership on mass transit has reached its highest point since the 1940s. Consider the following from the American Public Transportation Association:

- Amtrak ridership up 12.3 percent in 2008
- Light rail ridership up 10.3 percent in 2008
- Commuter rail up 5.7 percent for Q1 2008
- Long distance bus travel up 8 percent for Q1 2008

Moreover, the Traffic Audit Bureau for Media Measurement, Inc. is ramping up its Eyes On Impressions (EOIs), which will measure the average number of persons who are likely to notice an ad on an out-of-home display for either 12 hours (un-illuminated from 6 a.m. to 6 p.m.) or 18 hours (illuminated from 6 a.m. to midnight).



While data are still being collected for 2008, EOIs are measures of commercial audience; not merely circulation of people passing. The measurements are the number of people likely to notice an ad, not a measure of those who engage in the ad content. The former is based on the drawing power of the media format and location, the latter is based on the ad copy and consumer interest. EOI's are available for all major demographic audience segments used by other media, and are expected to be reported as weekly impressions.

At-Retail

Reaching consumers at the time and place where they are making their final buying decisions is crucial to building successful brand campaigns. In fact, industry research shows 75 percent or more of purchasing decisions are made at-retail. Advertisements found on walls, floors, doors, ceilings, windows, product shelves, refrigerators doors and counters—practically any area of an in-store environment—serve to reinforce the brand before the consumer makes a decision.

In many ways, the at-retail media channel is unique because it reaches a captive audience. One study, by Alexandria, Va.-based POPAI, the global association for marketing at-retail, confirmed that self-adhesive ads showing a photo of a beverage brand and placed on cooler doors lifted soft drink sales by nearly 33 percent. The VSS Forecast also demonstrated that at-retail, in-store media has become a focus of marketing campaigns in recent years, instead of just an ancillary activity. In-store advertising helped fuel a 3.8 percent lift in media spending, totaling \$44.25 billion. Point-of-purchase media spending in the U.S. grew 5.6 percent in 2006 to \$19.33 billion...

Furthering these reports and showing retailers' desires to properly measure the significance of this media, there have been efforts to turn at-retail into a measured form of media. If successful, this will make it possible to evaluate at-retail advertising alongside television, radio and other forms of mass media for its ability to deliver consumer reach.