



INTERNATIONAL SIGN ASSOCIATION
707 N. St. Asaph St.
Alexandria, Virginia 22314-1911
Phone (703) 836-4012
FAX (703) 836-8353
World Wide Web Site: <http://www.signs.org>

©Copyright 2001 by the International Sign Association.
All rights reserved and may not be reproduced in any form without written permission from the ISA.

Some of the illustrations in this book previously appeared in *Signs of the Times* magazine.
They are reprinted with permission of the publisher.

Authors: R. James Claus and Susan L. Claus
Editing: Anne Marie Melmon
Layout and Design: Becky Miller

For more information, contact:
The Signage Foundation for Communication Excellence
P.O. Box 128
Sherwood, OR 97140
also visit these websites:
www.signagefoundation.org
www.sba.gov/starting/signage

Introduction 4

The What, Why and Who of Signage 7

 Signage: What is it? 8

 Signage: What does it do? 9

 The Signage Industry: Who is it? 11

 Sign Industry Technology and Expertise 12

 Interior Signage 13

 Evolving Site Selection and Development Strategies; Trade Area Dynamics 14

 A Word about Outdoor Advertising 16

Myth #1: Signs Compromise Traffic Safety 21

 Driver’s Decision Making Process 23

 The “Distraction” Factor 24

 Enhancing the On-Premise Sign’s Traffic Safety Role 25

 The Two Most Important Legibility Variables: Letter Height and Sign Size 28

 Sign Size 28

 Superior Safety Aspects of Electronic Variable Message Signs 29

 Abatement 31

Myth #2: Censorship of Commercial Speech is Legal 33

 Constitutional Protections 34

 The First Amendment 36

 Background 36

 First Application of *Central Hudson*; Distinguishing Between On-Premise
 and Off-Premise Signs 38

 Further Guidance from the Court 40

 Where the Law Stands Today: *Central Hudson* Altered; *Virginia Board*
 Strengthened 41

 Federal Trademark Law (The 1958 Lanham Act): A Corollary to the First
 Amendment 43

 The Fifth Amendment 44

 Condemnation of On-Premise Signage 45

Caddy’s v. Hamilton County, Ohio 46

 The Accessory Use Doctrine: A Corollary to the Fifth Amendment 46

 Regulatory Takings of On-Premise Signs 47

 The Fourteenth Amendment 48

 Temporary Signs: A Class by Themselves 49

Myth #3: Signs in and of Themselves Have Little Economic Value	53
Asset Management of the On-Premise Sign: Its Value in the Marketplace	54
A Case In Point	56
The Value of Consumer Exposures via Signage	60
The Valuation Process in a Nutshell	63
Recall and Recognition	64
Top-of-Mind Awareness; An Overview	64
Measuring and Developing Top-of-Mind Awareness: Relevance to Market Share	66
Matched Pair Analysis	66
The Value of Interior Signage, or Point-of Purchase Displays	69
Regulatory Takings and Amortization Revisited	70
Compensation: Federal Law Contrasted with State Law	72
Myth #4: Sign Limitations do not Impact the Economy	75
Marketing and Advertising in the U.S. Economy: A Derived Demand	78
Myth #5: Sign Regulations Level the Playing Field	81
Decreased Commercial Speech Fosters Small Business Stagnation	83
The Value of Sign Centric Design: A Case Study	83
The Role of On-Premise Signs in Business Ownership and Management Models	85
Selecting the Right Mix of Signage for a Business	87
Advertising Cost/Benefit Considerations	89
Myth #6: Signs Negatively Impact Aesthetics	91
Amortization Undermines Aesthetics	93
Aesthetic and Graphic Design Considerations	95
An Enjoyable Visual Experience for the Tourist	96
Variable Message Signs	97
Advantages Electronic Message Centers Offer to a Business	98
Myth #7: Signs are of Little Value to the Community	101
Fostering a Pluralistic Society	103
Reducing Urban Sprawl and Urban Deterioration	104
Encouraging Local Business	106
Creating a Steady Tax Base	108
The Bottom Line for all Community Stakeholders	109
References	110

Marketing and retailing are responsible in large part for propelling the economy after the WWII and Korean War period. Consumer-oriented retailing has become one of the dominant factors in our society. This \$3 trillion dollar segment of our economy provides goods and services to our citizens at a lower cost than anywhere else in the world. But, as with any discipline or activity that is new, huge amounts of information about retailing have been treated as proprietary trade information and have not been general knowledge. Consequently, despite the significant role signs have played in promoting consumer benefits through competition, few have really understood their importance to the economy or the level of sophistication that has evolved in the industry.

Sign codes bring the urban planning profession and the marketplace face to face. It has not always been a pleasant encounter. Over the past forty years, the urban planning educational community has promulgated a number of myths about signage. Their purpose has been to convince local planners and regulators that restrictive sign regulations will bring certain benefits to a community. But the planning educational community has little understanding of the role that commercial communication plays in the level of success which businesses have in providing American consumers with low-cost retail goods and services.

In this document we will carefully examine each of the great signage myths proclaimed as fact by the planning educational community. But first, we will explain briefly what signs are, the functions they perform, and the industry that produces them.

Signs come in many shapes, colors, and sizes. As an art form, their variety is limitless, and their aesthetic qualities can turn an ordinary cityscape into a visually stimulating and attractive destination.

