

GOING DIGITAL?

5 WAYS TO INCREASE YOUR GROWTH WITH AN LED SIGN.



INTRODUCTION

Wondering just what exactly an LED sign can bring to the table? This white paper will touch on a number of areas you may be anxious to understand.

- :: Just what kind of results can you expect from an LED sign?
- :: The benefits of using an LED sign to reach your audience
- :: Making the most of an LED sign once you have it
- :: How an LED sign compares to other ways of communicating with your target
- :: Intangible benefits that might not necessarily show up on your bottom line

Knowing full well you need to communicate to your target audience to grow your business or organization, you also know adding an LED sign is no small undertaking. And, of course, maximizing your return on investment (ROI) is always top of mind. So, how do you turn the money you spend on that communication tool into calculable results for your organization?

1) "JUST WHAT KIND OF RESULTS CAN I EXPECT FROM AN LED SIGN?"

The Small Business Administration cites signs as the most effective, yet least expensive form of advertising for the small business. More specifically, with an LED sign in a typical American town, the cost per thousand impressions is as little as 15 cents – compared to over 7 dollars for a newspaper ad. Numbers like that add up in a hurry.

Also according to the SBA, small businesses enhancing their signage with an LED sign can see an increase in business of up to 150%. Using a far more conservative estimate of a 15% increase in business, let's see how quickly an LED sign might pay for itself with a business like a car dealership. Typical profit margins from new cars range from 4% to 13%.* Splitting the difference, let's assume an 8% margin on a \$30,000 car for a \$2,400 profit. If the dealer sells 17 cars per month,** and the LED sign costs \$60,000, a 15% increase of 2.5 cars per month means the LED sign would pay for itself in 10 months.

Cost of LED sign: \$60,000.

Profit per car: \$2,400.

Number of cars sold in a month: 19.5 (up 2.5 from 17 with a 15% increase).

Increase in profits: \$6,000 per month (\$2,400 per car multiplied by 2.5-car increase).

Which means a car dealership's \$60,000 LED sign would pay for itself in 10 months.

* <http://www.leaseguide.com/Articles/carprices.htm>

** http://reynoldswebsolutions.com/Our_Clients.aspx

2) THE BENEFITS OF USING AN LED SIGN TO REACH YOUR AUDIENCE

There are three key benefits an LED sign brings to your messaging, which explains how it can increase business so dramatically and efficiently. Communicating what you want, when you want, to more people, for less money, adds up to a very attractive bottom line.

Timely Communication

The quicker you can communicate what you have to say, the better. A sign is one of the few media outlets you actually own, which means you set your own schedule rather than being bound by someone else's. In other words, you can get your message out as soon as you have something to say – for exactly as long as you want to say it. A fundraiser might last two weeks. A special on fish will likely be much shorter. And a restaurant can tell customers what's on the menu for both breakfast and dinner. With an LED sign, you control when your message is up and for how long.

Multiple Messages

The example of the restaurant advertising both breakfast and dinner specials brings us to another benefit of LED signs: multiple messaging. Thanks to advances in software, changing the messages on your LED sign is as easy as typing it in and hitting "send." This means you can push eggs-over-easy in the morning and comfort food like meatloaf at dinner time. Or maybe you have several messages you want to rotate for maximum exposure. From the latest financing rates to a blizzard-induced snowblower promotion to this weekend's bake sale, LED signs give you the flexibility to change your messaging as your circumstances (or weather!) dictate.

Cost-Effective Advertising

In addition to flexibility and timeliness, you'll also find an LED sign compares favorably to other forms of advertising from a monetary standpoint. In terms of cost per thousand, the common denominator typically used in comparing advertising costs, LED signs are extremely competitive.

	Yellow pages	Radio	Newspaper	LED sign
Audience	4,000	11,600	16,900	34,600
avg. cost/mo.	\$1,000	\$4,370	\$9,000	\$300-600

But there are also some intangibles to consider. Because you control the "publication" of your message, you won't lose time and money getting it into circulation. A similar premise holds true for reaching people. You'll be communicating with actual candidates right in the vicinity of your LED message who can walk into your store, school or place of worship. Think about it. A special on eggs is a lot more appealing to a person across the street than a person across town.

3) MAKING THE MOST OF YOUR LED SIGN. A FEATURE IS ONLY A BENEFIT IF YOU TAKE ADVANTAGE OF IT.

Among the more obvious advantages of LED signs over static signs are the dynamic ways they allow you to communicate in ways static signs simply can't.

- :: TV-like video for the ultimate in attention-grabbing power
- :: Artwork and other content customized for your business or organization
- :: Regularly updated libraries of artwork to keep your message fresh and interesting
- :: Automated message rotation so you can set your messaging schedule and get back to work

Of course, your LED sign can't do all these amazing things for you unless you know how to operate it. And odds are you're not a software engineer, so you should look for a sign with intuitive software that makes it easy for you to get your message seen. You should also strongly consider a company that offers readily accessible training and support on its sign's software program. And if you, like other business owners, wear multiple hats and find yourself stretched for time, consider a company that can offer creative services to keep your sign singing your specials.

Simply put, look for a company that makes it easy for you to get the most out of your LED sign.

4) HOW AN LED SIGN COMPARES TO OTHER WAYS OF COMMUNICATING WITH YOUR TARGET.

A key point you should remember is that your LED sign is an advertising investment rather than a capital expenditure. As such, it should be compared to other forms of advertising when you look to measure its effectiveness.

Traditional and Internet Advertising

Traditional advertising is often thought of as TV, radio, print and out-of-home (billboards, bus stops, mass transit, etc.). While these forms of communication reach the largest numbers of people, they also tend to be the most expensive (30 seconds on the Super Bowl, anyone?). Not to mention the most wasteful. TV, radio and newspaper are far less targeted to your local geographic audience, and as you might imagine, people on the Northside aren't particularly interested in a special on flowers at a Southside store. Another drawback to traditional advertising is you're typically getting your message across on someone else's schedule. If something comes up on short notice that you want to tell people, you could miss out entirely if you're locked into a three-month rotation.

The Internet may not exactly be traditional yet, but for the purposes of this discussion, it's starting to fall into that category. While you may be able to specifically target your audience, you also run the risk of being lumped in with a lot of other advertising "noise" with most viewers being able to "click past" you (this is also a growing issue with TV commercials due to the invention of the digital video recorders like TIVO).

Word of Mouth

Word-of-mouth advertising has a number of pros and cons. It's by far the most credible since it comes almost exclusively from people who've tried your product and stand to gain nothing from telling people about it. The price is certainly right, too. Of course, it tends to be a bit unreliable and you can't exactly control your message.

In a nutshell, word of mouth may very well give you the kind of exposure you just can't buy. But at the same time, you run the risk of getting what you pay for.

Signs – LED and Static

Given the flexibility we've already discussed with LED signs and the fact that you own the medium, you truly have the ability to control your message and keep it more up-to-date than you do with any other form of communication. It's easy to update both your message and your graphics (including crisp video in some cases) as often as you need to from the comfort of your own PC – without regard for weather conditions (letterboard owners, take note). Plus, all of your messages will have a professional-looking appearance – no more using an upside down "W" as an "M."

As the name suggests, static identification signs by themselves are, well, static. The fact is a good looking ID sign can complement your LED sign and vice versa. But alone, it can only say who you are. It can't communicate what you have to offer or what is special about your business like an LED sign can.

5) INTANGIBLES: TURN YOUR BUSINESS INTO A LANDMARK

The SBA also points out that an LED sign almost immediately becomes a landmark in its community. Many new LED sign owners testify to being noticed again – or even discovered for the first time. Passing viewers look forward to reading clever new messages and may even come to rely on your sign for public service announcements, civic event information, personal and holiday greetings, and current time and temperature. All of which leads to people remembering your business and where it's located.

So whether it's better ROI, better recognition, better flexibility in messaging, stepping up to an LED sign is a step forward to growing your business or organization.

Hopefully you have gained more knowledge about LED signs from reading this white paper. Now that you have a greater comfort level with the benefits they bring, talking with an LED sign company is the next logical step.

Of course Watchfire Signs, the company that produced this free white paper, should be on your short list of preferred providers. We are more than happy to answer any additional questions you might have or provide you with a free traffic analysis or media analysis.

To speak with a Watchfire representative, please call 800-637-2645 or visit www.watchfiresigns.com.