

GOING DIGITAL?

5 WAYS TO INCREASE YOUR GROWTH WITH AN LED SIGN.



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INTRODUCTION

Are you wondering exactly what an LED sign can bring to the table? This white paper can provide answers to your questions, such as:

- What kind of results can I expect from an LED sign?
- What are the benefits of using an LED sign to reach my audience?
- What can I do to make the most of my LED sign once I have it?
- How does an LED sign compare to other ways of communicating with my target audience?
- Are there other, intangible benefits that can improve my bottom line?

You already know that you need to communicate to your target audience to grow your business or organization, and if you've looked into LED signs, you also know purchasing an LED sign is no small undertaking. Maximizing return on investment (ROI) is at the top of every savvy businessperson's mind, so of course you want to allocate your resources for the greatest ROI. How do you turn the money you spend on an LED sign into measureable results for your organization?

1) THE RESULTS YOU CAN EXPECT FROM AN LED SIGN

The Small Business Administration (SBA) cites signs as the most effective, yet least expensive form of advertising for small businesses. More specifically, in a typical American town, the cost of an LED sign 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. After all, 7 dollars per 1000 impressions will eat up your advertising budget pretty quickly. Why not make better use of that money to communicate with customers driving by your business instead of people who may live miles away?

Also according to the SBA, small businesses enhancing their signage with an LED sign can expect to 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 for new cars range from 4% to 13%.* Splitting the difference, let's assume an 8% margin on a \$30,000 car, which is a \$2,400 profit. If a dealer sells 17 cars per month (a number far below the industry average**), 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).

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

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

** http://wardsdealer.com/latest/auto_dealership_count_110824/

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 and to more people, for less money can add up to a very attractive bottom line.

Timely Communication

The more quickly 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 and for how long your message is up.

Multiple Messages

The example of the restaurant advertising both breakfast and dinner specials highlights another benefit of LED signs: multiple messaging. Thanks to advances in software, changing the messages on your LED sign is as easy as typing them and hitting "send." This means you can promote eggs-over-easy in the morning and comfort food like meatloaf at dinnertime. 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 circumstances dictate.

Cost-Effective Advertising

In addition to flexibility and timeliness, you'll also find that the cost of an LED sign compares favorably to other forms of advertising. Whether you're calculating your advertising costs per month or using the more common "cost per thousand impressions," 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	\$700-\$1,000

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 potential customers who are right in the vicinity of your LED message – customers who can walk into your store, school or place of worship. Think about it. A special on milk is a lot more appealing to a person across the street than to a person across town.

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

Among the more obvious advantages of an LED sign over a static sign is the LED sign's dynamic nature. LED signs allow you to communicate messages in ways static signs simply can't.

For example, LED signs give you:

- 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. 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 messages on the sign where they will be seen. You should also strongly consider a company that offers readily accessible training and support for 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 help your sign sing out 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 to 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 attempt 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 North side aren't particularly interested in a special on flowers at a Southside store.

Another drawback of traditional advertising is that 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 it's starting to fall into that category. While you may be able to specifically target your audience online, you also run the risk of being lumped in with a lot of other advertising "noise" because most viewers are able to "click past" you. (This is also a growing issue with TV commercials due to the increased use of 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 and the fact that you own the medium when you own an LED sign, you truly have the ability to control your message. And you can keep it up-to-date more easily than you can with any other form of advertising. 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. And (letterboard owners, take note) you don't have to worry about weather conditions. Plus, all of your messages will have a professional-looking appearance. The days of using an upside down "W" as an "M" are gone.

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, a static sign 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 – and even discovered for the first time. Passing viewers will 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 the current time and temperature. And all of these lead people to remember your business and where it's located.

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

Now that you have a better understanding the benefits LED signs can bring, talking with an LED sign company is the next logical step.

Of course we hope you'll come to us – Watchfire Signs – whether you're ready to purchase, want more information, or would like a free traffic and media analysis. We're here, and we'd love to put one of our signs to work for your business.

**Capture attention. Grow your business. Let a Watchfire representative show you how.
Call 800-637-2645 or visit www.watchfiresigns.com.**