



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.

1. Just what kind of results can you expect from an LED sign?
2. The benefits of using an LED sign to reach your audience
3. How an LED sign compares to other ways of communicating with your target
4. Making the most of an LED sign once you have it
5. 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 (SBA) 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 \$0.74 — compared to over \$22.00 for a newspaper ad. Numbers like that add up in a hurry.

Based on an estimate of a 5% 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 can range from 2% to 4%. So, let's assume a 3% margin on the average new car price of \$30,659.¹ That would equal approximately \$920 profit per car. If the average dealer sells 60 cars per month, a 5% sales increase translates to 3 new cars sold each month, or an increased profit per month of \$2,760. When you divide the LED sign investment \$50,000, by the profit increase per month \$2,760, the LED sign would pay for itself in just over 18 months.

LED Signs Produce Results.	
Price of LED sign:	\$50,000
Avg. new car price:	\$30,659
3% profit per car:	\$920
Avg. sales per month:	60 cars
5% sales increase:	3 cars
Increase in profits:	\$2,760
Return on investment:	18 Months

¹ National Auto Dealer Association, "State of the Industry Report," NADA DATA, 2012.

2. The Benefits of Using an LED Sign to Reach Your Audience

There are three key benefits an LED sign brings to your marketing, which explains how it can increase business so dramatically and efficiently. The ability to target your message to the right audience in a way that is both immediate and cost-effective will have a great effect on your 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 a restaurant that advertises both breakfast and dinner specials brings us to another benefit of LED signs: multiple messaging. Thanks to advances in software, changing the advertising on your LED sign is as easy as typing it in and hitting "send." This means you can attract customers for 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 advertising to suit the season, time of day, or even the weather.

Cost-effective Advertising

LED signs give you more than just flexibility and timeliness; they can also help you trim your advertising budget. To help you compare LED sign advertising to other traditional media, we've charted number of impressions, the cost per impression and the cost per day. One look at the chart below and you'll see that a Watchfire sign beats yellow pages, radio and newspaper hands down.

Yellow Pages	Radio	Newspaper	Watchfire Sign
Full-Page Ad 4,000[†]	Average Daily Audience 11,600	Sunday Readership 17,000	Passing Motorists 34,600
\$2.25 per 100 impressions	\$1.33 per 100 impressions	\$2.26 per 100 impressions	\$0.03-\$0.06 per 100 impressions
\$90* a day	\$154* a day	\$384* a day	\$10 to \$20 a day

* Typical or average prices shown

† Based on 1/10th of population accessing daily

Consider this: when you invest in an LED sign, you control the "publication" of your message. So, you won't lose time and money getting an ad into circulation. You can target your advertising immediately, directly to the people in driving by your store, school or place of worship. Think about it. Your advertising will reach people when they're most able to act on it. Now, that's effective.

3. 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 media 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. Traditional media can be far less targeted to the audience most likely to purchase as a result of your advertising. Who would you rather reach out to: a customer who is driving right by your store or one in his living room way on the other side of your metro area?

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". Many internet users may not even notice your advertising or set their browsers to block it altogether — also a growing issue for TV commercials due to increasing use of DVRs.

4. 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.

For example, LED signs give you:

- High resolution, image quality and video capability that grab your customer's attention.
- 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.

If you, like many business owners, find yourself stretched for time, you should consider a company that can offer creative services support. Custom artwork can help your sign make a statement in the marketplace, and remote sign management can make updating your sign hassle-free.

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 vs. Manual Reader Boards

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."

5. Intangibles: Turn Your Business Into a Landmark

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.

The SBA 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.

Conclusion

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.

We hope that Watchfire will be on your short list of preferred providers. When you have questions or want to learn more, we're ready to help.

Go digital. Grow your business.

Your Watchfire representative can show you how.

Call us at 800-637-2645 or visit watchfiresigns.com.

