

# Electronic Message Center Ownership Makes Dollar Sense



*"Businesses who added an outdoor LED sign enjoyed typical sales increases of 15%-150%. Not only does an LED Display produce a great return on investment, it costs very little compared to other types of advertising." - SBA Study*

Anyone who's been involved in the Sign Industry has probably read this report. If not, it's a very inspiring and reassuring review to get you through a slow Wednesday afternoon the day before Thanksgiving. Like any good report, it has its supporters and its detractors who debate to what degree an Electronic Message Center (EMC) financially benefits the end-user.

The SBA report makes several assertions that seem to make sense and "feel good":

- Sales increase from 15-150% as a result of the EMC.
- Low advertising cost of less than 15 cents per 1,000 exposures versus over \$6.00 for TV, \$7.39 for newspaper, and \$5.47 for radio.
- Most customers live locally and drive by the business several times per month.
- The EMC is working non-stop (if so desired), 24-7-365, with no complaints, no coffee breaks and is essentially the business' "man on the street".

When the low maintenance cost associated with owning a high-quality EMC is reviewed, even with the cost of electricity added into the equation (pennies per day in some instances) there seems to be limited downside associated with an EMC. This of course can change if the manufacturer is not vetted thoroughly and a decision is made to "go cheap"- Caveat Emptor!

Somewhere in the "percentage universe" is the absolute correct number that defines the average sales increase realized from adding an EMC. Let's assume the number is 15%.

Our little bicycle shop does \$500,000 per year in sales and we average 35 percent margin. Adding an EMC may then increase sales to \$575,000 per year with an income increase of  $.35 \times \$75,000$  or \$26,250 in profit before taxes. The EMC cost \$25,000 to buy and install, so they put an extra \$1,250 in their pocket, and completely paid off the EMC. The following year there is no EMC to pay off so any increase in sales makes an even bigger impact.

Of course the above example has been simplified but who does not need an EMC?

If you are a sign company, do your homework and select a manufacturer who has been in business long enough to have engineered and manufactured several generations of hardware and software. Check them out and call their customers, call their engineers, visit their plant, call the end-users of the product, check their financials at Dun and Bradstreet, call the Better Business Bureau in their area and even the Chamber of Commerce, and finally, you guessed

**(Cont'd)** Once an excellent domestic manufacturer is chosen you are well on your way to selling your customer an advertising "cash cow" that reaches customers in a cost-effective manner, rapidly responds to change, and, with good message content, packs a powerful advertising punch to deliver the message and improve sales.

An EMC may have a different mission than just improving sales when sold to a community, church, government agency or school but every EMC, no matter the exact application, shares the common goal of delivering some message in a cost-effective manner and that's what the EMC industry is all about.

Electronic Message Center ownership makes dollar sense- spread the word!