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Refresh your marketing

New technologies open opportunities

Distributors vary widely in their use of marketing to increase awareness and sales. For many, the barriers to marketing have been cost related. But no matter what you've done in the past, it's time to take another look at the

marketing communications tools at your disposal.

BY MIKE STRAND

Today, electronic media provides an easy, cost-effective way to supplement or even replace some traditional marketing methods. And, you'll be on a level playing field (and perhaps even have the advantage) since many distributors that excel in traditional marketing are late out of the gate when it comes to new forms of electronic communications.

Three electronic marketing approaches

There are three major areas of electronic marketing that make sense for distributors: e-mail and newsletters (the electronic equivalent of direct mail); Web promotions (including your Web site and online advertising); and in-store promotions.

There is quite a bit of information available about the first two areas because they have been around for a while and are either evolutionary forms of traditional paper-based approaches or have large companies such as AOL, Google or Yahoo! driving them. You've read about these marketing tools in the general press and, if you have a computer and an e-mail account, you've benefited (or suffered) from them.

Because the last approach, in-store promotion, is newer, I'll touch on e-mail and Web promotions as they apply to you and will introduce in-store promotions.

E-mail and newsletters

Every distributor should maintain a list of its customers which can be used for electronic communications. The list can be built up over time from existing customers, either by asking for the information, by collecting their business cards or by ensuring that your purchasing documents and data entry processes are collecting the information.

Just as you could for printed direct mail, local, regional and industry-specific e-mail lists also can be rented or you can use an online mail house. Care should be taken when selecting an e-mail list vendor to make sure you are working with a reputable organization. Local chambers of commerce, as well as industry associations and publications, are excellent sources for targeted and qualified lists.

Remember, any mass electronic mailing must have your business contact information and an opt-out feature to be in compliance with the anti-spam laws. This can be as simple as providing the opportunity to send a "Remove" message to an e-mail address which is then manually processed, or a more sophisticated click-through to a Web address that automatically removes the recipient from your database. There are even services available to manage the e-mail database and

Using a technology called digital signage, you can show your own custom slides, graphics or videos in your showroom and at your counter area.

process while keeping you in compliance.

Another challenge for distributors, however, is to determine if electronic communications really reach their mark. You can develop interactive response mechanisms such as surveys, questionnaires, contests and even trivia questions to gauge readership and levels of interest. You may want to ask your customers when they visit how they would like to receive information. Some may prefer written materials and, if that's the case, you should structure your promotions accordingly to each specific customer. The key to newsletters is to deliver the message on a consistent time period with a consistent look.

Design is another consideration. Gone are the days when an e-mail has to look like an e-mail. Most standard word processing packages allow you to

create attractive Web-formatted documents or Adobe PDF files that are easy for your customers to read. Keep designs simple, have a call to action and, whenever possible, use templates supplied by the software vendors. Remember, just having the tools to create a color document doesn't make you an artist.

You can even print the Web and PDF files on your color printer and mail them to customers who prefer paper-based promotions. Whatever the format, periodic newsletters keep you top-of-mind with your customers and prospects and give you the opportunity to promote specials.

Web site and online advertising

Web sites were once a minor, one-way marketing tool to let customers and prospects know that you exist and

to give a little basic information. Now, e-commerce-enabled sites are becoming a necessity. Your Web site should be a portal that allows customers to get answers to their questions, view and order items online with the product either shipped to the customer or scheduled for pickup at one of your will-call locations.

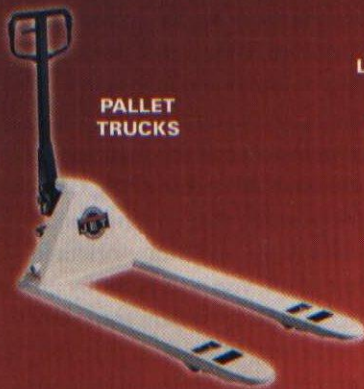
You can run a site only for registered users with trade credit lines or COD. Taking credit cards is more complex and costly, and it's generally necessary to align with a bank or other credit processing organization to handle the actual processing, security and billing.

Online advertising is another area that has evolved. Many trade organizations, publications, local chambers, newspapers, online classifieds, and other resources offer

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LINES THAT MOVE

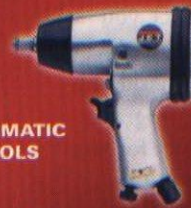
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free or paid listing opportunities. It makes sense to research opportunities and list your company in all of the appropriate places that reach your target audience.

Then, there are the national listings such as AOL, Google and Yahoo!. These search portals have two levels of participation. The first is the basic listing. Your search result ranking is tied to some secret algorithm maintained by the search portal. But, no matter what the measure, increased traffic on your Web site, the number of links from other sites and the prominence of key search terms on your Web page all play a role in your ranking.

The second participation level is paid Web advertising. You can purchase a featured listing (generally called out on the Web site). The fee is often based on "click-throughs" which assess a nominal charge for each person who visits your site using the link on the search portal's page. You agree to a price for each search term and, although generally low-cost per click, it can quickly add up, especially if your ad is not clear and unqualified visitors burn through your budget. You can also specify a monthly limit that further reduces your exposure (financially and marketing-wise) since it removes your ad once you hit the limit.

Another form of online marketing is offered through affiliate programs. This provides an opportunity for you to get your company links out to other related sites (which also improves your search ranking). Generally, you provide a small ad and logo on the affiliate site that visitors can click on to link directly to your site. This works both ways. You can also allow vendors and other partners to list on your site to connect back to theirs. The compensation is either on a "click-through" payment basis or on a commission basis where you (or your partner) receive a percentage of sales



Digital displays near your checkout area encourage impulse buying.

that result from the online referral. My company has an automated program that pays 20 percent of our subscription fee to affiliates who link to our site.

In-store promotions

In-store promotions are an emerging form of electronic communications that, like the others, is an outgrowth of traditional marketing. Digital displays near your counter or checkout inform customers and encourage impulse buying.

Today, showroom and counter posters have evolved into electronic formats. Because of technology's plummeting price and advances in the Internet, these standalone video merchandising units have evolved further so that you can now inexpensively and efficiently present your own promotions, or those of your vendors for a fee. Using a technology called digital signage, you can show your own custom slides, graphics or videos in your showroom and at your counter area.

You've probably seen units that show vendor demonstrations either as slide shows or videos. These self-contained displays promote products on continuous loops in standalone units called kiosks. The vendors spend a lot of money producing and distributing both the programs and display units.

Vendors are always looking for innovative ways to reach your customers through discounts,

promotions, buying them breakfast and other efforts. Their interest in reaching your customers means you can turn your digital sign into a profit center by selling advertising to your vendors. They may pay to display new products or services, or provide point-of-purchase materials. They like the idea of providing content for digital signs — it actually saves them the cost and headache of setting up their own displays. Your vendors'

representatives will probably have a lot of ideas on how they can contribute content for your digital sign.

The system even helps to encourage other vendors to advertise, too. It builds on itself; when other vendors visit you and see the sign showing their competitors' products, they will ask how to be included. Each vendor will typically pay from \$100 to \$500 per month depending on placement and the traffic that your store brings in, which is more than the average cost of a store's entire digital signage system.

The display itself can be a regular television, an LCD or a plasma screen, or a computer terminal, either with audio or in silent mode. So, the experience is similar to watching television without the noise and distraction of commercial TV. This allows you to completely control the content without the high cost of television advertising. Digital signs demonstrate that you are both technology- and future-oriented. Best of all, you will profit by putting a digital signage system into your store.

The way it works is that you put content in by filling out an online form or by loading graphics (even videos) through a personal computer's Web browser connected to the Internet. It's less expensive than a local newspaper ad and you're reaching the perfect audience — the people in your showroom who are looking to buy, are at your counter and are open to suggestions on new products or things

they are forgetting to pick up. You will increase sales of related products with no effort on the counter staff's part. It also shortens customers' perceived wait times, which can be important for busy times at the sales counter.

You can feature new products from select vendors, as well as specials and high-margin items or products your customers don't know you carry.

Here's a list of a few ideas:

- ✓ Product promotions
- ✓ Specials
- ✓ Business hours
- ✓ Return policies
- ✓ Delivery truck schedules and routes
- ✓ Training opportunities
- ✓ Employee recognition, birthdays, awards, etc.
- ✓ Customer profiles and quotes
- ✓ Welcome messages to visiting vendors or customers

There are special feeds available that can also provide local news, weather and traffic, community announcements, trivia, thoughts of the day, and other tidbits.

Digital signs are especially valuable for multi-location businesses. By using your browser to sign into a Web page, you can make sure the information is shown in a specific showroom or every showroom in your network — from one to a hundred or more. You can quickly react to local opportunities by customizing digital signs at individual locations for special promotions. Any non-technical person can manage the system, so your managers don't have to spend time worrying about it.

Some distributors also use digital signs in their showrooms before the doors open to communicate with employees. Others have separate digital signs in break rooms and other areas to communicate information on health insurance, benefits, employee activities, sports team results, etc.

Explore the electronic frontier

These are some of the major electronic marketing methods you can use. They are generally less expensive, quicker to develop, and more efficient to distribute than traditional marketing communications. They efficiently target specific audiences and make it easier to track and measure results. It is important for you to examine these new approaches and add them to your marketing mix. ☺

Mike Strand is founder and CEO of StrandVision LLC, an online digital signage company that uses the Internet to inexpensively deliver timely information to televisions in business showrooms, lobbies and employee break rooms. Mike can be reached at (715) 833-9501 ext. 100, mjstrand@strandvision.com or online at www.strandvision.com.



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