

Seven industry problems— and how you can capitalize on them

There are opportunities waiting in today's marketplace

By Dan Antonelli, President and Creative Director, Graphic D-Signs, Inc.

As the industry becomes more and more competitive, it's getting harder for many sign companies to make the same amount of money they used to. With the proliferation of sign shops, the Internet and other businesses offering sign-related products, the market is shrinking. The "barriers to entry" to the business are very low. The relatively low cost of a vinyl cutter has made it easy for anyone with a few dollars to call themselves a sign shop.

So how do you compete in this new marketplace? How do you set yourself apart? There are several effective approaches, but the main point is that you set yourself apart by doing good design. Let's look at several problems in the current marketplace, and how you can capitalize on them and get back some market-share.

1. Too many people selling the same thing.

Is there really much of a difference between Staples and Office Max? Think about it. They sell the same exact products, and at very similar prices. As a consumer, which store

will you choose to shop at? Probably the one most convenient to you—because your perception of what they sell is the same for either company. They sell a commodity (office supplies), and people tend to buy commodities wherever they can find them at the cheapest place, or wherever it is most convenient.

The same theory holds true for sign makers—but only if what they sell is the same at other places. If the consumer perceives your sign work is the same as that of any other sign shop, then the only thing they care about is price. This pits you against everyone else with the game known as "Who Can Sell this Sign for the Lowest Price?"

If you sell design, though, your work can't be replicated by everyone else. You can charge more—and people will pay more—because they can't get what you do elsewhere.

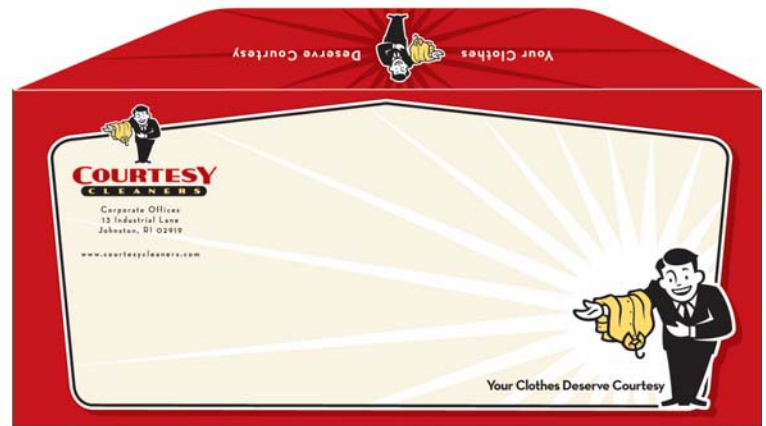
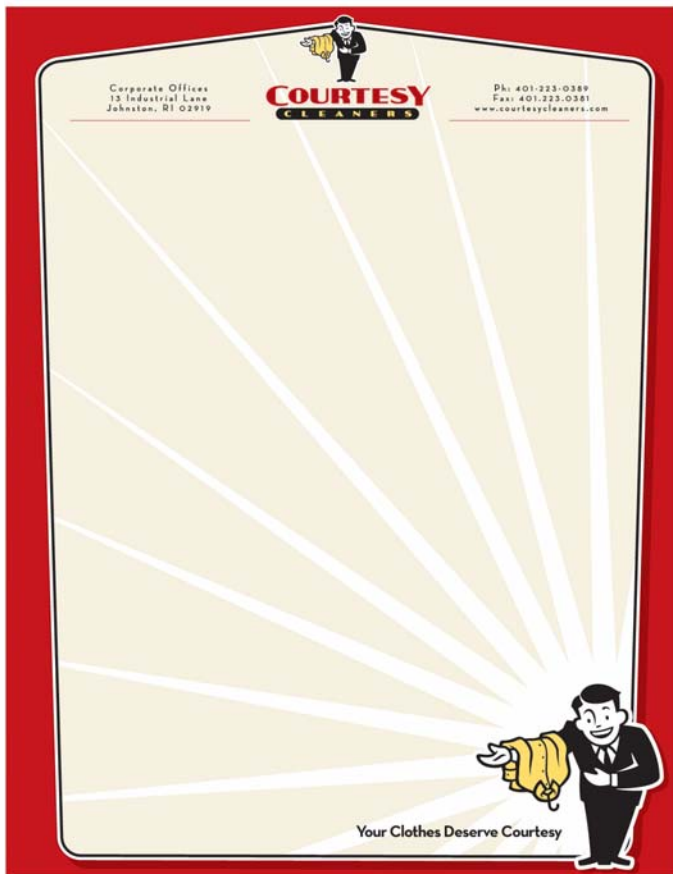
2. The "vinyl by the pound" approach means most shops hire the least qualified employees.

If your competitors are mainly concerned with selling a commodity, it only stands to





COURTESY
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This Rhode Island based dry cleaner asked us to rebrand their company to better communicate their core philisophy—providing outstanding customer service to its clients. We designed their new logo with a retro twist, and carried it forward on their vehicles, stationery and Web site. This is a great example of how a brand can really deliver a message and feeling about an organization.

reason that their ultimate goal is to produce signs in the least expensive manner possible. Most of these types of shops are hiring the least expensive and therefore least qualified people to produce the signs. That's good for you. It's another opportunity to capitalize on their major weakness, which is poor design. By hiring qualified designers you can offer your clients something they can't get elsewhere.

3. Most shops only sell sign-related products, which last too long. Most small businesses need much more than signs; they need an image—a brand. They need stationery printed, a brochure perhaps, maybe even a Web site. With the right staffing in place, you can offer these related lines of business.

These days, most print shops are selling signs, so why can't you sell printing? Printing offers more residual orders than signs. Signs last too long; therefore there's a diminished opportunity for reorders. But business cards,

letterheads and envelopes may only last six months. Then it's time for the customer to call you to reorder.

The Internet offers many print vendors who can provide full-color business cards, letterheads and stationery. The convenience of you being a one-stop-shop for your customers is an important advantage you can capitalize on.

4. The proliferation of bad wraps. There's a huge opportunity arising in the sign industry now with vehicle wraps. Everyone wants a wrap these days. Unfortunately, I'd estimate 90% of all wraps on the road today fail to convey a memorable advertising message. There's the opportunity for you to excel. Create advertising that conveys a powerful message and reinforces your client's brand, instead of creating a blur of color and photos like the majority of your competitors are doing.

5. Most shops ignore the importance of logo design and branding. The majority of sign

Why sell design?

- Helps distinguish your shop among competitors
- Puts focus on the importance of design rather than the physical aspect of signage. (Design is not a commodity)
- Opens the door to other, more profitable lines of business
- Sets the tone for a strategic partnership with the customer
- Perception of what you do will change and will be more professional
- When the perception of what you do changes, so will the prices you can command for your work.

What do your small business clients really need (but just don't know it)

- Most importantly, they need a brand and a logo
- Stationery design and printing
- Lettering / signage
- Brochure / collateral
- Web site
- Yellow Page ad design

How to begin: Embarking on a more design-centric approach

So you have the design skills (or access to them) and taking a design-centered approach sounds good. But where do you start, and how will it affect your business? Here are a few ideas that might help:

The change is gradual, and it takes time: Recognize that moving along the path to selling more design and design-related services takes time. Realize that every journey begins with a single step, and that making the decision to change your course is, in fact, the most important one.

It may cause confusion with existing clients Some of your existing clients may not embrace your new direction. Ultimately, you have to decide how you want to deal with them. I still have really old clients for whom I originally did their logo, and at the time charged them \$500, or less. They call when they're starting a new business and expect the rates to be the same. We're a different company than we were back then — and our experience and expertise are as well.

Nurture existing clients on your new focus—or have courage to turn away clients who need “vinyl by the pound!” It sometimes takes more courage to say “no” to certain clients than to accept the work at the prices they are accustomed to. The nurturing of your clients is really based on educating them on the value of your work. Some will say they need only basic lettering or signs, or that they've been successful with their simple one-color layouts. You can try to convince them that they've been successful in spite of these obvious shortcomings and offer them a rationale to step it up and take their business to the next level. Some will think they know more than you about the subject and balk at what you're trying to sell them. In my experience, it's much easier when clients are excited to work with us and recognize the value we offer.

shops do not aggressively market logo design as an integral part of the sales process. This simple step—offering the customer a logo and helping them to create a cohesive image for their business—immediately tells the client that your intentions are not to sell a commodity to them. The most important asset of any business is their brand and you need to sell your client on that concept. You need to show examples of how a brand is developed and utilized on different mediums. This is also how you can stress the importance of nicely designed stationery and the significance of coordinating the various aspects of their brand.

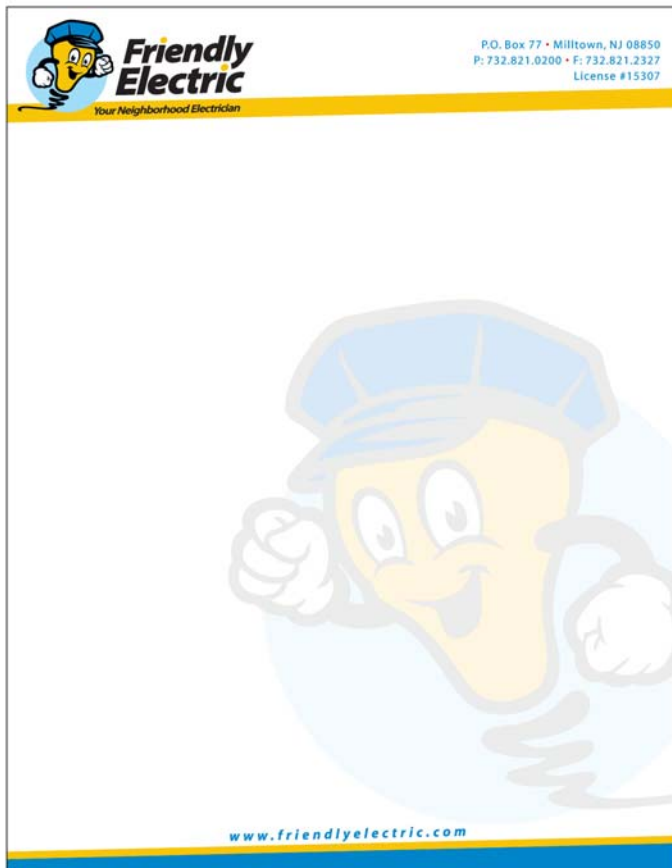
6. Most shops are not truly interested in establishing a partnership. When you are vested in your client's success, it's very obvious to them how much you truly care about them. They may come to you thinking they “only need a sign...” but what are they really asking you for? If you can point out the importance of a brand and an image for their business, rather than giving them exactly what they ask for, they tend to view you a little differently.

Examine your staffing and your own skill sets. Here's a tough one. How good are you? Do you know your limitations, and conversely, the things you excel at? I realized many years ago that by surrounding myself with employees who complimented my own skill sets, I would build a better company. I also realized that by increasing some staffing, I could try to remain more focused on tasks I excelled at, while delegating tasks that I was not good at.

For example, I consider myself to be great with typography when it comes to building logos, but I'm a horrible illustrator. Therefore, I hired illustrators who could compliment my shortcomings in that realm. The challenge for most owners is to put their ego aside and be honest with themselves. Most feel threatened by this task.

Make sure you practice what you preach. You can't sell the importance of a cohesive brand if your shop truck, sign, Web site and stationery don't communicate the importance of this philosophy. Take the time needed to work on your own marketing. That makes it easier for clients to “get it.”

Use case studies to illustrate what you're selling. One of the most popular pages on our Web site is our Case Studies page. People love to see how we tied all the elements together and created campaigns for our small business clients. It's easier for a new client to understand what we mean when we say the logo is the building block for their marketing when they see examples of that logo in action. We've invested huge amounts of time on our site on these examples because they make the selling process so much easier.



This logo design job was referred to us by Leigh Bauman, JB Signs, East Brunswick, New Jersey. We redesigned the company's logo based on their previous logo, and did the layout for the vehicle. Leigh then installed the graphics.

They see you more as their advocate rather than their adversary. You are here to help their business grow through the most effective means. Or you can give them red Helvetica on white corrugated plastic, if that's what they asked for, and be just like everyone else.

7. Pricing that's based on time and materials.

Most shops base their fees on time and materials used to make the sign. While that may be a good foundation to establish some general pricing guidelines, when you're trying to sell more design, it's a flawed approach. It penalizes you for being efficient. How fast you can design a sign or logo today is bound to be much faster than when you started. But instead of charging more for your experience, you're actually charge less today because it used to take you more time. ☪☪



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