

Most Preferred Online Tactics

During the last four years, usage of nearly ever major online marketing tactic has grown.

Usage of online marketing tactics by small businesses, 2007-2011

	<u>2007</u>	<u>2011</u>
Company website	55%	65%
Search engine optimization	26%	36%
E-mail	18%	24%
Social networking	11%	35%
PPC advertising	11%	17%
Banner ads/pop-ups	8%	11%

Source: American Express OPEN, Small Business Monitor survey

Showroom Succeeds With E-mail Marketing

In the aftermath of the housing market crash, the showroom chain Progressive Lighting Inc. has had to reinvent itself. The company has 10 showrooms known as Progressive Lighting in Atlanta and Lee Lighting in Dallas and North Carolina.

"Before the bottom fell out of the housing market, 85 percent of our customers were sent to us by builders who were doing houses full of lighting," explains Leslie Killingsworth, CLC, director of purchasing for Progressive Lighting. "We were very builder-focused before, so we really have found ourselves in a position of trying to figure out how to get retail customers into the stores."

To lure customers into their showrooms, Progressive Lighting has experimented with several different advertising media, including television, outdoor billboards, magazines, internet pop-up ads and e-mail marketing. Additionally, Progressive conducted a Groupon coupon campaign in all their markets.

Groupon Gain

"We did Groupons for all our locations," Killingsworth says. "It's worked very well. Actually, we were inspired by an article that was in *Lightrays* about Passion Lighting doing a Groupon last year. It looked like they had good results so we thought that might be something that worked for us. We called Groupon and ended up doing Groupon in all our markets."

Progressive Lighting's daily Groupon offer was "pay \$25 for \$75 worth of lighting products." "Twenty or thirty percent off is not enough for a Groupon customer," Killingsworth says. "It has to really be 50 percent or better. Our average sale is probably in the \$250 range. We felt like Groupon was the way to reach people inexpensively, and it has proven to do that."

All told, Progressive Lighting sold about 2,000 Groupons in 10 markets, and only 20 percent of the coupons have been redeemed. "So throughout the rest of the year we're going to keep getting these customers in," she says.

E-mail Edge

Once a customer comes into one of Progressive Lighting's showrooms, sales reps make sure they record the customer's e-mail address for the company's e-mail marketing campaign.

"E-mail is absolutely the most cost-effective way for us to advertise," Killingsworth says. "We've been doing the e-mail marketing program for about three years now. We probably have 40,000 people on our distribution list. It's a great way for us to get a message out without spending a lot of money."

Progressive Lighting sends about two e-mails a month to its distribution list. "Any time we're having a promotion in-store, we'll send out an e-mail blast to let people know about the promotion," Killingsworth says. "Our e-mail program has been a very affordable way to reach a lot of people. Our salespeople are supposed to ask every customer they help for their e-mail address. It gives us a way to continually send a message to someone who has already become our customer."

After trying multiple advertising methods, Killingsworth offers a piece of advice to other showrooms who want to develop their customer base.

"Develop an e-mail marketing campaign because it's so inexpensive and it gets results," she says.



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