

# Electrical Wholesaling

## Your Digital Domain: Digital marketing in the electrical industry

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One of the odd constants in the electrical industry is that people involved in any new technology tend to think the rest of the industry is made up of stick-in-the-mud traditionalists.



Again and again, people in this industry have said the same thing, often in the same words: “It will take a generational change.” Smart homes, plastic boxes, product data synchronization, aluminum wire, wireless controls, electronic catalogs, LED lighting, matrix pricing, e-commerce, the world wide web, on and on. The sense is always that any change too radical will be opposed and avoided until the sons and daughters of today's leaders, the kids who cut their teeth on technology and emerge free of legacy bias, rise to positions of power.

Not so. All it takes is a little competition.

Digital marketing is a case in point. The industry's embrace of electronic communication and social media as a way to replace or augment more traditional means of getting information to existing and potential customers has trailed only a short distance behind other markets, if at all. Why? It's how people want to learn about new products, for one thing. For another, the technology has become good enough that refusing to use it puts your company at a competitive disadvantage.

“Contractors were some of the first to use smart phones, and they're embracing estimating software and project management software,” says Bill Floyd, sales and marketing manager, ElectricSmarts, Glastonbury, Conn. “It's one thing to say, ‘I like scribbling on napkins,’ but the reality is you can't compete.”

The industry has embraced websites, its use of e-commerce is improving, there's growing interest in mobile apps for customers and while there's still some skepticism about social media, that too is beginning to show its value.

In the end, it's still about selling electrical products. Distributors, manufacturers, independent reps, service providers, associations and trade media have all begun to learn just how powerful digital media can be in that pursuit. The power comes from flexibility and the capacity to draw in data from other sources and feed data back into the company's systems where, over time, all that data serves to make the company's planning, operations, marketing and supply chain coordination better, stronger, faster. That doesn't happen with paper.

## OLD FUNCTIONS IN NEW DIMENSIONS

Look at the printed catalogs every manufacturer produces. People still like them, and there's no sign they will disappear completely anytime soon. Once inside salespeople learn how a particular catalog is set up, they can flip to the necessary information faster than they can type in search parameters to pull it up electronically. But increasingly manufacturers see a day ahead when customers won't be satisfied any longer with what they find when they get to the right page. The customer on the phone very likely wants to know more than the manufacturer can put in the catalog.



Madison Electric Products uses any means of communication that might connect with customers, including its popular blog, MyMadison.

Likewise with sell-sheets, specification data and the rest of the standard marketing arsenal, none of the print versions can compare favorably with a well-thought-out electronic equivalent. A salesperson going into a customer's office today needs more powerful tools and a mobile tablet gives him much more to offer than a paper leave-behind brochure.

"If people can use (paper collateral) we want them to take it and use it, but with our new CRM (customer relationship management) system, we're arming sales staff with tablets, and they're now out in the field and sharing videos," says John Lorince, marketing manager, Leff Electric, Cleveland. "Everything — if it's a line-card, a spec sheet, a video — they can share it by showing it to the customer while they're standing there, or they

can pass it along, and that's where it gets better than a piece of paper that gets lost or thrown in the trash."

## **MOVING PICTURES MOVE PRODUCT**

Video has turned out to be one of the most powerful low-cost ways of influencing buyers the industry has seen in a long time. People want to see the product in action.

Floyd of ElectricSmarts has seen this first-hand in the company's field research with electrical contractors, especially in their use of NetPricer, his company's system that integrates distributor data including special pricing into contractor estimating software. "More contractors are coming back and saying they don't want to go read old PDFs or read the paperwork. They want to see a how-to video. This supersedes a lot of problems because they can see the product in use. Workers who have English as second language can understand it just as well. So when we came out with an electronic catalog, we embedded videos."

Video production may seem like an expensive proposition for an electrical distributor, but the industry has learned that product application videos don't have to be the highest production quality. The cost of good video has plummeted, and some creativity and familiarity with video production software can kick it up to the next level. One of the beauties of digital media is that it's relatively easy to go back and redo something that no longer serves your purposes.

Rob Fisher, vice president of marketing, Madison Electric Products, Bedford Heights, Ohio, says the company has about 30 videos in its portfolio. "It's a hodgepodge, and we're working on reshooting all of them in a more consistent manner. Our first few, we had them professionally shot, professionally produced, it was pretty expensive. But now you can do great videos just with the new iPhone or the iPad. DSLR cameras do great videos. If it's not overly produced, I think it comes across as more authentic. Having a real person behind the camera filming a real person using the product, I don't think it necessarily has to be that top-quality, to where it's overproduced."

Distributors commonly take manufacturer-supplied product videos and just pass them along to customers via links, but there's more you can do, says Lorince of Leff Electric. "We don't like to post a manufacturer's video without a tie-in with Leff. We want to make it look like a made-for-Leff video," he says. "We put stuff on the front of it, we edit it to fit our needs. With Flip video, you can do an acceptable video with a certain style and quality at a show, and post it. If it's a sales piece, you want it to be higher quality. It depends on the use."

## **APPS FOR EASY ACCESS**

The rise of mobile computing and communications opens the door for electrical manufacturers and distributors to offer their own apps to enhance their interaction with customers. The app-development process, however, given the constantly changing Apple and Android platforms, is not something your marketing staff can just dabble in. Creating a good app is a challenge, but there are resources out there to help, in the form of specialist creative agencies and at least one emerging closer to home.

ElectricSmarts is developing a new standard app offering for electrical manufacturers, which it will be rolling out in May around the time of the National Association of Electrical Distributors (NAED) Annual Meeting in Boston, May 4-7. "Technology is moving so quickly," Floyd says. "You ask, why aren't people creating apps? They don't know how. It's not in their core competency."

"We're a technology company, and the amount of research required to make an app work for iPads, iPhones, Android (phones), we found a way to do that. It took a lot of heavy lifting." Manufacturers will be able to provide their full catalog collections, data from the Industry Data Warehouse, as well as maps to local distributor locations and information. ElectricSmarts also plans to offer an app later in the year for distributors to provide their customers with their manufacturers' catalogs and data.

Leff Electric has an app that has been a hit with customers, Lorince says. "We'll have version 2 in the next month, and it's greatly improved. We wanted it to be simple and just do some basic things well." The app allows customers to place an order via smartphone and receive a guaranteed time for will-call pickup. "When people come in at the counter and see people go right past the regular counter to pick up their order, they'll ask, 'How's that happening?'"

The app then becomes a marketing vehicle. "Once they've downloaded the app, I can push messages to them. 'Hey, we haven't seen you in awhile, we've got a hat waiting for you at the counter.' Or we can do a partnership with a local coffee shop and say, 'Have a free coffee waiting for you at such and such.' It makes it different than the standard way of doing business."

## **GOING SOCIAL**

Any business owner loves to see the competition spin their wheels. For some, no doubt, it was delicious to watch local competitors put a lot of time and energy into trying to stay current with the latest social media craze. You might say, "Twitter? Why would I put any time at all into that? What's the return? Let Joe across town put his time into that."

Lorince has heard opinions such as these many times, just about every time he joins a panel or attends a conference where he talks about Leff Electric's digital marketing efforts. "Speaking at industry events, people say, 'It doesn't do anything. What's the return on your investment? What's the return on your time?' My answer is that you can't ignore it. If you do, you're doing yourself a disfavor," he says. "If you're not participating in social media, whether you like it or not, others are. How will you know what people are saying about your company if you're not on it and not monitoring it? You have a presence there, whether you're there to see it or not."



Leff Electric works with ElectricSmarts to serve up manufacturer videos that show more hands-on application information than a brochure ever could.

So, which one should you do? According to the people we asked, the answer is all of them, and keep watching for new ones. Join those too. Each of the social media services appeals to a different cross-section of your customers and stakeholders. Facebook is used more by the residential contractors in Leff's markets, LinkedIn tends to be larger, more professional contractors, Twitter is a mix. If you have a lighting showroom, get up on Pinterest.

And the time investment doesn't have to be huge. For a manufacturer active in social media of all kinds, Fisher of Madison Electric spends about an hour a day. For Lorince of Leff it probably takes 10-15 minutes of each day. "It's not like it's consuming my life," he says, "but I'm monitoring it all the time." To get the most out of his time, Lorince tries to intertwine all the different media, posting video to the company's website and blogging and tweeting links to it, for example.

Floyd of ElectricSmarts cautions that a lot of companies in the industry seem to have gotten into social media because of all the excitement surrounding it when that time and energy would be better spent on their core marketing platform — their websites and e-commerce systems. "Instead of getting diffused, get your website up to snuff, get e-commerce up to snuff, then dabble in the others," he says. "Given the resources, if you're not doing the basics, I don't know why you're doing social media."

## COORDINATING DIGITALLY

Manufacturers are learning that digital marketing technologies and techniques can help them communicate more effectively with their downstream supply chain. There are a number of ways to do this, but one recent entrant is getting positive reviews for its simplicity.

Fisher of Madison Electric Products recently began posting his marketing collateral for the company's network of independent reps on RepFiles, a cloud platform developed by John Hoelz, principal of the New Berlin, Wis.-based rep firm J.F. Nolan & Associates. Manufacturers pay for it, then reps and distributors can get access to the folder to download any marketing content the manufacturer wants to share, including PowerPoint decks, videos and sell sheets.

Fisher said this approach makes it very easy to make sure everyone has the latest tools. “We’ve been putting together a video series for each product launch, with selling tips and tricks, ‘Be sure to mention this, be sure to compare it to this,’” he says. “Then the sale becomes easier.”

## **DATA HORDE**

The real future in digital marketing comes later and grows bigger as distributors and manufacturers gather data year after year and use it to enhance targeting and make their CRM systems stronger.

The uses of that data will be the next frontier, says Fisher of Madison Electric. “So we have all these digital channels, we’re collecting information, what are we doing with it? How do we organize it, how do we manage it, how do we utilize it to grow our business?”

Whatever that ends up looking like, it might be wise to accept the possibility that your customers will be more heavily into this than you’re accustomed to.

“Folks pretty much thought, when the old school died out, that’s when all this evolution would really start to take place,” says Floyd of ElectricSmarts. “But when a contractor sees his competition go out and use it to get more bids — quicker, more accurate bids — the old dog starts doing new tricks. They can’t afford not to do it.”

