

## **Marketing 105**

### What Advertising Can Do For Your Business

1. Remind customers and prospects about the benefits of your product or service
2. Establish and maintain your distinct identity
3. Enhance your reputation
4. Encourage existing customers to buy more of what you sell
5. Attract new customers and replace lost ones
6. Slowly build sales to boost your bottom line
7. Promote your business to customers, investors

### What Advertising Cannot Do For Your Business

1. Create an instant customer base
2. Cause an immediate sharp increase in sales
3. Solve cash flow or profit problems
4. Substitute for poor or indifferent customer service
5. Sell useless or unwanted products or services

### Advertising's Two Important Attributes

1. You have control. Unlike public relations efforts, you determine exactly where, when and how often your message will appear, how it will look, and what it will say. You can target your audience more readily and aim at very specific geographic areas.
2. You can be consistent, presenting your company's image and sales message repeatedly to build awareness and trust. A distinctive identity will eventually become clearly associated with your company. Customers will recognize you quickly and easily - in ads, mailers, packaging or signs - if you present yourself consistently.

### What Are Advertising's Drawbacks?

1. It takes planning. Advertising works best and costs least when planned and prepared in advance. For example, you'll pay less per ad in newspapers and

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magazines by agreeing to run several ads over time rather than deciding issue by issue. Likewise, you can save money by preparing a number of ads at once.

2. It takes time and persistence. The effectiveness of your advertising improves gradually over time, because customers don't see every one of your ads. You must repeatedly remind prospects and customers about the benefits of doing business with you. The long-term effort triggers recognition and helps special offers or direct marketing pay off.

### Getting Ready to Advertise

#### *Design the Framework*

What is the purpose of your advertising program? Start by defining your company's long-range goals, then map out how marketing can help you attain them. Focus on advertising routes complementary to your marketing efforts. Set measurable goals so you can evaluate the success of your advertising campaign. For example, do you want to increase overall sales by 20% this year? Boost sales to existing customers by 10% during each of the next three years? Appeal to younger or older buyers? Sell off old products to free resources for new ones?

How much can you afford to invest? Keep in mind that whatever amount you allocate will never seem like enough. Given your income, expenses and sales projections, simple addition and subtraction can help you determine how much you can afford to invest. Some companies spend a full 10% of their gross income on advertising, others just 1%. Research and experiment to see what works best for your business.

#### *Fill in the Details*

What are the features and benefits of your product or service? When determining features, think of automobile brochures that list engine, body and performance specifications. Next, and more difficult, determine the benefits those features provide to your customers. How does your product or service actually help them? For example, a powerful engine helps a driver accelerate quickly to get onto busy freeways.

Who is your audience? Create a profile of your best customer. Be as specific as possible, for this will be the focus of your ads and media choices. A restaurant may target adults who dine out frequently in the nearby city or suburban area. A computer software manufacturer may aim at information managers in companies with 10-100 employees. A bottled water company may try to appeal to athletes or people over 25 who are concerned about their health.

Who is your competition? It's important to identify your competitors and their strengths and weaknesses. Knowing what your competition offers that you don't, and vice versa, helps you show prospects how your product or service is special, or why they should do

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business with you instead of someone else. Knowing your competition will also help you find a niche in the marketplace.

### *Arm Yourself with Information*

What do you know about your industry, market and audience? There are many sources of information to help you keep in touch with industry, market and buying trends without conducting expensive market research. Examples include U.S. Government materials from the Census Bureau and Department of Commerce. Public, business or university libraries are also a good option, as are industry associations, trade publications and professional organizations. You can quickly and easily learn more about your customers by simply asking them about themselves, their buying preferences and media habits. Another, more expensive, alternative is to hire a professional market research firm to conduct your research.

### *Build Your Action Plan - Evaluating Media Choices*

Your next step is to select the advertising vehicles you will use to carry your message, and establish an advertising schedule. In most cases, knowing your audience will help you choose the media that will deliver your sales message most effectively. Use as many of the above tools as are appropriate and affordable. You can stretch your media budget by taking advantage of co-op advertising programs offered by manufacturers. Although programs vary, generally the manufacturer will pay for a portion of media space and time costs, or mailer production charges, up to a fixed amount per year. The total amount contributed is usually based on the quantity of merchandise you purchase.

When developing your advertising schedule, be sure to take advantage of any special editorial or promotional coverage planned in the media you select. Newspapers, for example, often run special sections featuring real estate, investing, home and garden improvement, and tax advice. Magazines also often focus on specific themes in each issue.

### *Using Other Promotional Avenues*

Advertising extends beyond the media described above. Other options include imprinting your company name and graphic identity on pens, paper, clocks, calendars and other giveaway items for your customers. Put your message on billboards, inside buses and subways, on vehicle and building signs, on point-of-sale displays and shopping bags.

You might co-sponsor events with nonprofit organizations and advertise your participation; attend or display at consumer or business trade shows; create tie-in promotions with allied businesses; distribute newsletters; conduct seminars; undertake contests or sweepstakes; send advertising flyers along with billing statements; use telemarketing to generate leads for salespeople; or develop sales kits with brochures, product samples, or application ideas.

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The number of promotional tools used to deliver your message and repeat your name is limited only by your imagination your budget.

You are ready for action when armed with knowledge of your industry, market and audience; a media plan and schedule; your product or service's most important benefits; and measurable goals in terms of sales volume, revenue generated, or other criteria. The first step is to establish the theme that identifies your product or service in all of your advertising. The theme of your advertising reflects your special identity or personality, and the particular benefits of your product or service. For example, cosmetics ads almost always rely on a glamorous theme. Many food products opt for healthy, all-American family campaigns. Automobile advertising frequently concentrates on how the car makes you feel about owning or driving it rather than performance attributes. Tag lines reinforce the single most important reason for buying your product or service.