Totally Practical Marketing Guide for the Small Business Owner

A conglomeration of our favorite marketing books and more than 30 years of experience in the advertising world.

1st rule: Design, content and distribution matter
The most frustrating aspect of marketing for local retailers is that many feel they are spending money on advertising without any measurable results. This guide will help you sort through advertising options, make informed decisions and bring better return from your marketing dollars.

**THIS GUIDE COVERS THE FOLLOWING TOPICS:**
- Elements of Marketing
- Positioning
- The Laws of Leadership
- Big and Small Economies
- Types of Advertising
- Effective Ads
- Media Choices

**OUR FAVORITES**

Ogilvy on Advertising
— David Ogilvy

The 22 Immutable Laws of Marketing
— Trout & Reis

The Guerrilla Marketers Handbook
— Jay Conrad Levinson

The Art of Writing Advertising
— William Bernbach, Leo Burnett, George Gribbin, David Ogilvy, Rosser Reeves

How to Win Friends and Influence People
— Dale Carnegie

33 Ruthless Rules of Local Advertising
— Michael Corbett

The Little Red Book of Selling
— Jeffery Gitomer
Successful Businesses Utilize the 3 Basic Elements of Marketing

NO ONE FORM OF MARKETING IS “IT.” THE MOST SUCCESSFUL CAMPAIGNS INCORPORATE A MULTI TIER PLATFORM

List your primary and secondary in each category

1) Internal Marketing: Ongoing Avg. 3-5% growth
If internal marketing is not in place the other strategies are a waste of money. Highest ROI, lowest market reach. Internal marketing is everything you do once you open your doors: from location, signage, customer service, social media, product availability, product quality and position in the marketplace, to placement on your shelves, customer mailing lists, monthly promotions, generating repeat business, interior design, cleanliness, phone skills, etc. This is first and foremost to your business. Every business should have its internal elements established before rushing out to announce its existence to the world.

2) Direct Marketing: Short-term Avg. 3-5% growth
Direct marketing is for immediate results. If you don’t get response within the first ten days of a direct mail piece, you are most likely not going to. It is very difficult to create a brand presence with direct marketing. Immediate ROI, narrow niche market reach. Direct marketing includes guerilla/grass roots marketing such as your website, online advertising, trade shows, cold mailing lists, sales staff, coupon books, leads groups, etc. These methods of marketing can generate a higher percentage of immediate response but are limited by market reach and short-term results. For example, how many people can a sales person talk to at once? Look to these methods for immediate sales results, but recognize they are limited to generating long-term recognition and market position. Only about 30% of the population actively uses coupons, so while coupons are a way to measure interest, they do not generally “build” new, long-term business. Beware of using too many coupons. They can help spur action but are generally targeted toward the 30% of the population that uses coupons and/or often your current regulars. Remember this about web marketing: by the time they reach your website, they are already more than half way down the purchase funnel (see pg.5). What drove them to your website? What drove them to consider the purchase?

3) Mass Media: Long-term Avg. 7-10% growth
Mass media takes the longest to measure, but typically has the highest return. The quality of the ad is key. Typically this is TV, radio and print. Mass media is best used for broadcasting your message to a large number of people. It has the strongest impact in the key early stages of the purchase funnel—driving new interest into the funnel. Mass media, when done well, will spur interest, generate new sales and help to create a memorable brand image in the marketplace. Because human nature requires repetition in anything we do (ballet, losing weight, learning a language) it is much harder to measure mass media results on a short term or direct basis. Since the average consumer sees more than 200,000 ads a year, mass media is best measured through methods such as floor traffic, sales in a key product and zip code analysis over a 6 to 12 month period.

Studies show that plans that add print to their platform see up to 40% more market share gain.

“Half of your advertising dollars are wasted, but how do you know which half?”

TRUE STORY: CAN YOU SPELL “OURAY”? Many businesses rely too much on the web, but the web only gets you halfway to the purchase—or in some cases, not at all.

We have a client with a lodge in Ouray. They advertise on the web, but use print for people who have never heard of them. With an unusual name like “Ouray,” they know they can’t rely on the web to reach new audience. The owner said, “If they can spell Ouray, I don’t need you. I need you for those that have never heard of me.”

THE ONLY REASON TO PICK ANY PLATFORM IS AUDIENCE

ONLY 30% OF THE POPULATION USES COUPONS.
10% aggressively
10% moderately
10% passively
The Purchase Funnel

THE CONSUMER’S JOURNEY WHEN MAKING A PURCHASE.

LET’S SAY YOU OWN A LAMP STORE...

Awareness
With Mass Media, the consumer becomes aware of your business and that you sell lamps.

Consider Buying
With a quality advertisement, the consumer considers buying a lamp at your store.

Web
The consumer considers buying a lamp from you and researches your store on the web. A combination of effective Mass Media and Direct Marketing such as social media drives the consumer to your website.

Talking to Friends
Consumer asks friends if they’ve heard of you and if they’ve purchased anything from your store. Your market position in the consumer’s mind can influence what people say about you. A good referral program can help.

Calls Store
Consumer calls store for more info. Make sure staff is friendly and knowledgeable; this is make or break for the last step.

Visit Store
Marketing did its job. Now it’s up to you to close the sale.

Mass Media
TV, radio, print. Mass drives new audiences into the purchase funnel.

Direct Marketing
Direct mail, coupon books, web, sales staff. Direct hits audience while they’ve already decided to buy.

Internal Marketing
Signage, location, customer service. Audience is in the door—internal closes the sale.

Did you know?
While newsprint and yellowpages are down, magazines are up and have the highest rate for driving traffic to the web.

“He who owns the market, owns the mind.” –22 Immutable Laws of Marketing

TRUE STORY: GROWTH BY DOG
One of our clients owns a business that offers adventure hikes for dogs. Here is dog per day growth over a 2 year period.

10-11 dogs at month one… With just internal and direct marketing.

11-13 dogs at 3 months… They incorporate mass media. Measured at 3 months, they spent more than return.

13-14 dogs at 6 months… The investment breaks even.

18-24 dogs at 1 year… They begin to see ample return on their investment.

24+ dogs at 2 years… They’ve doubled their dogs, business and have the return on investment they were looking for.
What is Positioning?
AND WHY IS IT ESSENTIAL TO YOUR BUSINESS’ SUCCESS?

One of the best marketing books of the 1980s (a time of economic highs and lows) is *Positioning: the Battle for your Mind* by Trout and Reis, a must-read for every aspiring entrepreneur. It stresses that marketing today is more difficult than ever. With so many products and services on the market and countless advertisements that promote them (the average American sees more than 200,000 ads a year), consumers have become virtually immune to traditional marketing tactics. We simply don’t have enough room in our brains to store every piece of information about every product. Instead, we either categorize it or ignore it. Research has shown that people pick one or two attributes to associate with a product, then file that information away. When we need those specific attributes, the linked product or service comes to mind.

The concept behind positioning is simple: Find a hole, and fill it. For example, 7-Up used a savvy marketing technique to out-position Coke. While Coke’s marketing budget was many times larger, 7-Up was able to use Coke’s dominance against the soda giant. Remember the “Un-Cola” campaign? 7-Up found much greater success by positioning themselves as the “Un-Cola” then they did as the “better-tasting lemon-lime drink.” 7-Up never took away Coke’s position as the market leader, but it was able to re-brand the product, increasing sales by 50% and making the brand a successful, profitable market leader.

**Single Biggest Reason Entrepreneurs Fail:**
They do not create a market niche. Creating your unique market position takes time and imagination, but it’s worth it. In marketing, having a well-planned campaign is one of the key factors in a successful promotion. In business defining your position in the marketplace is a critical factor.

1) Start by listing the businesses that are competing for the same consumers.
2) Outline each business’ position in the marketplace and how it differs from yours (ie. price, quality, service, location, atmosphere, etc.).
3) Describe your market position. You must be able to defend your niche to clearly become a recognized leader in the market. Positioning without substance never works in the long run.

**3 Biggest Reasons Advertising Fails:**
1) Lack of a Clear Benefit to Consumers: You must sell something that people want. You can’t bore people into buying your product.
2) Lack of Commitment: If your message is inconsistent or your advertising is sporadic, the odds of success decrease dramatically.
3) Poor Positioning: Pay careful attention to your competition.

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Advertise when you are selling something. Be there when they are ready to buy.
How Do You Make Positioning Work in the Marketplace?

Critical elements of a good marketing plan need to include:
1) Clearly expressed benefits to consumers.
2) A knowledge of your target market.
3) A well-defined advertising strategy.
4) An advertising budget.
5) Specific methods you will use to reach your audience prioritized into primary and secondary tiers.
6) A month-by-month timetable.

A Well-Written Ad Can Produce Seven Times the Response of a Poorly Written Ad

Running advertisements for the sake of advertising is a waste of money. Market leaders create effective ads with well-written, smart campaigns along with venues chosen to best reach their target audience. The savvy marketer uses every technique available to gain a foothold in the consumer’s mind and understands it isn’t necessarily the volume of advertising but the impact of the message that is most important. It is better to reach 10 people with a message that works than 100 with one that doesn’t.

{ IT IS BETTER TO REACH 10 PEOPLE WITH A MESSAGE THAT WORKS THAN 100 WITH ONE THAT DOESN’T. }

The savvy marketer knows it’s foolish to try and “out-do” the established leader in their field. Instead, they realize it is better to maneuver around the leader by repositioning their own business. They know money needs to be allocated sensibly, but they also hire the best designers and media planners they can afford, as well as allocating funds to take calculated risks. Even on the smallest of budgets, effective marketing can be achieved with a well thought-out plan. Most of all, the smart marketer knows that success in marketing doesn’t happen overnight.

All businesses generally have 3 types of customers. What are yours?

“Advertising is selling Twinkies to adults” – Donald R Vance
**HOW TO PLAN THE BEST STRATEGY BY SEASON**

*Rate from 1 to 3 - 1 being the busiest month and 3 being the slowest. Most businesses tend to trend by quarters.*

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**MYTH:** The basic issue in marketing is convincing prospects that you have a better product or service.

Why is this a myth? It’s much easier to get into the mind first than to try and convince someone that your product is better than an existing standard.

**Example:**
Who was the first person to fly across the Atlantic?
Who was the second?

The leading brand in *any* category is almost always the first brand in the market: IBM in computers, Coca-Cola in cola vs. Heineken was the first imported beer to make a name for itself in America. Almost six decades later, what is the No. 1 imported beer? The one that tastes the best? There are more than 400 brands of imported beer sold in America. Surely one of them must taste better than Heineken. The list goes on:

- *People Magazine* leads *Us*  
- *Playboy* leads *Penthouse*
- Tide was the first laundry detergent; it’s still the leader.

**MARKETING IS A BATTLE OF PERCEPTIONS, NOT PRODUCTS.**

**Why Isn’t Every “First” Successful?**

- Bad timing (Promoting lawn mowers in January)
- Bad product (“Frosty Paws”—ice cream for dogs)
- Poor/half-hearted marketing campaigns (Expecting huge results from one or two ads)

Being first in the marketplace is important only to the extent that it allows you to get in the consumer’s mind first.

**Why is it Best to Be First?**

- Human beings are creatures of habit.
- People tend to stick with what they know.
- Branding: The first brand often becomes the “generic name.” When’s the last time you asked for “cellophane tape” or a “latex bandage”?

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**THE LAW OF THE CATEGORY**

If you can’t be first in a category, develop a new category.

After Heineken became a big success, brows were raised at Anheuser-Busch. Which strategy do you think they employed? Did they say to themselves...

“*We should bring in an imported beer, too.*”

OR

“If there’s a market for a high-priced imported beer, maybe there’s a market for a high-priced domestic beer.”

They created a new category. The result: Michelob, the “upscale” domestic beer, which now outsells Heineken by about two to one.

Many companies have flourished by following this simple principle: *If you can’t be first in a category, create a new category you CAN be first in.* If your business distinguishes itself from the competition by selling a less-expensive product, than you must define the market for bargain-hunters in your industry.

"If you can’t be first in a category, set up a new category you can be first in."

—The 22 Immutable Laws of Marketing
Toothpaste Wars
OUTPOSITION YOUR COMPETITION.

In a crowded market like toothpaste, how do two small companies come into the marketplace, dominated by companies like Crest and Colgate, and compete without getting swallowed up by the giants?

The approach taken by Close-up and Toms of Maine helps to clearly define how newcomers can create a market niche, allowing them to succeed. While Crest and Colgate targeted the family market, Close-up was the first to market to singles, and Tom’s became a first by being the only all-natural toothpaste. The lesson: Since it is nearly impossible to be first, finding a unique market appeal will position you as a leader in the consumers mind.

“Doing business without advertising is like winking at someone in the dark; you know what you’re doing, but nobody else does.” –Steuart Henderson Britt
Measuring Response

Measuring response can be difficult and frustrating for many advertisers. Most people don’t go running into a store announcing that they saw the ad for the Toyota Prius on Channel 4, while watching “American Idol.” In fact, most businesses find when they survey their customers that 80% will say word of mouth. The remaining 20% is often broken down into referrals, media, etc. With the average consumer now seeing more than 200,000 ads a year, asking them where they heard of you is probably one of the least reliable ways to get the information you’re seeking. Coupons can also be tricky as they may not actually increase sales despite bringing in lots of coupons.

How Does an Advertiser Intelligently Track Results?

There are a few tools that can be used. Some include zip code analysis. Keep a solid record of where your customers live, and when adding a new promotion in a targeted neighborhood, measure every 3 to 6 months the growth from those areas. Another tool is to promote a specific product. If you do this, track the sales your campaign generates in 3 and 6 month increments. This is the tool that most major advertisers use.

It is great when you get a specific person coming in telling you where they learned of your business. While that is worth its weight in gold, it happens very rarely and is limited in its reliability. While measuring instant results in your marketing is understandably desirable, life typically does not work this way. In anything you do, from learning a new language, or sport, to losing weight, or establishing a new habit, it typically takes 6 months or 23 times before you see results. Marketing follows this very basic rule of life as well. So effectively plan a campaign you must allow for 3 to 6 months to realistically start seeing results.

ASKING CUSTOMERS WHERE THEY HEARD OF YOU IS ONE OF THE LEAST RELIABLE WAYS TO MEASURE RESULTS.

To analyze the cost effectiveness in your campaign allow for 3 to 6 months or 23 repetitions. Dig deeper than just asking customers. Keep track of who and where your customers are coming from, what products you are featuring and the sales growth with those products.

“Don’t ask how they heard of you, they don’t know and they don’t know they don’t know.”

—33 Ruthless Rules of Marketing
Return on Investment

THE TRUTH ABOUT ROI.

Growth Objective
No one medium can do everything for a business. People need to hear something many times to recall it. Marketing is about capturing people’s memories, and you need more than one ad a month to establish your business as a leader in the market.

This number is how much you want to increase your revenues over the next twelve months. First, figure your average daily floor count, then estimate how many direct or major competitors you have. The next step is more difficult, but a necessary part of the equation: Figure in your competitor’s floor count. Doing this will give you your total daily number of prospects available. First multiply this by your close ratio, then divide that number by your number of days open. This will tell you how many new prospects you need per day to reach your growth objective.

TRUE STORY:
ROI IN ACTION
These are the actual results a Yellow Scene advertiser saw.

- ABC Karate gets 1 to 2 new customers directly responding specifically to ads
- Each ad costs about $800 per month
- Each customer spends about $140 per month
- On a monthly basis the investment does not align
- However, each new customer typically signs up for a year—an annual investment of $1,680
- ABC Karate gets approximately 18 new customers per year
- They spend $9,600 in advertising annually
- They get $30,200 in new business
- ABC Karate sees over double the return on their advertising investment in the course of a year

MEASURING ROI WITHOUT A GROWTH OBJECTIVE IS NEARLY IMPOSSIBLE.

Example: Growth Objective Analysis
Growth Objective: $150,000
÷ Average Ticket: $320
= Additional # of Sales Needed: 469
÷ Closing Percentage: 30%
= Additional Prospects Needed: 1,563
+12 Months
= Additional Prospects Needed Per Month: 130
+ Number of Days Open Per Month (26)
= Additional Prospects Needed Per Day

Do Your Own Growth Objective Analysis
Growth Objective: $ _____________
÷ Average Ticket: $ _____________
= Additional # of Sales Needed: $ _____
÷ Closing Percentage: _____________%
= Additional Prospects Needed: _______
+12 Mo. = Additional Prospects Needed Per Mo:
÷ Number of Days Open Per Month (26):

Most businesses make the mistake of measuring their ROI on the very last stage of the Purchase Funnel (see page 5), overlooking the key critical early stages—most importantly the one where the consumer makes the consideration to buy.

Return on Investment (ROI): Rate of profit or sometimes just return, is the ratio of money gained or lost on an investment relative to the amount of money invested.
Seize the Day
TAKE ADVANTAGE OF ALL ECONOMIES BIG & SMALL.

Stay Strong In Slow Times
Leaders in the business community understand that the market fluctuates. Remaining strong in the consumer’s mind during both hot and cold economic climates pays far greater dividends than advertising strictly when the market is good. Studies have shown that businesses that stay true to their marketing plan during slow economic times come out ahead of the competition than those that stop advertising to save short-term cash. In the United States we continue to enjoy a “consumer lifestyle,” even during slower economic times. Money is still spent; it just takes more persistence and strategy to ensure it is spent with you rather than your competition. Economic dips should be viewed as an opportunity to gain the advantage over your competition who often react with a sense of panic and withdraw their marketing efforts.

The first cuts in tough times are generally the advertising, research and development spending. These expenses might appear to be discretionary, but slicing them is a bad move! Cutting now to increase future sales penalizes the future. This is no time for knee-jerk reactions. You may find that you have to work twice as hard to keep just a portion of your previous sales. However, recessions, like all economic cycles, run their course, and whoever has the best customers and market positions when the economy recovers reaps the inevitable rewards. Make sure it’s you.

BUSINESSES THAT STAY TRUE TO THEIR MARKETING PLAN DURING SLOW ECONOMIC TIMES COME OUT AHEAD OF THE COMPETITION.

After America began fighting in WWII, ads increasingly told of the cornucopia of goods that would be available after the war. There are countless stories of companies that were unable to sell their products during wartime, but maintained their advertising. All became leaders, seeing a sales increase of 200 to 300 percent compared to pre-war.

WWII ADS
“On the roads of Europe, German Ford trucks testify to the work of German industry. The agile, reliable, and easy to maintain Ford truck will be a welcome help in solving the major tasks that await our continent after the war.”

During the war, the production of Efasit foot care products must be reserved primarily for German soldiers on all fronts. When peace comes, Efasit will again be freely available to friends of German products.

“Advertising is the art of soul of capitalism. It captures a moment of time through the lens of commerce, reflecting our lives...while giving traction to the engine that propels this free market economy” –Jef I. Richards
Stay Strong in Slow Times
REcessIONS CAN BE AN OPPORTUNITY TO GAIN MARKET SHARE.

Recession Study
In a study of U.S. recessions, McGraw-Hill Research analyzed 600 companies from 1980-1985. It showed that business firms that maintained or increased their advertising expenditures during the 1981-1982 recession averaged significantly higher sales growth during the recession and for the following three years than those that eliminated or decreased advertising. By 1985, sales of companies that were aggressive recession advertisers increased 256% over those that didn’t keep up their advertising.

Comparison of Sales & Ad Expenditures

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Marketing by nature is aggressive

The 4 basic principals in times of recession are: Move Down, Move Up, Move Out and Move In. Tips for surviving a rough economy:

1) Move Down
Concentrate on being the best value provider for what you do. Whether you offer economical or high end product focus on this and what your store stands for.

2) Move Up
This may seem counter-intuitive, but it isn’t. It means to expand your services to the well-to-do in slow times. The wealthy are largely recession-proof and while they remain value conscious, their buying habits are decidedly more affluent. But be careful, this strategy only works when your image can be credibly sold as upscale.

3) Move Out
Big-ticket items suffer in recessions, so easy or deferred payment plans can help consumers make that commitment now.

4) Move In
Attack; don’t defend! Recessions are great times for marketers to go after new business. Competitors often attribute their loss of volume to the economy and don’t counterattack to regain it rapidly, or even worse begin panicking, thus causing further market share loss.

Stay Strong in Slow Times
Recessions can be an opportunity to gain market share.

“Advertising is the foot on the accelerator, the hand on the throttle, the spur on the flank that keeps our economy surging forward.” –Robert W Sarnoff
Institutional

These are top of mind awareness (TOMA) ads—small and repetitive with the primary focus being logo/name recognition. The more a consumer is aware of your brand the more likely they are to buy it. One drawback to these ads is that they very rarely spur action. It is nearly impossible to see measurable results. The results come in the form of name recognition when individuals go to the web or phone book.

TOMA ads are slow to grow and difficult to measure impact

Call-to-Action

Often people think a coupon is a call-to-action—and they can be—but couponing isn’t the only way to spur action. You could announce that your store is the only place to have purple socks, you carry popular items like “Harry Potter,” or you added live music to a sales event. Call to action can be an event, special promotion, coupon or unique offer. Additionally, a well-written ad creates a call to action when effectively showcasing the product. The drawback to sales and coupons in this regard is they generally don’t build long-term sales, or worse, they can cannibalize your own customer base. Coupons work best only for short-term results.

The best call to action are through “heroizing” the product. These are measured through growth trends.

Image/Brand

The restaurant and fashion industry often use image advertising. Decide whether you are high dollar, hip and trendy, low budget, funky, or off the beaten path. Image is powerful, and in the end it is what the consumer knows about you that builds sales. Image is your best format for establishing a position in the marketplace. YS works to create strategies that combine Call to Action with Brand Image. Response should be measured by increase in sales. Give the consumer a reason to buy. Make them care.

Position is key. It’s how you compete! Brand ads have the most power to change minds.
**What Makes a Good Ad?**

**ONE THAT HELPS SELL YOUR PRODUCT. ONE THAT MAKES YOU CARE. ONE THAT SOLVES A PROBLEM.**

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**Advertising is Selling**

Any rule of “selling” is applicable to advertising. Find the customer’s objections, provide solutions to problems, and ask questions that lead to “yes” answers. An advertisement is a form of selling. Advertising is a very cost-effective way to present your sales pitch to a large number of people. The attention span of most consumers is about the same as the average 4 year old; they are only interested in what they want and need right now. Consistency and repetition are the most important tools parents can use to teach their children. Successful marketing is based upon the same principles. As long as consumers are seeing the same advertisement over and over, the message eventually sinks in.

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**Design Objective Questionnaire**

1) How long has your company been in business?

_______________________________________________________________________________________

2) What products do you market?

_______________________________________________________________________________________

3) What is your company’s position in the marketplace?

_______________________________________________________________________________________

4) What two to three words capture your marketing message?

_______________________________________________________________________________________

5) Why do customers buy your product/service?

_______________________________________________________________________________________

6) Who are your major competitors?

_______________________________________________________________________________________

7) How do you separate yourself from your competitors?

_______________________________________________________________________________________

8) Do you plan on using a theme for your campaign?

_______________________________________________________________________________________

9) How will you measure your success?

_______________________________________________________________________________________

10) What is your budget range?

_______________________________________________________________________________________

11) Do you have a consistent color scheme in your advertising?

_______________________________________________________________________________________

12) Are there any advertising campaigns that you particularly like or dislike?

_______________________________________________________________________________________

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**We often suggest to clients before writing their ad to prepare a brief statement that outlines:**

1) Why they are in business?
2) What do they have to offer that the competition doesn’t?
3) What do they want the consumer to remember about them?

Write freely without editing. The best ad copy often comes from getting passionate about your product, not from an analytical viewpoint.

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**CIRCLE CHARACTERISTICS THAT YOU FEEL BEST REFLECT YOUR MESSAGE**

Angular Modern
Assertive Natural
Bright Open
Closed/private Organic
Complex Polished
Conservative Professional
Contemporary Progressive
Cool Quite
Corporate Retro
Curvaceous Rough/rugged
Dark Rustic
Ecological Slick
Fun/playful Sophisticated
Futuristic Stark
Generation X Subtle
Hi-tech Traditional
Industrial Vintage
Linear Upscale
Loud Warm
Minimal Youthful

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15
A Picture Says 1,000 Words
AND TEN OTHER TIPS FOR ADVERTISING SUCCESS.

1) Think Outside of the Box
Clear your mind of any preconceived opinions, theories, conjectures or prejudices.

2) Don’t Put All Your Eggs in One Basket
While you can’t advertise everywhere in today’s fragmented society—print, TV, radio, internet, billboards, etc—no one form of media reaches everyone. Pick your top choices, keeping in mind that your variety of media choices should work in a synergistic fashion. Forums such as The Yellow Pages are not advertising. It is a reference guide and is referenced more for certain kinds of businesses than others. Too many businesses place much larger ads than necessary in phone books when in fact the average consumer does not typically utilize one for those kinds of services.

3) Outline a Marketing Plan
• The benefit to consumers.
• Your position (niche) in the marketplace.
• Your target market. Is it really everyone? More likely you have two or three predominant demographics that shop with you.

4) Testing, Testing, Testing!
You can’t know how effective your ad is until you test different ads in different media, and analyze the results. What works well in direct mail may not work well in print, television or radio. You may need to format the ad to fit the media you are utilizing. A slight change to an offer or headline may take a flat ad and make it a successful.

5) Consistency and Repetition are Key
For every three ads consumers see, they forget two. The average consumer sees 600 ad impressions a day.

6) One-shot Ads Almost Never Work
One ad does not set the world on fire. It generally takes 60 to 90 days before results can even begin to be effectively measured. On average, an ad needs to be seen a minimum of nine times to spur action and 27 times to begin to penetrate your market. With a small budget, be conscientious of where you are placing your ads, and, even more importantly, of the message those ads are conveying. If you have a small budget, pick the top two media choices and be consistent, not only with your frequency, but with the look and style of your ad as well.

7) Quality Counts
The headline is the most important element in your ad. One of the biggest mistakes is placing the logo at the top of the ad. Logos stand out on their own, so leave it for the bottom of the ad; it will be the last image the reader sees. You have less than 10 seconds to get someone’s attention with your ad. Does the headline appeal to the reader’s self-interest or deliver useful news? Specifics are more believable than generalities.

8) Every Single Element of the Ad Must Be Present
Headline, subhead, illustration and copy—must be present, not because they look good, but because they work! It is better to put a simple ad together quickly that has the right appeal than a million beautiful ads with the wrong appeal. This can be tricky, but think: What does my customer want? Too many ads try to tell everything about the business rather than focusing on a key selling point that interests the consumer.

9) A Picture Says a 1,000 Words
While the headline is imperative, strong visuals can do wonders for making a statement. Don’t be afraid to be bold. Skip the clip art!

10) The 3 Basic Types of Ads
Institutional, Call-to-Action and Image. Plan which type to use based on peaks and lulls in business as well as the type of media you are advertising in and the goal of the message. For example, you would not use the same ad from the Yellow Pages in an upscale publication.

11) If it’s Not Broken...
You may tire of your ad, but if it is working, don’t change it until your cash register tires of it. This simple motto really needs no explanation.

“Creativity without strategy is called art. Creative with strategy is called advertising.” –Jef I. Richards
### Magazines and Newspapers

<table>
<thead>
<tr>
<th>Mass Media</th>
<th>Circulation</th>
<th>Benefits</th>
<th>Drawbacks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily Camera</td>
<td>23,000 total paid</td>
<td>The daily paper of record for the county.</td>
<td>With newspaper readership in the decline (1 in 5 hh gets a paper) the Camera is actually doing quite well by comparison. Most of their readership is in Boulder however and shelf life is still only a day long. People don’t read Tuesday’s paper on Wednesday.</td>
</tr>
<tr>
<td></td>
<td>5,000 outside Boulder</td>
<td></td>
<td></td>
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<tr>
<td>Boulder Weekly</td>
<td>25,000 total</td>
<td>Alternative weekly for Boulder. Part of the AAN network. Looked to for local entertainment, and has a week-long shelf life.</td>
<td>25,000 weekly copies—stagnated growth since inception 1993. Only 6,500 outside of Boulder.</td>
</tr>
<tr>
<td></td>
<td>6,500 outside Boulder</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Times-Call</td>
<td>13,000 total paid</td>
<td>Long standing local newspaper. Reaches much of the older community.</td>
<td>The Times Call conservative approach tends to attract an older audience. It has very little penetration with the new development growth in Longmont. The population of Longmont has grown from 40,000 in 1990 to 87,000 currently. Subscriptions have dropped in half in that time.</td>
</tr>
<tr>
<td></td>
<td>4,000 outside of Longmont</td>
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<td></td>
</tr>
<tr>
<td>Hometown Newspaper</td>
<td>12,000 total for all 4 publications</td>
<td>Established in the community. Reaches much of the older population. Covers local news.</td>
<td>Shrinking circulation numbers and conservative approach tend to attract a senior population. Misses much of the new development readership.</td>
</tr>
<tr>
<td></td>
<td>6,500 paid Lafayette all paid</td>
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<tr>
<td></td>
<td>12,000 paid Louisville all paid</td>
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<tr>
<td></td>
<td>Superior 3,100 free Erie 6,350 free</td>
<td></td>
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<tr>
<td></td>
<td>500 mailed free</td>
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<tr>
<td>Yellow Scene Magazine</td>
<td>70,000 total</td>
<td>Huge distribution covers nearly every household and most leading area businesses. It has active and loyal following, the only arts and entertainment resource for North Metro, a long shelf life, repeat exposure, and is a better resource for regional advertisers.</td>
<td>Doesn’t reach the elderly or old town homes, published monthly and while it has a longer shelf life, repetitions are harder to obtain on a monthly basis.</td>
</tr>
</tbody>
</table>

### Radio and Television

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<tr>
<th>Mass Media</th>
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</tr>
</thead>
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<tr>
<td>Radio</td>
<td></td>
<td>Mass marketing metro wide. For businesses attracting state-wide, radio can be a more cost effective tool for reaching many communities. Can create excitement through radio announcements. Each radio station is operated with specific market segments in mind, so despite there being many radio stations nationwide, there are particular stations that target your specific market. In the car, at the office, at home you can reach your customer on the radio throughout the day or night. This increases the frequency that your message can be delivered. Sound is memorable.</td>
<td>Extensive research required to be successful. Timing is critical. High frequency required for any kind of visibility or presence. Ad script needs to be very good to keep listeners ear. People flip through stations, use mp3 and CD players making it more difficult to keep a listener tuned in. This is a very expensive means of marketing for a small local business.</td>
</tr>
<tr>
<td>Cable</td>
<td></td>
<td>Prestige, masses, reaches a very large mass if frequency is strong (minimum of 16 ads a day per station).</td>
<td>Very expensive and hard to get the repetitions needed for success. Most local advertisers can only afford about 4 ads per day—this could be a very ineffective method for local marketing.</td>
</tr>
<tr>
<td>Billboards</td>
<td></td>
<td>Wide impact, as a stand alone ad. Attentive audience. Strong brand awareness.</td>
<td>Cumbersome approach to targeting specific consumers. Limited to primarily name recognition as changing the ad regularly is difficult and expensive. Also people are speeding by, so the message needs to remain short and sweet.</td>
</tr>
<tr>
<td>Marketing Venue</td>
<td>Costs</td>
<td>Benefits</td>
<td>Drawbacks</td>
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<tr>
<td><strong>Internal Marketing</strong></td>
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<tr>
<td>Customer Gift Certificates, (Thank You Cards, Customer Appreciations, Birthday Discounts, Kids Nights, Happy Hour, Business Lunch Offers, Take-out Discounts), Store Quality, Appearance, Service, Phone Manners, Aesthetics</td>
<td>Minimal exposure compared to external advertising. Overall sales appeal of store must be in place.</td>
<td>It takes a lot more money to get a new customer than to keep an old one. Repeat business is the key to success.</td>
<td>Doesn’t reach enough people to push sales to the next level. Limited to existing customers and those who “discover” you. People move and die.</td>
</tr>
<tr>
<td>Chamber Memberships</td>
<td>Costly considering level of involvement most people have in their local chambers.</td>
<td>Part of community, lots of events.</td>
<td>People only see your info/ad about once a year.</td>
</tr>
<tr>
<td>Salesman</td>
<td>Depends on commission. Usually about 20% of gross.</td>
<td>High close ratio. A good sales person can increase business up to 30%.</td>
<td>Limited exposure. A salesman can only talk to one person at a time. Harder to gain a reputation through salesmen alone. People only retain half of what they hear.</td>
</tr>
<tr>
<td><strong>Direct Marketing</strong></td>
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<tr>
<td>Coupon Books</td>
<td>Cheapest way to direct mail, ads generally cost about $500 for about 40,000 mailers.</td>
<td>Immediate response, % of direct response starts off higher than most other mediums.</td>
<td>Response drops off, only reaching coupon clippers (about 30% of population uses coupons), difficult to reach the masses, short shelf life, quick read, doesn’t lend toward building an upscale reputation, you can train your customers to only shop with a discount.</td>
</tr>
<tr>
<td>Stand Alone Mailers</td>
<td>Can be very expensive due to printing, postage, etc. Up to $1000 for 4,000 circulation.</td>
<td>Immediate response, average about .005% response, more name recognition than coupon books.</td>
<td>99.9% of people throw mailer away without looking at it, difficult to reach the masses, hard to have much repetition or build reputation.</td>
</tr>
<tr>
<td>Door Hangers</td>
<td>Inexpensive, about $200 for 4,000.</td>
<td>Immediate response, % of direct response starts off higher than most other mediums.</td>
<td>Most are thrown away, difficult to gain name brand recognition, doesn’t lend toward building an upscale reputation, difficult to reach the masses.</td>
</tr>
<tr>
<td>Event Marketing</td>
<td>Cheap cost of booth and manpower.</td>
<td>Good opportunity to chat one on one with people.</td>
<td>Lots of competition for people’s attention, need manpower and enthusiasm to do regularly, reaches small fraction of population.</td>
</tr>
<tr>
<td>Web</td>
<td>Initial cost of creating a quality website can be expensive. Beware of very cheap websites and proprietary software and frameworks. You may find it difficult to get exactly what you want and there could be hidden costs. You may end up paying extra to make small changes and could be forced to completely rebuild the site if you change hosts or services.</td>
<td>Your website functions much like the now nearly obsolete paper phone book—people go there when they are looking for something specific (when they’re already half way through the purchase funnel). It is not mass media and doesn’t help you build a brand. However, your website can do a lot more than the phonebook could to help you sell your product—interactivity, tech support, Q&amp;A, online stores, etc.</td>
<td>The web is not a mass media. It is a target tool. Just like the phonebook, people don’t leisurely read commercial websites, unless they have chosen to type in the keyword. At this point you are already over halfway down the purchase funnel. Many people search by business so if you have not done any brand advertising it can be harder to use your website to find new people or gain trust. The trust factor on the web is significantly lower than print or electronic media. Therefore if your brand doesn’t have recognition it will be harder to command a higher price.</td>
</tr>
<tr>
<td>Social Media</td>
<td>Relatively inexpensive.</td>
<td>For not a lot of money you can target people through popular sites such as Facebook or Groupon.</td>
<td>Very low trust factor, very limited market reach. With services like Groupon, you will be able to sell a large quantity of coupons, but there is no evidence available yet as to the return ratio of those people or if they have a lower or higher ticket average.</td>
</tr>
</tbody>
</table>