

Advertising

Advertising is part of an overall Marketing Plan. It's the way you reach your target potential customers, at the proper time, in the proper place. It is the way to get the word out that you are in business and to excite the market about your product or service, in order to create demand for it.

Simply stated, it communicates what it is you sell, what it's for, why it's desirable or preferred, and where people can get it.

A baker, for instance, would never think of advertising citywide unless, of course, his products were sold all over the city. He or she would find the most effective outlet for advertising in the markets they hope to sell to. Test the market, find the best message carrier and concentrate with the most accurate description of your product or service.

Entrepreneurs always want to know how much or what percentage of sales income should be expended for advertising. The stock reply is "there is no one answer to the question." Cosmetics manufacturers can budget as much as 20-25% (or more) of their sales dollars for advertising in one form or another while large chain grocery companies average only 1-1 ½%, even with those large four-color bulletins we get at our front door every week.

Economical ways to advertise should start with social media, but could also include a handwritten note on your supermarket's bulletin board; your church bulletin; neighborhood newspapers; door-to-door dodgers; pink pages; direct mail; yellow pages; etc. However, the most economical advertising comes from word-of-mouth, usually earned by top quality products, services and satisfied customers.

Cooperative ads (expenses are shared by vendor or manufacturer) can cut the cost when national products are promoted. Coupons (or special promotional discounts) may also be an interesting entree to your potential customers, although the costs of printing, distributing and redemption – as well as the face coupon or discount amount – need to be considered.

Repeat advertising is almost a must! Large, mass-market, advertisers measure the amount of advertising they use in terms of reach and frequency, i.e., how many potential consumers of their product (or service) their advertising reaches and how many times, each, they reach that potential consumer.

A logo to identify and brand your firm, product, or service can go a long way to help identify your product or service and distinguish it from competition and make your advertising more

memorable. A positioning statement can also be helpful. It should tell how your product or service benefits the customer and how it is differentiated from other alternative choices. Good advertising is memorable. Consumers carry the message with them and it influences their buying decisions. Think of “We are number 2, we try harder:” AVIS.

Good advertising is also easily actionable by the target to whom it’s directed. Make sure your product or service is readily available to your potential consumer. Don’t make it hard for them to buy from you.

Provide for advertising expense in your budget just like you do for other business expenses. At least in the beginning, use a zero-based approach (vs. a % of Sales approach). Determine what advertising you will do and get a cost for that and budget it.

The internet, including an attractive home page, can be very useful and functional. Today many people use the internet the way the yellow pages are used, to find a business for their needs, and to enable purchasing online. Almost always, a website for a business is becoming a “must”.

Advertising can be expensive and some of the money spent can be wasted. There is an old saying, which has too much truth to it: “Half of advertising is wasted, if we only knew which half.” Therefore, it’s important to measure the results of your advertising. This can occur in many ways and the type of advertisement dictates the specific method. But the goal is always the same. Are you spending your advertising dollars as economically as possible?

To reduce the waste, it is necessary to know your target potential consumers of your product or service. Products or services consumed by household end-users suggest different advertising strategies than those purchased by other businesses or intermediaries. Knowing this helps you decide what how you will advertise – what channels to advertise in.

Lastly, advertising can be expensive, but some form of communication about your product or service is necessary. It doesn’t matter how wonderful or how unique your business is. If people don’t know about it, they can’t buy it. Because of the cost, however, be creative in channels you use.

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