



How to Increase the Reach of Your Ad Budget

“ADVERTISING DOESN’T WORK,” ALEX SAID. “I TRIED IT ONCE AND NOTHING HAPPENED.” WHEN I ASKED ALEX ABOUT THAT, HE TOLD ME THAT HE HAD SIGNED UP WITH A RADIO STATION TO RUN ONE SPOT PER DAY DURING THE WEEK PRIOR TO HIS GRAND OPENING. NOBODY SHOWED UP FOR THE OPENING AND THEREFORE ADVERTISING DOESN’T WORK. I COULD HAVE SAVED ALEX SOME TIME BY TAKING THE MONEY HE SPENT ON ADVERTISING AND THROWING INTO THE MIDDLE OF A BUSY INTERSECTION. THAT AT LEAST WOULD HAVE BEEN NOTICED!

Advertising works but it doesn’t work like anything else you’re familiar with.

- If I buy 10 gallons of gasoline, I know that it will power my car for a little more than 300 miles.
- If I buy a 12-inch pizza with everything, I know it will serve 3 or 4 people.
- But if I buy \$1000 worth of advertising, what should I expect?

Do we buy advertising by length? Weight? Volume? Is a campaign that costs \$5000 five times better than a campaign that costs \$1000? What’s the right amount to spend on advertising?

To answer those questions:

- We buy advertising by response.
- There is no direct relationship between cost and value.
- And I’ll answer that final question if you’ll answer this one: What’s the right amount to spend on a car?

Relating Cars to Ads

AUTOMOBILES ARE A GOOD CHOICE FOR ANALOGIES BECAUSE JUST ABOUT EVERYONE HAS SOME EXPERIENCE IN PURCHASING ONE AND YOU PROBABLY DIDN’T WALK INTO THE DEALERSHIP AND SAY “HOW MUCH DOES A CAR COST?”



Does the vehicle need to be large or small? Flashy or plain? Do you want something that will go really fast? What accessories do you crave? Should the vehicle be new or used? The price range from the slow, small, old, used car (\$500) to a large, fast, flashy car (\$200,000) is significant. The “average” car may cost \$24,000 but the range of prices is huge.

So, too, with advertising.

The Internet allows someone to spend a few thousand dollars to produce a video that, if it goes viral (such as the sword-wielding cats shown here), can be worth millions in advertising.

Viral videos are a gamble. Thousands of people create videos every year and only a few go viral so there’s a better solution to the advertising question.

Advertising or PR?

A FRIEND AND CLIENT WHO STARTED A CONSULTING BUSINESS 30 YEARS AGO OFFERS A \$96-PER-YEAR SUBSCRIPTION TO HIS PRINTED NEWSLETTER. PEOPLE PAY HIM TO SEND HIS ADVERTISING MESSAGES TO THEM. BUT HE DOESN’T POSITION IT AS AN ADVERTISING MESSAGE.



The second common error is failing to take into account what's important to the reader. The newsletter is filled with self-serving boasts that readers find tiresome.

Station WII-FM

MARKETING GURU RAY JUTKINS MAY NOT HAVE INVENTED THE TERM, BUT HE REMINDED CLIENTS THAT EVERYONE THEY'RE TRYING TO TALK TO IS BUSY LISTENING TO RADIO STATION WII-FM (WHAT'S IN IT FOR ME?) AND THAT UNTIL YOU ANSWER THAT QUESTION YOU DON'T HAVE THEIR ATTENTION.

I took that lesson seriously when, in the mid 1980s, I was working for a company that had a service that would be of interest to auto dealership parts managers. These are the people who are responsible for having the right parts in stock so that the service department can repair your car or truck when they bring it in for service.

We wanted to advertise in a publication that reached the parts managers but none existed. We could reach the dealer through several publications but these publications weren't passed on to the parts manager so we decided to create our own publication. We decided to mail quarterly, to print as a tabloid newspaper, and to start with four pages. Over the next 12 or 14 years the publication grew to 16 pages and survived the acquisition of the business unit by another company.

It worked because we hired writers to interview parts managers about their operations. We found authors who were willing to allow us to serialize their works on inventory management. And we kept our own service out of the articles. "If a parts manager mentions our service," I told writers, "it's OK to include it in a story but I don't want you to bring it up." We placed advertisements in our own publication and let those carry our message to readers.

That's the key! Give people information they can use and they will read what you send to them.

During the publication's life span we did several readership surveys and the results were phenomenal. Something like 80% of the readers surveyed said that they read "all or most" of each issue. Numbers like those would be surprising for a publication that readers paid for and they were so high for a free publication that we questioned them ourselves. Subsequent surveys showed similar results.

How You Can Do This

IT'S EASIER NOW AND A LOT LESS EXPENSIVE.

You may still need to pay people for articles that resonate with your readers but you may also be able to find experts who are willing to allow you to use their articles for the exposure you'll give them. There's no need to pay for printing and postage, though, and these are the most expensive components for any publication.

Start small with just one or two articles but be sure that they're articles that will be of interest to your target audience.

I know it's hard to avoid talking about how great you are and how that seems like the right thing to do but stick with me here. Sometimes the counterintuitive action is exactly the right thing to do.

Your goal should be to position your company as the leader and yourself as the expert.


Have you ever attended one of those "motivational" seminars? If they're well run, the presenters aren't allowed to aggressively hawk their wares but they're on stage and you're not. The message that this delivers is that they're the experts. If they make a good impression during their talk time, a certain number of attendees will contact them to buy something.

The lesson is that if you have a small ad budget, you can magnify it by leveraging public-relations techniques.

The more you can do to position yourself and your company as the expert in your field, the more likely people are to call you when they need your product of service.

But you can't position yourself as the expert by saying that you are the expert. Consider, for example, what your reaction is when someone boasts about being honest. You probably check to be sure that your wallet is secure.

The message must be delivered in a low-key, non-commercial way. And that's why I'm so supportive of newsletters, both printed and electronic. Ω



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Instead, he invites people who are well known in the field to write lead articles for the publication. Other sections of the 4-page newsletter include an opinion piece, news articles, and the entire back page is a review of current articles that would be of interest to people in the field.

This exact approach may not be the best choice for most of us. I don't have people clamoring to pay for this monthly 2-page newsletter but it does serve as I intend it to.

When you can provide information that people find worthwhile and that they can use, you become the *de facto* expert and that is an excellent position to occupy.

Two mistakes are common when people create newsletters: First, they don't set a deadline. Publications, whether printed or electronic, are expected to be delivered in a timely manner. If you say that your monthly publication will be distributed on the second Monday of each month, then it had better be delivered on the second Monday of every month.

This little newsletter is scheduled to coincide with my monthly time-billing statements. In the past 10 years I've never missed a deadline: If the first of the month occurs on a weekend day or holiday, I sometimes delay the mailing until the next working day but most months it goes on the first of the month or, if I'll be busy that day, a day or two earlier. If you don't enforce your deadline, you don't have a deadline.