

Advertising doesn't just sell, it is a tool!

Advertising: Advertising doesn't sell to your audience, it is a tool similar to the male ostrich tail; its job is to get you noticed for the specific things you do well. Advertising promotes the distinguishing features, benefits and advantages of your offer to a wide market. The goal of advertising is to bring in valuable leads for the selling process to take place.

I've sold Yellow Page advertising to business owners who initially felt that Yellow Page ads brought a lot of callers who were just shopping around. They didn't want to waste time with "looky loo's".

If someone takes the time to make a phone call or send you an email regarding your product or service, why treat them with disdain? These folks are looking for the right answers to their problems. Even more important, they each know about 250 other people personally. Each opportunity to make a connection or a sale should be treated as equally important.

Selling: Once advertising has attracted the potential buyer, the selling process takes over. This is done either by personal sales or the use of point of purchase materials (ie., a store display, video demonstration etc.). Selling should come into play after a prospect has been determined to be right for the product or service.

The mystery and confusion begins when a business owner must decide what tools to use in the process of client acquisition. To whom should you advertise? Where should you advertise and why? How do you advertise? What kind of return should I expect to make on my advertising program? When do I use the other tools of marketing to bolster my advertising program? What should my ratio be between advertising and selling?

To whom should you advertise? Let's be very clear about this one. You should never put a single dollar into advertising until you know who you will eventually sell your product or service to. You should not even be in business if you have no clue who you want to do business with.

Marketing is used to identify your ideal market. Sure, you may not get 100% of your ideal market, but if you know who will most likely benefit from what you have to sell or service, you can get more of them.

For example, if you're a chiropractor in a big city, your ideal market might be the couple in their late 40's to early 60's that're health conscious and active. They are looking to stay fit and are open to CAM's (Complimentary and alternative medicines.). They may have an unfavorable view of the current healthcare system and wish to take a proactive approach to health maintenance. So let's say after determining your ideal market, you identify 15,000 of them in your market region. So now you have 15,000 likely prospects to reach on a regular basis.

Where should you advertise and why? If you wanted to find a 34 year old Buddhist from Cambodia where would you look for one? The question may seem a bit silly but you know that you wouldn't start by going to all the mosques in the area.

Sometimes you do have to eliminate all the unlikely places to search until you get to the most likely ones.

You must, of course choose the targets of your ad programs based on how many of your intended prospects will likely see your message. If the local health club in your area has a demographic membership of over 3,000 45 to 65 year olds, you might want to advertise in their monthly newsletter. If they don't have a newsletter, you may want to sponsor one for them.

Remember the "The best place to go fishing is where the fish are biting". Take the time to know about your target audience and their buying habits.

How do you advertise? Imagine that your very expensive Mercedes breaks down and the mechanic says that it's your fuel pump. He needs to change it so he's going to take a blow torch and cut through your hood, crack open your engine block and then replace the fuel pump. Once he's done, he'll weld all the parts back together and get your vehicle back to you.

Would you give this guy the OK to go to work on your vehicle? Of course you wouldn't. Once you determine what you need to do, you have to be careful about how you execute the solution.

Coming back to our chiropractor, if he finds that the best way to reach the 15,000 couples ages 45 to 65 in his area is through the Yellow Pages; then he needs to decide if it's cost effective, timely and competitive.

The goal now is to figure out the best way to reach all or most of those 15,000 ideal prospects.

Will he get comparable results from the repeated exposure in the health club newsletter where he'll have a captive audience and no competition?

There's no reason not to use both the Yellow Pages and the health club newsletter if they pull their weight economically. The goal of advertising is to gain valuable leads for the selling process to take place.

What kind of return should I expect to make on my advertising program? My answer to my clients to this question is usually a shocker; the answer is a big fat zero (0). How can a business owner spend so much money on advertising and expect no money in return?

This is the basis of the confusion between marketing, advertising and selling. Advertising's value in the marketing mix is in lead generation. When properly used as such, the measurement of its effectiveness is in how many leads are generated.

This is why it's so important to distinguish between the various tools of marketing. If our chiropractor had 20 leads coming in each day from his ad campaign and the front desk had a lousy conversion ratio, I bet that he'd blame his ad for not pulling in more clients.

Gauge your response rate when quantifying advertising results. Measure the number of leads coming in and adjust the ad copy to test for better results.

When do I use the other tools of marketing to bolster my advertising program? Advertising should never be used alone. Please remember that the average adult has to deal with over 2700 messages a day from all types of media.

Marketing should be seen as a combined effort to reach the minds and hearts of your target market. You should be using at least five of the seven tools of marketing every week. Depending on the age of your business and your business plan, you should be budgeting 10 to 15% of your estimated annual revenues for marketing. If you just opened your doors in the last five years, crank that up to 20%. There's a reason that Pepsi and Coke spend over 400 million a year each to satisfy their shareholders bottom-line.

What should my ratio be between advertising and selling? Think of the relationship between advertising and sales as a complimentary one. If your advertising is generating a large number of leads, tailor your sales strategy to convert at least 30% of your leads while capturing all your leads for systematic follow-ups.

Keep in mind that at any given time, 3% of your market is ready to commit to your product or service. The goal is first to convert the 3% of your leads. Then to work on selling to the ones who are on the fence. Whether through personal sales, direct marketing, or point of purchase sales, your ratio will be determined by several factors, the offer, the product or service and the immediate need of the prospects and of course, price.

Don't get too anal about the ratios. The most important thing to remember is that marketing is an inexact science. You will have to keep testing and trying for better results as the market changes.

Determine the value of a new client and the life time value of your clients. Once you do that, be sure that your marketing efforts are bringing in enough new business to cover the cost of getting new clients and that your sales efforts cover the cost of keeping you in business.

Tweak the numbers and track consistently. If your estimated marketing budget is \$37,500 for the year, and your estimated revenue is \$250,000 then you have a standard starting point.

At the end of the year your numbers should add up. If you haven't made the \$250,000 don't simply blame your advertising, look at your leads list and determine if you've converted the required number into sales.

About the Author

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