



ADVERTISING

This guide has been compiled to step you through the process of advertising your products and services. However, actions taken as a result of this document are at the discretion of the reader and not the Northland Chamber of Commerce.

ADVERTISING IS THE ART OF INCREASING DEMAND FOR A PRODUCT OR SERVICE.

Firstly you must work out your objectives and the reason for advertising. Main objectives are usually:

- Special offer.
- One of situation.
- Brand building.

WHAT MAKES A GOOD ADVERTISEMENT?

Advertising should be used to attract new customers only, because you use your mailing list to inform your current customers - right?

There is not one right answer to making advertising work. It is a combination of many things including:

- Attractiveness of your product or service.
- The ease of obtaining your product or service.
- Your offer (Why should the consumer buy from you now? There must be a strong reason).
- The value of your product or service against the competition.
- Your advertisement layout.
- The appropriateness of the publication chosen (eg. are your potential customers likely to read this publication?)
- Your advertising break even point. (eg. how many items must you sell in order to pay for the advert? Is this feasible or likely?)
- The purpose of the advert.

Unless your offer is absolutely incredible and the advertisement is very well designed, it is unlikely to get a good result with a single insertion. One thing is clear in advertising though - it can cost a lot of money and be

quickly spent. If you rely on a system of advertising when told to or when things get a bit tough, chances are you are going to get disappointing results.

Here are some steps you should take to get more out of your advertising dollar:

- Set yourself an affordable budget for the year.
- Look at the opportunities throughout the year and map out when and how you will advertise.
- Choose your publications carefully and make sure that they are the types of material that your customers will read or listen to. (This in itself will save you money when you get those persuasive calls from advertising sales reps. You can then tell them that you have already budgeted all your advertising money this year!)
- Think about what attractive offers you can make that will encourage people to buy from you.
- Be aware of what your competition is doing.

TYPES OF ADVERTISEMENTS

In its simplest and purest form, the objective of advertising is to increase demand for a product or service. However, this simple rule can be lost in developing creative concepts or trying to communicate too much. Very often companies fail in creating advertisements that work. They simply misunderstand what individuals are facing in the marketplace.

The golden rule is to keep it simple. Don't try and communicate too much. This being said, it is important to remember that advertisements can perform a number of functions:

1. Offer advertisements

The first function is that of the offer advertisement. In this case the advertisement simply makes an offer. The more powerful the offer or the greater the dollar savings, the more response can be generated. Therefore, it is simple to measure the effectiveness of the advertisement. If you offer a high discount or a great deal, theoretically it means more people will respond.

2. Branding advertisements

The second type of advertisement is that of a branding ad. This is usually the domain of large advertisers, where they seek to build recognition into the marketplace as to the existence of a product or service. The classic example of this is motor car advertisements where cars are advertised on television and the brand name is pushed

3. Loyalty advertisements

The third type of ad, and probably the least common, is that of an advertisement which tells clients that their continued purchase or use of a service is a good idea. The customer is already using the particular product or service, but it retains their loyalty. An example of this is power company advertising. This tells you that the power company is a worthwhile contributor to society and that by using their particular power product, you are helping society as a whole.

These are all examples of large advertisers. For the smaller advertiser, it is important to be very specific about the objectives of your advertisement.

Be aware of the limitations of the particular medias that you have chosen. Every media has both its strengths and weaknesses. Radio is good for some things, television is good for other things, and newspaper has both good and bad points.

Remember that the media representative trying to sell you a particular type of media will, of course, present their media in the best possible

light. Make your choice of media spend based on clear objectives that you want to achieve. Don't lose sight of the fact that the advert should, in the first instance, drive customers or potential customers to contact you. That is the objective of advertising – to make people want things.

What makes a good advertisement is one that makes people want to do something. That is, they want to come and buy your particular product or service.

Watch the ego effect - ie. advertising to get your name in the light versus getting a message across to your customers.

Remember the best way to measure your advertising effectiveness is to ask every customer how they heard about your product or service.

THE SEVEN MYTHS OF ADVERTISING

Advertising If you're thinking of advertising, here are seven myths that you need to be aware of:

Advertising myth #1

Your ad needs to be substantially large to generate a good response.
Wrong. Some small ads dramatically out-pull the big ones. Many of the most successful ads in history were quite modest in size.

Advertising myth #2

Use lots of 'white' space because people will not read crammed copy. Not true. Some very effective ads are packed with so much information that they look pretty awful - yet they make the telephone ring and they sell a lot of products and services.

Advertising myth #3

Ads in reverse, white text on black or colour background get a better response.
Quite the contrary - ads in reverse print, when tested against traditional layout, generate significantly less interest (and fewer calls). Research indicates that reverse text is 25% harder to read.

Advertising myth #4

The best section for your ad is your own business trade section.

Not necessarily. Some of the highest quality leads you can generate are from people who are not actively looking for your kind of service or product.

Advertising myth #5

The shorter your ad, the better, because people get bored with a long copy.

Quite the contrary. People who are not interested in what you have to offer will be bored, but those who are interested will read every single word, even if it is a long ad (unless it is boring copy, for example bragging about you and your business).

Advertising myth #6

Use original titles and clever words so that your ad gets noticed.

Not a good idea. Cute and original advertising often confuses serious shoppers. The most effective advertising is quite 'low brow' stuff.

Advertising myth #7

Watch what the big guys are doing and follow their proven ideas.

Ouch! Large companies have different objectives and quite often expect different results from their advertising than small businesses. They generally get more benefits from so called 'institutional advertising'. Small businesses have no matching budget and have vastly different needs.

This article is based on information provided on the NBIS Limited Biz-growth website (www.biz-growth.co.nz).