



Developing an Advertising Program: A Basic Review

By developing an effective advertising plan, you increase the likelihood of a positive return on your advertising investment, regardless of the amount you spend.

Advertising is an investment in your business, similar to other investments to improve and expand your business. The return you receive depends on the planning and thought that precede the actual commitment and expenditure of advertising dollars.

This Financial Guide is **not** intended to be an in-depth analysis of advertising principles and alternatives - that is beyond its scope. Rather, it is intended only to provide a basic review - to stimulate your thinking - of how to develop an effective advertising program. Unless you are very familiar with the opportunities in this area, you should seek the advice of an advertising professional.

The basic premise of an advertising plan requires you to thoroughly analyze the answers to key questions before you can make effective advertising decisions. There are four key questions to ask yourself:

1. What do I want my advertising to accomplish?
2. Whom should my advertising speak to?
3. What should my advertising say?
4. What advertising medium should I use?

In the specific business situation, each question has any number of potential answers. As you think about each question do not accept any answer until you have considered and explored the full range of possibilities.

What Do I Want My Advertising To Accomplish?

The first step in developing your advertising plan is to specify your advertising goals. Be as precise as you can as to why you are advertising and what you want to achieve. Everyone wants advertising to increase business, but for your advertising plan to work it requires you to be more precise. Some possible goals for your advertising are:

- Increase awareness of your business.
- Attract competitors' customers.
- Increase the likelihood of keeping current customers and developing their loyalty.
- Generate immediate sales or sales leads.



It is possible you may want your advertising to achieve all of these goals plus some others. What is important is that you prioritize your goals. Advertising works best when it is developed to meet one specific goal at a time.

Whom Should My Advertising Speak To?

Once you determine your advertising goals you can then select the target audience for your message. Advertising that tries to reach "everyone" rarely succeeds. Successful advertising is written with a specific customer in mind. Try to picture the person you must reach in order to achieve your advertising goals. Try to describe your target consumers in each of the following:

- Demographics: such as gender, age, income, location of residence or business, etc.
- Behaviors: such as current awareness of your business; the products, services or vendors they currently use; loyalty to either you or your competitor's business, etc.
- Needs or desires: such as what benefits consumers look for, the basis on which they will decide whether to use your product or service, and how your business can fulfill those needs, etc.

What Should My Advertising Say?

Once you know who your target audience is and what they are looking for in terms of the product or service you offer, you can decide what your advertising will say.

Advertising should always be written to communicate a message that will be seen as important by your target customer. Your advertising should clearly and convincingly "speak" to your target audience, explaining the important benefits your product or service offers.

In deciding how to discuss the major benefits of your product or service in your advertising keep "AIDA" in mind: attract Attention, hold Interest, arouse Desire and motivate Action.

Where Should I Place My Advertising?

Every month new advertising options become available. Beyond "traditional" media you can place ads in airports, on ski lifts and on televisions monitors in the front of grocery carts. Where you place your advertising should be guided by a simple principle: go where your target audience will have the highest likelihood of seeing or hearing it. Many advertising media work well to reach a diverse range of target consumers. There is no single medium inherently good or bad. A good medium for one product or service may be a poor medium for another. As you consider media choices look for one that fits your advertising goals, reaches your target



efficiently and cost-effectively and is within your advertising budget. Based on these considerations, the following summarizes the relative advantages and disadvantages of the advertising media most frequently used by small businesses:

Internet Marketing or Online Marketing

Internet marketing, online marketing or emarketing are terms used for marketing your products or services over the Internet. Internet marketing is a great way to reach a wide, international audience at a relatively low cost. The nature of the medium allows consumers to find what they are looking for when they want, at their own convenience. It provides instant response and is very interactive. Internet marketing methods include search engine marketing, display advertising, email marketing, and interactive advertising, all completed through your website. Internet marketing can be very creative, cost effective and interactive.

Television

Television provides a means for reaching a great number of people in a short period of time. Small businesses will typically use either spot television or cable television. A spot television ad is placed on one station in one market. The number of target audience who see your ad depends upon how many viewers are tuned into the television station at a specific time. Cable advertising is placed either on a local cable television channel or on a cable network. The number of people reached by cable advertising depends upon the cable penetration and cable/channel program viewer ship in a given market.

Beyond television's reach, an additional advantage is its ability to convey your message with sight, sound, and motion. The disadvantages of television advertising are: relatively higher cost - both the terms of airtime and production, limited length of exposure, short airtime (making it difficult to present a complex or detailed message) and the clutter of many other ads.

Television ads may require multiple exposures to achieve message retention and consumer action. Also, many commercials are considered intrusive, prompting viewers to switch channels to avoid them.

Radio

Radio, like television, has the ability to quickly reach a large number of consumers. The major advantage of radio lies in its ability to efficiently target narrowly defined segments of consumers. The vast array of radio program formats lets an advertiser gear ads to almost any target audience.



Beyond this advantage, radio is commonly used by small businesses because it is relatively inexpensive (both in terms of airtime and production costs) and because deadlines for placing radio advertising are relatively short, providing an advertiser with increased flexibility. The disadvantages of radio are: an advertiser is limited to an audio message so there is no visual product or service identification, ad clutter can be high and exposure to the message is short and fleeting. Finally, similar to television, multiple exposures may be required for message retention and consumer reaction. Also, listeners may change stations to avoid commercials.

Newspapers

Newspapers permit an advertiser to reach a large number of people within a specified geographic area. Newspaper advertising has several advantages for the small business. An advertiser has flexibility in terms of size and placement within the newspaper. Exposure to the ad is not limited, so readers can take their time with your message. Short deadlines permit quick response to changing market conditions. Disadvantages of newspaper advertising include:

- Declining readership and market penetration
- Ad space can be expensive
- Clutter of competitive advertising and a relatively short lifespan (newspapers are typically read once, then discarded), thus requiring multiple insertions.

Magazines

Magazines provide an advertiser with the means to reach highly targeted audiences. Specific groups can be reached by placing an ad in a magazine whose editorial content specializes in topics of interest to that target. This is true both of consumer and business publications. Audiences can be reached by placing ads in magazines which have well-defined geographic, demographic or lifestyle focus.

- Beyond the ability to reach specific audiences, the advantages of magazines include:
- Relatively long ad life and repeated ad exposure (magazines are typically looked through several times before discarded);
- Excellent reproduction quality and pass-along value.

The disadvantages of magazines include:

- Long lead time
- Limited flexibility in terms of ad placement and format
- The potential for high costs in production and placement.



Outdoor (Billboards)

Outdoor advertising is typically used to reinforce or remind the consumer of the advertising messages communicated through other media. The advantages of outdoor advertising are:

- The ability to completely cover a market
- High levels of viewing frequency.

The disadvantages of outdoor advertising are related to viewing time. Because target consumers are typically moving, an outdoor advertisement must communicate with a minimum of words. Messages must be simple, direct, and easily understood.

Direct Mail

Direct mail advertisers use targeted mailing lists to reach highly specialized audiences. In addition to low waste in ad exposure, direct mail provides an advertiser with great flexibility in the message presentation. The disadvantages of direct mail include:

- Relatively high cost per contact
- Obtaining updated, accurate mailing lists
- Difficulty in getting the audience's attention (direct mail is often considered "junk mail").

Yellow Pages

The Yellow Pages are an advertising medium that share many of the strengths of other advertising media while at the same time avoiding some of the limitations or disadvantages. As such, the Yellow Pages are best used to complement or extend the effects of advertising placed in other media. Like other media, the Yellow Pages permit an advertiser to select a well-defined geographic area, ranging from a neighborhood to an entire metropolitan area.

The advantages of the Yellow Pages are:

- Once the geography is defined, an ad has permanence, i.e., the Yellow Pages are kept as a regular reference.
- They support your other advertising by providing a convenient way for consumers to contact sources and obtain information on the products or services they desire at the time they are ready to "take action."
- The Yellow pages are relatively low in cost in terms of both ad production and placement.



The disadvantages of the Yellow Pages include:

- Lack of timeliness (ads can be changed only once per year and, as a result, there is no opportunity for "price advertising")
- Potential clutter in some classifications
- Not as much creative flexibility as other print media.