

THE SMALL TOWN ADVERTISING HANDBOOK

**HOW TO
SAY MORE
AND
SPEND LESS**

By Tom Egelhoff

© 2003 Eagle Marketing

©2003 By Eagle Marketing All Rights Reserved

ISBN Number 0-9671055-1-X

Published By Eagle Marketing
P.O. Box 271 Bozeman, Montana 59771-0271
406-585-0219 - Toll FREE 888-550-6100
Bozeman, Montana City Business License # 45916

email: tommail@smalltownmarketing.com
web site: <http://www.smalltownmarketing.com>

Requests for permission to use parts of this book or further information should be addressed to the Permission Department, Eagle Marketing, P.O. Box 271, Bozeman, MT 59771-0271 or send an email including your name, address and phone to: tommail@smalltownmarketing.com with Permission as subject. Proper legal action will be taken if we find any information in this book being stolen or sold.

Reproduction or translation of any part of this work beyond that permitted by Section 107 or 108 of the 1976 United States Copyright Act without the permission of the copyright owner is unlawful.

All International Copyright Laws Apply. Any commercial use or duplication of this copyright material without prior licensing is forbidden by federal law. Violators may be subject to civil and/or criminal penalties, (Title 17, United States Code, Sections 501 and 506). This publication is designed to provide accurate and authoritative information in regard to the subject matter presented. It is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other licensed professional services. If legal advice or other expert assistance is required, the services of a competent professional person in your area should be sought.

©2003 Eagle Marketing, Bozeman, MT 59771-0271

Book Cover designed by Brian Murphy
Big Look Graphics
317 W. Griffin Dr.
Bozeman, Montana 59715
800-808-0220

Other Books By Tom Egelhoff

**How To Market, Advertise And Promote Your
Business Or Service In A Small Town**

ISBN# 0-9671055-01

**The Small Town Advertising Handbook: How To
Say More And Spend Less**

ISBN# 0-9671055-1-X

**THE SMALL TOWN
ADVERTISING
HANDBOOK**

**How To Say More
And Spend Less**

By Tom Egelhoff

© 2003 Eagle Marketing
All Rights Reserved

Table Of Contents

Table Of Contents—	5
Foreword by Dr. George Arimond, Ph.D. —	7
Why You Need This Book—	11
Section One: Small Town Advertising 101 —	18
Chapter 1: Why Your Advertising Isn't Working—	19
Chapter 2: How To Find Your Target Market—	26
Chapter 3: Understanding Why Customers Buy—	29
Chapter 4: What Makes A Great Ad?—	43
Chapter 5: How To Develop A Successful Ad Campaign —	50
Chapter 6: How To Create Your Ad Plan—	58
Chapter 7: How To Do Market Research In A Small Town or Small Market—	64
Chapter 8: How To Choose The Right Advertising Media For Your Business Or Service—	71
Chapter 9: How To Work With Advertising Sales- people—	76
Chapter 10: How To Know When And When Not To Advertise—	85
Chapter 11: How To Test Your Advertising—	92
Chapter 12: How To Use Six Common Types Of Advertising—	98
Chapter 13: How To Schedule Your Advertising—	105
Chapter 14: The 10 Most Common Advertising Mistakes Small Town Businesses Make—	111
Chapter 15: Advertising: Are You Legal—	119
Chapter 16: Advertising 101 Some Final Thoughts— 123	
Section Two: Advertising Media 101 —	125
Newspapers 101—	126
Chapter 17: What You Should Know Before You Place A Newspaper Ad—	126

Chapter 18: Creating An Ad That Sells (It All Starts With The Headline)—	140
Chapter 19: How To Make Your Newspaper Ad Stand Out—	144
Section Two: Advertising Media Radio	101—152
Chapter 20: How To Make Radio Work For You—	152
Chapter 21: How To Buy Radio Time—	160
Chapter 22: How To Do Radio & TV Interviews And Make The Most Of Them—	171
Section Two: Advertising Media Direct Mail	101—174
Chapter 23: Direct Mail: Why It Works And How To Use It —	174
Chapter 24: Direct Mail: Formulas For Success—	184
Chapter 25: How To Know If You Can Sell Your Product By Direct Mail—	192
Chapter 26: How To Write A Direct Mail Letter—	194
Section Two: Advertising Media Yellow Pages	101—202
Chapter 27: Yellow Pages: Pros & Cons (How To Do Your Ad The Right Way)—	202
Section Two: Advertising Media Magazines	101—207
Chapter 28: How To Advertise in Magazines—	207
Section Two: Advertising Media Television	101—212
Chapter 29: How To Advertise On TV—	212
Section Two: Advertising Media Internet	101—221
Chapter 30: Should A Small Town Business Have A Website?—	221
Section Three: Advertising Extras—	233
Chapter 31: Home-Based Business: How To Get Business To Come To You—	234
Chapter 32: Save Money Using Co-op Advertising—	240
Chapter 33: Techniques To Get Your Advertising Noticed—	247
Chapter 34: Some Final Thoughts On Advertising—	255

Foreword

Entrepreneurs of small town America who are searching for to answers to their advertising needs will really appreciate *The Small Town Advertising Handbook*. The Madison Avenue marketing experts, or want-to-be experts, write most of the popular advertising books. Unfortunately for the small town business owner these national advertising gurus focus on corporate America, which is far removed from the advertising needs of small business. Many traditional corporate theories and concepts of advertising that they discuss in their books are potentially useful for small business; however, they don't quite hit the mark. Tom Egelhoff recognizes this and in this book shows how certain advertising theories can be made to work in small town America. He illustrates and interprets the unique aspects of advertising in small towns as well as demonstrating a clear understanding how small town consumers think. Tom has that innate sense of how small town culture influences people's purchasing decisions and that small town consumers respond somewhat differently than urban and suburban America.

In the last ten to fifteen years there has been a revolution occurring in the advertising and marketing industry. There have been debates about whether advertising is art or science. It's considered science when an ad is based upon well-researched theories. It is considered art, on the other

hand, when a creative ad emotionally grabs the consumer's attention at the gut instinct level. Tom recognizes that you need to use a little of both—science and art. He says to focus more on consumers' emotions, but at the same time don't forget to use the science side of advertising: 1) inform them about your product, and 2) provide a persuasive message highlighting the benefits of your product.

A second revolution has been 'Relationship Marketing.' Relationship Marketing says you must learn more about your customer and then personalize your product and advertising message so it meets the individualized needs of each customer. In addition, Relationship Marketing should leave the customer, after their buying experiences, feeling as if they've been treated as a friend and not just another customer. This supposed new marketing approach is not new to small town America. Consumers in rural America want to be treated in a neighborly manner and have the assurance sales people will be honest with them. Neighborly trust and other essential characteristics of rural Americans are things Tom truly understands and points to their importance in advertising. He says you need to first learn who your potential customers are. Then delve into how they will think and feel about your product, focusing heavily on the emotional aspects. With this knowledge, he says only then can you create the kind of ad messages that will substantially increase sales.

Rationale for why a particular advertising strategy works is helpful and insightful. Tom shares his rationale as to how and why certain small town advertising strategies work so well. His rationale is based upon years of extensive experience in retail sales and his intimate knowledge of small town consumers. With his keen sense of small town consumers, he shares examples and stories that make clear the rationale behind each of his suggested small town advertising strategies. This is a major strength of this book because few advertising and marketing authors possess this kind of small town consumer insight.

An important focus of Tom's book is avoiding waste in advertising. Waste is caused by the use of misplaced or inappropriate ads, which leads to a poor return on your advertising dollar. Small town businesses have small advertising budgets, which means advertising errors or waste can be much more costly as compared to larger businesses. Tom recognizes this important concern, but also recognizes money must be spent on advertising if your business is to grow and prosper. The key, he says, is to treat advertising as an investment and not just another expenditure on your income statement. Whether you call it an investment or an expenditure, you're still faced with the question,

“How do I get the best return on my advertising dollar?” Tom says the key is to test and monitor your ads. Determine whether the ad is selling sufficient product to offset your ad costs and produce sustainable business profits. Many would say

that's nice, but I can't afford the time nor the cost to measure the effectiveness of my ads. It is just too complicated. Tom counters this opinion by demonstrating inexpensive, easily implemented testing methods that will measure your ads' performance. And, you don't need a marketing department or marketing consultant to carry out his testing methods. In terms of constructing ads, he shares with you inexpensive ways to create ad campaigns and shows you how to work with media sales people so that you get what you need at a price you can afford. In addition, he reviews how to effectively use tried and true advertising methods, such as direct mail, and gives good suggestions on the use of new advertising mediums, such as internet web pages.

To conclude, Tom Egelhoff's book is easy to read, providing a cookbook list of common sense advertising that will help you spend your advertising dollar more wisely. Each year as a consultant, I advise numerous small business owners. You can be sure I will be recommending this book to them for their advertising needs. Those of you questioning whether your advertising investment is really working, I suggest you turn to Tom's book as well.

George Arimond, Ph.D.

Small business consultant and Professor,

University of Wisconsin – La Crosse

Why You Need This Book

The Small Town Success Series

After I wrote my first book, *“How To Market, Advertise And Promote Your Business Or Service In A Small Town”*, I discovered that I had just scratched the surface regarding the needs of the small business owner. I decided that there are at least ten topics that small business owners need to master in order to be successful. As a result this book is the second in what will be called *“The Small Town Success Series”* of books.

As the title suggests this volume of the series will deal with advertising. Advertising is always a hot topic at my seminars and workshops. So I felt advertising should be the first in the series because that is where the biggest mistakes are made and the most money wasted.

As a small business owner you have spent many many hours developing your craft and learning your industry. Now that you are finally in business the time has come for you to get your message out to the masses and you suddenly find yourself having to learn one more area of business. The purpose of this book is to make that leap into the advertising world a little easier.

Real World vs. Theory

I also wrote this book so that you don't have to read it cover to cover in order to be familiar with how and where to advertise. You may never find the need to do magazine advertising. If that's the case you can skip that chapter. Or, you may know radio and newspapers inside out but you feel the time is right to branch out into TV.

So keep in mind that as you read this book you will find two things:

One, that I may repeat rules or opinions that you have read elsewhere in the book. You may ask, "Why repeat these things throughout the book?" The reason is that not everyone will read every chapter and I feel that there are certain ideas that must be adhered to in order to prevent mistakes. I would rather sound like the proverbial broken record than take the chance that you might miss them elsewhere in the book.

Two, I always tie my opinions and methods to real world examples. You won't find much theory in this book. It's not a textbook it's a guide to help you evaluate how and where to do effective advertising.

Where to Start

If you read my first book, "*How To Market, Advertise And Promote Your Business Or Service In A Small Town*", you would know that we start with what I call the "business resume". Before you can

advertise anywhere you need to decide what your real message is going to be. This not only includes your products and services but who you are as well.

For example, if you are new in business you might not want to talk about your limited time in business. If you have been in business many years then you would certainly want to bring that message out. If you are a people person who never meets a stranger then you might want to be the “friendly” business. If you are not a people person then perhaps your expertise or knowledge of new technology would be the stronger message to promote.

Keep in mind that there is much more to advertising than just the product or service. Your advertising message is asking customers to put their faith and trust in you as well as your products or services. This is one reason advertising takes time to work. People need to see your messages over a period of time in order to be convinced that you are a credible firm.

Doing Your Homework

You have two choices in advertising. Having someone create it for you, or, doing it yourself. In this book we will cover a little of both. But the point to remember here is that you should take advantage of services that are included in your advertising costs.

For example, when you take an ad to the newspaper they will more than likely create the ad and include the cost of the creation in the initial cost of the ad.

This may vary from town to town so, ask if they don't mention it.

In order for them to do the best possible job of creating your ad they need the best possible information you can bring them. Define your target market as specifically as you can. Your target market is a description of the customers who are most likely to buy from you. You should know their age, income, marital status, TV shows they watch and radio stations they listen to.

The more you know about your target market the easier it is to place your advertising in the correct media with the correct message that speaks just to them.

I strongly suggest that you read chapter three on "Why People Buy" to give you some direction in creating your advertising message.

The most common advertising mistakes

In my opinion there are two major advertising mistakes that small business owners make. Mistake One is advertising in the wrong place. This is just a total waste of money. I would rather you put it in an envelope and send it to me so I can put it to a more worthwhile use.

Mistake two is to pull the advertising too soon. I can't tell you how many business owners I have talked to over the years that told me they ran ONE

newspaper ad that didn't pull anyone in so newspaper doesn't work for them. It takes time for advertising and marketing to work. They are like seeds planted in a field. They need sun, water and sunlight to grow and produce. It's the same with your advertising. You must expose your message to as many of the right people as often as you can afford to.

Investment vs. Expense

This is that broken record message I told you about earlier. You are going to hear this over and over throughout the book.

In order for your advertising plan to work it must be an investment rather than an expense. By that I mean it must produce more revenue in paying customers than it costs to produce and run the ad. Your customers should pay for your advertising... not you. The more business you do the more advertising you can afford and the stronger your business becomes.

Don't Forget Emotion

When it comes to making decisions we would all like to believe that we are logical human beings who assess the facts and come to an intelligent decision. Guess what? We don't do that.

We are emotional beings. We act on our emotions and not our logic. I know that someone reading this book bought a CD to get just one song. I know that

someone reading this book bought one product over the other because of the color of the packaging.

We make emotional decisions and create logical arguments to support that decision.

How Do You Know Your Advertising Is Working?

You have written your check for your advertising (which sure feels like an expense by the way). So how do you know if it's working? Your ads should contain a "**key**" that will let you know. In a newspaper, for example, you might have "BC 6/02" in the corner of a coupon. That would tell you that the ad came from the Bozeman Chronicle June of 2002. A "BG 6/02" would tell you the coupon came from the Billings Gazette June of 2002.

A "call to action" is planted in the ad to make the customer act. Come to your store, call the 800 number, bring in a coupon, request a brochure or some other reason to make contact with you.

When the customer responds to your ad you now have a method of evaluating how effective each media is in producing paying customers. You can count the numbers of coupons received, number of brochures mailed out, phone calls, etc.

The key will alert you to media that is working well and media that isn't. More on how to use keys are in the various chapters for each type of advertising.

What This Book Will Not Do For You

This book will not do the work for you. You are the one that must do the homework and make the decisions. What this book will do is give you some guidance in what to consider and what to think about before you spend your hard earned advertising dollars. It's better to NOT have an opportunity and be prepared than to have an opportunity and not be prepared.

Sooner or later your opportunity will appear. The hard work to perfect your craft and the countless hours of learning and struggling will finally pay off and customers will slowly begin to find you and your business will begin to prosper.

I like to think that those Olympic Gold Metal winners standing on that podium hearing their national anthem being played are replaying the hours and hours of work it took to get to that podium. There is no greater feeling than the feeling of success that you yourself created by your own efforts.

This book will prepare you for that day.

**Section One:
Advertising 101**

**The Basics
of
Advertising**

Section One: Small Town Advertising 101

Chapter 1: Why Your Advertising Isn't Working

Small town advertising isn't as easy as most people think. Most small towns are generally limited to two principal media...radio and the local newspaper. TV, though sometimes available and used on occasion, is often cost prohibitive for many businesses.

The problem with small town advertising is often the same as big city advertising. It isn't the form of media, it's the message along with how and to whom it's delivered.

What do you want your advertising to accomplish?

You started your business because you studied and learned your craft or skill and wanted to offer it to others. I would never dream of coming into your place of business and telling you how to run it. I don't have the expertise you do. When it comes to marketing and advertising, many small business owners don't have the expertise to do it correctly or economically.

I will never understand why business owners take advice from unqualified strangers before they trust their own instincts or consult an informed reputable source. I have overheard business people ask complete strangers in movie lines if they should advertise on the screen between movies. Forget demographics, target market and product positioning. I guess if the stranger said yes, the business owner would make the deal with the manager after the movie.

Advertising generates traffic to your business. You need to generate a certain amount of income to keep your doors open. How many customers does it take to do that each day? How much must each spend? Who are they and how do you reach them?

Learn The Ways Of A Tiger

In my first book, (***How To Market, Advertise And Promote Your Business Or Service In A Small Town***) I talk about a college professor who told a story about a big game hunter. He wanted to shoot a tiger. He asked the local “wise man” of the tribe how to do it. The wise man replied, “To catch a tiger, learn the ways of a tiger.”

In case you missed the point of that story, let me rephrase it. “To find your customers, learn the ways of your customers.” You must know who they are and how they find information before you can advertise effectively.

Make a choice

So, you have two choices to make. One, hire an advertising and/or marketing company, if one is available and you can afford it. Or, if that is cost prohibitive, do it yourself. At this site we deal with a lot do-it-yourselfers from all over the world.

Where do I start?

When you started your business, hopefully, you constructed a business plan. If you don't have one...get one. Links to two good ones are on the links page of my web site, or try www.sba.gov on the Internet. Your business plan should have outlined why you think you have a viable business and who your customers are and how you intend to reach them.

If you are a new business you don't really have a customer base to analyze. One place you can look for help is trade magazines. Look for success stories of people in your industry and call them up. Ask them how they advertise and where? What promotions work? Who is their ideal customer?

Let's look at some advertising basics and how they work and don't work.

The “Fab Four” of advertising

Advertising was originally designed to accomplish four things:

1. To provide information about your company to your customers.
2. To create an image of the company for your customers.
3. To provide sales leads to the company or sales force.
4. And most important of all...to sell.

Advertising is usually sold at a "cost per thousand" readers/listeners that the advertising reaches. I prefer to buy advertising at a "cost per customer." If I spend \$50.00 on an ad and it produces three customers who spend \$10.00 each, what happened? I just lost \$20.00. My advertising stops being an investment, and becomes an expense.

Track your ads to save money. Where are people coming from? How did they find you? What made them find you?

As I go through each of the four types of ads the question to keep in mind is, "What do I want my advertising to accomplish?"

Let's look at each one of the "Fab Four" and the mistakes most businesses make when they take on the job of in-house advertising manager.

Information Advertising

This is the most common type of advertising and the most often abused. Companies buy ad space and

fill it with, “me”, “me”, “me.” The customer isn't interested in you. The customer is interested in what benefits them. (More on this in: “Why Customers Buy” in Chapter 3) There is nothing wrong with showing off your company in a positive light. Just be sure you are talking with the customer's needs in mind.

Image Advertising

This is another passive form of advertising. There is nothing wrong with keeping your name in front of potential customers or creating an image. Most common mistake here is a big headline, too much text and no room left to display the logo, company name, phone or web site at a readable size. The message overpowers the purpose. If you are really out to build a name, run several small ads with just the logo or company name and the phone. Put as many as you can in sections you know your target market reads.

Lead Generation Ads

Many companies produce an image ad or an information ad and expect it to act as a lead generation ad. In most cases, they are very disappointed. What's usually missing? A ***“Call To Action.”*** Something that motivates the customer to act. Make a call, return a coupon, enter a contest, get valuable information, visit the web site or physically come to the store. Make them act now! Fear of loss is more powerful than expectation of gain.

Ads That Sell

This is where copywriters really earn their keep with big companies. You and I are not big companies. Writing ads that sell is an art. Can you write one? Sure you can — and how to do that will be covered later in the book.

What's missing from most ads? The company never asks for the order. The biggest single reason people don't buy is because no one asks them. I know that sounds ridiculous but it's true. Make sure your ad asks the customer to take action and buy your product.

Even after 30 years of placing ads I still cross my fingers and look to the heavens for guidance. But one thing I have learned over the years is that when ads do fail it is usually because I made a mistake. Here's what I look for now:

1. An ad will never work if it doesn't grab the attention of the reader. The headline must do it's job by making the reader stop and consider the ad.
2. An ad will never work if the message doesn't hold the attention of the reader that the headline worked so hard to attract. There must be benefits to the reader or they will move on.
3. An ad will never work if it doesn't ask the reader to act. Successful ads must cause an emotional reaction. Make a call. Return a card. Bring in a coupon. There must be a call to action.

What this chapter means to you

In order to make your advertising pay for itself, you must know your objectives. What do you want your advertising to accomplish? Design ads that match your company objectives. Ads should produce customers.

Track your advertising. Ask every customer how they found you. Keep track of where customers live, how much they spend, what products they buy, how often they buy and most important...why they don't buy. Follow up and ask them.

Section One:

Small Town Advertising 101

Chapter 2: How To Find Your Target Market

Have you ever been to a sold-out baseball game? Look at the whole stadium. There are three kinds of fans: 1.) Home team, 2.) Visiting Team, 3.) People who could care less which team wins. Within the home team fans are: 1.) Fanatics, 2.) Rabid, 3.) Fair weather fans and probably a couple of more.

The point is, that in that stadium we can, by observation, identify some of those fans. Can't we? They wear the team colors, they cheer when the team does something good. If we are selling a product related to the home team these people are our (target market) customers. They are most likely to buy our product.

Study The Available Groups: Not every group is your target customer. Study their ages, education, household income, occupation, TV shows they watch, children and so on. What do they want or expect from your business? Where and what do they buy now? Why do they buy that? Reduce each

group to a basic customer type that would have a need for your product.

Create Groups That Match Up To You : Each group of your potential customers will be composed of people having common characteristics of some kind. Age, income, education, etc.

What's the competition up to? Are your competitors successful in the marketplace? If so, Why? You must know what works in your market. Keep track of their ads. What ads and promotions do they run over and over? How do these promotions relate to your customers groups? You need to “steal” market share from your competitors.

Sort the market: Your primary market should be people you can reach easiest and cheapest with the greatest expectation of ROI (Return on Investment). Don't waste your time and energy on those who “might” buy from you if conditions are exactly right. Identify your best market and go after it. Secondary markets can be courted later as your budget permits.

Look at your top markets: Take the top markets and do an in-depth analysis of each. What are the common characteristics we talked about above? Who do they think is the top business in your field? The more you know about each, the easier it will be to create a plan to reach them.

What Works?: “How did you hear about us?” works wonders in finding out what specific message

brought the customer in. Studies show if people hear about your business four or more times they perceive you to be a creditable business. Find out what advertising is working for you and build on it.

Test, Test, Test: Any successful marketer will tell you that testing is a necessary evil of business. Make an offer and record the results. Make an offer; compare the results to the first offer and so on. (See Chapter 11: “How To Test Your Advertising”)

Make sure you can do what you say you can do: How many customers must you see to make a sale? Face to face, on the phone, by mail, or storefront. Can you deliver customer service to that number of people? If I sell fifty books a day on my web site that means I have to process 50 orders a day. That's pretty easy. An hour's work. If I sell 500 or 5000, then what? I need a few more computers, more employees to answer the email and process all the orders and a shipping department. . Are you ready if your business becomes that good?

Choose Markets Carefully: It's not how many markets you can identify and open — it's how many you can profitably market to and service. Markets are always going to be evolving. With the web, who knows where we're going and how fast and what it will cost. Keep on top of what's happening in your marketplace.

Once you've identified your target market the next step is trying to understand why they buy.

Section One: Small Town Advertising 101

Chapter 3: Understanding Why Customers Buy

Several years ago the Frito-Lay Company released some research findings that revealed some surprising facts. Customers could detect differences in potato chip thickness of .008 inch. (That's 8 thousands of an inch) So why is that important? Their customers rejected the chips if they weren't of the proper thickness. They also know that customers prefer a chip that breaks under approximately four pounds of pressure per square inch.

The psychology of the buyer

"The human being is a wanting animal and rarely reaches a state of complete satisfaction except for a short time. As one desire is satisfied, another pops up to take its place. When this is satisfied, still another comes into the foreground and so on. It is a characteristic of human beings throughout their whole lives that they are practically always desiring something."

Psychologist - Abraham H. Maslow, *Motivation and Personality*, 3rd.Ed., New York Harper & Row, 1970, pg. 7

What do buyers want?

Answer that correctly and you can step directly into Bill Gates league. Since the beginning of time sellers have agonized over this question. Here are a few of the most popular things buyers are looking for:

Security - Monetary gain, freedom from financial worry.

Self-Preservation - Safety and health-for-self and family.

Convenience - Comfort, more desirable use of time.

Avoidance of Worry - Ease of mind, confidence.

Recognition From Others - Social status, respect ability, the wish to be admired.

Self-Improvement - Spiritual development, hunger for knowledge, intellectual stimulation.

If your product or service can provide one or more of the above for a customer, chances are you will make a sale.

Notice anything about the above list? How many of the six items listed are based on emotion and how many are based on logic? If you answered all six are based on emotion, you would be correct. Everyone of the above items, except for self-preservation, is not a genuine need but something to make us FEEL more comfortable.

The more different we are the more we are the same.

The most amazing thing about small town marketing.com, my web site, is the amount of traffic I receive from countries around the world. The site has received visitors from 105 countries and the list has been steadily increasing.

Each country has its religious beliefs, culture and traditions, but when it comes down to commerce, the exchange of goods and services for something of value, seems to be the same the world over.

In my guest book (Number #18 on my web site) is a Bulgarian business owner that visits this site for the free articles that, he feels, help his business. I am sorry to admit that I am ignorant of the cultures, traditions and history of Bulgaria, but I am pleased to find that many business practices are the same no matter the country. This means that increased commerce between countries could make wars unprofitable. Many people would not want to shoot potential customers from the other army.

Self-Image: The window to the wallet

Each of us has three self-images:

The real us - This is how we present ourselves to us, almost no one see this image in its full state,

How we would like to be - The “in an ideal world”, I'd be thinner, taller, better looking, etc.

How we believe others see us - Perhaps a more correct way of saying this is, "It's only a matter of time until they find out I'm not qualified for this job."

Does it seem possible that our self-image might affect our buying decisions? Of course. A large part of the world economy is based on image. Clothing, cosmetics, health and fitness just to name a few.

A large portion of families in the United States work more than one job. Both husband and wife work. Not because they want to, but because they have to if they don't want to give up two cars, vacations, nice clothes and all the trappings of the American dream. Buyers don't look at reality when making a decision.

Does that sound like a strange statement? We are not driven by reality but rather our own perception of reality. It's true and let me try and prove it to you.

The Coke Test

In the 1980's Coke changed its formula to be sweeter to compete with Pepsi. Coke had changed the formula several times before. The problem was they told us about it this time. Coke received 12,000 calls per day from pleading customers to save the Coke they've grown to love. Did Coke give up the cause? No. They did something even dumber than telling us they changed the formula. They decided they would prove to us WE were wrong. The new Coke was better tasting.

They held taste tests around the country. Almost 250,000 people took part. One percent of the total US population tried New Coke. And what did the taste tests show?

1. New Coke

2. Pepsi

3. Old Coke

The tests showed that we loved New Coke. New Coke beat out both old Coke and Pepsi. No Contest! The management of Coke was ecstatic. They had made the right decision after all. Then the sales figures came in. And what did they show?

1. Old Coke

2. Pepsi

3. New Coke

Even though we knew it tasted better, and proved it to ourselves, we would not admit it was better. New Coke was a dismal failure. You know the rest of the story. They tried to keep both on the market for a short time and New Coke died a natural death. Killed, not by reality, but by our perception of reality. Bury it next to the McDLT, The Arch Deluxe and hot aerosol shaving cream. (Ref: "Secret Formula" by Fredrick Allen @1994 ISBN #0887307515 - pgs. 388-425)

The decision making process

So, how do customers make buying decisions?
CEO's of major Fortune 500 companies would like

you to believe that customers identify their problem, seek out product information, weigh the advantages and disadvantages, and select the best product that meets their needs for the price requested. Ain't logic great? Or they buy the box with the bright colors. Or a slogan they like or because of the spokesperson.

As I write this chapter, I have Lynyrd Skynyrd's Greatest Hits playing in my computer. Am I a big fan? Do I love this entire CD? No. I bought it because it has two songs on it that I do like. Two of 13 songs. Was that logical? Two songs for \$12.95 and eleven free? Now that's logical... I like it. I feel better.

Several years ago I bought a Kawasaki motorcycle because I read in Sports Illustrated® that Dick Butkis (pro football linebacker for the Chicago Bears) had one. I didn't even consider another brand. Another logical decision? Did I fit the CEO profile outlined above?

Is there some way that we can find what customers really want or need?

How to find what your customers really want or need?

Wouldn't it be great to have a crystal ball we could look at and see into the minds of our customers? Every need and desire of every customer would be neatly laid out for us to address. We could instantly fulfill every customers wishes time after time. Our customer service would become the stuff of legend.

So, is there such a crystal ball for the small business person? Let's find out...

Consider The Source

A few years ago I worked as a sales rep for a movie distributor in Los Angeles. I called on small, neighborhood video store owners and sold them video movies. These stores would be within a mile of each other, or in some cases, right across the street. I would go into one store and all they wanted was the latest comedies. "My customers just want comedies". "They won't rent that other stuff". I would go across the street and, "Give me action-adventure movies". "I couldn't give away a comedy in this store". Why the difference in customer preference in just a few hundred feet?

The difference wasn't in the customers of the stores, it was the owners of the stores. The comedy store owner loved comedies and recommended them to all his customers. The action-adventure owner did the same. The customers who liked each, over time, became regulars at the store that fit their preference. The store owners literally created their own target markets.

The question is, Can this type of promotion work in other types of businesses? Consider the following:

What's Your Opinion Worth?

If you aren't typical of your target market, it doesn't really matter what you think. Just because you aren't the target market doesn't mean a market does not

exist. I have never purchased a Michael Jackson or Madonna CD. Should they stop singing and get out of the music business? No. Could I sell their records to customers even though I'm not a fan? You bet I could.

The first message of this portion of the chapter is: Don't start believing every customer thinks like you do. They may have totally different opinions and/or tastes regarding your products and services. They may want your product but they may need to receive that message in an entirely different way than you would. Simply because we are all different and are affected by different influences.

Learn From The Mistakes Of The Big Guys.

Xerox is a fairly large company. Inventor of the laser printer, the computer monitor, the computer mouse and icons on the screen. When Steve Jobs (co-founder of Apple Computer) visited the company he came away with an idea for a new computer...the Macintosh.

The Mac got off to a great start. In fact, the 1984 Super Bowl TV commercial announcing the Mac, is considered by most advertising experts as the greatest commercial ever made and it only appeared once. Apple started to grow, went public, and threw Steve Jobs out.

John Sculley, formerly of Pepsi, took over. Against the advice of one of his major software suppliers, he

decided that Apple would not license its operating system as IBM had done. The result? Sales of Macintosh started to decline over the next few years because IBM clones were everywhere and available for less money.

Sculley had failed to notice an important lesson a few years before. The battle between JVC, the inventor of the VHS videocassette recorder system and Sony, champion of the beta format. What is the similarity you ask?

Virtually every expert agreed that beta was the better of the two systems. Yet over a very few years the VHS format dominated the home video market. Why? Because JVC chose to licence it's products to RCA, Panasonic, Quasar, Phillips, Fisher, Hitachi and General Electric, just to name a few. Sony kept beta to itself, positive that the superior system would win out.

But what Sony discovered was that they were outnumbered in the marketplace ten to one. In addition, VHS offered the emotional benefits people wanted. Eight hours of recording time instead of just two. Twenty-four hour recording capability with VHS rather than twelve for the beta. People who bought beta found most of their friends and neighbors owned VHS rather than beta. Eventually Sony tried to licence the Beta system but it was just too late. So let's get back to Apple.

1998, Sculley is gone Steve Jobs is back, the operating system is being licensed and Apple has shown a

profit for four straight quarters. Sixty percent of all web pages are created on the Mac as are virtually every newspaper and magazine in the United States.

Oh, the software supplier who suggested that John Sculley license the Mac operating system back in 1986?...Bill Gates. Luckily for Bill that didn't happen or there would be no need for Windows. It was invented in 1986 by Jobs.

Become a student of business in general and use the mistakes of others to your advantage.

Learn About Customer Needs From The Inside Out

Who is more in touch with your customers than the people who deal with them one-on-one, day in and day out? Start your customer research within the company.

Problem: Management is often thin-skinned about negative feedback. Employees are sometimes reluctant to bring problems to managements attention because they feel they may be blamed for mishandling the customer or situation.

Solution: Create an environment where complaints are taken as a “suggestion for overall company improvement” not for casting a “finger of blame”. Talk to your employees in groups of two or more and ask some of the following:

1. What are the two complaints you hear most often from our customers?

2. What are the two positives you hear most often from our customers?
3. From the customers point of view, what is the single worst thing about our company?
4. From the customers point of view, what is the single best thing about our company?
5. What policies would you change that would keep customers from going to our competitors?
6. What polices would you change that would make us more customer friendly?
7. What would it take to get a customer to refer others to us?

Next, put employees and key customers together and ask the customers the same questions. Are the answers the same? In most cases they won't be. This exercise can be a real eye-opener to both employees and customers.

Conduct Exit Polls

This doesn't mean did you vote Republican or Democrat. When I worked with Circuit City, the largest electronics retailer in the U.S., we always did exit polls of customers.

Some of the questions we wanted to know were;

1. What brought you to the store today?
2. Did you find what you were looking for?

3. Did someone greet you and offer to help?
4. Was the person knowledgeable and friendly?
5. Was the product selection adequate?
6. Did you make a purchase?

You get the idea.

This is the ideal place to find unhappy customers. Unhappy customers, if asked, will provide chapter and verse of their unpleasant experience. Let them talk and learn and improve from the experience.

How do your customers compare you to your competition?

Problem: Customers who have never been in your business before will compare you to your competition. Customers will have preconceived notions about your industry. They not only look at your industry, but they also compare you with unrelated businesses. They may compare a carpet store service with a restaurant's service. I know that doesn't make sense but we are creatures of emotion not logic.

Solution: Learn the art of listening to customers. I know you think you do but most people prepare what they are going to say next rather than listen to what the customer is saying. Also, make sure you know what things you are listening for. Customers have an indirect way of telling you if they had a bad experience someplace else.

How to get customers to talk to you.

Ever try to carry on a conversation with someone who speaks a language you don't speak? You draw pictures, do charades, sign language and hope that somehow the message is getting through. What a relief when an interpreter shows up.

Sometimes we feel we need an interpreter to communicate with some customers even with a common language. There are people who have a hard time describing what they are looking for or explaining their problem to us.

When talking to your customer, please don't complicate the problem by using "industry language" . Industry language is a word, acronym or phrase that is peculiar only to your business or industry. You use them day after day. They become second nature to you. Remember how strange they sounded when you had to learn them.

Xerox is great at this stuff. Instead of "single-sided" or "double-sided" copies, they use "simplex" and "duplex." A stapler is a "finisher." Paper weights are "throughput." Would you like an "interposer", "foreign interface", "heat-duct kit", or "printer enablement kit" on your copier? Even Xerox people don't know what half that stuff is. So, how can the customer be expected to understand these strange terms?

Talk as though you were explaining to your grandmother. Each time you make a presentation or show

a product, it should be like the very first time. *Keep It Simple.*

Make sure you are reaching the customer by asking open-ended questions from time to time. Don't say, "Do you understand?" Instead, "Bob, how would you use this feature at your house?" Be quiet and listen.

If there is one message in this chapter to take with you, it is to communicate with your customers as often as you can. Use customer focus groups, customer advisory boards and exit polls. Use a shopping service to shop you or your competitors. Make it easy to complain or compliment your company and its people. Train employees in the phrases to listen for to head off problems. Empower employees to solve customer complaints quickly.

If all else fails, Smile.

What this chapter means to you

The point is, no one really knows how the customer decides. Some may be logical. Some are emotional. You have to ask. Why did you purchase this product? Communicate with customers and get feedback. Follow-up after the purchase and sow the seeds for future sales. The better you understand your customers, and why they buy, the better your advertising message will communicate to them.

You will be speaking the customers language and they will reward you with sales and profit.

Section One: Small Town Advertising 101

Chapter 4: What Makes A Great Ad?

Now that we have a better understanding of why customers buy and what they are looking for we can more easily understand what goes into the makeup of a great ad. In my opinion, after you read this and the previous chapter, you will probably know more than most ad reps that will be trying to help you.

Is that a slam of ad reps? No, it's simply a fact of life that selling advertising is a tough job with a long learning curve and a high turn over of personnel.

So before you sit down with your advertising rep it is very important that you understand the combination of what makes customers buy and what makes a great ad go together so you can create a message that will bring in customers and make your business profitable.

So what are the components of a good ad? What really attracts customers attention? The product or service is certainly part of the attraction, but how exactly does that happen?

Great Ads Don't Just Happen

Here are some suggestions on what makes a great ad from John McWade of PageLab, a commercial design firm, in Sacramento, CA. Visit his web site at: www.pagelab.com.

1. Surprise The Customer. Can you state an ordinary message in an unusual way? Not comedy necessarily, but differently. Magicians use “misdirection” to accomplish magic tricks. They have us looking in one spot and they are doing something else in the other spot. Commercials done this way are the ones we talk about at work the next day.

2. Keep It Simple. Don't let the design or the presentation of the ad overpower the message. The whole purpose of any ad is to get your message to your customer in the simplest way possible. The idea is the most important part of the ad. Don't make the customer work to find it.

3. Get Your Customer Involved. Shock me, make me mad, make me happy, make me cry — but don't bore me and leave me cold. Remember our emotion discussion from the previous chapter? Your customer needs to have a reaction to your advertising.

4. Create Curiosity. Isn't the real purpose of an ad to make me want more information? How can you grab your customers attention and hold it? How will your ad make that customer seek out more info about you and your business or service?

5. Great Ads Have A Call To Action. They create a need in the customers mind. They demand a response to the ad. They are like an unanswered question that must be resolved.

6. A Great Ad Makes You Draw Your Own Conclusion. Isn't the strongest conclusion the one we draw ourselves? An ad that brings your customer to a conclusion is a powerful ad. It makes the customer think and then act.

7. The Headline And The Image Work Together To Tell The Story. The headline should never tell you what is in the picture. Only what you don't see. A picture of someone using your vacuum cleaner sees clean carpets, ease of use, time savings. The headline and picture together create the story that make a customer act.

8. Great Ads Never Brag. Yellowstone Harley-Davidson® in Belgrade, Montana, population 3,000-4,000, used to have a billboard on the edge of town proclaiming, "The largest Harley-Davidson® dealer in Belgrade!" They are not only the largest, and only dealer in Belgrade, they are the only dealer in over a hundred miles. Just a fact, not a brag. To this day I can't understand why they took that billboard down.

9. They Are Always Well Executed. They have good design that doesn't overpower the message. The message should never get lost in the design. They have sharp photos, good typefaces, etc.

10. And most important of all — Great Ads Sell.

Isn't this the whole reason for having an ad in the first place? An ad can look great and still not sell anything. In advertising, what you say is as important as how you say it. What good is an ad that wins award after award if it doesn't sell? Ask for the order.

How To Write A Successful Ad That Sells

A large segment of the world's population watched the Super Bowl last January. Studies show that many people tuned in just to watch the commercials, not the game. *The Today Show*, the following Monday, featured a person who actually rates the commercials as to which were the best.

There is little danger that you and I as small business owners are going to do Super Bowl advertising any time soon. But we can learn from the Super Bowl exercise by learning some techniques that will work for small town businesses.

What Goes Into Designing A Great Ad That Sells?

Great ads do variety of things. They inform, they educate, but most of all they make us react somehow. And most important of all...they SELL. What good is an ad that wins a wall full of awards but doesn't increase business? In my opinion, not much.

Great ads don't always feature the product. Do the frogs in the Budweiser® ads make you want to run

out and buy beer? Nike's message isn't, "Buy shoes", it's "Just do it!" They suggest that people who have done it wear Nike® shoes when they do it.

The Steps To Writing Great Ads

You don't just sit down at a table and write a great ad. Just like anything else worthwhile, it's a step-by-step process. Here's where to start.

Assemble the facts and fallacies about your business. What types of headlines and ads are your competitors running? What sets you apart from the competition? What special skills, services do you offer? What are your weaknesses? Do a business resume as outlined in Chapter Two of ***How To Market, Advertise and Promote Your Business Or Service In A Small Town.*** (If you don't have the book the first two chapters are free on my web site at: www.smalltownmarketing.com). Write a list of everything you can think of about your business and services a customer should know.

Organize the information. Your first instinct may be to throw your hands up in frustration at the amount of information you have to put in the available ad space. Look at all the information, what's really important? What is profitable? Why should someone buy your product or service? Don't worry, it'll all come together later, I promise. What you are really doing is reacquainting your subconscious mind with the facts it will use to create your ad.

Do Some Trial Runs.

Try to think like your customer. What are they looking for? What needs do they have you can fill? Experiment with a couple of headlines. Would these attract your customers? Do the headlines create interest? Combine a headline and a visual. Do they work together? What's the best way to present your product? Perhaps you need a copy-only ad. This part may also be frustrating, but hang in there. Just keep experimenting.

Take A Break.

Forget this ad creating stuff entirely. Go play golf, watch a movie, read a book or play with the kids. Don't think about this ad. While you are relaxing your subconscious is working on the problem. It is trying every conceivable combination of headlines, pictures, copy and message. When it finds the correct combination, you will suddenly be hit with a bolt of inspiration. The idea for the ad. You are a genius. Pat yourself on the back. This is the process for all great ideas.

Tweak It, but not too much. Remember, you are just hit with inspiration you still have to put it all together. Pick a friend or relative or your best customer and pretend you are talking just to them when you write your copy. Don't drive yourself crazy trying to get it absolutely perfect. There is no perfect ad. Anyone who creates them always wishes they had done one more little adjustment. Getting it

out and working is the most important part. All your advertising is going to evolve over time.

Good News! It gets easier. That's right, the more you do it the easier it gets. Over time you will develop a sense for what works in advertising and what doesn't. You will find yourself paying more attention to your customers and their comments and suggestions. You will start to hear phrases that would make good headlines. Be patient. You must learn to crawl before you can walk.

What this chapter means to you

Keep in mind how important advertising really is. You are speaking directly to customers. How important is that? Do you have friends that started out as customers? This is a very important function of your business. Many people reduce it strictly to dollars and cents.

I won't argue the point that cost is an important factor. However, don't lose site of the fact that small town advertising should not be to the masses. It is a one-on-one conversation with friends in your hometown or neighborhood. I seem to notice that the larger the company, the less the one-on-one message.

Learn from the big guys but don't fall into the trap of using an impersonal product or service message. Remember, you are talking to your neighbors even if they're all over the world.

Section One:

Small Town Advertising 101

Chapter 5: How To Develop A Successful Ad Campaign

In case you missed it the single key word in the above title is "successful." It's no problem to develop an advertising program for any business. Anyone can do it. What separates success from failure is doing it correctly. That's what we want to explore in this chapter.

In the previous two chapters you learned what makes great ads and why customers buy. Now we are ready to look at creating a successful ad program. Here's how to put what you learned to work.

One of the major problems most small businesses encounter is that advertising often takes some time to work and we live in a world of "instant gratification". You are entirely too impatient to wait for the advertising seeds to grow paying customers. You want to plant the seeds in the morning and have a full crop by mid-afternoon. That rarely happens in business. Customers need time and exposure to your business before making the decision to do business with you.

The other part of the advertising time equation is that your competitors are also attempting to reach your customers with their message. Some are going to decide to shop there instead of with you based on their competitive advertising message.

Others may not need your product today but are planning on it down the road. They may begin looking at ads far in advance of their actual purchase. If you aren't there they are going to miss your message. A consistent advertising message must be available to your customers.

Begin by reviewing the basics

The basic essentials of marketing and advertising are defining your products or services and matching them up with customers who will benefit by using those products or services. These customers are generally referred to as your “target market.” The people most likely to buy your product because they fit a profile of your ideal customer.

To begin, make a list of every product and service you offer. If you own a hardware store you don't need to list every nut and bolt. Use category listings if individual products are too numerous to list. Next, what are the benefits of each product or category? The benefits should suggest a type of person or persons who should like this product. What is their age group? Male or female? Education? Income? Life-style? Your product benefits should appeal to some of these groups.

Next try to construct a profile of your ideal customer for each product.

Capitalize on who and what you are

Here is another advantage small town businesses have over their big city counterparts. That advantage is that people get to know you. You can probably call most people who come into your business by name. You know them and they know you. When customers are comparing identical products the decision of where to purchase often comes down to the person they feel most comfortable dealing with.

To take further advantage of this, take a page from some of the bigger advertisers. Dave Thomas of Wendy's® Fast Food Hamburgers seemed like a plain ordinary guy just like us in his commercials. McDonalds® couldn't do the same thing with owner Joan Krock.

Often the “personality” of your business is one of its strongest assets. Use it to the fullest.

Next, I'll explore some of the most important essentials of a successful advertising program.

Go to school

No, I don't mean go down to the local college and get a marketing degree. What I mean is become a student of your business or industry by observing the things that come across your desk on a daily basis. For example, start a “swipe file”. This is a file of advertising ideas that you like. They can be for

any type of business. If you like the layout, or the typefaces, the colors, type of paper, specific wording or whatever; save it in your swipe file. When the time comes to construct your advertising message pull these out and use the best of what you've been saving.

In addition, collect all advertising you can that is done by your competitors so you'll always know what they're up to.

Stress the “bennies”.

Here is the other statement you are probably sick of hearing over and over. “When logic and emotion come into conflict, emotion always wins”. We buy based on emotion — then create a logical argument to support our decision. If you don't believe that's true go down to the local grocery store and find the "mouse flavored" cat food. Isn't that logical that cat food should be made out of raw mouse? Or birds? Logical yes. But most people who do the shopping would be repulsed by handling it.

Benefits sell products and services. (See: “Understanding Why Customers Buy”) People don't buy 1/4" drill bits to own them and display them over the fireplace. They buy them because they want a 1/4" hole. They want the benefit of the drill bit. Find and stress your benefits in all your advertising.

Use the pros if you can

Most small towns don't have advertising or marketing agencies; and many small town business owners

couldn't afford the services even if they were available. But if you fall into the category of those who can then give them all the ammunition you can for them to work with. They know the advertising and marketing game better than you do. You know your business better than they do. It's a give and take exchange of information. The more help you can give them about the benefits of your products and services the better they can design a campaign that will be successful.

You must test but not everything

The real expense of advertising comes in finding out what works and what doesn't. Sometimes this takes a series of ads over a period of time with different offers to different target markets. This expense makes the identification of your target market crucial. You must keep testing to a minimum so your costs don't get out of control.

The larger your market is the more mainstream media you can advertise in. For example if you are in a rural area and sell farm machinery; why advertise in the city newspaper that reaches the entire town who are not your customers? Direct mail or farm machinery magazines might be less expensive and more effective.

Never advertise anywhere unless you have a reasonable expectation that your target market will see it. If they don't it's not a test, it's just a waste of capital.

Build your business on satisfied customers

Some of the very best advertising you can ever hope to get is word-of-mouth advertising. This is one satisfied customer telling a friend or relative how good your business is. When you have a satisfied customer, ask them for the name of someone else that might benefit in the same way they did from your products or services. Your current customers are the most powerful advertising tool you have. Use them to the fullest.

What belongs in your ads

Most ads are composed of the same basic parts. First; the headline — this is designed to attract the attention of the reader and hopefully suggest they read further. Second; a subhead — usually a reinforcement of the headline further defining the information to come and stressing the benefits to the customer. Third; the copy or body of the ad. This is the meat and potatoes of the ad. Benefits, Benefits, Benefits. Don't overdo this part by being too wordy. This part should also have a "call to action" for the customer. Make a phone call, come down to the storefront, bring in a coupon. Something that will cause the customer to make contact with you.

You must be able to track your advertising

How can you possibly know if your advertising is successful unless you have some method of tracking

the number of people it brings into your business? You must be able to track or “key” where the advertising was placed. For example: a newspaper coupon might have the initials of the paper and the date as a small code in one of the corners of the coupon. A Bozeman Daily Chronicle ad running the first week in August 2000 might be BC 8/1/00. The Billings Gazette during the same time period might be BG 8/1/00. The code would be the “key”.

If it’s not a print ad, how do you track it? Have them call a specific number. Ask for a specific person. Ask for free information. “I’m calling to have you send me your free report on Montana Real Estate Law.” Always ask each and every customer how they found you. If they come in with an ad for a product make a note of it.

If you can cross reference your invoices with your advertising “keys” you can tell how much in real revenue your advertising is really producing. Then you will have a base reference for the “cost of advertising to produce a customer”.

Once you have established that cost you can refine the ads to produce more revenue and you’ll have a comparison to evaluate it against. Each time the business revenue grows the cost per customer should drop slightly. Why? Because, by testing and refining your ads, you are reaching more of your target market with less advertising because you are doing all your advertising in the right places with the right offer. Fewer ads in the right places will

produce more customers than a lot of ads in the wrong places.

With proper tracking you will know very quickly if that coupon is being returned, or the phone is ringing. With that information you can refine the ads and the message in the correct media to produce a higher return.

What this chapter means to you

Advertising can truly make or break a business. It's money going out with an expectation of return. When it goes to the wrong place there is no return -- it's an expense. But when it is in the right place then it becomes an investment. And just like a strong stock it makes more than it costs.

In review, it all boils down to three important points.

1. Define your target market and how to reach them; and ...
2. Know your product benefits and promote them in your ads;
3. Know how to track and evaluate your advertising.

Developing a successful advertising program is not always easy but it can be done. Do your homework and learn about your products and customers and your chances of success will be much higher.

Section One: Small Town Advertising 101

Chapter 6: How To Create Your Ad Plan

As I have said many times, the focus of the Small Town Success Series of books is to help the business owner (including home based businesses) in small towns and/or small markets do their own marketing and advertising. As much as the so-called “marketing experts” would like to disagree with me, you and I both know that operating a business in a small town or small market is nothing like a large city. Take away their multimillion dollar advertising budget and many Fortune 500 CEO's would have a hard time creating an ad campaign for the average small business.

Start by knowing what advertising is

This is going to sound like a broken record to some of you who have read every page so far, but advertising has to be an investment, not an expense. It must produce more business revenue than it costs. Advertising can never be an expense.

Does advertising work immediately? Not always. Studies show that your customers must see your ad

at least 9 times before they consider you a credible business. And, since they miss every third ad, you must run 27 ads in order for them to be exposed to the 9. Depending on the size of your town and the media available, you may be able to get by with less. Use it as a rule of thumb until you know for sure.

Also, keep in mind that you are not as interested in the “cost per thousand” that advertising costs as you are in the “cost per customer” it produces in revenue. You don’t want an expense, you want an investment.

You want to create a plan that is tailored to your business while at the same time tailoring it to your individual small town or market. There are a thousand things that make each small town different. What works great in one may fail miserably in another.

The Four Basic Advertising Questions

Begin developing your advertising plan by asking yourself the following four questions.

1. Why are you advertising? What do you expect your advertising to accomplish?
2. Who is your target market? Who are the customers most likely to buy your product or service?
3. What is your advertising message? Benefits, Benefits, Benefits.

4. Where and how often should you advertise?

By answering these four questions you will develop the direction your advertising may take. If you have a direction you can set the necessary goals to make your campaign a success. Let's deal with each question one at a time in greater detail.

Here is where you establish your advertising goals.

1. What do you want your advertising to accomplish?

For example, you might be a new business and you just need to get the word out. Or, you may want to attempt to “steal” customers from your competition. You may want your advertising to reinforce your business in the minds of current customers and retain their loyalty. And last but not least, you may want to promote a sale for immediate profits. You may want your advertising to do all of the above or even more that I haven't listed. The point is — before you can create any ad campaign you need to have a goal of what you want that advertising to accomplish.

Once you have your goals specified, prioritize them. Advertising works best when you develop these goals one at a time.

2. Who is your target market? Who are the customers most likely to buy your product or service?

Once again, advertising has major advantages in small towns. Advertising that is directed at everybody rarely succeeds. Great advertising is directed at one person. Pick your very best customer and tailor your message directly to that person. They should tell you, “When I heard your ad I thought you were talking directly to me.”

Who is your ideal customer? Where do they fit in the following categories?

1. Age, gender, income, address (good side of town vs. bad side of town)
2. Are they aware of your business? Your products? Your services? Are they loyal to you or your competitors?
3. Needs and desires. What specific benefits do they want that you provide? How can you fill their needs better than someone else?

3. What is your advertising message?

Here is where advertising in a small town becomes more complicated. If you are a new business you have some work ahead of you.

In small towns, if people don't know you, they are sometimes a little “skeptical” at first. It takes a little time for them to warm up to you.

If you are an established business, people in your town have formed a “perception” of who and what they think you are. Unlike big cities, people in small towns talk to each other. They will carry your message, right or wrong. If you want to make a change in your business, that may be tough. It’s not easy to change a mind that’s already made up.

Broken record time again. People do not buy products based on comparing the facts and making a logical decision. People buy products based on emotion and create a logical argument for that position.

If your advertising only presents the logical facts about your product with no emotional benefits your advertising will be an expense. (See Chapter 1 “Why Your Advertising Isn’t Working”)

4. Where and how often should you advertise?

Perhaps a better question would be, “Where should I *not* advertise?” The answer to that question is — Don’t advertise anywhere unless your target market is there. If you aren’t reaching your target market you are wasting your advertising dollars.

How often will be determined by the success of your ads and your budget. If your plan is done correctly, then advertising should pay for itself. It should produce more income than it costs.

If it is done incorrectly you won't be able to do it for long because it becomes an expense you won't be able to absorb for long.

What this chapter means to you.

As you can see, small town advertising is a little different animal. It's like an aquarium. The larger the aquarium (i.e. the large city), the more mistakes you can make and the fish survive. The smaller the aquarium the fewer mistakes it will tolerate and the fish die.

The other small town problem is testing marketing or advertising. In small towns your competitors are very aware of everything you do. They can react very quickly to any advertising or testing that you try.

The most important areas: Know your target market and customers, know your town and its idiosyncrasies, know your product and its benefits and know your local media and how to use it. No one said it would be easy, but armed with the knowledge of how to use advertising you can be very successful at a low cost.

Section One: Small Town Advertising 101

Chapter 7: How To Do Market Research In A Small Town or Small Market

Market Research: What is it?

First a quick definition of market research. Market research is gathering, recording and analyzing information about your products or business. Market research can be used to get information about pricing, customer service, delivery, new products and customer behavior and buying habits.

What will market research tell me?

1. Who current and potential customers are.
2. The demographics of your customers (age, income, education, etc.).
3. Your customers buying habits.
4. If your customers want your products or services.
5. If your pricing is in line with customer expectations and other markets.

6. How your advertising and promotions are working.

7. How customers see you as a business (your business image).

8. How you compare to your competition in the eyes of your customers.

How can I profit from market research?

If it is done correctly and accurately it can prevent costly mistakes. Done incorrectly, it can end your business. Let me show you two examples of how market research can make profits in one case or create losses and damage image in the other. I'll apologize in advance for using two large corporations as examples. I just use them for name recognition.

Example One: In the early 1960's Volkswagen was the leader in small car sales. Until that time most American automobiles had been "small tanks" with fins and lots of chrome. Ford's challenger to Volkswagen had been the Ford Falcon. Ford was concerned because Falcon sales had begun to decline. Ford could have assumed that customers just didn't want small American cars. Two other American manufacturers were experiencing the same kind of sales decline.

Ford turned to market research and found some surprising facts. While Falcon sales were on the

decline, young adults were requesting sport options such as bucket seats and special interiors. There was a marked increase in the sales of these options. So market research led a young Ford engineer to design and introduce, in 1965, ... the Ford Mustang. This car crushed all existing sales records up to that time. Who was that young engineer who headed up the Mustang project? Lee Iacocca.

Example Two: McDonalds. What would I do for bad marketing examples if it wasn't for these guys? Do any of the following ring a bell? The McLean burger, salad bar, McDLT, The Arch Deluxe? All were dismal failures. I can't begin to guess what types of market research they were using.

McDonalds market is kids...period! If the kids come so will their parents. They have spent the past 40 years establishing a kids market. Playgrounds out front. Disney movie promotions. Happy Meals with toys... the list goes on and on.

The last major success for this company was the Egg McMuffin breakfast sandwich and possibly the McRib in some areas. Compare McDonald's marketing to Wendy's. No playgrounds at Wendy's. No kids in Wendy's commercials (rarely anyway). Adult fare at low prices. Wendy's has successfully identified its' market (through market research) and is successfully capitalizing on it.

Where do I start?

First determine what you want to find out from your research. Here are three areas to consider:

Internal research - Information available from within your company about your company.

External research - Information available from outside your company. What your competitors are doing. Changes in your industry that may require company changes. Trade magazines and industry associations.

New or Primary Research - If there is no comparable information available and you start from scratch. This is what I did with my book, *“How To Market, Advertise and Promote Your Business Or Service In A Small Town”*. There were no other books on small town marketing available anywhere that I could find. So I had to do my research from scratch.

What is the small town marketing research process?

Here are the types of things you must know to do effective market research.

What is the problem? You must define what your problem is. This is the most important step of the process. Poor customer traffic? Poor sales? High cost of sales? Too much competition?

Is research the answer? Is the answer to the problem in the internal or external information? Is free information already available? Have studies of this problem already been done by trade magazines or industry associations? Can you adapt them to your business? Do you need to start from scratch?

What are the objectives of the research? You may have one objective (Who is my target market?) or several objectives (How do customers perceive each of my products?).

What kind of data do you need? Customers age, income, buying habits? Or, where do customers come from, what advertising is working? You must define what you are looking for.

Next, design a sample of questions that will gather the information in a controlled way. Each person must be asked the same questions under the same conditions in the same way for the test to be accurate.

Here are three ways to gather information:

Mail Survey: Expect an average of 15% return depending on what kind of incentive there is to do the survey. In a small town give a discount if they return the survey in person to your business. You can pick up extra information. Keep it short for higher response. Always include a postage paid return envelope. Mail is poor at gathering specifics about your business and finding reasons why people

do what they do. Lowest return but least expensive in a small market.

Telephone Survey: Expect about 70% (keep calling until you get it) A hundred phone calls equals about 1,000 mailings. Better control of the questioning and more detailed collection of information. Next lowest in cost.

Personal interview: Expect about 80%. Advantages — longer survey and more detailed questions. You can show the product or service. Customers can sample the product. Products can be compared to competition. This is the best method for finding why customers do what they do. **Disadvantages** — Most expensive unless you do it yourself. Where can you ask the questions to insure an unbiased “across the board” control group?

What are some low-cost market research techniques I can do myself?

Here are a couple of things you can do to find out about your customer base.

Check license plates in your parking lot: Here in Montana, the numbering on license plates tell what county the car is from.

Telephone numbers: Gather numbers from checks, credit card slips and delivery information. Phone prefixes will tell cities and sometimes geographic areas of your customers.

Key your ads and coupons: Check the effectiveness of your advertising by using a key in the ad to tell you where the customer saw it. For example: The ad might say, “Ask for Joe”. This would mean it came from the newspaper. “Ask for Jim” would mean a magazine. “Ask for Jerry”, would be radio.

Communication is always the key in good research.

Communicate with customers. Every customer and every phone call should get a “How did you find us?” Use “small talk” to gather information. Instead of “May I help you?” which invites a robotic “no” answer. Instead ask “open-ended” questions that can't be answered with just a simple yes or no. “What product(s) may I direct you to?”

Section One: Small Town Advertising 101

Chapter 8: How To Choose The Right Advertising Media For Your Business Or Service

Advertising is by far the most difficult and most costly part of any business operation. But if you've gone through the previous chapters the puzzle pieces should be starting to fall into place.

If you've correctly identified your target market, then the next logical step is to advertise in the correct media where they will find you.

What forms of advertising are available?

There are many differences between advertising options in small towns as opposed to large cities. Your small town may not have a newspaper, TV station or even radio. So your options to choose the media of advertising that will reach your target market may be limited in many respects because it has to come from outside sources. Become a student of your local advertising. Start listening to radio

stations you don't normally listen to. Who is advertising there and why do you suppose? Small towns are going to have certain restrictions big cities aren't but you still have some advantages.

Here are some amazing facts. In America today there are:

- Six major television networks
- Over 12,000 magazines
- 15,000 newsletters
- 2,000 newspapers
- 6,000 radio stations
- Over 7,000 cable systems
- Your fax machine receives 10 ads a week
- 5,000 prime web sites (Fortune 500 & others) and millions more being added each day.
- If you aren't already, you will be receiving about 100-120 advertising emails each week.
- Your dinner will be interrupted at least twice a week by a telemarketer.
- And, the average American will receive about 3 pieces of “junk mail” every day of the year.

With all of the above sources the average person receives about 3-5,000 advertising messages per day. That translates into about \$3,500 for every man, woman and child each and every day.

As you can see, even though the various medias may not be available to you locally your customers are still receiving advertising messages from all sorts of competing products and services. All you have to do is find a way to make yours stand out from all the rest.

What to know before you buy

To determine the right media to purchase there are a few questions you need to ask yourself:

What is your true message? — What exactly do you want customers to know and how is your advertising going to make them react? Is your advertising designed to promote your business name or is it designed to bring customers to your place of business? Remember point two in the first section. Is your message emotional or logical? Are you selling a car with four doors? (A logical feature) Or are you selling the convenience of getting the kids and dogs in and out of the car easily? (An emotional benefit.)

Who and where is your target market? — If you are selling farm equipment are your customers in town or on the farm? Right. On the farm. So why waste advertising dollars that reach towns people who are not your target market even though that media may also reach your target market?

Cost per thousand? — Remember point one? Advertising must always be an investment never an expense. Media salespeople are going to talk to you

in terms of cost per thousand. This is the per person cost it takes to reach their audience. Notice I said ***“their audience”*** which may not necessarily be your target market. So how does my farm analogy from above fit in here? What you should be concerned with is cost per customer. How much does advertising cost to bring a target market customer into your place of business? Cost per thousand is immaterial if most of the audience is not your target market. The cost per customer would probably make this advertising too costly for a satisfactory return on your advertising investment.

Are you beginning to see why it’s easy to waste money by advertising in the wrong place? It’s easy to place a newspaper ad, TV commercial or radio ad and hope it reaches the right people. In most cases if you haven’t done your homework it won’t.

This isn’t rocket science but it does require some thought and study to work effectively.

Which forms of media are best in small towns?

These will of course vary depending on the size of the town and media that are available to you. It will also vary depending on the size of your target market within your sales area. In many cases the size of your town or market will have a lot to do with the forms of media you choose.

For example, if we use the farm equipment analogy from above, you don’t want to advertise to the

people of the town who are not your customers. You want to reach rural customers who farm for a living. So in this case I would recommend direct mail. I can target rural routes with fliers or postcard mailers just for that market for much less than a newspaper ad or radio spots.

If I had a restaurant or retail store where both the rural and local community are my customer base then I'm going to have to go with media that reaches the most people at the lowest cost per customer. With newspaper or radio there is still going to be a percentage of their audience who are not my customers. But, the number is usually small enough that it still makes economic sense to use them.

What if you own a shoe store in Brooklyn, New York? How far are customers going to travel to buy your shoes? Even with the best shoe sale in history you might be lucky to get customers from Queens or Staten Island. Direct mail or ads in neighborhood papers would work better than KABC Radio or the New York Times.

The most important part of media selection comes down to the percentage of your target market in the total population of your town. Any funds you spend to reach non-customers is money wasted.

First, identify your target market with the market research techniques in (Chapter 2 & 7) and then use the most effective media(s) that reaches the majority of your paying customers.

Section One: Small Town Advertising 101

Chapter 9: How To Work With Advertising Salespeople

I've talked to thousands of small business owners over the past 35 years and they all have one thing in common. They hate salespeople. Ok, maybe "hate" is too strong a word, but most consider salespeople an interruption to their work and few have a product or service that the owner really wants or needs.

The exception is the salesperson who has demonstrated over time that they provide a product or service to the business owner that is really worthwhile and profitable.

Which brings us to advertising salespeople. If these folks are doing their job correctly the business owner should be going to see them and calling them on the phone instead of the other way around. Why?

If I came into your business on a regular basis and sold you \$20.00 bills for a dollar each would you be glad to see me? Would you want to see me a lot?

Would you spend a lot of one dollar bills if you knew you were going to get a \$20.00 for each one? I would venture to guess your answer would be an enthusiastic **YES**.

Well, guess what? That's exactly what an advertising rep is supposed to do. Once again, advertising must be an investment. It must never be an expense. I know it sure feels like an expense when you write the check, but if it's done correctly it should pay for itself and then some. How to make that happen with your sales rep is what we are going to talk about in this chapter.

Do advertising reps have an agenda?

Does your advertising rep fall into the category of scenario above. Are you getting a \$20.00 return for each advertising dollar you spend? Some of you might say yes but I'll bet most of you have no idea what your ROI (Return On Investment) is for your advertising. The reason you probably don't know is because you don't know the questions to ask and how to evaluate the effectiveness of your media salesperson.

Do advertising sales reps have an agenda? Of course. They are salespeople who are expected to perform by selling. They have a certain amount of space or time to sell and they are expected, by management, to sell that or they are unemployed. That's true of any salesperson in any field.

This isn't a bad thing, it's simply a fact of life and when you are purchasing advertising you need to

keep this fact in mind. The sales rep wants to sell you space or time but at the same time they know that if the advertising isn't successful you will not continue to do it. They have a month to sell their quota and at the end of the month they start from scratch again. They only have the information you give them about your products and services to create your concept. But in many cases neither they nor you put a plan in place to measure how the investment is really producing fruit in the form of profits.

What to look for

Every profession has good and bad people in it. Some are there to make the sale and that's all; while others truly want to help your business and form a long term relationship that's profitable to both you and the rep. When you meet with your rep they are going to cover such things as rates, demographics, formats, size, color, location, sound, visuals, promotion and incentive packages. While some or all of these are important there are some other areas to consider.

Here's a list of a few things I want my ad rep to consider when dealing with me:

Is your current advertising producing a satisfactory level of gross sales?

If not, it's time for a change — IF advertising is the reason. Again, you need to have a method in place

to track and measure the effects of advertising and I'll review that in a minute.

Are you receiving consistent results from your advertising? Is your advertising producing the levels that you want over the long haul?

Can your business grow in the current marketplace? In many small towns, increasing the amount spent on advertising may not pay off because the smaller population will not produce enough new customers to offset the cost of increasing the number or size of your ads.

If the business can grow from advertising is there a way to set a measurable objective for the advertising? You should never spend money on any form of advertising unless you have some way to track and measure the results.

Are there external forces that might be affecting the success of your advertising? For example, your ads may be bringing customers into your business but an unpleasant clerk may be sending them right back out the door again without a purchase.

What the above points bring out is the difference between the sales rep working for themselves and working for you. These will hopefully inspire other points that fit your particular business that I haven't thought of.

What to ask for

In order for advertising of any kind to be successful it must bring paying customers in your door. To make sure that happens you need to have some way of telling which customers are at your business because of advertising or from some other source. To accomplish this we use a process called “keying your ads”. In other words there must be a key from the ad that we can attach to each customer that uses it.

For example, in the case of a coupon, it's pretty easy to track. If they bring in the coupon we can track where they came from (the coupon) and how much in sales the coupon produced. But what if it's a radio or TV ad? They can't bring in the radio or TV. So we have to find another way to key those ads. One of the easiest is to give them some premium or some form of valuable free information . It might be “10 Things You Should Know Before You....” (Use your product name here). It might be “10 Things You Should Know Before You Pave A Driveway.” Anyone asking for the free info came from that ad.

The more competition you have the better this method works because customers are looking for “expert” advice. Anyone providing that information is perceived as an expert and has a leg up on the competition.

Your media rep may have other methods that have worked for them in the past that can be adapted to your situation.

Advertising evaluation

Almost every business I know stands behind their product or service. Why should the advertising media be any different? I know you are going to remind me that a big part of advertising is testing to see if the message and media are the right ones to reach your target market and you would be correct. There is testing to find successful advertising methods that work with your business. But if the media consultant feels that you would benefit from their ad plan for your business I think they should put their money where their mouth is.

Here are some pretty amazing statistics. Sixty percent of businesses that were advertising in a particular media 12 months ago are no longer there. And 50 percent of the media salespeople who called on those businesses 18 months ago are gone. These may be more or less in small towns because the avenues of advertising are often limited. But one of the many advantages of small towns is you know other owners. Why not conduct your own poll. Ask other owners if they are satisfied with the results of their advertising efforts. If not, why not? If they are then what's being done right?

Many advertising media will offer all sorts of incentives and packages for advertising with them. Trips, cars, boats, etc. If my ad rep can help me sell more books, I'll give THEM the boats, trips and cars. It would be well worth it.

Demographic Information.

Your media rep can be very helpful with demographic information about your small town newspaper. One of the things they generally point out is the days of the week that sells the most papers. In most towns it's Sunday and Wednesday. Wednesday is usually the food issue with all the grocery coupons. There is often a small premium to place ads in these issues. This can vary from paper to paper.

Knowing which days are the biggest sellers is certainly good information, but those days may not be the “most read” days. In our local paper, here in Bozeman, Montana, I'm told the Monday edition is the most read day of the week. Would you rather be in the most bought or the most read? And guess what, it's cheaper to be in that issue.

Make the most of free publicity.

For most businesses, there comes a time when you will receive some kind of quote or write up in the local paper. When that time comes try to purchase an ad in the same section of the paper containing all the information about your business that will not be included in the quote or article.

Include things like services offered and years in business. Store hours and phone and of course, don't forget your web site address. People who see your quote see you as an expert in your field. Your business reputation is further enhanced by the presence of your ad.

Advertising account reps should be knowledgeable about their industry, and they should also take the time to learn a little about your business and should be accountable for the results they are expected to produce. If you find a good one you are very fortunate.

What this chapter means to you

The most important thing to always keep in the back of your mind is that every salesperson has their own goals and desires and they need you to achieve those goals and desires. This isn't a bad thing. It's what salespeople have done since the beginning of time. You just need to be prepared to make decisions based on your business and your instincts, not pie in the sky promises. When Eve sold Adam on eating the apple she had her own agenda.

Make sure the salesperson knows that you are going to insist on some way to evaluate this advertising effort. Now, don't run one newspaper ad and when no one comes in dismiss newspaper advertising as not working. Ads need to run for a length of time before they produce the desired result. Customers need to see or hear your ad at least nine times before they give you credibility and they miss every third one. I would recommend at least 27 ads for a minimum test.

As a rule of thumb I would give your advertising anywhere from three to six months to start generat-

ing income. That may seem like a long time and a large expense and it may be. But keep in mind once your advertising starts working it will repay that three to six months very quickly.

Section One:

Small Town Advertising 101

Chapter 10:

How To Know When And When Not To Advertise

When it comes to advertising, small town business owners are sometimes overwhelmed. Who is my target market? Where are they? How much should I spend on my advertising? Will my advertising work? What should my ad say? The questions are endless. But, except for a sale, the one question seldom asked by business owners is WHEN should I advertise?

Are there times a business shouldn't advertise? Yes. Always remember that advertising must pay for itself. It must generate enough sales to pay for itself and produce a profit for the company. If that doesn't happen then advertising becomes an expense and creates a drain on the business bank account. Sooner or later this drain will put the company out of business.

So, when are the times to advertise and when are the times not to advertise?

The times when you should advertise

Advertise when most of the total market is your target market. A market composed of the same people can change from one period of time to another. A good example is a seasonal business.

You will never see ski ads during the summer in Montana. During the winter however it's a different story. Skiers are skiers year around. What makes the difference is winter and snow. They only become your target market during the winter. It would be cost prohibitive to run many ski ads in the summer. A golf shop might do just the opposite.

Advertise when your target market uses one or two of your only primary media. Most small towns don't have 20 radio stations or 6 TV stations like major cities do. Most consider themselves lucky to have one or two radio stations and a single newspaper. If your target market listens to or reads these two primary media, and your business is not seasonal, then you need to be here as often as you can.

Advertise when its the only way to reach your market. An example of this might be a home-based business. You have no store front, no vehicles with signs around town. Other than word of mouth, there is no other way to reach your market effectively.

Advertise when you need to build your company presence. New businesses must begin to establish their company name. Unless your product is truly

unique, most businesses promote the company first and the product second. One reason it is done in this order is that your products and/or services may change as your business evolves. A strong company name will endure even if some products and services don't. You would also want to consider advertising when introducing your company to a new city or town. The company must stand behind the product. The most important asset of any company is the company's own good name.

Advertise when you are introducing new products or services. Your customers have perceptions of the products and services you carry. It can be very difficult to get a new product off the launching pad without some introductory advertising to alert your customers to the new line.

Advertise when you can afford it. Please don't misunderstand. As stated above, advertising must be an investment. Just because you have some extra money doesn't mean that it's ok to advertise just for the sake of advertising. Make sure you are in the right place at the right time with the right message to the right people.

Advertise when the competition does. Have you noticed that McDonalds, Wendy's and Burger King all advertise on every station every day? Why? Will we ever forget McDonalds? The answer is yes we will. Take the time to analyze competitive advertising. What are they saying? What's the message? If they are running poor ads in the wrong places don't

follow blindly and place ads there too. If you feel their advertising is effective and is hurting your business then you need to make the decision to be competitive in advertising as well as products.

Advertise when the competition doesn't. Your competitor will stop advertising for two reasons. One, it isn't working. Or two, it is working so well they make the mistake of thinking it's no longer necessary. Either way it's a benefit to you. If it's number one then you have an opportunity to move some customers from your competition because your name is constantly heard by the target market instead of your competitor. If it's number two, customers who can't get taken care of are going to be looking for an alternative where they can be helped. You should be that alternative they are looking for.

Times when you should not advertise

Do not advertise when the available media does not reach your target market directly. In many rural areas the newspaper is considered town news not farm news. The farmer may get his news from farm journals or radio. Your advertising starts becoming an expense if you're in the paper and the farmer you want to reach doesn't read it.

Do not advertise if it's not cost effective. This is a no brainer but many businesses don't track advertising to see if it really is producing customers and paying for itself. You should never advertise any-

where there is not at least a 75% expectation that it will return more profit than it costs.

Do not advertise if you can't do it right. I can't tell you the number of business owners who have told me that they ran one ad that produced no customers. So, to them newspaper or radio advertising doesn't work. You must be prepared to run ads that cover the geographical area you need in conjunction with the proper numbers of repetition.

Do not advertise if your product requires face to face contact or extensive demonstration. If your product needs to be demonstrated or requires lengthy explanations it is going to be difficult to advertise it effectively. You could do a half-hour infomercial if you can afford it or do product demos at malls or grocery store if that's where your target market will see it. Once the public becomes familiar with the product then consider more conventional advertising.

Do not advertise if you can't keep up with your competition. Many companies are very successful against major competitors simply by being the best at what they do. Don't use up your budget trying to "keep up with the Joneses". One more time, Advertising = Investment, not expense. Most small town grocery or hardware stores would have a problem trying to match Wal-Mart's ad budget.

However, perhaps your advertising budget won't allow you to match them ad for ad. If that's the case then match them for a day or half a day. The people

who see or listen to both ads will have the perception you are just as good as the big guys.

Do not advertise if it doesn't look professional.

Some business owners who have some computer knowledge can create their own advertising. Some of it is very creative. Most of it is not. This is your image. How important is it? Your image is the wrong place to cut corners. Seek professional help to create a concept. You can take it over later after learning how to do it.

What this chapter means to you.

The overwhelming message in this article is: “Advertising must be an investment.” Do not advertise anywhere it costs you money. Yes, I know there will be a payment for the advertising but that ad must make more than it costs. If it doesn't....pull it.

Don't let people talk you into any advertising that you are not at least 75% sure it will work. If you can't be 75%, at least make sure that it is reaching your target market and that it is cost effective. One way to make sure is to key your ads.

An ad “key” is some clue that lets you know where the customer came from. There should be a call to action in the ad. “Bring in this coupon.”, “Call our toll-free number”, “Ask for operator 23” a coupon or free offer returned to your business will let you know how effective your ad is. As long as it's making you money let it run. If it is not making

money, AFTER A REASONABLE TRIAL, pull it and move on.

Stay Within Your Ad Budget

If you're in business sooner or later you're going to be asked to purchase a “sponsor ad”. These are a newspaper idea for creating or promoting an existing civic project. Another example might be buying an ad in the high school year book.

There is nothing wrong with buying these ads. They support good causes but seldom reach your total target market. The thing to keep in mind is that doing a lot of these can eat into your advertising budget. A twenty dollar ad every month will be \$240.00 at the end of the year. \$240.00 can buy a lot of advertising.

Be selective when you pick these ads. No business can support every worthy cause.

Section One: Small Town Advertising 101

Chapter 11: How To Test Your Advertising

A business owner is supposed to have said, “I know that 50% of my advertising is working. I’m just not sure which 50%”.

For you to know what is working and what is not you must know how to evaluate your advertising. Is it really producing customers? Are they buying or looking and walking? Is the advertising paying for itself and making a profit? In this chapter I will explore the ways to test advertising so you can answer these questions.

Get it right the first time

If you are new in business you probably haven’t placed a lot of ads yet. Let me save you a little frustration. Rarely do even experienced ad agencies get it right the very first time out. Not to say it doesn't happen but it's extremely rare. So don't be discouraged if your early efforts don't bear immediate fruit. After all, if it was easy you wouldn't need this book.

Advertising takes time. Remember, you are trying to develop a long term relationship with the cus-

tomer. Friendships and relationships take time to develop... be patient.

If you think this sounds discouraging just keep in mind that testing and being able to evaluate your advertising will make it effective in a much shorter time. It's much more economical and efficient than just placing ads without a plan and hoping something happens.

How to create a plan to evaluate your advertising.

The success or failure of any plan, advertising or any other, comes down to a strict definition of what you want the plan to accomplish. Yes, I know we want more business but it must be more specific than that.

For example: Do you just want to generate more traffic in your business? Do you want to increase the dollar amount of each sale? Do you want to attract a better quality customer? Do you want to reduce the cost of bringing a customer to your business?

Your first response might be all of the above. If so, put them in order of importance and let's begin there.

How do you start the plan

If you are familiar with medical testing you may have heard the term, "control group". A control

group is a known entity. It's the best we've been able to do so far. Even if your advertising isn't working, this will still be your control group.

So, we have an ad that's working or not working. Start with that and test against it. If it's a newspaper ad you might try testing the identical ad on radio and evaluate any change. If the radio ad is more successful, then that becomes your new control group.

Caution: Keep in mind that a one-time good response may be just a fluke. Look for consistent improvement before you make the new group the control group.

How to format your test

Many years ago I attended a seminar in San Diego, California given by King Schools. They produced and advertised a video package to help pilots get their licenses and instrument ratings.

They ran two tests of an ad in magazines in two different parts of the country. One test priced the packages at \$199.95 and the other at \$249.95. Which one do you think would pull the most customers?

The lower price right? Wrong. The higher priced course pulled more customers than the lower price. Why? Because people felt that to offer so much for so little there must be some kind of "catch". The customers felt there must be something wrong to

offer it for such a low price. People are happy to pay the price if you can make them see the value.

Don't feel compelled to only test price. Remember, people are not shopping exclusively for price, they are really looking for benefits that will make their life better in some way.

As you can see, knowing your customers can play a large part in the success or failure of your advertising. The better you know them the easier it is to find the message that works and the fewer tests you'll have to do.

Can I test too much?

You can test too much and that's what you'll want to avoid. The purpose of testing is to do as few as possible and learn from the results to make the testing pay off in the long run with profitable advertising.

Here are some testing guidelines to keep in mind when you design your test packages.

Testing can be an ongoing process. How many times has your brochure or business card been changed? That's a form of testing that never ends.

Don't try to test everything at once. It's too difficult to keep track against the control group. Find one item that you really think would make a difference to your customers and just test that.

If you are using direct mail to test you need about 100 responses for the test to really give you a good example. Test about 5,000 names and hope for a 1% to 2% response=100. (See Chapter 23 “Direct Mail: Why It Works And How To Use It” and Chapter 24 “Direct Mail: Formulas for Success”)

Try telemarketing to test before you spend bigger bucks. A hundred phone calls will get as good a result as 1,000 mailers.

In a small town there is a chance that people who receive different offers may compare notes and wonder what's going on. Be honest and tell them you are testing some advertising ideas — they will understand. Always honor whichever offer the customer wants. Also, always provide the customer with the item at the lowest price being tested. If you have a storefront you can test new products with an “unadvertised in-store special”. Do a survey of your in-store foot traffic and get their immediate feedback.

Tests can be expensive. Only use them to test the important things. Test the “offer”, the “message” and the “format” and usually in that order.

The test may reveal some negatives about your business. Learn from these numbers and make the necessary corrections.

Always “key” your ads. That's the next item I'll discuss.

How do I know my advertising is pulling customers?

To know if your advertising is really pulling customers you need a way to track the ads. We do that by “keying” the ads. There is something in the ad that will alert us as to what media the ad comes from.

For example: If it’s a coupon in the newspaper or direct mail, you can imprint a small code in one of the corners to let you know what newspaper or mailing the ad came from. BC 6/02 might mean the Bozeman Chronicle - June 2002. We would then start an advertising file and collect these coupons and compare them to rate of sale and whether or not they produced paying customers.

If it’s radio or TV, you can have them ask for a product or person. “Call now and ask for Jim or extension 123.” Some keyword to let people who answer the phone to record this as an ad response.

Some additional thoughts on testing advertising.

The real secret of testing advertising is knowing your customers. The better you know them the easier and cheaper your testing will be.

After all, the purpose of advertising is to reach the right people with the right message at the right time. Knowing who they are is the most important part of that equation.

Section One: Small Town Advertising 101

Chapter 12: How To Use Six Common Types Of Advertising

Mistakes in advertising can be costly to small business. For this reason many business decide either not to advertise at all or to be very conservative with their ads. However, using the right “type” of advertising, with the right message, can cut the cost of advertising by making it more effective.

Not every business will use all six types of advertising. Which type you use will depend on what your message is and the end result you wish to accomplish.

The six types of advertising are:

1. Company Image Advertising

Which is more important, the company or its products or individuals? In a small town or market, this can be a very important question. For example, your insurance agent might be a personal friend. You will buy your insurance from him/her regardless of the company they represent. In another example, you

may purchase a lot of goods at your local Wal-Mart, instead of local merchants, because of their low-price advertising message.

If you are a new company you may want to begin by establishing the company name first and the products and services later. This also works for company name changes. In the 1980's I worked with a video chain in San Diego, California called Video Library. Our advertising strategy was to promote the company name rather than promote the movies we rented. We placed small box ads (about 1.5" x 1.5") throughout the San Diego daily paper that simply said, "Video Library - xx Locations". They started in 1980 with one store and by 1986 they had 43. Video Library was the most recognized name in video in San Diego at that time.

2. Name Brand Advertising

If there is one company in operation today that understands the importance of brand names, it has to be Procter and Gamble®. Tide® laundry detergent is far and away a number one best seller and has been for several years. When the dishwasher appeared on the scene they could have very easily created "Tide For Dishes." Capitalizing on a winning product name. But as we all know, that thinking doesn't work.

Instead of using the established name "Tide®", they created a new name that became just as strong in dish washing, "Cascade®". Another favorite —

Ivory Soap®. When you hear the name alone, you know the product.

Kraft®, on the other hand, has a bunch of products, but only one true winner. Philadelphia Cream Cheese® has about 70% of that market. Also notice, the Kraft name is hardly noticeable on the package. Their Velveta® brand of cheese might be another winner. Kraft makes jams and jellies, Smuckers® is number one. Kraft makes their own brand of mayonnaise, but Hellman's® is number one. Are you starting to get the picture? Kraft also makes another successful brand name, “Miracle Whip®”. Again, the name of the product overpowers the name of the company.

A brand name creates a perception in the customer’s mind that becomes very strong. It’s that strong perception every advertiser strives for. Would you buy Pennzoil® Cake Mix? Why not? They're a good company aren't they?

Do you see how ridiculous that sounds? It flies in the face of our perception of Pennzoil as an oil product. It's dramatically out of place as a cake mix. There is nothing stronger than a good brand name. If you develop one, put it everywhere you can afford to.

3. Advertising A Service Instead Of A Product

Advertising services is one of the most difficult types of advertising. You don't have a tangible

product you can put in someone's hand. They can't touch it, feel it, see it or smell it. It must often be explained as well as demonstrated.

One of the best examples of service advertising is a carpet cleaner. They come in, run some machinery over your carpets and leave. Nothing tangible is left behind. Except clean carpets.

Service advertising is most often emotional advertising. Carpet cleaners don't sell clean carpets. They sell health to the infant crawling on the floor. They sell pride that people can visit a beautiful clean home.

4. Business-To-Business Advertising

Many businesses never have the need to deal with the public at all. For these businesses, advertising in the newspaper, radio or TV would be a waste of time and money. You will find these companies using direct mail or placing ads in trade magazines.

For a complete listing of trade magazines ask for the "Encyclopedia of Periodicals" at your local library. Also, ask to see the "Standard Rates and Data Service" directory. These will have listings and rates of trade and industry publications you can advertise in.

5. Co-Op Advertising

Co-Op advertising is one of the best ways for the small business owner to get the message out. In this type of advertising the manufacturer absorbs a

portion of the cost and can also supply all the artwork for the ads.

There are some pitfalls to be careful of when dealing with co-op advertising. Every company wants their business portrayed in the best possible light. To that end, they will be very strict about how and where you place your advertising. Before they OK the co-op money, they will want to approve all ad copy, pictures, size, placement and use of logos. If you place an ad without approval you run the risk of violating one of the guidelines and absorbing the entire cost of the ad.

The media you choose will want payment for the ad within a month at the most. You may not receive your co-op money for several months. Make sure you get reimbursement procedures in writing and can live with them.

An alternative to teaming up with a manufacturer is to team up with another local business. You can share production costs for brochures or other printed materials and put each other's coupons in your respective businesses. Pizza parlors and video stores are naturals to work together.

6. Public Service (PSA's) Advertising

If your company can sponsor a charity event, PSA's are a great way to promote your company in a positive light. Most media are required by licensing agreements with the FCC to provide a certain

amount of time or space to benefit their local communities.

Some of the downsides of PSA's: Don't expect to see your ad on "*West Wing*" or some other prime time show. PSA's are often placed in off-times. I don't want to paint everyone with a broad brush here, some media are better than others. Just because you request a PSA, doesn't mean you'll get it. Media has a limited amount of space or time for PSAs.

You might get a break if you are currently advertising in the media of choice. It might also help if your organization buys a small amount of time or space to run with your PSA's.

What this chapter means to you.

The type of message and your target market will often dictate which type of advertising to use. Some companies will use more than one. Some will use several depending on the situation. Let's also keep in mind the pros and cons of advertising.

There are two basic advantages to advertising. One, it's the best way to get a message out about a new or existing product or service. Two, it can actually lower the cost of a product to the consumer by increasing sales which can result in reduced production costs.

The bad side of advertising is that it can create an artificial need for unnecessary products and services. Every Christmas the mainstream media

creates the toy of the season. One year it's "Tickle Me, Elmo®" the next it's the "Furbee®". Don't even get me started on "Star Wars®".

The point is to keep an eye on the message you want your target market to receive. If you can, test some of the six types of advertising with various offers and messages. Find the type that works for you and work it.

Section One: Small Town Advertising 101

Chapter 13: How To Schedule Your Advertising

Whether you are a new business or old business proper scheduling of your advertising is crucial to your business success.

Choosing The Right Medium

In many small towns the methods of advertising may be limited. There may not be a radio station or newspaper available. If that is the case then how are other businesses in your community getting their message out? My hometown of Bozeman, Montana has a local newspaper but a good percentage of the town also receives the Billings, Montana paper. Billings is the states largest city...88,000 strong. Many smaller cities around Bozeman and Billings advertise in those papers. Most do not. Why? In some cases it's a matter of expense. In others...the target market isn't there.

Once you have found the medium that most of your target market is seeing try to dominate that medium.

(See Chapter 8). In other words, be there as much or more than your competitor. This may be difficult or impossible at first but as your business grows you will be able to “invest” more money in your advertising.

Let's make a deal

If I purchase your product shouldn't I have a realistic expectation that the product will work? I think so. Shouldn't I expect the same from my advertising rep? Shouldn't I expect that if I purchase advertising from them and give it a reasonable trial I should expect results? Is that unreasonable? Again, I don't think so.

Usually the lowest price for advertising is committing to a twelve-month contract. Most new advertisers don't like doing this. Why? Because if the advertising doesn't work you are committed to twelve months of it and then advertising becomes an expense. And that is exactly what we do not want.

Try this instead. Ask your rep to draw up a contract for twelve months of advertising with an option after the four months I recommended earlier. If at the end of four months the advertising has proven not to be either producing paying customers or at least growing the business it can be terminated with no increase in rate. Why should you pay full price for something that isn't working? If the sales rep felt that your product was not a good fit with their medium they should not take the contract. They

should also expect their medium to perform for you. They should want you as a long-term advertiser. If, at the end of the four-month period, the advertising is successful you should expect to not only continue it, but increase it.

Don't stop advertising too soon.

Let's go back to our stock market example for a moment. Would you buy a stock and sell it the moment it went down? Probably not. The nature of the stock market is to go up and down over time. The trick is to pick stocks that rise over the long haul.

The same is true of advertising. You can't place a single ad in the newspaper or on radio and determine advertising doesn't work if that single ad is not successful. Advertising takes time to produce results. People need to be exposed to your ad over a period of time for it to be successful.

If you are using radio I would suggest scheduling ads every week for at least four months. And at least three out of every four weeks after that. Sounds like an expense doesn't it? Many small town radio stations are very inexpensive. If you can't do what I suggest then do as much as you can. As long as you are reaching your target market and have a product or service they want they will come.

When should you run your ads?

I do a weekly local radio show every Tuesday morning on KMMS AM 1450 here in Bozeman, MT. I record promos for the show but we don't play them on the days of the show or the first few days after. Why? It's a full week before the show is on again. We start the promos usually on Friday and run them all weekend up to Monday evening.

In the early 1990's I worked for Circuit City. They were the largest electronics retailer in the United States. They did a billion dollars more per year than their nearest competitor and did it with fewer stores. Every Thursday through Sunday, Circuit City had a sale in every department. The bulk of their ads were scheduled during those days.

So the question for you is, what day or days of the week should you advertise? For the answer to this one you need to go back to your target market. When do they shop? What are your big sales days? What are your slow days? Do you do more during the week than on weekends? Are you even open on weekends? How about evenings?

If you are having a weekend sale you might want to follow the Circuit City example. If you are trying to keep your company name out there then you might want to spread your ads throughout the week instead. Some during the day and some at night. Grocery stores have run their food ads on Wednesday for years. This gives shoppers three days to clip coupons make a list and hit the store over the weekend. Most sales last a week or more. Although

some run just one-day specials. Use your radio ad to direct customers to your newspaper ad and coupons.

Knowing your customers and your business will tell you when customers are most likely to see your ads. Ask customers how they found you. Give them a reason to contact your business.

What's Your Competitors Advertising Budget?

Are you spending enough on advertising to keep up with your competition? Are you spending too much? Do you know how much your competitor is spending on their advertising? Is there a way to find out? Yes, there is. This method will give you a rough estimate of your competitors advertising budget.

Start a competitive advertising file on all competitors. Clip all print ads. Record all radio and TV ads. You may need friends and employees to write down the times and dates that they heard or saw your competitors ads. Once you have assembled all the advertising spots you contact the various media reps and ask for a quote on each ad package. This should give you a rough idea of how much the competition is spending.

Additional idea: Check business receipts daily during heavy competitive advertising. How was your business affected?

What this chapter means to you

The real secret to successful advertising is now and will always be... knowing whom your target customers are and how to reach them. You must schedule your ads to your customers schedule in order for them to be seen.

I realize that's somewhat simplistic but it can be done and it's easier in a small town than a large city.

Section One: Small Town Advertising 101

Chapter 14: The 10 Most Common Advertising Mistakes Small Town Businesses Make

As I travel the county giving seminars and workshops to small town business owners the most common question I get is how to advertise both effectively and inexpensively. Sometimes you can combine the two, but in most cases advertising is either effective or inexpensive but rarely both.

Most business owners are experts at their industry or service but novices when it comes to putting their message out to customers. There is certainly nothing wrong with that. Most people couldn't walk in off the street and run your business so why should anyone expect you to somehow be an expert in advertising and marketing?

Advertising and marketing takes study and input from people who know that industry. If you are going to do your own advertising, and most small business owners do, then you need to know what to do and not to do. So, here are the top ten mistakes I

see most often. By avoiding these you should be able to advertise both effectively and inexpensively.

Mistake #1 - Not knowing if your advertising is working.

This is by far the biggest error most small business owners make. They just throw advertising in the local paper or on the radio and hope and pray it works. In many cases they have no idea how to track results and adjust their advertising efforts to be more productive.

Solution: Key your ads. Put something in each ad that will alert you to the fact that the customer is doing business with you because of your ad. The most common key is a coupon. If the customer returns the coupon that is a key that the ad is working. No coupons redeemed means the ad is in the wrong place or the coupon offer is not what customers are looking for.

Another way is to educate the customer and make you an expert at the same time. Ask customers to call, write or stop in for a free brochure of the “13 Things You Should Know Before You Buy Tires”. The response to the brochure will give you an idea or how many people ask for the brochure and how many are transformed into customers.

Mistake #2 - Testing, Testing and more testing.

I am a firm believer that if something is working leave it alone. Advertising in small towns is not seen by everyone every day. The fact that the ad may seem old to you may not mean it's old to others. Many people are seeing it for the first time.

Did you look for tire ads in the paper today? Chances are you didn't unless you needed tires. So if you didn't look are the ads old to you? Probably not.

Solution: Because of competition and the general economy times and attitudes of customers change. It is important to test new products and services from time to time. Just remember that you can't be all things to all people. Your advertising should project a family theme, which I'll cover in a moment. Make sure that you keep the consistent look of your business with your testing.

Mistake #3 - When to advertise

On your first day of business did you advertise? Chances are you had a grand opening, balloons, radio, TV, newspapers, contests and anything else to attract customers to your business. Can you keep this kind of advertising up all year long? Chances are you can't. So when should you advertise?

Here, in my opinion, the big mistake is spreading advertising out evenly over the entire year. A constant amount spent each month in the same places. I

know that's the easy way to budget your advertising expense, but remember, we don't want advertising to be an expense we want it to be an investment. In the stock market we want to sell high and buy low. Do the same with your advertising.

Solution: If you budget consistently what are you going to do in case of an emergency? Your competitor runs a big promotion. Will you have the funds to combat it? Your industry gets some bad publicity. Will you have the funds to defend your company? As you can see there are times and events that may affect how and where you advertise during the year. Make sure you keep a little in reserve to combat any adverse condition that may occur. (See: Chapter 10: "How To Know When And When Not To Advertise")

Mistake #4 - Advertising in the wrong place

I love KMMS-AM 1450 here in Bozeman. Talk radio. So if I love it I'm sure my customers love it too, so that's where I'll advertise. Sound familiar? That logic might be right but generally it isn't.

Solution: Get to know your customers as much as possible. Create a survey for them to fill out. Ask them what radio stations they like. What newspapers or magazines they like. You need to construct a profile of your target market. Then the advertising media can match you up with the right stations or the right sections in the newspaper.

Mistake #5 - Not staying unique

One of the most crucial mistakes small business makes is not sticking with what made them successful in the first place. Does the infamous adult sandwich “Arch Deluxe” from McDonalds ring a bell? Can you still buy one? It’s gone from their menu. Why? Because it was McDonalds pathetic attempt to gain the “adult” market. That’s not their market. You don’t put a playground in front of an adult restaurant. McDonalds has always been a family restaurant. Trying to pull adults away from Wendys was a major mistake.

Solution: Instead of changing, strengthen the niche that has gotten you where you are. My book is on small town advertising. Should I suddenly start writing books for Microsoft and IBM? No, that’s not my strength of expertise.

Solution 2: Positioning your business away from your competition and making it unique keeps your business strong.

Mistake #6 - How you look to your customers

Small town businesses seem to throw any kind of advertising out there for customers to find. I’m sure there are several major companies I could show you that you could recognize with just the company colors. Could you recognize a Campbell’s Soup can without the company name? Sure you could. Cus-

tomers, over time, begin to feel comfortable with the look and feel of your advertising.

Solution: Create a visual image for your company and stick to it. Logo, colors, and even the language of the messages should have the same look and feel.

Mistake #7 - Poorly planned promotions and events

Several years ago when George Bush #41 was running for President he planned a campaign stop here in Montana. Unfortunately for George his aides picked the opening day of hunting season to stop by. Needless to say George spoke to very small crowds during those stops.

Solution: Plan ahead. Find out what's happening in your neck of the woods before investing in a promotion that may bomb.

Mistake #8 - Forgetting the folks who got you there

Many businesses spend so much time trying to attract new customers that they forget the loyal customers who made them successful. I'm sure you've all heard that it takes six times as much money to attract a new customer than it does to keep an existing one.

Solution: If you keep customer lists or customer accounts and haven't heard from some of them in a while make some calls and find out what they're up to. Are they unhappy for some reason? Is your

competitor giving them better service or a better product? Maintaining contact shows each customer that you are interested in retaining his or her business.

Mistake #9 - Listening to the wrong people

When it comes to advertising everybody is willing to give you advice. And, because you feel that you know so little, you're willing to take everything at face value. Most media salespersons are honest hard working people. Some, however, are just out to sell you ads. If you think you want to be somewhere they are more than happy to sell you the time or space to be there. After all, it's just a test isn't it?

Solution: The best advice I can give you is to ask what other businesses similar to yours have purchased advertising. You can't call direct competitors but sometimes businesses that are in the same industry will be willing to share if their advertising is working. For example, a wedding photographer might check with a wedding planner or florist. Pay a visit to the library and look in the Yellow Pages for other cities comparable to yours. Call people there who are in your industry and pick their brain about how and where they advertise. Call successful people who appear in articles in trade publications.

Mistake #10 - Concentration on product features instead of benefits

So many ads I see just talk about what a product has, not what it does. No one ever buys a product for the features it has. Do people buy a 1" drill bit because they want the bit? No. They buy it for the 1" hole it will give them. That's the benefit.

Solution: Evaluate every product and service you offer. What is the real benefit of each to the customer? Are you showing these benefits in your ads?

What this chapter means to you.

The advice I usually give to new businesses or those who are having problems with advertising is think before you act. Make sure you have identified your target market. Make sure the media you have selected will reach that market. Take one last look at your message or offer. Does it really say what you mean?

Are you showing your customer the benefits they will receive from your products or services?

And, last but not least, learn from the mistakes of others. Watch what advertising works and what doesn't work in your town. What are others doing that you can adapt or change to fit your business?

Remember, advertising almost always works when it's done right... and almost always fails when done wrong. Do it right.

Section One: Small Town Advertising 101

Chapter 15: Advertising: Are You Legal

If the time has finally come for you to begin advertising your business in print or other media, there are several pitfalls awaiting you if you don't adhere to certain legal procedures. If you can use an advertising agency, part of their responsibility to you is to make sure you don't put anything about your business out in public that is illegal. If you can't afford an agency, or just want to do it yourself, here are some points to keep in mind.

What is a Sale?

From the customer point of view, a sale is a temporary event. It has a start date and end date. Sales rarely last over 30 days. Most are weekends or even one-day sales are common. The start and end dates must be clearly listed in the ad. If you are having a Going Out Of Business Sale (Heaven forbid) some states require you to register with a local consumer protection agency, and you may be required to get a permit to have your sale.

Note: Not a legal issue but a possible money saver. Don't just make the last day of the month the end of the sale. For example: In 2002 July ends on a Wednesday. If you end your sale on July 31st, that means no sale traffic in your business on Thursday, August 1, Friday, August 2nd. Even if you extend the sale to customers physically in your business on those days your advertising says the sale ended on Wednesday. If your competitors are running a corresponding sale, the smart ones, will end theirs on August 2nd and steal two days worth of business from you or four days if you are open weekends.

Save, Save, Save

We've all seen the ads, "Save up to 50% during our store wide widget sale!" You cannot offer or claim to offer a "percent off" of a product unless a "significant" amount of the product was sold in your store at the full retail price. Or a reasonable comparison product exists at a competitors business and is reasonably near the full retail price. You must also show the full retail price you sold the product for originally compared to the sale price.

We have the lowest price - Guaranteed!

No business can legitimately claim to have the lowest prices on all items in the store all the time. You must prominently display the terms of your "low-price guarantee" and how you intend to match or better competitive prices. When I was a salesperson at Circuit City (the electronics retail giant) we

gave each customer a copy of their “low-price guarantee” when we greeted them. It gave complete details on how the guarantee worked. My guarantee for the books and articles on my web site which can be found at (www.smalltownmarketing.com) is very simple — if you're not satisfied with this or any of my books after 30 days, you get your money back, no questions asked.

T's and C's: Terms and Conditions or Disclaimers

Before you offer a warranty or guarantee on a product or service you carry, you must spell out completely the terms and conditions under which you will honor that guarantee or warranty. Any conditions for free merchandise, free services or credit must also spell out the conditions to the customer. Car dealers may offer a free gift for a test drive. In many cases the driver must be 25 or older and must prove they can afford the car before the free gift will be delivered.

We are so much better than the competition

If you say you're better, you better be able to back it up in writing and variable proof. We have a Harley Davidson dealer in Belgrade, Montana, just 8 miles from Bozeman. Belgrade is around 8,000 population. As you drove into Belgrade there was a huge billboard that proclaimed, “Yellowstone Harley-Davidson, The largest Harley-Davidson Dealer in Belgrade.” It's True. They are also the only dealer

in Belgrade. Saying you're big, wonderful or great is so generic it's seldom challenged. It's the specific comparisons you need to watch.

If you feel your competitors are violating any of the above, and most of you probably will, contact your local Better Business Bureau or comparable service. (For the Better Business Bureau on the world wide web: See: www.bbbonline.org) See if any complaints have been made against them and what action has been taken. Add your complaint to the list and ask them to investigate the complaint. It's usually in their best interest to stop what they are doing rather than face an investigation and adverse publicity.

If you are in doubt about your advertising, consult an attorney. It's well worth the money. Have him look at your yearly campaign if you have one. Remember, honesty is always the best policy.

Section One: Small Town Advertising 101

Chapter 16: Advertising 101 Some Final Thoughts

If there is one single mistake small town businesses make more often than any other it's, "Whatever is left over, we'll use for advertising". Without enough money put aside for advertising your sales can go down and you suddenly have less and less for promotion.

When do you advertise the most? For most businesses it's the first day of business. Don't you have a Grand Opening, balloons, flyers, ads, on-site radio stations, contests, and prizes?

Did the income from sales pay for that?

No, it didn't. You advertise most when you need business. You advertise more when you don't.

An average cost of advertising is usually 1 to 5% of gross sales, which can vary according to location, local advertising rates, and industry. Car dealers need more advertising than funeral homes.

To be successful, your advertising must provide a consumer benefit or solve a problem. The product or service you are offering must be tied directly to that benefit or solution. And, in order to make the sale, the consumer must want that benefit or solution.

The benefit or solution must be distinctly communicated through media advertising. In other words, be clear, forget the advertising glitz and make sure the message isn't lost in the ad.

A small-budget advertiser doesn't have the "deep pockets" to develop big advertising campaigns. Sometimes you need to break the rules to be noticed. Avis® did it by admitting they were "Number 2" in the car rental business and that campaign took them from sixth place to second place. When they stopped that campaign they dropped back to sixth again. In the past few years they have tried to go back to it.

Budget conscious advertisers must achieve top results for their advertising dollar. Expand your dollars by adopting some of the ideas in this book.

**Section Two:
Advertising
Media 101**

**Types
Of
Advertising Media**

Section Two: Advertising Media Newspapers 101

Chapter 17: What You Should Know Before You Place A Newspaper Ad

In many small towns, the newspaper may be the only available form of advertising media. And, if you're like most small business owners, you don't have an unlimited advertising budget. So, if you decide to use the newspaper to get your message out, it's very important that the advertising decision you make returns the results you desire at a cost you can afford.

Learn the terminology going in

Every industry has its own language. The problem is that if you don't work in that industry the terminology might as well be a foreign language. Industry terms accomplish two important things for the businesses that use them. One is good the other is bad.

The good part is that reputable businesses don't want to confuse the customer. They want to demonstrate knowledge and educate the customer in the language so the customer has a clear understanding

of the benefits being offered by the product or service. This education of the customer arms them with the ability to spot the unscrupulous or unethical businessperson.

The bad part is that some businesses use industry jargon to make the customer feel uncomfortable by asking for clarification of the terms. They also use the customers' lack of knowledge to jack up the price of the products or services.

What are some of the things you need to know?

The newspaper measuring system: Probably one of the most confusing parts of newspaper advertising is their measuring system. You may have heard the term, "column inch". You might suppose that a column inch is one inch wide or tall. You would be wrong on both counts.

Here's how it works. First I must explain the units of measure that newspapers use. Even though they call them column inches only part of the measurements are in inches.

Newspapers use three units of measure. "Picas", "Points" and "Inches". They are leftovers from the days of manual typesetting. Let me define each one.

Pica - One pica is one sixth of an inch. Six picas = One Inch

Point - There are 12 points in a pica. Six picas X 12 points = 72 Points. On your word processing pro-

gram - 72 pt type is 1", 36 pt type is 1/2", 18 pt type is 1/4", 9 pt type is 1/8". The most common typing size 12 pt type is....? Can you figure it out from the above information? (The above measurements may vary from typeface to typeface but should be pretty close most of the time.)

Inch - For those of you on the metric system, we're sorry. An inch is an inch only in America and newspapers.

To make it even more confusing newspapers have an unusual way of writing these measurements. For example: 1p would be one pica, 6p3 would be six picas 3 points. The points will never be more than 11. If they go to twelve we have another pica.

You've got to know what you're buying

Before you can evaluate ad space you must be able to visualize how big it really is on the page and is the cost worth it. OK! Try and stay with me here because this is where it really gets complicated. As mentioned above the common term is "column inch".

The confusing point is that newspapers use points and picas for width and common inches for height and call them both "inches" or "column inches" when they are not. They are not trying to be deceptive; they have been stuck with these measurements for centuries. Almost since printing began.

Here is the rule. The number of columns (in points/picas), times the height of the ad in inches = Total column inches. For example: 2 columns x 3 inches = 6 column inches. OK? How big is this ad? If you said six square inches (2" x 3") you would be mistaken. It is actually approximately 12 square inches. Huh???? How did that happen?

Here's how: Newspapers are usually 6 columns wide (again, this may vary from paper to paper based on its physical page size). Classified ads may jump to 9 columns per page.

Columns are most commonly measured in 12p (12 pica width). What is a pica? 6 picas=1" remember? So, a 12p (12 pica) column is actually 2" wide. So, two columns would be approximately 4" wide, not two. 4x3 equals 12 square inches.

Here is how newspapers usually measure column inches

Some common newspaper ad measurements in width:

One column (wide) - 12p (12 picas) = 2" wide

Two columns (wide) - 25p (25 picas, not 24, that would be too easy) = 4.25" wide

Three columns (wide) - 38p6 (38 picas, 6 points) = 6.4375" wide

Four columns (wide) - 51p6 (51 picas, 6 points) = 8.625" wide

Five columns (wide) - 64p9 (64 picas, 9 points) =
10.8125" wide

Six columns (wide) - 78p (78 picas) = 13"

Use the widths shown above times the height you want your ad to be inches to give you the actual size of your ad. This will give you a better idea if the space is large enough to tell your story or maybe a smaller size would be more economical.

What are the various ways to buy ad space?

Usually there are two. Either you commit to spending a specified dollar amount over a period of time, usually a year or six months, or, by how frequently your ads appear in the paper.

For example: Let's say the newspapers basic cost for a display ad is \$7.25 per column inch. So an ad 12p (12 picas wide or two inches) by three inches tall would run \$43.50. 2 columns (12p) x 3 inches = 6 column inches x \$7.25 per column inch = \$43.50. If you commit to running an ad every week for 52 weeks your per column cost might go down to \$5.75 per column inch.

I personally like the first option the best. It has a lot of advantages over the other. First, it allows you to set a yearly advertising budget and use it as you like. The more ads you commit to, the lower your "column inch" or ad space will cost. If you commit to say \$5,000.00 per year (\$417 per month) you

would pay \$5.50 per column inch. It's a saving of only .25¢ per column inch but it adds up over a years time.

What happens if there is a sudden change in your industry and you need to advertise more heavily? You will be able to do it more economically and in larger ads than with a frequency agreement.

You can lock in the price for the entire year with both options if you commit to a year of frequency. Advertising increases will have no effect on you but could increase costs for your competitor if they are buying ads on a short frequency basis.

See your ad, as it will actually be printed.

When you decide to have an ad made, the advertising representative will bring you a “proof” of the ad. It is usually your ad on a piece of paper surrounded by white space. It looks great on paper but how will it look in the paper with other ads and stories next to it?

The best way to tell is to cut your ad out and get a recent copy of the newspaper. Paste your ad over an existing ad of the same size. How does your ad look on the page? Does it stand out? Is it easy to read? Do you have too much information? Too little? Is the message lost among the other ads and stories on the page? Sometimes an ad that looks great by itself is horrible in the finished newspaper.

How to use photographs in newspapers

Too Dark: A photo in a newspaper is much different from a photo in a magazine. Newsprint absorbs a lot of ink. It reproduces black (the primary color for many years) very well. The more black there is in a photo the less detail the ink will pick up. For instance, a photo of your building taken in shadow may have great detail in the photo but may look like a big black box when reproduced in the paper.

Too Light: By contrast, light spots in photos receive no ink creating large areas of white with no detail. A photo taken in bright sunlight with a lot of white may be unrecognizable.

Use a professional: I know you have seen terrible photos in newspapers. How you and your business look is critical to the success of your ad. Try to use professional photographers whenever possible. Their job is knowing how to use light and contrast to the best advantage. They will probably suggest black and white film as opposed to the color pictures you would take with your Instamatic. It may seem like an unnecessary expense when you get the bill, but a good photo can make all the difference between success and failure of your ad.

Color: Is it worth it?

In one word, yes it is. Estimates vary but color can improve the response to your ad as much as 40% over a black and white ad. It doesn't have to be an

expensive full color ad. Just a splash of red or green can draw the reader's attention.

We see color everywhere in our daily lives. Use it whenever you can.

Put emotion in your ads

“When logic and emotion come into conflict, emotion ALWAYS wins”. If you don't believe that, take me down to the grocery store and show me the “mouse flavored” cat food. Maybe the “sparrow flavored” would be easier to find. Isn't that the logical flavor for cats? The emotional flavors are “Savory Chicken In Cream Sauce”.

The features of the product may attract the consumer but the benefits will sell it. Never run an ad with features only. Every feature must have a benefit for the customer or it's just a waste of ad space. It makes us “FEEL” safer, happier, healthier, or improved in some way. Generally our life is somehow better with your product than without it. We will trade the money for the product to be better.

Make sure you “KEY” your ads to evaluate them

Key your ad? What does that mean? It simply means that you need some way (a Key) to tell if the person who makes a purchase contacted your business because of your newspaper ad.

The most common key is a coupon. “Bring this coupon in and receive...!” If you advertise in several

area papers then you can key each coupon. For example: I run a Christmas ad the first week of December in the Bozeman Chronicle, The Billings Gazette and The High Country Independent Press. My Chronicle might have a small code in the corner of the coupon - BC12/02 - That means Bozeman Chronicle - First week of Dec.

If I get a lot of coupons from one paper, what does that tell me? It tells me my target market just might be reading that paper instead of the other two. I would want to do a couple more tests before I reduce ads though. But keys can help me evaluate the success or failure of an ad campaign.

Other keys might be: "Mention this ad for free gift", "When you call ask for extension 414". "Ask for Jim the _____expert".

Cost per thousand or cost per customer

Newspapers and the Internet always want to express advertising rates as numbers. Your rate is usually based on a per thousand readership. Twelve thousand people subscribe to the XYZ Daily Messenger. So what? If they aren't my target market why should I waste my money advertising to them?

Suppose you sell feed to farmers. The local paper has 80% of its readership in town, not in the rural areas. Are you going to sell a lot of feed to townies? Only 20% of this paper is your customer. Eighty percent of your ad dollar will not reach your market.

You might be better off in some little farm journal that reaches 80% of the farmers for a lot less.

How much advertising does it take to attract a customer? If I run a \$100.00 ad and it produces two customers who spend \$35.00 each...what happened? My newspaper ad just became an expense not an investment. On the other hand if it produced 25 customers that spend \$35.00 each... what happened? My advertising is paying for itself. It is now an investment that makes a return just like a good stock on the stock market.

Daily/Weekly newspaper strategy

Newspapers have a very good handle on how many papers they sell and how many are read. In the case of our paper in Bozeman, MT the biggest selling days are Sunday and Wednesday (food ads). They are also the ones with the most pages.

However, according to the paper itself, Monday is the most read day of the week. It's also the smallest paper of the week with the fewest pages. Should I be in the most sold or the most read? Which do you think would produce the best results?

What makes a good newspaper ad?

1. Use simple layouts.

One big picture works better than several small pictures. Avoid cluttered pages whenever possible. If you find yourself on a page with only two or three other ads that would be the ideal location.

(Layouts that resemble the newspapers editorial format are also well read.)

2. Always put a caption under a photograph.

Readership of picture captions is generally twice as great as that of body copy. Isn't our eye drawn to photos? We want to see what the action is or if we know the person pictured.

3. Don't be afraid of long copy.

The people who read beyond the headline are prospects for your product or your service. Consider long copy if you have a complex story to tell, many different product points to make, or an expensive product or service to sell.

4. Avoid negative headlines.

People are literal minded and may remember only the negatives. Sell the positive benefits in your product. Look for emotional words that attract and motivate, like free and new and love. Even though I have stressed a lot of emotion in your advertising, keep it positive. Negative bashing of the competition rarely works in advertising. Tell them why you are good rather than why the other guy is bad.

5. Don't be afraid of long headlines.

Research shows that, on the average, longer headlines sell more merchandise than short ones. Why? Because they expand the meaning of the message to create interest. "Acme Golf Club Sale - One Day

Only” is better than “Golf Sale”. How long? Seventeen words or less.

6. Use a striking visual.

After the headline, a striking visual is the most effective way to get the reader’s attention. Remember in Chapter 4 we talked about the visual and headline combining to tell a story? Try for story appeal—the kind of visual that makes the reader ask: “What’s going on here?” And even more important—“How can I get in on it?”

7. Photographs are better than drawings.

Research says that photography increases recall an average of 26% over artwork. Photos are real. We put ourselves in the place of the people who are in the pictures. We see ourselves using the product.

8. Look at your advertisement the way it will appear in print.

Beautifully mounted layouts are deceptive. The reader will never see your ad printed on high gloss paper, with a big white border. It’s misleading for you to look at it that way. Paste it up on an actual page and see how it looks along with other stories and ads.

9. Develop a single advertising format.

An overall format for all print advertising can double recognition. One format will help readers see your advertisements as coming from one large corporation, rather than several small companies.

People will become accustomed to seeing your “family theme” throughout your advertising.

10. Yes, Size does matter.

Newspaper ads come in all shapes and sizes. And like most things in life, we, as human beings, respond to certain shapes and sizes.

Given the choice between a space one column wide and six inches high and one that is three columns wide and two inches high pick the wider of the two. Long narrow ads are often hard to read.

The exception might be if you are making the ad look like a newspaper story. In that case the ad would be the same width as the normal newspapers news columns.

What this chapter means to you

As you can see this is a subject with a lot of facets. The advertising costs I used above are just estimates. Costs will vary from place to place and country to country.

There are some real advantages to small town newspaper advertising. Most of all, small town newspapers depend more on local ads for their very existence than large city newspapers. If a big city loses a couple of advertisers it's not a big deal. If a small town newspaper loses a couple of advertisers the paper suddenly gets smaller. The smaller it gets, the less it's read, until it isn't there anymore.

I always say a town with a paper, even a bad paper, is better than a town with no paper. So, support your local small town or neighborhood “rag”. You’d miss them if they weren’t around.

Section Two: Advertising Media Newspapers 101

Chapter 18: Creating An Ad That Sells (It All Starts With The Headline)

Each year advertising associations pass out award after award for ad “design” excellence. I would ask you this question, “Would you rather have an award-winning ad...or an ad that sells?” If you happen to be new to business, the answer is the latter. An Ad That Sells!

Ads that sell get the customers attention and create action. That attention usually is the result of a good headline. Here are some rules of thumb I use when writing headlines.

Headline: It all starts here. If you don’t have a headline or some message that makes the reader want to go on and read the rest of the ad it’s over for you. Your customer will be moving on to the next ad.

Think: Does the headline create a thought process in the reader? If it’s a tire ad, does it make me want to get up, go to the garage and check my tires?

Benefit: Does the headline have a benefit that will help me or solve my problem?

What's The Question?: If your headline ask a question, is it a legitimate question? Don't use "stupid" questions like, "Do you really enjoy paying more for car insurance?" That's stupid, it insults your customer's intelligence. "Why pay more for car insurance than you need to?", would be better.

How-To?: Customers answer ads for three reasons, the product solves a problem, makes our lives easier or saves time and money. If you can find a customer who needs some "know-how" you'll have a sale.

Subhead: The function of a good subhead is to create a transition between the headline and the body of the text. Check newspaper stories. You have an attention grabbing headline, then some smaller text with more "teaser text" to lead you into the main text of the story. Your ads and brochures should use the same techniques. Don't have a headline, then an illustration, then body text, without some subtext to gently lead the reader.

Keep long headlines together: Don't break up long headlines with illustrations or graphics; it makes the message harder to pick up.

Talk to your customer: Pretend your headline is talking to a single individual not the entire North American Continent.

Relate to the target market: You may place ads in different mediums that will be read by different target markets. Make sure the headline is talking to the correct target group. An auto ad in Sports Illustrated would be different than the same ad in Vogue.

No Headline?: Never run an ad without a powerful headline.

Don't get too creative: Headlines should be horizontal. Slanted or vertical headlines have not shown any increase in ad response. Keep it simple. Remember, it's the message, not the messenger.

Test Your Headlines: If possible test one or more of the previous "hot buttons" in different media. Find the one that produces the best result.

Use quotes when possible: You will increase attention by 28% by using a quote over a conventional headline.

How Long Is Long? Keep headlines to seventeen words or less.

RESIST USING ALL CAPS: ALL CAPS ARE HARDER TO READ AND THE MESSAGE CAN BE LOST.

It's the equivalent of yelling. Use upper and lower case for easier readability. The above headline is also 16 words just to give you an idea of how long is long.

Be Careful With Reversed Type: Reversed type is white letters on a black background. It's ok for some ads. The rule here is...Don't use reverse type in type sizes small than 18 point. 24 point or more is better. Small reversed type is very hard to read.

Can you read this 12 point type comfortably?

Remember, it's the message not the messenger.
Use a good attention-getting headline mixed with a good product message to the right target market on a consistent basis and watch your business grow.

Section Two: Advertising Media Newspapers 101

Chapter 19: How To Make Your Newspaper Ad Stand Out

Every time you run a newspaper ad, you are not only competing against your own industry competition but also every other ad on the page. Each ad is trying to attract the attention of the reader as they turn the pages. Here is a low cost, easy way to make your ad stand out.

Most newspapers in major cities are printed in 12-point type. However, many newspapers in small towns may be printed with larger type because they have less content. Larger type will make the paper bigger and fill the pages. (See: Chapter 18 How To Create An Ad That Sells)

In major cities I would advise you not to use type equal to or smaller than 12 pt in your ad. The smallest type should always be larger than the smallest type in the paper. In a small town newspaper however, using a slightly larger type can reduce the content of the ad too much. So in that case you can use a slightly smaller type and still be noticed.

The point you want to remember is that our eyes are trained to look for variations in anything. We look at a horizon and our eyes are drawn to movement, changes in color or size. In the case of newspaper ads, a contrast of weight (the size of type) may be just enough for you to stand out from the others who try to match the typeface on the page.

Also, keep in mind that the person usually creating the ads are the newspaper people themselves who tend to feel comfortable using the same size type for ads and copy. Force them out of that comfort zone and make your ad a noticeable variation.

Try and get a good spot in the paper if possible.

I think most people are aware that where your ad appears in the newspaper can have a great effect on how your ad pulls customers. For example, if you are a CPA, you'll want to be in the financial section. TV's and Satellite dishes... the sports section. But where should your ad appear on the pages of that section?

You are usually at the mercy of the editor or layout person, but if you are a consistent advertiser the newspaper may make an effort to help you position your ad for a greater return.

Newspaper Ad Position

To avoid being unhappy with the placement of your ad, make sure you will be in the correct section of

the paper. Economy, sports, editorial, etc. In some cases you may be able to pay extra for special placement of your ad. The best places to be in the paper, best to worst, are:

1. Page 2 or 3 of the news section,
2. The back page of any section (except classified ads),
3. The first three pages of any section (except classifieds),
4. Pages 4 and up in the news section.

Some Extra Thoughts On Newspapers

Newspapers have good and bad features. Here are some things to think about before you place that first ad.

Speed: Radio and the internet are faster to change but for the most part newspaper ads can be produced quickly and influence your customer immediately.

Local markets: Many small markets have some form of daily or weekly newspaper. They are one of the best ways to reach local and small markets within larger cities.

Sections: If you're a stockbroker you can be in the business section, shoe store the family section, grocery store the food section. Be where your customers are!

Budget: Newspapers have ads in a variety of sizes that can fit most small business budgets. Size is important but look in your local paper and see which ads seem to stand out more than others. You can spend less on a smaller ad and still be noticed.

Be careful of...

Short life: Sometimes they're on the bottom of the birdcage by 10:00 am. Even worse, if someone misses the paper one day, they miss your ad. With newspapers you must use repetition. You don't have to be in the paper every day but you should be in it on the most read days. Your rep can tell you the readership of each day of the week.

Ad placement: Where's a good place to have your ad? How about next to the daily horoscope. Even people who don't believe in it check it often. But, even if you request that location, you may not get it. Your ad can be lost among others on the page. And always keep in mind that your target market must be there too.

Demonstration: If your product's story is best told visually, newspapers have some real restrictions. Even photos require a larger ad to make them visible. TV might be a better buy here or if space permits use a series of still photos or before and after shots.

It's newsprint: The quality of newspapers print compared to magazines leaves a lot to be desired. The paper used is called newsprint paper. To pro-

duce that kind of quality, on good paper, the daily paper would cost upwards of \$5.00 or more per day. If picture details are critical then you might want to consider using a printed insert in the paper.

Do It Yourself?

If you have the ability and hardware, you may want to create your own print ads. If you do, here are the things I do when I create an ad:

First, start with all the elements that must be in the ad. These include: your logo, address, phone number, web site and any other items that mention name recognition. After I have those in place, I can then see how much space I have left for the message.

Next, I want to combine a strong visual with a very brief, but powerful, headline to capture attention. The purpose of the ad is not to make the sale, the purpose of the ad is to entice the customer to call, come by or contact you in some way - that “call to action” I keep talking about. Until that happens the sales process cannot begin.

I also want to stay about 1/8th to 3/8ths inch away from the edge of the ad. Why? Because I know my ad may be clumped in with a lot of other ads and this little area of white space will help my ad stand out from the others. You don't really need a border using this technique either. The white space will act as a natural border. Don't feel you have to fill every available inch of space with your message. The same is true in brochures and business cards. These

items aren't intended to make the sale. Their purpose is to alert the customer to your business or service and educate them about a need they might not know they had.

Color?

If you can afford color, use it. If you can't afford it, do the best you can for now. Four color ads get a much higher response than ads with no color at all. One or two colors are always better than just black and white. At least consider pricing color when talking with your media rep.

Caution: Sometimes color will only be used in certain sections and on certain pages of your local paper...be careful of placement of your color ad. Remember, above all you must be reaching your target market, otherwise you are wasting your money.

Size?

Make your ad as large as you can afford. Here is where advertising and marketing is an investment. If you go with the size ad you can afford now, you are safe. Advertising is not a risk for you. But if you go with a larger ad you should receive more calls and more business and the ad still pays for itself. I would suggest you go with an ad one step above what is comfortable for you. If you find it's not working after an adequate testing time you can always reduce it.

Better placement and value

Many local businesses like the weekly TV section. In San Diego, this section was filled with construction people, advertising home remodeling and room additions. The TV section stays around all week while the rest of the paper ended up in the trash.

Regional Sections

In Montana, the Billings Gazette is available in most cities in the state. The Gazette often includes a regional section in their paper for Bozeman, Butte, Missoula, and other cities around the state. The regional sections may be available at a lower price but mostly contain club and organization news of little interest to most readers. You may not get the biggest bang for your buck in these sections. Contact non-competing businesses that are currently in these sections and see what kind of responses they are experiencing. However, if your competition is consistently there you should assume the ad is working because they would probably not be wasting their money advertising where it's not producing income.

Special Events Sections

Many newspapers have special events sections during the year. Car shows, boat shows, bridal fairs, home improvement, etc. Before placing ads in these get a copy of the previous years edition. If it's mostly ads, with some stock articles as filler between those ads, it's probably not a good investment

of your advertising dollar. Again, check with some of the businesses that advertised there last year and get their feedback.

Advertising Inserts

Take an 8 1/2 x 11 piece of paper, create an advertising piece and have the newspaper include it as an insert with the paper. It's dramatically cheaper than an ad of the same size in the paper and can be color, or at least on colored paper. You can also have it included in certain newspaper routes. If you are selling a high-ticket item you may want the flyer to only go to the more affluent parts of town. Your flyer will stay around long after the paper is in the birdcage.

Final thoughts on newspapers

Not every small town has a great paper. But, even with their weaknesses, the newspaper is a great buy in most small markets and small towns for most companies.

Section Two: Advertising Media Radio 101

Chapter 20: How To Make Radio Work For You

If you've ever made a cross-country car trip you know when you are listening to a small town radio station. They just don't have that slick big city sound and delivery. I don't mean they sound like hicks, but there is a small town feel to the whole station no matter what the format.

Keep this in mind when it comes time to buy radio advertising. Local listeners are used to that "small town sound". If your commercial is too slick and too polished it may have that big city feel and actually turn locals off rather than entice them to come on down to your business.

In small and medium sized towns radio can be a real bargain. Even so that doesn't mean being on radio will generate instant sales for your business. Like any other form of advertising and marketing there are do's and don'ts that apply. Here are a few

tips to consider before making the plunge into radio advertising.

Radio formats

Radio formats are all over the board. Talk radio, easy listening, rock, country, new age, rap -- the list goes on and on. Which should you be on? Look at yourself. What stations do you listen to? Why? There is a specific sound you like and that's what you listen to. Follow me here for this is very important.

The sound of your commercial should not deviate from the sound of the station. What do I mean by that? Would you try and sell season tickets to the symphony on a heavy metal rock station? Would the sounds be contradictory? Would the listeners tune out the symphony or even have any desire to attend?

The point to keep in mind is you may have to create different ads for different stations. If your budget won't allow the expense, consider using the local DJ to read your copy live during the show. The listeners will be used to the voice and it will give your spot certain credibility. This will not work with stations that are run by computers and have no live DJ's. If that's the case you may have to make a custom spot for these stations.

Whom do you want to reach

The bottom line in any advertising is not how many people you reach, but how many buyers you reach. There's a difference. Radio stations work in demographics. Nothing wrong with that. Each station has a profile of their average listener. An audience may be males, 24-50, college educated, etc. That may be the people you want to reach but are they active buyers?

Stations also rely on ratings. Ratings are studies taken at various times of the year and stations base their advertising rates on numbers of listeners during these "rating periods". You may have heard of the "May Sweeps" that TV does. Stations also do their heaviest promotions during these "sweeps" to inflate the listenership.

In Bozeman, MT, my hometown, we have 12 stations that reach around 50,000 listeners. The most popular are the talk radio station and the modern country station. If I'm selling Cadillac's, which should I choose? Ratings and demographics aren't much help here are they? But what if the talk radio audience has a yearly income in excess of \$60,000 and the modern country is only \$20,000. Now which station would you choose? See, it really doesn't matter who's number one but who reaches the target audience you want to reach and who have the bucks to buy your product.

Cost Per Thousand? Cost Per Customer?

Radio costs are based on cost per 1,000 listeners to a particular show. What we are more interested in is the cost per customer. How many customers will our spots bring in and how much will they buy. Three spots at \$10.00 each (\$30.00) produce one customer who spends \$20.00 at our store. What's that worth? A \$10.00 loss is what it's worth. It really doesn't matter how many we reach, only how many buy and can we profit from the advertising.

Don't do it yourself

How many times have you heard a car dealer or store owner trying to do his or her own commercials? Usually it's something they think is really funny but turns out to be just plain dumb. Or it's obvious they are just reading copy. It's not their own words and it sounds robotic. Why people do this is beyond me. You run a professional organization have a professional radio image. If you don't have the talent to do it have the experts do it. They don't try to do your job, don't do theirs.

Cost to be on the air

What should it cost to be on the radio? Here in Bozeman, MT spots can go for as little as \$3.00. In large cities the costs are out of reach for the average small business. Most stations will base costs on where they are in the ratings versus other stations.

Top stations usually command the most. (See: “How To Buy Radio Time” in the next chapter)

Radio: A Public Relations Tool?

The talk radio station here in Bozeman, gives 20 minutes of free time weekly for a business to promote their product or service. It’s called the “Business Spotlight”. If your town doesn’t do it you might suggest it to your local station. Stations may read copy of news items about your company during their newscasts. Many will not accept PSA’s (Public Service Announcements) for a for-profit business, but if you buy airtime they sometimes miraculously show up.

Send the station news director or public affairs director “sound bites” (a term for short one liners that Ross Perot made famous). They aren’t going to use a fifteen-minute tape of anything you have to say so edit out your best thoughts and use those. If you’re doing something in public, let them know, they may want to cover it and report on it later. Edit tapes of speeches to highlight the points you want to cover.

Provide hard copy (paper) transcripts, which they may read on the air instead of your tape. Cover all bases. If you can set up a weekly call-in show do it. Most listeners are loyal to their stations and your business will have instant credibility. Perhaps you can open and close something like a farm market reports show. CPA’s, medical, attorney’s, all are naturals for call-ins. The idea is create customers.

People will feel they already know you from your show.

Here in Bozeman, Montana we have some of the best skiing in the world. Local resorts capitalize on this by doing ski report updates on the radio. Each morning they come on and give the snow levels and conditions at the slopes.

At the end of the report is a nice little advertising tag to increase business. Is there some information you can give to listeners in your town that would be of interest? Maybe a stockbroker could give daily market reports. A florist could give little known holidays each month for sending flowers such as “National Pet Your Cat Day.” People remember these little tidbits of information and remember you for providing them.

Additional ways Radio can work for you.

1. Use radio to stretch the listener’s imagination.

Voices and sounds can evoke mental pictures. Customers can mentally see themselves benefiting from the use of your products and services. Famous radio commercial creator Stan Freeburg told of draining Lake Michigan and filling it with hot chocolate then having a plane fly over and drop a giant marshmallow. Show me any other media, other than radio, where that could be done more vividly or inexpensively.

2. Listen for a memorable sound.

What will make your commercial stand out from the clutter? Offer a distinctive voice, a memorable jingle, a solution to the listener's problem. Here in Bozeman we have Kleen King Carpet cleaners. A poll of residents would say we all hate their jingle but everyone says they *remember* it.

3. Present an idea.

It is difficult to communicate more than one idea in a television commercial. In radio, which is subject to more distraction, it is nearly impossible. Be direct and clear with your message and state your company name at the beginning and at the end.

4 Select your audience quickly.

If you're in a group of commercials at the top of the hour, ask to be the first commercial in the chain. Listeners will still be focused on the show and you can keep their attention.

5. Mention your brand name and your promise early.

Commercials that do so get higher awareness. It heightens awareness if you mention the brand name and promise more than once.

6. Capitalize on events.

Exploit the flexibility of radio to tie in with fads, fashions, news, events, or the weather.

7. Use radio to reach teenagers.

Teenagers don't watch much television. They do listen to a lot of radio. Media experts say it's the best way to reach teens. Some say it's the only way.

8. Ask listeners to take action.

People respond to radio requests for action. They call the station to exchange views with the disc jockey. Don't be afraid to ask listeners to call now, or write in, or send money.

9. Make use of radio's merchandising services.

Associate your business with a popular on-air personality; sponsor promotions such as contests and giveaways.

Last, but not least, Money Savers

Compare the costs of a 30 second spot against a 60 second spot. One 60 second spot is usually only 20 to 30% more than a 30 second spot. Use 60's whenever possible. It may be possible to trade product for advertising time. They need electrical work, painting, heating and cooling.

Stations are always looking for promo items and giveaways. They may trade for all or part of your time.

Section Two: Advertising Media Radio 101

Chapter 21: How To Buy Radio Time

When it comes to small town advertising, one of the most effective is radio. Many small towns don't have newspapers or TV stations but many have radio stations. And local residents listen to those hometown stations and react to the advertising presented.

The good news is that most small town stations are a bargain when it comes to the cost of advertising versus larger cities. And like most things we talk about here, small town radio advertising must be done differently than large cities.

In order for any advertising medium to be successful it must follow basic advertising and marketing guidelines. It must be the right message, presented to the right people (your target market), at the right time.

The major advantages of radio

The major advantage of radio is it's everywhere. Our cars, bathrooms, bedrooms, kitchens and the workplace. Try to find a jogger without a radio and a headset. No other medium reaches so many people in so many different places.

Here are some advantages radio offers that you may be able to adapt to your business:

Its efficient: You can monitor the efficiency of your ad dollars and see the results of your efforts.

Its flexible: You can change your message and time schedules for ads with relative ease.

It has low production costs: Unlike TV or print ads the cost of producing a radio spot is much less.

Its listeners are loyal: If you have the right target listening to your station they are more likely to stay with that station. Few people listen to more than two or three radio stations. In small towns it may be just one.

It can be anywhere: It can sell you a product in the shower. What other medium can do that?

Each day radio reaches 77% of Americans. Every age bracket registers in the high 90's as weekly listeners. Keep in mind that your local stations numbers may vary depending on the size of your town.

Things to think about when buying small town radio time

If I were advising you on buying time in L.A. or New York, one of the first things I might ask you to consider is something called “drive time”. Most large cities have people commuting to work by car or public transportation and many carry radios with them to pass the time while stuck in traffic. For advertising this is a truly captive audience.

But, small towns rarely have traffic jams. Unless you want to call four or five cars lined up at a stop sign a traffic jam. Chances are in a small town you have a small retail area and a large rural area of farmers and ranchers. Guess what.... farmers and ranchers don't commute to work. When they wake up they are there.

Let's go back to “drive time” for just a second. Drive time is usually considered 7:00 am to 9:00 am in the morning. Some areas may also consider 3:00 pm to 6:00 pm as drive time. Small town people may not be in their cars during these hours but it doesn't mean they aren't listening. Many are reading the morning paper and listening to the radio at the same time before the long 10 minute commute (walk) to work.

On the other hand the “drive time” for farmers and ranchers may be as early as 4:00 am. Combining the two drive times we suddenly have a four-hour block of time to reach both “townies” and farmers. That's

a large block of time to place commercials. So how do you know how many ad spots to purchase?

How many spots should I buy?

Most mistakes in radio advertising is buying too few spots and/or playing them at the wrong times. To some business people it comes down to a matter of cost. How can I get the MOST spots for the LEAST amount of money? This is flawed thinking. Cost shouldn't even be a consideration. Why? Because we expect our advertising to PAY for itself. Remember, it's an investment not an expense.

One ad rarely sparks a buying decision. Usually we must be exposed to several ads over a period of time unless we have an immediate need and we just happen to hear the commercial at the right time. Advertising builds customers over periods of time.

Radio should not be purchased in spots. Instead buy blocks of time. Your commercial played several times over a short period of time is better than your commercial played fewer times over a long period of time.

SBA (Small Business Administration) Radio Guidelines: I agree to a point

The SBA suggests the following. Buy a block of 42 commercials. These would be played on Tuesday, Wednesday and Thursday. Three spots between 7:00 am to 9:00 am and four spots between 3:00 pm and

6:00 pm for two weeks. (Seven spots per day x 6 days = 42 spots).

This is excellent advice for the larger cities and I agree fully. The only area that I would advise you to make adjustments is if your target market is the rural community or farmers or ranchers. If you are a feed store or implement company farmers are in different places at different times of the year. During planting season they are on the tractor from dawn to dusk and even longer and the radio is their only companion. Same with harvesting season. You may want to vary your ad times to accommodate this group if they are your market.

Concentrated advertising gives you one other advantage. It makes your business appear larger than it really is. There is a perception among customers that companies that do a lot of advertising are successful or they couldn't afford to advertise. I can hear what your saying next. "Companies that do a lot of advertising are also overpriced to pay for that advertising". I won't deny that some of that thinking is true but I think if you ask people if Wal-Mart is over priced most would say no. High price talk comes more from word-of-mouth than from a perception of the cost of advertising.

I also feel that in rural areas people listen to the radio more in the morning and during the day than at night. Most people are TV people in the evening and radio people in the morning. Chances are you

wake up to a clock radio rather than a TV on a timer.

My budget is too small I can't afford 42 spots.

Many small businesses don't have a large advertising budget which is the whole reason for this book in the first place. For many it takes every cent just to purchase inventory and meet the payroll. The real purpose of advertising is not just to spend money but also to grow your business.

The key is to be consistent. Most of us listen to radio at the same times each day. If you can only afford one spot per day play it at the same time on the same days week after week. At least you will be reaching the same customers who listen during that time. Remember each listener you reach has a "sphere of influence" of 250 other people that they know. As your business grows try and add more spots.

Some stations will work with new customers by offering more spots than you pay for. Ask for "new advertisers specials". Also see if you can be placed at the end of PSA's. Such as "This message brought to you as a public service by... your name". The production costs of PSA's are donated to the PSA by the station. There should be little or no production cost in adding a tag line for your business. This would give you one more exposure during the broadcast day and may actually show up during

high rating hours and it shows potential customers your community involvement.

What's bad about radio?

With all the advantages of radio is there a down side to using it? In many small towns, for cost and reach (meaning people listen to it) it's pretty hard to beat but there are some drawbacks to consider. After all if I've shown you anything so far it's that no advertising media is perfect. Here are the negatives of radio.

Short Shelf Life: Unlike newspapers and magazines, once the commercial airs it's gone forever. It's not around to refer to later. Radio requires lots of spots on different stations and at different times to reach the majority of the listeners.

Visuals: If your customer needs to see your product to appreciate it then radio is very limited. However, you could use radio to direct the customer to a product demonstration at your place of business.

Listener loyalty: This is a two edged sword. Radio is a very competitive market. In Bozeman we have several stations for all of the Gallatin Valley. Most listeners are very loyal to their stations. For the ad reps that's a good thing. Your customers are going to be there. They seldom stray to far for too long. But to reach the majority of listeners it may be necessary to advertise on several stations instead of just one or two.

Broad Range: If you're selling to business owners, for example, your message will be largely ignored by all nonbusiness listeners. Business information, stock market, even sports can be very boring to some people. Pick your sponsorships and advertising of shows carefully.

Background: Many listeners have the radio on at work at a low volume for background music and never hear your commercial. Your message is just additional noise to help pass the time.

What makes a good radio ad?

A radio message usually has three major components:

1. An attention getting introduction. Distinctive music, sound effects or "jingles" can accomplish this. Somethings that jolts the listener into paying attention.
2. The main message of the commercial which should create interest in the product or service; and
3. A call to action. "Come down today." "Buy Now!" Etc.

Check out the available stations

Do a little homework. Locate the listings of radio stations in your area and start listening to them. Pay particular attention to who is advertising on what station. Does the "tone" of the commercial fit the

station? You might not find a commercial for the upcoming symphony season on a rap station.

How can you match your ad to your target market?

When picking a station you will need to match your target market to the station. Here are some ways to do it:

From your target market profile, when is your target market most likely to be listening? Do they go to work early? Do they work nights? Weekends?

Match your product to the stations programming. For examples, Cadillacs and investment shows, lawn mowers and garden shows.

Radio Ad Placement

The best placement for radio ads (best to worst) are:

Morning and evening drive time: On the way to and from work, you have a captive audience sitting in traffic with the radio as a diversion.

Weekend mornings: Sit down with a cup of coffee and the paper, and flip on the radio to catch up on the weather, news, ski reports, etc.

Work hours for certain kinds of stations: Jazz, easy listening, and classical stations are used as background music in many businesses. Although this is not the ideal place to put your ads they still receive exposure in a lot of retail establishments.

Specialty Shows: Can you tie your product into a theme show? For instance, your camping equipment to an outdoor show or your car painting business to a car show.

Guidelines for Radio

Here are a few additional pointers to keep in mind when using radio.

1. Running several commercials per day over a period of weeks is better than spacing them out over a period of months. People will continue to remember you for a time even when you've stopped your ads. But don't stop them too long. After a time people will forget you.
2. If you're in a group of commercials at the top of the hour, ask to be the first commercial in the chain. Listeners will still be focused on the show and you can keep their attention.
3. Ask to have your commercials placed in the middle of the show rather than the beginning or the end. Once the program ends the listener may turn off the radio and go do something else.
4. If one of the announcers is well respected in your community you might want to ask for them to read your commercial live. This practice continues the "tone" of the program and is more likely to keep the listeners attention. For more information on how to use radio (See: Chapter 20 "Radio: How To Make It Work For You")

What this chapter means to you

1. Make sure you have identified your target market and are advertising to the right people on the right station. If you are advertising to the wrong people you are wasting your money.
2. Just because you like a particular station doesn't mean your target market does. You may love rock n' roll and they're listening to classical.
3. Ask for deals or guarantees. Most stations aren't going to guarantee that your advertising may work but they may offer you additional free spots if you get a small response from your initial ads. It's certainly worth asking for.

Radio can be a great media and can do wonders for your business. If you've been considering it but were afraid to commit the money to do it, now's the time to go for it.

In most cases I think you'll find it will pay off for you and your business.

Section Two: Advertising Media Radio 101

Chapter 22: How To Do Radio & TV Interviews And Make The Most Of Them

Sooner or later the time will come when you are asked or will ask to appear on radio or TV. It may be a business promotion, an advertisement or an interview about your industry. It's almost as bad as public speaking and most people fear that more than death itself.

If you do have to be on radio or TV here are some pointers to make it easier:

1. Try to put the fact that you are talking to or being seen by thousands of people out of your mind. You can't see them so for all practical purposes they do not exist. Talk to the interviewer or pretend you are talking with your best friend and letting everyone else eavesdrop.

2. Prepare. Usually your fear is of the unknown. Make sure you have good notes and give the inter-

viewer a list of questions that you want to talk about. Don't let the interviewer surprise you with questions you are not prepared to answer.

See if the interviewer will let you visit the station a few days in advance of your appearance. See if you can observe someone else's interview and see how it goes with him or her and what you can expect when it's your turn.

If you are doing the interview on radio by phone from your home or office do it on your feet. I always think and speak better moving around.

If it's portable try to bring your product with you. Even on radio. It's easier to talk about your product if it's right there where you can touch it and see it. The interviewer will also have a better understanding of the product.

Most importantly be yourself. Don't use any words you don't use in your everyday life. Using big words doesn't impress anyone and most listeners and viewers will be able to tell if you don't use them regularly.

3. Dress appropriately. Yes, even for radio where they can't see you. Dress as you would want your customers to see you. If that's a white shirt and tie then do it. You will feel more at ease in your normal work dress. For TV, depending on the circumstances, a coat and tie may be necessary even if it's not your normal dress. Remember, you are representing your business and you want to do that looking and sounding your best.

If other interviews are being done at the same time, let someone else go first. **Reason?:** They will arrange the lights and sound and all the settings with the first person. Minor or no adjustments will be made for all the others. You will be made to sit there longer and there is a greater chance of your anxiety increasing. Let someone else be the test subject. When it's your turn sit down and knock it out.

If you are being taped for playback on the station at a later time and feel you didn't do well, ask if you can do it again. If they have the time they may let you. After all they want a good presentation too.

Radio and TV can do great things for your business. I know it's natural to be fearful but try and put that aside. Exposure is the name of the game in business and the more you can generate the better your business will be.

Section Two: Advertising Media Direct Mail 101

Chapter 23: Direct Mail: Why It Works And How To Use It

Suppose you were a real estate agent and every morning when you walked in your office there would be a list of people on your desk who are ready to buy a house. They qualify for the credit, have the down payment and are ready to buy. All you need to do is show them your listings.

Would that make your life easier? What would a list like that be worth to you? Well, that's sort of how direct mail works.

Who is most likely to buy?

As far as I know, no such list exists. But what does exist is a direct mail list that will tell you, based on past history, surveys, industry studies and collected information, a profile of the person most likely to purchase a home.

The most likely home buyer might be X years old, is married, has X children, makes X dollars per

year, has X years of education, favorite pastime is X, hobby is X, favorite car is X and so on.

Junk Mail: Don't ya love it?

Junk mail. Unwanted mail that fills your mailbox day after day that you must sort through to get to the real mail...the bills. Did you ever stop and consider, "How did I end up on this mailing list?" "Why are they sending this stuff to me?"

Why? Because you fit the profile of the person most likely to purchase that product based on past experience. Does your neighbor receive the same junk mail you do? Except for the Publishers Clearing House mailing probably not. Why? Because you are different from your neighbor. You have a different model car, different clothes, different hobbies and interests. They may receive mailings on outdoor products and you receive mailings on books and indoor hobbies. They golf you hunt and fish. They like beer, you like wine.

How Did I End Up On This Mailing List?

The three most popular means of getting on mailing lists are: Using a credit card to purchase something or filling out a warranty card when you buy a new product. Third most popular is a magazine subscription.

Do you have an American Express® Card? American Express allegedly keeps 450 pieces of information on each cardholder. Each time the card is

processed, you decide, by your purchases, which sales offers will be included with your next bill.

Direct mail is major business. More money is spent each year on direct mail than all other forms of media combined. Why? Because it when it is done correctly... it works.

How does direct mail compare with other advertising?

Let's suppose that one of the magazines your target market reads is Time Magazine®. As a small business you probably aren't going to advertise in Time®. But humor me to make this point. You want to place a full-page ad in Time. Cost: \$75,000. Let's say, for this exercise, that Time has 500,000 subscribers. So, our message is going to reach 500,000 people, right?

Well, it won't reach the people who just read a portion of the magazine that doesn't include your ad. It won't reach the people who go right past your ad looking for something else.

I also said that Time is ONE of the magazines your target market reads. Actually your demographics only fall within a small cross section of the total Time readership. Your target market might be ages 18-45. Times age demographics might be 18-65.

Your market is in there but it is a portion of the overall demographic. You are wasting your money-

reaching people between the ages of 46 and 65.
They are not your customers.

Why does direct mail work?

It's efficient and cost effective. If your research and profile of your target customer is correct you have eliminated contact with unqualified customers.
Huh? What does that mean?

Each time you refine your mailing list you eliminate more and more non-customers. Every non-customer you eliminate lowers the cost of the mailing.

For example: My target market might be left handed Italians, who live in towns of less than 9,714 people, in two story houses, on the south side of the street, own female Clydesdale horses and are married to women named Inga. Does this list eliminate most of the population? Yes it does. But why would I want to spend a ton of money on conventional advertising hoping to reach this small market segment?

If I want to reach homeowners, why would I waste money advertising to renters? Don't you do something like this now with your current ads on the radio and in the newspaper? Are there "*special*" radio stations renters can't hear that I could advertise on? Newspapers renters aren't allowed to read?

The more I know about my customer, the easier they are to reach and sell. The more unqualified customers I can eliminate from my list the lower my advertising cost becomes.

Why does direct mail work in small towns?

This is really a no brainer. Direct mail really becomes an effective weapon in towns with a population of 50,000 or less. The smaller the town the better. In a town of 50,000, how many potential customers do you have? Let's say it's 20% for this exercise. The other 80% are the wrong age, don't need your product, deal with your competitor or don't buy from you for a variety of reasons. It's sort of the old 80-20 rule. 80% of your business comes from 20% of your customers.

Twenty percent of 50,000 is 10,000 potential customers. Do you mail to all 10,000? No. These are only potential customers. How many fit the exact profile of your ideal customer? The people who buy from you now and keep you in business. It may be 8,000 or it may only be a few hundred. But that's who gets your offer.

How to use direct mail in small towns.

If you are a regular reader of my web site, you've heard me say many times, the purpose of any ad is either to promote name recognition of the business or a "call to action." By call to action, I mean, bring in a coupon, make a call, come down to the business, etc.

My favorite is postcards. Give the customer a reason to hang on to your postcard. A drawing, valuable coupon or some other reason to keep it.

Here are a variety of reasons why I like postcards so much:

1. Everybody looks at them. You have 3 seconds to make your point.
2. They are a miniature billboard.
3. They make perfect coupons.
4. People who would never think of picking up a letter off your desk think nothing of picking up a postcard and reading it.
5. Your message is exposed to many people as it travels through the mail and around the office.
6. At .20¢ (as of this printing but threatening to go up) they are a penny more than bulk mail and go first class.
7. At .20¢ you can do small-specialized mailings without having to qualify for bulk mail. No presorting or bundling.
8. Add "Address Correction Requested" to your return address and undelivered mail will be returned by post office with new addresses updated free.
9. In black and white on colored card stock they are inexpensive to produce.
10. Mail 500 or more with presorted bar coding and nine digit zip and the postage can go down as low as .13 cents. (Check with post office for exact

pricing and restrictions. These may have changed since this book was printed).

11. Even with printing and postage, costs can often be less than newspaper or radio in small towns and small markets.

Some Additional thoughts on direct mail

1. Make sure your offer is right.

More than any other element, what you offer the consumer — in terms of product, price, or premium — will make the difference. Consider combinations instead of single units, optional extras, different opening offers, and commitment periods. Free is the most powerful offer you can make, but beware of its attracting lookers instead of buyers.”Buy One—Get One FREE” is more powerful than “50% OFF”.

2. Demonstrate your product.

Offer a free sample, or enclose a sample if you can. Sampling is the most expensive promotion in absolute cost but is often so effective that the investment is quickly paid back with a larger business base. If you measure response on a profit per piece mailed, it sometimes pays to spend a few more cents.**Caution:** The population of your town or market may not make this economical.

3. Use the envelope to telegraph your message.

Direct mail must work fast or it’s in the trash. Your envelope has only seconds to interest the prospect

or go unopened into the wastebasket Make sure you have a very good offer on the outside of your envelope.

4. Have a copy strategy.

Like any other advertising medium, direct mail will be more productive, if you decide in advance, the important issues of target audience, consumer benefit; and support, tone, and personality. While your promise should relate specifically to your product, experts say the most potent appeals in direct mail are how to make money, save money, save time or avoid effort. Or to say it another way — emotion.

5. Grab the readers attention.

Every beginning copywriter in direct mail learns the AIDA formula. The letters stand for the ideal structure of a sales letter: attention (your headline), interest (your subhead), desire (your body copy expressing benefits), and a (call to) action. Look for a dramatic opening, one that speaks to the reader in a very personal way.

6. Don't be afraid of long copy.

The more you tell, the more you sell— particularly if you're asking the reader to spend a great deal of money or invest time. A Mercedes-Benz diesel car letter was 5 pages long. A Cunard Line letter for ocean cruises was eight pages long. The key to long copy is facts. Be specific, not general. Make the

letter visually appealing. Break up the copy into smaller paragraphs and emphasize important points with bold text or handwritten notes. Including several pieces in a direct-mail package is like receiving several little presents to open and often improves response.

7. Don't let the reader off the hook.

Leave your readers with something to do, so they won't procrastinate. It's too easy to put off a decision. Use action devices like a yes/no token to be stuck on a reply card. Involvement is important. Prod them to act now. Set a fixed period of time... such as ten days. Or make only a limited supply available. Make it extremely easy for the reader to respond to your offer. But always ask for the order.

8. Pre-test your promises and headlines.

Don't guess at what will appeal to the reader. There are many ways to sell your product benefits and as many inexpensive testing methods. Avoid humor, tricks, or gimmicks. It pays to be serious and helpful.

What this chapter means to you.

The main thing to remember about any advertising is that nothing works in every situation. Direct mail is not the end-all answer to all advertising problems and may not be the best option for your business.

Compare costs and possible effectiveness of all types of advertising. Advertising is always a test

and direct mail requires more testing than most other types of advertising but when you get it right and are sending it to the right audience with the right message it is very effective.

Section Two: Advertising Media

Direct Mail 101

Chapter 24:

Direct Mail:

Formulas For Success

Just in case you missed it in the last chapter, more money is spent on direct mail advertising than all other forms of advertising combined. Why? Because, when it's done correctly, it works.

How do you do it correctly, you ask? For direct mail to be effective, three things have to happen. First, you need a good list to mail to. The mail must go to the people most likely to want your product or service. You probably wouldn't put McDonalds® coupons in a Weight Watchers® mailing.

Second, there must be an offer that your customer will want to respond to. As one of my tips above points out, "Buy One, Get One Free", works better than "50% Off." Also fear of loss is more powerful than expectation of gain. "Limited Time Offer", "Respond Now" or "Don't miss Out On Big Savings".

Third, you must take advantage of the postal rates the USPS (United States Postal Service) offers. You can dramatically cut mailing costs by designing your mailing piece to fit specific mailing regulations. Always check with the post office before designing any mailing piece. Also, don't assume your marketing or advertising agency knows the regulations. Many don't.

So, you may be considering using direct mail to promote your business. The question usually is, "Where do I start?" Let's start by knowing exactly what you want your mailing to accomplish.

I want a certain amount of revenue

We all want our advertising to produce income but at times you may want to achieve a specific amount of income.

If I was a farmer and wanted to harvest 100 bushels per acre, there are a minimum number of seeds I have to plant to have a chance of accomplishing this. I know not every seed I plant is going to germinate and grow.

Direct mail is no different. There are a certain number of mailing pieces that have to be sent to realize the revenue you want. In order for this formula to work, three things are needed.

First, the amount of revenue you want your mailing to achieve.

Second, your closing ratio. 100 customers see the product, 50 buy it, and your closing ratio is 50%.

Third, you will need to estimate the response rate. Most successful direct mailing produce a 1% - 2% response. That's successful? 98% of the people don't respond to the mailing? Trust me, if you get 2% or better with your mailings and your closing ratio is 50%, you'll make a good living.

Here is your formula for computing number of direct mail pieces needed to produce a specific revenue amount.

To Achieve A Revenue Goal of \$10,000 if the average sale is \$50.00

Average sale = \$50.00

x close ratio = 50%

x response rate = 1%

divided into Revenue Goal (\$10,000)

= Number of Direct Mail Pieces

Needed Would be:

$\$50.00 \times 50\% \times 1\% = 0.25$

divided into 10,000 = 40,000 pieces

Let's suppose you can improve your response rate just 2% with a better offer. If you can, you only need to mail 13,333 pieces.

If your mailing was a postcard at .13¢ per card you save \$3,466.00 in postage to achieve the same \$10,000 in revenue. That's the way to do direct mail right.

I want to make a specific amount of profit

Most of us are in business to make a profit. In most cases you may think the marketplace determines your profit. With direct mail you can generate profit and it pays for itself.

In this formula, you need to add your profit margin to the mix. For this example we'll use a profit margin of 25%.

Let's adjust your above formula to the following:

To Achieve A Profit Goal of \$10,000 if the average sale is \$50.00

Average sale = \$50.00

x profit margin = 25%

x close ratio = 50%

x response rate = 1%

divided into Profit Goal (\$10,000)

= Number of Direct Mail Pieces Needed

Would be:

$\$50.00 \times 25\% \times 50\% \times 1\% = 0.0625$

divided into 10,000 = 160,000 pieces

Let's again suppose you can improve your response rate just 2% with a better offer. If you can, you only need to mail 53,333 pieces.

If your mailing was a postcard at .13¢ per card you save \$13,866.00 in postage to achieve the same \$10,000 in profit.

How can I determine the gross and net profit from a mailing?

The success of a direct mail campaign is very simple to determine. If it costs more than it produced, it's a failure. If the opposite is true it's a success. Advertising should never cost a company money. It should always produce revenue. Here are the formulas to compute gross and net profit on a mailing.

To Compute Gross Profit of Direct Mail Campaign

Average sale = \$50.00

x close ratio = 50%

x profit margin = 25%

x number of mail pieces = 10,000

x response rate = 1%

= Gross Profit

Would be:

$$\$50.00 \times 50\% \times 25\% \times 10,000 \times 1\% = \$625.00$$

Gross Profit

To Compute Net Profit of Direct Mail Campaign

number of mailing pieces = 10,000

x average sale = \$50.00

x close ratio = 50%

x response rate = 1%

x profit margin = 25%

minus cost of direct mail campaign

(I'll use \$1000.00 - I did my own design and copying)

= Net Profit

Would be:

$$10,000 \times 50 \times 50\% \times 1\% \times 25\% - \$1,000 = \$-375.00$$

Net Profit

What happened? This mailing campaign was a failure. It lost \$375.00 more than it produced.

As you can see, losing money in direct mail advertising is possible and perhaps even probable if you don't follow the rules. The first two formulas may demonstrate that your business is not ready for direct mail. If it is, make sure you have a current mailing list and a good offer.

Once again, when it comes to direct mail, small towns have a definite advantage over large cities. First, the list is usually smaller. For example, in a town of 25,000 your customer base may only be 10% (2,500 people).

Mailing postcards to 2,500 potential customers, even at full first class postage of .20¢, is only \$500.00.

If you mail to this group 4 times a year, you are looking at postage costs of \$166.66 per month. This should be affordable for most small businesses. If addressed properly the post office will charge considerably less.

If you use mailing lists to promote your business then you know the list brokers usually have minimum amounts of names you must buy. Usually its 3,000 to 5,000 at a time. Don't feel you have to mail all those names at the same time.

You can break them up into smaller mailings over a period of time to keep costs under control. You can also use the profits from the early mailing to finance the rest if your offer and response is good enough. If it isn't you still have enough names to send a revised offer to some different people and try to improve response.

CAUTION: People move at the drop of a hat. Your list will start to become stale the day you get it. Do the additional mailings as quickly as you can to take advantage of the most names.

What this chapter means to you.

Direct mail is an excellent way to keep your name in front of customers. Use it consistently to keep in contact with your customers. Each mailing may not produce immediate revenue but over the long haul, it will produce the most important product your business needs... customers.

Section Two: Advertising Media Direct Mail 101

Chapter 25: How To Know If You Can Sell Your Product By Direct Mail

I talk about direct mail on my web site and at my seminars and workshops because it is one of the most successful and inexpensive ways to market your product...if it's done correctly. Those last four words are the key.

Most industry experts say that a one to two percent response is an indication of a successful campaign. So, when you decide that you want to sell your product by direct mail how do you know how much to mail? (See: Chapter 24 Direct Mail: Formulas For Success) And, can you make any money?

You'll want to start with a small test mailing. I usually recommend 5,000. It is small enough that it won't bankrupt you and large enough to give you a sizable number if you get a one to two percent response. (1% = 50, 2% = 100 responses). This will also give you a guide as to costs of the mailing for the response that is returned.

For example, let's say you mail 50,000 offers. You get a 1% or 2% response. (1% = 500, 2% = 1000 orders) Your product sells for \$14.95 (You gross \$7,475.00 or \$14,940.00) what happens when you deduct the expenses. Printing, postage cost of list etc. If each mailer cost just .50¢ your expenses are: \$25,000.00. **You just lost \$11,000.00.**

To make this successful one of three things must happen.

1. You must sell the product for around \$30.00,
2. You must cut the cost of the mailer, or
3. You must increase the response from 1% to 2% to at least 2% to 4%.

Numbers one and two are the most likely but number three can be the most effective. The better your mailing list the higher your response rate will be. Provided of course, that you have a good product and a good offer.

Section Two: Advertising Media

Direct Mail 101

Chapter 26:

How To Write A

Direct Mail Letter

Most advertising experts agree that, if done correctly, direct mail is the best way to sell any thing to anyone. Why is it so successful? Because direct mail uses a rifle approach rather than a shotgun approach. If I shoot a rifle at a target I have to be precise in my aim. The target is very small. If I shoot the target with a shotgun I have a better chance of hitting the target but a lot of my shot also misses the target. So those pellets are wasted because they missed the target. The same is true in direct mail advertising.

The more closely you can target your market and reach them with your advertising message the better your result will be. Almost any other form of advertising you can name uses the shotgun method. Direct mail is the only form of advertising that you can send to exactly who you want to reach. You can send one piece or a million. Let me show you how

different advertising methods compare to direct mail.

Direct mail comparison

Compare direct mail in a small town to newspaper advertising. Let's say you're advertising farm equipment. While most farmers receive the newspapers for crop reports and other agricultural information, the residents of the town do too. The town's people could care less about farm equipment because they are never going to purchase it. Yet you are spending your advertising dollars to reach them.

With direct mail you could target specific farmers or specific rural routes. Your response should be higher and your cost might be less depending on local newspaper rates. But at any rate your cost per customer should be lower. Notice I didn't say cost per thousand; I said cost per customer. For more on this see: (Chapter 23: Direct Mail: Why It Works And How To Use It) Now that you know a little about direct mail let's talk about your direct mail letter.

Always begin with a good first impression

Wouldn't you want to dress your best when making a sales call on a new prospect? Most of us would answer yes. In the case of a direct mail letter you are not physically making the call but your mailing piece is. So your mailing piece should make the best impression it possibly can. In this case we are usually talking about your letterhead.

It doesn't have to be expensive but should be well done. It can be black and white or color and should be on a nice paper. I would recommend a nice white linen stock. Resist using colored paper for letter-head. Basic white will usually get the best results. I realize that you are probably tempted to use a cheap paper because of the size of the mailing but remember a few new customers should pay for the cost of the mailing. Including the better paper.

Whom are you mailing to?

Microsoft Word and WordPerfect both have a feature called *mail merge*. What this means is that each letter can be personalized to the person it's addressed to. Instead of Dear Occupant or Dear Sir or Madam, it will say Dear Mr. Smith or Dear Mrs. Jones. Response is usually higher when personalization is used. If you are not able to do this for some reason try and be as specific as you can in generic personalization. "Dear Gallatin County Voter" for example.

Why should they read your letter?

Ever have a person start talking to you and right away you wish you were somewhere else? The reason you want to be somewhere else is because they have not captured your interest in what they are talking about. It's the same with your direct mail letter. The first paragraph must contain information they need or want which grabs their attention immediately or your information is destined for the wastebasket.

In many cases a question works well. For example, “May I show you how your company is losing money each month with your current widget supplier?” Or you might use an industry statistic. “Were you aware that 8 out of 10 businesses fail because they do just one thing wrong?” I would probably keep reading to find out what that one thing is and am I doing it wrong.

What are the bennies?

Every product has a feature or features. But in order for your direct mailing to be successful you must let people know what the benefit of each feature is. Keep in mind that a feature is what a product has; a benefit is what a product does. One of the most powerful benefits a product can offer is convenience. A handsaw will cut a board but a skillsaw can do the same job in one-tenth the time. The convenience of speed outweighs the additional expense of the skillsaw.

The fact that a car has four doors doesn't mean much unless you can translate that into a benefit to the car buyer. The fact that it's easier for the kids to get in and out of the car may be a benefit. The fact that you transport your grandparents from time to time and it's easier for them to get in and out may be a benefit. It may be easier to get your three dogs in and out of the car. A real estate agent may need to show multiple houses to a family of four. Who wants to climb over seats all afternoon? Stress

benefits to your customers over and over in your letter and in your brochure.

Use the power of a third party to re-enforce your message.

Has a friend ever recommended a movie or a good book to you? Chances are they have. We are much more comfortable trying something if we are familiar with someone else who recommends that product. Many products use a spokesperson to deliver the selling message. We may not actually know the famous movie star but we often feel that we do. And, if we like the person we may very well buy the product based on the testimonial of the star.

In small towns there are stars too. Many small town business people are well known in the community. If you have done work for these folks ask them for a testimonial letter. If they don't know what to write about your business then offer to write it for them and just have them sign it. If you've done a good job people are happy to tell others.

Here are some ways to make things stand out in your direct mail letter.

Many people will just open your letter and look at it. For these people you need a way to make the important parts of your letter stand out to them. **The most common way is the use of bold lettering** that makes text stand out from the text around it. Bold and a touch of color will also be noticed. Pick your phrases wisely when doing this. They should be

short and sweet. Consider just bolding parts of sentences like my example above to get the reader started.

Here are a few things that I suggest you don't do.

Avoid using all capital letters except in headlines. And even there I would use them sparingly. Do not underline words unless you are using typewriter typefaces. Underlining was the only way people had to emphasize text when using the old style typewriter. Use **bold** instead.

Be careful using reversed text. Reversed text would be white text inside a black box to make it stand out. Don't use reversed text in all caps unless it's only one or two words. Never used reversed text in sizes lower than 18 points. It will be difficult to read.

I like your message so what do I do now?

If your direct mail letter has done a good selling job the next part is to ask the customer to do something. This is commonly called, "a call to action." What a call to action does is ask the customer to do something now. Don't wait. Make a phone call, mail in the card, stop by the store, redeem a coupon call our toll free 800 number, visit our web site and so on.

Most people are more afraid of fear of loss than expectation of gain. So you might want to add,

“limited time only” to your offer. Or put an actual date when the promotion ends. Or perhaps a discount on the first 500 orders received. There must be a reason to make the consumer act now and not procrastinate.

This is one of the most important parts of any direct mail letter.

A percentage of your customers will go right to the bottom of the letter to see who wrote it. And right below that is the postscript or P.S. as it's commonly known. The PS is another chance for you to restate your offer and another call for action. “Order the new improved widget before Jan 1st and receive your free gift”. The postscript is one of the most powerful tools you can use in your direct marketing letter and is almost always read.

What this chapter means to you.

All of the elements above are certainly important but I've saved one more for this section that is also important. When you write your letter, picture one customer in your mind and write a personal letter to that person. What would you say to them if they were here in person? What important parts would you like them to know about your business or product?

The second part to remember is that people are emotional not logical. Remember our rule. When emotion and logic come into conflict emotion always wins.

When you write your letter don't forget to speak in terms of feelings and avoid the cold hard facts of features without benefits.

You'll want the facts in there but express them in a warm personal manner, not a cold impersonal way. Stress the benefits of the features — not just the features.

Section Two: Advertising Media Yellow Pages 101

Chapter 27: Yellow Pages: Pros & Cons (How To Do Your Ad The Right Way)

The most popular way to find a service or business on a local level in the United States is by far the Yellow Pages. “Let your fingers do the walking”, says it all. If you think you don’t use the Yellow Pages that much, put it in the basement for a month and see how many times you reach for it. If you are in a service business: carpet cleaning, plumbing, carpentry or a contractor or electrician you’ll get a lot of calls from the Yellow Pages.

For some unknown reason, the term Yellow Pages was never copyrighted by anyone, so you see it used by all sorts of local telephone directories. Here are some of the strengths and weaknesses of the Yellow Pages:

Strengths of the yellow pages

Buyers: By the time a person gets to the Yellow Pages, they are already sold; they are looking for

the place to buy. Make sure your salespeople know how to field these phone calls.

Credibility: Most fly-by-night companies don't go to the time and expense of a Yellow Pages ad. If a company has a Yellow Pages ad, there is a perception, that the company is probably honest and capable.

Classifications: If your business wears many hats, you can advertise under several headings. For example, a company that sells copy machines may also sell fax machines and would want to be under both listings and increase your customer base. You should be under any heading your target market is likely to look for.

Free copy: Every person and business in your selling area that has a phone gets a free copy of your ad. Yellow Pages are used by 89.9% of all adults. It gives you total market coverage.

Twenty-four hours a day: It's ready to go and if you're a 24-hour business, customers are ready to buy.

Cost: The cost per thousand is relatively low compared to other media. (Remember to track cost per customer in your ad). Extends the reach of other media: "See our ad in the Yellow Pages under widgets."

Yellow pages weaknesses

Naked to the world: I turn to your Yellow Pages ad and there you are — with *ALL* your competitors.

There is a chance I might call a company with a bigger ad than yours, or one that says they provide the specific service I need.

Long lead time: You need to have your ad ready almost six months before the new phone book comes out.

No Updates: Change of address, phone, new services, discontinued services? Sorry, no update until the new phone book comes out. Heaven forbid if you did anything wrong or there is a typo. You are going to be there for a long time.

No Coupons: I was working with a video company in San Diego at the beginning of the video rental boom in the early 1980's. We made the major mistake of putting a two-for-one movie rental coupon, with no expiration date, in our Yellow Pages ad good at any of the 15 stores we had at that time. This was during the early days when the average rental price was \$5.00 per night. People got coupons out of phone booths, offices; no phone book in the city was safe. For almost 18 months we gave away thousands of dollars in free movie rentals. It was a very painful lesson. Before you start to feel too sorry for them, they did go on to build 42 stores in San Diego and eventually sold the chain to Blockbuster Video for \$12.5 million.

How to do your ad the right way.

One of the most important points in all my books and articles are trying to find ways to save money on advertising. This is not one of those places.

When you contact your Yellow Pages Rep, they are going to tell you that the design of the ad will be included in the price of the ad. This may vary from one area to the next, but it's generally true. What's the problem? "I'm saving money on graphic design charges, aren't I?" Yes, you are but...

Here's the problem. All your advertising pieces should have a recurring "theme" or family resemblance. Same colors in the logo, same typefaces in the brochure as in the newspaper ads and flyers. When you create an image for your business, that image should be expressed accurately in "all" your advertising materials. Your Yellow Pages ad should be one of your most viewed forms of advertising. Any deviation from your theme might confuse your customers. Ads designed by the Yellow Page designers tend to look alike. Check your own copy. Look at your competitors. Don't you notice certain sameness?

So, do it right, and have the same people who designed your business cards, brochures and other materials, create your Yellow Pages ad. Save money by having your designer create pieces of ads, in a variety of sizes that can be assembled as needed for any ad at no additional cost. If you are the designer of your advertising then you end up saving on your own services.

If you are the designer, make sure you lay the ad out with the important things first. This is a media where people go mainly to use the phone. Your

Yellow Pages ad is designed to do one thing—get people to call you on the phone or come to your place of business. So what are the most important components to put in the ad? Start by making a list of what absolutely, positively has to be in your ad. Don't create a great message that leaves no room for the phone, logo, address, web site or other essentials. Remember, we want a call or a visit from our customer. Use the ad to create curiosity; don't ask the ad to close the sale for you.

Use these rules for all of your advertising and watch your sales improve.

What this chapter means to you.

I think the consensus here is clear. If you can afford to be in the Yellow Pages, do it. When I first opened my marketing business in 1985, the profit from my first call paid for my Yellow Pages ad for the year. However, I placed a larger, less expensive ad in a regional Yellow Pages and never received a single call from that ad. I'm not saying don't advertise in regional books, but you may want to ask similar businesses how their ads are doing.

When in doubt, do what I did...Test an ad and find out. If it works next time buy a larger ad. Two good Yellow Pages resources to help you design and buy ads that work are:

“Advertising In The Yellow Pages” by W.F. Wagner, and
“Getting The Most From Your Yellow Pages Advertising” by Barry Maher.

Section Two: Advertising Media Magazines 101

Chapter 28: How To Advertise in Magazines

Almost every kind of business has some kind of magazine devoted to it. It never ceases to amaze me, as I travel around the country giving advertising workshops and meeting business people, the variety of trade magazines that are available to small business.

To be successful in this form of advertising you need to become a student of magazine advertising. Start tearing out ads you like and collect them for the time when you will design your own magazine ads. Make a list and collect the ads of people in your industry who advertise consistently. If they keep advertising then something is working for them. Study their ads and message. What are the benefits they are stressing to their customers?

Magazines are usually classified by content, geography (Montana Magazine), and whether they are business-to-business, special interest or for general public consumption.

Why advertise in magazines?

Long life: As I mentioned above, some magazines stay in doctor's offices' for years. Your ad stays there with it. Great for name recognition. I was the member profile in Costco Connection® magazine in March of 2001. I am still selling books from that appearance more than a year later.

Narrow Target Market: If you have a narrow target market, this is an excellent way to reach those people. They are seeking out this type of information and will pay more attention to the ads. In fact many will go looking through these ads for suppliers and industry specific products.

Versatile: Have you ever scratched off a spot in a magazine to sample a perfume fragrance? Ever seen a fold-out in a magazine? Special inks? Heavy paper? There are a lot things magazines can do other media can't or won't. However keep in mind that magazines are going to be more costly than many other types of advertising. So make sure you follow our 75% expectation rule; the ad must produce more money than it costs or you shouldn't be there.

Credibility: The magazine itself can give you credibility. Remember Good Housekeeping® Magazine? Every company wanted the Good Housekeeping Seal Of Approval on their products. Some magazines have excellent reputations and an ad transfers that reputation to your company in the eyes of some loyal readers.

What are the reasons not to advertise in magazines?

Long lead time: It takes a while to get your ad to the magazine. To advertise my web site for Christmas, I'll need to have the copy in by the beginning of September at least. And I'm not sure what www.smalltownmarketing.com will look like in December. It could be very different than it looks today.

High Cost: Many national magazines are price prohibitive. A full page-four color national ad in "People®" can exceed \$100,000 per page. Many national magazines produce regional issues and those rates, though still high, are more reasonable for small business. TV Guide® is a good example of a magazine that offers regional advertising. If your target market is there it might be an excellent value.

Size and Color: Magazines offer great color quality (for a price, usually high) that other media can't touch. You will never see magazine color in newspapers for example.

Limited Space: Magazine editors don't want the ads to overpower the content of the magazine. Except in the case of "People®" special issues where the ad pages often outnumber the content 2 to 1. It's easy for your ad to be lost in popular magazines because they are crowded.

Low frequency: Monthly magazines are only 12 per year. You may need to have other advertising in place to reinforce your magazine advertising.

If it's wrong it's wrong for a long time: If you make a mistake in your ad such as an incorrect price, you may be defending yourself on the phone to irate customers for months. Even a correction or retraction in a future issue may not undo the damage.

Where are the best places to be in magazines?

The best places to put your ad in a magazine, best to worst, are:

1. The inside front cover,
2. The back cover,
3. The first few pages of the magazine,
4. Directly across from the cover story or the feature story,
5. The inside back cover,
6. The first 25% of the magazine,
7. The next 50% of the magazine,
8. The last 25% of the magazine.

These may vary from magazine to magazine. One way to find out what's successful in magazines is to look at back issues. If the same companies keep showing up in the same spot month after month, you know it must be working.

Once companies find a spot that is working for them they do not want to give up that spot. Let your ad rep know that when the contract for the spot you want becomes available to call you and give you the opportunity to place your ad there or at least to bid on it.

What this chapter means to you

If you can afford magazine advertising, especially in color, it can be very rewarding for your business. You'll find a list of magazines in the "*Encyclopedia of Periodicals*" at your library. Contact the ones you are interested in and ask them to send you an "*advertising rate kit.*" This should contain pricing and the demographic information pertaining to the magazine.

Magazines stay around a long time as opposed to other media and has the power to be the most professional and eye catching presentation. There is also the prestige factor for appearing in certain magazines which will give your business some credibility.

Your target market may tend to hang on to the magazine because of the articles. When this happens they hang on to your ad too. People often loan articles to their friends and family so you can expect more visibility than just the original owner of the magazine.

Don't forget to include address, phone number, web site, email, fax number etc. Always make it easy for the customer to reach you.

Section Two: Advertising Media Television 101

Chapter 29: How To Advertise On TV

Most small towns don't have local television stations. However, I'm going to cover this area because the time may come when your business reaches a size that you'll want to advertise on one of the stations that reaches your community.

The television industry is the most powerful means of reaching mass numbers of customers quickly. The larger your target market the less expensive television becomes. Car dealers, appliance dealers, fast food are all big users of TV. Even narrow markets can be reached if the show and audience are properly matched. Just be sure the numbers of viewers are there to produce enough customers to justify the costs.

In radio, as I mentioned earlier, people tend to stay with one station most of the time. In TV, people "channel surf" through the endless selections until they find something that interests them. This vast selection of choices makes it even more critical that you correctly identify your target market and be on

the right stations at the right times to maximize your effectiveness and get the most bang for your buck.

The power of TV and how to use it.

For many people TV is their principle form of entertainment. And with the current popularity of DVD movies and cable people are watching more than ever.

Not everyone reads the paper, or magazines, but almost everyone watches TV some portion of every day, either for entertainment or news or just relaxation.

Learning and education channels take us all over the world and show us a world we could never imagine. TV can reach and influence better than any other advertising medium.

For a product that requires some kind of demonstration, education or instruction, TV is your medium. Could magazines and newspapers have sold the Hula Hoop as well as TV did? TV educates faster than almost any other media.

Stimulate the senses

Radio is sound, newspapers and magazines are visual. TV combines not only sight and sound but, depending on your imagination, taste, touch and smell. TV can stimulate our senses like no other media. It can make us laugh, cry, sing and scare us to death all within an hour or two. The old "*Wide*

World of Sports” show every week would show us the “thrill” of victory and the “agony” of defeat.

Make your own local celebrities.

TV creates personalities. Most of us recognize our local car dealers on the street from their TV ads. We almost feel as if we know them because they are in our homes on a regular basis. You can create a personality for your business or products too. Use local DJ's or create a spokesman from your company. Put them in front of the public for a while and “poof” they are famous. At least in your local area. Do I really need to mention “Mr. Whipple” here? If you forgot who that is then you might want to go squeeze your Charman[®] and maybe it will come back to you.

Show them your brand.

Got a package design that you'd like people to start looking for? TV again is your best bet. Show people what they should be looking for in their stores. In a very short time you can have even a new package seem like an old friend.

When and why would you not use TV?

TV is expensive even in small local markets. Production costs, time, locations, ideas, reshoots all add to the expense. One way to save money on TV advertising is to use national ads that have already been made at corporate expense and add your name

(called a “tag” or “tag line”) and address at the end of the commercial.

Check with your suppliers and sales rep about these ready made commercials and use co-op advertising money paid by the supplier to help pay part of your advertising expense.

Like radio, once the message is played, it’s gone. Newspaper’s and magazines keep your ad around a little while but with TV your commercial is gone and the next message is on the way. However, with VCR’s it can be seen again when the tape is re-played and can be passed along to others. Many people will record movies even with commercials and keep for those nights when there is nothing on their 500 + channels.

With the hundreds of channels and thousands of commercials your message must be played over and over again to get through the maze of information. Over and over translates into a pretty good expense very quickly.

What makes a good TV ad

Earlier in the book I talked about the Apple® TV ad shown during the 1984 Super Bowl. Most advertising agencies agree that it was the best commercial ever made. What made it so good?

It didn’t show the product but it created a curiosity that swept across the nation. The next day everyone was asking what this new computer was all about.

Even though it was only shown once its impact is still being felt almost 20 years later.

All good movies have a beginning, middle and an end. It's the same with TV. Get the viewers attention, tell the story, reaffirm the message and call for some kind of action. This is also an excellent way to send them to your web site or to call your toll free number and order right now. Does "Operators are standing by" sound familiar?

The Power of TV

1. The picture must tell the story. After all it is a visual media. Try this trick. Watch your commercial with the sound turned off. Is there a message there even without the words?

2. Look for a key "visual". A good test of a TV ad is; could you take a single frame from your TV ad and make a magazine ad, brochure or flyer from it? A strong visual coupled with an attention getting headline. If you can then the image is successfully telling the story.

3. Grab the viewer's attention. The first 5 seconds of your commercial are crucial. Analysis of audience reaction shows either a sharp drop or a sharp rise in interest during this time.

4. Be single minded. A good commercial is uncomplicated, direct. It never makes the viewer do a lot of mental work. Longer commercials should not add copy. A 60-second spot tells the same story as a 30-

second one, with more leisure and detail. And— best of all— you can use repetition within the commercial.

5. Register the name of your product in the customers mind. Too often, a viewer will remember the commercial but not the name of your brand. This is a problem particularly with new products. Showing the package on screen and mouthing the name is not enough. Take extra pains to implant your product name in the viewers mind.

6. The tone of your advertising must reflect your product personality. If you are fortunate enough to have a product with an established brand image, your advertising must reflect that image. It takes dedication on the part of advertiser and agency to build a brand personality, Discipline yourself to reject advertising that conflicts with it.

When you launch a new product, the very tone of your announcement commercial tells viewers what to expect. From that moment on, it is hard to change their minds. Once you have decided on a personality for your product, sustain it in every commercial. Change campaigns when you must, but retain the same tone of voice.

7. Avoid “talky” commercials and use the power of the visuals. Look for the simplest, and most memorable, set of words to get across your consumer benefit. “Winston tastes good — like a cigarette should” is still remembered even though it hasn’t been used for over 30 years.

Every word must work hard. A 30-second commercial usually allows you no more than 65 words, a 60-second commercial twice that amount. Be specific. Pounce on clichés and superlatives. A strong visual coupled with an attention getting headline. Try this—When you ask for 10 words to be added to a commercial, decide which 10 you would delete to make room for them. Keep it simple, snappy and concise.

What are the dangers of placing TV ads?

Chances are you will be placing your own ads on TV. This can be a dangerous activity for your business. It isn't that TV is more difficult than print or radio — the problem is the cost of a mistake. One mistake — your message in the wrong place or wrong target market — can be much more expensive than other media.

With more and more channels coming on board every day it is much more critical that you identify your target market as specifically as possible. This is the one media that you definitely can't afford mistakes.

This is one of the best reasons to contact someone in your industry who knows how to place this kind of advertising. Check the yellow pages for towns like yours around the country and call successful people in your industry and ask when, where, what, why and how their TV advertising is working.

Follow the lead of people who are successfully doing what you want to do in TV advertising.

Some TV ad tips

The most economical form of TV advertising is “spot” advertising. For example, you might sponsor the weather segment during the news. The weather is brought to you by... and you get a logo shot and your web site, phone and address. Less than five seconds or so but people become used to you sponsoring the weather and your advertising starts paying off in customers that think of you when they need your type of product or service.

Keep in contact with your local sales rep for upcoming special programming that might attract your target market. Local sports is a great way to get some exposure for your business. Don't wait until your local team is ready for the Championship game to buy your spots. Make a deal at the beginning of the season that if the team reaches the finals and TV coverage is planned that you will commit to a certain number of spots. That way you'll be locked in and others will be locked out.

Run ads several times over a period of weeks instead of months. People need that constant reinforcement of your message for your advertising to be effective.

Try and run commercials in the middle of the show rather than at the end of one show and the beginning of another. At the end of shows people rarely stick

around for the commercials. They are off to the fridge or bathroom or perhaps channel surfing.

Vary your ads for better response

If you are going to run several spots in the same evening or during the same show, have two or three variations of the same commercial ready so the audience won't get bored seeing the same message over and over. This is going to add to the cost of the overall ad campaign but will be worth it if you are planning on running a lot of ads.

Television advertising is an investment just like any other form of advertising. And you should measure it the same way. How many paying customers paying your average price are going to have to walk in your store to make TV effective?

There is no reason to fear TV anymore than any other media. Just learn the pros and cons like any other form of advertising and use it to your advantage. It's one more weapon in your advertising arsenal.

Section Two: Advertising Media Internet 101

Chapter 30: Should A Small Town Business Have A Website?

I stopped for lunch at one of my favorite restaurants recently. I usually take advantage of this time to catch up on some reading. Forgetting to bring something with me I picked up a copy of our local Mini-Nickel®. In your part of the country it might be called the PennySaver® or some other name but it's mostly ads for cars, boats, property or folks that have something to sell.

As I looked through the issue I did what I usually do, look at the ads and see how they are done from an advertising and marketing standpoint. As I looked closer I began to notice that many of the local businesses had web site addresses.

I suppose the natural Internet response is, "What does a local small business need with a web site?" "It's not like they're going to do business in Switzerland." Then it hit me. We are so conditioned by mass media advertising that the Internet is only

composed of high profile companies that average a million hits or more per day. We don't think of Joe's Shoe Store needing a website.

The Internet is just one more weapon in our advertising and marketing arsenal. What's wrong with using the Internet to reach your target audience of 5 to 10 thousand people? You don't need millions of hits per day to put your business in cyberspace. And, for what the Internet can do for you far outweighs the expense. Let's look at the reasons why.

Does your business belong on the Internet?

Once again we keep coming back to one of the principle reasons for this book and my web site. Small towns are not the same as big cities. Let me give you some common questions "experts" ask when deciding whether a business belongs on the net. And the reasons why, in some cases, they simply don't apply to small towns.

Printing Costs: Many large companies send out tons of paper in the forms of brochures, reports and other printed materials. Most small town businesses are just trying to keep the doors open and rarely have a large printing budget. The net can make sense for many small town businesses because you can put a full color brochure and tons of information that would cost a fortune to print and mail.

Customer Service: One of the great things about small towns is that people take care of problems in

person. You go down to the store or business and in many cases you'll talk to the business owner themselves. Large companies want to cut costs by eliminating personal contact because a live person is expensive. If someone can be directed to a FAQ (Frequently Asked Questions) page instead of to a live person then the company saves money but loses a customer contact.

If you're Microsoft and receive thousands of calls then that might make sense but it doesn't in a small town. I would prefer to take my problem to the owner and in most small towns I can. I would not recommend virtual customer service instead of personal customer service in a small town.

Direct Mail: If you are already selling your product by direct mail then the net might make sense in certain instances. If you aren't but think you could then do your homework. You may need additional credit to increase your inventory. You certainly have to become knowledgeable regarding post office mailing regulations and costs.

You need a return policy as well as customer security of credit card information. Here again the small town plays a part. If you are a small or home based business and you try to compete with direct mail houses you are going to lose. Unless you have a very unusual product that is patented or very difficult to copy. Direct mail houses know every trick in the book. They are always going to be cheaper and are going to be able to advertise more

than you will. We have had at least one store here in Bozeman, Montana that closed its doors and now sells exclusively on the net. Fitchner Chevrolet in Laural, Montana (Population 6800) is the number one Corvette dealer in the United States. How do they do it? They are the undisputed Corvette authority on the Internet.

Keyword: Can your business be described by a single word? In a small town it may or may not matter. Why? Because you may not need to reach the whole world...just your part of it. The name of your business may be well known in your county but unknown to the rest of the world. Who cares? They aren't your target market. If you're a car dealer you probably aren't going to sell many in France.

Direct Sales To Customers: This is the first one I totally agree with. If you sell direct to local customers you can give your business a boost by being on the web. Customers don't always trust salespeople initially. A web site often gives customers a sense of comfort and confidence about your business. After all you are willing to go to the expense of putting your company name and reputation out there for all to see.

These are just a few of the things you should consider before jumping into cyberspace. I'm sure you've probably heard others.

Small town web site advantages

The Internet isn't for everyone. There are some businesses that can really improve businesses while others don't see much in the way of increased business. Here are some of my reasons for small town businesses to consider a web site.

There is no other media that I'm aware of where you can produce 4-color information about your business so inexpensively. It re-enforces the credibility of your business. It's hard to find Fortune 500 company advertising on network TV that doesn't have a web site address in the ad. Having a web site often gives the impression of a quality company. Even people who are not on the net will have a higher level of respect of your company.

You can provide company history, products, services and testimonials that provide a way for new customers to find out about your company quickly and easily. No other media can be changed so quickly. If you need to react to something your competitor's are doing you can do it in a matter of seconds.

Use other media to direct people to your web site. For example, you don't have time to list all sale items in a radio ad but you can direct listeners to a complete list of sale items with pictures on your web site.

Each day more and more people are tuning to the Internet to find products and services. You can

research prices, services and companies with more information than any yellow pages ad.

Small town web site disadvantages

There are a lot of positives of small town web sites but there is also a downside. Here are some reasons to think twice before going on line.

Cost: The more you can do yourself the better it is. I do my site myself and that saves me quite a bit. Internet Service Providers will charge \$30.00 to over \$100.00 per hour for site design and maintenance. However in many small towns people are creating terrific web sites as a home based business and may be far more economical than similar services in large cities.

Is Internet access readily available in your area?

In the Gallatin Valley, where I live in Montana, there are about 60,000 people. According to local studies 77% of that 60,000 has Internet access either at home or at work. If you are in a rural area with low Internet activity it may not be advisable to have a web site. You would be better served to advertise in other media. But with almost a million new web sites being added each day the world is becoming more and more connected.

Time: If you want to have a quality site and maintain and update it yourself that is going to take some time. I spend about 30-40 hours a week maintaining my web site. Reading, research, searching and creating pages and keeping things as current as I can. Not to mention writing books.

Legal: With a web site you may be dealing with credit cards. You will need a policy to insure your customers' security. On my secure order page, credit card numbers go directly to the bank and not my web site. I never see a customers' credit card number. If you are shipping products you will need to become familiar with both mail order and postal laws. You will also need a way to deal with returns and ways for customers to reach you if they have a problem.

What does it take to make a local web site successful?

After checking the advantages and disadvantages of cyberspace, you may have decided a web site might be right for your business. Here are some things that will help you make a successful local web site.

If I were to say Amazon.Com what item comes immediately to mind? Right...Books. Amazon.com is probably the largest online bookseller. But if I had asked that question in 1994 you would have probably said a river in South America or a very tall jungle woman.

The point of this exercise is that Amazon went to great lengths to make that name synonymous with books. Can the same thing be done with a small town website? Yes, and the good news is... it's even cheaper as a rule because you have fewer people to reach and more ways to reach them.

If you are already advertising your business then it's a simple process to add your U.R.L. (Universal Resource Locator) web site address to all your current advertising. Business cards, letterhead, delivery trucks, and answering machine should all carry your web site address. Yes, don't forget your answering machine so after hours customers have a place to go to find out about you when you are closed.

Start networking your sales area. Meet as many people as possible and let them know you have a web site. Have business cards made up introducing your site and pass them out and put them in every local bill you pay every time you pay it. If you're not a member of your local Chamber of Commerce then join. Groups like this are a great way to make contacts with people who can help grow your business. Make sure you include your email address in all advertising. This is an easy way for customers to request information after hours. Put an announcement in your local paper about your new web site.

Some things to consider before going on line.

First and foremost, is your competition there? What kind of site design do they have? What services and products do they offer? How are you the same? How are you different?

Want to know when your competitor changes their site? Have the folks at www.spyonit.com keep an eye on it and email you when there are any changes.

Would you like to know who is linked to your competitors web site and driving traffic to their site?

Here are three sites that will give you a good idea of who your competition is linked to. Just enter the competitor's URL for a full report.

<http://www.linkpopularity.com>

<http://www.linkpopularitycheck.com>

<http://www.marketleap.com/publinkpop/>

Don't forget your ad budget

Your online presence is going to create an expense until it begins producing additional paying customers. Redo your business and marketing plans to address this new option and create your online marketing strategy. What are your online objectives? Are you going to be informational only? Are you a "virtual storefront?"

If you are planning a web site that requires updating on a regular basis you are going to have to budget some time to accomplish that. If you are going to have your ISP (Internet Service Provider) update your site then you are going to incur some added expense for that service.

An excellent way to attract and keep customers is with an email newsletter that customers can sign up for on your site. You send them important information about your company's products or services on a weekly, monthly or even quarterly basis. People are

always looking for information about various industries and you have a never-ending supply of information from associations and trade magazines that you use in your business.

Should you consider an online storefront?

We've all heard the stories of small companies that made a killing on the net. What you don't hear about is the millions and millions who don't. Would you like to know if your storefront idea will work? How about a comparison of search engines and which might be best for you? For this type of information visit <http://www.marketingexperiments.com>. These folks actually set up storefronts online and sell real products and track the results over months and sometimes years. The basic outlines of the studies are free but the real nuts and bolts are a monthly subscription for a modest cost. It's very informative if you want to sell products on the net.

Things to remember about the look of the site — Site Design.

Navigation of the site should be simple and easy for the viewer. My web site has over 300 pages and you can go anywhere on it in four clicks or less. Make sure the "home" page is easily accessible from anywhere on the site. You can also give customers the option of "text only" if they have older systems and don't need the graphics and other bells and whistles.

A fast loading page is imperative. If the customer doesn't see something happening on the screen in less than 15 seconds they are likely to leave. If your page loads slowly talk with your Internet Service Provider and see if they have any suggestions about speeding up the loading of your pages.

Photos sell. So does color. Make sure photos are clean and clear. Use a professional photographer whenever possible and let them know the finished product will be on the net. Try and resist being your own photographer. The worst offenders of this “rule” are Bed & Breakfast sites. I rarely see good photos on these sites. Don't forget to have real live people in the pictures enjoying your products. Imagine pictures of Disneyland® with empty rides.

Remember, you are showing off your business. This is not the place to cut corners. You have a certain theme or look for your business. You may have company colors, typefaces, logos and other ways for customers to recognize your business. Don't forget to carry these over onto your web site.

What this chapter means to you.

There is no question that the Internet is going to have an impact on the world economy in the coming years. Whether the Internet will be beneficial to your business or not is anyones guess. You are the only one who can answer that question.

One deciding factor may be that if your competitor is successful on the net you may belong there too. How do you know?

Few people will leave a site up if it's losing money or they are unable to tell that it's paying its part of the advertising budget. If your competitor is online month after month it's usually because it's producing income or the cost of keeping it there is minimal.

The other deciding factor may be that each day more and more people are turning to the net to research products and services to buy. Often a search on the net is faster and certainly has more information than the yellow pages.

Is the net for you? It's your call.

Section Three: Advertising 101

Advertising Extras

Section Three: Advertising Extras

Chapter 31: Home-Based Business: How To Get Business To Come To You

Being a home based business I know the problems you face when starting your business. In most cases you have limited funds and that means you have to do something we all hate to. You must go out into the real world and “sell” what you do to others. A large number of great business ideas fail each year because the businessperson cannot or even worse, “will not” go out and sell.

The good news is you don't really need to go out and sell your business or service. There are practical ways to get the word out at low cost and entice customers to come to you instead. The upside is that you will always have customers. The downside is attracting more business than you can handle.

The first steps

Before you can attract people to your business you need to be prepared for your customers. It's not

going to do you one bit of good to attract customers, only to find when they arrive, that you are not a professional business.

Before you can attract people to your business you need to make sure that whatever the customer sees puts your home based business in the best light.

Here are a few things to consider:

If customers are coming to your home to purchase products or arrange for your service:

1. Your home is now a storefront. Make sure the yard and front of the house are well groomed. Grass cut weeds pulled. How your home looks will give the customer a positive or negative impression of who you are and how you will do business.

2. Kids: We all love them. They are the future of the world but they have no business interacting with customers. Train them to go somewhere else or arrange for someone to be there to care for them while you take care of business. Just because you are comfortable around kids doesn't mean everyone is.

3. Pets: Almost as bad as kids. Cat boxes and dogs that come out barking or sniffing customers do not make a good impression. If customers are coming make sure the house doesn't smell like a kennel and keep animals confined away from customers. Always check with customers before hand if possible to let them know you have pets. Many people

are subject to allergies and may have serious medical reactions to some animals.

4. Clean house: If you must take the customer through other rooms in the house to get to your office make sure those rooms are as clean and fresh smelling as possible. Bathrooms must always be spotless for customers. Most will not ask to use them but at least one eventually will. Be prepared.

5. Your office: Make sure your office is clean and organized. We've all walked into business offices and seen piles of papers everywhere. I always have a negative impression of businesses that look like this. Clutter and mess don't demonstrate a well-organized person. The customer may feel that their job could be lost in the shuffle.

Getting customers to come to you

“Build a better mousetrap and the world will beat a path to your door.” Unfortunately this is rarely true. Unless the world can find out about your mousetrap it will simply sit on your workbench with no customers to buy it.

So how do you get customers to come to you without going out and meeting strangers?

The first step is promoting your business with those you know. Your friends and family. The biggest mistake most new businesses make is they fail to let the most important people know what they are doing. These are the people who know and love you

and would be happy to tell their friends about you and your business.

Take a piece of paper and make a list of everyone you know. No exceptions. It doesn't matter how well you know them. These are the people that will do your selling for you. They will talk about your business to others they know.

Contact everyone on your list and give him or her two or three business cards and explain to him or her all about your business. They will be the base of your referral network.

Establish a “niche” market

The more specialized your business is the less competition you will probably have. The better you are at producing a specialized product or service the more in demand your business will be.

Most home-based businesses are built because the business owner has found something that is missing in life. A new product or service that no one else has thought of. In my case, marketing and advertising is full of experts on a variety of niches. My web site is the only one I'm aware of that deals with small business in small towns. Small town marketing is my “niche.” To establish your niche ask yourself the following questions:

1. What skills do I bring to the business? What do I do best? Who are the people who need what I do the most? Your target market.

2. Is this niche large enough or is the demand high enough to make the profit I want to make? Is this a hobby that makes a little money or do I want it to eventually replace my current jobs income?

Become an out source for other businesses:

A medical transcriptionist for a hospital may branch out and start their own transcription business. The hospital may be willing to give that person the overflow during busy periods. The transcriptionist may also recruit business from other nearby hospitals.

Are there businesses that may be willing to pass their overflow over to you and your new business? It never hurts to ask.

Become a marketing expert

Most business people are not great salespeople but the successful ones are usually good marketing people. Take the time to learn about marketing. There are several helpful articles and links on my web site at www.smalltownmarketing.com that will help you do this.

Most important things to know in no particular order.

1. Your target market: Who is your ideal customer? See: (Chapter 2: “Target Market: Who They Are And How To Find Them”)

2. Position: How you position your product or service? See: <http://www.smalltownmarketing.com/position.html>

Some additional thoughts on getting customers to come to you.

If I were forced to define business success in one word that word would be “communication.” All business success is geared to communication with the customer. How, where, and when you communicate with your customers is the key. Communicate with your family, friends and neighbors in any way you can think of and let them know what you do and how well you do it. Then let them go out and spread the word.

Do that and they truly will beat a path to your door.

Section Three: Advertising Extras

Chapter 32: Save Money Using Co-op Advertising

If you've been in business long enough to have developed a relationship with vendors and suppliers then it may be time to consider co-op and/or co-branding advertising. These two methods will help you advertise your products at a lower rate by having another entity picking up part or in some cases all of the advertising expenses.

Let me begin by defining each term and then I'll deal with how to use each one individually.

Co-Op Advertising: In this form of advertising a retailer would promote a specific brand of merchandise that the store carries. A clothing store might promote a designer brand of clothing. Since the ads would be designed to sell more of that brand of clothing then the manufacturer will pay part or all of the advertising costs. In some cases the manufacturer might produce all the ads with a spot in the ad for the store name, hours, phone, etc.

Co-Branding Advertising: One of the most common forms of this kind of advertising is a brand of soft drink promoting the NutraSweet® sweetener. In a local small town it might be as simple as the local video store teaming up with a pizza shop and giving out each other's coupons. Usually co-branding creates an additional benefit for the consumer. The pizza buyer would receive a two-for-one movie rental coupon with the pizza or the movie renter would get a \$2.00 off on their pizza order.

As you can see there are advantages to both kinds. And sometimes they can be used together. So, let's look at each one in more detail and how to make them work for you.

Co-Op Advertising: Two rules to know

The two things you need to know right off the bat about co-op advertising. One, is that most vendors are not going to come screaming to you that they have co-op money available.

And, two, it may take a while for you to get your co-op money. These payments sometimes seem to take forever to work their way through the approval system. But once you begin using co-op on a regular basis even though it may be six months later your monthly checks should start showing up.

Pin your vendor down about when to expect payment and get it in writing if possible.

Make the contacts

The first step in your quest for co-op money is to contact everyone who supplies you with products and find out what their co-op procedures are.

Usually they are going to be pretty strict. Their logo has to be a certain size, perhaps certain colors, and other restrictions. Before going to the expense of an ad make sure you submit it to the manufacturer and get their written approval before placing it. Or see if they have pre-made ads with a space for your store name, address, web site and phone.

Don't forget to check with your local media. Radio, TV and other media often give co-op if they are featured in your ads as well. After all they advertise too.

Know the rules and follow them

I mentioned this above but I should enforce it more strongly here. These folks will not give you any money if you stray even slightly outside their guidelines. They are extremely strict and you must follow every instruction to the letter or you give them an out not to pay you. It's not that these companies are out to get you to pay for their ads but they want their business presented in the best light possible.

Bottom line. Get everything and I mean everything in writing. And submit copies of all ads and approval documentation with your co-op request for

payment. This will also speed up your payment in some cases.

Don't forget why you're doing this

Yes, you are promoting a brand name but don't forget that the principle reason for the ad is to make the customer contact your business. Your space in the ad may be limited so make sure that your business information is displayed as prominently as possible. The whole reason for the ad is to get business for you not the manufacturer. If you get it so will they.

The more you give the more you get

Keep accurate records of how much product and how much co-op you use. If your co-op is successful then the company may increase their share of the money they share with you. They may also give you discounts on product. The more you buy the more they will give you to grow your business.

Know where the breaks are. In some cases you may get more co-op money if you go up one more level on your orders. The added expense will probably be much less than the cost of the advertising and the increased business it will produce.

Take the bull by the horns

If you check with your suppliers and they do not offer co-op advertising perhaps you need to make a proposal and show it to them and ask them to consider starting a co-op program. The worst thing

that can happen is they may say no. But they may also say yes.

Co-Branding: Rules to remember.

The first and most important rule: You are hanging your name out there with someone else. You must be sure that they are above reproach. If they have a scandal or public relations problem it suddenly becomes your problem too. So if you have reason to believe that a “*60 Minutes*” camera crew may show up on your doorstep then this may not be a company that you want to do business with.

Your customer base is going to be affected by any alliance you make. So make sure that any company you deal with has the quality and service that your customers are accustomed to.

Who benefits?

Before entering into any relationship you must feel confident that it is mutually beneficial to both parties. And the products or services offered must provide a worthwhile benefit to both parties. What if your customers really like your side of the arrangement but the other side is resistant after awhile and decides to end the relationship?

Some things you’ll need to consider are: Is this a long term or short-term arrangement? Do both companies have the ability to supply needed products and services equally? Are both companies

strong financially in case of economic problems or slow sales periods?

Get it in writing

For most people in small towns a handshake is probably enough for a binding agreement. For most of us our word is our bond. But I have noticed that there are attorneys in small towns too. So just to make sure that there is no misunderstandings it's always a good practice to write down what each party is going to do. You may not have to have a lawyer involved but if it's a substantial commitment it never hurts.

It's a partnership

Make sure you can get along with the person you are co-branding with. You are in essence creating a mini-partnership and both of you will have a say in advertising and other financial concerns. The upside is that a successful mutual respect may be your reward along with your business profits.

Set goals and objectives

What is expected from this joint venture? Sales objectives must be set and met that are agreeable to both parties. A method of measurement must be set up that will demonstrate the success or failure of this program. Cross training of sales people may be necessary so they understand the pros and cons of both businesses.

What this chapter means to you.

As you can see each of these two methods of advertising have some good and bad parts that may or may not fit your business. The co-op advertising should help the small storeowner and the co-branding the larger company.

The best feature of both is that there is more exposure of your business at a lower cost and one of my goals is to keep advertising costs low but profits high. Co-op advertising is a great way to test advertising at half the cost plus the co-op advertiser has a track record of testing the co-op ads they use.

So take advantage of this “free” money and put it to good use as you build a successful small town business.

Section Three: Advertising Extras

Chapter 33: Techniques To Get Your Advertising Noticed

For years I heard the old Playboy magazine joke about people buying the magazine to read the articles. I am one of those people who pick up magazines to read the ads. I am always looking for ways to make ads stand out from the crowd. I especially like scanning our local paper for some interesting advertising twist.

Use Photos whenever possible.

Over the years I've noticed one of the most effective attention getting ideas is to use your portrait in your ad. I'm always drawn to photos and I think most of us are too. Why? We want to know if we know the person. Who are they? What is their business? It's a secret that real estate and insurance people have known for years but few other professions use the tactic. Add a picture to your next ad and see the results for yourself.

How to get noticed by the media.

Sooner or later you are going to need to generate some publicity for your business. When that time comes you are going to play a little game with the media. The difference between legitimate publicity and free advertising is a very fine line.

Please don't misunderstand; this is not a game of deception. No one is trying to pull a "fast one" on the other. Regardless of the media type, they are looking for a "news angle." If you are news, you will appear in the media. If you are not, you won't. The mere fact you are having a sale, is not news.

Here are some tips so you, and the media of your choice, can work together and both go home happy.

How to work with your media choice.

Each media has an audience. The editors' purpose is to reach that audience with interesting articles and information. One of the most effective ways to promote your business is a local tie to a national event that is currently making news. If there is news making changes in your industry, let the media know that you are available as a local authority on the subject.

Reach the right people. In big cities, a newspaper, radio or TV station may have a news editor, food editor, finance editor and sports editor. Nothing upsets them more to receive a press release that has nothing to do with their area of interest. In a small

town the editor may also double as the reporter and news presenter. Make a simple phone call to the media of your choice and ask for the name of the person you need to contact.

Make sure they can reach you. The editor may have questions or need additional information about your business. Make sure you include all necessary information on how to contact you.

Get Their Attention. Why do you read a newspaper story? Probably because of the headline. Start your news release off with an attention getting headline. Instead of “New advertising book announced by local author” try something like, “New book details advertising plan for business owners in small towns.” Make your news valuable.

Include the essentials. Design your story as if it was a pyramid -- with the most important information on top supported by the rest of the information on the bottom. Make sure you include who, what, when, where, how and why in the first two paragraphs of the release.

Proofread and spell check. Do I really need to include this? Don't let bad grammar; typos and misspellings derail your story.

Two hundred words. Keep your release to two pages (approximately 200 words) or less. If you can't tell your story in that amount of space change it. Mark Twain once said, “I'd have written you a shorter letter but I didn't have the time.” Take the time to make it short and concise.

Don't be discouraged if the media decides not to use your story. They have a limited amount of space and/or time. If at first you don't succeed -- try, try again.

How to get national exposure for your business

For most small businesses the likelihood of showing up in the Wall Street Journal® or Inc. Magazine® is pretty remote. But it's not impossible.

Once again, the small town has the advantage

In big cities, news of local interest has to compete with news from the entire world. In small towns, including small neighborhoods in big cities, local newspapers are often the only real source of news in the community. A small or neighborhood paper would cover a local school board race extensively while the story would be ignored by a major newspaper.

We all try to keep up with national and international events that shape the world. However, in the day-to-day operation of small business in small towns, the rest of the world hardly exists.

Yes, I know that from time to time the price of sugar, rubber or some other import in a foreign land can affect local small businesses, but for the most part small business exists within its own defined geographic boundaries.

So, testing local newspaper, radio, direct mail and TV, if affordable, are going to be your best bets for small town exposure to your customers. It's often easier to get news releases into local papers than national ones because the people making the decision are your neighbors. People you know who have a vested interest in your success.

How does national exposure happen?

In many cases national exposure happens by accident. Someone is talking about your product or service to someone else and that person has the ear of a major publication or electronic media.

In other cases the businessperson took a chance and contacted the media with a press release at the right time with the right message.

Sometimes the exposure can be negative. Consumer Reports® found and ranked your product dead last in a comparison test. Are you ready for the negative as well as the positive?

Where do you start?

The best place to start is with you. Is there something about your product or service that is “news-worthy?” If there is, the best place to take that information is to your own industry.

Almost any industry you can name will have some kind of national association tied to it. These associations will have trade magazines, journals or at the very least, a newsletter. You can find a listing of

trade magazines in “The Encyclopedia of Periodicals” at your local library.

How do professional PR Agencies do it?

Professional public relations firms know who and how to contact the necessary people to insure the best chance of your news release being picked up for a story. How do they keep track of all the newspapers, magazines and journals?

Your local library should have a copy of the (SRDS) Standard Rate and Data Service Directory. Listings like “Business Publications” will list hundreds of magazines and newspapers you can contact with your story. If you need a listing of newspapers and magazines immediately, check www.ecola.com or www.allnewspapers.com.

Two other sources are, “Bacon’s Publicity Checker” and “The Editor & Publisher International Yearbook.” These two are not always available in small town libraries but might be brought in by request. Check with your local librarian.

Do the research.

What is being printed about your industry now? Do you know? One way to find out is to contract a “clipping service.” Clipping services read everything. They clip out articles about subjects you have specified. Along with the articles they will com-

monly attach, the media circulation, the date it ran, and the name of the media.

This can give you a good handle on what is of interest to readers about your industry.

Don't forget the local media

If you are fortunate enough to be featured in national media, don't forget to let the local media know about it. Small towns love it when locals make the "big time."

Also be sure to let employees know about your national exposure. It will add to their self-esteem that they are working with a company with national or international recognition.

Don't forget important contacts of your business. We have more confidence when we think we are dealing with a major player. It's OK to blow your own horn about your success.

PR firms and negative publicity

There may come a time in your business when you need to hire a PR firm. This usually happens because something negative is happening in your business. Lack of sales or some other catastrophe has sent business into a downward spiral. The PR firms' job is to pull you out.

In the event that this happens, make sure you arm the PR people with everything they need to do the job. Don't hold back any negatives about the com-

pany. Sooner or later the media will discover the negatives and you will find yourself in worse shape than before.

Public Relations is a business of persistence. Keep sending the information out. If you really have a worthwhile product or service, someone will eventually see it and you're on your way.

Section Three: Advertising Extras

Chapter 34: Some Final Thoughts On Advertising

In these final pages I'd like to address some of the intangibles of advertising a small business. Some of these things you will have control over and some of them you will not.

No matter how big or small the company there are usually three components that they both have in common. They have a product or service, they have a marketing department and they have a sales force. In the case of the small or home based business the marketing, production and sales force may all be the same person... you.

Heading off a major problem

But as your company grows you may have a sales force and someone doing the advertising and/or marketing for you. And this can create the same problem for you that it creates for large companies.

What is that problem you ask?

The problem is that suddenly you have three separate entities often going in opposing directions. And in most cases they will try to operate independently. So why is that so bad? Aren't you delegating the responsibility to others who are hopefully qualified to do it? Yes... and that's another part of the problem.

Communication is the key to making your advertising work.

Here is a hypothetical example of what I'm talking about. When you were doing the advertising and sales you knew the product inside and out. Did all the things I preached for you to do. Become a student of your industry. There is nothing about the widgets you carry that you don't know. And that's the way you always advertised your company.

Now all of a sudden — along comes expansion. At last you have the need to hire salespeople. The problem is that they are not a students of the industry. They do not know widgets inside and out. They know how to sell but there is a learning curve in becoming proficient about your products.

If your advertising talks about the expertise of the sales staff just like it always did what will happen? Your customers will discover very quickly that your crack staff doesn't know the product very well and your advertising takes on an air of deception.

Marketing and sales and production must all work together in order for advertising to be effective.

Advertise the strengths of your business and keep the weaknesses under wraps until you can overcome them.

Keep personnel informed of your marketing and advertising plans.

A salesperson often finds that an ad is running when a customer comes in looking for the item. How would that make you feel as a salesperson? Embarrassed? Uninformed? Unimportant? All of the above?

Every ad you place should have employee input if possible. Do they feel comfortable about what you are saying in the ad? They are the people who are going to be your customers first contact. Your advertising should take advantage of your employees strengths not the opposite.

Show them the respect they deserve by arming them with the information they need to not only make the sale but provide the service you want your customers to receive. If it's a new product have the supplier or vendor come in and give a short class or provide instructional videos if available on the product

Your advertising brings them in but your employees take it from there. Once again this is included in the investment part of your advertising. You are investing in yourself and your employees too. A sale must be made in order for your advertising to pay for itself. Your employees are there to enhance your advertising.

Don't confuse marketing with advertising.

To a great many people marketing and advertising are synonymous with each other. But they are vastly different. A simple demo might be:

My business card is advertising. Who I decide to give it to is marketing. The more business cards I give to the right target market the more business I receive.

Another way of saying this is that marketing creates value. Advertising tells the story of that value to the right people at the right time in the right way.

Identify the value of your product or service first and you will find it much easier to create the message (don't forget the employee input) for the right media to reach your best customers.

I hope you have found the message in this book helpful. A book on advertising could easily be 10,000 or more pages. There is a lot to know about advertising and this book only scratches the surface. But I hope that you will use this information and become a student of advertising. It's really in your best interest to do so. It truly is one of the secrets to your success. Best wishes and good luck.

© 2003 Eagle Marketing/ Small Town Marketing.Com
PO Box 271 • Bozeman, MT 59771-0271
406-585-0219 or toll free 888-550-6100

email: tommail@smalltownmarketing.com

website: <http://www.smalltownmarketing.com>

Order Form

Did you Enjoy this book? Then you'll want to order Tom Egelhoff's first book in the small town success series.

“How To Market, Advertise And Promote Your Business Or Service In A Small Town”

ISBN# 0-9671055-01

Only \$19.95 per copy

This book contains a 10 Point marketing plan to put your small business on track.

Order by phone **Toll FREE 888-550-6100**

Order from the web site: *Only \$14.95*
www.smalltownmarketing.com

Or mail the information below with Check, Money Order or Credit Card Information.

Name _____

Address _____

City _____ *State* _____ *Zip* _____

Credit Card # _____

Exp. Date _____ *Phone* _____

Please DO NOT email credit card numbers. It's not a secure method. Thank You.

