

*This download
comes to you from*

www.commissionedwriting.com



The IdeaMines Website



Advertising Planning

This is a very large chapter with a lot of important information. Advertising planning takes a lot of work, but the extra effort is worth it. Working on your advertising plan today will pay off with more customers walking through the door tomorrow.

This chapter is oriented toward media advertising, but it applies equally to other marketing materials like brochures or direct mail.

Why You Need A Marketing Plan First

An effective advertising plan is only one part of your overall marketing plan. Effective advertising and promotional materials are born from your strong marketing plan. You want everything integrated and working together. **The better your marketing plan is, the more effective your advertising plan will be.**

1. Marketing is probably your company's only source of income, and as such your marketing plan is probably the most important document you have.
2. Your marketing plan accurately describes your market, your customers, your products and services, and your competition.
3. Your marketing plan calculates the size or potential of your market.
4. Your marketing plan will help you to efficiently allocate money and resources.

5. Your marketing plan provides focus, guidance, and direction for effective advertising and business practices.
6. Your marketing plan positions your company in the marketplace.
7. Your marketing plan will help with proper customer management and retention.
8. Your marketing plan will define your communications strategy. It will help your entire company give a planned, clear, comprehensive, and consistent message to your customers, employees, investors, and business partners.

A strong marketing plan guides your advertising plan. You don't want to back into an overall marketing strategy based on your advertising plan.

This doesn't mean you need a forty-page document about your marketing. But you absolutely need a clear, realistic picture of your business environment and of your customers. If you want great advertising, start with a solid marketing plan.

Please note: These pages do not try to undertake a comprehensive review of the entire marketing process. Our focus here is on effective advertising. As such, we recommend that you separately review the components of marketing and business planning.

Of course Professional Advertising marketing consultants are well versed in marketing and business planning, and we are available to assist you with all of your planning needs.

Why You Need an Advertising Plan

Going astray in advertising is all too easy. The most creative advertising in the world is worthless if it misses the target audience. The best offer in the world is worthless if it does not offer the benefits your clients want.

Even well planned and executed advertising has little value if you don't keep it in front of your customers. In today's world of information, it takes

at least three exposures just to get your message through the first time. And then you face a huge rate of forgetfulness from your clients.

Think about it. Effective advertising comes from good planning, good budgeting, a long-term commitment, and a lot of work. You need great ads that get results. And you need to keep them in front of your customers for the long term.

- 1.** Effective advertising lowers your cost of doing business. Your phone rings, and clients walk in the door. It's a fact.
- 2.** Minimal, limited duration, or random advertising equals wasted money.
- 3.** Advertising is not creative or funny if it does not bring in clients.
- 4.** Advertising has a cumulative effect, and is a long-term investment. Sales response builds over time if advertising is consistent.
- 5.** With consumer goods and services, marketing and advertising affects your market share more than price does.
- 6.** Effective advertising comes from solid planning and high quality production.
- 7.** Synergy is a real thing in advertising. It comes from the cumulative effect of all of your marketing materials working together.
- 8.** There are limits to what advertising can accomplish, even with an unlimited budget. Advertising cannot make up for poor quality, service, or timing.
- 9.** Every company should go through the advertising planning process.

Create an Effective Advertising Plan

Product, Price, Place, & Promotion

Your marketing plan has positioned your company in terms of product, price, and place. You have made decisions about what market segment you will compete in. You have considered products and services, distribution, pricing, guarantees, quality, policies, etc. You have set objectives and goals.

Now it's time to decide how you will promote your company to achieve those objectives and goals.

Define Your Customers.

The number one reason advertising fails is because it is poorly targeted. No advertising is going to be successful if its target audience is not well defined and understood. Talk to your customers and potential prospects. Listen to them. Understand them.

We have provided you with some excellent strategies for defining your customers. Please read the Market Targeting Strategy and the Generating Better Qualified Prospects chapters. These two chapters will give you insight into defining your customers, and knowing what they need, want, and desire.

There are a few things to note here about your customers. First, your target group does not include the whole world. If you try to advertise to the whole world, you will go out of business.

Second, in many companies, 20% of the customers account for 80% of sales, and often 100% of the profits. These are the high usage customers that you want to target. Define who they are.

Third, one out of ten people strongly influence the other nine. They are the movers and shakers of the world. They participate heavily in community and business activities. They interact with several different large groups on a regular basis. They can and they will influence your success. Define who they are, because you also want to get your message to them.

Make no mistake – your advertising plan needs a clear, concise, written definition of who your customers are. Age, sex, marital status, economic status, geographic location, what they read, think, trust, value, desire, and any and all other relevant information should be included in your definition.

Define What Makes You Unique

In your marketing plan, you described the market you compete in. You probably narrowed a larger market down into an area that you specialize in. You have chosen an area of specialization, and that makes you special.

With your advertising, you want to clearly and concisely tell people about what makes you special and different from your competition. In your advertising plan, you want to describe your area of specialization in one unique message.

Look, if you really want to be successful with marketing and advertising, you need a simple, unique, easy to understand message. In advertising it's called a Unique Selling Position (USP). It's what differentiates you from all of your competitors, and it makes you special.

Don't skip over this, because it's too important. Let's take a closer look at defining your unique selling position (USP). Here are some questions [and some reading] for you to consider.

Unique Selling Position **Example:**

Dominos pizza – “Free Delivery”

That's it. Dominos differentiated themselves by offering free delivery, and they repeated that one message over and over and over. The message is clear, concise, and easy to understand. The benefit is self-evident and real.

Your message needs to be just as clear, concise, and easy to understand. The benefit you offer needs to be just as desirable.

Make a list of the benefits you offer that make you unique in comparison to your competitors. Now:

What benefit is most important to your customers? [Ask them].

What benefit is hard for your competitors to copy?

What benefit can be clearly communicated to your customers? Is it easy to understand? Is the benefit really desirable to the customer?

Remember – you can compete on price, quality, geographic location, services or products, knowledge, implementation, follow up, targeting, doing something better than the next guy, and many other ways.

The key to success with your advertising is to pick the strongest one benefit that makes you special. Unless you have a very big advertising budget, you will only be able to communicate one message to your customers. Make sure it is the strongest one you can.

Picking your unique selling position is about competitive positioning. The better you have defined and analyzed your competition in your marketing plan, the better you will be able to uniquely position yourself in the market with your advertising.

We have provided you with many strategies for differentiating yourself in the marketplace. Please read Competitor Analysis From Your Customers Perspective, Pricing Strategy in Advertising, and Advertising Image, Credibility, and Trust for more information.

For your advertising plan, you want a short, one-line description of what makes you special. Until you find your unique selling position, your advertising will not be effective.

Set Advertising Goals and Objectives

Your marketing plan outlined some broad sales goals for your company. You know the total market size, the strength of your competitors, and the amount of business that may be available for you to take. In your advertising plan, it's time to define how you are going to get there.

Your advertising plan will be modified according to your choice of media. Direct mail is different from newspaper advertising. How many times you send a brochure will differ from how many times someone reads your ad in the yellow pages.

For the purpose of this discussion, let's look at how advertising in the newspaper works. But even if you don't use the newspaper, the basic fundamentals of advertising planning described below apply to you.

Sometimes businesses set goals in advertising that are too vague. You want to list specific things that you want your advertising to accomplish. To give you a better idea of specific goals that you may choose, please read [What Your Print Advertising Can Do](#) and write down your goals. Remember, ads are supposed to do more than just bring you customers -they are supposed to bring you more profitable customers.

Goal setting Part Two

Your number one goal is probably to reach a certain level of dollar sales. Let's take a look at how you plan to achieve your sales goal. And stick with us here – it's time to do some math.

Step One

You start by dividing your desired sales by the value of each customer. This will give you the number of customers your ads need to bring you over a given time period to achieve your desired sales.

[Desired Sales / Value per customer = # of customers required].

Let's work on the assumption that five exposures to your advertising will be enough to generate an understanding of your message for the target audience. [If you have been running your ads consistently, it would only take two or three exposures].

Step Two

OK. You know how many customers you need. You believe that each customer needs to see your ad five times before they seriously consider your current offer.

Now you are trying to figure out how much space you must buy in how many different newspapers in order to get that number of customers and that number of exposures. [You will want to read [Budgeting For Your Advertising Campaign](#) for additional help on this].

If you have carefully positioned your company with a unique selling position [USP], and you are making a competitive offer, then you can assume a certain rate of response from your target audience.

If your offer is at least equal to the competitions, then your market share should be close to the share of total market advertising that you run. In other words, if you run 10% of the total advertising in the market, then over time you should get 10% of the total business, everything else being equal.

Of course the better you position yourself, the better you target your customers, and the better your advertising strategy, the better you will do. Alternatively, poor strategy and low quality advertising will get you bad results.

But ultimately, only experience will really tell you what you are going to get. If you are just starting out, you are going to have to guess at your customer response rate. And don't be overly optimistic. Budget for the long haul. Read [Newspaper Advertising](#) for more on this.

The good news is that by measuring your response rate over time, you will be able to calculate the effectiveness of any given advertising campaign. And, you will be able to accurately predict how many customers will walk in the door on a regular basis. Read [Testing and Tracking Ads](#) for more.

So let's say that you expect a .01 response rate [1 percent]. For every one hundred people in your target audience that is exposed to your ad five times over a given time period, you will get one customer. Now you know how many exposures you need to achieve among your target audience.

[If you want 50 customers, you need $50 \times 100 = 5000$ target customers $\times 5$ exposures each = 25,000 exposures].

Step Three

Now you look at the demographic profile that your newspaper is promising you. If your newspaper promises you 5,000 people in your specific target audience, then you can expect to get 50 customers when $5,000 \times .01$ percent of them have seen your ad five times each.

If your newspaper can't deliver that big of an audience, then you can't expect that big of a response. To get your 50 customers, you know you will have to do additional advertising elsewhere.

But even if your newspaper can deliver, how much space do you have to buy?

Well, if you took out a full-page ad five days in a row, you would get your 50 customers. Alternatively, if you ran a classified ad once per month, you would probably never get your 50 customers.

Here is a rough estimate of what happens in the real world when people read the newspaper. With a full-page ad, you would get 75% of the people to notice it. A half page would get you 50% of the people. A quarter page ad would get you 30% of the people. An eighth page ad would get you 15%. A sixteenth would get you 8% or so.

Thus, your 1/8 page ad would be seen by 15% of the 5,000 people in your target audience each time it runs. If you need 25,000 exposures to get your 50 customers, then you need to run your 1/8 page ad $.15 \times 5000 \times 33$ times = 25,000 exposures. You need to run your ad 33 times to get the required exposure.

Now we have some good information. You know that you have to pay to produce and run your ad 33 times to get 50 customers. So, what is the lifetime value per customer versus the cost of getting that customer? You

can now answer that question, and determine if you should invest in newspaper advertising.

One more note here. This was a simplified example. Your ad may get a huge response immediately, depending on how good it is. And sales build over time as you keep your ads running. If you are a consistent advertiser, your customers will look for your ads. You may only need to run it a few times to get all 5,000 people to understand your offer. That is the value of consistent advertising.

The best we can do up front is to estimate what is going to happen, and make sure we are being realistic about what our ads can do. Advertising planning is about making the best decisions based on what we know, and what we can estimate.

Set A Sustainable Budget For Your Advertising

As we always say, consistent advertising is the key to success. Budgeting for consistent advertising therefore is critical

Here are some additional ideas to consider when setting your budgeting plan.

- 1.** Small businesses commonly spend 1 – 3% of sales on their advertising. For many companies, like jewelry stores, theaters, and furniture or appliance stores, the normal expenditure is 4 – 7%.
- 2.** It is more effective to reinforce a strong selling season with more advertising than to strengthen a weak selling season. Only reduce your advertising during peak seasons if you can't handle the volume of business coming in.
- 3.** Your advertisement must be large enough to contain all of the information consumers need to make a contact decision. You must budget to buy a big enough space.

And of course you want to run the ad as regularly as you can. In the newspaper, this means every week. You can skip every fourth week if you really need to, and you can skip every other week off-season [although we don't normally recommend it]. But an ad that does not contain enough information, or that does not appear on a regular basis, will fail.

- 4.** Many things will affect your advertising budget. If your store is in a poor location, you are going to have to outspend your better-located competition to bring people in. [Often it's better to pay for a superior location].

If you are a new business, you must outspend the competition. A rough formula is to spend 20% - 50% more than your desired market share as a percentage of total advertising in the market. [If you want 20% of the market, then you buy 30% of the total advertising in the market until you get your 20% market share].

If you are an existing company with a good reputation, you can do less advertising, or you can focus more of your advertising on your repeat customers. But you must always watch what the competition is doing, and respond. If someone is outspending you, they will eventually take your market share.

5. Any money you spend on advertising outside of your trade area is a complete waste. Ask your customers where they live, and draw a circle around your location on a map. Only advertise within that circle, unless you can't avoid it, or there are special circumstances.

6. Your advertising budget should align with your sales. If you made a chart of your advertising budget expenditures over time, it should follow your sales almost exactly. If there are peaks and valleys in your advertising, while your sales remain constant, then you need to smooth out your advertising to better match your sales.

7. Before you decide to increase your advertising budget because of weak sales, make sure that advertising is your problem. Weak sales are not necessarily a reflection of poor or under-funded advertising. [This is an advertising firm telling you this].

Before you increase your advertising, do a competitive review to make sure you are properly positioned and competitive. Also talk to your customers to see what is going on. Advertising can't make up for poor service or quality.

8. Keep some flexibility in your advertising budget for emergencies and opportunities. Keep a contingency fund available for special circumstances, special deals, competitor actions, etc.

9. If you want to reallocate your advertising budget, test your ideas slowly. Try smaller changes, and watch for results. The key to effective advertising is to test – not only your message, media, and offer - but also your advertising schedule.

Choose Your Media

For this example of advertising planning, we are discussing using the newspaper for your advertising. So, which newspaper is best, and why?

Part of the answer to that question will be found in Using Media More Effectively. That chapter will help you in selecting and using any of the different forms of media, including newspapers. You will also want to read Newspaper Advertising if you are running a newspaper campaign.

For this advertising planning example, consider the following points before you select what newspaper to use:

1. What are the demographics the paper is offering? The publisher will send you a complete description of their market. How well is your specific target group represented? How well is your trade area covered? Compare different local newspapers against each other for better coverage of your market.

2. Depending on your target market size, don't overlook the small community newspapers and newsletters. A community paper may cover your trade area much better than a larger regional paper. Local papers are inexpensive to advertise in, and they are well read. Communities like their own little newspapers, and people read them to get the local scoop.

And don't forget that the regional paper can sell you advertising that only appears in your local market. It costs a little more per person reached, but you are reaching the right people.

3. How much will it cost? You measure media cost by dividing the cost of the media by the total number of viewings or impressions you get [how many people in your target market that see your ad]. It is common to talk about your cost per thousand impressions, or your CPM.

[Cost / # of target market viewings X 1000 = CPM].

In the simplest example, if two newspapers are charging the same amount for an ad space, and one paper delivers twice as many people in your target audience, then your cost per thousand is half what it is in the other paper.

Don't assume that one paper is better than another. Talk to your customers, and ask them what they read and why. Ask them if they read each newspaper by name, and how often they read it. Ask if they are subscribers, and ask how many other people in the house [and in your target audience] read the paper.

Make each newspaper send you their demographic information [in writing – not verbally from the salesperson]. Tell them exactly who your target audience is, and ask how they specifically target that audience. Each newspaper has special sections, issues, and coverage that are designed to appeal to specific target audiences. What do they have for your target audience?

Remember, the most important thing is whether or not the paper is being read by your target group. A large, regional paper may have a huge subscriber base of people that only lightly read the paper [except on Sunday when they read it thoroughly]. A local, weekly paper focusing on your specific neighborhood may get read cover to cover, every time. Ask your customers.

4. You normally want to advertise in the same newspaper as your competition is advertising in. That is probably where most of your clients are looking for information.

Sometimes this goes against some of the other strategies for picking the best paper to run your ad in. If you can, run ads in different papers for six to eight weeks with different coupons, and see which works better. The longer test you run, the better. Testing is the key to effective advertising.

5. It is a good strategy to spend your advertising budget where your current customers are coming from. Certainly you can try new outlets for getting new customers, but it is normally more expensive to get new customers from new media than it is to get new customers from your regular media. As always, go slow, and test.

6. There is also advertising theory to consider when you decide on what newspaper to choose. The recency theory of advertising states that you want

to reach as many people as you can as close to the time that they are going to make a purchase as possible.

This means that you want them to receive your advertisement in the Saturday morning newspaper for their Saturday afternoon shopping. To best take advantage of this timing, you may have to change what newspaper you are advertising in. As always, testing is the way to find out.

Timing & Scheduling

Your goal as an advertiser is to hit the right prospect with the right advertising message at the right time. To do this, you need an advertising schedule.

We discussed recently theory in advertising. You want your clients to see your message as close as possible to the time that they are ready to make a purchase. The key to success is to know when your customers are ready to buy, and to get your message to them at that time.

The very best way to predict future consumer behavior is to keep good records of your previous sales. If you know that during the month of May you did 20% of your annual sales, then you can safely predict that you will do it again next May. If you know that you did one-third of your weekly sales on Friday, then you can safely predict that you will do it again.

Your advertising budget and your advertising scheduling should reflect these predictions. If you predict that you are going to do 20% of your sales in May, then you should schedule to spend 20% of your advertising budget in May. If you want to increase your May sales, then you should increase your advertising accordingly.

Here are some tips on scheduling your advertising:

1. You want to schedule and budget your advertising on a weekly basis. Also track your expenditures, and track the resulting sales. This will give you excellent control, and you will be ready to go when you plan your advertising next year. There is a great and simple tool to do this. Please see [The Advertising Calendar](#) for more.

2. You want to pay attention to things that affect your sales, and schedule your advertising accordingly. For example:

- A. What day is payday for local, large employers? Alternatively, if everyone is broke on the first of the month, you may want to cut

back on your advertising. Measure your sales accurately, and find out.

- B. What promotions will your suppliers be having during the year? You want to take full advantage of any national advertising they will be doing by running your ads at the same time. Ask your suppliers.
- C. What annual promotions do your competitors do? If they are bigger than you, you may gain additional sales by riding on their coat tails. If you are really good, you might beat them badly with a better offer while they are running their “biggest sale of the year.”
- D. What days of the week do you get the most traffic? Remember, it’s easier to increase traffic on heavy days than on slow days.
- E. What related merchandise will be getting increased promotion in your area? Can you associate yourself with other big merchandising events? Pizza companies have done well to run promotions during football season. What can you tie into?
- F. What special dates and events should you try to promote? Which should you try and avoid? Track your sales to find out what days seem stronger, and schedule your advertising accordingly. For example, you may not want to compete against the county fair, or a super big annual sale from other local retailers, even if they are not your direct competition.

3. Work with your media representative so that you understand the required lead time for placing ads. Don’t forget to give your ad designers as much time as possible to get the best quality work.

4. Monitor your competition, and any national advertising, to understand what lead-time they give before the start of the season. Certainly Christmas starts earlier every year. What is happening in your business? You want to schedule accordingly.

This also applies to new product rollouts. You can build expectation among your prospects if you advertise new items ahead of time. Normally your advertising increases as the release date gets closer. What works for other

stores? What does your supplier recommend? Will they put their money behind their recommendation?

5. Don't forget that consistent advertising is effective advertising. For a new advertiser, it may take five or more impressions for a person to even notice your offer. For a consistent advertiser, your clients may respond immediately to a new offer.

6. The number of impressions you are going to have to make with your target audience depends on the complexity of your offer. If your offer is hard to understand, you are going to have to run your ad with more frequency, or longer, than if the offer is simple.

7. Don't forget that you want to run your ad on the same days, and in the same place, as your competitors do. If people expect to find your type of business in the metro section of the Thursday evening newspaper, then that is where you have to be. If you run your ad on Wednesday, or if you run it in the sports section, they probably won't even see it.

8. Don't forget that ads wear out. A strong ad may run once a week for a very long time in the newspaper, but you should be testing other offers and other ads to see if you can do better. As a general rule, when the majority of your target audience has seen your ad twenty times, it time to change your ad.

Don't Reinvent the Wheel

Before you finalize any advertising plan, go and read [Things Not To Do In Business Advertising](#), and evaluate your plan according to our recommendations there. You don't want to reinvent the wheel.

Also, we strongly recommend that you ask a marketing professional to review your ads and your advertising strategy. It really is a very good investment. Your advertising is too important to take chances with.

Evaluation And Follow Through

You must plan how you are going to track the response to your ads. Read [Testing and Tracking Ads](#) for more information.

This is pretty simple – you only get what you measure. You will never know how good, or how bad, your ads or your marketing materials are unless you test them. You need to measure your results, or all of your planning will be wasted. Effective advertising comes from always trying to beat your previous best ad.