



CUSTOMER MANUFACTURING GROUP

**“Advertising doesn’t
create a product
advantage. It can
only convey it.”**

**- William Bernback
(DDB Needham)**

**“The consumer isn’t
a moron. She is your
wife”**

**- David Ogilvy
(Ogilvy Worldwide)**

**Even the most
accurate rifle can’t
hit the target if it is
aimed in the wrong
direction.**

SETTING ADVERTISING PRIORITIES TO COMMUNICATE WITH CUSTOMERS

A HOW-TO GUIDE TO ACHIEVING EFFECTIVE ADVERTISING

Advertising is a highly effective method for spending money fast. No matter the size of your company or the size of your budget, advertising can be an expensive proposition. Done well, it returns many times its costs in bottom line benefit. Done poorly, advertising costs much more than money. Time and opportunities can be lost forever. You run the risk of alienating or offending customers and placing your company’s entire future at risk. But done well, advertising can be an effective part of your marketing/sales activities.

Removing The Mystery

Advertising is not a black art: it is not mysterious or random in the way it works. You can control its performance to a considerable extent by properly setting your advertising priorities

As an integrated tactic within your overall marketing/sales process, advertising can be an effective tool. Like all marketing/sales activities, its results must be measured and feedback provided so continuous improvement is possible. Getting started correctly means focusing on your customers.

Start With Your Customers

Start with your customers and stay with your customers. They are the people who buy and use what you sell. They are the reason you are in business, and the degree to which you understand them determines the success of your company.

Your first advertising priority is to know *Who* your customer is: what their responsibilities, experiences, and priorities are. Then you can tailor an appropriate and pointed message that will quickly strike a chord and evoke your desired response.

For example, if you wanted to borrow money, you would make a very different appeal to your brother than you would to a bank, *yet the objective is the same*. You simply customize the appeal according to the audience.

Apply the same thought process to your advertising program. First, find out *Who* buys and what they all have in common.

If you don’t know, find out what factors affect the way they make decisions. What is important to them at home or on the job? What are their ages, incomes, educations, job positions, and family lifestyles where appropriate? What are their wants, needs and expectations when they are shopping for what you are selling?

Purchase research information, survey your own customers, check industry data, or all three. Do whatever it takes to find out enough about your customers to talk to them in their language. Dig deeper than statistical demographics or standard business profile information. Really understand your customer (whether an end-consumer or an employee decision maker in a company) so you can turn around and clearly see your company’s product or service from your customer’s point of view.

A word of caution: don’t confuse competitors with customers. Those who advertise heavily in “trade” magazines, whose readership is mainly other competing suppliers, or mainly use ads to answer insults or challenges from competitors, commit a very expensive error in perception. Industry acknowledgement comes quickly enough when you start winning more customers.

Be Greedy

Yes, be greedy. It's your advertising program. Decide what results you want from it, and stick to your guns. And be more specific than "increased sales." Unless you are in the direct response business, you're highly unlikely to receive an avalanche of orders in the mail just because you ran a few ads.

The purpose of advertising is to help produce leads, prospects and customers, which it can do in many ways. Advertising can create awareness. It can position products and services. It can identify probable new customers. It can encourage customers to take immediate action. It can encourage customers to return for repeat purchases.

Why Advertise

Your second priority is to specify exactly *why* you are advertising.

What do your customers need to know? That you exist? That you've changed? That you haven't changed? That you've solved your problems? That you've solved their problems? And what do you want them to do about it?

Whatever results you want, set them out clearly. If you measure every advertising opportunity in terms of its contribution to the achievement of your results, selecting between creative and media alternatives becomes fairly straightforward.

Perform A Reality Check

Establish a realistic picture of where you stand . . . right now . . . in your customer's eyes. No wishful thinking, no unchallenged acceptance of the sales manager's rosy projections, no unilateral dismissal of a competitor's achievements.

Your third priority is to know how far you have to travel to achieve your goals. Once you do, you will also know what you have to do to get there.

A brand new, unknown company, has no effective choice but that of a "high impact" campaign to achieve marketplace awareness: Aggressive messages and an aggressive media schedule will likely dominate their program.

An established company, even with a brand new product, can hopefully count on its name drawing attention to whatever it promotes. This business may find that incorporating their new message into their standing schedule achieves the same level of recognition.

Check Your Resources

Know what you have to spend, both in terms of money and in staff time. Industry studies reporting on average advertising expenditure were once thought to be an accurate guideline on which to pattern a budget. Now, they are of questionable relevance in an era of rapidly changing techniques and technologies.

Electronic production may reduce the costs of localizing what began as an international campaign. In-house tele-sales resources change the cost of follow up. Customization of messages and materials can multiply cost.

Your marketplace position also has its demands. Established companies using advertising to reinforce existing customer ties have vastly different spending patterns than the company introducing a new product, service, or technology.

With so many variables, a budget target is critical in assembling the right mix of creative, production, logistics, and media efforts. Make this careful budgeting of time and money your fourth priority.

Messages And Media

Your fifth priority is to decide just what it is you want the audience to conclude about your product. This is where it is most critical to know *What* your customer really buys from you (that they can't buy from the competition.) Remember that what they're buying is not usually the same as what you're selling. And *what they're buying is the only thing that matters.*

This is where many companies start their advertising process. It's also where many companies fail. Catchy slogans, famous directors, beautiful graphics, engaging sound-tracks: these do not make successful advertising, unless they were directed by a clear understanding of customers, marketplace, and objectives. Even the most accurate rifle can't hit the target if it's aimed in the wrong direction.

Charles Revson said of Revlon, "We don't sell cosmetics. We sell hope." Car companies don't sell cars; they sell transportation, social status, or safety. Xerox surveyed word processor users and found that while "reliability" ranked near the bottom of the list of desirable attributes, "it doesn't break" was number one.

What will purchasing *your* product do for the customer? Will it improve their appearance, finances, job performance, company profits or company advantage or social life? What does the customer get . . . not physically receive . . . but what they really get? How is it better than an alternative? This is what you need them to know, this is your advertising message.

Now, what do you use to deliver the message? Mass media is just the ticket for sending your message to vast numbers of people at once. In print media, magazine and newspaper readers enter that environment when they choose to. Your advertising takes advantage of their receptive frame of mind. But if you need to involve sound and motion to make your point, then broadcast media — radio, television, and Internet — may be the better vehicle.

As a more focused effort, direct marketing — literally delivering your advertising message to specific individuals who are likely prospects — can be exceedingly effective and should be considered for at least a portion of your target customers.

And, of course, there's the Internet. This medium offers the potential to provide the best of dynamically changing existing media . . . but it also can bring the worst. The Internet offers "print-like" options, multi-media options, target audiences, and interactivity. It provides new ways to make John Wanamaker's famous quote continue to be true: "Half the money spent on advertising is wasted, and if I knew which half, I'd quit spending it."

The Internet is a continually evolving and growing medium. Before you head into this expanding frontier, consider taking an experienced guide. Look for someone with Internet marketing experience. This is much more than just website design or occasional media buys on a web portal!

It includes key issues such as web site usability and search engine optimization. The former ensure that once a prospective or actual customer comes to your site, they can accomplish what they came to do . . . their way. The latter is about optimizing your chances of

being found. It is clear that substantially more than 50% of searchers do not proceed beyond the first two pages (at least half, not past the first page) of search listings. If you are not ranked high, it may not matter if you are listed at all.

Only when you know what message you want to get across, and what vehicles you'll need, can you commission creative product.

Choose The Right People, And Let Them Do Their Jobs

Your sixth priority is to entrust your advertising to the best people you can find. In-house or outside, your people should be pros at hiring and managing creative talent and vendors, at analyzing media, and at project management.

Let them evaluate creative strategies to communicate the needed messages. Let them determine the most cost — and time — effective tactics to get that message through to the right people. Let them perform the cost benefit analysis on print, broadcast, web and other media alternatives. Let them establish the schedules and direct the budgets to most effectively complete the work.

And keep your personal prejudices to yourself. But, do not let them set their own priorities and messages. That area belongs to you, and should be solely based on your customer.

That being said, they should be able to provide a reasoned response to the purpose and expected results of the various tactics selected in support of the strategy chosen. Whether you use hard ROI analysis or more subjective measurements, the minimum requirement is defining what you expect and how you are going to determine if you got it.

Choose The Right People, And Make Them Do Their Jobs

Everyone working on your advertising program answers to the ultimate priorities of customers and results. Priority number seven is for you to make sure they know it.

Don't let them get off track due to a tangential "brilliant" idea, or prejudice a decision out of favoritism to a vendor, a talent, or a publication. Make them stick to the schedules and budgets you approved, and make sure that the final project says the right things, in the right manner, and in the right place to get the right reaction from your customers.

Final Thoughts

If you follow these seven principles:

1. Start with your customers
2. Know why you are advertising
3. Know where you are and where you are trying to go.
4. Know your resource budget
5. Know your *What* and how to communicate it
6. Get the right people on the bus
7. Focus on results.

The rest is 'fairly' simple. The proportion and timing of ads versus direct mail versus supporting materials is virtually specified by an accurate marketplace evaluation. Choosing between magazines is no longer a matter of answering "which publication is better, which is more prestigious?" Instead it is the distinctly answerable, "which is more cost effective at reaching our target customers?"

Headline choices are made from the customer's known perspective, instead of from uninformed speculations by the marketing department. Visuals are determined by their performance in your marketplace, rather than by anybody's personal prejudice.

While there are no guarantees in advertising, if you take Principal #2 to heart and “know why you are advertising” you can create a reasonable set of expectations as to results. You can then measure and monitor to see if those results are achieved. If so, then can you get better results by making changes or improvements? If the expected results are not achieved, why not? What is the root cause of failure? Can you correct it?

Assuming that advertising is an appropriate part of your marketing mix, if you follow these seven principles you will improve your chances of achieving an optimal ROI on this marketing investment.

More Information

If you would like more information about how to apply a process to improve your marketing/sales function, simply contact us and we’d be happy to help you get started. From sweeping marketing/sales management process strategies to specific branding or product launch services, Customer Manufacturing Group can help.

Detailed information on our services and a number of Special Reports and cassette tapes and CDs are also available.

If you’d like to learn more about Customer Manufacturing Group, or for a complimentary subscription to *Customer Manufacturing Updates*, give us a call at (800) 947-0140, fax us at (408) 727-3949, visit our website at www.customermanufacturing.com, or e-mail us at info@customermfg.com.

We have offices in major cities in the United States, and our experts travel extensively throughout the world. If you’d like to schedule a meeting when we’re in your area, just let us know.