

The Truth About Advertising

Consider the words of advertising guru David Ogilvy:

If there was a step by step, guaranteed, fool proof system for starting a business and steadily increasing sales, wouldn't everyone be doing it? Of course they would. Problem is, your business is unlike others. You are involved in your own custom scenario - your competition, location, sales force or lack of it, resource and budget restrictions and especially products or services make you unique.

We are admen, and this is what we know about getting new customers and increasing sales. There is no mystery nor magic. As a matter of fact, there are ways of advertising that guarantee results and others that guarantee failure. Some advertising agencies will tell you advertising has to be creative, that it is an art form, even entertainment. Actually, advertising does not have to be creative at all - it just has to be interesting enough to make you change your brand preference and buy the product. In short, good advertising causes you to take action.

Would you rather people talk about how wonderful your ads are or for them to buy your product?

The solution for you is the same as for your competition: use all the appropriate media at your disposal to get your name and image in front of your target group, while spending the least amount of money possible. Advertising or "communication" - whatever form it may take - is the only way to sell anything! From word of mouth to television, effective communication is the key.

Yet this, dear reader, is where the confusion lies. What constitutes effective communication? What are the appropriate media and messages for your unique product, service or market? Why does it seem that some magazine ads just do not get the job done? How can you possibly afford to advertise when sales are down? These are all legitimate questions that lie at the core of the advertising dilemma. You know you have to advertise, but how? To begin, you should understand and accept three keys of advertising and increasing sales.

Do not overlook these pitfalls:

First, and most important, the wrong kind of advertising will actually hurt your sales! When Coca-Cola changed the flavor in 1985 in an attempt to increase market share, the move backfired and caused a boycott. No company, no matter how large and viable, is impervious to bad advice. Only proper research can prevent such tragedies.

Realize the magnitude of difference between one advertisement and another, says direct response copywriter guru John Capels.

“I have seen one advertisement actually sell not twice as much, not three time as much, but 19 1/2 times as much as another. Both advertisements occupied the same space. Both were run in the same publication. Both had photographic illustrations. Both had carefully written copy. The difference is that one used the right appeal and the other used the wrong appeal.”

Second, realize what you are up against. Picture yourself across a table from Bill Gates, the founder of Microsoft. He has more money than some governments, and if he signs a contract to purchase your product or service, you have got it made! Oh, there is only one problem. He starts the meeting like this...

*“I do not know who you are.
I do not know your company.
I do not know your company’s product.
I do not know what your company stands for.
I do not know your company’s customers.
I do not know your company’s reputation.
I do not know your company’s record.
Now-what was is you want to sell me?”*

Third, accept the importance of positioning. Realize that where you position yourself in the marketplace has everything to do with the success of your product or service. What exactly is positioning, you ask. Positioning is what your product does and who uses it. The Dove bar could have been positioned as soap for men with dirty hands, but instead it was marketed as a toilet bar for women with dry skin. Once the product was positioned properly, David Ogilvy masterfully created advertising to reach the target market. Take a lesson from Ogilvy: the better you and your advertising agency positions and promotes your image, the more sales you can expect.

What determines Brand Preference

This brings us to the question of why people prefer one brand over another. Some people like smoking Marlboro, while others prefer Camel or Winston. Is this because they have tried all cigarette brands before they chose one for them? Research suggests otherwise.



At the Department of Psychology at the University of California, researchers gave distilled water to students. They told some students that the water was distilled, and asked them to describe its taste. Most said it had no taste of any kind. They told the other students that the water came out of the tap. Most of them said it tasted horrible, because the mere mention of tap conjured up an image of chlorine.

The reality is that different kinds of products have different images appealing to different people. Give someone a taste of Jack Daniels and tell them it is Jack. Then give them another taste of Jack Daniels and tell them its Old Grand dad. Ask them which one they prefer? They will think that the two drinks are quite different. They are tasting images!

Other than the addition of television and the Internet as highly effective media, there have been few changes in advertising since its birth. Yet the mysteries about what is “good” or “bad” advertising prevail. The truth is that if your ads do not change brand preference, they are not doing their job. If they do change brand preference, people will be three times more likely to purchase your product. The point to reiterate is that simply getting someone to remember your ad will not change whether or not they buy your product.

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Another important point is the difference between sales promotions and advertising. In 1981, US manufacturers distributed 1,024,000,000,000 coupons. Talk about sales promotions! Still, in the long run, building a sharply defined image is what gets you the largest share of the market. According to President of Campbell’s Soup Company Bev Murphy:

“Sales are a function of product-value and advertising. Sales promotions produce no more than a short term kink in the sales curve and without the promotion, customers go back to their habitual brands.”

Does advertising really work?

This is the kind of confusion that makes some manufactures secretly question whether advertising really sells their product. On a train journey to California a friend asked Mr. Wrigley why, with the lions share of the market, he continued to advertise his chewing gum. “How fast do you think this train is going?” asked Wrigley. “I would say about ninety miles an hour.” the friend replied. “Well then said Wrigley, do you suggest we unhitch the engine?” The truth is, no matter how good you are, if you do not advertise or stop advertising, your product will be forgotten amongst a barrage of competition.



The lesson to learn is that it is not necessary to advertise in every medium. You do need to understand, however, that your image is influenced by the media in which you choose to advertise as well as the media you omit. Deciding what media to use becomes a function of your target market and your competition. Who are you trying to reach? What advertising venues is your competition using?

When considering different media, keep in mind that all are at your disposal no matter what your budget. Do not exclude any because you have got lots of money to spend, and do not assume you can not afford some because they are too expensive. For your quick reference, the most common advertising media are as follows:

1. *Your corporate identity*
2. *The Internet*
3. *Television*
4. *Print*
5. *Radio*
6. *Trade shows*
7. *Word of mouth*
8. *Direct response*
9. *Packaging/Presentation*
10. *Media attention*

How to use these 10 media to get results

The rest of this article will discuss the pros and cons of the above-mentioned ad media. Warning! Making assumptions about which ones are for you and which ones are not can only hurt you. Do not cut out part of your target market by making hasty judgments! Rather, as you read, keep an open mind as to how you might use each media to increase sales. Also, bear in mind that a well rounded corporate identity is more than the sum of its parts. The image you create actually becomes the icon of a lifestyle, not just a haphazard compilation of art, copy and image.

1. Your Corporate Identity is by far the most important ingredient in generating sales. Remember, people are buying your image, or “personality.” And your personality is more than the sum of many things, including your name, your packaging, the price of your product, the style of its advertising and, above all, the nature of the product itself.

Many people are hypnotized by Jack Daniels. The label and the advertising convey an image of homespun honesty, and the high price makes one assume Jack Daniels must be superior. The distiller is selling 90 percent image! Every advertisement, therefore, should contribute to your brand image. Also, it follows that your advertising should consistently project the same image, year after year. Further, your product should project an image of quality. If your image or advertising is cheap or shoddy, it will rub off on your product. Who wants to use shoddy products?



Another dimension of your corporate identity is that it has a great deal of influence over your employees. It is a given: the best people want to work for the best companies. That is to say, the companies with the best image. The bottom line is if your company has a good image, your employees will be proud to work for you. If it does not, you will find your employees always looking to move on.

2. The Internet is the fastest access to potential customers, business contacts, partners and competitors in every corner of the world. Electronic commerce is becoming a reality, thanks to improved security and encryption technology that ensures your messages are read only by those you want. Cybermalls are springing up everywhere,

“If you do not yet have a web site and email capability, you are not yet competing in the new economy!”

allowing companies to sell their wares to millions of customers without incurring costly real estate and overhead expenses. Instead of gathering dust in a warehouse, products are made and shipped to order.

If you do not yet have a web site and e-mail capability, you are not yet competing in the new economy! Nor have you begun to tap the potential of the fastest growing global marketplace. If you already have a web site but have failed to properly market and advertise for it, you have no real presence in this vast market and your target customers probably do not even know you exist. Remember, you need both a web site and a marketing plan to be competitive on the Internet. We can all take a lesson from companies like UPS, Discovery and ESPN, who have built traffic on their web sites and, as a consequence, have reaped great rewards.

It is not expensive for your company to enter cyberspace. A small business account costs \$50 to set up and less than \$50 per month including e-mail to maintain. A site for a larger company can be custom tailored to yield the most profit possible. Solutions range from obtaining commercial accounts with service providers to setting up an Internet server inside your company.

Marketing your company's web site begins by listing it with the over 100 search engines worldwide. If you do not have a lot of money, you can do this yourself. Go to all the search engines you want to be listed with and fill out their add URL sheet. The more listings you have, the more traffic you will generate. This is absolutely essential if you want people to find your site.

If you have a larger budget, make sure you are listed with all the search engines and then add targeted marketing to your Internet marketing strategy. Press releases, banner ads, what's hot listings and specific newsgroups should be used together to attract your customers to your virtual place of business. A good advertising agency that has experience with the Internet should be consulted to help you create these banner ads and choose the sites that are best suited for your targeted campaign.



3. Television is the one medium you just can not afford, right? Well not really. Consider this: producing a good commercial for local cable TV can cost as little as \$7,000. You can reach 70,000 homes, 25 times a week on your choice of TNT, Discovery, CNN, A&E, MTV, USA or Lifetime. The cost for four weeks is only \$2,000. With local cable, you spend just 13 cents per person per month to reach 70,000 potential customers. If you make a brochure, it will probably cost between \$1 and \$4 for each copy, and you still have to mail it out! How can you afford not to utilize this medium to market and sell your consumer-based product?

On a national level, TV advertising is by far the cheapest way to sell. You would have to spend \$25,000 for a salesman to call a thousand homes. A national television commercial can do this for just \$4.69. For \$10,000,000 a year, you can reach about 66 percent of the American population twice a month. Even though these commercials are expensive, they are by far the cheapest way to reach millions of people.

4. Print Advertising is the medium with the most established guidelines on what works and what does not. Ironically, if you look at the bulk of print advertising, it seems no one has heard of these same guidelines. Maybe it is because many ad agencies are more intent on being creative than on selling your product.

Research has shown that, on average, five times as many people read headlines than read body copy! What is the lesson here? If your headline does not sell your product, the reader will have no reason to read the rest of your ad. Headlines that promise value, helpful information or some kind of benefit work the best. Such information as more miles to the gallon, longer battery life, how to increase sales or get fewer cavities are good examples. If the headline of this piece, for instance, did not interest you or make you think there was something of value inside, would you be reading now? Next time you pick up a magazine, rifle through it and count the number of ad headlines that promise a benefit of any kind.

Headlines that contain news are also a sure bet. On average, ads with news are recalled by 22 percent more people than ads without news. If you are lucky enough to have news to tell, do not hide it. State it loud and clear in your headline. News can make your ad more credible in the eyes of a reader and, therefore, increase your chance of changing brand preference.

What you do not want to do is write tricky headlines with puns, double meanings or other obscurities. Contrary to popular belief, this is counterproductive. Readers travel fast, and your headline should broadcast what you have to say without confusing anyone.

True or false? Nobody reads body copy. I invite you to consider this: people who are interested in actually buying your product not only read your body copy, but are highly interested in it. If you are considering a car, airline or bank, do you not want to know, specifically, what distinguishes it from the competition?

Two factors influence how many people read your body copy: how well your headline and images do their job, and what you are advertising. More women, for example, will read the body copy of a cosmetics ad than a cigar ad. The average magazine body copy readership is five percent - a number that is actually quite high if you consider that five percent of 1,000,000 is 50,000.

The more specifics you provide in your body copy the better. Long copy usually sells more than short except for a few isolated types of products. After studying the results of advertising for retailers, Dr. Charles Edwards concluded that “the more facts you tell, the more you sell.” It follows that long copy suggests you have something important to say.

“It has been proven repeatedly by research that black, serif type on white paper is the easiest to read”

It has been proven repeatedly by research that black, serif type on white paper is the easiest to read. This is because most magazines and newspapers are set this way, and our eye is a creature of habit. The little hooks and feet on the letters help your eye flow from one character to the next. Ironically, countless ads are set in reverse (white on black) - a technique that can be very difficult to read. Also, it is better to use upper and lowercase letters for readability.

After reading these guidelines, you may think they suggest the best ads look and read more like editorials. That would be the correct assumption. An ad with a picture on top, a headline that broadcasts news and long body copy looks very much like an article.

Furthermore, I suggest using captions under your pictures. Research has shown that more people read captions than read the body copy. Some people believe advertisements should look like advertisements. Why? So the reader knows it is just an ad and skips it?

Remember this: six times more people read the average article than the average ad. As difficult as it may be to admit, my conclusion is that editors communicate more effectively than admen. The lesson for all us admen, if we want to attract more readers, is to make our ads look like articles.



Ad I: This ad is pleasant to look at and attracts your eye. Notice however, that the ad has the headline above the image forcing your eye to go back up to read the headline, since you naturally look at the image first, and then back down to the copy. Also notice that the headline is all uppercase, and the copy is set in a sans serif type style, making it hard for your eye to flow from one word to the next. Try to actually read this ad, I gave up after several attempts.



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FINANCIAL

Ad II: The headline in this ad is easy to read and promises the reader a benefit. A subhead and drop initial are used to further assist your eye to make a direct transition to the message. Two columns and copy set in a serif typestyle allow for easier reading. Thumb through a magazine and count the number of ads that do not provide the reader with any kind of benefit in the headline at all.



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5. Radio has less research to support what works and what does not than any other medium. It should go without saying however, to mention your product early and often. Also, you should promise some kind of benefit. Most of us listen to the radio in our cars while commuting to and from work. We represent an enormously sizable captive audience with nothing better to do while sitting in traffic. If you are promoting a grand opening, a special sale or anything newsworthy, radio is inexpensive and effective.

An important point to remember is that people quickly get annoyed with radio commercials because they are able to recall the words without images to distract them. A simple solution is to make several different commercials. Finally, compared with television, radio commercials are almost free.

6. Trade Shows are a good place to make new contacts, introduce new products and network with your peers. At these events, it is very important that you have an impressive display, since your customers will judge and evaluate you based simply on how your display looks. They will also be comparing you with your competition, usually situated only a few feet away! If their displays put yours to shame, guess what? You will lose even your best customers.

On the other hand, if your company is relatively new on the scene and steals the show, you cash in on the flip side of this phenomenon. There is no other environment than trade shows where presentation alone makes such a big difference. It is easy to get bored walking around a trade show all day, so give prospective customers a reason to hang out at your display. Dazzle them. Then when you have their attention, inform them with specifics. It will be worth every penny.

Also, utilize new media such as multimedia and video to attract customers. Trade shows are the perfect environment to use these interactive tools. Involving your potential customers with your products is very powerful. With such an interactive approach, customers do not feel any pressure from sales people and can go at their own pace. Further, this gives your company a modern image and makes you come off as current and on the ball.

7. Word of mouth is the most powerful medium, period. No amount of advertising can save a poor word of mouth reputation. Combine this with a low quality product and you are dead in the water. When potential customers see your ads, they will just have a good laugh and brush you away. Advertising can sell anything once, but if your product is bad, word will get around and your sales will be hopelessly lost.

**“When Aeschines spoke, they said, How well he speaks.
When Demosthenes spoke, they said;
Let us march against Philip.”**

On the flip side, if you have a powerful, thought provoking campaign, people will start talking about your ads and, more importantly, your product. Some will try your product and, if they like it, will tell a friend. People love to pass a good product along to their friends. It makes them feel good, like they have struck gold or discovered a

gem. How many times have you passed along a tip to a friend about a new store that just opened, where to get a hair cut or where not to eat. Remember, when it comes to word of mouth, the one-to-three ratio applies. When you have a good experience, you tell 10 friends. When you have a bad one, you tell 30.

Also remember, people are most likely to talk about your product if there is something new or newsworthy about it. This brings us back to your ads. It is very important that you convey news about your product whenever the opportunity arises. Really big inventions like the microwave and the television did not need much advertising; they were big news all by themselves.

Finally, you can run ads specifically designed to influence public opinion. As Abraham Lincoln said: "With public opinion on its side, nothing can fail." If you are dealing with a scandal of some kind, running ads can be a powerful tool to set the record straight. When you do this, however, be sure to take responsibility for the situation and speak truthfully or you will only make matters worse.

8. Direct Response advertising is often shunned by advertising agencies. They do not think of junk mail with large headlines and outrageous promises as advertising. Ironically, people who use direct response know exactly what they are doing. Almost always, sales from a direct response ad or mailing can be measured to the dollar. An industry that boasts \$100 billion per year, direct response works better than ad agencies are willing to admit.

Direct response is most often used by publishers in search of subscriptions, catalog houses as well as record and book clubs. Unfortunately, direct response is also where you find scams and swindlers. Even so, the bulk of the trade is reputable.

Direct response can be used for certain products that are not marketable any other way or as a compliment to your already existing campaign. Whenever possible, use incentives like giveaways or sweepstakes. For many, these offers are irresistible and often lead to a sale. The key in direct response is to constantly evaluate how well your present strategy is working and fine tune your approach. You can evaluate this medium with precision because there are no other factors in your marketing mix.

Headlines are even more important in direct response than in regular print advertising. Again, your headline should promise your strongest and most distinct benefit. Do not be afraid to use testimonials; they will increase your credibility and sales. Keep your copy simple or easy to read. You can not afford to lose sales to tricky vocabulary or hard-to-read ads. Our final tip is to create urgency. Let people know that it is now or never with words like limited time or limited edition.

9. Packaging / Presentation is your final chance to make or break the sale. Obviously, if you are using direct mail, you do not need any package design. In retail, however, your customer has seen your ads and is finally standing opposite your product in the store. Your package design will be the deciding factor that leads to the sale.

The most important thing is that your packaging design fits the image spun by your advertising. If this is not the case, your potential customer will become suspicious and you may lose the sale. Even worse, if your product looks nothing like what the customer expects after having seen your ads, he may not even be able to find it in the store. The less advertising you do, the more selling your packaging needs to do. If you do not have a well rounded campaign, your packaging should have call outs highlighting the most impressive features of your product. This is especially true for electronics or any other product where the customer may want to compare features.

The colors of your packaging, too, are very important. Blue works well for electronics. It calms the buyer. This is especially true when you are buying a product like a computer and you do not understand how it works technically. Research has shown that red, yellow and orange work well for food packaging because they arouse hunger. Can you think of a fast food restaurant that does not have red in the logo somewhere? Or how about the frozen food section in the supermarket? Green inspires trust and is often used by lawyers or accountants. It is also the color of money. Take a lesson from the proven research and use color to your advantage.

“Be creative. Realize that your product or service is not the only thing that may be newsworthy.”

If you can make your packaging unique, you greatly increase the chance of having potential customers pick up and inspect your product. Fractal Design packages their Painter software in a paint bucket. This is highly unusual for software and stands out on the shelf. Once you have gotten the potential customer to pick up your product, complete the sale. Do this by including as much information about your product on the packaging as possible. Those who include more facts about what their product will do, will undoubtedly win the sales game.

10. Media attention is the only form of free advertising and one of the most credible, since it is written by someone other than the advertiser. In fact, the greatest advertising campaigns will cause media attention all on their own. There are, however, no set guidelines on how to capture media attention. If you know of any surefire ways to do this, please let us know.



You may think the only way to get your company on television or in the papers is to have news to report. This is only partially true, since almost anything can be news. It is actually just a matter of the angle you use. Be creative. Realize that your product or service is not the only thing that may be newsworthy. How about the way your company is structured, or the way you manage your people? When you really think about it, you can probably come up with a dozen news stories about your product, service or organization.

Further, media attention is very important for a well rounded campaign. Every campaign, no matter what the budget, should take advantage of free and credible media attention. All you have to do is send press releases to local and national magazines, newspapers and television stations on a regular basis.

The influence of media attention on your customer is tremendous. Have you ever noticed that after reading about a company in the paper, you suddenly start to notice it on billboards, ads and the radio? That is because we listen to the news with less bias than we read ads. In this state of mind, we are primed to receive new information. Also, media attention creates the impression that your company is everywhere, and companies that stay in the spotlight get more free exposure. Of course, there is a down side too. If you are in the spotlight, you will be open game for criticism. You know those media folks - they are always looking for a good controversy or an ax to grind.

In closing, we hope the information in this article has shed some light on the myths and mysteries of advertising. We know that advertising is truly the only way to sell. But what is good advertising? What should you or should you not do? By evaluating how many media you presently utilize, and how effectively you utilize them, you can usually figure out what is generating your current level of sales.

If your business is small and you are just starting out, you may not be able to afford an advertising agency. The best solution is to hire a good graphic designer and a freelance copywriter. If they follow the basic guidelines outlined in this article, you will find success.

If your company is larger and you plan to take it to the next level, you should hire an experienced advertising agency. In today's market, it is essential that whoever you hire creates advertising in every single one of the media we have covered. Hiring separate agencies to create advertising for different media will usually hurt the consistency of your corporate identity.

Still, there are no set rules. As with grammar, you can break the rules, but only if you know what you are doing. Only experience and research can tell you when it is safe to deviate from the main highway.



As a final note, after you have found an ad agency you can respect, David Ogilvy says this about how you can get the most out of them:

“Clients get the advertising they deserve. I know some who are a malediction, and others who are an inspiration. Do not keep a dog and bark yourself. Any fool can write a bad advertisement, but it takes a genius to keep his hands off a good one.”

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