Bluestone's Retail Strategies

by
Marc
Bluestone

The Cynic's Guide To Advertising

The phone rings. You hope it's a customer. It's not. Who is it? It's an advertising salesperson. They have a fabulous "opportunity" for you. It's an "investment" that's going to help your business grow. Do you have "just a few minutes" so they can "stop by" and "drop off" some materials?

Anyone who has been in business for more than a day has likely found themselves in the crosshairs of someone using the lingo above. So what makes this a "cynic's guide?" Easy: I'm cynical about advertising. Don't get me wrong. I buy a lot of it and couldn't earn a living without it. But I also think the vast majority of advertising products are designed to earn a living for their vendor with little chance of benefiting the advertiser themselves.

I'm also cynical because I believe many of the people selling advertising know little about what it is like to own and run a business and usually wouldn't volunteer if their product is ill-suited for your business because that would cost them a sale. Here are some thoughts on the game of buying advertising and discerning where to advertise…

1) Do You Even Want To See Them?

When you get the phone call from an advertising salesperson, do you want to let them visit? Can you get enthusiastic about the product from their 60-second phone description? Does it sound like it has the slightest chance of being appropriate for your business? Does it meet your needs? Does it fit into your plans?

If not, thank them for calling and ask them not call again. It is *not* rude to politely "blow off" a salesperson. Any advertising salesperson worth their business card will make one or two more attempts to get an appointment before letting you hang up the phone. Stand your ground. Don't make sympathy appointments.

2) The Day Of The Appointment

Okay… you decided that the product is worth learning about so you made an appointment. The salesperson arrives and you sit down to talk with them. Before they talk to you about what they're selling, they ask you questions about your business. Since you love talking about yourself and feel flattered that they seem to be interested in your business, you talk for a while. They ask you relevant questions like, "Who is your target customer?" and "Where else do you advertise?"

Before you feel too flattered, think about this. They're not asking because they care about your business, they're asking because they want you to write their sales pitch for them.

If you say that your target is affluent women 30 to 50 years old, who do you think they will claim their product is designed to reach?

The cynic's suggestion: Cut to the chase. When they start with the small talk, announce that you don't have very much time and ask them to dive right into their presentation. When they ask who your customer is, don't answer. Instead, turn the question around and ask who they reach best.

3) Get Past The Hype.
Here are things that don't impress me when evaluating advertising:

"**New**" Often, being new is a liability for an advertising product, not an advantage. The vendor has not developed a track record, you have no ability to talk with current advertisers, and the customer public has not become aware of it.

"**Shelf Life**" I always love when advertisers tell me their product will stick around in people's homes for decades (or months at least). The reality is that most advertising works in the week or two following distribution or it doesn't work at all. Don't buy shelf life.

"**Impressions**" This is miracle math whereby an advertising vendor estimates that some ridiculously large number of people will read each product they distribute. While it may hold true for some national publications, few local products can claim such power and even fewer would know how to measure it truthfully even if they did. I had someone just last week tell me that the 23,000 magazines they distribute will generate more than 250,000 impressions. Did I buy? No, but at least I laughed. Don't buy impressions.

"**Investment**" When you ask how much something costs and the salesperson replies using the word investment, it usually tells me that I shouldn't expect much in the way of results. They are trying to lower your expectations for immediate gain with a promise of future benefit that generally doesn't materialize.

4) Do You Like It?

Realizing that there *is* such thing as a good advertising opportunity, what do you do if you like what you hear? Here are a few thoughts…

Find out if they have actually distributed their product before, or if this is their first time. In other words, are you buying a known product or a promise?

Find out if they can provide references for you. If they have an existing product, ask them if there is any current advertiser they would rather you *not* call. See what they say. Then call them.

Ask yourself why you like the product. Does it make sense for you? Does it reach a target customer that you are already reaching with another vehicle? Is it economical (what does it cost to reach each potential customer)? Will there be other framers advertising alongside you? Will it allow you to convey the style and substance of your business? Are the other advertisers people that you would like to be associated with?

5) Making A Deal
Once you have decided to advertise in a particular product, you must enter into an agreement with the vendor. In many cases, this could include signing a contract.

Cynic's Lesson #1: Price is almost always negotiable. In most cases you can make a better deal than the printed rates. At the very least you can typically get a "higher frequency" price without committing to higher frequency.

For example: If you are buying an insertion in a local newspaper they will likely have a rate card that shows an "open" (or one time) rate and then decreasing prices for increasing insertions. Try asking for the "best column" (or most frequent) price. In many cases they will agree to give you a substantial discount as an incentive to try their publication.

Cynic's Lesson #2: If you are asked to sign a contract, read it carefully first. Then cross out anything you don't like. If you are signing a contract for higher frequency, be careful to cross out any references to a "short-rate" (a provision whereby the vendor can retroactively raise your prices if you don't satisfy your frequency obligation).

Also, be sure that the contract can be cancelled by you upon notice without any further obligations or retroactive charges (i.e. short rate) on your part. In all cases, cross stuff out and initial it if it seems unfair to you.

6) Paying For The Advertising
What do you do if the vendor asks you for payment at the time you order the advertising? It depends. This is essentially a question of balancing the vendor's risk that you might not pay against your risk that the vendor might not do their part. This is especially true if they have been in business for less than a year or two. For instance, you could purchase advertising in an ad circular that never ends up being published.

Don't get talked into advancing money to someone who is new in the advertising business. You are not their bank. Also, depending on how far in advance you are buying your advertising, it is certainly not a good use of your money to pay someone in advance for something that won't benefit you until some time in the future.

7) Measuring Return

I have always believed that most advertising should carry some measurable return. In other words, you should be able to ask every customer "what brought you in today?" and tally his or her response on paper to determine the quality of your advertising investment.

It is possible, and indeed accurate, to argue that some benefits cannot be measured. For example, some advertising does not carry a call to action that brings customers to your door. Many times, television, radio, a home décor magazine, and other similar advertising build image and goodwill over a long period of time without an immediate increase attributable to the ad itself. But most of the time, especially for a small business like ours, advertising should bring a measurable result.

8) If It Didn't Work, Now What?

Great question. There are times when you have to make a plan and stick to it. Other times, you have to stop and regroup.

As a general rule, I believe you have to do something two or three times before you know if it's going to work. If business were as easy as running an ad and waiting for the customers to knock your door down, everyone would be successful.

Unfortunately, there are many variables affecting our success including choice of advertising vehicle, ad design, timing, placement, how long you have been in business, the weather, your competitors' activities during the same time period, etc. In each case, you will have to make a judgment call.

9) Why Bother?

Because if you want to build a business, you have to tell people about it and one of the best ways to do that is advertising. The right advertising plan will deliver your message to the right people at the right time. Bad decisions will only cost you money with no meaningful benefit. Avoiding all decision by not advertising will leave you lonely and broke.

If you can combine a burning desire to grow your business with a quasi-cynical outlook towards advertising vendors and an analytical ability to learn from mistakes, you will be rewarded with increased customer traffic and sales growth. ■