

The Advertising Campaign

While it is the purpose of all advertising to create market recognition and penetration (leads), the ads themselves often fail to produce profits greater than the cost of the ad. In fact, most companies are satisfied if their ads only return their cost in increased gross sales. They must count on multiple ads and repeat business to show a profit.

This is the major drawback of maintenance or flat response advertising. To draw a common analogy: It is like trying to harvest a crop the same day you plant the seeds in your garden.

The alternative to flat response advertising is cumulative response advertising or, as it is commonly known, an advertising campaign.

To continue the garden analogy, cumulative response advertising first uses research to select an appropriate site with fertile soil (market determination), plants the seeds (foundation advertising), and then weeds, waters and fertilizes (developmental advertising) until the garden begins to flourish. Only after the garden has begun to mature do you harvest the crop (maintenance advertising). The effectiveness of this approach is measured by the cumulative response ratio.

Before starting a campaign, the cost of a qualified response to a maintenance ad may run between \$100 and \$350 for an industrial equipment purchaser. After the campaign has been executed, the cost can drop to as low as \$10 to \$35 or achieve a 10:1 cumulative response ratio for the identical maintenance ad. At this advertising cost, it becomes easier to show a net profit on the initial sale.

Laying out your Garden

The first step in preparing an advertising campaign is to target the right market and select the media which offers access to that market.

The next step is to create and place foundation advertising which announces to the greatest number of people that your product exists and what place it occupies in the market. Is it the biggest?, the best?, the least expensive? This becomes the product's positioning statement and your selling proposition.

It is vital to your ultimate success to reach the greatest number of people in the shortest period of time during your foundation advertising. You will probably want to use full page ads and lots of color for print and sixty second prime time for broadcast if the budget permits.

Once the identity of your product has claimed a high level of recognition in the market, it is time to begin developing market share. While foundation advertising won't return many leads, analysis of those which are received will indicate the most likely targets for concentration. When response to foundation advertising is unexpectedly low or non-existent, it is often prudent to place a few maintenance ads to test the market and more accurately pinpoint your targets. This provides the added bonus of a few extra leads and a replenishment of working capital after a period of heavy advertising expenditures.

Planting the Seeds

The next phase of cumulative response advertising is the preparation and placement of developmental or sales builder advertising. Rather than stating the selling proposition, these ads target on key decision makers, relate to their needs or key buying motivations and offer the features and benefits of your products to satisfy those needs.

For targets where the key buying motivation is broad based, the ads are usually large, four color process. In situations where the target is less than 10% of audience, optimum space (1/2 or 1/3 page) black and white ads are used.

While the level of response is somewhat higher from developmental advertising than foundation advertising, the primary purpose is long-term recognition of product benefits within the target audience. The response can again be used to further refine and target the next phase of advertising; Maintenance Advertising.

Harvesting your Crop

By the time your advertising strategy enters the maintenance phase, your the product will have developed real and potential markets. All that is required to turn an individual from the real market into a customer is the information necessary to make a purchase decision. This is information such as application, price or availability.

Since the real market already has a requirement for your product, there is no need to run a full page ad or run color. In fact, a quarter page black and white will draw your real market 75% as well as a four color process two page spread at 20% of the cost for space and color.

Frequency and coverage are the elements for success in maintenance advertising. It is important to cover your markets horizontally and vertically in all industry, product, special interest, consumer and key decision maker media which will reach a portion of your market.

Monitoring the costs and response ratios in each market segment will enable you to evaluate the effectiveness of your advertising strategy⁶ and plan additional advertising to strengthen in weak markets or budget reductions in areas of excessive demand. Disparity between maintenance response and sales also permits manufacturers to measure dealer sales effectiveness in geographic markets.

Helping businesses implement their marketing plans through advertising, planting the seeds of information in their markets and spreading enough fertilizer to ensure a bountiful harvest is the business of advertising and the commitment that WS&A.offers its clients.

It is not enough, however, for your planning organization alone to understand the concepts and development of campaigns. We hope that by sharing the process, you will be better prepared to capitalize on the opportunities it affords to maximize profits and exploit new business.