

How to Make Small Business Advertising Work

When I consult with business owners about growing their business, I usually ask what sources of advertising they use to get new customers. The business owner will usually list a few different methods such as Yellow Pages, Newspapers, direct mail and other ways. When I ask how many customers did you get from Yellow Pages this year? Very few people can answer that question. Most business owners don't track where business is coming from. They usually go by a hunch or idea that one method is working or not.

When I get business owners to start tracking their responses from advertising they are usually very surprised at which methods are actually working.

Since 1995 we have tracked where every one of our customers have found us. Here's a sample how we attracted our new customers last year

12% - Yellow Pages
11% - Newspaper ads
27% - Referral

And about 9 other various advertising and cross promotional methods.

Advertising can work if it's done properly but get this straight: advertising is buying a customer.

How many customers from an ad do you need to make the ad pay off?

Let's say you run a veterinary clinic. An average new customer stays with you for 3 years. After that time they may move away or not have a pet any more. Let's say in that 3 year time a typical customer spends \$1000 with you. Of that \$1000 let's say \$700 is profit. That means that each typical customer is worth \$700 to the business. If you run an ad for \$200, you only need 1 new customer to make a profit from that ad.

So how do you make advertising work? First of all get clear on what actually counts as advertising. I've seen all kinds of ridiculous schemes from putting a business name on everything from grocery shopping carts to parking lot gates that lift up when you pull out the ticket from the dispenser in front of your car. I would hardly call it advertising.

A lot of business owners will tell me stories about all of this "advertising" they have spent money on that hasn't worked. An elaborate scheme to post your business name everywhere for anyone to see is not advertising. A bumper sticker with a business name may be called advertising but truthfully there such a little chance of getting a customer or response that you can't really call it advertising.

To make advertising work it must be something that lasts for more than a split second. We may be exposed to 3000 marketing messages a day but seeing the car dealer's name on the trunk of the car in front of me does not make me buy my next car there.

A great test of what advertising will work for your business is to ask a lot of your current customers what kind of advertising they have responded to. What kind of advertising have you responded to? Have you ever bought something from a business because you saw their ad printed on a placemat in a restaurant? Probably not. Your current customers probably haven't bought anything from placemat ads either.

Have you bought something from an ad you saw in the newspaper before? Probably. If an ad in a "regular" place like the mail has made your customers buy before that is the place to focus on now. You don't have to find unique secret places to put your name.

Here are some devices to use on any conventional ad to make it work better.

1. Headline that states a benefit to the customer – not the business name.

Headlines are common in newspapers because they give you an idea about what is in the rest of the story in one concise sentence. The top of your ad should do the same. It should trumpet a benefit that prospective customers will get by using your business.

“3 competing car insurance quotes over the phone in just 5 minutes”

is a much better headline for an insurance agency than just the business name

“Lawson's Insurance - family owned since 1968”

A headline must have a benefit for the consumer. A solid quantifiable statement of what they get is best. Please don't use meaningless clichés as headlines. “You've tried the rest now try the best!” should be illegal for business owners to print and use anywhere.

2. Lead in to the website

These days if you are going to be in business you *must* have a website. The website can be a sales tool that pre-sells people and gives strong reasons to use your company even if you are higher priced than competitors. It is very difficult and expensive to do an effective selling job from just 1 small ad in a newspaper or the yellow pages. So many people are online now that not having a website or having an ineffective website is a severe handicap to any small business.

Here is where most business owners drop the ball. They put a website in their ad but they don't put any *reason* for people to go there.

If an ad for an accountant says

Visit www.hudsonvalleyaccounting.com

Who cares? Browsing an accounting firm website doesn't sound too thrilling to anyone.

But with this lead in:

Is your business claiming these 4 small business deductions?
visit www.hudsonvalleyaccounting.com to find out

You can also do a lead in to your website to show prospects testimonials.

Visit www.hudsonvalleyaccounting.com to hear 26 Hudson Valley business owners tell how they saved an extra \$1400 - \$23,000 in tax last year.

On the website you will have actual case studies from clients that have benefited from your service.

Ask your existing customers which factors made them choose your business initially and make sure you have a lead in to those hot buttons on your website.

3. Testimonials

Testimonials do a terrific job in selling people on using your business. Many business owners are afraid to ask for testimonials, but many satisfied customers are happy to give them. We do an annual customer appreciation day at our business and we use "Cupcake the Clown" to entertain the kids. Cupcake asked me for a testimonial which I gladly gave her and now anyone that sees her website knows that we endorse her service.

When using testimonials always use a full name first and last and an occupation if you can like: Mary Chesterton – Teacher.

With digital cameras these days you can easily get a testimonial and a photo up on your website within hours. Putting a real name and face on your website helps the sale immensely.

I like using testimonials that each focus on a different benefit.

Lets say Greg, a customer is surprised with how fast you delivered his order. You ask Greg if he wouldn't mind jotting down a couple of words about the fast delivery and using a snapshot of him beside his quote.

The testimonial is posted on your website with the heading

“Faster than I expected!”

With Greg's picture and actual words underneath.

If other customers make comments about convenience or friendly service or going the extra mile those all become testimonials highlighting a different point.

Those 3 small tweaks can make any ad pull more effectively. Many business owners just use the glorified business card as an ad and think that putting it in front of as many people as possible will bring them business.

Add those 3 changes to your ads and start measuring the response. You will get more qualified prospects to call you and have people pre-sold on using your business before they even pick up the phone or drop by.