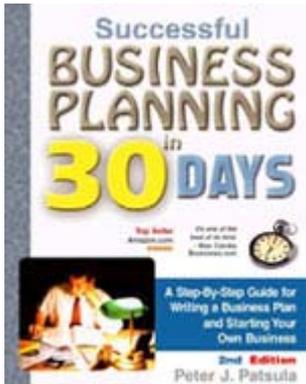


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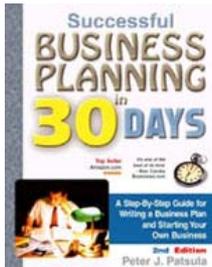
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- **Jason Myers**, TX  
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# PERSONAL PLANNING

## Guidebook #56:

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*“And honey make sure they don’t bury our big sale under some underwear ad, ask for the sports page!”*

## ***SELECTING ADVERTISING MEDIA***

**BUSINESS** owners and managers must advertise to create product and service awareness, build their company image and reputation, and generate sales leads and revenues.

Normally, this is accomplished using:

1. newspaper & magazine advertising
2. radio advertising
3. television advertising
4. yellow pages & directory advertising
5. outdoor advertising
6. direct marketing promotions
7. printed promotional materials such as flyers, brochures & newsletters
8. sales promotion displays
9. specialty advertising
10. other forms of advertising

The pros, cons and costs of each of these **ten** basic promotional areas will be dealt with in this guidebook.

## NEWSPAPER & MAGAZINE ADVERTISING

IT IS ALMOST impossible to imagine a business not needing to advertise in a newspaper or magazine at some point or another. Newspapers particularly are probably the most important medium of communication for any small business.

### Advertising in Newspapers

The paid-circulation newspaper has been around for a long time and continues to be the largest of the mass media, as measured by volume of advertising dollars. It is used by industry giants as well as corner retailers. As a small busi-

ness owner, some of your advertising budget will most likely end up in your local paid-circulation newspaper. However, be careful, advertising in newspapers is no picnic and you can easily lose your shirt if you don't know the ropes.

## Evaluating Advertising Media

IN THIS guidebook is a list describing 45 advertising mediums, divided into ten basic areas of concentration. Each media area includes example promotions in this group and their approximate cost. Naturally, these costs will vary depending upon your area, city, and time of year, and thus should only be considered as ballpark figures.

**NOTE** Publicity and new innovative forms of advertising will be dealt with in more detail in Guidebooks #66 and #74 respectively.

**NOTE** There are three distinct types of newspapers, local, regional and national newspapers. Local newspapers target areas in and around your city. Regional newspapers target various counties or states. National newspapers target the whole country.

**PROS of Newspaper Advertising** – To its advantage, newspapers offer:

- *Extensive coverage of market* – Newspapers are the most popular advertising medium for most local businesses. They have large circulations that can easily be verified and have the potential to reach enormous markets.
- *Flexibility of scheduling, placement & size* – You can experiment with the day

*News is something someone, somewhere doesn't want you to print – the rest is advertising.*  
**ANON**

of the week an ad is placed in, the section it's placed in, page positioning, words alone or words with graphics, use of color, and ad size to arrive at the best response rate vs. cost.

- *Good local coverage* – About 1,700 of the paid-circulation papers in America are daily papers and several thousand additional local papers are published weekly. Daily newspapers can target larger individual communities while weekly newspapers can be targeted towards smaller communities and neighborhoods.
- *Immediacy of response* – The results of an ad will begin to show within hours of its publication. The results tend to be

very heavy on the first day, and then drop off rapidly each succeeding day.

- *Per-inquiry options* – With some newspapers you can ask to pay no money upfront. The amount you pay eventually depends on the number of inquiries that come into the newspaper and on the amount of payment you had agreed upon in advance.
- *Pinpoint Targeting* – It is easy to maintain geographical control over who sees your ad.
- *Reasonable cost* – Your ad will reach many people at a lower cost per thousand (CPM) than magazines or other promotional mediums.

*That the editorial and news policies of many newspapers are controlled by their business offices no one can deny.*

**JOHN COWLES**  
*Publisher*

- *Short deadlines* – Newspapers need only a few days notice to prepare an ad for print.
- *Timeliness of ad message* – You can insert an advertisement very close to the paper's closing deadline. This is a big advantage for selling seasonal products.

**CONS of Newspaper Advertising** – To its disadvantage, newspapers impose:

- *Cheapness of image* – Newspapers advertising looks cheap compared to other mediums; the print quality isn't always the best; small typefaces cannot be used; photos are coarsely reproduced – only photos that are contrasty (heavy blacks and bright

whites) show up well.

- *Crowded pages* – A small ad can easily get lost on a large newspaper page with numerous other ads.
- *Heavy competition from bigger ads and news stories* – A small ad has considerable difficulty competing with a one-page supermarket ad and can easily get lost amongst news stories.
- *Long deadlines for some newspapers* – The advertising deadline for some sections of large metropolitan papers may be one week or more in advance of publication date.
- *Short life* – A newspaper is here today and gone tomorrow. There is nothing

*The advertising deadline for some sections of large metropolitan papers may be one week or more in advance of publication date.*

deader than yesterday's front page.

- *Waste circulation* – Many of the major dailies only get partially read. You can't be assured that every person who gets a newspaper will read the section you advertised in, let alone your ad. In fact, the total time spent on an average newspaper is 20 minutes or so (as some surveys have found). The odds against your own ad reaching a really significant number of the newspaper's subscribers is often quite small.

### How Newspaper Advertising is

**Sold** – Advertising in newspapers is priced by units of space. Rates for classified advertising may be priced per word or per line while display ads (ads with words and

graphics) are usually priced per column inch or agate line. A column inch is a space one column wide by one inch deep. The agate line is 1/14 of a column inch.

For example, an ad that measures 3 column across and 6 inches down would be an 18-inch ad. If the inch rate is \$32.25, your ad will cost \$580.50. The newspaper's inch-rate is determined by the size of the circulation, the degree of the paper's dominance in the marketplace, and by the costs of newsprint, ink labor and transportation.

**NOTE** If the newspaper you want to advertise in uses the line rate system, there are 14 lines to an inch. So if the line rate is \$3.75 multiply it by 14 and you will have the cost of an inch (\$45.50).

### Top 20 Newspapers by Circulation

Newspaper	Average Week Day Circ.
Wall Street Journal	1,823,207
USA Today	1,570,624
New York Times	1,170,869
Los Angeles Times	1,058,498
Washington Post	840,232
New York Daily News	725,599
Chicago Tribune	691,283
Newsday	669,739
Dallas Morning News	539,114
Detroit Free Press	531,825
Chicago Sun-Times	500,969
Boston Globe	500,587
San Francisco Chronicle	499,526
Philadelphia Inquirer	470,693
Newark Star-Ledger	450,316
Houston Chronicle	423,717
New York Post	408,204
Minneapolis-St. Paul Star Tribune	404,757
Cleveland Plain Dealer	404,400
Arizona Republic	399,702

Source: Advertising Age May 8, 1995

## Working with a Newspaper Representative

– All newspapers have their own sales staff. If you establish an account, you're normally assigned a personal newspaper "sales representative." Although, the sales rep's chief job is to sell you advertising, they can also be very helpful. A sales rep can keep you posted on special sections or promotions that may apply to your business. In addition, they can sometimes be instrumental in making sure your story or upcoming announcement "finds" the right reporter. The relationship between the advertising and editorial staff is often a lot chummier than most people think, despite claims of total independence.

**NOTE** Your sales rep might tell you that the newspaper can lay out any of your ads, prepared or not. But often, these assem-

bly-line type ads are not often very creative or eye-catching. Instead, consider using an artist or agency for your ads.

## Tips for Advertising in Newspapers

To help make your newspaper promotions more effective, implement the following strategies:

- *Choose Sunday editions of newspapers* – Sundays are the best editions to advertise in. Traditionally, Sunday is the day most people read newspapers more often, and for much longer than any other day of the week. Because of this fact, most Sunday newspapers also include magazine supplements. There are both national and local supplements.

**NOTE** Middle-Income people like to sub-

*Sundays are the best editions to advertise in.*

scribe to weekend or Sunday editions. Workers and executives tend to read the dailies.

- *Make sure you are familiar with the types of rates and discounts offered to newspaper advertisers and ad agencies* – There are several distinct types of newspaper advertising rates and discounts you should be familiar with if you plan to use extensive newspaper advertising. These are described below:

a) **Combination Rate** – Papers that publish a morning edition and an afternoon edition often offer “combination” rates or discounts for advertising in both papers. You usually can reach more readers this way.

*Middle-Income people like to subscribe to weekend or Sunday editions. Workers and executives tend to read the dailies.*

- b) **Flat Rate** – No discounts at all. You pay the same rate per column inch if you use one inch or a hundred inches.
- c) **Local Rate** – No agency commissions on local work. The retail display rate is available to you only if you are producing an ad campaign for your own business or outlet.
- d) **National Rate** – Usually an agency gets a 15% commission.
- e) **Open Rate** – The size of the discount you get depends either on the volume of the space you buy or on the frequency with which you run your ads during a given period. Most discount rates are arrangements between advertiser and publisher.

f) **Rebate** – Some papers such as *The Los Angeles Times*, *The New York Daily News* and the *Wall Street Journal*, offer zone or regions editions. If you buy space in a metropolitan daily, you can purchase it at a fraction of the cost of a full-run edition and reach the exact target area or areas you want to. Regional and zone edition are of particular interest to professional who want reach executive residing in the suburbs around a large metropolitan area. The *Wall Street Journal* is an excellent medium for this practice, since it has a number of geographic regions.

- *Use weekly regional newspapers rather than dailies* – Weekly regional newspapers have a longer advertising

life than dailies.

## Advertising in Magazines

There is a feeling among advertisers that the magazine is the basic national medium for advertisements, both large and small.

Tests show that magazines are read in better than 8 out of 10 homes in every sales area.

**NOTE** Magazines can belong to one of three distinct main groups: general interest magazines, class magazines and trade and professional magazines. General interest magazines include “Readers Digest” and “Newsweek;” they rarely have classifieds and usually charge by the columnar inch. Class magazines include “Popular Science” and “Science Mechanics.” These are the ones you will want to use more of-

*Newspapers and magazines are to the advertiser what bread and water is to humanity.*

### **POWERPOINT**

ten than not if you are a mail order advertiser.

**PROS of Magazine Advertising** – To its advantage, magazines offer:

- *Beauty* – A magazine can provide you with dramatic and exciting colors, as well as, the superb reproduction of photographs.
- *Better print quality* – A magazine can print much smaller fonts due to the higher quality of paper.
- *Credibility* – Readers tend to believe magazines before newspapers.
- *Good attention value* – Magazine ads are better able to hold the attention of readers more so than newspapers – especially full-page ads.

*Readers tend to believe magazines before newspapers.*

- *High market selectivity* – A magazine can be aimed at a specific target reader, much more so than a newspaper.
- *Multiple readership* – Magazines tend to be read by more than one person. Consider all the magazines sitting in the waiting rooms of every Doctor's office.
- *Permanence* – People keep magazines for months even years. Your ad will have a longer life.

**CONS of Magazine Advertising** – To its disadvantage, magazines impose:

- *High cost per thousand* – Due to expensive production techniques, magazines have a higher CPM than

newspapers.

- *Lack of flexibility* – Not only do magazines have inflexible time schedules but you often don't get as many choices as to where you can put your ad. As well, you must coordinate the submission of your design, preparation and placement of your ad to the space requirements of the magazine.
- *Long deadlines* – Magazines require one, two or three months advance notice in order to reserve you a space.

### Tips for Advertising in Maga-

**zines** – To get the most out of a magazine promotion you must carefully coordinate the submission of your design, preparation

and placement of your ad to the space requirements of the magazine and the time of year which best suits your audience.

Also, you must:

*Doing business without advertising is like winking at a girl in the dark: you know what you are doing, but nobody else does.*

**EDGAR  
WATSON  
HOWE**

- *Find out if the magazine you want to advertise has a regional advertising section* – Although most magazines are national in nature, many have regional advertising sections that allow your business to look like it purchased a national ad when it only went to a certain geographical area. Some sophisticated magazines even have demographic editions available.
- *Send in photographic negatives for your graphics* – Since the quality of the

magazines are superior, negatives are usually required instead of PMT's (photomechanical transfers).

- *Target the magazine you want using the SRDS* – The SRDS (Standard Rates and Data Service) classifies magazines by subjects so you can almost immediately turn to a classification of magazine that your potential customer may likely read.

## Making Newspaper & Magazine Promotions More Effective

To make your magazine and newspaper promotions more effective, and to help reduce costs, implement the following strategies:

*Begin your promotion in newspapers and magazines with small circulations.*

**Begin your promotion in newspapers and magazines with small circulations.** It is best to start with smaller circulation newspapers and magazines and then build up to bigger ones as your message begins to catch on. If you begin to find your ad pulling, spread it out and put it in publications with larger circulation's. This is the best way to grow without letting your ad costs get out of hand.

**NOTE** In general, from three to ten persons will be interested in a large ad in a newspaper or magazine with a circulation of 1,000.

**Choose the position of your ad carefully.** For ads in newspapers try and get the ad above the fold on the right hand side. The most read page in any newspa-

per is the Television page followed by the sports page. Also, try and get your ad on an odd numbered page. Extensive tests tend to show that people respond better to the right-hand pages – in fact, twice as many people will swing to the right over the left.

For ads in magazines, the back outside cover is the choice location. Next, is the right hand page facing the inside front cover, followed by the next two right-handed pages. Then, any one of the next five right-hand pages, the farther forward the better. The page opposite the table of contents is also highly desirable.

**NOTE** If there's a surcharge for exact position, don't be afraid to pay for it if you need it.

*For ads in newspapers try and get the ad above the fold on the right hand side.*

**Choose the section of your ad carefully.** Don't let your ad get lost in crowded sections or by competing with the likes of a giant supermarket ad. Study the ad medium you wish to advertise in, and figure which is the best placement for your ad according to the sections and design of newspaper or magazine. Obviously, if you are selling a new revolutionary product in *Popular Science*, you would like your ad near the "New Products Section" of the magazine, since people interested in that section are the ones most likely to be interested in your product.

**Compare newsstand sales with subscription sales.** Newsstand sales are a greater sign of advertising value than high subscription rates. People who buy off newsstands buy because they want to read

the newspaper or magazine. Thus, they tend to read it more thoroughly. People who get subscriptions at reduced prices or as gifts, may not read the newspaper or magazine at all.

### **Do mock-ups of your ad before you send them to the publication.**

If you are not already sending professional prepared copies of your ad, ready for printing, it is a good idea to get your ad as close to the finished product as possible to help control costs (mock-ups make the job easier for the editors to figure out what you want).

### **Don't change your ads too soon.**

Generally, you can run the same magazine or newspaper ad 3-5 times within a campaign period before its appeal lessens. So

*Over the long term, usually you will tire of an ad before the audience does.*

it makes sense to spend extra time and money to prepare a worthwhile ad that can be successfully repeated.

**NOTE** Over the long term, usually you will tire of an ad before the audience does.

### **Do you own artwork as much as possible.**

Make sure you submit as much of your own artwork as possible or be prepared to be charged a stiff rate by the publishing company.

**NOTE** For small newspaper space ads it is often better to avoid photographs and use simple artwork and line drawings for best results.

**Face your products toward the inside of the ad.** If the product you want to use faces right, change your copy layout to the left.

**Get a discount by paying before the date of publication.** Paying before the date of publication usually gives you a discount between 2 to 5 percent.

**Insert several small ads rather than one large ad.** In newspapers and magazines, the rates for a full page and half page ads show no consistency. For example, a half-page advertisement at half the cost of a full-page ad, will pull more than its share of half the number of readers. In fact, the small space ad is generally considered to be four times more productive than a large ad when comparing cost vs. readership. Thus, it is better to place four space ads of a smaller size in four different newspapers or magazines than it is to

*I always turn to the sport pages first, which record people's accomplishments. The front page has nothing but man's failures.*

**CHIEF JUSTICE  
EARL WARREN**

place one large space ad in one newspaper or magazine.

**Keep track of when you run the same ad in the same medium.** It is important to keep track of when you run your ads, especially if you plan to repeat the ad in the future. This is to keep you from inadvertently repeating an ad that has run quite recently. It also allows you to tell the publication when the ad had run before, so they can pick up art from that issue.

**Keep your ad neat and uncluttered.** Neat, uncluttered and orderly ads encourage readership. Don't try to crowd everything you can in the layout. Write short, descriptive copy for newspaper and magazine ads with graphics. Include prices if applicable. Be sure to include your

company name and logo, address and telephone number in the ad. If necessary, consider using a copywriter or ask your newspaper for free copy assistance.

**NOTE** If the newspaper or magazine helps you with the layout, be sure to request a proof of the final version so you can approve it or make changes before it is printed.

### **Request an outside position for ads that have coupons.**

That makes them easier to cut out.

### **Request that all artwork be**

**returned to you.** Artwork, photos, and negatives can be expensive. If mailing costs are far less than the cost to prepare such items, ask that these items be re-

*Neat, uncluttered and orderly ads encourage readership.*

turned to you once the publishing company is finished with them.

### **Study competitors who use newspaper and magazine advertising.**

As you look through newspapers and magazines, you'll notice some businesses that advertise regularly. Observe who they are and how they advertise their products and services. More than likely their advertising investment is working if it's selling.

### **Try and get distressed, remnant or standby advertising pages.**

Advertising space that newspapers and magazines normally have difficulty selling, remain unsold just before printing, or are normally set aside for last minute advertisers, can sometimes be purchased at reduced prices. This is especially true, if you

become well known to the publication as a loyal customer.

**Use “CPMs” to compare newspaper & magazine media.** When comparing various newspapers and magazines with each another, it is important to consider their costs compared with their circulations – i.e., their CPM. CPM is the overall term used to denote the cost in dollars and cents for an advertiser to reach a thousand readers. The CPM for any particular newspaper or magazine is listed in the Standard Rate and Data Service compilations. Remember however, that this CPM is an estimated figure and may tend to be a bit exaggerated. By using the CPM formula shown below and by checking constantly with Standard Rate and Data Service publications,

### The “CPM” Formula

$$\text{CPM} = \frac{\text{Cost/inch}}{\text{Circulation}} \times 1000$$

you can keep your advertising well within budget considerations.

- *Keeping track of the CPM’s of selected magazines and newspapers* – Keeping track of CPM’s of the magazines and newspapers you use best can help you get the most out of your advertising dollar. Though the list below is not extensive, it will give you a rough idea of what it costs to place an ad in either a newspaper or magazine and its resulting CPM.
- *House Beautiful* – A full-page color add in House Beautiful costs over \$17,000 dollars. You pay more for front and back covers.
- *National Enquirer* – Has a circulation of

4,884,995. For an ad one-tenth of a page in size – six inches deep and one column wide, the price is based on \$580 per inch or \$3,480 (580 x 6). The CPM is 6.71 cents per inch. Mail-order ads in this national tabloids pull.

- *Popular Science* – Has five million readers. Classified ads cost \$11.80 per word. \$655 per inch for space ads. CPM is 13.1 cents per inch.
- *The Globe* – The Globe with 1,764,410 the cost is 10.50 per agate line. Since an agate line is an advertising measurement equaling one-fourteenth of an inch, a column inch costs \$147. This tabloid CPM comes to 8.33 cents per inch.

*The success of a newspaper promotion depends primarily on the value of your product or service being offered, plus the skill of the originator of the ad.*

### **SUPERTIP**

People who buy from this tabloid read them and order from them.

- *TV Guide* – TV guide is a general interest magazine with one of the largest circulations in the country. If you can get an product that has mass appeal you can make a fortune.
- *US – The Entertainment Magazine* – Has 3 million readers. Charges \$10.40 per word; \$16.75 for Jumbo Bold, in classifieds. \$685 per inch for space ads. CPM is 14.1 cents per inch.
- *USA Today* – Is a national newspaper with an estimated circulation of 1,162,668. It charges \$5,615 for a one sixth page ad. CPM is 4.83. USA

today is bought mostly on the newsstand and primarily by business people.

- *Wall Street Journal* – The *Wall Street Journal* is a national newspaper, which has a total circulation of more than 2 million via no less than a dozen editions nationwide. A full-page ad will cost \$100,000, but if the ad is run only in the Baltimore / Washington area, which has a circulation below 100,000, then it will cost less than \$6,000.
- *Writer's Digest* – Charges \$4.15 per word and has a 15-word minimum. Classified display ads must be 1-3 inches depth and cost \$190 per inch.

### The “Net Cost of So Many Lines Per M” Formula

$$\text{CPM} = \frac{\text{Cost} / \# \text{ of lines} \times 1000}{\text{Circulation}}$$

### Use the “Net Cost of So Many Lines Per Circulation” formula to compare the advertising returns of different newspapers and magazines.

In order to compare different newspapers and magazines, rather than using CPM formulas based on the cost per columnar inch, it may be more useful to compare “Net Cost of So Many Lines per Circulation.” To do this, choose a standard advertising space such as ten inches by four 1-3/4 inch columns (7” x 10”) which gives 40 columnar inches. Since one columnar inch equals 14 agate lines, 40 columnar inches equals 560 lines. If the cost per agate line is \$1.35 then the total cost for the ad is \$756. If the circula-

tion is 200,000 than the “Net Cost of 560 Lines Per Circulation” is \$3.78.

**NOTE** See Guidebook #68, “Item & Media Effectiveness Record,” for more examples using this formula.

### **Write to the newspaper or magazine you wish to advertise in and ask for their rate card.**

Every newspaper and magazine publishes a rate card that contains all the information you need to know about costs. The card includes such important facts as flat rates, discount rates, copy requirements, mechanical requirements, contract regulations, deadlines, circulation figures, and even breakdowns of a publication’s geographical circulation and demographic studies of the average reader it reaches.

*Remember that one agate line is 1/14 inch. Thus, with a column width of 1-7/8 inch, 4 columns x 10 inches = 560 lines.*

### **POWERPOINT**

To get a rate card all you need to do is request one from a newspaper’s or magazines advertising department. Make sure that the rate card is a current one. You can also look up all these same pertinent facts in the monthly edition of *Standard Rates and Data*. However, by writing to the individual publications you may be able to get more specific information on who the readers are, how much and what kinds of advertising space is available, and whether there are any special deals for mailorder advertisers, or unsold advertising space being offered at a cheaper price.

**NOTE** Let the publications know what kind of promotion you are considering and whether or not promotions similar to yours have been successful. Also, ask for a free

magazine.

## Costs of Newspaper & Magazine Promotions

Below are the some of the major types of newspaper and magazine promotions available to you as an advertiser along with examples of typical costs associated with these promotions:

1. **Classified Ads** – Pretty much all classified ads look alike: you can't do anything to hype them up and make them distinct from competitive ads; you can't have them printed in special type other than bold type; and you can't include "eye catching" photos or illustrations to grab people's interest. In addition, you are often at the mercy of magazine and newspaper editors as to

*Despite their limitations, a classified ad is cheap to place, easy to prepare, and immediate.*

where your ad will finally end up. So, why bother?

However, despite their limitations, a classified ad is cheap to place, easy to prepare, and immediate – you can get on the phone today, and your ad can be in tomorrow's newspaper.

Fundamentally, people read the classifieds for very specific reasons. Therefore, if your product or service happens to coincide with those reasons, this form of advertising might be a real cost effective winner for you (see Guidebook #63 for tips on preparing a classified ad).

**COST:** A classified ad in *Popular Mechanics* costs about \$8.50 per word. In the New York Times, a classified ad will cost \$30

per line.

## 2. Free-Distribution Newspaper Ads

– Free-distribution newspapers contain mostly advertising and little feature material. However, they remain a highly productive advertising medium in hundreds of cities and towns. They offer the advertiser most of the advantages of paid-circulation papers, including the permanence of print, the versatility of color graphics and high readership of personal want ads.

One advantage over paid-circulation papers is their ability to reach a very high percentage of the market area. Because they are free, they are delivered to every home.

*Free-distribution newspapers contain mostly advertising and little feature material, they remain a highly productive advertising medium in hundreds of cities and towns.*

Studies show penetration and acceptance by more than 90 of the residents in the circulation area of free-distribution papers.

**NOTE** The phenomenal growth of free-distribution papers in recent years is related to the increased sophistication of marketing and advertising technology. The computer made possible the measurement of sales in market share. Today, Sears, K-Mart, JC Penny and dozens of smaller department, discount, food and apparel chain organizations regularly use the free-distribution papers for total coverage of certain market areas. Advertisements in it may prove to be the most effective dollar invested in your advertising budget.

**COST:** A free distribution newspaper will charge rates very similar to a regular newspaper.

- 3. Space Ads** – Space ads, often called *display ads*, are basically the printed ads with illustrations or photos that fill most newspapers and magazines. They are as various in nature and style as breeds of dogs – from the sleek wolfhounds of the *New Yorker* to the lively mutts that yap for attention in the back pages of *Popular Mechanics*. However different their design and purpose, all successful space ads share a few key traits: they grab the attention of the reader within two or three seconds, they know their target market, and they convey a convincing message

*Space ads, often called "display ads," are basically the printed ads with illustrations or photos that fill most newspapers and magazines.*

within the confines of their allotted space (see Guidebook #63 for tips on designing a space ad).

**COST:** a) A 1/4 page space ad in *Popular Mechanics* will cost about \$800 per month over and above any design charges you incur. b) Generally, a 1/4 page space ad will cost \$5,000 in a magazine with a circulation of one million. c) A full-page color ad in *House Beautiful* costs over \$17,000. You pay more for front and back covers.

- 4. Trade or Industry Journal Ads** – The traditional way of promoting your company products and services is through media advertising: magazines, newspapers, television and radio. However, this is

expensive. As an alternative, small companies should make extensive use of new product releases (discussed in greater detail in Guidebook #66), which trade magazines usually publish at no cost, as well as papers in professional journals and presentation of papers at seminars and meetings.

For example, you may be able to advertise a product in low cost trade journals that are a hobby of the real market you are trying to reach. For example if you want engineers and professional, they may have hobbies in amateur magazines and will see your ad and use it in their professional capacity.

*You pay more for front and back covers.*

**COST:** It costs \$1,000 to run a quarter page space ad in a trade magazine with a

circulation of twenty thousand such as *Engineering Circles*. A full-page color ad in this medium would cost \$2,000.

- 5. Tombstone Ads** – A tombstone ad consists of a classic centered headline (often little more than a title) and a straightforward but subtly inspiring text, which usually announces a new product, staff member or innovation. Tombstone ads were used in the early part of the century and gave rise to the more popular classified ad and space ad.

**COST:** A one-column 2-inch tombstone ad will cost about \$1,300 in *Popular Science*. The same as a display ad of the same size.



## Advertising Rates for Canadian Newspapers

Newspaper	Open Line Rate M-TH	Col. Depth	# of Columns	Full Page Lineage	Charged @ Full Column (over)	Color Charge (1Clr.)	Page Size	Average Paid Circulation	Line Rate for \$5,000 Contract / Annum	Line Rate for \$100,000
Vancouver Sun	7.16	308	10	3080	277	2471	11.5 x 22	Sat: 248,638 M-Th: 183,504 F: 243,921	4.69	4.05
London Free Press	3.20	309	10	3090	280	588	12x22	M-F: 104,972 Sat: 135,488	2.38	2.10
Toronto Globe & Mail National Edition	22.62	300	6	1800	N/A	3012	13.75 x 22	313,747	20.85	15.98
Lethbridge Herald	1.15	301	10	3010	280	295	11.5 x 21.5	M-S: 21,370 Sun: 19,416	.77	.63
Huntsville, District Weekender, Ontario	1.20	225	5 (11.8 picas)	—	—	160	—	25,091	—	—
Niagara Shopping News	.60	235	7 (8 picas)	—	—	130	—	29,250	—	—

Source: CARD, November 1996

## Advertising Rates for Canadian Magazines

Magazines	Full Page B&W	Full Page Color	1/3 Page B&W	1/3 Page Color	Circulation
Canadian Golf Annual	\$11,000	\$12,000	\$4,000	\$5,000	200,000
Macleans' National Edition	\$22,290	\$28,580	\$10,700	\$13,720	501,369
Time Full Canadian Edition	\$14,500	\$18,500	\$7,030	\$8,920	312,477
Canadian Home Style Magazine	\$2,300	\$1,100	\$3,150	\$1,950	7,053

Source: CARD, November 1996

## Advertising Rates for Canadian Radio

Radio	1 60 secs	1 30 secs	4 60 secs (unit rate)	4 30 secs (unit rate)	Notes
Edmonton – CHED	\$676	\$520	\$308	\$237	Large Popular Radio Station
Edmonton – CJCA	\$41	\$33	\$30	\$24	Small Radio Station

Source: CARD, November 1996

## ***RADIO ADVERTISING***

RADIO AS A medium, offers a form of entertainment that attracts listeners while they are working, traveling, relaxing or doing almost anything. It has often been called the “theater of the mind” because voices or sounds can be used to create moods or images that if created by visual affect would be impossible to afford. Only radio can take your advertising message to people while they ride bicycles, walk in the park, rider in cars or climb mountains.

**NOTE** Contrary to the predictions of doom during the advent of television, radio is alive and well today, and radio advertising is a major part of the plan of advertisers of every size and description.

*Contrary to the predictions of doom during the advent of television, radio is alive and well today.*

**PROS of Radio Advertising** – To its advantage, radio offers:

- *Access to a potentially huge market* – In America, 280 million people own more than 300 million radios!
  - *A sense of urgency* – Radio brings a sense of urgency, immediacy and timeliness that is second to none.
  - *Flexibility* – The ability to easy change and update scripts are paramount to radio broadcasting, since news stories can and often do happen live.
- *Good market selectivity* – Many of today’s stations have positioned themselves to reach a selective audience instead of a total market. In

one marketplace, one station may play only country-western music, another rock music a third only religious music, while other feature 24-hour news broadcast or talk show.

As an advertiser, format programming allows you to buy advertising on stations whose listener characteristics most closely coincide with the profile of your firm's customers. Buying time on a given station also can help you reach audience segments that you may want to target to help expand your firm's total market share.

- *Good rapport with audiences* – Radio is a personal advertising medium where radio personalities often have a good

*Today's' radio stations are judged on their effectiveness not only by the number of their listeners, but also who those listeners are.*

### **SUPERTIP**

rapport with their audiences. If a radio personality announces your commercial, it's almost an implied endorsement.

- *Provides enough frequency* – Radio provides enough frequency to keep the product in the customers' minds.
- *Relatively low production and advertising costs* – Compared to other broadcast media such as TV, radio is a relatively inexpensive way of reaching people.
- *Short lead times* – Radio can accommodate the changing needs of an advertiser far more quickly than any other medium. You can put together a radio commercial in one hour if you

need to.

- *Substantial audience loyalty* – Whereas people love to flip channels on the TV, radio listeners have a strong tendency to pick one station and stick with it. Radio can also reach your target audience, even when they're doing other things, like working, driving or cleaning house.
- *Uses the power of the spoken word* – Radio uses the power of the spoken word enabling your ad to potentially come across as being natural, sincere and more persuasive. Radio also delivers each word of copy; it has no small print.

*Radio as a broadcasting medium, is limited to selling simple concepts.*

**CONS of Radio Advertising** – To its disadvantage, radio imposes:

- *Brief life of message* – Once a radio commercial plays, it's gone. If your intended audience didn't catch all the message, they can't go back and hear it again.
- *Difficulties in marketing merchandise* – Radio is better suited to certain kinds of promotions. It is difficult to use radio to promote a new car, but easy to use it to promote an upcoming concert.
- *Limited access to people during certain times of the day* – People don't listen to the radio all the time. You can only use radio to reach people at certain times of the day e.g., while they are driving to and from work.
- *Limited content* – Radio as a broadcasting medium, is limited to

selling simple concepts. It can effectively sell one image, or one or two ideas at the most. It is not a detailed medium and as a result is often a poor place for prices, telephone numbers and any other kind of detailed information.

- *Limited sense appeal* – Because radio is limited to sound it is difficult to sell any product whose most dominant features and benefits can only be appreciated visually.
- *Too much competition from other radio stations* – Since there are a lot of radio stations, the total listening audience for any one station is limited, just a small piece of a much

*Price ranges are higher during “drive time” (the hours in the morning and evening when the maximum number of people are in their cars going to or from work, school or other daytime activities).*

larger whole. Competition among stations in the same market area is fierce. Often, to launch an effective promotion, you’ll need to buy time on several radio stations to reach the market you seek.

### **How Radio Advertising is Sold?**

Radio advertising is sold on the basis of time. That time can vary from an entire program, which includes your commercial announcements, to spot announcements ranging from 10 to 60 seconds. Price ranges are higher during “drive time” (the hours in the morning and evening when the maximum number of people are in their cars going to or from work, school or other daytime activities) and lower during the time when more people are watching television. Most stations offer package

rate plans with a specified number of commercials guaranteed within a particular time slot.

**NOTE** If you don't know which station you want to use, ask each station for their type of programming, musical format, geographic reach, number of listeners and station ratings. By getting the station ratings and the number of people it reaches, you can figure out the cost per-thousand people (CPM) by simply dividing the cost of a commercial by the thousands of people you are reaching.

**Selecting a Radio Station** – Before selecting a radio station to run your radio ad promotions, arm yourself with a knowledge about their rates, coverage,

*The business that considers itself immune to the necessity for advertising sooner or later finds itself immune to business.*

**DERBY  
BROWN**

format, and the quality of services provided to the community. To get this information:

- *Ask a sales rep for a copy of the rate card.* Look for packages, special features, newscasts, weather, traffic or other service features offered for participating announcements or sponsorship. Then consider annual bulk rates or monthly packages.
- *Look at their coverage map.* This will show the geographic area in which the station signal can be heard.
- *Obtain a list of local and national advertisers on the station.* Find out how long they have been advertising.

## Making Radio Commercials More Effective

To help make your radio promotions more effective, implement the following strategies:

### Advertise during “drive time.”

One of the most popular times to reach people is during “Drive time” (from 6 a.m. to 10 a.m. and 3 p.m. to 7 p.m.). It’s called that because most people are going to or from work during this period, and because most people listen to their radio when they drive.

**NOTE** Unfortunately, radio stations know that this is a favorite time to advertise, so commercial costs are much higher during this time.

*If your radio sounds like everybody else’s commercial, what’s the point of it.*

**Advertise on the radio when people are listening.** A lot of radio sales reps will try to talk you out of advertising during specific times. They’ll offer you a reduced rate called TAP (Total Audience Plan) that splits your advertising time into 1/3 drive, 1/3 mid-day and 1/3 night. This may sound like a good deal, but airing commercials during times when your audience isn’t listening is bad advertising. Always make an effort to schedule your announcements for the times of day your customers may be ready to buy the product or are using the product and are aware of it.

**Be creative with your radio advertising too.** If your radio sounds like everybody else’s commercial, what’s the point of it. Advertising agencies are usually quite

good at producing creative radio commercials.

### **Bunch your commercials together.**

For radio, it is better to bunch your commercials together than to spread them apart. High frequency over a short period of time is much more effective than low frequency over a longer period of time.

Since you can't automatically recall the radio commercial and hear it again, you may hear the same commercial two, four, or maybe six times before the message sinks in. If you missed the address the first time, you consciously or subconsciously are hoping the commercial will be aired again so you can get the information you need.

*For radio, it is better to bunch your commercials together than to spread them apart.*

For example, if you want a two week advertising campaign and you could afford 42 radio commercials, the following buy would serve you well: On Tuesday Wednesday and Thursday, place three spots between 7.9 a.m. and four spots between 3-6 p.m. for two weeks (the radio sales reps may try to sell you three spots every day on the station for 14 days, a total of 42 spots, but your campaign won't be nearly as effective).

**NOTE** By advertising in concentrated areas in tight day groups, you give the impression of being larger than you really are. People hearing your concentrated campaign for two or three-day will think you're on all the time.

**Check out the price differences between 60-second and 30-second commercials.** Normally, 30-second commercials are only 1/3 less than a 60-second commercial which makes a 60-second-commercial a better buy.

**Concentrate your radio promotions during the spring and the summer.** Radio listeners increase in the spring and summer, contrary to TV audiences, which increase in the fall and winter and decrease in the summer.

**Don't use phone numbers in your commercial, unless it's exceptionally easy to remember.** Instead of mentioning your number, tell people to re-

*Radio listeners increase in the spring and summer, contrary to TV audiences, which increase in the fall and winter and decrease in the summer.*

fer to the Yellow Pages under “*Cleaning Supplies.*”

**If you're including your address in the commercial, simplify it.** Instead of “123525 East Pines,” say “the corner of First & Pines, next to Gumbies.” It's easier to remember.

**Know when your customers listen to the radio.** People don't listen to the radio all the time. They only listen during certain times of day. It's important to know when your customers or prospects are listening.

**Negotiate rates.** You can also negotiate rates for your commercials, or even barter.

- *Ask about unsold advertising time.*

Radio stations sometimes have unsold advertising time. Five or ten radio stations advertising your product during unsold air time might be just the catalyst for your business.

- *Ask about advertising on a “per order basis.”* It is sometimes possible to persuade radio stations, to advertise your product on a per order basis. Usually these stations already have experience in this form of marketing or are desperate for revenue. Per order advertising work this way – a small fee is collected as each order is received at the station. The station might even stock your product, or more likely, forward all orders to you.

*Never skimp on the quality of your advertising or promotional material. Sometimes, as in the case of a mail order business, advertising is your only salesman.*  
**SUPERTIP**

**Offer prizes.** Stations are often looking for prizes they can give away to listeners, so it’s possible to get full commercial credit of the product or service you offer.

### **Use radio to support your printed advertising.**

Radio advertising has considerable more impact when you combine it with other advertising media. You can say in your radio commercial, “See our flyer in the Sunday Times.” This can make your message twice as effective.

### **Use spot announcements.**

Rather than have one 60 second commercial, it may be more effective for you to use six 10 second commercials. Spot announcements are more effective for announcing upcoming events or for communicating any message

where numerous specific details and descriptions are not required.

**NOTE** Spot announcements are never more than one page in length. It is usually a standard practice when submitting spot to a radio station to include five or six 10 second spots per page.

## Costs of Radio Promotions

Below are the some of the major types of radio promotions available to you as an advertiser along with examples of typical costs associated with these promotions:

- 30 Second Radio Ads** – When costing a radio commercial you have to consider the cost of preparing the commercial as well as the cost of the air time. When determining how effective it

tive it is you also need to consider the size of the radio's audience. This information, like the circulation of newspapers, is audited by independent organizations and available to advertisers through station representatives.

**NOTE** To figure out the CPM of a radio commercial (cost of commercial per 1000 people), add the cost to preparing the commercial to the cost of air time and divide this total by the audience reached.

<b>Cost of Commercial</b>	<b>\$560.00</b>
<b>Audience Reached</b>	<b>45,000</b>
<b>Cost of Commercial per 1000 people</b>	<b>12.40 per 1000</b>

**COST:** 15 x 30-second spots will cost \$340 and 25 x 30-second spots will cost \$560 at a local radio station. Prices include script writing & production. Weekly packages are usually based on 6, 12, 18 or 24 spots.

Special plans, Monthly plans, annual or bulk rates are also available, if an advertiser can use 250, 500 or 1,000 or more spots within a year and makes a commitment in advance, he or she can save considerable money.



*The wrong advertising can actually reduce the sales of a product. I am told that George Hay Brown, at one time head of marketing research at Ford, inserted advertisements in every other copy of the "Reader's Digest." At the end of the year, the people who had not been exposed to the advertising had bought more Fords than those who had.*

**DAVID OGILVY**

## TELEVISION ADVERTISING

TELEVISION is often called “king” of the advertising media, since a majority of people spend more hours watching TV per day than paying attention to any other medium. It combines the use of sight, color, sound and motion . . . and it works. TV has proven its persuasive power in influencing human behavior time and time again. But it’s also the “king” of advertising costs.

**NOTE** Television always has been a popular medium for large retailers, but its effective use by small and medium size businesses is becoming more popular because of lowered production costs and the ability of cable TV to reach smaller market areas.

*Television is often called “king” of the advertising media.*

**PROS of Television Advertising** – To its advantage, television offers:

- *Creativity* – TV offers the greatest possibility for creative advertising. With a camera, you can take your audience anywhere and show them almost anything.
- *Credibility* – Advertising on television can give a product or service instant validity and prominence.
- *Dedicated audience* – Although, most people are not dedicated to watching commercials they are certainly dedicated to watching TV. Many surveys report average daily television viewing time as high as five or six hours.

- *Easy to target markets* – You can easily reach the audiences you have targeted by advertising on TV. Children can be reached during cartoon programming, farmers during the morning agricultural reports and housewives during afternoon talk shows and soap operas. A special documentary on energy sources for heating home and businesses will also attract viewers interested in heating alternatives.
- *Fairly flexible scheduling* – In TV advertising you can usually pick your time slot.
- *Fast results* – If advertising a big sale, an hour or less after your television commercial, you can expect customers to be walking in your doors.

*While the newspaper may cover the city's general metropolitan area, TV may cover good portion of the state where you live.*

- *Highly effective penetration* – TV advertising is the most effective medium there is.
- *Increased recognition to in-store products* – Since TV can show the package a product comes in and it how works, potential consumers will more easily recognize it when they are at the store. Furthermore, when they see it in the store, they will be psychologically reminded of how it works and how great it would be to have it.
- *Wide area and market coverage* – While the newspaper may cover the city's general metropolitan area, TV may cover good portion of the state where you live. If such coverage

blankets most of your sales territory, TV advertising may be the best advertising alternative for your business.

**NOTE** Since there are fewer televisions stations than radio stations in a given area, each TV audience is divided into much larger segments, enabling you to reach a larger and a more diverse audience.

- *Potential to demonstrate product usage* – If the hammer had never been invented until you came along, just imagine the number of words in print advertising it would take to equal the effectiveness of a 15-second television spot during which a hammer pounds a nail to securely fasten one

*Advertising is a valuable economic factor because it is the cheapest way of selling goods, particularly if the goods are worthless.*

**SINCLAIR LEWIS**  
*Novelist*

piece of wood to another.

**CONS of Television Advertising** – To its disadvantage, television imposes:

- *A non-captive audience* – During commercial breaks, viewers often get a snack, go to the bathroom, have a conversation about what they just saw on the show they were viewing, channel surf. If your commercial is being aired, viewers may never see it .
- *Bunching up of several commercials* – This decreases the impact of each if they were shown separately.
- *High advertising and production costs* – Because TV has such a larger A.D.I. (Area of Dominant Influence), the

station can charge more for commercials based on the larger number of viewers reached. But on the whole, television audiences have become more sophisticated and have come to expect quality commercials. A poorly produced commercial could severely limit the effectiveness of your message, and may even create a bad image in your customer's mind.

*Five seconds after a commercial has been aired, it can be forgotten.*

**NOTE** TV advertising is the most effective medium there is. But it is big league advertising . . . and you shouldn't attempt it unless you have enough money in your budget to do it right.

- *Short message life* – Five seconds after a commercial has been aired, it can be forgotten. TV commercials don't allow

you to explain yourself very well.

- *Unloyal viewers* – TV viewers tune into a given channel for entertainment they know they will find at a particular time. If a football game, popular movie or some other preferred form of entertainment appears on another channel, the viewer does not hesitate to change channels without leaving the couch. While viewers are loyal to the entertainment value of television, they show very little loyalty to the station itself. Viewers also periodically change channels with their remotes as soon as a commercial arrives.

**How Television Advertising is Sold** – Televisions advertising is sold by the time

the message takes. There also may be additional charges for writing, talent, props, on-location filming, music and editing.

**NOTE** Many rating services e.g, Nielson's, measure the size of a television audience. National programs are measured and a station's audience size can be estimated quite accurately. Your local television representative can explain television's penetration with the station's are of dominant influence and how that area may conform to your firm's trade area.

*Your local television representative can explain television's penetration with the station's are of dominant influence and how that area may conform to your firm's trade area.*

### How Much Does TV Advertising

**Cost?** The cost of TV commercials is based on two variables: the number of viewers who watch the program and the

time during the day the program airs. One 30-second television commercial during prime time (8 p.m. to 11 p.m.) can cost 10 to 30 times more than one radio spot during drive time (which is considered prime listening time).

**NOTE** Developments that could affect television advertising costs are the availability of many different stations through cable companies, all-shopper channels, all-sport channels, all-news stations, the use of home television screens as monitors for in-home computer and game systems, the popularity of video movie cassettes, and the ever growing expansion of the Internet.

## Making TV Commercials More Effective

To help make your television promotions more effective, implement the following strategies:

**Advertise during your viewers favorite show times.** Viewers, tend to have favorite news, weather, and sports telecasting personalities, which can influence the size of your audience and its consistency during certain time periods.

**Advertise frequently.** When you are engineering your advertising schedule, remember that repetition (or frequency) is a very important ingredient to use. It is always better to buy twelve 15 second commercials rather than six 30 second commercials.

*It is always better to buy twelve 15 second commercials rather than six 30 second commercials.*

**Ask for a commercial affidavit.** Normally, it doesn't cost any more and the station will provide you with a list of the exact times your commercial was run.

**Budget your commercial and stick to it.** Think and plan your commercial within existing budgetary limitations. Special effects, actors, jingles, animation, computer graphics, and shooting on location can make the cost of commercials skyrocket. Only the stand up presenter and straightforward in the studio production demonstrations are relatively inexpensive to produce.

**Don't be afraid to spend a little money on the production of your commercial.** When it comes to making a TV commercial, you get what you pay for.

And when you're buying commercial time for one 30-second TV spot costing from \$600 to \$1,200 it makes sense to have the best sales presentation possible.

**Don't use TV unless your budget allows it.** Attempting to use TV advertising by using a poorly produced commercial, buying inexpensive late night commercial time that few people watch or just placing your commercial a couple times on the air will guarantee disappointing results.

To obtain positive results from TV advertising you must have enough money in your budget to: pay for the cost of producing a good TV commercial (today costs range from \$2,500 to \$20,000); and pay for at least 5-7 commer-

*Some TV stations will claim they can put together commercials for "almost nothing." However, before agreeing to this, find out what "almost nothing" means.*

cial slots.

**NOTE** Advertising agencies or TV commercial production facilities are the best organizations for creating a commercial. But the cost of a well-produced commercial is often more expensive than people think. Some TV stations will claim they can put together commercials for "almost nothing." However, before agreeing to this, find out what "almost nothing" means.

**Get help from an advertising agency.** If you're attracted to TV, it's a good idea to call in an advertising agency for production and media buying estimates. There are many things to know about and consider before buying a TV programming schedule. That's

why, in most cases, using an advertising agency or a media buying service is recommended when advertising on TV. If these services are unavailable, find a TV representative you can trust. Your agency or representative can help you select the programs you should advertise on in order to reach your market. Also, ask about “fringe” time, adjacencies and package plans.

**Pick the best time to run your TV commercial.** Late night TV, is watched by young adults and singles who live alone. Early afternoon and morning TV programs are watched by older people. Afternoon TV programs belong to housewives.

**Try and get “unsold advertising time.”** TV stations sometimes have unsold

advertising time. Perhaps they can be persuaded to advertise your product on a per order basis. In effect, a small fee will be collected as each order is received at the station. The station might stock your product, or more likely, will forwards any orders to you.

*Advertising is  
the life of trade.*  
**CALVIN  
COOLIDGE**

**Use pre-produced commercials if you can.** For an effective and inexpensive way to get your message on the TV screen consider using pre-prepared TV commercials that may be available to you through a manufacture or distributor you deal with. You can add your name and logo to the end of the commercial for little or not cost. Look at cooperative advertising too. Many companies offer prepared advertising materials you can use and at the same time

may pay for a portion of the advertising schedule.

**NOTE** Many companies use the station's commercial production facilities for creating "tag lines" on pre-produced commercials. Often, the station will help you personalize the spot for little or not cost . . . if you advertise with them.

## Costs of Television Promotions

Below are the some of the major types of newspaper and magazine promotions available to you as an advertiser along with examples of typical costs associated with these promotions:

**7. Cable Advertising** – Cable advertising is a lower cost alternative to advertising on broadcast television. It has

*Cable advertising is a lower cost alternative to advertising on broadcast television.*

many of the same qualities as broadcast television and, in fact, since it offers more programming, it's even easier to reach a designated audience. The trouble with cable is that it doesn't reach everyone in the market area, since the signal is wired rather than broadcast, and, also, because not everyone subscribes to cable.

**COST:** If cable does reach a large part of your market, have an ad agency investigate its cost or call the cable company's advertising sales department. Chances are the cable commercial time will be 1 to 10 percent of the costs of regular broadcast time.

**8. Infomercials** – In the 90's infomercials have taken then cable TV world

by storm. Nowadays, it is impossible to turn on your TV after midnight and not be able to find an infomercial on at least one or two channels. Infomercials are great ways to promote certain kinds of products. But they are risky. Many a promoter has lost a considerable fortune.

**COST:** Infomercial advertisers often make per-inquiry details with the various TV stations. Costs are usually incurred in hiring actors and camera personnel to do the filming.

*One TV shopping network in the New York area does \$1 billion a year in business.*

**9. Television Broadcast Commercials** – If your business relies upon a mass-market, perhaps you wish to consider TV advertising. TV station advertising departments can put together some kind of commercial for

you, from the relatively simple ad based on still photography and slides, to complex advertising using live models, on location. You pay based on the complexity of your ad and the time you pick to air it. The more expensive times occur in the morning and the evening, during prime times, when the viewing audience is greatest. However, you must be able to define your market in order to establish a good TV advertising strategy. This way TV stations can help find the best time for you to advertise to reach a particular segment of the market (see Guidebook #65 for tips on preparing a TV commercial).

**COST:** Production costs for a typical TV commercial range from \$2,500 to \$20,000.

A single 30-second commercial during the Super Bowl can cost over \$1,000,000.

### 10. Television Shopping Networks –

TV shopping networks have flourished recently. One TV shopping network in the New York area does \$1 billion a year in business.

**COST:** To set up a TV shopping network you are looking at a minimum investment of over 10 million dollars.



*TV station advertising departments can put together some kind of commercial for you, from the relatively simple ad based on still photography and slides, to complex advertising using live models, on location.*

## YELLOW PAGE & DIRECTORY ADVERTISING

A DIRECTORY is a list of businesses or associations that often contains advertising for companies who are willing to pay a little extra to draw attention to their name, products and services. Fundamentally, a directory provides a resource for those who have already decided to buy but need to know where to do so.

*An ad in the Yellow pages helps let customers know that your business is permanent.*

There are three basic types of directories small business owners can use to promote their company:

- yellow page directories
- special local, regional and national

directories

- industry directories

**PROS of Directory Advertising** – To its advantage, directories offer:

- *Convenience for prospects* – Give your prospect a method of easily locating and contacting your business, even if they didn't initially know your name.
- *Credibility* – An ad in the Yellow pages helps let customers know that your business is permanent.
- *Easily accessed new customers* – Many people, especially those new to an area, use the Yellow Pages for first-time buying. An ad in the Yellow Pages increases the odds of getting new business.

- *Longevity* – One ad works all year long.
- *Monthly payments* – You pay by the month instead of one large payment.
- *Positioning* – Directory advertising can help describe the difference between you and your competition and hence better position you in the marketplace.
- *Targetable audiences* – Directory advertising has the advantage of targeting the advertising at people who have made a decision to buy.

**CONS of Directory Advertising** – To its disadvantage, directories impose:

- *Long financial commitment required* – You must commit to an entire year of advertising.

*Directory advertising has the advantage of targeting the advertising at people who have made a decision to buy.*

- *Lots of competition with other ads* – You are immediately placed with a group of you competition, making it easy for the prospect to comparison shop. Furthermore, some classifications are so cluttered with advertising that your ad will be buried and become ineffective.

### **Making Directory Ads More Effective**

To help make your yellow page promotions more effective, implement the following strategies:

#### **Choose the right size for your ad.**

Your ad should be large enough to incorporate the vital information the reader needs to make a contact decision.

**NOTE** Be warned that Yellow Page sales reps often employ the technique of selling as large an ad as possible to one company, then showing the other companies in the same classification what the other companies are doing so that you can match it or beat it.

**Choose your classification carefully.** Yellow page advertising is only effective when a prospect looks you up in the correct classification, assuming the prospect knows what classification to look for in the first place.

**NOTE** If you require more than one classification, your Yellow Pages representative often has packages and programs that can save you money.

*Advertising may be described as the science of arresting the human intelligence long enough to get money from it.*

**STEPHEN  
LEACOCK**

**Don't sell in your yellow page ad, inform.** Much of the "sell" copy for a product or service is not needed in the Yellow Pages. Yellow page ads need to inform.

**Give yourself a budget to work with.**

Figure out how much you want to spend on Yellow Pages advertising for the entire year, then divide it by 12. That will give you the payment that is automatically attached to your phone bill every month.

**Keep your ad clean, creative and eye-appealing.** Make sure your Yellow pages ad is attractive and informative enough to be the one or two businesses the prospect actually does select to call.

**NOTE** Even though the phone company

will “design your ad for free,” it is better to employ a graphic artist or advertising agency to create a Yellow Pages ad that really stands out.

### **Make sure you have the resources to deal with an inquiry.**

After all, there is nothing more annoying than being put “on hold” by a busy reception or being served by an uninterested or un-knowledgable employee.

*It is important to distinguish between advertisements, which are constant bombardments over which you have little control, and listings of goods and services that customers seek. Unlike advertisements, which interrupt and irritate, listings are well-placed gems waiting to be discovered by potential customers. Listings are placed mainly in directories but can also appear on college bulletin boards, and even in local Laundromats.*

### **SUPERTIP**

**Use color if no one else is.** Even shades of gray can make an ad look better and more appealing.

### **Costs of Directory Promotions**

Below are the some of the major types of directory promotions available to you as an advertiser along with examples of typical costs associated with these promotions:

#### **11. Yellow Page**

**Directories** – Yellow page advertising

Under the theory that who searches for the dry your product or service they will look up the classification and contact you. It

is an important medium to consider in our fast-paced, information-hungry society. To get a listing all you need is to open a business telephone line. However, good yellow-page advertising is a must for small retailers and service businesses who need to stand out from the crowd.

It is also extremely important for the one-person business or the small business to be listed in all directories, or trade publications and any place else where potential customers might expect to locate your service or products. Yellow page and directory advertising is the cheapest and best source of generating new business. They are usually the first place people will look for your business – people

*To make your yellow page ad stand out, examine the section in which your competitor's listings and ads are shown.*

really do let there “Finger do the walking.”

**NOTE** To make your yellow page ad stand out, examine the section in which your competitor's listings and ads are shown.

Design one for the next year to stand out more than theirs. It is likely that they will use the same ad for the next year.

**COST:** A full-page ad in a Yellow Page directory with a large circulation will cost around \$1,000 a month (\$US 12,000 or \$Cdn. 17,900 a year). A directory with a smaller circulation may charge one third to one half this rate (\$US 4,000 a year). Deadlines for ad submissions are usually in late October or early November. If you miss the deadline, you're out of the loop

for a year.

## 12. Local, Regional & National Trade & Industry Directories – Industry

and trade directories are made up of similar kinds of businesses that appeal to a specific segment of the market. These directories are comprised of consumer organizations, trade, industrial and professional groups. They also consist of similar or related groups of products, and command attention not only in markets you may have already identified, but also in secondary, or fringe markets.

Industry directories list entries by company name, product, or trademark. Two of the more well known national

*The best known directory for Manufacturer's is the "Thomas Register of American Manufacturers."*

and international directories for Manufacturer's are the *Thomas Register of American Manufacturers* and *Kelly's Manufacturers and Merchant Directory* (see Guidebook #15 for more info on these directories).

**NOTE** Before you decide to advertise in one of these special directories, check the directory's circulation, and know how much respect it commands among buyers in your field. It is easy to use, comprehensive and relevant to your business? Confirm that the people in your target market actually use it.

**COST:** Less expensive than Yellow Page directory advertising.



## OUTDOOR ADVERTISING

WHEN PEOPLE think of outdoor advertising, they usually think of all the colorful billboards along our streets and highways. However, included in the “outdoor” classification, however, are benches, posters signs and transit advertising (the advertising on buses, subways, taxicabs and trains).

### PROS of Outdoor Advertising –

To its advantage, outdoor advertising offers:

- *A captured audience* – Since it is in the public domain, outdoor advertising assuredly reaches its audience. People can’t switch it off or throw it out. People

*Outdoor advertising is an excellent adjunct to other types of advertising you are doing.*

are exposed to it whether they like it or not. In this sense, outdoor advertising truly has a “captured audience.”

- *Easy coordination with other forms of advertising* – Outdoor advertising is an excellent adjunct to other types of advertising. In fact, it is most effective when coupled with other media.
- *Permanent message* – Since most messages stay in the same place for a period of a month or more, people who drive by or walk past see the same message a number of times.
- *Targetable markets* – Particular locations can be acquired for certain purposes. A billboard located a block in front of your business can direct people

to your showroom. Or you can reach rural areas efficiently by placing a billboard in each small town.

**CONS of Outdoor Advertising** – To its disadvantage, outdoor advertising imposes:

- *Brief message life* – Outdoor advertising is a glance medium. At best, it only draw 2-3 seconds of a reader's time. Messages must be brief to fit in that 2-3 second time frame. Ninety-five percent of the time either the message or the audience is in motion.
- *Difficulty in using for a short period of time* – The nature of the way you buy outdoor advertising (usually a three month commitment) is not conducive to a very short, week-long campaign.

## Making Outdoor Ads More Effective

To help make your outdoor advertising promotions more effective, implement the following strategies:

**Get a good location.** When you buy outdoor advertising, remember that location is everything, High traffic areas are ideal. A billboard in an undesirable area will do you little good.

*When you buy outdoor advertising, remember that location is*

**NOTE** Outdoor advertising works on the principle of frequency.

**Keep your message concise.** Use only five to seven words and make it creatively appealing to attract readership. Few words, large illustrations (or photos) bold colors and simple background will create

the most effective outdoor advertising messages.

## Costs of Outdoor Promotions

Below are the some of the major types of outdoor promotions available to you as an advertiser along with examples of typical costs associated with these promotions.

**13. Billboards** – Despite restrictive legislation, billboards and other outdoor display signs still perform a strong advertising task in many areas. They are directed at drivers with only split seconds to divert their eyes and to passengers who can at best get a fleeting glance. They can be used to advertise products or services and are targeted towards drivers,

*In the U.S. alone, advertising and promotion is a 100 billion dollar a year business.*

### **FUNFACT**

passengers and pedestrians. It is a very flexible medium and allows for repeat exposure. However, the message must be very short. Wordy or complex messages are worthless. Photos or striking art combined with a firm's name and one or two word headline or slogan are common.

**NOTE** Audience totals are determined by how many sign locations you buy and the total traffic passing each sign. Outdoor advertising is usually sold on a basis of gross rating point (GRP) evaluation. The GRP of any medium is the number of persons exposed to a message compared to the total number of persons that make up that market. One shortcoming is that the same person may drive by the same billboard three or four times a day and be

counted as four separate people.

**COST:** When costing a billboard promotion, design and location charges must be factored in.

#### 14. Buses and Transit Ads –

Ads on the outside of buses and other forms of transportation are targeted towards passengers, drivers and pedestrians. In many ways, they are moving billboards, adaptable to many consumer products, services & businesses. Their messages must be short. However, inside ads can offer more in-depth sales pitches.

**COST:** Varies. Space can be purchased on small panels on the inside of a bus or on the backs of seats. Large panels can also

*Any commercial vehicle you own can be decorated and function as a moving billboard and promote your company.*

be purchased on the outside of a bus. In some cities it is possible to paint an entire bus.

**15. Company Vehicle Signage –** Any commercial vehicle you own can be decorated and function as a moving billboard and promote your company. Make sure you include a phone number or address.

**COST:** A graphic artist specializing in automobiles will normally charge anywhere from \$100 to \$500 for a painted sign depending on size and complexity.

**16. Public Benches –** Public bench advertising can be used on benches in parks or bus stops. The target market is transit users, drivers, pedestrians

and joggers.

**COST:** Factor in location costs, design costs and painting costs.

**17. Public Garbage Cans** – City garbage cans and garbage cans in malls often sell advertising space. Advertisements are targeted towards pedestrians and shoppers.

**COST:** Varies.

**18. Street Posters** – Posters are one of the oldest graphic promotional devices. Some of the most prominent artists of this century, including Picasso, created posters for theaters, ballet companies, art galleries, and political movements. The art of poster design is highly expressive, making posters powerful social and po-

litical weapon as well as works of art. Think of the power of the U.S. army poster immortalized by picture of Uncle Sam pointing his finger and the slogan: “I want you!”

**COST:** 1,000 printed color posters 22 by 30 inches will normally cost \$500 to \$1,000.

*Posters are one of the oldest graphic promotional devices.*



## DIRECT MARKETING PROMOTIONS

NOWADAYS are few door-to-door sales-people, but direct marketing flourishes through party plan selling, direct mail (DM), and infomercials. Selling direct to your customers is one of the oldest and most effective methods of marketing.

**PROS of Direct Marketing** – To its advantage, direct marketing offers:

- *Targetable markets* – Direct marketers can zero in exactly on who they want to with a greater precision than any other form of marketing. If your audience is composed of doctors, lawyers, dentists or school teachers,

*Direct marketers can zero in exactly on who they want to with a greater precision than any other form of marketing.*

only direct mail offers you the chance to direct your ad to the target audience with no waste circulation

**CONS of Direct Marketing** – To its disadvantage, direct marketing imposes:

- *Difficulty in finding good mailing lists* – Good direct marketing promotions start with a good mailing list. However, good mailing lists are difficult to find, expensive to buy and are partially obsolete the day after they've been compiled. Because people die, move away or get mad at you at an alarming pace.
- *Easily turned off prospects* – People have a tendency to dislike direct marketing efforts as they view them as an invasion of their privacy.

- *Potential to be very expensive* – Large direct marketing promotions can easily cost hundreds of thousands of dollars.

## Making Direct Marketing More Effective

To help make your direct marketing promotions more effective, implement the following strategies:

**Plan your direct marketing efforts carefully.** Because the per-unit cost of direct marketing can be much higher than other forms of advertising, it must be used carefully, selectively and efficiently.

**Use direct marketing if you can shoot at prospects with a rifle instead of a shotgun.** In direct marketing, the key to success is identifying a market

*Because the per-unit cost of direct marketing can be much higher than other forms of advertising, it must be used carefully, selectively and efficiently.*

segment with a specific need and then filling that need with your product or service. The mistake many direct marketers make is first developing a product and then trying to find a group of people who may be interested in that product. Learn where the gaps are in the market place first, before developing products.

**Use direct marketing if your competitors use it.** If your competitors are using direct marketing techniques in some manner or another, then their success increases the chances of your success.

## Costs of DM Promotions

Below are the some of the major types of direct marketing promotions available to you as an advertiser along with examples

of typical costs associated with these promotions:

**19. Direct Mail** – Direct mail refers to the method of sending any form of advertising directly to a prospect. It can consist of any combination of brochures, sales letters, post cards, leaflets, product announcements, newsletters or catalogs that the advertiser can dream up. If focused on the right market it can be efficient and cost effective, either to get orders or to locate selling intermediaries.

*DM is used more than you think, Studies indicate that it is the third largest media expenditure behind television and newspaper.*  
**FUNFACT**

To its advantage, DM offers selectivity, flexibility, full detail, speed and personalization. It is also one of the most penetrating promotional me-

diums, has the longest sustained impact, is highly targetable to specific audiences, can lead to excellent product demonstration possibilities, can be exceedingly persuasive and has a total cost adjustable to any budget.

However, to its disadvantage, DM can have a high cost per thousand for large audiences (can easily be up to 100 times more expensive than magazine or newspaper advertising), has to fight competition from other junk mail, and is often perceived to be a complex medium demanding close regulation of response rates to determine profitability. Response rates vary from 1/2 to 4 percent of the total mailing. There is also a

growing perception that junk mail is an infringement upon privacy (see Guidebook #64 for tips on preparing a DM promotion).

**COST:** Direct mail promotions can range from 20 cents per mailing to \$5.00 and upwards depending on the contents (see Guidebook #80 “Direct Mail Promotion Costs Sheet”).

**20. Cooperative Mailing** – In a cooperative mailing, several companies send one direct mail package to save on postage charges.

**COST:** Less than two or three cents per insert along with design charges and share of postage and mailing lists charges.

*Newsletters are one of the most effective ways to complement and supplement a consulting business. Thus, they deserve special consideration.*

**SUPERTIP**

**21. Door to Door Selling** – Direct selling requires good selection and training techniques and a commission plan plus liberal incentives. However, this form of marketing should be used as a last resort or if your budget is extremely limited and all you have is free time. People are very cautious about letting strangers into their home, especially the elderly. Many North American consumers and businesses have had numerous unpleasant experiences with this approach.

**NOTE** Rather than try and sell people something right away, survey them first, give them a free sample to try, then follow up by phoning or writing at a later date. In other words, build trust first, before

you try and make a sale.

**COST:** Free, except for new shoes every month, Tylenol from people telling you to *go to hell*, and bandages to cover dog bites.

**22. Telemarketing** – If you have a good list of prospective customers, telemarketing may be an effective method of informing them about your business, qualifying them for sales follow-up or selling your product or service to them. In fact, with personal sales costs sky rocketing it is no wonder why more and more businesses are seeking ways of combining direct mail with telephone advertising.

Telemarketing is considerably more

*Business owners are finding that a letter followed by a phone call is a perfect one two punch combination.*

expensive than direct mail but not nearly as expensive as personal selling. A sales call can cost \$200 to \$300 and it usually takes four sales calls to make the final sale, while the average phone call costs \$8 (the average direct mail piece costs fifty cents). Use of the telephone has also increased because most business and consumer prospects don't have the time to see sales people.

Business owners are finding that a letter followed by a phone call is a perfect one two-punch combination. They find that telephone marketing works best if direct mail precedes it. The direct mail helps screen those who are not interested and find out those who are.

However, when using telemarketing as one of your main promotional mediums remember that no one likes being interrupted on the phone – telephone advertising is the worst intrusion.

Therefore, only highly qualified leads should be contacted – ones where there is a better than fifty percent chance of closing the sale. Cold calling does not work.

**NOTE** When conducting a telephone promotion, professional firms can be used, or you can set up your own telephone room. However, if you choose the latter route, remember, recruiting and training are critical because only a few people can do telemarketing well.

**COST:** After factoring in the increase of overhead and labor costs, each call can cost anywhere from \$2 to \$8 per call.



*The closure rate from qualified leads can be from two to four times as effective as cold calls. Telephone generated leads are likely to close 4 to 6 times greater than mail generated leads.*

**FUNFACT**

## PRINTED PROMOTIONAL MATERIALS

PRINTED PROMOTIONAL materials range from brochures and business cards to flyers and newsletters.

**PROS of Printed Promotional Materials** – To its advantage, printed promotional materials offer:

- *Low cost* – You print only as many as you need.

**CONS of Printed Promotional Materials** – To its disadvantage, printed promotions impose:

- *Poor penetration* – Your efforts can easily end up in someone's garbage.

*Use the least amount of paper as you can.*

### Making Printed Materials More Effective

To help make your printed promotions more effective, implement the following strategies:

**Conserve paper.** Determine the best length for your printed materials. In general, use the least amount of paper as you can. Not only does this lower your costs, be in today's fast paced information filled world, people want to understand your message rapidly or not at all.

### Costs of Printed Promotional Materials

Below are the some of the major types of printed promotions available to you as an advertiser along with examples of typical

costs:

### 23. Stationary and Business Cards –

Business cards can be left all over town: tack them on store and public bulletin boards or carry several in your wallet or purse at all times to give out to fellow trades-people and clients. Letterhead promotes your professionalism and is a must for all correspondence of any nature (see Guidebook #20 for tips on designing stationary and business cards).

**COST:** 1,000 Plain-Jane business cards will normally cost \$19.95 (visit *Office Depot*). No frills letterhead can also be purchased for a similar price. However, the moment you start

*Through the telephone, businesses have offered services ranging from carpet cleaning to charity benefits. But the real profitability of the telephone lies in creating business leads, not actual consumer sales.*

**SUPERTIP**

adding complicated graphics and special features like gold embossing, costs can double, triple and quadruple.

**24. Bouncebacks** – Bouncebacks are usually one-page flyers that promote additional complementary products. They can be included whenever you ship merchandise along with invoices or warranties. They help reduce the costs of direct mail promotions.

**COST:** Less than two or three cents per bounceback along with design charges.

**25. Brochures** – Brochures are folded, glossy-looking mass produced pieces that focus on a limited range of

products or attempt to introduce and summarize your business – often they act as an extension of your business card. They can also be used to tell an in-depth story about a single product or service. For many small businesses, a printed brochure can also be helpful to establish credibility and tell your story in more detail (see Guidebook #63 for tips on brochure design).

**NOTE** Brochures can be compared to an artist's portfolio. However, instead of showing photos of selected artwork, they show photos and describe selected aspects of your business.

**COST:** Brochures normally cost around 4

to 10 cents per copy. However, design charges can range anywhere from free (if you do it yourself) to over \$1,500 if you hire expert outside help.

*Never skimp on the quality of your advertising or promotional material. Sometimes, as in the case of a mail order business, advertising is your only salesman.*

**SUPERTIP**

**26. Catalogs** – Catalogs give short descriptions of many products. They can be used to introduce your company's entire product line, or concentrate on a pre-selected portion of your product line. However, due to their high initial design and setup costs, they should not be considered until your company has established itself and has a large list of customers (see Guidebook #63 for tips on catalog design).

**COST:** Catalog pre-production costs can vary from free (if you do it yourself) to well

over \$100,000 depending on the size of the catalog. Per copy costs depend on the size of the catalog, whether color is used and the number printed. The more you print the higher the total cost but the smaller the unit cost.

### 27. Community Shoppers –

Many small businesses have found community shoppers to be cost-effective ways to advertise. This is especially true when those who read them also frequent the area near the business.

**COST:** Varies.

**28. Flyers** – Flyers are usually printed on one or two sides of an unfolded 8 and a half by 11-inch piece of paper. They can be used as handouts at conven-

*Many small businesses find flyers an inexpensive way or reaching new customers.*

tions and trade shows or as bulletins posted around the neighborhood. Many small businesses find flyers an inexpensive way of reaching new customers. Flyers can also come in three other basic forms: broadsides, invoice stuffers and circulars.

*Broadsides* are flyers folded for mailing.

*Invoice stuffers* are small pieces of promotional literature designed to fit in a #10 envelope.

*Circulars* are printed advertising sheets that are mailed, inserted in packages or newspapers, or distributed by hand. They are usually four to eight pages long, printed in color, and contain price-off coupons for products sold in local retail outlets.

**COST:** It costs about \$30 for 1,000 black and white one page flyers; and \$100 for 1,000 color one page flyers.

**29. Newsletters** – The newsletter, properly conceived and used judiciously can be the most potent PR and marketing-promotional tool in your kit. Newsletters are highly respectable. That is, if properly designed, they do not appear nor are perceived to be advertising matter. It is therefore not easily discarded after a mere glance – again if properly designed. Newsletters can also be easily mailed. They can easily be folded to fit into a #10 envelope, so that again they do not appear to be advertising matter or junk mail.

*Newsletters are one of the most effective ways to complement and supplement a consulting business. Thus, they deserve special consideration.*

**SUPERTIP**

In short a well-designed newsletter can be used as a brochure, circular, and general information piece, and it gains entry where ordinarily advertising matter may not. Moreover, it can be far more effective in its overall impact and effect than typical advertising matter is (see Guidebook #64 for tips on designing a newsletter).

**COST:** Newsletter promotions can range from 20 cents per mailing to \$1.00 and upwards depending on contents, # of pages and quantities printed.

**30. Pamphlets & Booklets** – Pamphlets and booklets are similar to brochures, except they are longer and usually contain information of a general

nature. If a brochure can be considered an extension of a business card, than a pamphlet is an extension of your brochure.

**COST:** Pamphlets normally cost anywhere from 20 to 50 cents per copy. Their design charges can vary from free (if you do it yourself) upwards to \$1,000 and more if you hire a professional.

**31. Piggyback Inserts** – *Piggyback Inserts*, also called *Statement Stuffers* or *Ride Along Inserts Through Other Lists* are mini brochures or flyers enclosed with invoice and billing statements of other companies. They are limited by their diminutive dimensions (and by the tendency of the recipient to chuck them away unread), and therefore must jump out and shout to be heard. Use a dy-

namic “grabber” and crisp catalog-style copy with a simple order form on the reverse side to promote your product or service.

**NOTE** Piggyback Inserts are also often placed in egg cartons.

**COST:** Less than two or three cents per insert along with design charges and any agreed payment to the partner company. Costs about twenty to thirty dollars per thousand.



## How Important is Repetition During Advertising?

**THE NEED FOR** repetition of a selling message was cleverly documented by Thomas Smith in London in 1885. The example below is a power argument for consistency in advertising – the need to hammer away at the human consciousness to break through so many conflicting advertising impressions.

The **1st** time a man looks at an advertisement he does not see it.

The **2nd** time he does not notice it.

The **3rd** time he is conscious of its existence.

The **4th** time he faintly remembers having seen it before.

The **5th** time he reads it.

The **6th** time he turns his nose up at it.

The **7th** time he reads it through and says, “Oh, brother!”

The **8th** time he says, “Here’s that confounded thing again.”

The **9th** time he wonders if it amounts to anything.

The **10th** time he thinks he will ask his neighbor if he has read it.

The **11th** time he wonders how the advertiser makes it pay.

The **12th** time he thinks it must be a good thing.

The **13th** time he thinks it might be worth something.

The **14th** time he remembers that he has wanted such a thing for along time.

The **15th** time he is tantalized because he can’t afford it.

The **16th** time he thinks he will buy it some day.

The **17th** time he makes a memorandum of it.

The **18th** time he swears at his poverty.

The **19th** time he counts his money carefully.

The **20th** time he sees it, he buys the article, or asks his wife to do so.

## SALES PROMOTION DISPLAYS

SALES PROMOTION displays, placed in schools, libraries, street corners and universities, often play critical roles in a company sales promotion plan. They demand quality display fixtures, and other assorted accompanying sales promotion materials ranging from posters to brochures.

The primary aim of a sales promotion display or exhibit is to stimulate sales at points of purchase in retail and service shops. Displays must be designed to hold, inform and most importantly sell.

*Displays and exhibits are important sales promotion tools that demand quality display fixtures.*

**PROS of Promotional Display Advertising** – To its advantage, sales promotion displays offer:

- *Long message life* – An investment in a POP display can extend 20 years.
- *Generates impulse buying* – A well-designed display increases the chance people will buy on impulse.

**CONS of Promotional Display Advertising** – To its disadvantage, sales promotion displays impose:

- *High per unit cost* – Displays cost money.

### Making Promotional Displays More Effective

To help make your promotional displays

more effective, implement the following strategies:

**Design displays to blend in well with products.** Displays must fit their packages like a glove.

**Design displays to complement other forms of advertising.** To bring unity to display advertising, you must coordinate these efforts with newspaper promotions, TV ads, flyers, catalogs and brochures.

*Displays must fit their packages like a glove.*

## Costs of Sales Displays & Promotions

Below are the some of the major types of display promotions available to you as an advertiser along with examples of typical costs.

### 32. Point of Purchase Displays – Point

of Purchase (POP) displays, also called display merchandisers, are designed to catch the consumer's attention and motivate impulse buying. They also provide a focal point to draw attention to new products and merchandise, highlight old stock in a new way, and encourage consumers to stock up on old favorites.

POP display designers are familiar with the layouts of supermarkets, drugstores and package stores, and thus POP displays are almost always strategically placed within the store, often near the check-out counter where the customer has time to look over the promotion while waiting in line. Often POP displays are designed for easy assembly. Many are designed out of cardboard and can be

discarded once a promotion has runs its course.

One of the most important considerations affecting a POP display design is your budget. While it is true that your display will be competing against dozens of other units in a vast battleground of products, and therefore can use all the extra bells and whistles you can afford, it must not significantly increase the packaging of your product.

**NOTE** To get your counter display near the cash register, put how to detect counterfeit money on the back of it.

**COST:** With the advent of flexographic printing on corrugated E flute cardboard, it

is possible to produce attractive full-color displays at reasonable cost. A POP display of this type will normally cost anywhere from \$30 to \$100 dollars per display depending upon quantities needed.

*Newsletters are one of the most effective ways to complement and supplement a consulting business. Thus, they deserve special consideration.*

**SUPERTIP**

**33. Permanent Displays** – There are many kinds of permanent displays at the disposal of a small retailer: counter displays, gravity fed displays, and floor stands. These displays are elaborate, expensive and have a long life. Their functions include selling, demonstrating and helping consumers sample products. Cosmetics stands often include fragrance testers and shade charts. The success and cost effectiveness of these displays depends upon their location, ease of use and

set up, and accompanying signage.

**COST:** Since permanent displays can easily cost over \$1,000 per stand, try and find used ones and restore them.

**34. Window Displays** – The majority of retail firms rely on window display to attract the attention of passerbyers, to hook their interest, and to induce them to enter the store. Once inside, shoppers can be persuaded to make purchases through effective selling on the part of the salesclerks, aided by additional interior displays and signage. A detailed treatment of this important area is beyond the scope of this section. See Guidebook #42 “Starting & Operating a Retail

*The majority of retail firms rely on window display to attract the attention of passerbyers, to hook their interest, and to induce them to enter the store.*

Business” for tips on designing an effective window display.

**COST:** Labor costs can be free, if you do it yourself. However, props and materials aren’t, and can easily drive up the cost of preparing a window display beyond your budget. Use your imagination. Buy an old motorcycle that doesn’t work. Restored junk items only have to look good. They don’t have to work.



## SPECIALTY ADVERTISING

GIVEAWAY ITEMS, such as pencils, pens, buttons, calendars and refrigerator magnets, are known in the advertising trade as "specialty advertising." Using specialty advertising, you imprint your name on these and other similar items and give them away – or sometimes sell them at very low cost – in order that potential customers and clients will:

- notice your name enough times to build "top-of-the mind" awareness – when they need to eat, for instance, they will think of your restaurant first.
- appreciate your goodwill – thus becoming more predisposed to return the favor by giving them your business

*People love getting things for free.*

Chances are you have some specialty advertising items on your desk right now.

**PROS of Specialty Advertising** – To its advantage, specialty advertising offers:

- *Increased good will* – People love getting things free.
- *Permanence* – Customers may keep specialty items like pens and key chains for years.

### CONS of Specialty Advertising

– To its disadvantage, specialty advertising imposes:

**Brief advertising message** – It's quite difficult to stick anything longer than a company name, address, telephone number or perhaps a slogan on a pen or key chain.

## Making Specialty Advertising More Effective

To help make your specialty advertising promotions more effective, implement the following strategies:

**Avoid high-pressure specialty advertising sales reps.** The specialty advertising industry is notorious for using high-pressure telephone and mail solicitors, giving the industry a bad reputation. It is not recommended to buy specialty advertising products through the mail or over the telephone without checking the quality and prices with a local representative.

**Select the best time for giving the item to your customers.** Select the time that will tell your story most effectively. An

*Specialty advertising is a unique way to generate goodwill. It also is a good way to get your company name remembered.*

accountant can give away an inexpensive calculator after completing a tax return.

**Decide, what you are going to say on the item.** A company slogan? Address direction? Since you have a relatively

small, area you must be very concise and direct.

**Figure out your method of distribution.** Specialty advertising is a

unique way to generate goodwill. It is also a good way to get your company name remembered. However, to be successful, effective distribution is just as important a concern as the actual item itself. Are you going to send them to customers though the mail? Will you have them in a big bowl that says “take one?”

## Costs of Specialty Advertising Promotions

Below are the some of the major types of specialty advertising promotions available to you as an advertiser along with examples of typical costs:

### 35. Matchbook Covers –

Matchbook covers are often used to promote hotels, restaurants and nightclubs. Advertising can be on the inside, and/or back and front covers.

**COST:** Bulk matches cost \$30-\$100 per 1000. Plus design costs.

### 36. Pens and Novelty Items –

Pens and novelty items such as flashlights, key chains, small animal figures, personal calendars, scratch pads, T-shirts, hats, golf balls, matches, pen-

*It is no accident that countries with the highest levels of advertising per capita are also the wealthiest in terms of GNP per head.*  
**W. DUNCAN REEKIE**

cils, fast food toys, and any other specialty product you might be offering, can be given away free to help promote your company. These items usually carry your name, address or phone

number, logo and possibly a slogan. They function as reminder advertising and can be given to both the general public or other businesses. When given as gifts, these items often stay with customers for years and are a constant reminder of your goodwill.

**COST:** BIC quality pens with your name and logo can cost as little as \$200/1000 or 20 cents each.



## ***COSTS OF OTHER FORMS OF ADVERTISING***

BELOW ARE more advertising and sales promotion options available to you as a marketer along with examples of typical costs:

**37. Comic Books** – Comic book promotions range from ant farms, Charles Atlas Muscle Building Course, bags of 1000 toy soldiers, stamps and other novelty items.

**COST:** Varies.

**38. Exterior & Interior Signage** – The purpose of exterior and interior signage is to identify the company and its products and convey messages. Storefront

*Packaging is one of the least inexpensive forms of advertising.*

signs can be painted, printed, made out of neon, revolve and are basically unlimited in design. Extensive signage is frequently used by fast food outlets and gas stations, where a total environment is created with signs.

**COST:** Varies.

**39. Movie Film Commercials** – Movie film commercials must be highly entertaining. Their high design costs can be justified when they are also used as regular TV commercials as well.

**COST:** A 30s movie commercial can easily cost well into six figures. A widely used Pepsi commercial set the company back a cool million.

**40. Packaging Materials** – Packaging is

one of the least inexpensive forms of advertising. Every package is, in effect, a five-second commercial. Effective packaging can attract attention and make your product stand out on the shelf. However, this effect must be balanced with the extra cost such packaging may entail and the resulting cut into your profits (see Guidebook #67 for tips on designing packaging).

**COST:** Depends on the item.

**41. Network Marketing** – Network marketing is great for launching a product when you have little to spare for advertising. In this area it is king. Companies like *NuSkin International*, *Amway* and *Mary Kay Cosmetics* have used network marketing to build a large

*Network marketing is great for launching a product when you have little to spare for advertising.*

though transient customer base. For example, the company president of *NuSkin International*, Blake Roney, started with only \$5,000 in capital. In less than ten years, the company was doing in excess of \$500 million worth of business.

Network marketing works like this, instead of paying hefty distribution and advertising costs, you create a legion of mini-salesman or distributors, each who have distributors working underneath them. These distributors then go about selling small quantities of product and recruiting large numbers of people who also go about selling small quantities of product and who also recruit large numbers of people. The people at the top levels

get rich, receiving commissions on whatever the people below sell, often up to six levels deep. The people at the bottom – well they just struggle.

This means that one super distributor could end up with fifteen thousand workers underneath him or her. If each individual then sells two hundred dollars worth of product a month and the super distributor is entitled to a 5% commission on their sales, that distributor would earn  $\$200 \times 15,000 \times 5\%$  = \$30,000 per month or \$360,000 a year. Not bad. The great thing for you however, is that this super distributor has created \$7.2 million in sales (see Guidebook #77 for ideas on starting your own network marketing company).

*Think of shopping bags as moving billboards.*

**COST:** Costs based on what kind of commission structure you establish. However, typically this cost amounts to about 35% of the wholesale price.

**42. Shopping Bags** – Shopping bags with your logo on them in large type can be an effective way of advertising your store and in some cases a particular product or service you are promoting. Think of shopping bags as moving billboards. As a promotional aid, shopping bags are used by stores, organizations, banks, churches, labor union, manufacturers and even political parties.

**COST:** One thousand full-sized good quality shopping bags printed with your logo will range in cost from \$200 to \$800.

**43. Trade Shows** – Trade shows fall into two distinct categories: trade-only shows for commercial buyers, and consumer shows for the general public.

Consumer and trade-only shows include national jewelry exhibits, paper shows, gifts and textiles shows, computer equipment exhibits, music equipment exhibits, fire equipment exhibits, consumer electronics shows, kitchen-ware exhibits and so on.

In general, these shows allow designers, manufacturers, salespeople, retailers, service businesses and entire companies to show off products, to introduce

*Trade Shows allow designers, manufacturers, salespeople, retailers, service businesses and entire companies to show off products, to introduce new ones into the marketplace, and to promote themselves.*

new ones into the marketplace, and to promote themselves. Specifically, they create an opportunity to test new products, take orders for products, meet with existing customers, as well as to scout out the competition (see Guidebook #69 for tips on how to get the most out of a trade show).

**COST:** To rent a booth in a decent location for the New York Premium show will cost \$4,000. This is over and above all your costs to set up all the necessary promotional aids and pay staff to work the trade show. This will easily cost the same. To rent a booth at the Edmonton Exhibition with attendance at over 500,000 costs \$1,500 for ten days.

**44. Videotapes** – We are presently in a videotape society where everyone watches themselves for entertainment and education. It thus makes sense to incorporate videotapes into your set of promotional tools. Normally, a business video presentation will run eight to ten minutes in length with twenty minutes being the maximum. Possible topics and uses of videotapes include:

**Video tapes can be used to . . .**

- add excitement to POP displays in retail locations
- add interest to trade show exhibits, seminars, conferences and presentations to top management
- aid in the recruitment and training of

*Aero-Gramme Inc. charges \$375 for one flight for a standard aero-gramme. Hourly rate charge is \$475.*

**SUPERTIP**

new employees

- be used as sales aids for company salespeople and sales reps
- demonstrate or promote your product to select prospects who respond to inquiry ads
- foster better community and public relations
- improve employee communications
- introduce new products
- provide sales support for your wholesalers and retailers
- record meetings, case histories, historic company events, TV appearances, social gatherings and any promotional activity (which can then be used as a

promotion in itself)

- show applications of your product or service
- summarize executive summaries of annual reports, sales presentations, and other printed literature

**NOTE** Keeping accurate organized records of your Audio Visual materials can help you develop more effective commercials and reduce production costs. Almost invariably, excerpts from these videos can be used to supplement or provide a point of inspiration for a more expensively produced TV commercial commercials.

**COST:** Depends on complexity of project.

Ranges from a few dollars to thousands.

**45. Web Page Advertising** – The construction of a Web page must be done with care, taste and style. Avoid enormous graphics, which take too long to load.

**COST:** A Web Page with unlimited disk space and transfer, can be purchased for less than US\$20 a month or under \$300 a year. The bulk of costs will come from setting up, designing and maintaining the web site.

*Effective advertising is that which reaches, at the lowest possible cost, the most people who can and will buy what you have to sell.*

**POWERPOINT**



## The Entrepreneur's Bread'n Butter Advertising Mediums

**Business Cards** – low cost; easily distributed; describes product or service; gives address and phone.

**Business Signs** – Very effective; low cost; may be subject to zoning regulations.

**Business Stationery** – Low cost; must be well designed

**Direct mail** – Most personalized and pinpointed of all media; tells complete story; rapid feedback; can use coupons, catalogs, letters, brochures or postcards.

**Interior or POP Displays** – Attractive display of merchandise creates impulse buying; low cost.

**Local Newspapers** – great flexibility; ad size and position can be varied; great with editorial association, such as food advertisements with cooking column.

**Local Radio** – Expensive but reaches targeted audience; advertisement can be repeated frequently.

**Shopping Bags** – Carry name and message into home.

**Storefront** – Extremely effective; low cost; shows product and price

**Telephone Solicitation** – Low cost; effective if message is worded carefully.

**Television** – Most expensive; reaches the masses; high visibility; instant exposure of pictures or ideas.

**Vehicles** – Can be effective; low cost; wide exposure.

**Yellow Pages** – Essential for small business; reaches customer who is ready to buy; wide distribution.

## Top 25 Magazines by Gross Revenues & Total Paid Circulation

	Publication Name	1993 Revenues (\$ millions)	Publication Name	Paid Circulation in Millions
1	TV Guide	\$1,037.0	Parade	37,610,000
2	People	762.7	USA Weekend	19,026,254
3	Sports Illustrated	653.8	Reader's Digest	15,126,664
4	Time	638.6	TV Guide	14,037,062
5	Reader's Digest	477.8	National Geographic	7,837,993
6	Parade	447.7	Better Homes & Gardens	7,613,661
7	Newsweek	427.7	Good Housekeeping	5,223,935
8	Better Homes & Gardens	353.5	Ladies Home Journal	5,048,081
9	PC Magazine	325.7	Family Circle	5,005,301
10	Good Housekeeping	315.3	Women's Day	4,724,500
11	U.S. News & World Report	315.0	McCall's	4,611,848
12	Business Week	279.2	People	3,424,858
13	Family Circle	261.0	Sports Illustrated	3,252,641
14	Women's Day	245.2	Newsweek	3,158,617
15	Ladies Home Journal	242.5	National Enquirer	3,066,032
16	Forbes	235.9	Star Magazine	2,752,280
17	National Enquirer	221.2	Cosmopolitan	2,527,928
18	Cosmopolitan	220.4	U.S. News & World Report	2,240,710
19	USA Weekend	218.1	Money	1,994,237
20	National Geographic	212.6	PC Magazine	1,151,381
21	FORTUNE	208.9	Business Week	880,357
22	PC Week	194.6	Forbes	777,353
23	Star Magazine	189.0	FORTUNE	750,971
24	McCall's	188.9	PC Week	6,169
25	Money	178.6	Time	4,063

**SOURCE:** Advertising Age May 8, 1995

For more current information on total revenue, ad revenue, subscriber revenue, newstand revenue & circulation figures, visit Advertising Age's Top 300 Magazines at <http://www.adage.com>

## Promotional Mix Chart

Media	Audience	Business	Advantages	Disadvantages
<b>Daily Newspapers</b>	Individual communities with some overflow.	All general retail and service industries.	Flexible timing. Reaches a large audience.	Can't pinpoint markets. Often cluttered. Short life.
<b>Weekly Newspapers</b>	Usually smaller community and neighborhoods.	Retailers and services located within the community.	Good local coverage.	Must be used regularly and be well timed for good results.
<b>Magazines</b>	Business to business, consumer, national, regional, special interest coverage.	Serves known target markets. Retail, service.	Long life, shared. Aimed at special interest groups.	Long lead-time in preparation.
<b>Radio</b>	Usually community and area depending on size of station.	Retail & service companies. Caters to target groups: teenagers, commuters, and homemakers.	Reaches a wide market. Good for pinpointing target markets.	Somewhat limited audience.
<b>Television National/local</b>	Numbers vary with time of day and nature of the show	Products, services and retail outlets with a wide appeal.	Creative and persuasive. Large market audience, can target groups i.e. children.	Short exposure. Commonly used. Most expensive.
<b>Cable Community Channel</b>	Varied specific interest groups.	Small retail & service businesses with cable coverage area.	Locally oriented vents and programs not covered by traditional media.	Limited audience. No statistics on viewers to measure results.
<b>Telephone Directories &amp; Yellow Pages</b>	Special consumer groups, businesses.	Services, highly specialized retailers.	Low costs, long life, users are often potential buyers.	Restricted to active shoppers. Ad limited in size and content.
<b>Billboards &amp; Outdoor Advertising</b>	General, drivers, passengers, pedestrians.	Adaptable to many products, services & businesses.	Flexible, repeat exposure. Builds a good corporate image.	Message must be short.
<b>Direct mail</b>	Advertiser's choice. Business to business, household consumer.	General services, retailers, wholesale, manufacturers.	Can be personalized. Flexible timing. Good targeting.	High disposal rate.
<b>Printed Promotional Materials</b>	Transit passengers, pedestrians and drivers.	Adaptable to many products, services & businesses.	Highly visible. Captive audience.	Exterior: short exposure.
<b>Promotional Displays</b>	Pedestrians and retail customers	Retailers, service business owners	Helps promote impulse buying	Requires constant restocking & upkeep
<b>Specialty Advertising</b>	All kinds of customers and clients	Retailers, service business owners, consultants.	Builds good will, fun, inexpensive	Freebee sometimes taken for granted.