Stephen Larsen and Co TAX AND BUSINESS ACCOUNTANTS

Guide: Advertising

Advertising is the way you let the general public know about your business and your events.

As well as general advertising to promote your business, it is highly likely you will need specialised advertising to let people know about specials, sales and events.

Advertising is your call to action.

Types of Advertising

Radio

Radio advertising can be a very effective advertising tool, both for general promotion and also for specific scenarios. A 'jingle' is a piece of music written specifically for your business or product and can become so popular it is part of a business' legacy.

A radio media company can draft you a complete radio advertising plan and if the company is part of a network you may be able to advertise on several stations.

Many radio stations also have a community directory style ad which gives a shorter, cheaper ad.

Pros: Reaches a wide audience, can align your target market with that of certain stations

Cons: Can be expensive

Use this advertising for: General promotion or short-run ads for sales events.

Television

TV advertising is very effective, however costs vary and getting primetime air can be prohibitive.

As well as paying for the advertising slot itself, you will need to have an ad made, which may well cost more than the cost of advertising.

Pros: Reaches a wide audience, highly effective, can align your target market with that of a certain programme

Cons: Very expensive

Use this advertising for: Maximum advertising clout.

Infomercial

An infomercial is a TV ad which combines advertising and information in a five minute or longer format. The focus of these ads is generally to encourage impulse buying, often by offering free gifts to customers who purchase immediately (eg the free steak knives).

Content often involves demonstrations of products and testimonials. In this sense, it's a good method for encouraging customers to try something for themselves.

Infomercials are most effective when used in conjunction with a retail store, as buyers are still more likely to buy from the store than over the phone or online.

Pros: Gives a very detailed overview of a product

Cons: Can be expensive and comes with social stigma

Use this advertising for: Products which need to be demonstrated or seen to be believed.

Print media

Newspapers and magazines are a traditional form of advertising; however in the digital age readership numbers for print media are dropping.

However, most magazines and newspapers also have websites which may offer complementary advertising services.

Depending on your target audience, print media can be a valuable tool in your advertising arsenal and in the case of glossy magazines may give you credibility.

With print media you generally get what you pay for, whether it's front or back magazine pages, a two page spread or a full newspaper page. Think carefully about the less expensive real estate that may still get good exposure, eg the back page of the NZ Herald under the Sideswipe.

Newspapers are great for time sensitive offers and specials. As they say: 'today's news is tomorrow's fish 'n' chip wrapper'.

Magazines tend to sit around for a long time, so are perfect for general promotions.

Pros: Reaches a wide audience, can add credibility

Cons: Dropping readership numbers, prime advertising space costs

Use this advertising for: Pure promotion or time-sensitive advertising.

A great place to find out readership numbers and demographics is Fairfax Media's ad centre website. <u>www.fairfaxmedia.co.nz/ad-centre</u>

Advertorial

An advertorial is a paid advertisement written like an editorial piece. These work well in print media when the goal is to convey as much information as possible.

An interview or Q&A format is a common and effective advertorial style. Local newspapers often have whole themed sections devoted to showcasing local businesses, so talk to your local rag about what their upcoming topics are.

Pros: Really showcases your business

Cons: Short-lived impact

Use this advertising for: General promotion and awareness.

Online

Online advertising is a rapidly growing genre. In 2011 online advertising accounted for 27% of all advertising expenditure in the UK.

Advertising on websites can range from banners and ads, to social media.

AdWords is Google's offering in the field and is widely used.

AdWords offers pay-per-click (PPC) advertising, cost-per-thousand (CPM) advertising, and site-targeted advertising for text, banner, and rich-media ads.

The AdWords program includes local, national, and international distribution.

Google's text advertisements are short, consisting of one headline of 25 characters and two additional text lines of 35 characters each.

Image ads can be one of several different Interactive Advertising Bureau (IAB) standard sizes.

The Google Display Network shows AdWords ads on general websites that are not search engines.

Click through rates on the display network are typically much lower than those on the search network.

Google automatically determines the subject of pages and displays relevant ads based on the advertisers' keyword lists.

There are many different types of ads that can run across Google's network, including text ads, image ads (banner ads), mobile text ads, and in-page video ads.

www.google.com/adwords has plenty of information and pricing.

Facebook advertising works in a similar fashion with PPC or CPM payment basis, targeted at certain demographics.

If you are interested in using advertising on facebook, go to http://www.facebook.com/advertising/

Pros: Pay per click means you are only paying for the ad's click-through effectiveness. If no one clicks, you

pay very little or even nothing. Also you can set up without the aid of an ad agency

Cons: You may need some computer-savviness to set up

Use this advertising for: Both general promotion and targeted marketing.

Text Message

Text message advertising can be very effective and can be automated or manual.

Depending on your mobile plan, you may be able to do this for free from a personal mobile phone.

Many service providers already use their customer database to remind customers of appointments. Often this is done manually by business owners' children after school, or students.

Most mobile phones come with PC suite software which you can use to compose and send bulk messages from your computer, through your mobile phone. This can effectively be used as an advertising tool.

All of these methods depend on your having an accurate customer database with mobile numbers, and using a personal mobile phone to send them.

Some retail businesses have effectively used 'secret sale' concepts to entice their customers to an exclusive sales event which is only advertised by text message.

Alternatively you can sign up to an SMS advertising company.

There are companies with opt-in advertising lists such as TXT2GET and Hoohaa where your ad goes to a general mailing list and each person who receives the text message is paid a small fee.

Like emails, you must be careful about not sending unsolicited text messages, so text messaging your existing customers or using an opt-in service is your best option.

Pros: Under-utilised advertising medium, which means good results

Cons: Can be seen as an invasion of privacy

Use this advertising for: Advertising sales and specials and instant, eg 'one day only' events

Viral advertising

Viral advertising is online advertising which has harnessed the power of online networks.

Viral advertising is generally engineered to appeal to high users of social media and can include videos, flash games and images.

One of recent history's most well-known viral campaigns was BlendTec's 'Will it Blend?'.

An ongoing YouTube series which started with marbles in 2006, Will it Blend? features Tom the blender salesman attempting to blend bizarre objects suggested by the online audience such as mobile phones, household items, albums and gaming consoles.

At the time of writing this report, BlendTec's overall views across all videos since 2006 were close to 180 million and they had 80,000 followers on facebook. To see for yourself visit <u>www.willitblend.com/</u>

A local example is the Story of 42 Below vodka, uploaded to YouTube in 2007, which has had close to 90,000 views.

The key to viral advertising is Messenger, Message and Environment. If these three key components are in place, it is more likely your online marketing will go viral.

Your messengers are the starting people who will distribute your ad to their social network. The message must be both memorable and sufficiently interesting to be passed on to others. The environment needs to be one of relevancy, the timing with which you launch your campaign can make or break it.

Pros: Very effective if it works

Cons: Very difficult to purposely engineer

Use this advertising for: Anything. It's not what you sell, it's how you're selling it.

Outdoor Advertising

Traditional billboards and bus billboards are a good way to get a static message out to a wide audience in

your geographical area.

The simpler the billboard the better. You want your audience to be able to take everything in at one glance. Type will need to be at least a foot tall.

Customers don't necessarily need to remember what was on the billboard, just that there was one — use humour, striking features and simplicity to grab attention.

Use bright colours and lots of contrast with large easy to read fonts to make your billboard eye-catching. Use a large logo and branding so customers don't forget whose ad it is.

Keep your billboard themed with your print advertising — but don't use the same ads. Print ads generally don't translate well onto billboards.

Think about your environment too. Bus ads need to be short and punchy and a billboard needs to be easily readable whereas a railway ad can have lots of text for commuters to read as they wait.

Directing the customer to a website is a practical way to harness the power of a billboard as it can be easier to remember than a phone number or address.

Billboard skins can be re-used for future billboards, mounted on the side of your building or even made into laptop bags.

Pros: Highly visible with maximum local exposure

Cons: Prices range from \$1,500 - \$10,000 per month

Use this advertising for: New product or business launches, general awareness.

Writing a creative brief

If you don't have the know-how and tools to create your own advertising and liaise with print houses, your best option is to use the services of an ad agency.

Ad agencies can do everything from creating your logo and collateral to designing and organising one-off ads to creating an entire themed ad campaign.

Prices will vary and you will need to start with a detailed brief if you want to have the work accurately quoted and avoid blowing out your budget.

Purpose

Be very clear about what the purpose of the exercise is:

- Do you want people to know about something?
- · Is it general marketing to raise awareness?

Background

State why you are undertaking the advertising. What has prompted the need to advertise? If you have an existing campaign say what you have done and how you see this as fitting in.

Research

Include any market research you have available and also what you know about your customers.

Previous efforts

If you have undertaken this task before, include examples of what you did and what the outcome was.

Objectives

It's very important that you let the ad agency know exactly what you want this ad to achieve. You could refer to your promotional plan for this.

Target market

Include who the ad should be aimed at. Again you could refer to your promotional plan.

Call to Action

What do you want the target audience to actually do?

- Visit your premises?
- Call a phone number?
- Visit a website?
- 'Like' you on facebook?

Key messages

What is the key message you want your audience to walk away with? For example:

- We have the best quality
- We have the lowest prices
- We offer the most comprehensive service

Tone of Message

Include and indication of the tone you want: For example:

- Sophisticated, mature
- Technical, masculine
- Fresh, eco-friendly
- Youthful, fun
- Warm, feminine

Geographical areas

Where are your target markets?

- Global?
- Local?
- Regional?
- Provincial?
- Are they in a certain region or town?

Contacts

Ensure you are clear about who to contact with queries and quotes.

Timeline

Be clear about what you want done and by when. This is a mini-action plan. Work backward from the date you need your advertising material out there. Conclude with a table of deadlines.

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