

Advertising versus Marketing Strategy: A Common Misconception

There is a common misconception among small business owners that advertising is what drives sales, and that one need only find the right slogan, radio jingle, or newspaper ad to be successful. Unfortunately, advertising in the absence of strategy is akin to throwing dollar bills into the wind. Both are expensive, showy, and ultimately pointless. Yet far too many business owners make the mistake of focusing on advertising, not strategy. If you are a business owner, chances are, sales reps bombard you on a daily basis with advertising packages for everything from cable television to radio to sports water bottles to announcements at high school football games. Amidst this sea of possibilities will be metrics such as Time Spent Listening, Number of Impressions, Eyeballs, Click-Throughs, Repetitions, and a host of demographic information from AC Nielson, Arbitron, and other data compilers. The newest jingle, the hottest buzzwords, the steepest discounts, the zaniest deals, all suggested as the solution to light a fire under your stagnant sales. Light a fire, they certainly will, but probably only to your company's checking account.

Advertising is all of the aforementioned. It is the banners, jingles, television ads, radio spots, coupons, brochures, flyers, door hangers, newspaper ads, magazine ads, business cards, letterhead, t-shirts, sports bottles, and yellow page listings that your company might engage in. The purpose of this advertising is to act as the media through which you convey your company's message (or messages). Imagine someone standing out in front of your business with a giant bullhorn, shouting at all who pass by. Depending on the actual message, this could be very good, or very, very bad for your company.

Marketing Strategy, however, is the planning that goes into what message comes out of that bullhorn. Not only that, but whom the bull horn is directed at, where it is used, what time of day it is used, and even if it is to be used at all. Marketing strategy (the message) involves defining your company's products, competition, and customer segments by answering questions such as:

- What products do you make?
- How do your products differ from those of your competitors?
- Who are your customers, and why do they buy your products?

Each of these questions needs to be answered before you can even consider spending money on advertising. Let's walk through an example addressing the third bullet point.

A local restaurant wants to attract more customers. The restaurant is predominantly an Irish pub, but offers a relatively large menu. The business is open seven days a week during lunch and dinner hours, and offers live bands on the weekends. The business is situated on the outskirts of a large metropolitan area, and has a few large office buildings near it, as well as several large duplex developments and apartment buildings nearby. Based on this information alone, it might seem obvious to jump into a yellow page ad, call a local radio station for rates, and place an ad in the major newspaper. All of these ideas are wrong, however.

Who are your customers?

There are actually three main groups of customers for this business. During lunch hours, most of the customers are employees at nearby businesses on their lunch breaks. The weekday dinner crowd, in contrast, is predominantly comprised of people who live in the apartments nearby. Weekend traffic is different altogether. People from other parts of the city travel come here with friends either: (1) to hear live music because they like the pub; or (2) to hear their favorite band play, which happens to be at the Irish pub that particular weekend. While there certainly is some overlap amongst these three groups, the majority of each group (80% or more) does represent a distinct, unique type of customer.

Why do they buy your products?

Continuing with our Irish pub example, members of the afternoon lunch crowd are looking for moderately-priced, slightly healthy, convenient food that doesn't require much of their time. These customers want to be in and out in under an hour, but are not necessarily looking for fast food. Offering healthy entrees (as healthy as is reasonable for an Irish pub), quick service, and high value (great taste at reasonable prices) will appeal this crowd.

The weekday evening crowd includes young adults and families; a little bit of research, or perhaps even a conversation with a local realtor, will tell you that many of these people are "middle-class," white collar individuals who commute into the city to work each day, but don't have the incomes for downtown penthouse apartments or old-neighborhood brownstones. Again, this group is looking for high value (great taste at reasonable prices), great service, and a relaxing atmosphere. Perhaps this is where people who are new to the neighborhood come to meet other people. Quick turnaround is not really an issue for this group, but quality of food, service, and overall value are critical. Atmosphere will also be important. The pub must maintain a safe, family-friendly atmosphere or risk alienating these customers.

The weekend crowd is here for the food, the drinks, and the bands. This group wants good food, great drinks, live music, and like Stu from the movie "The Hangover," a chance to unleash the demon within.

Putting it all together

So how does this information shape the pub's advertising strategy? Assuming the pub is able to deliver on the food, turnaround times, bands, service, and overall value sought by each group, we can develop a targeted advertising strategy. Absent other factors, if each of these groups represents 1/3 of the pub's business, 1/3 of the advertising budget should be allocated to each of these segments.

For the lunch crowd, direct mailers to the local businesses, loyalty cards, and possibly offering a delivery option will generate the greatest response. If the weather is particularly bad one day, the pub could call local businesses around 11am to let them know it is open, and can even take orders for lunch time delivery. The message to be conveyed is: great, healthy food (an alternative to fast food); large menu; in and out in an hour; and highly convenient (we even come to you).

For the weekday evening crowd, direct mailers to the nearby apartment buildings, as well as listings in any “welcome” packets distributed to new tenants would be effective. Furthermore, a yellow page listing might make sense, if the phone book is distributed freely to all tenants and is local to the neighborhood (as opposed to covering the entire metropolitan area). Even things as gimmicky as door hangers and flyers on windshields, advertising a “meet the neighbors” block party at the pub some evening could prove effective. The message to be conveyed is: great food and drinks; meet the neighbors and strike up a conversation; unwind after a long commute from work; and if you are new to the area, come meet new people and form new friendships.

For the weekend band crowd, develop a customer newsletter and/or loyalty program, keeping existing customers informed of what’s happening each weekend at the pub. If at all possible, drink prices should be higher on band nights, and consider a cover charge. Make people dig deep into their wallets to bask in your trendiness; after all, you can’t spell “cachet” without cash. Furthermore, advertise in trendy, artsy, entertainment magazines – you know the kind I’m talking about: the ones that tell you about every no-name band, aspiring musical group, and hole-in-the-wall place within a 20 mile radius. In these publications, the more obscure you are, the better, otherwise, you’re viewed as a “corporate sellout,” whatever that means (you will never see an Applebee’s advertised in these publications, even if they tried).

As you can see from our example, identifying the primary customer groups and their needs first enables the development of an advertising plan that will effectively reach these specific groups. The above plan is clear, precise, and cost-effective. Without the initial planning, however, huge amounts of money easily could be spent, yet yield almost no results. All of the advertising methods suggested for our hypothetical Irish pub are relatively low-cost, but because they target specific people (bullhorn aimed in the right direction) with a clear message that is relevant to those individuals (bullhorn blasting the right message), the advertising will be successful.

Advertising should only be done once a marketing strategy is in place, for it is marketing strategy, not advertising, that drives a business’ sales. If you do nothing else this year for your business, consider refining your marketing strategy and then designing your advertising programs to fit that strategy. This one change alone will bring you more success this year than any seminars, sales trainings, corporate retreats, new manufacturing processes, or equipment purchases could ever provide.

About the Author:

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