

"This is the small business bible all business owners should worship! This book will make the business road less bumpy ... a must read for every business owner or anyone thinking of starting their own business."

Terri Cooper, Director, Terri Cooper Networking

"Clear, concise and thorough. A 'must-have' for any small business owner looking to get a grip on marketing."

Robert Gerrish, co-author, *Flying Solo - How to go it alone in business*

"A powerful and insightful guide to successfully marketing a small business.

A great and inspirational read for any business owner asking more not only from themselves but their business too."

Ben Angel, Nationwide Networking

"...an easy read and very comprehensive regarding the various marketing systems that can help us improve our business. The book provides some brilliant ideas to develop your business and opens up your mind regarding branding, image, creative advertising and sales... for all business owners who are serious about growing their business."

Peter Moyle, *Integrated Financial*

"This book is a fabulous opportunity for small business to take advantage of the proven sales and marketing strategies big business uses. Simple to implement skills for any business."

Helen Robinett, author of *Apprentice to Business Ace your inside-out guide to personal branding*.

"This book has become the marketing text for both our students, and our business advisors at Box Hill Institute NEIS program, The Small Medium Enterprise Specialist Centre, and the Box Hill Institutes Business Enterprise Centre. The book provides 'Bigger Opportunities' for the business owner who follows through with these strategies."

Len Alabaster, NEIS Facilitator

"I've read some excellent books on business growth over the last 12 months and would have to put *Small Business, Big Opportunity* up there with the best. The book combines invaluable advice with business 'street smarts'.

Jase Watson, tomatosource.com.au

"This book is a must read for anyone thinking of starting a business and a bible for those already in business. It is a resource and reference text for my business facilitators and is used in all our training programs. The content is in tune with today's business needs and draws on best business practice."

David Baumgarten, CEO Eastern Suburbs and Clearly Business Enterprise Centres - Sydney

Message from Mr Bruce Akhurst, Sensis Chief Executive Officer

Welcome to the updated edition of Sensis' exciting publication, *Small Business, Big Opportunity: Winning the right customers through smart marketing and advertising*.

When we set out to write *Small Business, Big Opportunity* two years ago there were 1.3 million businesses in Australia. Today there are more than 2 million!

The world of marketing and advertising has changed rapidly in that time. While the marketing and advertising disciplines are connected, the way people are using them is changing and it can be a tough job keeping up. The younger generations are multi-tasking more than any before them, businesses are spending more on internet advertising than radio and subscription television continues to grow at a rate of knots. Outdoor advertising is becoming more interactive and directories are proving to be the most accountable form of advertising.

Sensis' heartland is marketing and advertising so what better way to contribute to the small business community than to share our insights and experiences. Our aim is to help you grow and strengthen your business.

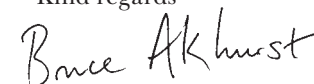
I am really proud that we have distributed 100,000 copies of the first edition of *Small Business, Big Opportunity* to date! We have received some wonderful feedback from small business owners, aspiring entrepreneurs and industry heavyweights alike.

This feedback and some updated information have been incorporated into this latest edition. I hope you find the update helpful in building your business.

You'll also find we have some fantastic case studies and articles about small business' marketing and advertising endeavours at smallbusiness.sensis.com.au. We plan to regularly enhance the site so you too can share your views and contribute your ideas. I hope it continues to be a handy resource to complement this book.

On behalf of Sensis, I trust you find this book a useful tool. I wish you every success in your business.

Kind regards



Bruce Akhurst

Small Business, Big Opportunity:

Winning the right customers through smart marketing and advertising

Rob Hartnett and Karina Keisler

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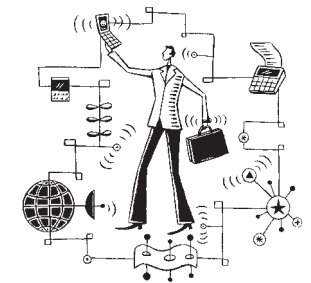
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SMALL BUSINESS, Big Opportunity

Winning the right customers through
smart marketing and advertising



Rob Hartnett and Karina Keisler

Contents

	PAGE
Acknowledgements	iii
Foreword	iv
1 Small business in Australia	1
2 The entrepreneurial approach	14
3 Marketing to drive profits	23
4 Marketing systems	35
5 How image and brand drive sales	41
6 Developing your unique buying reason	49
7 Finding more of the right customers	54
8 Turning browsers into buyers	67
9 Winning the customer's heart	77
10 Creating advertising that sells	85
11 Making your message seen	100
12 Local area marketing	112
13 Direct marketing	122
14 Driving results with directory advertising	133
15 Virtual profits – an overview of digital marketing	148
16 Search engine marketing	174
17 Broadcast media	190
18 Print media	203
19 Outdoor advertising	209
20 Public relations	216
21 The road ahead	226
The resource centre	229
Glossary	232
References	235
Index	240
Contact Sensis	242

Acknowledgements



Marketing and advertising are two of the most significant areas to impact the success of any small business.

In writing the first edition of this book, Sensis consulted with Rob Hartnett, an author, speaker and marketing coach who has, with his business partners, assisted hundreds of business owners to improve their business success through better marketing and sales strategies.

The feedback we received from the first edition was overwhelmingly positive and we look forward to more of the same from this edition.

While the content remains largely untouched, we have tried to elaborate in areas where people have asked for more information. Requests for information on topics such as online, mobile and search engine marketing are perhaps not surprising given the speed of change and development in these relatively new channels for advertising and marketing.

We were also asked for more information on how to make your dollars work harder in directory advertising – a subject we have worked really hard to help you understand, and one which is perhaps the most accountable of advertising approaches thanks to research and measurement we have put in place for our advertisers.

We would like to thank Rob for his advice and input in the first edition without which there wouldn't be a second edition, and the many small business owners he has worked with across Australia who have helped him learn lessons which we hope, in turn, will help you.

So no matter whether you want to grow a business, grow profits or just grow your leisure time, marketing can help you get there. It is Sensis' hope that this book and the soon-to-be enhanced website smallbusiness.sensis.com.au can help you reach your goals and aspirations faster.

Karina Keisler

Foreword

Ever thought you should do more marketing for your business? Not sure you have the time or the money? How do you think your business would survive without customers?

Marketing is about attracting new customers and keeping the ones you have. Shouldn't that be high on your priority list? A lot of small businesses shy away from marketing because they feel it is the domain of big business, with well-staffed marketing divisions and large budgets. Or they see marketing only as flashy advertising.

We hope this book dispels many of these myths and shows you how marketing contributes to the bottom line. Throughout the book, we have provided you with insights into the many ways marketing can positively impact your business. You will also find plenty of marketing ideas that are cost effective and designed specifically to get results for small businesses.

The best way to use this book is to read it from start to finish. We start by introducing some marketing issues which relate to most small businesses. Then we explore some of the specific areas of marketing your business might use to attract and keep customers.

There is a glossary of common marketing terms you can refer to while reading, as well as a resource guide with suggestions for further reading and a complementary website smallbusiness.sensis.com.au which provides access to a range of recent case studies and articles to help further.

Happy reading!

"I have had my ups and downs like anyone else – more ups than downs so far. But I just work hard at what I do and I love what I do."

Jerry Bruckheimer, Hollywood producer

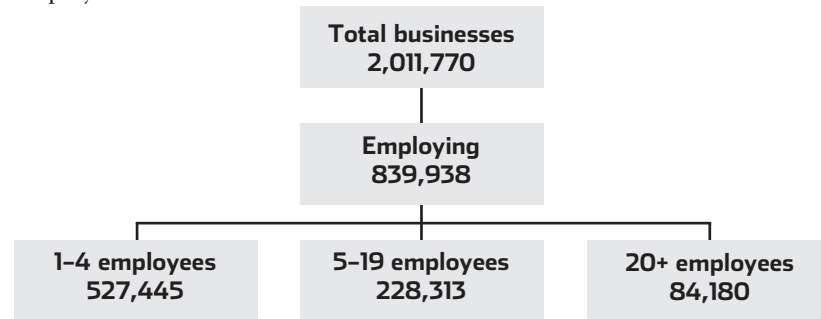


Small business in Australia

Starting and managing your own business is a major step. It has never been easy, and never will be. However, there is nothing as rewarding as building a successful business. In a population of a little more than 20 million people, there are more than 2 million Australian businesses. Often considered the backbone of the Australian economy, small businesses play a vital role in Australia becoming a more entrepreneurial and proactive nation, one that generates great ideas and, most importantly, has the support and knowledge to bring them to life. While some small business owners may complain about lack of time, how hard it can be generating

business, unfair laws and completing their Business Activity Statements (BAS), would any of them swap their lot for a fulltime position in a large company? No way!

According to the Australian Bureau of Statistics (ABS), there are 2,011,770 small and medium businesses in Australia. Of these, 839,938 employ staff. The following diagram illustrates the breakdown of employees.



Ross Cameron, of Cameron Research Group, found some common characteristics in the small business sector:

- 50% of businesses don't employ and don't want to
- A further 32% employ fewer than 5 people
- 58% of owners don't have a business plan
- 83% of owners don't have a business degree
- One third have owned a previous business.

Furthermore, there appeared to be a large number of small business owners who were not interested in growing. It is possible this is because many small business owners don't know how to grow. If they did know how to grow, and were mentored on how growing their business could get them to reach their aspirations faster, would they perhaps be more interested?

Home-based business

The more surprising research less often quoted is the number of home-based businesses, or small office/home offices (SOHOs), we have in Australia. According to the ABS, 67% of all small businesses in Australia

are home-based businesses. That's around 856,000 businesses. The biggest growth is in new businesses operating for less than one year. What is also interesting is the number of home-based businesses that are employing people:

- 69% are non-employing
- 28% employ 1-4 people
- 3% employ 5-19 people.

This activity in the suburbs has not been lost on Australia's property developers, who are adding a dedicated study to their house and apartment designs.

An increase in the number of home-based businesses is also important for the Australian economy. This is because as home-based businesses move out of the home, they are likely to start employing more people and making more money.

According to the ABS, 70% of all home-based businesses are male-operated, and 30% of these men are born overseas. This is a similar make-up to small businesses in general. The home-based business market is, in many cases, where great businesses start and is perhaps the most exciting area of small business. It is the birth of innovation, the start of a potentially amazing future. Consider some of the great global businesses that started in a home or garage:

- Apple
- Hewlett-Packard
- Virgin
- Lonely Planet
- Billabong.

Interestingly, the United States market has a similar home-based market share to Australia. The United States market is, however, more developed in terms of the contribution to the United States economy. In his book *The Next Millionaires*, Paul Zane Pilzer points out that a staggering one in eight United States households runs a business, which equals a total of 50% of all small businesses. To top it off, they generate a staggering 10% of the entire United States Economic Receipts.

Medium business

Medium business owners (MBOs) are different to small business owners (SBOs) in many ways. In most cases, medium business operators:

- Have a formal education
- Have in-house expertise (for non-core activities such as accounting and marketing)
- Have business builder attitude
- Are likely to seek advice
- Have developed a business plan.

MBOs are often more commercially focussed than small business owners. They tend to focus on generating maximum business returns compared to SBOs, who commonly focus on issues relating to their lifestyle and generating sufficient, rather than maximum, returns.

In assessing their 'success', MBOs consider lifestyle, balance, flexibility, empowerment, choices, and creating a 'self-sufficient' business (e.g. one that's not dependent on the business owner directly). As a rule, MBOs have a clear business strategy, and have devoted considerable resource and effort to developing their strategy. Many business owners view the development of their business strategy as one of their primary roles.

Franchising

Franchising is going through a major growth phase in Australia. IBIS World believes that by 2060, more than 60% of Australian businesses will run a franchise model. Let's consider the franchise market in Australia as it currently stands:

- \$128 billion turnover
- More than 14% of Australia's GDP
- 12% growth per annum
- 60,000 franchised businesses
- 600,000 employees
- Low level of disputes.

While this last point is interesting, it should be noted, that franchising is not all a bed of roses. There have been disputes between franchisors and franchisees, and there are likely to be more in the future. To help alleviate this, the Australian Competition and Consumer Commission (ACCC) has set up a franchising section, and the Franchise Council of Australia (FCA) is developing a number of accreditation and education programs to better assist this vibrant and exciting sector of the business world.

A snapshot of the better-performing franchisees in Australia, as provided by consulting group DC Strategy, suggests they:

- Expect a return on investment >25%
- Are prepared to work hard
- Have savvy advisers
- Compare established with new systems
- Join a franchise to succeed
- Want standards maintained or increased
- Want to see network growth
- Move to multiple outlet ownership.

In terms of future outlook, we are likely to see a similar scenario as in the United States, where there has been some consolidation of late with regard to large franchisors. The following factors have driven consolidation in the United States:

- Increasingly competitive market
- Economies of scale
- Established franchise systems looking for new opportunities
- Interest by large corporations and venture capitalists.

Bearing in mind Australia has four times more franchisees per head than the United States, some consolidation is likely to occur in Australia also.

This book also has some important lessons to share with franchisees. Too many people take on a franchise and expect their marketing contribution to the franchisor to deliver all the business and clientele they will ever need. This is simply not true. Franchisees need to understand marketing and advertising, know how to leverage the brand awareness

they have, and be able to turn this into successful marketing, at least at a local level.

Small business success

So what does it take to be successful in small business? Before answering this question, here are some questions which might assist with the solution.

Question one

Q: Why are you in business?

A: To make a profit.

If you don't make a profit you are a charity, not a business.

Question two

Q: What business are you in?

A: The selling business. The products may be different, but everyone in business is selling something to someone.

Question three

Q: How much are you selling your life for right now?

A: (Your weekly income/profit divided by the number of hours you work per week.)

So, back to the original question: what does it take to be successful in small business?

Successful small business owners realise they are in business to make a profit and unless they make a profit, they don't grow. Small business can be mentally and physically exhausting, and many business owners say they don't own a business, it owns them. Successful business owners know what they do well and surround themselves with the right people to ensure questions one and two are covered. In doing so, they are rewarded by a healthy response to question three.

Your business success is dependent on four primary factors:

1. Your available market
2. Your ability to create selling opportunities from that market
3. Your – and your staff's – business, sales and marketing skill
4. Your ability to contain costs and increase margins.

The big issues

Business owners often complain about the 'big issues' they face. These issues include:

- Lack of capital
- Lack of time
- Difficulties in finding the right staff
- Government regulations.

Let's address each of these issues briefly.

Lack of capital

At present in Australia there appears to be a vast amount of money looking for the right investment. If you have a good idea, a sound business plan and stable management, then lack of funds should not hold you back.

In fact the banks seem to have realised that the small business market is where the action is and are very keen to develop this sector. Don't be dismayed if a bank has rejected you – if you have a good idea, a sound business plan and stable management, other banks may still be willing to give you a loan.

Lack of time

This is a valid issue for some, but does not appear to be an issue for those succeeding, and there are some good reasons why.

One time-robber is inefficient systems, which we will discuss in chapter 4. Next up, there is time management. No one can 'manage time' except, apparently, commercial aeroplane pilots, who seem to be able to make up time when they need to! But you can manage yourself better and learn to make the most effective use of time. Managing yourself is all about priorities. Getting your priorities right can literally mean the difference between rags and riches.

Think of a business with a number of directors who all work in the business and have done so for many years. They might all be busy, but want to build the business while working less, not more. To manage this, they might introduce a rostered day per week where one of the directors

focuses on relationship building, business development and networking. This single day in the diary might be a major step in behavioural change but is potentially much more important than taking on work another staff member could do with some training.

Managing yourself and your time is, in many cases, saying no to more things than you say yes to. Actor Tom Hanks said in a 2001 interview with the *Guardian*: “I think that’s the only way we really get to define ourselves – not so much by what we say yes to, as what we say no to.”

People are most productive when they have a big goal which symbolises pleasure. Consider how productive you are the day before you go on a holiday (or for those small business owners who have not had a holiday in a while, think back to your days as an employee). How organised and productive were you that day? Why? Because you were motivated, that’s why. Motivation to reach a big juicy goal that represents pleasure will take care of time management issues every time.

Finally, look at your own time management as you would investment. Instead of return on investment (ROI), think in terms of return on minutes (ROM) for any activity you are doing or being asked to do.

So stop leaping into the next thing. Leap into the right thing and say no more often!

Difficulties finding the right staff

This is a major issue for many Australian businesses, not just small business. The key issue is that small business owners tend to win new business and then start looking for the right staff. Instead, you should always keep a watching brief for the right people, not only from a credentials perspective but, most importantly, for cultural fit. Small business owners should also consider hiring part-time or temporary resources as and when they need them, as an alternative to full-time employees.

Government regulations and the law

There are some things you can control and others you cannot. All business owners should draw up a list of their issues and divide them into three:

1. Things you can do something about
2. Things that someone you know can do something about
3. Things that are totally beyond your control.

Government regulations and compliance fall into category three. They are not going away, so you need to deal with them. Sometimes the best solution may be to hire someone else who can deal with them. This is an important point. The Australian Taxation Office (ATO) has so many BAS payments and other compliance-related payments outstanding from small business owners, it is now seeking the help of debt collectors. Don’t wait for them to knock on your door. Get your house in order so you can focus on developing your business.

The real causes of business failure

Major business problems are usually the result of underlying smaller problems. The underlying smaller problem is often one, or a combination, of the following:

- No business structure in place
- No achievable dividend (profit) objective
- No sales and marketing systems or procedures for achieving the dividend objective
- Running the business tactically, not strategically
- Working in the business, not on the business
- No staff training program in place.

A lot of the issues above can result from the type of business owner you are, and what stage you are up to with your business.

Let’s take a look at the main types of business owners.

Business owner types

Michael Gerber, author of books such as *The E-Myth* and *E-Myth Mastery*, says there are essentially three types of business owner, regardless of whether they are a sole trader, a franchisee or the owner of numerous outlets.

These three are:

- The Technician
- The Manager
- The Entrepreneur.

The Technician

The Technician typically has a passion, hobby or interest which they turn into a business. They are the reluctant business owner. They would prefer to tinker away at what they enjoy, but know they need to ensure their hobby is turning a profit. For example, most people who work with automobiles have a passion for cars and engines. They may have started up when they realised they could make money out of something they really liked doing.

Musician Ben Lee was once asked about his favourite time. He said, "It was when I realised I could make a living of this music thing." A true Technician.

Technicians tend to love their product or service, and really like to demonstrate their expertise and knowledge. They are hands-on people who live in the present and like to get the job done with as few interruptions as possible. When starting out, Technicians typically have limited customer service skills, a vague, or no, concept of sales and marketing, and survive on word-of-mouth reputation for customers. This can serve them well for many years, until their contacts move on or someone else comes along with a better solution. Many set up their business close to home rather than close to their target market. Technicians tend to run into trouble when they come to sell their business, as the entire value of the business is centred on them. Technicians also have a habit of naming the business after themselves, which makes sense when they have a word-of-mouth sales model, but can become an issue when they decide to sell.

The Manager

There are two types of Manager. First there is the freedom seeker.

The freedom seeker typically has come from a corporate background and has decided to work for themselves rather than someone else.

They are tired of endless meetings, interstate and overseas travel, conferences and office politics. They have left the corporate world of their own choice and now want a different life.

The second type is the corporate castaway. They have been given the ultimate in salary sacrifice...retrenchment. Rather than try their luck back in the corporate world, they decide to take control of their destiny. Who can blame them?

Both types of Manager bring the process and management thinking of the large business to their new business.

Managers are pragmatic. They bring order and put good systems in place, often at the expense of building sales or capitalising on opportunities. The Manager has, in most cases, bought themselves a job, not a business. They see the business providing the freedom of a business owner, but they have the procedures and processes of a larger business. They tend to be more focused on systems, procedures and building the business through a long-term conservative growth strategy. Many Managers buy franchises. Managers rarely start their own business from scratch and, like many, struggle with sales and marketing. If they have come from a corporate background, they may not have ever been exposed to sales and marketing. If they were, they always had the corporate infrastructure and their base salary to rely upon. Many franchisors from a corporate background expect merely to read all the manuals and open the door for the customers to start coming in.

The Entrepreneur

Most often, it is not a lack of marketplace opportunity, but a lack of system, method and developed skills (habits) holding a business back. It is in this primary area that entrepreneurs have a different philosophy than self-employed business owners. Many business owners get caught up in

the business while Entrepreneurs develop systems and people so they can focus on building the value of the business. Entrepreneurs use systems day-in, day-out, in business and out of business, and they set them up at the start.

Why? Because they expect to be successful.

Entrepreneurs are passionate about building and growing their business. They are typically dreamers who focus on the future and are always full of optimism. They will take risks. They are interested in opportunities for growth and need to see return on investment. Entrepreneurs respect experience and acknowledge that people who are experts in their field can add value. Unlike the Technician, they are not interested in how much the experts know about their products, they are more interested in how much they can assist in growing their business. Entrepreneurial thinking is a lifestyle. It is a choice. Entrepreneurs are not born, they are made – and they study at it and work at it. They start with an idea or they see an idea that may work in a different environment. So they innovate. Then they put a set of numbers, or key performance indicators, in place to measure if the idea has potential and, if so, how much. Finally, they optimise the results. They change what is not working and enhance what is working. They don't give up; they find a way to achieve their vision.

There is a sub-group here, too: the entrepreneurial apprentice. They are Entrepreneurs-in-training and typically work in a large organisation while running a business on the side. They do this until they are ready to leave their corporate job and focus solely on their own business. These people are not Technicians; they invest to make money, not for a hobby. They use their corporate job as a source of funds to drive the business and as their training ground. Here they can learn about leadership, sales, marketing and process before they finally cast away from the 'mothership.'

Business owners can change over time

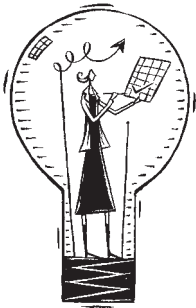
As a business owner gains experience, they often change roles. And as a business grows it is likely to need all three roles at different times.

The Technician is needed to deliver the products and services, the Manager is needed to ensure proper systems are in place to keep the

business running profitably, and the Entrepreneur is needed again as the business matures, to look at acquisitions, exit plans or further growth opportunities. When starting a business, even the Entrepreneur must become a Technician simply to get the job done. They also need to be a Manager at times, to ensure the systems and processes are put in place to enable them to quantify the results.

“Business people think about growing a business. Self-employed work to meet living expenses.”

Wendy Coombe, chief executive officer,
Business Advisory Services



The entrepreneurial approach

Three elements of entrepreneurial attitude

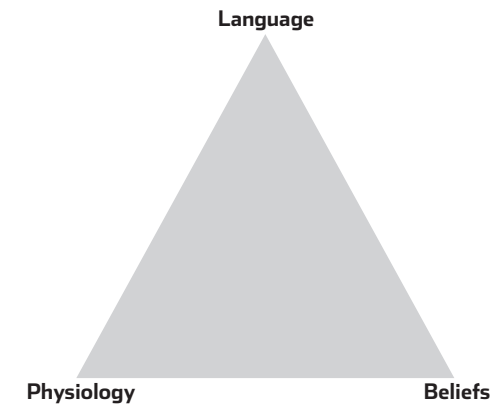
There are three key elements to behavioural change:

1. Language
2. Physiology
3. Beliefs.

It is important to understand entrepreneurs are not born, they are made. And many of them are made through modelling themselves on others. Change can occur more quickly if you know where to make the

changes. One of the key differences between entrepreneurs, or business builders, and business owners is their attitude. We need to start thinking like a business person and stop thinking like a self-employed person. For most, this thinking does not occur naturally.

In their book *Hard Drive*, James Wallace and Jim Erickson tell of such an epiphany occurring to Bill Gates in the early days of Microsoft. Bill was offered a handsome sum of money for his business by Ross Perot of EDS. At the eleventh hour Bill Gates declined the offer. Gates started thinking like a business person and realised sticking to his dream of building a business was the better way forward.



Language

Entrepreneurs use the language of positive expectation. They believe they cannot lose. Don't confuse this expectation of success with arrogance. It is not.

They use positive words and see everything as moving forward. They use words of encouragement. They use words that empower them and inspire others. They are charismatic and communicate well with others.

Consider what affect a property developer's response might have if, when questioned about his latest resort development, he said: "It is going very well; in fact, I believe we only have two apartments left and hope to have them sold very soon." Now consider the affect his response would have if

he said: “We haven’t had much interest, we are behind target financially and it does not look like we are going to sell the last two in the planned timeframe.” Be honest, but be positive about it, the person asking is a potential customer and being negative will not make them a customer! If you talk about success and positive outcomes, often other people will pick up on your positive vibe and want to share it. On the contrary, if you are negative you are less likely to engage people’s interest. Don’t underestimate the power of language.

Physiology

Entrepreneurs have a certain physiology about them. Next time you watch an interview with an entrepreneur such as Dick Smith, Sir Richard Branson (Virgin), Janine Allis (Boost Juice) or Mark Burnett (Survivor), notice the way they talk, sit and walk. You will notice them smiling, leaning forward and talking quickly when it comes to describing their latest passion and business idea. They are excited and driven because they have visualised their success in their mind already and now they just want to get on with it.

Physiology plays a dominant role in communication. Professor Albert Mehrabian developed the concept – which has since been the subject of numerous studies – that communication is made up of three areas: words, tone and expression.

- 7% of meaning is in the words that are spoken
- 38% of meaning is in the tone (the way the words are said)
- 55% of meaning is in the facial expression/body language.

The way you act, stand, your facial expression, your smile, all says a lot before you utter a single word. If you have ever had a stranger smile at you and then speak to you in a different language, you will understand the truth of this concept.

Beliefs

Entrepreneurs have a strong belief in their own ability to win. They are willing to give things a go. They are risk-takers but they are not

irresponsible. They may fail, and almost all have failed at some stage in their endeavours, but they don’t equate failing a task with failure as a person. Too often small business owners think small. If only they would think big, then so much more would be possible.

Entrepreneurial business development

There are three steps of entrepreneurial business development. The idea, the measurement of its success and the refinement of the approach.

1. Turning ideas into vision

In his book *E-Myth Mastery*, Michael Gerber talks about the importance of vision for a business owner. He recognises business owners – especially those who are Technicians and Managers – need to better understand the definition of an Entrepreneur. Before they plunge head first into their business, they need to have a very clear vision of what they want to create from their business venture. Let’s examine the concept of vision in more detail.

Vision is the key ingredient that sets apart the Entrepreneur from the Technician and the Manager. The truth is all three have an idea or an outcome before they start their business. The Manager and the Technician differ from the Entrepreneur in that once they start, they get consumed wholly by the business and spend all their time running the business. Soon their vision has been replaced by the goal of just getting through and making ends meet. This is the goal of the self-employed. Entrepreneurs know that vision is paramount. It is the only thing that will keep them on track so they are not distracted by ideas and ‘things’ that need to be done but that don’t contribute to the end goal. Entrepreneurs know they get paid for creativity. Creating an idea, creating a business. Their gift is the ability to bring ideas to life. They make it happen, not just by hoping it will, but by using a system to make sure it will. If they don’t have a vision and a system to see the vision through, they will be busy, but not growing. They will be working on different stuff, but not the right stuff.

For example, you are a Technician. You work in the business, serve customers, make products, pay the bills, meet with suppliers and lock up

at night. You learn that growing the business means systemising it so it can be sold, franchised or licensed – and that’s the way to riches. So you start writing business plans, developing manuals, taking notes, producing user guides, and writing marketing plans because that’s what serious business people do. But after a while you are burnt out, or back in the same place, except this time you have manuals, you just don’t know what to do with them. What you should have spent your time on first was your vision. What is it you want to create and what is the plan to bring the dream to reality?

Purpose

In simple terms, your business purpose is to deliver the vision. And your purpose is driven by your passion for the vision. In other words:

- Vision is an idea – an ideal; a reason for your business
- Purpose is a focus on results and outcomes, i.e. what are we going to achieve?
- Passion is the energy that drives vision.

Entrepreneurs are driven by a vision and Managers are driven by a purpose. Each has a role, but vision must always precede purpose. Otherwise burnout is likely. Some may say their purpose is to make money. This can quickly lead to burnout. Others may say they are not passionate about making money, but they are very passionate about the vision of what they can spend money on. So they work hard to deliver their vision – that’s what keeps them going.

Passion

Passion is an interesting topic. Gerber explains there are two types of passion. Passion of the mind and passion of the soul.

Passion of the mind dreams up the vision and constructs the plan to achieve it, while passion of the soul is what makes us pursue our vision. Put simply, passion of the soul drives you and passion of the mind chooses which direction you go. Entrepreneurs learn to use both. When Entrepreneurs talk about what it takes to succeed they often talk about having passion. It is this combination of passion of the soul and mind they are talking about.

Passion of the soul is something we all have. It is the fire in our belly, it is the voice in our head that says: “Do this, this is what we are passionate about.” Passion of the soul likes change and demands to be satisfied. Many people succumb to passion of the soul. You may be someone, or know someone, who has thrown in their well-paid job or a stellar career to pursue a passion for the arts, for example. Some people do this and regret their decision when it is not as financially or emotionally rewarding as they thought. These people often then decide not to trust themselves again and ignore their little voice and settle for a life of mediocrity. What you need to do is balance passion of the soul with passion of the mind. Entrepreneurs know how to do this. Consider Walt Disney and Disneyland, Janine Allis and Boost Juice, or Sir Richard Branson and Virgin as examples of people who have the balance right.

So now we have a clear vision of what we want, we know our purpose and have the passion to go after it. Next we must quantify the idea. What are we going to measure to ensure we are on track to success?

2. Measurement

Some ways to drive profit in any business by either increasing revenue or decreasing costs include:

- Increasing number of leads
- Increasing conversion to sale
- Increasing average sale value
- Increasing sales per customer (repeat custom)
- Increasing the profit margin per sale
- Decreasing variable cost per sale
- Decreasing fixed overheads.

We will focus mainly on the first five points, but these inevitably have an effect on point six. The purpose of this book is to help drive business, and therefore revenue, through marketing and advertising, so let’s have a look at how an increase of just 10% across these five variables would impact profit.

Key business drivers in action

	Current	10% increase
1. Number of leads	100	110
2. Conversion to sale	10	12.1
3. Average sale value	\$1,000	\$1,100
4. Repeat sales per customer	4	4.4
5. Profit margin	50%	55%
Annual turnover	\$40,000	\$58,564
Annual gross profit	\$20,000	\$32,210
Increase in net profit		62%

As you can see, a 10% increase across these five areas can have a dramatic effect on the bottom line. It is important you set up your key performance indicators to measure the results you want. That way you know when you need to change your approach and when you are on target to achieve your vision. If a small business owner wants a 30% increase in sales conversion, but can only sustain a 15% increase with their current staff and production capacity, they need to evaluate how they are going to meet these objectives and make change accordingly. The Entrepreneur knows what they want and need to measure to ensure they understand whether their idea has any potential. This measurement must not be clouded with emotion; it must be completely objective.

How do you measure your marketing and advertising?

The first question to ask is: what is the objective of the marketing and advertising? The objective must be understood by everyone involved including the business owner, the sales staff, the marketing manager and, if you are using one, the graphic designer. Some examples of ways to measure the impacts of your marketing and advertising campaigns are:

- Key revenue areas – sales leads, sales conversion, average profit
- Cost of advertising per response
- Website traffic – to home page and purchase page
- Brand awareness – online surveys/follow-up calls
- Data collection – email subscriptions and SMS subscriptions.

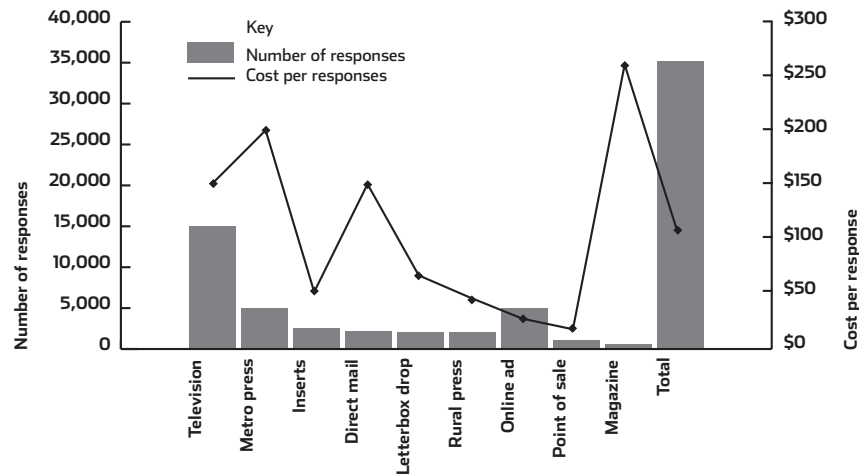
A common oversight made by many small business owners is a lack of measurement of advertising. Even fewer actually know what they want before they advertise. Often small businesses say their advertising is not working, but when asked if they measure it, most will reply: “Not really, I just feel it is not working.” These small but very important steps differentiate the successful business builder from the not-so-successful business owner.

3. Refinement

Refinement is all about optimising the results you are receiving. You need to do this is to keep the emotion out and see refinement as part of the process, not the end goal. Some businesses examine their results following a promotion. Others will document the results for another time, but sometimes these reports go into a file and are never consulted again. Refinement in business is about changing and testing. A good example might be when you run a print advertisement across a number of publications, each with a different website address or 1300 phone number so you can identify where the customer contact is coming from. If you are getting significantly more responses from one publication, then maintain your budget. If one of the publications is not performing, then you should consider changing your ad to better suit the publication’s audience or redirecting your funds to another, more suitable publication. Importantly you must keep measuring – just because an ad works one month, it does not mean it will next month. Keep in mind that publications and other media change over time – some don’t keep up with their audience and some change when new competitors enter the market. By measuring your advertising, you will have a better feel for when the audience changes and will know when the different mediums are working for you.

Refinement also starts at the beginning of the campaign, not at the end. For example, you may wish to use two different types of layouts, one in colour and one in black and white, in the same publication across a number of weeks. You may find the black and white advert delivers 90% of all enquiries received. If the cost per advertisement is significantly less for black and white, then the black and white campaign is more cost effective per lead. You might consider diverting more funds from colour to the black and white advertising for a while.

Measuring cost per lead by channel



This graph demonstrates that the best cost per lead for this advertising campaign was from internet advertising, press inserts and point of sale. This might lead the business owner to focus solely on these three advertising channels for the next period of the campaign. The graph also suggests that, while more expensive, the TV campaign also generated a good response. The business owner might also consider running a television campaign (particularly if their brand is new or they are in a very competitive market) to raise brand awareness and assist the more cost effective campaigns that follow. You can test the success of this idea by giving TV a break for a week and reviewing the impact on your other advertising channels.

“When people talk to themselves, it’s called insanity. When companies talk to themselves, it’s called marketing.”

Steve Bautista, advertising copywriter



Marketing to drive profits

So what is marketing? Well, firstly marketing is not just advertising. Advertising is a key component of marketing, but it is just one component.

Marketing should be tightly linked to sales and, in a small business, this is absolutely vital. However, as businesses grow, quite often the sales and marketing functions appear to operate as if they are two separate organisations. This can lead to sales staff focussing on a short-term result to the detriment of the value of the brand, or the sales team promoting a low-margin product that the marketing team is planning to exit. On the

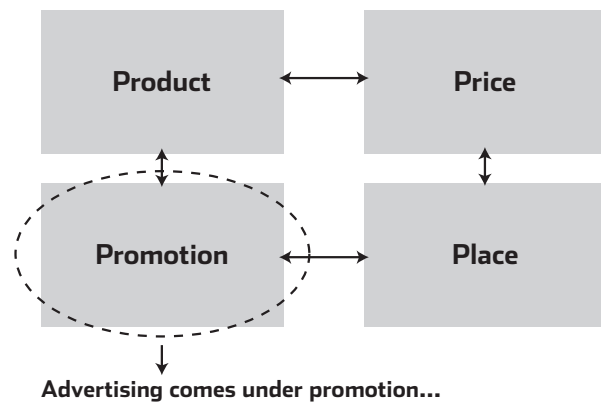
other hand, the marketing team might exit a product that the sales team find useful as a door-opener.

Marketing is a critical element in any business. As critical as finance, sales, operations and production, and it can affect all these functions. A well-known concept suggests marketing is made up of ‘the four Ps’: product, price, place and promotion.

Product – the products and services you are selling

Price – the pricing structure and strategy you have for the products and services you are selling

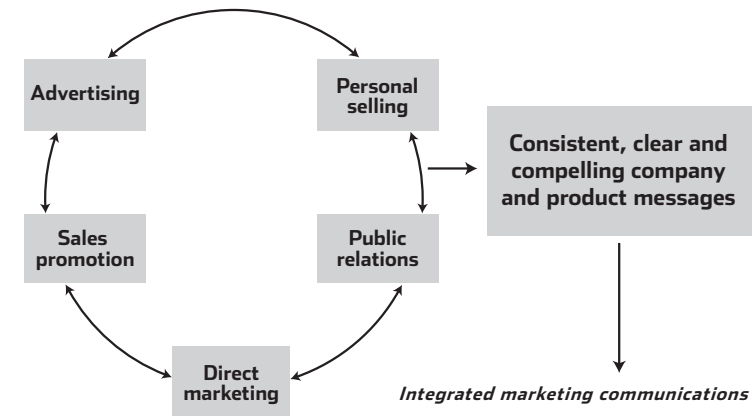
Place – the distribution and various channels you use to make your products and services available to your buyers. This could be direct from you, via the internet, or via dealers and retailers for example.



Promotion – the strategies and methods available to the business owner, or marketing manager, to promote their products and services. The various elements of promotion include:

- Advertising
- Personal selling
- Public relations
- Direct marketing
- Sales promotion.

The following diagram illustrates how closely sales and marketing must work together...



As indicated in this diagram, successful promotion requires a consistent approach in:

- Messages
- Brands
- Product quality
- Service levels.

We will explore all these areas, and will also focus on:

- Defining your target market
- Developing key messages for your target market
- Ensuring your message is heard.

It is also important to understand how marketing can directly affect sales turnover and profitability per product. This is vital in understanding the affect marketing can have on a business' success and why the marketing function needs to work together with finance and production.

How marketing can affect sales value

What is average sales value all about? Average sales value is, essentially, the average amount of revenue earned on each individual sales transaction your business makes. Ideally your business should be maximising the dollar value of every sale. The more revenue your business makes per sale, the more cash flow you have, and it should not cost you any more time or money! Before proceeding further, it is essential you understand the basic accounting concept of average dollar sale per sales transaction. This will give you a better appreciation of why increasing the dollar value per sale is a critical objective, and why you should maximise this objective wherever possible.

Total dollar revenue (R): This is the total dollar value of all sales made during a specific period of time for example: daily, weekly, monthly or yearly.

Total number of sales transactions (S): This is normally represented by the customer transaction count during the selected period of time.

Average sales value is determined by applying the following formula:

$$\frac{R}{S} = \text{Average sales value}$$

For example:

- Your total revenue in the last year was \$250,000
- Your total number of customer transactions in the last year was 25,000
- Your average sales value is therefore \$10.

$$\frac{250,000}{25,000} = \$10$$

By increasing the average sale value, your business is likely to make more money, or you can make the same money serving fewer customers.

Strategies for increasing your average sale value

There are three fundamental ways to increase the average sales value on any sales transaction:

1. Up-selling or cross-selling additional products or services at standard prices during the sales transaction process
2. Bundling additional products or services into one deal at a discounted price during the sales transaction process
3. Increasing prices.

Up-selling or cross-selling

- Up-selling refers to the sale of a product/service of higher dollar value than the customer originally anticipated purchasing
- Cross-selling refers to the skill of selling additional products/services every time they purchase.

Both mean maximising the sale opportunity. The power of up-selling and cross-selling cannot be underestimated. There really is not a better time or chance to sell a higher-priced alternative or an additional item to someone than when they are standing right in front of you with wallet in hand. Especially when the customer has spent time discussing their needs with you or a staff member. You don't need to advertise to get them there. They are in the best position to make a decision to invest in the additional benefit you are offering.

Car dealers are typically expert at up-selling. They start with a basic \$30,000 car and then add some leather seats and a CD player. Before you know it, you have just spent another \$3,000!

The following scenarios demonstrate the use of up-selling and cross-selling to increase profits. The scenarios are based on a business selling three products. Products 1 and 2 are cheaper and more expensive versions of the same product, and Product 3 is a different product entirely.

- Product 1 is \$29
- Product 2 is \$39
- Product 3 is \$59
- There are four sales people who see 10 clients each per day
- The business operates six days per week.

Scenario 1: No up-selling or cross-selling

- Each client only buys one unit of Product 1, spending \$29 in total.

40 clients x \$29	= \$1,160/day	
x 6 days in a week	= \$6,960/week	
x 52 weeks in a year	= \$361,920/year	
Average \$ value per sale	= 1,160 ÷ 40	= \$29

Scenario 2: Up-selling

- One customer in five is up-sold to Product 2, while the remainder still purchase Product 1.

32 clients x \$29	= \$928/day	
8 clients x \$39	= \$312/day	
	= \$1,240/day	
x 6 days in a week	= \$7,440/week	
x 52 weeks in a year	= \$386,880/year	
	= 6.8% increase	
Average \$ value per sale	= 1,240 ÷ 40	= \$31

Scenario 3: Cross-selling

- One customer in five is cross-sold Product 3 in addition to Product 1 (which they all buy).

40 clients x \$29	= \$1160/day	
8 clients x \$59	= \$472/day	
	= \$1,632/day	
x 6 days in a week	= \$9,792/week	
x 52 weeks in a year	= \$509,184/year	
	= 40.6% increase	
Average \$ value per sale	= 1,632 ÷ 40	= \$40.80

Effectively, up-selling and cross-selling can add significant sales value. These are just simple examples. Your business may have other far more effective sales opportunities. Remember to be flexible with these concepts. You are an entrepreneur.

Up-selling messages

According to the Better Business Institute, if presented correctly, one in five customers is likely to take up a special offer at the point of sale. A company that uses this technique extensively and effectively is McDonald's, where staff members are trained to say: "Would you like fries with that?"

Proactive travel agents might ask: "Would you like travel insurance for your family?" as a method of increasing the average sales value and average profit margin.

The rental car companies might ask: "Would you like to reduce the excess?"

Some service station attendants are trained to offer the two-for-one chocolate deal. Why? If approximately one in five take up the offer, this can lead to an increase of 20% sales value, with a potentially high profit margin product.

Bundling

Bundling is a variation of up-selling and cross-selling, where instead of selling additional products at full price, the customer is offered a combination of products and services at a discounted price. The key objective with bundling is to use discount pricing to encourage a customer to commit to spending more money than originally intended, with the resulting additional turnover and cash flow available to the business immediately. Importantly, bundling is a powerful way to quickly increase the average dollar value of a sale. Yes, you are discounting price and profit per product compared with what you would make if each product was sold separately, but if you structure the bundle appropriately, your business should benefit from immediate increased turnover and cash flow. Don't think just because your customers buy from your business once, all you have to do is sit and wait for them to come back...it may never happen.

What are the secrets to successful bundling?

- Adding value through bundling with joint promotions (more on this in chapter 7).
- Adding value through bundling with in-house products - If you ever go to McDonald's, KFC, or any of the other fast-food outlets, do you purchase (or at least look at) the value meal range offered? Why do they do this? It is simply a strategy to increase the average sale value through offering a bundled deal at a total cost less than each item purchased separately. After all, if you are ordering a hamburger, don't french fries, a drink and dessert go with it? Especially if it is offered at a discount?

Any business that offers a variety of related products and services can use the same system to increase the average sales value of each transaction. For example:

- A men's fashion store can offer a bundled deal on purchase of a suit, with special discounts on an extra pair of trousers, shirts, ties and belts
- A hair and beauty salon can offer a hair treatment, facial, and nail treatment for a special price
- A café can offer coffee and dessert for a special price
- A mechanical workshop can offer a service, wash and detail for an 'all-in-one' deal.

The possibilities are endless! You just need to be creative and ensure you find products or services that are associated with each other and are of genuine value to the customer. At a bundled price that's reasonable, you could trigger their impulse to take the deal.

Using samples to drive sales

Imagine you are a business selling DVDs. You acquire a variety of mini DVDs and sell them for \$5.00 each. When customers spend more than \$29.95, they receive a mini DVD for free. The customer walks away feeling like they've found a bargain. The retailer has increased cash flow, the likelihood of sales of more than \$29.95 and the likelihood of repeat

custom. In fact, if the customer likes the artist on the mini DVD, they could return to buy the limited edition complete version for \$59.95.

Increasing prices

What are the secrets to successful price increases?

- Communicate to your customers why prices are increasing
- Increase prices below the 'just noticeable difference' threshold
- Increase prices on low-value items
- Increase prices to differentiate your product or service.

Your business may be in a position where you have to increase prices. The solution to avoiding substantial loss of customers in the process is to be honest with them. Notify them in advance and explain the reasons for the price increase. Provided your customers clearly understand the need for the price increase, and they are satisfied with all other aspects of the products and services you provide them, this should minimise any loss to your customer base. If you operate a business that sells to other businesses, or provides professional services, you might consider sending a personalised letter followed by a phone call. For instance, an accountant faced with increases in professional indemnity insurance costs might draft a letter to his clients. By taking a proactive approach and informing each of your customers well in advance of the event, you should be able to maintain your business, or at least minimise the loss of customer goodwill. It should also enable you to find out in advance if you are at risk of losing any major customers or accounts. If this is the case, you will then be in a position to look for alternative ways to add value to the relationship to sustain it.

Increase prices below the 'just noticeable difference' threshold

The 'just noticeable difference' (JND) is a psychological measure developed by Gustav Theodore Fechner in the 1800s. Referring to the smallest observable difference between two stimuli, the concept has since been applied to consumer behaviour relating to marketing and pricing practices.

The essence of this concept, when applied to marketing and pricing practices, is that consumers are consciously aware of significant one-off increases in the price of a particular product or service, and unless there is an obvious benefit associated with the price increase, are likely to react in an adverse manner by searching for alternatives. Customers are less likely to balk at a product increasing from \$10.49 to \$10.99 as they might if the new price was \$11.00, even though we are only talking a variation of one cent. For some reason, going into the next dollar bracket is more likely to result in negative reaction, especially for regular buyers of the product. By staying below \$11.00, which in this case is the point of JND, your risk of losing sales has decreased, but your margins have increased.

Another facet to the JND concept involves changing the product or service rather than the price point. If you are manufacturing a product of slightly lower quality than your competitors, but priced at the same value and your customers don't notice the difference, your profit margins are better than your competitors. The trick is to ensure the difference in quality is slight enough to avoid the point of JND.

On the other hand, if you increase the quality of your product just beyond the JND, you should be in a good position to increase your price and offer a point of advantage your competitors can't offer, thus driving sales and a reputation for quality products. Importantly, the additional quality must come at a relatively low cost to ensure strong margins.

Some ways to apply the JND concept:

1. Consider increasing prices gradually over time
2. If customers don't notice an improvement, then your improvement is probably not obvious enough
3. Ensure your marketing campaign highlights the product's competitive advantage
4. Look for ways to save by cutting back on expenses customers don't notice or care about
5. Increase prices on low-value items.

Differentiating your product or service

One of the most fundamental mistakes many businesses make, particularly small-to-medium businesses, is to define the product or service they sell far too narrowly. When they market their offering to potential customers, they fail to effectively differentiate their specific brand from those offered by their competition.

Usually, it comes down to a fight over which business can sell their product or service at the cheapest price. If you are a small to medium business, you will lack the economies of scale to get the substantial price discounts on the products you sell to win business on the basis of lowest price. In the long run this is unsustainable, and you will more than likely go out of business.

Contrary to what many of us think, most people shop for value, not just price. In other words, they want the product or service that will solve their problems at the best possible price. In reality, any product or service sold is nothing more than a series of features which convey a set of benefits to a customer. The value of each of those features to the customer is directly related to the personal importance the customer places on them. The key to this is differentiating your unique features and benefits, then branding and promoting them. Remember you are not just up against other direct competitors, but also every other business vying for your customers' money. Your customers' interests, tastes and spending priorities change over time, and if you don't take the opportunity to sell your product now, you may not have another chance.

Why advertise?

Advertising can help ensure the message you want to share with your target audience is delivered the way you want it. Public relations and word of mouth might often be cheaper, but you can't always control the message. Advertising helps you profile your business and brands.

While the numbers may vary from industry to industry, it is vital you know the cost of your options.

Current average cost to reach a potential customer:

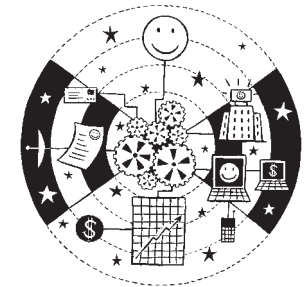
Direct sales person:	\$75-175 per call
Door-to-door sales:	\$35 per door
Direct mail:	\$2-7.50 per customer (dependent on quality of envelope, offer and database costs)
Telemarketing:	\$6-15 per call
Broadcast:	\$0.025 per view
Print:	\$0.024 per view
Online ads:	\$0.20 per view

Note: All figures are approximate and will differ from company to company. Figures are included to show likely differences in cost associated with different advertising options.

An advertisement cannot close a sale, but it can generate a response and if you need to reach a wide range of people consistently, then advertising is still one of the most cost-effective ways to do it. Even if your company has the biggest market share and most recognisable brand, it is important to continue to advertise. Advertising is the locomotive driving the business. Consider Harvey Norman, Telstra and General Electric as examples. These companies all continue to advertise despite having well-known brands and considerable market share.

“Success is not about having more. It is about what you are willing to give up in order to have what you really want.”

Chin-Ning Chu, author



Marketing systems

When asked why businesses advertise where they do, the most common responses are:

1. We have always advertised here so we keep doing it
2. We heard some of our competitors were doing it, so we thought we'd better not miss out
3. In the end we did it to get the sales rep off our back.

These responses usually result from the lack of a detailed marketing strategy. When you have an understanding of who your target market is, what their path to purchase is, and what your budget is, you are in a good

position to make sound and objective marketing decisions. Having this level of understanding means decisions are based on fact and strategy and not emotion or fear of missing out. It will also enable you to ask the right questions to ensure value for money in advertising expenditure.

For example, if a trade publication called to entice your business to advertise in a wall calendar they were producing, offering exclusive rights to a nominated category, you might ask: who buys the publication? Who will see the calendar? How many will be displayed? What was the average return on investment for the previous advertisers? How many other advertisers will be on the calendar? If the publication is unable to answer these questions then why should you be willing to outlay your precious advertising dollars?

Marketing systems allow you to remain focussed on where your business is heading and stop you being drawn into opportunistic tangents that waste precious time and money.

A must read for anyone wanting to learn more about improving and developing successful business systems is John Love's *Behind the Arches*. This book is about building the McDonald's empire and explains in intricate detail the systems that enabled McDonald's to become a multi-billion dollar powerhouse. It shows how to think like a big business even when you are small. One illustration of the importance McDonald's places on business systems goes back to the early 1960s. McDonald's invested more than US\$2 million in systemising the production of the perfect French Fry - this was an enormous sum of money back then. They then began customising their own appliances – things like milkshake machines, chip scoops and straw dispensers. Demonstrating the value good systems can add to a business, consider that McDonald's is a multi-billion dollar enterprise run by teenagers! Could you leave your business to a team of high school kids?

Systems exist all around us – but most of us are not aware of them. One way to explain systems is to think of a vehicle. Any vehicle is a complex arrangement of many systems. There is the engine, the fuel system, the air-conditioner/heating system and the brake system. These are not independent; rather, all rely on each other for the successful operation of

the vehicle overall. Despite the vehicle being such a complex arrangement of systems, as long as the driver knows the basics of how to drive, they can operate the vehicle. They don't need to know how the actual mechanics work.

The same concept generally applies to a business. A business is a complex arrangement of systems depending upon each other for the business to operate successfully as a whole. The better the systems, the less business knowledge and labour required to operate it successfully. An architect for example, might put in place a series of systems providing his/her staff a framework to work within. This will ensure consistent application and delivery of service to clients and will allow the individuals to focus on application of their specialist skills within the framework. The clients know what level of service they can expect, the staff know how to meet client expectations and the business is likely to be managed consistently and successfully. You are likely to sell the business for more than if you did not have systems because you will have developed the business into a true saleable asset.

Many business owners believe the harder they work, the more money they should make. Generally business owners who think like this, believe they should also be the first to work, nobody else can do it better than them, and they need to be in full control and oversee everything. They are the system. However, because this type of business owner is spending all their time and effort working in the business, they have no time to work on the business. Time working on the business, as opposed to working in the business, is what ultimately achieves the results we are all looking for.

In many cases you, the owner, may love working in your business. But wouldn't it be great if you had the option: to work or not to work? Remember the main reason for developing a business is to serve your needs, including giving you more freedom, not the other way around. This is more likely to happen when you are working on your business rather than in it. Part of doing so should involve developing and documenting systems. The systems you create within your business could be your link to creating a money-making machine that can operate without you.

Developing systems can increase the effectiveness and efficiency of a business by making you stop and think about what you are doing. It is worthwhile asking the question: “How can I do this better?” And remember, even if you have systems, they can always be improved. For any business to grow, individuals within the organisation must be accountable for each of the systems. It is ultimately the responsibility of the managing director, or the equivalent role in your particular business structure, to ensure all the systems operate at their highest capacity.

If you look at larger businesses, they are not reliant on any one person. Generally, they have systems in place to allow the business to function without the owner’s involvement. Some larger businesses can survive without good systems, but they are unlikely to be operating as efficiently or as effectively as they could.

Business can be risky. Good systems can help minimise the risk, help stabilise a business, and allow you to identify problems more quickly. Systems can allow staff to follow documented methods and ways of doing and saying things that produce a proven, consistent result. Businesses that don’t have simple, proven systems in place rely on the owner and staff to have higher levels of business skill, yet one of the biggest complaints made by business owners is how hard it is to find good people. Systems generally take away this dependency on highly skilled people and enable the development of your team. Provided your staff are open to learning the systems and are willing to use them, you can employ people with lower skill levels at a reduced cost to your business. It should also take less time to train new people to follow the documented systems (which produce proven successful results), than to spend time trying to pass on what you know. Most business owners don’t have the time to teach new staff what they need to know. Staff members are often left alone to work out what is expected of them, and how to complete the required activities, which takes time and can cause inefficiencies. Systems make staff training easier for everyone, as well as delivering more certain results.

In order to develop successful business systems, it is necessary to define what a system is. A successful business system is a series of actions, ideas or information put together in a specific step-by-step order that, when

followed, delivers a certain specific result. This result is measurable and has a direct impact on your business. Importantly, each system you develop will generally not be independent from other systems in your business. Rather they will be interdependent so your business operates successfully as a whole. You should build systems that cater for all eventualities and cope with the routine tasks as well as the unusual.

Perth business Majestic Plumbing recognised the need to improve their systems. While they had undertaken various marketing activities, they had not applied any consistent strategy to their activities or measured the various results being achieved. Majestic Plumbing decided it was time for some outside assistance and called in a marketing coach.

“One simple, but vital step we introduced was a procedure to measure all incoming enquiries including print and online directory advertising, referrals, passing trade, and so on. This was recorded daily by the sales administration staff using a special template.

“This simple measurement system has allowed us to refine our marketing expenditure and make marketing decisions based on facts rather than anecdotal evidence or ‘gut feel.’ This in turn has provided Majestic Plumbing a better return on investment and, importantly, more time to focus on growing the business.”

Gino Dichiera, director, Majestic Plumbing

Sample marketing systems

Following are some suggested categories where systems might help drive turnover for your business by finding and retaining more of the right customers:

Purpose	System
Lead generation	<ul style="list-style-type: none"> » How to up-sell and cross-sell » How to track and measure leads » How to determine and manage the cost of a lead
Advertising and promotion	<ul style="list-style-type: none"> » Advertising policy manual » How to place an ad, e.g. Yellow™, newspapers, periodicals, trade journals, radio, television, billboards, press releases, inserts, catalogues, brochures, web sites » Brand guidelines » A list of indicative costs and contacts » How to measure return on investment for advertising » How to develop a direct marketing campaign, e.g. scripts for door-to-door sales, telemarketing, mail-outs, fax-outs, email, surveys
Customer referrals	<ul style="list-style-type: none"> » How to capture testimonials » Tools to help identify direct referrals, e.g. surveys, networking
Minimise perceived customer risk	<ul style="list-style-type: none"> » Identify areas of customer risk and methods to remove risk for customer, e.g. offer guarantee » How to design, use and track guarantee » How to determine and manage cost of guarantee » Manuals on relevant industry legislation and regulation
Website	<ul style="list-style-type: none"> » How to design a banner ad » How to maintain information on the company website » Company policies relating to use of website, e.g. no porn
Sales	<ul style="list-style-type: none"> » Sales procedure manual » List of contacts responsible for certain regions/products » How to track and measure sales
Customer satisfaction	<ul style="list-style-type: none"> » How to capture why customers did/did not purchase » Complaints management processes » Refund and exchange policy » Customer service policy and guidelines.

“Reputation is everything.”

Sir Richard Branson, entrepreneur



How image and brand drive sales

Where did branding come from?

Branding is thought to have originated in Egypt some 5,000 years ago when slaves were branded with a crest or symbol by way of identification, much like cattle are branded today.

What are image and brand all about?

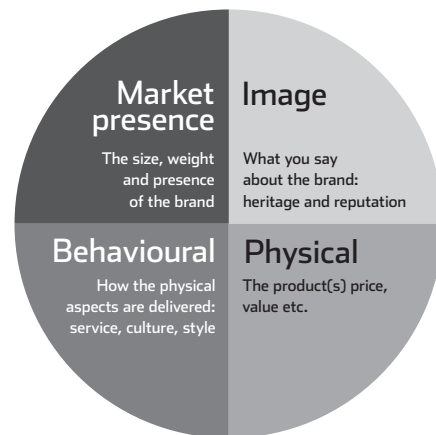
Virgin, Nike, Coca-Cola, McDonald's, Starbucks, Pizza Hut, Sheraton, Ferrari, Mercedes Benz, Tiffany & Co., Louis Vuitton, Chanel, Christian Dior, Rolex, Cadbury, Nestlé, Heinz, Sony, Microsoft, Dell, Kylie Minogue,

Elton John, Elvis, Arnold Schwarzenegger, Nicole Kidman, The Wiggles, Barbie, Lord of the Rings, Greg Norman, Tiger Woods.

Do these brand names instantly bring to mind an image? They should. These are some of the world's most well-known and respected brands. The companies and individuals have developed their brand name as intellectual property. They have promoted and protected them so we have all become familiar with them whether they are companies, products or individuals. Notice within each industry, there generally exists one or more well-known brands, even in small niche markets. Let's take Nike for instance. The Nike brand is, arguably, one of the most well-known brands in the world today. And what is the symbol for Nike? The 'swoosh'. It is easily identified in virtually every country in the world. Now think of an advertisement you have seen for Nike. Does it represent a winner, someone who steps out and achieves, who goes against the odds and wins, and has the guts to win? Nike's slogan, 'Just Do It', is as recognisable as the brand. Nike set out, with intent, to create an image people were drawn to. Then, they were consistent in developing that image in the public eye. Because they have promoted their image consistently and persistently, most of us are aware, and tend to link the swoosh and 'Just Do It' to Nike, but beyond that, we naturally associate Nike, the brand, with winning.

The core components of a brand

A brand = a product or service
+ a relationship



Source: Publicis Mojo

Many businesses make the mistake of spending a fortune on the top half of the pie. However, when it comes to delivery they fall down. Consider a company that promotes its family-friendly values, but won't give staff time off during school holidays. Or the business that claims to be customer-centric, but reserves the best car spaces near the front door for its management.

Brands have come to mean even more in our time-poor society. Why? Because great brands that we trust can save us time. Consumers tend to think: "If I can trust the maker, I can buy the product now and worry about its specific features and benefits later." In the world of complex products, brand trust is vital, as many products and services seem to have the same features and benefits. Some we don't really understand anyway so trust in the brand is paramount – if we trust the brand to deliver, we'll pay for the product and worry about its extra benefits later. Brands such as Hewlett-Packard, Apple and Dell continue to dominate the IT industry. Key suppliers such as Harvey Norman continue to have strong sales because we trust their brand and the brands they represent. Brands must have charisma.

BMW, IKEA, Coca-Cola, Disney, and those mentioned above, are examples of brands that represent consumers' wants. They stand for joy, intelligence, strength, success, comfort, innovation – things people want and can easily associate with. A brand's real strength is in the perception and relationship people carry inside their minds. In Nike's case, it is likely the familiarity and the image of success that helps them sell many billions of dollars' worth of products each year.

Another brand worth looking at is Virgin. Sir Richard Branson, the entrepreneur behind Virgin, has developed one of the strongest and most respected brands worldwide. He can literally take the name Virgin and put it to most industries and create value over night. That's the power of his brand. Branson has applied the Virgin brand to many industries - from a record label to airlines to financial services - each time bringing instant value to the new business, simply because of his existing power in the Virgin brand. This benefit alone provides reason for building a well-recognised brand name. So the brand itself is a valuable asset represented on the business' balance sheet. In some cases the brand can represent considerable value in relation

to a business' overall market value or saleable value. So, what do image and brand really mean? Simply stated:

- Image is the perception (picture) your customers and potential customers have about your business at any one point in time
- Brand is the link (relationship) between your business and the customer's values. For instance, when we look to buy a product, we want to know it will deliver on its promises, and will often select a brand because we feel we can trust it. This is referred to as goodwill. Some of us can also, whether consciously or not, be influenced by how we think our friends and the public will perceive us. We don't want to be ridiculed or criticised because of our purchase.

Image and brand have everything to do with identifying your target market, identifying which values are important to your target market, creating an image and a brand which relate to those values, and then promoting the brand and fulfilling the promise.

Why do you need an image and a brand?

Some businesses might think: "But we are not Nike, we are only a small business – we don't need to develop a brand name or an image. Besides, we don't have the money to promote and build it." Sure you are not Nike, you are a small business. You cannot afford to spend like these large companies do. Keep in mind, though, Nike started off as a small business too. Creating an image and a brand for a small or medium business is not about flashy and slick advertisements. It is about ensuring your target market recognises your business as their preferred choice for the products or services you provide. You need to build a business that's recognised by the public, even if it is only your local neighbourhood. This helps to draw people to your products or services, it helps build loyalty, goodwill and true sales value in your business.

Branding forms part of a business' intellectual property (IP). IP is big business in today's business world, and cannot be ignored by small, medium or large businesses. IP can form a very important part of a business' saleable value. A small business can develop goodwill and an image that may develop into a brand recognised by the local community,

city, state and country, or even worldwide. So remember one of the major reasons for branding your business is to encourage goodwill and therefore build its saleable value.

Another reason is competitive advantage. Your business image should relate to your unique selling proposition (USP) or unique buying reason (more on this in the next chapter) and your customers' values. Your brand is built from both your USP and your image. As customers interact with your business, they will form an image of your business. If it fits their values, they are likely to be loyal customers. If it does not, chances are you are going to lose them to someone else – your competition! The most important steps in building an image and brand for your business is to stop, think, plan and then act. The process of developing an image and brand requires a close look at your business and plan for its future success. You should be working on your business (not in it) and developing it with intent. While it doesn't have to be expensive, branding can take a large investment both in time and dollars, so it is important to plan well.

The relevance of business image and brand

Summarising our brand discussion so far:

- Image is the perception (picture or feeling) your customers and potential customers have about your business at any point in time
- Brand is the tangible and recognisable link between your business and the image – it reaffirms their perception of a product or service
- Developing an image and brand can create value in your business
- Image and brand are all about your target market and their values
- Image and brand are all about clarity of your business values, your USP and your promise to the customer
- Image and brand can make your business stand out from your competitors
- Image and brand often make the difference in a purchase.

Strategies for developing image and brand

To create a perception (image) for your business, consider how a customer may come into contact with your business:

- Through your marketing and advertising efforts
- Walking into your business
- Phoning, faxing or emailing your business
- Visiting your website
- Buying, enquiring, returning items to your business
- Complaining, asking for a refund, reporting a warranty claim
- Making or receiving payment from your business
- Receiving goods and services from your business
- Supplying goods and services to your business (suppliers are also potential customers)
- Working in your business (employees are also potential customers)
- Investing in your business (investors are also potential customers).

First impressions count for a lot and they are often made within seconds of a customer walking through your door. Think of your business today and of:

- The posters on your wall
- The dress and presentation of your staff
- The type of cups you serve your tea and coffee in
- The presentation of your rest rooms.

These can all send a message to your customers and if done well can help make a difference to your sales. If done poorly, you will be sending the wrong message to your customers, which in turn could be hurting your business without you really understanding or even knowing why. Sometimes business owners say: “Well, I’m not a ‘yuppie’ business, so my customers don’t expect all that stuff!” Big mistake! When someone is not expecting excellence that’s the best time to give it to them! If your industry is not known for excellence in presentation, let’s say for example, car servicing, garbage removal, trade work and wholesale outlets, then you will shine when you show excellence. Your attention to the little things, or lack thereof, can communicate competence or ineptitude. It can communicate

professionalism or scream amateur. It is your choice. None of these things have to cost you a lot of money. All of it could, however, make a significant difference to the attitudes of your staff and your customers. So be prepared to make some changes!

Simple techniques used by one of the best in the business, Flight Centre:

1. Illuminated brand signs over the doors kept alight day and night - burning their name into our consciousness 24 hours a day
2. Bright red pillars at every shop front doorway to accentuate the entrance and encourage familiarity
3. Large, easy-to-read posters in their windows – no fine-print, non-descript advertisements or posters cluttering the shop front
4. The stores all look exactly the same inside. Uniformed staff, red carpet, world maps and brochures neatly arranged around the shop
5. The business logo is extremely bold and very simple. The colour scheme of red, white and a little grey is not complex, but it has high impact.

The brand name can develop from:

- Your business image
- The way you are perceived by your customers and the public
- Presentation of your product or retail outlet
- Advertising and related promotions.

The image is what your customers think of you. Your brand generates the image. Your image and brand need to encompass an idea and vision. Your integrated marketing plan should support this idea and vision. As a result, you should find it easier to sell yourself because your message will be consistent and powerful.

Developing your brand

Here are some ideas that may be helpful in developing your own brand:

- **Simplicity** – identify the vision and goals for your brand name. These need to be easy to remember, popular, easy to pronounce and likely to stick in a person's mind.

- **Validity** – public perception of your business is very important. Consider how the public relate to your business: what things represent your business to the public?
- **Distinction** – your business identity should make you stand out. You should be proud of it.
- **Protection** – before you make the final decision on your name, seek expert legal help to determine if you can use or register the brand name. This is essential.
- **Likeability** – seek feedback from your key customers. See what they relate to. Make sure you ask why, as this will tell you about the image your brand is purveying.
- **Extension** – does it have legs? Can you see it being used in a number of visual executions and being able to stretch across a number of products without a complete re-design? For example, if your name has the word ‘budget’ in it, will this stop you offering a premium-priced product down the track?

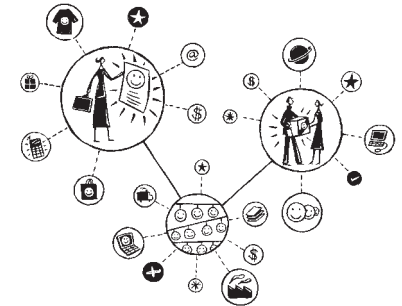
Promoting your brand

Here are some ideas that may be helpful in promoting your brand:

- Train your employees to be champions of your brand. Explain the relevance of your image and brand to the success of your business. Explain how their roles impact the business’ image and brand, both positively and negatively
- Make word of mouth easy. Provide incentives for your staff and customers to tell friends and relatives about your business
- Communicate your values to your customers. You could do this by displaying your mission statement, customer service standards and policies, using slogans, signage and store design
- Lead by example. How you act toward your customers and the public, both on a day-to-day basis and during extraordinary circumstances, helps to cement your business image and brand into the customer’s mind
- Business history. Where did your business start? If you are a local, family-owned business competing with the large multinational giants, make sure people know that.

“It’s a funny thing about life; if you refuse to accept anything but the best, you very often get it.”

Somerset Maugham, author



Developing your unique buying reason

From USP to UBR

We have heard it described as the Unique Selling Proposition, or USP. However, you must look at everything from a customer perspective and that’s why we will call it the unique buying reason, or UBR.

What is it that appeals to the buyer, not the seller? It is a fine point and you can use USP if you feel more comfortable, but the more we market from a customer view, the more successful and in-touch with our market place we are likely to be. We need to stop asking “what is it?” and start asking “who is it for?” and “what do they want?”

This change reflects the shift from mass advertising to personalised advertising and the rise of direct marketing as a popular trend today.

UBR, or USP, is all about standing out from the crowd by offering your potential customers a unique and distinct benefit or advantage above and beyond what your competitors are offering. The more measurable, comparable, demonstrable or quantifiable your advantage, the more powerful it is. When you identify what that distinct advantage is, you should integrate it into all your promotional, marketing, advertising and selling operations. This includes what you or your salespeople do and say, plus all the collateral material you use, the brochures, the sales letters, advertising – everything!

You don't just want to say it, you must constantly demonstrate it. You want to live it, which means whatever your UBR is, you do it at all times.

Developing, identifying and incorporating your personal UBR into everything you do is challenging, but the reward should be worth it.

Defining your singular promise, or UBR

Do these sound familiar?

'Fresh, hot pizza delivered to your door within 30 minutes, or it is free.'

'When it absolutely, positively, has to be there overnight.'

These slogans clearly spell out the companies' UBRs – why a potential customer should do business with them instead of their competitors. It is a concise statement of their unique offer to their customer.

Geldens Pty Ltd is a corporate uniform manufacturer and retailer based in Perth and has been in business for more than 20 years. A decline in growth urged Geldens to contact a marketing coach who reviewed their marketing materials and found they consisted mainly of specifications and price information without explaining the real benefits to the customer.

With assistance from their marketing coach, Geldens developed unique buying reasons and put together new marketing messages which were incorporated across all marketing materials from advertisements to brochures.

"We also documented and implemented clear policies for sales techniques. This improved our selling process, saved time and made it easier for our customers to buy. We graded our customers (A,B,C) and set up a proper customer base that will be an added asset to the business."

Geldens' changed approach to marketing and advertising ensured they treated it as a strategic investment rather than a cost.

Elana Geldenhuys, director, Geldens Pty Ltd

Developing your UBR

According to Marty Neumeier's *The Brand Gap*, the easiest way to develop your UBR is to look at your business from a customer perspective and ensure you have answers to the following questions. In fact, you should have these answers before you contemplate any advertising or promotion activity:

Who are you? – Most organisations are able to answer this one quickly and easily.

What do you do? – This question begs some more questions and, if you have a committee looking at this question, get ready for some varied responses and a few surprises. One of the most important points to consider is what industry category you are in. Consider your competitors not only in terms of your immediate industry, but the broader industry too. For example, a boat retailer will compete with the boating industry, but can't afford to disregard competition in the fishing supplies industry and broader leisure industry. Keep in mind that the boat retailer will have professional and private customers, and both are different industry categories. The private customer might be tossing up between the weekend boat and a caravan, so the boat retailer, in this case, is competing with the caravan retailer. Think broadly.

Why does it matter? – This question is confronting but fair, and possibly the most important question to ask. The answer to this question is the one your customers care most about.

If you are answering this question with regard to a specific product or service, try applying the three Ds of product marketing:

1. Can you differentiate your product from your competitors?
2. Can you defend your product in the market place?
3. Can you distinguish your product in a crowded market place? This is vital in retail.

Don't overcomplicate it, but don't oversimplify it either. When you solve your particular UBR puzzle, you will be in a better position to challenge your competition. Develop it, test it and re-work it until it says what you want it to.

If you are unique, then by definition, you have no competitor! You tell your customer who you are, what you have and how you benefit them. Be creative. Identify your potential customer's primary frustration, problem or need, and provide a unique solution. Your UBR might be based on location, 24-hour availability, better ingredients, better processes, better staff and faster delivery.

Remember – the more memorable and emotionally compelling your case is to your potential customers, the more mileage you are likely to get out of it.

The pre-emptive marketing advantage

Here's an example of clever development of a UBR. There is a marketing myth about the tuna industry that suggests a retailer with a large supply of white tuna beat his competitors by advertising: 'Guaranteed not to turn pink in the can!'

Of course the competitors' tuna didn't turn pink in the can either, but their clever use of fact, that their white tuna didn't turn pink in the can, differentiated their product as the superior one helping them win market share. The same myth suggests the pink tuna competitor responded with: 'Guaranteed: No bleach used in processing.' Both are clever UBRs.

Use it, or you lose its advantage

Your final step, once you have developed your UBR, is to start communicating it and ensuring it is used in every aspect of your business. Make sure every employee is 'living' your UBR. It needs to be included

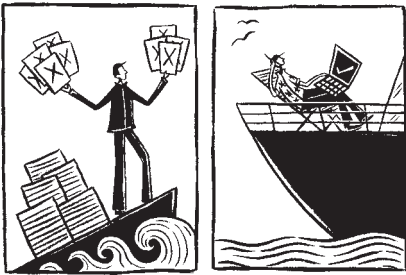
on everything that goes out the door as well as incorporating it into your telephone message. For example: "Thanks for calling Atlantic Tuna, where our tuna is guaranteed not to turn pink in the can! Please leave your name, number, and a message, and we will get back to you shortly. Have a great day!"

Your UBR should be on your business cards, your stationery and your brochures. Use it everywhere and, of course, deliver on your promise and you should soon see results!

Positioning statements

A positioning statement is an expanded version of your UBR. Use it on your website and wherever you can devote more time explaining how and why your UBR is, what it is, and how your organisation will deliver its promise.

“Whether you think you can or whether you think you can’t, you’re right.”
Henry Ford, founder of the Ford Motor Company.



Finding more of the right customers

Target the right customer

Generally, the fastest way to build your business is to choose, or target, who you want to market to. Every market or niche has a small number of ‘ideal buyers’ versus ‘all buyers’.

Who is the best customer for your product or service? Do you know the profile of your ideal customer? Knowing this can help ensure you are focussing on the right market. For example, your target customer might have the money to buy regardless of whether they want or need what

you are selling. They might live within 30 minutes’ drive and continue to give your business regular monthly cash flow (or repeat sales) via the substantial monthly orders they place. They might drive a modern car and own their own home.

Many business owners have experienced the results of a poor marketing strategy. An advertisement can generate many phone calls, but if they are the wrong callers, it won’t generate sales, only cost you time and lost opportunity while you take the calls. Lead generation does not just mean more customers, it means more of the right customers. In terms of budget, when you are using the target strategy, it’s better to spend a lot of dollars getting a few of the right customers than a few dollars spent on a lot of the wrong customers. (More on this later.)

Interlease is a commercial finance company with offices in Melbourne and Sydney. To help increase quality leads, Interlease engaged a marketing coach. Together they analysed where the highest-quality leads were coming from and segmented the customer database into three key groups.

“Having defined our customers, we were able to design marketing materials tailored to the unique needs of these three segments to ensure a better understanding of our products and services.

“The result has been an increase in response from the three key segments, a better understanding of what Interlease can offer in the market place, and strong high-quality sales leads.”

Rod Toomey, director Interlease Company Pty Ltd

Examples of target marketing

1. You are a computer dealer with a repair centre, but no retail shop front. Your ideal target customer might be:
 - Chief information officers/chief financial officers from Top 500 companies
 - Purchasing/procurement managers from Top 500 companies
 - Businesses located within a 5km radius of your repair centre
 - Private customers, a high percentage of whom are white collar (hence needing new computer equipment)

- Growing businesses
- Well-financed businesses.

This does not mean you should exclude all other business opportunities, but it does allow a sharper focus when it comes to marketing. Having a clear understanding of your target market can help you avoid being distracted by well-meaning sales reps whose marketing options are not aligned to your business needs. It also allows you to really focus on getting ‘inside the shoes’ of this ideal customer. You need to ask questions such as:

- What do they read?
 - What websites do they visit?
 - What associations are they members of?
2. You are a restaurant supplies manufacturer and you want to target the owners of restaurants and cafés online. You know one of the biggest problems faced by these business owners is acquiring and retaining good staff, so a place to advertise your particular product or service might be on recruitment websites advertising for restaurant and café staff.
 3. You are an accountant who wants to service a few wealthy clients rather than a large number of lower-income individuals. You have a total budget of \$5,000. Instead of sending out 5,000 letters at a cost of \$1.00 each, you decide to buy 10 bottles of Grange at a cost of \$500 each and send them with a personal note to 10 potential clients that meet your ‘ideal customer’ profile or criteria.

These tactics are not just for small businesses, but large ones too. One of the more successful campaigns run by a major bank to win new rural customers (farmers) for its commercial division was to direct-mail each highly targeted potential customer a fence post.

The consumer buying path

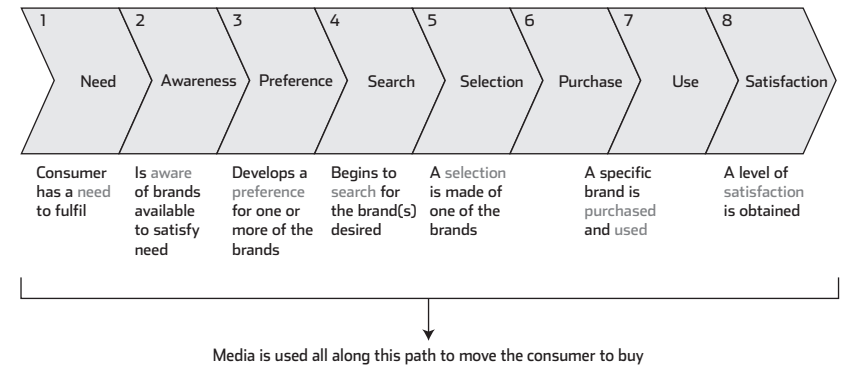
You need to know what the purchasing process is for your ideal customer. For example, having a need and awareness of options is where advertising plays a role. Sometimes the need is established very quickly. Consider waking up one cold morning and finding the hot water service is not

working. You have a need and you want it met quickly. You are going to make a decision on a purchase far quicker than you would for a new lounge suite. This is when directory advertising such as in Yellow™ is unbeatable. (More on this in chapter 14.)

In the hot water example, as a supplier of this product you need to have a constant level of advertising ‘noise’ in the market. You cannot pinpoint exactly when your ideal customer is likely to need your product, but you do know what they want...a hot shower fast!

This diagram describes the buying process we tend to go through for any product and service.

The consumer buying path



Source: Business Performance International and Bill Lang International

Know your customer

The questions you should ask about your ideal customer are:

- Who are they? What values, aspirations do they have?
- What do we know about their relationship with our category?
- What do we know about their relationships with other brands in our category?
- What do we know about their relationship with our brand?
- What do we know about their relationships with advertising?
- What do we want them to do?

- What are the reasons they are not already doing what we want them to do?
- What can we say and do to achieve the results we want?
- What are good marketing opportunities to reach our ideal customers?
- What has or has not worked well in the past?

Customer segmentation

Let's look at some approaches to defining your customer base and at some of the attributes of each category.

An ageing Australia

Australia, like most countries in the western world, has an ageing population. This is expected to accelerate over the next 20–30 years. While Australians are ageing, many of them are refusing to grow 'old'. As the population ages in Australia, changing trends are impacting growth in different industries. Let's look at some of the fastest-growing categories in the Yellow™ directory in the last four years:

- Wellness
- Health
- Fitness and Exercise
- Finance.

The ageing population also appears to be creating new business avenues, as demonstrated by a number of new and amended category headings in the Yellow™ directory:

- Exercise Physiologists
- Cosmetic Surgery
- Pharmacists – Consultants
- Aged Persons' Support
- Massage Therapy Courses
- Medical Centres
- Scooters – Mobility
- Child Health Centres/Support Services
- Solarium/Tanning Centres.

Generation Z

Generation Z, born after 1994, has grown up with PlayStation, Xbox, the internet on their mobile phone, and Pay TV. They could also be known as the 'On-demand Generation'. These youngsters know they can get whatever they want, whenever they want, from whomever they want. They don't watch advertisements unless they are truly entertaining and they tend to exert maximum influence over parents at an early stage. They truly have 'pester power' down to a fine art. They are technically savvy. If they borrow your mobile phone, don't panic. They are probably not about to call the USA, but just want to play games on it, games you probably didn't even know you had!

Companies that manage their brands well are able to cover multiple segments. For example, you might find Generation Z don't recognise brands such as Microsoft and Sony, but they do know PlayStation and Xbox. This illustrates how both Sony and Microsoft are managing their brands at a generational level.

Generation Y

Generation Y, born between 1976 and 1994, is known as the youth generation. When selling to Generation Y, you should be authentic, be honest and don't try to be cool to appeal to them. They actually understand they have to pay extra for solid, reliable service. Remember this is the group that most likely had their mobile phones disconnected by One.Tel and lost their flights with the collapse of Ansett. Generation Y most importantly communicates via multiple methods, and few of them are face-to-face. They are generally comfortable with SMS text, email, instant messaging, blogs and podcasts, and they like to feel they can interact with your brand.

The danger with some of these classifications, and especially generation Y, is there is an amazing difference between early and late generation; i.e. a 15 year old and a 25 year old. So your target marketing needs to be much more tightly defined or broken into sub-groups.

Generation X

Generation X is almost the forgotten generation. This generation, born between 1965 and 1975, is an entrepreneurial group that has had to deal with some major shifts in the world and economy over the years. No more 'jobs for life' and only one or two career changes, for starters. Keep in mind their baby boomer parents stressed the values of loyalty, trust in big brands and family values.

Generation X-ers have lived and worked through the dot-com boom and many have embraced the entrepreneurial lifestyle and started businesses on their own. Many have their own family, tend to be business/marketing savvy and are usually busy. When selling to Generation X-ers, it is important to get straight to the point. They are busy and won't hang around to see through the hype.

Generation X-ers are part of the computer age and, like Generation Y, are usually very comfortable communicating via email and SMS. They especially like to use online tools. Before you approach Generation X-ers with your marketing, you are best to ask which method they prefer to use and then communicate that way.

Baby Boomers

Baby Boomers are those born between 1946 and 1964. They are the wealthiest generation ever, and most are in a hurry to spend their wealth.

Events such as 9/11 in the United States and the Bali bombings are just more reasons for this group to live their dreams. This group has helped drive major economic change in Australia including:

- Sea change (seaside living)
- Tree change (rural living)
- Caravan sales
- Boat sales
- Prestige car sales
- Growth in small business
- Wealth management
- Cosmetic surgery
- Health retreats

- Organic food
- The wellness industry.

To name just a few.

Boomers generally like face-to-face relationships, at least in the beginning. That's how they have always done business. They usually like to keep young, they like to look young and they want it all now. They tend to live for the moment and have realised they can't take it with them so many are spending the inheritance Generation X and Y would otherwise have received.

Again, lumping all people aged more than 43 into the Boomer category is too limiting so further segmentation could be:

- 43–61 = Pre-retirees
- 62–75 = Active retirees
- 76+ = Seniors.

These groups should help you define your market, but if you are one of the many Australian business owners who say "I sell to everybody" then there is another method of segmenting markets. This new method is known as New Economic Order (NEO) marketing, and refers to segmentation based on behaviour i.e. what you do rather than who you are.

NEO marketing

NEO marketing comes to us from the Australia-based Centre for Customer Strategy (CCS). The CCS believes target customers can be divided into just three groups: NEOs, Evolvers and Traditionals. The CCS believes there are some five million NEOs in Australia. But what is a NEO? They are not defined by age, geography or sex. They are defined by their behaviours. Following are some behaviours usually exhibited by NEOs (based on a comparison with Traditionals):

- Buy twice as many books
- Fly three times more frequently
- Drink four times more premium wine
- Eat at restaurants five times as often
- Utilise phone and internet banking five times as often

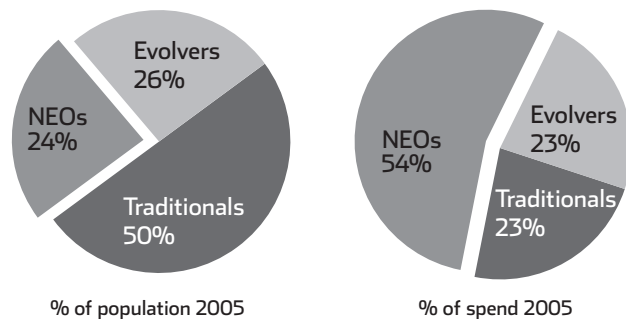
- Use mobile phones three times as often
- Use technology to accelerate time
- Cherish change
- Have a sense of style that fuels spending
- Explore the world via relationships
- Insist on authenticity
- Insist on individuality.

Traditionals

Traditionals are an important market too. Traditionals like stability and preserving wealth. They define themselves by their job titles and status symbols. Think of a person in their 70s, managing their superannuation online, and comfortable communicating via a personal digital assistant like a Palm Pilot or Blackberry device. This person is a NEO. Think of a person in their 30s who has just bought their first pre-paid mobile phone. They rent because they don't want to take on debt. This person is a traditional. Traditionals can be wealthy – they just don't tend to buy as often as NEOs.

To small businesses, this research is important because, while NEOs only represent around 25% of the population, they represent some 50% of consumer spending according to the CCS, and this is growing as more Traditionals become NEOs.

NEOs in Australia



Source: NEOs Ross Honeywill, Verity Byth 2004

Tools and techniques to acquire the right customers

Once you have established who the right customer is, there are a number of channels through which to acquire these customers, including:

- Broadcast advertising
- Search engine marketing
- Online marketing
- Voice/wireless/mobile marketing
- Local advertising directories
- Direct marketing
- Telemarketing
- Joint promotions
- Referrals programs
- Word of mouth.

We will discuss these mechanisms in subsequent chapters, but first let's cover off three low-cost techniques: referral programs, joint promotions and word of mouth.

Low-cost ways to target your customer

Referral programs

One of your most powerful marketing tools is your existing customer base. They have already dealt with you in some capacity (e.g. purchased your product or used your service) and, assuming they had a good experience, they are likely to be happy to continue dealing with you in the future.

Referring simply means asking your existing customers to introduce your business to people they think may be interested in your products and services. In most cases, people won't believe what you say about your business, but if someone they know says it, then it must be true! This technique is simple, effective and cheap. Your new customer is likely to be happy because they feel they can trust your products and don't have to search around to find a good supplier. The referring customer is likely to be happy, especially if they are part of your customer care program and can receive a benefit or bonus for the referral (more on this later). And you are happy, as you have potentially increased your turnover with minimal cost.

Joint promotions

A joint promotion, in its purest form, is the process of working with another business for mutual benefit. In essence, a joint promotion is about adding value to sales propositions. To identify ideal joint promotion partners, you need to know your target market and what, outside your products and services, they are interested in. A used car dealer would not benefit from teaming up with a toy shop, but might appeal to the same audience as a driving school.

Once you have identified potential joint promotion partners, you need to consider what will appeal to them without diminishing their own offering. For example, a used car dealer would probably not be interested in a partnership with a new car dealer – they are direct competitors. Take a minute to answer this: “What could I give another business owner that will benefit their relationship with their customer in return for referral business?” Some examples:

1. A beauty salon offers a free leg wax to anyone who visits a neighbouring hair salon. The hair salon gets to give something for free to their potential customers, and the beauty salon has the potential to win a loyal customer.
2. A dry cleaning business offers a 50% discount to anyone who visits a nearby tailor. The tailor offers one free hemming service to people who visit the drycleaner. Both businesses benefit from potential new clients and improved relationships with their current customers.
3. A car wash offers a free vacuum to potential customers of the local tyre centre. People who are considering new tyres might be in the mood to have their car washed and vacuumed.

The problem with many businesses is they generally rely heavily on just one or two forms of marketing. If you form 10, 20 or 50 joint promotion partnerships, you could potentially open the door to a constant stream of customers and substantially broaden your market. Consider what the return on investment might be when your initial outlay for a joint promotion giveaway is targeted versus a mass approach for the same outlay. Remember, a client who is given a free leg wax worth \$20 could

end up spending the same amount once a month, if they are happy with the service... that's a great return on investment over the years!

Word-of-mouth marketing programs

Word-of-mouth (WOM) marketing programs have generated some real momentum in recent times. In the United States, they have even established the WOMMA, Word-of-Mouth Marketing Association. WOM is all about recognising one of the best forms of advertising you can have is a recommendation from a friend or a trusted source. So WOM marketing is all about educating the person or trusted source about your product or service so they refer it to others. This method requires a strong understanding of your ideal customer, who they listen to, and who they consider their mentors. Coca-Cola employed WOM with the launch of Coke Zero. The company provided Coke Zero to key ‘influencers’ in its target market a few weeks before it started its mainstream advertising. You can do this in your business. For example, a sports equipment manufacturer might provide some free products to the leading sports clubs in their area. They can give them for free or for a trial period, and they can ask for feedback in return. This is not the same as sponsorship which we will discuss later.

WOM also covers areas such as people talking about your product in emails, blogs and at social gatherings. A key point is that you, and whomever you select to trial the product or service, should be up front about your relationship. This only enhances your name as it shows honesty and integrity. A downside of WOM is if your product is not up to scratch, you may receive negative feedback, which tends to spread faster than good news.

How much should I spend on acquiring new customers?

Acquiring customers can be the most expensive component of marketing and in order to preserve cash flow you need to spend wisely. Many small businesses have grown with little or no advertising. They have, however, often spent money on other forms of marketing. You can reduce your marketing spend by investing your time researching your target market. Before you go down this path though, ask yourself a couple of questions: How much is my time worth? Remember time is money. It is not free.

How would your mentor or an entrepreneur do it? Investigate the cost of a professional marketer. Sometimes what seems like an expense can save or make you money in the long run.

Methods for setting a marketing budget

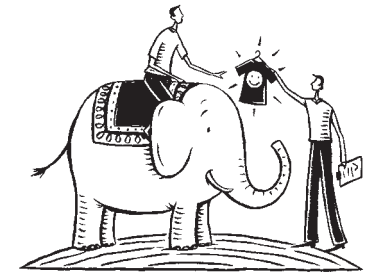
- **Affordable method** – setting the budget at what the company can afford
- **Percentage of sales method** – setting the budget at a determined percentage of current or forecasted sales, or as a percentage of sales price
- **Competitive parity method** – matching competitor spend
- **Objective-and-task method** – defining specific objectives and setting budgets for those objectives to be achieved

Again, know your customer base and their buying cycle. Remember to factor in such things as:

1. **Seasons** – allocate money to promote summer and winter sales
2. **Events** – allocate money to promote occasions like Mothers' Day, Fathers' Day, Christmas, Valentines' Day
3. **Rev-up promotions** – allocate money to respond to economic issues such as interest rate rises.

“When we think sell, we are in our heads.
When we focus on buy, we are in the buyer's head – that's where the action takes place.”

Kerry Randall, marketing consultant and author



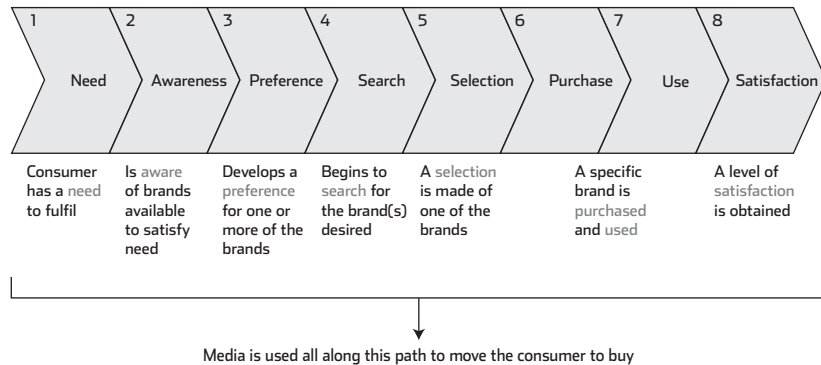
Turning browsers into buyers

Stop selling

The best way to get people to buy from you is to stop selling. How much easier is it to sell to someone who has been referred to you and wants to buy from you? You know from your own experience that when you want a CD or a pair of shoes, you just want to buy it. Anyone vaguely connected to the store where you are making the purchase will do as a sales person. Why?

- When you are selling the buyer is in control
- When someone wants to buy the seller is in control
- The role of marketing is to create a need for the buyer.

The consumer buying path



Source: Business Performance International and Bill Lang International

In the previous chapter, we discussed this diagram and identified methods of finding the right customer (steps 1–4). Now we will discuss steps 5 and 6.

Why people buy

Let's discuss the decision-making process.

People generally use their emotional right brain and their rational left brain when making decisions, but vary in which they use first or more often. As a rule, people also like to avoid pain. Various worldwide research suggests, more often than not, people buy emotionally and explain rationally. This applies to wants versus needs. In the previous chapter, we talked about a customer whose hot water service had expired. In that case: wants = hot shower, and needs = hot water service.

In his book *Welcome to the Creative Age*, Mark Earls talks about his involvement in some research for a leading women's shoe retailer which was trying to re-ignite its brand. Initial feedback from focus groups indicated the number one reason women said they bought shoes was because the others had worn out. That was the rational reason. Further questioning revealed the emotional reasons: because I had nothing to wear; because it

was a special occasion; he had seen all my other shoes; I had just bought this great new skirt and none of my shoes went with it. You get the picture. People are overwhelmed today with statistics, figures and rules: don't do that, don't eat that, have more of this, try a little of that. We have learned to filter our information according to our needs and wants.

Emotional rescue

So the important message is: when you are marketing, don't try to squeeze into the rational side first. Emotional engagement is what people are usually seeking. Have a personality they can respond to. Sell the emotional connection first and then provide rational reasons for the purchase.

Why people don't buy

Some of the reasons why people may not buy from you:

- **No trust** – you have not established trust with the buyer
- **No need** – they see no need for your product at this time
- **No help** – they cannot see how you can help them
- **No hurry** – they may like the solution you have but don't need it now
- **No money** – they don't have the money. This reason is last, as the availability of finance and the level of credit card debt in this country suggests when the want is strong enough, most people are able to find the money.

How do you establish trust?

Trust, or a lack thereof, is often considered the number one impediment to people buying. So how do your brand, your business and your staff establish trust with your customers? Businessman Bill Lang has developed what he calls 'The 4 Cs of establishing trust':

Character – what does your brand stand for? Your values? Your ethics?

Commonality – do you appeal to the target market? Do they want to associate with you?

Credibility – is yours a credible brand? Do you know your market and your products?

Competence – are you competent? Do you have a reputation for product quality?

If you can answer yes to the above, people are likely to feel confident purchasing your products and services. These four Cs apply to your staff as well as your brand. Following are some examples of words that might be used in your communications to help create trust:

Deserve	Save	Proud
Understand	Proven	Love
Health	Easy	Vital
Results	Value	Safety
Guarantee	Trust	Truth

And some example of words to avoid:

Deal	Lose	Hard
Pay	Obligation	Liabile
Loss	Try	Worry
Fail	Liability	Sell
Contract	Sign	Difficult

Browsers versus buyers

When designing an advertisement, it is vital you understand the buying cycle as outlined in the previous diagram. You should also know which stage in the buying cycle you are targeting with your advertisement.

For example, an advertisement in the Yellow™ directory should appeal to buyers. People who go to Yellow™ are looking to buy a specific product or service to suit a need; they are not reading the directory or searching online for fun on a Sunday morning (more on this in chapter 14).

In contrast, an advertisement in a newspaper should appeal to browsers. People who read the newspaper might be doing so for news, leisure or information about a funeral, so you need to stand out and convince them of a need to have your product or service.

Turning browsers into buyers

1. Develop rapport – the three essentials for developing rapport are:

- They like you
- They trust you
- They respect you

A technique used for building rapport with strangers or new potential customers is the FORM technique. You ask questions about one or more of the FORM topics:

F = Family
O = Occupation
R = Recreation
M = Money

If you can't build rapport with someone with the FORM technique, you are probably talking to a brick wall! Rapport helps develop trust, but can also help determine whether someone is a potential customer.

Some further tips to help develop rapport:

- Address your customers' goals and think from their perspective and need. (Be more concerned about them than yourself)
- Have tremendous empathy. Be more interested in them than anyone has ever been
- Have a sense of humour
- Be a great listener
- Match and mirror your potential customer's voice and body language. The sub-conscious will make the connection that you are 'like them.' (If the person talks fast – talk fast. If they talk slow – talk slow).

2. Establish need

Everything starts with the potential customer. You need to understand what they want. You have to put yourself in their shoes because sometimes they don't even know what they need! Asking questions is the best way to do this.

3. Build value

Once you know your potential customer's needs, you should give a little information about yourself, your company and your product:

- What is your reputation in the marketplace?
- Why is your product or service valuable to the potential customer?
- Tell them something they don't know about the market. This will make you valuable and credible to your potential customers!
- You should also tell them about the 'value' of being involved with your company – the reasons why they should deal with you.

To build value in the potential customer's eyes, you should stress the quality of the product or service you offer. Give a formal education...not a presentation. Presentation generally means you will try to sell to them. Education means they will learn something of value.

4. Build desire

You create desire with a mixture of problems and solutions. Remind the potential customer of their problems and show them how you can solve them. Create the pain and supply the pleasure! If your potential customer is comfortable with their current situation, they are not motivated to change. You can try to make them feel uncomfortable with their current product or situation to create the desire for your product.

Motivating potential customers with problems

People will move faster to solve a problem than they will to gain a previously unrealised benefit. Few people are interested in seeing their dentist in order to prevent tooth decay, but as soon as they have the pain of a diseased tooth ...snap! They are off to see the dentist to get rid of the pain.

Motivating with benefits

People try to avoid problems or discomfort by finding solutions and pleasure. Features tell, but benefits sell. Don't tell them what it is, but what it will do for them and why they should have it. The better you are at painting elaborate pictures of their wonderful future (with your product or service), the more desire you will evoke. Have a contest to see which staff member can create the most desire, using problems and solutions as the motivators.

5. Overcome objections

The toughest objections to overcome are those that are unknown! To avoid objections, you must thoroughly qualify while establishing need. The key is to ask questions, questions and more questions. The more questions you can answer, the closer you are to a sale.

- Ask what they think
- Do they agree?
- Ask if there is anything that will stop them from doing business with you.

If you have done a good job so far...Rapport – Need – Value – Desire... you shouldn't have too much trouble overcoming objections. Objections are good. Objections mean you are well on your way to a sale, as the customer is telling you what is holding them back. The key is to listen.

6. Close the sale

Don't lose sight here – the sale can still be lost if you don't give the customer the right level of attention and understanding. This is your opportunity to reaffirm their decision and make them feel like they have had a good time...this is a great opportunity to give them reason to return.

- Re-affirm need established in the qualifying questions, use hot buttons and close with their words
- Use true and positive assumptive statements like...“When you get home this product is going to solve that problem you mentioned before...” “Of course you want to...” “When you get started using it, you will. . .” “Do you want the standard model or the deluxe?”

- Use closing phrases like... “Should we send the bill to you?” “Would you prefer to pay with cash or credit?”

Guarantees

Why use a guarantee? Humans are naturally programmed to do two things:

- Avoid pain
- Gain pleasure.

Every time a customer is in your business, they are surrounded by products and services that could bring them pleasure. The reason they don't buy everything in sight is because there is some perceived pain in the buying process. Often this perceived pain is more than just the money. They are happy if the money is worth the benefit. In order for someone to make a decision to buy, the perceived pleasure must be greater than the perceived pain.

A great way to change the perception of your products and services is by offering a strong guarantee that reduces or addresses the risk perceived by the customer (i.e. a large part of the perceived pain).

Here are just some of the things customers could be thinking about at a subconscious level:

- If this product does not work, I will have wasted my hard earned money
- If this person does not deliver what they promised, I am going to look like a fool
- If I get sold a bad product, I will feel cheated and gullible
- If this does not turn out the way I planned, I'll have wasted my time and risked my ego.

These are all very real risks in the minds of customers. The customer needs to know, at the moment of purchase, that risks have been weighed and addressed.

There are four steps to designing a guarantee.

1. Make it very specific
2. Make it better than money back
3. Make it unique
4. Make it relevant.

When designing a guarantee, you should not design one that puts the company at risk legally. You should consult your lawyer to check what your legal obligations are with respect to your proposed guarantee. Put yourself in your clients' shoes. Consider first what you do when you have a faulty product or service. What are your obligations according to law? What is the minimum action you would take, without a second thought, to rectify the situation? Obviously, you will also need to be comfortable you are able to satisfy and meet the relevant guarantee you are making.

Then consider what you do as a matter of course in your everyday business that your customer does not realise, or simply takes for granted.

For example, you are a manufacturer and your average turn-around time for production is two days compared with the industry average of six days. If you can consistently make this timeframe you might guarantee to: “Deliver in five days or it is free.”

Here are just some of the places your guarantee might appear:

- On your letterhead
- On your business cards
- On your fax header
- On all outgoing correspondence
- On your website
- On the counter
- Behind the counter
- On every desk
- On your receipts
- In any advertising

A powerful by-product of implementing a strong guarantee is what it will do to your business' performance. As soon as staff associate risk with non-performance, it is amazing to see what lengths they will go to please.

The most common fear business owners have of offering a strong guarantee is basically ‘being ripped-off’ by the general public. For example, they might worry people will buy the product and use it for their immediate need then return it for a full refund under the guarantee offer when really they have just grown tired of it or no longer require the product or service. The reality is, the percentage of people out there who will rip you off is likely to be negligible when compared to the extra business you may generate. Provided you are comfortable you are able to meet the guarantee you are making this should not cause you concern.

Don't call me

Legislation to establish a national Do Not Call register in Australia was passed by Federal Parliament on 30 June 2006 and came into effect in May 2007.

The Do Not Call Register was established in response to growing community concern about the receipt of unwanted telemarketing calls. Receiving unwanted telemarketing calls can cause inconvenience to consumers, who can find such calls very intrusive, and feel they impact on their personal privacy. The Australian Government views the register as being a very important way of addressing these concerns.

On 3 May 2007, the Minister for Information Technology and the Arts, Senator Helen Coonan, launched the Do Not Call Register. In its first 12 months more than 2.3 million people had registered their phone numbers not to receive unsolicited telemarketing calls.

“Your customers don't care how much you know.
They want to know how much you care.”
Matt Clarkson, Managing Director, Megahits Media



Winning the customer's heart

One of the biggest mistakes a business can make is forgetting to maintain a relationship with a new customer. New customers are important, but we often put a heap of energy into turning a potential customer into a customer, and as soon as we make the sale, we forget all about them and start chasing more new customers. This is a terrible mistake because in any good business you could make most of your profits out of additional sales to your existing customers. Let me repeat that. The really big profits in your business could be in increasing sales to the people who are already your customers. Why is that? Because it is generally much easier, and a lot cheaper, to sell something else to

an existing customer than to find and win a new customer. This means they should be more profitable. One of the biggest obstacles you have to overcome when selling is earning the trust of a new customer. On the other hand, if you have already sold something to a customer and they trust your product, chances are they will want to buy more from you. Your odds of selling something else to them can increase dramatically.

Think like a premium brand

A premium brand like BMW probably knows its customers are not going to buy a new car every few months, but that's no reason to sever the relationship after a customer's first purchase. That's when ongoing communications through a regular newsletter or loyalty program are a good idea, provided you have the customer's permission to contact them in this way. You can use these methods to provide product updates, news about your business and special offers for your customer base. By maintaining a relationship with your customer, there is a much higher chance they will return and buy in the future. Let's look at how profitable an existing customer could be to your business.

The value of a customer

Have you ever stopped and actually worked out the lifetime value of a repeat customer? The lifetime profit value of a regular customer can be determined by the following formula:

$$L = (P - C) \times S \times Y$$

Where:

- L = Average lifetime \$ profit per customer
- P = Average \$ sales value per visit
- C = Average \$ costs per sale
- S = Average no. sales per year
- Y = Average no. years as a customer

Let's take a moment to do some quick calculations using a beauty salon as an example. Jane is a regular client at your salon and has her legs waxed every six weeks. Each time she comes in, she spends \$35 on a treatment.

Over the course of one year, Jane will visit you at least eight times. Let's assume the average gross profit is \$14 per sale and a gross profit margin of 40%. Let's work it out:

- P = \$35 average \$ sales value per visit
- C = \$21 average \$ direct costs per sale
- S = 8 average no. sales per year
- Y = 1 average no. years as a customer (for the sake of this exercise we'll say one year, but it would likely be longer)

$$L = (\$35 - \$21) \times 8 \times 1$$

$$\text{So } L = \$112 \text{ average lifetime } \$ \text{ profit per customer}$$

Now let's assume you were able to sell Jane an eyebrow wax for every visit at a cost of \$15 (with an average gross profit of \$10 per sale). The total sale is now worth \$50, the gross profit is now \$24 per sale, and your total gross profit margin is 48%. Let's work it out:

$$L = (\$50 - \$26) \times 8 \times 1$$

$$L = \$192 \text{ in gross profit per year to your business.}$$

That represents an 80% increase in gross profit from Jane in one year! Over five years, Jane could be worth \$960 in gross profit, and over 30 years, \$5,760 (not taking price increases or staff costs into consideration). It may not seem like much for one person over 30 years, but consider if all your customers were like Jane.

- If you had 100 Janes spending \$50 at your business every six weeks? Over five years, their business could be worth \$96,000 gross profit.
- If you had 500 Janes spending \$50 at your business every six weeks? Over five years, their business could be worth \$480,000 gross profit.

So, can you afford not to have a strategy in place to increase the sales value of your current customer base?

How much have you invested in your customers?

You may think your customers are not worth spending any money on to retain. Let's look at how much you have already spent on them before you walk away from your investment.

(a) How long have you been in business?	4 years
(b) How many customers do you have?	1,200
(c) How much do you spend on advertising?	5,000 p.a.
(d) How much are your overheads (rent, wages, etc)?	195,000 p.a.

So how much you have already spent to acquire and serve the customers you have?

$$\frac{(c) \ 5,000 + (d) \ 195,000}{(b) \ 1,200} \times (a) \ 4 = \$800,000$$

In this example, that's \$666 per customer!

Do you treat every customer as a valued client?

You should also consider the average gross profit of each customer over the same period. If it is less than your investment (in this case \$666), you need to reduce your outlay, or increase their sales value.

Three ways you can increase your customers' sales value include:

1. Give them a reason to buy from you more often
2. Up-sell or cross-sell new products at point of sale
3. Increase profit margin per item by paying less for your stock or charging more for the sale.

Remember, you have already done the hard work of getting these customers through the door, now capitalise on it! One of the best ways to do this is by introducing a customer loyalty program.

Easy ways to drive loyalty

Ensure you have permission from your customers to maintain contact with them and then try some of these simple, cost-effective ways to develop customer loyalty for your business:

- **Birthday card** – a simple and easy way to recognise someone. Always bundle a free offer or a voucher in to make it special
- **Anniversary card** – celebrate the date you started doing business together just to show how much you value the relationship
- **Unexpected gift** – often called a 'surprise and delight' strategy. Provide movie tickets, an exclusive offer or hamper. These work well just after a large purchase
- **Educate your customers** – keep them up-to-date by providing them with newsletters, seminars and helpful tips for them
- **Be a resource** – have a secure clients-only area on your website with exclusive information only they can access
- **Keep fresh** – keep your marketing materials and business looking fresh. This includes points of sale, your website, and your shop front
- **Keep innovating** – consider using new methods to communicate with your customers: SMS reminders for appointments might be helpful, or video streaming your newsletter on your website
- **Add value** – establish a joint promotion, as discussed previously, to provide added value to your customer's experience.

Loyalty programs

Many businesses invoke the '80/20 rule', 80% of sales revenue comes from only 20% of customers. Your most profitable customers might also be your competitors' most profitable customers, so the aim behind loyalty programs is to reward customers for their loyalty to you as their preferred supplier. Perhaps the most known of loyalty programs are the frequent flyer programs offered by the major airlines. These are aimed at inducing customers to use one airline exclusively via a points system, the main benefit of which is free travel. A successful loyalty program is one that stops the customer shopping around your competitors for a better price.

In a nutshell, an effective loyalty program is one that's mutually beneficial for both parties.

Elements of a good loyalty program

- The perceived value of the redemption rewards: The greater the perceived value of the rewards, the more interest you will generate in the program, and the more often your customers are likely to purchase
- The range of choice of the rewards: The greater the variety of rewards available, the higher the percentage of your customer base likely to join, as you are catering for a wider range of tastes
- The perceived likelihood of achieving the rewards: Your customers have to believe they will be able to achieve these rewards in a reasonable period of time. Instant gratification is a stronger influence than delayed gratification
- The program's ease of use: Your program is unlikely to work if your customers need a PhD to work it out
- The psychological benefits of belonging to the program and accumulating points: The more special the customer feels, and the more satisfaction they derive from being a 'privileged member', the more enthusiastic they are likely to be about visiting your business more often.

Before launching your own loyalty program, see what your competitors are doing and try to improve on, or differentiate your program from theirs. Consider subscribing to or participating in a competitor's program to see how their communication and program runs from a customer perspective.

Membership cards

Membership cards are a quick and efficient way for customers to show they are part of your loyalty program, and therefore deserve special attention. You should include sufficient customer details to efficiently and accurately identify each customer every time they purchase. After all, when you are busy, you don't want customers waiting to be served, getting

angry or frustrated, while you record the details of sales transactions! Providing your customers with an individual bar-coded card is the ideal alternative.

Brochures

You should create a brochure fully explaining your rewards program. As the brochure will be one of the few 'upfront' costs, consider having it professionally designed and printed in full colour. Spend a little extra to make it look fantastic, and make sure the brochure is specific about:

- Why you are running this loyalty program
- How it will benefit your customers
- The scale and scope of the rewards or benefits they can obtain
- What potential customers have to spend to qualify, and if there are any time limits
- The mechanics – how the program works.

One of the key points to remember when you have a loyalty program is to tell the potential customer about the program before they buy. Imagine making a decision on a high-ticket item – a motorcycle for example. You do the research and choose a model. When you make your offer and the sales rep accepts, he tells you about their loyalty program. All new customers receive a loyalty card entitling them to a 10% discount on all accessories, parts and apparel! While it is great news, it is also the kind of information that might help prospective customers make their purchase decision much faster. So, in order to help the sale, they need to know before they buy not after. If you have a loyalty program, make sure every sales person knows about it, and ensure they tell every potential customer.

Affiliate programs

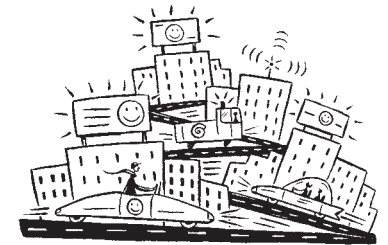
In essence, affiliate programs are when you serve as a 'host', introducing someone else's products or services to your customers by way of endorsement. This is a common practice in internet marketing because referrals are so easy to track and measure. (More on this in chapter 13).

The key benefits to your business are:

- You can widen your existing product range without having to hold additional inventory or hire more personnel. You are basically leveraging other people's investment and skill
- You can pick up additional income from your customers which may otherwise have gone elsewhere
- A fixed dollar or percentage commission from each sale can provide you with an additional profit stream
- Depending on the nature of your business, you may be able to promote yourself as a 'one-stop-shop' for all your clients' needs in a specific product category, creating a potential competitive advantage in the market.

Loyalty and affiliate programs are valuable elements of a marketing strategy. However, it is recommended, before any program is implemented, to have your accountant and legal adviser review the program to confirm there are no cash flow or legal issues which could prove expensive.

"There are painters who transform the sun into a yellow spot, but there are others who, thanks to their art and intelligence, transform a yellow spot into the sun." Pablo Picasso, Artist



Creating advertising that sells

Advertising can really make a tremendous difference to your business. An advertisement can help generate an increase in cash flow, but it can also have a negative impact on your business. Frightening, but true. This is why advertising seems such a mystery for many small business owners.

So what are some of the rules for successful advertising?

1. Get the message right
2. Know who your ideal customer is
3. Make sure your advertisement is seen
4. Make sure your message is seen often
5. Give your advertising time to work, and continue to refine it.

1. Get the message right

It is important to summarise the essence of your message in one or two sentences. This is often known as the ‘elevator pitch’. In other words, if you were in an elevator with your ideal customer, what would you say to them to interest them in your business?

2. Know who your ideal customer is

See chapter 7.

3. Make sure your advertisement is seen

This is the essence of this chapter. We are getting bombarded with various advertising messages every day. According to leading Australian media agency Mitchell & Partners, Australians are subject to some 1,500 commercial advertisements from mainstream media every week. According to consumer research company Yankelovich, in the United States this figure is actually between 3,500 and 5,000 marketing messages per day. This may seem a lot but consider the advertising messages and logos we see at the ATM, at the supermarket check-out, through paid-for product placement on our favourite TV show and in sponsored SMS messages on our phones. By now it is probably evident how much your message has to stand out in order to get through to your audience. (More on this in chapter 11.)

4. Make sure your message is seen often

This means how many times people hear, see or read your advertisement. In marketing terms it is called ‘frequency’. The more exposure your advertisement has to your ideal customer, the better your chances of them noticing it. Often this means using a variety of advertising media, such as newspapers and radio. (More on this in chapter 11.)

5. Give your advertising time to work

A long-term commitment to advertising, let’s say over a period of six months, is more likely to have an impact than a short, sharp burst. There are several reasons for this. Firstly, it takes today’s average busy

person time to notice your advertisement. Secondly, a longer advertising cycle can help demonstrate your business’ longevity, which can result in trust. Finally, it should allow you to refine your message and where you advertise, based on feedback.

Some business owners wait until their business is in trouble to advertise, then only do so for a short period of time. Then they blame their advertising for the state of the business! The reality is advertising can work if you do it well and give it time.

Writing your advertisements

Let’s consider some ways to write the best possible advertisement and communication piece for your business. We will start with the most important part of any communication – the headline.

Writing headlines

The headline can be the singularly most important element of any selling message whether written or spoken. The headline is where you should begin your conversation with a customer. It is the first thing you should state when recording a television commercial, or when meeting people at your trade show booth display. The purpose of a headline is to grab your customer’s attention. Your headline should target your customer with laser-like accuracy. One way to do this is by addressing your audience. For example, if you want to reach car owners, put the words ‘car owners’ in the headline. It should immediately and clearly tell the reader the essence of what you are trying to say in the body of your advertisement. The headline should offer the reader a big benefit right upfront. Every headline or opening statement should appeal to the customer’s self-interest. If possible, try to add some educational or informational content as well.

How many words should a headline be? When crafting a headline remember two key rules:

1. Ensure the headline is clear and clearly displayed
2. Ensure the key points are positive and personally beneficial to the target audience. You want them to feel as though the ad is written especially with them in mind.

Marketer Jay Abraham says the two most valuable words you can ever use in the headline are 'free' and 'new'. Other terms you could include are how to, now, announcing, introducing, it is here, just arrived, an important announcement, improvement, amazing, sensation, remarkable, revolutionary, startling, miracle or miraculous, magic, offer, quick, easy, simple, powerful, wanted, challenge, advice, the truth about, compare, bargain, hurry, and...last chance.

Always incorporate your unique buying reason into your headline. And make that reason as specific, desirable and advantageous to the customer as you possibly can. People are usually looking to gain advantage. We want results, benefits, pleasure or value. We want to avoid pain, dissatisfaction, frustration, mediocrity and unpleasantness. Avoid headlines that don't mean anything unless you read the whole ad. If you don't attract the audience's attention immediately with your headline, they are not likely to pay attention to the rest of what you have to say.

Be specific. Being specific right up front provides the reader or viewer with context. They can start to visualise the result, and they are likely to want to hear, see or read more. Headlines should contain words to make you want to find out more. They should also be specific. 'We'll help you make more money in 30 days' is appealing, but by presenting a solution to a specific problem: 'We'll help you pay the rent', you are more likely to reach your target audience. Australian direct marketer Peter Sun says good headlines explain how your customer can save, gain, or accomplish something beneficial through the use of your product. How could it affect his or her mental, physical, financial, social, emotional or spiritual stimulation, satisfaction, well-being or security? In short, good headlines spotlight the greatest 'benefit' you are offering a customer. Or, if you take a deliberately negative approach, they point out how the reader can avoid, 'reduce' or 'eliminate' risks, worries, losses, mistakes, embarrassment, drudgery, or some other undesirable condition by using your product or service. Whatever product or service you are selling, always, when constructing your headline or opening statement, try to remember this: Your customer is not buying a product or a service, they are buying a result. Always focus your headlines on the benefit or specific result your customer will receive from purchasing your product or service.

Use 'You'. To create a powerful headline, your message must convey benefits the customer can expect to receive. Your headline or message should not talk about 'we' or 'our' product, service or company. Each and every possible benefit or result must be written or expressed with the beneficiary's direct interests in mind. When you read a newspaper, you scan headlines to identify stories of interest to you.

Headlines should appeal to your audience's self-interest by highlighting a benefit. Here are some of the basics:

- Could it save them time? Make them money? Could it make them more beautiful? Or healthy? Will it give them more kilometres per litre? Or a whiter wash? What will it do for them?
- Don't worry about the length. Fourteen-word headlines get almost as much readership as three-word headlines. It is more important to get your message across than worry about the length of the headline.
- Put news into the headline. The news can be an improvement of an old product, the announcement of a new product, or a new way to use an old product. We are always on the lookout for something 'new'. Something that will benefit us.
- Never use headlines that are tricky, confusing or incomplete in their message. You are competing with a lot of other headlines in a newspaper or magazine. Most people are busy and read too fast to figure out what you are trying to say. They are likely to move on.
- Never use headlines that need readership of the rest of the advertisement to be understood. You are likely to lose readers. Again, most people are too busy and read too quickly to be bothered to keep on reading to find out what you are trying to say.

For the body of your ad, try to write in 8, 10 or 12 point type. Most of your reading is done in newspaper-size print. You will usually find oversized-type does not pay. Double your size and you double your cost. If your story is interesting, people should read it in their usual type. If it is not, they are unlikely to read it in any size type.

Don't use capitals. Most of our day-to-day reading is done in upper and lower case type. We are used to that. Reading capitals can take time to adjust. You may lose readers as a result. Follow the natural and usual format.

Non-specific claims don't count. Give actual facts and figures where you can. To say something is: 'The best in the world' or 'Nearly 7,000 have been sold' or 'Great service' is unlikely to make an impression. People can't relate to non-specific claims and may lose respect for you for perceived exaggeration.

Factual and accurate statements such as: 'People from 38 countries have tested our product' or '6,586 have been sold' or 'You'll have it delivered in 4 hours or it is free' are more specific and therefore more likely to be believable. It is very important to remember whenever you are making any claims or statements (whether in headlines or elsewhere) they are factually true and accurate. Here are some of the basics:

- If you demonstrate your factual research by saying: 'Our product will last up to 37% longer than similar products', people will realise you have made comparisons and may be more likely to trust your offer. Remember you need to have evidence to back up these types of claims!
- Prevention does not sell effectively. Cure does. Often we will wait for a problem to exist before we solve it, but as soon as a problem exists, we look for a solution. Focus on solutions.
- Learn which headline most appeals to your target customers. You can dramatically improve the results of your ad by changing your headline. A headline can act as a flashing light with a person's name on it. You select what you read by headlines. So it is with ads. You must always measure what effect a change in headline has on your results.
- Don't rely on your own judgement and experience in advertising – especially when it comes to headlines. Test everything you do with your specific audience. Your audience is likely to see the headline differently so, as with new products, prices and guarantees, test your headline with the target audience.

Writing effective letters and sales copy

Once you have constructed a compelling headline, you must structure the copy, or the body of your letter or ad. This is where you write a story describing your business in the way a customer will want to experience it.

So what is it you are trying to say? If it is your Yellow™ ad, you need to let the client know precisely why you are better than your competition. Tell them all the things you do that your competitors don't.

Tell them about your extra service, your guarantee, and your friendly staff. Be sure the copy clearly communicates how and why your company is better for them. Always be specific and honest (keeping in mind your legal obligations). For example, don't say: 'We serve you better than anyone else.' That's not specific. You should say: 'We will provide an obligation-free quote', 'We will respond to your request within 24 hours' or 'We will deliver your goods within five working days or delivery is free.'

You should write your ad the way you speak. Don't make it cumbersome and wordy. Just write it like you say it. If it sounds too 'sales-like' it is less likely to appeal. You want to be clear, precise and customer friendly.

Use testimonials in your sales copy. This is a simple but powerful tool that can dramatically increase your response rate. Ask your current satisfied customers what they think about your product or service. Ask them to explain what their need was and how it has been met. For example, they might say: "Before I found Jane I had no idea about marketing my business. I ran ads but just wasn't getting the response I thought I would. Jane showed me how to implement just a couple of simple changes, and my profits have tripled in two months – that's an extra \$10,000! I'm really looking forward to using more of her strategies."

Provide an 1800 or 1300 number or a recorded message service. Some customers may be more likely to contact you if you provide a free mechanism for them to do so. Some customers prefer not to deal with anyone directly and may be more open to leaving their details on a recorded message.

Include coupons in your sales copy. A coupon customers can tear off or cut out and put in their pocket or purse can act as a prompt. Instead of a customer reading an ad and forgetting it as soon as they move on to the next, the coupon can act as a reminder to purchase.

Make a timed offer. This is important and should be considered as part of all your letters and ads. Just like the coupon it gives a 'call to action' but a deadline can be effective because, generally, people don't like to miss

out. A deadline can be a very effective tool for increasing an ad's response rate, and it can also help you keep a control of budget. It may be difficult to plan your budget if you are still providing a discount from an ad you ran two years earlier.

Make it a limited supply. Again it forces the reader to 'act now.' This works in the same way as the timed offer because there is a chance you will miss out if you don't do something about it right away. And this is another way of managing the financial impacts of your campaign. Just make sure there is enough supply to satisfy reasonable demand.

Use trial offers. This can be a very powerful tool. We don't like to feel at risk, particularly when buying something for the first time. For low-cost products such as food, beverages and high-repeat sale items, a free sample can be very encouraging. For larger items, a free trial or an inspection period might be preferred.

Slogans

A slogan is your Unique Buying Reason (UBR) in action. Slogans should be an extension of your UBR and not conflict with it. Slogans can also change over time as a business develops. Below are some guidelines to assist in the development of a slogan for your business.

1. Decide on your objective. Is it to:
 - Build company awareness?
 - Create customer loyalty?
 - Create controversy?
 - Establish credibility?
 - Re-position the business?
2. Develop a list of key words and phrases aligned to your objective. For example, if you were looking to develop a slogan around credibility and experience, you may choose words and phrases like:
 - 30 years in business
 - Strong, stable management
 - Reputation
 - Proven
 - Track record
 - Prestige.

3. Consider where the slogan will be used. This can help determine how long it should be, whether it needs a logo to accompany it, choices of colour and even style of writing. If you are going to use it across different mediums, make sure it works well (some things that work on TV, don't translate on radio). Consider some of the following mediums:

- Letterhead
- Website
- Business cards
- Telephone messages
- Retail packaging
- Order forms
- Advertising.

4. Be creative – remember, you need to stand out.
5. Seek legal advice to ensure your brand is protected and you are in fact able to use it. You may need to register an internet domain name of your slogan to protect it online, for example.
6. Test your slogan before final implementation. Remember your customer may have a different perspective to you as the business owner. Make sure you test it with a sample group.

Some examples of slogans are listed below to inspire you:

- We try harder – Avis
- Just do it – Nike
- This Buds for you – Budweiser
- When it absolutely, positively, has to be there – FedEx
- It's the real thing – Coca Cola
- Zoom, zoom, zoom – Mazda
- The spirit of Australia – Qantas.

Testing techniques

Testing alternative headlines, format and copy can keep your advertising fresh, while testing alternative media channels can help you identify the best method of reaching your audience. Try testing different:

- Ways of saying the same thing
- Publications, radio time slots or channels
- Mailing lists
- Price points
- Copy and headlines
- Direct-mail pieces
- Guarantees and offers.

If you are testing your advertising and have more than one advertisement running at the same time, it is vital you are able to identify where a lead originates. You can do this in different ways, including:

- Using a coded coupon to help identify which ad it came from
- Asking the customer where they heard/saw your ad
- Using different contact points for each ad. You can count the number of responses generated by each ad. 1800 and 1300 phone numbers can work well in these situations. SMS responses can also be monitored in the same way as email responses.

You should keep a clear record of all results. Even if you don't use them now, you may find them useful next time you are planning an advertising campaign.

Test as many things as possible in the smallest possible arena before you risk a big part of your advertising budget on one expensive marketing approach to a large audience. Why guess what the customer will like, or what price they are willing to pay, when the customer could be willing and even eager to tell you the answer?

The same approach for testing applies to all forms of advertising. Why run five 60-second TV commercials each day saying something only one way, when another presentation of the same message might attract more customers? If TV is part of your advertising approach, test whether showing your product or service in use makes a difference. Your 60-second ad at a given time is going to cost the same whether it is seen by 10 customers or 110 customers, so is it not worth your while to test it?

If you engage an advertising agency, you should ensure they understand your objectives loud and clear. Advertising that sells – that's the creative

attitude business owners want, and if you are using an agency it is the attitude you should demand. In reality, most small business owners will not be using an advertising agency. However, you may need the services of a graphic design agency and a professional copywriter from time to time. Following are some ideas on how best to work with a design business or copywriter.

When to use a graphic designer

Any business that wants to differentiate itself in a highly competitive market, should consider employing the skills of an experienced designer. Consider this: you would not choose to fix your own teeth, you would see a dentist. Likewise, unless you are an expert, a business has a far greater chance of visual success and branding if they engage a designer, than trying to do this for themselves.

One of the main benefits is a designer is a trained creative professional – providing visual designs to suit all kinds of commercial operations. For a small business, a graphic designer can provide an objective opinion. They should be able to analyse the visual needs of the business and provide a holistic solution. An experienced design company should provide a solution to suit a start-up operation – both in scope of the project and budget – and one capable of flexibility and evolution over a period of time.

The design should allow enough flexibility for a very small, single person entity to evolve into a multi national organisation if the case should be. A small business' need for visual representation can depend on who their target market is. A commercial printing supplier will need something very different to a fashion retailer. The fashion retailer will be more likely to rely on a visual, well-represented, branded environment for its customers than the printing supplier who may not service customers on its premises. This may start out as a simple logo, stationery requirements and a basic website, and grow over time to have added elements (signage, brochures, direct mail, etc). A professional designer should have the skills to take your project from start to finish. They should be able to deliver artwork ready for printing, or ready for use in multimedia applications, including a website.

What makes a good brief?

When engaging a third party such as an advertising agency, graphic designer or copywriter, you should write a brief, or an outline of your expectations. A good brief is often a result of good preparation. Ask yourself:

- What do I need?
- What is my business plan and budget?
- What are my business goals?
- Who is my target market?
- What are my expectations?
- What is my timeline?
- How will I measure the results?
- Is my business serious? Quirky? Mass market? Niche?
- Do I deal with corporate clients, or do I have one-off customers with no particular loyalty?
- Do I need to look slick? Rough? Intelligent? Handcrafted or elegant?
- Do I have direct competitors to differentiate myself from?

You may provide a very structured brief following a standardised template, or you may prefer a verbal discussion, with the designer taking notes and asking questions. Every graphic designer will have a different slant on what is a 'good' brief. The basics, though, should include concise clear instructions, allowance for input and creativity from the designer, manageable timelines and budget, and a client willing to listen and work in a consultative manner. Designers don't have sole rights on having creative thoughts – often the best work results from a client–designer relationship which encourages discussion and input from both sides.

The elements of good design

Every graphic designer is likely to have a different opinion on this, just as every person has an individual idea of what is a 'good' colour, or what is a 'good' car to buy – it is a very subjective topic. However, there are some fundamental design principles which can be used to test a 'good' design:

Visual appeal

The design should be clear regardless of the complexity of the business. It may be colourful and chaotic, yet should still have an underlying sense of clarity and flow. It may have a witty or unique idea, or be confronting and anxious in some manner, but should make sense to the customer.

Legibility

Is your business appealing to the 15–25 age group where the funkier, edgier graphics, work best? Or is your business appealing to a broad market between the ages of 20–60+ where you don't want to alienate anyone? What level of visual literacy does your audience have? The ability to have your message read, either in a literal sense or a non-verbal sense, is the prime motivation for design in the first place, so make sure it is legible.

Typography

A skilled designer deals with the placement of text, choice of font, scaling, proportion, readability and hierarchy of information. There is a myriad of typefaces available today. Some businesses will require a font with flexibility, one they can use for many years without becoming tired. Some will use a contemporary, funky font and update it within a few years. One of the important points to consider is whether you will need a PC version of the font. Designers for the most part use Postscript fonts on Apple Macintosh computers. It is possible to buy a TrueType version of most Postscript fonts, and this is an item you should consider budgeting for so you can maintain consistency in the look and feel of all correspondence you produce.

Colour schemes

Clinical research has demonstrated the psychological impact of colour. Getting it right for the client and the design is a crucial part. Try not to impose your own subjective opinions – while it is important you like your brand and business look, it is more important your customers like it. If you are paying a graphic designer, give them an opportunity to show you

what works and why before you discount a particular shade. Sometimes budget restrictions can impact your options. An experienced designer should sort through this and come up with the right solution.

Logo design

It is important to ensure your standard logo design works in a variety of forms, whether a very small, black and white (mono) representation on an envelope or a full colour representation on the side of a building. A logo that's great in full colour, but does not work in a simple one colour version, is a logo of limited usage.

Functionality

This applies particularly to 3D items such as packaging, and also to websites. Does the finished design suit the brief and application it is intended for? Can you navigate the website in a logical manner?

Working with a design agency

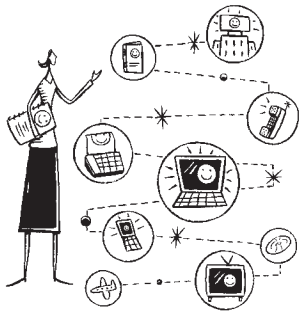
Allocating a budget can be a difficult task. Not all design studios will charge the same amount. There are many levels of approach a studio can take to answer the same brief for the same client. So, how do you work out a formula? Some businesses will meet with three design studios and go through a folio presentation, assessment of needs, quotation submission, and make a decision based on the bottom line. Other businesses will ask for word-of-mouth recommendations from their colleagues, and will then engage a design studio based on their reputation. They may also ask for guidance from other businesses about what they paid for their identity, collateral, and so on, and base their budget on this. Most design studios will determine how long they think a project will take (based on the brief provided) and will apply an hourly rate. They might also add some fees to cover additional items such as materials, printing, and project management.

When allocating a budget, try to be realistic with your expectations. It is better to be up front, especially as a start-up business, and explain to the design studio you only have a certain amount to spend, and to ask them what they can do for that amount. You can then add to it over time, as the business can afford to spend more.

Here is an example of what to include in a brief to a design agency:

Business name:		Date today:	
Campaign name:		Review date:	
Client contact:		Launch date:	
Budget:		Contact number:	
Product/service/brand name			
What is the objective?			
Ideal target market			
What do they think about us now?			
What do we want them to think about us?			
How will we do this?			
By saying what?			
What allows us to say this? Research etc			
Preferred media			
Regulatory issues			
Brand guidelines			

“The medium is the message.”
Marshall McLuhan, author



Making your message seen

How and where you say your message can be just as important as what your message says. An advertisement for a dressmaker placed in a local church gazette might be perceived differently than the one placed in Vogue magazine. Be sure to identify your target market and ensure it matches the target audience of the media you have chosen to use.

The media channels

So what are media channels and more specifically advertising channels?

Channels are simply roads of communication available to you to reach

your ideal target customer. These roads carry various vehicles which in turn can carry your advertising message and brand promise to your ideal target customer.

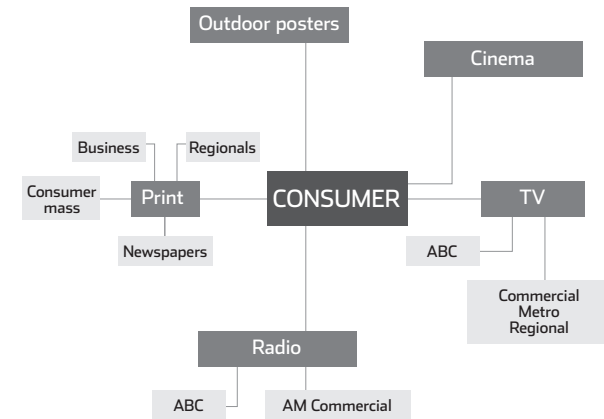
Examples of channels and vehicles:

Channels	Vehicles
Print	Directories, newspapers, magazines
Broadcast	TV, radio
Electronic	Internet, SMS, wireless/mobile
Display/outdoor	Transit, billboards
Direct	Mail, telemarketing
Publicity/PR	Press releases, articles
Word of Mouth	Paid and unpaid

Thirty years ago the media market was a lot less crowded than it is today. If you had a decent message, a solid product and a reasonable budget, you could create awareness of your brand, business or product successfully.

The following diagram provides a snapshot of the media available in Australia 30 years ago.

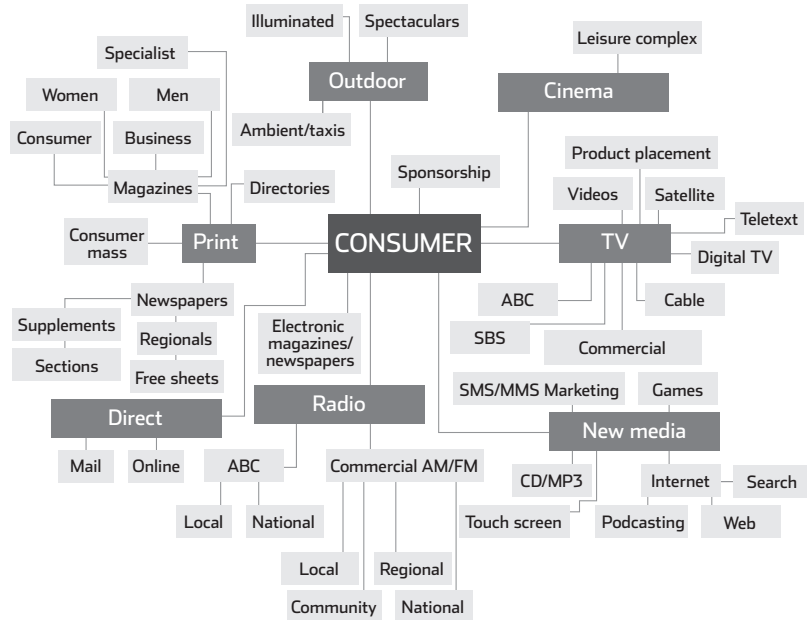
Media channels in 1975



Source: Optimedia, 2005

Now fast-forward to today, and the following diagram illustrates how much the media landscape has changed.

Media channels today



Source: Business Performance International/Optimedia 2005

The average family home in Australia has three televisions, three mobile phones, two computers, two dvd players and a video-game console. According to research by the Australian Communications and Media Authority, in 2007 99% of family households had a television and almost a third were hooked up to pay-TV.

Welcome to the era of personalised messages, where we need to be more targeted in our messaging to stand out for our customers in a very crowded market. Every customer is exposed to so much these days the chance of a message getting through using mainstream media seems significantly reduced when compared to thirty years ago. Let's consider just a few of the new communications channels and devices available today:

- **The internet** – provides access to online search engines, websites and email services
- **Short message service (SMS)** – or text messaging. This once youth-oriented product is now a mainstream method of communication
- **Multimedia message service (MMS)** – SMS' big brother – MMS allows you to send video and images to/from mobile phones and other devices
- **Personal Digital Assistant (PDA)** – a mobile diary, phone and email device. Common brands are Palm Pilot and Blackberry
- **Pay TV** – rivalling commercial free-to-air channels and experiencing increasing take-up in Australia
- **In-Car and mobile navigation** – available in many vehicle models today and also in portable devices. Navigation systems can provide a very targeted method for location-based advertising
- **iPods/MP3** – a portable mechanism for accessing audio and sound files. (More on these later.)

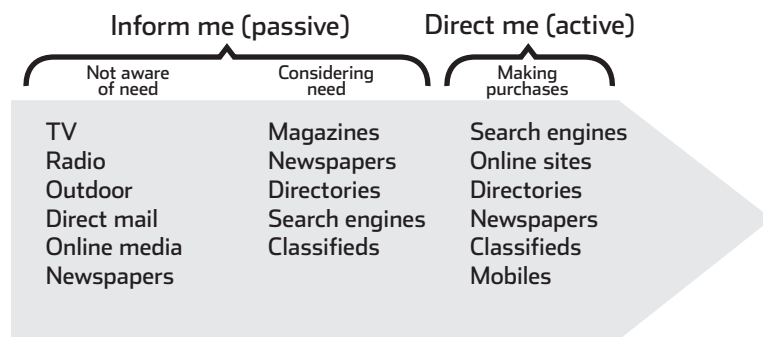
Our options are so varied, most of us spend our days multi-tasking without even knowing it. The way we consume media is just one example. Consider the last time you watched TV. Perhaps some of you were also:

- Sending an SMS on your phone
- Surfing the net on your laptop
- Working on files from work
- Listening to your iPod
- Cooking dinner.

Neilsen's 10th Australian Internet and Technology Report showed in 2007 an increase in cross media consumption with more than half of Australia's internet users (58%) saying they have watched TV while online and 48% have used the internet while listening to the radio.

Consider how difficult it is for advertisers to get your attention when you are not focussed on one thing. This is what you are likely to face as a business owner. We are in the era of personalisation, where customers have very different individual needs and habits. You should ensure your advertising messages reflect this major shift in media consumption, which is why an understanding of your target market, as discussed earlier, is vital.

The following diagram illustrates different mechanisms for reaching your customers according to their state of awareness of their needs. Television, for example, is generally not where consumers look when they are aware of a need. Can you imagine turning on the television in the hope of finding a plumber or supplier when your hot water system breaks down? Most of us would turn to Yellow™, a local newspaper or a search engine. On the other hand, you might be thinking of renovating your home and be prompted into action by an advertisement on television for a kitchen sale. Similarly, think about the reasons we might pick up a newspaper. Sometimes we are interested in the news, sometimes we are looking for a job or a new home, sometimes we are looking to be entertained and other times we might be looking for a tradesman. Now think about why people pick up the Yellow™ directory. It is unlikely they are looking for something to read; more than likely, they are looking to buy. In these cases, the difference between one buyer and another is their state of awareness. Where one is looking consciously to be informed, the other is doing something unrelated, but taking in advertising information at the same time.



Navigating this complex market

We have already discussed the importance of knowing your target market. Now let's look at what tends to happen when you don't. One of the reasons identified earlier for businesses choosing advertising channels was: 'I wanted to get the sales rep off my back.' This is an example of media choosing you.

By knowing the habits of your target market, you should be in a good position to choose your media for the right reasons. Many small business owners are unable to afford extensive market research, but it does not have to be expensive and complicated. Consider doing it in-house as a way of building a relationship with your customers. Start by asking your customers where they heard about your business and, most importantly, what media do they consume on a regular basis. You may be in for a surprise.

For example, let's say you sell products to truck drivers. While they might be the typical market who subscribe to trucking publications, perhaps at the end of a long drive, they would rather read about something different in order to 'get away' from their work. And maybe, given some of them do subscribe to trucking magazines, their domestic partners are the ones who read them to keep abreast of their partner's working life. These are the sorts of things you should be thinking about when trying to understand your customer. These are also things you can ask your customers directly. Today there are even companies that focus on knowing the target markets of different media. So whether you are trying to reach teenage boys or stay-at-home mums, these media-buying agencies should be able to identify and negotiate 'spots' to suit your advertising needs.

Why is it important? It is important for return on investment. Simply put, what is the point of paying for an expensive advertisement when the media channel is not one used by your target customer?

This happened to Foster's Brewing Group when they introduced *Empire* beer. In an interview in the *Sydney Morning Herald*, CUB marketing chief Steve Arthurson said: "Empire was built using our old marketing model and it didn't work as well as we had hoped. Consumers said the packaging was OK, the liquid was great, but when you put it on TV, that's not me." Follow-up research suggested their target customer was using the internet more than watching TV, so Foster's had to change their media channels accordingly.

Tracy's Pet Grooming in Burdekin, Queensland, had a lot of repeat business from existing customers, but Tracy felt she didn't know how to acquire new customers. Being a small business owner, Tracy didn't have a large marketing budget nor did she know much about how marketing worked. She engaged a marketing coach to help her understand and implement some low-cost strategies.

"We did simple activities like database marketing, offering incentives and discount vouchers and regular mailings. The result was a 30% increase in revenue over the previous quarter and an increase of 60% compared to the same period last year."

Tracy Tapiolas, business owner, Tracy's Pet Grooming

Measuring media

There are some key considerations when selecting media channels most appropriate for your business. These are:

- Reach
- Market coverage
- Appeal
- Frequency.

Reach

Reach is the number of people who can be reached by a particular media channel. This is sometimes referred to as readership, viewing audience, eyeballs and listeners.

A happy customer, who through word of mouth refers three of their friends, effectively has a reach of three. A television program watched by 400,000 viewers has a reach of 400,000. A magazine or newspaper with a circulation of 50,000 will be said to have a reach of 125,000 – the reason being magazine and newspaper readership is based on the theory more than one person reads each magazine or newspaper. The rule of thumb is, on average, 2.5 people read a printed publication.

Market coverage

Market coverage is simply the percentage of the total target market you could reach using a particular medium. If the magazine has a readership, or reach, of 125,000, but only 12,500 of the audience is from your particular target market, the market coverage for that particular publication is 10%.

This means 90% of the readers of this particular magazine don't fit the criteria of your target market. Think back to the ad for the dressmaker in the church gazette versus the one placed in *Vogue* magazine. The church gazette may have a lot of readers, but if they are not the sort of people who will want to pay a lot of money for a dressmaker, then it is not the publication for your ad.

Appeal

Does the media channel appeal to your target market? Appeal is important. Not just for the ad, but for the media channel too. The appeal of the media channel is what drives its market coverage. If your target customer does not find the media channel appealing, they are unlikely to see your ad or view your ad positively.

For example, you may have a genuinely fantastic offer for home owners and decide to use telemarketing as your channel because of its large reach. If the telemarketers are calling your prospective customers at 7pm when they are likely to be eating their evening meal, they are unlikely to appeal to your customer. Perhaps in this case a direct marketing piece or an ad in the local newspaper might be more suitable. In his 2004 book *E-Myth Mastery*, Michael Gerber suggests you evaluate appeal according to three criteria:

- **Credibility** – do your customers see this medium as credible? i.e. if it lands in their junk email folder, do they just delete it?
- **Appropriateness** – is this the preferred channel for your customer base? For example, if you are contacting 16–25 year olds about a fashion sale, SMS may be the best channel.
- **Associations** – what thoughts and feelings would people associate with your brand when you use a particular type of media channel?

Frequency

Does the media channel reach your audience often? Frequency is closely associated with cost and affordability. Frequency is simply the reach of a media outlet multiplied by exposure. Exposure refers to the number of times your ideal target customers are likely to see, hear and come into contact with, or be 'exposed' to, your message within a given time period.

A billboard might be seen by your target market every day on their way to work. A magazine might be kept on a coffee table until the next issue and be read several times. A newsletter might be read once and then thrown in the bin. These are all various frequencies of consumption or exposure. While frequency does not always mean effectiveness, it can be a good way to judge the cost of one media against another.

Consider the television commercial seen by 400,000 people three times throughout a program. Assume 100,000 of these are your target market, so your frequency is 300,000. Compare the cost with an ad in the daily newspaper for a week. Let's assume the paper is read once daily by 500,000 people, 100,000 of whom are your target market. That's a frequency of 700,000 for one week. So work out the cost of the television commercial versus the cost of the print ad. Also consider how much information you are able to share with your target market in each channel. Think about how your target audience use the channel. Is it a TV program they are likely to focus on? Or one they might watch while cooking dinner and feeding the cats. Is there anything on another channel which may appeal to the same audience and therefore encourage them to change channels during the ad break? When they read the paper, how are they reading it? Where will they be when they read it? Having a quick flick through on their lunch break, or sitting on the train and reading cover to cover on their way home? Where is the ad? Is it in the highly-read sports section, or in the less popular public notice section?

Frequency can be important when you are competing in a crowded market. If the audience is not focussed on the media channel, they may need to see it a few times before it sinks in. We usually need multiple exposures to get our message through and to get people to take action.

Media planning

Media planning involves working out what media you are going to use and when. There are a number of expert organisations and freelance media planners who can provide independent advice on what media you should use.

Media planning template		
Ideal target customer description/details:		
Campaign objective/s:		
Budget \$:		
Campaign dates:		
Media channel	Details	Cost
Broadcast/Electronic Advertising		
<input type="checkbox"/>	Television	
<input type="checkbox"/>	Radio	
<input type="checkbox"/>	Internet	
<input type="checkbox"/>	SMS/MMS	
Print Advertising		
<input type="checkbox"/>	Newspapers	
<input type="checkbox"/>	Magazines	
<input type="checkbox"/>	Newsletters	
<input type="checkbox"/>	Trade directories	
<input type="checkbox"/>	White Pages®/Yellow™ directories	
<input type="checkbox"/>	Catalogues, brochures, flyers	
Outdoor Advertising		
<input type="checkbox"/>	Signage on buildings	
<input type="checkbox"/>	Billboards	
<input type="checkbox"/>	Posters	
<input type="checkbox"/>	Bumper stickers	
<input type="checkbox"/>	Vehicle signage	
Direct Response		
<input type="checkbox"/>	Direct mail	
<input type="checkbox"/>	Telemarketing	
<input type="checkbox"/>	Email	

<p>Events and promotions</p> <p><input type="checkbox"/> Conventions, trade shows</p> <p><input type="checkbox"/> Contests</p> <p><input type="checkbox"/> Giveaways/novelty items (calendars, pens, fridge magnets etc)</p> <p>Word-of-mouth</p> <p><input type="checkbox"/> Referral programs</p> <p><input type="checkbox"/> Testimonials</p> <p>Public Relations</p> <p><input type="checkbox"/> Press releases</p> <p><input type="checkbox"/> Advertorial</p> <p><input type="checkbox"/> Speeches</p> <p><input type="checkbox"/> Seminars</p> <p><input type="checkbox"/> Community/charitable partnerships</p> <p><input type="checkbox"/> Sponsorships, endorsements</p> <p><input type="checkbox"/> Alliances with other businesses</p>		
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Many small business owners will most probably choose their own media in order to keep costs down. Above is a media planning template which can be used to analyse and select the most appropriate media for the task at hand whether you are hoping to generate awareness, launch a new product, drive short term sales, or clear stock.

To use the template, determine your ideal customer description, your campaign objectives, budget available and the period you anticipate the campaign to run. Then select which media you believe appropriate for these criteria.

Prioritising media channels

Once you have selected the media you deem most appropriate, write some notes as to why you believe this media will meet your needs.

This will help identify if you are doubling up on media unnecessarily and therefore areas you may be able to reduce your costs. Then list your selected media in order of preference and work out which channels are affordable according to the budget you have set yourself. Check against the criteria we discussed earlier: reach, market coverage, frequency and appeal, to ensure you are using value-for-money options. This document can be a helpful record where you can measure results against expectations and determine the effectiveness of different channels for future campaigns.

Be consistent

One of the most important things a business owner can do is ensure a consistent message in all public materials. Many businesses ignore this inexpensive rule. Quite often a brand is developed, and brochures and marketing materials are printed, but the sales rep is not trained to deliver the message in a consistent way. Try to avoid this at all costs.

Make sure you have:

- One logo
- An agreed set of colours
- A standard template for faxes, presentation slides and emails
- A single UBR, or slogan
- One set of images
- Your website address on all materials
- Your 1300/1800 numbers on all materials
- Your sales team trained to deliver the company messages.

If you use a designer, ask them to supply a style guide. This can just be a simple outline of your business’ chosen fonts, colours and brand layout so when you use a printer or change printers you achieve the same results each time. These design and style guidelines should be used in training all staff to ensure consistency. In the following chapters, we will discuss the various media channels available to you and when you should use them.

“Everybody gets so much information all day long that they lose their common sense.”
Gertrude Stein, American writer (1874-1946)



Local area marketing

Local area marketing can provide a strong return on a business' marketing investment.

We have already talked about defining your target market; now it is time to break that group down even further to focus specifically on your local area. First you should define your local area. Is it the local community? Your local football club? Your suburb, state or country? Or people who work in your local area but may live somewhere else? Knowing this can assist you in your media choices. For example, if local residents are in your target area, community newspapers may work. However, if it is people who

work, but don't live, in your local area then transit media and radio may work better. Let's discuss some media channels that can specifically target your local area.

Community newspapers

Most major Australian cities have a community newspaper and many also have regular street-press or free newspapers covering art, music, museums, area events, movie times and local community happenings. Keep your eye out for these and make sure you consider them when planning your print advertising campaign.

Classified advertising or advertising features in your local newspaper are another option. You should contact your local paper for rates and readership figures. Frequency of your ad can be important in your local newspaper because you are more likely to be competing directly with other local businesses than you might in a national magazine. Perhaps consider committing to a regular spot in the early general news section of the paper so potential customers can become familiar with your brand and positioning, and know where to find you when they need your service. Some papers will run an advertising feature to complement a theme. For example, many local papers have a feature each week on real estate. If you sell home furnishings, or home finance, you might consider buying ad space in the feature.

Another suggestion for local advertising is advertorial – this is paid advertising written more like an editorial piece, or article. These usually allow for more information than a traditional advertisement.

A good way to track reach and measure the success of your ad is to ask the reader to bring a copy of the ad with them to redeem a special offer.

Go Get Car Share is a car share service for people who want the convenience of using a car without owning one. The business started in Sydney in 2003 with three cars and has expanded to a fleet of more than 35 cars operating across Sydney and Melbourne. Go Get Car Share's success is based on delivering quality service to their members, ensuring they keep coming back and spreading the word to their friends and colleagues. Go Get Car Share has tried a number of traditional advertising techniques but have found the best results have come from local area

marketing campaigns. These have included using local newspapers to generate publicity, advertising on community radio, negotiating in-kind sponsorship with local community newspapers and transport groups, as well as being present at festivals and cultural events. “We have endeavoured to develop strong links with the communities we operate within by supporting local causes our members are passionate about. This is at the heart of why we exist and continues to generate positive word of mouth for us.”

Nic Lowe, Director, Go Get Car Share

Shop fronts

Posters are particularly effective in your shop front. The key point here is to always keep them fresh. When your promotion is finished, take down the relevant posters. (More on outdoor advertising in chapter 19).

Local newsletters

Take advantage of newsletters circulating in your local area to publicise your news or event. These newsletters (online or print) generally have the advantage of wide distribution and they are usually very cost effective. These newsletters are usually put out by the following people:

- Local business network organisations
- Local councils
- Local members of parliament.

Local television

Small businesses using television as part of their local advertising campaign should consider using visuals relevant to the local community and scripts that describe your business commitment to the local area. A few ideas:

- Mention your actual address
- Name the areas you service
- Mention your location in reference to other land marks if necessary
- Mention your years in business servicing the local community
- Have an offer specifically for local residents
- If you are well known in the community, consider being the spokesperson.

Website content

You should provide details of your business’ local community activity on your website. Does your business sponsor the local football club? Do you run a work experience program for local schools? Are you a proud supporter of the local childcare centre? Make sure your community is aware of the support you provide, as this may prompt them to support you. If you do support affiliations in your community, ask them to put your logo or web link on their website too. A map on your website can demonstrate your local presence. You can buy a link to your local map through whereis.com. People can also see if there is an ATM nearby or parking facilities which might add to their positive experience, and therefore increased goodwill for your business.

Local search marketing

Is your website listed by your location and the local market it serves? Are the keywords and descriptions supplied to the search engines likely to be used by those people searching for a business like yours in a specific area, such as ‘lawyer in Shepparton’ or ‘builder in Orange’? If your keywords include plumber and plumbing, but don’t cover dripping tap, you may be missing out on some potential business – try to imagine all the possible ways people would search for your business, or a business like yours, on the internet. (More on this in chapter 16.)

You should also consider advertising or listing on websites that list local events and businesses such as yours. For example, if your business is an entertainment venue you should consider a listing on www.citysearch.com.au.

Local area mail drops

Local mail drops can be very effective and inexpensive. They are delivered to homes and businesses in your selected area so can be very targeted. They don’t have to be too fancy so can be affordable. They don’t have to be personalised so your chance of offending the home, or business, owner with an out-of-date mailing list, or incorrect spelling, can be reduced. The

key with this marketing method is to deliver them regularly; don't do it just once. For example, a new retail business in the area might repeat the mail drop every two weeks for three months. The other key is to ensure it is clear that you are local and perhaps make an offer that's only relevant to local residents and businesses. If you don't achieve a positive response, then change the headline or change the copy and test again.

For your first direct mail drop, you may want to consider testing responses in one suburb before rolling out your offer to ten suburbs. This will help minimise your risk and can allow you to plan for any additional stock or staff that you may need to handle the response. You can deliver the mail drop yourself or find out if there is a supplier in the area who can do this for you – some of these are listed later in the resource guide. They normally charge by postcode or a set price per 1,000 delivered.

Local outdoor signage

It is important to let your local potential customers know where you are and what you have to offer. If you are a retailer in a shopping strip, or centre, you should try to secure long-term access to any outdoor signage within close proximity to your business. (More on outdoor advertising in chapter 19.) Another option is to gain access to a shopping centre display, or promotional booth, central to foot traffic, and in close proximity to your business. These usually need to be organised in advance with shopping centre management, and you should be careful to abide by all their guidelines. Your display should be professional and appealing to your target audience. You might consider employing professional promotional staff to attract people to your display. Your promotion should encourage people to visit your business for more information. It is best to have an expiry time or date on promotional offers to create a sense of urgency and help manage promotional budgets – if you don't put an expiry date on your promotion, you may have to honour the promotion for the unforeseeable future, which makes budgeting difficult.

Cinema advertising

Cinema advertising appears to have become less popular in the past few years, perhaps due to increases in other new media. However, for local area marketing for the small business owner it can be worthwhile.

If you have an entertainment or food and beverage business within close proximity to a cinema, then advertising before the movies may prove to be effective. One way to measure this is to track the peak times for your business and see if they correlate with cinema screening times. Another option that may appeal to some businesses is a joint promotion with the local cinema – for example, offering a discounted meal to anyone who visits the cinema.

Local directories

People using local directories are generally more likely to be buyers, not browsers, ie, if they are looking in a local directory, then they are usually ready to buy. Research tells us directory advertising is the place we often turn when we have already made a decision and we are ready to buy. Known also as active advertising because it's where consumers turn when they have a need and the buyer is seeking the seller. The person looking in the directory has identified a need and has picked up the directory generally with intent to spend money.

The more local your business, the more relevant it is for you to appear prominently in your local directory. Keep in mind many people are keen to support their local community and may choose to shop locally for this reason. There's also the matter of convenience – few people would drive outside a 10km radius to buy a bunch of flowers unless all the local stores were closed or the person receiving the flowers lived a distance and there was a florist on the way to their house. When making larger purchase decisions people are more likely to travel further. Think of the last time you bought a car for example. You would probably visit several car yards and quite possibly travel a fair distance to find the right model/colour/price. When you need to have it serviced however, the convenience of dropping your car off and collecting locally would likely play a part of your decision making. So you'd possibly turn to your local directory to

find a service centre. Also consider whether your business attracts people to you, or if you tend to go to your customers. If someone is coming to mow your lawns you are unlikely to fuss about where they're coming from because it doesn't affect you (unless the cost of petrol pushes the prices up), but if you have to drive a distance to have your teeth cleaned you might reconsider your choice of dentist for a local and more convenient option. More on directory advertising in chapter 14.

Voice

Mobile phones are everywhere today. Often they are one of the most convenient options available when potential customers are searching for a business or service. A listing in the White Pages® or the Yellow™ directory also provides access to customers looking for you on Telstra's Directory Assistance, and Sensis' 1234 where relevant. Like search engine marketing, on 1234 you can also choose to pay a fee to ensure you are among the first listed when your keywords are selected by the consumer. Think about how a potential customer would try to find your business, as customers may think of your business in different ways. For example, if you are a dance school and want to maximise your chance of being found, you might want to think about purchasing keywords for 'dance schools', 'ballet schools' and 'ballet teachers' rather than just 'dance school'. Check with your advertising provider how many keywords you are allowed to have. For example, a priority listing on 1234 will allow you a minimum of three keywords and a maximum of 50; these can be crucial in finding a business. The purpose of keywords is to improve the search relevancy so consumers can quickly and easily find the product or service they are looking for. For example, a consumer looking for an Indian restaurant offering take-away and accepting credit cards will not find you in their search results if you don't have these keywords and they specify them in their search. Only the businesses with either or both of these are likely to be given priority preference. The same rules apply for search engine marketing.

Harpers Waste Management is a small business in Coburg which uses 1234 text advertising under multiple related categories. This means if someone asks for 'garden equipment' or 'plumbing supplies', by paying for text space on related advertising, Harpers Waste Management can be confident potential customers

can find them easily even though they may be looking for a business to provide a different product or service. "1234 gives us the opportunity to put our name in front of people who might not have thought about the fact they need a rubbish removalist. When they realise they are going to need help removing waste after they have called a plumber or builder, we are more likely to be top of mind."

Robin Reiger, managing director, Harpers Waste Management Pty Ltd

Proximity alerts

Being able to make permission-based offers via the mobile phone to a specific target market such as 18–25 year olds within a 5km radius is already possible in other parts of the world. Imagine receiving a message: "Hi Rob, I have been notified that you are nearby. Do you want to meet for a coffee?"

Be ready to take advantage of these local marketing options if and when they become available in your local area.

Local promotions

Local promotions can be very targeted and can be based on:

- **Buying behaviour** – for example, a café owner might offer a 50% discount on fresh muffins when a large coffee is purchased between 10.00-11.00am, and a discount of 50% on an apple slice when a large coffee is purchased between 3.00-4.00pm
- **Spend** – for example, a furniture retailer might offer a \$50 gift voucher for purchases of more than \$500
- **Business trends** – for example, a movie cinema might offer a 'happy hour' every Tuesday to encourage sales on what is usually a slower day than others.

Shopping dockets

For both small and large businesses, the ability to target the right customers, at the right time, with the most relevant message, is vital. The ability to measure the effectiveness of your marketing activity, and experiment with different channels, is also important.

Shopping dockets can provide a cheap advertising channel for businesses trying to reach grocery buyers, but given the varied demographics of grocery buyers, they may not be an effective medium if you are trying to reach a specific group within this category. A more recent innovation in shopping dockets means they can be delivered at the retail point of sale and are therefore able to provide a more cost-effective advertising channel for businesses trying to reach different kinds of buyers. Greg Taylor from Docket Rocket has developed a marketing platform where retail transaction data is captured and used to deliver dynamically targeted offers and marketing messages at the point of sale (POS). He has developed an intelligent docket concept that changes the mechanics of the traditional pre-printed vouchers you may have seen last time you purchased something at the supermarket. Taylor's concept involves dynamically generating a docket as a result of a particular purchase. For example, when a customer in a bookstore buys a book on gardening, the docket generated might be a \$10 discount on outdoor furniture from another retailer, while the customer who purchases a book on horoscopes might be offered 20% off a second book on the same topic purchased the next time they shop – giving them an incentive to go back to that retailer and sooner than they otherwise might. The retailer providing the dockets can choose to make offers solely related to their own products and services, or to deliver offers for the products and services of other participating merchants and external advertisers.

Retail merchants who use shopper dockets can benefit in a number of ways:

- Through better understanding their customers' needs and providing relevant offers
- By increasing the potential sales value of each customer through making highly targeted offers
- By making offers that drive repeat business and shorter times between visits
- Through easy tracking of results.

Word of mouth

When starting out in business, word of mouth is one of the best techniques you can use. You can do this through letting your network of family, friends, neighbours and business associates know you have opened for business. Another way is through local community involvement. Make sure your business is involved in high-profile community activities and get people talking about your brand.

Some businesses rely heavily on word of mouth for the long term too. Trades are a good example. Think of the last time you needed a plumber, perhaps you asked a friend who recently had a blocked loo to recommend theirs?

Questbuild is a building and renovation business based in Bayswater, Victoria but do the majority of their work in Malvern, Victoria. "We have a great small team and can only manage a limited number of projects at a time. We find it easier if these projects are closely situated so our contractors and staff can move from one to the next whenever needed. Otherwise the travel time would mean fewer projects would be possible at any one time. When people are investing in their homes they also like to see our work and if they live in the area, they can inspect previous projects if the owners are willing. We find word of mouth invaluable – people see our signs in front of their neighbour's house and will ask after us. Obviously quality workmanship and good service are imperative if you want good word of mouth!"
Andrew Galbraith, general manager, Questbuild.

“Make it simple. Make it memorable.
Make it inviting to look at. Make it fun to read.”
Leo Burnett, advertising statesman



Direct marketing

Unlike mass marketing such as television and radio, direct marketing provides an opportunity to personalise your message. It is important to get it right because if you don't, you risk offending individuals. While direct marketing can be cheaper than mass media, it carries a much higher risk at a personal level. A TV commercial we don't particularly like may be less likely to offend us than a personal letter with our name spelt incorrectly. Ad man David Ogilvy believes writing copy for direct marketing is a tough business but a rewarding one. He prefers copywriters to have some direct marketing experience so they have practice writing letters and ads that connect with the individual within a given target audience. Let's look at direct marketing via the post and telephone. (More on email later.)

Database management

If your databases are incomplete, inaccurate or out of date, you should try to remedy this immediately. Consider implementing a system where customers can identify themselves at the point of purchase or delivery. This does not have to be complex, nor should it require sophisticated software.

Make sure you collect, use and disclose your customers' details in accordance with the *Privacy Act 1998* (Cth). This legislation generally requires businesses to inform individuals (through a privacy collection statement or privacy policy) how and why they collect, use and disclose their personal information to other organisations.

Important: you should talk to your lawyer if you are unsure of your obligations under the Privacy Act.

This also means if you are acquiring a database you need to ensure the individuals listed have consented to having their personal details used for third party marketing. It is also important to note when you collect information from customers, it is not automatically permissible to send their personal details to a third-party. Basically, you should only be using and disclosing information for the primary purpose for which the information was collected and any related purposes for which the customer would reasonably expect the relevant use and disclosure to be made. The simplest way to capture your customers' details is to ask them. Customers are often happy to put their name on a special customer list or join a privileged customer club. If you are in retail have a pad on your counter with a layout to capture critical information, and then simply ask your customers: “Would you like to go on our special customer list?”

Shine Café in Melbourne secures contact details by asking customers to hand in a business card to be added to the customer database for the chance to win a prize. They have a business card drop-off point and signage making customers aware of their database acquisition process and details of the prize on offer that month. Shine also cross-markets with a local hairdressing salon Hennessy Lane, where they offer discounts on food and beverages to the salon's clients when the salon does a mail-out for birthdays and special occasions.
Craig Lane, director, Shine Café

At a minimum, you should try to capture the following details from your customers:

- Name
- Home or business address
- Telephone/mobile number
- Email address.

If your business has internet access, you should ask for their email address wherever possible. Make an offer – put a sign up in your place of business with an offer like: ‘Win \$100 worth of products’, ‘Win a \$50 voucher’ or ‘Win a subscription’. Offer something your customer is likely to find useful and attractive in exchange for their details, but be sure to get their permission to send business news and marketing information as part of the entry form. This is a simple way of building your customer database. Another way is to set up a suggestion box where customers can provide feedback. Again, you must be sure to ask customers for their permission before sending them advertising material. Or provide an incentive for being on the mailing list. For example, special deals not available to the general public, or offering your existing customers the opportunity to be the first to try out new products and services. By examining the current spending profile of each customer, you should be able to identify which sub-groups will be most likely to trial different products and therefore you should be able to target them with relevant offers.

Important: If you intend to use electronic means of marketing to customers, you need to ensure compliance with the *Spam Act 2003* (Cth). In short, the Spam Act prohibits the sending of unsolicited commercial electronic messages without the consent of the recipient. At a minimum, there are three key rules you need to follow if you intend to market electronically:

- Ensure you receive the customer’s consent to receiving your marketing material electronically
- Your message must include accurate sender information (i.e. identify who you are)

- Your message must contain a functional unsubscribe facility which allows the recipient to inform you they no longer wish to receive such communication from you (in which case you must stop sending them commercial electronic messages).

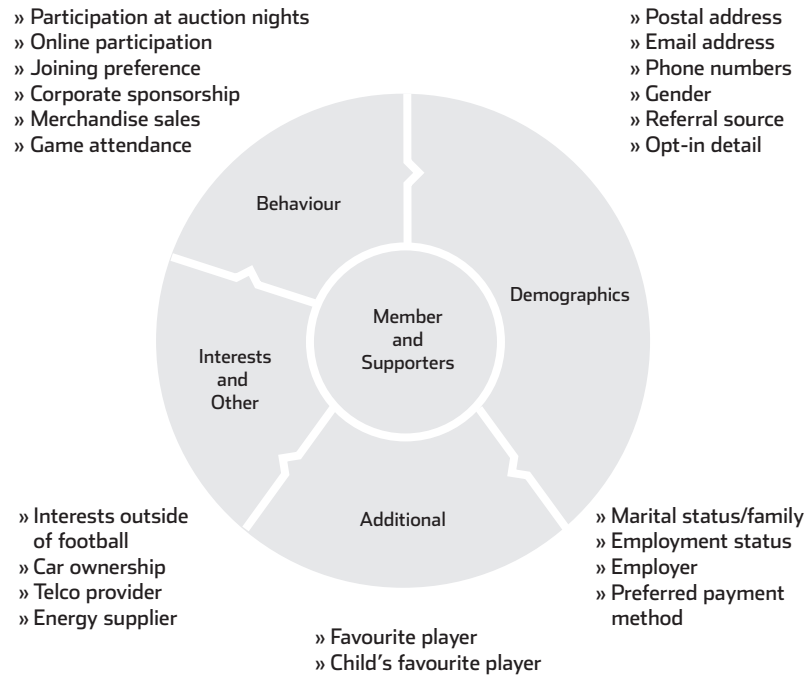
Note: Penalties under the *Spam Act* can be quite severe, so ensure you follow the three key rules outlined above. If you need any further details on the requirements and compliance with the *Spam Act*, you should speak to your lawyer.

The Nectar Bar is a fresh juice bar in Townsville. Looking for new ways of reaching current and new customers, the Nectar Bar worked with a marketing coach to develop a customer database they could market to monthly with incentives and promotions. “We have found database marketing a lot more effective than radio and newspaper advertising and our database has increased from 250 to 1,100 customers in a short time. Many existing clients are bringing family and friends with them when they visit, so we can reward our current database while building new relationships at the same time.”

Johanna Anning, owner, The Nectar Bar

An important element of data collection is planning what you are going to use it for, how you are going to use it and why. For example, a school might choose to collect names and contact details of past students in order to keep them abreast of school developments that may one day be appealing for their own children. They will probably need to know the past students’ names and addresses, and it will also be helpful to know if and when they have children so they can target them at the right time for enrolments. It is unlikely the school will need to know what subjects the past student studied unless they want to target them later for student information nights or the like.

Another example is a football club that wants to know more about members and non-member supporters. The football club can gather a great deal of personal information when members join. However, non-member supporters can be harder to reach though can be more valuable financially to the football club. Consider for a minute the supporter who is not a member, but attends every game and buys a footy jumper for his/her children each year – the non-member in this case is worth more in profit than the member. The diagram below demonstrates some of the information a football club might consider collecting on members and supporters.



Source: Business Performance International

The trick is not to acquire too much at a single 'touch' point, and instead try to capture information at as many 'touch' points as possible and keep it in a central database. For a football club, 'touch' points, or points where the customer comes in contact with the business, might include the merchandise shop, the club website, online surveys, phone surveys, at a game or at coaching events. For an automobile shop, touch points might include the point of purchase, finance and insurance forms, at service intervals, and when accessories are being fitted. Finally, consider how you store the data. Multiple databases may not provide a single view of the customers' profiles, which can be important.

Direct marketing tips

Here are some basic rules for direct mail campaigns:

- The best results often come from mailing your own customers, as they already know you and their permission to mail them might suggest they have had a good experience with you
- Another way you can achieve good results is through third-party endorsements – another business (third party) sends a letter of recommendation to their customers about you. This can work well because the recommendation is coming from someone they trust. (We talked about referrals and joint promotions in chapter 7)
- If you are purchasing a mailing list, try to ensure the people you are targeting are similar to your own customers in what they buy, where they live, their interests, etc
- Don't send direct mail to people who have opted out of receiving direct mail from you.

Envelope design

Spend some time to ensure your envelope is appealing, so it has less chance of being thrown straight in the bin. Here are some tips for helping ensure the envelope makes it past the 'bin it' test:

- Personalise your direct mail with the receiver's name – don't use: 'The manager' or: 'The business owner'
- Spell the receiver's name correctly
- Ensure their title is correct
- Ensure their business name is right
- Where the mail is important and the volume low, consider hand-writing the address
- Use an intriguing tag line or message on the front to encourage the reader to open the envelope
- Use colour
- Consider using different-shaped envelopes.

Australia Post has introduced a service called Impact Mail which allows you to send shaped envelopes, such as a star or a shark, through the regular post. It is more expensive than a regular envelope, but if your potential customer is more likely to read it, then it may be worth the expense.

Three reasons why direct mail does not always work:

- You have sent it to the wrong market. For example, your mail piece is offering a \$6,000 holiday to Alaska to pensioners
- The offer is wrong. If what you offer is not attractive to your chosen market, it won't sell
- Your mail piece is unappealing and no one wants to read it! Usually, if you can get someone to read the first two paragraphs of your letter, they are likely to keep reading – that's why good headlines are so important.

Successful direct mail techniques

Here are some examples of direct mail techniques that direct marketer Peter Sun has used successfully with Australian small businesses:

Coupons

Not only is a coupon ideal for generating appointments, it can also be great for sending to existing customers who have not been buying from you lately. In most cases, you offer a voucher, coupon or similar that can be exchanged for a product or service, or a discount on a product or service. Often, the better the offer, the more response you will get. For example, an insurance agent might offer a coupon for a free assessment. The coupon, valued at \$150, could include a review of the potential client's existing policies to ensure they are suitable for the client's needs. The coupon can be used as full or part payment for products and services. If your service, price and products stack up, the result may be a new regular customer!

Attention grabbers

Let's face it, a lot of letters are just plain boring and get lost in the clutter of all the other mail. This can be changed if you use 'attention grabbers' in your letters to make them literally jump out of the pile and grab your potential customer's attention.

Here are some examples of attention grabbers and how to use them:

Attach a coin: "Dear John, as you can see I have attached a coin to the top of this letter. Why have I done this? Two reasons. Firstly, I wanted to attract your attention and secondly, because what I have to say concerns how you can make more money in your business. I thought attaching a little financial eye-catcher was especially appropriate..."

Timed offer: "Put us to the test! If we don't deliver within two hours of receiving your order it is FREE..."

Gift voucher: "Dear John, rather than spending money on newspaper advertising, I've decided to give it to you in a gift voucher. You can use this voucher to spend as you like at our store – no strings attached..."

An eye-catching picture: For example, a picture of an elephant: "They say an elephant never forgets. Of course you have far more to think about than any elephant. That's why you probably forgot to renew your subscription/come in for a haircut/service your car ..."

A photograph: "Dear Jane, our product is so new we don't have a brochure yet, so I have attached a photograph. I'd like to come and show you how you can save money/make money/be more beautiful with this new..."

Direct mail follow-up

There is an easy way to help increase the response to your direct mail. You should follow up your letters with a phone call. A call will usually encourage a response from the people who:

- Were very interested in your offer, but were busy and simply forgot to call you
- Were interested, but still had a few questions they wanted answered before making the final commitment
- Did not receive the letter at all. You should send out another one and call them back in a week

- Were not interested in this offer, but your letter sparked interest in something else they may want from you.

It is not uncommon to generate extra business with phone follow-up. Another method is to phone your customer to ask for the right contact details for your mail out. Then you complete the mail-out and follow up a few days later with another phone call.

Newsletters

A trick to business success is giving or selling the right kind of information to people who want it. A good newsletter should have information the reader wants to know. Here are a few examples:

- A clothing retailer might tell its customers about dressing well and selecting and caring for clothes
- A lawyer might write about how to settle a dispute without going to court
- A doctor might write about how patients could improve their health and well-being.

Telemarketing for business

Telemarketing can be a successful way to acquire business, but has developed a bad name in recent years, thanks mainly to over-zealous telemarketers, often based overseas, armed with a database and aggressive commission targets. This is not good direct marketing, this is verbal spam. Hopefully the introduction of the Do Not Call Register in Australia in 2007 (as discussed in chapter 8) will ensure the people on the telemarketing lists have chosen to remain there so they can continue to receive marketing offers. This register should help eliminate the bad experience associated with calls made to people who don't want to be contacted. For business owners, failure to check their lists against the Do Not Call Register prior to telemarketing, is likely to result in fines. You should ensure you keep abreast with this legislation if it impacts you.

Peter Sun suggests following these eight golden rules for telemarketing:

1. **Attitude is everything** – you should not pick up the phone unless you are smiling and having fun. In chapter 2 we discussed how messages are perceived: 7% of meaning is in the words spoken, 38% is in the tone used to deliver the message, and 55% is in the related facial expression and body language. Keep something on your desk that makes you smile, use music to get you going or put a mirror on your desk to make sure you are smiling as you talk to people. Whatever you do, try not to make a phone call unless you are feeling good
2. **Decide on the results you want to get** – expect the best and focus on what you want. If your objective is to get the person interested in what you have to offer, focus on that. The picture you have at the time of the call is extremely important and don't try to sell the product on the first call
3. **Clean your desk** – clear your desk of everything except the mirror, something to make you laugh, a pen, paper and of course the phone. A clean desk can help you focus on the job at hand
4. **Chain yourself to your desk** – promise yourself not to get up until you have achieved a set goal (unless you really need to). For example, until you have made at least 30 calls and sent at least 20 people your sales information. Don't use excuses to stop you calling people who may actually want to buy your products
5. **Work fast** – try not to leave more than 60 seconds between calls. Don't analyse – make your calls first. Until you have reached your target, make one call after another as fast as you can
6. **Reward yourself** – once you reach set goals, have a break. Go for a walk or do something fun. You have earned it!
7. **Never finish on a negative call** – to keep yourself motivated for the next call always finish your calls on a positive outcome. If you come across a negative response, make another call and help create a positive expectation for next time
8. **Always use a script** – a script ensures the message or offer is always the same. This helps when it comes to measuring the effectiveness of your phone marketing. One of the core principles of marketing is the ability to measure results.

Using a sales script

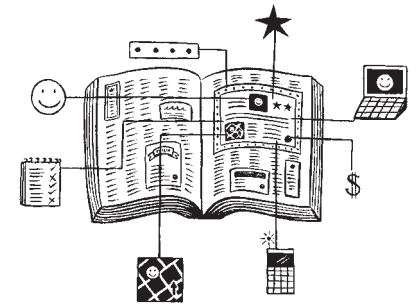
Before using any script ensure you have a clear set of objectives. Why are you calling people? Is it to:

- Make a sale?
- Make an appointment?
- Discover a person's interests?
- Create interest for more information to be sent?

Your attitude is the key. A bad script being delivered by an enthusiastic person is more likely to achieve better results than a fantastic script being used by someone who is dull, unenthusiastic or does not believe in their product. The more energised and happy you sound, the better the scripts can work for you. Try to relax and smile before you dial. Be cool, calm and collected. You should be familiar with your script so you know exactly what to say and can focus all the attention on how you say it. You don't want to sound like you are reading word for word, so it's important to be familiar with the content and understand it so you can deliver it in a personal manner. When you know your script you can start having fun and focusing on what the other person thinks, says and wants – rather than on what you should be saying.

No matter how well you deliver your message, you are unlikely to be successful with your call if the receiver does not trust you. People tend to buy from people they trust. To build trust you must be a good listener, not a talker! If the potential customer is asking you too many questions or is sceptical, it may be because you have not built enough trust. Be consistent with the script, but use it as a guide only. If you cover some of your points in conversation, don't repeat them later just because they are in the script. Use your common sense. Every now and then you should check your potential customer's level of interest. There is no point wasting your time with people who are not interested. Either bring the level of interest up, or let the person go. Keep records of your calls and the result – and have fun!

“Pick your market and own the customer.”
Adrian Di Marco, chief executive officer,
Technology One



Driving results with directory advertising

Buyers not browsers

There are many ways to promote your business, but all advertising can be broken into two categories – passive advertising and active advertising. Consider advertising seen on television, on billboards, in newspapers and magazines, or heard on the radio. What is it trying to do? Most advertising we are exposed to on a day-to-day basis attempts to remind us of something we want, convince us of something we need or inform us about a product or service we feel we should have. This type of advertising is known as passive advertising because you, the seller, are seeking out the buyer.

Directory advertising is different. Directory advertising is the place we often turn when we have already made a decision and we are ready to buy. Known also as active advertising because it's where consumers turn when they have a need and the buyer is seeking the seller. The person looking in the directory has identified a need and has picked up the directory with intent to spend money.

This is why most of the advertising rules we apply to other mediums don't usually apply to directory advertising. It is important to understand this different content orientation when designing directory ads.

The Yellow™ directories

Yellow™ is an important part of the marketing mix for most small businesses. Why? Because when someone turns to Yellow™ directories, they are unlikely to be reading for leisure and more likely to be looking for a product or service they have decided they need or want. Yellow™ is one of the few sources of advertising available in homes and businesses 24 hours a day, 7 days a week, 52 weeks a year. In 2007, more than seven million people were using the print directories every month in Australia, and the rapidly growing online directory www.yellow.com.au was also attracting more than 2.5 million unique visitors each month. In the new space of mobile advertising, an average 68,000 searches are made on Yellow™ Mobile every month. According to Sensis' research, more than half the people searching the Yellow™ directory have a product or service in mind, but don't know which supplier they wish to contact. This is precisely why your Yellow™ directory advertisement must focus on the reasons why they should buy from you.

When people search in Yellow™ whether it's print, online or mobile it usually results in a business being contacted. Better still, these contacts often result in a purchase. Of Yellow™ print directory searches, 92% contacted a business and of those 70% resulted in a purchase. Of yellow.com.au searches, 83% contacted a business and of those 72% resulted in a purchase. With Yellow™ Mobile 37% of searches conducted resulted in users taking further action and of those, 29% are using 'Click to Call' to immediately contact the business. (More on mobile advertising in chapter 15.)

A Yellow™ directory ad can also be complementary to your advertising in other media. For example, you may have a great radio or TV advertisement that creates awareness for your brand – but few people are sitting with pen and paper ready to write down your contact details, so having an ad in the Yellow™ directory means they can find your details long after the TV ad or radio ad has finished. In essence, Yellow™ makes your other forms of advertising work harder because it completes the buying cycle for people ready to buy. They may know your name from a newspaper ad, or have heard your name on the radio, but when they're ready to make a call or visit to make a purchase, consumers often consult Yellow™ to find your location, hours of operation and the other necessary information to complete their purchase.

Isis Flowers in South Australia primarily advertise in Yellow™ print directories and www.yellow.com.au. They have advertised in the print directory since opening more than 20 years ago and in Yellow™ Online for more than five years. They have tried a number of other advertising channels, but when they measured their leads and sales they found the best results for their business were generated through the Yellow™ print and online directories. With this in mind they decided to increase the size of their print advertisement.

"As a florist it is crucial people can find you then and there. Advertising with www.yellow.com.au has helped us gain a lot of new customers, and combined with our great product, has kept people coming back to us."

Maria Vozzo, Proprietor, Isis Flowers

The White Pages® directories

In 2007, when we knew a name, but needed the contact details, more than 7.8 million people turned to the White Pages® directory each month for the answer. A further 3.8 million people searched www.whitepages.com.au every month for the same reason. Interestingly, more than 65% of searches in the White Pages® are for business or government information, rather than residential as many people believe.

If you have a well-known business name, or rely on word of mouth to make your name known, a listing in the White Pages® directory can help people find you when they know who you are, but don't know where you

are. Like the Yellow™ print directory, the White Pages® print directory is available to almost every home and business in Australia, so it is a great way of reaching potential customers. The complementary websites are also available 24 hours a day for those who prefer to use the internet, and listings are updated on a daily basis. So if you have a listing, you can be confident your business details can be found even if you move.

Sometimes, rather than taking up precious air time with contact details, businesses advertising on television and radio say: “Find us in the White Pages® under ‘T’” (or whatever the relevant letter). This is a great way of blending the two mediums together and ensuring time is used well and people can find you.

Creating directory advertisements

There is an art to creating highly successful directory ads. Every customer, every company and every situation has a unique set of circumstances. No ad is perfect for every situation, but by understanding the techniques of great ad design, you can create effective ad that works for your business. A good directory should bring together buyers and sellers. A good directory ad should attract the customers you want and give them all the buying information they need to make a sound buying decision.

In any directory, under any heading, a handful of ads are often most likely to generate more calls than others. Dr Dennis Fromholzer of CRM Associates in the United States has coordinated a Metered Ad Study of more than 89,000 Yellow Pages® advertisements and the findings provide a number of key insights about the dynamics of the Yellow Pages® medium and about how smart advertisers can get the most from their Yellow™ investment.

Ad size

Statistically, the 2007 Metered Ad Study shows doubling the size of an ad will lead to a 38% increase in calls. Ad dynamics do however vary by heading, but interestingly the impact of ad size is the same for both local and national display ads, suggesting consumers react similarly to ads by

national companies as they do to ads by local companies. Both types of companies need to make their sales pitch to the buyer to get their business. The bottom line is larger ads generally receive more calls because they have more room for more information or ad content. Larger ads allow a business to give consumers more buying information and more reasons to choose them, and it is this content that brings in the calls.

Ad colour

According to Fromholzer, colour is a powerful tool in your advertisement. Its value comes not in whether it is used in an ad, but in how it is used in the ad. Colour can make key information in ads stand out; it can attract attention to an ad; colour can help organise information and make the ad easier to read. Colour can enhance ad content by imparting and reinforcing messages difficult to convey simply through words. The 2007 Metered Ad Study results showed effective use of colour can significantly increase calls to an ad while poor use of colour can hurt an ad. As might be expected, the results show the value of colour varies by heading.

What makes for effective use of colour? Ultimately, ad content is the most powerful driver of calls to an ad. Colour is effective when it enhances and contributes to ad content.

Colour can do this in one of two ways:

- a) Colour can be used to organise and prioritise ad content to make the ad easier to read and understand quickly; and,
- b) Colour can add to the content by communicating messages such as high quality, professionalism, customer service or benefits, or by bringing in the benefits of brand-imaging created in other media advertising.

The ultimate test of whether colour adds value to an ad is whether its use “makes it easier for the user to picture him-or-herself being a satisfied customer of the business.”

Ad position

What is the role of ad position and its impact on call response to ads? Publishers place display ads in headings in order of size, from largest to smallest. The largest ads receive the lead positions in the heading. Thus, while large ads generally receive more calls than smaller ads, it is difficult to know whether to attribute the calls to ad size or ad position since the two factors are so interrelated. Further study by Fromholzer again reinforces earlier findings that the most powerful driver of calls is neither size nor position, but ad content. In terms of importance to call volumes, content is the biggest driver of calls, ad size is the second biggest, colour is the third, and position is a distant fourth. The 2007 Metered Ad Study showed ad content accounts for approximately 70% of the variation seen in call volume across ads. Analysis of more than 80,000 display ads gives a strong indication that ad content (the message and information delivered to consumers in the ad) is a much larger factor in determining call response than all other factors combined.

Ad content is the primary driver of calls to a business. All other factors can add value, but are secondary in importance to the message and information in the ads. Calls increase with ad size; the fact that larger ads have better position within headings is why many think, incorrectly, that position is the primary driver of calls.

The analysis suggests that after the effects of ad size are accounted for, position alone is important in some, but not most headings. Yellow™ represents hundreds of different “marketplaces” and people shop differently in different categories or situations. In some cases, an individual will purposely seek out the first ad, while in others, the same person may purposely seek out the mid-size ads. Consumer behaviours are driven by their needs, their urgency, their assumptions, and a variety of other factors. It is easy to talk about “how people use Yellow™” in general terms, but there is no single way for everyone.

Some advertisers, if they cannot obtain the first ad position within a heading, become discouraged. The data about position shows all ads have the potential to deliver strong value to advertisers – since ultimately

content, not position, is the biggest driver of calls. Ads with good buying information, even if far back in a heading, can and do receive strong call volumes.

The key to a successful ad is to have advertisers focus on the right message and content needed to win over a detail-oriented, value-shopping consumer, and to put the content together with enough white space to make the ad readable.

The conclusions about position do not diminish the importance of having larger ads.

Larger ads allow for more of the information consumers seek when they want to make a good buying decision, which attracts more calls. In general, doubling the size of the ad will increase calls by about 38%.

Dr Fromholzer’s top 10 tips for an effective directory ad:

1. Provide complete and relevant information – services, opening hours and delivery areas – don’t assume people know anything about your business
2. Use headlines (large, visible, benefit-oriented)
3. Provide a call to action, e.g. “phone for a free appraisal”
4. Use clear space for ease of reading and to draw the eye
5. Provide multiple locations, phone lines and your website
6. Use bullet points – consumers want information quickly
7. Communicate what sets you apart from competitors – try using a tagline
8. Use pictures/graphics that show benefits of using your business
9. Show your credentials and compliance with industry standards – memberships, accreditations, years in business
10. Reinforce recognition of your brand – use your logo

And how to create an ineffective ad:

1. No list of locations or phone numbers
2. No stand out headline, is too uniform in type/size, or use of your business name as the heading
3. Too cluttered, text-heavy, useless information
4. Picture/graphic of the problem rather than the solution

5. Just listing 1300 number and no local numbers
6. Unrealistic picture or not relating to product or benefit
7. Phone numbers in a font too small to read
8. Technical content rather than benefits to customer
9. Using lengthy testimonials from clients
10. Not clear about what kind of business it is or why it's credible

The bottom line is your directory advertising should fulfil the role of your sales staff. The potential customer has come to the directory looking to buy, and the salesperson's job is to provide information, answer questions and assist the buyer.

Try to speak to your potential customers using bulleted text instead of lengthy paragraphs. Every word in your ad that does not meet the needs of your readers is likely to drive them away from your ad. Be wise; make your words count. White space can emphasise text and create the necessary counterbalance, allowing readers to read text.

In chapter 5 we discussed developing your unique buying reason. This is a vital component in your directory advertising because you need to stand out among competitors. To do this you should know the most compelling element of your business from your potential customer's perspective, not yours. Marketer Peter Sun suggests the following checklist as a guideline to developing your advertisement:

- Your time in business
- Your location if this is an advantage
- Any awards or accreditations you have achieved
- Your guarantee
- Service and back up – warranty offered
- Your product range
- Any free booklets/information kits/DVDs you may have
- Details of any free offer/trial/analysis you offer
- Special equipment you use unique to your business
- Training and experience of your staff
- Price value/cost saving you offer
- Service and back-up – warranty offered

KM Tubular in Sunshine, Victoria, makes products from tubular steel. Last year they received a call from a buyer who had seen their display advertisement in the Yellow™ directory. Their ad stood out as it was slightly larger than their competitors' and included a picture. "The buyer came around that night, discussed his needs and placed an order. The buyer was from Toyota and the order was to fit out one of their production lines. The orders they have placed since with KM Tubular are worth more than half a million dollars."

Trevor Sonnenberg, business owner, KM Tubular Industries

Online directory advertising

Yellow™ Online is Australia's most recognised online business directory. It was the first Yellow™ directory in the world to go online and has been helping people find Australian businesses on the internet for more than 15 years. You can search by business type, brand, product, service or business name (if you know it). You can also run a map-based search, or search categories, for example restaurants.

Like those searching the print directories, people who use yellow.com.au are actively in the market to buy. They are typically looking for a business to help meet their needs and they intend to purchase. They're not window shopping!

Tips to help increase your Yellow™ Online directory results

1. Select the most appropriate category heading and locations for your business to advertise – ask your Yellow™ account manager to show you the Heading Usage Statistics to help you do this.
2. Do you have multiple locations? Talk to your account manager about the best way to ensure you can be found
3. Purchase the most appropriate product(s) within the category heading
 - A Gold Online Solution gives you the best chance of being found in www.yellow.com.au all year round – it provides you a full page (almost like an online flyer) including pictures, text and descriptions. You can include all sorts of detail like opening hours, payment methods and more. It guarantees position and priority and includes additional keywords allowing people to search by brands or services and still find you.

- The Platinum product is great for businesses who want to build brand/ product awareness, or who are looking for a short term boost in sales at a particular time of year. Imagine having a banner across a busy highway and everyone driving down the highway has a chance to see your message. Platinum tiles are very effective at building brand and presence – they can work like a billboard with a message driving people to a website.
- The gold solution, in conjunction with the platinum product, provides a complete solution to help build awareness and presence. They can help you attract customers' attention with a range of features targeting customers and highlighting key business information.

These features can help your business stand out from competitors:

- Business profile – your business information such as contact details and opening hours
- Brand package – space to display your brand and communicate your products/services
- Text descriptor – key statement about your business
- Target media – your business appears in searches for the suburbs you service even if your business is not based in the area
- Business logo – display your logo to build your brand and drive traffic to your website
- White Pages® Online Duo – duplicate your Yellow™ Online solution content on white.pages.com.au

4. Use AdPoints effectively

AdPoints are both search keywords and filters consumers can select to refine their search. Every heading has several associated AdPoints for example under the heading 'Florist' the AdPoints might include roses, 24 hour, delivery, exotic, native, tropical, weddings, anniversaries, Mothers' Day. AdPoints can be specific products, services or brands or they can be advertiser features like hours of operation, accepted payments etc. The purpose of AdPoints is to improve the search relevancy of Yellow Pages® OnLine so consumers can quickly and easily find the product or service they are looking for.

AdPoints work in two ways:

- Search keywords: When a consumer searches using a word or phrase matching an AdPoint, yellow.com.au returns all headings with this AdPoint. The matching AdPoints appear underneath the heading names as hyperlinks. These links are not separate headings or 'sub headings'. When a consumer clicks on the AdPoint link, they are taken directly to refined search results containing only advertisements associated with that AdPoint
- Search filters: At the left hand side of the yellow.com.au search results page, there are several drop down menus or 'filters' underneath the heading 'Refine by'. These are the AdPoints relevant to the heading being searched. Clicking on a selection within the drop-down box refines the search results to include only those advertisements associated with the AdPoint. Users can click on several AdPoints within separate AdPoint field boxes to continue refining the search results. This helps consumers locate the specific businesses they are looking for.

Make sure you mention all the parts of your business you wish to promote within your advertisement, so the AdPoints can assist customers to find your business and differentiate you from your competitors.

5. Display your full address so Yellow™ can put you on the map - if your customers come to you, make your full address is included so your business can be displayed on the online maps along with directions
6. Allow customers to look at your website or send you an email - no matter how hard we try, we don't always provide customers with enough information. Allowing them to link to your website or send you an email will make it easy for them to find the answers they need
7. Display your logo prominently - help your customers remember you
8. Capture the attention of potential customers - display a few clear photos/images to support the message you wish to communicate to your customers

9. Tell people what you sell and how they can pay for it. Think of unique features that set your business apart from your competition
10. Make sure you measure your advertising – where are your customers finding you and what do you need to do to improve your return on investment?

Importantly, advertising on yellow.com.au also ensures your business can be found across the wider Yellow™ network. This includes Yellow™ Mobile, whereis.com, sensis.com.au, sensis mobile, 1234 & Call Connect™ and ninemsn's local directory site, mylocal.com.au.

When people search on yellow.com.au they are looking for information to help them make a buying decision. The content of an ad is important in helping customers decide which business to contact. Make sure your Yellow™ Online ad provides customers with all the relevant information they need.

Steel Roofing is a small business based in Sydney that sells primarily to other business. They advertise almost exclusively online and are updating their website to increase their presence. "We rely heavily on www.yellow.com.au to generate business. It drives approximately a quarter of our total enquiries, but accounts for nearly three quarters of our total sales from online leads."

Chris Ameghino, managing director, Steel Roofing Pty Ltd

To get the business, you must answer the phone

We've already discussed how Yellow™ delivers potential customers to businesses. Yellow™ does this more effectively than almost any other alternative available to businesses because when people search in Yellow™ whether it's print, online or mobile it usually results in a business being contacted. Better still, these contacts often result in a purchase. Of Yellow™ print directory searches, 92% contacted a business and of those 70% resulted in a purchase. Of yellow.com.au searches, 83% contacted a business and of those 72% resulted in a purchase. According to the 2007 Yellow Pages Industry Usage Study the average display ad in Yellow Pages delivers about 815 calls per year.

In order for a business to realise the fullest value possible from Yellow™, the business must effectively convert calls received to sales. While it seems obvious, the first step toward doing this is to make sure all calls are answered.

On average, roughly 8% of calls go unanswered. For an ad delivering 815 calls a year, this means about 65 calls per year (5 per month) go unanswered. This directly translates to lost business opportunities. Some businesses are quite good at answering the phone. About 26% of businesses, however, fail to answer more than 10% of the calls they receive through Yellow™. It is critical for these businesses to find better ways of ensuring all calls are answered if they are to realise the full benefit of their investment in Yellow™ advertising. A strong ad does no good if the buyer cannot successfully reach the business.

Top ten tips for converting phone calls into transactions

1. If you don't have the time, hire someone to answer all incoming phone calls
2. Answer all incoming phone calls within the first 3 rings, and be pleasant and helpful
3. Introduce yourself and ask for the name of the person who is calling you
4. Attempt to obtain the caller's address and phone number
5. Make an appointment with the caller to understand what they are shopping for and show them your products and solutions, and how they can be of benefit
6. Do not put the caller on hold - be prepared with the answers to common questions customers tend to ask over the phone (this means training your staff too).
7. If you have to place the caller on hold, don't leave them on hold for more than 30 seconds

8. If asked for pricing details, respond with confidence and always follow with one or two value statements
9. Thank everyone who calls you and mean it
10. If you can't serve them help the caller find someone who can – it's all about good service!

Specialist directories

Directories specific to your industry category can be worthwhile considering as part of your advertising. For example, if you have a bed-and-breakfast or a motel you should consider a listing in relevant print and online directories that cater for tourism, such as www.gostay.com.au. There are also many regional and government accommodation guides available.

Another example is the restaurant and takeaway food industry. In Australia, there were 4.5 million searches on www.yellow.com.au between July 2004 to August 2005 for food-related products and services – that's a 75% increase on the previous year. In order to stand out in this boom industry, it might be worthwhile listing your business on specialist food-related and entertainment websites, like www.citysearch.com.au.

Local directories

Yellow™ Local directories are an important part of the marketing mix for a range of reasons. Many people prefer to spend money in their local community to help support their local suppliers. Australians can be very parochial and their loyalty and patriotism can play a part in their purchasing decision. If you have a product or service which is locally made or provided, this should be made very clear in your advertising for this reason. An advertisement in your Yellow™ Local directory is also important if you have a product or service for which your customers are unlikely to want to travel great distances. For example, most people when looking for a doctor or dentist will opt for a service close to their home or work for convenience. Once a relationship is established they may well travel back to see you even after they have left the local area, but as a new customer they are likely to look for something nearby. With this

in mind they are likely to reach for the local directory rather than wade through a range of providers from further afield. On the other hand, if you consider larger purchasing decisions like buying a car, we are more likely to travel greater distances to find the right purchase, but would you travel the same distance for a bunch of flowers or leg of lamb? So it is important to consider advertising in your local directory especially if you have a product or service which is likely to appeal to people in your neighbourhood.

Locality guides

Guides are also available in some larger directories by geographic area. Directories covering large territories contain Locality Guides so consumers don't have to wade through page after page of advertising to find a business close to home. For example, a dentist might be listed under suburb rather than business name. This is helpful for people who are looking for a dentist in their area, but don't know the name of their local dentist and don't want to drive several suburbs away to find one. If your directory has a Locality Guide, you should consider investing in a spot – as discussed in chapter 12, local area marketing is vital for some businesses and if your local guide is well used, then you should be in it.

Wall planners

Some magazines publishers also publish a yearly wall planner or calendar that has various businesses located around the perimeter of the planner. They normally offer these as 'category exclusive', meaning only one plumber, one electrician etc. Unless the calendar is appealing enough that people will put it on their wall, this kind of advertising is unlikely to generate leads.

“Unlock your inborn creativity; always be looking for better, faster, easier ways to sell more of your product or service.”
Brian Tracy, author



Virtual profits: an overview of digital marketing

The internet is well and truly in business, not only generating revenue, but impacting our social lives. Today the internet is used daily by millions of Australians, including businesses small and large. We use it to find and buy things, to advertise and sell things, to interact with others, and to streamline our processes and reduce costs. These are important reasons why internet marketing should be on the small business marketing agenda. In fact for the first time ever, in 2007 Nielsen's Online

Poll showed Australians were spending more time online than watching TV. The research showed Australians were spending around 13.7 hours per week surfing the net, while average TV viewing time was about 13.3 hours per week.

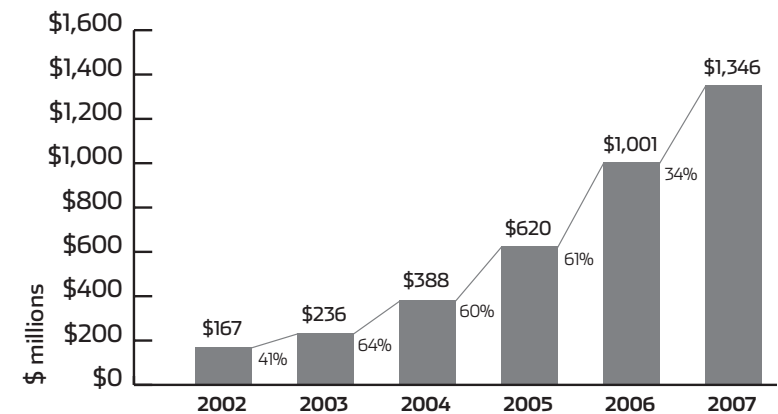
Online growth

To give you an idea of how strong the online market is in Australia, online advertising grew 34.5% in 2007 and was valued at \$1,346 million, an increase of \$345 million on 2006. This puts online advertising ahead of radio advertising which grew by 6.4% in 2007 to fall just short of \$1 billion. The following breakdown shows how advertisers were spending their dollars:

- Search and directories \$622m (46%)
- Classifieds \$357m (27%)
- General online advertising \$367m (27%).

The following chart demonstrates the rapid growth of the online advertising market since 2002.

Total Market \$ Expenditure by 12 months to December



PricewaterhouseCoopers – IAB Online Advertising Expenditure Report – December 2007

This increasing advertising expenditure is consistent with the growing number of people using the internet to purchase, and the increase in broadband connections in Australia. Sensis' 2007 e-Business Report showed of those SMEs connected to the internet, 91 per cent had broadband connections, up from 43 per cent in 2004. Furthermore, more than 52% of the Australian population 14+ have broadband/high speed internet connection at home.

Why do people shop online?

In a November 2005 survey in the United States by management consultants Deloitte & Touche, households were asked for their reasons for shopping online. These were the top ten reasons given:

- | | |
|---------------------------------|-----|
| • Convenience of 24/7 shopping | 75% |
| • Saves time | 70% |
| • Less hassle/no crowds | 67% |
| • Easier than in-store shopping | 52% |
| • Unique products not in stores | 45% |
| • Free shipping | 44% |
| • Easier to comparison shop | 40% |
| • Better prices | 40% |
| • Pay less/no taxes | 36% |
| • Higher fuel prices | 35% |

Suffice to say, if you are not using the internet in your marketing you should seriously consider it. While some retailers don't use the internet to sell, many of them will still have a website presence to promote what they have in store, what specials they have and where they are located. The 24 hours a day, seven days a week availability of the internet means your chances of being found are increased even when your business is closed. Some customers may not want to speak to you personally – they just want a solution and need to know if you can assist. For example, someone who knows exactly what they are after and wants to avoid a sales pitch might prefer to order and pay online. This option can allow you the time to focus on the customers who want or need personal contact.

Website strategy

As with any marketing activity, before you rush into having your website built, you should know why you are doing it. Answers to the following questions should assist you, or a third-party website designer, to reach your objectives:

1. What do you want to accomplish with your website?
2. Do you have a cost-saving or revenue goal?
3. Is it for lead generation? If so, what sort of information do you want to capture and what sort of database capture facility will you use?
4. Do you have a customer service improvement goal?
5. Will you sell internationally? If so, in what currency will you display your goods and services?
6. Do you want to feature suppliers and joint promotion partners on your site? If so, who and where?
7. Do you know what internet sites, forums and discussion groups your clients are participating in? Specifically, what are they saying about you, your competition and your industry?
8. Have you reviewed your competitors' websites to determine what they are doing and not doing, to ensure you have a competitive advantage?
9. Who will be responsible within the business to maintain and monitor the website? Not maintaining it is like opening a shop and never checking to see how it is going.
10. Who will be responsible for online enquiries generated by the website or internet marketing activity? Where do sales leads go, where do technical enquiries go?
11. Have you registered your domain name (www.yourbusinessname.com.au)? Is the domain name available? Should you register both .com and .com.au? If you have international customers, .com might be easier to remember. Even if you are not ready to launch a website, registering a domain name is inexpensive and can be worthwhile as it will ensure you have it when you are ready.
12. Is your business name easily transferable to the internet, or could you shorten it so it is more memorable?

Exago supplies an innovative solution to monitor the temperature of fresh produce in transit and in-store. The solution is developed in Australia but has a global market, and the business relies heavily on its website to communicate with customers and wholesalers around the globe. The Exago website has been developed to service three audiences: prospective customers from all over the world, current customers who can access personal information through a password-protected login, and staff and suppliers who can access business information to suit their needs via a secure login. "Our website is designed to cater for the different needs of each group, and allows Exago to service them quickly and efficiently while keeping costs to a minimum."

Michael White, managing director, Exago Pty Ltd

Website optimisation

If you already have a website, here are some questions you can use to help you audit its effectiveness:

1. When was the last time you used your website as a customer would?
2. Does each page load in eight seconds or less?
3. Do you have a headline on your home page which tells customers the specific benefit they will be getting from your product or service? Is it reinforced/repeated on the other pages as well?
4. Do you have your contact details on each page or listed in a central place, so your customer can easily contact you?
5. Do you give customers a reason to give you their email address? Does your website and its collection and storage of customer information comply with the Privacy Act?
6. Do you regularly examine your website traffic logs to determine the source of your visitors, which keywords they use (if they came in from a search engine), and what websites they come from and go to after visiting your site? This can be helpful in understanding your customer and planning your marketing.
7. Do you regularly examine your position on each of the search engines to determine if you are in the top 10 selections based on the appropriate keyword searches?
8. Is your email address on your website monitored and responded to at least daily (or preferably more often)? Not doing so is tantamount to opening a new retail store and not having anyone at the front counter!

9. Do you concentrate on your potential and current customers' specific needs so you are seen as a specialist rather than a 'me too' business?
10. Do you make product or service information available on your website?
11. Do you regularly collect testimonials and display them on your website?
12. When was the last time your website design was refreshed?

e-commerce

If you are planning to sell from your site, you will need to consider what volumes and what payment options you will offer. There are many suppliers today who can manage the entire e-commerce platform for you. All you need to do is upload your products and services, then determine and maintain your pricing. They normally charge a fixed fee per month for hosting and site maintenance, dependent upon how much you have to sell. When using an e-commerce platform, try to ensure you can track the users throughout the process so you can identify if any steps are too difficult or where communication can be improved. These issues can usually be identified when you see a spike in the number of people abandoning their purchase in one particular area.

Internet fraud is still a serious issue so you should consider having your e-commerce platform verified and secured by a major and trusted brand such as Paymate or VeriSign. If you do, ensure you display the security logo or accreditation prominently so your customers know about it. Also try to ensure repeat customers can set their own profile so they are recognised and don't have to fill in their details every time they log in. Your goal is to make buying as simple and pleasurable as possible.

Website design basics

You should consider consulting a professional web designer to design your website. Some suggested basics include:

1. Your URL should be as short as possible, memorable, associated with your business, and intuitive to your customers and partners

2. You should do some competitive analysis:
 - Review competitor websites, information and functionality
 - Write a list of all the pros and cons of each of your competitors' websites
 - Look at websites from unrelated industries that offer functionality pertinent to your business. Such sites can be used as reference during the briefing stage
 - Do searches for your competitors and see what comes up. Look at the best-ranking sites and try to identify what is common to them
3. You should establish objectives:
 - What do you want your website to do for you? Draft goals with regard to traffic, sales, leads and database contacts
 - Consider if/how your needs today will differ in 12 months/24 months
4. You should define your target market:
 - Who is your target market and what will they want from your site?
 - Are they different to the target market that visits your shop front?
 - What do you want them to be able to do on your website?
 - What is likely to appeal to them and deter them?
 - What is likely to make them come back to your site and what might turn them away?
5. You should analyse your content and functionality:
 - Conciseness is the key – you may not have long to appeal to your visitor
 - Draft a list of all the information you believe will need to be on the site
 - This will later help you define what sections will make up the site
6. Draft a site map/outline of what can be found on each page:
 - The site map should set out the main options on the home page (often called global navigation) along with all the sub-sections (often called secondary navigation), and the section and pages that sit within each sub-section (often called third-level navigation)
 - The site map will indicate how many clicks it will take for a site user to get to a particular page. In general, a website user should be able to find whatever they are after within three mouse clicks
 - Be sure to keep section titles as short as possible, but also make sure they make sense to your visitors
7. Determine your hosting requirements:
 - The functionality requirements of your site will define what hosting requirements you need. There are many website hosting providers, and many offer monthly or annual hosting packages. The types of things the hosting environment affects are:
 - What technologies can be used when building the site
 - What functionality you can have within your site
 - If you need a content management system, and what type of system can be integrated into the site
 - What technologies are used to design and build database facilities within your website
 - What website user statistics are available to you and how can you access such information
8. Plan your design, drafting a creative brief that provides:
 - A background and insight into your company
 - A definition of your target market
 - An outline of your needs, objectives and goals
 - A description of how you are perceived in the market place and how you want to be perceived
 - Your brand guidelines and style guide
9. You should assess your website design:
 - Consider your audience, not your personal tastes
 - Does it appeal to your target market?
 - Is the design intuitive/easy to navigate?
 - Review the layout – positioning of navigation tools, logo and transactional functionality, page weight (i.e. how large the files are

that make up the pages), width of main content area, banner space, colour of text and background, positioning and size of images

- Does your business have to meet certain design standards?

10. Developing your website:

- Decide what technology should be used; which is mandatory and which should be avoided
- Consider screen resolution – 1024 x 768 is currently the most common screen resolution
- Search engine optimisation – as applied to text within pages, setup of templates, choice of metatags or keywords (more on this in chapter 16).

11. Updating your website:

Consider how frequently you will be updating your website and whether or not this is important to your target market. If you will be updating your website regularly, this will help define what technologies will be used in its construction, and also how the site is designed. For example, an architecture firm may not update its site very often, but it might need a site that's visually impressive.

A bookstore, however, wanting to sell books online would need a site capable of being easily updated, ideally internally.

Sandy Bay Massage Centre in Tasmania is a place you can relax, revive and rebalance your body, rest your mind and restore your spirit. They use a variety of media to advertise their business, including Yellow™ OnLine. Their advertisement tells you a lot about their business and the services they offer. It also includes a link to their website, a map and directions on how to get there. They have also increased the size of their Yellow™ print directory advertisement to promote their prime location in Sandy Bay. "We are looking to continue our business growth and part of this strategy is to drive people to our website to find out about the unique services we offer, such as Hot Stone Massage. We also aim to strategically promote our locality because we have found Tasmanians are often willing to travel for good service."

Mandy Huppert, managing director, Sandy Bay Massage Centre

Internet marketing

Having a website is not necessarily enough to guarantee people will visit it. Many of us tend to look at fewer sites than we did some years ago simply due to lack of time. The best way to ensure you are found is by making sure people are aware of your site. You should promote your website just as you do your business.

Kevin Kelly of Wired magazine estimated in August 2005 there were some 600 billion web pages on the world wide web. That equates to 100 pages for every person on earth. Kelly also estimated a blog (web log or diary) was launched every two seconds. That should help illustrate how difficult it could be to find you without knowing your web address!

Some of the key ways to advertise your website are:

1. Search marketing and directory advertising
2. Email marketing
3. General online advertising.

Search marketing and directory advertising

Search marketing means making your business available to be found on search engines such as www.sensis.com.au, www.google.com and www.yahoo.com (more on this in chapter 16.)

Online directory advertising means listing your business on online directories as discussed in chapter 14. An advantage of online directories over print directories is their ability to be updated and the ability to refer traffic by linking directly to your own business site.

Consumers typically use search engines to research and browse and directories when they are ready to buy so it is important be available in both.

Email marketing

Email should be part of your marketing strategy. The key advantages are:

- Distribution costs are virtually zero
- Time savings are substantial – you can send multiple messages in a single process

- Email is personal
- It is easily tracked – there are email marketing tools to help track responses
- Delivery is fast.

Again, it is very important to be mindful of your obligations under the *Privacy Act* 1988 (Cth) and the *Spam Act* 2003 (Cth) with respect to email marketing activities. You should consult your lawyer if you have any questions and to ensure your proposed campaign complies with the law. With more and more people using email at home and in the workplace, the opportunity to use email to save time and money is growing. After all, email is just another channel to communicate information. Here are some examples:

- Sales proposals and quotations
- Accepting orders
- Answering enquiries/providing information
- Making offers/generating sales.

With growth in e-commerce there has been an increase in ‘spam’ (unsolicited ‘junk’ email). If you have an email address you will more than likely know what this is from first-hand experience. Some industry estimates now put spam as the cause of 70% of all email traffic. When sending email, ensure your email complies with the requirements of the *Spam Act* and is not likely to be considered ‘spam’. Use the subject box to tell the recipient what the email is about. Viruses are also on the increase and are often carried by ‘spam’ emails, so more than ever, recipients of email have become cautious about opening up email messages from people or businesses they don’t know.

If your document or message is of substantial length, don’t try to place it all onto the email cover page. According to Paul Mercieca, lecturer in Information Management and Digital Publishing at RMIT University in Melbourne, in his paper ‘E-book acceptance: what will make users read on screen?’, it is 30% easier to read information in hard copy than it is in digital format. If you have a long email, it may not be read properly so use

the email cover page to summarise the key issues and attach the rest of the information in a document, preferably in PDF format so it cannot be manipulated at the other end. You should have an email template, similar in style to your hard copy letterhead, including your

- Name and title
- Business name
- Your unique buying reason and business logo (provided it is small in file size)
- Phone/fax/email/web address.

This saves you recreating these details each time you send an email, and it increases the professional image of your digital messages. An IT consultant should be able to take a sample you have created and put it into an HTML digital format compatible with most recipient systems. This should cost around \$200–400, depending on the detail and complexity you are requesting.

When sending emails ensure you keep the size of the email down. Not everybody is running on broadband and many internet service providers block large files from being delivered. It is much more effective to have a short email that has links from the email to your website should they wish to read more.

Email marketing lists

If you don’t have your own email marketing list, you can access a number of Privacy-compliant, highly targeted email lists from a number of reputable Australian companies. Email marketing has had some bad press over the years, and the heavy fines imposed on spammers have stopped a lot of businesses acquiring lists to contact potential customers. This is understandable, but misguided. There are several very good quality email and mobile lists freely available via list brokers which allow you to send highly targeted campaigns to consumers and business people legally. For example, if you wanted to target music lovers in Melbourne aged more than 18 years, you can do this very quickly using one of the many permission lists available. The added bonus with using a list is you

can push customers through to your own website where they can join your database – a great way to build or add to your own database.

Email marketing is easy to track and measure. You can easily see how many people respond to your message. So where do these miracle lists come from?

List owners usually gather contact details via their websites by offering consumers great deals on products and services. In return consumers accept advertising messages from companies via email and/or mobile phone. Members are usually asked detailed questions when they sign up, so the list owner can segment the database. So when you want to book an ad campaign, you can select the audience, their job title, state of residence, age group, and their lifestyle preferences. Surely this beats sending out a bunch of letters to people who don't want to know you or who don't meet your target customer profile! The average cost for a campaign is around 25–35 cents per email or SMS, plus around \$400 in set-up costs, which usually includes a professionally formatted email. Most list owners have a minimum spend, so budget for at least \$800–1,000 per campaign.

There are some questionable email lists floating around. Always ask a list broker if the lists they represent are 100% opt-in, that they have complied with the necessary requirements of the Privacy Act and the Spam Act in compiling the list, and if you are allowed to use it for your intended purpose. If they um and ah, thank them and put the phone down. A legitimate list owner or list broker knows if their list is a permission-based one. Permission marketing really offers a 'full circle' approach to your marketing campaign because people genuinely want to read your message. If they like what they see, they will click the link in the email to visit your website, or flash their mobile voucher in your store. Hopefully they will become a subscriber to your own permission list... because you will invite them to.

Viral marketing

Viral marketing refers to techniques that seek to exploit pre-existing social networks to produce exponential increases in brand awareness. Its primary use is to harness the network effect of the internet to reach a

large number of people very quickly. Viral advertising only succeeds if the original email or campaign element such as a funny video clip, interactive game, image or joke is compelling and worth sending on. A well-known example of an effective viral campaign is the Carlton United Brewery's 'Big ad'. This advertisement was made specifically for the internet and was passed around by email – while this is a high-cost example, it is purely to demonstrate the potential popularity and power of viral marketing.

A low cost form of viral marketing gaining wide acceptance is blogs (weblogs). These are diarised entries on a website which often invite conversation from third parties. Blogs can include text, photographs (photoblogs), videos (vlogs), or audio (podcasts).

Blogging is a form of viral marketing that combines the power of word of mouth with the efficiency of the internet. Small businesses can use blogs to demonstrate their expertise. For example, a landscaper might consider a weekly blog about lawn care and gardening tips including case studies and photos or video content. If people find the blog interesting they may share it with friends with similar interests. Blogs demonstrate one of the changes occurring in internet usage. Many people are becoming online 'prosumers'. That is, they produce and consume on the internet.

General online advertising

General online advertising refers to banner ads placed on websites. (More on this in chapter 16). You or your web designer create a banner advertisement or button and arrange for its placement on various sites likely to be visited by your target customers. You should also ask your business partners and they might put your banner ad on their website for free. If you are unsure of the process you can pay an online media agency like MediaSmart® to place the ad for you on their relevant third party websites. The costs vary depending on your needs, but using an online media agency means you don't have to worry about working out which websites are best suited for your ad as long as the agency's portfolio includes sites relevant to your needs. They should do all the negotiating for placement and price for you. Some key measurement criteria you should consider:

CPM – this is the cost per thousand impressions (number of times viewers see your advertisement). For example, a site might offer \$25 CPM.

Click-throughs – these are the number of times people click on your advertisement to find out more information or to go directly to your website. You should monitor where the click-throughs come from and when so you can optimise your advertising spend. For example, you might consider reducing your ad spend on the sites not delivering a high number of click-throughs and reallocate those funds to the sites delivering high results. You may also find some sites deliver high click-throughs but few sales, whereas other sites deliver fewer click-throughs but higher sales – this might suggest the latter site has a more qualified audience or a better online advertisement.

Audience fit – some sites may meet your target audience criteria very closely, but they may have a very low traffic. You may need to go with a site that has a looser audience fit but much higher traffic to help achieve your objectives.

These are all discussion points you should have with your online media agency before you commit to any online advertising spend.

File size – again, with online advertising such as banners, buttons and the like, check what limitations there may be on the websites you wish to advertise on. File size can be affected by your colours, logo, images and even fonts so it is recommended you work closely with your web designer when creating your banner ads.

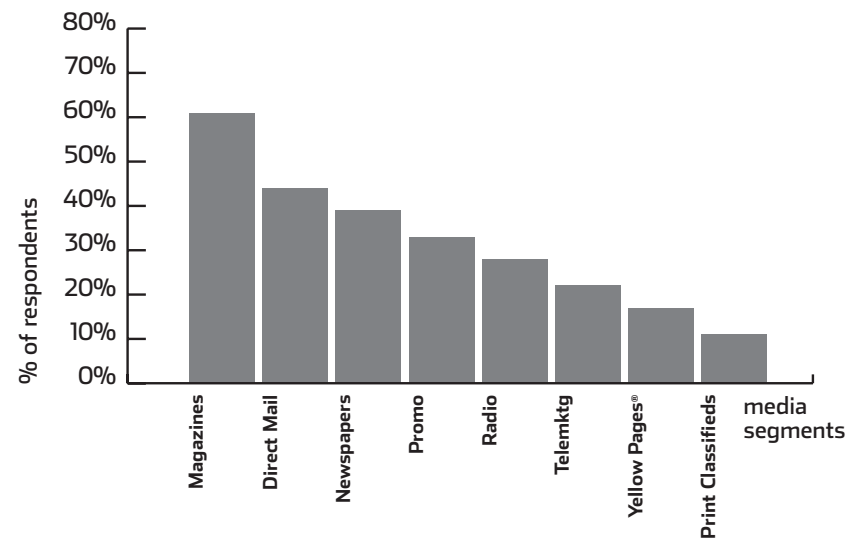
Dealsdirect.com.au, based in Sydney, has been operating since 1999. Deals Direct use permission-based marketing, online advertising and search and directory advertising with Yellow™ OnLine to drive traffic and revenue for their business. “We constantly monitor our online sales leads, sales conversion ratios, average purchase prices per customer and customer visits so we know the return on investment from each of our marketing channels.”

Paul Greenberg, marketing director, Dealsdirect.com.au

Funding internet marketing

While it is important to realise the power of online marketing, it is also important you balance your advertising with traditional methods to ensure your buyers can connect with you. The following graph illustrates the survey responses of some United States national advertisers who were asked where they would reduce their spending to fund online advertising.

% of US national marketers who would cut spending in other media segments to fund increases in online advertising



Source: Forrester Research 2005

As you can see most of them said they would keep their Yellow™ directory and classifieds advertising, suggesting these advertising vehicles are considered valuable by these advertisers (presumably because people looking through these publications are likely to be genuine buyers).

Mobile marketing

In July 2005, research group Gartner forecast there would be 1 billion mobile phones sold worldwide in 2009, which would see a total of 2.9 billion in use by the end of that year.

At the same time the Australian Mobile Telecommunications Association (AMTA) estimated there were almost 19 million mobile phone subscribers in Australia. The estimated revenue of the industry in 2005-06 was \$11.9 billion. The mobile penetration rate (the number of mobile phone services per 100 people) was estimated to be 94 per cent. Since the launch of Telstra's Next G in 2006 more than two million handsets have been sold.

In September 2005, the contribution of the mobile telecommunications sector to the economy was larger than the free to air television services industry and also larger than the newspaper printing and publishing industry. To further illustrate the size of the market you might be interested to know the mobile telecommunications sector's contribution to the economy was almost three times the contribution of the automotive, vehicle and component manufacturing sector!

The advertising market is changing ...mobile advertising is here!

In chapter 12 we discussed mobile phone marketing via directory listings and voice products. Now let's discuss why mobile marketing can be important and identify some further mobile marketing opportunities available to businesses. One of the reasons mobile marketing can be successful is because people tend to keep their mobile phones with them. You may hear some people say they feel lost without their mobile phone – this is an indication of the relationship some of us have with our phone.

Research company Synovate initiated a qualitative study in 2005: *Me, myself and my mobile* in Australia and the progressive Korean market. The study looked at how technology-savvy consumers currently use their mobile phones, how they feel about them and how they anticipate using their mobiles in the future. It also focussed on consumers' attitudes to marketing over mobiles. The study found consumers tend to consider the three Ps important elements of their mobiles - personal, portability and permission. Mobile users today think of their mobile phone being as personal as another 'limb'. They enjoy the advantages of portable communication and entertainment and want people and brands to seek their permission before interacting with them via their mobiles.

The good news for business owners is mobile represents a whole new channel for marketing a brand and the potential is enormous. In fact, the study revealed Australians are already expecting mobile marketing to pick up in the near future as mobile technology and services improve.

However, business owners must beware. The highly personal aspect of mobiles means they are subject to the same kinds of rules of engagement that apply in face-to-face contact. The most vital aspect for marketers to note is content must be relevant to the consumer.

The study also found mobile phones offer three advantages to business owners. Firstly, the mobile is an intimate mode of communication – not a wide-ranging broadcast tool. Messages are seen as 'just for me'. Secondly, the phone provides a unique sense of immediacy. The majority of respondents felt when a message arrived on their phone, they needed to act on it straight away. The third advantage is interactivity. The phone provides a mechanism for a two-way conversation between a consumer and a brand. Together, these add up to a powerful opportunity for business owners. Getting the right message at the right time to the right consumer is a potent proposition.

According to research released in the States in March 2008 by The Nielsen Company, (the self proclaimed world's largest provider of syndicated consumer research to the telecom and mobile media markets), in 2007 51% of all data users who recall seeing mobile advertising in the previous 30 days say they responded to a mobile ad in some way. Twenty six per cent of those who saw an ad responded at least once by sending an SMS text-message, the most popular ad response and 9% say they've used click-to-call to respond to a mobile ad, where users follow a link on their phone to call a specific number.

The same research showed 32% of data users said they are open to mobile advertising if it lowers their overall bill and 14% said they are already open to mobile advertising so long as it is relevant to their interests. A further 23% expect to see more mobile advertising in the future.

The mobile as a 'remote control' for life

When asked about various media, respondents to the Synovate study classified the mobile phone as being very different to traditional media such as television, radio, print, outdoor and even the internet. In fact, most people did not think of phones as a medium at all. This is both interesting and extremely important for marketers to be aware of as it implies the mobile marketing approach must be different to other forms of marketing. One theme from the focus groups was that mobile phones have the potential to be the mortar between the bricks of the other media; something that glues a marketing campaign together. For example, you might place an advertisement in the local newspaper with a call to action for the reader to text their email address to a given number. On receipt of their email address, you might send them more detail and a special discount. This has been demonstrated in several campaigns by large advertisers such as Nike, NAB and through the launch of the movie *Mission Impossible 3*. All these campaigns used the mobile phone to link press, online, outdoor and TV advertising campaigns.

Quick response (QR) codes are shortcuts to mobile websites, phone numbers, video streaming, location-based coupons, SMS or free text. Originally developed as a high speed decoding label for the manufacturing industry, QR Codes have quickly made in-roads into the consumer mobile world overseas. They are a powerful tool for activating print media and enhancing the user experience, conveying media rich information or connecting brands, consumers and location. QR codes are expected to be available in Australia by 2009.



As in the above example, by placing a QR Code to a print ad such as a newspaper, magazine or a billboard, advertisers can provide consumers with a quick link to a more enhanced brand / product experience within the mobile environment.

Mobile content

A June 2006 survey by Frost and Sullivan has forecast revenue in Australia from mobile phone content will reach one billion dollars by 2009, up from \$129m in 2004. This increase represents a compound annual growth rate of 51%.

In May 2006, another survey by the Australian Interactive Media Industry Association (AIMIA) – the Australian Mobile Phone Lifestyle Index – sought to gauge the market impact and understanding of 3G services. The survey found women (73%) were significantly more likely than men (27%) to download content. The AIMIA survey found 45% of participants became aware of new mobile content via the internet and 36% from television. The third most frequent method of becoming aware of new content was on mobile phones. The survey found 11% of respondents said they owned a 3G mobile phone while 26% did not know. Only 12% of respondents said they would definitely or probably buy a 3G phone in the next six months. The main reason cited was they need a new phone anyway and therefore might as well get a 3G phone. The key message is Australians are prepared to pay for downloads of compelling content.

MediaSmart® is Australia's leading mobile advertising agency and has exclusive access to Telstra's mobile database which is the largest and most detailed mobile database in Australia. Depending on your campaign objectives you can choose to deliver your message to a few highly targeted groups or broaden your message to influence a greater number of people. As discussed in chapter 7 the more you refine your target audience, the more likely you are to get a greater return on your investment. The MediaSmart® team can expertly match your advertising objectives and products with banner ad placement to ensure your advertising is displayed on contextually relevant mobile sites.

Your target market can be refined or personalised against a range of user behavioural profiles: from basic demographic data such as age, gender or billing postcode through to more advanced segmentation such as household income, household makeup, psychographic (attitudes and values) statistics and even browsing history. Your advertising can even be refined to a particular time of day to increase its effect and reduce costs. For example, a banner advertisement promoting a lunchtime special at a restaurant could be displayed between 11am and 2pm only.

Importantly MediaSmart® also has a range of reporting mechanisms to demonstrate the success of your campaign. Campaign reports for example typically detail the volume of impressions served and their respective click-through rates.

MediaSmart also recognises developing campaigns for a small mobile phone screen may be a daunting prospect and have specially trained experts to assist. Different handsets offer different user experiences, and what may render well on one handset may not on another.

SMS and MMS marketing

SMS stands for Short Message Service and is generally known as ‘texting’ or ‘txtng’. MMS stands for Multimedia Message Service where in addition to text you can send still and moving images.

According to a 2004 study by AT Kearney/Judge Institute of Management, 85% of Australian mobile phone users use SMS. This ranks Australia as the third-highest users of SMS in the Asia Pacific region, behind only China and Korea.

Let’s discuss some ideas for utilising the captive audience mobiles offer. These ideas can help generate a response, collect content and build a database. They can also make your ads measurable because you know what time the responses come in. You may consider including some or all of these in your advertising campaign, whether it be TV, outdoor, print, or radio. However, when undertaking any SMS or MMS based content it is very important to be mindful of your obligations under the *Privacy Act* and *Spam Act* with respect to commercial electronic messages. You should consult your lawyer if you have any questions and to ensure your proposed campaign complies with the law.

Text competitions and campaigns

Standard Rate Mobile (04 numbers) are provided at the ‘normal’ SMS charge to consumers. These are inexpensive to set up, but you do have to pay for reply messages (e.g. ‘thx for yr entry’) to consumers.

Alternately, Premium Rate SMS (19 numbers) introduces a new revenue stream for campaigns, competitions or content. If you have ever voted in Australian Idol, Big Brother or Dancing with the Stars, you have been billed for the vote via Premium Rate SMS. Content and services are charged at a higher value and billed to the consumer’s mobile phone account. The rates charged can vary between 55 cents and \$6. Premium Rate for mobiles is the modern version of the 1900 telephone numbers for landlines. Premium Rate SMS is also known as ‘short code’, as the available numbers are 8 or 6 digits, starting with a 19 (instead of 04). Interactive communication services like Legion Interactive can help you set these up (www.legioninteractive.com.au).

You also share the revenue with the telecommunication carriers, with a percentage of the Premium charges rebated to you, so you can offset some campaign costs. For example, on 55 cents you may receive 16 cents back. Also the reply message back to the consumer is counted within the Premium charge, so you don’t have to pay extra to send that message back (as you would with Standard Rate SMS). Again, this is a good way to offset costs if you are expecting a big response. SMS responses cost between 16–20 cents (depending on volume). You should compare this with the cost of postage, handling and printing for a direct mail piece. Following are a few ideas for SMS advertising:

SMS entry can be used at point of sale or on product packaging or advertising. Customers can enter a draw via SMS to win a prize. Details collected from entrants can be a name, email address, product barcode, etc. You and your mobile marketing partner collect the entries, and at the end of the competition period, a random draw takes place to determine the winner(s).

Instant win is the same as SMS entry but the responses vary as instant prizes can be given away. This raises the excitement and participation in a campaign or competition as participants get an instant reward! Put a special code inside the box or under the lid and ask customers to SMS in the code to see if they are a winner.

Voting allows viewers to express their opinions by voting for their preference. This can be done through A, B, C, etc or keywords (e.g. are you a Holden or Ford person? Text Holden or Ford to 19...).

Events can be advertised by text. For example a new nightclub opening, expo or fashion show, or retail store opening. Consumers can see your ads, SMS to a mobile number for a VIP pass in text or barcode format, which is delivered straight back to their phone with full details. They simply flash their phone at the entry point, and you track the results.

Location-based services

Location can be important when promoting your products and services. There are simple and effective ways of plotting your business location on a map relevant to a mobile phone user's physical location. Imagine someone could see where your product is available within a near radius and can then press a button (click to call) and find out whether you have the actual product they're after in store. It is this kind of convenience which the new generations are relying on to help them through their busy lives – they don't want to waste their time window shopping. MediaSmart® offers a range of location based mobile advertising solutions providing you the ability to incorporate tactical advertising offers. A further example is offering location based coupons so nearby mobile users can receive a special discount or offer. Store locations nearest to the mobile phone user can be displayed on a map increasing the chance of redemption. Coupons can also be saved to the mobile phone for later use.

Lead generation

SMS is a very simple mechanism: people who see your ads can SMS a code word or their name to request further details, a sample of your product or someone to call back.

Combining SMS and other media

SMS marketing allows consumers to use their mobile phone to request more information about your products. It works as a call to action in your existing advertising. It is the equivalent of a customer asking for a brochure, except they do it via their mobile phone.

Think of it as a virtual call centre – except it is all fully automated.

Here is how it works...

The consumer sees an ad containing a call to action, e.g. 'for an email brochure, SMS the code CAR and your email address to 0429 188 802'.

The consumer sends an SMS with their email address and code for more information about your products to be sent to their email inbox, e.g. 'CAR john@isp.com'. The system receives the SMS, which triggers the email.

A full-colour email is immediately sent to the consumer's email address. The consumer can now peruse your information at their convenience and click through to your website.

You also send back an SMS reply to their handset thanking them for their text message so they know it has been received.

In this example, you can see exactly who has responded because the system delivers a spreadsheet of respondents' mobile numbers and email addresses for follow-up marketing. Best of all, it is privacy compliant! If you enable the appropriate read – receipt function, you can even tell who opened your email and what time they read it, so you can measure the success of a particular ad. Crucial information if you are running a TV, radio or press campaign, as you can see what time they responded and when they actually read your message.

Following are some ways SMS marketing can benefit your business:

- Consumers can respond immediately to your advertising message
- The message can reinforce print and outdoor advertising
- You can track which ads work best
- You can create positive brand association
- SMS marketing can be a cost-effective customer acquisition tool

- SMS marketing can allow potential customers to ‘act now’ and ‘read later’, when they are in a more relaxed and positive frame of mind and can absorb your product information
- You can save on printed brochures and postage
- You don’t have to wait to get results
- Consumers can forward the texts and emails to their friends.

Mobile marketing can work, as long as you remember the golden rules:

- The list you are marketing to is permission-based (i.e. people must have consented to receiving SMS or MMS from you). Your own list is always best
- The call-to-action is compelling
- You use the right technology for the right audience, ie send an MMS message to people with MMS - capable phones only

There are a large number of mobile marketing providers who can assist you with tailoring your message, ensuring your database is privacy compliant, and assisting with monitoring the results and refining future campaigns.

MMS

Like SMS, MMS can be used to send product information to your customers but uses still or moving images. For example, Foxtel sent a preview of upcoming movies to willing recipients and encouraged them to go online for more information about subscribing. You could tailor your tv advertising for MMS and tie in a special offer or call to action.

Voice broadcast

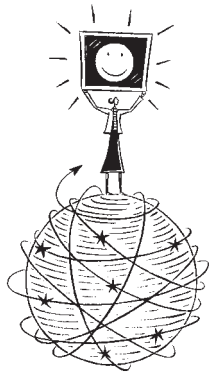
Voice broadcast is where you send a pre-recorded message out to a phone number database. The message might be about a promotion or it could be updating people on an event or results. It can be very annoying and intrusive if it is done to the wrong database, or even at a poor time to the right database. However, it can work well in the following circumstances:

- You have a loyal database of fans or users of a product or service who have consented to receiving these types of messages
- You need to add emotion and feeling to a communication piece and the spoken word is far better than plain text
- You have a strong call to action and you want to measure the results. For example, the captain or coach of a football team appealing for fans to show support at the next match and to press 1 at the end of the message to go to an operator and buy a membership or tickets.
- A business owner wants to convey important information out to his staff, such as sales people who are spread over a wide geographic area.

Special note on *Spam Act 2003* (Cth)

The *Spam Act* requires you meet a number of requirements before you are able to send a commercial electronic message, including SMS, MMS and email messages. You should download and read the *Spam Act 2003: A practical guide for business* from www.acma.gov.au and consult your lawyer if you have any questions. The onus is on your business to comply with the requirements of the *Spam Act*.

“Search engine results pages are the real estate of the new millennium.”
Tim Cohn, Advanced Marketing Consultants



Search engine marketing

We often seek the easiest and quickest way to do things in our busy lives, and search engines have helped many of us do this.

People will search for businesses through a variety of channels (many of which we have already discussed, e.g. print and online directories, voice services, mobile devices), so it is important your business is found in as many locations as possible. One of the more recent mechanisms available for people to search are online search engines.

Online search is a rapidly growing part of our culture. Anyone who has access to the internet is likely to use a search engine at one time or

another and for a variety of purposes. According to Sensis' research, 85% of Australian SMEs who search online are looking for information about products and services.

Further research suggests:

- Search is closing in on email as the primary daily online activity: 77% email and 63% search. (Kelsey Group 2006)
- 53% of United States web users said they used two or three search engines. (Kelsey Group 2006)
- 83% of consumers worldwide use search engines to find and access websites. (Forrester Research 2004)

For small businesses search engines can be critical sources of potential traffic and qualified leads, targeting users at the moment they are actively searching for products or information. In many cases, you only pay when someone makes contact with your advertisement, so theoretically you only pay for genuine potential customers, which means more qualified customers to your online front door.

What is search engine marketing?

Search engine marketing (SEM) refers to the overall process of marketing a website on search engines (both paid and unpaid methods). This includes submitting the right ad, optimising it well through style and placement, and ensuring it ranks highly in searches by paying for priority positioning where possible. But it does not end there. It is about improving how your site interacts with search engines overall so your target audience can find you. SEM is a continual process and not a one-off task. For that reason, while many small business owners choose to manage their own SEM, some may decide this is an area better left to the experts. We will discuss ways to select a search expert for your business later in this chapter.

What are search engines?

The term 'search engine' is often used generically to describe both crawler/spider or spider-based search engines and human-powered directories. These two types of search engines gather their listings in very different ways.

Crawler/spider-based search engines

Crawler/spider-based search engines, such as Google or sensis.com.au, create their listings automatically. They ‘crawl’ or ‘spider’ the web according to the search request and present the searcher with a list of all the related links found. People then search through their findings for the most relevant result. How quickly your business is found, and where your business ends up in the search results, will generally depend on how closely matched your business is to the search query and how easy your website is to find by the crawler or spider. Changing your web pages can impact the way you are found and listed, which is one reason why sometimes you might suddenly have more traffic after a change to your site. Page titles, text and other elements can all play a role. Search engines can also make changes to the way their crawlers behave, which can also impact the way you are found – one of the reasons why search engine optimisation is not a one-off task.

Human-powered directories

A human-powered directory such as Yellow™ OnLine works differently. Information databases are maintained by humans and the crawling mechanism is limited to information within those databases. This means changes to your web pages will not impact your ability to be found. As long as you have registered your name on the database, and you have nominated as many relevant keywords as possible, people can either type in your name or your business type and location and you should be found. We have already discussed online directories in chapter 14, so let’s focus on crawler/spider-based search engines such as sensis.com.au, Google, Yahoo! and Ninemsn.

Search engine submission: listing your business

Search engine submission means having your website listed with search engines. This does not necessarily mean you will rank well every time, but search engines should be able to locate your site.

Two ways you can get listed with search engines are:

1. Search engine optimisation (SEO) - adapting your site and employing methods to help increase your chance of being found for free
2. Paid-for listings - also known as ‘pay-per-click’ or ‘pay-for-performance,’ which we will call P4P. (More on this later.)

How search engines work

When you search for anything using a crawler/spider-based search engine, the search engine should sort through the millions of pages it can find and present you with results related in some way to your topic. The matches should also be ranked, so the most relevant ones come first.

Of course, the search engines don’t always get it right. Non-relevant pages make it through, and sometimes it may take a little more digging to find what you are looking for. Crawler/spider-based search engines go about determining relevancy by following a set of rules, known as an ‘algorithm’. Search engines are unlikely to share their rules or algorithms because it is a key ingredient in determining which search engines work better and who has the most successful search results. They can change the way their algorithm is set which can affect how the crawler or spider behaves, as mentioned earlier. This in turn can impact the way your site is listed and ranked. One way to help ensure your listing is not impacted by these changes is to pay for your placement.

Location and frequency

The location and frequency of keywords on your web page can help or hinder your listing on search engines. An algorithm may assume your website is more relevant than your competitor’s because the search term is in your web address or at the top of your home page, whereas the same search term does not appear until your competitor’s third page. This means every word on your website can impact your business’ chances of being found. So it is important to ensure you consider the relevance of information when you are designing your website.

Frequency can also play a role in how search engines determine relevancy.

A search engine might analyse how often keywords appear in relation to other words in a web page. Those with a higher frequency might be deemed more relevant than other web pages. Some search engines 'index' or collect more web pages than others. Some search engines also index web pages more often than others. Consequently no search engine has the exact same collection of web pages to search through. That naturally produces differences in the results.

Search engines may also penalise pages or exclude them from the index, if they detect search engine 'spamming'. An example is when a word is repeated hundreds of times on a page, to increase the frequency and propel the page higher in the listings. Search engines can watch for common spamming methods in a variety of ways, including following up on complaints from their users.

Off-the-page consideration

As this market matures, many 'webmasters', or designers, are learning more about the way search engines operate and some are constantly rewriting their web pages in an attempt to gain better rankings. At the same time, crawler/spider-based search engines are becoming familiar with the ways people are doing this and, as a result, many of them now also make use of 'off-the-page' ranking criteria.

Off-the-page mechanisms are those a webmaster is generally unable to influence easily. Chief among these is link analysis. By analysing how pages link to each other, a search engine can determine what a page is about and whether the page might be important enough to achieve a higher ranking. In addition, sophisticated techniques are being used to screen attempts by webmasters to build artificial links designed to boost their rankings. One way to help improve your chances of being found is to build links to your website from other relevant and popular websites. Why? Because crawlers and spiders follow links, and by linking with popular sites you are more likely to be found by them.

Another off-the-page mechanism is click-through measurement. In short, this means some search engines may monitor what results people are selecting for a particular search and may drop previously higher ranking pages not being selected, while promoting the lower-ranking pages being selected. As with link analysis, systems are also available to determine artificial click-through mechanisms generated by webmasters.

Pay-for-performance (P4P) search engine marketing

Generally, search engines will offer some form of P4P listing service.

If managed well, P4P advertising can be one of the most cost-effective marketing solutions for businesses on the internet. Unlike SEO, P4P provides the opportunity to ensure a higher ranking on search engines in return for a fee. Website owners can usually bid for keywords so can determine how much they are prepared to spend. Search engines can also place a minimum price point on page placements to ensure top spots are not being sold too cheaply in the case where there is only one person bidding. Search engines might also offer reduced prices for websites with high click-through. This means popular sites aren't deterred from advertising because they have to pay every time someone selects them. (This means an advertiser with a high click-through rate might pay less in position #1 than an advertiser in position #2 with a lower click-through rate.)

When someone enters a keyword into a search engine, ads are usually displayed. The highest-ranking ad is likely to be determined by a combination of relevance, click-through rate (popularity) and the amount paid. The highest bid can usually ensure a higher place than anyone else, but may only guarantee you the highest placement if you have paid the minimum fee for that spot based also on your site's click-through rate. Importantly, though, P4P means website owners don't pay unless the person searching actually selects their ad. To help increase your options of ranking highly in a cost-effective manner, it is important to build up a strong click-through rate. A good way to do this is to ensure your site is user-friendly and you promote it, so people are more likely to recognise it and click on it when they see it.

Bid management

Bid management is the task of managing how much to pay, when to bid on keywords and which metrics to apply. This can be a complex element of P4P. You may want to consider outsourcing your bid management along with your P4P strategy to a search provider, which can offer a variety of services depending on how much you want to spend. There are automated management systems or systems where you can determine which metrics you want to apply to your listings, e.g. cost-per-click, cost-per-registration, paid-for page position, position of competitors, etc.

SmartyHost is an online company providing web hosting and domain name services. With just 25 employees they service more than 25,000 individual and business customers. SmartyHost predominantly advertises online to get new customers. They have found pay-per-click technology, such as Sensis BidSmart, is time efficient, measurable and delivers the most customers for the least amount of money. They have also advertised on TV and radio and in print, and have had articles printed in the press. "Pay-per-click advertising generates solid leads and we only have to pay for people who visit our website. We augment our strategy by using offline channels to build brand awareness."

Anoosh Manzoori, founder, SmartyHost

Tips to successful search engine copywriting

Search engine copywriting should satisfy two audiences:

- The search engines – which reward content-rich sites written according to SEO copywriting standards with higher positioning
- Your customers – who rely on relevant, easy to read and understand content to help enable their purchase decision and process.

Here are some tips for successful copywriting taken from the SEM Council's book *Search Marketing Demystified* and searchenginewriting.com:

1. Always research your keywords using trusted industry research tools. Unfortunately, many business owners claim to know the phrases their potential customers are likely to use, and forgo any actual research. This can be a very easy step and can deliver some good results. Popular research tools include:

- Sensis.com.au Keyword Suggestion Tool for BidSmart
 - Google AdWords Keyword Selection Tool
 - Yahoo Search Term Selection Tool.
2. Make sure your copy is well written, grammatically correct and void of spelling mistakes. While it can be important to include misspellings in your keyword list, making them visible on your site may affect the perceived professionalism of your business. (When purchasing keywords, you should try to anticipate common misspellings for example, a hotel should not limit its keywords to 'accommodation' and rule out other variations of the word such as 'acomodation', because they could miss out when someone spells it incorrectly).
 3. Choose two or three key words or phrases specific to every page in addition to keyphrases specific to each page. Remember, people can enter your site on any page, so a per-page optimisation strategy is vital. Try to include your key phrases at least three times each within the body text. If you are working with a highly competitive keyphrase, strategically insert the keyphrase more than three times if possible. Crawlers and spiders can zoom through your entire web page, indexing every word. The goal is to strategically scatter your key phrases throughout your page copy.
 4. Emphasise your key phrases in headlines and sub-headlines where appropriate. Emphasised text, like headlines, sub-headlines and boldface, can be important coding properties for search engines. This means key phrases appearing as emphasised text can stand out to crawlers and spiders and may help your site achieve higher positioning.
 5. Try to include a minimum of 250 words per page. Although this may seem like a lot of text, a 250-word count for each optimised page can help meet search engine and reader needs. This is because:
 - Search engine crawlers and spiders look for content. You may see a lot of words, but they are likely to see a document with lots of content to extract.

- A longer word count can make it easier to include your key phrases without sacrificing your marketing message. Potential customers are likely to want more product information than less – and they may leave your site if they don't find it.
6. Don't compromise your site to achieve search engine positioning. Some people may think that if mentioning a key phrase three times is good, then mentioning it 30 times on a page must be even better. Although the page may position well, visitors are likely to question keyphrase-packed writing and may not like your site.

Caterer's Warehouse is a small, national wholesale business based in New South Wales. They use a variety of advertising channels to ensure their customers can find them, wherever or whenever they are looking. "We advertise in the Yellow™ metropolitan and regional books, as well as online. Caterer's Warehouse had been achieving increased website traffic, but not sales, so we signed up with BidSmart. The results are both measurable and impressive – since using BidSmart our website traffic has increased 5% and sales have increased 20%."

Sharon Tierman, business manager, Caterer's Warehouse

Protect your brand online

The leading search providers offer varying degrees of protection to business owners, but you should also monitor competitor and affiliate activities. Generally, search engines have brand protection policies and business owners should take full advantage of these. Online marketing and research company Hitwise developed a Search Engine Brand Management White Paper which supports the following overview on search engine guidelines.

Sensis

Sensis provides clear guidelines on competitive keywords: 'Keywords based on the names of competitors or trademarks owned by third parties to the applying BidSmart customer are not acceptable.' Furthermore, 'BidSmart customers may only choose a keyword if it is relevant to their website and business. Any product or service that is implied by the keywords selected for BidSmart Listings must be clearly available on the landing page.'

The Sensis BidSmart product guidelines are available at: https://bidsmart.sensis.com.au/bidsmart/includes/product_guidelines.pdf

Google AdWords

Google does not arbitrate trademark disputes, but places the responsibility on advertisers for the keywords and ad content they use and offers to 'investigate matters raised by trademark owners'.

Google AdWords has different guidelines for trademark protection in the United Kingdom, the United States and Canada than in the rest of the world, where they 'require an advertiser to remove the trademark and prevent them from using it in ad text in the future.'

Outside of the United Kingdom, United States and Canada, Google AdWords will ensure advertisements 'do not use a trademarked term in the ad content or as a keyword trigger.' The AdWords Trademark Complaint Procedures are available at: http://www.google.com/tm_complaint_adwords.html

Yahoo!

Yahoo! allows only resellers, information sites that are not competitive and competitive comparison sites to bid on trademarked names. Yahoo! takes no responsibility to arbitrate trademark disputes, leaving the responsibility for respecting trademark laws to advertisers. Like Google, Yahoo! promises to review complaints from advertisers for improper use of trademarks.

The Yahoo! search marketing trademark policy is available at: <http://searchmarketing.yahoo.com/legal/trademarks.php>

ninemsn

ninemsn in Australia manages its sponsored listings through Yahoo! Search Marketing. Refer to the Yahoo! Search Marketing trademark policy mentioned previously.

Protecting yourself

The following are steps to help minimise competitor threats:

Ad placement – Your ad should appear toward the top of the search results page for searches on your brand. Unpaid listings are usually preceded by up to three sponsored listings. Business owners should consider bidding on their name to appear in the sponsored listings.

Ad copy – An increase in the volume of visits to a competitor from searches for your brand name could indicate particularly effective ad copy in a sponsored listing. Business owners can learn a great deal from competitors' successes.

Exclusion policies – Business owners can write exclusion policies into contracts with affiliates to prevent them from bidding on the brand.

Register misspelt domain names – Consider registering domain names for common misspellings of your brand name. For example, the domains www.qantas.com.au and www.quantas.com.au are both registered by Qantas, with users typing in those domains re-directed to the correct URL. This stops a competitor buying the common misspelt URL and accessing traffic otherwise meant for you.

Bidding on your brand name – Some believe it is unnecessary to bid on their brand's trademark as the brand owner's website will almost always be the first unpaid search result. Let's discuss some reasons why you should.

Reasons to bid on your own brand name

The main reason for business owners to bid on their own trademarked brand names is to help improve ad placement, ad copy, landing page and click-through rates.

Ad placement – A successful bid on your own brand name can mean your ad appears among the sponsored listings. While your listing may otherwise appear first in the unpaid results, it may be below a number of sponsored listings and other links provided by the search engine.

Ad copy – A successful bid on your brand name can allow you to control the ad copy that appears in your sponsored search results. For example, you may have your name rank first and the second and third rankings might be reviews of your business.

Landing page – A successful bid on your brand name can allow you to control the landing page. You can ensure your customers are sent to the most relevant page on your site, and therefore encourage a positive user experience.

Click-through rate – A study published in 2004 by Overture found when companies appear in both sponsored and organic listings, the average click-through rate increased by 51%.

Broad matching

Broad matching enables a search engine to include broad results that may be relevant to the requested search term, such as plurals. Search engines usually default to offer broad matching and offer 'exact matching' or 'phrase matching' as an option. Keep in mind if you are paying every time someone clicks on your link, it is better if they are actually interested in your business.

One way to ensure you are capturing relevant searches is to apply negative keywords. With negative keywords, your ad will not appear when the selected negative word is included in the search string. Consider the keyword 'bonds', a clothing brand in Australia. By broad matching the brand name, Bonds' ad would appear in the sponsored listings for searches for 'premium bonds', 'deposit bonds', and 'government bonds'. By adding negative keywords to the broad match, Bonds Australia can control when its ads appear. Another example, the Northern Territory government site might consider selecting Ford as a negative keyword to avoid being listed when people are searching for a Ford Territory.

An example of exact matching: Telstra Dome might register 'Telstra+Dome' as an exact match so they don't attract every search on Telstra.

Search providers can usually provide lists of commonly used terms often associated with a brand. In addition, the Hitwise Search Term Suggestion reports can be helpful for selecting negative keywords (go to www.hitwise.com.au).

Search term share

Search term share refers to the share of all internet searches for a particular keyword or search phrase. Charting brand searches over time offers insight into:

- Trends – whether searches for a brand are increasing or decreasing over time and at different times of the year
- Strengths – relative online strength of the key brand term compared to competitors
- Success of promotions – peaks in searches are often associated with promotions and campaigns.

Brand association

Brand association can be another key metric for business owners. The concepts and products consumers associate with a brand can have a significant impact on sales, product development and the timing of marketing activities. Brand managers can spend significant resources on building desirable, and reversing negative, associations. The internet is an immediate resource that can help business owners detect what consumers are thinking and saying about a brand, as news can spread rapidly through blogs, chat rooms and email. Brand association can also be gauged through charting when brand searches correlate with product seasonality. By charting a brand name against its generic product terms, it can be determined how closely the brand is associated with its category.

Tips on engaging a search expert

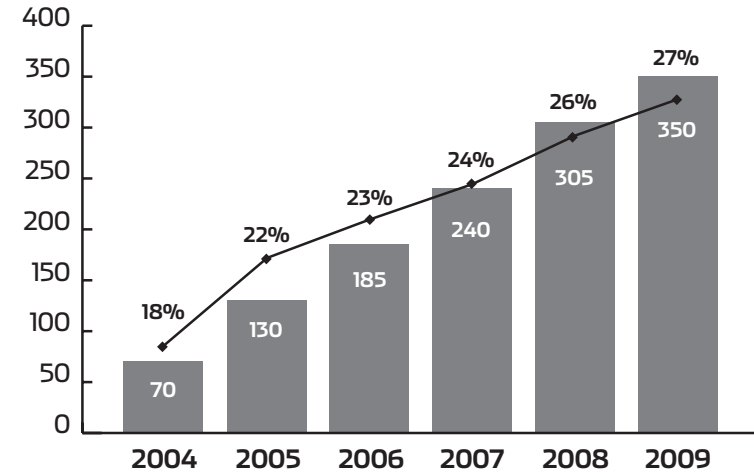
Choosing a provider for either SEO or P4P ad management can be a very important decision for your business. Get it right and it can help transform your business. Here are some tips to help you choose a quality SEM firm:

1. Do some research and know what you want before making enquiries. Are you looking to use P4P search advertising? Or SEO? Or both? Often there may be a solid business case for both. If you have some understanding of exactly what you are buying, you will be able to assess each company's capabilities more successfully
2. If you are looking for assistance with SEO, run a search on the companies you are talking to. If their own website does not rank in the major search engines' top 10 results for key search terms, then they may lack credibility (and perhaps expertise). Make some further checks to determine why they're not there.
3. Search marketing is a very specialist field. Specialist firms tend to do it better than the many generalist advertising, marketing and web design firms now offering P4P and SEO services. Some may simply outsource your work to an SEM firm (which can add extra agency fees to your overall SEM cost)
4. Ask for case studies of the SEM firm's previous work, and find out who some of their main clients are. A good SEM firm should be able to show you excellent case studies of previous clients, including rankings. If a SEM firm has well-known clients – and those clients rank well – then chances are you have found a quality firm
5. Shop on return on investment. If you opt for the cheapest possible quote, then you will probably get what you pay for. Achieving good search results in competitive fields can require a lot of work by the SEM firm and costs should be reflected in quotes. You should assess the cost of the service against the potential long-term returns for your business
6. Be realistic with your expectations. If you are a small mortgage broker then don't expect to rank #1 for 'home loans' with, say, a \$2,000 annual SEM budget. As an indication of the competition, a major bank may spend \$100,000+ per year to achieve page one results. (Highly competitive industries are likely to require continued marketing to maintain their position – it's not a one-off expense). If you wish to compete, make sure you have an appropriate budget for your market

7. Measure the results over the long term. Search marketing can be a long-term investment. That can mean 12 months or more to see good rankings for new websites. Be aware that good organic rankings may be hard to achieve, but good search rankings can remain for years after the SEM contract is finished. In other words, your return on SEM may be earned over years, not weeks or months
8. Don't expect 'guarantees'. No honest SEM firm can guarantee you #1 in organic search rankings. Think about it. The only people capable of guaranteeing you a #1 organic ranking are the people who own and run the search engines. Their search positions are not for sale. Google's website says it plainly: "No one can guarantee a #1 ranking on Google." Beware of SEM firms that guarantee rankings
9. Don't expect an SEM firm to miraculously transform your business. Be aware you are paying an SEM firm to send targeted visitors (search engine users) to your website. If your site is poor, or your products/ services don't meet customer expectations, then chances are you may have a problem. A good SEM firm will advise you of potential problems but ultimately you have to take some responsibility to make sure you retain customers once they have found you
10. If your preferred SEM firm is unable to help you in your time frames, ask them to refer you to another. Many firms are likely to refer you if they are too busy to help.

As demonstrated in this graph, the search market is growing rapidly and is forecast to continue to grow. It should be a consideration in every business' marketing plans. Importantly consider all the ways your consumer searches for you and measure the effectiveness of each one regularly.

Australian paid for performance search advertising forecast 2004-2009



Source: Frost and Sullivan, 2006

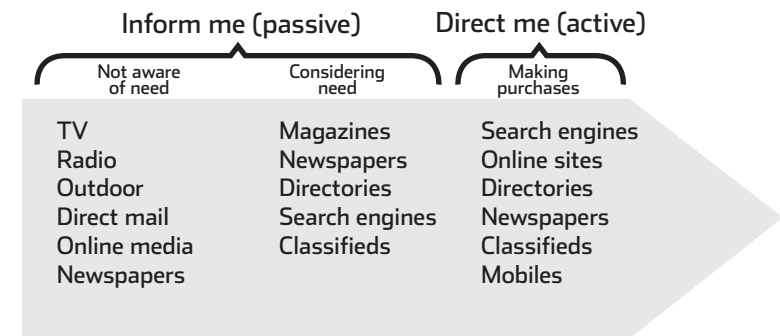
"I am often asked how I got into this business.
I didn't. The business got into me."
Leo Burnett, advertising statesman



Broadcast media

Broadcast media is often used to target mass audiences. Think back to chapter 11 when we discussed the following diagram, which illustrates different mechanisms for reaching your customers according to their state of awareness and their needs. We talked about how television, for example, is generally not where consumers look when they are aware of a need. Can you imagine turning on the television in the hope of finding a plumber or supplier when your hot water system breaks down? Most of us would turn to the Yellow™ directory, our local newspaper or a search engine. On the other hand, you might be thinking of renovating

your home and be prompted into action by an advertisement on television for a kitchen sale. The same theory applies to radio as for television. In these cases, the difference between one buyer and another is their state of awareness. Where one is looking consciously to be informed, the other is doing something unrelated, but taking in advertising information at the same time.



When we talk about broadcast or electronic media, we are usually referring to radio, TV and online media. We have already discussed online media, so let's look at radio and TV. These are the primary media vehicles we use when we need to advertise to a large audience to create awareness of our brand or a particular message. Broadcast media is not easily targeted and, by its very nature, is interruptive in its delivery.

Free-to-air television

According to Nielsen Media Research, approximately 99% of all Australian households have at least one working TV set. Free-to-air TV can deliver fast and effective results for a wide range of objectives. Whether you want to drive short-term sales, launch a new product or service, or promote your brand, free-to-air TV can be a powerful tool available to advertisers. While it is possible to reach your target audience solely through TV, it is

recommended you complement your free-to-air TV advertising schedule by advertising in one or two other media channels. Of course, this will be dependent upon your budget. In particular, you should consider complementing your TV advertising with a channel where customers can find you when they are ready to buy, such as directories and classifieds. This allows you to create awareness through TV and a connection through the print medium for when they are ready to buy.

Generally, TV on its own is not a cost-effective medium for reaching a small, targeted group of customers or talking one-on-one with a particular segment of the market. What might work well, however, is a TV advertisement supported by a direct mail piece referring to the recent TV advertising. There are two key factors you may need to consider when advertising on TV. Firstly, the cost of producing your TV commercial and, secondly, the cost of airing the TV commercial.

The changing function of TV

Many people tend to do more than one thing while watching TV as a reflection of the busy lives we lead today. The shows most people watch (those with the highest ratings) can charge a lot of money for their advertising time slots. As an example, in the United States, the greatest sporting event of the year is the Super Bowl, held on the first Sunday of February each year, with an estimated audience of some 80 million people. The cost of one 30-second TV ad is around US\$2.4 million. That does not include the cost of making it! This means that even the large advertisers air only one to five spots each. At that price, who can blame them?

Making a TV advertisement

The cost of a TV commercial can be influenced by a number of key factors:

- The length of the commercial - they are generally 15, 30, 45 or 60 seconds in length
- Whether you want to shoot at a specific location (such as your store) or in a studio

- Whether you need to have a live shoot at all, or whether your ad can be created on computer using graphics and voiceovers
- Whether you use acting or voiceover talent.

There are a number of options for developing TV commercials, including:

- Using a TV station's creative department
- Using an advertising agency to manage the whole process
- Working with a TV production company
- Doing it yourself according to the specifications required by the TV stations.

A low-budget 30-second TV advertisement, which might comprise your logo, some still images and a call to action can be produced by a TV station from around \$6,000. If you use an advertising agency, you should expect the costs to go up to cater for the additional people who are likely to be involved: account service staff, creative staff, film production staff and editing staff. Prices can be hard to estimate because so much is dependent upon the message and the creative elements used, as well as the number of people involved.

TV advertising can be expensive and it can also be complicated. Be sure you understand all elements involved and what you can expect for your money before you commit. Remember increasing the budget does not necessarily mean an increased result, so stick to your budget.

Talent can also be important. If you do use talent (actors or voiceover artists), try to ensure they are signed on for a period of time, say two to five years. You may want to re-use the commercial again in a year's time and if your talent agreement was originally only for six months, you may be up for another fee.

Similarly, if your agreement is for TV only and you decide you want to run a complementary print ad, unless you negotiate use of their image in additional channels, you may be charged additional talent fees. Try to anticipate your needs and negotiate at the beginning of their contract where possible.

In his book *Ogilvy on Advertising*, David Ogilvy provides some guidelines for making TV commercials:

- **Use humour** – many Australians like an ad that makes them laugh
- **Slice of life** – provide a reality situation people can relate to
- **Testimonials** – can provide credibility
- **Demonstrations** – show the product or service in action; you can have fun with these by demonstrating extreme examples
- **Problem solution** – show the problem and then the solution
- **Talking head** – an expert speaker should grab the audience's attention
- **Characters** – can work well if they are believable and relevant to what they are promoting
- **News** – people tend to like being informed, and if you can do it and entertain them at the same time, all the better
- **Emotion** – charm, nostalgia, human connection. Use emotion, but always remember to provide a rational reason as well.

The media brief

You can buy TV slots directly from the TV networks or through an advertising or marketing agency, or a media buying agency. You need to determine which time slot/s to request and which channels you want to advertise on. You might want to try to match up with a program watched by your target audience. Or you may choose a program appealing to a lot of people. Your selection is likely to vary according to which program is on at what time, on which channel, and who tends to watch the program/channel. People often prefer to engage a media agency to arrange their TV slots so let's look at what you should include in a brief for engaging an agency:

- The TV campaign objective – product awareness, sales results etc – this is one of the most important elements so try to be clear
- Your target customer profile. The more detail you provide to the media planner or TV network, the better. For example, 18–25 year old males in Sydney who earn \$30–60,000 and enjoy outdoor sports,

or 35–45 year old married professional females who are the main grocery-buyer. Consider:

- Gender
- Age
- Location
- Job
- Income bracket
- Lifestyle
- Recreational activities
- Your budget – how much you have for media and production
- Your proposed length of campaign – one week, one month, etc
- Your measurement criteria for success – sales, brand awareness, competition entries.

For a small business considering TV as an advertising option, it is likely to be more affordable working directly with the TV networks for both the creative and the media buying. If you decide to spend more on the production of your commercial, the TV networks should be able to recommend a production house or agency to work with.

Once you have developed a brief, you should discuss your needs with the sales team at each of the networks. Ask them to present you with a media plan to fit your objectives. This is likely to help increase your knowledge, especially if you question areas you find confusing. Have several networks present to you, so you are in a better position to make an informed choice. You can get value for your TV dollar by choosing off-peak timeslots like daytime or late night. Off-peak programming still delivers significant audiences but at much lower rates. The main point is to know your audience and what your objectives are. If your target market is other small business owners, early Sunday morning and late night TV, which can be bought quite cost effectively, may be options worth considering.

Listen to what the TV networks say about what your target audience is watching and don't be swayed by your own viewing habits if you are not in the target audience demographic.

How long should the campaign last?

It is recommended to have a short sharp burst of TV rather than a longer campaign with less ads being screened. In other words, try to go for 40 x 30-second ads over a week rather than 20 x 30-second ads over a month.

The reason for this is your chances of being seen by your target customer during a short period of time with repeat screenings are increased. If it is your first campaign on air, you may need to spend more upfront to achieve momentum for your brand. Unless your ad is particularly memorable, your target audience is likely to need to see your brand and message several times before they remember it without being prompted. People are unlikely to be waiting around for you to advertise to them. TV advertising is an interruptive media. That is, it interrupts what they are watching, so you need to grab their attention quickly and reinforce it through frequency. Frequency is a term you will hear a lot in TV and radio advertising. It is defined as the average number of times your target audience is exposed to a commercial. After you have advertised for a while and people are aware of your brand, you might consider reducing the frequency of your ads.

If you can afford to buy across several networks, then you should consider doing so to help increase your exposure. However, if your budget won't allow you to do this effectively, it's best to work with one network and do that well. If the results don't work out you might want to try another network the next time round.

As with all advertising, you should give TV some time to work. Try some different messages, try some different shows. One business might find its target audience is working longer hours and watching late-night news rather than the first editions, so it may have more success advertising in late-night TV slots than in prime time.

Measurement is also vital. Use 1300 numbers or SMS responses and monitor the incoming calls, or ask your customers how and where they heard about you. This is important information as it may indicate you need to improve your message on air. For example, the addition of a voiceover artist reading out your business phone number may deliver a better result than simply having it displayed on screen.

Subscription television

Subscription television (satellite) was first launched in January 1995 with cable services launched in September and October 1995.

By end 1995 there were 85,000 homes with 300,000 potential viewers. As at the end of June 2007, 6.1 million Australians are now STV subscribers equating to 31% of the population. The growing reach and penetration of this medium has made it a fundamental part of the Australian television market. Australians are increasingly becoming very selective about controlling what they watch during their precious leisure time. Given the ability to target niche markets through programs on pay TV, this medium can provide more of an opportunity to reach your specific target market than free-to-air television. This is because people who access Pay TV have more control of content and determine what channels they want access to according to the information that best suits their needs. For example, if you are after extreme sports fans, then TV ads on Pay TV channels such as Fox Sports and Fuel TV would be recommended.

Some advantages of advertising on TV include:

- A cost-effective way of reaching a mass audience
- Provides motion, sound and vision
- High frequency possible
- Runs 24 x 7
- Can be split across metro and regional audiences
- Can impact a general audience quickly.

Some disadvantages of advertising on TV include:

- Cost of production can be high
- Changing your ad can be expensive and slow
- Testing different ads is expensive compared to other media
- Audiences are fragmenting and it is harder to get their attention
- Measurement of success can be difficult without a call to action (SMS/phone etc)
- Exposure to each message low due to time
- Typically low involvement from viewer.

Radio

According to Nielsen Media Research, every home in Australia has at least one radio. In terms of getting coverage across Australia, radio can be one of the most easily accessible mediums. There are approximately 37 million radio sets across the country, and almost 8 in 10 Australians listen to commercial radio every week.

Listed below are the different types of radio stations in Australia and how many stations belong to each group:

- Commercial Stations - 260
- National Radio (ABC) stations - 5
- Community Stations - 230
- Low power narrow casting and temporary community stations - approx. 1500

Following changes to ownership rules which allow owners to operate two stations in each market there has been considerable consolidation of the industry over the past five years. Currently 80 per cent of the stations are in the hands of 12 radio networks.

Mechanisms for listening to radio have changed drastically over the past five years or so. Many people now listen via their PC, others via their mobile phone or through podcasts downloaded from their favourite radio station onto portable players such as the Apple iPod or the iRiver.

Commercial radio stations

Most commercial radio stations position themselves within a particular demographic – less than 35, less than 25, 40+, decision makers, gender and so on. They usually have extensive audited information about their listeners, and it is well worth investigating this data to get maximum value from your advertising dollar.

Public radio

Public radio stations tend to specialise in particular subject areas and their listeners are usually very committed to their station. Well-established public radio usually communicates with their subscribers in a variety of ways. Again, it is all about knowing your target market. For example, if you are after the hard-to-connect-with generation Y, several public dance stations may offer a unique way to connect and build credibility with this audience.

Working with radio stations

Radio stations work very much like TV networks and it is best to approach them in the same way. Prepare a brief and ask several stations to come back to you on what they believe is the best way to schedule your advertising for maximum return. Again, two elements are key – first, know what your objective is for advertising and second, know who your target market is. As with TV advertising, you can work directly with the radio stations to produce the radio script and schedule, you can choose to work through an advertising or media buying agency, or you can do it yourself. The most affordable way is usually to work directly with the radio stations. If you do engage a radio station to create your ad, make sure to check they are OK with it appearing on another station, otherwise you may attract additional fees later. Test all creative before going to air with your target market by playing the proposed ad to some existing clients or with a sample audience. The main advantage of radio over TV is usually the cost. Radio can be very good value for money, so you might consider testing various creative and trying different messages at different times of the day to see which ones work best. Here are some suggested ways to use radio:

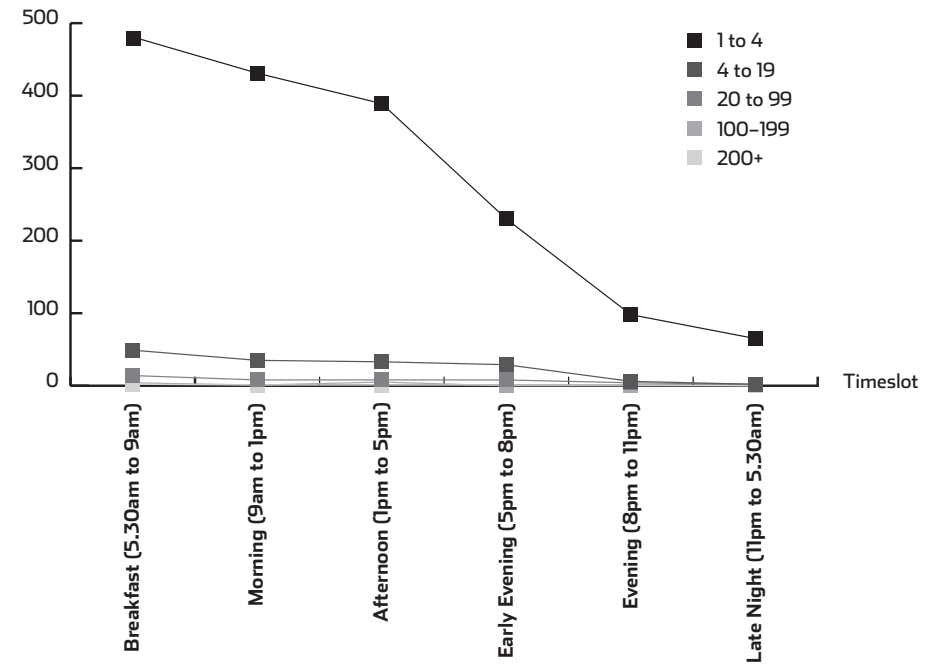
- **Advertising** – Radio advertising is typically a 30- or 45- second commercial using a script recorded by a voiceover actor or by the business owner
- **Live Reads** – These are where the station announcer reads the script live on air to give the commercial more credibility and ‘celebrity endorsement’. These can work well if the announcer is well respected and actually understands the product they are promoting. Keep

in mind it might not be credible if you had a 60 year old talkback announcer promoting a rap artist or a youth station announcer doing a live read for a retirement village.

- **Station promotion or sponsorship** – Some radio stations may look for a sponsor for a specific show or segment and will work your product or service into their show. This gives you credibility, promotion and more air time, which in turn gives your brand and message more exposure to your target market. You may even fund this type of promotion through the supply of products, such as providing a major prize. This can reduce your costs, as you provide the product at your wholesale or production cost and the radio station promotes it at its recommended retail price.
- **Outside broadcasts** – a way of using the station’s on-air team and combining this with your business so they can broadcast live from your place of work. These can work well for a store opening or a sale as a way of attracting people into your store. It also provides your business an association with the station, which you can use to promote your event in the weeks leading up to the live broadcast (if permitted). During the live broadcast, the announcers may also refer to your business, adding frequency and therefore an increased chance for you to connect with your target market.

According to AC Nielsen’s Panorama Survey 2005, as illustrated in the following diagram, businesses employing 1–4 people are the demographic most likely to listen to daytime radio. For many, the radio may be left on to provide background noise, for entertainment in a retail setting, in the car or to keep a sole practitioner company. Try to let the radio station media planners suggest a program choice rather than letting your personal listening habits decide for you. Ask them to provide information about their listeners at any given time of day so you can be sure they fit your target audience demographic.

Melbourne daytime radio listeners – size of business by employees



Source: AC Nielsen/Panorama Survey 2005

Making radio work

The following guidelines can be used to help your radio advertising:

- **Advertise to the right market** – this may mean you have to use several stations to get your target market over a 24-hour period as they may listen to one station in the morning, another in the afternoon and another at night
- **Choose the best time to reach your target market** – for example, if your target market is shift workers or those returning home late at night, you might consider off-peak air time
- **Beware of ‘run of station’ package offers** – these can look attractive, but may mean you only have access to 10% peak and 90% off-peak spots – unless these times suit your objectives, don’t waste your money

- **Keep the message simple** – your advertising should include a clear message and a single proposition. Any more and you confuse the listener. Remember you usually only have 30 seconds for your message to be heard, and often less after disclaimers or mandatory legal notices such as competition permits
- **Ensure your creative stands out** – your ad needs to leap into the listeners' ears. Use a question, humour, sound effect or whatever is necessary to ensure your message is heard
- **Consider inspiring your listeners with a call to action** – tell people what to do. For example, call now, visit us now, log on to, SMS this number.

Usually when buying radio slots, the longer the commitment you can give the station, the better. The sales team at the radio station is more likely to offer you a lower rate per ad if you are committed for a longer term.

“Good journalism costs money and you’ve got to be able to generate revenue to pay for that.”

Brendan Hopkins, chief executive officer, APN News and Media



Print media

Newspapers

In 2006 Australians were served by 70 metropolitan, national and regional newspapers. Australians enjoy the following spread of newspapers:

- Two national daily newspapers: News Limited's The Australian and Fairfax's Australian Financial Review, both of which circulate Monday to Saturday
- Sydney and Melbourne, the two most populated cities in Australia, are each served by two major daily and two Sunday newspapers

- Other capital cities have one daily and one Sunday newspaper
- The regional communities are served by 35 major regional newspapers
- In both metropolitan and regional areas, there is a wide selection of local community newspapers
- Classifieds - these are classified-only papers dedicated to connecting buyers and sellers. The most well known in Australia is the Trading Post®, which also has a dedicated online site.

Making newspaper advertising work

In his book *101 Ways to Advertise Your Business*, Andrew Griffiths suggests keeping a file of great advertisements that grab your attention. They need not be from your industry at all. It might be a great image, a great headline or a slogan you like. Cut it out and highlight what you like and then file it away so when you come to construct your own ad, you have a good base of ideas to start from. We discussed some methods for successful print advertising in chapter 10. Here are some guidelines specifically for newspaper advertising:

- **Placement** – One way to attract the most readers is in the early general news (EGN) section. This usually makes up the first 25% of the paper. The right-hand pages are favoured, and you may find you need to book well in advance for these spots. Newspapers also tend to charge a premium for these positions
- **Features** – Don't forget to advertise to your key target market. You might consider the sports section if your target audience includes sports fanatics, or the business section for a corporate audience. Identify when newspapers are running special features relevant to your business, as these can be a good time to run some targeted advertising. You can ask the newspaper for a list of special features they are planning to run and they can usually provide this list 12 months out

- **Colour** – It tends to stand out over black and white. However it also comes at a cost premium. One recommendation is to test the results from past campaigns. If the newspaper is trying to sell you colour over black and white, ask them to provide an example of a business that benefited from the additional expense and call them for a reference. Something else to be aware of is colour ads might not be available on all pages, so if you choose colour, you might not get the placement you are after. Cover this off with your newspaper sales representative
- **Size matters** – A bigger advertisement is likely to work better than a smaller one. That said, if the message in your advertisement is poor, then no matter how large your advertisement is, you may not get any responses. As a rule, try to buy the largest ad you can afford and use it on the highest circulation days
- **Newspaper inserts** – They can work well if you get the timing right. The advantage of inserts is you can include a lot of information in them. The downside is you can get lost among a bundle of other inserts – a danger at certain times of the year such as Christmas, Easter and the end of financial year. So find out first what other inserts are going in with yours. Also, ensure your insert stands out by using colour if possible. Lastly, remember to meet the size specifications provided by newspapers. They often use machines to place the inserts, and if your insert does not fit it may not be included in the newspaper run. Not only is this a waste of money, but it could be an issue if you are relying on it for timely promotion of a sale, for example
- **Classifieds** – These papers usually focus entirely on advertising. The great advantage of classified newspapers such as the Trading Post® is they are similar in usage to a directory. Like Yellow™, people are unlikely to read them for leisure; they are more likely to be ready to buy, so your advertisement in these publications needs to stand out and connect very quickly.

When you have a newspaper ad produced, have a couple of extra designs made up. The reason for this is it will generally not cost much extra at the design stage. If the newspaper calls you and offers you a half page advertisement at a quarter page price, you can take up the offer and supply the creative quickly.

Magazines

Australia has one of the world's highest per capita rates of consumer magazine sales. According to the Audit Bureau of Circulations (ABC), in 2007 the total number of Australian cover-priced magazine titles is estimated at more than 1100, with a large number of niche titles catering to the special interests of dedicated readers. There is also a high volume of imported titles for sale on newsstands bringing the total number of magazines to approximately 4500. Of the top circulating 100 Australian consumer magazines, 23 had an average circulation of more than 100,000 copies.

Australians spent an estimated \$1.06 billion in 2007 on ABC-audited consumer magazines.

The vast majority of Australian consumer magazines are sold through retail outlets rather than through subscription. News stand (newsagent, supermarket and other retail) sales account for approximately 90% of all magazine sales in Australia. By comparison, almost 85% of magazines in Canada and the US are sold through subscription, according to the Magazine Publishers of Australia.

The key difference between newspapers and magazines is advertisements in newspapers tend to interrupt us from the news or the specific article we bought the newspaper for. With magazines, and especially those covering a specific interest or hobby, people may buy them for the advertisements as much as for the editorial. This means an advertisement in a magazine may have a higher chance of attracting a potential customer than a newspaper which first has to interrupt and then grab the attention of the reader by being relevant and meeting their needs.

Making magazine advertising work

Here are some guidelines for maximising your return on magazine advertising spend:

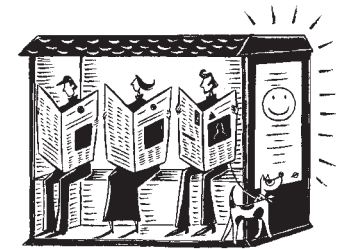
- **Find out what your target market reads** – The best way to do this is to ask. This is different to asking what they receive in the mail. Many people receive trade magazines and association publications in the mail but they may not read them. You want to know what they will take the time to read
- **Know the details** – Once you know which publications to target, contact the advertising sales people, usually listed in the magazine, to find out costs and circulation details. You might also go to the magazine's website, where you are likely to find rate cards and specifications for ads accepted by the publisher
- **PR opportunities** – When you have decided to place your advertisement, raise the question of obtaining free editorial with the sales rep. They will most likely provide the editor's details and may even provide an introduction for you. (More on this in chapter 20)
- **Call to action** – You might consider making an offer or running a competition to get people to call so you can track your ad's success. This can also be a great way to build a database of potential customers. When building the database, include the referral source so you know what publication brings in the best return
- **Placement** – Like newspapers, the closer toward the front, the more likely your ad is to be seen. Again, you are likely to pay a premium for this position. Another option you may consider is sponsoring a feature or a section of the magazine relevant to your business. If you run a plant nursery, for example, advertising in or sponsoring the garden section of a home-maker magazine may provide a better return than a more expensive ad in the front section of the same magazine
- **Commit** – Magazine publishers will usually look after those businesses who commit to advertising for long periods of time. You might find your ad rate drops if you can commit for a few months. Always

compare the price of a single appearance and the price for a two- or three-month commitment

- **Online** – Most publishers also have internet sites. As part of your magazine advertising package, ask if you can have a banner advertisement, or a link on their site that offers their visitors an opportunity to click through to your website. Some offer this as a separate price while others may choose to bundle a package. Either way, you can potentially gain more exposure to your brand and message
- **Ad design** – Spend time ensuring your magazine ad is as least as high quality as other ads in the magazine/s you choose to advertise in. Use colour where appropriate and ensure your advertisement is likely to stand out. Unlike with newspaper advertising, any changes to your advertisement may need to be made up to a month prior to distribution in order to make print deadlines.

“Dream big, there is little power in little plans.”

H. Jackson Brown, author



Outdoor advertising

Outdoor, or out-of-home, advertising is experiencing a revival of sorts thanks to new technology. Solutions such as SMS and the internet have made outdoor more measurable which, in turn, seems to have increased the appeal of this medium. There are a lot more outdoor advertising options today than ever before and the outdoor companies are becoming very creative in the way their properties can be utilised.

Outdoor advertising can be grouped into seven categories:

1. **Corporate sky signs** – wall or roof-mounted signs, usually illuminated in some way

2. **Spectaculars** – poster displays larger than 50 sq m.
3. **Supersites** – usually 42 sq m displays, located on major highways and urban arterial routes, and illuminated or backlit. The panels can often be rotated to add flexibility
4. **24 sheet posters** – traditional billboards measuring 6.0 x 3.0 m
5. **Transport** – advertising on buses, taxis and trams
6. **Street and shopping precinct** – otherwise known as street furniture, this group includes bus shelter signage (or metrolites), kiosks, shopping centres and identi-lites in shopping strips
7. **Airport** – advertising located within the terminals

Does it work?

A study conducted by Mediacom and the University of Alberta in the United States of America found:

- Awareness of outdoor advertising increased from an average of 33% in 1978–1991, up to an average of 39% in 1992–96. This was attributed to the industry’s efforts to improve site locations, upgrade structures, and educate agencies and advertisers about the most effective types of creative
- Awareness levels were not significantly different between men and women, but outdoor was seen and remembered by a greater proportion of 16–44 year olds, than the 55+ demographic
- The ability of outdoor advertising to sustain awareness over a period of time was greater than television. The research found at the end of the outdoor campaign, awareness was about 36%. Six weeks later this had fallen only 1%. By comparison, TV advertising showed a significant drop in awareness two weeks after the end of the campaign.

More recently, advertiser spend in outdoor advertising has demonstrated continued growth. The outdoor media industry in Australia recorded its fifth consecutive year of solid growth with net media revenue rising to \$427.7 million in 2007, up 12.3% on the previous year.

All sectors of the industry recorded healthy increases in revenue, with economic analysts predicting outdoor advertising would continue to be the best performer of the traditional media in the coming years.

Expenditure in street furniture, including bus /trams stops, retail, and phone booths recorded a 10.6% increase on 2006 while large format, including billboards, super sites and spectaculars increased by 12.6%. Transit, including advertising on buses and trams, taxis and railways also saw an increase of 17.5% and street posters were up 4.6%.

Chief Executive of the Outdoor Media Association of Australia, Helen Willoughby expects outdoor spend to continue, with outdoor advertising forecast at 6% of total advertising spend by 2010.

Advantages of outdoor

There are some great advantages to outdoor advertising that every business, and especially those in retail or business-to-consumer businesses should consider:

- They carry your message 24 hours a day, seven days a week
- You can usually have a new campaign or message up within a reasonably short time frame
- Frequency with your target audience is potentially high because of the 24/7 availability
- They are flexible – you can use mobile advertising to promote an event or sale, and you can use billboards to drive more brand awareness.

O-Zone Insights, a report based on research by Outdoor company APN Outdoor and The Leading Edge, found consumers liked and engaged with outdoor advertising because it “engages them with powerful visuals and/or helpful information and differs from TV, radio and so on because it is not interrupting something the consumer is otherwise engaged with – such as a TV programme or music on the radio.”

Design

A common error many business owners make when using outdoor advertising is scaling up a print advertisement and expecting it to work in an outdoor environment. The usual result is difficulty reading the detail. When considering outdoor advertising, you cannot expect to convey more than one message. If you are using transit media, i.e. at bus and in train stops, most people who see it are driving past these at 60–100km per hour, so your message needs to be succinct and very obvious. If your target audience is those at the bus or train stop, then that's a little different. Again, remember people are not going to the bus stop to read your ad. They are there trying to get home and may also be listening to their iPod, reading a book or paper, or thinking about their meal. Again, the recommendation is a single and strong message.

Leading outdoor company Adshel provides these tips when considering outdoor advertising:

- **Keep the message short and simple** – Short, snappy headlines work best
- **Use bold colours** – Strong, bright and bold colours are likely to catch the consumer's attention
- **Use contrasting colours** – Strong contrast is likely to create impact
- **Typeface** – Use visible type and clear lettering to get your message across
- **Keep design simple** – Minimise elements of design to enhance message impact
- **Photography and images** – Striking images tend to get maximum attention
- **Your brand** – Good branding is vital. Ensure your brand/logo is visible from a distance
- **The Location** – For added impact, try to add relevance to your message by use of the medium. For example, if your message is going to be at a bus stop, have a message about getting home earlier and eating dinner earlier.

Contact details

Many outdoor sites can be well positioned for their target market and have an excellent product message, but fail to complete the loop by not providing further direction. Imagine an ad for a business or product that generates excitement with the audience, but fails to provide any contact details such as a website, phone number or a list of dealers. Something as simple as 'available at all good electronic retailers' would suffice. A dedicated website and phone number is even better for measurement purposes.

Do-it-yourself outdoor

Many business owners neglect their best piece of outdoor signage – their own.

Here are some guidelines for your own building. Please ensure you have the owner's permission if you don't own the building, and any necessary local council approval for these ideas by checking with the appropriate authorities before implementing.

- Put what you do in bigger letters than your name
- Talk about your advantage for a passer-by. For example, 'Free parking at rear'
- Put up your trading hours
- Leverage other advertising you are doing. For example, "Find us in Yellow™ under 'T'"
- Promote your website
- Engage your suppliers to help market and advertise your business. If you distribute a major brand, display this prominently as it may give you additional credibility through association
- Keep your signage fresh and in good condition. Faded signage is not usually very appealing
- If your business is on a busy road, then a simple display facing the traffic is an inexpensive way of telling people where your business is. A sign placed a short distance from your business letting people know where you are can work well too

- Consider your vehicle signage. If you have vehicles on the road, they should carry signage as well. Again the same principles apply. You need to have who you are, what you do and why you are unique. Include a phone number and a website, and above all ensure your staff are courteous on the roads. Dangerous drivers could tarnish your brand. Keep the vehicle clean and maintained.

Measurement and future enhancements

You can measure your outdoor advertising success in numerous ways, including:

- Having a dedicated phone number for all outdoor advertising
- Having a dedicated website address
- Conducting brand awareness research with your media company to see who has seen your outdoor advertising within the target audience
- Asking your customers how and when they heard about you.

Outdoor advertising providers are increasingly offering innovative solutions to businesses that include real interaction with their advertising medium. Think of a music retailer providing audio of the latest album available in its store in selected bus stops, or a perfumer being able to share its latest scent with people on a train. These innovations can offer greater potential customer interaction and an increased ability to demonstrate the attributes of a product or business.

Ambient advertising

Ambient advertising refers to almost any kind of advertising that occurs in a non-traditional medium. For example, a plumber might give away free t-shirts at a home-renovator show to raise brand awareness in an environment likely to attract their target customers. A new retailer might consider obtaining permits from the local council to draw some creative chalk designs on the pavement in front of their store to attract attention. A car park business might hire someone to wear a costume and stand outside the entrance to attract passers-by. Other examples of ambient advertising include such techniques as projecting huge images

on the sides of buildings, or displaying slogans on hot air balloons. Ambient advertising has become more popular in recent times due to the increasing difficulty in achieving message cut-through via mainstream media. Ambient advertising is not usually suitable for complicated or long marketing messages; it tends to work best as a stimulant for conversation or brand awareness. For example, rather than try to fit in several marketing messages, you might consider using a single word or image that will generate conversation and interest – once the customer is interested, you can share more information. Another important element of ambient media is the surprise factor – try to avoid repeating what someone has already done.

Public sentiment is everything. With public sentiment, nothing can fail; without it nothing can succeed.
Abraham Lincoln



Public relations

Public relations (PR) is about cultivating relationships with relevant external stakeholders to help generate understanding and advocacy, while enhancing and protecting your brand and business. Let's discuss some of the functions of PR most relevant to small business, including working with the media, seminars and events, and sponsorship.

Media

Media exposure can be a very cost-effective way of communicating with your target market. In some cases, being known to the media can make you the 'go-to' person when comments from an industry specialist are

needed to support or refute a story. In order to know which media to focus on, you need to know what media your target market consumes – are they high propensity radio listeners? Newspaper readers? Do they watch TV? Do they read *Marie Claire*? Once you know this, you are better placed to choose a publication (online or offline) likely to communicate with your potential customers. Then you can work out who the key contacts are in the relevant media.

Working with the media

Once you have identified a medium to suit your needs, make sure you are familiar with their style. For example, if you decide *New Idea* is the publication that will best reach your target customer, buy a copy and read it cover to cover. Identify stories like the one you have to tell and take note of the journalists who have written them. When you have your story idea firmly in your mind, phone the publication and ask for the journalist by name. Tell the journalist you have a story that might interest their readers and give them a quick summary. Journalists are often working under very heavy pressure from editors and deadlines, so you will probably only have a few moments to grab their attention – don't waffle. If the journalist believes you have a good story, they will probably ask you to send some information. Put together some dot points outlining your story in more detail and fax or email it to them. Follow up a day or so later (sooner if your story is time critical) and see if they are keen to progress. Once agreed, you will need to determine whether they are going to write the story or if they are happy for you to write it and be acknowledged as the contributor. We will discuss approaches for different mediums later in this chapter, but remember, if your story goes to print/air, make sure you thank the journalist. In fact, even if your story does not make it to the publication's pages, call and thank the journalist for giving it their consideration. While they may not say yes to every story, there is no reason why you can't keep trying so it is important to try to develop a positive relationship. If you develop a good relationship, and the journalist finds you to be 'good talent', it is important you are available and accessible so they will be encouraged to contact you when they need an 'expert'

opinion. Be sure to provide your key journalist contacts with your mobile or business number so when they are on deadline and need a comment, they can reach you.

Media training

There are lots of media training courses on offer that can help prepare you for dealing with the media. The courses should provide you with an introduction to the media, how they tend to work, what approaches work better than others, and things to avoid doing and saying in front of the media. While they can be expensive, they are often worthwhile, particularly if you are likely to be in the media a lot or have to deal with criticism in the press.

Newspapers

If you have a national business or you are doing something that might be of interest to a national audience, you might consider approaching a national paper like *The Australian*. Similarly, if you are a Melbourne-based business and your news is state relevant, you might approach metro newspapers such as *The Age* or the *Herald Sun*. A good idea is to buy a copy of the paper you want to approach and make sure you understand its style – is it the sort of paper likely to appeal to business professionals? Or is it a tabloid pitched at ordinary home-makers? Reading through should also help you identify names of journalists who are currently writing on topics relevant to your story idea. Your local community newspaper might be a good first approach. Your local paper should be full of local news. This means they are likely to be interested in you and your business, and what you are doing to benefit your local community. The journalists who write the stories are not interested in product advertising or a sales pitch. Consider sending the journalists a press release with photos (more on this later), and contact the journalists to help generate some interest in your news. Remember, if your story has no local relevance, local media is unlikely to be interested. If you are holding an event or seminar, you should also consider the ‘what’s on’ column in your local newspapers. They

are often free or at least they are usually cheaper than standard advertising and can help encourage potential customers to visit your event.

Most major Australian cities also have regular street-press or free newspapers covering art, music, museums, area events, movie times and local community happenings, so you should also consider these if relevant.

Radio

If you have interesting and locally relevant news to share, you could try contacting your local community radio stations to find out if they are willing to interview you about your news – often radio programs will have a business segment or a specialist segment that might suit your business. For example, if you run a financial planning business, the local radio station might be interested in regular advice for the finance segment. Again, make sure you are familiar with their programs so you know what appeals to their listeners. If you are running an event they consider is of benefit, or interest, to their listeners they may give your event a ‘plug’ or free announcement in the week prior. Keep in mind, though, both radio and local newspapers rely on advertising dollars to cover their costs so they may prefer you to pay for your ‘plug’. If you are paying them advertising dollars, see if they will throw in some free editorial to complement your advertising campaign.

Television

TV news often relies on pictures or ‘footage’ to illustrate a story, so if you think you have some news and a good picture opportunity, contact your local television stations and see if they are interested. Television crews try to capture the biggest stories of the day in order to compete with each other so you may have to work hard to ‘sell’ a station your story – including setting up an attractive or striking picture opportunity their viewers might want to see.

It can be easier to place a story on local television in regional centres, as they usually get their main footage from the metro stations and save their camera crews to work in the local area. Metro stations, on the other hand,

often need to send their camera crews all around the state to get footage, and you will be competing with a lot of other news stories.

Writing an article/press release

Some newspapers and magazines will accept articles from contributors, but you should check with the publication you are hoping to target before spending too much time on this. Many of them will not accept work written by anyone other than their own journalists. Once you have determined whether they will accept external contributions, write a newsworthy story to capture the attention of the readers (and therefore the journalist) of this publication. Tell your story the way the publications' readers would like to hear it, not the way you would like to tell it. Give your story a strong headline and if possible, try to write your story from a couple of different angles – this will allow you to offer it to more than one without upsetting any of them for sharing content. Be prepared to have your submission edited – what you see in print may be significantly different to what you submit.

Photographs

Check with the publication to see if they accept photos – many of them will, but some may insist on taking their own. If they do accept photography, try to include a photo that appeals to readers – try to imagine your favourite newspaper without any. The editorial staff should be able to tell you what format and specifications they need, but generally photographs should be digital, high resolution, and professionally taken if possible. Supplying photographs can help ensure the right context for your story – it is a small way of maintaining some control.

Seminars and events

Seminars and events can be a cost-effective way of increasing the awareness of what you do and who you are. However, they can be time consuming and expensive if poorly targeted. Seminars can be a great way of keeping in touch with your customers and potential customers by keeping them informed and educated. The key to success is ensuring the

topic is something they are interested in and not what you think they will be interested in!

Events and trade shows are another good opportunity and are usually very targeted. They can, however, be very resource intensive – sometimes costly and most often demanding on time.

Some points to consider when planning an event:

- Consider a joint promotion for the event. To reduce costs, you might consider partnering with a complementary supplier of business. For example, a hairdresser and beautician or an accountant and lawyer might work well together. In these examples, both are likely to share the same target market yet offer different solutions, and teaming up can provide an opportunity to share the costs of the mail-outs, printing and venue hire
- Avoid too large a venue. A crowded room has far more atmosphere than a large room with few people in it
- Encourage your audience to bring a friend (very easy with internet marketing). Many of us prefer not to attend an event on our own and most people, when given the opportunity to bring a friend, will bring someone who is likely to be interested in the topic, increasing your potential target audience
- Have a cost advantage or prize offer for early RSVPs. For example, if you are using a major city venue, you might offer free parking to the first 20 people who RSVP
- Give people time – promote your function three to four weeks in advance, then follow up the week prior and again on the day if necessary
- Hold the seminar at a convenient time. For example, if you are targeting small business owners, don't hold it when BAS returns or end of month reporting is due. Know your target market!
- Keep to the timetable you set. Start on time and end on time
- If you are using a major hotel or function centre which is hosting other functions and events, ensure the venue advertises your event clearly so your attendees enter the right venue – try to avoid having your audience go to the wrong venue or getting lost

- At the conclusion of your event, ask attendees to fill out a feedback form. Follow up any leads within 24 hours of the event and record all the information in your customer database
- If having a stand, try to select one where traffic is high – this does not necessarily need to be near the front door. Other options with high traffic are near the coffee cart or catering area, or near some of the larger exhibitors, who might drive traffic to your stand
- Ensure your stand is a decent size. This can help demonstrate market presence and substance
- Attend similar events and gather as much information on your competitors – learn from their mistakes
- Consider a looped presentation of what you offer on a screen or plasma TV so that while you are talking with potential customers, others can learn about your business
- Have samples and giveaways available – try for something unique and something that will make its way home rather than sit in an office. This is a great way to ensure brand awareness is maintained over time
- If you cannot afford to be present for the whole event, hire some professional staff to look after your stand in your absence. If you do this, ensure you provide adequate briefing and training time upfront to these people and provide them with a number to reach you in case they need more information from you
- Consider an event special offer. For example, this could be a special bundle of products, free installation or interest-free terms. The reason for doing this is to measure the success of the event in terms of sales, and also to give people who are close to buying an emotional reason to bring forward a purchase. It can also be a great way to test a new price point or product offer that's only valid for the event
- Most importantly, budget accordingly. Calculate the cost of setting up the stand, promotional staff hire, accommodation and travel, printing, giveaways, show advertising and time out of the office.

Sponsorship

Many small business owners are involved in sponsorship, but don't market it well. If you contribute to a public activity, you should make sure people know about it. In a competitive market it is important to let your customers know when you have a point of difference. Sponsorship can be a great way to show your community support, build trust and raise awareness with potential customers.

- Make sure when budgeting for a sponsorship to allocate funds to promote your support. This could be through advertising, PR or new business cards and stationery printed with the sponsorship logo, etc
- Include the sponsorship details on your website and ensure your website is promoted on the sponsorship recipient's website
- When you hold a seminar, tradeshow or in-store promotion, have someone from the group you are sponsoring attend – they may even be the main drawcard
- Write a press release about the sponsorship (get it approved by all parties before releasing) and issue it to relevant media
- Ensure the sponsorship contract outlines your expectations for branding and make sure they are met
- Ensure you are acknowledged in all communication the group does, if this is in your sponsorship package. If it is not in the package, request it
- Email newsletters can be a cost-effective way of increasing the awareness and value of a sponsorship
- If you are sponsoring an individual, have an 'escape clause' for bad behaviour that may adversely affect your business name.

Cause related marketing

Cause related marketing (CRM) is when a business with a product, image or service to market, builds a relationship or partnership with a cause or not-for-profit organisation for mutual benefit. This means the business partners with a cause in order to achieve both social and marketing objectives. By merging a business' social and marketing goals, the

business, the cause and the society we live in, benefit. It is very important if it is to be successful that the cause partnership should reflect the business' values and brand and should be something that inspires staff, is relevant and appealing to consumers and makes you stand out from the competition. It can often pay dividends to take some time to ensure this is the case and not to simply partner with a cause that you feel passionate about. You may wish to consider drawing on the services of a partnership broker to ensure brand values and objectives align.

As more businesses realise they have a responsibility to support the community, we are seeing more take a stand, support a cause, and utilise their marketing budget to bring awareness to their work and to a cause. A CRM campaign is determined by the objectives of the company or brand. Sometimes it is about brand enhancement, other times it is about resonating with a new market.

CRM is quite different from sponsorship. Sponsorship usually involves a company providing financial support for an event or activity to happen. In return the company's logo and messages are profiled with the event or activity for its audience to see. Usually it is about the company's brand being aligned with the sponsorship 'property' whereas CRM is more about the company borrowing the logo and goodwill of the cause or not-for-profit organisation.

CRM is a popular way for business to minimise its imprint on the planet and contribute resources to the community. When done well, CRM can help a business and its brands to stand out and emotionally connect with consumers.

One of the better known CRM campaigns in Australia is Kleenex's partnership with Guide Dogs Australia. While this is a corporate example, there are many smaller businesses achieving some fantastic results with CRM. For more information visit bitc.org.uk.

PR agencies

If you are uncomfortable dealing with the media or don't have the time to implement a PR strategy yourself, you might consider engaging a PR agency to help. Some PR agencies will specialise in certain elements of PR but many can be very good at developing integrated campaigns to meet a variety of needs. Some might include:

- Launching a new product/business/brand
- Making a major announcement
- Increasing brand awareness
- Developing industry and media connections
- Driving usage of your website or product
- Writing professional documents for your business (Annual Reports etc)
- Coordinating events/sponsorships.

PR agencies usually charge by the hour, so it is best to work out a budget you can afford to spend or invest in the campaign, and treat it like any other marketing activity. Measurement is just as important in PR as in any other marketing campaign. Measurement might be such things as:

- Size and frequency of articles published
- Interviews in the media
- Increase you received in awareness of your brand or name in your local community or industry
- An increase in the number of enquiries sales, and hits to your website.

As with advertising, PR campaigns are likely to need time to deliver results. Some PR agencies will suggest working on a monthly retainer or a project fee, so they have time to understand your needs and deliver on them while helping you control costs.

Expect the best, plan for the worst,
and prepare to be surprised.
Denis Waitley, author



The road ahead

There are two vital remaining points we should consider:

- People
- Technology.

People

Having the right people in the right roles is vital in every business. From senior management to front-of-house staff, and call centre operators to the receptionist – your staff should be advocates for your business and brand.

It is important to recognise when you or your staff don't have the necessary skills to manage the different elements of your business. You might consider employing specialists on short-term contracts if you don't want to commit to a long-term arrangement but need extra help. Otherwise, think about outsourcing that part of your business – it may seem expensive, but if you choose well, having the right person can have a positive impact on your business.

Technology

Technology will continue to evolve, and you should be vigilant about how these changes will affect your customers and the subsequent impact on the way you attract and retain them. Consider the role of search engines in a consumer's purchasing process. This technology was not a common subject in marketing books and seminars five years ago, just as the internet itself was not a common feature of advertising discussions 15 years ago.

The key to dealing with technology is to be strategy-led and technology enabled, and not the other way round. To take advantage of new technology, you must first know your customer, and know where and what they are consuming. Try to anticipate trends and be ready to engage them in a way they are likely to want to be engaged. Try to avoid building systems that cannot adapt to future changes.

So don't forget...

- It is important for you to work as a business builder and not a self-employed person just trying to make ends meet
- Implement good systems and processes
- Measure all you do and learn. Idea followed by measurement followed by refinement
- Take risks, try different things and be creative. Don't be like the rest
- Most important of all, test with your customers – not your friends and family

- Know your customer. You are unlikely to take advantage of new technology and implement effective marketing strategies if you don't know who you want to attract and retain. Always think from a buyer's perspective. Think unique buying reason (UBR), not unique selling proposition (USP)
- Be passionate about marketing your business. Look for great ideas and great ads. Photograph them, cut them out, write them down and share them with your staff.

Finally remember there are three types of people in life:

1. Those who make it happen
2. Those who watch it happen
3. Those who ask "what happened?"

Good luck and happy marketing!

The resource centre

Suggested further reading

The following books and online resources are recommended further reading:

These are correct at the time of publication.

Marketing

Abraham, J., *Getting everything you can out of all you've got: what to do when times are tough*, Piatkus: 2000, London, UK.

Clarkson M. and Clarkson A., *How to Sell On the Net*, Megahits Internet Consulting, 2004, Gold Coast, Australia.

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Branding

Neumeier M., *The Brand Gap: How to Bridge the Distance Between Business Strategy and Design*, New Riders Press, 2003, Indianapolis, USA.

Pavitt, J. (editor), *Brand New*, V&A Publications, 2000, London, UK.

Roberts, K., *Lovemarks: The Future Beyond Brands*, powerHouse Books, 2004, New York, USA.

Some Suggested Websites

There are a number of organisations and associations offering information and services that may assist small businesses with marketing and management of their businesses. This is a small sample:

Australian Direct Management Association: www.adma.com.au

Australian Institute of Management: www.aim.com.au

Australian Marketing Institute: www.ami.org.au

Franchise Council of Australia: www.franchise.org.au

Sensis small business: www.smallbusiness.sensis.com.au

Each Australian state or territory government provides information for small businesses:

Australian Capital Territory: www.act.gov.au

New South Wales: www.smallbiz.nsw.gov.au/smallbusiness

Northern Territory: www.becnt.com.au

Queensland: www.smartsmallbusiness.qld.gov.au

South Australia: www.southaustralia.biz

Tasmania: www.development.tas.gov.au/business

Victoria: www.business.vic.gov.au

West Australia: www.sbdc.com.au

In addition, there are a number of other sites that can inform small businesses:

AusIndustry: www.ausindustry.gov.au

Austrade: www.austrade.gov.au

Australian Competition and Consumer Commission: www.accc.gov.au

Australian Taxation Office: www.ato.gov.au

Business Enterprise Centres Australia: www.beca.org.au

Intellectual Property Australia: www.ipaustralia.gov.au

Sustainable Business Support Link: <http://tool.ncsustainability.com.au/>

Glossary

Like all industries, marketing and advertising has its own jargon. This list is by no means exhaustive but it provides an overview of some of the most common marketing terms.

Advertising – the process of using paid communications to meet market objectives through increased awareness and changes in perceptions

Advertorial – a paid advertisement that is written in editorial style. Though it may appear to be an article, unlike editorial it is paid for and is usually labelled ‘advertising feature’

Audience – anyone who interacts with a brand/business (whether consciously or not)

Banner ad – a graphical web advertisement

Brand – a label given to an entity - whether a service, product or corporation. A brand can have an identity that sets a certain expectation within an audience

Brand attributes – the elements that define the brand’s essence. They include the qualities that describe the organisation’s approach to business and the organisation’s unique style. Brand attributes help set the tone of communications

Brand equity – the value of the brand at any point in time. Brand equity is a set of assets (and liabilities) linked to a brand’s name and symbol. This adds to (or subtracts from) the value provided to a company’s constituents by its products or services

Brand promise – a simple and direct statement of a brand’s essence; what it promises to do for you

Business-to-business or B2B – a business selling products or providing services to other businesses

Business-to-consumer or B2C – a business selling products or providing services to consumers

Click-through – the process of clicking on a link to move through to a different site or page destination

Column space – used primarily in newspaper advertising and refers to the size of your ad. Generally speaking, advertisements are measured by column width (which can vary per publication) and in height by centimetres

Corporate image/reputation – the public’s perception of a company, whether the perception is intended or not

Cost-per-click (CPC) – the cost or cost-equivalent paid per click-through

CPM – used in internet marketing and refers to how many thousand impressions your banner or online advertisement receives

Domain name – the name address of a site on the internet

Frequency – the average number of times an audience is exposed to an advertisement

Home page – the main page of a website

Joint promotion – this is where two parties partner together for a common end

Keywords – used in search marketing. Keywords are the words relating to your website and what you do. These keywords are built into your website design where possible, and usually submitted to the various search engines in order to move you up the ranking when someone searches on one of your keywords

Layout – the design elements of your advertisement

Live read – a radio announcer reads your advertisement out while on air. These are used primarily to give an element of trust and endorsement

Logo – the core element of a company’s visual identity system, often combining a trade name and an icon or symbol that is rarely altered in form

Marketing plan – the part of the business plan outlining the marketing strategy for a product or service

MMS – multimedia message service. Messages sent on mobile phones using images and audio

Pay-per-click (PPC) – online advertising payment model in which payment is based solely on qualifying click-throughs

Product positioning – a strategic approach to ensuring that products are perceived in a certain manner. The marketing ‘space’ a product brand owns

Public relations – a discipline to manage communications intended to build and maintain business and brand reputation

Qualitative research – provides general data and information, as opposed to specific, measurable data. Qualitative research is conducted among relatively small sample sizes. As such, findings from qualitative research should not be relied on as a representation of a larger target population. Qualitative research (most often in the form of focus groups or one-on-one, in-depth interviews) is often used early on in a process to obtain feedback on creative or strategic concepts and to generate additional hypotheses to be measured later in quantitative research

Quantitative research – provides specific, measurable data, as opposed to general data or information. Usually, quantitative research implies that the data is collected and analysed to derive percentages representative of a large target audience. The most common methods of quantitative research include telephone, mail and in-person surveys

Rate card – document detailing prices for various ad placement options

Run-of-station – advertisements put on air on radio or on TV when it suits the station. They are generally used in the less popular time slots or where they have not sold ad space. Usually offered as a bonus on top of prime slots purchased

SMS – Short Message Service (or texting). SMS marketing refers to marketing messages sent via text to mobile phones

Style guide – a comprehensive set of guidelines and specifications applied to the development of corporate materials to ensure consistency

Tagline – a brief statement usually shown with the company’s logo to help position a company

Trademark – a name or symbol intended to indicate you as the supplier of the goods or services you provide and therefore distinguish them from the goods or services of other traders. Trademarks may be registered to provide further protection to the trademark owner.

Values – things we value in a business. Beliefs which guide and shape the way employees and the organisation conduct business.

References

Page	Chapter	Subject	Source
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2	1	Ross Cameron Research	Cameron Research Group presentation to Publicis Groupe Clients 2005 and Telstra Group 2005, Melbourne, Australia
2	1	home-based business	ABS Home-based business owners’ age groups Australia 2004
3	1	US home-based business market	<i>The Wellness Revolution</i> , Paul Zane Pilzer, John Wiley & Sons, 2002, New Jersey, USA
4	1	franchising	Franchising Association of Australia presentation to Sensis June 2008
5	1	DC Strategy	<i>Franchising growth strategy for the future</i> presentation to CPAs SME Forum 2006, Melbourne, Australia
5	1	franchising Aus v US	<i>Franchising growth strategy for the future</i> presentation to CPAs SME Forum 2006, Melbourne, Australia
8	1	Tom Hanks	The Guardian, 12 Jan 2001 <i>Desert Island Risks</i>
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Page	Chapter	Subject	Source
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Index

advertising *see also* marketing
current average cost of 34
elements of good design 96-98
in directories 134-44
in local areas 112-21
measuring 20-2, 106-8
slogans 93
testing 94
using a graphic designer 95
working with a design agency 98
writing a brief 99
headlines 87
letters and sales copy 90-2

affiliate programs 83-4
Australian Taxation Office (ATO) 9

bid management 180

blogs 156, 161

brand 41-8

association 186
core components 42
developing 46-8
promoting 48

protecting 182, 184

relevance 45

broad matching 185

brochures (loyalty programs) 83

browsers, turning into buyers 70-4

budget for marketing 66

bundling 29-30

businesses

home-based 2-3
owner types 9-12
success 6

buying reasons 68-9

cause related marketing 223-4

cinema advertising 117

community newspapers 113

copywriting 180-2

crawlers/spiders 176

cross-selling 27-8

customer/s

data collection and management 123-6
establishing trust with 71
ideal customer 57-8
loyalty 81-4
maintaining a relationship with new
65-6, 77-8
perceived risks 74
segmentation 58-62

targeting 55, 63-5
value of 78-80

database management 123-6

design agencies 98

differentiating products or services 33

digital marketing 148-73

direct mail follow-up 129

direct marketing

basic rules for campaigns 127-30
data collection and management 123-6
directory advertising 134-47
local community directories 117, 146
creating advertisements 136-40
locality guides 147
specialist directories 146
wall planners 147

e-commerce 149-50, 153

electronic marketing 124-5

email marketing 157-9

entrepreneurs

as business owners 11-12
attitudes 14-15
beliefs 16-17
language 15-16
physiology of 16
vision of 17-19

events 220-2

FORM technique for building rapport 71

franchising 4-6

free-to-air television 191-2

government regulations 8-9

graphic designer 95

guarantees 74-5

headlines 87

home-based business 2-3

image 41-7

development 46-7
relevance 45

intellectual property (IP) 44-5

internet 103, 157, 163

iPODS/MP3s 103

joint promotions 64-5

just noticeable difference (JND) 31-2

keywords 143, 176-9, 181-3

local area marketing 112-21

local community directories 117, 146

local newspapers 113

local promotion 119

local television 114

location-based services 170

loyalty programs 63-4, 81-4

magazine advertising 206-8

mail drops 115-6

managers as business owners 11

marketing 23-6 *see also* advertising

affect on sales value 26
budget 65-6
internet 157
measuring 20-2, 106, 108
systems 35-40

measurement 20-22, 106-8

media

channels 100-2, 110
exposure in 216-17
planning 108-10
prioritising channels 110-11
selecting 104-5

membership cards 82-3

mobile marketing 163-5

mobile phones 119-20, 163-70

multimedia message service (MMS) 105,
168, 172-3

New Economic Order (NEO) customers 61-2

newsletters 114, 130

newspapers 203-6, 218-19

online advertising 148-63, 182-3

online search 174-5

online shopping 149, 153-6

outdoor advertising 209-15

outdoor signage 116, 210, 212

pay TV 197

pay-for-performance (P4P) advertising
177, 179

price increases 31-2

print media 203-8

Privacy Act 1998 (Cth) 124, 160, 168, 173

promotion 24-5

protection online 182-4

proximity alerts 119

public relations agencies 225

Quick Response (QR) codes 166-67

radio 198-202, 219

rapport, developing 71

referral programs 63

refinement 21-2

reward programs 81-4

sales

affect of marketing 25
copy for advertising 90-2
value 26-33

search engine marketing (SEM) 175

copywriting 180-2

search engines 175-8

search expert, engaging 186-8

seminars 220-2

shop fronts, advertising in 114

shopping dockets, 119

short message service (SMS) 103, 168-72

competitions through 169

marketing through 168-72

Spam Act 2003 (Cth) 124-5, 160, 173

sponsorship 223

staff, 8, 226-7

subscription television 197

target customers 54-6, 63

target marketing 54-6

expenditure 65-6

local area 112-21

low-cost ways 63-5

selecting the right media 104-5

technicians as business owners 10

telemarketing for business 130-2

television

advertising on 114, 190-7

local 114

subscription 197

time management 7-8

Traditionals 61-2

up-selling 27-9

viral marketing 160-1

voice 118

voice broadcast 172-3

wall planners 147

websites 115 *see also* online advertising

design 153-6

optimisation 152

strategy 151

Word-of-mouth (WOM) marketing 65, 121

writing an article/press release 220

1300 numbers 94, 111, 140, 196

1800 numbers 94, 111

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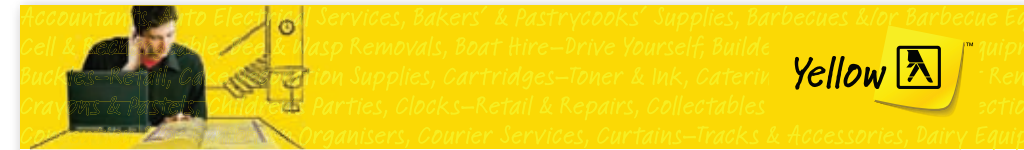
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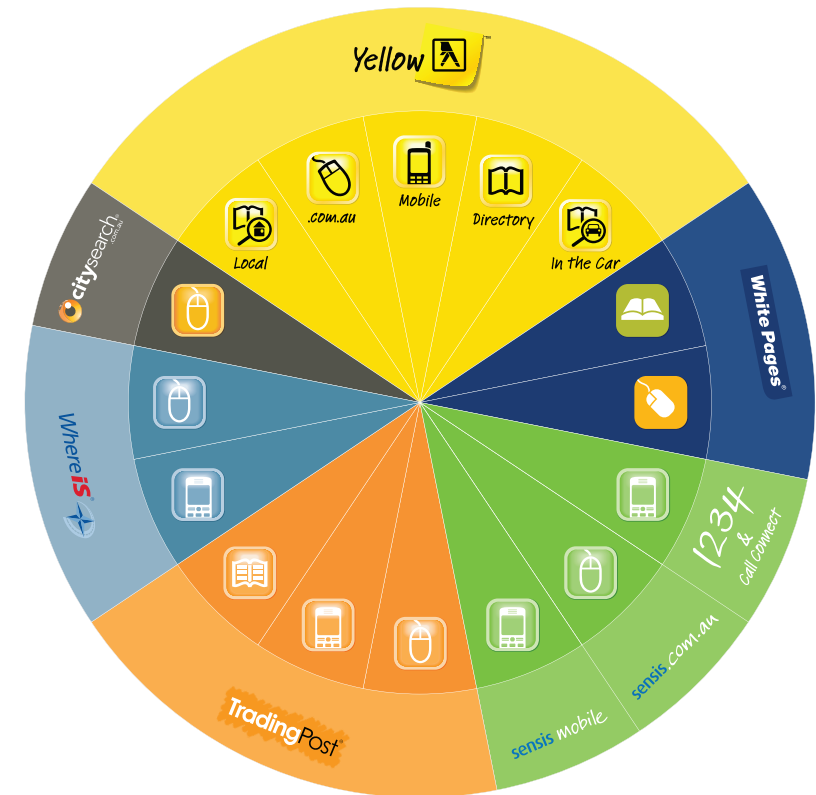
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