

## **Do Your Advertising Dollars Come Back?**

### **You track your advertising expenses but do you track the results?**

If you advertise to build your business then you know it is basically an investment. And just like any investment you don't consider it a success, unless you see positive results. But, if your advertising dollars are scattered among several mediums – how do you know what worked and what didn't. How do you know if you should reinvest in the same medium or cut your losses and try something new? Simple, you track your results. But most businesses don't, which means they are potentially throwing thousands of dollars away.

There are several reasons that we invest in advertising. Sometimes it is to build name recognition; at times it is to promote a new product or service and other times we may advertise to promote a sale or focus attention on an existing product. In all of these cases the main goal is to increase your bottom line.

The approach to advertising is as individual as is each business. What works for an auto dealer may not necessarily work for a shoe store. The target customers are different; the customer budgets are different, the decision making process is different as are their buying frequencies. This is another way of saying that the “lifetime value” or demographics of customers vary widely from business to business and the investment made to obtain these customers must also vary.

### **Why measure response?**

Think about your last advertising campaign. Did you measure the response? Was the measurement a qualitative measure (for example, sales were up in the following two weeks) or were did you have a quantitative measurement that allowed you to precisely measure the sales resulting from that ad (for example, ten new prospects initiated contact and we closed eight sales)?

In order to improve your advertising approach to maximize the return of your advertising investment you need to have quantitative measurements. Will moving your advertising to a different day or changing colors improve the response? Not sure? Unless the response to your advertising is measured precisely you'll never know.

### **How do you measure the response?**

Consider the following: A business places an ad that appears on Tuesday in the sports section of the local newspaper. Revenue for that week is up! Did the ad contribute to the increased sales? Perhaps, but perhaps there were other reasons as well, maybe there was construction that limited access to a competitor or perhaps sales were up that week because of an upcoming holiday. We just cannot be sure. If we repeat the ad and sales stay high, perhaps we are on to a good approach, but can we do better?

What if the business included a coupon in the original ad offering a free gift when the coupon was returned? If in that first week 30 coupons were returned there is evidence that customers were reached with that ad. If the ad were repeated on Sunday in the sports section and 80 coupons were returned we could begin to understand the effectiveness of our advertising investment. By having coupons in-hand, you can begin to track conversion rates and truly determine the effectiveness of the advertising investment.

### **Many techniques!**

There are many techniques to measure advertising effectiveness. In every case the advertising needs to include a call to action and a mechanism to track results. There is a constant need to adjust the message and medium, changing one aspect at a time in order to maximize the return and to detect changes in customer response.

A successful campaign requires goals, planning; measurement; evaluation and adjustment. You know your business best but, when in doubt ask a trusted marketing expert whose only goal is to help your business grow.