Promoting Your Business
Lesson: 2205

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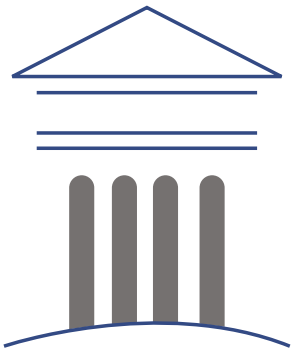
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Objectives

In this lesson, you will learn

1. The difference between advertising and promotion.
2. Methods of advertising and promotion that are most effective for small businesses.
3. How to get free publicity to promote your business.
4. How to put together a direct mail advertising package.
5. The benefits of internet marketing.

Advertising and Promotion

Your business could be the best in the nation, but the people who need your services must know you exist and where to find you. You have to tell people about your business — or get others to tell them for you. Ideally, you should do both.

Marketing, advertising, and promotion bring you business. Marketing involves a plan to make people aware of your business and persuade them to become your customers. Advertising is carrying out the plan. It is also more costly. You can buy space for a printed advertisement in a newspaper, magazine, directory, or other publication. You can also advertise on the internet, or you can buy airtime on radio or television.

Promotion can be free, or at least lower in cost than advertising. But promotion takes up much more of your time than advertising. Promotional techniques include making personal appearances and giving speeches, teaching, sponsoring various causes, offering premiums and coupons, and volunteering your services or time.

Publicity that gets your business mentioned in news stories is one form of promotion. Publicity is a form of public relations, rather than advertising. Effective publicity has much greater credibility than advertising because a third party delivers the message. Of course, you cannot control your publicity as you can your advertising, so publicity can backfire on you if it is negative. Finally, you can reach customers through e-blasts, direct mail, referrals, and by responding to help-wanted ads.

SHOULD YOU DO IT YOURSELF?

The easiest way to advertise and promote your business is to hire someone to do the work for you; but that also can be the most expensive way. First, you need to determine if you have enough money to spend on advertising and promotion to make hiring someone worthwhile. That means setting up an advertising and promotional budget. But before you budget for advertising and promotion, make sure your business is ready to give top-notch service and that your employees, if you have any, are fully trained for their jobs.

Next, locate your potential customers. The more you know about them — what they read, where they look to find services — the better you can structure your ad and promotional program. This helps you pinpoint your target market. Use the information you gather for your marketing plan to identify prospective clients.

The best method of developing an advertising and promotional budget is the percentage of sales method. Project your expected sales for the next year, and then decide what percentage you want to spend on advertising and promotion.

Then, calculate your monthly advertising expenditure. As a guide, most small service businesses spend from 1% to 10% on advertising and promotion. For example, if you project sales of $80,000 and plan to spend 5% on advertising and promotion, you would budget $4,000 for the year, or about $333 a month. Figure 1 contains a table that shows possible advertising budgets based on annual sales of $80,000.

Budgeting a Percentage of Sales for Advertising and Promotion
Annual Sales = $80,000

% on Advertising	= Annual Budget	= Spending per Month
1%	$800	$66.67
2%	1,600	133.33
3%	2,400	200.00
4%	3,200	266.67
5%	4,000	333.33
6%	4,800	400.00
7%	5,600	466.67
8%	6,400	533.33
9%	7,200	600.00
10%	8,000	666.67

Figure 1: *A percentage of your annual budget should be set aside for advertising and promotion.*

Of course, $333 a month will not interest an ad agency or public relations agency, but that does not mean you cannot advertise. You will have to do more of the work yourself, or look for an affordable contract graphic designer or public relations consultant. Whatever alternative you choose, keep track of your actual sales so that you can adjust your spending quarterly to keep pace with your business.

If your initial budget estimate comes up short, you may want to consider using barter. Barter is simply the exchange of services or goods for other services or goods. No cash changes hands. For example, a local printer or ad agency may let you trade your services in exchange for printing your brochure or airing your commercial.

Barter is an excellent way to help your business along when work slows or when you are short of cash. Barter works best if you are dealing with someone you know, or if you can take advantage of someone else's slack time. Many communities have commercial barter clubs or barter brokers to give you help and information.

HIRING A DESIGNER

One criterion on which your business will be judged is the appearance of your graphic materials: signs, posters, yellow pages ads, newspaper ads, brochures, business cards, and stationery. These are the materials that will be making your first impression. This is one area where hiring an expert may be the best course of action.

It is important to have a consistent look for all your stationery items (Figure 2). Design consistency adds impact and helps people to identify the business. Extending your "look" to all your advertising and promotional materials makes the whole more effective than the parts. Everything works together, pulling in the same direction. When people see your business card, they remember your direct mail. When they see your direct mail, they remember your ad.

How do you get a unified look at low cost? You could ask a good printer to show you design concepts for stationery items or you could get a graphic arts student from a nearby college to design a distinctive logo. It is best to use one professional graphic artist or designer to design all your advertising and promotional materials. Do not make the mistake of hiring one person to do a logo, another to do a direct mail piece, another to create a web ad, and still another to prepare a newspaper ad. The result is almost guaranteed to be muddled.

Before you start looking for a graphic designer, you should know exactly how much you could spend. Designers' rates can range from a modest $25 to more than $150 an hour. Get written estimates. Realize that the final costs can vary 10% from the estimate, much more if you make changes while the job is in progress.



***Figure 2**: Your marketing and stationery should all have a uniform look.*

Once you know what you can afford, you can begin your search. Start by asking business acquaintances for referrals. If you see graphics work that you like, call the company for whom the work was done. The advertising, marketing, or public relations manager should be able to give you the artist's name. If these steps do not yield results, look in the yellow pages directory under "Graphic Designers."

Once you start working with a designer, describe carefully the audience you want to reach and the message you want to give. Try to meet with at least three designers to review their portfolios. However, before you schedule the meetings, discuss your budget with them on the telephone. It may seem awkward, but it will save you and them time if your budget cannot match their fees.

When you schedule an interview, ask the designer to bring samples relevant to your project. If you want a direct mail piece designed, ask to see direct mail pieces done for other clients. And make sure the work is the designer's own; ask point blank if he or she was responsible for the design concept, or merely used another person's concept. Evaluate other factors, too. For example, can you work comfortably with the person? Does he or she seem too egotistical or unmotivated? Are you thinking along the same lines?

Once you start working with a designer, describe carefully the audience you want to reach and the message you want to give. Ask to see the colors and typefaces that he or she plans to use. Choose designs you like and that are suitable for the intended audience. Show the designer samples of concepts you prefer.

Approve the design at an early stage. Be sure to ask the designer for thumbnails or comps. Thumbnails are rough sketches of the design. Comps are full-size, accurate mock-ups of the finished piece. Because comps are more complete, they will cost more. But they can help you and the designer narrow down the design choices, and in the long run they will save you money. Make the fundamental decisions about the project before the comp stage. Making radical changes that late in the process will cost you.

Proofreading copy is your responsibility, not the designer's. A change in just one letter can change the message or create an embarrassing mistake, so proofread carefully.

Set a reasonable deadline for the designer, but include enough leeway to allow for emergencies and equipment failures. Agree in advance when payment will be due: perhaps one-third at the start of the job, another third halfway through, and the final third at completion.

HIRING AN AGENCY OR CONSULTANT

While you may not have enough money in your advertising budget for an ad or PR agency, you may have enough to hire a independent contractor as your advertising, public relations, or marketing consultant.

However, you may prefer to show your growth potential to an ad agency and persuade them to take a gamble on you. Standard agency fees include direct and indirect charges. An agency usually charges by the hour for production work, which includes creating an advertising style and producing the artwork and layout.

Before you interview agencies or consultants, answer these questions:

1. What do you want the agency or consultant to do for you that you cannot do for yourself? If your advertising and promotion are not going to include display advertising in the main part of a newspaper or magazine, you probably do not need an agency or consultant.

2. Are you willing to listen to their advice, or will you do what you want anyway? If you already have definite ideas about what you want, you may not need an agency or consultant.

3. Is there another way to do it? Perhaps your graphic designer can handle the production of ads and materials. If your advertising and promotion focus is going to be on direct mail, classified ads, and publicity, you may really need a marketing or public relations consultant, a graphic designer, and a media-buying service. (Many ad agencies use a media buying service to purchase advertising space and time.)

You should consider an agency if your budget is large enough to include display advertising and you have not had any experience in that field. Display advertising should be professionally written and produced. Writing ad copy is a combination of art and science, and an amateur display ad could be worse than no ad at all.

If you decide to hire an agency or consultant, the process is similar to the one for hiring a graphic designer:

1. Get the names of firms and people to interview. The advertising manager of a local newspaper or other media sources may be able to give you the names of the agencies that handle businesses like yours. Check the names with the local Better Business Bureau; eliminate those with complaints on file against them.

2. Contact two or three agencies to arrange interviews. Tell them how much money you have to spend. Ask them to show you samples of work they have done for businesses similar to yours.

3. Ask for the names and phone numbers of clients. Check with former clients to see if they were satisfied. Keep in mind that an ad is supposed to sell a service or product — not the ad agency. Creative ads that win awards do not necessarily increase sales. Ask about results.

4. Find out whom at the agency will be handling your account. Agencies often have top executives solicit accounts, but the junior people actually do the work. If you are not comfortable with the people who will be working on your account, find another agency.

5. If you plan to do online only advertising, make sure you work with an agency or designer who understands the special requirements and parameters for online ads and marketing those ads to the most viewers.

Find out how the agency or consultant wants to be paid and what kind of agreement they require.

Creating a Professional Image

What image do you want to present to your customers and potential customers? A formal, organized business image? That is fine unless you dress casually and informally for business meetings, or if clients who stop by to pick up a job find a messy office. The image you project must match your business style (Figure 3).

There is nothing wrong with being casual and informal. In fact, many people will become customers of your small business because they do not want to deal with a large, formal operation. If you start using expensive letterhead and business cards and four-color brochures, potential customers may think you are too big or too fancy for their needs. They may decide you are too expensive, without even checking your prices.

How can you look good without looking too good? First, check out other successful small businesspeople. Ask a few what works for them. After you have talked to a few small business owners, you should be able to find your own style, one that is comfortable for you and works well for others.

THE CAPABILITIES BROCHURE OR RESUME

For promotional materials, you need a brochure or resume that describes your business and services. A capabilities brochure can be anything from a single sheet of paper folded into three panels to a longer booklet. To start, a brochure or a resume on one or two letter-size pages should do the job.

A capabilities brochure or a resume has many uses. Mail one out whenever you get an inquiry. Leave one behind when you make a sales or marketing call. Include one in direct mail packages. Use one to respond to an ad and follow up a lead. Offer one free in your advertising.



Figure 3: *Your logo can be as simple or as complex as you care to make it. Be sure to make sure your logo represents you, and what you do, clearly.*

A capabilities brochure is most effective when it is typeset and includes graphics. A resume is acceptable either typeset or typewritten. Generally, a brochure focuses on your business and a resume focuses on you. You may want to have both available to attract different types of clients.

A capabilities brochure and a resume should include the following:

1. An explanation of the benefits of doing business with you. Sell the benefits of your services. This is the most important aspect of a capabilities brochure and a resume.
2. A description of your services and your areas of specialization. Include some of the specific projects you have completed.
3. Important capabilities, such as overnight and weekend service, free pickup and delivery, etc.
4. A listing of recent customers — only if you have received permission to use their names.
5. A description of your experience and training.
6. A description of the equipment and software you use, if applicable.
7. Your name, your business name, address, email and telephone number.

When you have been in business a while, you will start getting letters and comments from satisfied customers. You may want to revise your brochure or resume to add endorsements from two or three customers who will testify to your skills, accuracy, quality, dependability, responsiveness, and so on.

REFERRALS

Your most powerful marketing tool is a customer who liked the quality and value of your services. Satisfied customers tell other people about your business. You probably first learned about many of the businesses you patronize through recommendations from your friends and family. If so, you know that referrals can be very effective in attracting new customers.

People can provide referrals whether or not they are familiar with the quality of work you do. All that is necessary is that they know you, the kind of person you are, and the business you are in. Make a list of all the people you know in these categories:

- Former coworkers
- Local business owners
- Doctors and dentists
- Bankers or Lawyers
- Neighbors
- Teachers (yours or your children's)
- Former bosses
- Social club members
- Insurance agents or other professionals you have done business with
- Former classmates; alumni
- Religious leaders

Send them your brochures, resumes, and business cards, along with a friendly letter asking for their support and referrals. And do not forget to include the vendors who supply your products or services on your list. Ask if they can use your services or know anyone who can. If they have bulletin boards where business cards are displayed, ask them to add your card to the board.

SELF-TEST QUESTIONS

Please check your answers on page 22.

1. *True or False*. **The most important thing to put in your brochure or resume is a description of your services.**
2. **Why is it important to keep your current customers satisfied, aside from the fact that you are looking for repeat business?**
3. *True or False*. **It is impossible for people to provide referrals when they do not know the quality of your work.**

Placing Classified and Display Ads

There are many methods of advertising. But because advertising costs money, you should concentrate on what works and produces a return. Your market research should identify who your prospective customers are and where you can find them. Using that information, you must then decide which advertising media will do the best job of reaching those people, at the lowest cost.

If your target market is mostly in a small town or the suburb of a very large city, the city's daily newspaper is not a cost-effective advertising buy. You would be paying to send your ad to people who are miles away, and you probably would not want to spend the time or money to service them.

But if the city's daily newspaper has a zoned edition that is delivered primarily to your town or suburb, an ad in that edition might be a good buy. So might an ad in your town's weekly or daily paper. As you might expect, major papers with big circulations charge more for the same amount of space than does a weekly community paper. Also consider advertising in the free publications distributed at supermarkets, shopping centers, and door-to-door.

If you want to reach business owners, consider advertising in the local chamber of commerce's newsletter. To reach students and faculty at the local university, try advertising in the student newspaper or magazine.

Standard Rate and Data Service is a publication found in most library reference sections that offers information on most print, radio, and TV advertising outlets, including circulation, rates, and coverage. This information is also available online from university websites but you may need a school log-on to access this information. This publication can offer information on media you already know about, and you may find new ones worth consideration.

Another guide to ad placement is your competition. Where do other small businesses advertise? Where do your competitors advertise? If their choices make sense to you, that is where your ads should be.

Few small businesses can afford, or need to use, radio or television, so our focus here is on print advertising — newspapers, trade magazines, and directories. But in small communities, radio and cable TV can be surprisingly inexpensive.

Once you identify where your potential customers are and how to reach them, it is time to decide what you want your advertising to do. Do you want to:

1. Make potential customers aware of your business?
2. Create a favorable impression or develop your image?
3. Create a need for your services?
4. Sell your services?
5. Remind old customers about your services?

Advertising can do all of these things, but the most effective ads will focus on doing only one. The most effective ads are also those that your potential customers see again and again. Advertising research shows that most buying decisions are made subconsciously, and it takes repetition to reach the subconscious.

Many advertisers waste money by taking an ad here, an ad there, and a third ad somewhere else, often in publications that reach far more people than the targeted market. Their ads are not seen often enough by their potential customers, so the ads have little impact. A simple, attractive ad that people see repeatedly will draw more response than an elaborate, expensive ad that they see infrequently.

Advertising frequently in the same publication should entitle you to quantity discounts. But you usually have to ask for discounts, whether they are quantity or seasonal. Never accept the first advertising rate you are offered; always ask for a discount.

NEWSPAPERS

Besides deciding which publications will yield the best results, for both newspapers and magazines, you will need to decide between two types of ads: classified and display.

Classified Ads. Classified ads work well for many small businesses. Classified ads can be particularly effective in trade publications directed at business areas, such as construction, real estate, or independent business owners, from which you want to draw customers.

Classified ad space is almost always sold by the line and limits you to the typefaces and style of the publication. Many daily newspapers, for example, do not accept logos. As a rule, deadlines for classified ads are much shorter than for display ads in the same publication.

Classified ads can be an excellent start for your advertising, as long as you follow some basic rules:

1. Run your ad continuously over a period of time. That is the best way to keep your name before your market.

2. Use clear, precise wording in your ads. Most newspapers have experienced ad takers who can help you choose the briefest way to get your message across.

3. Make sure your ad is listed in the right place. Most newspapers have a "Business Services" section that works very well (Figure 4). In trade magazines, you might also look for other sections where your ad will fit. Try running your ads under various sections for two or three weeks in a newspaper or for a couple of months in a magazine.

Display Ads. There are two elements to display ads: copy (what the ad says) and layout (how the ad looks). Focus your creativity on the copy and keep the design clean and simple. Creative copy — particularly a creative headline — in a clean, uncluttered layout can attract and keep the attention of the reader. While a creative layout may also attract the readers' attention, if the copy is dull and uninspiring, you will lose them.

Layout. If you have the talent or ability to create your own ad, you might try following the examples of other print ads you like. But you should still try to make your ads look different from your competitors'. Once you have designed your ad, keep using it. Over time, readers will recognize your ads on sight. Incorporate your logo, if you have one, and try to use a distinctive border to separate your ads from others on the page. Unless you have a talent for graphic design and know the specifications needed for computer graphic art, it is best left to a professional designer.

Use a large picture or headline as a dominant element for added visibility. Choose a layout that carries the reader's eye through the ad easily and in proper sequence: from the headline to the illustration to explanatory copy to your business's name. Do not crowd your ad. White space is important, particularly in newspaper ads where the pages are heavy with small type.

If you rough out your idea for a newspaper ad on a sheet of paper, the newspaper's production department can do the actual layout, maybe even add an appropriate illustration. Be sure to ask for a proof of the ad before it runs. This can be the simplest, least expensive way to get an ad produced, but there is one drawback. Typically, newspaper production departments are very busy, and do not have much time to spend on your ad, so it will probably look a lot like other ads in the paper.

You may be selling a service,
but your customer is buying benefits.

Copy. If you retain an advertising agency, it can write the copy and layout the ad. If you use any of the other approaches for producing an ad, you will have to write the copy yourself or hire an experienced freelance writer to do it.

Make sure your headline promises something or describes a benefit. You may be selling a service, but your customers are buying benefits. The first question a reader asks of an ad is *What is in it*



Figure 4: Listing your business in a business directory is a good way to find readers looking for your services.

for me? Answer that question. Elaborate on the answer in subheads. Headlines starting with "How to..." encourage readers to read the copy. So do headlines that give specific information or useful suggestions. *Do not generalize in headlines.*

Be specific in your copy. Do not say you offer fast service, say how fast: same-day service or next-day delivery. Do not just say that you offer special services, describe those services.

Do not try to impress your readers by exaggerating or using difficult words. Everyone understands simple language, so use it. Avoid full sentences; use phrases and stand-alone words.

After you have finished a first draft of your ad copy, look it over very carefully for unneeded words that rob it of its punch. Get rid of cute fluff phrases that do not sell your services.

If it is appropriate, use your ad to offer something — a free copy of your brochure or a 10% discount for a limited time. It will help you find out how effective your ad is. The calls and letters you get in response to the ad will help you build a solid list of names and addresses for direct mail selling.

PROFESSIONAL OR TRADE MAGAZINES

If potential customers read professional or trade journals, you might consider advertising in them. The journals allow you to target your advertising to the most receptive customers. Another advantage is that, because magazines often lie around for months, they can produce results long after they are first issued.

Although advertising in a national journal may be beyond your means, many fields are served by local and regional trade magazines. And some national magazines publish regional editions. There are thousands of professional and trade journals. Your local library should have a directory with names, addresses, phone numbers, and other information on those of interest to you. Among the directories you might consider are *Standard Rate & Data Service* or *Gebbie Press All In One Directory* (www.gebbieinc.com).

Your library may also have copies of some of the magazines you find listed. If not, you can email or call the magazine company you are interested in to get sample copies, advertising rates, and other information.

Magazines, particularly monthly magazines, have a much longer lead-time than newspapers. Ads usually must be submitted two to three months before publication.

Magazine space for display ads is usually sold by the page or fraction of a page. Research shows that effectiveness does not decline directly in proportion with size; a half-page ad is about two-thirds as effective as a full-page ad. Magazines with classified sections sell space by the line, the same as newspapers.

Magazines usually offer quantity discounts, based on the amount of space you buy in a 12-month period, and frequency discounts, based on how many times you advertise in a 12-month period. Make sure to ask about them.

If you try out magazine advertising with classified ads and have some success with them, consider moving up to display ads in those magazines. One advantage of a display ad in a respected publication is that you can use it in your promotions. Have reprints made up and add the line "As advertised in...." They can be used in direct mail and to answer requests for information. Mounted on card stock or framed, they can be used as wall and counter displays.

DIRECTORIES

Ads in directories are effective because they target people who are interested in the services being offered. Readers have already decided to buy; they are just looking for the right business to buy from. This is particularly true of listings and ads in the Yellow Pages directory. A good Yellow Pages listing might not bring in a flood of customers, but it will bring a slow, steady stream of business your way.

Anyone with a business telephone is entitled to a one-line listing in the Yellow Pages directory. Place your listing under the most obvious heading for your business. Also consider additional listings under less obvious related headings.

You might also consider buying Yellow Pages display ads. Whether you do will depend on how many competitors are listed in your area. You may need a display ad to help you stand out. Many businesspeople consider Yellow Pages display ads the most cost effective advertising available. One commonly used device is a display ad under the primary heading and one-line listings under secondary headings that refer customers to the display ad.

Make sure to place your ad before the closing date for the upcoming edition. Remember that Yellow Pages ads run for a full year, so do not include any information that will be outdated before the next directory is issued.

SELF-TEST QUESTIONS

Please check your answers on page 22.

4. **If a competitor takes an ad once a month in the community newspaper, should you do the same?**
5. **List some things advertising can do for your business.**

Direct Mail

As you make contacts and keep them on record, you will be building a mailing list. You can turn your contacts into cash through direct mail. Direct mail is any printed promotional material that is mailed directly to the customer. Direct mail includes brochures, letters, reply cards, price lists, catalogs, and coupons.

Direct mail is being used more and more frequently. American business currently spends more money on direct mail than on radio or magazine advertising. Direct mail spending grew 3.1% in 2010, and accounted for $45.2 billion of direct and digital ad spending in 2010. Direct mail is expected to grow 5.8% in 2011, to $47.8 billion. It is one of the best formats for transmitting detailed information. It also offers great flexibility, since you can send any message to anyone at any time. You can use direct mail to

- Reach new customers
- Keep in touch with old customers
- Offer special prices or discounts
- Announce new services or capabilities
- Announce price changes
- Develop your business image

Direct mail offers many advantages, which explains its popularity among advertisers. Among the many advantages of direct mail are

1. **It is highly selective.** You can target your message directly to your potential customers. You will reach fewer people, but they will be the right people.

2. **It is economical.** With a good direct mail piece, if you target your customers properly, the cost per sale can be much lower than any other advertising and promotional method.

3. **The results are measurable.** You can calculate your cost per sale or per job to evaluate the true cost, not just the cost per thousand of doing the mailing. And if you make an offer with a cutoff date, you know on that date whether the effort was successful.



Figure 5: *By including a discount or offer in your ad, you can effectively track your direct mail results.*

Direct mail should not be used as a substitute for other advertising and promotion. One type should support the other. Keep in mind that for a small business, the return from direct mail may be slow. But there is no other method that gets your brochure or letter into the hands of so many potential clients. Plan on sending a series of mailings, preferably three or more, so that the services you provide become familiar to prospective customers.

WRITING EFFECTIVE DIRECT MAIL LETTERS

Most of the techniques for writing effective letters also apply to direct mail letters. The most important thing to remember when writing a direct mail letter is to discuss benefits to the reader and not to sell your service.

Your market is made up of two kinds of people — those who have a problem you can solve and those who have a goal you can help them achieve. People always want to know what is in it for them. They also want to know how much, how fast, how profitably, and how soon. Tell them. Match the reader's needs with your capabilities. The best direct mail letters will

1. Use short sentences and short paragraphs. Studies show that readers have trouble with text whose sentences average more than 17 words. Short paragraphs (and wide margins) add white space and readability.

2. Eliminate needless words, clichés, redundancies, and abbreviations. Get rid of long-winded phrases.

3. Get rid of stuffy language. Be conversational, not formal. Use contractions and pronouns. Use one- and two-syllable words in place of three- and four-syllable words.

4. Use the active voice and strong verbs. Avoid the various forms of *to be:* is, are, and was.

COMPILING A MAILING LIST

The right mailing list is crucial to successful direct mail. The best list of all is your own customer mailing list, the one you should start compiling the day you open for business. Complement it with a separate list of potential customers.

Where do you get the names of potential customers? You can start with the public library, which should have lists of local organizations and professionals. You will have to go through them and pick out the ones you want. Check the Yellow Pages for organizations that might be interested in your services. Check newspaper announcements of new businesses. Ask current customers for names.

Your market is made up of two kinds of people — those who have a problem you can solve and those who have a goal you can help them achieve.

If your city or county has an economic development office, it may have a local business directory you can buy at a modest price. The Chamber of Commerce should have a directory of members which may be free if you are a member. You also may be able to buy a one-time use of the mailing list of another local business.

Mailing list brokers sell names and addresses. But many of their lists are highly specialized. Since most customers prefer to find services that are close by, look for customers within a reasonable distance from your place of business. Most lists available from a broker are not that localized and will produce substantial waste, unless you go through the list and eliminate unwanted names and addresses.

Wherever you get the names for your mailing list, qualify them by your own sense of where your potential customers are. There is a fine line between direct mail and junk mail. Make sure you are sending your mailing to people who want it, people who really might become your customers. If you use a group mailing program, such as Val-Pak, you can target your direct mail by zip codes or regions that are in your area.

To assist you in your design, mailing and sending of your direct mail pieces are companies like AmazingMail (www.amazingmail.com) or Vista Print (vistaprint.com) which are one-stop shops for your direct mail needs.

Keep in mind the rising cost of postage and consider using a service for your mailing such as Stamps.com or flat-rate shipping from the U.S. Post Office. Both will save you time and money. Do your research to find out how to get the best rate when shipping your direct mail pieces.

PUTTING TOGETHER A DIRECT MAIL PACKAGE

There are many different forms of direct mail marketing. A well-designed postcard can be very effective. So can packages containing well-written, personalized letters, brochures, fliers, coupons, or specialty items, such as pens and calendars.

A classic direct mail package consists of an outer envelope, a letter, a brochure or resume, a response device (coupon, reply card, or phone number) and, sometimes, a return envelope. The important thing is that your direct mail fits the audience you are trying to reach and project the image you want for your business.

Outer Envelope. There are three goals in direct mail:

1. To get your envelope opened.

2. To get the material inside read.

3. To get business.

Obviously, you cannot reach the last two goals if you do not reach the first. One way of getting your envelope opened is to print a teaser on it that is appropriate for the customers you are trying to reach. A teaser, as shown in Figure 6, is a few carefully chosen words that will make recipients curious enough to open the envelope.

Letter. A good direct mail letter gets the attention of your prospective customers, generates interest in your services, offers the reader a benefit, creates a desire for your services, and gives the reader a deadline for acting. An alternative approach is a letter that introduces your services and prepares the reader for your follow-up call and subsequent meeting, where you will sell your services.

You might want to make a special offer, such as a 15% discount for new customers who respond within six weeks. Or you might include a 15% discount coupon for both old and

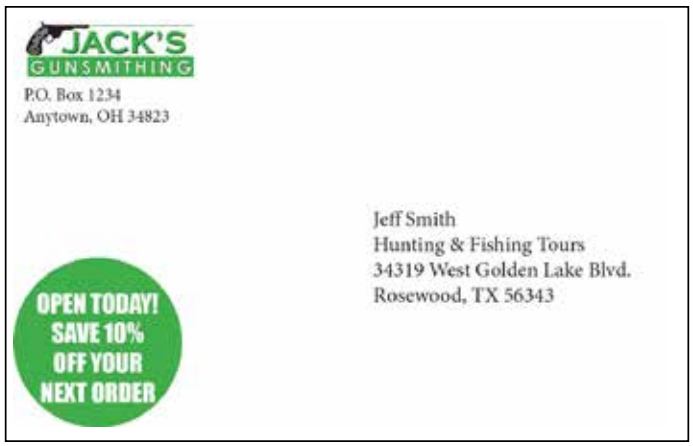


Figure 6: Make recipients curious enough to open the envelope with a teaser.

new customers who submit it with their next job by a specific deadline. Or you might offer a free, no obligation consultation.

If you have installed a new piece of equipment or are using a new technique, write a letter to your current clients, telling them what this means in terms of your ability to serve them better. If you created an unusual piece of work, send it out as a sample.

Make sure your letter tells a complete story, even if your direct mail package is to include a brochure and other materials. Some people will read your letter; others will read your brochure. Few will read both.

Brochure and Resume. You may want to include a capabilities brochure or resume, discussed earlier in this lesson, to project a professional business image.

Other Inserts. Many small businesses that use direct mail include a price list. If you send one out, be sure to date it so that a prospective customer who files it away will not insist on holding you to those prices five years later. Include prices for each of the services you offer.

Some direct mail advertisers include specialty items, such as imprinted calendars or pens. If there is something that current and potential customers are likely to keep and use, it will help to keep your name in front of them.

DIRECT MAIL FOLLOW-UP

Always check your direct mail efforts to determine if they are working. Analyze your direct mail package and its results to see what works well and what you can improve. Follow up on each mailing with telephone calls.

Follow-up requires keeping good records. One way of maintaining good records is to keep copies of letters you send and make notes on the copies. You also can set up a log in a computer database to record the letters you send, the calls you make, and to schedule and record follow-ups. Without good records, you will lose track of important information.

One of the unique advantages of direct mail is that some aspects of it can be tested inexpensively. In print advertising, only advertisers with big budgets can afford to try several different approaches in different media. You can test a direct mail campaign in several different ways:

1. Try it out on a segment of your mailing list before sending it to everyone on the list.
2. Send different letters, offering different limited-time benefits, to segments of your list.
3. Test the same letter with parts of different mailing lists.
4. Try different packages (one with a brochure, one without).

When you test a direct mail campaign, remember to keep careful records of what went to whom so that you can evaluate the results and use the evaluation to plan future direct mail efforts.

One of the best ways to follow up a direct mailing is making telephone calls. Obviously, if you send out a direct mailing to a hundred people or more at a time, following up with phone calls is not practical. So, some direct mail advertisers send out their direct mail in segments, or waves. They time the waves so that they can follow up with phone calls within two weeks of the mailing.

You will want to sound confident and relaxed when you call. Here are some suggestions that will help:

1. Have some notes in front of you about what you want to cover.
2. Develop an opening statement that will grab the interest of the person you are calling. Do not beat around the bush or the person will lose interest.
3. Record your end of the conversations so that you can critique your technique.

4. Try writing out a two-minute commercial about your business to use if you get a receptive prospective customer on the line. Rehearse your pitch until you can do it smoothly and naturally.

5. If the person you call shows interest, do not use up your entire pitch on the phone. Press for a personal meeting, 5 or 10 minutes long.

6. Be enthusiastic. Smile when you talk, even on the phone.

Follow up your phone calls and face-to-face meetings with a letter or thank-you note, particularly if someone has agreed to send work your way.

SELF-TEST QUESTIONS

Please check your answers on page 22.

6. **Why should you use short sentences and short paragraphs in the letters you write?**
7. **List three advantages of direct mail.**
8. **Why are good records important?**
9. **Why is follow-up important in direct mail marketing?**

Internet Marketing Services

There are various companies that can help you marketing your business on the internet. Many offer a broad range of services to provide you with everything that you need, from SEO and link building, to social media.

If you are having trouble differentiating one internet marketing service from the next, a marketing company can help you identify what will be best for your business.

There are many aspects to online marketing. You may wish to build a website to promote your business or just use web directories or advertising to send clients your way. Depending on what you wish to purchase, you can reach a very broad audience using the internet for your marketing.

The following are some aspects of internet marketing you may wish to consider for your business.

Website Analytics: Getting visitors to your website is the first half of the battle, but turning them into paying customers is the real key to success. This will help you pinpoint the most valuable traffic to your business.

SEO (Search Engine Optimization): Regardless of offsite factors, such as links and social media, your website needs to be correctly set up for search engines to set a strong foundation for the future of a campaign. Coding and design, keywords all play an important part in getting your company's business in front of potential customers.

Social Media: This is an inexpensive way to get your name out there. Using FaceBook, Twitter and other social media can help increase business (Figure 7). A positive comment on Twitter from a satisfied customer can go a long way in stirring up new business.

Video: Creating a video to place on YouTube or Vimeo isn't as difficult as you think, and marketing it the right way can make your business seem like an industry expert. Many marketing agencies can help you set this in motion, including idea creation, development, editing, posting, optimization and promotion.

Local Search: With more and more people turning away from the phone book and to online search, local listings are the lifeblood of many businesses. With this website marketing service you can build profiles on local sites such as Yelp and Merchant Circle.



Figure 7: Social media is an inexpensive way to promote your business.

Publicity and Promotion

Publicity and promotion generally do not cost as much as advertising, but they do require your time. If you hire an advertising or public relations firm or consultant, they can handle publicity and promotion for you. At the least, they can suggest how you should handle it.

Some people regard publicity as free advertising. You get mentioned in the media because you or your business is considered newsworthy. Promotion means engaging in activities that benefit the media or the community. Ultimately, this will benefit your business, either by directly influencing prospective customers or by generating business through publicity.

PUBLICITY

A business gets publicity when the news media feel that providing coverage serves their best interests and those of their readers, viewers, or listeners, as suggested by Figure 8. There is no cost for publicity, but you cannot control it, and it can be unfavorable. It is as likely to focus on a problem, such as a lawsuit, as on an accomplishment. This gives publicity credibility. The fact that the media, rather than your paid ad, is delivering the message makes the message more believable.

Although you cannot control publicity, you can influence it by providing press releases. Find out who is responsible for covering businesses like yours. Let them know of your expertise, and make yourself available to answer questions.

Good publicity is not easy to come by. If there are a lot of other people in your area doing what you are doing, the media may not be interested. In urban and suburban areas, the competition for media attention is fierce. In small towns and rural areas, publicity may be easier to get.

Try to get publicity from the media you already use for advertising or would use for advertising if you could afford it. Other good publicity resources are the shopper guides given away free at supermarkets and shopping centers.

PRESS RELEASES

Press releases are a great way to increase news about your business while reaching a wide online audience. Press releases are sent to a wide range of media outlets to get wide exposure for your business.

A well-written press release is the key to good publicity. When writing a press release, write clearly and simply. Answer who, what, where, when, why, and how in the first sentence or the first paragraph. Press releases vary, but the basic press release should follow these guidelines:

1. Send releases on your business letterhead, which should include your address and phone number. In a block near the upper right-hand corner, type "Contact:" and your name and phone number so that the media can call for more information. Include a number where you can be reached in the evening.



Figure 8: *Microsoft Office and similar companies include press release templates in their programs. You can also download a template off the internet from Google and a variety of other sites.*

2. Provide information on when the press release is to be used, about 1" below the contact information and underlined. Most releases are labeled "For Immediate Release" or "For Release on Receipt." Specify a date or time only when there is a good reason for holding the news: "For Release 9:00 a.m., Wednesday, April 15." When you send a release to only one publication, indicate that two spaces below the release date: "Exclusive to the Daily Press," and underline it.

3. Include a headline to tell editors and reporters at a glance what the story is about. Make it short, no longer than 10 or 12 words, and flush left or centered on the line.

4. Start the text of the release at least one-third of the way down from the top of the page. Leave 1½-2" between the release date and the text. Use side margins of at least one inch. Double-space the text to give editors room to edit and to make it easier for announcers to read. Indent the start of paragraphs.

5. Do not use "yesterday," "today," or "tomorrow" in a press release unless you date the press release. You might lead off the first paragraph with a dateline or put the date in parentheses immediately after the first reference to a day: for example, "a prominent small business owner announced today (May 3) that...."

6. Keep it short. Two pages are the limit for most press releases; one page is better. If your release has a second page, center the word "MORE" between dashes or in parentheses at the bottom of the first page. At the upper left-hand corner of the second page, put a "slug line" that identifies the story followed by a dash and "page 2." At the end of the release, center several pound signs (###) immediately after the last line of copy.

7. Proofread every press release you send. Make sure grammar and punctuation are correct.

8. Make sure your originals and copies show dark, crisp letters on clean white paper. If your release has more than one page, make sure copies are collated in order and stapled neatly.

9. Send only one release to each news operation, unless you are told otherwise. If you do not know who to send it to, call and ask.

10. Be available to take calls during the day and evening. Always leave a number where you can be reached.

TELEVISION AND RADIO APPEARANCES

Today, television and radio appearances usually mean talk show appearances. It is easier to get on local radio and television talk shows, particularly on local cable TV shows, than most people realize. Local radio, TV, and cable stations are always looking for new material. But you still need a strategy that addresses three questions:

1. How will your business benefit the community?

2. What is in it for the talk show, the broadcast station, or the cable channel?

3. How will the listeners or viewers benefit? Will they learn to do something better, more effectively, more economically? Will they be entertained or educated?

Determine which shows in your area are most likely to be interested in the subject you want to discuss, which outlets have formats that fit your message, and which outlets have the audiences you want to reach. This is particularly important when the show is focused on narrow segments of the local market.

Many radio stations have "Tech Talk" formats on the weekends where an expert from professional trades comes in to discuss what they do. This is a great way to promote your business for free.

Also find out how the host handles guests and callers. Is he or she knowledgeable about a variety of subjects? Is he or she polite, or famous for mauling guests and callers?

This information will help you decide which shows you want to try to make an appearance on. Call and ask who books guests for the shows you are interested in. Develop a letter that describes the subject you want to discuss. Explain why you think the subject deserves publicity, and why the audience will find it interesting. If you do not hear anything for two or three days after you send your letter, call. You can stand out from the crowd simply by following up because so many people do not bother.

When you get a talk show appearance, do some practice interviews. Have a friend or associate ask you questions. Identify three key points you want to make about the subject or issue. Practice getting those three points smoothly into the interview. With practice, you will get your points across whether you get two minutes on the air or half an hour.

WRITING ARTICLES

Writing articles has been key to the success of many small businesses. Naturally, the articles should have something to do with your business. Being a published writer gives you a professional edge over your competitors.

There are two ways to get an article published. You can write or call the editor of the publication and ask if he or she is interested in the story you have in mind. Or you can write the article and submit it with a cover letter. Either way, follow up in a week with a phone call. If the publication is not interested, you can offer the article to another one.

Letters to editors of publications can also build your credibility. Letters to editors deal with subjects that are in the news or are of public interest or concern. Writing a well-informed letter to the editor shows readers that you have expertise in the subject area you are writing about.

When you get an article or letter published, make photocopies to send out as part of a direct mail package or with your responses to inquiries.

BLOGGING

You might consider starting a blog to promote your business, or to share your thoughts on a subject that you love? Blogging is either free or inexpensive, and you can get started in moments by creating a blog on a site like Blogger or WordPress.



Figure 9: A blog is a great way to discover a new audience and get your business noticed.

If you're going to write about something regularly and keep your blog fresh with new information, then you need to write about something that stokes your passion.

While you want to know your broad subject area, you need to focus your blog so that it has a clear purpose (Figure 9). Here are some ideas for ways that your blog can connect with your intended audience:

- **Teach something**. If you're passionate about a particular subject, and you have a lot of experience in that area, then you have a lot to offer both people who are new to the subject and others who are as experienced as you are.

- **Provide the latest news and trends.** Write about the latest developments related to your topic. You want to be someone who's viewed as the ultimate insider so that you can grow your reader base.

Take a look at other blogs on your topic to see what other people are already doing. What you have to offer that is different from what other people are already doing? Focusing on your specific area of expertise will give your blog an angle that distinguishes it from your competitors.

Research keywords related to your subject to help people find your blog. Go to a site like the Google Adwords Keyword Tool.

Decide where to create and host your blog. Blogger and WordPress are two of the most popular blog creation sites on the Web.

TEACHING COURSES AND SEMINARS

Teaching courses in an adult education program or at a community college or university can lead to customers and business. Teach a night course in your area of expertise, since that is when most adults are likely to be continuing their educations.

Giving a seminar, or helping with one, is another way to increase your contacts. Some small business owners actually organize seminars to promote their businesses. But if you do not want to get involved in the organization and administration details, contact a local community college or university. They will do the detail work and you can give the seminar.

NETWORKING

Networking is a promotional technique that has been around for hundreds of years. Networking is using one-on-one contacts with other people to generate new business. The contacts do not have to be with potential customers; they can be with people who are in a position to recommend your services to others. And they can occur at any time.

Many business owners overlook networking. But the most successful business owners create opportunities for networking by taking part in social and business activities. They join organizations and mix business with pleasure at social events.

Groups as diverse as the Chambers of Commerce, Kiwanis and Rotary clubs, fraternal organizations, and civic associations can provide you with excellent networking opportunities. Membership in these and other professional organizations also offers chances to promote your business in other ways. When you attend meetings, have your business cards ready to hand out. If this sounds too pushy for you, remember that networking is not selling. It is meeting people, establishing relationships, and finding out if people are in the market for your services. Selling comes later.

Through memberships and other networking opportunities, you will meet people who are in your field. Establish relationships with your competitors. Let them know you are available to handle their work overloads. You will also meet owners of other, non-competing businesses. Find out who the good ones are, and offer to recommend their services if they will recommend yours. Give them your business cards and brochures and get some of theirs.

SPECIALTY PROMOTIONS

Inventive people are continually coming up with new ways to promote their business. Specialty promotions include trade shows, premiums and giveaways, joint promotions, tie-in promotions, contests, displays, and sponsorship of special events. Whether you should get involved depends on whether the promotions are appropriate for your business, your customers, and the cost. Sponsoring a dunking booth at a neighborhood carnival, for example, probably would not generate any business and would not help your business image. But sponsoring a dunking booth at the chamber of commerce bazaar to raise funds for the local hospital could boost your business and give you a lot of chances to network.

PRO BONO AND VOLUNTEER WORK

Closely related to specialty promotions is pro bono and volunteer work. Pro bono is short for pro bono publico, which is Latin for "to benefit the public." By giving your time to benefit the public good, you not only serve your community, you also create an image of a public-spirited business.

You can donate time or material to a popular community project, work in the local United Way campaign, or sponsor the high school football team and put your business name on the back of their uniforms.

SELF-TEST QUESTIONS

Please check your answers on page 22.

10. **What is the difference between publicity and promotion**
11. **What are two ways to freely promote your business**
12. **What should a press release include?**

Answers to Self-Test Questions

1. False. The most important thing to include in your brochure or resume is an explanation of the benefits of doing business with you.
2. It is important to keep your current customers satisfied because a customer who likes the quality and value of your services will tell others about your business and refer new customers to you.
3. False. People can refer business to you if they know you, the kind of person you are, and the business you are in.
4. No, advertising once a month in a daily or weekly newspaper does not have much impact. A smaller ad, running once a week or several times a week, will be much more effective.
5. Advertising can do the following things: make customers aware of your business; create a favorable impression; develop a need for your services; sell your services; remind old customers about your services.
6. Studies show that readers have trouble when sentences average more than 17 words each; and short paragraphs are more readable.
7. Among the advantages of direct mail are that it is highly selective, it is economical, and its results are measurable.
8. Good records are important because without them you are likely to lose or forget valuable information.
9. Follow-up is used for two purposes in direct mail marketing. You can test and analyze your package inexpensively to determine what works and what needs improvement, and you can generate business by following up each mailing with telephone calls.
10. While publicity is free, you do not have any control over what it says. Unlike advertising, publicity can be unfavorable. Therefore, while it has many of the advantages of advertising, it also has some important drawbacks.
11. Blogging, Pro Bono Work, Networking, appearing on Talk Show are all helpful in promoting your business for free.
12. The three questions a talk show strategy should address are: How will your business benefit the community? What is in it for the talk show? How will the audience benefit?

Lesson Questions

THIS IS LESSON NUMBER 2205.

Make sure you print your name, student number, and lesson number in the space provided on the Lesson Answer Form. Be sure to fill in the circles beneath your student number and lesson number.



REMINDER: A properly completed Lesson Answer Form allows us to evaluate your answers and send the results and additional study material to you. Do not hold your Lesson Answer Forms to send several at one time. You may run out of study material if you do not send your answers for evaluation promptly.

You may also complete your exam online at www.sdi.edu, click on the *online exams* tab.

1. **Which of the following statements about publicity is not true?**
   a. It is a form of "free" advertising.
   b. It is more time-consuming than advertising.
   c. You can hire a public relations agency for help with it.
   d. It offers as much control as advertising.

2. **The percentage-of-sales method of budgeting for advertising and promotion requires that you**
   a. Know what your sales were last year.
   b. Have a computer spreadsheet.
   c. Keep track of your actual sales so that you can adjust spending.
   d. Be able to spend at least $300 a month.

3. **A good graphic designer**
   a. Can cost $150 an hour or more.
   b. Is responsible for proofreading copy.
   c. Will know all about the audience you want to reach.
   d. Cannot do anything that you cannot do yourself.

4. **If an advertising agency shows you a dozen award-winning ads**
   a. You can be confident their ads for you will be good.
   b. It guarantees that their ads will increase sales.
   c. It does not matter who will handle your account.
   d. You should still find out the results of their advertising for previous clients.

5. **Your capabilities brochure should contain**
   a. A brief description of your experience and training.
   b. A list of the equipment you expect to buy within the next six months.
   c. An explanation of why you set up your business.
   d. A financial report on your business.

6. **To advertise in the Yellow Pages, you must have**
   a. A business telephone.
   b. A display ad in addition to one or more listings.
   c. Enough money to pay for a year's advertising up front.
   d. An ad that has been created by a professional designer.

7. **You can use direct mail marketing to do all of the following except**
   a. Reach new customers.
   b. Develop your business image.
   c. Compile a mailing list.
   d. Keep in touch with old customers.

8. **Using social media can help you promote your business.**
   a. True
   b. False

9. **Which of the following is an example of networking?**
   a. Selling your services to a government agency.
   b. Taking out a classified ad in the local newspaper.
   c. Mailing a press release to local news organizations.
   d. Joining a civic organization.

10. **Pro bono and volunteer work is valuable because it enables you to**
   a. Sell to wealthy clients.
   b. Make money from your advertising.
   c. Create an image of a public-spirited business owner and contribute to your community.
   d. Donate unwanted material and equipment.