

## Do You Know the Results of Your Advertising

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Because your budget is limited, you, as the owner-manager of a small retail or service firm, must see that your advertising does the job you want it to. Measuring the results on a continuing basis can help you see that your ads keep your business's name before the public and play a role in increasing sales.

Planning is important. Before you can evaluate results, you must decide what purpose your ads should accomplish. This publication gives pointers on planning ads and discusses several ways you can compare advertising and sales.

Advertising is necessary today. Whether you have a small business or a large one, you must tell people who you are, what you sell, and where you are. You must tell them when they wish to hear or read about it. So you must place ads in newspaper, on radio, television and outdoor posters, or send out direct mail.

As a small business owner-manager, you know the money that you spend on advertising must return enough sales and profits in *added* business to justify the cost of the advertising. Small firms have neither enough time nor money to engage in complicated ad measurement methods. Even so, you can use certain rule-of-thumb devices to get a good idea about the results of your advertising.

### What Results Do You Expect?

Essentially, measuring results means comparing sales with advertising. To do this, you have to start early in the process—before you even make up the advertisement. The question is: What do you expect the advertising to do for your store?

*Immediate response advertising* is designed to cause the potential customer to buy a particular product from you within a short time (i.e. today, tomorrow, the weekend, or next week). An example of such decision-triggering ads is one that promotes regular price merchandise with immediate appeal. Other examples are ads that use price appeals in combination with clearance sale, special purchases, seasonal items, (for example, white sales, holiday sales, back to school sales, etc.) and "family of items" purchases.

Advertising results should be checked daily. Since most advertising has some carry-over effect, it is also a good idea to check advertising runs two weeks after, three weeks after, and so on, to ensure that no opportunity for using profit-making messages is lost.

*Attitude advertising* is the type you use to keep your store's name and merchandise before the public. Some people think of this type as "image building" advertising. With it, you remind people

week after week about your regular merchandise or services or tell them about new or special services or policies. Such advertising should create in the minds of your customers the attitude you want them to have about your store, its merchandise, its services, and its policies.

Attitude (or image-building) advertising is harder to measure than immediate response advertising because you cannot always attribute a specific sale to it. Its sales are usually created long after the ad has appeared. However, you should keep in mind that there is a lead-time relationship in such advertising. For example, an ad or a series of ads that announces you have the exclusive franchise for a particular brand starts to pay off when you begin to get customers who want that brand only and ask no questions about competing brands.

In short, attitude advertising messages linger in the minds of those who have some contact with the ad. Sooner or later, people may act upon these messages when they decide to make a certain purchase.

Because the purpose of attitude advertising is spread out over an extended period of time, the measurement of results can be more leisurely. Some attitude advertising—such as a series of ads about the brands that the store carries—can be measured at the end of one month from the appearance of the ads or at the end of a campaign.

## **Planning for Results**

Whether you are trying to measure immediate response or attitude advertising, your success will depend on how well the ads have been planned. The trick is to work out points against which you can check after customers have seen or heard the advertisement.

Certain things are basic to planning advertisements whose results can be measured.

- Advertise products or services that have merit in themselves. Unless a product or service is good, few customers will make repeat purchases no matter how much advertising the store does.
- Many people will not make an initial purchase of a shoddy item because of doubt or unfavourable word-of-mouth publicity. The ad that successfully sells inferior merchandise usually loses customers in the long run.
- Small marketers, as a rule, should treat their messages seriously. Humour is risky as well as difficult to write. Be on the safe side and tell people the facts about your merchandise and services.

Another basic element in planning advertisements is to know exactly what you wish a particular ad to accomplish. In an immediate response ad, you want customers to come in and buy a certain item or items in the next several days. In attitude advertising, you decide what attitude you are trying to create and plan each individual ad to that end.

### *Plan the ad around one idea*

Each ad should have a single message. If the message needs reinforcing with other ideas, keep them in the background. If you have several important things to say, use a different ad for each one and run the ads on succeeding days or weeks.

The pointers which follow are designed to help you plan ads so they will make your store stand out consistently when people read or hear about it.

### *Identify your store fully and clearly*

Make sure your radio and television ads identify your sponsorship as fully and frequently as possible without interfering with the message. Logotypes and signatures in visual ads should be clean-lined, uncluttered, and prominently displayed. Give your address and telephone number. It's possible to use a musical or sound effect signature identified with your store to create a "logo" on radio too.

### *Pick illustrations that are similar in character*

Graphics—that is, drawings, photos, borders, and layouts—that are similar in character help people recognize your advertising immediately.

### *Pick one audio format or typeface and stick to it*

Using the same typeface or the same audio format for radio or television helps people to recognize your ads quickly. Using the same format or kind of type and illustrations also allows you to concentrate on the message when checking ad response changes.

### *Make copy easy to understand*

Printed messages should be broken up with white space to allow the reader to see the lines quickly. Broadcast messages should be written conversationally. Remember, these messages are human beings talking to human beings.

Tell your listeners how what you are advertising will help them. Consumers buy benefits, not products.

Get the main message in the first sentence, if you can. Sentences should be short. Be Direct. Go straight to the point. Get the audiences' attention in the first five seconds of the radio or television commercial.

Try out your script on somebody else or read it into a tape recorder. When you play the tape back, you'll easily spot phrases that are hard to understand (or believe). Your ears are better than your eyes for judging broadcast ads.

### *Use coupons for direct mail advertising response as often as possible*

Coupons give an immediate sales check. Key the coupon in some manner so that you can measure the response easily. In your radio ads, you can have listeners create their own "coupons". One fast food chain asked listeners to hand draw a coupon and bring it in for a free hamburger.

## **Tests for Immediate Response Ads**

In weighing the results of your immediate response advertisements the following devices should be helpful:

### *Coupons brought in*

Usually these coupons represent sales of the product. Were enough leads obtained (from coupons that represent requests of additional information or contact with a salesperson) to

pay for the ad? If the coupon is dated, you can determine the number of returns for the first, second, and third weeks.

#### *Requests by phone or letter referring to the ad*

A "hidden offer" can cause people to call or write. For example, in the middle of an ad—include a statement that on request the product or additional information will be supplied. Results should be checked over a one-week through six-month or 12-month period because this type of ad may have considerable carry-over effect.

#### *Testing ads*

Prepare two ads (different in some way you would like to test or set for different stations or broadcast times) and run them on the same day. Identify the ads -- in the message or with a coded coupon—so you can tell them apart. Ask customers to bring in the coupon or to use a special phrase. Run two broadcast ads at different times or on different stations on the same day with different "discount phrases." Ask a newspaper to give you a "split run"—that is to print ad "A" in part of its press run and ad "B" in the rest of the run. Count the responses to each ad.

#### *Sales made of a particular item*

If the ad is on a bargain or limited-time offer, you can consider that sales at the end of one week, two weeks, three weeks, and four weeks came from the ad. You may need to judge how many sales came from in-store display and personal selling.

#### *Check Store Traffic*

An important function of advertising is to build store traffic that results in purchases of items that are not advertised. Pilot studies show, for example, that many customers who are brought to the store by an ad for a blouse also bought a handbag. Some bought the bag in addition to the blouse, others instead of the blouse.

You may be able to use a local college or high school distributive education class to check store traffic. Class members could interview customers as they leave the store to determine which advertised items they bought, what other items they bought and what they shopped for but did not buy.

### **Testing Attitude Advertising**

When advertising is spread out over a selling season or several seasons, part of the measurement job is keeping records. Your aim is comparing records of ads and sales for extended time.

An easy way to set up a file is by marking the date of the run on tear sheets of newspaper ads (many radio stations now provide "radio tear sheets"), log reports of radio and television ads, and copies of direct mail ads. The file may be broken down into monthly, quarterly, or semi-annual blocks. By recording the sales of the advertised items on each ad or log, you can make comparisons.

### *In attitude (or image-building) advertising*

The individual ads are building blocks, so to speak, which make up your advertising over a selling season. The problem is trying to measure each ad and the effects of all of the ads taken together.

One approach is making your comparisons on a weekly basis. If you run an ad, for example, each week, at the end of the first week after the ad appears or is broadcast, compare that week's sales with sales for the same week a year ago. At the end of the second week, compare your sales with those of the end of the first week as well as year-ago figures.

At the end of the third week, one month, three months, six months and 12 months from the running of the ad, repeat the process even though additional ads may have appeared or been aired in the meantime. For each of these ads, you will also make the same type of comparisons. You will, of course, be measuring the "momentum" of all of your ads as well as the results of a single ad.

After a time, you probably will be able to estimate how much of the results are due to the individual ad and how much to the momentum of all your advertising. You may then make changes in specific details of the ad to increase response.

When comparing sales increases over some preceding period, allowances must be made for situations that are not normal. For example, your experience may be that rain on the day an ad appears cuts its pulling power by 50%. Similarly, advertising response will be affected by the fact that your customers work in a factory that is out on strike.

Some of the techniques to use for keeping on top of and improving attitude advertising:

#### *Repeat an ad*

If response to an ad is good, run it—without change—two or three times and check the responses of each appearance or broadcast against previous ones.

Keep repeating the process. Much advertising loses effectiveness because the advertiser doesn't keep reminding people. Repetition helps increase knowledge of, and interest in, the product. You can soon estimate how often you should repeat each ad—exactly or with minor changes.

#### *Analyze all ads in relation to response*

Divide ads into at least two classes: high-response ads and low-response ads, then look for differences between the two classes.

The time the ad was broadcast or run may be responsible for a particular response level. Other factors, however, may be just as influential as time or even more so, though in radio time is often crucial.

Consider the message and how well it was expressed. Did the copy stick to the theme or did it wander? If you used slogans, did they help make the point? For print, consider the effects of illustrations, type size, colour, and ad location. In broadcast, consider whether or not the voice of the person doing the ad or music used may have had an effect.

Emphasis on brand names should also be checked. Price figures should be analyzed. If price lines are involved either in the ad or in the merchandise line of which the advertised product is a part, you should consider them also.

Check the effect of the length of broadcast ads. Did you get the best results with 10-second, 30-second, or 60-second ads?

*Try to see a pattern of dominance*

Your analysis of high-and-low response ads may show that certain details make the difference between a high or low response. Try to find the combinations that work best for your firm and merchandise.

*Note changes occurring over time*

A small retailer should never take a winning combination for granted. There is no single formula that will insure high response ads every time. Advertising changes. Therefore, you should watch the ads of others to see what changes are occurring. Continue to analyze your own ads, make small changes occasionally, and note any variations in response.

*Listen to what people say about your ads*

In doing so, try to discover the mental framework within which any comment about your ad was made. Then try to find points that reinforce believability and a feeling that your product fulfills some wish or need.

However, you should not be misled by what people say. An ad can cause a great deal of comment and bring in practically no sales. An ad may be so beautiful or clever that as far as the customer is concerned the sales message is lost.

## **When You Use Several Media**

When your ads appear simultaneously in different media—such as the newspaper, on radio and television, in direct mail pieces, and as handbills—you should try to evaluate the relative effectiveness of each. You can check one printed medium against the other by using companion (the same or almost identical) ads in the newspaper, direct mail, and handbills.

You can make the job of analyzing and comparing results from among the media easier by varying your copy—the message. Your ad copy, thus, becomes the means of identifying your ad response.

You can check broadcast media—radio and television—by slanting your message. Suppose, for example, that you advertise an item at 20% reduction. Your radio or television ad might say something like this: "Come in and tell us you want this product at 20% off."

You can compare these responses with results from your "20% off" newspaper ad. Require the customer to bring in the newspaper ad—or a coupon from it.

Some of the ways to vary the copy are: a combination of the brand name with a word or some words indicating the product type; tone of voice; speed of delivery; picture variations; size variations; and colour variations. Check your printed ads against each other as well as against your radio and television ads.

Be careful that the copy variation is not so great that a different impression is received from each medium. Here you would, in effect, have two different ads.

## **Short-Term and Long-Term Effects of Advertising**

Even one ad, commercial or highway poster can result in sales for one product and attention for your business. You should remember, however, that a series of related ads results in sales over a longer period of time than the campaign lasts. Your business name will become very much better known. Your expenditures for advertising therefore, should be scheduled over a period of three, six and 12 months. Avoid deciding to advertise this week and putting off the decision about when you will next advertise.

## **Where to Get Help**

Most newspaper offices have at least one person who can help you plan the overall layout, design of your ad, provide illustrations for your ad, and make suggestions about the copy that will be contained in the ad. Radio stations will often help write copy and provide a music background for the commercial. Television stations may produce your commercial, usually for a fee. Outdoor ad agencies may paint or design a poster or bulletin for you, again at a price. Specialty advertising firms may recommend gift items, some at very low costs.

Many small towns, as well as all cities, have one or more ad agencies that are organized to create and place retail ads for small advertisers.

These agencies will probably charge you a specific fee, as local media may not pay an ad agency fee.

If a college, university, or other school is near you, you might find that students will be happy to create your ads and even plan your campaign.

## **Government Regulations**

Advertising is closely regulated by the Federal, Provincial and local governments. You should make it a practice to search for news items about such regulations that apply to your business.

## **Consumer Groups**

Most cities and towns have organizations that are entirely or in part concerned with the consumer movement. Know about such groups in your community and if possible, work with them in relation to the works, illustrations, and even forms of your advertising. The opinions of the members of these groups can determine the success or failure of both your advertising and your business.

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For further information regarding starting a business, contact the

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