

Top Ten Advertising Mistakes Small Town Businesses Make

By Tom Egelhoff

As I travel the county talking to small town business owners the most common question I get is how to advertise effectively and inexpensively. Sometime you can combine the two, but in most cases advertising is either effective or inexpensive, but rarely both. As I repeat often on this site, your advertising must be an investment, not an expense. It must generate more in business profit than it costs.

Most business owners are experts at their industry or service but novices when it comes to putting their message out to customers. There is certainly nothing wrong with that. Most people couldn't walk in off the street and run your business so why should anyone expect you to somehow be an expert in advertising and marketing.

Advertising and marketing takes study and input from people who know that industry. If you are going to do you own advertising, and most small business owners do, then you need to know what to do and not to do. So, here are the top ten mistakes I see most often.

Mistake #1 - Not knowing if your advertising is working

This is by far the biggest error most small business owners make. They just throw advertising in the local paper or on the radio and hope and pray it works. In many cases, they have no idea how to track results and adjust their advertising efforts to be more productive.

Solution: Key your ads. Put something in each ad that will alert you to the fact that the customer is doing business with you because of your ad. The most common key is a coupon. If the customer returns the coupon, that is a key that the ad is working. No coupons redeemed means the ad is in the wrong place or the coupon offer is not what customers are looking for.

Another way is to educate the customer and make yourself an expert at the same time. Ask customers to call, write or stop in for a free brochure of the "13 Things You Should Know Before You Buy Tires." The response to the brochure will give you an idea or how many people ask for the brochure and how many are transformed into customers.

Mistake #2 - Testing, Testing and more testing.

I am a firm believer that if something is working, leave it alone. Advertising in small towns is not seen by everyone every day. The fact that the ad may seem old to you may not mean it's old to others. Many people are seeing it for the first time.

Did you look for tire ads in the paper today? Chances are you didn't unless you needed tires. So if you didn't look, are the ads old to you? Probably not.

Solution: Because of competition and the general economy, times and attitudes of customers change. It is important to test new products and services from time to time. Just remember that you can't be all things to all people. Your advertising should project a family theme which I'll cover in a moment. Make sure that you keep the consistent look of your business with your testing.

Mistake #3 - When to advertise

On your first day of business did you advertise? Chances are you had a grand opening, balloons, radio, TV, newspapers, contests and anything else to attract customers to your business. Can you keep this kind of advertising up all year long? Chances are you can't. So when should you advertise?

Here, in my opinion, the big mistake is spreading advertising out evenly over the entire year. A constant amount spent each month in the same places. I know that's the easy way to budget your advertising expense, but remember, we don't want advertising to be an expense, we want it to be an investment. In the stock market, we want to sell high and buy low. Do the same with your advertising.

Solution: If you budget consistently, what are you going to do in case of an emergency? Your competitor runs a big promotion. Will you have the funds to combat it? Your industry gets some bad publicity. Will you have the funds to defend your company? As you can see, there are times and events that may affect how and where you advertise during the year. Make sure you keep a little in reserve to combat any adverse conditions that may occur.

Mistake #4 - Advertising in the wrong place

I love KMMS-AM 1450 here in Bozeman. Talk radio. So if I love it, I'm sure my customers love it too, so that's where I'll advertise. Sound familiar? That logic might be right, but generally it isn't. If you are spending your advertising dollars in the wrong place, suddenly your advertising is an expense, not an investment.

Solution: Get to know your customers as much as possible. Create a survey for them to fill out. Ask them what radio stations they like. What newspapers or magazines they like. You need to construct a profile of your target market. Then the advertising media can match you up with the right stations or the right sections in the newspaper.

Mistake #5 - Not staying unique

One of the most crucial mistakes small business makes is not sticking with what made them successful in the first place. Does the McDonald's "Arch Deluxe" ring a bell. Can you still buy one? It's gone from their menu. Why? Because it was McDonalds pathetic attempt to gain the "adult" market. That's not their market. You don't put a playground in front of an adult restaurant. McDonalds has always been a family restaurant. Trying to change was a major mistake.

Solution: Instead of changing, strengthen the niche that has gotten you where you are. My book is on small town marketing. Should I suddenly start writing books for Microsoft and IBM? No, that's not my strong area of expertise.

Solution: Positioning your business away from your competition and making it unique keeps your business strong.

Mistake #6 - How you look to your customers

Small town businesses seem to throw any kind of advertising out there for customers to find. I'm sure there are several major companies I could show you that you could recognize with just the company colors. Could you recognize a Campbell's Soup Can without the company name? Sure you could. Customers, over time, begin to feel comfortable with the look and feel of your advertising.

Solution: Create a visual image for your company and stick to it. Logo, colors, and even the language of the messages should have the same look and feel.

Mistake #7 - Poorly planned promotions and events

Several years ago when George Bush was running for President, he planned a campaign stop here in Montana. Unfortunately for George, his aides picked the opening day of hunting season to stop by. Needless to say George spoke to very small crowds during those stops.

Solution: Plan ahead. Find out what's happening in your neck of the woods before investing in a promotion that may bomb.

Mistake #8 - Forgetting the folks who got you there

Many businesses spend so much time trying to attract new customers that they forget the loyal customers who made them successful. I'm sure you've all heard that it takes six times as much to attract a new customer than it does to keep an existing one.

Solution: If you keep customer lists or customer accounts and haven't heard from some of them in a while, make some calls and find out what they're up to. Are they unhappy for some reason? Is your competitor giving them better service or a better product? Maintaining contact shows each customer that you are interested in their business.

Mistake #9 - Listening to the wrong people

When it comes to advertising, everybody is willing to give you advice. And, because you feel that you know so little, you're willing to take everything at face value. Most media salespersons are honest hardworking people. Some, however, are just out to sell you ads. If you think you want to be somewhere, they are more than happy to sell you the time or space.

Solution: The best advice I can give you is to ask what other businesses similar to yours have purchased advertising. You can't call direct competitors, but sometimes businesses that are in the same industry will be willing to share if their advertising is working. For example, a wedding photographer might check with a wedding planner or florist. Pay a visit to the library and look in the Yellow Pages for other cities comparable to yours. Call people there who are in your industry.

Mistake #10 - Concentration on product features instead of benefits

So many ads I see just talk about what a product has, not what it does. No one ever buys a product for the features it has. Do people buy a 1" drill bit because they want the bit? No. They buy it for the 1" hole it will give them. That's the benefit.

Solution: Evaluate every product and service you offer. What is the real benefit of each to the customer? Are you showing these benefits in your ads?

The last word on advertising mistakes

The advice I usually give to new businesses or those who are having problems with advertising is this; think before you act. Make sure that you have identified your target market. Make sure the media you have selected will reach that market. Take one last look at your message or offer. Does it really say what you mean? Are the benefits there?

And, last but not least, learn from the mistakes of others. Watch what advertising works and what doesn't work in your town. What are others doing that you can adapt or change to fit your business? Remember, advertising almost always works when it's done right.. and almost always fails when done wrong. Do it right.

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