

## Advertising FAQs

### **Q. Why do you advise companies not to publish their mission statements?**

A. Your company's mission statement is an internal document that should ideally serve to inspire personnel, to keep staff and shareholders focused on the basic reasons you are in business, and to drive your company's overall operations. It is not for public dissemination, although many small companies make the mistake of including it in their literature, feeling it gives them a noble positioning in the marketplace. Fortune 500 companies rarely make that mistake.

### **Q. How do I know if I need the services of an ad agency or PR firm?**

If you need research, planning, and advertising implementation, an agency can help. If you have wisely set aside a budget for advertising, you will probably want professional expertise to make the wisest possible choices about spending those allotted funds. Since agency media buyers work with vendors and handle these decisions everyday, ad agencies can guide you in the right direction because they can be objective in their viewpoints. Also, agencies' creative departments are poised to create consistent, quality ad materials that are effective in reaching your target market. A PR firm with a strong writing team in place can help you position your company favorably in the press.

### **Q. What's a fair budget benchmark for sales & marketing?**

It varies (but not widely) from one industry to another. At the minimum, plan on spending from 3-5% of your annual gross revenues to maintain the market share you have already accumulated; and from 5-7% to launch a new business, product or service, to grow your business, or to wrest control in a densely-competitive market. These percentages include an amalgam of sales and advertising efforts. Studies show that when the economy looks bleak, those businesses that maintain healthy advertising programs (versus cutting them to save money), fare best when the slump is over.

### **Q. Why do I need to choose a target market? What if I want to target everyone?**

A. Your target is the demographic that is your best chance of getting business. Reaching your target effectively requires a special message targeted to appeal primarily to them. This message should then appear in places they will frequent. Unless you have an unlimited budget (and what business does?), there is no way you can reach every demographic you want to pull in. Even fast food chains target their marketing (often on a rotation basis) with special menus, contests and other promos.

### **Q. What is image advertising?**

A. Keeping your company's name "out there" via advertising (billboards, radio, TV, the Internet, ad specialty items, etc.), through PR, and through other means such as word-of-mouth, one-to-one networking, community involvement, and charitable contributions. With image advertising, you are creating top-of-mind awareness so the next time a potential client or customer needs the product or service you offer, they will think of your company first.

### **Q. What about branding?**

A. It works best with millions of dollars and ten years or more of relentless marketing behind it. Small companies are better off with memorable image campaigns supported by frequent targeted messages; a sound PR plan; and contented employees who are inspired to share the good news about their company.