

## **Do You Want Customers, But Advertising Is Not Doing Its Job?**

by Mr. Russo, The Customer Broker  
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"Customer Connect" Library

***"Serving customers makes you money ...  
and makes you feel good."***

Every ambitious business owner is constantly looking for more customers. Because more customers means more dollars, greater success, a fuller, richer life. To build your business gives you a profound sense of satisfaction and proud accomplishment.

So, where do customers come from? The traditional answer has always been: "They come from Advertising". But, you have probably noticed -- Advertising is NOT doing its job. What's wrong?

### **What's Wrong With Advertising?**

Well, let's start with a working definition:  
*Advertising is a two-century-old, obsolete method where you pay to contact masses of strangers -- in the hope some will buy from you. It's intrusive, risky, and losing effect.*

Effectiveness of this old approach has been dropping slowly and steadily since the 1970's. In the early days of Television, there were ONLY two commercials in every half-hour TV show -- one in the middle, and one at the end. Look at it today. 28% of a program's air-time is taken up by commercials. In the decade between the mid 1980's and mid 1990's, the amount of paid advertising rose by more than 50 to 1! That means people were bombarded and inundated by about 3,000-5,000 commercial messages, every day -- screaming at them from every medium. It's "information overload".

Consumers simply had to put up a defensive mental barrier to remain sane. So what happened? Advertisers screamed even louder! Spam and pop-up ads are now out of control. Today, there are even pictures of food glued to the floor of the supermarket. Bankrupt municipalities are selling ad space on their police cars and fire trucks. Where will it end?

How well are today's ads doing their job of attracting customers? Less than 9% of all customers were drawn in by ads. This deep, prolonged 2008 recession triggered sudden collapse in already-low ad Response Rates. The average small business owner saw a drop of 20% - 30% in store traffic and revenue. Just look at your own numbers. You know I'm telling the hard truth.

### **Beware The 4 Costs of Advertising**

Firstly, when you run an ad in any "mass media", you pay the cost of "insertion" for the entire "circulation". Your newspaper ad must get printed in every copy of that day's paper -- whether that person is a viable paying customer for you, or not. Circulation could be tens- or hundreds-of-thousands. But, realistically, how many will respond? Only a tiny percentage of those people will ever come in and buy from you. But, you pay for ALL of them to be contacted. That waste is costing you.

Advertising is where you pay to shoot off a huge shot-gun blast, in the hopes some pellets will hit the target. Each pellet costs you money. Media cost is too high, today. So, this waste is NO longer cost-effective. A better way is to narrow your aim. "Target" just the right customers, and use a single shot from a rifle. Connect directly to those who want to buy what you sell. You will attract more and make more money.

How low are today's Response Rates? When I started in business, 36 years ago, a good "mass-mailing" ("shot-gun blast") could pull a 3% - 5% Response Rate. That means 3 to 5 people responded for every 100 letters you sent out. No more! Before this recession hit, it was down to a pitiful ½%, on average. Now it's worse.

Before this recession, 83% of all ads, regardless of media, failed to pull in enough customers to even pay the cost of insertion. Their ROI (Return on Investment) was less than 1-to-1. That means, for every dollar you "invested" in the ad, you saw less than \$1 come back into your cash register. That's a net loss for you.

The big trouble with ALL advertising is ... whether the ad pulls or not, you still pay the full media cost. In advertising, there is NO Money-back Guarantee on results. It's now like gambling your money away.

A Second major problem is a hidden, inflated cost. Did you know that a 15% kick-back is added to media-insertion cost? It's called "agency commission". For example, if you are quoted a price of \$500 to run a newspaper ad, the real cost is only \$425. Another \$75 is tacked onto your bill. This extra money you pay is given to the Ad Agency or Media Sales Rep who sold you that media space. They are skimming the top 15% of your hard-earned money.

Thirdly, is "creative". That's the cost to pay a graphic-artist to "design" your ad piece. This is calculated by an hourly rate. That cost would be justified, if their ads actually work. But fully 83% don't. Glitzy loud "visuals", flashy creative "graphics", only represent 5% - 20% of success for any ad piece. What about the other 80 - 95%? Clue: artists don't write "copy" (the words). Is there any sure-fire tell-tale way to know, in advance, that someone's fancy ad design

will NOT work? That it's doomed to waste your money? Yes! You CAN know.

Before you plunk down your money to run an ad, run it past a check-list. You will immediately see any glaring weak-spots. For your benefit, a special check-list has been developed for our clients to use. It's a real eye-opener exposé. It reveals The 25 Common Blind-Spots or Weaknesses that rob ads, e-mails, and web-sites of their customer-pulling power.

You may download a pdf of this material, FREE of charge, from web-site: CustomersWithoutAdvertising.com. Look on the "**How-To PDF's**" Tab for the valuable report: *"25 Fatal Ad Weaknesses That Cost You Money And Lose You Customers"*.

### **The "Un-seen" Cost of Advertising**

There is a fourth "hidden" cost in ads designed for you by the media's graphic-arts department. Their ads are knocked out quick and dirty, like an assembly line. Almost all are based on screaming "*On Sale!*". When you cut your selling price, you cut into your already thin gross-profit margin. I recently consulted with a local business owner who routinely runs coupons in a coupon-clipper magazine. His cost is \$1,000 per insertion. And the Offer they designed for him was: *\$5 Off on any purchase of \$25 or more*. That's a direct 20% cut to his revenue and profit. That's HALF of a 40% margin! Worse, his customers have been "trained" to wait and watch for this coupon, then take advantage. His daily cash-register take is down 30%.

What if you could STOP cutting your own margin and your own throat? What if you didn't have to run a "*Sale!*" in your ads? Instead, sell your merchandise at your regular, full-retail, store prices?

When you use traditional advertising, these four costs mount up. Even worse, the ads don't pull results. You are bleeding money from every direction. STOP the insanity!

### **Is There an Alternative -- a Better Way?**

What if there was a way to cut out all the dead-wood -- the media circulation, the 15% Agency kick-back, the "creative" ad development cost? Save all that wasted expense of contacting masses of strangers who have NO interest, and will never buy. What if you could "connect" with only people who are positively known to be pre-disposed to buy what you sell? What if they gladly bought at full price? Imagine the power such focused targeting would give you. It draws like a customer-magnet.

What if you were Guaranteed a minimum 7-to-1 ROI? \$7 would return, for every \$1 you invested. You would not lose money.

Even better, what if you only paid the price AFTER you see results? You actually see customers shopping in your store, and you actually count their dollars in your own cash register. This is even better than a "Money Back" Guarantee. Because you don't "Front" the money. You only pay AFTER the fact -- and only if it works. If it doesn't work, you don't pay.

Is there such a marvelous method? Yes. It has been field tested and perfected by our small-business clients, for the last 18 years. It's called "Customer Connect".

### **Success By The Numbers ... The Numbers Don't Lie**

Numbers tell the story. Here are two very quick and easy ways to measure and prove the success of your own ads. This simple measurement puts you in control of results.

It starts with a count of the number of customers who "respond" to the ad (who actually come and buy). Next, count the total dollars they spend. Then you compare these to the total number of people who were contacted, and the price to run the ad. Finally, do two simple calculations -- to figure the % of people who Responded, and the ratio of Return on your Investment.

Now, look at these tabulated statistics on Response and ROI -- when you "Connect". These are our typical results. That means they are not anecdotal or freakish extremes. They are consistent and repeated ...

**Response Rate** (number of customer responses per every 100 mailing pieces sent):

21.8%, 24.5%, 32.5%, 54.0%

(Keep in mind, the national average mass-mail response rate is a pitiful 0.5% - 1%.)

**ROI** (Return On Investment -- ratio of \$ sales revenue to \$ advertising cost):

7.3, 8.6, 12, 16, 17, 19, 25, 29-to-1

(Keep in mind, this rule of thumb: ROI of 5-to-1 is the absolute minimum needed for any business to survive. 7-to-1 is better, profitable, sustainable. Anything above 7 is considered excellent.)

To-date, the highest records achieved by this proven Customer Connect method are 74.0% Response Rate and 74.6 ROI.

***"I know that fully half of the money I spend on advertising is wasted. The problem is, I don't know which half."***

-- John Wanamaker, founder of the giant Wanamaker's department store in Philadelphia.

This quotation is over a century old. His original "half" of his advertising money that was wasted, is now over 83%. How are your ads doing? If you are not measuring actual results, you have NO control!

Calculate the Response Rate and ROI on your last ad. What do you come up with? What are your numbers telling you? You can take control -- improve those numbers. Imagine how many more customers and dollars would flow into your store, if you could get better advertising results.

More Customers, but NO More Ad cost, risk, waste -- means more dollars for you.

***"It is well worth remembering that the customer is the most important factor in any business. If you don't think so, try to get along without him, for a while."***

-- Napoleon Hill, author of the greatest self-help book, *"Think and Grow Rich"*

### **Here is The Solution!**

This article addresses the most common and pressing small-business problem -- customer-traffic and cash-flow. This is the #1 Top Business Head-Ache for more than 90% of all small-business owners. There is no longer any need to just wish and dream for a better way to get customers. That better System exists today. It's been field-tested and proven for the last 18 years. It's a revolutionary yet simple idea ... to get Customers Without Advertising.

Think. Would you be more successful and make more money -- if you just had More Customers, with NO More Cost, Risk, or Money Wasted on Advertising? Of course.

### **Now, An Exciting Opportunity ... Made Exclusively For You**

You received this article reprint\* because you were nominated by a current member of The Customer Broker alliance -- who saw your ads, visited your store, or studied your web-site. Why were you picked?

This business expert felt you had excellent but un-tapped potential -- to build up your business. He saw a chance for you to draw substantially more customers.

Answer this question: If YOU could have More Customers, Less Advertising Cost, and NO more Risk ... How many extra shoppers could you realistically handle in your store next month? Once you decide on that number (increased store-traffic and dollars in your daily cash-register take), call The Customer Broker. Simply place an "order" for more. It's easy just like ordering your stock. He'll deliver them right to you.

The Customer Connect / Customer Broker service is now being offered, on a No Risk, Free-Trial basis. But only to a select few, hand-picked, small-businesses. That's you. Don't lose your chance to another store.

To learn more, simply visit this web-site:  
[www.CustomersWithoutAdvertising.com](http://www.CustomersWithoutAdvertising.com)

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Next week's article will be *"How To Beat The High Risk and Cost of Advertising"*. Don't fall victim to *The 3 Biggest Lies About How Advertising Works*. And how to solve *The Top 5 Complaints Merchants Have About Advertising*. This valuable information could save you thousands of dollars in wasted cost, just as it has done for our clients and alliance members.

\* This article is reprinted from *"Customer Connect"* — a Library of Small Business Success materials available to all members. This "how-to" article reprint was mailed exclusively to individually hand-selected businesses. It is NOT publicly available.

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