

SO YOU WANT TO ADVERTISE?

**An introduction to newspaper advertising
and how to make it work
for your new home building
or renovation company**



Canadian
Home Builders'
Association

Notice to CHBA Members

The Canadian Home Builders' Association has recently introduced a new CHBA logo for use by members. This logo includes the word "member" and replaces the previous logo. Please note that use of the previous logo is no longer permitted by the CHBA.

You can get the new logo on the CHBA website in the Members' Area. Go to Resources and click on Membership Materials to get to Downloadable Logos. There are several versions of the new CHBA member logo, all available in different electronic formats.

For more information or assistance, call the CHBA national office at 613.230.3060 or e-mail membership@chba.ca.

Version One



Version Two



Version Three



The CHBA member logo can be used in its distinctive black and green form, or in black and white only. When using green, please specify PMS #348 (for leaf symbol).

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Introduction

Ads are everywhere. We are exposed to hundreds, even thousands, of advertisements every day on billboards, in newspapers and magazines, on radio and TV.

Given this, you'd think we'd all be advertising experts. Yet many of us are uncertain about how to begin advertising for our own company.

This guide will help you take control of your advertising. It explains what advertising is, how it works and what you can do to make your advertising a sound, effective investment.

Advertising is something you must manage. In order to get the results you want, you have to provide **leadership** and **direction**. Not simply to ensure that you maximize your advertising investment, but because your advertising is a public statement about your company, and you. Advertising that reflects poorly on your company can cost you sales and credibility.

Whether you are about to place your first ad or have been advertising for years, use this guide as a tool. It can help get you started. It can help you improve what you're already doing. It can help you decide where you're going in the future.

Good luck!

Integrate Your Marketing

The messages and creative concepts you use in your print advertising should be integrated with all your other marketing materials.

This will result in a stronger overall image for your company. It can also keep costs down—artwork from your ads can be used in pamphlets, direct mailers and site signs.

Advertising 101 — The Basics

Advertising is a broad topic. This guide only deals with print ads placed in newspapers and magazines or distributed as inserts in publications. These are the most common advertising media used by new home builders and renovators, so it's the logical place to start.¹

Radio, television, the Internet, direct mail and other forms of specialty advertising all reflect the same principles as print ads, although they use different techniques to suit the particular media involved. However, in general, the information presented in this guide will be useful for any type of advertising you do.

What is Advertising?

Advertising consists of information and messages about your company or products that are directed at consumers and delivered by someone else as a commercial service. It involves two parts—the **message**, which is the ad itself, and how the message is delivered, or the **media**.

As marketing specialist Sam Geist puts it, advertising must begin to tell prospective customers “why they should do business with you, rather than with your competitors”.

That's why, as a new home builder or renovator, you must provide leadership and direction for your advertising activities. It's your reputation that's on the line.

When a new home builder or renovator produces a really bad ad, it's never intentional. No one wants to waste money and upset customers. This almost always results from the advertising process getting out of control. It's simply poor management taken to its inevitable end-point.

Worse, if your ads create customer expectations that you don't meet, it can actually harm your reputation and your long-term business prospects.

Because advertising can involve significant costs, it can easily overshadow other aspects of effective marketing and promotion. You need to avoid this situation.

Advertising should be only one part of your company's marketing mix—the overall package of activities you

Advertising is only one way for your company to communicate with consumers.

To build a strong position in your market, make sure everything you do delivers a consistent message.

Business Stationary



Vehicle & Site Signs



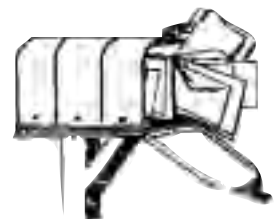
The Internet



Home Shows & Seminars



Direct Mail



Pamphlets & Newsletters



¹ See the inside back cover for a list of other useful publications about advertising.

use to promote your company, attract customers and generate sales. Without a balanced marketing mix, effective sales procedures and consistently satisfied customers, advertising won't do much for your company.

New home builders and renovators who want more information on the broader topic of marketing should read CHBA's two comprehensive marketing guides, **Connecting With Customers** for new home builders and **The Marketing Advantage** for renovators.


What Does Advertising Do?

Advertising influences how consumers see your company and creates specific expectations about your products and services. Figure One shows how the same basic information, presented in different ways, can communicate very different messages to prospective customers.

Both of these ads contain the same basic facts—Acme is selling new homes, with prices starting at \$129,900 in a development called Forest Acres. But beyond the facts, the two ads communicate very different messages.

Figure One

A Place Called Home




There's something about owning your own home that words just can't describe.

At Acme Homes, we understand this feeling. That's why we've been building quality new homes in great communities since 1982.

Stop by our newest neighbourhood at Forest Acres. Great homes, well appointed, start at just \$129,900.

You just might be coming home.

TAKE A LOOK AT THIS...



Starting at
\$129,900

Acme Home's is offering the new home deals of the year at Forest Acres!

- FREE upgraded carpeting!
- FREE appliances!
- FREE cable TV for a year!

NO OTHER BUILDER CAN MATCH OUR PRICES!!!!

Check out our special 2.5% mortgage program! Available for a limited time!

WE WON'T BE UNDERSOLD!

The first ad is “warm & fuzzy”, an approach designed to highlight quality and lifestyle rather than price. It aims to connect with customers’ emotional wants and needs and convey a relaxed feeling. Its underlying message is that living in Forest Acres will “feel good”. Price is presented, but not highlighted.

The second ad is a pure price promotion. It is designed to create a sense of urgency in customers—that Acme is offering great deals, but if you don’t move fast, they may be gone. It uses graphic techniques that are “loud” and jump off the page.

Each of these ads will create specific expectations in the minds of consumers. The first ad suggests that Forest Acres is probably a quiet neighbourhood—a good place to live and raise a family. The second ad says nothing about the neighbourhood, instead it leads customers to expect that a low price is the primary selling point. Each ad is likely to attract a specific type of customer with different expectations and motivations.

The real power of advertising is that it creates such distinct and lasting “pictures in our mind”—subconscious impressions built on what the ad communicates to us.

This example illustrates the real challenge in advertising—finding the overall message that best communicates what you want to offer to your preferred customer. Effective advertising delivers the right message to the right potential customer at the right time.

Should Every New Home Builder and Renovator Advertise?

The simple answer is no. Advertising is a tool to achieve specific results, when those results are needed.

If you’re a renovator getting 90% of your work through customer referrals, spending money on a major advertising campaign makes little sense. However, if you decide to hire extra crew or expand the range of renovation work you do, advertising could be an essential part of your growth strategy.

If you’re a new home builder with a full order book for the next six months, additional sales may be the last thing you need. However, if you are about to open a new development, a well-executed advertising campaign could be the most important part of your business plan.

Advertising must create **effective demand**: prospects you can convert to sales and then service profitably. In practice, this means that you should only invest money in advertising when you have specific goals—when you can define in clear terms what your advertising must achieve.

Three Principles of Advertising

There are three important principles that can help you keep your advertising on track:

- 1) Advertising is communication—a way to get your message to consumers. If your advertising doesn’t communicate, it won’t work.
- 2) Advertising represents your company to the public. If an ad is not accurate, then it is misrepresenting your company.
- 3) Effective ads result from careful planning, clear thinking and skillful execution—in a word, management. Advertising isn’t magic. It is no different than managing any other part of a new home building or renovation business.

First Steps First!

Effective advertising starts with a well-developed marketing plan that is a central part of your overall business plan. Creating and placing your ad is one of the last steps in this process. Here are the things you need to resolve before you can begin your advertising program.

Your Company's Market Positioning

When we see a brand name such as Nike™, President's Choice™ or Harry Rosen™, it creates a specific image in our mind. That's the power of market positioning.

While your company may only be a one-person operation, having a clear position in the market is just as important for you as for large multi-national corporations. Why? Whether your company is big or small, your market position defines your company in the minds of prospective customers. A strong market position means the right potential customers will seek out your company when they are looking for the product or service you provide. Advertising is the key tool for establishing your market position with consumers.

Deciding on your company's market position is one of the most important business decisions you make. You should be able to define your company's market positioning in one simple statement that:

- a) Identifies who your ideal customer is.
- b) States clearly what type of business you are operating.
- c) Explains the specific benefits your company can provide to customers (better than your competitors).

Consider the following positioning statement:

ACME HOMES

For home buyers in Toronto, Acme Homes is the new home builder who offers great homes at competitive prices.

Does this tell you who the intended customer is? Not really. "Home buyers in Toronto" is pretty vague. Does it explain what Acme Homes does? Only in general terms. We know Acme builds homes, but we don't know what type of homes, their price range or where they are located. Does this statement tell us what Acme does better than their competition? No. Every builder will say they build great homes at competitive prices. A positioning statement like this doesn't do the job well.

Now look at this statement:

ACME HOMES

For first-time home buyers in Richmond Hill, Acme Homes builds affordable homes that offer value in family-oriented communities.

Now we know why Acme Homes is in business. We know who their intended customers are, where they are operating and what benefits they offer to buyers. This statement works!

Try writing down your company's market position in a single sentence. Building consumer recognition of your company is a long-term process, so your market positioning needs to be long term too. It should focus on the aspects of your company that are not going to change next month or next year. Once you've set your market position, make sure this position is always reflected in your advertising.

Your Advertising Goals

Effective advertising begins with clear goals that reflect your business plans—the type of new homes or renovations you want to offer, the type of customer you want to attract, the area or region you want to do business in, and your sales targets. Without clear goals, you can't create appropriate ads or advertising strategies for your company.

Bear in mind that advertising has a range of purposes:

- 1) To build and sustain consumer awareness of your company, and the products and services you provide.
- 2) To influence the image consumers have of your company, products and services.
- 3) To motivate consumers to take a specific action.

To illustrate how different advertising goals can be reflected in practice, here are examples of the three main types of advertising—awareness building, image building and sales promotion. As discussed, each type of ad serves different business goals.

As shown in Figure Two, **awareness building** ads serve to build consumer awareness of your company. This type of ad can be used to introduce a new company or announce something new that an existing company is doing. The advertising message is usually in two parts—the first part tells us the news, the second part tells us why this is important to us. Variations on awareness building ads can be useful for maintaining consumer awareness over the long term.

Image building ads, like the example in Figure Three, serve a different purpose. They influence how we think about a company or product. Image building ads should focus on the unique value that sets you apart from the competition. “Lifestyle” ads are a common form of image building advertising.

Image ads must have personal relevance to target customers, that is, say something specifically of interest to them. This is often accomplished by putting an image of the ideal customer right in the ad. If done well, this can quickly tell consumers if your product or service is relevant to them.

Effective image advertising often combines words with drawings or photographs that reinforce each other and communicate a single, clear message.

Figure Four presents a special event or **sales promotion** ad that tells prospective customers to “do something right now”. While this type of advertising is far more common for retail outlets, it can have a

Figure Two

ACME Homes
is
Coming
to **Smithville**

On December 11th, home buyers in Smithville will see something new and exciting.

Acme Homes' new development of single-family homes in Forest Acres sets the standard for quality and value.

If you've been dreaming of owning your own home, let us show you how easy it can be.

**Acme Homes—
we want to be your new home builder!**

16 Wayside Crescent in Forest Acres
Call 234-5678

The advertisement features two large black footprints at the top corners, two stars at the bottom corners, and a small house icon at the bottom center.

Figure Three

"We never thought we could afford to live in such a great home"
— Bob & Sue Jones

By now, you've heard about Forest Acres, the new neighbourhood being built by Acme Homes in Smithville.

We think it's a great place for young families. So do our customers.

Come out and see why.

**Acme Homes—
we want to be your new home builder!**

16 Wayside Crescent in Forest Acres
Call 234-5678

The advertisement features a black and white illustration of a family (a man, a woman, and a child) sitting on the floor. At the bottom center, there is a small house icon.

role for new home builders and renovators, provided it is done wisely. If you are offering special terms or incentives, a sales promotion ad gets the message across. Other promotional opportunities can include show home openings, open houses, consumer seminars or kick-offs related to your company's involvement in New Homes Month or Renovation Month.

Be careful with sales promotion advertising. Except in rare circumstances, promotions based on price alone are not a sensible business approach—they will undermine your profit margin and will only work as long as you maintain a low price. It also invites price competition from other companies which can quickly remove your competitive advantage.

When determining what advertising approach best meets your needs, also consider your time-frame for getting results. Awareness and image-building ads are best for creating long-term demand by “selling your company”. It can take a bit longer to get results, but the results tend to be sustained. Sales promotions are designed to stimulate short-term demand by offering an incentive or limited-time opportunity. They can generate a faster response, but this will also tend to fall off more quickly.

Your Ideal or Target Customer

In general, ideal or target markets are defined by common characteristics such as age, gender, number and age of children, income, homeownership status (renter, first-time buyer, move-up buyer, etc.), education, interests and, where appropriate, cultural or ethnic identity. The more you know about your intended market, the easier it is to design your homes or focus your renovation services and ensure that your advertising speaks to your prospects' needs and interests.

Can you describe your ideal customers? Are they young singles, growing families, mature homeowners or empty nesters? What occupational groups are these customers most likely to fall into? Management, professionals, dual-career families? What level of income do prospective customers need to buy your homes or hire you to renovate their home? These are some of the basic questions you need to answer. If you don't know who your target customers are, you are not ready to advertise—you need to do some basic business planning first.

Beyond understanding who your customers are, there are some other things you also need to know. For instance, based on past experience, what type of customer produces sales with the highest profit margins for your company? What aspects of your service or products seem to be most valued by these customers? Where do your best leads come from? What are the media habits of your ideal customers? What newspapers and magazines do they read? What sections of these publications are they most interested in?

The answers to these questions give you valuable market intelligence for your decisions on how to move forward with your advertising. You need to carry out market research in order to get this information. The CHBA's Marketing Guides for new home builders and renovators explain how this market research can be done.²

Unless you have a clear focus on your target market, advertising can easily become a “shotgun” approach where your advertising dollars are used inefficiently.

Figure Four

**Come out to Forest Acres
this Saturday**



**And save thousands on
your new home!**

This Saturday, Acme Homes is opening our newest single-family model home in Forest Acres.

To help us celebrate, Smithville Trust is offering special mortgage rates to qualified first-time buyers.

Our sales office will be open from 8:30 a.m. for this exciting event.

**Acme Homes—
we want to be your new home builder!**

16 Wayside Crescent in Forest Acres
Call 234-5678



² See the back page for details on how to get these publications.

Your Key Message

As Advertising Principle #1 states, effective ads are based on effective communication. In order for your ads to work, your prospective customer has to get the right message. Once you have determined your company's market position, target market and advertising goals, you need a message that works.

Effective advertising messages are clear and concise. If you try to be all things to all people, you risk saying nothing of interest to anyone. Figure Five shows two examples of how Henry, a home renovator, might advertise his company, each communicating a different message.

The first ad positions Henry's company as a general contractor providing quality services at competitive prices. There's nothing wrong with this position, so long as it reflects what Henry wants to be doing—general home repairs and renovations. But at the bottom of the ad, Henry has added the message that "we specialize in kitchen renovations". This seems like an afterthought. If Henry really wants to be doing kitchen projects, will this message attract the customers he wants? Probably not.

The second ad takes a much different approach. It is tightly focused on the customer looking for a kitchen make-over and positions Henry's company as "kitchen renovation experts". That is what an effective message is all about—it delivers your positioning, telling prospective customers who you are, what you do, and the benefits you can provide.

Figure Five

Henry's Home Renovations



Serving the Community Since 1983

Henry's Home Renovations provides quality home repair and renovation services at competitive prices.

If you want to make changes to your home, we'd be happy to provide a free estimate on all your home renovation needs.

"We Specialize in Kitchen Renovations"

Henry's Home Renovations
234-5678

Member

C.H.B.A.

I love my house . . .



. . . but I hate my kitchen!

Is your kitchen awkward to work in?
Not enough storage space? Congested?
Dark and dismal?

Perhaps it's time for a kitchen that is designed just for you!

At Henry's, we've been building kitchens that people love for more than 15 years. We'd be happy to build one for you.

Call us for a kitchen you will love!

Henry's
Home Renovations
234-5678

Member

C.H.B.A.

How Much Should You Spend on Advertising?

This question is impossible for anyone other than you to answer. Because your company, your market and your competitive situation are unique, setting a reasonable advertising budget will depend on a great many factors, including:

- your advertising goals
- the size of your market area
- your target market
- the level of competition you face and your competitors' advertising practices
- current market conditions (upturn or downturn)
- your advertising media mix
- local media costs

Advertising should always be planned, not a knee-jerk reaction to what another company has done. As part of your business plan, you should get the information and advice needed to establish a budget and performance goals for your advertising each year.

New home builders and renovators often take ineffective approaches to setting their advertising budget, based on what they think they can afford or on what they may have spent in the past.

Advertising should be a goal-based business investment, not guesswork. It is best to set budgets based on a clear plan of what you want to achieve and the options available for achieving this. You can then put together a budget reflecting both costs and benefits. The case study presented at the end of this guide illustrates one way this can be accomplished.

Co-op Advertising

When new home builders and renovators succeed, so does everyone else involved in the industry, from material suppliers to lenders.

In many cases, these business partners will share the cost of advertising, provided their product or service is also presented in your ads.

Ask your suppliers and financial institution if they have a co-op advertising program and, if so, how it works.

Also, take advantage of any shared advertising opportunities provided by your local Home Builders' Association through New Homes Month and Renovation Month activities.

The Anatomy of a Print Ad

Effective print advertising is based on a proven formula. It doesn't matter whether an ad is in colour, how big it is or how much it costs. A good ad needs to **position your company and communicate a single message to a specific target audience**. If it doesn't do this, it most likely won't work.

The Parts That Make Up an Ad

An ad is constructed from a number of specific elements, or parts. While there are an infinite number of variations on how these parts can be assembled, the basic ingredients rarely change. In a lot of ways, it's not that different from how homes are designed and built.

Each part of an ad has a specific job to do. The creative challenge is to develop the parts and then put them together in the most effective way.

Here's what each part does.

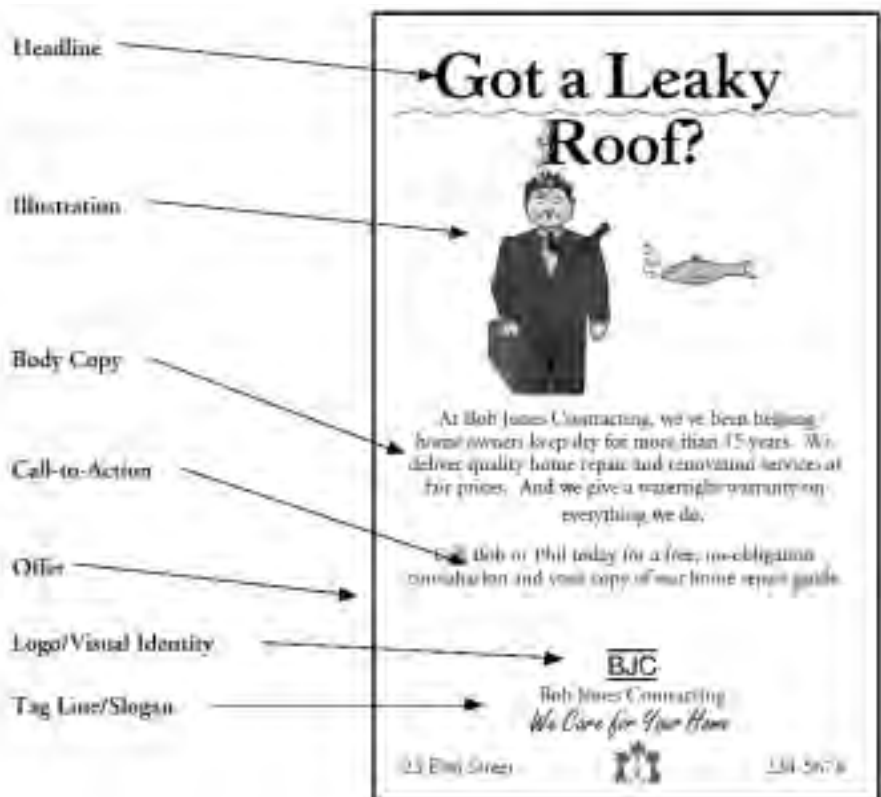
The **headline** must grab the reader's attention. We read newspapers and magazines by quickly "scanning" each page. Headlines act as the "hook" that catches our attention and draws us into the ad. It is the single most important part of the ad—if it doesn't work, our ad fails because no one reads it.

The secret of an effective headline is to appeal to the reader's curiosity, self-interest or sense of humour. In the example, it is clear that Bob Jones is in the roofing business. This headline virtually guarantees that anyone with a leaking roof will read the ad. It also virtually guarantees that anyone wanting a kitchen renovation won't read it. That's the power of a headline, so be sure you choose one wisely. It must carry your central message to consumers.

Many ads also include a **sub-head** that provides a bit more detail or puts the headline in context. An example might be a headline that says: *Fred Smith is a Happy Man* with a sub-head reading: *He Got His Leaky Roof Fixed by Bob Jones Contracting*. In this case, the sub-head provides the context for the headline and serves to lead the reader into the main text of the ad.

Body copy explains the headline, provides details and lets you elaborate on what you are offering customers. Awareness and image-building ads tend to rely more heavily on body copy—people want and

Figure Six



expect some details. Sales promotion ads tend to contain less body copy—just enough to get the key points and specifics across. Make sure that the body copy in your ads is consistent with the headline and includes all the main facts you want prospective customers to know. At the same time, body copy needs to be very clear, to the point and as brief as possible.

A **call to action** tells your prospective customers what to do next and provides a linkage to the specific service or incentive you are offering. In Figure Six, the contractor is offering to provide a free consultation and a booklet on home repairs to anyone who calls. This provides an incentive for readers to contact him.

Your **logo** or **visual identity** should always be prominent. Not only does this communicate that you are a professional, over time it builds increased awareness of your company. If your company logo is distinctive and strong, people who have seen it in the newspaper will soon notice it on your site signs, truck or office signs. As a member of the Canadian Home Builders' Association, **you should always include the CHBA green maple leaf insignia in your ads**, and on all signs and printed materials. This reinforces your professionalism.

A **tag line** or **slogan** is used to close out your ad effectively. Think of the tag line as a written version of your logo—it says something important about your company and should be used wherever your logo appears. Tag lines are also important because if you advertise on radio, your tag line will take the place of your logo. These few words need to be chosen carefully and should not be changed once you have settled on them.

Illustrations create interest and help to communicate your central message. If you include illustrations or photographs in your ads, make sure the images are consistent with your message. Consider using a **caption** or **call-out** to connect readers with the illustration. For instance, with a photograph of a new home with children playing on the front lawn, use a caption like, “a great neighbourhood to grow up in”.



Does Every Ad Have to Include All These Parts?

Absolutely not. But every ad has to accomplish the things that these parts can do, so be very careful before deciding that your ad should be different.

A useful exercise is to look through newspapers and magazine ads to see how they have been designed and laid out. Look at how headlines, sub-heads and body copy are organized and linked. Look at how illustrations and captions are used. Look for interesting calls to action, offers and tag lines. As a consumer, you've probably never looked at an ad this way; as an advertiser you can learn a lot.

Pay particular attention to ads you like and don't like, and spend some time figuring out why. Keeping a file of “good” and “bad” example ads can provide useful reference points when developing your own ads.

Buying Creative Services

When you're ready to move ahead with your advertising, you are probably going to need some help. Unless you, or someone else in your company, is confident in designing and writing ads, you need to hire creative services—people who will create your ads. There are a number of ways to proceed.

Working With Local Media

You can rely on local media to write and design your ads. Newspapers and magazines offering this service will usually include it in the cost of running your ads. This is the lowest-cost option, but it can raise quality concerns.

Unless you provide clear information on your company's positioning, target market and advertising goals, it can be very difficult for local media to develop effective ads for you.

When media are not given proper information and direction by advertisers, the resulting ads often tend to have a very "generic" look. Also recognize that the amount of time and effort publications will put into creating your ad will depend on the value of the ad placement you buy. If you're planning a one-time effort, don't expect a lot of help. If you're buying weekly ads for the next six months, expect more.

Ask the publication to show you different ads that they have produced for clients. Explain what you are looking for and see if they can come up with any good ideas. If you decide to go this route, make sure that placement and billing are subject to your approval of the final ad.

Hiring a Graphic Artist

You can contract a graphic artist or designer and a writer to create your ad, and then arrange for placement in newspapers and magazines yourself. This approach will cost more, but provides you with greater control over how your ad is put together. However, there are a couple of things to be careful about.

If the people you contract with have no experience with renovation or new home advertising, it is particularly important that you give them clear directions. Even when a graphic artist is familiar with the housing industry, you must stay closely involved as your ad is developed and provide clear feedback about what you like or don't like.

Artists and writers usually work on a fee basis and should provide you with a price quote based on their estimate of the time and direct costs required to create your ad. Make sure to ask what is included in the

Delegate— Don't Abdicate!

Hiring creative services is no different than hiring a subcontractor for your construction project. You hire someone based on their ability and track record. However, you must make sure to provide the specifications and supervision they need in order to do the job right.

In practice, ad writers and designers work with the information you provide to them. This should include your advertising goals, target market and a clear explanation of how you want your company positioned.

estimate—you will want some initial concepts or sketches to choose from, a draft ad with all the text in place for you to review, and finally, completed artwork ready for placement.

You need artwork that is “print ready”, for direct scanning or in electronic form on a computer disk. Your designer can get appropriate technical specifications from the newspapers or magazines that will be running your ad.

New Home Marketing Specialists

If you are a new home builder operating in a major centre, there are likely to be local marketing companies that specialize in serving builders. Often, these firms will manage all aspects of your marketing and sales, from project promotion to hiring an advertising firm to providing on-site sales personnel. Obtaining the services of a new home marketing specialist may not be feasible for new home builders involved in custom construction or building only a few homes each year.

However, if you are building a number of homes in an area, new home marketing specialists offer several advantages. First and foremost, they know the marketing and sales aspects of the new home business in your community and can make sure all aspects of your marketing and sales activities are well integrated and efficient. Second, they can usually manage the entire marketing and sales process, freeing you from the necessity and cost of permanent staff to look after this.

If you work with a new home marketing specialist, you should work as a close team.

Advertising Agencies

You can hire an advertising agency to handle everything from doing consumer research to creating your ads and arranging for placement in publications. If you find an agency that knows the housing business well, this approach will likely yield the best advertising results. If your local Home Builders' Association has a SAM Award program, find out which advertising agencies have been consistently successful.

Advertising agencies handle every part of the creative and placement process, but unlike new home marketing specialists, they don't get involved in site work or sales. All, or a significant part, of their fees are earned as commissions when ads are placed, although you may have to pay for any extra work involving research.

When looking for an advertising agency, don't make the mistake of simply looking for the lowest price. Find the agency that you think has the best understanding of your business and your advertising needs. Then discuss what it will cost and adjust your budget or program accordingly. Poor creative work will mean you waste your placement dollars—and, depending on the size of your market, placement can cost a lot more than creative development.

Buying Placement

If you are not using the services of an advertising agency or new home marketing specialist, you are going to have to work out your advertising placement plan on your own. This can be a bit of a mystery at first. Always remember, as the customer you should expect local media to provide you with specific information about their advertising services and the results you can look forward to.

Making Sense of Your Options

Once you start shopping for advertising placement, expect to get telephone calls from media sales representatives. They will all explain why their publication is the best one for your ad. However, don't rush into anything.

Whenever you talk to a sales rep, there is some basic information you should always ask for.

First, ask for **audience surveys**. These allow you to see how much “bang” you get for your advertising buck. Survey data for newspapers and magazines should show the age distribution, gender, and, often, household income of readers. You also want to get the independently researched **audit figures** for any publication you are considering. These figures tell you how many people are reading it and may also include other useful information about readers.

Second, whether you are interested in one or more specific publications, ask each one to prepare a **placement plan** based on your budget. This plan should reflect your advertising goals and strategy, including your positioning and target market. Go over their plan in detail, and ask about any aspect that you don't understand or seems questionable to you.

Prices and Terms

There are a few things you should know about advertising rates. As with airline fares, there are a lot of different prices for the same service. What you pay has everything to do with the terms you negotiate.

If you are a new advertiser, or you only intend to run your ad once, you will likely pay the **open rate**—the highest rate charged. If you become a regular advertiser, expect to get a **contract rate**—this will be lower but will vary according to the amount of advertising you purchase and the length of your placement contract.

Some newspapers and magazines do split runs, producing regional editions that are circulated in specific areas. **Regional rates** are usually lower than general circulation rates. Community newspapers will sometimes offer a **local rate** for community-based companies that is lower than the rate charged to firms from outside the area.

In addition to ads printed in a publication, most newspapers also offer to print and distribute **free-standing advertising inserts**. These will involve different rates based on the frequency, format and coverage you buy. Some newspapers allow inserts to be distributed in specified areas or zones of the city, and this **zoned coverage** will be less expensive.

To complicate matters further, price is also affected by specific terms. The most important of them is the placement, or location, of your ad in the publication. When you buy an ad, you sign an **insertion order**. If you want **specified placement**, which allows you to control what section and what page your ad will appear on, you will pay a higher rate. If you allow the publication to **bump**, or move, your ad to another place, if necessary to make page layout easier, you will pay less. The lowest price is for **run-of-press** ads which are placed entirely at the discretion of the publication.

As with any specification, make sure you know what you are buying. If you're comparing two proposals, make sure they are both offering you the same placement quality.

Keeping Things Under Control

Throughout the guide, the importance of managing your company's advertising effectively has been stressed. This is key to getting full value from your advertising investment and it also protects you from some of the common problems that badly managed advertising can cause.

What Can Go Wrong?

The power of advertising can be enormous. Do you remember the Oscar Mayer™ jingle? What does the Jolly Green Giant™ say? What gasoline company puts a tiger in your tank? Each of these ad concepts is more than three decades old, yet few of us will ever forget them. A great ad can yield substantial dividends in terms of consumer recognition of your company, sustained sales and increased profit margins.

However, a bad ad is also powerful and can seriously harm your reputation and business prospects. When an advertising program fails, the best thing that can happen is that nobody reads the ads and you waste your money. From there, things get worse.

- Poor advertising can confuse consumers and reduce name recognition of your company.
- Ads can convey the wrong message or attract the wrong consumer, resulting in ineffective demand—sales you can't close.
- Ads that mislead customers can make them very angry, and this can harm your company's reputation and credibility. Effective advertising is all about communicating your message, not tricking consumers.
- Ads that make promises that you can't deliver can lead to heated words at your sales or business office.
- In the worst of circumstances, bad advertising can land you in court.

See It the Way Your Customer Sees It

The most common advertising mistakes result from one simple oversight—no one saw the ad the way the customer sees it. Always assume that the people reading your ad know little or nothing about your company—they only know what you put in your ad. It is very important that this information is accurate, that it fairly represents what you are offering and that anything promised in the ad can, and will, be delivered by you.

“Bad ads” are those that either convey the wrong message or create expectations that you cannot meet. This could involve lavish new home illustrations that don't look anything like the actual homes being offered for sale. Or renovators who promise “fast, personal service” but have trouble returning calls from prospective customers or who miss appointments.

Before you place an ad, spend some time studying it carefully. Review every ad in relation to the three principles of advertising presented on page five. Be particularly careful to check the following items:

- That any illustrations of homes are accurate. Both the home and the setting should match what the customer will find when they visit the site. When in doubt, consider using a photograph rather than a drawing.
- That any promises made in the ad can and will be kept.
- That any statement you make about quality, price, availability or service matches what you can deliver.

Your ad represents you and your company. Make sure it represents you accurately and well.

Developing an Advertising Plan – A Case Study

This guide explains, in general terms, how print advertising works. It's up to you to determine the right approach for your company. To do it right, you need a well thought-out plan. A good advertising plan will reflect both your business and your business goals. The following fictitious case study illustrates how the various elements discussed in the guide can be brought together into a practical, results-oriented business plan.

Mike's Advertising Plan

Mike has operated a home renovation company for 10 years. Last year, his gross revenue was \$350,000 with an average contract value of \$18,500. 80% of his work came through referrals and repeat business. He spent \$2,500 on ads placed in the "Directory of Services" areas of the weekly community newspaper. He also had a booth at the fall home show that cost him \$1,500.

Mike has recently hired two new staff, has some great subcontractors and believes his company has the potential to handle \$500,000 worth of work a year, provided the average contract size stays about the same.

In going over projects done in the last two years, Mike has found that jobs he completed for older homeowners, either empty-nesters or retirees, tended to return the best profits. These projects were also the ones that Mike found the most satisfying to work on. He would like to expand his business by getting more projects with older homeowners. Mike recognizes that this will require his company to generate more business than referrals alone are bringing him.

Mike thinks that advertising directed at his target market should be part of his overall marketing plan, but he is not sure how to move ahead. Advertising has not played an important part in his business before. Mike decides the wise approach is to determine what his options are, the costs and the relative advantages of each option, so that he can decide what is most likely to produce the best results.

Here's what Mike does:

- Mike wants to do renovations for older homeowners because these projects tend to work well for his company. He decides to invest some additional time researching this area of the market to make certain he understands what aspects of his service appeal to this group of customers.
- He starts by interviewing past customers in the target market group. Why did they choose his company? What did he do best from their point of view? Are there any areas where he could improve the quality of his service to customers? Have the customers recommended his company to others?
- The information Mike gets from talking with these customers helps him to define the benefits he needs to communicate to future prospects in this target market. For instance, he learns that his company's 10 years of experience and reputation for getting jobs done on time are more important to most customers than his price, which is often not the lowest. He decides that if these benefits are most relevant to older homeowners in his community, they will form the basis of his advertising message.
- Knowing what he wants to communicate and who he wants to communicate it to, Mike looks at ways to get his message delivered.

He begins by doing some research to find out what newspapers and magazines are read by his target market. He talks to local newspapers and magazines and asks for statistics on their readership. He explains the type of customer he is trying to reach and asks each publisher for recommendations on ad placement.

- Mike investigates local specialty publications that are targeted directly at the customers he wants to reach. In his community, there is a free tabloid produced specifically for seniors. He likes the fact that this publication is highly targeted and only reaches the segment of the market he wants to do business with.
- Mike also looks into advertising inserts and direct-distribution options. Community statistics from City Hall show that his target customers are more likely to live in two or three established neighbourhoods. His local newspaper offers zoned distribution of advertising inserts so he has the option of sending printed flyers into only those target neighbourhoods.
- Mike knows that his ads should build awareness of his company within his target market and communicate a specific image and benefits to prospective customers. He also knows that, to be effective, this type of advertising can't be a "one-shot" effort. He will want to budget carefully so that he can maintain his advertising campaign over time.
- Based on everything he has learned, Mike thinks that his initial advertising program should run in the community news section of the local newspaper on a weekly basis from March through June—the months when his target market is most likely to be considering a renovation project. In addition, he decides to distribute a promotional flyer in three established neighbourhoods in mid-April and again in mid-September. He thinks that these flyers will reinforce his print advertising, and by contracting with the newspaper for both the ads and flyers, he gets a better overall price.
- He is also interested in the weekly seniors specialty tabloid, but decides to hold off until the fall months, so he can evaluate his first run of ads fully. Mike decides to budget 2% of his next year's projected gross revenues on his campaign. The spring portion will require 60% of this budget, and Mike will keep track of the leads it generates over the following months before committing to the fall portion of his campaign.

As you can see from this example, setting your advertising budget comes through careful planning. At this point, Mike has solid information upon which to base his decisions—it won't be a "shotgun" approach. He may choose to hire an advertising agency to carry out his plan, or hire a graphic designer to help to develop his ads, and then contract directly with the newspaper for placement and distribution. By tracking the results, Mike will be able to determine the effectiveness of his advertising and whether he needs to modify his plan or his budget.

Every new home builder and renovator operates a unique business and will need to work out the right approach for their business. This is only an example to show that the process should be based on a minimum of guess work. Every advertising decision you make should be tied to your knowledge of the marketplace, the specific goals you have set for your company and a plan that lets you evaluate the results.

Glossary of Advertising Terms

Account Executive	The person within an ad agency who provides the main contact with the customer.
Ad Copy	The text that appears in an advertisement.
Benefit	The reason someone buys a product or service. Product or service features deliver the customer benefit, e.g., high-quality door hardware (the feature) provides home owners with greater security (the benefit).
Body Copy	The supporting text that follows a headline or subhead. Body copy provides the details or story that the headline introduces.
Bump	Unless otherwise specified, newspapers can move, or bump, ads to another space to make page-layout easier.
Call-outs	Like a caption for a photograph, call-outs provide extra information about important features or benefits. Call-outs are often linked to an image with arrows or lines.
Call to Action	Ad copy that tells the reader to do something, e.g., <i>Don't wait, call for an appointment today!</i>
Camera-ready Art	An assembled ad with all type, logos, illustrations in place and in a form that the printer can reproduce. Today, most camera-ready art is provided as digital data files.
Circulation	The number of distributed copies of each issue of a newspaper or magazine.
Contract Rate	The rate which a newspaper charges its regular advertisers. This rate will vary depending on the amount of advertising you purchase, frequent advertisers get lower contract rates.
Co-op Ads	Many manufacturers and suppliers will contribute to the cost of their customers' ads if these ads also promote their product or service. Co-op advertising can lower costs and highlight the specific features you offer.
Copywriter	Someone who specializes in writing advertising copy.
Display Advertising	Any newspaper ad that incorporates graphics or images. This generally excludes classified ads.
Free-standing Insert	A separate pre-printed ad that is inserted into a newspaper.
Frequency	How many times an ad is placed, or run, in a publication.
Graphic Designer	Someone specialized in creating ads, brochures and other commercial publications.
Identity	Your company's logo and tag line .
Illustration	Anything in an ad that is not copy. Includes photos, drawings and graphics.
Insertion Order	A written order, sent to a newspaper or magazine, that gives the date, place, size and other information about an ad placement in a publication.
Lifestyle Ads	Ads that portray or appeal to people with a certain pattern of living, activities, interests and attitudes, e.g., the young, urban professional lifestyle.

Local Rate	A lower advertising rate available only to local businesses.
Logo	The symbol that identifies your company.
Marketing Mix	The overall mix of advertising, sales promotion, public relations and other activities you use to communicate your position to your target market .
Open Rate	The highest rate charged by a newspaper for first-time or one-time advertisers.
Placement	Where your ad appears in a publication. It costs more to specify placement than to let the publication put the ad where it wants.
Positioning	How your company is perceived by potential customers and the overall image your company has in customers' minds. Advertising is based on positioning.
Positioning Statement	A one-sentence summary that clearly communicates your company's position—specifically, what you do, who you do it for and what benefits are provided.
Proof	The final step before printing takes place. A proof is produced by the printer so that the material can be checked one last time. The proof should show exactly what will be on the finished material. Colour proofs also allow the checking of colour accuracy.
Regional Edition	Some newspapers and magazine produce editions that are only distributed in specific areas or regions. Advertising costs are lower if the distribution is limited.
Roughs	Preliminary sketches produced by a designer at the beginning of the design process and used to explore ideas and concepts.
Run of Press (ROP)	Newspaper ads placed at the discretion of the publisher. These are available at a lower cost than ads with a specified placement.
Tag Line	The written equivalent of a logo. Also called a slogan.
Target Market	The best potential customers, usually defined in terms of lifestyle, age, income and media usage. Your target market is the person you want your advertising to reach.
Zoned Coverage	Some newspapers allow print or insert ads to be distributed in only specified areas or zones of a city.

Other Sources of Useful Information

There is a wide range of informative books on advertising available at most public libraries booksellers. Here are five publications that can help you develop and manage your company's marketing and advertising.

Connecting with Customers—*A Marketing Guide for New Home Builders*

The Canadian Home Builders' Association
150 Laurier Avenue West, Suite 500
Ottawa, Ontario
K1P 5J4

Or order on-line at www.chba.ca

This comprehensive guide provides a solid introduction to all aspects of new home marketing. A valuable tool for any builder, whether you build four homes a year or 400.

The Marketing Advantage—*A Marketing Guide for Home Renovators*

The Canadian Home Builders' Association
150 Laurier Avenue West, Suite 500
Ottawa, Ontario
K1P 5J4

Or order on-line at www.chba.ca

The first marketing guide developed specifically for Canadian renovators. Covers a wide range of topics that will help you plan and carry out your marketing activities.

Why Should Someone Do Business With You . . . Rather Than Someone Else?

Author: Sam Geist, 1997

Addington & Wentworth Inc.
327 Renfrew Drive, Suite 301
Markham, Ontario
L3R 9S8

Insight into how to get customers to choose your company rather than the competition. Sam Geist is one of Canada's most respected marketing and customer service experts.

The Advertising Handbook for Small Business—*Making a Big Impact with a Small Budget*

Author: Dell Dennison, 1995

Self-Counsel Press
1481 Charlotte Road
North Vancouver, British Columbia
V7J 1H1

An excellent and comprehensive guide to advertising, specifically written for small business owners with no previous advertising experience. Covers all the steps and all the options relevant to most new home builders and renovators.

Tested Advertising Methods

Author: John Caples, 1997

Prentice Hall Business Classics
Prentice Hall Canada Inc.
Toronto, Ontario

Or order on-line at www.phdirect.com

If you really want to understand how advertising works, this is one of the classic texts on the subject. It not only explains the fundamentals, it provides a fascinating history of advertising, illustrated with some of the greatest ads of all time.

