

Ten Reasons to Advertise

1. Advertising establishes contact.

Consumers prefer to learn more about products and services through advertising. Advertising is a preferred method for introducing people to products and services and in converting wants into needs. Advertising cultivates new prospects. Advertising builds awareness. Before exposure to advertising only one in five buyers is aware of a company and/or its products. As awareness increases, buyers are more likely to consider purchasing that specific product.

2. Advertising builds preference. Consumers believe that buying a familiar brand usually guarantees approval (81 percent according to Simmons Research) while buying unfamiliar brands is risky (82 percent according to Simmons). Brand preference is directly impacted by the advertising investment. Advertising is a proven means of raising a brand's reputation and preference level.

3. Advertising educates and develops prospects. Consumers prefer to learn more about products through advertising. Advertising becomes the knowledgeable salesperson missing from many stores today. Advertising turns wants into needs. Advertising helps educate and differentiate benefits from features.

4. Advertising reduces cost of sales. In a world with less knowledgeable salespersons, advertising reduces direct selling costs. Knowledgeable customers often know exactly what they want to buy, reducing the time needed to sell them. It costs about one-fifth as much to retain and sell an existing customer as it does to sell a new one. Advertising is a tool for selling existing customers more and reducing costs of sales.

5. Advertising helps sell existing customers more products and services. Nine out of 10 buyers continue to look at the vendor's ads after making the purchase. Advertising reassures buyers that they have made a good decision.

6. Advertising helps close the sale. Advertising builds traffic, provides incentives for acting now, provides links to Web sites, coupons and toll free numbers which all directly can close the sale. Advertising keeps them sold. Advertising reinforces good decisions, creates the best prospects for future sales. It costs less to keep a customer than to find a new one.



7. Advertising is an effective sales tool.

Seven out of 10 salespeople surveyed said they use ad reprints as a selling tool.

8. Advertising saves time for both you and your customers. Customers believe advertising saves them time and money in comparison shopping. Therefore the customer who has been exposed to advertising is closer to making an informed decision—saving you time and money.

9. Advertising keeps you top of mind. For most product categories, fewer than four percent buy a particular general merchandise product in a given week. About half of this four percent buy an item within a week of deciding to make the purchase. Seventeen percent tend to make impulse purchases, while twice that many (35 percent) like to shop around before making a decision. Once the decision to buy is made, the consumer relies heavily on advertising to help them decide where to buy.

10. Advertising works! Millions of manufacturers, retailers, service businesses, and individuals advertise every day. Over and over again. Because it works.

Sources: How America Shops and Spends, 2000. WSL Shopping Retail, May 1998. Penton Media, 1998 Industry Inquiry Trends #329. Laboratory of Advertising Performance Report 5012.1 and McGraw Hill. The Changing Dynamic of Buyer Response to Advertising, Chitton Manufacturing Group.