

Which part of your marketing is wasted?

“I know that half of my advertising is wasted, I just don’t know which half it is,” John Wannamaker, the ‘father of the modern department store’, once said.

By John Shattock, APR, FPRINZ

The famous saying could be just as valid today if it was extended across all forms of marketing and communication.

Of course, as John said last century, the tricky bit is knowing which half is wasted.

Some might say wastage of only 50 per cent was being generous. Whatever the proportion, knowing which parts are working and which are not, is essential.

Yet many business owners seem to be willing to continue using marketing strategies with absolutely no idea whether they are working.

A client recently asked my opinion about whether she should advertise in an industry association directory.

I agreed it seemed to target the group she was trying to reach, but who am I to say whether it would be effective or not. I suggested one way to get an indication would be to call several advertisers in the previous year’s issue and ask what their experience had been.

I should have known better.

My client called four advertisers. Each was happy to talk, but none of them could say for sure whether their ads had worked.

"We're happy with the profile it seems to be giving us, but we don't have anything to back that up," was one response.

Another said because they advertised in several publications they could not tell which worked well and which didn't.

Maybe those advertisers are so successful they don't have time to bother about such details. Maybe they have unlimited marketing budgets.

Somehow I doubt it.

Knowing the effectiveness of each strategy, each medium, each offer or campaign, is essential information on which the future of a business depends.

It's not historic "bean counting" after the event. It is intelligence vital to saving money and making more. If you know what doesn't work, you can stop doing it and apply the savings to doing more of what does.

It doesn't need a five-figure research budget to develop this information.

We do this kind of research for large businesses, and we teach small business owners participating in our Marketing



Counselling Programme
(<http://www.shattock.net.nz/MCP.html>)
how to do a basic version themselves
using a spreadsheet.

It is essential the research covers a sufficiently long period to allow for marketing strategies to take effect and to provide a large enough sample for statistical reliability.

It is even possible to develop systems to make it an on-going exercise (the response rates and economics of marketing can change, for all kinds of reasons unrelated to the marketing itself).

The key question for customers and clients is "How did you first hear about us?"

Many businesses already know the answer for most customers.

However, few usually bother to analyse responses and rank the value of business by customer and marketing strategy.

The answers become a menu of marketing influences, some primary influences, others secondary but still important.

Also important are the marketing strategies which do not appear among responses, either as primary or secondary influences.

Add to this the strategies which show only small value totals (smaller than their cost).

This is the part of your marketing which is wasted.

About the author:

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