



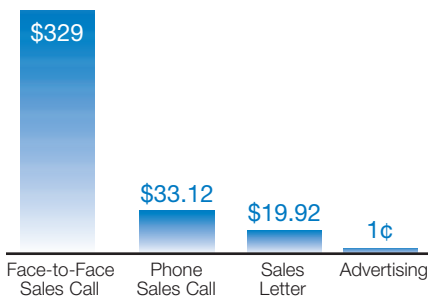
WINNING CUSTOMERS AND INCREASING MARKET SHARE

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Ask any ten CEOs, Presidents, Sales Managers or Marketing Directors if advertising increases sales and they will tell you NO! But, ask those same ten executives how they measure the overall effectiveness of their advertising and marketing programs, and they will tell you: "by sales volume." Such a paradox clearly illustrates the need for the straight story on advertising.

Moreover, it demonstrates a need for executives to fully understand the role of advertising in the marketing mix. And how careful, thoughtful planning will have a positive impact on your company's bottom line.

Consider that the average face-to-face sales call costs your company about \$329.00, a phone call \$33.12, and a letter approximately \$19.92. On the other hand, advertising allows you to reach current clients and prospects for pennies per impression.



That's why companies that exhibit the highest levels of advertising exposure realize significant reductions in their cost of

selling. Indeed, those engaging in steady, workman-like advertising campaigns can slash their total cost of sales and marketing by an average of 25%.

Studies also show that the typical sales situation involves meaningful input from a number of additional unknown buying influences. Strategic advertising ensures your message will reach these unseen decision-makers by elevating brand awareness and paving the way for your sales staff.

1. Make Contact with Impact and Motivate Your Prospects

Dedicating your advertising to creating the most sharply defined image for your product or service within its category is a proven means of boosting market share.

Unfortunately, in today's cluttered marketplace most products and services are viewed in a generic sense, as commodities.

However, the fact is, all goods and services can be differentiated from competitive brands. Your advertising must emphasize the inherent characteristics and selling attributes your product affords if you want to win sales and increase market share.

2. Create Brand Awareness and Increase Sales

Product/service awareness leads to preference and preference leads to loyal customers and increased market share.

Research from McGraw-Hill, tracking 2,594 different product lines sold in the chemical process industry, 614 which had been

advertised and 1,980 which had not, found that products which had been advertised had 250% higher recognition than those which had not been advertised. Again, the higher level of advertising exposure produced a higher level of brand awareness.

3. Build Brand Loyalty

There is a direct correlation between brand awareness and brand preference. The higher the brand recognition, the higher the percentage of repeat sales. In some cases, strategically advertised products demonstrated 330% greater preference than unadvertised brands.

A study just completed by the polling companyTM for the Grocery Manufacturers of America (GMA) showed that 49% of consumers surveyed believe that a familiar brand name is the first or second most important factor in a purchase decision.

In fact, 36% said they currently buy a specific brand because their family had used it for a long time. Even more telling, only 29% said they would purchase a competitive brand if their most preferred one is unavailable. A whopping 67% said they would either "chase the brand" (29%), which means they would go to another store where their brand is available in order to make the purchase, or do without the product until their next shopping trip (38%).

The results of the GMA study clearly indicate the importance of brand preference in developing deep-seated emotional bonds that lead to brand loyalty and heightened levels of perceived value.

DID YOU KNOW?

Fast Facts to fine-tune your advertising message

1. Ads that highlight a distinctive new product, feature or convenience score highest in persuasion.
2. Value and price messages outrank clever and elaborate creative concepts.
3. Ads that show results are 33% more likely to elicit a switch.
4. Specifics work better than generalities.
5. Five times as many people read headlines as body copy.
6. Ads with news are recalled by 22% more people than ads without news.
7. The greatest achievement your advertising can merit is believability.

A recent in-store program developed by JMG for a CPG client netted a 27% sustainable sales lift in an overdeveloped market. During the same period, the category grew a mere 6%, yet the brand's top two competitors didn't share in the harvest. They showed a decline in expected volume due to the impact of the point-of-decision campaign.

4. Drive New Customers to Your Brand (and grow the category in the process)

Statistics illustrate that 82.4% of inquiries from advertising come from prospects with no previous contact with sales people from the advertising company. 61%, or 3 out of 5, had no idea the advertiser provided the product or service prior to reading their ad. 19.2%, 1 out of 5, bought the product. Value-based advertising strategies build trust by communicating with prospects in a believable manner and reinforcing brand superiority with established clients.

5. Know Your Market

Research is essential to planning your campaign and the message that drives it. Query your sales staff and find out what aspects of your product-line are most important to your customers.



You can also call JMG, and we will show you how to develop a Customer Relationship Index™ that tells you what your customers really think about your products, services, sales team and other critical touch points.

Industry-related publications and associations are another excellent source for secondary research. Of course, JMG can provide primary research protocols to obtain qualitative and quantitative data that help you make better informed decisions and focus on brand attributes that have the greatest potential to drive growth.

Remember, any successful enterprise is built on wise planning, grows and becomes strong through sensible stewardship and profits by keeping abreast of market fluctuations. If you want to succeed, you have to begin with a sound, realistic plan.

6. Improve Your Advertising and Increase Profits

There is statistical evidence that proves a direct relationship between advertising investment and profits. If a profit level with no advertising support is given an index of 100, moderate levels of ad spending produce an index of 350, and heavy levels 631, or more than 6 times the profit. Moreover, companies that advertise regularly have a higher return on investment.

We know of one CPG product that sells for roughly twenty cents per pound. The exact same product, branded and packaged with a name that consumers have learned to trust fetches nearly seven dollars per pound.

Same cost of production and distribution, yet the marketing investment made by the brand produces a retail price 35 times greater. Where do you want to be? What's the potential of your brand?

JMG is a marketing communications and interactive company that focuses on regional, national and global brand initiatives. Through sound strategy, expert planning and building brands, JMG provides companies with the acceleration for growth.

For honest answers on important questions about how advertising can help you "Win Customers and Increase Market Share," contact us directly at [708-403-4004](tel:708-403-4004).