



10 Tips for High-Performing — Digital Advertising —

// INTRODUCTION

As a business owner, why do you advertise? You certainly have product(s) and/or service(s). You likely have inventory, machinery, employees, and customers. Oh, and you probably want more customers. You want to sell your products, clear your inventory, use your machinery, and utilize your employees. Well, it's been said that nothing happens until someone sells something. That's where advertising comes in.

Your current customers need to know what you have to offer. Those who should be your customers (but currently aren't) need to know what you have to offer. And you need to get your product (or service) in front of all of them.

But what don't you have? You don't have access to an unlimited customer base. Your access to your customer base and your potential customer base probably isn't as large as you want it to be- or as it could be. Media companies of all types have access to that potential customer base, and to your existing customers. Those media companies have relationships with their engaged audience and will help you access them.

That's why you advertise.

However, digital media companies have access to not only their engaged audience, but also to the tools and solutions that can leverage (and even increase) their audience's engagement. And these digital media companies can provide a return-on-investment (ROI) by showing you how targeted, interactive, and measurable digital advertising is.

Don't just advertise, harness the power of digital advertising.

You in? Let's go.

[This e-book is written to help business owners of all kinds understand the benefits and features of digital advertising. Other guides may provide insight into other media, the focus of this document is all about digital media.]

// TOPICS

1. Get to know TIM
2. Define your objective
3. Don't be "cheap"
4. Remember - "location, location, location"
5. Know your audience - and target them
6. Create compelling ads
7. Have a strong offer and call to action
8. Test and measure
9. Be patient
10. Understand reach, frequency, time, & relevance

// Wrapping up

1. GET TO KNOW TIM

Every media company will tell you the benefits of their products and platforms. This e-book isn't written to disparage any other medium, but it is written by a digital media company. So, the focus will be on the benefits of digital products and platforms. All other media will have to tell you how they work and what their benefits are.

To really get to know digital media, and to understand what it can do for you, you need to get acquainted with TIM. Who's TIM? TIM is your digital media friend - **T**argeted, **I**nteractive, and **M**easurable. Let's introduce you to **TIM**.

Digital media is **targeted**. What does that mean? One of the strongest value propositions of digital media is that it can be targeted to users based on a variety of factors- location (geotargeting, geofencing, addressable geofencing), age/gender/household income (demographics), what users like or are looking for (interest/intent), what they've seen or have searched for (behavior), even what kind of content they've consumed online (context).

Digital media is **interactive**. Most other media present their message but can't interact with you. At 65 MPH it's difficult to interact with a billboard. Can a print ad engage you with motion, sound, animation? Broadcast media is great for reach, but it doesn't have the two-way interaction that digital has.

Digital media is **measurable**. Sure, broadcast media has "meters" - boxes a small sample of people have connected to their TVs, etc. Out of home advertising can measure how many people drive by a particular billboard. Print media reports its "subscribers". But none of those can be measured instantly like digital, nor can they give the depth of measurements - who saw what, who did what, who went where, etc., etc. All of that can be and is reported by digital media companies.

2. DEFINE YOUR OBJECTIVE

Ultimately, what are you trying to do? Most likely your answer is “sell my products or services.” Okay, that makes sense. But how do you sell those services and products? Brick & mortar? Online/e-commerce? Mail order? Phone sales? And how often do customers buy from you? Once and done? Annually? Weekly? Do they purchase a standard product, one that’s customized, one you have to bid on and then build?

Do you see the conundrum here? You need to reach an audience, but what they do once you reach them depends on many factors.

If you need to reach an audience to buy your product right now (think restaurants, movie theaters, impulse products, etc.), that’s ‘direct response’ advertising. You put an ad in front of them once or many times, cross your fingers that the offer and call to action are enticing enough, and then hope they click, call, or respond somehow.

If you need to reach an audience to consider your product or service at some time in the future (think fencing contractors, snow removal, beach resorts, oil changes, auto dealers, etc.) that’s ‘branding’ (or ‘brand advertising’). You put an ad in front of them many times (‘frequency’), hope that the message (‘copy’), call to action, offer, etc. are convincing and memorable and drive brand awareness/recall so that when that customer (or potential customer) needs to build a fence or have their driveway plowed or want to go wakeboarding or get an oil change or buy the hot new convertible that they think of you and not your competitor (top of mind awareness is the key here).

There are many ways to reach an audience. Every media company has its products: billboards, TV, radio, print, digital, etc. Each product has its merits, and some are better for branding or direct response. One of the most important considerations is that there is a media mix each business should consider. Does it make sense to only advertise on TV? Maybe, but the cost can be high. What about putting all your advertising eggs in the newspaper basket? Print isn’t a very interactive medium- and in today’s world you’ve got milliseconds to catch someone’s attention. So, as you determine what you’re trying to do, you need to also consider how you want to do that, and with whom, and what the right media mix is.

Finally, not only should you consider a mix of advertising on multiple media, but you should also consider branding and direct response at different times for different products or different seasons or different campaigns.

As with anything in life, there are multiple considerations, and you want to properly consider all the options and then set a strategy that will help you achieve your goal - which ultimately is to sell something, right?

3. DON'T BE "CHEAP"

Okay, so you've determined your advertising objective. You know what you want to do for branding and/or direct response. You've given some thought to what your correct media mix is. What do you do next?

Well, it's time to crack open your wallet. Yep. As much as you'd like this to not cost anything (margins are better when costs are lower, that's for sure!), that's not realistic. Well, it could be realistic for the most part if all you plan to do is blog or set up a social media page (good luck!). The reach you need isn't there, but the cost is ok. Is it possible to pay too much for reach? Sure! So, you need to determine what you plan to spend, and then add 10% just to make sure you're not being "cheap."

You may be asking, "How do I set a realistic budget that's 'enough'?" That is one of the key questions. Spend too little and you're just burning precious capital. Spend too much and you're just burning precious margin dollars.

Some businesses use a percentage of sales to set their budget. They'll say, "Let's invest 3% (or any X%) of my revenues in advertising and marketing to drive more sales." That works, for sure. But if you're not quite sure what your X% should be, here's an easy-to-calculate formula:

How much of a return on your advertising dollars would be reasonable (not phenomenal, but reasonable)? [Be realistic!]

In other words, if you spend \$500 on advertising, would it be reasonable to see \$1,000 in sales, \$10,000 in sales, or \$10,000,000 in sales (yeah, right!)? Remember, you need to be realistic about what your spend will do for you, and you have to remember the old adage: "it takes money to make money."

Let's take a minute and walk through how to calculate a rough advertising budget (we'll start from the bottom and work to the top):

- What's your business's average order value? If you build fences, what's the average revenue from a fence sale? If you sell food, what's the average amount for a meal? If you sell cars, what's the average price (net of any discounts or haggling) of the cars you sell?

- How much revenue would you [realistically] like to recognize with this advertising campaign, or how many sales do you [realistically] want to close?
- What's your sales closing rate? For every X number of phone calls or website visitors or walk-ins or appointments, what percentage do you [realistically] close?
- What's the typical response rate for the type of advertising you've been doing? In other words, what percentage of those who see or hear your ads (or ads like yours) click, call, order or come into the store?
- What will the media company you've been using (or that you're considering) charge to run your ads per ad impression (each time an ad is displayed, played, shown, seen or watched is an ad impression)?

THE 'DON'T BE "CHEAP"' 7-STEP WORKSHEET

So, if you've gathered all the above information, let's use it now to calculate how much (roughly) you should spend. [The page after this one uses some examples if that makes it easier.]

1. My average order value is \$_____.
2. I want \$_____ in new sales from this advertising campaign, or # closed sales (calculated as dollar amount of new sales divided by your average order value).
3. My sales closing rate is _____% (meaning you close X% of all leads that come in via phone, internet, walk-ins, appointments, etc.).
4. So, I need # sales leads (realistic # of new sales desired divided by closing rate) to get # closed sales.
5. The media I'm planning to advertise with has a _____% response rate. So, I need to purchase # ad impressions (# of new leads divided by advertising response rate).
6. The media company I plan to advertise with charges \$_____ per # impressions.
7. So, I should plan to spend \$_____ on this advertising campaign to close \$_____ in new sales.

THE 'DON'T BE "CHEAP"' 7-STEP WORKSHEET

So, if you've gathered all the above information, let's use it now to calculate how much (roughly) you should spend.

1. My average order value is **\$300**.
2. I want **\$3,000** in new sales from this advertising campaign, or **10** closed sales (calculated as dollar amount of new sales divided by your average order value).
3. My sales closing rate is **10%** (meaning you close X% of all leads that come in via phone, internet, walk-ins, appointments, etc.).
4. So, I need **100** sales leads (realistic # of new sales desired divided by closing rate) to get **10** closed sales.
5. The media I'm planning to advertise with has a **.05%** response rate. So, I need to purchase **200,000** ad impressions (# of new leads divided by advertising response rate).
6. The media company I plan to advertise with charges **\$5** per **1,000** impressions.
7. So, I should plan to spend **\$1,000** on this advertising campaign to close **\$3,000** in new sales.

4. REMEMBER, “LOCATION, LOCATION, LOCATION”

Any realtor you’ve ever spoken to has told you this time and time again. You know it’s true! It may be a beautiful house. You may love everything about it. But the location is what really matters. A beautiful house in an “undesirable” location ultimately may not be as beautiful of a house.

A good media company will tell you the same thing. You may have a great brand. You may have created beautiful ads. But if you run your ads on an “undesirable location, your beautiful ads and great brand may not be as beautiful, nor as great.

In the digital world it can be even more difficult. Media companies often don’t sell out 100% of their digital ad inventory, so they sell the unsold (formerly called “remnant”, now typically called “programmatic”) inventory to “ad networks” or “ad exchanges”. Advertisers then buy from these networks or exchanges, often at a deeply discounted price from what the media company charges advertisers directly for its digital ad inventory. The “remnant” inventory could be the least desirable inventory on the media company’s website. Regardless, just because you can buy inventory at a cut rate, should you? Just because there are plenty of available homes for sale in an “undesirable” area, would you buy one just because it’s at a lower price than the home you want to buy in a highly “desirable” area?

Then why would you run your ads on just any old website?

Buy digital advertising directly from a media company. It’ll cost you a bit more than buying “remnant” inventory, but you’ll get the best ad placements, performance, execution, and outcome. And you’ll be buying from brand-safe websites and media companies with engaged audiences and not sketchy sites with which you’d not want to associate your brand nor run your ads. You’ll also have a direct relationship with a media company that values its users and its advertisers, and which has all the incentive to ensure the best performance possible.

That realtor was right - it really is all about location, location, location!

5. KNOW YOUR AUDIENCE - AND TARGET THEM

How well do you know your customers? Do you know what your target customer “looks like”? Gender? Age? Household income? Interests? Content preferences? Are they currently in the market for your product or service? Most businesses have an idea, but they don’t have the full picture of their customer base. Or even if they have a good picture, where do they go to find those customers in traditional and digital media?

Targeting based on content is one of the “easiest” ways to target your customer base within a media company’s audience. The problem is not all content fits easily within a certain audience demographic. Take ESPN for example. Most advertisers might think, “My customer base is mostly female, there’s no way I’m spending a dime on ESPN! It’s a male audience.” Those advertisers would be wrong and would be missing out on a potential opportunity to find their customer base within ESPN’s audience. In 2011 ESPN Director of Media & Promotion Research, Kelly Johnson, indicated, “Women make up just under half of ESPN’s overall viewers, but they spend much less time actually watching sports on TV”.¹ In January 2020, ESPN indicated that in Prime Time, “ESPN was the #1 cable network among Women 18-49.”² Maybe women don’t spend as much time as males actually watching sports. But do you know what women (and men) do spend? Money. And if the advertiser’s product is one that appeals to women who spend, it’s possible that the advertising on that property could be very successful.

So, what’s the bottom line when it comes to audience? Don’t assume. And realize that content isn’t the only way to target. In fact, there are many more ways in which to target, including those in the list below.

Audience + Targeting = Success

- Behavioral & Interest
- Demographic
- Device & Platform
- Geographic
- Keyword & Topic
- Retargeting
- Search
- Site
- Social

Which of these targeting tactics is the best? Well, the “best” tactic(s) is whichever helps you find the target audience that meets your campaign performance goals. Some tactics are easier to work with, some less so, some provide less reach, some provide greater frequency, etc.

Be careful not to fall into the trap of thinking “the more targeting the better.” It’s easy to take a “more is better” approach to targeting, but the outcomes are typically advertising campaigns which don’t deliver the performance the business owner was looking for. Why? Consider this: let’s say you choose to target males between the ages of 35-54 with a household income of \$100K+ in New Jersey who are on mobile phones and reading an article on wsj.com and who have searched for Segway scooters in the last 7 days. Sounds targeted, doesn’t it? It also likely will have a reach much smaller than most businesses would be looking to reach. So, remember that you want to find a target audience that meets your needs, but the size of that audience needs to work within the reach and frequency you need. More on that in tip #10.

¹ https://www.espn.com/espn/story/_/id/7379853/espn-tries-solve-equation-women-sports-fans

² <https://espnpressroom.com/us/press-releases/2020/01/espn-new-year-starts-strong-audience-rises-in-january/>

6. CREATE COMPELLING ADS

Okay, we’re more than halfway through our ten tips. At this point you’ve set up an objective and budget, determined a location (or locations), understood the audience, and come up with some targeting to help reach them. Now what?

Now comes one of the most important of all steps: creating ads (sometimes referred to as “creative”) that will capture the user’s attention, inform them, and (hopefully) get them to act (to consider your brand, click on your ad, make a phone call to your number, download something you’ve produced, buy something from your e-commerce site, etc.).

So, where do you start? Well, if you’re going to be doing digital advertising, you need to consider if you want static (non-animated) or animated ads. Graphic designers create the ad, save it as a static file, and you provide it to your media company to upload to their ad server. The benefit is that static ads are relatively easy, typically less expensive to design and easily distributed & displayed (small file sizes). The [perceived] drawbacks are that they can be less engaging, harder to track, or that there’s less of a “wow factor.”

Animated ads are more involved as far as design and creation, but they include movement and other attributes. The benefits are that they are much more engaging, have more metrics to track and report, and they are often visually stunning and attention-grabbing. The drawbacks are that animated files can take longer to create, can be more expensive, and their large file size typically makes them more difficult to distribute & display.

Once you choose between static or animated, it's time to think about the size of the ad (measured in horizontal pixels and vertical pixels), layout (horizontal or vertical), the offer you want to make and spotlight, what the call to action is, what site or landing page do you want the user's click to take them to, etc.

A few more thoughts:

- Keep your ads simple and clear, free of clutter. Make sure the ad copy is succinct and easy to understand. The offer and call to action need to stand apart from all the rest of the content - you want them to jump out at the user.
- No matter if you're doing branding or direct response, make sure to include your company logo and name for brand recognition and recall.
- The call to action should be something succinct and specifically what you want the user to do - **[Click here to_____], [Download_____], [Free_____]**, etc.
- Even the very best creative can get "stale". Design a few different ads for each campaign. Not only can you then switch them out, but you can test them against one another and focus on the higher performing ad, call to action, copy, etc.

7. HAVE A STRONG OFFER AND CALL TO ACTION

Your call to action (often referred to as a "CTA") is your compelling reason for the user to do something: click on an ad, download a document, fill out a form, etc. The offer should be worth the user's time/effort and the call to action needs to instill a sense of urgency or importance such that the user feels compelled to exchange their time, their info, etc., for whatever you are offering. Fear of loss usually carries a strong sense of urgency! A good call to action is clear, concise, and so compelling that the target user takes the action you want them to take.

The CTA should be large- large font, large button, etc. It should be set apart enough that it stands out from all the other elements of the ad. It should clearly call out what you want the user to do, in a word or words, but should be concise.

Just as you can test different creatives one against the other, you can test CTAs one against another to determine which call to action performs the best and then optimize the size, placement, etc.

The best rule of thumb is to ask yourself "Is this CTA compelling enough that I would [click, call, download, buy]?" If yes, test it out. If no, go back to the drawing board. Get feedback from others as well (preferably digital media specialists or graphic designers).

If you're asking the user to complete a form or offer, it needs to be clear to them how to provide the required information.

Oh, and one final suggestion: the ad, call to action, etc., need to look and feel like the landing page you're sending the user to. There needs to be continuity, and the landing page needs to feel "familiar" and comfortable to the user. Give them a good reinforcement of why they clicked and should do what you asked them to do. Even more so, make sure the ad and the landing page match your website, logo, and visual branding.

8. TEST AND MEASURE

Too often advertisers, especially small businesses with tight advertising budgets, think they'll give advertising "a try". Maybe they've not done any advertising previously, and all they've done is word of mouth. Maybe they aren't certain it will work, but they know they've got to do something. Maybe they just are confused and need someone else to take the lead.

Don't confuse **testing** advertising with **trying** advertising.

A good media company will tell you that not every campaign works right out of the gate. Some don't very well. There are a lot of moving parts- how good is the ad creative, offer, and call to action? Is the ad running at the right time of day? The right time of week? In the right section(s). On the right place on the page? On the right site?

When you try advertising, you run it once, and if it doesn't work you think "yeah, it figures" and you stop. And that's a big mistake.

When you test advertising, you run it. You measure it. You optimize it. You try a second offer, then a third. A second call to action, then a third. You A/B test. You try different days, times, weeks, sections, etc.

Anyone who tells you they will hit it out of the park for you with you the first campaign is not telling you the truth. It takes measurement. It takes testing. It takes time.

So, if you want to try advertising, save your money. If you want to test advertising, a good media company will help you with that. But they need you to help them, also.

9. BE PATIENT

- If you read tip #8, **“Test and measure.”**, go back and read it again. And then once more.
- If you didn’t read it, read it now. And then read it again!

Make sense? Okay, on to #10!

10. UNDERSTAND REACH, FREQUENCY, TIME, AND RELEVANCE

Okay. We’re almost finished. Once you’ve done all the above, you still need to make sure you can reach the most targeted audience members you can afford, at the right time, and as often as you can to reinforce your message and call to action without bothering the audience and turning them off. Reach, frequency, and time are important to all of that. But you also need relevance, and that goes back to targeting and knowing your audience.

Reach indicates the size of the audience- how many total users you’re reaching with your advertising campaign. When considering reach, remember each user that views the ads in your campaign count only towards reach. A user who sees more than one ad counts toward frequency (see below).

Frequency refers to how many times a user is exposed to your ad throughout your campaign. Frequency comes through [proper] repetition of ads during the campaign.

Relevance recognizes the fact that audiences consume a lot of different media on a daily/weekly/hourly basis. Often before they make a purchase decision, they will research online, or remember something they've seen previously online. If that's when your ad appears, during the time they're researching, they won't pay attention to it if it's not relevant to them. So, you need to make sure you've done your homework and have the best audience, targeting and data you can get, and that will greatly improve the relevance of your ads.

// WRAPPING UP

Whew! That's it. 10 tips to help you bring your advertising into the digital age, or to convince you of the power of digital advertising if you've not been doing it.

Every company wants to succeed. Business success can be measured in revenues, customers, growth, quality, and myriad other ways. From time to time a company will have the good fortune of "going viral"- of having a product or service that generates a buzz that spreads like wildfire. But, for the most part companies need to spread the word and chase customers a few at a time here and there. That's where advertising can help. Get your message in front of existing and prospective customers, tell them about your products and services, stay in front of them and mix up your creative, your copy, your call to action. If you do it right, and have a great offer, you'll reach more customers, drive more leads and close more sales.

If you've enjoyed this e-book, check back at **beasley.digital** from time to time. We'll be releasing more e-books soon, and we want to make sure you get the chance to download and read them.

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We hope you've enjoyed this e-book and that it's given you some great answers. If you're interested in advertising on any of Beasley Media Group's 60+ websites, you can find out more about that at beasley.digital/solutions.

Thanks,

The Beasley Digital Team

