

Making Your Advertising Dollars Go the Distance

by Gene Willhoft

So, you're the marketing director of a B2B company that's going to embark on its first advertising campaign. Chances are, the target audience is very selective and you're right in thinking that magazines and newspapers (as opposed to radio or television) are the most effective media vehicles for the effort. You figure you'll need a maximum of four or five print executions, in a number of different sizes, for the first year's effort.

Depending upon the specific company, the annual marketing budget is anywhere between \$1,000,000 and \$5,000,000, all of which must afford vendor fees, production of the ads, and the media budget.

So what's your game plan to guarantee that you get good creative and effective media planning and placement, while still leaving as much money as possible for the actual advertising schedule?

I'll give you two scenarios: what the smart marketing director would do and what the not-so smart marketing director would do.

The Safe, Expensive Uninformed Approach

The first thing that enters into your mind is that you *think* you need a full-service advertising agency to get the job done. You may even hire a consultant to help you screen agencies.

You go through the process and in the end you select a well-known full-service agency because you think that it is the safe and secure way to get the right creative and smart media thinking. Your company is shocked at the high monthly retainer asked, but you pay it anyway.

Five people from the agency come to every meeting, but three of them are juniors who take notes and never utter a word. You take comfort in the fact that you have an account executive, an art director, a copywriter, a media person and others at your beck and call.

Understandably, you feel like a big shot. You soon realize you are rewriting most of the ad copy yourself because no one stays around long enough on the account to learn the business. Work that should take a month or two to complete is taking twice as long. The monthly retainer is still there however, eating away at the marketing budget.

In the end, only 65% of your original budget is available for media placement.

The Smart Approach

In this scenario, the marketing director realizes that after he or she has the necessary creative product, **the only thing that remains is for the media to run effectively**. Again, all that remains is for the ads to run. The expensive services of a full-service agency are not needed.

Hire a full-service agency and pay \$25,000 to \$50,000 a month retainer during and after the ads are created? For what?

The marketing director knows the real name of the game is to put as much of the budget into the media schedule — the most important element of the whole procedure.

So, instead of an expensive full-service agency, he/she goes out and hires a smaller boutique agency (only creative) or design firm on a project basis. Four or five finished ads, one price, and the relationship is over until next year.

He also hires a media buying and planning company that will handle the end product of the effort — putting the ads in front of the right target audience.

A media buying and planning company: evaluates all possible publications, negotiates for the lowest price, negotiates for the best positioning, not to mention added value (all the free things than publications offer). Moreover, the media firm issues all the insertion orders to the media, evaluates special opportunities that are regularly presented by magazine representatives, tracks all ad placements and pays all media invoices.

At the end of the day, the ads are as good as the full service agency's, the media support is superior (because a firm that specializes in media was hired) and **85%** of the original marketing budget is available for media. This approach yields a difference of hundreds of thousands of dollars that go towards the advertising campaign instead of the full-service agency.

These days, the latter example is what more and more smart advertisers are doing. How smart are you?

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