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Advertising, Publicity, and Brochures

Early to bed, early to rise, work real hard and advertise.

—Advertising slogan

You can spend a lot of money on your marketing and advertising. Often, advertising is the first culprit in eating up your budget. You can advertise online, in newspapers, on TV, in magazines, and so on. Advertising is defined as *paid* mass media exposure; publicity, however, is *free* exposure in the same places. However, it can cost you a lot to arrange, especially if you hire a PR firm. Brochures are another costly sales tool. They mainly demonstrate that you are established, but seldom do they actively sell for you.

Is spending money on advertising, publicity, and brochures worth the cost? Sometimes yes; often no (compared to your personal sales efforts). To prove the power of advertising, a magazine salesperson said, “If you don’t believe that people read your ads, then give away \$10 to everyone who brings in your ad.” During the years I spent in the advertising business, our sales team wasn’t able to convince any of our clients to do this. However, a fine clothing store did agree to give away a man’s tie to everyone who brought in its ad. Result: over 2,000 ties given away from a magazine with 25,000 circulation, an 8 percent “pull rate.” An 8 percent response rate on any type of ad campaign is extraordinary. Usually, a pull rate of over 2 percent is very good. Many campaigns are successful with less than one-tenth of 1 percent response rate.

Advertising and public relations can be helpful in the promotion of a CPA firm’s services. But rarely will you want to give away a free tax return to all responders to your advertising. Some accountants are uncomfortable with the idea of advertising—but for the wrong reasons. They are uncomfortable because they don’t like sales and marketing in general. The real reason to be

uncomfortable with advertising is that you pay first and only later find out if you will get results. It is easy to squander large sums of money in advertising campaigns that miss the mark.

The reason some firms use advertising regularly is because it is easier to write a check than to think out their marketing. Salespeople are constantly calling on you to advertise in the local paper, the trade magazines, radio, charity events, and so on. It's all deductible and they design the ad for you for "free," so why not? Because you not only waste money, but you generally don't track and repeat successful ads. When you don't know how effective each ad is, you're wasting your money. Even more, most firms don't know what their prime sales message is or whom they are trying to reach. Another problem with advertising is the popularity of "image advertising" over the last 20 years and "branding" during the last decade.

I am very skeptical about the results accounting firms will achieve with branding. Hundreds of millions of dollars are being spent annually to brand professional services firms. I believe that the senior management at many accounting firms has put too much faith in image advertising. Don't get me wrong: Some advertising is useful. But, for accountants, most marketing and sales budgets should focus on personal one-on-one involvement with clients and prospects. Blasting hyperbole about yourself through advertising doesn't build trust.



Advertising has little confidence among consumers. It ranks below the federal government.

—Hal Quinley of Yankelovich Partners, discussing the results of a consumer survey about advertising

Dick Reck¹ says, "The national firms are investing in advertising that is a total waste of money—and you can quote me on that. Not one person will buy one hour of service from them because of the advertising campaigns. I mean, these people are making decisions on idiotic stuff. When I walk out of the airport in Reno to go skiing, there are three of these airport signs sitting there—one of them is a casino, the next one is a Big Five firm, and the third is some local whorehouse. That's what greeted me on the wall. I just sit there and shake my head."

Use Advertising to Build Awareness

Although there are many who will disagree with me, I believe the primary purpose of advertising and public relations is to allow people to become

aware that you exist. If prospects are aware that you exist, there is a small chance they will call you. The best situation occurs when you or one of your partners meets a person for the first time, and that person says, “Oh, yeah, I’ve heard of your firm.”

Jack Amundson² says, “You need to have community awareness of who you are. Some level of advertising or public relations will be helpful for any significant accounting firm.” Awareness makes people much more receptive to you.

Marketing expert Seth Godin says, “For ninety years, marketers have relied on one form of advertising almost exclusively. I call it Interruption Marketing. Interruption, because the key to each and every ad is to interrupt what the viewers are doing in order to get them to think about something else.” In his Internet work, Godin advocates “permission marketing” in which you ask potential respondents if they want to hear from you. It’s a very professional way to start a relationship using any medium. (For more details, see the Day 8 chapter on permission marketing.)

Seven Reasons Why You Need Free Publicity

- 1** Publicity establishes credibility about you and your products or services.
- 2** It enhances customer retention.
- 3** It makes it easier for you to enter new markets.
- 4** It creates a competitive advantage.
- 5** It helps to position your products or services in your target markets.
- 6** It helps you sell more.
- 7** The price is right. It’s practically free!

—Adapted from Rick Crandall, *Celebrate Marketing: Secrets of Success*³

Public Relations

Public relations (PR) activities are a bit more subtle than advertising. Public relations activities, such as sending out press releases and writing articles, result in free media exposure for you. Examples of PR are a mention in the newspaper that you have become a partner in your firm; a local radio station interviewing you as an expert for an end-of-year story on ways to save on taxes; or a column that you write that is published in a trade magazine.

Most PR is through the print media, so I'll refer to the recipients of your PR as readers, although they could also be online users or radio listeners or television viewers. With PR, readers are pulled into your article in the natural course of their reading a newspaper or magazine, so they don't experience the feeling of being interrupted as they do with advertising. Readers perceive articles placed by a PR activity as more believable than advertising and will stay with those articles longer than the same articles run as ads.

Even though you don't pay for print space or radio or TV time with PR, PR does have a cost. In many cases, companies spend a great deal more on specialized PR agents than they would on advertising. However, you can obtain effective, low-cost PR yourself by writing articles, giving talks, and participating in community activities.

Advertising, public relations, and other marketing materials are often thought of as ways to attract new clients to your firm. In many cases, they have a much greater impact. Advertising and PR can favorably impact current clients by reinforcing their decision to hire your firm in the first place. Both advertising and PR also can build morale for your employees.

Brochures

Brochures, flyers, and other sales materials are important sales aids. These materials help imprint your message in the mind of your employees, clients, and prospects. Good sales materials enable you to reinforce your personal sales message. They demonstrate to your prospects that you have a well-organized service offering. They also give you confidence during a presentation.

Note, however, that brochures and similar sales literature seldom close the sale for you. Although they are useful tools for personal sales, they should not become "excuse crutches." Many times prospects ask you to send them something or to leave a brochure for them to study. Often this is just an excuse to not talk with you and give your service serious consideration. Many accountants who are uncomfortable with selling end up merely passing out brochures without making a serious sales effort. Don't use your sales literature this way.

Preparing an effective brochure is a task for a good marketing person. You must insure the brochure appeals to both the creative and the logical side of the brain. Therefore, you must insist there is a balance between design and copy. All your materials should be designed around a consistent theme, typeface, and color scheme.

Too often, accountants fill their brochures with heavy copy detailing all the features of their service offerings. I have found a good rule to follow in

writing copy is to lead with possible client benefits, then follow with the detailed features. (See the example below.)

Sample Feature-Oriented Text for a Brochure

Providing our clients peace of mind, convenience, and assurance

Clients of ABC CPAs receive peace of mind knowing that the professionals who are preparing your returns are highly trained in all aspects of the tax law, rules and regulations. Many times, we have found that our partners have more knowledge of and training in the tax law than do the auditors from the IRS. You will gain peace of mind by knowing that you are not just another number with us. Each client receives highly personalized attention.

We know that many of our clients have the intellectual capability to prepare a tax return. But in today's competitive and fast-paced business world, it just doesn't make sense for you to spend an inordinate amount of time doing something we could accomplish much more quickly. While we are preparing your return, you can focus on your business. This creates a win-win situation for everyone.

Knowing you are receiving expert tax advice from CPAs will give you the assurance you need to know it is done right. You will also have the confidence of knowing that if the IRS does audit your return, we will be by your side.

When preparing brochures, follow a well-tested budgeting process: Allocate about 40 percent of your resources to design, about 40 percent to copy, and about 20 percent to printing.

Your Budget for Advertising, PR, and Marketing Tools

Generally, I recommend that no more than 20 percent of a firm's marketing budget be invested in advertising, public relations, and marketing tools. As mentioned in the Day 1 chapter, advertising alone should be less than 10 percent. Bill Fingland says, "I would place people involvement as the most important marketing tool and advertisements of a general nature at the bottom. But we do a little bit of all of it." So, a \$5 million accounting practice that invests 4 percent in marketing (\$200,000) should spend no more than about \$40,000 in these tools. (See the Day 29 chapter for more on developing the marketing budget.)

An advertising budget of \$40,000 will not make much of an impact in any market. Therefore, smart CPAs invest very carefully and wisely in advertising.

Waugh's 11 Rules of CPA Advertising

- 1** Never run just one ad.
- 2** Beware of special advertising promotions.
- 3** Use cost per prospect as your evaluation tool.
- 4** Focus on targeted advertising and public relations media.
- 5** Limit yellow pages advertising.
- 6** Use a professional design firm.
- 7** Use evidence.
- 8** Focus on benefits.
- 9** Seek electronic over print media.
- 10** Seek public relations over advertising.
- 11** Once your PR story comes out, send reprints to clients and prospects.

Never Run Just One Ad

People are influenced by advertising mostly through repetition. Running an ad just one time will not provide you the compound effect of repetition. If you plan to advertise in a magazine, your return will be greater if you run a smaller ad more times than if you run a larger ad once. Rather than a one-time full-page ad, consider running a quarter-page ad 4 times or a classified ad 12 times. The same holds true for radio and television advertising.

Beware of Special Advertising Promotions

CPAs and other business owners are easy prey for advertising salespeople. The pitch goes something like this: "Our newspaper is running an annual spotlight on CPAs next month and you will be listed in the Top 50 accounting firms in your market. Let's design you an ad for the facing page." The problem with these types of promotions is that only CPAs and people who want to sell stuff to CPAs read these special inserts. Schools and charities are notorious for hitting you up for once-a-year ads. If you want to make a contribution, okay. But don't think you are advertising.

Use Cost Per Prospect as Your Evaluation Tool

Good advertising salespeople will supply you with demographics for their audiences. Generally they will calculate the cost per thousand (cpm) or cost per reader. Some media salespeople will impress you with their “pass along” (how many people read the publication in addition to the subscribers). When evaluating these investments, you must be very careful. Say a magazine has a circulation of 30,000 and a two-to-one pass-along factor, the salesperson might tell you that for a \$3,000 ad, you can reach 90,000 people. He might show you a calculation that shows you can reach his readership for 3.3 cents each. That is an excellent price for advertising directly to clients and prospects of your firm. But you need to take into account that most advertising media are being viewed by people who are not prospects or clients. If 29,000 of the subscribers in this example are not prospects, you may be paying from \$1 to \$3 per prospect. That is an extremely high rate. For \$1 to \$3 per person, you can use direct mail or other forms of communication.

Focus on Targeted Advertising and PR Media

If you focus your practice on medical professionals, doesn't it make sense to advertise primarily in medical newsletters and magazines in your community? Invest your advertising and promotion in activities that are most likely to reach your potential prospects and clients. If you are active in a trade association, placing advertisements in the organization's monthly newsletter is an excellent method to promote your involvement.

David Morgan says, “I can't say that we got a client because they saw our ad in the *Nashville Business Journal*. I do believe we have higher name recognition because we consistently advertise in the *Business Journal*. We did get a client because we ran an ad in a medical newsletter. Because it was a focused industry for us, we wanted to get in it. That got us recognition, which got us in the door, and we got a client.”

Some CPA firms have developed radio and television advertising programs. These work very well when they are focused on your prospective clients. Programs like *MoneyLine* on CNN or *Marketplace* on NPR may target the audience you want. For many of these national shows, you can buy ads that are transmitted only to your local area.

Limit Yellow Pages Advertising

In recent years, yellow pages and directory advertising has exploded. Sometimes a single community has three or four yellow pages opportunities. Ask yourself, “Will the prospect I get from the yellow pages really be a choice

client for me?” In most cases, your answer will be no. The yellow pages are important so people can find your phone number, but they are poor for finding prospects whom you’d consider to be 10s. Most CPAs are very dissatisfied with the high cost and low effectiveness of yellow pages advertising. That is because yellow pages advertising doesn’t create desire on the part of the client.

Never direct people to look you up in the yellow pages. When you do so, people will check out your competitors at the same time. Instead, have your phone number and address on every ad, brochure, and article you write.

Use a Professional Design Firm

“Art is in the eye of the beholder.” Whenever you are advertising, it is crucial that you don’t come across as “low class.” A professional design firm may not know your services and may not be able to write copy, but it usually knows the latest in graphic design and has the skills to execute it.

Some people who could become your clients are left-brained—very logical and factual. These people are impressed with lots of strong words, facts, and support. Other prospects are more right-brained—creative and emotional. To make your advertising effective, it is crucial to appeal to both sides of the brain. A professional design firm can help tap into your viewers’ emotions.

Focus on Benefits

Remember, your prospective client is purchasing a set of benefits from you: tax savings, peace of mind, financing, convenience, status, and so forth. For your ads and publicity to be most effective, they must stress the potential benefits. Ads that stress features (i.e., number of partners, staff, and offices) are the least effective.

Use Evidence

Testimonials or stories of clients receiving benefits are some of the most successful advertising and publicity messages. They are almost as powerful as a third-party personal referral. Bob Gaida says, “Third-party testimonials are like a nuclear blast while generic advertising is like a hand grenade.”

Seek Electronic over Print Media

Most people are receiving information electronically today. It is crucial for you to seek to use electronics for your advertising and PR as much as possible. Some possibilities are: your own Web page (see the Day 21 chapter for

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more on this), “telephone on hold,” audiotapes, videotapes, and radio and television. Television advertising can be very effective and at lower cost than you might think. You can purchase TV spots on selected cable networks for less than 5 percent of what you would spend on a local channel.

Seek Public Relations over Advertising

Bill Fingland says, “I think advertisements, as far as newspaper ads and radio ads and those kinds of things, are not very effective in selling professional services. That doesn’t mean you are not going to sell something. That just means there are better ways to spend your resources. We send press releases and advertise for name recognition in industry specialty journals. But the purpose of that is not to try to sell a service, but to get the new logo exposed and get name recognition.”

There are a number of very creative ways to obtain public relations. One of the most powerful ways is to network with the business press in your market. In most markets, the business press is a very small group of people. If you network with the people who cover the business community, you will get mentioned and interviewed in their pieces. Suggest that the press do a story on one of your interesting clients. Invite the press to your seminars or presentations. Keep them informed of national trends in the accounting industry.

Regular press releases can be cost effective. Potential clients learn of your firm. Existing clients may be favorably impressed. You can develop your image and credibility in the community. They may also improve staff morale.

An effective press release might include a relevant event that is newsworthy. Such events might include staff promotions or new hires, merger of firm, a new client, a clever interpretation of a particular rule, your trade show or industry attendance, or your CPE attendance.

Always keep press releases simple and to the point. If possible, include a black-and-white photo of a person. Photos add interest. Don’t send color photos to publications that are printed in black and white, because color photos do not reprint well. (However, do send color photos to those publications that use them.)

Many editors are constantly seeking articles for their publications. Editors hire writers for most of the articles, and often the writers are not well versed in business subjects. Thus, editors may prefer to use a well-known and respected professional. If you are not well known, write a few articles in the business press and you will become famous.

When you get a good story, send a thank-you note to the reporter and the reporter's editor. This happens so seldom that reporters won't forget.

—Lorraine Kingdon, *Take the Mystery Out of Media*

Articles for publication can be difficult to write. If you have a staff member who is a great writer, ask him or her to cowrite an article with you quarterly or monthly. If you have developed a good network of business writers, ask one of them for help in writing. You may be referred to an excellent freelance writer who can talk with you and write the article. Have non-CPAs (your spouse, your receptionist, a friend) read your articles. What is a simple concept to you is not simple to a layperson.

If you utilize any of the geographically protected newsletter programs from Pencor or PDI, you may be able to arrange for publication rights in your market. Arranging for publication rights will allow you to submit the article with your byline to publications within your protected territory.

Once Your PR Story Comes Out, Send Reprints to Clients and Prospects

You can benefit more from printed PR after it comes out than immediately. When you send a clipping about you or by you out to prospects and clients, it builds your credibility and name recognition.

Summary

Marketing authority David Maister says “I think the branding that is going on among professional services firms is b.s. I think it's a complete waste of money. Branding should distinguish two things: brand recognition and brand value. All this advertising crap they are doing will help brand recognition, I'll concede that, but not a lot. The real question is, ‘Does anybody value the stuff? Will anybody pay more?’ Your brand is not what you claim. Your brand is what you enforce.”

Advertising and public relations use the media to transmit your message to prospects and clients. Whether online or in the newspaper, exposure will benefit your marketing program. Be careful of the many opportunities to advertise that are “sold at” you. Don't place an ad just because someone makes it easy for you. Free publicity takes more time to get, but is much more effective.