

The dirty word.

Why do professional services & B2B still have a problem with advertising?

“Doing business without advertising is like winking in the dark. You know what you are doing but nobody else does.”

Steuart Henderson Britt

Dirty Cash.

Think of all the people you could do business with. Everyone who has a current or potential need for what you sell. Let's call them the market.

There will be three types of people in the market: people you work with now; people you don't work with but know who you; & people who don't even know you exist - or, at best, have vaguely heard your name but no more.

Unless you're a quasi-monopoly - like, say, the Big Four accountancy firms with FTSE audits - the chances are that most of the people in the market are the third type.

Most businesses aren't a monopoly. They don't dominate their sector. They don't have the largest market share. They're not market leaders. For most businesses the balance of the three types of people in the market will probably look something like this:



In *How Brands Grow*, Byron Sharp demonstrates that big brands are big simply because they have more customers. He, along with others at the Ehrenberg Bass Institute for Marketing Science, the APG & the IPA have shown that growth comes from acquisition & penetration, not retention & loyalty. They've all highlighted the importance of light, occasional buyers.

So it stands to reason that one of our most important jobs as marketers is to tell people we exist. Because if people don't know we exist, we can't sell anything to them.

Dirty Harry.

The marketers in B2B & professional services I speak with typically share two principle objections to advertising - it's not sufficiently targeted & it's expensive.

Let's look at each of these in turn.

First, how targeted is your current marketing? Have you really carried out a tight segmentation, targeting & positioning exercise? Do your marketing communications precisely pinpoint only the specific individuals you're trying to sell to? In most cases I'd wager the answer is no.

Second, with advertising the reach is the point. Advertising is about brand building. It's about building & refreshing memory structures so that people think of you when they need what you provide.

Look at the chart below. The greatest positive impact on the profitability is the number of people that see it. Which means reaching the whole of the market - including the people who don't know you exist.

FIGURE 1: TOP 10 FACTORS DRIVING ADVERTISING PROFITABILITY

| Position | Factor | Profit Multiplier |
|----------|-------------------------------|-------------------|
| 1 | Market size | 16.00 |
| 2 | Creative execution | 10.00 |
| 3 | Budget-setting and allocation | 2.00 |
| 4 | Variable media costs | 1.60 |
| 5= | Laydown | 1.10 |
| 5= | Media multiplier | 1.10 |
| 7 | Brand life cycle | 1.08 |
| 8= | Quality viewing | 1.05 |
| 8= | Task | 1.05 |
| 10 | Audience | 1.04 |

Source: Data2Decisions

Third, you shouldn't assess the cost of advertising on its own. You should consider it within the context of your overall budget and what you actually get for what you spend.

For years, Les Binet & Peter Field have warned about the danger of short-term efficiency measures. Too often we focus on click through rates, likes & shares. We report open rates for email newsletters, acceptance rates for seminars & feedback scores for events.

But how effective are these tactics over the long term? What do they contribute to the real success of the business? We should be measuring metrics like brand awareness & preference, new business enquiries, contribution to sales & profit.

Assessed across these different types of measures, how you perceive the cost of advertising may well change. In fact, it shouldn't be seen as a cost at all, but an investment in growth.

And last, as well as being the most effective way of reaching the people who don't know you exist, advertising works extremely well with people who already know you and work with you. In fact, it's highly likely your existing clients & customers will notice your advertising more than the rest of the market.

So you get a double whammy. The reach builds memory structures with people who don't know you, while the great creative refreshes those memory structures with the people who do. Bingo.

Dirrty.

The objections that many have to advertising are often paper thin. What's really happening is more likely a sort of intellectual snobbery, particularly in the professions.

Yes, advertising might work for selling toothpaste or kitchen cleaner to the masses, but not for the high-value, high-interest, high-brow, rational world of the corporate board room.

For the time being we'll ignore the wonderfully misguided idea that people are able to use one, emotional part of their brain at home & then switch on a different, rational part at work. Instead, let's look at where the word advertising actually comes from.

Evolving through the old French & late Middle English, like much of our language it originates from Latin. In this case *advertere*, where *ad* means to or toward & *vertere* means to turn.

So let's think of advertising as encouraging people to turn towards us rather than someone else. Why wouldn't you want to do that? And more importantly, why wouldn't you want to use every tool at your disposal, particularly the most effective?

Footnote

There's also an idea that what we do in B2B & professional services isn't exciting enough to justify advertising. As if shoes, cat food, & air freshener aren't some of the most mundane, functional products ever invented. Anyway, here's a [link](#) to some great B2B ads that should inspire you, from law & accountancy to planes & diggers. Enjoy.

Thirteen.Be.Distinctive.