

ESC Special Report



Monitoring Your Results

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Failure To Monitor Your Results can be fatal to your business.

Results. That's all that counts in business. Results.

Any promotion worth putting your time, money and effort behind, is worth measuring how well it performs. Only by knowing what kinds of results a certain marketing effort produces, can you determine whether or not to run it again, or what you may need to do to change or tweak it in order to make it more effective.

It's absolutely amazing how many business owners don't understand this simple concept. They'll let the Yellow Pages advertising salesperson sell them an ad in their local phone book, let the phone company ad department layout the ad, then let the ad run with no way of knowing whether or not a prospect called or a customer was obtained as a result of that ad.

The ad has no "accountability" or "measurability." So, next year, the same ad gets run, the same results are repeated, and the business owner continues to complain about how poor business is.

And the same thing happens with his or her newspaper ads, magazine ads, direct mail campaigns, Val-Pak marketing and every other type of marketing they do.

As an astute business person, you should never even consider running an ad or executing a mailing campaign or promotion without having some type of response mechanism to measure the results.

You wouldn't think of ordering and paying for a product... any kind of product, and then not checking to see if you received it.

Yet, many business owners will run ads in their newspaper, magazines, Money Mailer, or Val-Pak, or send out a mailing and never even bother to see what kind of results the ad produced.

I know it's crazy. But it happens every day. And millions of dollars are wasted because of it.

Some people even go so far as to say, "Well, my advertising isn't to bring in customers right away. Its purpose is to keep our name in front of our prospects and create 'top-of-mind-awareness' so when they're ready, they'll remember me."

Well, top of mind awareness is important. There's no question about that. But you can't afford to operate your business on "deferred results."

Each of your ads and mailings must have a definite, targeted purpose. And each ad must be measured to see that it, in fact, does accomplish that purpose. We'll talk more about this in a later section.

But for now, here's a simple 4-step system you can set up to measure the results of each and every advertising or promotion campaign you run:

1. Put together an **“Advertising and Promotion Results Analysis”** book. A simple 3-ring binder works well for this.
2. On the inside of the binder, insert a few clear plastic “page protectors.”
3. Print up some copies of the **“Advertising and Promotion Results Analysis”** forms found on the next page, and insert one in each of the page protectors facing the back of the binder.

Every time you run an ad or promotion, put a copy of that ad or promotion in one of the page protectors facing the opposite direction of the Analysis form.

If you do this every time you run an advertisement, a promotion or a direct mail campaign...and you carefully analyze the results, you’ll quickly see which promotions are working, which ones need a little tweaking to improve them, and which ones you should discontinue as soon as possible. As your binder grows, make two additional binders.

In one binder place all your “A” ads and sales letters. That is, the ads that pulled the best. In another binder, place the ads and letters that produced marginal results, or at least broke even.

And in the third binder, put all the “losers.” The ads and letters that absolutely bombed.

Then, when you get ready to do another promotion or mailing, you’ll know which ads or letters you can depend on, or at least which ones you can model your next promotion after.

Now, regarding the third binder... well, stay away from the ads in that binder. Those ads have already proven that you won’t want to run them again.

But, the second binder... the one with the marginal or break even ads and letters. That’s one that you may want to experiment with. Look over the ads and see what may have gone wrong.

ADVERTISING AND PROMOTION RESULTS ANALYSIS

A	Date the ad or promotion ran or letters sent out		
B	Promotion Name		
C	Ad Code		
D	Targeted Market		
E	No. of Letters Sent		
F	No. of Responses and Percent of Response	Number	Percentage
G	Number of Sales		
H	Sale Value <i>Price per unit _____ x no. of sales: _____</i>		
I	Less Cost of Fulfillment <i>(Packaging, product, shipping, etc.)</i>		
J	Less Cost of Promotion or Ad <ul style="list-style-type: none"> • No. of letters: _____ x stamp/letter: _____ = • Printing of letters/unit: _____ = • Envelopes: _____ x no. of letters: _____ = • Stuffing envelopes (labor): _____ = • Grabber/unit: _____ x no. of letters: _____ = 		
K	Net Profit (Loss) on Promotion <i>(Total Sales less cost of promotion and cost of fulfillment)</i>		
L	Profit-Loss per \$ spent on promotion <i>(Divide net profit-loss by cost of promotion)</i>		
Comments:			

Just because those ads didn't make as big a profit or get as big a response as you would have liked, is not necessarily a reason to dump them. Sometimes a little tweaking or adjusting can turn a mediocre ad into a real results-producer.

BUT... do this secondarily to using the ads and letters in the first binder. They're already proven winners.

Do you see the advantage of doing this? By having a copy of the ad or promotion and the results it produced in a central place, it makes developing your next promotion so much easier. No more guessing. No more wonder.

You'll not only save time, but if you can take a proven winner and make it a little better... pull a three-percent response rather than say, a two-percent response, the difference will all be profits to you.

Running the ad or promotion costs the same, whether it pulls two-percent or three-percent. But, that extra one-percent is a 50 percent increase in response rate. And that one-percent may mean the difference between a profit or a loss on that promotion.