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# *HOW ALL ADVERTISING WORKS:*

*A Real Life Example  
of Two Companies Approaches  
to Advertising*

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The Story of Two Hairdressers

**by Jean Daum**

Coffee News® World Head Office



## *About the Author*

Coffee News® is the brainchild of Jean Daum, an expert in not only advertising itself, but super-learning and subliminal techniques as well - many of which she designed and researched herself to make Coffee News® one of the most potent, yet most affordable sources of advertising ever produced. Previously a successful "maverick" newspaper publisher - which reversed an 80% failure rate of new businesses into an incredible 80% success rate in her community, Ms. Daum wasn't satisfied with that. She went on to develop an advertising medium that was FAR LESS expensive for new advertisers, yet JUST as potent. Ms. Daum launched the first Coffee News® in 1988.

Twelve years later, Coffee News® is now published across Canada, in most USA states as well as Mexico, Venusuala, U.K., Spain, Singapore, Australia, AND COUNTING!! With an unheard of, 1853% growth rate over three years - and climbing, one thing you can be SURE OF - COFFEE NEWS® WORKS!!!

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# *Introduction*

This booklet was compiled for every businessowner who has ever advertised, is rethinking their advertising strategy, or looking into advertising for the very first time.

On average, we each see over 3,000 different commercial messages daily. Advertising is everywhere. And as the following story illustrates, businesses must be more savvy than ever with how they present themselves and spend their ad dollars. Most small and medium-sized businesses are very poorly served by print, radio and TV advertising because of the simple fact that in order to reach the people who are potential customers, they have to buy at least four or more times the circulation they need. Even direct mail, which does allow them to choose their own circulation, can be very expensive.

Enter *Coffee News*<sup>®</sup>. Your neighborhood business NEEDS neighborhood coverage, and there's very little, if any, advertising media that allows you to target your advertising dollars so precisely, so effectively at so much less cost. *Coffee News*<sup>®</sup> manages to reach the highest and most potent concentration of potential customers of ANY media -- for a fraction of the cost!

# The Story of Two Hairdressers

I once had a community newspaper I called the "Suburban", and in one particular issue in 1983, I had two hairdressers - who happened to be right across the street from each other - advertise exactly the same perm special with the same quarter page ad size. They also paid the same price for their ads.



The first hairdresser was Unisex Scissors, who had been at the same location ten years and who had an ad budget that allowed them to buy one quarter page ad once every three months or so.

The other hairdresser was a new franchise called Singleton's - just two years in business before they opened

up their new location in the suburb of Charleswood, right across the street from Unisex Scissors. They had been there one month before advertising in my newspaper.



During Singleton's two years in Winnipeg, they had advertised quite extensively on TV, radio and paid circulation newspapers - especially when they were first introducing themselves to Winnipeggers. By the time they opened their Charleswood location, they already had at least eight locations compared to Unisex Scissors' one location.

The results from both ads were real eye-openers for me. The graphics and context of both ads were equally good, so the only thing different was their previous advertising.

Unisex Scissors got thirteen coupons back from their ad and they were

thrilled with the results. The thirteen perm sales not only paid for the ad but gave them more profit than usual since one or two people using the coupons were brand new customers.

Singleton's got FOUR HUNDRED and THIRTEEN coupons back and they were only mildly pleased with the results!

I, of course, published Singleton's results in my newspaper as an example of the results you could receive by advertising in it. It was only years later I realized that Singleton's did not get their four hundred thirteen coupons returned from my paper alone. That ad just stood very, very high on the shoulders of EVERY OTHER Singleton's ad, read or seen by every one of my readers. Singleton's had done an excellent job marketing their concept and now were reaping such huge rewards.

Every \$100 spent on advertising returned a MINIMUM \$5,000.00 profit to the Singleton's Corporation. Unisex Scissors - although very happy with the ad results - got \$100 or so expense paid profit from their \$100 investment - after being a neighborhood hairdresser for TEN YEARS!

Was Singleton's a better hairdresser

than Unisex Scissors? NO! They just made people BELIEVE they were better. (In fact, I found out years later as well that the “Special Singleton’s Way of Cutting Hair” was the SAME training EVERY hairdresser gets. Singleton’s just made it “appear” as if it were only available to Singleton’s-trained hairdressers.)

## *What Can We Learn from this Example?*

### **Lesson 1**



Every new business has the potential to be a Unisex Scissors or a Singleton’s or anywhere in between or beyond.

### **Lesson 2**



It’s not who or what you are that determines success or failure. It’s who or what you “appear” to be in the eyes of people who are your potential customers.

### **Lesson 3**



No ad ever works alone! All ads generate results compounded by

all the previous advertising you've done. As with Unisex Scissors - even ten years of quarter page ad every three months only brought them to a level of \$100 net profit per \$100 spent.

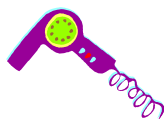
Too much time between ads robbed them of most of their "residual effects" while Singleton's went from being unknown to \$5,000 net profit per \$100 spent advertising results in only two years.

## Lesson 4



Brand new businesses are starting from square one - no residual effects whatsoever - so YES, you are NOT going to get your investment back on your first few ads - especially if you allow your advertising to get too cold. (This is why most small advertisers think advertising just doesn't pay.)

## Lesson 5



Find your niche and make a pest of yourself! Do not let your potential customers go even a week without saying "Hi - here I am!" in as many fun and creative ways as you can. You do not win

friends - or customers by being a "serious, business only" person. And you do not win friends or customers by coming on hot and heavy and then disappearing for three months - until you are hot and heavy again.

## Lesson 6



When asked who your potential customers are - do not answer "EVERYBODY!" That's the easiest way to go out of business - trying to reach "everybody" with every kind of advertising that presents itself at your door. After all, how many friends would you keep if you wanted to have one hundred close friends? You would lose most because it is not possible to properly keep in touch with all hundred on a weekly basis.

The same is true of customers - but on a larger scale. Be choosy and do not waste money advertising to the "entire city" when your only truly potential customers live usually in a radius of "two miles toward and one mile away from city center" - which is true for MOST stores and businesses with one location.

If there are more than one location, the same radius rules apply, but if the customer is expected to buy less than once per year, the radius must be increased. In this case, the purchase is termed a “special” purchase and the radius can be increased up to a maximum of about thirty miles. For example, a new car dealership can advertise high-end new cars at a “drive a little, save a lot” price.

## Lesson 7



Decide when you begin just how big you want to get to plan your advertising accordingly. Singleton’s started with one salon for about five to six months. Once they were happy with their concept’s effectiveness, they already had the potential locations, staff, research, advertising and investment IN PLACE to make full use of their city wide advertising.

They hit hard and often and did not let up until about three years into the business when all the salons had built up regular clientele, needing only occasional boosts to business. (Although additional salons could have been

established, there is a saturation point and no salon can deal with 100 regular customers who could not get an appointment at full price for all the people booking appointments on a “half price offer” from the Head Office.)

## Lesson 8



Just as an update, Unisex Scissors went bankrupt in 1989. Singleton's is still thriving although they still only have to advertise once a month or so. It used to surprise me that they hadn't bothered spreading to other cities. I've since learned it's all a question of how much of your free time you're willing to give up in favor of much more money a couple of years from now.

Maybe it's also important to set your limits in that way too. After all, you are working for YOU and YOUR quality of life - NOT your heirs!

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# Summary

1. You determine how small or how large you want your business to be.
2. How you appear to be in the eyes of your potential customers determines your success or failure.
3. No ad works alone! Advertise often to take advantage of the residual effects of your advertising.
4. You are not going to get your investment back on your first few ads -- until you've advertised long enough to enjoy the residual effects.
5. Find your niche and keep yourself in front of your potential customers as often and as creatively as you can.
6. Determine who your potential customers are and advertise exclusively to them.
7. Plan your advertising according to your vision for your business.
8. Know your limits -- and be prepared for the results.



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