



### Business Development Ideas to Help You:

- ◀ Make \$1,000,000 to \$5,000,000 Every Year
- ◀ Dominate a Market/Eliminate Competition
- ◀ Triple the Value of Your Business



## Don't Rely On The Opinions Of Advertising Agencies Alone

Before we start, let me say that this article, while strongly worded, is not intended as an attack on every individual ad agency or ad sales person. For those few ad agency folks for whom this does not apply, you know who you are and so do your clients.

However, this article is intended to make an important point. In fact, you might even find it to be a pretty unusual position for a marketing consultant to take. But our job isn't to sell you advertising; it's to help you do your marketing and advertising in an intelligent, well thought out manner. Unfortunately, the vast majority of advertising agencies and advertising salespeople do not share this agenda. In some cases, even though they might mean well, their business model often does not lend itself to the overall best interest of a client.

Here's what I mean. Do you know how advertising agencies make their money? Most of it comes from commissions they receive from advertising media when they place your ad. So let's say that they write a radio commercial for you and then turn around and buy you a \$10,000 block of ads on one station. The ad agency will typically receive 15% - in this case \$1,500 - from the station for placing the ad. Whether the ads that they wrote for you work or whether they bomb, *the agency gets paid just the same*. On the other hand, if the ads don't work, you are out of luck. Based on what you've read in our newsletters, even if you've never done a thing in advertising before today, you already have more knowledge about how to make money with advertising than most ad agency people, regardless of how long they've been in the business. If this were not so, ad agencies wouldn't continue to churn out the mindless gibberish that they do every year.

Remember this: advertising and marketing are the lifeblood of your business. Don't treat it lightly. Don't hand it off to someone who's more concerned about their ego or their personal pocketbook than your bottom line. Your advertising and marketing have the potential to impact your business - for better or for worse - more than any other aspect of your business. Think about it. Let's say you place an ad that costs \$2,500. That ad is going to cost you the exact same amount of money whether it generates \$100 of business, \$1,000 of business, \$10,000 of business, or 10 times that. The investment is identical! **You spend the same money for potentially vastly different results.** If you can get the results up, you've just massively

leveraged your ad dollars. No other part of your business offers that kind of leverage - only advertising and marketing.

We have a client that sends about 250,000 pieces of mail a month. It costs over a hundred grand a month to send that out. Before we came along, they were pulling about .45% response - meaning 45 out of 10,000 people would respond. We've gotten that average up to .71%. You might think that doesn't sound like much, but it means an extra \$330,000 in their pocket every month - most of which is profit. See, that hundred grand is spent and gone no matter how many sales it generates.

Hear this loud and clear: ***Your ability to make money hinges on your ability to advertise and market your business in an effective way.*** That's why you're reading this article. Please don't leave such important decisions to an agency whose goals are totally different than yours. Oh sure, if you ask them, they'll tell you that they want you to make money. There's some truth to that...you're less likely to FIRE them if you think they are getting results. The place it gets really murky though is, even if it looks like you are getting some kind of results, it's very rare to hear an agency talking about improving the quality of the program within the same budget. It's rare to get much focus on the efficiency and effectiveness of the program and how to optimize your results. What you are likely to hear is, "Since you are getting some results, let's just increase the quantity of your advertising and spend more money." Because in the final analysis, the more ads you place the more commission they make.

So that's the spiel on advertising agencies. Pretty strange advice coming from a marketing consultant, isn't it? But again, our job isn't to sell you advertising; it's to sell you on doing your marketing and advertising in the most effective manner.

If you'd like to be better armed to avoid the trap of traditional advertising, then simply respond to this email with the words "**MYM CDs**" and provide your contact information. I'll send you a free copy of our CD program "Monopolize Your Marketplace." Our program is completely non-traditional and it's packed with valuable marketing ideas...ones that actually work.

**This Value Building Strategy was brought to you by...**

Michael K. Sipe  
(831) 438-9200

**Free CD Program:**

The Monopolize Your Marketplace CD program is packed with valuable marketing ideas like the above and it's yours FREE for the asking. Just call us or send an email to [Mike@Private-Equities.com](mailto:Mike@Private-Equities.com) with the letters "**MYM**" in the subject line and we'll send you the program.

**If you have enjoyed this Newsletter** - please feel free to forward it to a person who might find it beneficial.

**If you're not a subscriber** and would like to sign up for the FREE "Monopolize Your Marketplace" newsletter and learn how to "Separate Your Business from the Competition." Simply call us or send an email to [Mike@Private-Equities.com](mailto:Mike@Private-Equities.com) with the words "**Subscribe to MYM**" in the subject line.

Copyright © 2004 Y2Marketing and Private Equities except where Indicated otherwise.  
All rights reserved worldwide.