

# Does Your Advertising Work?

By Donald Anderson. MA, MBA



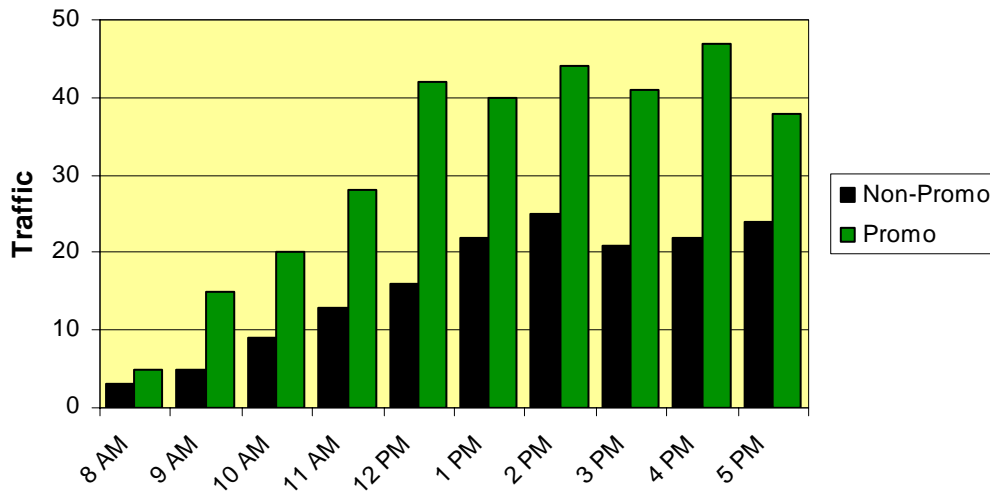
Few and far between are the retailers who don't spend a significant amount of money on promotional advertising. In fact, it is one of the truisms of the business that advertising leads to increased sales. And with sales being the goal, it's not surprising that sales are also the usual measure. We drop a flyer, and at the end of the promotion period we look in the till to find the result.

While the desire to increase sales is certainly the motivation behind advertising, the relationship between advertising and sales is not necessarily a direct one. Just about every retailer will remember a promotion like this at one time or another: an event was launched, the store was definitely busier than normal, but at the end of the day the sales total was not much higher than normal. Conclusion: the promotion didn't work.

Or did it?

The problem with using sales as the sole measure of advertising effectiveness is that sales is the end result of a long chain of processes, of which advertising is only one. And quite often, that focus on sales results can lead us to some erroneous conclusions.

Imagine, for instance, a promotion that saw sales increase by only 3% -- a modest result, certainly, and one which likely did not recoup the associated advertising cost. Failed advertising? Before making that conclusion, let's look at the traffic patterns that day and how they compare to the average non-promotional day.



In this case, it is quite apparent that the advertising was successful at generating customer traffic, which doubled during the promotion. While we still didn't see the desired sales result, we now have to ask ourselves what went wrong. Clearly, the advertising itself was successful. But was the store staffed appropriately for this level of traffic? Was the store properly merchandised? Was till availability a problem?

These are the right questions to ask. But without knowledge of traffic patterns, it's all too easy to conclude that our advertising isn't working, when it really is. And knowing this is a big step forward to ultimately solving the right problems.

*Donald Anderson is a managing partner at HeadCount Corporation ([www.headcount.com](http://www.headcount.com)), a company providing retailers with traffic counting and reporting services. He can be reached at 780-463-7004 or by email at [dona@headcount.com](mailto:dona@headcount.com).*