



PLANNING YOUR AD BUY: A Small Business Guide to Advertising Success

For many businesses, the ups and downs of the pandemic have shaken faith in long-term planning. Whether it's your growth goals or your overall business model, the lesson we've been learning since early 2020 is that, as much as we'd like to predict the future, there's value in building an agile and flexible business.

As a result, businesses might be tempted to take the same approach with their advertising strategy. If agile operations and a wait-and-see approach works for other aspects of your business, why wouldn't it also benefit your ad campaigns—especially when it comes to maximizing ROI? In this case, though, a lack of long-term planning can actually end up costing your business money, reducing your overall ad reach in ways that can have long-term consequences.

Ad inventories are not infinite. When you're able to identify ad buys that meet both your targeting goals and your advertising budget, the costliest thing your business can do is leave these inventories available to your competitors. Annual ad buys are the best way to stabilize your short- and long-term advertising strategy, locking down valuable inventories that you can utilize as needed over the course of the year ahead.

Yes, the future is unpredictable. But a long-term marketing strategy that prioritizes annual ad buys can create new efficiencies in both ad planning and buying for your business, reducing your resource expenditure while locking in ad space at a great rate. Even as short-term volatility remains a risk for your business, you can give your brand stability by leaning away from reactionary tactics, and instead investing in an ad strategy that offers consistency and cohesiveness in the year ahead.

Don't let short-term concerns cost you long-term revenue. Read on for our guide to maximizing ad performance and value through annual ad buys.

IN THIS GUIDE:

- Learn the benefits of placing an annual ad buy
- How to analyze past advertising performance
- Key steps to plan your annual ad buy
- How to get started
- Evaluating your ad buy effectiveness



The Benefits of Placing an Annual Ad Buy

Businesses, like consumers, assume there's risk in making long-term commitments. This is especially true in advertising, where too many business leaders are inclined to view ad spending as a line expense—which increases the company's overhead and narrows its operating margins.

If your business has been hard-hit by the pandemic, your sense of instability is even stronger. But these short-term commitments and reduced ad spending are actually giving you a false sense of security. Since successful ad campaigns are revenue-generating activities, cutting back on advertising also reduces your revenue generation. As a business leader, your goal is to maximize the difference between your ad spending and the revenue coming from those ads. While optimizing ad performance is one way to raise the ceiling for revenues, you can also increase your profit margin by reducing the cost of those ad campaigns.

That's where annual ad buying flexes its value. When you commit to annuals, your business can leverage the following benefits:

- **You're able to secure quality ad inventories at lower rates** than what's available for short-term campaigns. Media prices are based on supply and demand, so getting in early is key to securing the best pricing and availability.
- **Early buys secure inventories and help you avoid sellout situations.** When inventory supplies decline, prices go up—and in some cases, you might simply not be able to secure the inventories you consider most valuable.
- **The ability to negotiate.** When buying annuals, you may be able to negotiate bonus opportunities for your annual commitment, such as supplemental ad products that may increase the total value of the package.
- **Flexibility in how you advertise.** While annuals secure long-term inventories, you don't miss out on flexibility by making this commitment. Most media vendors will offer leeway for schedule and budget changes if you give them enough notice, so you can adapt your strategy over the course of your ad agreement. In most cases, you also have the right to cancel your agreement by giving a two-week notice.
- **Reduced time commitment when managing ad inventories.** By purchasing annuals, you avoid constant inventory searches and bidding. This saves your business time and lets you plan ad campaigns around the inventory you've already secured.

Before You Start: Analyzing Past Performance

Unless it's your first time investing in business advertising, the process of planning annual ad buys should always start with reviewing your performance from the prior year. Whether you've used annuals in the past or you've relied on other ad strategies to grow your business, it's critical to reflect on your past year's successes and misses, identifying both the shortcomings in your ad performance, as well as strengths you can lean into in the year ahead.

Ask yourself the following questions:



WHAT WORKED?

- Which ad campaigns and/or channels delivered the best results?
- Which performance metrics seem to have the strongest correlation with revenue generation and achieving business goals?
- Where did your business receive the most engagement from your audience?
- Which channels were most effective at converting new customers?
- What types of messaging did you use in your ad campaigns? How did each type of messaging perform?
- What successes surprised you most? Which channels, if any, exceeded your expectations?



WHAT DIDN'T WORK?

- Which ad channels delivered the worst ROI?
- Which results and/or performance metrics were most disappointing?
- What is your best explanation for poor advertising performance: Poor targeting? Ineffective channels? Overpaying for ad inventories?
- Which types of messaging were least effective at driving engagement?
- How can you optimize poor performance? What changes might you have made that would have improved advertising outcomes?
- If you could redo last year's ad campaigns, which ones would you eliminate? Which ones would you increase your spending budgets for?

Once you've identified these strengths and weaknesses, you can approach the next year of ad planning with a goal of leaning into your past successes, while testing out new solutions to the aspects of your strategy that underperformed.



5 Key Steps for Annual Ad Buy Planning

While you have flexibility in how you leverage your annual ad buys, your business will get the most value from your campaigns by taking a step-by-step approach to planning out purchases that align with your advertising goals.

Looking for guidance in that step-by-step process? Here's how to set your annuals up for success.

1 Identify Your Target Audience. What customers and prospects do you want to reach through your advertising strategy? Build a profile of these targets by determining their age, gender, income level, and media habits. Whether you're targeting one persona or several audience profiles, these data points can help you identify inventories that will help you reach your target consumer segments. This information will ultimately help you invest in annual ad buys with confidence. Once your target audience is identified, you can prioritize advertising spending that reaches out to your ideal, most profitable customers—increasing the potential ROI for your campaigns.

2 Establish Media Objectives. Effective ad campaigns are always aligned with business goals. Is your business looking to increase brand awareness in its community? Are you focused primarily on acquiring new customers to grow your business, or are you hoping to use ad campaigns to attract new customers while retaining your existing ones?

A clear understanding of these goals is the first step in planning ad buys that enable your advertising to deliver your desired results. Once you know the specific goals you're pursuing through your ad campaigns, you can then identify performance metrics that will help you define success and measure results.

With goals and measurement strategies at your disposal, you need to set realistic expectations to gauge your performance against those results. If you're advertising for the first time, these expectations aren't as important, since you're setting a benchmark with your first campaign and can plan to make enhancements to your strategy going forward. But even if you're a seasoned advertiser, you can turn this goal-setting into a tool that helps you reach short-term goals while also uplifting your long-term strategy.

3 Determine Media Mix/Media Channels. Small business owners and marketing leaders often fall into an all-too-common trap: they create advertising that appeals to themselves, rather than their customers. Personas are essential for their ability to help you create customer-centric ads that leverage the channels that will help your brand connect with that audience.

A good media mix can be developed by accounting for the media channels that have delivered the best engagement and ROI for your advertising in the past. But an optimized media mix is an ever-changing organism: to stay on top of marketing opportunities, you'll need to pay attention to marketing performance metrics while also keeping an eye out for new channels and trends that could change the ideal makeup of your media spending.

As media channels and consumer behaviors evolve, today's best practices may not apply to tomorrow. What worked for your business in the past may not be as effective today.

4 Determine Your Budget. Every organization has to manage its advertising within established spending limits. For most businesses, it makes sense to design these budgets as a fixed percentage of your gross sales or gross profit. The U.S. Small Business Administration recommends dedicating seven to eight percent of gross sales to your small business marketing campaigns, although some businesses may go higher if they're looking to push aggressive growth.

Once this budget is set, you can shop for annual ad buys that fit your budgeted limits. These annuals can help you stick to your budget by locking in set rates and stopping your organization from buying ads based on emotion in the future—which can push you over-budget while also reducing your advertising efficiency.

By treating your media as a fixed expense, your business will be less inclined to change your media strategy in ways that can chase short-term results at a long-term disadvantage to your advertising strategy.

5 Plan Ahead. Give your business the resources it needs to drive success throughout the calendar year. This includes accounting for seasonal ebbs and flows through budget-minded planning. Secured ad inventories can also make it easier to establish reasonable workflows to execute all campaign elements up to your standard.

For complex elements such as digital video or website creation, annual ad buys can provide weeks and months of runway to ensure these projects are completed without compromising quality. With short-term ad buying, these timelines aren't always feasible, which hurts your overall advertising products. Annuals can turn this long-term planning into a new source of value for your organization.

How to Get Started Planning Your Annual Ad Buy

Given the size and significance of annual ad buys, you want to make sure you're planning and purchasing this inventory the right way. While there's great value to be gained from annuals in your advertising strategy, your performance and ROI can suffer if you overpay for inventories or purchase annuals that aren't aligned with your business goals.

A trusted media partner is your best way to make sure you use annuals to set up long-term advertising success. You're an expert in whatever industry your business operates; media professionals are experts in theirs. An established company like Cox Media has access to industry-specific research tools and detailed analytics to help you make informed decisions and maximize the value potential of your annual ad buys.

Cox Media also offers a robust product suite, which allows you to consolidate media vendors and optimize campaign performance to improve both your ad buy and your utilization of that ad inventory. By aligning ad campaigns with business outcomes and tracking performance metrics to improve results, our team of experts can grow the value of your advertising over time and turn annual ad buys into a high-yield investment that grows revenues for your local business.

Evaluating Effectiveness to Empower Long-Term Success

Annual ad buys give your business a long runway to test campaigns, monitor performance, and fine-tune your ad strategy to achieve even greater gains down the road. With this long-term investment behind your ad strategy, your business should take the time it used to spend on constant ad buying and bidding, and instead leverage media partner relationships to monitor and optimize your ad performance on an ongoing basis.

From your marketing mix to your messaging to any other element of your ad strategy, your business should track campaign performance in relation to established business goals to understand the effectiveness of your ads—and to identify ways you might be able to push performance benchmarks even higher.

This incremental and ongoing improvement is key to turning annuals into an engine of long-term business growth. While the process might be intimidating to small business leaders, a trusted media partner can guide you through this process so you can focus on what you do best without compromising your ad strategy.

As you plan the year ahead, annual ad buys can give you the stability and long-term inventory you need to maximize the value of your advertising budget. Don't get caught in an endless cycle of short-term ad buying that charges a premium rate and saps your business resources. Contact Cox Media today to lay the foundation for sustainable success.

CONTACT US TODAY TO GET STARTED
1.855.755.2691

