

The High Value Advertising Formula

If you want to attract the type of customer who is sophisticated enough to understand that a higher price can be well worth it if they get genuine value, you must use advertising to project that high value, higher price stance.

Right now your advertising is attracting a specific type of customer whether you realize it or not. The first place to start when designing a high value ad is:

Don't sell the *thing*.

If you are just selling your product or service and no other benefit to the customer you are putting yourself in the trap of being a commodity where the cheapest price wins. If customers see no difference and no benefit in choosing one business over another then they would be foolish paying more money for the exact same service or product.

A lot of business owners complain that they are in a market where customers always only care about getting the cheapest price. In any market, any business category, there are businesses that are at the highest price. I've seen several situations in which 2 business owners are in the same industry, one is convinced that they are only selling a commodity for the cheapest price and the other is selling in the same market at a much higher price.

To price yourself at the high end of your market you have to add things to the product or service that are more important than just the lowest price.

Here are some high value ad campaigns for 6 different businesses.

1. Jewelry Store

There are a few different types of jewelry purchasers.

As a husband I've spent a few anniversary nights in the mall looking for a gift that my wife Val would like. It was a night of going between stores wondering what she would like and guessing if the new jewelry was too similar to the other pieces she already owned.

If I would have seen an ad like this:

Use our annual reminder service to never rush for a last minute gift.

Picture this: a jewelry store that helps me pick a purchase for my wife. When I make the purchase they take a digital photo of the item and keep it on file. They phone me a few days after the anniversary and ask how my wife liked the gift.

360 days later they call me and email me a couple of gift choices that match last year's piece. They will give me a couple of price range options and will have the item gift

wrapped and boxed. They will even deliver it to my office so I don't have to fight the mall.

From the jewelry store clerks I saw standing around in 3 different stores, there is time to deliver if they want to.

If I had a jewelry store I would rather have a list of 200 people to remind than be waiting around for people to wander in because I have a 40% off sign in the window.

Don't sell jewelry, it's just a thing. Sell the convenience of buying and giving jewelry.

OK that's the basic principle behind the high value advertising formula

Let's transfer it to 5 other businesses.

Keep in mind the high value advertising formula requires that you reinvent the business. A lot of business owners are too lazy or distracted to do the extra things to reinvent the business. I agree, adding on extra services is a pain. But being broke and fighting for scraps of customers with competitors who offer the exact same thing is a much, much bigger pain. I'd rather suffer the pain of reinvention.

2. Residential Painter

Instead of the "we paint 3 rooms for \$99" approach, let's try this.

Why just get a painter, when you can get a painter and your own interior decorator to suggest 3 colors for your rooms and try them on your walls first to make sure which one you like best?

If you've ever had to choose new paint colors you know how much of a hassle it can be. You choose a color that looks good in the store and buy it and then it doesn't look right on the wall. You can eliminate that risk for people and give them the snob appeal of having their own "decorator" to restyle their place. The decorator could come along for the quote or for the actual painting day. A smart decorator would probably be very receptive because they would probably pick up a lot of other decorating clients by being exposed to them.

Most interior decorators are probably sitting around waiting for the phone to ring anyway, they may as well be in front of potential clients showing off their skills.

3. Auto Repair

Instead of just fixing cars, fix cars for busy people who need their car and value their time.

An ad that says:

Where we fix it wash it, and vacuum it every time. We'll even pick it up and deliver it to your home or office.

Yes the vacuuming and delivery is an extra step. But it's better to do that than have 2 mechanics on the clock and an empty service bay. I had a mechanic who asked me for consulting advice and when I told him this he said how much work it was and didn't do it. Instead he likes to read the paper when it's slow and talk about how bad the economy is and how cheap people are.

The new ad appeals to a totally different type of customer than one looking for the cheapest price.

If you've ever been stranded without a courtesy car or worse had a courtesy car to drive but you hope no one sees you driving it you know what I mean.

4. Accountant

I just got a newsletter from my local Chamber of Commerce. There was an accounting firm advertising for new clients. Their ad was pretty much what you would expect. A list of accounting qualifications, the types of services they offer and the line that says reasonable rates.

The reasoning of the accounting firm is that new businesses don't have a lot of money to spend on accounting since they have just started up. They think that attracting people by advertising "reasonable rates" is what they should do.

The problem with that reasoning is that you are only attracting customers that will choose you on price. If you are \$50 per hour and a friend's brother in-law fresh out of school will do their accounting for \$35 per hour then you have just lost a client.

Here's a different approach. What do most start up businesses need?

What is more valuable than just price?

Small businesses usually need some financing and a good line of credit to generate cash flow while paying their fixed expenses.

In fact studies show that over one third of new businesses are funded by the owner using cash advances from personal credit cards. I've done it to get started and I'm sure some of you know exactly what I'm talking about right now.

Let's say that ad in the Chamber of Commerce newsletter sold accounting services this way:

The accounting firm that helps your new business get bank financing, lines of credit and the respect of your bank manger.

“We prepare accounting and financial statements for new businesses that will help you look good to your banker, increase your line of credit and get commercial credit for your business.”

“We will prepare your financial statements properly from day one to make them bank financing friendly. We'll help you fill out line of credit applications with your bank and even come to the bank with you to meet loan officers if needed.”

If someone has used a personal credit card at 18% interest and you can help them get a bigger business line of credit at 9% interest you have just solved a major problem for them.

How much is this newly positioned accounting service worth: \$50 an hour \$60, \$80?

Who knows? You have just created an environment where you are no longer selling the thing. If you solve a problem you can charge more. You will also have more loyal customers that will stick with you and be blind to other low price offers.

Yes, I have a chip on my shoulder about bankers still as you can tell from the introduction of the book. Hey, if I could have had an accountant like that 10 years ago to get financing from the bank, I could have grown the business faster.

5. Veterinarian

If you've ever had a sick pet you know how hard it is to drive them to the vet. If you have ever had a pet throw up in your car, then you really know.

There are several time that I would have been much happier to have a vet come to my home instead of going to the office and sitting in the waiting room with everyone else's pet.

How about an ad that says:

Don't move your sick pet, we do house calls

I know a few people are already saying: "wait a minute; even if you charge more it may not be practical to send the vet on the road between houses because they can't see as many clients."

Yes, that can be an issue in some businesses if you are selling time and the services of a specific individual. Some creativity may be required. What if you had mobile vet "nurses" that did the summary diagnosis and if they needed more serious care they could refer them to the vet back at the clinic, maybe even transport them in the vet "ambulance".

You can leverage abilities if you are creative. Several dentists have 4 chairs going with hygienists while they circulate to do final check ups and high level work. Think of this possibility if you are in a personal service business.

6. TV Repair.

I had to take a TV to a repair shop once. TVs are heavy and of course you never have the original box, so you'll probably bust the thing for good by the time you get it to the shop.

Free pick up and delivery is a good idea but not that earth shattering.

Instead of an ad that says:

TV Repair All Makes and Models

How about an ad that says:

We'll loan you a 42 inch flat panel TV while we fix your set.

This approach requires some investment and potential deposits from customers but it also has a built in feature. If someone has a flat screen for 2 weeks and they find out their old set is not worth fixing, what percentage of people would take a gently used loaner set at a discounted price?

It is in their house already and they know they like it. The approach makes it easy to say yes. This type of selling is called the "Puppy Dog" sale. If you drop off a puppy at a house with children for the weekend how many will want to give the puppy back?

So there are 6 examples high value advertising approaches. There are high value approaches for hundreds of businesses. Don't focus on selling the "thing". Use some creativity and the "Open Hand" and you will attract the type of customer that will gladly pay more.