

**SPECIAL REPORT #1**

# **Why Your Advertising Never Makes You Money**



Presented by  
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## Why Your Advertising Never Makes You Money.

- **Why 90% of today's ad campaigns are a total waste of money ...**
- **How Madison Avenue sleight of hand turns savvy business people into drooling morons ...**
- **The four things every ad MUST accomplish to be successful ...**
- **A great opportunity for copywriters – in a place you'd never even THINK of looking ...**
- **Much more!**

By Clayton Makepeace,

Billion Dollar Marketer, Publisher and Editor, [The Total Package](#)

Dear Business-Builder,

Sometimes I wish I had gone into advertising instead of direct response marketing.

I can see myself nestled in a posh Madison Avenue corner office, hauling down six figures a year, creating beer-swilling frogs, taco-eating Chihuahuas and other madcap characters ...

... and of course, *personally* casting ads in which scantily clad babes with legs up to here and bushels of bouncing booty and boobage cavort in soapy slow motion!

I can see myself being worshipped as an "advertising genius" for this "brilliant" work ... getting huge bonuses and promotions ... winning armfuls of creative awards ... and getting my smiling face plastered all over the cover of Ad Age.

The best part? Knowing that nobody will ever ask the question, "... But do his ads *work*?"

Unfortunately, I didn't take that route. Instead, I wound up in direct response marketing – where every order and every penny generated by every ad, every direct mail package and every Internet



campaign I create is carefully tracked.

Within a few weeks, days, or – in the case of TV and Internet promotions – a few hours, everybody knows whether I’m a genius or a hack.

If my client puts \$500,000 in the mail, he expects at least \$500,000 in net sales back – PLUS ten thousand or so new customers. If my copy does that for him, I’m gold.

If not, I’m a schmuck – and if I ever tried to convince a client that my bomb of a promo enhanced his “brand awareness” or “image,” he’d probably think I’d lost my mind.

That means I don’t have the luxury of sacrificing proven sales-boosting techniques on the altar of creativity. Every promotion I create must accomplish all the things that are necessary to do in order to make the sale.

But most of the ad campaigns created by major ad agencies are NOT trackable. And that simple fact is now creating some of the worst advertising ever produced ... costing American consumers a fortune ... and is at the root of what I am convinced is the greatest scam ever perpetrated upon U.S. corporations.

### **How advertising “experts” turn brilliant CEOs into drooling morons**

Imagine this: You’re the CEO of a major corporation – in this case, a brewery.

As the CEO, your prime directive is quite simple: Your bosses – the Board of Directors and your stockholders – demand that every corporate dollar you spend produces a positive return on investment.

You’re good at what you do. By producing a superior product and pinching every nickel until the buffalo squirts, your company has become the most successful in its industry and your market share is still growing.

Then one day, a guy from a major New York ad agency shows up in your office. He has bad news for you.

“You’re doing it all wrong,” he says.

“What do you mean?” you ask.

“Your advertising,” he says. “Your ads just drone on and on about how delicious and refreshing your beer is – and how superior it is to everybody else’s.”

“So what’s wrong with that?” you ask.

"No frogs." the adman says.

"Frogs?"

"Absolutely. Fat, ugly frogs on lily pads in the middle of a mosquito-infested swamp, all croaking your product's name."

"Will that sell more beer?" you ask incredulously.

The Madison Avenue wizard waves his hand slowly before your eyes. "You don't care if it sells more beer," he intones.

Your eyes glaze over and, in a trancelike voice, you mindlessly repeat after him: "Sales ... not ... important ... "

You can feel yourself slipping under his spell – the Madison Avenue version of the Jedi Mind Trick – but somehow, you marshal enough self-control to blurt out another question: "But ... how will I know if these frog ads are a good investment?"

Another wave from the adman: "You won't know ... and you don't care."

"Return meaningless ... don't care ..." You hear the words coming out of your mouth involuntarily as if someone else – a crazy person – were saying them.

You gather every remaining ounce of strength to ask your final question: "How ... much ... for ... the ... frogs?"

The ad wizard waves again, this time a double whammy – with both hands: "You don't care how much it costs ..."

The double whammy does the trick. You are completely under the wizard's spell.

As you surrender, your eyeballs roll back in your head ... a drop of spittle appears at the corner of your mouth ... and you hear yourself chanting, "Sales meaningless ... investment return meaningless ... profits meaningless ... just ... need ... frogs."

Next thing you know, you – the Harvard MBA ... the hard-boiled businessman who fought his way to the top of the corporate ladder ... the CEO who, in every *other* area of business demands that every penny spent produces a trackable, measurable, positive return on investment ...

... YOU are signing the check for a new \$50 million ad campaign, complete with butt-ugly frogs.

### **Fooling All of the People, All of the Time**

The next morning, you awake with a hangover – and a severe case of buyer's remorse.

Where are you going to find the courage to face the Board and tell them you just blew \$50 million on an ad campaign – and you have *no way on Earth* of knowing if that fifty mill was a brilliant investment or money down a rathole?

“Well,” you try to tell yourself, “if sales go up, that means it’s working – right?”

Alas, you know better. You know that sales can rise for lots of reasons: Maybe it’s a heat wave in the South that’s making people thirstier. Maybe it’s a major competitor’s distribution problems causing his customers to buy your products ... or maybe it’s just that his new ads sucked worse than yours did.

Heck – for all you know, your sales would have gone even higher if you had been running your old ads ... or, for that matter, no ads at all! (Hey – when Israeli doctors went on strike a few years ago, the national death rate declined: How do we know that the U.S. GDP wouldn’t double if Madison Avenue went on strike?)

Of course, you reason, if sales go down, you can always blame *everything but* your ad campaign. Shoot: You could even claim that if it weren’t for those frogs, sales could have fallen even farther!

The fact is, since there’s no way to track each purchase back to its source, you will never know if you made a good investment or not. ... And therein lies your salvation.

Because nobody will ever know whether your \$50 million advertising decision was a good one or bad one – not you, not the Board, and certainly not your stockholders!

### **Advertising is Never Having To Say, “I’m Sorry.”**

Do you think – even for a minute – that the slick admen and adwomen on Madison Avenue are oblivious to the fact that they are NOT being graded on the sales they produce?

Do you think most of them *even care* if they increase their clients’ sales and profits?

If you answered “yes,” to either question, please give me a call. There’s a nice bridge for sale not too far from my office!

If you need proof that much of the junk passing for advertising today is little more than a scam, grab a yellow pad and a pen ... turn on your TV ... and after each ad, answer these four questions:

1. “Did the ad make me crave this kind of product?”
2. “Did the ad explain all the reasons why this brand is the only one I should consider?”

3. "Did the ad make me feel as though it's urgent that I buy this product now – or at least soon?"

4. "Do I have everything I need to know to make the purchase?"

I'll be knock-me-down-with-a-feather AMAZED if 10% of the ads you see do all of the above.

And that means the poor schmucks who paid for the rest of the ads you see are being scammed ... bamboozled ... swindled ... played for chumps ... taken to the cleaners.

Ask a rational business owner, "Why advertise?" – and he or she will say, "To sell more products." I mean – why else would a perfectly pragmatic business person voluntarily give money to an ad agency?

But if you ask an adman or adwoman the same question, you'll get very different answers. One practitioner will explain that his job is to improve "brand identification." Another will say she's an expert at enhancing "brand image."

But ask the ad geeks why any business would want such a thing – or to provide statistical proof that their image enhancing, name-recognition ads actually increase sales, and you're likely to get a blank stare.

### **Madison Avenue just doesn't get it**

How silly can it really get? Here's a true story:

A few years ago, Nissan hired TBWA Chiat/Day and its creative director Lee Clow to create a series of commercials for its line of fine automobiles.

Clow presented the Nissan executives with some of the cutest, cleverest, most "creative" ads they had ever seen: Ads featuring toy action figures driving toy Nissan automobiles.

In one memorable commercial, a toy dinosaur dropped a toy soldier into a toy sports car. In another, a toy doll drove a Nissan out of a magazine ad and onto a real road.

As in my little flight of fantasy above, the ads were pure "entertainment-as-advertising." Not a single word was said about the benefits Nissan automobiles offer ... or why Nissans are unique – and therefore better than the competition. Nor did the ads suggest that viewers visit their local Nissan showroom or offer them any inducement for doing so.

No matter. The ads were "creative" – and that was all that mattered. *The Wall Street Journal* called the campaign, "... by many measures, the most successful TV commercial of 1996." Both Time and

Rolling Stone proclaimed it “the best ad campaign of the year.”

Creative Director Lee Clow was inducted into the Advertising Hall of Fame. The whole creative team was invited to appear on Oprah. Sony Pictures even made plans to turn the ads into a TV show series!

But there was just one teeeensy little problem:

As soon as the ads began running, Nissan sales CRATERED!

According to *The Wall Street Journal*, the month the “toy” ads debuted, Nissan’s sales fell 2.7%. The next month they fell 10.2% ... then 4.2% ... and then, 1.6%.

Meanwhile, the poor, unenlightened folks at Toyota – Nissan’s chief competitor – were still doing things the “old-fashioned” way: Trumpeting their products’ benefits ... driving home their Unique Selling Proposition ... positioning their products as head and shoulders above the competition – that kind of boring un-creative stuff.

And while Nissan sales went down the crapper, Toyota was doing a land-office business.

With sales falling off the proverbial cliff, Nissan dealers pouted ... then complained ... and then went into open revolt.

The company was deluged with thousands of telephone calls and letters from livid dealers, demanding that the company junk Chiat/Day’s ads.

... And that’s when Creative Director and Advertising Hall-of-Famer Lee Clow uttered the single stupidest thing ever said by any adman, ever, in the history of the universe:

*“That’s car dealers. They’re forever bitching about something ... There are always people that like to damn things that are new.”*

**UNBELIEVABLE!**

Clow clearly didn’t give a flying fig about sales. As a “creative genius” – an “artiste” – he couldn’t be bothered by something as crass as common commerce.

The fact that his ads were driving dealers to the brink of bankruptcy and forcing them to lay off good, loyal workers was meaningless to him. They were merely cretins, unable to appreciate the sheer genius of his creativity!

Fortunately, the folks at Nissan were a helluva lot smarter than the preening, self-obsessed Clow. They canceled the idiotic campaign and returned to old-fashioned ads emphasizing their cars’ features, benefits, USPs and positioning.

And sure enough – as soon as Nissan tossed Clow’s brilliant,

award-winning ads into the nearest trash can, the sales drought ended. Sales rebounded 10.7% in January and 15.5% in February.

*The Wall Street Journal* summed up the problem nicely:

"Not long ago, the conventional wisdom on Madison Avenue held that advertising was all about giving people a compelling reason to buy a product.

"TBWA Chiat/Day believed advertising could have a different goal: to create flashy images for a client and turn the company's name into a household name."

**"There is just one justification for advertising:  
Sales! Sales! Sales!"**

**-- John W. Blake**

Now, I'd *like* to report that Madison Avenue learned its lesson and is avoiding the whole "Advertising-as-Entertainment" and "Image-is-everything" fraud like the plague.

I'd *like* to tell you that these geniuses have learned what direct response pros have known for years: Benefits sell products. "Reason Why" copy sells products. Unique selling propositions sell products.

And most importantly, when "creativity" gets in the way of making a sale, it's not creative; it's just stupid.

But you watch TV. You read magazines and newspapers. And if I said something like that, you'd know I was lying my keester off.

The most tragic part of all this is NOT the fact that incompetent ad agencies are taking a bunch of gullible Fortune 500 fat cats and their shareholders to the cleaners.

Nor is it the fact that in the end, we consumers pay the price for their ignorance and arrogance in increased costs for every product we buy.

To me, the saddest part of all this is that the Madison Avenue misfits guilty of perpetrating this fraud are the rightful heirs of the greatest advertising geniuses the world has ever known.

The great men who *created* modern advertising – who founded many of the agencies that now pollute our airwaves and our printed pages with this pap – must be spinning in their graves!

Giants like John E. Powers ... John E. Kennedy ... Albert Lasker ... Claude Hopkins ... John Caples ... Rosser Reeves ... David Ogilvy and others taught us that the **ONLY** reason to advertise is to increase sales and market share.

And, they taught us that to accomplish its mission, advertising must *at the very least* ...

1. Create or intensify the consumer's desire and sense of urgency to buy the product – by driving home the tangible benefits it will bring to his or her life ...

2. Present compelling reasons why the product is unique and therefore superior to all others of its kind – and therefore the only rational choice for the consumer to make, and ...

3. Provide a way for the prospect to purchase the product at the first opportunity – either by ordering directly or by emblazoning the brand in the prospect's consciousness so it will be his first choice when shopping.

I am absolutely convinced that if every advertiser insisted that his ads did these three things, the U.S. economy would double virtually overnight – and it would do so without enlisting the services of a single frog

### **Accountability is everything**

Fortunately, not everyone who creates ad campaigns for major companies today is an idiot or a scoundrel. Some are actually pretty sharp and reasonably honest. And some are even interested in being held accountable for the success or failure of their ads.

While the dumbest ads are growing dumber by the day, many advertisers are actually helping to offset this cumulative drop in America's advertising IQ.

They're doing it by using their creativity to find ways to *scientifically measure* the response to their ads. More and more are asking consumers to call a toll-free number or go on-line – or adding some other trackability device to their advertising: Like coupons, contests, and more.

Of course, mainstream ad execs will tell you that their products are different. Creating measurable, trackable campaigns just isn't possible for the kinds of products *they* advertise. People buy *their* products in stores – not over the phone, through direct mail or on the Internet.

Sorry – that's just an excuse.

Prescription drugs have to be the world's hardest products to track. A consumer sees the ad for a new anti-allergy pill and is told to ask his doctor about it. The doctor then has to prescribe the drug. The consumer then has the prescription filled.

*How in the heck do you track that?*

Impossible – right?

Not when real creativity is applied!

For years, drug companies advertised their drugs simply by telling consumers to ask their doctors about them. But today, they're asking consumers to dial a toll-free number to receive a full information kit on the condition the drug treats.

Instant accountability!

### Lessons learned ...

**1. Accountability counts:** Sure – life is easier when you don't have to own up to your mistakes. But that's a treacherous path that invariably leads to alcoholic frogs (Budweiser), window-washing bimbos (GoDaddy), toy cars (Nissan), and billions of wasted advertising dollars each year.

Challenge yourself to find ways to scientifically track the effectiveness of every ad and every campaign you use. It's the only way to consistently improve your return-per-advertising dollar over time.

**2. Make sure every ad makes four essential sales:** Whether your ad campaigns are trackable and especially when they're not, it is absolutely essential to make certain that every ad you pay for accomplishes four essential missions:

A. It must create or intensify your prospect's desire for the type of product you're selling by presenting the benefits it will bring to his or her life ...

B. It must convince your prospect that the key benefits your product provides are unique and therefore unobtainable from any competing product ...

C. It must leave your prospect feeling that it is urgent to buy the product as soon as possible ...

D. It must compel your prospect to action – to purchase your product at the earliest opportunity.

3. If you're a copywriter, recognize that there are truly enormous opportunities outside of the typical direct response marketing sphere.

Millions of small and medium-sized businesses trust their ad messaging to the account executives who sell them their local TV and radio time and print space. As a rule, these salespeople know very little about salesmanship and next to nothing about advertising.

Trusting media reps to create ad campaigns is kind of like putting a hungry rabbit in charge of security down at the carrot patch.

Applying what you know about persuasion and salesmanship in print can help any business multiply sales and profits. And taking a chunk of increased sales could make you a bundle!

Yours for Bigger Winners, More Often,

A handwritten signature in blue ink that reads "C. Makepeace". The signature is written in a cursive, flowing style.

Clayton Makepeace  
**Publisher & Editor**  
***THE TOTAL PACKAGE™***

P.S. If you haven't already, go to [www.makepeacetotalpackage.com](http://www.makepeacetotalpackage.com) to sign up for more response-boosting strategies for growth obsessed marketers and business owners.