

## Is Advertising for You? Russel Howcroft Thinks So

**Tim:** Lukey, Lukey, Lukey. Look at you.

**Luke:** How are you, Timbo?

**Tim:** Oh, yes, good thank you, Luke. How are you?

**Luke:** Very well thanks, mate.

**Tim:** Very very serious, like given I'm trying to sort of build the energy and you're bringing it one down.

**Luke:** Bringing it down. No, I'm sorry. Sorry, mate. I had a big day yesterday. I had a long day ...

**Tim:** I know you did.

**Luke:** ... so I will try to keep the energy up.

**Tim:** I know you did. And it's good, you've ... have you blow waved your hair?

**Luke:** Something like that.

**Tim:** You have, haven't you?

**Luke:** And you haven't shaved so ...

**Tim:** A little quaff.

**Luke:** ... we're even.

**Tim:** Correct. Correct. Lukey and listeners, welcome back to Small Business Big Marketing the place where you, the small business owner, and if you're not a small business owner, turn off. Yeah, we'll get them to turn off. What do you reckon?

**Luke:** Don't turn off.

**Tim:** No, no, don't turn off.

**Luke:** You might be a marketing manager, you might be someone looking for inspiration.

**Tim:** Yeah, yeah. Might be a chemist.

**Luke:** You might be a chemist.



**Tim:** Anyone who needs to stay in contact with their customers.

**Luke:** Hopefully a legal chemist.

**Tim:** An illegal chemist?

**Luke:** A legal, not illegal.

**Tim:** Absolutely, absolutely. As opposed to ...

**Luke:** Not a backyard ...

**Tim:** No. Like an industrial chemist.

**Luke:** ... meth lab chemist. We don't want any of those.

**Tim:** Right, okay. And so a place to come, small business owners, to learn how to do marketing that works, really.

**Luke:** Correct. And that doesn't cost an arm and a leg, Timbo.

**Tim:** Cost an arm and a leg.

**Luke:** We've got ...

**Tim:** And ...

**Luke:** We've actually got a user ... a user. We've got a list ...

**Tim:** Speaking of meth labs.

**Luke:** A listener question that we're going to address ...

**Tim:** Oh, Lukey.

**Luke:** ... towards the end of the show.

**Tim:** Lukey, this listener question is from Martin Leow, I don't know how to pronounce that. It brought a tear to my eye.

**Luke:** It did.

**Tim:** It really touched a nerve. And so it's a big question and Martin is clearly in a little bit of strife with his business and by God we're going to pull him out of it, Luke.

**Luke:** We're going to try.

**Tim:** We are going to pull him out. Hey, Lukey?

**Luke:** Timbo.

**Tim:** What is on your mind?

**Luke:** What is on my mind, I have one big thing on my mind actually, Timbo.

**Tim:** Yep, yep.

**Luke:** Going through our stats of recent ...

**Tim:** Luke, Luke.

**Luke:** Tim.

**Tim:** You ... I was hoping that you'd just be honest with our listeners.

**Luke:** Yep.

**Tim:** I'll ask you again, what's on your mind?

**Luke:** What's on my mind is that ...

**Tim:** What was meant to happen today?

**Luke:** Oh. Oh, right, yes.

**Tim:** Right. Yep.

**Luke:** See my wife's expecting and the due date was today.

**Tim:** Today, yeah, yeah.

**Luke:** So that is ...

**Tim:** Yeah.

**Luke:** ... very much on my mind. I thought you meant in relation to our listeners. I'm always thinking of others, Tim.

**Tim:** Luke, it was a leading question and all the female listeners in our audience have just completely switched off ...

**Luke:** Yep.

**Tim:** ... or ...

**Luke:** You selfish ...

**Tim:** ... finally come across to my side.

**Luke:** Yeah.

**Tim:** My God.

**Luke:** Yes, apart ... apart from my wife being very pregnant ...

**Tim:** Yeah, yeah.

**Luke:** ... and due today ...

**Tim:** Okay. What's on your mind from a ...

**Luke:** ... which is very much on my mind.

**Tim:** And that is a wonderful thing. And I just saw her and she's looking large and lovely.

**Luke:** Yes.

**Tim:** What is on your mind besides that?

**Luke:** So if we do ... if we do have to interrupt this broadcast, folks ...

**Tim:** It's because the ...

**Luke:** ... I'll be on my way to hospital.

**Tim:** Yeah, won't that be exciting. And I'll just keep going.

**Luke:** You'd love that.

**Tim:** I'll sit in the backseat with you.

**Luke:** The episode would go forever ...

**Tim:** Yeah.

**Luke:** ... if I left you to your own devices, Timbo.

**Tim:** Wouldn't it.

**Luke:** So the other ...

**Tim:** Go on. Go on.

**Luke:** The other thing that's on my mind, Timbo ...

**Tim:** Right.

**Luke:** ... relating to our listeners.

**Tim:** Oh, right, this is serious stuff.

**Luke:** Yes.

**Tim:** Yep.

**Luke:** Is that we have thousands of listeners, we've got thousands of downloads every month.

**Tim:** Yep.

**Luke:** In fact I actually had to change our hosting, we were getting so ...

**Tim:** I know we've ... I love ... I love getting those emails from you where you go ...

**Luke:** We're about to shut you down.

**Tim:** Yeah, that's right.

**Luke:** So ... and we probably hear from, oh, regularly we probably hear from sort of 50, 60 to 100 per month.

**Tim:** God bless them.

**Luke:** Now, compared to ... compared to the number of listeners we have ...

**Tim:** Right.

**Luke:** ... for me it's not a significant enough percentage to me.

**Tim:** Yeah, okay.

**Luke:** I want to hear from more.

**Tim:** Oh, Lukey, I think I know where you're going with this.

**Luke:** You know ...

**Tim:** You got a bit of something on the liver?

**Luke:** No, no, not at all.

**Tim:** With our listeners, with our loyal listeners, you are getting ... you're saying ... let me ... have I got this right?

**Luke:** No.

**Tim:** You ...

**Luke:** You don't.

**Tim:** You don't know what I'm going to say.

**Luke:** You don't. I do.

**Tim:** You're getting upset because we hear from a beautiful few, 60 to 100, that's pretty good, you want to hear from more.

**Luke:** I want to hear from more, yeah. I ... look, we love it when we get feedback from ... from listeners and we love ... also love the questions as well. So please, and I'm talking to you, that's right.

**Tim:** Luke's pointing at the microphone.

**Luke:** You. Send feedback ...

**Tim:** Oh, Lukey ...

**Luke:** ... questions, comments ...

**Tim:** ... you're getting a bit ...

**Luke:** ... to [questions@SmallBusinessBigMarketing.com](mailto:questions@SmallBusinessBigMarketing.com).

**Tim:** Well they could also go to Facebook.

**Luke:** Or Facebook, yeah.

**Tim:** Hey, [Facebook.com/SmallBusinessBigMarketing](https://www.facebook.com/SmallBusinessBigMarketing). I sense ego here, Lukey. I sense ego. And I don't like it. I don't like it. Do you want just fan mail, would that ...

**Luke:** No.

**Tim:** ... would that appease you?

**Luke:** No, no.

**Tim:** What if I sent a letter? What if I used my Send Out Cards account and sent you a greeting card a day just telling you what a wonderful person you are and how much I love your ...

**Luke:** Send Out Cards.

**Tim:** ... your bouffant.

**Luke:** You've always got to plug ...

**Tim:** Here we go. Here we go.

**Luke:** ... one of your little products.

**Tim:** It's a marketing show, mate. Okay. So, all right, you want to hear more. Listeners, for God's sake, help Lukey. We'll start a foundation, the help Luke Moulton feel loved.org foundation.

**Luke:** Not at all. Not at all, Timbo.

**Tim:** All right.

**Luke:** It's all ...

**Tim:** So is that all ... is that all that's on your mind? Pregnant wife and want more feedback.

**Luke:** There are some other things, we'll probably discuss them in the next show. There's been some major changes to Facebook which I think is going to impact significantly ...

**Tim:** Oh, Lukey, Facebook does my head in.

**Luke:** It's going to make some significant impacts to Pay Per Click advertising and we might try and get on a Facebook expert in the next couple of shows.

**Tim:** Well if you can find one, good luck. Because everyone I speak to about Facebook loves it but loathes it. It's hard work.

**Luke:** Yep.

**Tim:** It's not intuitive. I sent a Tweet out only a couple of days ago saying I wished Apple owned Facebook because it would make for a much more intuitive beautifully designed system that knew exactly what you wanted.

**Luke:** Yep.

**Tim:** I just don't get Facebook. But anyway, that said, our Facebook page for the show has been successful and continues to be successful. If you haven't seen the video that we've uploaded, have a look at it. Because Luke's cheeks are a rather bright shade of red, would you say?

**Luke:** Fairly (6:28).

**Tim:** Fairly (6:29). Hey, Lukey, I want to launch the Small Business Big Marketing Intensive.

**Luke:** Du, du, du, du.

**Tim:** Yeah, yeah, correct, correct.

**Luke:** Or is that ... or is that applause?

**Tim:** No, no, no, no, this is exciting stuff.

**Luke:** Tim ...

**Tim:** Despite the fact that we don't sound, we don't want to build this up to be bigger than it is, I think we should under promise and ...

**Luke:** And over ...

**Tim:** ... under deliver.

**Luke:** No, come on, Timbo, you've been ...

**Tim:** Okay. Okay.

**Luke:** You've been working long and hard on this. Tell us about the Intensive.

**Tim:** Mate, I have been working my proverbial ring off to bring this Intensive to life, excuse me iTunes, please don't make that explicit. But the Small Business Big Marketing Intensive is happening in August, it's happening at the Caulfield Racecourse in Melbourne, it's a two day event, led ... hosted by myself. Luke's going to make a guest appearance. He wanted it to be sort of a bit more celebrity like where, you know, he walks into the room at some point and everyone goes, "Oh, that's Luke," whereas I'm there for the whole two days.

**Luke:** Have you booked me that limo yet, Timbo?

**Tim:** No, but you do have the green room with the white roses so ...

**Luke:** Sweet.

**Tim:** ... everything should be good. And the red ... what did you want, the red M&Ms?

**Luke:** M&Ms, yep.

**Tim:** But, mate, Small Business Big Marketing Intensive, two days, it's a Friday and a Saturday. The date will be on the website by the time you listen to this. It's in August. It's Caulfield Racecourse. We are going to share seven marketing communications concepts that the big brand marketers don't want you to know, Lukey. We are going to share how to get your message right, we're going to cover the brand character process that we tell every small business owner to do. What else have we got, mate?

**Luke:** how to build a strong healthy brand, the secret to making advertising work.

**Tim:** How funny, given who we're about to interview.

**Luke:** Yeah, indeed.

**Tim:** Love this one, seven productivity tools.

**Luke:** Yeah, fantastic.

**Tim:** To make you do ... or help you do more marketing with less. We're going to cover every social media channel that you must be on, well not must be on. But like these are the ones you should be on and why.

**Luke:** Yeah.

**Tim:** And how to do it.



**Luke:** And probably not as many as you think.

**Tim:** No, correct, correct.

**Luke:** Yep.

**Tim:** Copywriting, we are going to go through a no brainer copywriting process that gets you writing.

**Luke:** Brilliant. I think it's ...

**Tim:** Selling copy.

**Luke:** ... one of the hardest things to do well.

**Tim:** Agreed. Agreed. What have you got? What else have you got?

**Luke:** What else have we got? We've got ...

**Tim:** What are you going to cover?

**Luke:** How to get to the top of Google.

**Tim:** Yeah, yeah, well ... that ... what it means to be online is what you're going to cover, Luke.

**Luke:** Correct.

**Tim:** And it's not just about having a website but all the things that lead to people getting to your website and acting on your offers.

**Luke:** Anyway, listeners, there are ...

**Tim:** There is ...

**Luke:** ... lots lots more.

**Tim:** Mate.

**Luke:** And how do they find out about ...

**Tim:** Lukey.

**Luke:** ... the Intensive, Timbo?

**Tim:** They go to [SmallBusinessBigMarketing.com](http://SmallBusinessBigMarketing.com) and click on the Intensive button. There are none less than ... actually there's only 50 seats. First and foremost, here's two numbers to keep in mind. There are 50 seats available and, God willing, they will sell very fast. The other number to keep in mind is that you will receive 11 bonuses ...

**Luke:** Yep.

**Tim:** ... by signing up as a member for the two days of the academy. And these aren't just silly little bonuses, Lukey, there's some really good stuff there. Some genuinely ... put it this way, if you applied some of the marketing ideas that are in the free bonuses alone, I would say you'd get your money back for attending the two day Intensive.

**Luke:** I've seen the ...

**Tim:** Yeah.

**Luke:** ... bonuses, Timbo, and I'd certainly agree with that.

**Tim:** Good on you, mate. Well, listen, enough of that. Listeners, don't delay, go to [SmallBusinessBigMarketing.com](http://SmallBusinessBigMarketing.com), click on the academy ... not the academy button, we'll call it the Intensive button, because it is called the Intensive, and sign up. Because there's a really good early bird discount, a significant early bird discount.

**Luke:** Indeed.

**Tim:** Enough, Lukey. Who are we interviewing?

**Luke:** We're actually interviewing a mate of yours, Timbo.

**Tim:** Well that sounds a bit (10:14) doesn't it?

**Luke:** Russel Howcroft.

**Tim:** Russel Howcroft. Mr Advertising of Australia.

**Luke:** Yes, indeed.

**Tim:** Panel member of ...

**Luke:** Gruen Transfer.

**Tim:** ... The Gruen Transfer on the ABC.

**Luke:** Been a very very popular series here in Australia.

**Tim:** Russ has got a fairly, what would you say, opinionated voice on advertising?

**Luke:** Yeah, he's fairly confident about ... about advertising and what it can do for business.

**Tim:** Basically Russ is ...

**Luke:** Which is ...

**Tim:** Russ would say advertise even if you don't have a business. You know, just ...

**Luke:** Yeah.

**Tim:** If you're a stay at home mum, advertise. If you're unemployed, advertise.

**Luke:** Which certainly makes this interview interesting because it's certainly poles apart from your view on advertising, Timbo.

**Tim:** Yeah, yeah, I had a bit of a different view on advertising. I see too many business owners bleed as a result of spending money hand over fist.

**Luke:** Yep.

**Tim:** Because they feel as though, you know, their competitor will take their position in the Yellow Pages or because some sales rep has done the job on them. But the fact is advertising is a ... is a very very ... it contains a larger portion ... large portion of the marketing pie. I would argue it's shrinking. But then again advertising is quite broad. I mean, we're talking online, offline.

**Luke:** Yeah. I think it's ... it's moving and changing but ...

**Tim:** Yeah. Yeah, it is.

**Luke:** Yeah.

**Tim:** But it is, I reckon it's a sore point when you talk about it to a small business owner as a marketing tool. I think there are ... the opportunity cost that relates to advertising is high. The things that you could do with the money but you are spending it on advertising are significant.

**Luke:** Yep.

**Tim:** So we started off by asking Russ.

**Luke:** For a little bit of background.

**Tim:** Little bit of where'd your career take you from the early days.

**Luke:** Where's he come ...

**Tim:** Where's he come from.

**Luke:** Yeah, where's he come from.

**Tim:** Which side of the street? Which side of the river?

**Luke:** So let's get over to Russel.

**Tim:** Over to Russ.

**Russel:** I actually had a job whilst I was at university, Tim.

**Tim:** Oh, here we go.

**Russel:** Yes.

**Tim:** Here we go.

**Russel:** I was working at McCann-Erickson.

**Tim:** Yeah.

**Russel:** And ...

**Tim:** Running it?

**Russel:** Not yet. And I finished my degree whilst at McCann-Erickson and I went overseas, went to London, worked there until sort of 93, 94, came back, went to a big agency called George Patterson, decided I knew more than they did, started my own agency, that became Brand House. And had some wins actually.

**Tim:** Yeah.

**Russel:** Had some good wins.

**Tim:** So that was really your ... that was your entree into small business. Because as you know this show is called Small Business Big Marketing and ...

**Russel:** That's right.

**Tim:** And Brand House as your entree into small business wasn't it?

**Russel:** That's right. And I both ... I both loved it and hated it too, Tim.

**Tim:** Yep.

**Russel:** I ... I loved it because it was all down to us.

**Tim:** Yeah.

**Russel:** And hated it because it was difficult without the resource that, you know, you were used to, having been trained at big agencies. And it ... but it also made you understand the importance of a dollar.

**Tim:** Yep.

**Russel:** And, you know, they're hard to get and they're hard to keep.

**Tim:** Yep.

**Russel:** And working on that was a really important part I reckon of learning more about being in business.

**Tim:** Yep.

**Russel:** And, yeah, I reckon we did punch above our weight because I think that those of us that ... those of us that decided that was what we were going to do, we ... we like the challenge, you know, we like the ...

**Tim:** And how did you do that? I mean, I've got a view on that because I worked there with you but how did you ... punching above your weight is a great strategy for a small business.

**Russel:** Yep.

**Tim:** How to actually do it is another thing. What do you think led to Brand House punching above their weight?

**Russel:** Just a blind self belief.

**Tim:** You don't lack that, Russ.

**Russel:** I think that that might be really ... I think that had a huge part of it. I think there was, you know, if a pitch came up in the market for a, you know, a blue chip mainstream big agency piece of business I saw no reason in the world why we shouldn't try and ... and why we shouldn't win it.

**Tim:** Yep.

**Russel:** And I actually do now think that that was more blind than strategic.

**Tim:** Yep.

**Russel:** And more passion than planning. But, but we did win a few, you know, and we did take them on. And I think the clients saw that we were genuine. I think the clients saw that we genuinely wanted to help them.

**Tim:** Lukey.

**Luke:** Timbo.

**Tim:** You're a very considered person, correct?

**Luke:** I consider myself considered.

**Tim:** Very good. Well hearing Russel speak, how did that sit with you?

**Luke:** I think ... I think passion ...

**Tim:** Yeah.

**Luke:** ... is a very important part of small ... of being a small business, Timbo.

**Tim:** Yeah, yeah.

**Luke:** You've got to be passionate about what you do.

**Tim:** But? Where's the but?

**Luke:** No but.

**Tim:** Oh, come on. You ... because that's quite emotional stuff. I know Russel for a fact he's an emotional marketer, a bit like me.

**Luke:** Yeah.

**Tim:** You know, loves the big idea and loves getting in there and engaging the customer, the client. Do you like that? Because there are two types of people in that kind of ... in the marketing field, there's the emotional and the rational and I just think you're a more considered person and I was interested in your view on what Russel was saying or the feeling that you had when Russel was talking about running business that way.

**Luke:** Well contrary to your belief, Timbo, I ... certainly took me back to the days when I was running my own web development agency.

**Tim:** Yep.

**Luke:** And going to meet a client and sincerely believing that we were one of the best in the business ...

**Tim:** Yep.

**Luke:** ... at that particular stage.

**Tim:** Yep.

**Luke:** So I can certainly relate to it.

**Tim:** Okay, well that's good. Because I thought it would have been ... I thought it would have jarred more with you because you're kind of ... you are more rational. But I do remember you back in those days and it is, it's like as a small business owner, this is the thing, you know, I think many companies don't ... many of the big companies don't employ enough of the smaller companies to do their work. And I'm not sure why that is. Maybe it's because like we've got to employ a company that matches the size that we are, you know.

**Luke:** Yeah.

**Tim:** But the fact is that surely the smaller guys like you and I and the small businesses are going to be much more passionate.

**Luke:** Yeah.

**Tim:** Much more skin in the game.

**Luke:** Yeah, indeed.

**Tim:** You know, you're going to deal with the owner and you're going to ... the owner is going to ... all the owner wants to do is see your business grow. Because if your business grows, his business, or her business, grows.

**Luke:** Correct.

**Tim:** Fascinating.

**Luke:** Yep.

**Tim:** Back to Russ.

**Luke:** What was it about you, Russel, that won you the business, do you think?

**Tim:** Oh, geez, do you mean you as in Russel or you as in his business?

**Luke:** A bit of both.

**Tim:** Yeah. Russ?

**Russel:** Well I think that we wanted to help them be more successful. I ... and I sincerely think that's the case.

**Tim:** Yeah.

**Russel:** And whether that's a big or a small agency I think those that succeed are believed ... the client believes that you want them to do better and ... and I'm, I think, honestly, I think I've always been like that. I think that sometimes I might get it wrong because I get frustrated when they don't listen and I think that I'm right.

**Tim:** Yep.

**Russel:** And that can cause problems. But it's coming from an honest point of view. I don't bullshit, I really don't believe I bullshit them. They might even think I'm trying to but I really don't believe I do. I suppose I just believe my own bullshit, I don't know.

**Tim:** I'm glad you said that, Russ. Hey, listen, mate, you are here on Small Business Big Marketing today to defend ...

**Russel:** Right.

**Tim:** ... your industry.

**Russel:** How exciting.

**Tim:** Isn't it?

**Russel:** That's good news.

**Tim:** Isn't it? Can you do it?

**Russel:** Thank you. Of course I fucking can.

**Luke:** Geez, we ... we're going to get that explicit rating on iTunes again, Timbo.

**Tim:** Love it.

**Russel:** No, I thank you for the invitation.

**Tim:** Well our pleasure. I've spoken to you previously and indicated that our listening audience globally are small business owners ...

**Russel:** Yep.

**Tim:** ... who are working their rings off to generate a buck ...

**Russel:** Yep.

**Tim:** ... to generate awareness and it's not uncommon to hear them say that advertising is one of those things that they begrudgingly feel they have to do.

**Russel:** Yeah.

**Tim:** They can't measure it, it costs them a bomb.

**Russel:** Yeah.

**Tim:** They feel as though they have to do it often or not at all. I, and I know Luke does as well to a lesser extent, pretty much say don't advertise unless you get a whole lot of variables right. What have you got to say?

**Russel:** Well I always ... when I think about advertising and should you bother, I actually always think about selling my bicycle when I was about 12. And ... and, you know, my old man said, "Do an ad in the classifieds," and it was obviously the Trading Post at the time.

**Tim:** Yeah.

**Russel:** Which is a bit like The Castle.

**Tim:** How old are you?

**Russel:** Forty-four. Yeah. Anyway, so I put an ad in the Trading Post and I sold my bicycle. And when I was 19, 20, I needed to fund going overseas and I put an ad in The Age and I sold my car. And we all know that, you know, when you want ... when you need to sell something you've got to tell people that it's up for sale. And the way you do that is via advertising. I mean, all advertising is matching buyers



with sellers or sellers with buyers, that's all it is. And at its purest form it was the classifieds but as its purest form it's now eBay and Google AdWords. That's really absolute pure advertising with very little wastage, especially these days with the online world, very little wastage, very very low cost method to get you a sale. Because if you've got something to sell how else do you tell people that it's available? And one of the things which I reckon is completely underestimated is just how cheap advertising is.

**Tim:** Oh, Russ, come on, mate. Come on, mate. Really?

**Russel:** Yeah, absolutely.

**Luke:** Which medium are we talking about?

**Russel:** All. All mediums. All mediums.

**Tim:** You mean like buying a piece of ... buying a piece of chalk and scribbling on the footpath?

**Russel:** That's cheap, yes. Or sticking ...

**Luke:** Or are we talking Super Bowl?

**Russel:** ... getting ... getting an A4 ... getting an A4 piece of paper, writing, "For sale," and sticking it in your car window and putting it beside the road.

**Tim:** Right.

**Russel:** That's just nice ... that's just a good bit of outdoor advertising.

**Tim:** Russ, give us ... our listeners are just about to switch off, you'd better just bring them back a little bit. Just give us the ...

**Russel:** It is cheap.

**Tim:** Give us the cheap advertising spiel.

**Russel:** Well one of the things that isn't used as much as it used to be, so if we all think TV when we think about advertising, right? Now, when we started in the business, Tim ...

**Tim:** Or newspapers.

**Russel:** Yeah, okay, but let's do ... TV is probably the example I can use best.

**Tim:** Yep.

**Russel:** We always used to talk about cost per thousand. Cost per thousand has actually lost its meaning. That is, the cost, i.e. how much it costs you to get 1000 people to see your piece of advertising. And the cost per thousand was always in the, you know, from a per person perspective in

the cents, it's cheaper to advertise than it is to send them a personal letter. It's always ... like your cost per thousand to be on TV is like five cents or even less, you know?

**Tim:** Yeah.

**Russel:** So you can get enormous efficiency. That's if you're a mass marketer which is something which requires mass numbers.

**Tim:** Yep.

**Russel:** Yeah. And as I was saying, it just matches buyers and sellers on a mass scale. You know, the fact is advertising does work and as you know ...

**Tim:** Hey ...

**Russel:** ... full well ...

**Tim:** Hey Russ?

**Russel:** ... it works extremely well.

**Tim:** Russ?

**Russel:** Timothy.

**Tim:** Thank you, Russel. Russel, one word, wastage.

**Russel:** There is huge wastage.

**Tim:** Massive.

**Russel:** But that's ... that's 100% true. But ultimately the ... ultimately it's all about return on investment. So you do ... you will run advertising that is seen by people who have got no interest in what your product is.

**Tim:** Yeah.

**Russel:** You just hope that there is enough people seeing it who have got interest who go and buy it that means that you get a return on your investment.

**Tim:** Yeah.

**Luke:** So ...

**Russel:** Now, one of the big problems that we've got in the ... the industry has ...

**Tim:** Yep.

**Russel:** ... is that ... is that people are advised that their advertising budget needs to be a percentage of their sales. This is ... this is absolute horseshit.

**Tim:** Right. Just ...

**Russel:** Your ...

**Tim:** Hang on. iTunes just add an explicit, don't even listen to it. Keep going, Russ.

**Russel:** Your advertising needs to be a variable expense. It shouldn't be a fixed expense. It's fixed according to the sales line. You should ... you need to find a level which is right and you need to go and go and go and go harder and go harder and go harder. Because it works and it grows your top line. So why wouldn't you keep doing it? It's one of the most extraordinary decisions is that advertising ... like ...

**Tim:** You're almost ... hey, Russ, you're almost convincing me I should be advertising.

**Russel:** Yeah, so if advertising ... if advertising works ...

**Tim:** Yeah.

**Russel:** ... why am I spending less?

**Tim:** I don't know. Why are you? Luke. Luke, what you got, Lukey?

**Luke:** Russel, so how do you measure the success of a campaign?

**Russel:** Sales. It's the only thing that matters. Yeah, you've got to treat the ... you've got to treat the advertising expenditure the same as you would treat your distribution expenditure or your ... or the price of your ingredients. An ad is just another ingredient in your product that you're trying to sell. Yeah. And it's all about getting sales. And if you don't get sales, don't believe advertising people that say, "Oh, it's about brand awareness." Or it's about making your brand more liked or more loved or it's about changing these perceptions. That really ... that is I think having your hand on it a little. It's more ... it is ultimately about making your business more successful. Why would you spend money otherwise?

**Tim:** Correct. Correct. And I think that's one of the things which our listeners struggle with is that, yeah, sure, sales is everything, that's the bottom line. Russ, in your world of advertising at the very high end, your clients, the advertisers, have people to write their copy, to decide who takes the pictures, where the pictures go, where the ... who buys the media, what media, every single variable that our listeners have to control when they advertise, your clients have controlled for them.

**Russel:** Yep.

**Tim:** So what do you say to the small bloke who's being badgered by the sales rep from the local newspaper or from the local radio station or whatever it is, who I would say to him, "Mate, just don't do it. There's easier ways to get a sale" ...

**Russel:** Yep.

**Tim:** ... what would you say to him or her?

**Russel:** Well I think unless you're going to commit to it forever, don't commit to it. There's a great ... there's a really wonderful ... the Cadbury Schweppes marketing director said to me, his definition of a brand ... or in effect his definition of a successful business is it's about eternity ... sorry, it's about certainty of cash flow into eternity. And the reason why you look after a business via advertising it is to ensure you've got cash flow into eternity. So the big, yeah, the big sophisticated advertisers, they know that it's a never ending thing that they do, yeah. That's why they employ advertising agencies. It's not like a spasmodic, "Oh, let's just give it a crack and see how we go." It is, "I'm doing this forever and I'm never going to stop because this is part of the price of being in business." So I would apply the same thinking to small business and medium enterprises. You only do it if you are fair dinkum about doing it forever. You don't do it if you think, "Right, I'll just whack it out there and see how I go," because you are bound to be disappointed.

**Luke:** And where would you suggest that they start?

**Tim:** Start what?

**Russel:** Well I mean it depends on the ...

**Luke:** Start advertising.

**Tim:** Oh.

**Russel:** Well it depends on the size of the business and what you're trying to sell. But the great thing these days is of course is online and what you can do online. You know, I have been involved with two small businesses which we've in effect created just doing AdWords on Google. I mean ...

**Tim:** What are the businesses, Russ?

**Russel:** One's a carbon trading business.

**Tim:** Yep.

**Russel:** And we've got ... we've got a global client base purely on the basis of putting ads on Google. And the other one is a business called Allergy Station which is providing primary schools, in the main, with the spot that ... the place within the primary school that is branded where the kids' drugs go who've got ...

**Tim:** Oh, yeah.

**Russel:** ... you know, high allergies, yeah.

**Tim:** Is this something you, you Russel started or George Patterson?

**Russel:** No, Kate. Kate did that one. No ...

**Tim:** Yeah.

**Russel:** No, my wife did that one.

**Tim:** Wife Kate.

**Russel:** Yep. And ...

**Tim:** Mrs H?

**Russel:** Mrs H. And I ...

**Tim:** How is Mrs H?

**Russel:** She's extremely well, Tim.

**Tim:** Is she? Is she?

**Russel:** Yeah, yeah, yeah. Great.

**Tim:** She sounds like she's busy.

**Russel:** She's doing Allergy Station. And the amazing thing about that is when you go ... you go through the exercise ...

**Tim:** Yeah.

**Russel:** ... of selling your ... I'm sure you've done this yourself, Tim, but do an ad on Facebook ...

**Tim:** Yeah.

**Russel:** ... to describe the marketplace that you're after, right before your eyes it actually tells you how many people in the Facebook world are interested in that subject.

**Tim:** Correct, yeah, yeah.

**Russel:** And it, you know, and it tells you by country. In the USA there are 35,000 people on Facebook that are interested in peanut allergies.

**Tim:** Yeah, it's brilliant, isn't it?

**Luke:** Yeah.

**Tim:** That's ...

**Russel:** Yeah.

**Tim:** That's targeted stuff. Now you're talking about, you know, advertising of the future. Do you think advertising in its ... in the form as we talk about advertising, your above the line stuff, Russ, your press, your TV, your print, your outdoor, is it dead? Is it dying?

**Russel:** No. No. Because you need to ... you do need to create mass demand. I think interestingly outdoor ... outdoor more and more is going to become a mass medium, a mass demand medium. It was ... it has been traditionally treated as almost third tier. I think it's going to increasingly become first tier and take ... I think it will take a bigger share of advertising spend. Other people don't have that same forecast but I do believe that's the case. I still think ... I mean, TV is still the most powerful medium in the market. You know, TV ...

**Tim:** What are stations doing to attract small businesses, if anything? I think channel ... wasn't the Nine Network at some point offering very reasonable packages for small businesses?

**Russel:** Yes. Yeah, they do. And as all that fragments, so as there's more and more channels ...

**Tim:** Yep.

**Russel:** ... and each of those channels become more and more discreet with regard to their audience, then there'll be more and more opportunities for small business to use TV. And they should use TV. If they can find a cheaper way to make the ad they should ... they should do that. I mean, and again, look, radio has always been a brilliant brilliant brilliant medium for medium ... for medium size businesses. I mean, Peter the Possum Man, for Christ sake.

**Tim:** Isn't he, yeah, yeah.

**Russel:** You know?

**Luke:** Yeah.

**Tim:** And Terry the Tree Topper.

**Luke:** Chris and Marie.

**Russel:** You know ...

**Tim:** Chris and Marie.

**Russel:** Chris and Marie.

**Tim:** Yep.

**Russel:** You know, I mean, these are amazing businesses that have ...

**Tim:** Russ, the average creative person would cringe at having to generate a script for Peter the Possum Man or if someone ...

**Russel:** I'm Peter the Possum Man.

**Tim:** You have got a lovely old note, you're right on note, Russ. But wouldn't they? I mean, really, I mean, anyone who ... any ... any creative who writes the kinds of scripts that are being generated for the bigger agencies are going to laugh ...

**Russel:** Yep.

**Tim:** ... at an idea like Chris and Marie or Peter the Possum Man. And for our overseas listeners, just Google them, because we can't even explain them.

**Russel:** Well they ... yeah, well that's right. But it's just different tiers of advertising. There's different ... I mean, part of the promise of Peter the Possum Man is the fact that it's cheap advertising and therefore they'll know that they'll get a good price for, you know, when they do the transaction.

**Tim:** Yep.

**Luke:** So what ... Peter the Possum Man, for example, what is he looking at for a TV advertising campaign? How many ...

**Russel:** Well he wouldn't do the telly. He does radio.

**Tim:** He does radio.

**Russel:** And we would ... look, I don't know, he probably invests, shit, he'd invest a few thousand a week maybe.

**Tim:** Oh, Lukey, just a lazy few thousand a week.

**Luke:** Mmm, it's a fair bit, isn't it, Timbo?

**Tim:** Well it's where we take issue, my friend, with advertising.

**Luke:** Here is where we take issue with advertising. Now, look, for this kind of service, Peter the Possum Man, for example, he is basically ... it's when you've got a possum stuck in your roof ...

**Tim:** In the roof.

**Luke:** ... that you want Peter the Possum Man. Not when you ...

**Tim:** Time to act.

**Luke:** Not when you're listening to the radio and driving in the car. Now, if you've got a possum stuck in your roof ...

**Tim:** Yep.

**Luke:** ... what' the first thing you do?

**Tim:** I'd get the broom and bang on the ceiling. And then from ...

**Luke:** And just for our international listeners, US, for example, picture a racoon.

**Tim:** A racoon.

**Luke:** Yeah.

**Tim:** Rocky racoon.

**Luke:** Yeah.

**Tim:** Squirrel.

**Luke:** Squirrel.

**Tim:** Squirrel.

**Luke:** Yeah. So I would ... I would go ...

**Tim:** Go to Google.

**Luke:** Go to Google and go ...

**Tim:** You would go to Google.

**Luke:** I would go possum catcher in ...

**Tim:** Yep.

**Luke:** In my case, our case, Mornington Peninsula.

**Tim:** I think the ... where we take ... where we get a bit cross with the whole advertising thing is that this mass thing can just be full of wastage.

**Luke:** Yeah.

**Tim:** If an advertiser, if a small business owner is willing to really roll up their sleeves and identify advertising opportunities that are very ... so very close to the purchase decision, and I don't just mean geographically but when the need arises, you know, where are you when the need arises and what advertising is close by? So, for example, the possum thing is about, you know, you'd go straight to Google.

**Luke:** Yep.

**Tim:** You would hope, and we haven't looked, but you'd hope that Peter the Possum Man was spending bucket loads on Google, yeah.

**Luke:** Yep. He may well do.

**Tim:** You'd hope he was spending bucket loads in the local paper.



**Luke:** Yep, indeed.

**Tim:** But ... but the idea of mass media, I call it lazy media.

**Luke:** Yep.

**Tim:** Because what you do is you create a message and then you just pay heaps of money to get it out.

**Luke:** Spread it.

**Tim:** To spread the word.

**Luke:** Yeah.

**Tim:** And hope, hope, that someone will listen and buy from you. Whereas I think if you're willing to roll up the sleeves, a bit of sweat and tears and blood and all that stuff and you will get a better result.

**Luke:** Yeah. I don't think it's even that hard, Timbo.

**Tim:** Correct.

**Luke:** Yeah.

**Tim:** Make it sound harder than it is.

**Luke:** Indeed.

**Tim:** Back to Russo.

**Russel:** But, you know, he's getting ... he would be getting big audience numbers. And here's an example of just that consistency, you know, week in week out there he is.

**Tim:** Yeah.

**Russel:** So, I mean, you know, whenever you have a ...

**Tim:** But that's thing isn't it, you've got to be there.

**Russel:** I think so. I genuinely believe you commit to it and you commit to it forever or you just find another model, you know. Like advertising may not be the appropriate model for your business, there may be something else that you do. Public relations plays more and more an important role.

**Tim:** Yep.

**Russel:** But we shouldn't forget the public relations only exists because the media exists and the only reason media exists is because people spend money on it in advertising.

**Tim:** Hey, Russ?

**Russel:** So you've ... yes?

**Tim:** You've won the award for talking the most on our show. I have had that award every episode to date.

**Luke:** Indeed, yep.

**Tim:** I'm a little bit upset about it. I expected it but you've given us some gold, mate. We didn't finish on actually who you were. Right now you're running George Patterson Y&R around Australia, or are you now running the world?

**Russel:** No, well I'm running this part of the world. I've got ...

**Tim:** This part of the world.

**Russel:** ... New Zealand.

**Tim:** Well how far ..

**Russel:** New Zealand and Australia.

**Tim:** How far off till you run the world? Or can't you say?

**Russel:** It's very ... no, no, no. I love being here, it's great business, it's a good brand and I ...

**Tim:** And ...

**Russel:** I don't know. Can you run the world from Melbourne?

**Tim:** You can run it from anywhere, mate.

**Luke:** Yeah, of course you can.

**Tim:** You could run it from your home, I have no doubt. Russ, Gruen Transfer, what's ... is Gruen Transfer coming back on this year?

**Russel:** It'll be back on in June, Tim. Thank you for asking. And there's going to be a few more shows this year as well. It's going to be ... well hopefully as successful. Because it was a bloody surprise to all of us how successful it's been.

**Luke:** Oh, it was absolutely brilliant.

**Russel:** Yeah.

**Tim:** What was the ... what ... once again, overseas listeners, you'll have to Google it, The Gruen Transfer in a sentence, Russ, is what?

**Russel:** It is a critical ... a critical TV show on the world of advertising.

**Tim:** Correct.

**Luke:** Yeah. And it's brilliant.

**Russel:** Maybe with a bit of humour thrown in.

**Tim:** Are you the good guy or the bad guy?

**Russel:** It depends on your point of view, doesn't it?

**Tim:** Correct. Correct.

**Russel:** I think I ... I defend advertising.

**Tim:** All right, mate, you've done it beautifully. I'm nearly ... I may well go home and buy an ad just for the sake of it, having listened to you. Russel, you're a gem as always.

**Russel:** Thanks.

**Tim:** And I look forward to seeing you at the football at some time this year.

**Luke:** Thanks Russel.

**Russel:** Oh, go ...

**Tim:** Go Hawks.

**Russel:** Thank you very much for thinking of me. Seeya boys.

**Tim:** Bye, mate.

**Luke:** Cheers, bye.

**Russel:** Bye bye.

**Tim:** Lukey.

**Luke:** Timbo.

**Tim:** That is an interview I've been wanting to do for a long time.

**Luke:** Yeah, it was good.

**Tim:** Not only talk to Russ but get the whole advertising thing out on the table for all to see and it is done. So, listeners ...

**Luke:** There it is.

**Tim:** ... I hope you got a bit of gold from that. Because hopefully it puts it into perspective. Hey, Lukey, we've been having a ... we're about to have a bit of fun with this website called fiverr.com.

**Luke:** Indeed.

**Tim:** Where people from all over the world list things that they would do for five bucks.

**Luke:** For a fiver.

**Tim:** For a fiver. However, it's actually not five bucks because the website takes a dollar. So it's four bucks.

**Luke:** Four.

**Tim:** So we are over the course of the next week identifying people to do things that will help us promote Small Business Big Marketing.

**Luke:** Now, Timbo, I know I've done something. What have you done so far?

**Tim:** Have you really?

**Luke:** Yeah, I have, yep.

**Tim:** I got this guy Idiosyncratic, I don't know what his real name is, but he's written a song and sung it to a guitar solo all about Small Business Big Marketing.

**Luke:** All for five dollars. Anyway, we're going to drop that in at the end of the show.

**Tim:** Yep, correct.

**Luke:** So you're going to listen to that later.

**Tim:** So instead of the normal outro to the show, listeners, just hang on and have a listen to this, one of the lines is, "Luke is small and Tim is a giant." So ...

**Luke:** Well, you know, can't argue with that really, can you?

**Tim:** Love it. No, that's true.

**Luke:** Well actually I had someone Tweet about Small Business Big Marketing to his 20,000 followers in the States.

**Tim:** Wow.

**Luke:** And strangely enough, and I didn't know this before I ...

**Tim:** Yeah.

**Luke:** ... I employed him for \$5.

**Tim:** Yeah, yeah.

**Luke:** He's a marketer. So I'm hoping that he had ...

**Tim:** Sweet.

**Luke:** ... fairly relevant listeners.

**Tim:** I'm happy with that.

**Luke:** Yeah, I was pretty happy with that. And he didn't just do it once either, and, Will, if you're listening, thanks very much. He actually tweeted it three times.

**Tim:** Oh, God bless him. Well how do we know it worked?

**Luke:** Yeah, well that's ... that's probably the tricky part. I probably should have setup some sort of tracking ...

**Tim:** Oh, well.

**Luke:** ... link. But anyway.

**Tim:** Actually the other thing I have done is I got a guy to list Small Business Big Marketing on about 150 directories.

**Luke:** Nice one.

**Tim:** Yeah, yeah. Which I guess from a search engine optimisation may direct us ... may generate a bit of traffic back to us.

**Luke:** Now, next one, Timbo, is questions.

**Tim:** Lukey, we have a listener question. I know that we are running at the moment, 36 minutes. We'll make it a 40 minute show because we have a listener question from Martin Leow who, this question brings a tear to my eye, Luke.

**Luke:** Yeah.

**Tim:** Martin's in a bit of strife here with his business and he's looking for a bit of marketing guidance. So I really hope we can bring it to him. First he says, "I love your show and blah blah. I was wondering I've ... if I could have your thoughts on this. I'm running a small creative design studio in Sydney and recently sales have gone down, way down in fact, and I think I have only a couple of months left before I decide to shut down." I don't like that.

**Luke:** A tough one, isn't it?

**Tim:** Yeah, it is. "One of my major clients is slowly slipping away and I feel the relationship I have with them since they hired a new marketing manager is getting weaker." I have seen this before.

**Luke:** Yeah, yeah.

**Tim:** This is all about relationships.

**Luke:** Yep.

**Tim:** Martin could be doing the best work in the world, Lukey, I don't know, because he hasn't given us his website.

**Luke:** Nah.

**Tim:** If he had of, we would have plugged it.

**Luke:** Yeah.

**Tim:** Martin, mistake number one. However, this is a ... it is a tough one. He has a couple of questions specifically. "What can I do to get the relationship back from the major client? I've tried ringing, meeting him for coffee, still no improvement." Gee, that's a hard one, you know.

**Luke:** It is.

**Tim:** It's almost down to personalities, you know?

**Luke:** Yeah. And also when a marketing manager comes into a business they want to mark ... they want to stamp their authority and quite often ...

**Tim:** Which is wrong.

**Luke:** Which is wrong. And quite often they'll try and get in people that they've dealt with before.

**Tim:** Yep. Who they feel comfortable with, confident with.

**Luke:** Yeah.

**Tim:** It's wrong and it's right. I can understand why they do it. But I think they should first and foremost, the new marketing managers, have the business in the mind as opposed to ...

**Luke:** Yeah.

**Tim:** ... relationships that they want to bring across from old ... old business that they've worked in.

**Luke:** Indeed.

**Tim:** So it is a tough one. It's about, you know, you can only do so much, Martin, and don't take it personally that he's not returning calls or doing that because clearly he's got his own agendas and ... and now, his second question is, "How can I get more new clients in without spending a fortune on marketing?" I had a bit of a chuckle at this one, Lukey, and I know you did too. He has little or no budgeting for marketing. You're doing it, Martin, you're listening to Small Business Big Marketing, mate.

**Luke:** Yep.

**Tim:** Apply some of the stuff that our interviewees share. You've bought our book, you're enjoying that. Start applying ideas. Every small business needs to have so many marketing initiatives in the air at one time.

**Luke:** Yep.

**Tim:** You know. It's just like that.

**Luke:** Indeed. And he also goes on to mention about joining a ...

**Tim:** BNI.

**Luke:** B ...

**Tim:** BNI he says.

**Luke:** BNI.

**Tim:** Business Networking International.

**Luke:** Yep.

**Tim:** Eight hundred bucks a year. I wouldn't.

**Luke:** No.

**Tim:** Not right now.

**Luke:** There's plenty of other networking opportunities ...

**Tim:** Yep.

**Luke:** ... I'm sure you can find in your local area where you'll be able to meet other small businesses.

**Tim:** You know what he'll do, he'll put the 800 bucks into BNI and then put the pressure on BNI to deliver.

**Luke:** Yeah.

**Tim:** And it won't.

**Luke:** Yep.

**Tim:** Because he's kind of forcing it. What I reckon he should do is get out there, go to the Chamber of Commerce ... the old Chamber of Commerce meetings, identify the good ones, add value at them, don't just go to swap business cards, but maybe add value to them by giving a talk or giving ... sharing some ideas.

**Luke:** Giving a talk on branding, for example.

**Tim:** Branding, absolutely.

**Luke:** Yep.

**Tim:** But really, Martin, social media. I don't know what social media you're in, mate, but if you've got no budget, social media is the cheapest form of marketing around.

**Luke:** Yeah. Another one on networking as well, check ... check out meetup.com.

**Tim:** Yep.

**Luke:** meetup.com ...

**Tim:** Yep.

**Luke:** ... is another good one to find ...

**Tim:** Why did you say that twice?

**Luke:** Just to enunciate.

**Tim:** It's not meetup.com.meetup.com, just enunciation. Okay. There is a lot you can do. Listen to ... Luke just stuck his finger at me, listeners. There's a lot you can do, Martin. Don't despair. Just work hard, mate. Make those two months the best two months of your business career in terms of marketing and making things work for you because, you know, it's the small business owner who does roll up the sleeve and really have a crack ...

**Luke:** Yep.

**Tim:** ... that will win in the end, I do believe.

**Luke:** And if there's anyone in the Sydney region.

**Tim:** Sydney region.

**Luke:** That needs a designer.

**Tim:** Oh, that's nice.

**Luke:** We'll ...

**Tim:** Email us.

**Luke:** Yep, we'll hook you up.

**Tim:** And we'll hook you up.

**Luke:** questions@SmallBusinessBigMarketing.com. Now, Timbo, finally, last thing, reminder on?



**Tim:** Mate, that is it, listeners, please go to SmallBusinessBigMarketing.com and register for our very first Intensive. It's going to be fantastic. And if you want to get more of what you listen to then these two days will be the best two days you'll ever ever spend in terms of your marketing.

**Luke:** Indeed. Thanks, guys, you've been listening to SmallBusinessBigMarketing.com and we're going to take it away with the Science, I think they're called.

**Tim:** And we are, Lukey. Well, no, it's not the Science. That was another band that we ...

**Luke:** Oh, okay.

**Tim:** ... that we tried to get. But, hey, Lukey, next time ...

**Luke:** Yes?

**Tim:** ... you might be a father.

**Luke:** Indeed.

**Tim:** Love that. You forgot again. Here's the little song that we had done on fiverr. Seeya.

**Luke:** Seeya.

*(Song playing.)*

End of Podcast.

<http://smallbusinessbigmarketing.com/sbbm-22-is-advertising-for-you-russel-howcroft-thinks-so/>