

# does paid promotion pay?

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Chris Scherer

Extension audiences and programs are changing. No longer can we expect everyone to know the county Extension agent and follow his/her column in the newspaper. In fact, much of Extension's programming no longer belongs exclusively on the farm page.

As Extension strives to reach new audiences and expand its programs, we must try new methods of reaching these audiences. We must also be more aware of cost effectiveness in our promotional efforts.

In recent years, Illinois county staff have been purchasing display advertising in local newspapers. This form of advertising is used by commercial businesses offering similar types of educational programs. Therefore, to compete, it seems logical for Extension to use this promotion form also.

## Income Tax Program

The University of Illinois Cooperative Extension Service has offered an income tax education program since 1940. During the early years, the program was conducted for farmer-taxpayers. Then, during the 50s, the schools began to attract tax practitioners and, in the 60s, the schools were targeted to that audience.

As tax laws grew more complex, it became more difficult to teach basic tax information to beginning tax preparers and more advanced material to tax practitioners in the same session. In 1971, two levels of instruction were initiated. The beginning level was labeled a beginner's workshop and the advanced level was called a school. The audience was now strictly those who prepare tax returns for others. The question then became how to *best* reach this new audience.

In 1973, the income tax education program staff and a communications staff member decided to purchase advertising space in local newspapers. Copy was prepared and a sample

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display ad with a clip-out coupon was designed. Four selected counties reported good success with this approach. During 1974, 10 counties using the same approach, purchased display ads and also reported good results. No workshops were conducted in 1975.

But, by 1976, the results from using display ads were mixed. So, in 1977, a camera-ready ad (excluding local address) and a clip-out coupon were provided to each workshop leader. Workshop leaders liked the camera-ready copy, but the results were difficult to evaluate.

**Cost  
Effectiveness  
Study**

In 1978, 16 counties were selected to test the paid ads. The counties were divided into five categories based on previous use or non-use of ads. The five categories were:

1. Counties that had previously used ads and had *good* response in the past.
2. Counties that had previously used ads, but had only *average* response in the past.
3. Counties that had previously used ads, but had *erratic* response in the past.
4. Counties that had previously used ads, but had *poor* response in the past.
5. Counties that had *never* used ads before.

Camera-ready ads were prepared to fit the column width of each paper with the address and phone number of each county office included. The ads were then sent to the newspaper with specific publishing dates requested. Dates were selected so the ads would appear on a business or financial page. Each ad was run once and each newspaper received two different ads including a clip-out coupon. The first ad promoted only the Beginning Income Tax Preparer's Workshop. The second ad, running one week later, promoted both the Beginning Income Tax Preparer's Workshop and the Illinois Farm Income Tax School.

Workshop leaders were asked to retain all coupons sent to them and assess the phone calls and other inquiries resulting from the ad. The leaders were also asked to determine how many of those who responded to the ad enrolled in either tax education program.

The study was designed to:

1. Evaluate the effectiveness of paid publicity in promoting an Extension education program.
2. Evaluate the cost effectiveness of paid publicity.
3. Evaluate how enrollees learned of the Extension education program.

## **Results**

A total of 44 ads appeared in 22 selected newspapers. Those 44 ads drew 217 responses.

### *How Effective Were Ads?*

Students who enrolled in the school or workshop were asked to complete a questionnaire on how they learned about the program. About 16% of the workshop participants saw the paid newspaper ad. Only 1.4% of the school participants reported that they first learned about the school by seeing the newspaper ad.

Since most school enrollees participated in previous schools and received direct mail about the program, they didn't look to the newspaper as a source of information. On the other hand, each year, 75% of the participants in the workshop are new and aren't on an existing direct mail list.

### *How Cost Effective?*

Cost effectiveness was determined two ways: the cost per response and the cost per enrollee. The cost per response was determined by counting the coupons returned and the calls and visits to the Extension office. The cost per enrollee was determined by the workshop leader indicating the number of students who actually enrolled as a result of seeing the ad. The total cost of placing the ads was \$2,288.55. With 217 responses, the average cost per response was \$10.55.

Sixty known enrollments resulted from the ads bringing the cost of each enrollee reached to \$38.14. Most of these participants enrolled in the workshop for an enrollment fee of \$35.00, or \$3.14 less than the average advertising cost per enrollee.

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In terms of response drawn, 81.2% of the ads were cost effective. However, in terms of actual enrollment, only 37.5% of the ads were cost effective.

In major metropolitan counties (those with 100,000 or more population), the cost per response to the ads was \$7.45. The cost per enrollee was \$26.37. In rural counties (those with populations less than 50,000), the cost per response to the ads was \$18.47. But the cost per student who actually enrolled was \$73.91.

*How Learn  
About Programs?*

As Table 1 shows, 75% of those enrolled in the school and 42% of those who enrolled in the workshop recalled learning about the program through a direct mail piece.

**Table 1. How participants learned about programs.**

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	The beginner's workshop	The tax school
Professional journal or farm publication	4.4%	1.1%
Newspaper ad	15.7	1.4
Newspaper article	30.9	8.0
Television	.6	<.1
Friends or employers	39.4	13.6
Radio	3.5	.5
Direct mail	42.0	75.0

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Thirty-nine percent of the participants in the workshop and 13.6% of those enrolling in the school learned about the program through friends or employers.

Newspaper articles also ranked higher than advertisements as a means of finding out about the program. Thirty-one percent of those who enrolled in the workshop and eight percent of those in the school learned about the program through an article in a newspaper.

Magazines, such as *Prairie Farmer*, notified 4.4% of the workshop enrollees and 1.1% of the school participants. Radio informed 3.5% of the workshop participants and .5% of the school participants. Television was the least effective medium. Only .6% of the workshop participants and less than .1% of the school participants saw the program promoted on television. Only one respondent recalled seeing a poster.

**Summary**

These findings suggest that display advertising can effectively promote Extension programs in major metropolitan areas where Extension's traditional forms of promotion, like radio programs or weekly columns, are less prominent.

The study suggests that newspaper display advertising is less effective in rural areas. The study indicates various levels of effectiveness depending on whether the ads are intended for a new or existing audience.

It also suggests that paid newspaper advertising is less effective than newspaper articles and much less effective than personal referral or direct mail.

The cost effectiveness of the display ads wasn't justified if increased enrollment is the only objective. However, if it were possible to measure the benefits of placing paid advertising in terms of long-range benefits, increased enrollment in other educational programs, or awareness of Extension education opportunities, the cost effectiveness might be greater.

Additional study is needed to answer such questions as:

- What is the cost-benefit ratio of such promotion?
- Are there certain kinds of programs that can effectively be promoted through paid display ads?
- Does the size of the community or the media have anything to do with the success or failure of paid advertising?
- What size should display ads be?
- Should the Extension Service negotiate for an educational or not-for-profit rate?
- Who should pay for display advertising—the institution or the participants?

Will paying for advertising space discourage newspapers from using promotional news releases? Since editorial and advertising staffs are separate, especially on major metropolitan newspapers, paying for advertising space should have no effect on use of copy in the editorial section. In fact, the willingness to purchase ad space could improve the use of promotional news copy.

Buying advertising space in newspapers and not time on electronic media may create conflict with media. But if Extension is concerned about spending its promotional dollars where it can expect the best return, there's much evidence to support the placement of ads in a newspaper section read by a target audience versus buying time on radio or television.

As budgets tighten, cost effectiveness of Extension program promotional efforts will become increasingly important.