

581 Spruce Street
River Falls, WI 54022
April 4, 2018

Mr. James Vander Galien
Sam's Well Drilling
N9935 Pleasant Rd.
Randolph, WI 53956

Dear Mr. Vander Galien:

Enclosed in this document is the report that you authorized in March. Provided is information regarding the advertisement expenses and in which ways improvements can be made.

The report concluded some expenses are outdated and could be removed. The yearly expenses of phone book ads are costly and unnecessary. This is due to changes in advertisement methods in recent years. Sam's relies mostly on referrals for much of the business it receives, and it is because of this that relationships with building and pump installation contractors should continue to be a priority.

There were several resources used in forming this conclusion which include a survey sent out to past customers and a list of Sam's advertising costs. Along with that, information was taken from the Wisconsin Water Well Association and The Sales Lion.

Thank you for the opportunity to collect and analyze this information for Sam's Well Drilling. It has allowed me to gain important experience for the future. If there is any further research that must be done or if any questions are raised, please contact me at (920)-210-6943 or via email at faith.vandergalien@my.uwrf.edu.

Sincerely,

Faith Vander Galien
Student at UW-River Falls

Advertising Advancements

A Review of Sam's Well Drilling Advertising Strategy

Prepared for:

James Vander Galien
President
Sam's Well Drilling
Randolph, WI 53956

Prepared by:

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River Falls, WI 54022
March 30, 2018

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Advertising Advancements

A Review of Sam's Well Drilling's Advertising Strategy

Executive Summary

In order to keep up to date with the changing times and offer the most profitable advertisement to potential customers, Sam's Well Drilling should reevaluate their advertising spending. It appears Sam's has continued to use the same methods of advertisement even after adding new ones such as their website and Facebook page. It would be best to take a step back and determine which advertising forms are necessary and which are not.

The research done for this project indicates that print advertisement is no longer as beneficial to the company as it used to be. The expense of phone books is resulting in charges that are unnecessary. The survey also revealed Sam's reliance on referrals for the success of the company. This is excellent, but also concludes that new ways of advertisement should be experimented with.

1. Stop paying for ads from phone books. The use of phone books is not nearly as common as it was years ago. Sam's should continue to change with the times and save themselves money rather than wasting it on this form of advertisement media. The company should continue to keep their name and phone number in phone books because it has no cost to the company, but they should not continue to purchase expensive ads.

2. Remember the importance of reputation. The power of word of mouth advertisement resonates clearly with Sam's Well Drilling. A portion of the advertisement budget should continue to be placed toward promotional materials and donations. This form of advertisement helps the company and those around them resulting in valuable relationships that will last generations. With removal of phone book expenses, the company would be free to give bonuses to pump installation contractors and building contractors that are giving Sam's referrals.

3. Be open to change. In order for the company to grow, it must be up to date on what forms of advertisements are going to work well for this company in the area where it is located. This ranges from keeping the website up to date with information to being sure to find the best and worst forms of communicating with potential customers.

Introduction

In order for Sam's Well Drilling to reach the broadest amount of potential customers the most influential way, research has been done to discover in what ways customers are coming into contact with the business. From there, an analysis of the advertising expenses has been done to improve money placement.

Purpose

The issue addressed within this report is to find the best use for the advertising budget of Sam's Well Drilling. There has been little focus on the advertising costs to the company and it has not been changed in a number of years. This is an opportunity to find the most beneficial way to promote Sam's.

Scope

This report covers the importance of advertising within a business and how it assists in growing a company. It includes feedback from past customers along with information from outside sources to make a conclusion as to which forms of advertisement are reliable.

Assumptions

The conclusions made from the report results assume that the Sam's Well Drilling advertising budget does not change. The company continues to remain in good relations with pump installation contractors within the area. It assumes that online sources (website and Facebook page) will function correctly for potential customers and be readily available with contact information.

Methods

The information for this report is taken from Sam's records and budget. The survey results were taken directly from past customers. Along with that, online articles and websites were used to make comparisons and suggestions based on other studies.

Limitations

This report was limited greatly by time because of due dates that shortened the time frame of the study. The survey emailed to past customers resulted in less responses than expected, and the lack of feedback poses a limitation to obtaining significant data. The sources used for this report were subject to error, as well.

History of Advertisement at Sam's Well Drilling

Advertisement is crucial to building a name for a company and successfully becoming better known than competitors. Obtaining a presence within society as an available and respected service results in an increase of prospective consumers (Pattison). For Sam's Well Drilling, this began with becoming known through word of mouth. Advertising expenses were then transferred into print, such as magazines, newspapers, and phone books. Sam's made their name known through bill boards, as well.

Currently, word of mouth continues to be an important way for Sam's to come into contact with customers as building contractors and pump installation contractors are familiar with the business and refer Sam's to their customers. Print and radio advertisement also continue to be used by Sam's in an attempt to reach customers. Sam's also has a Facebook page and website that are available. The business has established a name in the community around Randolph, WI as well as the Well Drilling community by participating in trade shows and conventions. This has

enabled them to become known to the right people, but there are still areas that should be reevaluated.

A Second Look at Print Expenses

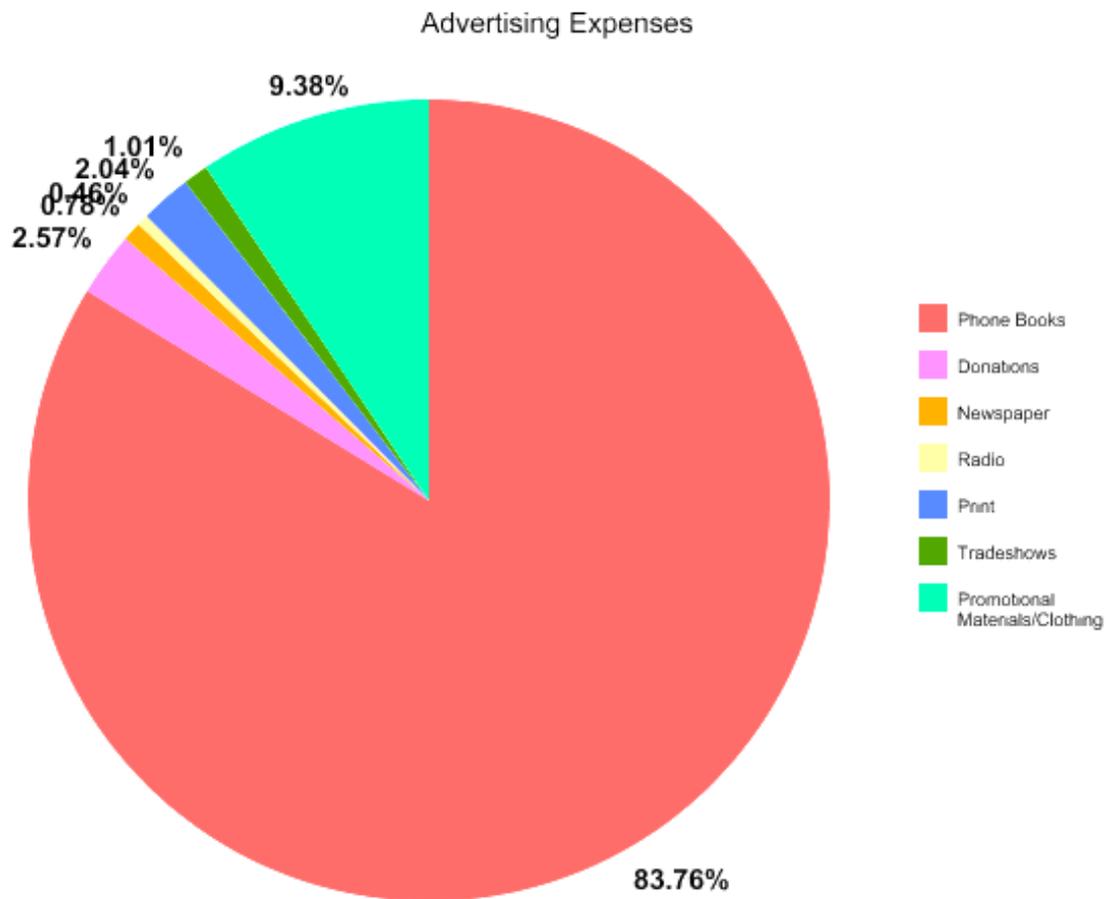


Figure 1

Before the internet was as commonly used as it is today, consumers generally searched the nearest phone book for the information they needed. It served its purpose in its time, but according to Marcus Sheridan, writer for The Sale Lion, that time has passed. “Today’s consumer searches online before they do anything else. Their first step towards making a

purchase is essentially the first keys they hit on their computers at work or at home to begin the information gathering process” (Sheridan). In truth, there is little place for phone books in today’s advertising world, especially with the costs it requires.

Ad placement in the Yellow Pages alone cost Sam’s Well Drilling \$1,860.00 in the year 2017. Unfortunately, that’s one of the lower phone book expenses for the company. The phone book AT&T offers, cost a total of \$21,445.56 for Sam’s in 2017 alone. The price is not worth the minimal use of phone books today. The internet has become a much more reliable source for businesses to reach customers and this is true of Sam’s Well Drilling, also.

The issue present is not that Sam’s continues to keep their name in phone books that are available, it is that the expense is so great. The advertisement within the phone book is generally the largest on the page. These are far costlier than a smaller ad or simply keeping the name and number of the company there. The second issue is the phone books where the ad is present. Sam’s Well Drilling currently has an ad placed in the Randolph area phone book. Through presence of the building itself right outside of town and continual donations and presence in the community, the area should be familiar with the company. Even without the use of a website and referrals through relationships with contractors, in this situation, a simple name and number would suffice. With the presence of the website and referrals, the payment for any ads is unnecessary.

The Importance of Conventions

Sam’s Well Drilling spends approximately \$1,200.00 a year on trade show expenses. The purpose of this is not entirely for advertisement, but more for continuing to make a presence among other water specialists (Ward). Although the results of the survey conducted show a very

small percentage of business coming from trade show booths, they serve more than just advertisement needs. Conventions put on by groups such as the Wisconsin Water Well Association require a small price, but their purpose remains. They serve to keep pump installers and well drillers within the state of Wisconsin informed and aware of the most up to date methods. This is an event that Sam's should continue to be a part of in years to come (Water Well Association, WI).

Survey Results

How did you hear about Sam's?

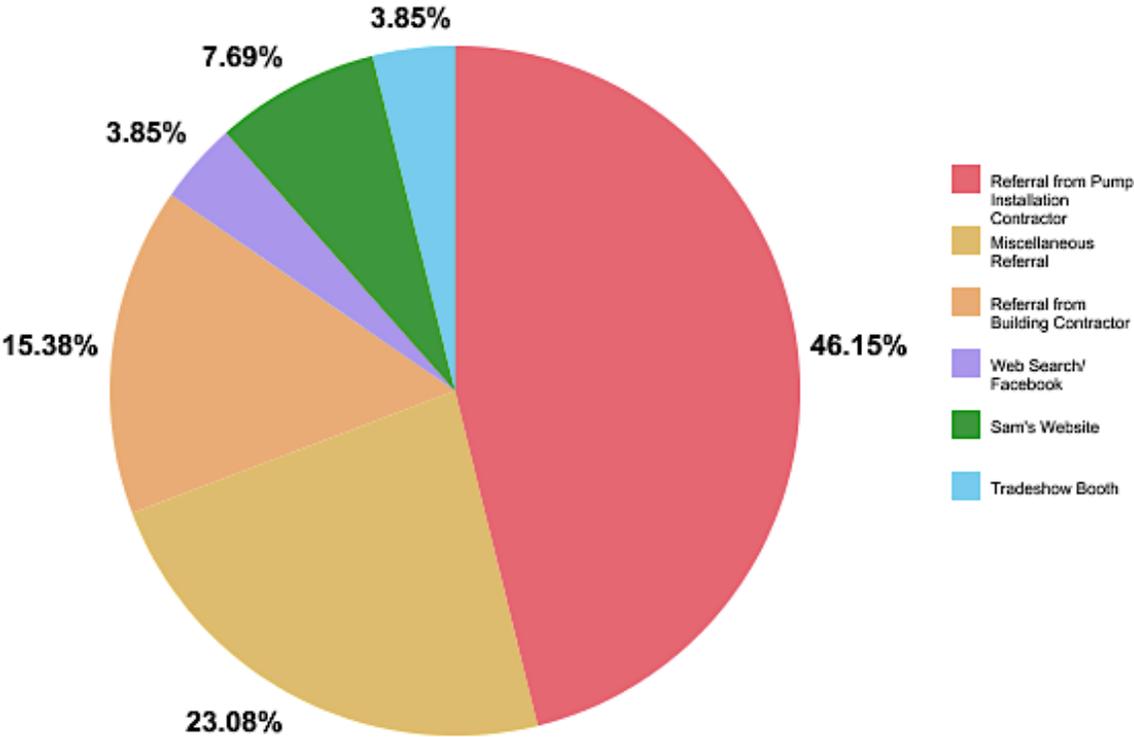


Figure 2

The graph shown above shows the result of a survey that was sent via email to 255 customers of Sam's Well Drilling that worked with the company in 2016 or 2017. The survey

was conducted over the time frame of four days and resulted in only twenty-six responses. The range of customers covered people from all over the state of Wisconsin and represented no specific area because it was completely randomized. The only specification was by year to ensure that the information was applicable to the present and future of Sam's Well Drilling.

Referrals

According to the survey, the greatest source of business was referrals from pump installation contractors. Word of mouth continues to support Sam's as it did from the beginning of the business. Sam's relies on good relationships with those within their network to receive the business that they have. As long as these relationships persist, the company will have a significant number of potential customers. The most beneficial part of referrals is their lack of expense to the company. The findings of this study prove Sam's to be unique in its requirement of good relationships as opposed to typical expensive advertisement.

Sam's Website

The recently updated Sam's website is an excellent source of information for potential customers. It provides information about the company from the wide range of services it offers to the history of the company. One very convenient aspect to the website is that it includes the option to send a quote directly to the company by filling out a short form.

The results of the survey put the Sam's website as the greatest number of people who have heard about Sam's from somewhere other than a referral. Although it is a meager 7.69 %, the website still made a presence within the survey. It serves its purpose of supplying information to people searching for a service they may not know much about. The use of the website shows that Sam's intends to advance its advertising and availability to customers with the changing times.

Web Search/Facebook

There are over 500 likes on the Sam's Facebook page. Along with that, there are a number of reviews that leave the business with a rating of 4.8. This proves that people are finding information about Sam's through the existence of the page. The Facebook page works with the website to offer additional information to those doing a quick search of well drillers in their area. The most beneficial aspect to the Facebook page is that it's free and results is no cost to the business, but offers good information from past customers to potential new ones.

Tradeshaw Booths

The survey results in only 3.85% of the survey responses. It shows that a small number of quotes come from trade shows booths. According the Jim Vander Galien, there has been decreased attendance at smaller tradeshows due to increased use of online sources. The decision to refrain from being present at these tradeshows has saved money and time for the company. Still, they continue to purpose a place at conventions that are more important in order to continue relationships with building and pump installation contractors from across the Midwest.

Changing with the Times

After a thorough review of the advertising tactics used by Sam's Well Drilling, it is seen that the company continued to advance with the times by developing a website and creating a Facebook page. The company also removed themselves from conventions that were not benefitting the company as much as they should. This shows that Sam's intends to move forward as a company and use the best advertising devices available.

However, the company remained fixed in the advertisement system that was the costliest. The reason this would happen to a company such as Sam's Well Drilling is because the

advancements in technology are far different than those that were used when the first well was drilled in the 1930's. Throughout the history of the business, new additions has been made to the services that are offered. Such as, installation of geothermal systems and water testing availability for the convenience of the company and the community. Along with that, new additions to the company have made like Drillworx which is available to assist other drilling companies. Still, these are all situations that did not hinder Sam's in anyway.

The same situation applies to advertisement. When a company continues to keep things as they have always been for the sake of them always being done that way, unfortunate consequences occur such as losing over \$74,000.00 a year to phone book companies. The current review of Sam's advertising expenses is both a lesson and an opportunity for a better future for the company.

Conclusions and Recommendations

Sam's Well Drilling has been doing a successful job of getting their name out to the water well industry and among the community. However, some advertising expenses could be used in a more beneficial way, Sam's Well Drilling should consider the following:

- 1. Stop paying for ads from phone books.** The use of phone books is not nearly as common as it was years ago. Sam's should continue to change with the times and save themselves money rather than wasting it on this form of advertisement media. The company should continue to keep their name and phone number in phone books because it has no cost to the company, but they should not continue to purchase expensive ads.
- 2. Remember the importance of reputation.** The power of word of mouth advertisement resonates clearly with Sam's Well Drilling. A portion of the

- advertisement budget should continue to be placed toward promotional materials and donations. This form of advertisement helps the company and those around them resulting in valuable relationships that will last generations. With removal of phone book expenses, the company would be free to give bonuses to pump installation contractors and building contractors that are giving Sam's referrals.
3. **Be open to change.** In order for the company to grow, it must be up to date on what forms of advertisements are going to work well for this company in the area where it is located. This ranges from keeping the website up to date with information to being sure to find the best and worst forms of communicating with potential customers.

Works Cited

Pattison, Kermit. "Managing Your Small Business's Online Reputation." *The New York Times*, The New York Times, 29 July 2009, www.nytimes.com/2009/07/30/business/smallbusiness/30reputation.html.

Sheridan, Marcus. "11 Reasons Why Your Business Should NOT Advertise with Yellow Pages." *The Sales Lion*, 14 June 2017, www.thesaleslion.com/11-reasons-why-your-business-should-not-advertise-with-yellow-pages/.

Ward, Susan. "19 Advertising Ideas for Your Small Business." *The Balance*, 19 Apr. 2017, www.thebalance.com/small-business-advertising-ideas-2947892.

"Water Well Association, WI - Drinking Water, Groundwater Protection, Techniques. "Welcome to Wisconsin Water Well Association, www.wisconsinwaterwell.com/.

Vander Galien, James. Personal Interview. 18 March 2018.

Appendix A

Interview with Jim Vander Galien on March 18 of 2018:

1. What parts of the state need to be better reached?
50 miles south of WI, Ft. city to Appleton, north of Lacrosse to Lake Winnebago, south to the border, Fond du Lac to Lake Michigan.
2. What is the main form of advertisement for Sam's Well Drilling?
Print
3. How has advertising changed through the years? (From the founder, Sam Vander Galien Sr. to yourself?)
Word of mouth, telephone directory, reputation, build a customer base. Positive referrals, billboards – big expense with positive results, next phase internet – 10-15 years ago.
4. Is advertising considered a priority?
No, not a lot of thought goes into it.
5. Who is the greatest competitor of Sam's Well Drilling?
*Webster Well Drilling. Herr Well Drilling.
Due to area.*
6. Are you a member of the Wisconsin Water Well Association?
Yes.
7. How do tradeshow benefit Sam's?
Home builders gain more of their information online rather than at seminars. In the past they resulted in a large number of quotes, but recently because of increased technology they no longer benefit us as much.

Appendix B

1/16/2017	\$243.00	AT&T	Phone Book
1/22/2017	\$1,845.10	AT&T	Phone Book
2/16/2017	\$210.00	AT&T	Phone Book
2/22/2017	\$1,940.00	AT&T	Phone Book
3/16/2017	\$210.00	AT&T	Phone Book
3/22/2017	\$1,940.00	AT&T	Phone Book
4/16/2017	\$210.00	AT&T	Phone Book
4/22/2017	\$1,943.00	AT&T	Phone Book
5/16/2017	\$210.00	AT&T	Phone Book
5/22/2017	\$1,943.00	AT&T	Phone Book
6/16/2017	\$210.00	AT&T	Phone Book
6/22/2017	\$1,946.00	AT&T	Phone Book
7/16/2017	\$210.00	AT&T	Phone Book
7/22/2017	\$1,676.27	AT&T	Phone Book
8/16/2017	\$210.00	AT&T	Phone Book
8/22/2017	\$2,203.19	AT&T	Phone Book
9/16/2017	\$210.00	AT&T	Phone Book
9/22/2017	\$1,938.00	AT&T	Phone Book
10/16/2017	\$210.00	AT&T	Phone Book
10/22/2017	\$1,938.00	AT&T	Phone Book

Total: \$21,445.56

1/1/2017	\$1,060.00	YP	Phone Book
2/1/2017	\$100.00	YP	Phone Book
3/1/2017	\$100.00	YP	Phone Book
4/1/2017	\$100.00	YP	Phone Book
5/1/2017	\$100.00	YP	Phone Book
6/1/2017	\$100.00	YP	Phone Book
7/1/2017	\$100.00	YP	Phone Book
8/1/2017	\$100.00	YP	Phone Book
9/1/2017	\$100.00	YP	Phone Book

Total: \$1,860.00

Appendix C

Advertising Survey

Email Address:

Full Name:

How did you hear about us?

- **Sam's Website**
- **Tradeshow Booth**
- **Web Search/Facebook**
- **Radio/Print Advertisement (Magazine or Newspaper)**
- **Referral from Building Contractor**
- **Referral from Pump Installation Contractor**
- **Miscellaneous Referral**
- **Other...**

