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A low-angle, upward-looking photograph of several modern skyscrapers with glass and metal facades. The sky is a hazy, golden-brown color, suggesting a sunrise or sunset. The buildings are partially obscured by a large, dark red rounded rectangle in the foreground.

We are your brand builders,  
strategic planners, message engineers  
and media designers.

**We are your  
Communication Architects.™**

# AdBiz

It's hard to believe that another quarter has passed and it's time for me, once again, to write the cover letter of our company newsletter. It's been a very busy and interesting quarter as we've all watched gas prices sky rocket, with this month having the largest singular price increase in history for a barrel of crude oil. We've also watched the soaring prices of daily consumables such as bread, eggs & milk. With this in mind, I thought I'd share some interesting information regarding advertising & marketing during recessionary periods.

The words recession and inflation are in every daily newspaper, typically as headlines. We're all familiar with recessions and realize that they have a shelf life on average of 11 – 18 months. However, the news of each tends to paralyze many advertisers as well as general consumers. I thought I'd take a moment and share some information regarding advertising and marketing during less than robust economic periods.

## History Tells an Interesting Story

A slew of historic studies all point to a definitive relationship between increased ad spending and growth in long-term market share and profitability. The American Association of Advertising Agencies, or AAAA, reports the following findings in a commissioned study:

1947 – Buchen Advertising tracked advertising dollars vs. sales trends before, during and after the recessions of 1949, 1954, 1958 and 1961. Not only did it find that sales and profits dropped off at companies that cut back on advertising, it also found that, after their recession ahead ended, these same companies continued to lag behind those that had maintained their ad budgets.

A jointly-sponsored ABP/Meldrum & Fewsmith study of the 1970 recession again showed that "sales and profits can be maintained and increased in recession years and in the years immediately following by those who are willing to maintain an aggressive marketing posture while others adopt the philosophy of cutting back on promotional efforts when sales appear to be harder to get."

A follow up 1979 study by ABP/Meldrum & Fewsmith revealed "that companies that did not cut advertising expenditures during the 1974-75 recession experienced higher sales and net income during those two years and the two years following, than those companies that cut in either or both recession years."

Fast Forward through several similar studies.....

## What to do:

For the average small business, the instinctive reaction is to spend less and protect profit and the best way to do that is to make the easier cuts first, normally in advertising and marketing support. Nobody has to be fired and nothing has to be closed down. But for

those who seek to be aggressive, there are a number of proactive tactics that will optimize brand performance during bad times. From "Advertising in a Recession," the following:

- Concentrate on core values: Reinforce brand values by demonstrating strong consistency of message.
- Increase spending and share of voice: The data clearly validates the connection between increased spending and increased market share.
- Market to your constituency: Concentrate on your loyal customers and, if need be, invest in database marketing/CRM as a means of developing and maintaining the communication.
- Hang in with your ad agency: That long-standing relationship will help them provide a real understanding of the brand vision and how it should be communicated in tough times.
- Start sponsoring: Events, cross-promotions, cause marketing... anywhere the brand message can be spread.
- Command premium price: Strong brands can do it. The consumer rationale is in how you explain the value-message of the brand.
- Introduce new products: The advantage of being "first in" with an innovation and entering a market with weakened competition may offset or outweigh the possibly longer period of start-up investment in waiting until good times return.
- Negotiate media deals: As media prices soften, it becomes a buyers' market. At that point, lock in on long-term deals. Take advantage of the weakened market to gain exponential value from the media buy (as much as 30 percent).

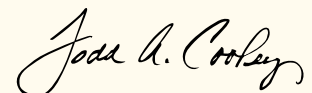
"Consumers don't stop buying when economies go through down cycles. They look harder for value," said Saatchi & Saatchi's Kevin Roberts, writing for Advertising Age magazine.

Think of it this way, if you're in a room with 20 people and they're all talking, all you hear is noise. But if 19 stop talking, suddenly the one person who's still talking can be heard loud and clear.

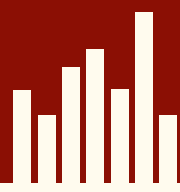
I hope this information gives you a better picture and perspective on how to handle your marketing and advertising as our weak economy continues to loom.

Thanks for taking the time to read our company newsletter and we appreciate your valuable feedback and continued support.

Sincerely,



Todd A. Cooley, *President/CEO*



# Industry Trends



One-to-one marketing is about defining customer preferences, relationships and relevance.

As technology changes and customers become more educated, it is becoming increasingly important for companies to take a hard look at their customer strategy and the data that drives it. One-to-one marketing is all about defining customer preferences, relationships and relevance.

The one constant in our rapidly changing consumer environment is the importance of increasing customer value. In order to do this successfully, companies will need to learn more about their customers' needs and values. They must have detailed answers to the questions: How valuable are my customers currently? How can I get them to buy more frequently? How are my sales and marketing initiatives affecting those numbers? Lack of customer knowledge can be devastating to a company because it causes uninformed and costly business decisions.

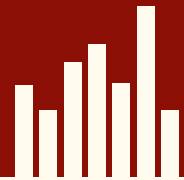
One-to-one marketing promotes a role reversal of sorts; instead of customers finding companies and their products, companies need to find their customers. It's not enough for a company to generate data about their customers; they

must also make the transition from raw data to insight about that data. The difference between just generating data and generating insight into the data lies in customer dialog. It is imperative that companies engage their customers in learning relationships in which information can travel back and forth. This engagement comes via the internet by sending relevant and appropriately timed marketing messages to the customers.

For instance, if a company were to send an email blast, the data collected could reflect how many emails drove a purchase, how many emails were opened, how many customers replied with a question and how many emails were ignored. Based on that feedback, the company not only gains insight into its customers' needs and values, it can then optimize offers and communications to individual customers.

To learn more about one-to-one marketing and how it can benefit your business, please contact us for a personalized presentation.

# Industry Trends



## Creative Corner

### The Need To Intrigue

If your advertising and marketing efforts make you feel comfortable, be afraid. Nothing fails faster than safe, approved-by-committee messages. In today's tough economy, safe can seem like a good idea. It's anything but.

In an effort to make your messages worth the money you spend on them, here are a few key factors to keep in mind the next time, and every time, you review your business communications.

*See it through your client's eyes.* What is important today in their world? Address their interests in an intriguing way. Your message will not only get their attention, it will demonstrate that you put their needs first.

*Less is often better.* When you're attempting to persuade, less is more. Assume your potential customers are as busy as you are. If it takes two minutes to wade through a message you could have expressed in 30 seconds, they'll get bored. You'll lose their attention, and a chance to sell them. Be more persuasive by being concise.

*Communicate with precision.* Ever hear or see something like this: "Our solutions represent best-of-breed platforms that reduce time to market..." The rest of the message could have gone "blah, blah, blah" because it made no real impression on anyone. Words like "solution," "best-of-breed," or "platforms" are empty terms that can muddle business conversations and are anything but persuasive. Don't rely on hackneyed phrases. Be specific.

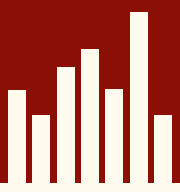
*Substantive ideas are the most important.* A great marketing piece is great because of the strong ideas conveyed. All too often, executives spend thousands of dollars on design or media and far less developing the ideas to be presented. Presentation design is critical, but how often have you heard a prospect say: "Great presentation. I especially liked the design on slide 14." But if your ideas are strong, intriguingly cast and concisely expressed, you're far more likely to hear, "Great presentation. I think our company could benefit by adopting your ideas. Let's talk."

## Facts And Trends

- US ad spending nearly flat in 1st quarter increasing only .6% over the same time period last year
- Internet display advertising on the other hand grew 8.5% in the first quarter – a slower pace though than the double digit growth a year ago
- Major media % change Q1 2008 vs Q1 2007

Television	+ 1.7%
Magazines	+ 0.8%
Newspapers	- 5.2%
Internet	+ 8.5%
Radio	- 4.5%
Outdoor	+ 2.5%
Free Standing Inserts	+ 8.8%

The top 10 advertisers increased spending 1.6% with the largest increase among the group coming from PepsiCo at 39.5% and the largest decrease from Ford Motor at -31%.



# Industry Trends

## The Art World

### The Components of a Good Logo

A logo is a company's emblem, trademark, or identity. In other words, it is the visual illustration and main representation of a company and should reflect the company's quality to its customers. A logo is as important as a business name because it is incorporated into all facets of the business: on business cards, in brochures, and on web pages. A well designed logo attracts clients and creates a professional image for the company. Remember, image is everything and first impressions count!

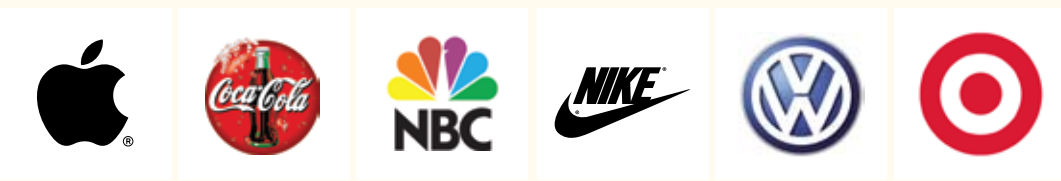
Ideally, the design of the logo illustrates the theme of the business it represents, and when properly designed, provides instant recognition while evoking feelings of trust, reliability and

dependability. A good logo delivers a subliminal message that a company is trustworthy, reputable and that it can offer customers something that the competition can not.

Although a logo needs to be eye catching, it should have a simple color pattern, be short in text, and should represent the company's product in some way. Avoiding heavy decoration and awkward combinations of color in the design is very important so that the logo will not appear cheap or showy.

If you would be interested in having the Cooley Enterprises creative team design or redesign a custom logo for your business, please contact us.

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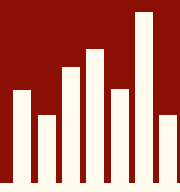


### Yellow - The Color of Summer

Although yellow can work as the primary color, it often works best as a companion to other colors. For instance, the use of yellow can perk up a more subdued color palette of cool blues and grays. Lemon yellow can be used with orange to carry out a healthy, summery, citrus theme. Very pale yellows work well as neutrals

alongside darker or richer colors, while bright yellow creates excitement in lieu of red or orange, which are sometimes too strong or too dark. To achieve an earthy palette, mix yellow with olive green and brown, or pair yellow with bright or light greens to create a natural, fruity palette.





# Industry Trends

## Real Estate

### What the Economic Stimulus Package Means To You

The economic stimulus package was designed to help moderate the effects of a slow economy and hopefully, keep an economic recession at bay. The idea behind it is to encourage spending which would increase economic activity. Will it work? It may take months or even years before we know for sure. There are five major components to the economic stimulus package that you should be aware of:

**Checks from Uncle Sam:** Eligible taxpayers can receive rebates of up to \$600 for individuals and \$1,200 for couples. A minimum of \$300 per person and \$600 per couple will be available to those with at least \$3,000 of earned income, but less than \$75,000 for singles and \$150,000 for married couples filing jointly. Rebates will not be given for taxpayers above those income levels.

**Additional Rebates For Taxpayers With Children:** Everyone who is eligible for a rebate will also receive an additional \$300 per child. This would mean that an eligible couple with two children would receive \$1,800 in tax relief.

**Reduced Income Taxes for Low-Income Wage Earners:** 2008 taxes will be eliminated on the first \$6,000 of taxable income for individuals, and the first \$12,000 of taxable income for

couples. This is as opposed to the 10% tax rate that used to apply to such income.

**FHA Mortgage Loan Limits Will Increase:** The mortgage loan limit in high-cost areas (in the lower 48 states), will rise from \$362,790 to \$729,750 allowing home buyers with FHA mortgages to purchase homes with 3% down.

**Conventional Loan Limits Will Increase:** The maximum size of a conventional home loan will increase from \$417,000 to \$729,750.

The benefits look very appealing, but there are some caveats to consider. Rebates checks are a one-time deal. If you are planning to purchase or refinance a home under the new class of "conventional jumbo" mortgages, be aware that the FHA and conventional loan limits are only applicable in 2008. It is possible that the old lower limits could be reinstated in January 2009. And finally, while the conventional loan limit applies nationwide, the maximum amount you can borrow under the FHA program varies by location. For specifics, it is in your best interest to speak directly with a mortgage counselor or one of our three on-staff realtors.

The U.S. Economic Stimulus Package was designed to encourage spending in order to stimulate economic activity. Will it work?





## Meet Some of the Communication Architects

### **Todd A. Cooley, President/CEO**

Todd has over 20 years of experience in general management, marketing, business ownership, finance and real estate. He worked as CFO for an international dental supply manufacturer, headed an accounting and business support company serving over 400 clients, then owned and grew what became one of the most successful and respected advertising agencies in the Valley. After a two-year endeavor in real estate, Todd re-launched his agency as Cooley Enterprises in 2007.

### **Mary Ellen (Mel) Stevens, Media Director**

Mel has over 20 years experience in media planning and market research across categories encompassing: packaged goods, retail, restaurant, automotive, travel and hospitality, and luxury real estate. Leo Burnett, Wells, Rich, Greene, and DDB are among her agency experience. Research management has included IRI, Research Resources, Save.com and Gamut Interactive. Clients have included: McDonald's, Midas Int'l, General Mills, P&G, Kraft, Clorox, Anheuser-Busch, Sunbelt Holdings, Saguaro Ranch, and Bonita Bay Group.

### **Ken Jacobs, Creative Director**

Ken brings a wealth of diverse category experience to the team: automotive, financial, high-tech consumer goods and real estate among them. His major agency experience includes Doyle Dane, RPA, and Bates USA. Most recently he served as Executive Creative Director at The Write Source (a virtual company where clients included TGen, SunCor Development, Lyle Anderson Properties, and Hitachi). Award winning creative has included campaigns for Honda, Sharp Healthcare, Martin Marietta, and McDonald's.

### **Becky Simmon, Art Director**

Becky has worked as a senior designer for companies including Action Performance, where she created corporate promotional programs for a number of Fortune 500 companies, and Rain Visual Strategy and Design, a well-

respected design firm. Her capabilities range from initial concepts through execution in print, collateral, web and all other media. Becky is the consummate steward of our clients' brands, maintaining impact and consistency across all visual communication from logos to web sites.

### **Amy Bacal, Account Executive**

Amy has an extensive background in community relations and public affairs, specializing in government and education. After holding positions with two Arizona congressional offices, the Arizona Department of Administration and the Governor's Office for Children, she worked in SRP's Community Relations Department. In addition, Amy brings valuable experience as an active licensed realtor to our Real Estate Division.

### **Jeffrey Corso, Account Coordinator PR**

A graduate of Lewis and Clark College in Portland, Oregon, Jeff holds a BA in Communications with a Relational Communications emphasis. Through two internships with Portland sports teams Jeff worked with front office staff, field staff and players regarding media related issues and public relations. Prior to joining the agency, Jeff served as a Sports Communication Intern for the Portland Trail Blazers where he provided public relations support for both the local and national media.

### **Susan Alexander, Office Manager**

Susan brings twenty-two years of administration for DaimlerChrysler, State Farm and other companies, with extensive experience in operations, zone administration and distribution process coordination. She holds a B.A. in Business Management from University of Phoenix and an A.A. in Business Management from Phoenix College, where she graduated with distinction. Susan's organizational and communication skills are exceeded only by her energy and enthusiasm.

Through the collective experience of the current team, Cooley Enterprises, LLC has expertise in a broad range of industries and categories in both the public and private sectors.



The Caepe School

Total Individuals.

# Featured Client

## The Caepe School

The Caepe School is a non-profit private school serving the Anthem area, grades K-8, with grades 9-12 to be added subsequently each school year. The staff at The Caepe School are highly educated and experienced to deliver exceptional instruction in an atmosphere that encourages confidence, self-esteem and academic growth. The school's target student-to-teacher ratio is 9:1. The school was founded in 2008 by Tamara and Darren Lee who serve as Head of the School and Administrator/Dean of Students, respectively.

The school operates on the premise that every child is unique, each with his or her own set of strengths and challenges. The school's mission is to provide a positive and affirming learning environment to guide and inspire each student to develop and succeed as a total individual academically, physically, socially and emotionally. For enrollment and other important information about The Caepe School, please visit their website at [www.thecaepeschool.org](http://www.thecaepeschool.org).

Cooley Enterprises has recently redesigned The Caepe School's website as well as created a new admissions kit, identity package, logo and stationery package using bold, eye-catching color schemes and graphics. The overlapping circles in the logo help to reinforce the school's "total individual" image.

Our current primary goal is to increase enrollment for the school, which is being

accomplished through the drop of a direct mail piece to families in the Anthem area. We have also designed an oversized multi-page brochure and PowerPoint presentation that are being used for monthly enrollment meetings.

The next steps for marketing the school will include: an email blast campaign to residents in the Anthem area to drive traffic to the enrollment meetings, the creation of a fundraiser flyer, and assistance in the development of The Caepe School's mascot.



## New Clients



AquaStar Pool Products



Lexcel Solutions, Inc.



Los Angeles World Airports