10 Media Planning and Strategy

atakan/iStock/Getty Images

Learning Objectives

LO 10-1 | Define the key terminology in media planning.

LO 10-2 | Explain how to develop a media plan.

LO 10-3 | Describe the purpose of media objectives.

LO 10-4 | Describe how to develop and implement media strategies.

LO 10-5 | Compare the characteristics of various media.

How Much Is Too Much? When Have We Seen Enough of a Commercial?

Have you ever watched something on TV or some other video device and up pops a commercial that you have seen way too many times? After you get done screaming at the screen, you ask, “Why do they do that?” and say, “I am so sick of seeing that commercial!” It happens to all of us, and it seems that some companies just don’t get it. Not only are they wasting their money on all these ads, but they are actually turning you off toward the product or service they are promoting.

Depending on whom you believe and the methodology they employ, estimates are that we see somewhere between 4,000 and 10,000 ads a day. Yes, a day! That’s a wide range, you say, and you are right because no one really knows for sure. But whatever number is more accurate, it is still a heck of a lot of ads. And that is the problem—nobody really knows for sure how many times someone sees an ad. But as you might expect, this is important for the advertiser to know. If I don’t buy enough advertising time or space, my ad may not get seen at all. On the other hand, if I buy too much, the viewer sees it too often, it becomes less and less effective each time it is seen, and it may get to the point where it becomes irritating and does more harm than good.

While marketers have wrestled with this question for a long time, in both academic and practitioner domains, there is no absolute answer. Perhaps the most relied-upon and taught is the research conducted by Herbert Krugman way back in the 1970s. Krugman postulated that the optimal number of exposures to a television commercial was between 3 and 10 times. Less than 3 would be an ineffective number of exposures, while more than 10 would be excessive, and subsequent exposures would start to lead to negative exposures. Even though Krugman's work is now nearly a half century old, the magic number three still seems to be the conventional wisdom. Numerous articles have appeared in the literature over the past decades critiquing Krugman's work, but it seems no one has come up with a better number proven and accepted by advertisers.

But think how different times are now compared to the 1970s. Television was the dominant advertising medium. Newspapers and magazines were going strong. The Internet wouldn't exist for more than two more decades. There were no cell phones. The estimated number of daily exposures to ads was thought to be around 1,500! Is it this reliance on the rule of three that is causing overexposure? Have all the changes in the media environment had no impact on effective frequency?

Jennifer Lee Burton, Jan Gollins, Linda E. McNeely, and Daniellle M. Walls decided it was time for a fresh look. Publishing in the *Journal of Advertising Research,* the authors felt it was time to reexamine the "rule of three," given consumer's viewing experiences today, to determine if it was still true or out of date. Their research focused on the impact of having more than 10 exposures to an ad, hypothesizing that the proliferation of media in the life of consumers today would lead to a higher threshold for advertising repetition. Their research supported this idea, with those seeing the ad 10 or more times reporting higher purchase intentions than did those seeing it less often.

In an article in *Ad Age,* Jack Neff, reporting on a number of studies conducted by Facebook, the Mobile Marketing Association, and Procter & Gamble across a variety of media—including TV, Facebook, and mobile—found that the level of optimal exposure varied across media, viewing habits, and time and programs watched, among other factors. The conclusion was that "universal rules of thumb are hard to come by."

So, given that these were all well-conducted studies and that we still have no concrete evidence to support what the optimal frequency should be, it appears that the answer may very well be "it depends." Unfortunately for the viewer, it may be that we are going to continue to see some ads "ad nauseam" because the one thing advertisers do agree on is that they would rather have their ad seen too often than not enough.

Sources: Jennifer Lee Burton, Jan Gollins, Linda E. McNeely, and Danielle M. Walls, "Revisiting the Relationship between Ad Frequency and Purchase Intentions," *Journal of Advertising Research*, March 2019, pp. 27–39; Jack Neff, "What's the Frequency, Pritchard?" *Ad Age,* November 7, 2018, www.adage.com; "A New 'Wearout' Standard for a New Era of Advertising," March 15, 2019. www.warc.com.

If you still watch television—particularly when you watch sporting events that typically are longer in viewing times—you no doubt have become frustrated at some time about seeing the same commercials over and over again. You may even have wondered about why advertisers continue to do this because after so many exposures, it starts to get irritating and can't be a good use of money. As indicated in the lead-in, as well as later in the chapter, this problem has been around for decades and is apparently no closer to resolution than it was almost 50 years ago. As you will see in this chapter, media buying seems to be as much an art as a science, and while progress has been made, there may just be too many factors impinging on the process to ever get it perfected. The ability to gain even more data on the target audience, the proliferation of new media, and pressure to place the ad in pretty much real time, as well as the use of different metrics has resulted in a whole new media buying landscape. As a result, media planning has become more complex than ever before—despite the contention that some technological advances simplify it. As you will see in the following chapters, these changes offer marketers opportunities not previously available, but they also require in-depth knowledge of all the media alternatives. Integrated marketing communications programs are no longer a luxury; they are a necessity. Media planners must now consider multiple new options as well as recognize the changes that are occurring in traditional sources. New and evolving media contribute to the already difficult task of media planning. Planning when, where, and how the message will be delivered is a complex and involved process that is constantly evolving. The primary objective of the media plan is to develop a framework that will deliver the message that communicates what the product, brand, and/or service can do to the target audience in the most efficient, cost-effective manner possible.

This chapter presents the various methods of message delivery available to marketers, examines some key considerations in making media decisions, and discusses the development of media strategies and plans. Later chapters will explore the relative advantages and disadvantages of the various media and examine each in more detail.

It should be noted that while new media often use their own terms and concepts, many also use the more traditional metrics as well. Much of the focus in this chapter will be on traditional concepts, with subsequent chapters dealing with media-specific terminology. For example, in social media a medium would be user-generated video, YouTube is a platform, and a channel would be 60secondmarketer.com.[1] Nevertheless, the value and necessity of a planning framework still exists across media.

AN OVERVIEW OF MEDIA PLANNING

The media planning process is not an easy one. Options include mass media such as television, newspapers, radio, and magazines (and the choices available within each of these categories) as well as out-of-home media such as outdoor advertising, transit advertising, and electronic billboards. A variety of other media such as direct marketing, promotional products, sales promotions, and in-store point-of-purchase options must also be considered. A proliferation of new media, including branded entertainment, social media, the Internet, and mobile, have also provided marketers with many options to consider.

While at first glance the choices among these alternatives might seem relatively straightforward, this is rarely the case. Part of the reason media selection becomes so involved is the nature of the media themselves. TV combines both sight and sound, an advantage not offered by most other media. Magazines can convey more information and may keep the message available to the potential buyer for a much longer time. Newspapers also offer their own advantages, as do outdoor, direct media, and each of the others. The new digital media offer many of the advantages of other media but also have limitations in their capabilities. The characteristics of each alternative must be considered, along with many other factors. This process becomes even more complicated when the manager has to choose between alternatives within the same medium—for example, between

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Time and *The Week* in print or between *This is Us* and *NCIS* on TV, or Facebook and Instagram on the Internet.

Many companies, large and small, have come to realize the importance of a sound media strategy. They are focusing additional attention on the integration of creative work and media as well as the use of multiple media vehicles to achieve the optimal impact. For example, ads that have been shown on TV now appear for viewing on the company's Internet site. In the past the commercials to be shown on the Super Bowl were surrounded by secrecy in an attempt to heighten expectations. Now, many of the commercials that appear on the Super Bowl are first released on YouTube or other media outlets to gain more exposure. Advertisers still disagree as to which strategy is more effective.

The product and/or service being advertised affects the media planning process. As demonstrated in Figure 10–1, firms have found some media more useful than others in conveying their messages to specific target audiences. For example, Procter & Gamble spends an almost even amount of its budget in measured media (traditional media like TV, magazines) and unmeasured (digital, mobile, etc.), while American Express spends more in unmeasured media. Note that many of these companies have decreased their spending in traditional media while at the same time increasing unmeasured expenditures. The result is placement of advertising dollars in these preferred media—and significantly different media strategies.

IGURE 10–1

_eading National Advertisers, Ranked by Total U.S. Advertising Spending, 2017 ($ Millions)

Rank	Marketer	Headquarters	Total U.S. ad spending 2017	U.S. measured-media ad spending 2017
1	Comcast Corp.	Philadelphia	$5,745	$1,316
2	Procter & Gamble Co.	Cincinnati	4,387	2,660
3	AT&T	Dallas	3,520	1,215
4	Amazon	Seattle	3,379	564
5	General Motors Co.	Detroit	3,244	1,480
6	Verizon Communications	New York	2,643	958
7	Ford Motor Co.	Dearborn, Mich.	2,454	1,173
8	Charter Communications	Stamford, Conn.	2,420	281
9	Alphabet (Google)	Mountain View, Calif.	2,413	477
10	Samsung Electronics Co.	Suwon, South Korea	2,405	707
11	American Express Co.	New York	2,378	204
12	Walmart	Bentonville, Ark.	2,283	558
13	JPMorgan Chase & Co.	New York	2,253	147
14	L'Oréal	Clichy, France	2,195	1,164
15	Nestlé	Vevey, Switzerland	2,128	573
16	Pfizer	New York	2,047	1,552
17	Berkshire Hathaway	Omaha, Neb.	2,012	1,764
18	Fiat Chrysler Automobiles	London	1,975	869
19	Johnson & Johnson	New Brunswick, N.J.	1,926	1,020
20	Expedia Group	Bellevue, Wash.	1,816	363
21	Deutsche Telekom (T-Mobile US)	Bonn, Germany/Bellevue, Wash.	1,800	1,101
22	Toyota Motor Corp.	Toyota City, Japan	1,780	922
23	Walt Disney Co.	Burbank, Calif.	1,775	520
24	Time Warner	New York	1,645	725
25	Capital One Financial Corp.	McLean, Va.	1,587	274

-Mobile US, controlled by Deutsche Telekom, in April signed a deal to buy Sprint Corp., ontrolled by No. 38 SoftBank, in a move to combine the third- and fourth-largest U.S. reless firms.

ource: Ad Age Datacenter. Total U.S. advertising spending is Ad Age estimate, including gital spending. U.S measured-media spending, excluding digital media, from WPP'S ANTAR Media. Numbers rounded. More info: kantarmedia.com. Full rport: dAge.com/lna2018. Marketer database:AdAge.com/marketertrees2018. About 200 LNA: P.) AND aDaGE.COM/aboutlna2018.

Some Basic Terms and Concepts

LO 10-1

Before beginning our discussion of media planning, we review some basic terms and concepts used in the media planning and strategy process.

Media planning is the series of decisions involved in delivering the promotional message to the prospective purchasers and/or users of the product or brand. Media planning is a process, which means a number of decisions are made, each of which may be altered or abandoned as the plan develops.

The media plan is the guide for media selection. It requires development of specific **media objectives** and specific **media strategies** (plans of action) designed to attain these objectives. Once the decisions have been made and the objectives and strategies formulated, this information is organized into the media plan.

The **medium** is the general category of available delivery systems, which includes broadcast media (like TV and radio), print media (like newspapers and magazines), direct marketing, outdoor advertising, and other support media. The **media vehicle** is the specific carrier within a medium category. For example, *Vanity Fair* and *In Style* are print vehicles; *The Voice* and *60 Minutes* are broadcast vehicles; Facebook and Instagram are social media vehicles. As you will see in later chapters, each vehicle has its own characteristics as well as its own relative advantages and disadvantages. Specific decisions must be made as to the value of each in delivering the message.

Reach is a measure of the number of different audience members exposed at least once to a media vehicle in a given period of time. **Coverage** refers to the potential audience that might receive the message through a vehicle. Coverage relates to potential audience; reach refers to the actual audience delivered. (The importance of this distinction will become clearer later in this chapter.) Finally, **frequency** refers to the number of times the receiver is exposed to the media vehicle in a specified period. While there are numerous more media planning terms that are important and commonly used (for a useful reference see *Media Planning & Buying in the 21st Century*),[2] we will begin our discussion with these as they are critical to your understanding of the planning process.

The Media Plan

The media plan determines the best way to get the advertiser's message to the market. In a basic sense, the goal of the media plan is to find that combination of media that enables the marketer to communicate the page 328 message in the most effective manner to the largest number of potential customers at the lowest cost.

The activities involved in developing the media plan and the purposes of each are presented in Figure 10–2. As you can see, a number of decisions must be made throughout this process. As the plan evolves, events may occur that necessitate changes. Many advertisers find it necessary to alter and update their objectives and strategies frequently.

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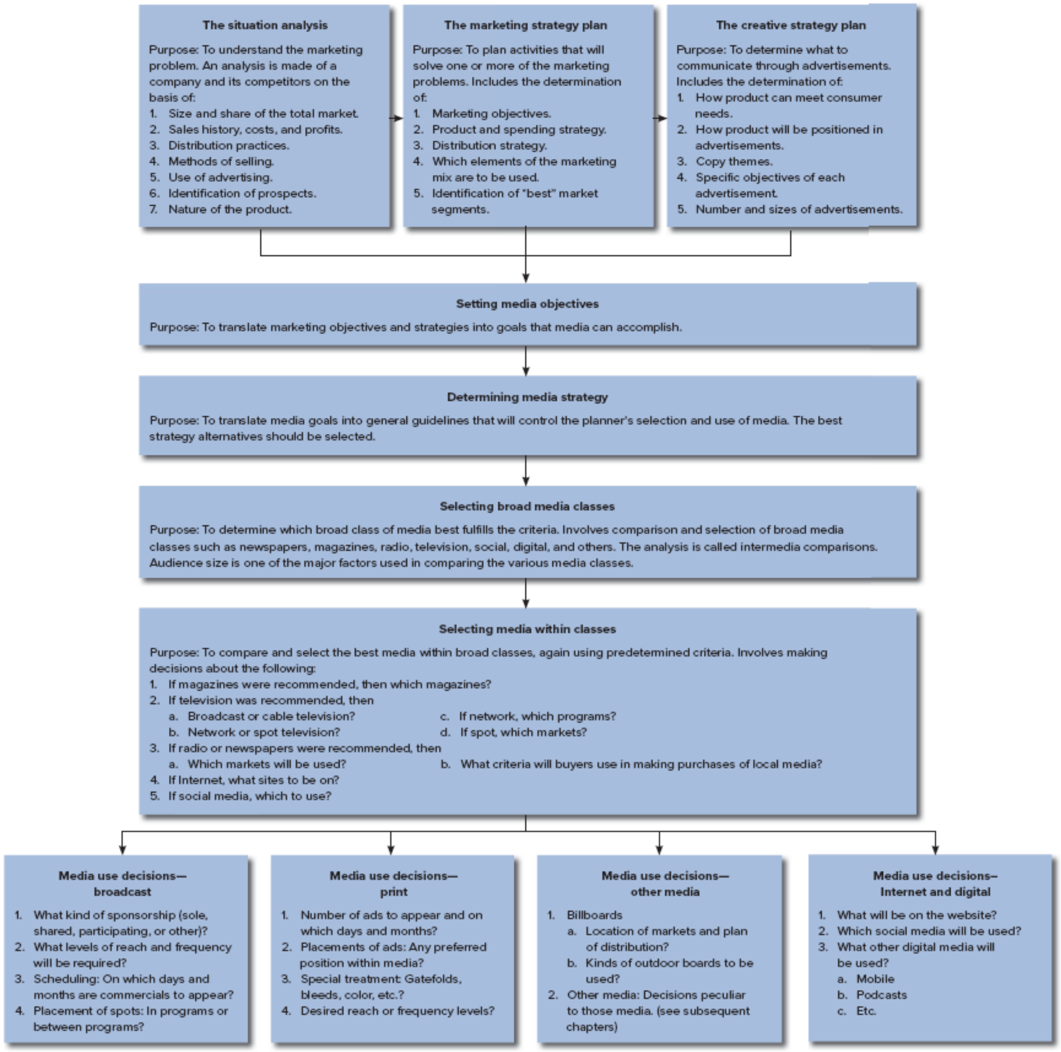
IGURE 10–2

Activities Involved in Developing the Media Plan



Problems in Media Planning

Unfortunately, the media strategy decision has not become a simple task. A number of problems contribute to the difficulty of establishing the plan and reduce its effectiveness. These problems include insufficient information, inconsistent terminologies, time pressures, and difficulty measuring effectiveness.

Insufficient Information While a great deal of information about markets and the media exists, media planners often require more than is available. Some data are just not measured, either because they page 330 cannot be or because measuring them would be too expensive. For example, continuous measures of radio listenership exist, but only periodic listenership studies are reported due to sample size and cost constraints. There are problems with some measures of audience size in other media as well. As you will see later in this chapter, there is often a lack of information and transparency asociated with some media.

The timing of measurements is also a problem; some audience measures are taken only at specific times of the year. (For example, **sweeps periods** in February, May, July, and November are used for measuring TV audiences and setting advertising rates.) This information is then generalized to succeeding months, so future planning decisions must be made on past data that may not reflect current behaviors. (In the largest TV markets, meters are used to provide information.) Think about planning for TV advertising for the fall season. There are no data on the audiences of new shows, and audience information taken on existing programs during the summer may not indicate how these programs will do in the fall because summer viewership is generally much lower. While the advertisers can review these programs before they air, all markets do not have actual audience figures.

The lack of information is even more of a problem for small advertisers, or smaller markets, who may not be able to afford to purchase the information they require. As a result, their decisions are based on limited or out-of-date data that were provided by the media themselves, or no data at all.

Inconsistent Terminologies Problems arise because the cost bases used by different media often vary and the standards of measurement used to establish these costs are not always consistent. For example, print media may present cost data in terms of the cost to reach a thousand people (cost per thousand, or CPM), broadcast media use the cost per ratings point (CPRP), and outdoor media use the number of showings. The advent of the Internet brought about a whole new lexicon of terminologies. Audience information that is used as a basis for these costs has also been collected by different methods. Finally, terms that actually mean something different (such as *reach* and *coverage*) may be used synonomously by some, adding to the confusion.

In 2006, a joint task force composed of members of the Association of National Advertisers (ANA), American Association of Advertising Agencies

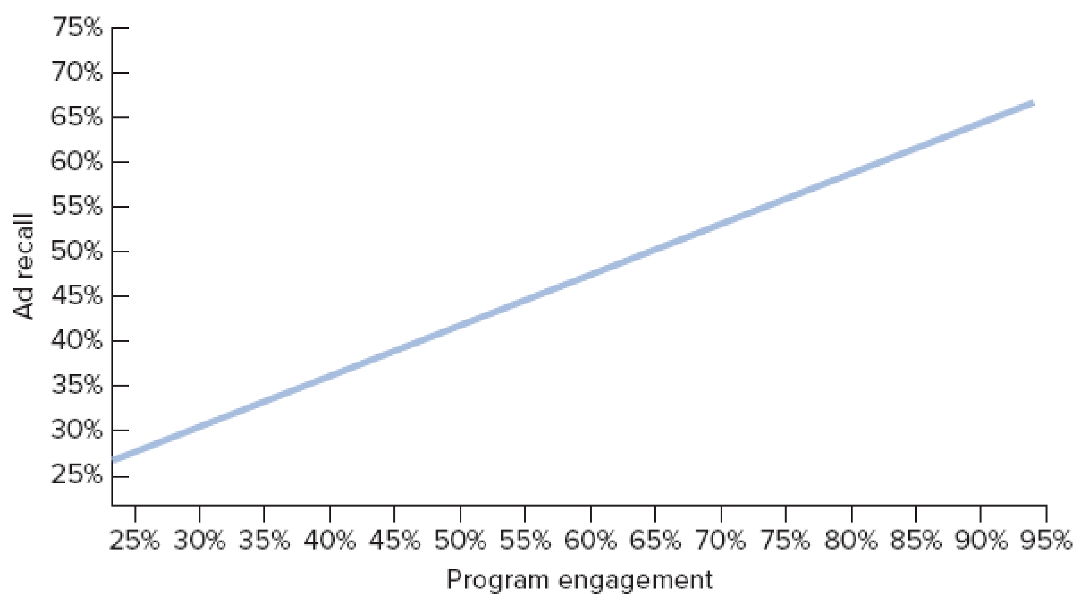
(4As), Direct Marketing Association (DMA), Advertising Research Foundation (ARF), and Interactive Advertising Bureau (IAB) launched an initiative to determine a better way to measure consumer exposure to an advertisement. The group unveiled an initiative that would significantly change the way exposure was measured, essentially replacing the use of frequency (the number of exposures to an ad) with engagement, a measure they said would better reflect the growing number of media choices available to consumers. Although the committee agreed on backing the new term, others were not so willing, asking for a more precise definition of *engagement.* The committee agreed to further examine and validate the concept.[3] However, even today there is no consensus as to the meaning of the term, and some in the ad industry have called for a return to a focus on awareness.[4]

At the same time, the importance of engagement has been recognized by marketers. The Nielsen Company, which provides TV ratings data, is just one of many firms now providing engagement data. Figure 10–3 shows the results of a study that demonstrates that there is a strong correlation between program involvement and ad recall.

IGURE 10–3

The Relationship between Engagement and Ad Recall

ɔurce: The Nielsen Company.



Time Pressures It seems that advertisers are always in a hurry—sometimes because they need to be, other times because they think they need to be. Actions by a competitor—for example, the cutting of airfares by one carrier—require immediate response. But sometimes a false sense of urgency dictates time pressures. In either situation, media selection decisions may be made without proper planning and analysis of the markets and/or media.

Difficulty Measuring Effectiveness Because it is so hard to measure the effectiveness of advertising and promotions in general, it is also difficult to determine the relative effectiveness of various media or media vehicles. (Recall the discussion of ROI from Chapter 7.) While progress is being made in this regard, the media planner may have little more than an estimate of or a good guess at the impact of these alternatives. In fact, in a study reported in *eMarketer*, only 25 percent of brand marketers reported that they were confident that their media mix was optimal, due to the inability to make this determination.[5]

Because of these problems, not all media decisions are quantitatively determined. Sometimes managers have to assume the image of a medium in a market with which they are not familiar, anticipate the impact of recent events, or make judgments without full knowledge of all the available alternatives.

While these problems complicate the media decision process, they do not render it an entirely subjective exercise. The remainder of this chapter explores in more detail how media strategies are developed and ways to increase their effectiveness.

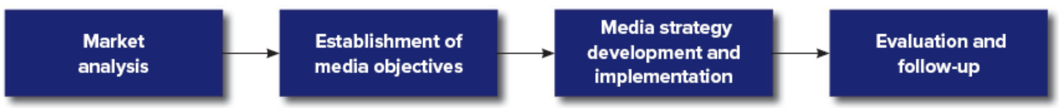
DEVELOPING THE MEDIA PLAN

LO 10-2

The promotional planning model in Chapter 1 discussed the process of identifying target markets, establishing objectives, and formulating strategies for attaining them. The development of the media plan and strategies follows a similar path, except that the focus is more specifically keyed to determining the best way to deliver the message. The process, shown in Figure 10–4, involves a series of stages: (1) market analysis, (2) establishment of media objectives, (3) media strategy development and implementation, and (4) evaluation and follow-up. Each of these is discussed in turn, with specific examples.

IGURE 10–4

Developing the Media Plan



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MARKET ANALYSIS AND TARGET MARKET IDENTIFICATION

The situation analysis stage of the overall promotional planning process involves a complete review of internal and external factors, competitive strategies, and the like. In the development of a media strategy, a market analysis is again performed, although this time the focus is on the media and delivering the message. The key questions at this stage are these: To whom will we advertise (who is the target market)? What internal and external factors may influence the media plan? Where (geographically) and when should we focus our efforts?

To Whom Will We Advertise?

While a number of target markets might be derived from the situation analysis, to decide which specific groups to go after, the media planner may work with the client, account representative, marketing department, and creative directors. A variety of factors can assist media planners in this decision. Some will require primary research, whereas others will be available from published (secondary) sources.

Experian Simmons, formerly the Simmons Market Research Bureau (SMRB), provides information through its annual *Experian National Consumer Study.* The study provides information regarding traditional media usage (English and Spanish languages), product, brands and services used, and demographic and psychographic characteristics. Experian also provides a *New Media Study* providing insights into Americans' use of mobile phones, social networking, and dozens of other new emerging technologies. The company's competitor GfK-Mediamark Research Inc. (GfK MRI) also provides consumer information and media usage characteristics of the population.

Media planners are often more concerned with the percentage figures and index numbers than with the raw numbers. This is largely due to the fact that they may have their own data from other sources, both primary and secondary; the numbers provided may not be specific enough for their needs; or they question the numbers provided because of the methods by which they were collected. The total (raw) numbers provided by Experian and GfK MRI are used in combination with the media planner's own figures.

On the other hand, the **index number** is considered a good indicator of the potential of the market. This number is derived from the formula

$$\text{Index} = \frac{\text{Percentage of users in a demographic segment}}{\text{Percentage of population in the same segment}} \times 100$$

An index number over 100 means use of the product is proportionately greater in that segment than in one that is average (100) or less than 100. For example, the GfK MRI data in Figure 10–5 show that people in the age groups 18–44, are more likely to engage in jogging/running, while those who did not graduate from high school, lower-income groups, and older adults are the least likely to jog/run. Men are slightly more likely than women to participate. Depending on their overall strategy, marketers may wish to use this information to determine which groups are now using the product and target them or to identify a group that is currently using the product less and attempt to develop that segment. Figure 10–6 provides more instruction on how to read a GfK MRI report. (There is also an instructional video on YouTube—Google “GfK MRI-PLUS.”)

While the index is helpful, it should not be used alone. Percentages and product usage figures are also needed to get an accurate picture of the market. Just because the index for a particular segment of the population is very high, that doesn’t always mean it is an attractive segment to target. The high index may be a result of a low denominator (a very small proportion of the population in this segment). In Figure 10–7, the 18- to 24-year-old age segment has the highest index, but it also has both the lowest product usage and the lowest population percentage. A marketer who relied solely on the index would be ignoring a full 82 percent of product users.

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IGURE 10–5

GfK MRI Report on Joggers/Runners Spring 2018 Product: Leisure/Sports Jogging/Running: Participated in Last 12 Months

Target	Base Total ' 000	UNW	' 000	% Detail	% Target	Index
Total	247,024	3,022	32,035	100.00	12.97	100
Men	119,259	1,623	16,057	50.12	13.46	104
Women	127,765	1,399	15,978	49.88	12.51	96
Educ: graduated from college plus	76,755	1,565	15,656	48.87	20.40	157
Educ: attended college	70,724	921	8,957	27.96	12.66	98
Educ: graduated from high school	71,398	406	5,917	18.47	8.29	64
Educ: did not graduate from high school	28,148	130	1,504	4.70	5.34	41
Educ: post graduate	26,902	594	5,337	16.66	19.84	153
Educ: no college	99,546	536	7,422	23.17	7.46	57
Age 18–24	29,782	392	6,252	19.52	20.99	162
Age 25–34	44,223	827	9,434	29.45	21.33	164
Age 35–44	40,272	810	7,677	23.96	19.06	147
Age 45–54	42,569	500	4,556	14.22	10.70	83
Age 55–64	41,475	317	2,602	8.12	6.27	48
Age 65 +	48,703	176	1,514	4.73	3.11	24
Occupation: Management, Business and Financial Operations	25,294	646	5,370	16.76	21.23	164
Occupation: Natural Resources, Construction and Maintenance Occupations	14,135	173	1,369	4.27	9.68	75
Occupation: Other Employed	43,596	494	5,629	17.57	12.91	100
Occupation: Professional and Related Occupations	35,565	706	7,526	23.49	21.16	163
Occupation: Sales and Office Occupations	32,743	429	5,047	15.75	15.41	119
HHI $150,000 +	38,013	786	8,618	26.90	22.67	175
HHI $75,000–$149,999	77,732	1,119	13,339	41.64	17.16	132
HHI $60,000–$74,999	24,597	305	2,868	8.95	11.66	90
HHI $50,000–$59,999	18,162	216	1,987	6.20	10.94	84
HHI $40,000–$49,999	19,272	190	1,469	4.59	7.62	59
HHI $30,000–$39,999	20,697	152	1,307	4.08	6.31	49
HHI $20,000–$29,999	19,977	125	970	3.03	4.86	37
HHI <$20,000	28,574	129	1,476	4.61	5.16	40
Race: American Indian or Alaska Native	3,248	54	453	1.42	13.96	108
Race: Asian	7,717	169	1,206	3.76	15.62	120
Race: Black/African American	31,988	298	3,077	9.61	9.62	74
Race: Black/African American only	30,018	263	2,727	8.51	9.09	70
Race: Other	25,074	347	2,994	9.35	11.94	92
Race: Other Race/Multiple Classifications	36,209	572	4,746	14.81	13.11	101
Race: White	185,311	2,275	25,288	78.94	13.65	105
Race: White only	180,797	2,187	24,562	76.67	13.59	105
Spanish Or Hispanic Origin Or Descent	39,195	447	4,186	13.07	10.68	82
Spanish spoken in home (most often or other)	41,875	461	4,960	15.48	11.85	91

ource: Mediamark Research, GfK MRI

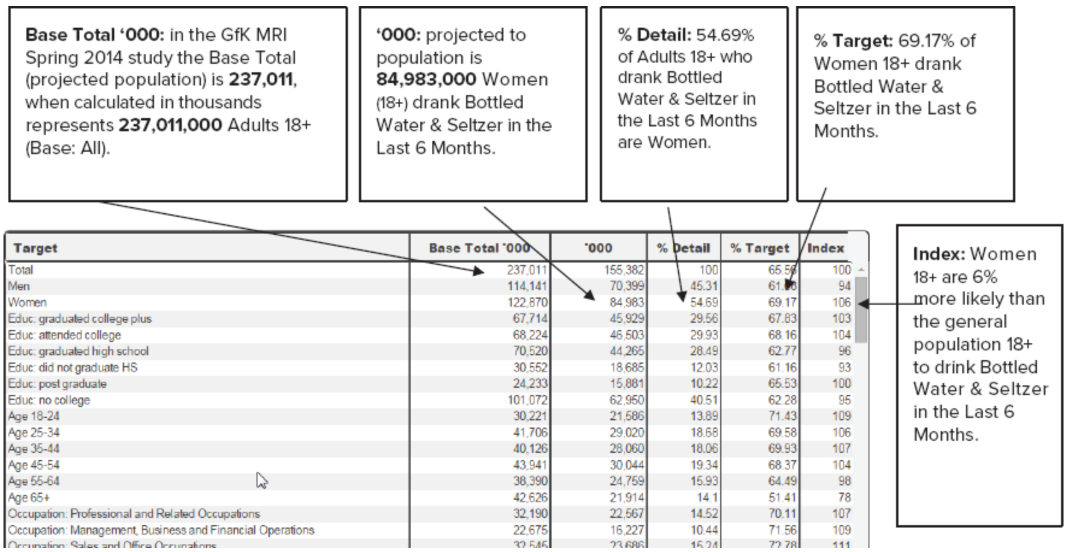
How to read a GfK MRI University Internet Reporter Worksheet

The numbers shown below are the number of people who used Bottled Water & Seltzer in the last 6 months.

FIGURE 10–6

How to Read a GfK MRI Reporter Worksheet

Mediamark Research & Intelligence, LLC (GfK MRI). Reprinted with permission.



Target	Base Total '000	'000	% Detail	% Target	Index
Total	237,011	155,382	100	65.56	100
Men	114,141	70,399	45.31	61.[illegible]	94
Women	122,870	84,983	54.69	69.17	106
Educ: graduated college plus	67,714	45,929	29.56	67.83	103
Educ: attended college	68,224	46,503	29.93	68.16	104
Educ: graduated high school	70,520	44,265	28.49	62.77	96
Educ: did not graduate HS	30,552	18,685	12.03	61.16	93
Educ: post graduate	24,233	15,881	10.22	65.53	100
Educ: no college	101,072	62,950	40.51	62.28	95
Age 18-24	30,221	21,586	13.89	71.43	109
Age 25-34	41,706	29,020	18.68	69.58	106
Age 35-44	40,126	28,060	18.06	69.93	107
Age 45-54	43,941	30,044	19.34	68.37	104
Age 55-64	38,390	24,759	15.93	64.49	98
Age 65+	42,626	21,914	14.1	51.41	78
Occupation: Professional and Related Occupations	32,190	22,567	14.52	70.11	107
Occupation: Management, Business and Financial Operations	22,675	16,227	10.44	71.56	109
Occupation: Sales and Office Occupations	32,545	23,686	15.24	72.78	111

Keep in mind that while Experian and GfK MRI provide demographic, geographic, and some psychographic information, other factors may also be useful in defining specific markets and media usage.

What Internal and External Factors Are Operating?

Media strategies are influenced by both internal and external factors operating at any given time. *Internal factors* may involve the size of the media budget, managerial and administrative capabilities, or the organization of the agency. *External factors* may include the economy (the rising costs of media), changes in technology (the availability of new media and new buying methods), competitive factors, and the like. While some of this information may require primary research, much information is available through secondary sources, including magazines, syndicated services, news sources, and online.

One service's competitive information was shown in Figure 10–1. Another is Competitrack which provides media spending figures for various industries down to the campaign or product level. Competitive information is also available from many other sources.

Where to Promote?

The question of where to promote relates to geographic considerations. As noted in Chapter 7, companies often find that sales are stronger in one area of the country or the world than another and may allocate advertising expenditures according to the market potential of an area. For example, the Mexican beer Pacifico has a much greater brand share of the beer market in the Pacific census region than in the Midwest census region. The question is, where will the ad dollars be more wisely spent? Should Pacifico allocate additional promotional monies to those markets where the brand is already among the leaders to maintain and expand market share, or does more potential exist in those markets where the firm is not doing as well and there is more room to grow? Perhaps the best answer is that the firm should spend advertising and promotion dollars where they will be the most effective—that is, in those markets where they will achieve the desired objectives. Unfortunately, as we have seen so often, it is not always possible to measure directly the impact of promotional efforts. At the same time, certain tactics can assist the planner in making this determination.

IGURE 10–7

Jow High Indexes Can Be Misleading

Age Segment	Population in Segment (%)	Product Use in Segment (%)	Index
18–24	15.1	18.0	119
25–34	25.1	25.0	100
35–44	20.6	21.0	102
45 +	39.3	36.0	91

Using Indexes to Determine Where to Promote In addition to the indexes from Experian Simmons and GfK MRI, three other indexes may also be useful:

1. The **survey of buying power index** is conducted for every major metropolitan market in the United States and is based on a number of factors, including population, effective buying income, and total retail sales in the area. Each of these factors is individually weighted to drive a buying power index that charts the potential of a particular metro area, county, or city relative to the United States as a whole. The resulting index gives media planners insight into the relative value of that market. When used in combination with other market information, the survey of buying power index helps the marketer determine which geographic areas to target.
2. The **brand development index (BDI)** helps marketers factor the rate of product usage by geographic area into the decision process.

$$\text{BDI} = \frac{\text{Percentage of brand to total U.S. sales in the market}}{\text{Percentage of total U.S. population in the market}} \times 100$$

   The BDI compares the percentage of the brand's total U.S. sales in a given market area with the percentage of the total population in the market to determine the sales potential for that brand in that market area. An example of this calculation is shown in Figure 10–8. The higher the index number, the more market potential exists. In this case, the index number indicates this market has high potential for brand development.

FIGURE 10–8

Calculating BDI

$$\text{BDI} = \frac{\text{Percentage of brand sales in South Atlantic region}}{\text{Percentage of U.S. population in South Atlantic region}} \times 100$$

$$= \frac{50\%}{16\%} \times 100$$

$$= 312$$

3. The **category development index (CDI)** is computed in the same manner as is the BDI, except it uses information regarding the product category (as opposed to the brand) in the numerator:

$$\text{CDI} = \frac{\text{Percentage of product category total sales in market}}{\text{Percentage of total U.S. population in market}} \times 100$$

The CDI provides information on the potential for development of the total product category rather than specific brands. When this information is combined with the BDI, a much more insightful promotional strategy may be developed. For example, consider the market potential for coffee in the United States. One might first look at how well the product category does in a specific market area. In Utah and Idaho, for example, the category potential is low (see Figure 10–9). The marketer analyzes the BDI to find how the brand is doing relative to other brands in this area. This information can then be used in determining how well a particular product category and a particular brand are performing and figuring what media weight (or quantity of advertising) would be required to gain additional market share, as shown in Figure 10–10.

IGURE 10–9

Jsing CDI and BDI to Determine Market Potential

$$\text{CDI} = \frac{\text{Percentage of product category sales in Utah/Idaho}}{\text{Percentage of total U.S. population in Utah/Idaho}} \times 100$$

$$= \frac{1\%}{1\%} \times 100$$

$$= 100$$

$$\text{BDI} = \frac{\text{Percentage of total brand sales in Utah/Idaho}}{\text{Percentage of total U.S. population in Utah/Idaho}} \times 100$$

$$= \frac{2\%}{1\%} \times 100$$

$$= 200$$

IGURE 10–10

Jsing BDI and CDI Indexes

	High BDI	Low BDI
High CDI	High market share Good market potential	Low market share Good market potential
Low CDI	High market share Monitor for sales decline	Low market share Poor market potential

High BDI and high CDI	This market usually represents good sales potential for both the product category and the brand.
High BDI and low CDI	The category is not selling well, but the brand is; probably a good market to advertise in but should be monitored for declining sales.
Low BDI and high CDI	The product category shows high potential but the brand is not doing well; the reasons should be determined.
Low BDI and low CDI	Both the product category and the brand are doing poorly; not likely to be a good place for advertising.

While these indexes provide important insights into the market potential for the firm's products and/or brands, this information is supplemental to the overall strategy determined earlier in the promotional decision-making process. In fact, much of this information may have already been provided to the media planner. Since it may be used more specifically to determine the media weights to assign to each area, this decision ultimately affects the budget allocated to each area as well as other factors such as reach, frequency, and scheduling.

ESTABLISHING MEDIA OBJECTIVES

LO 10-3

Just as the situation analysis leads to establishment of marketing and communications objectives, the media situation analysis should lead to determination of specific media objectives. The media objectives are not ends in themselves. Rather, they are designed to lead to the attainment of communications and marketing objectives. Media objectives are the goals for the media program and should be limited to those that can be accomplished through media strategies. An example of media objectives: Create awareness in the target market through the following:

- Use broadcast media to provide coverage of 80 percent of the target market over a six-month period.
- Reach 60 percent of the target audience at least three times over the same six-month period.
- Create a positive brand image through mood and creativity.

DEVELOPING AND IMPLEMENTING MEDIA STRATEGIES

LO 10-4

Having determined what is to be accomplished, media planners consider how to achieve these objectives. That is, they develop and implement media strategies, which evolve directly from the actions required to meet objectives and involve the criteria in Figure 10–11.

IGURE 10–11

Criteria Considered in the Development of Media Plans

- The media mix
- Target market coverage
- Geographic coverage
- Scheduling

- Reach and frequency
- Recency
- Creative aspects and mood
- Flexibility
- Budget considerations

The Media Mix

A wide variety of media and media vehicles are available to advertisers. While it is possible that only one medium and/or vehicle might be employed, it is much more likely that a number of alternatives will be used. The objectives sought, the characteristics of the product or service, the size of the budget, and individual preferences are just some of the factors that determine what combination of media will be taken into consideration.

As an example, consider a promotional situation in which a product requires a visual demonstration to be communicated effectively. In this case, TV or the Internet may be the most effective medium. If the promotional strategy calls for coupons to stimulate trial, print media may be necessary. (Many companies also provide the capability to print coupons from their websites.) For in-depth information, the Internet may be best; social media may be best for spreading the word among friends.

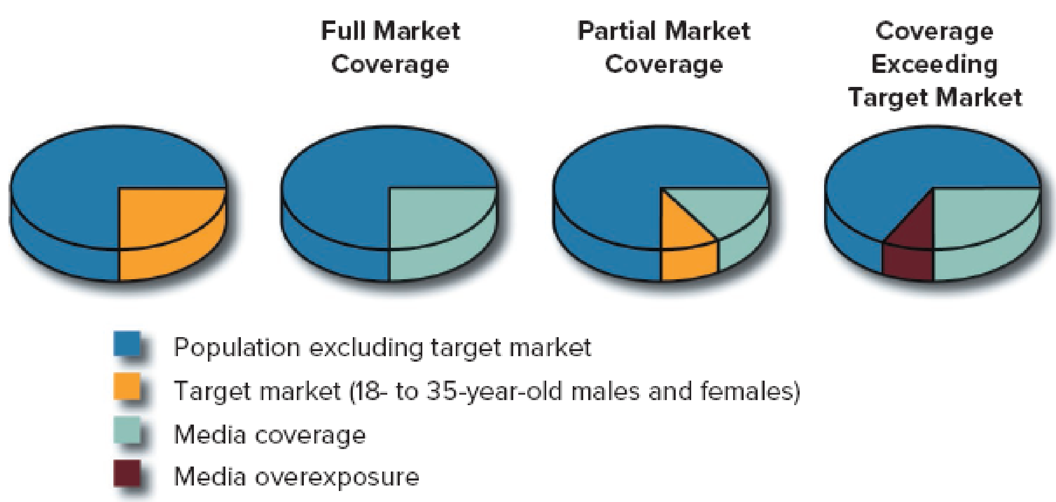
By employing a media mix, advertisers can add more versatility to their media strategies, since each medium contributes its own distinct advantages (as demonstrated in later chapters). By combining media, marketers can increase coverage, reach, and frequency levels while improving the likelihood of achieving overall communications and marketing goals.

Target Market Coverage

The media planner determines which target markets should receive the most media emphasis. Developing media strategies involves matching the most appropriate media to this market by asking, “Through which media and media vehicles can I best get my message to prospective buyers?” The issue here is to get coverage of the market, as shown in Figure 10–12. The optimal goal is full market coverage, shown in the second pie chart. But this is a very optimistic scenario. More realistically, conditions shown in the third and fourth charts are most likely to occur. In the third chart, the coverage of the media does not allow for coverage of the entire market, leaving some potential customers without exposure to the message. In the fourth chart, the marketer is faced with a problem of overexposure (also called **waste coverage**), in which the media coverage exceeds the targeted audience. If media coverage reaches people who are not sought as buyers and are not potential users, then it is wasted. (This term is used for coverage that reaches people who are not potential buyers and/or users. Consumers may not be part of the intended target market but may still be considered as potential—for example, those who buy the product as a gift for someone else.)

IGURE 10–12

Marketing Coverage Possibilities



The goal of the media planner is to extend media coverage to as many of the members of the target audience as possible while minimizing the amount of waste coverage. The situation usually involves trade-offs. Sometimes one has to live with less coverage than desired; other times, the most effective media expose people not sought. In this instance, waste coverage is justified because the media employed are likely to be the most effective means of delivery available and the cost of the waste coverage is exceeded by the value gained.

When watching football games on TV, you may have noticed commercials for stock brokerage firms such as Charles Schwab, Ameritrade, and E*Trade. Not all viewers are candidates for stock market services, but a very high percentage of potential customers can be reached with this strategy. So football programs are considered a good media buy because the ability to generate market coverage outweighs the disadvantages of high waste coverage.

Figure 10–13 shows how information provided by GfK MRI can be used to match media to target markets. This excerpt is from the report that profiles magazines read, cable TV show types watched, websites visited, and so forth by the joggers/runners identified in Figure 10–5. (You can practice using index numbers here.) From Figure 10–13, you can see that the NFL network and MTV would likely be wise selections, whereas FYI and Galavision would be less likely to lead to the desired exposures.

Geographic Coverage

Snow skiing is much more popular in some areas of the country than in others. It would not be the wisest of strategies to promote skis in those areas where interest is not high, unless you could generate an increase in interest. It may be possible to promote an interest in skiing in the Southeast, but a notable increase in sales of ski equipment is not very likely, given the market's distance from snow. The objective of weighting certain geographic areas more than others makes sense, and the strategy of exerting more promotional efforts and dollars in those areas follows naturally.

Scheduling

Obviously, companies would like to keep their advertising in front of consumers at all times as a constant reminder of the product and/or brand name. In reality, this is not possible for a variety of reasons (not the least of which is the budget). Nor is it necessary. The primary objective of *scheduling* is to time promotional efforts so that they will coincide with the highest potential buying times. For some products these times are not easy to identify; for others they are very obvious. Three scheduling methods available to the media planner—continuity, flighting, and pulsing—are shown in Figure 10–14. Appendix A at the end of this chapter shows how running shoe brand ASICS uses scheduling in its media plan.

Continuity refers to a continuous pattern of advertising, which may mean every day, every week, or every month. The key is that a regular (continuous) pattern is developed without gaps or nonadvertising periods. Such strategies might be used for advertising for food products, laundry detergents, toiletries, or other products consumed on an ongoing basis without regard for seasonality.

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IGURE 10–13

GfK MRI Provides Media Usage of Joggers/Runners

Target	Total ' 000	UNW	' 000	% Detail	% Target	Index
HH subscribe to Cable	104,344	1,263	13,035	40.69	12.49	96
HH have a satellite dish	58,083	530	6,254	19.52	10.77	83
Cable Services: NHL Network	3,324	56	578	1.81	17.40	134
Cable Services: A&E	48,742	496	5,125	16.00	10.51	81
Cable Services: Adult Swim	15,889	229	2,565	8.01	16.15	124
Cable Services: AMC	44,141	463	4,491	14.02	10.17	78
Cable Services: American Heroes Channel †	4,864	40	266	0.83	5.47	42
Cable Services: Animal Planet	40,041	356	3,890	12.14	9.71	75
Cable Services: Azteca †	5,175	30	349	1.09	6.75	52
Cable Services: BabyFirst †	2,985	31	325	1.02	10.90	84
Cable Services: BBC America	17,209	200	1,764	5.51	10.25	79
Cable Services: BBC World News	13,842	148	1,449	4.52	10.47	81
Cable Services: BET (Black Entertainment TV)	20,241	196	2,189	6.83	10.81	83
Cable Services: BET Her †	2,402	17	168	0.53	7.01	54
Cable Services: Bloomberg Television	3,776	52	398	1.24	10.54	81
Cable Services: Bounce	5,842	51	647	2.02	11.08	85
Cable Services: Bravo	22,020	308	3,178	9.92	14.43	111
Cable Services: Cartoon Network	23,636	279	3,282	10.25	13.89	107
Cable Services: CBS Sports Network	17,829	199	1,963	6.13	11.01	85
Cable Services: CMT (Country Music Television)	15,698	123	1,480	4.62	9.43	73
Cable Services: CNBC	23,900	273	2,633	8.22	11.02	85
Cable Services: CNN	57,408	756	7,044	21.99	12.27	95
Cable Services: Comedy Central	22,527	340	3,548	11.07	15.75	121
Cable Services: Cooking Channel	25,138	225	2,266	7.07	9.01	70
Cable Services: COZI TV †	3,469	27	214	0.67	6.16	48
Cable Services: Destination America	6,725	53	599	1.87	8.90	69
Cable Services: Discovery Channel	50,418	557	5,720	17.86	11.35	87
Cable Services: Discovery Family	6,422	66	823	2.57	12.81	99
Cable Services: Discovery Life Channel	7,195	54	628	1.96	8.73	67
Cable Services: Disney Channel	26,464	276	3,408	10.64	12.88	99
Cable Services: Disney Junior	17,814	224	2,515	7.85	14.12	109
Cable Services: Disney XD	9,307	113	1,440	4.50	15.48	119
Cable Services: E! (Entertainment Television)	16,912	227	2,717	8.48	16.07	124
Cable Services: ESPN	64,228	921	9,482	29.60	14.76	114
Cable Services: ESPN Classic	7,012	78	787	2.46	11.23	87
Cable Services: ESPN2	30,399	411	4,384	13.69	14.42	111
Cable Services: ESPNews	18,221	241	2,673	8.34	14.67	113
Cable Services: ESPNU	10,975	143	1,473	4.60	13.42	103
Cable Services: Estrella TV †	1,863	12	115	0.36	6.20	48
Cable Services: Flix †	3,029	29	298	0.93	9.82	76
Cable Services: Food Network	52,300	608	6,582	20.55	12.58	97
Cable Services: Fox Business Network	12,708	114	1,025	3.20	8.07	62

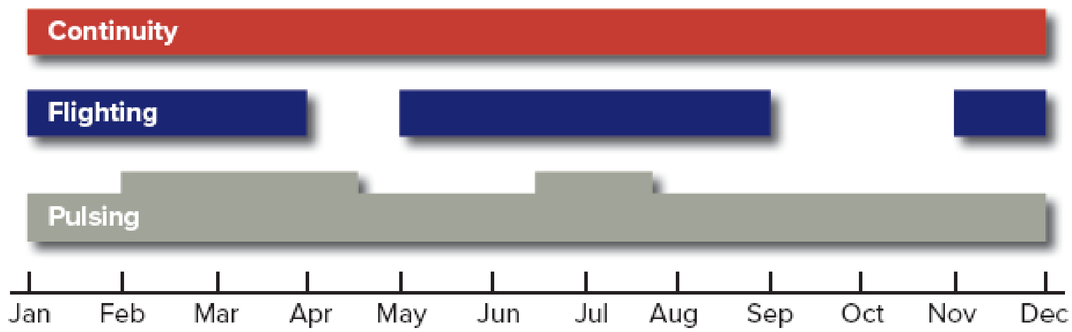
Target		Total ' 000	UNW	' 000	% Detail	% Target	Index
Cable Services: Fox News Channel		61,017	611	6,060	18.92	9.93	77
Cable Services: Fox Sports 1		19,436	267	2,842	8.87	14.62	113
Cable Services: Fox Sports 2		7,049	94	1,006	3.14	14.28	110
Cable Services: Freeform		13,724	168	1,960	6.12	14.28	110
Cable Services: Fuse	†	3,550	29	351	1.10	9.89	76
Cable Services: FX		14,736	189	1,955	6.10	13.27	102
Cable Services: FXM (FX Movie Channel)		18,711	174	2,025	6.32	10.82	83
Cable Services: FXX		17,742	219	2,681	8.37	15.11	117
Cable Services: FYI	†	3,322	25	215	0.67	6.48	50
Cable Services: GAC (Great American Country)	†	2,860	15	233	0.73	8.14	63
Cable Services: Galavision	†	5,968	38	374	1.17	6.27	48
Cable Services: Golf Channel		8,620	114	1,235	3.85	14.32	110
Cable Services: GSN (Game Show Network)		7,562	62	728	2.27	9.63	74
Cable Services: Hallmark Channel		35,601	229	2,763	8.62	7.76	60
Cable Services: Hallmark Movies & Mysteries		19,806	108	1,366	4.26	6.90	53
Cable Services: HGTV (Home & Garden Television)		50,256	654	6,787	21.19	13.51	104
Cable Services: History Channel		61,901	607	6,515	20.34	10.52	81
Cable Services: HLN		6,386	60	581	1.81	9.10	70
Cable Services: HSN (Home Shopping Network)	†	5,935	42	351	1.10	5.92	46
Cable Services: IFC TV		8,213	78	873	2.72	10.63	82
Cable Services: INSP	†	6,170	24	243	0.76	3.95	30
Cable Services: Investigation Discovery		22,253	175	1,915	5.98	8.61	66
Cable Services: ION		21,190	165	1,749	5.46	8.25	64
Cable Services: Lifetime		30,893	262	2,739	8.55	8.87	68
Cable Services: Lifetime Movies		14,682	105	1,311	4.09	8.93	69
Cable Services: Logo	†	2,276	22	260	0.81	11.44	88
Cable Services: MAVTV	†	970	7	105	0.33	10.84	84
Cable Services: MeTV		14,106	95	869	2.71	6.16	47
Cable Services: MLB Network		12,016	164	1,592	4.97	13.25	102
Cable Services: MSNBC		29,512	359	3,004	9.38	10.18	78
Cable Services: MTV (Music Television)		19,233	260	3,125	9.76	16.25	125
Cable Services: MTV Classic	†	5,560	46	610	1.90	10.97	85
Cable Services: MTV Live	†	4,910	36	565	1.76	11.51	89
Cable Services: MTV2		7,060	75	1,054	3.29	14.92	115
Cable Services: Music Choice		7,258	77	963	3.01	13.26	102
Cable Services: Nat Geo Wild		21,484	216	2,195	6.85	10.22	79
Cable Services: National Geographic Channel		39,693	406	4,254	13.28	10.72	83
Cable Services: NBA TV		13,248	165	1,962	6.12	14.81	114
Cable Services: NBC Sports Network		20,687	285	2,749	8.58	13.29	102
Cable Services: NFL Network		16,162	256	2,735	8.54	16.92	130
Cable Services: Nick at Nite		7,350	77	1,147	3.58	15.61	120
Cable Services: Nick Jr.		14,752	170	2,111	6.59	14.31	110
Cable Services: Nickelodeon		16,792	184	2,374	7.41	14.14	109

Indicates unstable sample of less than 50 responses.

ource: Mediamark Research, GfK MRI.

IGURE 10–14

Three Methods of Promotional Scheduling



A second method, **flighting**, employs a less regular schedule, with intermittent periods of advertising and nonadvertising. At some time periods there are heavier promotional expenditures, and at others there may be no advertising. Many banks, for example, spend no money on advertising in the summer but maintain advertising throughout the rest of the year. Snow skis are advertised heavily between October and April; less in May, August, and September; and not at all in June and July.

Pulsing is actually a combination of the first two methods. In a pulsing strategy, continuity is maintained, but at certain times promotional efforts are stepped up. In the beer industry, advertising continues throughout the year but may increase at holiday periods such as Memorial Day, Labor Day, or the Fourth of July. The scheduling strategy depends on the objectives, buying cycles, and budget, among other factors. There are certain advantages and disadvantages to each scheduling method, as shown in Figure 10–15. One recent and comprehensive study (acclaimed by many in the TV research community as "the most comprehensive study ever to shed light on scheduling") indicates that continuity is more effective than flighting. On the basis of the idea that it is important to get exposure to the message as close as possible to when the consumer is going to make the purchase, the study concludes that advertisers should continue weekly schedules as long as possible.[6] The key here may be the "as long as possible" qualification. Given a significant budget, continuity may be more of an option than it is for those with more limited budgets.

IGURE 10–15

Characteristics of Scheduling Methods

	Continuity
Advantages	Serves as a constant reminder to the consumer
	Covers the entire buying cycle
	Allows for media priorities (quantity discounts, preferred locations, etc.)
Disadvantages	Higher costs
	Potential for overexposure
	Limited media allocation possible

	Flighting
Advantages	Cost efficiency of advertising only during purchase cycles
	May allow for inclusion of more than one medium or vehicle with limited budgets
Disadvantages	Weighting may offer more exposure and advantage over competitors
	Increased likelihood of wearout
	Lack of awareness, interest, retention of promotional message during nonscheduled times
	Vulnerability to competitive efforts during nonscheduled periods

	Pulsing
Advantages	All of the same as the previous two methods
Disadvantages	Not required for seasonal products (or other cyclical products)

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Digital and Social Media Perspective 10-1 > > >

Despite Issues, Programmatic Continues to Grow

Not long ago, if marketers wanted to purchase an online display ad they had to contact the website, negotiate the terms for each ad placement, and sign an insertion order. If they wanted to do the same in traditional media, the process would be essentially the same—that is, determine which medium they wanted the ad in, negotiate the deal, and place an order. Now, thanks to big data, algorithms, and something called real-time bidding (RTB), all this can be done through technology almost instantly and, depending on whom you believe, more effectively. The latest trend in media buying, known as programmatic buying, is upon us, and online and social ad buyers seemingly can't adopt it fast enough.

Consider these numbers: In 2012, advertisers spent just shy of $2 billion on real-time bidding. By 2020, expectations were that this amount would reach $98 billion in the United States alone, accounting for 68 percent of digital spending. Predictions are that 58 percent of all placements will be programmatic.

But what is programmatic? It's hard to pin down exactly what the term means. While it started off as an acceptable synonym to *real-time bidding,* as it has grown in usage it has also become more confusing. According to *Adweek,* real-time bidding essentially means the use of big data to figure out the right ad, targeted to the right person, at the right time. A more formal definition is offered by marketing land.com. "Programmatic advertising helps automate the decision-making process of media buying by targeting specific audiences and demographics. Programmatic ads are placed using artificial intelligence (AI) and real-time bidding (RTB) for online display, social media advertising, mobile and video campaigns, and is expanding to traditional TV advertising marketplaces." So basically programmatic is computer-based advertising buying using a real-time bidding process. When an opening is available, the software advises advertisers which page it is and supplies demographic and behavioral data about the user. Each advertiser's software puts in its bid and in real time the transaction is completed along with the ad of the winning bidder. While originally used to buy and sell online display advertising, and used primarily by direct marketers, programmatic is now commonly used to buy mobile and video display advertising, and many expect that it will become the way to purchase ads on television as well. By 2019, though, it accounted for only a small fraction of traditional ad buying. It is considered highly targeted, resulting in improved results and efficiencies, and because it is automated it makes the buyer's life easier. Proponents believe that it will replace all other types of ad buying in the not-too-distant future.

A variety of companies are committed to programmatic already. While Kellogg's moved more monies into digital advertising, the company continues to use TV and print. However, for its digital ad placements, programmatic is the method most commonly used. The company believes that it has increased return on investment (ROI) primarily through the improved frequency, control, and targeting using programmatic. Movies Unlimited, an online store for movie collectors specializing in hard-to-find titles while also carrying nearly every title currently available, had a tremendous amount of site traffic but also a 75 percent cart abandonment problem. By using programmatic to assist in e-mail retargeting efforts, the online company experienced a 500 percent increase in ROI. Melia Hotels International, McDonald's, and Telstra also claim success using programmatic, and P&G continues to increase its use to the point where the majority of the company's online buying will employ the automated method.

But, as is to be expected, not everyone is so enthralled with the concept. There are those who believe they have found the holy grail of media buying, but there are others who are not convinced. Fraud, brand safety, and viewability are of major concern to many programmatic buyers. So too is transparency—or concrete evidence the ad is even being placed. These concerns are reflected in the brand managers' not knowing where the ads are being placed: What if the ad appears somewhere that is surrounded by offensive content? How would this impact their brand image? Another issue is what many consider to be "remnant inventory'"—that is, leftover availabilities that no one else wanted, and not providing information that allows buyers to know why this inventory was not sold. Reports have also indicated that more than 50 percent of the placements can't even be viewed. In 2018, Integral Ad Science (IAS)—a U.S. company that places value on digital ad placements and monitors issues regarding viewability, fraud, and so on—issued a report indicating that improvements were being made with viewability now at 58.6 percent. The report also indicated that ad fraud remained steady. In addition, many ads may be placed on illegal, inappropriate, and low-quality sites. Many, if not all, of these concerns are eliminated in direct buying, providing the manager with a greater sense of comfort.

Despite these concerns, however, it appears that programmatic is here to stay (at least for the near future) and is likely to find its way into television and maybe even radio ad buying. When companies like P&G, Time, Inc., News Corp., and ESPN continue to embrace it, it will seemingly take a lot to stop the train!

Sources: "What Is Programmatic Advertising," www.marketingland.com, April 26, 2019; Joe Mandese, "Report Reveals 86% of European Brands Have Shifted Programmatic In-House"; Ross Benes, "How Digitization Affects TV Ad Sellers," www.eMarketer.com, November 20, 2018; "65% of Digital Media Will Be Programmatic in 2019," www.warc.com, November 19, 2018; Robin Kurzer, "IAS Media Quality Report Paints a Slightly More Optimistic Picture for Programmatic Ad Buyers," www.martechtoday.com, September 26, 2018; "Programmatic TV Ushers in 'Golden Era,'" www.warc.com, March 14, 2016; "US Advertisers Are Investing Heavily in Programmatic, but Obstacles Remain," www.eMarketer.com, March 29, 2016; Tim Nichols, "Why Programmatic Ad Buying Is More Important Than You Think," www.clickz.com, November 13, 2015; "Programmatic Buyers Demand Placement Transparency," www.eMarketer.com, April 8, 2015; "Fraud, Brand Safety Take Center Stage among Ad Buyers," www.eMarketer, January 12, 2015.

Reach versus Frequency

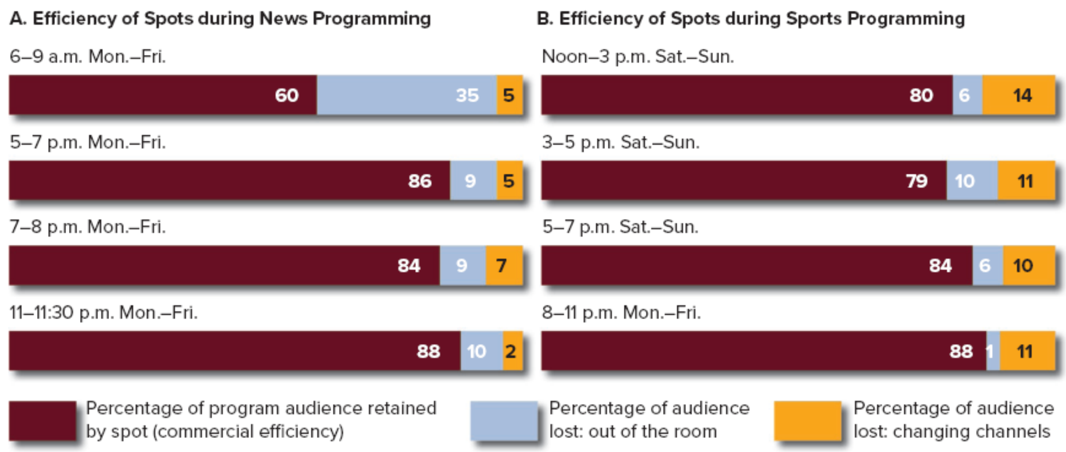
Since advertisers have a variety of objectives and face budget constraints, they usually must trade off reach and frequency. They must decide whether to have the message be seen or heard by more people (reach) or by fewer people more often (frequency).

How Much Reach Is Necessary? Thinking back to the hierarchies discussed in Chapter 5, you will recall that the first stage of each model requires awareness of the product and/or brand. The more people are aware, the more they are likely to move to each subsequent stage. Achieving awareness requires reach—that is, exposing potential buyers to the message. New brands or products need a very high level of reach, since the objective is to make all potential buyers aware of the new entry. High reach is also desired at later stages of the hierarchy. For example, at the trial stage of the adoption hierarchy, a promotional strategy might use cents-off coupons or free samples. An objective of the marketer is to reach a larger number of people with these samples in an attempt to make them learn of the product, try it, and develop favorable attitudes toward it. (In turn, these attitudes may lead to purchase.)

The problem arises because there is no known way of determining how much reach is required to achieve levels of awareness, attitude change, or buying intentions; nor can we be sure an ad placed in a vehicle will actually reach the intended audience. Digital and Social Media Perspective 10–1 demonstrates how this problem may be being compounded with the use of programmatic buying. (There has been some research on the first problem, which will be discussed in the following section on effective reach.)

IGURE 10–16

Vho's Still There to Watch the Ads?



If you buy advertising time on *60 Minutes,* will everyone who is tuned to the program see the ad? No. Many viewers will leave the room, be distracted during the commercial, and so on, as shown in Figure 10–16 (which also provides a good example of the difference between reach and coverage). This figure demonstrates that depending on the program, this number may range from 12 to 40 percent. If I expose everyone in my target group to the message once, will this be sufficient to create a 100 percent level of awareness? The answer again is no. This leads to the next question: What frequency of exposure is necessary for the ad to be seen and to have an impact?

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What Frequency Level Is Needed? With respect to media planning, *frequency* carries a slightly different meaning. (Remember when we said one of the problems in media planning is that terms often take on different meanings?) Here frequency is the number of times one is exposed to the media vehicle in a specified time period (usually 13 weeks), not necessarily to the ad itself. Marketers have always known that everyone who is watching a program is not going to stay in the room to watch the commercials. Given the rise in the number of people able to skip ads, one can be sure the number of those not exposed to the ad is on the increase. As noted, marketers continue to seek ways to increase engagement, hoping to reduce the number leaving the room during commercial breaks.

Most advertisers do agree that a 1:1 exposure ratio does not exist. So while your ad may be placed in a certain vehicle, the fact that a consumer has been exposed to that vehicle does not ensure that your ad has been seen. As a result, the frequency level expressed in the media plan overstates the actual level of exposure to the ad. This overstatement has led some media buyers to refer to the reach of the media vehicle as "opportunities to see" an ad rather than actual exposure to it.

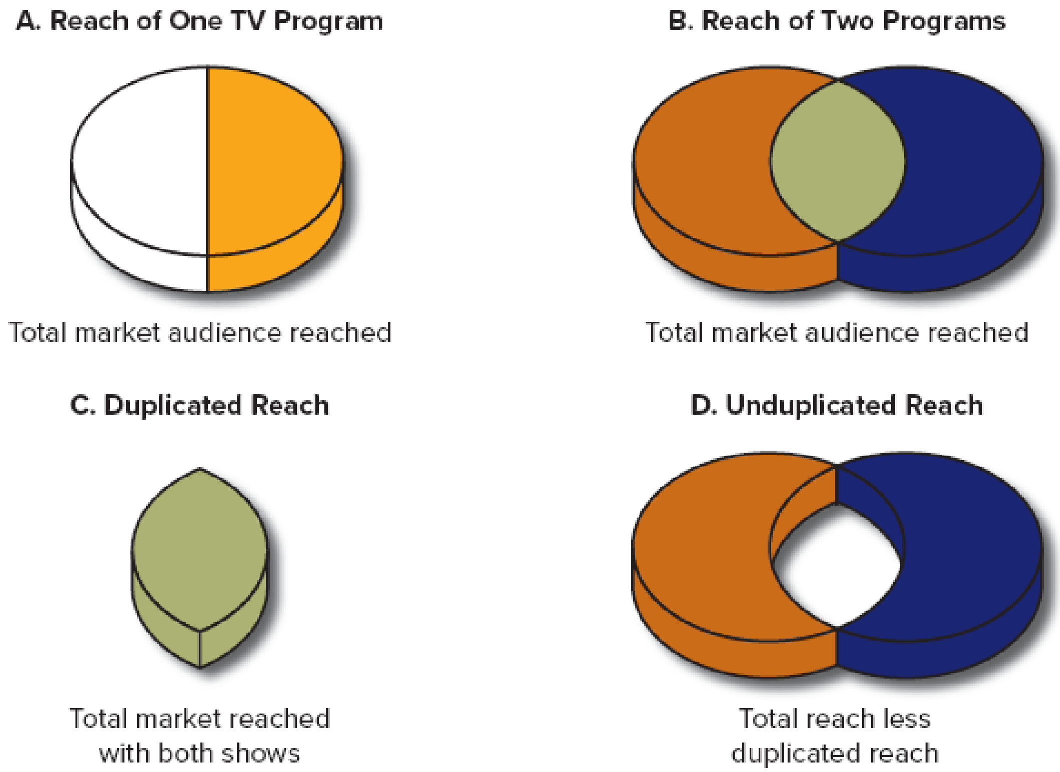
Because the advertiser has no sure way of knowing whether exposure to a vehicle results in exposure to the ad, the media and advertisers have adopted a compromise: One exposure to the vehicle constitutes reach, given that this exposure must occur for the viewer even to have an opportunity to see the ad. Thus, the exposure figure is used to calculate reach and frequency levels. But this compromise does not help determine the frequency required to make an impact. The creativity of the ad, the involvement of the receiver, noise, and many other intervening factors confound any attempts to make a precise determination.

At this point, you may be thinking, "If nobody knows this stuff, how do they make these decisions?" That's a good question, and the truth is that the decisions are not always made on hard data. Says Joseph Ostrow, executive vice president/director of communications services with Young and Rubicam, "Establishing frequency goals for an advertising campaign is a mix of art and science but with a definite bias toward art."[7] Let us first examine the process involved in setting reach and frequency objectives and then discuss the logic of each.

Establishing Reach and Frequency Objectives It is possible to be exposed to more than one media vehicle with an ad, resulting in repetition (frequency). If one ad is placed on one TV show one time, the number of people exposed is the reach. If the ad is placed on two shows, the total number exposed once is **unduplicated reach**. Some people will see the ad twice. The reach of the two shows, as depicted in Figure 10–17, includes a number of people who were reached by both shows (C). This overlap is referred to as **duplicated reach**.

IGURE 10–17

Representation of Reach and Frequency



Both unduplicated and duplicated reach figures are important. Unduplicated reach indicates potential new exposures, while duplicated reach provides an estimate of frequency. Most media buys include both forms of reach. Let us consider an example.

A measure of potential reach in the broadcast industry is the TV (or radio) **program rating**. This number is expressed as a percentage. For an estimate of the total number of homes reached, multiply this percentage times the number of homes with TV sets. For example, if there are 119.9 million homes with TV sets in the United States and the program has a rating of 30, then the calculation is 0.30 times 119.9, or 35.97 million homes. (We go into much more detail on ratings and other broadcast terms in Chapter 11.)

Using Gross Ratings Points To determine how much advertising volume or weight is necessary to accomplish the advertiser's objectives, marketers rely on ratings (the number of people reached) and frequency (the average number of times exposed) figures. A summary measure that combines the program rating and the average number of times the page 345

home is reached during this period (frequency of exposure) is a commonly used reference point known as **gross ratings points (GRPs)**:

$$\text{GRP} = \text{Reach} \times \text{Frequency}$$

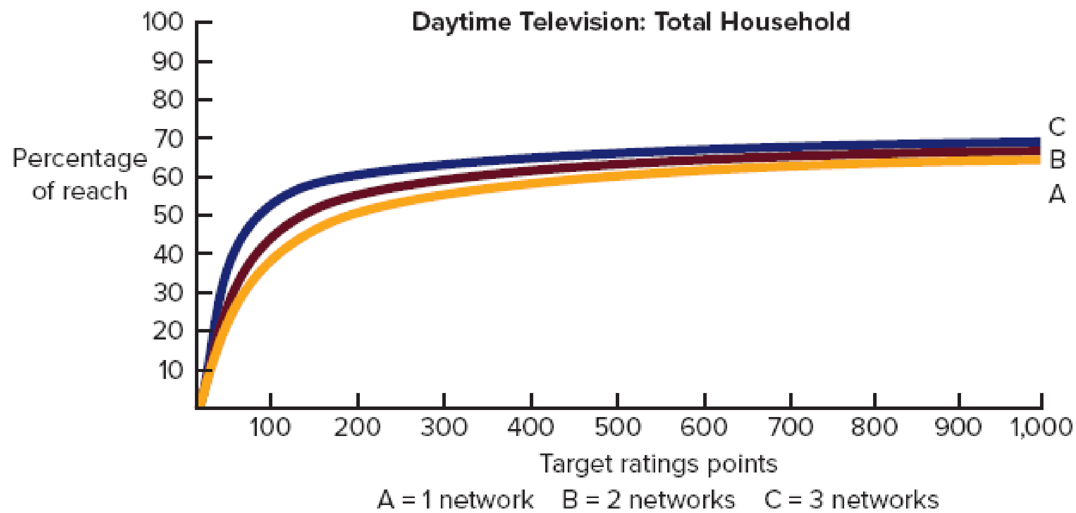
GRPs are based on the total audience the media schedule may reach using a duplicated reach estimate. **Target ratings points (TRPs)** refer to the number of people in the primary target audience the media buy will reach—and the number of times. Unlike GRP, TRP does not include waste coverage.

Given that GRPs do not measure actual reach, the advertiser must ask: How many GRPs are needed to attain a certain reach? How do these GRPs translate into effective reach? For example, how many GRPs must one purchase to attain an unduplicated reach of 50 percent, and what frequency of exposure will this schedule deliver? The following example may help you to understand how this process works.

First you must know what these ratings points represent. A purchase of 100 GRPs could mean 100 percent of the market is exposed once or 50 percent of the market is exposed twice or 25 percent of the market is exposed four times, and so on. As you can see, this information must be more specific for the marketer to use it effectively. To know how many GRPs are necessary, the manager needs to know how many members of the intended audience the schedule actually reaches. The graph in Figure 10–18 helps make this determination.

IGURE 10–18

Estimates of Reach for Network TRPs



In Figure 10–18, a purchase of 100 TRPs on one network would yield an estimated reach of 32 percent of the total households in the target market. This figure would climb to 37.2 percent if two networks were used and 44.5 percent with three. Working backward through the formula for GRPs, the estimate of frequency of exposure—3.125, 2.688, and 2.247, respectively—demonstrates the trade-off between reach and frequency.

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An interesting example of the use of GRPs is provided by a race to be the Republican candidate for California governor. With the election to be held in June, the advertising schedule for March for the leading candidate consisted of 1,000 GRPs per week in 11 California media markets. This buy was expected to yield a frequency of approximately 10 exposures per week to the average TV watcher in the largest markets, and approximately 6 per week in the smaller ones. The opposing candidate spent an estimated 15 to 50 percent of this amount, depending on the specific market.[8] The candidate that spent the most won the race.

The overriding question is: How many GRPs are necessary to achieve our objectives? According to Scott Walker, most advertisers prefer to get 500 to 700 GRPs to be sure their message is seen and seen often.[9] A number of researchers have explored this issue. David Berger, vice president and director of research at Foote, Cone & Belding, has determined that 2,500 GRPs are likely to lead to roughly a 70 percent probability of high awareness, 1,000 to 2,500 would yield about a 33 percent probability, and less than 1,000 would probably result in almost no awareness.[10] David Olson obtained similar results and further showed that as awareness increased, trial of the product would also increase, although at a significantly slower rate.[11] In both cases, it was evident that high numbers of GRPs were required to make an impact.

Figure 10–19 summarizes the effects that can be expected at different levels of exposure, on the basis of research in this area. A number of factors may be operating, and direct relationships may be difficult to establish. In addition to the results shown in Figure 10–19, Joseph Ostrow has shown that while the number of repetitions increases awareness rapidly, it has much less impact on attitudinal and behavioral responses.[12]

IGURE 10–19

The Effects of Reach and Frequency

1. One exposure of an ad to a target group within a purchase cycle has little or no effect in most circumstances.
2. Since one exposure is usually ineffective, the central goal of productive media planning should be to enhance frequency rather than reach.
3. The evidence suggests strongly that an exposure frequency of two within a purchase cycle is an effective level.
4. Beyond three exposures within a brand purchase cycle or over a period of four or even eight weeks, increasing frequency continues to build advertising effectiveness at a decreasing rate but with no evidence of decline.
5. Although there are general principles with respect to frequency of exposure and its relationship to advertising effectiveness, differential effects by brand are equally important.
6. Nothing we have seen suggests that frequency response principles or generalizations vary by medium.
7. The data strongly suggest that wearout is not a function of too much frequency; it is more of a creative or copy problem.

You can imagine how expensive it was for the candidate mentioned earlier to purchase 1,000 GRPs per week in 11 markets well before the election. To spend at that level for an extended period of time could result in overexposure (not to mention a major hit on the pocketbook), as viewers might get tired of the ads.

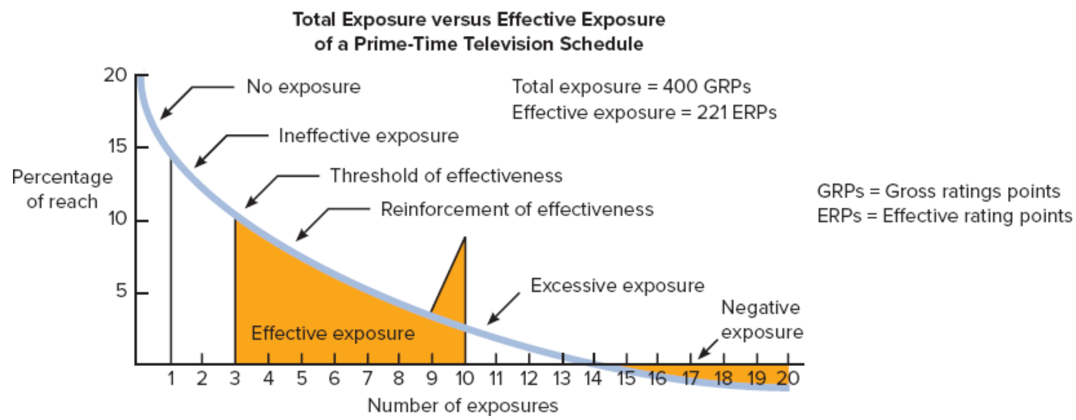
Determining Effective Reach Since marketers have budget constraints, they must decide whether to increase reach at the expense of frequency or increase the frequency of exposure but to a smaller audience. A number of factors influence this decision. For example, a new product or brand introduction will attempt to maximize reach, particularly unduplicated reach, to create awareness in as many people as possible as quickly as possible. At the same time, for a high-involvement product or one whose benefits are not obvious, a certain level of frequency is needed to achieve effective reach—remember the discussion in the chapter lead-in.

Effective reach represents the percentage of a vehicle's audience reached at each effective frequency increment. This concept is based on the assumption that one exposure to an ad may not be enough to convey the desired message. As we saw earlier, no one knows the exact number of exposures necessary for an ad to make an impact, although for years advertisers have settled on three as the minimum. (The following discussion relates to the lead-in to the chapter and has been considered the standard over the past decades. While a number of studies have demonstrated this may no longer be exactly correct, no defining research has led to its being replaced. We offer the information more for exemplary purposes than fact.) Effective reach (exposure) is shown in the shaded area in Figure 10–20 in the range of 3 to 10 exposures. Fewer than 3 exposures is considered insufficient reach, while more than 10 is considered overexposure and thus ineffective reach. This exposure level is no guarantee of effective communication; different messages may require more or fewer exposures. More recently, a number of scholars have argued that the three-exposure theory was applicable in the 1970's when consumers were exposed to only about 1,000 ads per day. Now that they are exposed to as many as 3,000 to

5,000 per day, this number may no longer be valid.[13] In addition, the fact that there are so many more media available to viewers today would increase the number of exposures required.[14] The complexity of the message, message length, and recency of exposure also impact this figure.

IGURE 10–20

Graph of Effective Reach



Since they do not know how many times the viewer will actually be exposed, advertisers typically purchase GRPs that lead to more than three exposures to increase the likelihood of effective reach and frequency. Surmanek also argues that effective reach can be as low as one exposure, if the exposure is very recent or close to the purchase occasion (thus, recency is more important than frequency). He contends that more exposures are necessary when the message is complex and requires several exposures to be understood.[15]

Erwin Ephron, an expert in media planning, disagrees. Ephron notes that while increasing reach at minimum frequency was popular in the 1990s, it is no longer a viable strategy because changes in the marketplace (commercial avoidance, multitasking, and technological innovations like the DVR) have made it more difficult to get exposure to an ad. As a result, it is important to create plans that value both reach and frequency to ensure that the ad gets seen and has an impact. In other words, higher frequency results in higher reach.[16] Determining effective reach is further complicated by the fact that when calculating GRPs, advertisers use a figure that they call **average**

frequency, or the average number of times the target audience reached by a media schedule is exposed to the vehicle over a specified period.

The problem with this figure is revealed in the following scenario:

> Consider a media buy in which:
> 50 percent of audience is reached 1 time.
> 30 percent of audience is reached 5 times.
> 20 percent of audience is reached 10 times.
> Average frequency = 4

In this media buy, the average frequency is 4, which is slightly more than the number established as effective. Yet a full 50 percent of the audience receives only one exposure. Thus, the average frequency number can be misleading, and using it to calculate GRPs might result in underexposing the audience.

Complicating this even further, Sheree Johnson reports on research conducted by Media Dynamics Inc. in 2014 examining how many daily ads consumers are exposed to in a day. Johnson distinguishes between ad and/or brand exposures and "ad only" exposures. While she agrees that the number of brand and ad exposures may be 5,000+ per day, the average number of "ads only" exposures is closer to 362, with 86 creating some level of awareness and only 12 making an impression.[17] Johnson notes that despite the fact that commercials clutter has risen steadily, consumers have more options by which they can avoid ads, which impacts exposures. The bottom line is that no one really knows how many exposures occur in one day, so we have to use our best estimates.

Although GRPs have their problems, they can provide useful information to the marketer. A certain level of GRPs is necessary to achieve awareness, and increases in GRPs are likely to lead to more exposures and/or more repetitions—both of which are necessary to have an effect on higher-order objectives. Perhaps the best advice for purchasing GRPs is offered by Ostrow, who recommends the following strategies:[18]

1. Instead of using average frequency, the marketer should decide what minimum frequency goal is needed to reach the advertising objectives effectively and then maximize reach at that frequency level.
2. To determine effective frequency, one must consider marketing factors, message factors, and media factors. (See Figure 10–21.)

Effective Frequency While the previous discussion focused on the number of exposures that are necessary to achieve effective reach, it is also necessary to know how much frequency is necessary to impact other communications objectives. In research presented in the *Journal of Advertising,* Susanne Schmidt and Martin Eisend report on a meta-analysis that examined 37 studies that impact consumers' response to an ad. Specifically, the focus was on the number of exposures necessary to impact recall and attitude toward the brand. The results indicated that 10 exposures are necessary to maximize attitudes while recall increases linearly. The authors also note that other factors including consumer's involvement and time between exposures will also have an effect.[19]

In summary, the reach-versus-frequency decision, while critical, is very difficult to make. A number of factors must be considered, and concrete rules do not always apply. The decision is often more of an art than a science.

Recency As noted by Ephron, the idea that one exposure to an ad had a greater impact than additional exposures did if it was shown in the week preceding a purchase led many advertisers to focus more attention on reach, less on frequency, and an emphasis on **recency**. Campaigns employed **recency planning**—focusing on short interval reach at minimum frequency levels as close to the purchase decision as possible. Rather than focusing on a four-week planning period for reach, recency planning calls for a continuous schedule over a one week period, and less targeting to gain exposure to reach as many potential consumers as possible.[20] While one might argue that many of the exposures are then wasted, Ephron would disagree, noting that people are in the market at different times and that awareness and image building also can benefit by the exposures. Both Ephron and Herbert Krugman suggest that advertising needs to act like a brand and that "Advertising needs to be like a product sitting on the shelf, because you never know when the consumer is going to be looking for you, so advertising has to rent the shelf-space all the time."[21]

Creative Aspects and Mood

The context of the medium in which the ad is placed may also affect viewers' perceptions. A specific creative strategy may require certain media. Because TV provides both sight and sound, it may be more effective in generating emotions than are other media; magazines may create different perceptions from newspapers. In developing a media strategy, marketers must consider both creativity and mood factors. Let us examine each in more detail.

IGURE 10–21

Factors Important in Determining Frequency Levels

Marketing Factors

- *Brand history.* Is the brand new or established? New brands generally require higher frequency levels.
- *Brand share.* An inverse relationship exists between brand share and frequency. The higher the brand share, the lower the frequency level required.
- *Brand loyalty.* An inverse relationship exists between loyalty and frequency. The higher the loyalty, the lower the frequency level required.
- *Purchase cycles.* Shorter purchasing cycles require higher frequency levels to maintain top-of-mind awareness.
- *Usage cycle.* Products used daily or more often need to be replaced quickly, so a higher level of frequency is desired.
- *Competitive share of voice.* Higher frequency levels are required when a lot of competitive noise exists and when the goal is to meet or beat competitors.
- *Target group.* The ability of the target group to learn and to retain messages has a direct effect on frequency.

Message or Creative Factors

- *Message complexity.* The simpler the message, the less frequency required.

- *Message uniqueness.* The more unique the message, the lower the frequency level required.
- *New versus continuing campaigns.* New campaigns require higher levels of frequency to register the message.
- *Image versus product sell.* Creating an image requires higher levels of frequency than does a specific product sell.
- *Message variation.* A single message requires less frequency; a variety of messages requires more.
- *Wearout.* Higher frequency may lead to wearout. This effect must be tracked and used to evaluate frequency levels.
- *Advertising units.* Larger units of advertising require less frequency than smaller ones to get the message across.

Media Factors

- *Clutter.* The more advertising that appears in the media used, the more frequency is needed to break through the clutter.
- *Editorial environment.* The more consistent the ad is with the editorial environment, the less frequency is needed.
- *Attentiveness.* The higher the level of attention achieved by the media vehicle, the less frequency is required. Low-attention-getting media require more repetitions.
- *Scheduling.* Continuous scheduling requires less frequency than does flighting or pulsing.
- *Number of media used.* The fewer media used, the lower the level of frequency required.
- *Repeat exposures.* Media that allow for more repeat exposures (for example, monthly magazines) require less frequency.

Creative Aspects It is possible to increase the success of a product significantly through a strong creative campaign. But to implement this creativity, you must employ a medium that will support such a strategy. For example, the campaign for Lollipop Splash shown in Chapter 4 used print media to communicate the message effectively. Hallmark, among many others, has effectively used TV to create emotional appeals. In some situations, the media strategy to be pursued may be the driving force behind the creative strategy, as the media and creative departments work closely together to achieve the greatest impact with the audience of the specific media.

Mood Certain media enhance the creativity of a message because they create a mood that carries over to the communication. For example, think about the moods created by the following magazines: *Gourmet, Skiing, Travel and Leisure,* and *House Beautiful.* Each of these special-interest vehicles puts the reader in a particular mood. The promotion of fine wines, ski boots, luggage, and home products is enhanced by this mood. On the other hand, advertisers are always concerned about their ads being adjacent to negative news stories that may place the viewer in a negative mood and the impact that mood might have on the ad and product. What different images might be created for your product if you advertised it in the following media?

The New York Times versus the *National Enquirer*
Architectural Digest versus *Reader's Digest*
A highly rated prime-time TV show versus an old rerun
Television versus the Internet

The message may require a specific medium and a certain media vehicle to achieve its objectives. Likewise, certain media and vehicles have images that may carry over to the perceptions of messages placed within them.

A study reported in the *Journal of Marketing* showed that TV viewers skip commercials based on the feeling created by a television program and a "mood mismatch," and the mismatch also makes it more difficult to recall when it is watched. For example, viewers watching a show that creates a sad, quiet mood are annoyed when it is interrupted by a loud and active commercial, resulting in a lower likelihood of remembering the brand message and an increased likelihood of ignoring or skipping through it.[22] While advertisers typically create exciting ads to get attention and interest, the study suggests that the advertiser may want to tone down the ad to fit the mood of the context within which it is shown.

Flexibility

An effective media strategy requires a degree of flexibility. Because of the rapidly changing marketing environment, strategies may need to be modified. If the plan has not built in some flexibility, opportunities may be lost and/or the company may not be able to address new threats. Flexibility may be needed to address the following:

1. *Market opportunities.* Sometimes a market opportunity arises that the advertiser wishes to take advantage of. For example, wine companies have attempted to capitalize on the increasing interest in this drink created by changing trends in the U.S. marketplace. The development of a new advertising medium may offer an opportunity that was not previously available. Think of how the Internet has created opportunities for smaller companies.
2. *Market threats.* Internal or external factors may pose a threat to the firm, and a change in media strategy is dictated. For example, a competitor may alter its media strategy to gain an edge. Failure to respond to this challenge could create problems for the firm.
3. *Availability of media.* Sometimes a desired medium (or vehicle) is not available to the marketer. Perhaps the medium does not reach a particular target segment or has no time or space available. There are still some geographic areas that certain media do not reach. Even when the media are available, limited advertising time or space may have already been sold or cutoff dates for entry may have passed. Alternative vehicles or media must then be considered.
4. *Changes in media or media vehicles.* A change in the medium or in a particular vehicle may require a change in the media strategy. For example, the advent of cable TV opened up new opportunities for message delivery, as will the introduction of interactive media. The Internet has led many consumer companies to adopt this medium; a number of new technologies have provided additional options. page 351 New special-interest magazines, mobile phones, social networks, and video game ads are just a few. Likewise, a drop in ratings or a change in editorial format may lead the advertiser to use different alternatives.

Fluctuations in these factors mean the media strategy must be developed with enough flexibility to allow the manager to adapt to specific market situations.

Budget Considerations

One of the more important decisions in the development of media strategy is cost estimating. The value of any strategy can be determined by how well it delivers the message to the audience with the lowest cost and the least waste. We have already explored a number of factors, such as reach, frequency, and availability, that affect this decision. The marketer tries to arrive at the optimal delivery by balancing cost with each of these. As the following discussion shows, understanding cost figures may not be as easy as it seems.

Advertising and promotional costs can be categorized in two ways. The **absolute cost** of the medium or vehicle is the actual total cost required to place the message. For example, a full-page ad in *The Week* magazine costs about $72,800. **Relative cost** refers to the relationship between the price paid for advertising time or space and the size of the audience delivered; it is used to compare media vehicles. Relative costs are important because the manager must try to optimize audience delivery within budget constraints. Since a number of alternatives are available for delivering the message, the advertiser must evaluate the relative costs associated with these choices. The way media costs are provided and problems in comparing these costs across media often make such evaluations difficult.

Determining Relative Costs of Media To evaluate alternatives, advertisers must compare the relative costs of media as well as vehicles within these media. Unfortunately, the broadcast, print, and out-of-home media do not always provide the same cost breakdowns, nor necessarily do vehicles within the print media. Following are the cost bases used:

1. **Cost per thousand (CPM)**. For years the magazine industry has provided cost breakdowns on the basis of cost per thousand people reached. The formula for this computation is

$$\text{CPM} = \frac{\text{Cost of ad space (absolute cost)}}{\text{Circulation}} \times 1000$$

   Figure 10–22 provides an example of this computation for two vehicles in the same medium—*Time* and *The Week*—and shows that (all other things being equal) *Time* is a more cost-effective buy, even though its absolute cost is higher. (We will come back to "all other things being equal" in a moment.)

FIGURE 10–22

Cost per Thousand Computations: *Time* versus *The Week*

	Time	The Week
Cost per page	$229,200	$72,800
Circulation	3 million	500,000
Calculation of CPM		
	$\frac{\$229{,}200 \times 1{,}000}{3{,}000{,}000}$	$\frac{\$72{,}800 \times 1{,}000}{500{,}000}$
CPM	$76.40	$145.60

2. **Cost per ratings point (CPRP)**. The broadcast media provide a different comparative cost figure, referred to as cost per ratings point or *cost per point (CPP),* based on the following formula:

$$\text{CPRP} = \frac{\text{Cost of commercial time}}{\text{Program rating}}$$

An example of this calculation for a spot ad in a local TV market is shown in Figure 10–23. It indicates that *NCIS New Orleans* would be more cost-effective than *This is Us*.

FIGURE 10–23

Comparison of Cost per Ratings Point

	NCIS New Orleans	*This is Us*
Cost per ad	$147,826	$327,000
Rating	2.0	3.7
Reach (millions HH)	8.18	14.9
Calculation	$147,826/2.0	$327,000/3.7
CPRP (CPP)	$73,913.00	$88,378.00

3. **Daily inch rate**. For newspapers, cost-effectiveness is based on the daily inch rate, which is the cost per column inch of the paper. Like magazines, newspapers now use the cost-per-thousand formula discussed earlier to determine relative costs. As shown in Figure 10–24, the *Pittsburgh Post Gazette* costs significantly less to advertise in than does the *Cleveland Plain Dealer* (again, all other things being equal).

IGURE 10–24

Comparative Costs in Newspaper Advertising

	Pittsburgh Post Gazette	Cleveland Plain Dealer
Cost per page	\$20,969	\$59,598
Cost per inch	303.90	473
Circulation	184,234	271,180
Calculation	$\text{CPM} = \dfrac{\text{Page cost} \times 1{,}000}{\text{Circulation}}$	
	$\dfrac{\$20{,}969 \times 1{,}000}{184{,}234}$	$\dfrac{\$59{,}598 \times 1{,}000}{271{,}180}$
CPM	\$113.81	\$219.77

As you can see, it is difficult to make comparisons across various media. What is the broadcast equivalent of cost per thousand or the column inch rate? In an attempt to standardize relative costing procedures, the broadcast and newspaper media have begun to provide costs per thousand, using the following formulas:

$$\text{Television: } \frac{\text{Cost of 1 unit of time} \times 1{,}000}{\text{Program rating}} \qquad \text{Newspapers: } \frac{\text{Cost of ad space} \times 1{,}000}{\text{Circulation}}$$

While the comparison of media on a cost-per-thousand basis is important, intermedia comparisons can be misleading. The ability of TV to provide both sight and sound, the longevity of magazines, and other characteristics of each medium make direct comparisons difficult. The media planner should use the cost-per-thousand numbers but must also consider the specific characteristics of each medium and each media vehicle in the decision.

The cost per thousand may overestimate or underestimate the actual cost-effectiveness. Consider a situation where some waste coverage is inevitable. The circulation (using the *Time* magazine figures to demonstrate our point) exceeds the target market. If the people reached by this message are not potential buyers of the product, then having to pay to reach them results in too low a cost per thousand, as shown in scenario A of Figure 10–25. We must use the potential reach to the target market—the destination sought—rather than the overall circulation figure. A medium with a much higher cost per thousand may be a wiser buy if it is reaching more potential receivers. (Most media buyers rely on **target CPM [TCPM]** which calculates CPMs based on the target audience, not the overall audience.)

IGURE 10–25

Cost-per-Thousand Estimates

Scenario A: Overestimation of Efficiency	
Target market	18–49
Magazine circulation	3,250,000
Circulation to target market	65% (2,112,500)
Cost per page	$287,440
$\text{CPM} = \dfrac{\$287{,}440}{3{,}250.00}$	
$\text{CPM (actual target audience)} = \dfrac{\$287{,}440 \times 1{,}000}{2{,}112{,}500} = \$136.07$	

Scenario B: Underestimation of Efficiency	
Target market	All age groups, male and female
Magazine circulation	3,250,000
Cost per page	$287,440
Pass-along rate	3* (33% of households)

$$\text{CPM (based on readers per copy)} = \frac{\text{Page cost} \times 1{,}000}{\text{Circulation} + 3(1{,}072{,}500)} = \frac{(287{,}440 \times 1{,}000)}{4{,}322{,}500} = \$66.50$$

Assuming pass-along was valid.

CPM may also underestimate cost-efficiency. Magazine advertising space sellers have argued for years that because more than one person may read an issue, the actual reach is underestimated. They want to use the number of **readers per copy** as the true circulation. This would include a **pass-along rate**, estimating the number of people who read the magazine without buying it. Scenario B in Figure 10–25 shows how this underestimates cost-efficiency. Consider a family in which a father, mother, and two teenagers read each issue of *Time.* Assume such families constitute 33 percent of *Time*'s circulation base, based on 3,250,000. While the circulation figure includes only one magazine, in reality there are four potential exposures in these households, increasing the total reach to 4.32 million.

While the number of readers per copy makes intuitive sense, it has the potential to be extremely inaccurate. The actual number of times the magazine changes hands is difficult to determine. How many people in a fraternity read each issue of *Sports Illustrated* or *GQ* that is delivered? How many people in a sorority or on a dorm floor read each issue of *Cosmopolitan* or *Vanity Fair*? How many of either group read each issue of *Bloomberg Businessweek*? While research is conducted to make these determinations, pass-along estimates are very subjective and using them to estimate reach is speculative. These figures are regularly provided by the media, but managers are selective about using them. At the same time, the art of media buying enters, for many magazines' managers have a good idea how much greater the reach is than their circulation figures provided.

In addition to the potential for over- or underestimation of cost-efficiencies, CPMs are limited in that they make only *quantitative* estimates of the value of media. Although they may be good for comparing very similar vehicles (such as *Time* and *The Week*), they are less valuable in making intermedia comparisons—for example, CPM for magazines versus Internet banner ads. We have already noted some differences among media that preclude direct comparisons.

You can see that the development of a media strategy involves many factors. Ostrow may be right when he calls this process an art rather than a science, as so much of it requires going beyond the numbers.

IMC Perspective 10–1 > > >

Adweek's Best Media Plans

Years ago, the creative department pretty much dictated what the commercial or ad would be and then conveyed that information to the media department to place it. Then the realization hit that without good media placement even the best creative would be of much less value. Now, with the advent of so many more options for media placement, companies and their agencies recognize the importance of a good media plan. To many it is now the media plan that is arguably the most important part of the marketing process.

One of the advertising industry's most respected media is *Adweek*. For more than 20 years, *Adweek* has run the Media Plan of the Year competition. Over the last two decades these plans have evolved from a traditional media focus to much more of an IMC focus, as evidenced by the following 2018 award winners at different budget levels.

Google Home Assistant, +$10 million To market its home assistant prior to the holidays, Google and its agency PHD realized that 60 percent of households saw no need for a smart home device. For the two months from Halloween to Christmas, a media blitz was developed to highlight the product's features and promote voice assistance in general. The campaign integrated the use of celebrities, unique media, and traditional network TV. High-profile product placements were integrated into popular shows like *Will & Grace* and the *Ellen Show* on NBC and on ABC's *Modern Family,* as well as on events like the Macy's Thanksgiving Day Parade and the Rockefeller Center

Christmas Tree Lighting. Well-known celebrities like Eric McCormack, Sofia Vergara, Nick Offerman, and Amy Poehler were frequently shown saying “Hey Google” in a variety of situations to demonstrate the product’s wide capabilities. The net result was 7 million new sales and an 8 percent brand share increase.

IHOP “Flipping to Burgers,” $5 million to $10 million The International House of Pancakes (IHOP) had a very well-established and respected brand name. Unfortunately, its image was that of a weekend place to go for breakfast. In an attempt to get more customers to come to lunch and dinners and on more than weekends, IHOP employed agency Initiative. Starting off the campaign, IHOP and Initiative released a number of mysterious messages that made it appear that the pancake house was going to become a burger joint. In the first 10 weeks of the campaign, more than 1.2 million tweets were accumulated, along with 15,000 earned media stories, resulting in 28.6 billion impressions. The campaign was then extended to signage, search, and LinkedIn pages. An event followed revealing IHOP’s Ultimate Steakburgers in which food bloggers, social influencers, and the press such as the magazine *Food & Wine* were invited to attend. It turned out agency *Droga5* was advertising to a broader audience that “IHOPb” meant burgers. Within three weeks, IHOP had quadrupled burger sales.

Source: Animal Care Centers of New York City

Chiquita “The Banana Sun, $1 million to $5 million Taking advantage of the summer’s eclipse pop culture event, and whimsically stretching the truth a little bit, Chiquita worked with agency Wieden+Kennedy to capitalize on the “96%” of people who would look up and see the yellow banana behind the moon as it covered the sun. For two weeks before the event, the agency used Snapchat, messenger bots, GIFs, and news sites like the *Verge* and *Now This;* released six short films; and provided meteorologists with banana swag. A 10-market news blitz, a full-page ad in *The New*

York Times, a 50-foot banana parked in New York City's Flatiron District distributing protective sunglasses, and a Facebook live stream completed the fun. The results: 372 million earned media impressions, more than 200,000 social media shares, and more than 1 million livestream views.

Animal CARE Centers of New York City Because the Animal CARE Centers of New York City have no marketing budget, agencies Wunderman and Wavemaker, along with a number of donations from media companies, worked on a cause marketing campaign pro bono to assist in getting some of the 300,000 shelter animals new homes. Focusing on specific boroughs that might be more likely to adopt, the "borough-bred" campaign employed geo-fenced digital ads, showing how cute shelter dogs could be, amassing more than 15 million impressions. Outdoor ads placed very low to the ground so they could be seen by dogs were also used. The response from New Yorkers was overwhelming.

There were more of the media plan winners in a number of categories, including cause marketing, international campaigns, and so on. While each of these winners certainly utilized a very successful media strategy, their creativeness, innovativeness, and cooperation were just as critical to the success of these IMC campaigns.

Source: Adweek Staff, "The Year's 23 Best Media Plans Sparked Conversation with Nest-Level Innovation and Creativity," www.adweek.com, September 16, 2018.

EVALUATION AND FOLLOW-UP

All plans require some evaluation to assess their performances. The media plan is no exception.

In outlining the planning process, we stated that objectives are established and strategies developed for them. Having implemented these strategies, marketers need to know whether or not they were successful. Measures of effectiveness must consider two factors: (1) How well did these strategies achieve the media objectives? (2) How well did this media plan contribute to attaining the overall marketing and communications objectives? If the strategies were successful, they should be used in future plans. If not, their flaws should be analyzed.

The problem with measuring the effectiveness of media strategies is probably obvious to you at this point. At the outset of this chapter, we suggested the planning process was limited by problems with measurements and lack of consistent terminology (among others). While these problems limit the degree to which we can assess the relative effectiveness of various strategies, it is not impossible to make such determinations. Sometimes it is possible to show that a plan has been successful, as shown in IMC Perspective 10-1.

Even if the evaluation procedure is not foolproof, it is better than no attempt. We will discuss more about measuring effectiveness in Chapter 18.

CHARACTERISTICS OF MEDIA

LO 10-5

To this point, we have discussed the elements involved in the development of media strategy. One of the most basic elements in this process is the matching of media to markets. In the following chapters, you will see that each medium has its own characteristics that make it better or worse for attaining specific objectives. First, Figure 10–26 provides an overall comparison of media and some of the characteristics by which they are evaluated. This is a very general comparison, and the various media options must be analyzed for each situation. Nevertheless, it is a good starting point and serves as a lead-in to subsequent chapters.

IGURE 10–26

Vledia Characteristics

Media	Advantages	Disadvantages
Television	Mass coverage High reach Impact of sight, sound, and motion High prestige Low cost per exposure Attention getting Favorable image	Low selectivity Short message life High absolute cost High production costs Clutter
Radio	Local coverage Low cost High frequency Flexible Low production costs Well-segmented audiences	Audio only Clutter Low attention getting Fleeting message
Magazines	Segmentation potential Quality reproduction High information content Longevity Multiple readers	Long lead time for ad placement Visual only Lack of flexibility
Newspapers	High coverage Low cost Short lead time for placing ads Ads can be placed in interest sections Timely (current ads) Reader controls exposure Can be used for coupons	Short life Clutter Low attention-getting capabilities Poor reproduction quality Selective reader exposure
Outdoor	Location specific High repetition Easily noticed	Short exposure time requires short ad Poor image Local restrictions
Direct mail	High selectivity Reader controls exposure High information content Opportunities for repeat exposures	High cost/contact Poor image (junk mail) Clutter
Digital/ interactive	User selects product information User attention and involvement Interactive relationship Direct selling potential Flexible message platform	Privacy concerns Potential for deception Clutter Few valid measurement techniques

Summary

This chapter has presented an overview of the determination of media objectives, development of the media strategy, and formalization of objectives and strategy in the form of a media plan. Sources of media information, characteristics of media, and key media decisions were also discussed.

The media strategy must be designed to supplement and support the overall marketing and communications objectives. The objectives of this plan are designed to deliver the message the program has developed.

The basic task involved in the development of media strategy is to determine the best matching of media to the target market, given the constraints of the budget. The media planner attempts to balance reach and frequency and to deliver the message to the intended audience with a minimum of waste coverage. At the same time, a number of additional factors affect the media decision. Media strategy development has been called more of an art than a science because while many quantitative data are available, the planner also relies on creativity and nonquantifiable factors.

This chapter discussed many factors, including developing a proper media mix, determining target market and geographic coverage, scheduling, and balancing reach and frequency. Creative aspects, budget considerations, the need for flexibility in the schedule, and the use of programmatic buying programs in the media planning process were also considered.

The chapter also introduced a number of resources available to the media planner. A summary chart of advantages and disadvantages of various media was provided.

Key Terms

media planning 327
media objectives 327
media strategies 327
medium 327
media vehicle 327
reach 327
coverage 327
frequency 327
sweeps periods 330
index number 332
survey of buying power index 335
brand development index (BDI) 335
category development index (CDI) 335
waste coverage 337
continuity 338
flighting 341
pulsing 341
unduplicated reach 344
duplicated reach 344
program rating 344
gross ratings points (GRPs) 345
target ratings points (TRPs) 345
effective reach 346
average frequency 347
recency 348
recency planning 348
absolute cost 351
relative cost 351
cost per thousand (CPM) 351
cost per ratings point (CPRP) 351
daily inch rate 352
target CPM (TCPM) 352
readers per copy 353
pass-along rate 353

Discussion Questions

1. If you still watch television you can relate to the fact that after seeing a commercial too many times it becomes irritating to watch. Why are advertisers engaging in a strategy where we see the commercials too often? (LO 10-4)

2. Explain what a GfK MRI report is. How do advertisers use this report? Pick any product and discuss what the report would tell you about that product's users. (LO 10-2)

3. Given that we know that sometimes print media may be passed on to more than one viewer (for example more than one member of a household may read the newspaper), why don't advertisers rely more on the readers-per-dollar figure than CPM? (LO 10-1)

4. Figure 10–10 in the text discusses how to use BDI and CDI indexes. Give an example of products that may be at each of the four positions described in the Figure. Explain your reasoning (LO 10-2)

5. Explain the meaning of reach and frequency as it may relate to digital media. Are these traditional measures of any value to digital advertisers? Explain your answer. (LO 10-1).

6. Discuss some of the advantages of using programmatic media buying. Given that the majority of digital display ads are purchased this way, do you think this will be the only method media buyers use in the future? (LO 10-1)

7. There is new research that indicates that the number of ads one is exposed to in a day may be much lower than the thousands previously reported. Which numbers do you consider correct and why? (LO 10-4)

8. Marketers rely heavily on demographics when purchasing media. This chapter talks about additional factors that may be important. Discuss some of these factors and why they might impact media usage. (LO 10-4)

9. What are GRPs and target GRPs? Explain what these terms mean and discuss some of the strengths and weaknesses of using them. (LO 10-1)

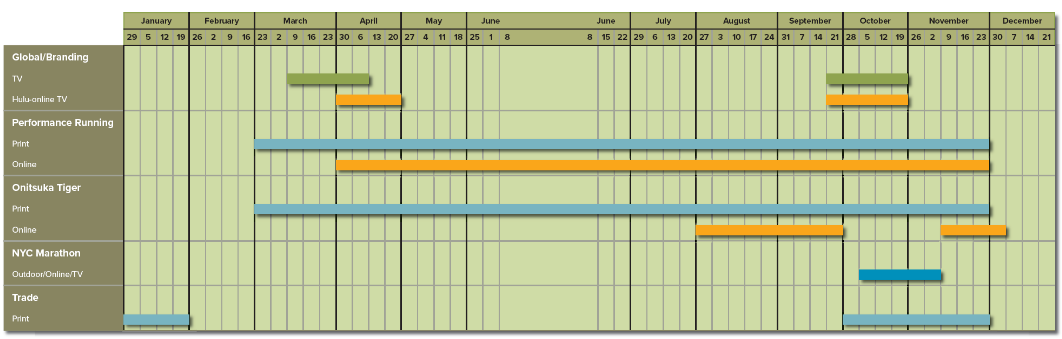
10. The media landscape is rapidly changing. Explain what is meant by this statement. Then discuss some of the reasons why this is occurring. What can traditional media do to continue to exist? A number of studies have examined the role that personality and/or other personal characteristics may have on consumers' media usage. Discuss some of these studies. Do you think that these characteristics may have an impact, or should marketers rely primarily on demographic characteristics? (LO 10-5)

Available only through your Connect course, help make key advertising and IMC concepts more meaningful and applicable:

- SmartBook 2.0
- Connect exercises, which may include: click-drags, video cases, and case analyses.

APPENDIX A

ASICS America Summary Flowchart



11 Evaluation of Media: Television and Radio

Gts/Shutterstock