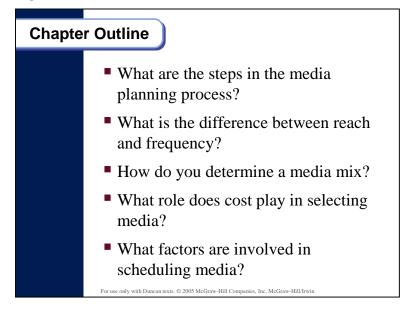
CHAPTER 13: ADVERTISING AND IMC MEDIA PLANNING

Chapter Objective



To explain how the process of advertising media planning works and identify some of the key concepts used in the process.

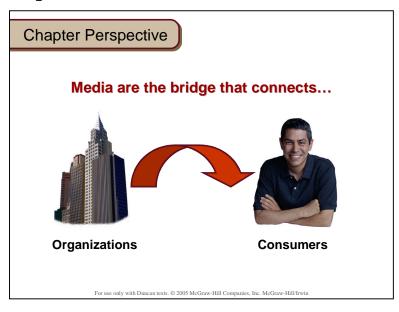
Chapter Key Points

This chapter addresses five key issues:

- 1. What are the steps in media planning process?The chapter identifies and explains the four steps in the process.
- 2. What is the difference between reach and frequency?
 - The chapter explains each concept in detail.
- 3. How do you determine a media mix?
 - The chapter explains the reasons for varied media mixes and discusses how they are used.
- 4. What role does cost play in selecting media?
 - The chapter identifies and explains several key cost effectiveness measures including CPM and CPP.

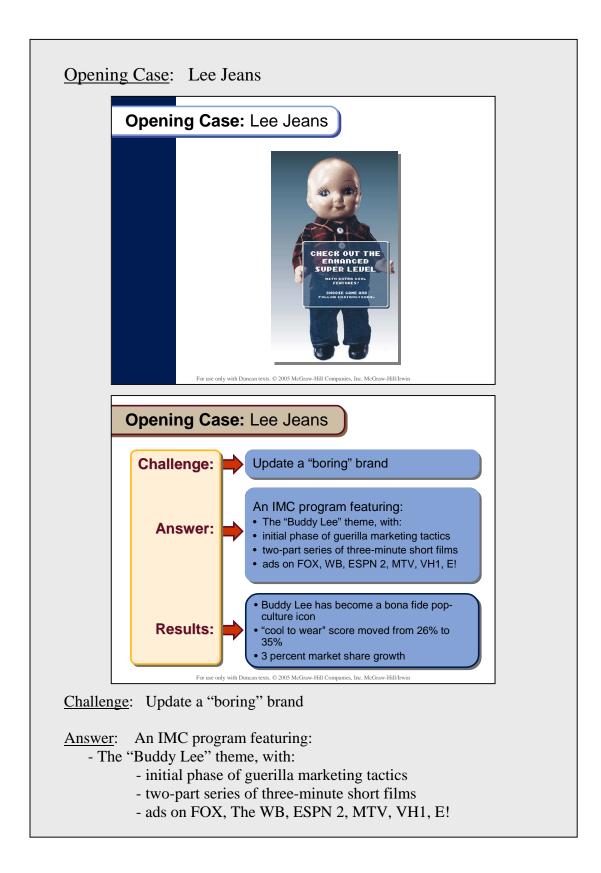
- 5. What are the factors involved in scheduling media buys?
 - The chapter explains the issues that media planners consider when scheduling media and identifies three common scheduling techniques.

Chapter Perspective



Media are the bridges that carry messages back and forth between companies and customers. In essence, these bridges are opportunities to create customer contact points. As media choices continue to increase, the media planning process becomes more precise but also more challenging. And because media is a major expense, there is constant tension between maximizing the delivery of brand messages while minimizing the cost. But media is about more than just delivering a message. Media are *how* customer contacts are created—the media used can enhance or detract from the impact and meaning of brand messages. As a result, media planning can be just as creative as designing an ad or event.

In this chapter, the focus is on the media planning tools and the media planning process. It will explain why selecting the right media not only enables a company to deliver its brand messages most effectively, but more importantly, how it allows companies to *connect* to their customers and prospects.



Results:

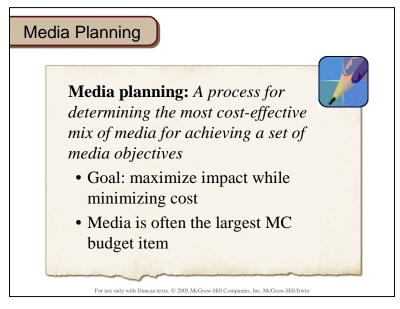
- Buddy Lee has become a bona fide pop-culture icon
 - "cool to wear" score moved from 26% to 35%
 - 3 percent market share growth

Discussion Starters:

- 1) To break the ice, it would be helpful to poll the class to see how many students are aware of the "Buddy Lee" campaign theme.
- 2) As a follow-up it would be interesting to ask students to rate the "coolness" of the Lee brand versus competitors like Levis, Lei, etc. on a 1-5 scale with 5 = "cool" and 1 = "boring."
- 3) It would be interesting to see how many students have acted on their attitudes. As a rough form of market share, ask students to identify the brand of jeans they are currently wearing (or wore most recently) and record the results on the board, ranking the responses from most preferred to least.

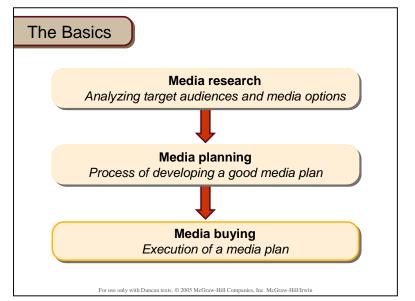
Lecture Outline

- I. Media Planning: What's It All About?
 - A. Media planning



- a. A process for determining the most cost-effective mix of media for achieving a set of media objectives
 - 1. Goal: maximize impact while minimizing cost
 - 2. Media is often the largest MC budget item

b. The basics



- i. Media research
 - 1. Analyzing target audiences and media options
- ii. Media planning
 - 1. Process of developing a good media plan
- iii. Media buying
 - 1. Execution of a media plan
- c. The 4 media planning steps
 - i. Media Targeting
 - ii. Media Objectives
 - iii. Media Strategies
 - iv. Media Scheduling

- What Are The Media Planning Steps?

 Step 1: Media targeting

 Planning

 Steps

 Example to the state of the state of
- B. Media Planning Step 1: Media targeting

- i. Questions to ask:
 - 1. Who is the target audience?
 - 2. Where are they located?
 - 3. How big is the target audience?
 - 4. How much does the average target household consume?
 - 5. How's the brand doing in one market compared to other markets?
- ii. Some tools to use:

IRI Data Indica			ge enen	
Category	А	В	С	D
	(000)	Horiz.%	Vert.%	Index
College Students	15,136	7.46	100	100
Men	7,182	7.39	47.45	99
Women	7,954	7.53	52.55	101
Magazines				
Allure	883	19.19	5.83	257
Boating	176	5.88	1.16	79
Bride's	1064	16.64	7.03	223
Glamour	1910	16.09	12.62	216
Maxim	2604	26.33	17.20	353
Outdoor Life	460	6.67	3.04	89
Time	2363	10.31	15.62	138
Wall Street Journal	364	9.60	2.40	129

- a. Syndicated product and media usage data
 - 1. MRI is one key source
 - 2. Key: look for skews
 - variations from the general population—the greater the variance from average, the greater the skew

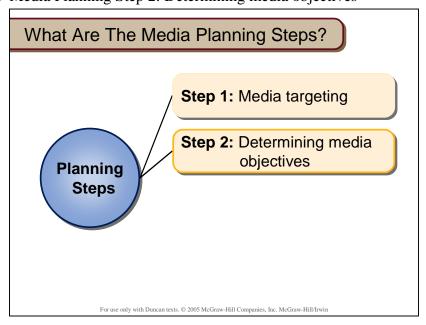
iii. Another tool: CDI/BDI

- a. Category development index (CDI)
 - 1. A numerical indicator of the relative consumption rate in a particular market for a particular product category
 - 2. *Example*
 - 1. CDI: very high for meat in Milwaukee

 $\frac{25 \text{ lbs consumed annually in Milwaukee}}{10 \text{ lbs consumed annually nationally}} = 2.5 \times 100 = 250 \text{ CDI}$

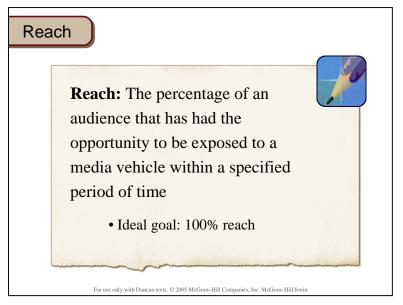
- b. Brand development index (BDI)
 - 1. A numerical indicator of the development of a particular brand within a market relative to all other markets in which the brand is sold
 - 2. Example
 - 1. BDI: higher than average for Oscar Mayer (OM) in Milwaukee

7 lbs of OM consumed annually in Milwaukee 5 lbs of OM consumed annually nationally = 1.4 x 100 = **140 BDI** II. <u>Setting Media Objectives: What Do You Want To Accomplish?</u> A. Media Planning Step 2: Determining media objectives



a. Three tools:

i. Reach



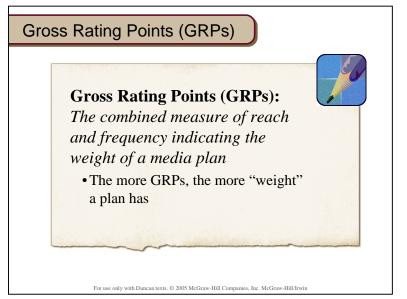
- 1. The percentage of an audience that has had the opportunity to be exposed to a media vehicle within a specified period
 - a. Ideal goal: 100% reach
 - b. Important concept: targeted reach

i. That portion of a communication vehicle's audience who are in a brand's target market

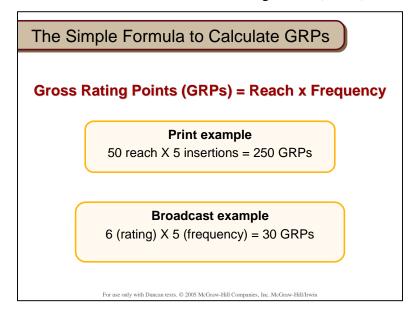
reo	quency
	Frequency: The average number of times those who are reached have an opportunity to be exposed to a brand message within a specified time period
	 Frequency to be effective: 3-10 exposures Varies widely by brand

- The average number of times those who are reached have an opportunity to be exposed to a brand message within a specified time period

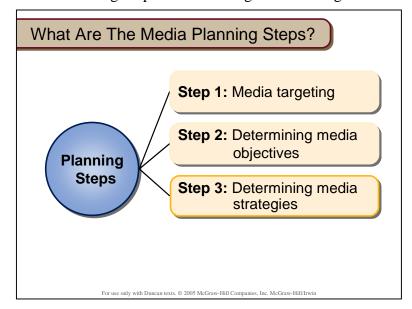
 Frequency to be effective: 3-10 exposures
 - Varies widely by brand
- iii. Gross Rating Points (GRPs)



- 1. The combined measure of reach and frequency indicating the weight of a media plan
 - a. The more GRPs, the more "weight" a plan has
- 2. Gross Rating Points (GRPs) = Reach x Frequency



III. <u>Determining Media Strategies: How Will You Accomplish The Objectives?</u> A. Media Planning Step 3: Determining media strategies



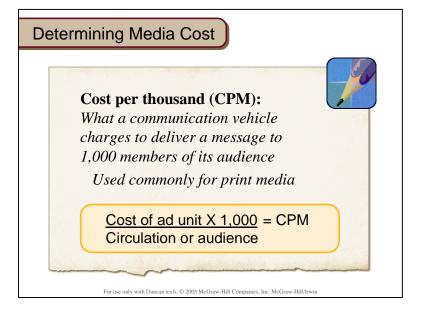
- a. How media objectives will be accomplished through the selection of various combinations of media
 - 1. For every media objective there should be one or more strategies
- b. Three concepts to consider:
 - i. Media strategy factors
 - 1. Consumer buying process for the product type
 - a. Differences suggest different media types
 - 2. Apertures
 - a. Any situation in which the target audience is most receptive to a brand message
 - i. Sports fans' aperture is more open to sporting goods messages at a sports stadium
 - ii. Media mix considerations
 - 1. Media weight
 - 2. Allocate GRPs to targets
 - a. Example: hot dog TV campaign
 - i. 65% of GRPS weighted to parents (purchasers)
 - ii. 35% of GRPS weighted to kids (influencers)
 - 3. Concentration
 - a. Delivers greater frequency (at the expense of reach)
 - i. Concentrated mix = fewer media/less reach
 - ii. Broad mix = more media types/less frequency



Many organizations use one or two media simply out of tradition. This happens most often with the use magazine and TV. These media are often seen as the most "glamorous" of the various MC tools. Most marketers prefer to identify themselves with a TV or magazine advertising campaign rather than with a direct-marketing campaign.

- ii. Message Considerations
 - a. Simple creative execution
 - i. broad mix with a high reach (lower frequency)
 - b. Complex creative execution
 - ii. concentrated mix (higher frequency)
- iii. Media Environment
 - a. Upscale products
 - *i. Discovery Channel, Home & Garden magazine*
 - b. Commodity products
 - *ii.* National Enquirer

- iii. IMC considerations
 - a. Plan the media to compliment other MC messages
 - a. Sales promotions
 - b. Direct marketing
 - c. Public relations
 - d. Product/packaging changes
- iv. Media cost considerations

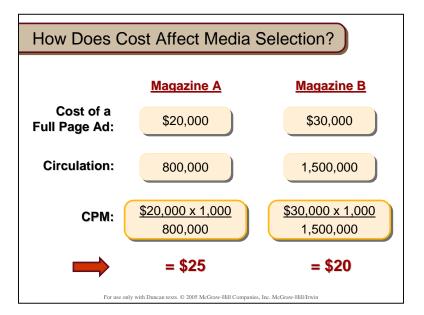


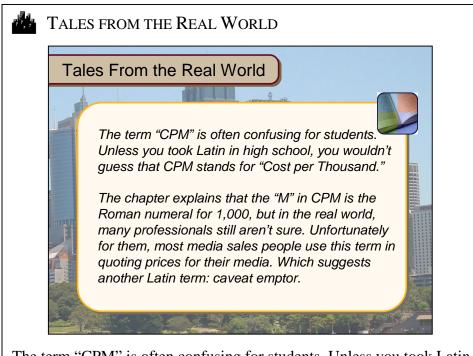
1. Cost per thousand (CPM)

What a communication vehicle charges to deliver a message to reach 1,000 members of its audience

- a. Used commonly for print media: $\frac{\text{Cost of ad unit x 1,000}}{\text{Circulation or audience}} = \text{CPM}$
- b. Example:

Cost of a full page ad	<u>Magazine A</u> \$20,000	<u>Magazine B</u> \$30,000
Circulation	800,000	1,500,000
	<u>\$20,000 x 1,000</u> 800,000	<u>\$30,000 x 1,000</u> 1,500,000
СРМ	= \$25	= \$20

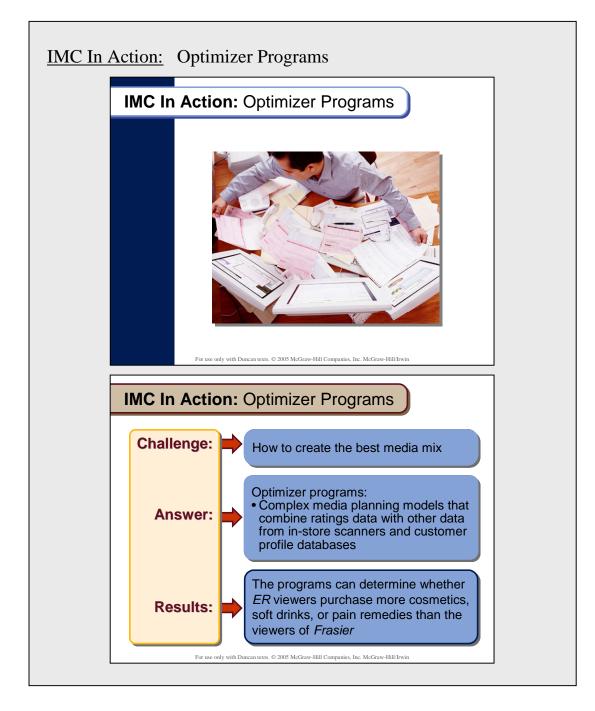




The term "CPM" is often confusing for students. Unless you took Latin in high school, you wouldn't guess that CPM stands for "Cost per <u>Thousand</u>."

The chapter explains that the "M" in CPM is the Roman numeral for 1,000, but in the real world, many professionals still aren't sure. Unfortunately for them, most media sales people use this term in quoting prices for their media. Which suggests another Latin term: caveat emptor.

- 2. Other measures
 - 1. Cost per point (CPP)
 - a. Used to compare same-medium broadcast vehicles
 - 2. Cost per response (CPR)
 - a. The media cost divided by the number of responses generated



Challenge: How to create the best media mix

Answer: Agencies have begun to employ media optimizer programs

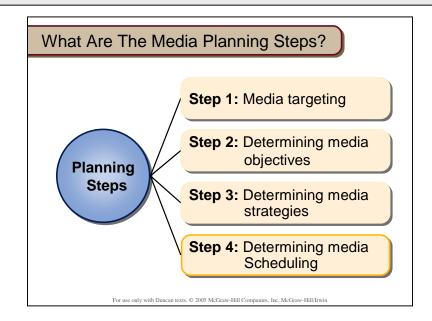
- Complex media planning models that combine ratings data with other data from in-store scanners and customer profile databases

Results:

- The programs can determine whether *ER* viewers purchase more cosmetics, soft drinks, or pain remedies than the viewers of *Frasier*.

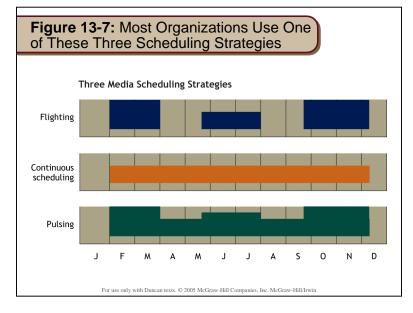
Discussion Starters:

- This concept is a somewhat difficult one for students to grasp, so it might be helpful to create a very rough exercise to demonstrate that certain groups of otherwise similar students watch certain programs—and could therefore be selected by the optimizer program. First, choose a popular student brand such as Coke and Pepsi and identify the students who frequently use each brand (most will fit within the 18-24 demo group).
- 2) Then poll the students to determine the top 4 most popular TV programs for the class (i.e. Survivor, Friends, etc.).
- 3) Then, creating a brand x program table on the board, ask Coke users to identify their single favorite program and enter their number in the appropriate column. Then ask the Pepsi users to do the same. It will be interesting to see if there is any skew toward any program depending upon brand usage. If there is, it would indicate how optimizer programs can delve beyond the 18-24 demo target info and incorporate brand usage information to help select the best media vehicles for their brand.



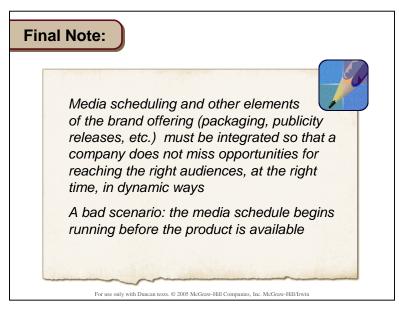
V. Determining The Media Schedule: When And Where Should Media Run?

- A. Media Planning Step 4: Determine the Media Schedule
 - i. 3 common options



- 1. Flighting
 - a. A scheduling strategy in which planned messages run in intermittent periods
- 2. Continuous
 - a. *Placing media throughout the year with equal weight in each month*
- 3. Pulsing
 - a. A combination of flighting and continuous strategies that provides a "floor" of media support throughout the year with periodic increases
- B. Other scheduling considerations:
 - i. Seasonal sales fluctuations
 - ii. Events
 - 1. Some schedules support major events like trade shows
 - iii. Type of MC message
 - 1. Some messages require longer scheduling exposure
 - iv. Introduction dates for new or improved products
 - v. Product's purchase cycle
 - 1. Some products (soft drinks) require constant exposure

VI. Final Note



- A. Media scheduling and the development of creative materials (ads, packaging, publicity releases, etc.) must be integrated so that a company does not miss opportunities for reaching the right audiences, at the right time, in dynamic ways
- B. A bad (but common) scenario: Media schedule begins running before product is available.

Answers to Review Questions

1) Media Planning Steps

- a. List and explain the four key steps in media planning.
 - Answer: There are four basic steps in the process of planning media for an MC program. First, geographic and demographic targets must be identified in order to focus the media. Second, media objectives should be set in terms of what percentage of the target should be reached, and how often. Third, media strategies must be established, including the desired mix and the estimated cost efficiency of different mixes of media vehicles. Finally, the media placements are scheduled to reach the target audience most effectively.
- b. What is the difference between media planning and media buying?
 - Answer: Media planning is a fluid process that occurs prior to the expenditure of any marketing dollars. It is not uncommon for clients and agencies review and revise a media plan several times before it is approved. Issues such as reach, frequency and scheduling all must be resolved to the client's satisfaction. Then,

once the plan is approved, the agency executes the plan—the process of media buying.

- c. What is the difference between a media objective and a media strategy? Which comes first?
 - Answer: Media objectives are broad issues that must be addressed early in the media planning process. They include such basic questions as reach (what percentage of the target audience do I wish/can afford to expose my message to) and frequency (how many times do I wish/can afford for them to see my message). Once these issues have been resolved, media strategies can be addressed, including the major issue of which media mix will most effectively accomplishing the reach and frequency goals outlined in the objectives.

2) Media Objectives

- a. What information is included in a set of media objectives? Answer: A typical set of media objectives will include a number of measures, such as reach (and possibly targeted reach), frequency (and possibly effective frequency), and gross rating points (and possibly targeted GRPs).
- b. Define reach and frequency and explain the difference between them. *Answer: Reach is the percentage of an audience that has had the opportunity to be exposed to a media vehicle within a specified period. Frequency is the average number of times those who are reached have an opportunity to be exposed to a brand message within a specified time period. One key difference between the concepts is that reach is expressed as a percentage of the total target audience, while frequency is expressed as a simple number of times the target has been exposed.*
- c. Explain why duplication and waste are problems for media planners.
 - Answer: Duplication occurs when two or more media vehicles overlap in their coverage of a target audience. This can be a problem if the objective of the media plan is to reach many different members of the target audience because duplication would mean many of the same members of the audience would receive the message more than once. Waste occurs when a media vehicle reaches people who are neither customers nor prospects. This is a problem because it suggests that the medium being used in not very targeted at the desired audience, and that the brand message will be "wasted" on people who are not interested in the product.
- d. Marketers ask themselves, "How much reach is enough." Explain what that means and how you would answer that question. How do you determine how much reach is enough? *Answer: In an ideal world, all brands would like to reach 100% of their target audience. Unfortunately, there is a point of diminishing returns in media planning where reaching additional consumers becomes cost-prohibitive. A certain portion of any target audience is always more expensive to reach than other members*

because of they tend to use less media than others (i.e., they watch less TV or read fewer magazines, etc.). Media planners have tools that help them to determine the point where cost to reach additional members of a target is more than these customers are worth in potential revenue.

- e. What is a GRP, and how is it computed?
 - Answer: GRP stands for gross rating point. It is simply the product of the equation: reach x frequency. An example would be the following computation for 5 insertions in a magazine that reaches 50% of a brand's target audience: 5 (frequency) x 50 (reach) = 250 GRPs.
- f. What is targeted reach, and why is it important to marketers?
 - Answer: Targeted reach is that portion of a communication vehicle's total audience who are in a brand's target market. This concept is important to marketers of specialized products with relatively small target audiences because it suggests that many media vehicles, such as TV, would reach many individuals beyond those in their target audience—therefore resulting in significant media waste.
- g. What is the difference between a GRP and a TRP?
 - Answer: The difference between a GRP and TGRP is primarily due to the fact that GRPs are typically calculated on the basis of households. As a result, GRPs will be higher than TGRPs for most products because not all households are in the target audience for the brand. The difference between TGRPs and GRPs is waste, a number that needs to always be minimized as much as possible.
- h. What is effective frequency? What is message wearout? What are three factors that affect the evaluation of effective frequency and wearout?
 - Answer: Effective frequency is the number of times a message needs to be seen to make an impression or achieve a specific level of awareness. Conventional wisdom in the media business indicates that this number is somewhere between 3 and 10, based upon factors such as the effectiveness of the message execution and the inherent level of interest in the product category.
- i. What is frequency distribution analysis, and how is it used in media planning? Answer: A frequency distribution analysis divides a target audience into equal segments and establishes an average frequency for each of these segments. For example, this analysis might reveal that the top 20 percent have an average of 12 exposure opportunities compared to the bottom 20 percent of those reached who have an average of only 2 exposures. Media planners use this analysis to make sure a majority of those reached are exposed at a rate equal to the desired overall average frequency for the campaign.
- j. Find a news article that reports the rating of some recent television program. Is the figure cited in the story a high or a low rating level?
 Answer: Student responses will vary, but a good example of a site to check is http://tv.yahoo.com/nielsen/ This location provides the top 20 most highly

rated programs of each week. An example of a highly rated show using this site is NFL Monday Night Football, which often ranks #1 for the week with a rating of 12 or more, indicating that approximately 14 million households viewed at least part of the show.

3) Media Mix Strategy

a. Why is a media mix used in media planning?

Answer: The selection of an appropriate media mix is important to media planning because, generally speaking, the more media vehicles are used, the faster reach will increase. So the selection of the right mix can determine how well the plan achieves its objectives.

- b. What are three decisions involved in determining the best media mix? Answer: Determining the media mix is a major strategic challenge that involves two basic decisions—which media to use and how much of each to use. One decision is based on an analysis of which vehicle or vehicles (i.e., TV, magazines, radio, etc.) are optimal. A second decision is based upon a determination of how much funding to allocate to each vehicle. A third decision is to consider the environment offered by different media vehicle alternatives.
- c. What is the difference between a concentrated media mix and a broad media mix? Give an instance where each approach would be appropriate.
 - Answer: A concentrated media mix strategy delivers greater frequency (at the expense of reach). A more concentrated media mix uses fewer media and communication vehicles compared to a broad media mix, which uses more media types and vehicles. An instance where a concentrated approach would be preferred would be for a highly complex, specialized product such as a piece of laser eye surgery equipment. The marketers of such a brand would probably prefer to use only specialized trade magazines to reach their very narrow target—but to advertise with greater frequency. A broader media mix would probably be preferred for the opening of a new Wal-Mart store in a community. In this instance, the marketers would prefer to use a broad mix of media to reach their very wide target audience—but to sacrifice frequency by running the message only once or twice in each medium.
- d. How does the media mix reflect the creative strategy?
 - Answer: The creative strategy for a message can have a big impact on the media plan. For example, when a message is fairly simple (e.g., "2 for 1 through Sunday"), a broad mix with a high level of reach (rather than frequency) may be appropriate. But when a brand message is relatively complex, it may require a concentrated mix, because greater frequency gives the target more opportunities to understand a message.

- e. Explain how media weighting decisions affect the way the media budget is allocated.
 - Answer: Media weighting decisions have major implications for budgeting. For example, some media planners allocate media weight based on GRPs. If Chicago and Indianapolis, for example, even if both are allocated 250 GRPs in a media plan, the Chicago budget would be much higher than Indianapolis budget because the CPM for a prime-time TV ad is approximately \$30 in Chicago but only \$22 in Indianapolis.
- f. How do you compute a cost per thousand, and what does it tell you about a medium's audience?
 - Answer: CPM is calculated by a simple equation. The numerator is the product of the cost of the ad multiplied by a constant of 1,000. The denominator is simply the number of individuals in the audience reached by the message. CPM can provide some useful insights into a medium's ability to reach an audience effectively. Specifically, if the medium's CPM for an audience is relatively low, that suggests that the medium offers an effective way to reach that audience. If the CPM is relatively high, it suggests that the medium is relatively inefficient in delivering that audience.
- g. What factors did Fallon consider when customizing the media mix for both the Discovery and Launch Phases of the Buddy Lee campaign?
 - Answer: During the discovery phase, Fallon media planners considered the desire to create an "underground" type of buzz for the brand, and therefore, selected a very narrow media mix of a website and a two-part series of three-minute short films on late-late night cable South Park episodes. During the launch phase, media planners realized that they had to broaden the media mix to reach a much larger target audience, and as result, they employed the following mix: FOX, The WB, ESPN 2, MTV, VH1, E!, and Comedy Central.

4) Media Costs

- a. What is a CPM? Why do media planners use calculations such as CPMs in their media plans?
 - Answer: CPM is a measure of what a communication vehicle charges to deliver a message to 1,000 members of its audience. Media planners use it because it can help them determine which are the best values among all the many vehicle alternatives that reach the target audience. For example, CPMs can be calculated for a :30 TV spot on one station versus another, as well as for newspapers and radio—and the results can be compared.
- b. Why do media planners compare the cost of a unit of time or space rather than just counting the audience?
 - Answer: Media planners must always factor in cost when developing their plans because no brand has an unlimited amount of money to spend on media. It would be easy to simply count audience sizes of different media vehicles, but costs can vary widely by medium. One rule of thumb: the larger the audience, the greater

the cost. As a result, media planners use cost efficiency measures like CPM and CPP to factor in both audience size and cost for media vehicles.

c. What is the difference between CPM and TCPM? Between CPP and CPR? Answer: The difference between CPM and TCPM is similar to the difference between a GRP and TGRP noted above. It is primarily due to the fact that CPM, like GRPs, is typically calculated on the basis of a media vehicle's total audience reached (households in the case of GRPs). TCPM, on the other hand, like TGRPs, is a measure on only the number of individuals in the target audience that can be reached by the message.

> The difference between CPP and CPR is similar, but even more striking. CPP is simply a measure used to the cost efficiency of buying rating points on samemedium broadcast vehicles. On the other hand, the CPR measure is calculated by dividing the media cost by the number of responses generated. As noted earlier in the book, responding to an ad is an example of a behavioral objective—which is typically more difficult to achieve than a communication objective. As a result, CPR will be higher for most messages.

5) Media Scheduling

- a. In a magazine or a newspaper find a print ad that has an obvious seasonality factor and explain how seasonality drives the media buy.
 - Answer: Student answers will vary, but one example cited in the chapter is that of swimsuit marketers like Jantzen. As the text suggests, a brand like this might wish to start its brand advertising by running ads in the February issues of active young people's magazines, and then follow it up with promotional offers in April and May when the weather has turned nice and people are ready to buy.
- b. In what ways do flighting, continuous scheduling, and pulsing strategies differ? How is each used?
 - Answer: A flighting scheduling strategy runs messages in intermittent periods. Flighting makes good sense for products whose sales fluctuate seasonally, but it is also used to concentrate scheduling during certain periods to make more impact. A continuous scheduling strategy places media throughout the year with equal weight in each month. This scheduling strategy is used more often by brands with large budgets and whose sales are fairly constant throughout the year. Pulsing is a combination of flighting and continuous strategies that provides a "floor" of media support throughout the year with periodic increases. Fast food and beverage companies with large media budgets often use a pulsing schedule.
- c. Give an example of an integration factor that affects scheduling.
 - Answer: One example of a situation when media scheduling must be closely integrated with other aspects of a brand's marketing effort is for the introduction of a new product. Each major new or improved products needs media support. In this situation, an initial media blitz with a heavy concentration of media weight

either precedes or coincides with the date of the product's launch. The timing for this support varies. In some introductions, companies wait until the product is in distribution; in others, media placement begins ahead of time to build interest and desire of customers. In the case of products sold through retail, media buys are scheduled ahead of the product launch to motivate retailers to stock the new/improved products and also to pull the product through the distribution channel by creating consumer demand. Retailers are more likely to want to stock it if customers ask for a new product. But if the advertising appears too early, consumers will give up on trying to buy the product. If too late, the product will suffer from a lack of support during its crucial introduction period.

Chapter Challenge

Writing Assignment

Reach is the percentage of the target exposed to the vehicle or program, not the percentage exposed to the brand message. In a memo to your instructor, explain this problem and outlines some suggestions about what might be done to make the evaluation of a brand message's reach more reliable.

Presentation Assignment

Interview the advertising manager at a large company or retail store in your community. Summarize that company's media plan and media mix. Explain why the various media were chosen. Present this report to your classmates.

Internet Assignment

Analyze Lee Jeans' Buddy Lee website (www.buddylee.com). Develop a report for your instructor on how the website contributes to the image of the dungarees and speaks to the interests of the brand's target audience. For next year's campaign, what would you recommend doing with this website to make it even more relevant and interesting?

Research Assignment

Read everything you can on the Nielsen ratings for television programs. What are the most common criticisms aimed at this research service? What are some of the suggestions being made to improve the quality of these ratings? What do you feel should be done to solve the problems that concern the critics of the Nielsen ratings?

IMC Plan Team Assignment

At this stage in their semester-long project, students should begin to consider the implications of new technologies on their final plan. This assignment specifically asks students to answer some key questions involved in the media planning process discussed in the chapter.

IMC Final Project Checklist #13

Due Date:

□ Your Agency Name:

Media planning basics

Provide information for each of the following media planning steps discussed in the chapter.

Target Audience

- Geographic description: -
- Demographic description: _

Media Objectives

- Reach goal: -
- Frequency goal: -
- Target allocation goal: -
- Timing goal: -
- Intermedia action goal: -

Media Strategies

- Media mix percentages for each medium: -
- Media weight: _
 - GRPS by medium and total plan GRPs
- Estimated cost efficiencies: -
 - CPM or CPP by medium and for total plan

Media Schedule П

- Desired timing of beginning and end of schedule: -
- Type of schedule
 - i. Flighting
 - ii. Continuous
 - iii. Pulsing
- Flowchart _

Media Budget

- Estimated costs: -
 - by medium and for total plan