Media Planning and Buying 101
March 25, 2013
Quantity vs. Quality

Consider these two advertising venues....
Quantity vs. Quality

What if I were to offer you....

100 spots = 100,000 impressions  vs  100 spots = 20,000 impressions
Quantity vs. Quality

What if I were to offer you....

100 spots = 100,000 impressions  VS  300 spots = 150,000 impressions
Quantity vs. Quality

- Is “more” always better?
  - Where does added value become diminishing returns?
- Environment and Audience matter!
  - More eyeballs vs. better eyeballs?
    - Audience sophistication, buying power, peer influence
Media 101: Planning vs. Buying

• Effective media efforts require strategic planning and savvy buying

• Media Planning – developing the best method to reach the target market, in the most cost-efficient manner.

• Media Buying – negotiating the best value for the money (i.e., getting the most “mileage” out of selected vehicles).
Developing A Plan: Key Ingredients

- **Advertising Objective**
  - Change opinion? - Ex: Eggs
  - Educate? - Ex: Sonicare Toothbrushes
  - Brand/ product launch/ announcement? - Ex: Jack in the Box
  - Increase brand image/ awareness? - Ex: adidas, Nike
  - Increase sales/consumption? - Ex: Got Milk?

- **Target**
  - Demographic? - Ex: A18-34, HHI $75M+
  - Psychographic? - Ex: People who go hiking at least 2x/month

- **Geography**
  - Protect & Defend vs. Conquer and Grow
  - Media Markets

- **Timing & Seasonality**
  - Continuity (chewing gum) vs. Flighting (snow tires)

- **Budget**
Media Goals: Reach vs. Frequency

- **Reach:** Expressed as a percentage, reach is the number of individuals (or audience) you want to expose your product to over a given period of time.

- **Frequency:** How many times, on average, should the individuals in your target audience be exposed to your advertising message?
  - How many exposures does it require to breakthrough the clutter?
Media Selection

- Identify where your target “lives and spends time” to determine the mix (TV, print, radio, cinema, etc.)
- Invite vendors to pitch your business based on their reach or composition of the target (among other qualitative factors)
  - Vendors who are not measured by syndicate research should also be considered on the strength of their product
- Media vehicles should be evaluated and selected on their qualitative and quantitative attributes
  - Price/CPM → (cost/impressions) x 1,000
  - Reach/Comp
  - Aesthetics/Environment
  - Target involvement (time spent, affinity)

<table>
<thead>
<tr>
<th></th>
<th>Audience (000)</th>
<th>Comp%</th>
<th>Coverage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cosmo</td>
<td>4,000</td>
<td>42%</td>
<td>37%</td>
</tr>
<tr>
<td>People</td>
<td>5,000</td>
<td>35%</td>
<td>42%</td>
</tr>
<tr>
<td>Bon Appetit</td>
<td>3,000</td>
<td>25%</td>
<td>15%</td>
</tr>
<tr>
<td>Good Housekeeping</td>
<td>5,000</td>
<td>20%</td>
<td>15%</td>
</tr>
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Media Diversity

• **IF** budget allows, diversify efforts to:
  – Increase reach
  – Create more buzz
  – Stay top of mind- “Surround the target”
  – Create more opportunity for customer acquisition

• Remember: always do a good job in one medium before adding an additional. Do not fragment your efforts.
Media Selection: Value vs. Price

• CPM is important but remember…
  – Environment matters
  – Different media venues can not be compared on a CPM basis (i.e. TV vs. Radio); only like vehicles (i.e. Comso vs. People)
  – Added value opportunities may, or may not be of equal value to primary message/spot
## Media Considerations: Television

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Broad reach</td>
<td>• Declining ratings/ fragmented audience</td>
</tr>
<tr>
<td>• Can target by demo or psychographic audience</td>
<td>• High out of pocket cost</td>
</tr>
<tr>
<td>• Buzz worthy programs</td>
<td>• Seasonality</td>
</tr>
<tr>
<td>• Full DMA or national coverage</td>
<td>• High production cost</td>
</tr>
<tr>
<td>• Intrusive and immediate</td>
<td>• Limited ability for geographic or micro-targeting</td>
</tr>
<tr>
<td>• Sight sound and motion</td>
<td>• Tune-out and DVR factors</td>
</tr>
<tr>
<td>• Strong branding capabilities</td>
<td></td>
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</tbody>
</table>
Media Considerations: Local Radio

**Strengths**
- Copy change flexibility
- High frequency medium
- Live reads and sponsorships/promotions and community tie-ins
- Low out of pocket pricing & production costs
- Mobility- in car listening

**Weaknesses**
- Not a visual medium
- Difficult to build reach
- Highly cluttered
- Poor measurement
- Audience not actively engaged
- Declining listenership
Media Considerations: Newspaper

**Strengths**
- Immediate reach
- Detail product explanation
- Geographic targeting
- Variety of ad sizes and executions
- Tangible - couponing, etc.

**Weaknesses**
- Short shelf life
- Declining circulation
- Skews older (50+)
- Visual only, non-intrusive
- Highly cluttered
- Questionable measurement
Media Considerations: Internet

**Strengths**
- Accountability and ROI
- Drive directly to website
- Engaged audience
- Unique creative capabilities
- Strong targeting capabilities
- Ability to interact with ad

**Weaknesses**
- Advertising seen as intrusive
- Declining click through rates (tune out factor)
- Advertising clutter
Media Considerations: Direct Mail

**Strengths**
- Targeting by location, personal interest or buying habits
- Unlimited message length
- Coupon offerings
- Relatively easy to track response
- Low CPM

**Weaknesses**
- Non-intrusive- unlooked, thrown out or unopened
- Typically low response rates
- Requires strong mailing list
- Highly cluttered
- Production cost can be high depending on size of piece
Media Considerations: Out of Home

**Strengths**
- Broad Reach & High Frequency
- Ability to target specific locations
- Strong impact
- Creative opportunities
- All day, all week exposure
- Low CPM

**Weaknesses**
- Short exposure time (6-8 seconds)
- Limited message capability
- Limited demo targeting
- Questionable measurement
- Creative damage (elements and graffiti)
- High out of pocket costs (production and media)
- Audience is disengaged
Media Considerations: Magazines

**Strengths**
- Psychographic and Demographic Targeting
- Engaged audience & high affinity readership
- Ads can be reviewed and studied at reader’s leisure
- Portable/ Tangible
- Variety of creative sizes

**Weaknesses**
- Non- intrusive/ can ignore ad
- Long audience/cume. Takes time to build reach
- Most publications are not mass reach
- Long shelf life and lead times- difficult to promote a time sensitive message
- Clutter
Media Considerations: Cinema

**Strengths**
- Sight, Sound Motion
- High Impact/ Larger than life messaging
- Limited Clutter
- High recall
- Geo targeting
- Multiple consumer touch points

**Weaknesses**
- Relative lead times
- Limited frequency
- Viewership concentrated on weekends (Fri-Sun)- but good complement to other media
- Misconception of intrusiveness, expense and younger audience
Negotiations: Better Bang for the Buck

• Remember your objective(s)
  – Don’t always be swayed by “free” and “added value”
  – More ≠ Better

• Remember to consider target comp and coverage
  – Select the right venues and vendors over the cheapest

• Develop relationships with vendors and/or agency to stay top of mind
  – Open, “team-based” dialogue, can help bring about creative solutions to marketing problems
  – Be the first to be offered creative ideas or promotional opportunities
The Best Media Plans…

• Are focused on their objectives
  – Messaging, Target, Geography, Timing
• Are creative and think out side of the box
  – Stop obsessing about what the “Joneses” are doing
  – Focus on what’s right for your business/brand
• Are not afraid to try something new, but also consider:
  • Assessing media plan performance over time
  • ROI can take time
  • Branding and long-term awareness can be as important as direct response
• Create multiple touch points for interacting with your consumer- diversify efforts if budget allows