Chapter 10

Media Planning and Buying

Creating ads that will grab attention and change behavior is a job for creative people. Making sure your ads are seen in the right place at the right time is the role of media planning. Of all your advertising expenditures—creating the ads, producing the ads, researching the ads—the vast majority of your dollars are likely to go to the purchase of media. So it pays to know something about media planning.

Media Planning

A media plan guides a series of informed decisions about where to place advertising so that it will be seen or heard by those people most likely to respond. Today, those decisions are being made in a rapidly expanding, complicated, and fragmented environment of media choices.

Media are around us 24/7 and customers depend it as their primary source for news, information, and entertainment. They fall asleep watching Leno and hit the snooze button too many times on a clock radio the next morning. A daily newspaper lands on a fair number of lawns and there's a magazine to feed a hunger for every need, hobby, or desire. Outdoor billboards are ubiquitous and have been elevated to an art form in

This chapter was coauthored with veteran media expert Nancy Bolts, Director of Client Services of Communicopia Marketing Services, Inc.

some areas. People are deluged by direct mail. And time spent on the Internet now rivals time spent with most forms of traditional media as we Google, blog, text, tweet, and post our way through a new and evolving social hierarchy.

Media Objectives and Strategies

Media objectives and strategies define *who* the media plan will target, *what* media will be considered, *where* the advertising will run, *when* it will be scheduled, *how* many people it will effectively impact, and *how much* it will cost. It is an analytical as well as creative extension of the marketing and advertising plan.

The primary objective of a media plan is to drive the awareness that will enhance recall and persuasion, effectively launch a new product, or sustain a brand threatened by intense competitive pressure. Figure 10-1 shows a simplified media plan.

> **KEY TERM**
>
> **Media strategy** A plan that includes deciding *who* will be targeted, *how many* people will be impacted, *what* media will be used, *where* and *when* the media will run, and *how much* it will cost. This is usually a written document, an analytical and creative extension of the marketing and advertising plan.

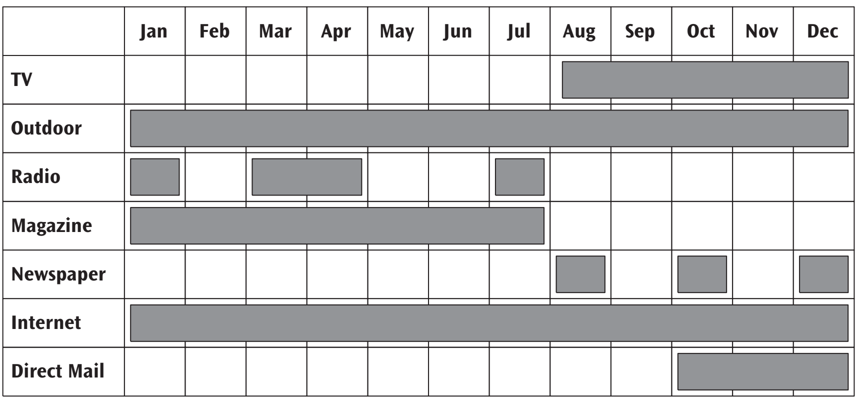

Figure 10-1. Simplified example of an annual media plan

Target Market

The first step is to flesh out the demographics of the best potential customer. Demographics are measurable characteristics that describe people, such as age, gender, race, income level, educational attainment, employment status, and more. Psychographic profiling further defines the target prospects in term of their lifestyle, interests, and values.

Reach and Frequency

Once a target market has been defined, the next step in the planning process is to set communications goals, including reach and frequency objectives. *Reach* is the percent of the target market that will be exposed to the advertising message. It's expressed in terms of *rating points*, with each rating point representing reaching 1 percent of the population. *Frequency* is the average number of times that those who are reached by the advertising message will be exposed to it again. The levels of reach and frequency are determined by the size of the budget and how well the media is planned and scheduled.

> **KEY TERMS**
>
> **Reach** Percent of the target market that will be exposed to the advertising message, expressed as rating points, with each rating point representing reaching 1 percent of the population.
>
> **Frequency** Average number of times that people who are reached by the advertising message will be exposed to it again.

In some media the basis of reach and frequency is the number of individual impressions or individual exposures. In broadcast media, the basis of reach and frequency is the accumulation of ratings. The planner estimates the number of gross rating points (GRPs) that will be required, and ultimately a media buyer develops schedules that will deliver those.

The total of GRPs planned determines the levels of reach and frequency that can be achieved. If the communications goal is to reach 70 percent of a target market an average of three times each, the media buyer develops a schedule for 210 GRPs. If more reach is called for, assuming the same number of GRPs (210), frequency will have to be decreased. If heavier frequency is called for, reach will have to be decreased. Those 210 GRPs could be planned in various reach-and-frequency scenarios, e.g., 30 percent reach/7 times, or 10 percent reach/21

Example of Reach

A gross rating point, as explained in Chapter 3, is calculated by multiplying frequency by reach. Here's an example for three TV programs.

TV Program	# of Spots	Rating	GRPs
Daytime Soap Opera	5x	3	15
Evening News	3x	6	18
Primetime Sitcom	2x	12	24
	Total GRPs =		57

The 57 GRPs accumulated in the example schedule do not necessarily reach 57 percent of the target market. That is because some of the viewers would be exposed more than once to the same commercial.

times, 42 percent reach/5 times, 5 percent reach/42 times, 21 percent/10 times ....

Different objectives call for different levels of reach and frequency over different periods of time, and the level of GRPs will be adjusted within the framework of the budget. Generally speaking, a plan will call for the highest possible reach when the objective is to build awareness, such as when you need to launch a new product or communicate new product news. As for frequency, research shows that three times is the minimum level of effectiveness. Less than that and prospects are not likely to recall the message or act upon it. Heavier frequency is in order when advertising to drive persuasion and trial, advertising in a category with low interest, or advertising when the message is very complex. Other factors to be considered when deciding between reach and frequency include brand loyalty, purchase cycle (how often people purchase your product or service), competitive activity, and whether your communication goal is to build a brand image or sell a product.

Geographic Considerations

If a brand enjoys national distribution and sales across all regions of the country, then a cost-effective media plan is likely to include network television and national consumer magazines. If a brand sells better in some regions than in others, then "spot" media will be recommended. Buying spot media allows planners to allocate budget to designated market areas, metro areas, or even more narrowly defined areas that represent the highest sales opportunity.

A complex market by market analysis of a brand's sales strengths and weaknesses can enable the media planner to prioritize media spending. The planner can rank each market based on growth opportunity.

Media planners calculate a Brand Development Index (BDI) for every market under consideration as a tool used when allocating budget. If one market has a higher BDI than another, one route would be to allocate more dollars to that market because of its brand strength relative to what might have been anticipated based on the population.

Planners also look at total category sales when applying a formula to determine a Category Development Index (CDI). These reveal overall demand for a particular product (including competitive brands) in the markets.

KEY TERMS

Brand Development Index (BDI) A measure of the relative sales strength of a brand in a specific market area. It is calculated as a % national population divided by % of households (HH). For example:

Market A

Category Share	8.6%
HH Share	6.3%
BDI	137

Market B

Sales	12.2%
HH Share	15.4%
BDI	79

Category Development Index (CDI) A measure of the sales strength of a particular category of product within a specific market. It is calculated as category sales as a % national population divided by % of national households (HH). For example

Market A

Category Share	11.9%
HH Share	6.3%
CDI	189

Market B

Category Share	9.4%
HH Share	15.4%
CDI	61

In Market A product sales are 89 percent better than in an average market, and in market B sales are nearly 40 percent below average.

Seasonality

Sales analysis also forms the basis for determining when to advertise. Sales are tracked by month, and money is allocated to those months or quarters when the brand or category sales are heaviest. In this example, running media in April through September, the peak buying period, makes the most sense.

Month	Sales	Percent
January	$30.8	3%
February	$40.1	3%
March	$86.9	7%
April	$110.7	10%
May	$128.5	11%
June	$136.3	12%
July	$149.6	13%
August	$154.8	13%
September	$121.3	10%
October	$80.1	7%
November	$64.2	6%
December	$59.3	5%
		100%

Competitive Spending

What and how competitors are spending is also analyzed to ensure that the brand will be advertising with an effective "share of voice" (SOV). Competitive media expenditures in total and by media type are studied and appropriate decisions made as to how the budget will be allocated.

KEY TERM

Share of voice (SOV) Advertising for a specific product or brand as a percentage of total category advertising. It is calculated as the amount of investment by one company divided by the total amount invested by all companies.

If three competitors are advertising in a market and Company A spends $20,000, Company B spends $25,000, and Company C spends $5,000, then the SOV is 40 percent for A ($20,000 / $50,000), 50 percent for B ($25,000 / $50,000), and 10 percent for C ($5,000 / $50,000).

Media Mix

Media mix is the combination of advertising media used in pursuing the promotional objectives of a marketing plan. Considering more than one media type can optimize a plan's effectiveness and take advantage of the unique advantages of each type.

- *Television* has tremendous reach and loads of impact. It is considered by many to be the most influential medium. It is also among the most cost-efficient options. Further, it is flexible, targeted, and timely.
- *Radio* can also achieve reach if marketers buy a number of stations in the right combination. And one of radio's main strengths is to increase frequency. Radio allows for very specific targeting, such as advertising during commute time to target working adults who are difficult to reach.
- *Newspapers* are valued for their editorial environment and timeliness.
- *Magazines* are chosen for their affluent, well-educated readers and ability to sustain a message over a longer period of time.
- *Outdoor media* (e.g., billboards and signs) provide reinforcement, heightened reach, and visual impact while accurately zeroing in on a specific geography at a very low cost per impression.
- *Direct mail*, while less cost-efficient, offers the most selective targeting and the greatest measurable impact.
- Presence on the *Internet* is an absolute must.

Media Scheduling and Execution

A media recommendation in the form of a flowchart and budget breakdown provides a means of presentation and a roadmap for the actual purchasing of the media. It provides details such as:

- Spending by media type
- Ad length and ad sizes that recognize creative requirements
- Broadcast daypart distribution and weight
- Print vehicles and insertions
- Scheduling patterns (e.g., continuous media exposure; flighted media to take advantage of purchase cycle, a launch date, special events, pulsing)

- Anticipated cost efficiencies (e.g., cost per point, CPP [also called cost per rating point], or cost per thousand, CPM [also called cost per thousand impressions])

Media Buying

To varying degrees, all media buying is negotiable. Buyers attempt to meet goals like delivering a cost per rating point (CPP) or cost per thousand impressions (CPM). They look for efficiencies and added value that may be the result of volume discounts or supply and demand. They negotiate whether a TV commercial will appear at the beginning or end (but not middle) of a commercial break, they negotiate for premium placement in print, and they negotiate for additional free promotions and merchandising.

KEY TERMS

Flighting Advertising in waves interspersed with periods of total inactivity.

Pulsing Advertising continuously with occasional bursts of heavy advertising.

Cost per point (CPP) Cost of reaching 1 percent of a television or radio audience (one rating point), used as a measure of cost efficiency when comparing broadcast media. AKA *cost per rating point.*

Cost per thousand (CPM) Cost of reaching 1,000 households or individuals with an advertising medium, used as a measure of cost efficiency when comparing print or broadcast media. AKA *cost per thousand impressions*.

In the Final Analysis

The analysis doesn't end when the advertising hits the media. It's important to do a post-analysis of what was actually received for the money spent. A thorough post-analysis will reveal whether the ratings stood up to the test of time or to changes in a station's programming or format. It will uncover instances where the ad aired right on the heels of a competitor's ad or appeared in an editorial environment that actually negated its impact. If these or any other media mishaps are uncovered, buyers ask for a *make-good*, as explained in Chapter 3. Remember: it's all negotiable—even after the fact.

If increases in awareness or sales don't meet expectations, consider test markets. Test markets can be specifically structured to isolate media variables like budget levels and alternative plans. If, as Marshall McLuhan

TRICKS OF THE TRADE

Some Key Questions to Answer in Post-Analysis

What were the actual ratings achieved versus those that were projected?

Did the ad run at the beginning, middle, or end of the commercial break?

How often did the radio commercial run in the heart of morning or evening rush hour traffic versus around 6 am or 7 pm (which could also count as “drive time”)?

Was the ad adjacent to an editorial or surrounded by other ads? If so, what was the article about?

How did the ad look in terms of reproduction quality?

stated, the medium is the message, don’t be too quick to shoot the messenger.

Manager’s Checklist for Chapter 10

- ☑ The ways consumers now go about gathering information and seeking entertainment are changing the traditional definition of media.
- ☑ New media vehicles demand new ways of thinking and a mind open to these as alternatives.
- ☑ Some traditional principles remain constant: know your target customers, reach them at optimum media levels, and reach them enough times to have your message sink in and be acted upon.
- ☑ Play to your strengths. Strong sales are a good indication that there are more prospects who are likely to act in a similar fashion if reached effectively.
- ☑ Don’t leave money on the table. Media are negotiable. Foster relationships, ask for more, and make sure you got what you paid for.