

# Quick Review of Media Buying Terms

## INTRODUCTION

"Media Speak" does not have to be a foreign language. Whether it's a station rep, a media buyer or your PR firm, once you know some of the terminology used by media professionals you'll feel more comfortable dealing with them and making decisions that help you reach your communications goals.

(Note: Many of these terms may also be found in the glossary on the homepage of this web site.)

## TERMS THAT COUNT

When evaluating a media plan, developing a media buy, or negotiating a buy with a station, here are some terms and acronyms that will help you:

**Reach:** The number or percentage of a population group (i.e., Men 18-34) exposed to a media schedule within a given period of time.

**Frequency:** The average number of times people (or homes) are exposed to an advertising message or campaign.

**Gross Rating Points (GRP's):** Each TV program or radio daypart delivers a specified number of rating points. GRP's are the sum (total) of all ratings delivered by a given media buy or schedule. For example: If you purchase eight programs that each have a rating of 10 and six programs that have a rating of 5, then your schedule would deliver  $80 + 30 = 110$  GRP's.

**NOTE:** The formula to calculate GRP's is:  $Reach \times Frequency = GRP's$ .

**Cost per Point (CPP):** The cost of an advertising unit (spot divided by the average rating of that unit for a specific demographic group). A rating or rating point is one percent of the total target audience (demographic group) in a given market (i.e., Orlando or Dallas). Often referred to as the cost of purchasing one rating point. For example, a unit or spot that costs \$1,000 and delivers a "men 18-34" rating of 10 has a CPP of \$100. ( $\$1,000 \text{ spot rate} / 10 \text{ rating} = \$100 \text{ CPP}$ )

**Flight:** The dates in which a campaign is scheduled to run.

**Daypart:** Time periods of the broadcast day - e.g., TV dayparts are Daytime (9 a.m. - noon), Early Frings (4:30-6 p.m.), Prime Time (8-11 p.m.), Late Night, etc. Radio dayparts are Morning Drive (6-10 a.m.), Midday (10-3 p.m.), Afternoon Drive (3-7 p.m.), Evenings (7 p.m.-midnight), etc.

Some additional terms that will turn you into an old pro:

**Billboard (BB):** In broadcast, airtime (Generally 2-10 seconds in length), usually given at no cost to an advertiser. They are generally offered to advertisers who purchase multiple commercials within a program.

**Bonus Spot:** A free announcement or commercial provided by a TV or radio station to an advertiser as value-added for running a schedule (your paid commercials) with the station.

**Make-good:** Replacement of a spot missed or incorrectly scheduled by the station, with a spot of equal or better ratings and dollar value.

**Public Service Announcement (PSA):** A commercial or liner that promotes programs, activities or services regarded as servicing community interests. They are mostly carried by stations free of charge, but while paid spots are scheduled at specified times, PSA's are broadcast at the station's discretion.

**Value Added:** Any promotion or advertising unit (programs sponsorships, liners, no charge spots, print ads in the station's promotional materials, etc.) where the cost is more-or-less absorbed in the media buy. Value-added promotions or units are usually offered as a reward to good advertisers and are provided at no additional cost.

You have now completed *Media Speak 101* and it's time to go out and work with your agency to schedule a

value-added billboard in a daypart that delivers additional GRP's against your target audience. And, if you are lucky, the station will offer you some bonus spots in addition to your automatic make-goods in an effort to increase your reach and frequency.

## ***Planning Your Media Buy***

Every medium has its own attributes, its own strengths and weaknesses. Some offer broad-based coverage, while others are very targeted. Others can be the bedrock of an advertising campaign or be looked upon for secondary media support.

For example, television is almost always considered a primary medium, with the ability to deliver an advertising message to virtually everyone. However, with careful planning and analysis, television can be used to focus more sharply on specific target segments and particular communications objectives.

### **KEY QUESTIONS**

To make sure you are considering, and ultimately purchasing, the most effective mediums to meet your communication objectives, ask yourself:

#### ***Whom do you want to reach?***

-The answer to this question will dictate how your media plan will be developed. It is extremely important to understand who your target audience is from a marketing point-of-view first. A simple age and sex demographic description does not tell you who your target audience truly is. For example, in the case of occupant protection the target audience, in some cases, has been described as "young males who do not wear their safety belts when riding in a motor vehicle, especially those who drive pickup truck." This target tends to skew more blue-collar, and the programming selected to reach them can be different than that used to reach a general male 18-34 target.

Many television and radio stations, as well as cable systems, subscribe to syndicated qualitative research (Scarborough, Media Audit) that can be very helpful in identifying the most effective mediums to use based on your target audience description. They can also supply you with the demographic performance information from Nielsen (TV) and Arbitron (radio).

#### ***What's the budget***

The media budget must be compatible with the objectives. Media plans can be designed to reach broader targets (such as adults 18+) or narrower segments (such as Men 18-34). In the case of television, the narrower target description (Men 18-34) requires greater selectivity of programming that specifically skews to the target. This is almost always more cost-effective; the extent of the differential is based on audience availability, programming that satisfies the target delivery and marketplace supply and demand. Knowing this, the planner must take a realistic look at the media the budget will afford. A lower budget may require focusing on less expensive -- but highly targetable -- cable TV programming (Comedy Central, TNT) over that which broadcast TV outlets (FOX, NBC) provide.

### **OTHER QUESTIONS**

In addition to targeting the audience you want to reach, and knowing how much money you have to spend, the following questions can help you find the most effective media to reach a particular target audience:

#### ***What level of communication do you want the campaign to achieve?***

Are you looking for higher reach (talking to as many members of your target audience as possible) or higher frequency (talking to members of your target audience as many times as possible)? In the cases of "Click It or Ticket" or the national Impaired Driving crackdown, the advertising campaign is just two weeks long. Due to this very short advertising period your strategy should focus on building frequency in delivering your message to the appropriate audience. Remember, we are trying to affect a change in behavior. Repeat exposure to the advertising message is needed to do this.

#### ***Will the plan use one medium or several media?***

If more than one, do you have sufficient budget available to enable you to use each medium effectively? For example, if your plan calls for building frequency, you do not want to over-commit to prim-time programming with broadcast television which gives you great reach, but it probably too expensive to

deliver the frequency you want. Husbanding dollars by using less prime programming should allow for a cable and/or radio effort to build frequency on top of your broadcast base.

#### ***How long will the schedule run?***

A short campaign dictates use of those media that build their total potential audience quickly. For example, TV and radio can achieve a large measure of their total reach potential in two weeks, while a weekly magazine can take as much as 10 weeks.

#### ***When do you want it to run?***

Local TV viewing levels vary from season to season for most target groups in most dayparts (prime time, late night, etc.). Some of these shifts may be very pronounced, especially in the summer. Therefore, identifying these conditions is critical to choosing the correct medium.

#### ***Where will it run?***

Knowing where your target audience is physically can greatly affect your choice of medium. If your target is clustered in counties that are part of another State's Designated Marketing Area (DMA), then a localized cable TV effort may be the best way to geographically target this group as opposed to buying the large market radio or broadcast TV stations in the adjoining State.

### **RESOURCES**

MRI or SMRB (National media, product usage and audience lifestyle research)

Scarborough or Media Audit (Local Media, product usage and audience lifestyle research)

PRIZM (Geo-demographic research)

Nielsen NSI (Local market TV ratings)

Arbitron (Local market radio ratings)

Nielsen Net Ratings (Internet usage research)

## ***Using Limited Funds Effectively***

### **INTRODUCTION**

We've all been in the position where we needed more funds to get the job done. While it's never fun to market on a shoestring, sometimes we have to be creative and think outside the box to achieve our objectives. Here are some tips on how to make the most out of the money you do have.

### **OPPORTUNITIES**

#### **Paid Media Strategies**

Here are some simple ideas that will enable you to get a "bigger bang for your buck":

-Give stations flexibility to run the bonus weight in dayparts and programming that will enable you to generate a lot of frequency against your target audience. It is important to make sure that the lower-priced dayparts you purchase still efficiently reach your target audience. For example, sometimes a lower-rated late night (11:30 p.m. - 1 a.m.) program may have fewer viewers than a prime time (8 p.m. - 11 p.m.) program, but it will cost significantly less even though it has a higher composition or percentage of your target audience.

-As an example, instead of buying four spots in higher-rated prime time TV programs that have a strong reach, schedule only one primetime spot and eight spots in lower-priced late fringe (11:30 p.m. - 1 a.m.) and late night (1 a.m. - 2:30 a.m.) programs.

-Also, instead of buying spots on the broadcast networks like NBC, ABC, FOX, allocate some funds to cable TV networks like ESPN, Spike TV and Comedy Central that have a high composition of your target

audience, but lower unit rates.

-On radio, to maintain a strong presence on a station with limited budget you can often find that the 5-6 a.m. time period has excellent ratings at a very low cost. Also, if your message does not have to be skewed towards the end of the week, you can often get outstanding deals if you agree to schedule your spots during the early part of the week (Sunday-Wednesday).

### **Stretching Paid Media**

There are several strategies beyond paid media that can help you stretch your limited budget and reach your communications goals.

Because we have already established that you are going to need help, let's identify the most likely source of help--the media. You might be amazed at how much the media can and will do for you if you just ask. And, as obvious as it might sound, the first thing you need to do is develop a rapport--introduce yourself and your organization and ask about what's important to them.

Treat them like a partner, NOT a vendor, and do it well before you actually need something from them. Always be honest and upfront with them regarding the status of an upcoming buy or a news item. Tell them what and where you need their help to make your program work. Creating realistic expectations and parameters will help cultivate a mutually beneficial relationship with the media.

When you are negotiating the buy don't be afraid to ask for bonus spots, program sponsorships, billboards, public service announcements (PSA's), and other value-added opportunities they can provide.

-Program sponsorships are a great way to extend your campaign message at no additional cost. They can often be negotiated as a value-added component to a buy. On TV, it might come in the form of a 5-second billboard prior to a special program. Billboards are frequently offered with sports programming. On radio, you can often negotiate value-added sponsorships for daily programs like traffic, news or sports reports or weekly programs like Rick Dees Top 40 Countdown.

-Bonus spots should be negotiated when the buy is being made. You can make bonus spots one of the criteria for granting a local sales rep a buy.

NOTE: It is important to make sure that if you request bonus media weight in a market, that all stations in your buy participate in that bonus program. If you include a station that is not willing to participate, it would be unfair to all of the other stations that do agree to your requirements. Should one station not agree to your terms, then they should be left off the paid buy.

-PSA time on TV and radio stations is typically set aside for commercials or liners that promote community programs, activities and services. PSA's are carried by stations free of charge. The Occupant protection and Impaired Driving campaigns both qualify as serving community interests.

-Stations are often involved in special events. If you are making a buy, you can sometimes get involved and receive credit as a sponsor for no additional cost.

## ***Getting What You Paid For***

Tasking your ad agency or media buyer to provide you with a post-buy analysis is the single best way to ensure you get what you paid for.

A post buy is the performance measurement of a specific media buy. When a media buy is made program ratings from the period when the buy will actually run are projected based on the most recent Nielsen ratings book available. For example, your media buyer will project program ratings for the May 2006 "Click It or Ticket" mobilization by seasonally adjusting previous ratings. After the May 2006 ratings data is released by Nielsen, the projected ratings will be compared to the actual program ratings.

The components of a media buy that should be evaluated are:

**Invoice Reconciliation**--Did the media schedule run as ordered? This reconciliation will identify if the spots ran in the correct programs, and the number of paid and non-paid spots that actually ran. In addition the invoice review will let you know if the media buy delivered the appropriate daypart mix.

**Audience delivery (GRPs)**--The media buy should indicate the projected audience ratings (GRPs) for each TV program purchased. Once the buy has run and the ratings books (Nielsen-TV) are published for the time period you purchased, your agency can determine if the programs/spots purchased actually delivered the number of rating points (GRPs) that were projected.

The goal is to deliver plus or minus 10% of the goal (90%-110%). If your media buy only delivered 80% of the projected GRPs it means your schedule may not have reached your audience enough times to achieve your campaign goal. However, your agency should be able to negotiate make-good media weight for the under delivery to run during your next flight.

**PSAs (Non-Paid)**--If the goal is to have the station provide one non-paid PSA for every spot purchased (1:1) and they delivered one spot for every three spots purchased (1:3) you have an opportunity to negotiate additional PSAs during the next flight.

Post buys are typically evaluated from station affidavits, using the exact times the spots ran. The exact time is measured against the ratings book to determine the delivery the actual programs purchased. If your agency does not have the media buying software to run a post buy, most TV stations can do it for you.

#### *How to Use Post Buy Results*

1. A post buy can help with station negotiations. If a station consistently under performs (their programs deliver lower ratings than projected) your media buyer can negotiate for makegood media weight to run concurrently with your paid media schedule.

2. The post buy can also help with future negotiations for spot placement. Local broadcast TV commercials run during the half hour breaks (9PM, 9:30PM, 10PM, etc.). Network spots run within the programs. The ratings can vary significantly based on the program that precedes or follows the program you bought. Consistently poor placement of your spots can have a negative impact on the overall media delivery of the buy. Therefore, in order to be included on an upcoming buy a station may agree to guarantee placement of your spots.

Make sure your ad agency or media buyers are earning their fees and maximizing your dollars. A post-media buy analysis is one good way to be sure.