The McGraw·Hill Companies

Media Planning and Buying
Principles and Practice in the Indian Context

Author's Profile

Arpita Menon is a seasoned media professional with 17 years of industry experience in diverse roles spanning strategy, planning, media buying, research and client management across agencies like Draft FCB's media arm Lodestar Universal, Starcom and JWT. During her stint with *Ananda Bazaar Patrika*, she set up the Solutions Selling team and headed the Business Intelligence cell. She is currently Managing Partner at Quantemplate, a media analytics company focused on improving realization for media owners. Arpita has contributed articles in various industry websites like *exchange4media.com*, *agencyfaqs.com* and *indiantelevision.com*. She has also taught at NMIMS (Narsee Monjee Institute of Management Studies) and currently teaches media course at XIC (Xavier Institute of Communications), Mumbai.

The McGraw·Hill Companies

Media Planning and Buying

Principles and Practice in the Indian Context

Arpita Menon
Managing Partner,
Quantemplate, Mumbai

Tata McGraw Hill Education Private Limited
NEW DELHI

McGraw-Hill Offices
New Delhi New York St Louis San Francisco Auckland Bogotá Caracas
Kuala Lumpur Lisbon London Madrid Mexico City Milan Montreal
San Juan Santiago Singapore Sydney Tokyo Toronto

Tata McGraw-Hill

Published by Tata McGraw Hill Education Private Limited,
7 West Patel Nagar, New Delhi 110 008

ISBN (13): 978-0-07-014760-7
ISBN (10): 0-07-014760-4

Managing Director: *Ajay Shukla*
Head—Professional and Healthcare: *Roystan La'Porte*
Executive Publisher—Professional: *R Chandra Sekhar*
Asst. Sponsoring Editor—BGR: *Dipankar Das*
Manager—Production: *Sohan Gaur*
Manager—Sales & Marketing: *S Girish*
Sr. Product Specialist—BGR: *Priyanka Goel*
General Manager—Production: *Rajender P Ghansela*
Asst. General Manager—Production: *B L Dogra*

Typeset at Text-o-Graphics, B1/56 Arawali Apartment, Sector 34, Noida 201301 and
printed at SDR Printers, A-28, West Jyoti Nagar, Loni Road, Shahdara, Delhi 110094

Cover Designer: Kapil Gupta and Saurav Karandikar

Cover Printer: SDR Printers

RZZYCRBFDCXLB

To

Mr. Anil Kapoor

Baba and Ma

Ajit and Dhruv

PRAISE FOR
MEDIA PLANNING AND BUYING

"Arpita Menon's book *Media Planning and Buying* fulfils a vital need for a practical guide that can help students and practitioners understand the fundamentals of the art and science of media planning in the exciting Indian market. Written by a veteran who has a rich and varied experience in the media industry, the book is easy to read and is full of information, examples and practical 'how-to-do' tips. It should be a compulsory reading for everyone who deals with media planning and buying. I strongly recommend this book to both students and practicing managers."

M.G. Parameswaran

Executive Director and CEO, Draftfcb + Ulka

"The media industry has grown so rapidly in the last decade that many entrants into this industry (and many existing practitioners too) have neither the time nor the wherewithal to sharpen their skills.

Media professionals have busy schedules, and many do not realize that a conceptual understanding of the nuts and bolts of the media business is critical for them to exist and excel.

This book, from a sound thinker with amazing conceptual clarity coupled with years of hands-on experience in the media planning and buying of some of the best known brands and in handling demanding situations, is a godsend for all of us in the industry.

My advice to all is: 'Sip and Dip' this book as it will answer a lot of questions about media fundamentals which you were afraid to ask."

Shashi Sinha

CEO India, Lodestar Universal Media

"Finally, a definitive textbook on Indian media with Indian case studies. For students of media as well media practitioners, this is certainly a bible whether for understanding the basic principles of Indian media planning and buying, refreshing concepts, or confirming hypotheses."

Apurva Purohit

CEO, Radio City

"Arpita's book is an in-depth practitioner's perspective on the complex world of media planning and buying. Rich in detail, supported by illustrations and examples, the book brings forth her passion for the subject which, I'm sure, will infect the reader!

Her collaborative approach exemplifies the new paradigm in media. Debate and discussion are necessary to shift the transactional approach into a more value-based approach. The book classifies that we need to change gears to be able to drive meaningful growth in the industry if all the players have a shared value system, as outlined in her chapter on solutions.

I'll sum up by borrowing a quote by Confucius from her book: 'He who does not economize will have to agonize'—a quote that resonates with me. However, I will not economize in my praise for the output she has delivered. In fact the greatest compliment I can pay her is that I wish I had written this book."

Meenakshi Madhvani

Founder and Chairperson, Spatial Access Group

"Arpita's book is the only specific, practical piece of writing on media buying and selling that I have come across in the recent past. It should become a standard textbook for any student planning to pursue planning or buying as a career."

Vanita Kohli-Khandekar

Author of The Indian Media Business

PREFACE

With the changing media landscape, increased media choices, fragmented audience, rising costs and higher demand of accountability from clients, media is no longer a backroom function, but has grown in both complexity and importance. With the increased availability of research and data, marketers and media practitioners need to understand the science and theory behind media planning. The impact of technological advancements has changed the way people perceive and consume media and calls for going beyond the conventional understanding of the art of media—creativity, big ideas and 360^0 or total communication.

This book is born out of a sheer need and the lack of anything of its kind. During my teaching assignments, I had difficulty laying my hands on a reference book based on the Indian context. A recommended reading list for students was, of course, even more challenging! Though planning theory is discussed in some non-Indian books, a discussion of media buying theory especially in the Indian context is completely lacking. While media professionals learn the nitty gritty of media planning and buying at work, in most cases a large gap remains in their conceptual understanding. And this kind of 'learn-on-the-job' training exists even today in media agencies after 17 years since I first joined one!

Moreover, with India being more of a continent than a country with its mind-boggling diversity, even a task like defining and prioritizing markets and matching media to a select market can be a veritable minefield for the uninitiated. And no amount of western theory can ever give a sense of the sheer complexity of Indian reality!

Addressing these needs, this book serves as a handbook or guide for the media students and practitioners on sound theoretical foundations of the principles of media planning and buying. Media marketers too, in both branding and sales, will benefit from understanding what makes the media planner and buyer tick, and how to call a ceasefire in the media rates warfare and get on the same side of the table! With tightening bottom lines, growing inflation in media costs and ever-dwindling audiences for brand communication, brand marketers feel the need to have a thorough understanding of the media functions as well. And help is at hand with a theoretical framework for media planning and buying decisions in an Indian *ishstyle*!

The theoretical thrust of the book is supplemented by illustrative case studies and snippets of the history of media industry. References and related reading lists in each chapter also ensure that a fair amount of literature is covered to factor in all perspectives on a particular topic.

Chapters 1–3 act as a primer providing a basic grounding in the history of media, the current context and the basic terminology used in the industry. Readers interested in media planning can head straight to Chapters 4–8 for the five building blocks of a media strategy, and then to Chapter 9 to understand the plan building process. Readers interested in buying can look into the parameters used to evaluate buys, buying and implementation process in Chapters 10–12, and then into the 'solutions approach' to buying in Chapter 14. Brand managers keen to get a quick rough-and-ready understanding of media functions can read Chapter 2 on media jargon, Chapters 4–5 on TG selection and market prioritization, Chapter 6 on setting media weights and Chapter 14 for setting media budgets. What I am gently trying to get across is that a reader doesn't really need to read the book cover-to-cover and get daunted by the prospect. 'Sip and dip' is a much better approach! Any thoughts, suggestions or feedback can be sent to arpita.menon2@gmail.com.

ARPITA MENON

ACKNOWLEDGEMENTS

Thanks from the bottom of my heart to ....

- Ambi (M. G. Parameswaran) – for mentoring, help, guidance and for being the quintessential Quick-gun-Murugan and queuing books up faster than the publisher can print them !
- Ambika Srivastava – for causing a violent switch in my career path from research to media
- Apurva Purohit – for being the most 'complete' media person I know
- Atmasantulan Village – for the balance and the peace
- Deepak Netram, Naresh Batra and Revathi Rao at Lodestar for feeding me all sorts of data
- Dnyanada Chaudhari, Kartik Ramakrishnan, Meghna Rakshit, Nirali Bhagdev, Priyanka Kapur, Puja Rai, Shivani Raina Ghosh, Umang Kumar and Yaminie Patodia for being sounding boards
- IRS, NRS & TAM – for all the data and support
- Kalpana Sathe – for teaching me the importance of people and relationships in media
- Kedar Gavane, Monika Khurana and RK Laxman – for all the tech. *gyaan*
- Meenakshi Madhvani – for the clarity of thought and direction
- Pramath Sinha and Vikas Gupta – for their encouragement
- Saurav Karandikar – for the really cool cover design
- Sejal Shah and Sujata Das – for help with all 'formats' and all the buying *gyaan*
- Shashi Sinha – for all the beyond-theory, practical, real-life learning
- Tata McGraw-Hill – for waiting so patiently for me to wrap up the book !
- Vanita Kohli Khandekar– for the feedback, all your writing that I could reference and for being just terribly good at what you do !

CONTENTS

ROLES AND STRUCTURES 1

“The charm of history and its enigmatic lesson consist in the fact that, from age to age, nothing changes and yet everything is completely different.”

. . . . .Aldous Huxley

Times, they are a changin’, indeed! Changes in the media landscape that have taken 20 to 25 years in the United States have happened in India in just over a decade. We are well past the era of a media planner being the back-room guy. With the increasing explosion of media choices, fragmentation of audiences, spiraling costs, availability of better research data, acceleration of change due to changing technology, and also complexity in its decision-making process, the media has indeed come into its own. It has become both a science and an art, with specialized practitioners. The structures and roles in a media department too have changed over time. This chapter looks at how media has evolved, and how the roles and structures within agencies have changed to keep pace.

1.1 THE CHANGING CONTEXT

1.1.1 The 80s and Early 90s

Full Service

The Agency was the one constant in a brand’s life, with many agencies handling brands for more than 25 years, and having more detailed and complete brand dockets than marketing itself. In fact, the *agency owned the brand* to such an extent that new brand managers and marketing hands would actually get a brand induction from it! Most large agencies had dedicated Account Planning departments which were in charge of devising brand and communication strategy. Creative and account planning were clearly the dominant functions in this era. *Media* had not occupied its rightful place under the sun, and continued to function more as *a department to complete the ‘full service’ offering* of the mother agency. Client servicing often had a dominant role to play, especially in client interactions, and in integrating the media strategy to the overall communication plan.

Print and Doordarshan Domination

The media industry in the 80s and early 90s was characterized by lower levels of complexity. The print medium dominated the landscape, getting almost a 65%

share of media spends [1]. Doordarshan dominated the TV expenditure, and satellite television made an entry only in the early 90s (see Table 1.1). Media research was at a fairly nascent stage, with the NRS only being conducted every 4–5 years. The advanced peoplemeter system of TV viewership measurement did not exist—all that the industry had access to were the diary TRPs, that too in hard copy format!

Running on Relationships

The media industry ran on relationships, and a lot of old-timers and experienced people, mostly with an implementation or operations background, formed a major part of the media department. While Doordarshan (DD) rates were fixed, private producers who bought slots from DD and aired their programs were able to sell part of the airtime and were willing to negotiate to a certain extent. Most leader publications had fixed rates with little or no discounting. *Buying was low on complexity,* and relationship rather than data driven. The *operations department handled buying as well as implementation*. Planners had a relatively minor role to play. They dealt with media research and planning software, and were responsible for client interface.

1.1.2 The Mid and Late 90s

Satellite Boom Fuels Increasing Complexity

This era was about TV coming into its own, fuelled by the huge growth of satellite channels. After many years of being eclipsed by Print, *spends on TV* finally caught up and were *neck-to-neck with spends on print* [2] (see Tables 1.1 and 1.2). The measurement system too evolved in line with the increased complexity. From the diary system, we finally made the transition to the evolved and more accurate peoplemeter system of ratings. Readership surveys too kept pace by turning into annual affairs, against the once-in-four-years studies they used to be.

With more channels entering the fray along with better data measurement in the late nineties, clients started waking up to the fact that a good media plan was not just one where Doordarshan contracts were sent well in advance to ensure spots on the hot, high TRP programs like *Chitrahaar* and the Hindi Feature Films on Sundays (HFFs)! *Media planning* was perceived to be a *complex task which required specialized knowledge,* and this went a long way in strengthening the media function.

Focus on Buying

The late 90s saw the beginning of an *economic downturn* where clients began to question whether each rupee of the advertising budget was being spent efficiently. *Media thus became a critical function to deliver savings and efficiencies*. With satellite channels getting a decent share of the media budget, the possibility of negotiations turned the *spotlight on media buying*. With TV making inroads into the revenue share of print, publications groups too were more open to rate negotiations,

Table 1.1 Advertising Expenditure

Rupees (million)

	Total	*Newspapers*	*Magazines*	*Television*	*Radio*	*Cinema*	*Outdoor*	*Internet*
2001	64,006	25,700	6,032	24,254	1,406	65	6,200	350
2002	69,020	27,837	5,701	27,164	1,617	125	6,225	351
2003	86,470	41,971	5,511	30,424	1,778	135	6,300	351
2004	106,858	47,149	4,179	44,047	1,474	738	8,850	420
2005	123,770	53,316	4,806	52,466	2,062	550	9,500	1,070
2006	149,396	62,501	6,742	64,126	2,527	900	10,500	2,100
2007	179,879	75,438	7,546	73,956	5,236	1,262	13,640	2,800
2008	213,801	91,021	11,419	85,019	6,464	1,455	14,923	3,500
2009F	227,579	92,103	12,947	93,015	7,540	1,464	15,960	4,550

Source for 2000-2008: Print, TV, Radio – TAM ADEX, Cinema and Outdoor - ZO Estimates, Internet IAMAI & ZO estimates
Source for 2009 : ZO forecasts and other industry estimates.
(1) TAM costs are rate card costs and are down-weighted for TV, Print and Radio at 70%; 60% and 40% respectively
(2) Excludes production costs, classifieds and house ads.

Table 1.2 Share of Advertising Expenditure

	Total	*Newspapers*	*Magazines*	*Television*	*Radio*	*Cinema*	*Outdoor*	*Internet*
2001	100	40	9	38	2	0	10	1
2002	100	40	8	39	2	0	9	1
2003	100	49	6	35	2	0	7	0
2004	100	44	4	41	1	1	8	0
2005	100	43	4	42	2	0	8	1
2006	100	42	5	43	2	1	7	1
2007	100	42	4	41	3	1	8	2
2008	100	43	5	40	3	1	7	2
2009F	100	40	6	41	3	1	7	2

Source for 2000-2008: Print, TV, Radio – TAM ADEX, Cinema and Outdoor - ZO Estimates, Internet IAMAI & ZO estimates
Source for 2009 : ZO forecasts and other industry estimates
(1) TAM costs are rate card costs and are down-weighted for TV, Print and Radio at 70%; 60% and 40% respectively.
(2) Excludes production costs, classifieds and house ads.

especially the follower publications. Unlike the earlier era where relationships with private producers of Doordarshan serials ensured a good rate, this era was characterized by science and art—the science of analyzing the available evolved data to arrive at a good buy and, of course, the art of negotiation.

Buying AORs

Clients started realizing that not all creative agencies necessarily have the throughput or the expertise to also buy media efficiently. The traditional structure of the media department within the creative agency was not considered satisfactory by a lot of clients. *Clients started shifting their media buying away from the creative agency* and, thereby, the buying AOR or Agency of Record was born. The creative agency continued to handle the strategic planning as it was still thought to be the brand custodian and better able to deliver sound strategy. For example, Unilever in India consolidated their buying and implementation with Fulcrum, a unit set up by Group M, especially for Unilever India. HUL's creative agencies like JWT, Lintas, etc. continued to handle strategic media planning for their respective brands.

Rise of the Media Specialist/Independent

The media function became an important enough revenue source for many agencies to spin-off or to set up stand-alone media entities. Media agencies now had the opportunity to pitch for, and handle businesses which the mother agency had no links with, or did not handle. This era saw the rise of home-grown specialist media agencies like Madison (with no creative services on offer when it was first setup), and the rise of global media independents like Carat (not aligned to any creative agency). A lot of global companies like WPP started establishing and strengthening their media brands in India [3].

15% Commission Starts Breaking Down

While the client pays the media 100% for the advertising (through the agency), it is technically the media partner who pays the 15% commission to the agency. With the breaking away from the mother agency, the traditional 15% commission also started coming down. Media stand-alone businesses, or AORs, got 2.5–3.5% of the 15% commission. This also triggered off a rethink on the client's part of the entire commission structure where increased spending meant increasing revenues for the agency. This meant agency motives came under a cloud. Was the increased spending being recommended because it was necessary for meeting the brand objectives, or was it being done to increase billings and revenue? All these factors resulted in *clients slowly switching to a fee-based model* of compensating the agency with a fixed and variable component where the variable was performance-based. In fact, companies like P&G globally put in place a system where agency compensation was directly linked to sales!

Devaluation

Gone were the days when the business was relationship-based—with clients sticking with the same agency for decades. Annual agency evaluations and, in a lot of cases, *annual pitches became the norm*. With an increasing focus on buying, volumes and consolidation became the key. The operating paradigm was clout and volume throughout—the larger you were, the better rates you were able to command from the media, and better the chances of winning away the business from the existing agency! Some agencies played the price undercutting game to get new business and build enough momentum and volumes. A lot of speculative pitches, mostly buying-led, promising lower and lower rates to clients (at lower and lower levels of commission) were made towards this end, leading to a devaluation of the media industry overall [4].

Agency Discounts

The agency was sandwiched between a competitive marketplace, decreasing commissions and increasing costs in a bid to differentiate its services and deliver value to the client. With sophisticated TV measurement systems and annual readership surveys, the costs for research and data were a substantial expenditure for the agency. With the breaking away from the mother agency, overheads and expenses also had to be managed within the slender and ever-decreasing 2.5% margin!

The *beleaguered agency used its consolidated volumes and clout to get additional discounts, termed as 'agency discounts', from media partners*. The awareness of agency discounts was slow to spread to clients but, when it did, it kicked up a storm. Clients raised a valid, ethical issue that the so-called agency discounts were actually a result of client volumes, and called for all discounts to be passed back to them. Their contention was that the agency could not make money over and above the fees or commission it was earning, and that the agency discount was closer to a kick-back. The various governing bodies like Advertising Agencies Association of India (AAAI) put in place regulations making agency discounts illegal. It is doubtful whether these moves were successful in completely wiping out this practice! There were instances of media companies losing their business with the clients discovering continued practice of agency discounts.

1.1.3 The 2000's—Here and Now!

The Global Media Agency

With India and China becoming the most important markets for marketers, all global media agencies focused on establishing their footprint in them, either through buyouts, or partnerships with existing media agencies [5]. Indian agencies saw value in the transaction due to the *cash inflow into the business* and, more importantly, the *know-how, expertise and global practices* they would now have access to, besides the *easy pickings of global businesses.*

Holding companies like WPP established a media presence with Group M in all its *avtaars*; Publicis, with Zenith Optimedia and Starcom; Omnicom through Mudra, and RK Swamy; IPG with Lodestar–Universal (media operations of McCann and Draft FCB combined) and Lowe; Dentsu through Rediffusion and Dentsu; Havas through Euro-RSCG etc. In fact, in most agencies, the Indian operations started playing a larger role in the subcontinent.

Growing Importance of Planning and Research

Planning too grew in importance with data reaching greater levels of sophistication. Wiser clients began treating planners as strategic partners and giving them greater access to marketing plans. In this way they hoped that better strategic direction and a *plan in the context of the brand's marketing task* would actually result in savings, even before reaching the negotiating table. Media companies started recruiting even larger numbers of MBAs with strong marketing orientation to discharge this function.

Media research was seen to be an area which could raise the media bar and proprietary tools, and research could be the differentiator between media agencies. A lot of investments were made in this area with most agencies setting up specialized Media Research cells. Most global network agencies also 'imported' global tools and adapted them for the Indian context. Media research cells in agencies were then not only involved in *client–specific researches and proprietary tools,* but also extending their functions to take on *paid projects with non-clients* and become profit centers in their own right.

Media AORs

While the downturn focused attention on buying, clients soon found that having separate agencies for buying and planning was counter-productive as they rarely worked as a team, and ended up on opposite sides of the table. While the focus on media continued unabated, the early 2000's witnessed the setting up of media AORs where the *same agency did both the buying as well as planning*. The multinationals again led the charge—Fulcrum, a division of WPP's Group M, extended its operations to include the strategic planning function for Unilever brands which moved from the respective creative agencies.

Media Explosion

The 2000's saw a veritable explosion of media choices for the consumer! From only Doordarshan pre-1994, viewers now had a choice of 100+ channels! The print market continued to grow, with newspapers expanding their footprint by launching and covering markets other than those of their origin. A specialized niche magazine seemed to be launched practically every week! The FM radio market was booming too with the opening up of licenses. And Bollywood's resurgence seemed to be propelling more and more people to the theatres and multiplexes. New media like mobile and internet too were growing faster than traditional media, and looked set to be the media of the future (Table 1.3).

Table 1.3 Increased choice

Medium		*1993*	*2007*
TV	# of channels	17	364
Press*	# of publications	303	410
Radio	# of stations	90	450
Cinema	# of theatres	7,692	15,000

Source: Industry estimates
*ABC certified

Rise of 360° Communication

With increasing choices and a more fragmented, distracted and on-the-go audience, the last couple of years have seen a shift of focus from traditional, mass media campaigns to 'Total Communication,' or what are termed '360° solutions'. The idea is not to be restricted to the conventional mass media, but be able to *intersect the consumer with the message through the media vehicles that he is engaged and involved with*. This could even mean creating media communication opportunities customized to brand needs, and fitted to the consumer's likes and dislikes and media usage patterns. This trend too is in keeping with what has been happening in the international markets, with non-advertising marketing services forming a substantial part of the revenues for advertising agencies [6]. While the revenues from these sources are nowhere close to the throughput in conventional businesses, these services have been growing at a faster pace than conventional businesses.

Most media agencies set up specialist divisions that could handle mobile, digital, in-film and film promotions, events, on-ground activities, sports marketing, retail marketing etc. Broadmind from Group M, Lodestar's Brand Experience, Starcom Entertainment, and Madison's multiple nonconventional media units are some of the divisions in this space. These divisions needed specialists with the relevant industry experience to lead them and faced stiff competition from specialists and stand-alone divisions of other agencies without being assured the business from the clients. This situation was driving up the overall expenses for the agency. These divisions continued to function as separate cells and profit centers (very profitable ones at that, with higher margins) and clients continued to have problems of solutions not being integrated and fitted to brand needs. This has prompted some agencies to have activation people aligned to teams having a fairly strong brand orientation who coordinate between the specialist divisions within the agency.

1.2 SOME CURRENT DAY REALITIES

1.2.1 Segmentation and Brand Experience

The client is facing increasing levels of competition in the marketplace. Not only has the number of competitors within the category more than doubled in the last five years, the marketer is also facing competition from many more related categories e. g. colas versus non-aerated drinks, fruit juices, golas, sugarcane juice, ice-creams, kulfi, falooda, nimbu pani, and even bottled water ! Marketing tie-ups and an expanding grey market ensure the availability of high quality foreign brands e.g. Hair-care Keune, Schwarzkopf, Tony & Guy, Tigi, Body Shop, Paul Mitchell, VO5, Lush, Neutrogena, Wella, etc.

With brand proliferation and a bitter share battle being fought in the industry, differentiation of a brand from its competitors is the key to success. Marketers are realizing the importance of segmentation and niche marketing with more and more segmented or focused brands being launched. A basic exposure of the communication is not seen to be enough. The marketer is now looking at delivering a *richer interactive brand experience* to the consumer, *coupled with innovations* to stand out of the clutter and get the brand message across. The media function too has changed to keep up with these needs, and is not focused on CPRPs and reach delivery alone.

1.2.2 Inflation

The rising input cost is passed on to the advertiser, resulting in inflation. The print media has a regular-as-clockwork 10-15% hike every year on account of rising price of newsprint. With the opening up of FM and more operators per market, talent is in short supply prompting even Radio to try and take up the 'invitation' pricing that it offered in the first few years of operation. With digital technology and contracts being awarded to a single company (e.g., bus-shelters in Mumbai—Times OOH), outdoor pricing too is on the rise. Channels are putting in significantly more monies behind the production of slick looking software, and celebrities are being roped in at huge costs to try and bolster the sagging TRPs.

Apart from the *rising input costs, fragmentation of media consumption* too is contributing to the rise in costs. The lead programs on mass channels like Star Plus which used to deliver 18+ ratings a few years ago are now hard-pressed to even reach double digits (Figs. 1.1–1.3). While the competitive scenario has ensured that the CPRP or Cost Per Rating Point of a channel is controlled, the planner now needs to take many more programs and channels in the basket to deliver on his reach goal. Thus, inflation is at work driving up the plan costs and ensuring that the advertiser pays more to deliver the same or even lower media goals.

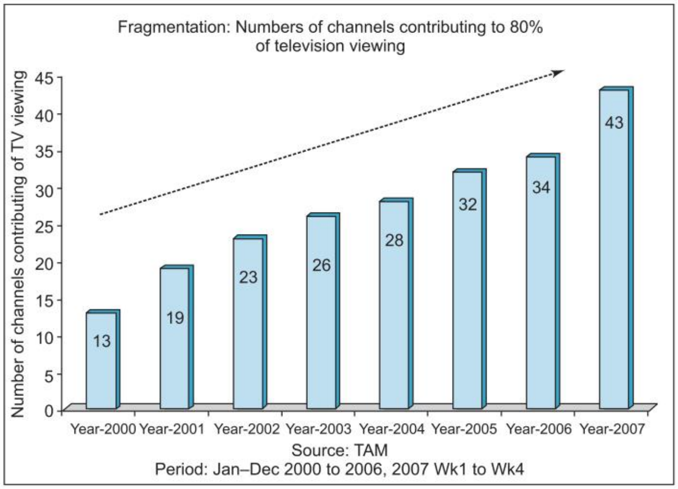


Fig. 1.1 Channels contributing to 80% of viewership rising

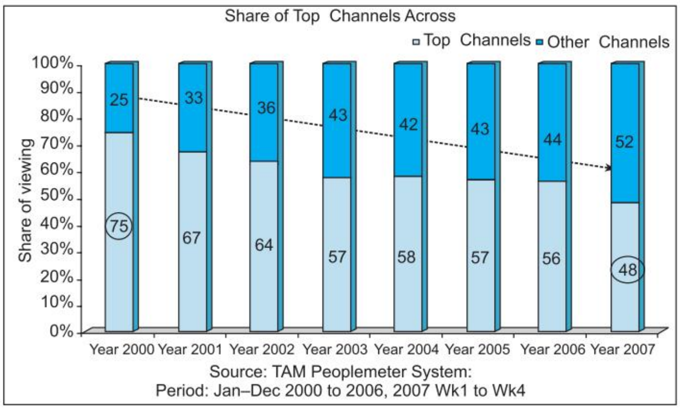


Fig. 1.2 Top 10 channels contribute less

% Number of programmes in a TVR range

TVR	Year 2003	Year 2004	Year 2005	2006
Above 10	1.2	1.0	0.8	
7 to 10	1.1	0.9	0.8	
5 to 7	1.0	0.9	0.7	
4 to 5	1.1	1.2	0.6	
3 to 4	1.5	1.2	1.3	
2 to 3	1.3	1.3	1.4	
1 to 2	4.4	3.3	3.3	
Below 1	88	90	91	93

Source: TAM TG : CS 4+ Market: Hindi Speaking

Fig. 1.3 Program TVRs slide

1.2.3 Accountability

With rising costs and lower deliveries, clients have begun to focus their attention *beyond media efficiency—to media effectiveness*. Measurability of media efforts is now focused less on the delivery of GRPs and reach, and more on results like awareness generated and footfalls delivered, or habit changed, etc. Clients are looking at scientific and complex modeling processes, like *econometric and stochastic modeling,* to establish a predictive relationship between media efforts and their outcomes. Clients are also not entirely convinced of their agency's assertion of how they are getting the 'best rates' in the marketplace. They are asking for *benchmarks with other agency clients,* as well as independent non-aligned bodies, to assess their agencies' performance. This has lead to *independent media audit firms* like Spatial Access and Ernst & Young gaining a foothold in the industry in the recent years [7].

1.2.4 Partnership

With the breaking down of the full service agency, the creative agency no longer has ownership of the client's business. The client now believes he knows much more about the brand and, in many cases, is willing to get brand consultants on board in addition to the creative agency. Media agencies have realized the importance of understanding the brand strategy and the marketing plan. They are now trying to do the job that account planning used to do—by *setting up research cells and getting marketing and research oriented people* on the strategic planning team.

The client has set up incentive mechanisms based on effectiveness of the plan versus just the efficiencies or deliveries like CPRP or percentage savings. Agencies too are more inclined to accept higher performance-linked variable components, though they are still uncomfortable linking Advertising directly to Sales (in isolation of the other marketing variables). They are also trying to be open and above-board by throwing open their internal processes and rates and buys for media audit firms to benchmark and validate. Agencies are talking about *partnering the client for brand growth,* while a few big agencies have even set up in-house econometric modeling units to map ROI for brands [8].

1.2.5 Paradox of Consolidation

All media agencies are looking at ways and means to consolidate their business to get more negotiating clout with the media partner, leading to better rates and more savings for the client. *Group companies* under one holding company may *consolidate their media spends* only for negotiation purposes under a joint buying entity. The setting up of IMX, the buying arm of Starcom and Zenith Optimedia is one such case in point. The other model is to *integrate the media operations into one entity,* and Mindshare was one such entity when the WPP companies merged their media operations. It even leads to unlikely associations, like the tie-up between Madison and Mediacom which are not even part of the same holding company [9].

Consolidation inevitably brings up the question of *conflict management*. As clients inevitably have confidentiality issues, they do not like their media agency to handle any competitive brands. While the brands in a category are only increasing with the passage of time, the number of independent media entities is actually down due to consolidation. The client thus gets very restricted in his choice of agencies. To tackle this issue, most *media agencies have set up multiple offerings* under a consolidated umbrella entity, and herein lies the paradox of consolidation. So, Group M, the consolidated unit operates with Mindshare, Maxus, Motivator, Mediaedge: CIA and Mediacom in the Indian market. The purpose of consolidation is lost as each of these divisions operate with fairly stringent demarcations when it comes to buys and rates due to client confidentiality and conflict management issues!

1.3 ROLES WITHIN A MEDIA AGENCY

From a department within an agency, we have come a long way with super-specializations! A media team in a typical agency could have the following people on the team:

- Strategic media planners
- Consumer research specialists
- Econometric modeling
- Media research
- Implementation planners
- Media buyers
- Consolidation and benchmarking
- Interactive cell (mobile, internet, direct)
- Out-of-home (OOH)
- Events / retail / on-ground
- Entertainment (program syndication, films)
- Activation
- Monitoring
- Operations or implementation
- Billing & Collections

A quick look at what each function entails is as follows.

1.3.1 Strategic Media Planners

The *Brand Custodians*, strategic media planners, are required to understand the marketing and communication task for the brand(s) and devise a media plan to best meet the objectives. Strategic media planners are also required to have a thorough understanding of both syndicated and proprietary researches, tools, and software, and apply them during the media strategy formulation. They also focus on plan efficiencies and may use optimizers to ensure the same. Strategic media planners stop at setting optimized media objectives for the buying team, and rarely get involved in the buys.

1.3.2 Research Specialists

Research specialists *study consumer interactions with media*. Their scope of work would entail keeping tabs on new media connects, in addition to understanding the consumer's interactions with the media. They would also be involved in kicking-off customized and proprietary researches, which go beyond the syndicated data, to deliver a superior understanding of the consumer–media interactions. The consumer research specialist rarely looks at a specific brand connect, and is focused on generalized learning which will have application across brands.

1.3.3 Econometric Modeling

This would be a team which has an understanding of *quantitative modeling techniques* and specializes in working with the Brand Track data. It would try and *establish a link between media (normally TV GRPs, Reach) and advertising effects (Awareness)* in order to enable a more task-based approach in setting media weights and scheduling. The modeling at an advanced level could also be multimedia modeling and, at the most evolved level, could be market–mix modeling. Once a relationship has been established, the model is used to predict ideal media weights, and also make scheduling recommendations.

1.3.4 Media Research

The Research Specialist and the Econometric modeling team could actually be part of the media research team. In addition to these two types of activity, the research team could also be looking at *developing proprietary tools, making better use of the existing syndicated data, initiating customized qualitative and quantitative researches,* and also taking on media research projects for clients and non-clients. The team could also be involved in adapting global tools and researches to the Indian context.

1.3.5 Implementation Planners

While Strategic planners optimize the plan at planning rates, Implementation planners *work closely with the buyers to optimize the plan at actual negotiated rates* in order to meet the media objectives. They also work closely with the operations and monitoring team to ensure that the plan gets implemented right.

1.3.6 Media Buyers

Media buyers ensure that the brand media objectives are met by *delivering greater value at lower costs*. A buyer needs to have a thorough understanding of the dynamics of the media marketplace, good negotiation skills, and good relationships with media partners. A buyer's job is not restricted to negotiating low rates. Buyers are also required to ideate on the brand, and use their superior understanding of the media marketplace to come up with innovative solutions to brand problems.

1.3.7 Consolidation and Benchmarking

The Consolidation team in a media agency is responsible for *consolidation of all buys, and analysis of the data*. The objective is twofold—at a simplistic level, this ensures that buyers have benchmarks to judge whether their buys are good enough. Consolidation across brands would also help in negotiating better deals.

1.3.8 Interactive Cell (Mobile, Internet, Direct)

The media of the future are changing at a far greater pace compared to traditional media. These media are ruled by technology and, therefore, need a team with specialized knowledge to be looking into it. The interactive cell normally works in tandem with the media team to deliver *customized interactive solutions for the brand*.

The interactive cell focuses on formulating a brand customized plan which has clear deliverables and response benchmarks outlined pre-execution, and is also responsible for execution and delivery on these objectives.

1.3.9 Out-of-Home (OOH)

The OOH sector continues to be fairly disorganized with multiple middlemen involved. This area too has seen rapid technological upgradation in the last couple of years. New opportunities spring up practically everyday and the OOH team needs to be plugged into the marketplace and aware of all such options. It therefore requires experts with specialized knowledge or experience of the industry to formulate OOH plans.

The OOH team works in tandem with the media team to deliver customized OOH solutions for the brand. The OOH team is responsible for proposing what kind of OOH media options—*hoardings, kiosks, bus-shelters, airports, stations, LED screens etc.*— would make sense for a particular brand, and negotiating the rates for the proposed media besides ensuring that the activity is carried out without any hitch.

1.3.10 Events/Retail/On-ground

The brand experience team looks at unconventional communication opportunities for a brand. These solutions are almost always customized to the brand needs, and could span *in-store promotions or presence, mall or multiplex activities, events at pubs, bars or nightclubs, consumer activities at relevant venues using vans, etc.* …The list is really endless as the TG of today is much more mobile and on-the-go. While ideation and formulation of the activity requires a lot of creativity and knowing the right people, the focus is mostly on executing the event right, and the success of the activity which would be judged by the level of response.

1.3.11 Entertainment (Program Syndication, Films)

The Entertainment team works on *in-film brand placement or integration, tie-ups for joint promotion of movies, and contests* linked to films. They also look at *in-serial brand placement or integration, and syndicated programming on TV* channels. The focus is on knowing the right people, having the ability to pull-off the deals, and of course, ensuring that they are executed right.

1.3.12 Activation

The activation team is also involved in unconventional media solutions like interactive, brand experience, and entertainment. What sets the team apart from the specialized cells is the fact that it is assigned to brand teams and *approaches all the solutions from a strong brand context*. The activation team *works in tandem with the specialist teams* and is the brand custodian and enabler for all such activities.

1.3.13 Operations or Implementation

This is the final leg of the media process, and an extremely critical one as this is when the agency actually makes a monetary transaction on behalf of the client. This is also the reason for a good operations system to ensure that no releases happen without proper authorization. This is the department which carries the maximum responsibility and, therefore, needs to be as process and systems-driven as possible.

The operations team is responsible for *raising the cost estimates* for the activity, securing the relevant approvals from the client, booking in the activity, and then *sending out release orders to the media*. The operations team is also responsible for actioning off make-goods for missed activity. The monitoring function in some agencies is also performed by the operations team.

1.3.14 Monitoring

'The proof of the pudding is in the eating' and that's why there is an increased pressure from clients to ensure that the activity happens as planned. Most agencies now have teams which *monitor activity* across the media and check plans to ensure as error-free execution as possible. The monitoring teams use monitoring services like TAM's ADEX data for Print, TV and Radio to check on planned versus executed activity, and work with implementation planners and the operations team to ensure proper make-good of missed activity. This cell performs the important task of putting in place *MIS reports* which help all concerned people stay abreast of developments in the plan.

1.3.15 Billing and Collections

The billing team sends out bills to clients on the basis of inward bills received from suppliers, and on the basis of supporting documents or proof of activity. They are also responsible for collecting the money within the stipulated credit period and making payments to media.

1.4 MEDIA AGENCY STRUCTURES

Structures within agencies have been ever-changing to gear up and cope with changes in the industry. We have seen earlier in the chapter how media has made the progression from a department within the creative agency to a critical function with many specialist roles and responsibilities. Some of the current structures that agencies are working are discussed below.

1.4.1 Different Departments within the Agency

The commonest structure is where agencies have *different departments handling planning and buying with distinct roles* defined for both. The planner is oriented towards strategic planning on the brand and works closely with the brand teams to understand the marketing context and issues before formulating the plan. The buyer on the other hand keeps abreast of the changing media context by ensuring close contact with media partners. The buyer is primarily responsible for buys and deals through consolidation and benchmarking, and also for coming up with innovative ideas for the brand. While planners are assigned to brands, buyers are usually organized by media and media vehicles.

The advantage of this structure is that it allows specialized knowledge to develop, and each functionary to focus on his specific role. The downside is that sometimes it gets difficult to draw a clearly demarcated responsibility, especially in the case of new media and innovations which could lead to role conflict and personality clashes. This kind of a structure *needs very good systems and processes* to back it up.

1.4.2 Buyers Aligned to Teams

Usually buyers buy across brands for a set of media vehicles. For example, a buyer may buy across 25 brands for all mass entertainment channels like Star Plus, Sony and Zee TV. This is thought to make the buyer more powerful by consolidating all the business for a particular medium or set of vehicles. This also helps the buyer to be more connected to the specific changes happening in his area of influence. While this structure helps the buyer to deeply understand the medium or vehicles he is buying, there may be issues about whether he is able to customize solutions across the 25 brands he is in charge of, and whether the brand-connect is lost.

The commonest way that agencies handle the planner-buyer divide is by aligning buyers to brand teams. In this way the buyer is supposed to have a deep understanding of the brand, as he *buys for it across the media.*. This structure obviously *necessitates the existence of the consolidation team* as this function would not be performed by the buyer.

1.4.3 Business Heads

The more prevalent way to handle the planner-buyer divide, is to appoint the team leaders as business heads. The business head is *completely accountable for the entire media product* delivered on a particular brand or client. He is therefore involved in all aspects—planning, buying, research and implementation and is able to bring together all the specialists to deliver what is best for the brand. This structure is also useful in bringing together all activities across specialist cells and give it a brand orientation.

1.4.4 Planner–Buyer

With so many specializations, where does the buck stop, and who can take the responsibility? With planning and buying functions divided, turf and territory issues, and role definition problems are quite common. Often, it may happen that the planner and buyer on the account may work at cross-purposes.

In the planner-buyer structure, the *same person does both planning and buying*. What this ensures is complete brand knowledge while buying and, more importantly, ownership and accountability. Unlike the business head structure, the entire team from top to bottom is involved in all the media deliverables. Since there is no consolidation head in such a structure, it is extremely *critical that senior team leaders do rigorous benchmarking and act as de-facto consolidation heads* to ensure that buys and rates are not impacted.

1.4.5 Media Consolidated with Group Company

In this structure two or more media agencies consolidate their buying and a *third entity is formed which takes care of the buys*. The strategic planning function continues to be handled by the original media agencies. This kind of an arrangement happens within a holding company to try and ensure that the consolidation reaches the next level, that is, consolidation across two or more agencies within the holding company. The third entity needs to be formed to protect the interest of the original agencies which could have conflicting clients. The new entity could function as a back-end support to the original media agencies doing only the buying and deal negotiation, with even the implementation being handled by the parent agency. This is the model followed by Starcom and Zenith Optimedia,with IMX being the new third entity.

1.5 NON-AGENCY OPTIONS IN THE MEDIA INDUSTRY

With the media industry booming, there are a lot of lateral options not necessarily within a media agency.

1.5.1 Media Manager in a Product/Services Company

Almost all mid- to large-sized companies have a media person or a team which is a part of the marketing department. The function of the internal media team is to act as a *bridge between the media agency and the brand and marketing managers*. Given the specialized and complex nature of media today, an internal team which is well-versed with media becomes a necessity.

This team ensures that there are checks and balances in the system as far as the media agency deliverables are concerned. Most companies look for people who have spent at least 3–4 years in a media agency. This move is especially good for people who wish to move into marketing as many companies induct the internal media team into the marketing department after a couple of years in the media function.

1.5.2 Media Research in a Research Organization

There are job opportunities in research companies like IMRB, Nielsen and TAM where you could either be in the *team which looks after syndicated media studies* like the NRS (field management, analysis, software or client servicing) or you could be a part of the team which looks at *customized research for media companies*, clients, and media agencies.

In an organization like TAM, you could either join the client servicing cell (more a client management function), or be involved in the special projects group (more involved with customized research projects), or be part of the field management team. Movement from a research company to a media agency or vice-versa is possible.

1.5.3 Brand Management in a Media Company

A pure marketing job, *but with an exciting media brand as the product*! The movement from here could be to a non-media marketing company, or an agency, or vice-versa. With the media industry booming, this field has seen a lot of non-media marketing people making an entry at senior levels. This would also be an exciting career move for media agency people.

1.5.4 Research in a Media Company

With data measurement systems evolving and getting more sophisticated, coupled with the need to look beyond data to qualitative learning makes research in a media company the hottest place to get a complete understanding of consumer-media interactions. The research team would be responsible for understanding the data gaps, and formulating and actioning *primary research projects* for the media brand. The research team often doubles up as a *sales support team* and could even be involved in *supporting the programming cell* for TV channels or radio stations.

1.5.5 Media Consultancy and Audits

Audits are here to stay and media audit companies like Spatial Access, Ernst & Young, KPMG, etc., are firmly establishing themselves as experts in this arena. These companies undertake both planning and buying audits, and may extend services to cover process audits also. Already having a large customer base of companies for their financial audit services, companies like Ernst & Young and KPMG extend to offer media consultancy services as well.

SUMMARY

- *80s and early 90s—low media complexity, print and Doordarshan domination, full service agencies, media: a back-end relationship-based function, operations also doing buying.*
- *Mid and late 90s—satellite boom fuels increasing complexity, focus on buying leads to buying AORs, rise of the media specialist, breaking down of 15% commission, devaluation, businesses at lower commission levels, agency discounts to shore-up a declining bottomline.*
- *2000s—global media agencies establish Indian footprint through collaborations and buy-outs, growing importance of planning and research, planning and buying consolidated—media AOR, explosion of media choices for the consumer, rise of* 360^0 *communication.*
- *Marketers turn to segmentation, beyond conventional advertising to an interactive brand experience, inflation due to rising input costs and media fragmentation, increasing demand for accountability and results, agencies talk of partnering the client for brand growth, paradox—consolidation for better buys, and multiple offerings to manage conflict.*
- *Strategic media planners—brand custodians, plan basis the marketing and communication task.*

  Media research—developing proprietary tools, better use of syndicated data, initiating customized researches, econometric modeling.

Implementation planners—work with buyers, plan on actual negotiated rates, and coordinate activity with operations.

Media buyers—consolidation of buys, rate benchmarking and negotiations with media partners.

Specialist cells—interactive (mobile, internet, direct); out-of-home; events/retail/on-ground; entertainment—syndicated programs, film premiers, promos, in-film; activation.

Operations or implementation—raising estimates, booking-in activity, sending release orders, monitoring.

Billing and collections—raising bills, collections from client.

➲ *Planning and buying functioning as different departments—allows focus on each role, downside is role conflict and personality clashes.*

Buyers aligned to teams—buys across media for a brand brings in the brand focus, unlike buyers who buy across brands by medium.

Business heads—coordinate between the functions and specialist cells to try and bring in a brand focus.

Planner-buyers—planner also buys, brand focus and holistic solution with no loss of information across functions.

Media consolidated with group company—buying scale and efficiencies ensure better rates and buys.

➲ *Non-agency options—media manager in product or services company, media research in a research company, brand management or research in a media company, consultancy and media audit firms.*

REFERENCES

1. 'Why media matters: Share of adspends by media'—Vanita Kohli Khandekar, *The Indian Media Business*.
2. 'This year, Next year—Indian Media forecasts'—Group M in www. livemint.com, Apr 2008.
3. 'The future is Media Independents'—*Hindu Business Line*, 13th Nov 2003.
4. 'Interview with Andre Nair'—www.indiantelevision.com, Jan 2005.
5. 'How they lost the plot'—*Businessworld*, 23rd August 2004.
6. 'The Persuaders'—*Businessworld*, 18th September 2006.
7. 'Interview with Meenakshi Madhvani'—www.indiantelevision.com, Aug 2003.
8. 'Interview with Ambika Srivastava'—www.exchange4media.com, 2007.
9. 'Mediacom, Madison team up for P&G biz'—www.livemint.com, Mar 2008.

FURTHER READING

'Beginner's Series' under Resources—www.aaaindia.org.

'The Indian Media Business'—Vanita Kohli Khandekar.

'Back in Business'—*Businessworld*, 23 August 2004.

'India's Television History'—www.indiantelevision.com.

'The Media Buying Survey'—*Businessworld*, 24 January 2005.

'India's Newspaper Revolution'—Robin Jeffrey.

'Branded entertainment: The India story'—www.indiantelevision.com.

'The day the prices fell: Norman King stuck it to the full service agency and changed media business forever'—Erwin Ephron, www.ephrononmedia.com.

'The man who loved clutter: How Leonard Lavin of Alberto Culver invented the 30 second commercial'—Erwin Ephron, www.ephrononmedia.com.

'Won't you come into my parlour?: Agency membership in ANA seems to go against the times'—Erwin Ephron, www.ephrononmedia.com.

'A house divided: The 4A's needs to recognize independent media agencies as a legitimate part of the business'—Erwin Ephron, www.ephrononmedia.com.

'The Account Planning Agency: Important enough to have its name on the door'—Erwin Ephron, www.ephrononmedia.com.

'The age of anxiety: Media audits focus on diligence more than deceit. But either way, more advertisers want the reassurance'—Erwin Ephron, www.ephrononmedia.com.

'The Agency Perspective, Advertising Management ' —John Philip Jones, *How to Turn Advertising Expenses Into Investments*, Chapter 17, 2005.

'The Indian Entertainment & Media Industry'—FICCI and PwC, March 2006.

'Media Spin-offs'—Mark Tungate, *Adland: A Global History of Advertising*, Chapter 10.

'Consolidation Incorporated'—Mark Tungate, *Adland: A Global History of Advertising*, Chapter 11.

'The agency of the future'—Mark Tungate, *Adland: A Global History of Advertising*, Chapter 20, 2007.

'Ad lib: On the campaign trail'—*Economic Times*, 7 August 2006.

'Media Managers: Going in-house'—*Businessworld*, 4 October, 2004.

'As Viagra is to sex: Will Strategic Planning bring agencies back into marketing'—Erwin Ephron, www.ephrononmedia.com

'Payment by result evaluated'—Strategic Marketing, May-July 2001.

'Trends'—John Philip Jones, *How Much Is Enough*, Chapter 2.

MEDIA BASICS

2

Let's start at the very beginning
A very good place to start
When you read you begin with A-B-C
When you sing you begin with do-re-mi
. . . . .Sound of Music

2.1 BASIC METRICS

These are the basic media measurement units which have applicability across media. What is the difference between Reach and Effective Reach? How is Frequency different from AOTS or Average Opportunity to See? These are not trick questions, and any media planner should be able to reel off answers to them. After all, only when the foundation is sound, is the building secure!

2.1.1 Reach

This is really a count of all the people of the total base or defined Target Group (TG) who are actually exposed to or 'reached' by our communication. The Reach of an ad campaign is defined as the percentage of people who saw the ad at least once. The Reach of a media vehicle would be the percentage of people exposed to that particular vehicle *at least once* in the period under consideration.

Unduplicated—In essence reach is *unduplicated,* which means that a person who has already seen the ad, or been exposed to the vehicle, cannot be counted again for the purposes of reach calculation [1].

Let's look at an example of an ad campaign across *Times of India* and *Mid-day. Times of India* reaches 45% of the Target Audience while *Mid-day* reaches 25% of the Target Audience. This would be the vehicle reach of *Times of India* and *Mid-day* respectively.

But the *combined reach will not be a straight mathematical addition* of the 45% reach of *Times of India* with the 25% reach of *Mid-day*. We would have to discount, or take-away from this all the people who read both *Times of India* and *Mid-day;* in other words, the 'duplicated' audience. This is done because the overlap, or duplicated audience has already been counted once and would be seeing the ad for the second time. They would therefore have already been reached or counted earlier! This would be easier to understand with the help of Set Theory (Fig. 2.1).

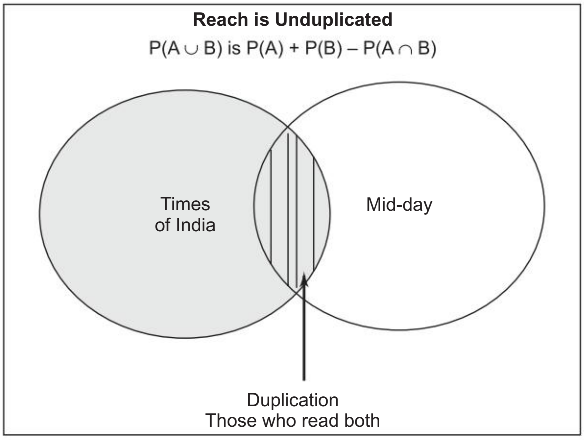


Fig. 2.1

In Set Theory, we would also subtract the intersection or duplication between the vehicles to arrive at the reach. Now, what would happen if we were to add the *Economics Times*? The resultant calculations would get a little more complex, that's all (Fig. 2.2).

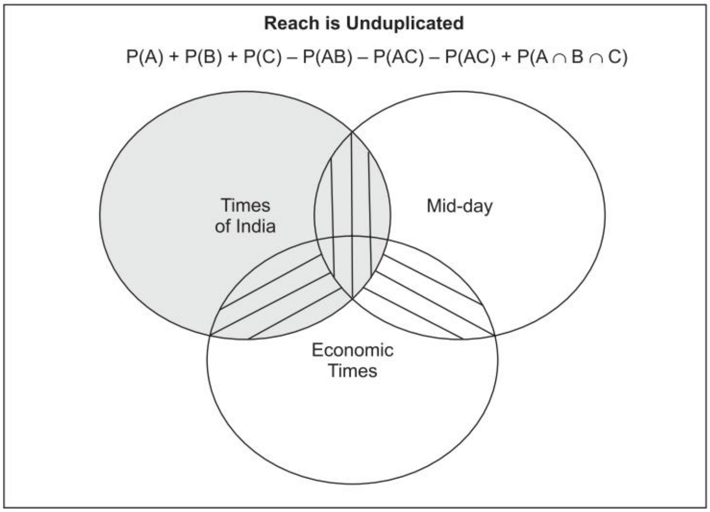


Fig. 2.2

We would now have to add-on the reach delivered by *Economic Times,* but also ensure that we remove all readers of this daily who also read *Times of India* or *Mid-day*. In a sense, we want to add-on only the unduplicated, or new people who have been 'reached for the first time' by the vehicle.

2.1.2 Cum Reach

Reach *accumulates across media* vehicles, or a period of time, or across different issues of the same vehicle. This build-up, or accumulation of reach, always happens after taking away the duplication factor. This is known as Cum or Cumulative Reach.

Reach cumulates quickly in the initial stages but the *build-up starts plateauing* when we have already reached the heavy and medium users, and will have to start adding on the light users. Reach build-up at this stage is not an impossible task, only a very expensive one!

2.1.3 Frequency Distribution

In an ad campaign, the ad is exposed a number of times and the reach build-up is a result of this. All the people in the audience are not exposed uniformly to the ad. It is likely that the heavy viewers see the ad more often while the light viewers may not be seeing it at all! Thus, different people see the ad a different number of times. This *spread of ads viewed* is called the Frequency Distribution.

Table 2.1 Frequency Distribution

Frequency	*No. of people who saw the ad*
$f = 0$	32
$f = 1$	16
$f = 2$	13
$f = 3$	9
$f = 4$	11
$f = 5$	6
$f = 6$	5
$f = 7$	4
$f = 8$	3
$f = 9$	3
$f = 10$	8

Reach

In the case above of 100 people who form the total audience, 22 have not seen the ad at all ($f = 0$). They are said to have not been 'reached' by the campaign. The Reach of this campaign would be 78 (100 – 22 = 78) people who saw the ad one or more times, i.e., at least once.

2.1.4 Discrete and Cum Distribution

The frequency distribution of people who *saw the ad exactly once, twice, thrice*, etc. is called the *discrete* distribution (Fig. 2.3). Now, if we start adding up all the people who saw the ad at least once we will arrive at the reach. This means adding up all the people who saw it once, twice, thrice or more. The reach thus obtained is designated as '1+ Reach'. If we were to leave out the people who saw it exactly once, and plot all the people who saw it two or more times, it would be 2+ reach. *Cum reach build-up plotted at increasing frequency* is called Cum Distribution (Fig. 2.4). The difference between discrete and cum distribution is basically in seeing the ad *exactly* a certain number of times versus *at least* a certain number of times.

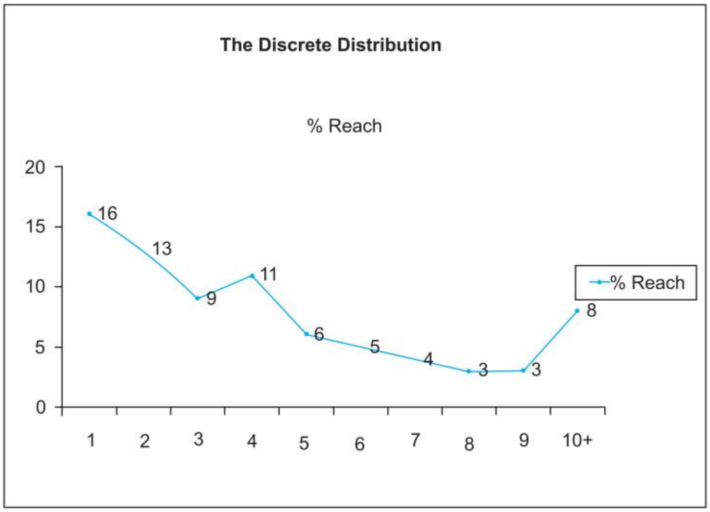


Fig. 2.3

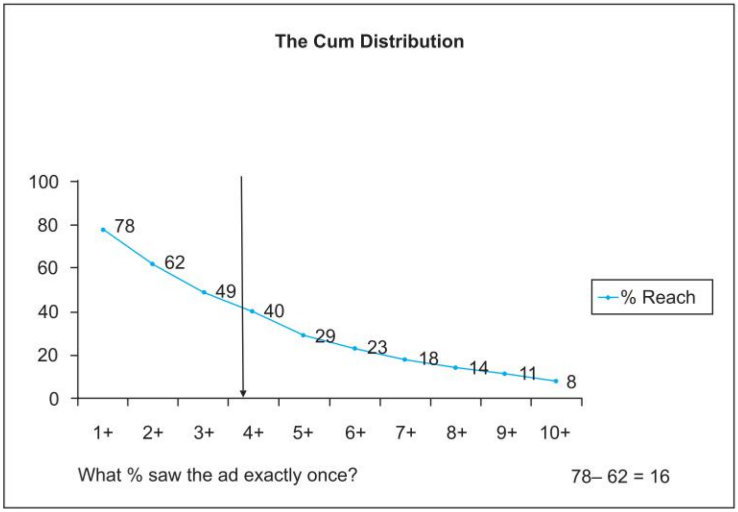


Fig. 2.4

2.1.5 Average OTS—Opportunity to See

AOTS is the *average number of exposures* amongst those who have been reached or, in other words, have seen the ad at least once. It is a derived number and can, therefore, be in decimals!

AOTS is calculated as the *weighted average of the frequency distribution*. The weights assigned are essentially the number of people, and the frequency is what is averaged. If we were to calculate the AOTS from Table 2.1, it would be as follows:

$$\text{AOTS} = \frac{\begin{array}{l}(1\times 16)+(2\times 13)+(3\times 9)+(4\times 11)+(5\times 6)+(6\times 5)+\\(7\times 4)+(8\times 3)+(9\times 3)+(10\times 8)\end{array}}{16+13+9+11+6+5+4+3+3+8}$$

$$= \frac{322}{78}$$

$$= 4.3$$

On an average, the number of times you would expect the people who have been reached to have seen the ad would be about 4.3 times—that's how we would interpret the AOTS.

2.1.6 Effective Frequency/Reach

In the era of divided consumer attention, increased options, and fragmentation, just seeing the ad once may not be enough. So, while the individual would be deemed to have been reached technically, he may not even have registered our communication thereby making the brand connect perhaps a long way away. That is why the concept of Effective Frequency comes into play. Effective Frequency is the *minimum number of times* the target audience needs to be exposed to our communication so that it has the *desired effect* [1,2].

If we determine that the minimum number of times the TG needs to see our ad campaign is 4, then it means that the people who have seen it less than 4 times have not been reached effectively and have to be removed from the equation (Fig. 2.5). The effective frequency would be 4, and we would then only look at reach at 4+ which would be the effective reach (Fig. 2.6). *Effective reach* is therefore defined as *reach at the effective level of frequency* [3].

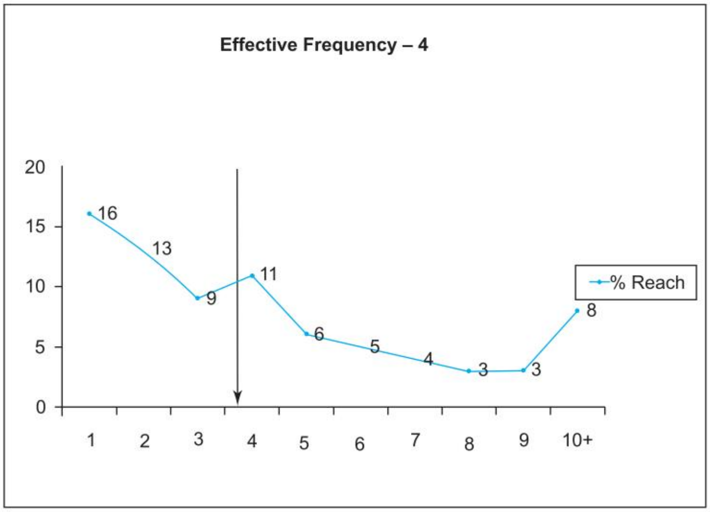


Fig. 2.5

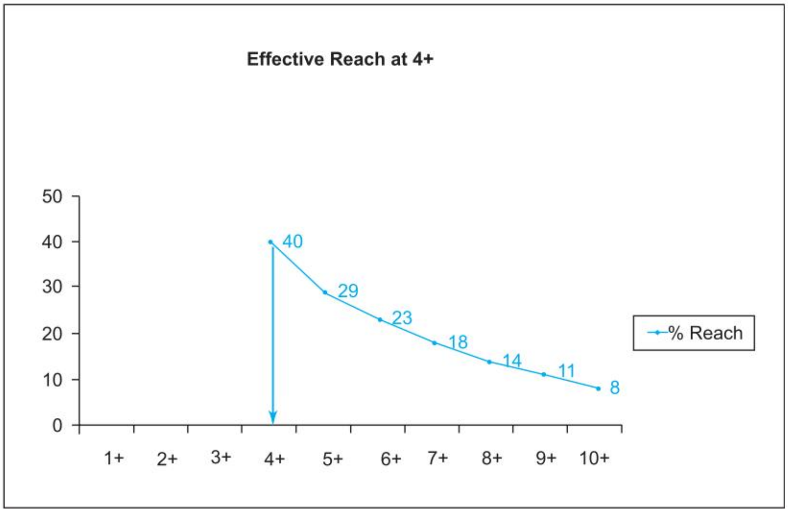


Fig. 2.6

The ideal effective frequency was thought to be three for a while, and there has been a lot of research done in this area [4,5]. There have been attempts to get the estimation of effective frequency away from the realm of gut-feel into a more structured format. One of the estimators is *FCB's power grid* which uses rankings on Marketing, Message (creative), and Media factors, and overlays this with the position on the FCB grid (high–low involvement, and emotional–rational product) to arrive at the effective frequency (Fig. 2. 7).

Brand X

The FCB Power Grid

Factor	Low Frequency	1	2	3	4	5	6	7	High Frequency
Marketing Factors									
The brand is...	Established	1							New
Brand dominance...	Very dominant	1							Small share
Brand loyalty...	High	1							Low
Purchase cycle...	Long							1	Short
Usage cycle...	Long							1	Short
Competitive SOV is...	Low	1							High
Target group learns...	Fast			1					Slowly
Message Factors									
Message complexity	Simple	1							Complex
Message is...	Unique			1					Me too
Campaign is...	Continuing	1							New
Commercial pool	One spot	1							Many spots
Wearout of commercial	Low							1	High
Commercials are	Long	1							Short
Media Factors									
Clutter is...	Low							1	High
Environment to message	Close match		1						No match
Attentiveness of audience	Involving						1		Not involving
Plan is...	Continuous		1						Pulsed
Number of media used	Many	1							One
Promotional support is	High				1				Low
FCB Grid Position									
Product is...	High involvement							1	Low involvement
Product is...	Emotional							1	Rational
Minimum frequency	3.4	9	2	2	1	0	1	6	

Fig. 2.7

The construct used in the frequency estimator is that if the brand is established, or is a high share brand with a loyal user base, it can make do with lower levels of frequency. On the other hand, a new brand with low share would need to operate at far higher levels of frequency. Creative and media factors like whether there are multiple creatives or a single unit, whether the message is unique and simple, and whether the campaign is multimedia or unimedia would impact the level of frequency required for our communication to be effective [6].

There are, of course, a lot of different frequency estimators, but they broadly follow the same common-sensical approach to setting the effective frequency. There has been a lot of debate on Effective Frequency versus Recency. We will cover this in detail in Chapter 6 on setting media weights.

2.2 TELEVISION METRICS

These are terms used to measure TV viewership. Before we define these terms, it is important to understand the measurement system. The TV measurement industry has seen a progression across the world, from a diary system to peoplemeters.

2.2.1 The Measurement System—Diary Versus Peoplemeter

In the diary system, a panel would be given a diary with quarter hour timeslots across the rows, and channels across the columns. They were supposed to *record their viewership in the diary*. The drawback of this methodology was that it was *not recorded, but reported behavior*. A lot of the times, the diary would get filled for the entire week just before collection, and this would give rise to the 'Telescope' effect. Popular, high TRP programs would get ticked even if the person had missed watching it in that week while new or less popular programs or channels would not get recorded despite being watched! Thus, the big programs got bigger and the low-rated programs got smaller, leading to the 'Telescope Effect'!

Diaries were replaced by the peoplemeter in 1996. The peoplemeter consists of two units—*a remote to register the viewer details, and a channel monitoring device* attached to the TV which records the channel being watched. The remote has buttons for each member of the family, so that they can log-in and log-out their presence. There are extra buttons for visitors as well, in order to capture secondary viewing. The channel monitoring device records the frequency of the channel being viewed. The data collected is mapped to channel telecast frequency (gathered from a parallel homes panel in each area) to arrive at the channel being watched. This is connected to the demographic profile of the households to obtain viewership data. The main difference between peoplemeter and the diary system is that the peoplemeter data is *recorded* viewing, while the diary is *reported* viewing. Currently there are two reporting systems in India—TAM, a joint venture between Nielsen and Kantar/IMRB, and Amap. The TAM panel reports data from 7305 sample homes across the country, of which 2440 sample homes are in the eight metros [7].

2.2.2 TRP/TVR—Television Rating Points

Data collection is not the only difference between the diary and the peoplemeter system. The major difference is in the way TRPs are defined. The *diary method uses a simple headcount*. So, we can define TRP as the percentage of the audience (or TG base) who had viewed a certain program or timeslot. The *peoplemeter* system, however, *weighs viewing by time spent watching* the program or time-slot. What this means is that in the peoplemeter system, a member of the household can only be counted as a whole person if he has watched all thirty minutes of a half-hour program! If he only watched ten minutes of the program before moving onto something else, then he would be counted as one-third a person for calculating the TRP of that program.

The weighted viewership is supposed to be a better indicator of the quality of viewership. How can a person watching five minutes of a program, be equated to a person who is glued to the set for that program, even sitting through the commercial breaks? This is what the peoplemeter hopes to address with the weighted viewing measure. Let us try and understand it a little better with the help of an example (Table 2.2). Let us assume that our TG is 10 people X_1, X_2,........, X_{10}. Out of these, only four watch part of a program aired between 8:30 and 9:00 pm. X_3 watches 10 minutes, X_5 watches 5 minutes, X_6 watches 6 minutes, and X_9 watches 24 minutes of the 30-minutes program. In the diary system, TRP would be a simple headcount and be calculated as four people watching out of ten, thereby delivering a TRP of 40. In the peoplemeter system, each person is weighted by the time he spent viewing. So, X_3 gets a weight of 10/30, i.e., 1/3; X_5 gets a weight of 5/30, i.e., 1/6, and so on to arrive at the peoplemeter TRP of 15.

Table 2.2 Head-count v/s Time-weighted

Viewer	*Start*	*End*	*Total time (mins)*
X3	8:30	8:40	10
X5	8:46	8:50	5
X6	8:30	8:35	6
X9	8:33	8:58	24
X1/X2/X3/X4/ X7/X8/X10	-	-	-

$$\text{Diary TRP} \quad : \quad \frac{4}{10} \times 100 = 40$$

$$\text{Peoplemeter TRP:} \quad \frac{10/30 + 5/30 + 6/30 + 24/30}{10} \times 100 = 15$$

While the peoplemeter system may be a better measure of viewing quality, this way of TRP measurement gives rise to a unique situation. In the peoplemeter system, it is entirely possible for two programs with the *same TRPs to have very different viewer profiles*. A weekly serial with a strong storyline may hook-in a fairly loyal audience which watches the entire program and follows the storyline. On the other hand, a non-serial format may have a far larger number of people sampling it, but not sitting through the entire program.

This was exactly the case with *Kaun Banega Crorepati*, KBC 1 and *Kyunki Saas bhi Kabhi Bahu thi*, KSBKBT. Both *KBC and KSBKBT* had the same TRP at a point in time, but a closer look at the audience composition revealed fairly different viewership profiles. KSBKBT had fewer people sampling it, but they watched a far higher proportion of the program as they were people who were following the storyline closely. On the other hand, KBC had a larger number of people tuning-in to the program, but very few people stayed glued on for the entire duration of the program, resulting in a lower weight per person when it came to the TRP calculation. This would also explain how KBC managed to clear the streets quite like the *Mahabharat* days on Doordarshan, but this was not visible from the TRPs. It is therefore important to look at other measures along with TRP to get an accurate picture of the program in question. If we had examined the reach of KBC along with the TRPs, and compared this to KSBKBT and done a similar comparison of time spent viewing the programs, we would have gleaned the true picture.

From the planning perspective, it is important to focus on this area. If the objective is to *reach maximum number of people* with the brand communication, *KBC* would be the natural selection for the large numbers it delivers. We may have to look at smaller durations and more number of ads spaced through the program to ensure that a large proportion of the KBC audience is exposed to the ad. On the other hand, if the communication task is to *change a particularly well-entrenched habit, or the message itself is complex*, we may be better off reaching smaller numbers by getting hold of a loyal audience which will keep coming back to watch *KSBKBT* (and of course the brand communication). We would thus be sacrificing reach for frequency. This is really at the heart of most media planning decisions—a compromise between reach and frequency. With a closer look at audience composition, and not just TRPs, it would be possible to select a program basket keeping in mind the communication task at hand.

2.2.3 Program Reach and Time Spent

Aside from TRPs, time spent watching the program and the reach of the program are important measures to enable a better understanding of the viewership. In the *peoplemeter* system, *reach* of a program is defined as the percentage of the audience or defined TG which *watched at least one minute of the program*. In a sense, it is the headcount, more comparable to the erstwhile definition of TRP in the diary system. Time spent, of course, is the number of minutes of a program watched by the audience or defined TG.

Taking forward the example in Table 2.2, the TRP for the program was 15, so the reach of the program would be a straight headcount, which would be 40. The time spent could be got by averaging the total time spent across the entire base of 10 people which would be 4.5 minutes, i.e., (10+5+6+24 = 45)/10. Time spent per viewer is the other measure which uses viewers as the base. Time spent per viewer in the above example would be 45/4 = 11.25 minutes.

2.2.4 Stickiness Index

A measure called stickiness actually helps look beyond TRP—at the quality of viewing. Stickiness is defined as *TRP of the program divided by the Reach of the program.*

$$\text{Stickiness Index} = \frac{\text{Program TRP}}{\text{Reach of Program}} \times 100$$

Let us look at an example for better understanding. Look at Table 2.3. While programs 2 and 3 have the same reach, they have very different Stickiness Indices. The closer an index inches to 100, the more committed an audience it has. A perfect score of 100 essentially means that all the people who watched the program, watched it for the entire duration of the program.

Table 2.3 Stickiness Index

Program	*Reach*	*TRP*	*Stickiness Index*
prog 1	7.4	4.3	4.3/7.4 = 58
prog 2	6.9	3.5	3.5/6.9 = 51
prog 3	6.9	2.5	2.5/6.9 = 36

2.2.5 Ad Viewership

While the viewership data is collected at a second level, the reported data is at the minute level. Viewership therefore gets *attributed to the minute*. If, as a panel member, you were changing channels during the minute under consideration, then the entire viewership for that minute gets attributed or assigned to the *channel viewed for the maximum seconds* in that minute.

Ad viewership too gets reported at the minute level (see Table 2.4). Let us examine the viewing behavior of Mr. X from 8:45 to 8:46. He surfed through four channels during the minute, but he is taken to be a viewer of Discovery which is the channel he watched for the longest time in that minute. He may have actually watched our commercial which was telecast in the last 15 seconds of the minute on Zee TV, but he will not be counted as a viewer of either Zee TV or our commercial. This is an anomaly of attributing and reporting all viewership at the minute level which we need to be aware of, and also that such anomalies are assumed to balance out over the large base. Despite such anomalies, the people-meter system is still many miles ahead of the diary system of reporting!

Table 2.4 TRPs—Peported at Minute Level

Viewing bahaviour of Mr. X between 8:45 – 8:46		
8:45:00 – 8:45:12	12 seconds	MTV
8:45:13 – 8:45:25	13 seconds	Star World
8:45:26 – 8:45:45	20 seconds	Discovery
8:45:46 – 8:46:00	15 seconds	Zee TV

Mr X is taken to be a viewer of Discovery

2.3 BENCHMARKING METRICS

2.3.1 Share

Share is a *competitive benchmarking to understand relative strengths*. Share can be looked at for a publication versus its competitors in a market, or it can be for a channel's weekly GRPs versus competition. It can also be for a program in a time-slot versus other programs in the same time-slot on other channels. In a particular time-slot, the share of the total viewership that a channel gets is called the channel share. With a TRP of 9.2, Star Plus has a channel share of 33% of the 8:30–9:00 pm time-slot (see Table 2.5).

Table 2.5 Channel Share

8:30-9:00pm Weekdays	Channel (Dummy Data) Zee	Sony	Star Plus	Others	Total
TRP	4.5	6.8	9.2	7.3	27.8
% Channel Share	16	24	33	26	100

Base

The base in this particular case is the total viewership in that particular slot, and this will keep changing from one time-slot to the next. A channel may have a larger share of one time-slot and far lower share of another time-slot. However, if the total viewership in the time-band with lower share is higher, it may actually be a better performing time-slot! Let us look at an example (Table 2.6) taking forward the previous case. Star Plus has a 33% share of a prime time slot. On the other hand it has a huge 64% share of a morning slot. We can see that the morning slot fetches a TRP of only 3.35 while the evening slot with a far lower share has a TRP of 9.2, almost three times the morning rating! What this means is that channel share should never be seen in isolation, and should always be related to the total viewing in that time-slot.

Table 2.6 Channel Share

8:30-9:00 PM Weekdays	Channel (Dummy Data) Zee	Sony	Star Plus	Others	Total
TRP	4.5	6.8	9.2	7.3	27.8
% Channel Share	16	24	33	26	100

9:00-9:30pm Weekdays	Channel (Dummy Data) Zee	Sony	Star Plus	Others	Total
TRP	1.2	0.6	3.35	0.05	5.2
% Channel Share	23	12	64	1	100

2.3.2 Profile

Channel or Program Profile is the *spread of audiences across different demographic classes* for a particular media vehicle. While TRP or readership gives us an idea of the quantum of our TG consuming a particular medium or vehicle, and share gives us a sense of the domination of a market or time-slot, it is profile which gives us an understanding of the nature and quality of this audience. The base in the case of a profile is the total audience viewing that channel, or reading the daily, in the day part or market under consideration. Let us look at the SEC profiles of Doordarshan or DD, and Discovery in Table 2.7. While DD expectedly has a far higher viewer base compared to Discovery, a far lower percentage of its audience comes from SEC AB, i.e., only 25%. In comparison, Discovery has 70% of its viewer base from SEC AB. Selectivity Index helps us understand how tuned-in the TG is to the medium or vehicle and, of course, the wastage factor.

Table 2.7 Channel Profile

Base

	Channel (Dummy Data)	
	DD	Discovery
Viewer	40mn	10mn
% SEC A	10	30
% SEC B	15	40
% SEC CDE	75	30

2.3.3 Selectivity Index

Another measure used to look at audience quality is Selectivity Index. This measure is helpful in giving us an idea of *audience skews, or preference.* If we look at our TG TRPs in isolation, we will not really get a sense of the channel or programs our TG will have a preference for. Even if the TG is Male and SEC AB, Doordarshan, because of its larger base, will always end up having higher ratings than Star News or Discovery. This problem is solved by *juxtaposing the TG TRP data with the TRPs of the entire base*. The resultant comparison reveals the skews, or preference of the TG. Selectivity Index is calculated with AIRs for print vehicles.

$$\text{Selectivity Index}_{\text{channel X}} = \frac{\text{TG TRPs}_{\text{channel X}}}{\text{All Individuals TRPs}_{\text{channel X}}} \times 100$$

Let us look at an example to understand it better (Table 2.8). DD has a rating of 7.1 in our TG. In comparison to this, Zee has a TRP of 2.2 while Discovery has a rating of 0.4 only. If we were to go blindly by the TRPs, no plan for Men, 25+, SEC AB ought to be on satellite channels at all! In fact, juxtaposing the costs against the channels proves this point further. While Discovery would have the lowest unit cost, i.e., rate per ten seconds, as it delivers the smallest number of our TG, it would actually be the costliest channel out of the three. Then, why is it that we see so many ads targeted at men on Discovery and similar high cost niche channels?

Table 2.8 Selectivity Index

Top program	*TG TRP*	**All TRP*	*Selectivity Index*
DD1	7.1	10.1	70
Zee	2.2	1.4	157
Discovery	0.4	0.1	400

*All Individuals, Source: TAM

High preference, Low wastage

The reason is fairly simple—low wastage. If we use Selectivity Index and juxtapose the TRPs of the entire base to our TGs, we find that DD actually has higher viewership in the rest of the audience (10.1 TRPs vs. 7.1 in our TG), and our TG actually underperforms as evinced by a Selectivity Index of 70. To refresh the concept of index numbers an index number of 100 indicates average performance, 100+ is above average, and less than 100 denotes below average performance.

Discovery, on the other hand, gets a Selectivity Index of 400—denoting that our TG is four times likelier to be a Discovery viewer than the average. This means that while DD will always deliver large numbers of the TG, it will do so with huge wastage. On the other hand, a larger proportion of the Discovery base will be our TG and, therefore, if we select Discovery, there will be far lower wastage. The above example could easily be substituted with *India Today* for DD, *Business World* for Zee and *GQ* for Discovery, and the results would be identical. *GQ* would have the highest Selectivity Index and the lowest wastage. Selectivity Index used along with TRPs and cost helps in selection of channels, programs and publications.

2.4 PLAN METRICS

These are measures used more in the context of the brand's media plan—to get a sense, or measure of our brand's place in a competitive or category context.

2.4.1 GRPs or Gross Rating Points

While Reach is defined as unduplicated, GRPs can be understood as *duplicated reach*. What this would translate to would be a *sum of all exposures* without doing away with the duplications. So, while Reach is an indicator of the numbers or percentage of the TG who are exposed to our communication, GRPs give a sense of the total level of exposure, or *weight of the communication*. GRPs are especially useful in establishing competitive media weight versus our activity levels.

GRPs can be defined in two ways—if we were to sum up all the TRPs of every single airing of our ad communication across the entire basket of programs that we have selected, we would arrive at the GRP. GRPs are also a function of Reach and frequency of a plan.

$$\text{GRPs} = \sum(\text{TRPs of every spot in the plan})$$
$$= \%\ \text{Reach X AOTS}$$

GRPs are a *function of both Reach and AOTS*. They are built either by adding on new people who haven't seen the communication before (Reach), or by adding on more exposures to existing audience (AOTS). We could have the same GRPs delivered at varying levels of Reach and AOTS. The same weight of GRPs can be delivered by a plan which is high reach low frequency, or one that is low reach high frequency. GRPs therefore are not revealing of the nature of our plan, but rather of its weight [8].

$$500\ \text{GRPs} = 50\%\ \text{Reach X } 10\ \text{AOTS}$$
$$= 25\%\ \text{Reach X } 20\ \text{AOTS}$$
$$= 10\%\ \text{Reach X } 50\ \text{AOTS}$$

While GRPs can be added across time-periods for the same TG, they *cannot be added across markets*. The reason for this is that the reach component in GRPs is in percentage terms. As different markets will have different TG bases, GRPs cannot be added across markets. GRPs can however be averaged across markets where the TG bases act as weights (see Gross Impressions or GIs).

2.4.2 SOVs

SOVs or Share of Voice is used to get a sense of media weights in a competitive context. It is the *share of GRPs* for a brand within a particular product category or competitive set. The base for calculating SOVs is the category GRPs (see Table 2.9).

Table 2.9 SOVs-Share of GRPs

Brand	*% SOV*	*GRPs*
X1	1,200	13
X2	5,400	60
X3	2,400	27
Category	9,000	100

$$\text{SOV}_{\text{brand X}} = \frac{\text{GRPs}_{\text{brand X}}}{\text{Category GRPs}}$$

2.4.3 Gross Impressions or GIs

As the Reach component in GRPs is in percentage terms, it does not allow us to add GRPs across markets. This is because each market will have a different TG base. To enable further work across markets, we multiply GRPs by the TG base to get what we call Gross Impressions. Gross Impressions or GIs can conceptually be understood as the *numerical sum of every single ad exposure*.

Gross Impressions or GIs = GRPs × TG base

See Table 2.10. Gross Impressions are a sum of all numerical exposures across the markets. Also note that GRPs across markets are neither added nor are they a simple average. They are a weighted average with the TG base used as weights. Gross Impressions are useful when budget allocations have to be made across markets.

Table 2.10 Gross Impressions (GIs)

Market	*TG (mn)*	*GRPs*	*GIs (mn)*
M1	12	150	1800
M2	25	550	13750
M3	15	350	5250
M4	10	400	4000
Total	62	400	24800

2.5 PRINT METRICS

These are terms which are specific to the print medium. It is important to understand precisely how they are defined, and the differences between them.

2.5.1 Circulation

Circulation is the average number of *copies of a publication that are sold*. Print order is the number of copies of a publication that are printed. This could be more than the number of copies sold as there could be complimentary copies or 'returns', or unsold copies. Circulation is audited and reported by the Audit Bureau of Circulation or ABC in India [9]. While there are more than 65,000 publications in the country today, less than 400 dailies, weeklies and magazines are audited by the ABC. The ABC is an *unbiased third party* and, therefore, the audited circulation figures are used as one of the means to understand how a publication is faring.

The circulation figures are reported every six months, and so we have bi-annual circulation data for each year (see Annexure 1). It is possible to analyze trends using the six monthly circulation data. The circulation is broken up by towns, districts and states, and is reported edition-wise as also for weekday versus Sunday. However, while the circulation data gives us a fair idea of the number of copies 'in circulation', it is completely *unrevealing of the number and profile of readers.* It, therefore, needs to be seen in conjunction with the readership data.

2.5.2 AIR or Average Issue Readership

This is defined as the number of people who have *read or looked at the publication in the time- span equal to the periodicity* of the publication. What this means is that the question asked for a daily is, 'Did you read the *Times of India* yesterday?', and, for a weekly it would be, ' Did you read the *India Today* last week?' and so on.

Not all readers read every issue of a publication, i.e., not all readers are loyal and regular readers of all publications. AIR, as a measure, helps to understand the average number of readers of a publication. NRS and IRS, the national readership surveys, would be the source for readership data [10]. Both studies use the Masthead method to capture readership data. Respondents are exposed to a book which has pasted mastheads of publications, which is used to classify them into readers and non-readers.

It is also important to understand that respondents are classified as *readers, even if they have glanced at a publication*. Also, the reader could have read a 4-week-old issue of *India Today* last week, and he would still qualify as an average issue reader of *India Today*. This is because readers are aided with the masthead, and not specific issues of a daily or magazine. Such anomalies are assumed to even out across the respondents.

2.5.3 Total or Claimed Readers

These are people who may not be very regular readers of a publication, but are still part of the Total readership of a publication. They are readers who are *not Average Issue Readers, but have read* the publication in the past. They answer to the question 'Have you *ever read* XXX daily in the last six months'.

The *further the gap between Claimed / Total readers, and AIRs, the less loyal a base* the publication has. And of course, the lower the gap, the more loyal the reader base. A daily morning paper like the *Times of India* will have the smallest gap between Claimed and AIR readers as it is a morning paper which is a daily reading habit. On the other hand, an afternoon tabloid like *Mid-day* where impulse purchase and stand sales account for a substantial portion of the reader base, the gap between Total/Claimed readers and AIR is expected to be higher. Magazines with a high base of subscribers will have a lower gap between Claimed and Average issue readership.

2.5.4 Sole or Solus Readers

These are readers of a publication who *read only that publication, and none other of the same frequency*. They are thought to be the most *dedicated and loyal* among readers. The important point to note is that solus readers are not defined on the basis of the type or genre of publication, but by the frequency or periodicity of the publication. Thus, we may have a situation where a reader is the solus reader of both *Business World* (weekly), and *Business Today* (fortnightly)! A leader publication like *Times of India* would have a high proportion of solus readers versus a tabloid like *Mid-day* where the chances of it being the only daily read would be fairly low, and it would therefore have a very low proportion of solus readers

If we were to look at Solus, Claimed and Average issue readers, then claimed readers would have the largest base, followed by AIR, followed by solus readers. However, in terms of quality of readership, the order would be exactly the reverse.

Claimed --------------------> Average Issue --------------------> Solus

Quantity   Quality

SUMMARY

Basic Metrics

- *Reach-people (unduplicated) exposed to the vehicle/ad at least once.*
- *Cum reach-buildup of reach across publications, or time-periods, etc.*
- *Frequency distribution-the spread of ads viewed.*
- *AOTS-the average number of exposures of a plan or campaign. It is the weighted average of the frequency distribution.*
- *Effective Frequency-the minimum number of times the TG needs to see our communication for it to have the desired effect.*

TV

- *Peoplemeter is recorded viewing, while diary is reported viewing.*
- *Peoplemeter TRP weights viewing by time spent watching.*
- *Program Reach-percentage of the audience who watched 1+ minute.*
- *Stickiness-TRP of the program divided by Reach of the program.*
- *Viewership data is captured at second and reported at a minute level.*

Benchmarking

- *Profile is spread of audiences across different demographic classes, while Share is a measure of competitive strength.*

- *Selectivity Index gives a measure of preference, and is calculated by juxtaposing TG TRP with TRPs of the universe.*

Plan

- *GRP is duplicated reach, which gives a sense of weight of exposures.*
- *GRP is Sum of TRPs or Reach X AOTS.*

Print

- *Circulation is the number of copies sold not printed.*
- *Average Issue Readership (AIR) is people who have read or looked at the publication in a time span equal to its periodicity.*
- *Sole readers are those who read only that publication and none other of the same frequency.*
- *Claimed readers are those who are not AIR, but have read the publication in the past.*

REFERENCES

1. 'Reach, Frequency and Effective Frequency'—Sissors & Bumba, *Advertising Media Planning*, Chapter 6, 1996.
2. 'Why three exposures may be enough'—Herbert E. Krugman, *Journal of Advertising Research*, December 1972.
3. 'The Concept of Effective Reach in Advertising'—Murray & Jenkins, *Journal of Advertising Research*, May 1992.
4. 'A Frequency of three'—Erwin Ephron, www.ephrononmedia.com.
5. 'Market effects of advertising intensity'—Gerard J. Tellis, *Effective Advertising,* Chapter 6, 2004.
6. 'Weighting, Reach, Frequency and Continuity'—Sissors & Bumba, *Advertising Media Planning,* Chapter 9, 1996.
7. 'India Peoplemeter *Update,* Jan 2009'—www.tamindia.com.
8. 'Basic Measurements and Calculations'—Sissors & Bumba, *Advertising Media Planning,* Chapter 5, 1996.
9. Audit Bureau of Circulation, ABC—www.auditbureau.org.
10. 'Sizing up the readership surveys'—Lintas Media, *Pitch,* Aug 2005.

FURTHER READING

'The Arbitron PPM versus the Peoplemeter Diary/meter: Which is right? No, which is better?'—Erwin Ephron, www.ephrononmedia.com.

'Let them eat Peoplemeters? Common sense not costlier research will save local TV measurement'—Erwin Ephron, www.ephrononmedia.com.

'Media Malpractice: Why our traditional approach to measuring media no longer tells advertisers what they need to know'—Erwin Ephron, www.ephrononmedia.com.

'ABC checklist for evaluating magazine publisher's statements'—Sissors & Bumba, *Advertising Media Planning*, Appendix 5A, 1996.

'A 800 pound Gorilla: The aborted attempt to get magazines a more conservative measure of readership'—Erwin Ephron, www.ephrononmedia.com.

'Developing the media plan'—David A. Aaker and John G. Myers, *Advertising Management*, 1987.

MEDIA STRATEGY

3

All men can see these tactics whereby I conquer, but what none can see is the strategy out of which victory is evolved.

.........Sun Tzu

3.1 THE NEED FOR A MEDIA STRATEGY

A media strategy is a *roadmap* that helps establish the parameters and ground rules on which we judge our plans and buys. There may be infinite ways to reach our goal or objective. It is the media strategy that helps identify the most optimum or effective way.

The fact that we have *limited resources* or a finite budget necessitates a strategy. If we had infinite resources, we would reach all the people, across all the markets, with a presence across media, through the year, with the heaviest media weights! With limited resources, we are forced to make choices about what we are willing to give up and what we can't do without. A media strategy can, therefore, be defined as a *series of compromises* we are willing to make in order to achieve the desired objectives within the given (finite) budget. If we don't get the strategy right, the media plan is certainly not going to work!

A media planner acts like an investment consultant—he can only advise the client on the media decisions that need to be taken; he cannot make the choices himself. The brand manager or marketing manager would take the call on the implementation of the strategy for the brand.

3.2 BEGIN WITH THE END IN MIND

It is critical to set the context for the media strategy. The media strategy does not exist in isolation; it is always in the context of a larger advertising objective or communication strategy. The communication strategy in turn is governed by the marketing task or objective for a brand. This is based on defining the business problem and the attendant market analysis (see Figs. 3.1a-e). A media strategy conceived in isolation of the communication strategy and the marketing task can be at the very least suboptimal and, at worst, completely off the mark [1].

In fact, the complexity in the media world means that even the communication plan would be impacted by the media strategy!

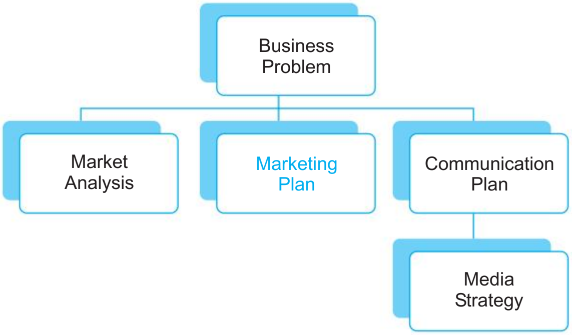


Fig. 3.1a Context of the media strategy

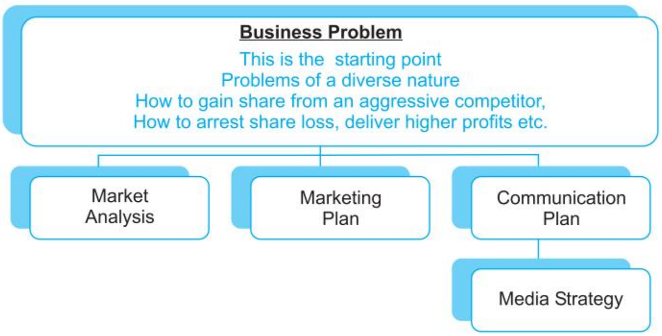


Fig. 3.1b The business problem

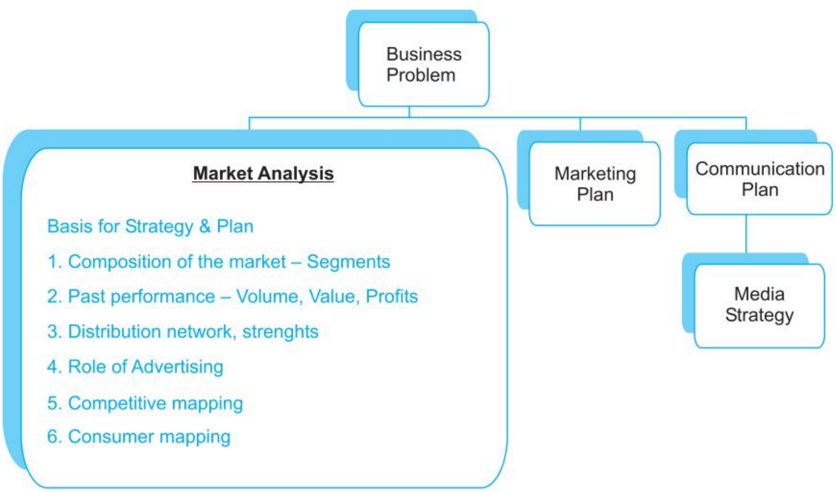


Fig. 3.1c Market analysis

Fig. 3.1d Marketing plan

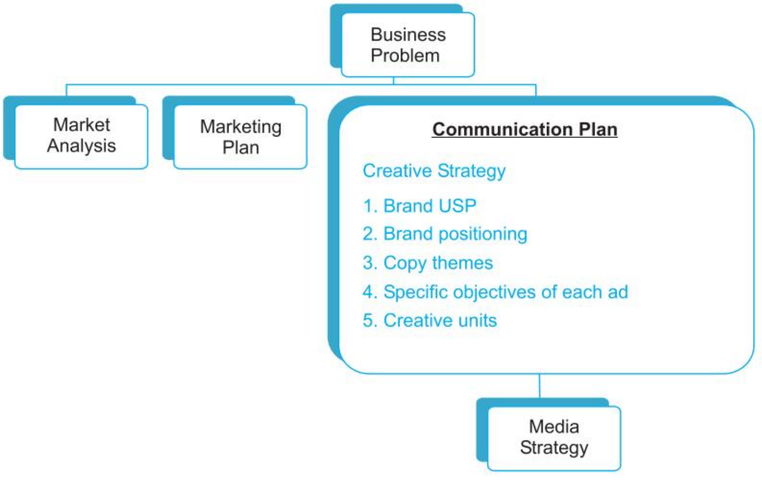


Fig. 3.1e Communication plan

3.2.1 Impact of the Marketing Task and Communication Goals

The stage at which the brand is in the product life cycle (Fig. 3.2) would have a distinct impact on the communication goals and the media task. The product life cycle is the sequence of stages the brands pass through, as discussed further.

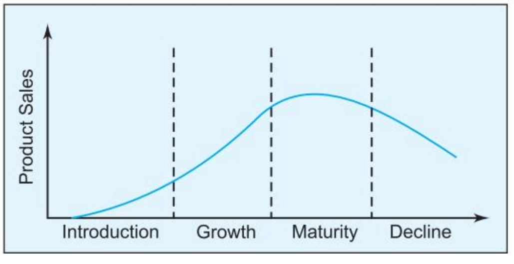


Fig. 3.2 Product Life Cycle (PLC)

Launch

The key task for the brand is to *establish and increase its presence* in the marketplace. *Trials* are important to allow consumers to experience the brand. Advertising serves a dual purpose: of making consumers familiar with the brand, and making the brand visible to the trade. Apart from regular advertising, events and on-ground activities which allow consumers to 'touch-feel' the brand are also important. In some cases where the product concept is new and needs explanation, a more educative approach may need to be used.

If the marketing plan calls for a *test market* to test a new sub-brand, variant or 'a new improved product', or simply greater or lesser media weights, it would mean fairly active involvement on the part of the planner [1]. *Media isolatability and ad costs* would be a major factor in determining the test and control markets in this case. If the communication plan for a product needs TV, Uttar Pradesh may be a difficult test market, being a part of the national network and, therefore, not being media isolatable. Andhra Pradesh or any of the other southern markets for that matter may be ideal test markets due to a very strong regional TV network.

Growth

In a market with most brands showing significant growth, the marketing task could be to *increase penetration* by inducting new users into the category, or to grow volumes by *increasing brand usage*. To induct *new users*, the communication task would be to make more people aware of the brand, in which case the media objective would be focused on non-users and be *reach-intensive*. Any *event or activity which helps in expanding the distribution coverage* is welcome for growth brands. If the marketing plan delineates a couple of markets as 'growth markets', then the media plan should have a special focus on such markets in the plan.

Mature Market

If the market is a mature one with a majority of brands showing little or no growth, the marketing task for most brands would be to *retain their share of it.* Advertising then would work to *reinforce the brand choice* that consumers would make [2].

A mature market is an extremely fragmented one with a large number of brands, sub-brands, variants and niche brands—all fighting for the same pie. The media task in this case would be focused on current users, and on maintaining share of voice versus competition or inducing brand shifts by heightened activity. The other characteristic of a mature market is a *higher proportion of marketing budgets on BTL activities* like promotions in preference to brand advertising, in an effort to gain share. Media activity for a promotion-led plan would be significantly different from a theme-led plan.

The marketing plan would also touch upon the relative importance of consumers versus the trade. In a mature market, *large FMCG brands* could depend on the consumer *pull* from *existing users*. *Smaller brands* may have aggressive trade schemes and promotions and follow a *push* strategy with *trade and dealers taking center stage*. A durable brand targeted at women may still use the expensive prime band and eschew the cost-efficient afternoon band as an equally important TG would be the dealer network.

3.2.2 A Case Study—Ready-to-Eat

Very often, the planner can be asked to 'replicate last year's plan. This could seem like an easy-to-do option but it would be fraught with the chance of going wrong. This option presumes that all circumstances impacting the brand have remained absolutely identical to the previous year. As we all know, in the dynamic marketplace we are dealing with, change is the only certainty, and the brand context is highly likely to have changed significantly.

We could turn around and ask what the fuss is about and how the marketing strategy is connected to the media strategy, and also how it would impact our media choices. Let us take the case of a *detergent brand*—the marketing task for this brand is 'maintenance of last year's share. However, research has shown that the market share in the South has been impacted by the launch of sachets by the competitor. The communication task this year is to run last year's theme campaign in all markets, and also incorporate a new sachet communication for the South markets.

Analysis of sachet purchase data shows that it is more prevalent in lower SECs, and smaller towns. Analysis of the 'householder' (person in the household who makes purchase decisions for household goods like soaps, toothpaste, etc.) shows that in the smaller towns, and lower SECs, the metro or upper SEC householder ratio of 70% female: 30% male is almost reverse – the householder is more likely to be male. This obviously has a direct impact on the kind of media mix we would select. Afternoon TV, which would be a very efficient way of reaching the base TG - Women, SEC AB, would obviously need to be replaced by programs skewed to male audiences.

Apart from this, unlike the grocery basket purchase that we would be targeting for the brand, the sachet shows no month-end skew and is bought through the month. So, from a purchase cycle based 'first week–last week' scheduling, we would move to scheduling through the month in the South.

The media strategy is impacted in many ways for the South–a different TG (male, lower SEC), heightened focus on a different set of markets (small towns), a changed media mix (male-skewed), and even a different scheduling pattern (through the month)! All this simply because we focused on understanding the marketing and advertising task before we started work on the media strategy!

3.2.3 Impact of Buying Behavior or the Hierarchy of Effects

A close study of the buying process, or how consumers make their purchase decision can be of great help in understanding where and how the advertising has had an impact (or not!). A fair amount of research has been done in this area [3] and a lot of theories and models exist to depict buying behavior [4,5].

Learning Hierarchy

The term 'hierarchy of effects' is used to describe a chain of causality, or a sequence of process variables relating to each other which leads to the outcome. The oldest model is the *learning hierarchy* which follows a *'Learn → Feel → Do'* progression. In this model consumers receive the brand communication, which results in an attitude change and preference for the brand, leading to the action—brand purchase. However, this model works primarily in cases where there is a fair degree of category or product level involvement, and also functional differentiation among brands like the Auto category. *AIDA (Awareness → Interest → Desire → Action)* is a form of a learning hierarchy model.

Low-Involvement Hierarchy

In a lot of low-involvement categories, Krugman's low involvement hierarchy is in effect. In this model, consumers follow the *'Learn → Do → Feel'* progression. This model is thought to work most with low involvement brands which are not clearly differentiated from each other (like the Detergent category), and with a passive medium like TV. Consumers are subjected to brand communication—which results in changed awareness and knowledge of the brand leading directly to a casual purchase decision. The purchase decision further leads to increased brand knowledge and an attitude or preference for the brand, based on brand usage.

Ehrenberg's Model

The third model is based on Ehrenberg's theory of awareness, trial, and reinforcement through advertising to the existing brand users. This model depends on advertising to increase the consumer's involvement with the brand, so that it progresses from a brand in the consideration set, to a preferred brand, and finally to the sole or only brand used. The progression for this model is a *Do → Feel → Do*.

Implications for Brands

Studying the progression helps in developing an understanding of *where the bottlenecks for a brand are*. Does the brand have lower trial rates compared to competition, and also a proportionately lower level of awareness? The media task in this case would be to focus on a reach-based strategy to increase awareness, and therefore trials. On the other hand, if analysis reveals high awareness but low trials, the problem would probably lie with the proposition being unappealing, irrelevant or incomprehensible to the consumer. If a brand has high awareness and trial but low retention, the product experience has probably not been good enough for the consumer. The communication task would then be to focus on changing habit and trying to increase the relevance of the brand. The media objectives would favor repetition and frequency to get the message to register, and this could come at the cost of overall reach. Media choices too would be matched to the complex communication task.

Take a look at Fig. 3.3. The hierarchy of effects for three retail brands—A,B, and C—have been plotted. The ratios of awareness to consideration, and consideration to trial and so on are analyzed to understand the unique context of each brand. Brand A has the *largest gap in usage: preference,* and fairly healthy scores on all other parameters, signaling a need to build more involvement of existing users with the brand. The task in this case would be to enhance the brand experience, and this could involve a loyalty program for the existing users with special offers, events, and workshops.

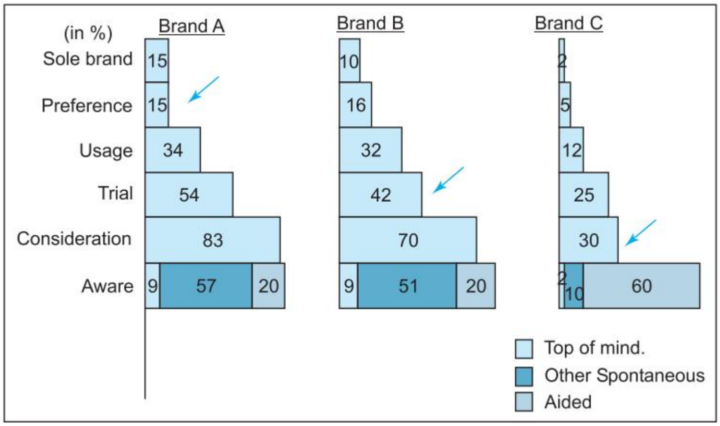


Fig. 3.3 The hierarchy of effects

Brand B manages to be relevant to the consumer and has a healthy consideration: awareness ratio. Trials are really a problem with the *lowest trial: consideration ratio* across the three brands. Driving traffic to the store and ensuring footfalls would be the biggest task for this brand. Having a celebrity-linked event, or 'just for the day' offers to get the crowds to visit the store could be part of the solution.

Brand C clearly has an issue of relevance to the consumer as its *consideration: awareness ratio is the lowest*. The task here could be to check whether the brand is appealing to a smaller niche and is relevant to that segment, or whether the proposition or positioning itself is unappealing. The other ratios for brand C are comparable, or even better than the ratios for the other two brands, signaling a brand which has niche appeal. The media plan can be then fine-tuned to address the smaller niche at a significantly lower cost and wastage. In this way an examination of the hierarchy of effects can be deeply insightful about the task at hand for the brand.

3.3 SITUATION ANALYSIS

Before diving into the media strategy, it is also important to do a thorough analysis of the situation or context in order to get a bird's eye view [6]. We would need to understand three main components and their interactions—*the consumer, the product or brand, and the media* (Fig. 3.4).

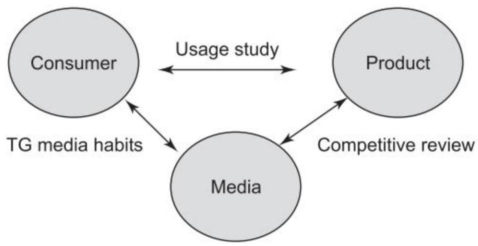


Fig. 3.4 Situation analysis

The consumer and product interaction is basically product consumption or usage. The consumer and media interaction is media usage or habits of the TG. And finally, the product and media interaction is essentially a study of the category's past usage of media.

3.3.1 Product–Consumer Interaction: Product Usage

The Product and Consumer interaction needs to be understood before we arrive at the media strategy. There are various sources of data to do this, as discussed further [7].

Retail Off-take Data

This is a database of retail purchases obtained by auditing a large number and type of retail outlets. The data available is brand and category sales at an all-India level with splits by way of urban, rural, town-class, type of outlet, etc. The kind of analysis possible from this database is *market share, market contribution or salience, growth and, eventually, market prioritization*. While this database covers markets pan-India, it is unable to provide any insights into consumer motivations as it is based on a study of retail outlets. It has no profile or data which is consumer-based.

Usage & Attitude Studies

U&A studies are normally done by the marketer, and media planners have access to this data through clients. These studies do not have as wide a market coverage as the retail offtake data, but they make up for this deficiency by way of *depth of information on brand usage* which is not just quantitative in nature. U&A studies are important databases to get an in-depth understanding of the TG.

Household Panel Data

This is a panel where, on a weekly basis, category and brand consumption is tracked. This allows for a fairly rich analysis of new *product trials, conversions, retention, awareness, preference, gain-loss analysis,* etc. The advantage of this database is that it is a continuous study, which also means that the coverage is limited to a couple of cities as it is an expensive proposition.

Brand Tracks

Brand tracks are similar to household panels in that they have a continuous number of homes that are contacted within a defined time-frame (normally a week). While the household panel may capture brand and ad awareness, its focus is primarily brand and category usage or consumption. On the other hand, the brand track *focuses on brand and ad awareness, preference, attitudinal statements or attributes, brand equity,* etc.

Product Linkage Data

Readership surveys like the NRS and IRS too capture product information in terms of *penetration and frequency or intensity of usage or consumption.* Of course, as these databases also capture demographic and lifestyle data, it is possible to relate such pieces of information to get *detailed user profiles*. These databases are of great use in arriving at the TG profile, and defining users as target groups. These studies are primarily annual in nature and have pan-India coverage.

3.3.2 Consumer–Media Interaction: TG Media Habits

The syndicated media databases like NRS, IRS, RAM and TAM help in arriving at an understanding of the consumer's interaction with media. The kind of analysis possible is *media exposure levels, usage intensity (heavy, medium, light), time spent, preference or selectivity [8], share of viewing, top publications, channels, programs, dayparts,* etc.

Beyond the quantitative studies and conventional media usage, we should also look at qualitative studies to get a 360° picture of the TG media habits and consumption. *'A day in the life of'* is a fairly common way of understanding how the TG spends his time during a typical working day, and on weekends and holidays.

3.3.3 Product–Media Interaction: Competitive Review

Product and media interaction is basically an analysis of how the brand and category have made use of media in the past. This is possible as TAM monitors *advertising activity across most major channels, publications, and some key radio stations* as well.

The Competitive Review [9] takes a closer look at share of spends and ad-time or space; share of GRPs or SOV; growth in Spends and GRPs; Ad duration, size or color; Media vehicle selection strategy (channel, program, publication or radio station, etc.); market skews; reach, AOTS delivery of plan; scheduling strategy; portfolio management in a multibrand scenario; trend analysis, etc.

3.4 THE BUILDING BLOCKS OF A MEDIA STRATEGY

There are five key building blocks of a media strategy. All five elements come together to make up a media strategy. The key questions for each of the elements are as follows:

1. Target group definition	WHO?
2. Market prioritization	WHERE?
3. Media weights	HOW MUCH?
4. Media mix	WHAT?
5. Scheduling	WHEN?

3.4.1 Target Group Definition

Whom among the masses would we want to reach with our communication? Who would be the most likely consumers or users of our products? Who should we target—the buyer, influencer or user? Should we focus on the heavy users, new users, or on gaining share from our competitors? Is there a secondary TG we should also consider?

3.4.2 Market Prioritization

Where would our TG be most likely to be found? Which are the markets contributing the most to sales of our brand? Should we focus on high growth or high contribution markets? If our brand has an aggressive growth target, which are the markets we need to focus on to deliver maximum growth? Should we focus on markets where per capita consumption is high, or on markets which have a higher population count? What are the market combinations that will deliver maximum media efficiencies? Is it possible to deliver higher weights in growth markets through localized inputs?

3.4.3 Media Weights

How much is enough—what kind of media weights do we need for our media communication? What kind of share of media weights should we be operating with? What would be the most efficient weights to operate at? Should we focus more on out-shouting competition, or on delivering efficiency? Can our media weights be set to try and achieve the brand objectives? What kind of trade-offs of reach, frequency, and presence should we do?

3.4.4 Media Mix

What kind of mix of media or media vehicles do we need for an effective media plan? Which are the media or vehicles which our TG are actively involved with, or connect with? Which media lend themselves to creative communication for our brand? Which media vehicles would be most suited to the marketing and communication task for our brand? Which media or vehicles are the most cost-efficient to attain our media objectives? How do we combine media and allocate our budget across it?

3.4.5 Scheduling

When should our TG be exposed to our communication such that it has the desired effect? What kind of scheduling pattern makes most sense for our brand? Should we be present with a continuous pattern, or should we schedule our activity in bursts? Should we synch our scheduling with competition, or have a heavier burst when competition is less visible? Any seasonality in sales that we need to take note of? How do we schedule the activity for maximum impact?

3.5 OPPOSING FORCES

The building blocks sometimes work together but more often than not are ranged on opposite sides! *Reach and Frequency* are the classic example—if we try to maximize the reach of the plan, we would end up compromising on frequency, and if we favor repetition and deliver higher AOTS, reach is bound to be compromised.

Alongside reach and frequency is the other key element of a media strategy—presence. *Recency* theory, a form of receptivity targeting (reaching the consumer with the brand message when he is in the right frame of mind to enable the desired outcome) emphasizes maximizing presence, or ensuring as many weeks of activity as possible. This means minimizing frequency delivery and operating with the threshold level of weekly reach, with as many weeks of activity as possible.

Synergy or the media multiplier theory is about running the campaign concurrently across media to give the 1+1>2 effect. This, in a sense, goes against the recency theory of spreading the activity to get greater presence [10]. *The creative* *units impact all the other variables—the larger the size of the ad or longer the duration of the commercial, the more likely it is that the brand will either have fewer weeks of activity and/or lower levels of reach/frequency.*

The secret to a great media strategy is *being able to judge which compromise to make* and what is the core need that is imperative for the brand. The *marketing objectives and the communication goals act as the guiding light* by which we can decide the specific compromises that our brand has to make. A thorough knowledge of the context and the marketing and communication task are therefore, *de rigueur* before, we approach the actual media strategy. We will tackle each building block of the media strategy in detail over the next couple of chapters.

SUMMARY

- *Media strategy—a roadmap, helps establish the parameters to judge plans and buys, series of compromises due to finite resources.*
- *Always in context of communication strategy and marketing plan.*
- *Stage in the product life cycle of a brand impacts the media task.*

  Launch—Brand awareness with consumer and trade. Trials, events and on-ground activities, educative approach (complex proposition).

  Growth—increase penetration or grow volumes, events or activity to expand the distribution coverage.

  Maturity—retain share by reinforcing brand choice to current users. Higher budgets on BTL promotions versus brand advertising.
- *Studying buying behavior helps understand the bottlenecks for a brand and in developing the media strategy.*
- *Learning hierarchy: 'Learn ⟶ Feel ⟶ Do'*
- *Low involvement hierarchy: 'Learn ⟶ Do ⟶ Feel'*
- *Ehrenberg's model: Do ⟶ Feel ⟶ Do*
- *Situation analysis—Product & Consumer interaction—Product usage (Retail offtake, U&A studies, Household panel, Brand tracks, Product linkage data); Consumer & Media interaction—TG Media habits and Product & Media interaction—Competitive review*
- *The Building blocks of a Media Strategy*

Target Group definition	*WHO?*
Market prioritization	*WHERE?*
Media weights	*HOW MUCH?*
Media mix	*WHAT?*
Scheduling	*WHEN?*

REFERENCES

1. 'Marketing Strategy and Media Planning', Sissors & Bumba, *Advertising Media Planning,* Chapter 7, 1996.
2. 'Trends', John Philip Jones, *How Much is Enough?* Chapter 2, 1992.
3. 'Measures of Advertising's Effectiveness', Gerard Tellis, *Effective Advertising,* Chapter 4, 2003.
4. 'Advertising Research: A digression on recall', John Philip Jones, *What's in a Brand?* Chapter 6, 1998.
5. 'Setting Advertising Objectives', Aaker & Myers, *Advertising Management*, Chapter 4, 1987.
6. 'Advertising Planning & Decision Making', Aaker & Myers, *Advertising Management,* Chapter 2, 1987.
7. 'Secondary Data Sources', M G Parameswaran, *Understanding Consumers,* Appendix A, 2003.
8. 'Media Basics', Arpita Menon, Chapter 2 of this book.
9. 'Media Weights', Arpita Menon, Chapter 6 of this book.
10. 'Talking Paper: The Scientific Principles of Media Planning are Few but Awesome'—Erwin Ephron, www.ephrononmedia.com.

FURTHER READING

'The Organizing Principle: Media Planning does not seem to have any', Erwin Ephron, www.ephrononmedia.com.

'The Patron Saint of media: The medium serves the message and the message is God', Erwin Ephron, www.ephrononmedia.com.

'Sizing up the readership surveys', Lintas Media, Pitch, Aug. 2005.

'The Proposition & Campaign', John Philip Jones, How Much Is Enough? Chapter 8, 1992.

TG DEFINITION

4

"We continue to shape our personality all our life. If we knew ourselves perfectly, we should die."

……….. Albert Camus

4.1 THE IMPACT OF THE MARKETING TASK—ON TG DEFINITION

Who are the users of our product? The marketing plan gives us direction on how to approach this task. If our objective is an *increase in volumes*, we should try to target more of the *heavy users* as they will result in higher volumes per capita of people reached. If we have saturated reach within heavy users, then we need to increase consumption among medium, and then light users of our brand.

If the marketing task is to *'grow share'*, we need to take share from competition. This would mean that we need to specifically target the *users of competitor brands*. The marketing task could also be *grow market*, in other words, market expansion. In this case we would need to reach *non-users*. The marketing context and task of a brand can ensure very different TGs for the same brand! It is, therefore, essential to understand the marketing objective for the brand before trying to define the TG for it [1].

4.2 DATA SOURCES

What are the possible sources from where we could gain a better understanding of who we would be targeting?

4.2.1 Brand Manager's Understanding

The primary data source is of course the brand or marketing manager, and his experience and understanding of who the TG is for the product.

4.2.2 Past Brand Research

There may exist past research on users of the brand in the form of either a quantitative study, or a more qualitative study like a U&A, or a usage and attitude study. These would be very important sources to get a better understanding of the TG profile.

4.2.3 Syndicated Data Sources Like NRS and IRS

The biggest advantage of databases like the NRS and IRS is that they have pan-India coverage with sample size in excess of 2.5 lakh individuals. This ensures that the demographic information is representative of the population to a large extent [2]. In addition to demographics, the readership studies also cover a fair amount of lifestyle related information. And, most importantly, these studies also cover usage and ownership data across a substantial number of product categories and brands. They are used extensively by planners to arrive at TG definition.

4.2.4 TGI and Pulse

The advantage these databases have over the readership surveys is that they are far more detailed in their coverage of the product and brand information. Additionally, they have psychographic variables to arrive at a better portrait of the product or brand user. The downside to these databases is that they have fairly limited coverage of markets compared to the readership studies.

4.2.5 Household Panel Data

The household panel is another extremely useful source of data for TG definition. This is a panel of consumer homes where category and brand consumption is tracked on a weekly basis. As this is a continuous track, it is an expensive proposition and its coverage is limited to a couple of cities.

The panel allows for a fairly rich analysis of new product trials, conversions, retention, awareness, preference, gain-loss analysis, etc. and helps identify the marketing task [3]. Is the problem one of lack of new product trials, or that of competitor gaining shares? If sale for our brand is growing, where are the gains coming from? What is the profile of users, or user homes versus non-users? The panel thus helps arrive at a better understanding of the TG. The downside of this data source is that since the coverage is restricted to a limited number of cities, extrapolation to the state can be completely off-the-mark.

4.3 TARGET GROUP DEFINED IN DEMOGRAPHIC TERMS

Let us look at a dataset and actually work through how we would arrive at the TG definition. The source of the data in this case is the NRS. Table 4.1 shows us some demographic data for the base population which is all individuals 15+ years old as well as car owners.

Table 4.1 Segment Size and Contiguous Classes

		All India in 000's		Any car in 000's	
	Base population	633,053	100%	10,192	100%
Sex of Resp.	Male	328,555	51.9	5,228	51.3
	Female	304,498	48.1	4,964	48.7
Age(Gps.)	15-19	102,555	16.2	1,182	11.6
	20-24	86,095	13.6	1,294	12.7
	25-34	151,300	23.9	2,456	24.1
	35-44	116,482	18.4	1,957	19.2
	45+	176,622	27.9	3,302	32.4
SEC	A1,A2	20,891	3.3	4,270	41.9
	B1,B2	35,451	5.6	1,784	17.5
	C	41,781	6.6	571	5.6
	D	41,781	6.6	234	2.3
	E1,E2	47,479	7.5	41	0.4
MHI	< 1000	156,997	24.8	92	0.9
	1K- 5K	402,622	63.6	2,630	25.8
	1K- 5K	58,241	9.2	3,597	35.3
	10K-20K	13,294	2.1	3,170	31.1
	20K-30K	633	0.1	428	4.2
	30K-40K	633	0.1	132	1.3
	40K +	633	0.1	143	1.4

Source: NRS

Column 1 shows us the broad demographic classes like sex of the respondent, age group, SEC and monthly household income—MHI. Column 2 shows the specific classes within the broad demographic group like Male and Female under sex of the respondent. Column 3 shows us the base population—there are 633 mn individuals who are 15+ years old. Of these 328.5 mn are Men and 304.5 mn are Women. The numbers across specific classes in each broad demographic class will add up to the total base population (except for SEC which includes only the urban numbers).

The next column converts the column three figures into percentage of the total base population. 328.5 mn of the 633 mn base population are Men—51.9%. Column 5 is the car users, and column 6 is the car users across the demographic groups, expressed as a percentage of Total car owners.

4.3.1 Size of the Segment

The key variable we need to look at is the size of the segments. So, if we are to arrive at a TG definition of car owners (Table 4.1), we need to look at classes where the largest numbers lie. 41.9% of car owners are SEC A, and that becomes the most important class to target.

4.3.2 Contiguous Classes

Ideally, we define the TG as a continuous block when it comes to demographics. So, while 25–34 years, and 45+ years are the two largest blocks, we would end up including the 35–44 years block which falls in-between the two large-sized classes.

4.3.3 Benchmarking or Using Selectivity Index

One of the key variables we make use of to arrive at TG definition is Selectivity Index [4]. If we were to use only the size of the segments then we would look at MHI 1–20 k as our TG. However, with Indexing a far clearer picture emerges (Table 4.2). While 25.8% of car owners fall in the 1–5 k class, only when we

Table 4.2 Selectivity Index

		All India in 000's		*Any Car in 000's*		*Index*
	Base pop	633,053	100%	10,192	100%	
Sex of Resp.	*Male*	328,555	51.9	5,228	51.3	99
	Female	304,498	48.1	4,964	48.7	101
Age (Gps.)	*15-19*	102,555	16.2	1,182	11.6	72
	20-24	86,095	13.6	1,294	12.7	93
	25-34	151,300	23.9	2,456	24.1	101
	35-44	116,482	18.4	1,957	19.2	104
	45+	176,622	27.9	3,302	32.4	116
SEC	*A1+,A1,A2*	20,891	3.3	4,270	41.9	1270
	B1,B2	35,451	5.6	1,784	17.5	313
	C	41,781	6.6	571	5.6	85
	D	41,781	6.6	234	2.3	35
	E1,E2	47,479	7.5	41	0.4	5
MHI	*< 1000*	156,997	24.8	92	0.9	4
	1K- 5K	402,622	63.6	2,630	25.8	41
	1K- 5K	58,241	9.2	3,597	35.3	384
	10K-20K	13,294	2.1	3,170	31.1	1481
	20K-30K	633	0.1	428	4.2	4200
	30K-40K	633	0.1	132	1.3	1300
	40K +	633	0.1	143	1.4	1400

Source: NRS

juxtapose this to the base population percentage of 63.6%, do we realize that this particular class is way below average for car owners. Similarly, 20 k+ forms only 6.9% of car owners, but when we *benchmark to the base population* we understand how much above average this class is for car owners.

While a comparison of the TG to the base population is fairly commonsensical, index numbers help quantify the relationship. The index number is calculated by benchmarking the figure for the class in question within our TG to that of the base population. The most important point to note is that we should not use the actual numbers— this will only give us the share of the TG in the total for that particular class. We need to ensure that we *use the percentage dispersion figure* to have a meaningful benchmark.

$$\text{Index number}_{\text{demo class X}} = \frac{\text{Dispersion of TG}_{\text{demo class X}}}{\text{Dispersion of All}_{\text{demo class X}}} \times 100$$

The calculated number shows us *how much above or below the average* that class is for our TG. A number which is closer to 100 shows equivalent to average, a number above 100 shows above average, and a number below 100 shows below average importance for that particular class [4,5].

If we were to revisit the demographic definition of car owners and relook at MHI, we would see that while the class 1–5 k has large numbers, it is well below average, with an index of only 41. On the other hand, the upper MHI classes, while small in numbers, are actually hugely skewed to our TG.

Index numbers also help in figuring out where to stop. All classes, at average or *above average, are included,* with classes well below average being excluded. Thus, by benchmarking to the base population, we get a clearer direction on what to include, and when to stop! It is important to remember that index numbers can never be used in isolation, and that the other factors discussed above need to be looked at as well to arrive at the TG definition.

4.3.4 User, Buyer, and Decision-maker

In some cases, the user may not necessarily be buying the product. The housewife may purchase soaps for the entire household, but the users within the household may have influenced the choice—the husband may want a *Brut* soap, the mother-in-law may want *Medimix*, the teenage daughter—*Clearasil,* and she may buy *Lux* for herself. It is important to decide the target audience fairly clearly— the buyer or the user? In the example above, we would *target the users* as they would be the decision-makers.

The line gets a little blurred in some cases, especially for *products targeted at kids*. The child does play a very large part in influencing the choice, but the final decision-maker or gate-keeper is definitely the mom for most products. In such cases we resort to a *dual TG* definition. The buying process for a lot of high value purchases like durables or cars is fairly complex, with possibly multiple influencers. The whole family may get involved in the purchase of the much desired plasma screen TV. Some car manufacturers even target kids in the home as a 'pester power' influencer in the final car purchase decision!

Apart from the consumer, the *dealer* may be a very important target group as well! Advertising can help expand the retail network by generating consumer pull. A dealer can play a fairly large role in influencing brand choice, and it is, therefore, critical for the advertiser to ensure that the dealer is well-informed of the advertising campaign. In fact, the local sales divisions of some products like cars, durables, etc., have regional budgets, and they work very closely with the dealer in deciding how to spend the money.

4.4 SEC—THE PREFERRED DESCRIPTOR

A media TG is primarily defined in demographic terms. Sex, age and SEC are the primary descriptors.

Illiterate	School up to 4 year	School 5-9 year	SSC/ HSC	Some college but not graduate	Graduate/ post-grad general	Graduate/ post-grad professional
E2	E2	E1	D	D	D	D
E2	E1	D	C	C	B2	B2
E2	D	D	C	C	B2	B2
D	D	C	B2	B1	A2	A2
D	C	B2	B1	A2	A2	A1
C	B2	B2	B1	A2	A1	A1
B1	B1	A2	A2	A1	A1	A1
D	D	D	B2	B1	A2	A1
D	D	D	C	B2	B1	B1
D	D	C	C	B2	B1	A2
C	C	C	B2	B1	A2	A2
B1	B1	B1	B1	A2	A1	A1

Basis: Chief Wage Earner's Education and Occupation levels

Fig. 4.1 Socio-economic classes

4.4.1 What Is SEC?

SEC uses *Occupation and Education of the Chief wage earner* in the household to classify individuals. It is a household level classification—all members of a household get classified in the same SEC class depending on the occupation and education level of the chief wage earner (see Fig. 4.1).

The other key point to note is that the SEC Occupation X Education grid is a classification of *urban individuals*. The gradation is from SEC A1, which is the highest level, to E2, which is the lowest rung. When an added variable of MHI > Rs. 10,000 is overlaid on SEC A1, we get a grade called SEC A1+.

Rural SEC definition is based on different parameters. While the education level of the chief wage earner still remains a relevant variable, occupation is a difficult parameter to understand consumption and buying potential. In *rural areas, the kind of house lived in, along with the education level,* forms the basis for the SEC classification [6,7].

4.4.2 Why SEC Has Replaced MHI

The TG used to be defined earlier using Monthly Household Income (MHI), which was supposed to give an idea of purchasing power. However, SEC or socio-economic class has replaced MHI as a better descriptor of not only purchasing power but purchasing orientation as well [7,8].The biggest drawback with MHI is that *people do not reveal their true income*. Income that comes from renting out of property, or income from shares, etc., also does not get included. This results in very heavy *under-reporting* of income. The other problem with MHI is that the *value of money does not remain constant over time*—Rs. 4,000 now is very different from Rs. 4,000 ten years ago. This causes a lot of problems when we need to do trend analysis where the data needs to be inflation adjusted for relevant comparisons. The case gets even more complicated if the income classes do not match across the years [8].

4.4.3 A New Way of Defining SEC?

There has been a lot of debate about whether the SEC definition needs to change to ensure a more evolved measure. The current SEC measure is seen to have a drawback when it comes to estimating purchasing power [9]. Among the proposed methods is *overlaying the SEC definition with 'durable ownership'*. AC Nielsen has developed *Nupscale* where 8 high-end durables (like fully automatic washing machine, frost-free refrigerator, AC, etc.) are considered, and SEC gradation is basis number of specified durables owned. IRS too has its *affluence tiers* which are constructed based on income percentiles, calibrated basis durable ownership, and regular usage of FMCG products [8]. No industry consensus has been reached on the matter of a new SEC definition. The regular SEC grid continues to be the defining variable in TG definition, though it is used alongside other measures like consumption and lifestyle to give a clearer picture. Unilever has developed its proprietary tool called the *Living Standards Measure or LSM* to classify audiences. LSM has been devised to track and compare consumption trends across markets that Unilever is present in. It takes into account factors like income, education, durable ownership, media consumption and entertainment preferences to create consumer classes.

4.5 GOING BEYOND DEMOGRAPHICS

TG definition in media terms is primarily using demographics like sex, age, SEC. However, two individuals with the same demographic profile may have absolutely different buying patterns. We should try and look beyond demographics to get a better picture of our consumer.

4.5.1 The Creative Brief

It is critical for a planner to understand the target person hiding in the mass. The creative brief comes in handy for this reason as it inevitably has a description of the *target person* (*as opposed to target group*). This helps in understanding the person in the people.

4.5.2 Psychographics

Apart from denoting individual dimensions of *personality*, psychographics describe *lifestyle* of the consumer [10]. Typically, the analysis centers on the consumer's *Activities, Interests and Opinions* [5,11]. Activities give a sense of how the consumer spends his leisure and work time, Interests in terms of how they relate to their immediate surroundings, and Opinions in terms of their stance on social issues, etc.

With the same demographic profile, we could be speaking to two very different people. Let us look at a case of an FMCG company having two products—*fortified packaged atta,* and the other *'heat-and-eat' rotis or chapattis*. Demographically, both these products would be talking to the same TG — Female, 25+, SEC AB. If we delve beyond just the demographics, we arrive at a *more insightful definition of the TG.*

A psychographic segmentation of the demographic TG (basis past brand research), shows that the 'progressive home-maker' would be prepared to pay a premium for a value-added product, especially, if it impacts the health of her family positively. However, she is not in the market for convenience foods and ready-to-eat products, as these products are seen to be a short-cut compromise which she is not willing to make. She would obviously be the right TG for our fortified *atta*. The 'career-conscious woman' on the other hand, is secure about her place and worth in the family, and does not define herself on the basis of the food she puts on the table. She is, therefore, more than willing to buy our 'heat-and-eat' *rotis*, thereby spending less time in the kitchen and more with her family!

Armed with this knowledge, our plan for the two products would be dramatically different though targeting the same demographic TG. For the home-maker, afternoons are the only time of the day she can completely call her own. Ads scheduled on low-cost, efficient afternoon serials on mass channels will be sure to get her attention. This vehicle, which works so well for the *atta*, would obviously be a complete waste for the rotis which need to be advertised on primetime for the career woman. The career woman is more open to reading magazines going beyond reading just women's magazines, to even general interest and business magazines. Making use of more such insights, we can ensure that the plans for the two products are completely aligned and unique to each TG. Going beyond demographics to understand the person we are targeting our brand communication with is an absolute necessity.

Databases like TGI, Pulse and even the NRS and IRS have a wealth of lifestyle related parameters which help in understanding the TG better. The kind of variables possible for use in the profiling are listed below (source: NRS):

- Marital status
- Size of the family
- Child in the family, age of child, medium of instruction
- Language spoken at home
- Ownership of home
- Rooms in the house
- Style of toilet in the home
- Fuel used at home
- Meals on the floor, at the table
- Servant at home
- Type of TV—color, remote, cable, satellite
- Durable ownership
- Vehicle ownership
- Frequency of eating out
- Travel in India or abroad
- Comfort with technology
- Investment profile

These kinds of variables are really useful in drawing up a picture of the person behind the demographics (see Annexure 2). The data shows the user profile of two brands of cigarettes. From the data we see that the two users have different lifestyles, and that the difference also manifests in basic media parameters like color TV ownership, presence of remote control in the TV, cable or satellite connection, and ability to read English.

4.5.3 Ethnicity

India with its vast cultural diversity can almost be seen as a mini-Europe with distinct differences in dress, language, behavior and attitudes. The importance of not looking at a composite mass, and being able to understand the differences between people within the mass, cannot be stressed enough [7,11]. The United States boasts with more than 20 ethnic groups and an extremely well developed sector for marketing to these groups—complete with ethnic marketing consultants, communication channels, advertising agencies, and creative and cultural experts!

The media implications of ignoring ethnic and cultural differences can prove to be very costly, in all senses of the term! The *Marwadis* form a substantial part of the upper SEC target group in Kolkata. Any education related product is likely to find greater acceptance with Bengalis, while a Bollywood music playing nightclub is likelier to have a significant *Marwadi* clientele. The media consumption pattern of the two groups displays fairly distinct differences as well.

With a substantial Tamil community residing in Bangalore, Sun TV actually delivers significant reach in the city. A retailer planning to set up shop in the Sion-Matunga belt in Mumbai should know that hoardings in Hindi will not work in this area as it is full of Tamilians! Urdu is the language to use after Telugu, if one is targeting middle-income individuals in Hyderabad. Such examples abound and necessitate a detailed *understanding of the cultural and ethnic diversity* before setting out to define the target audience.

4.5.4 Life-stages

Life-stage is the *life-cycle that each household passes through* where the priorities, expenditure patterns, and media consumption undergo a significant transformation [11,12]. Typical Life-stages would be Singles or Unmarried independents, Married with no dependents, Married with young kids, Married with teens, Married with independent kids, Empty Nesters, or Retired with kids away from home.

Product categories like *Education, Healthcare, Financial services* need to be Life-stage targeted, as plain vanilla demographic TG definitions do not suffice to target the TG too well. Let's look at how life-stages would impact targeting for financial services. The Unmarried Independent has just started earning, and since he has no dependents and peer group, and friends are important, savings are limited and the focus is on spending while hanging out with friends. Housing loans and FDs are the financials instruments for the Married with no dependents. Insurance schemes and mutual funds linked to education are what would interest the Married with young kids. With an increase in income levels and a corresponding increase in the risk propensity, the Married with Teens, and the Married with independent kids are more willing to look at shares and equity-linked mutual funds besides, of course, retirement plans. Empty Nesters are rarely the target for any financial instruments.

4.6 SEGMENTATION STUDIES

These typically work on breaking up the base TG into segments which are distinct from each other. Media choices could then be focused on specific selected segments leading to a more targeted plan.

4.6.1 Psychographic Segmentation

Psychographic segmentation studies are either arrived at through primary research, or are based on existing syndicated databases [7,11]. Databases which collect psychographic data on values, attitudes and lifestyles would be best suited for this kind of segmentation. TGI has fairly detailed data on psychographic variables. As TGI also collects detailed media and product consumption data, it is possible to connect the chosen segments to media choices for specific categories or brands. It is, therefore, ideally suited to this kind of analysis.

The segments within a base TG are checked against product and brand ownership or usage to arrive at the segments of interest. For instance, the TG base may have split into 14 segments. The penetration of *cell phones* in the overall TG base may be 9%. When each of the sub-segments are checked for cell phone ownership, we find that 5 of the 14 segments have penetrations well above the average, even going up to 64%! Segmentation thus allows us to go one level deeper and focus on the 'hot prospects' within the TG base who will be more likely to buy (or be heavy users of) our product.

The database captures fairly detailed media usage data, and the hot prospect segments are profiled for their media usage patterns to arrive at a more fine-tuned media plan. For example, in the cell phone case, the TV data examined at the aggregate TG level may show Hindi mass channels as the highest watched channels. Segmenting and examining the hot prospects may show that maximum time spent is on Music and Movie channels. This would enable a fine-tuning of the plan, leading to savings in the total plan costs.

Drawbacks

Care must be taken to ensure that we do not slice and dice the base so fine that we are left with meaningless information on sample sizes that are too small to lead to any valid analysis. This holds true for any kind of segmentation. Psychographic segmentation researches, however, have a unique problem when examined from the media context. Since the base has been segmented on the basis of psychographic variables, selected 'hot prospect' segments may actually have very similar media usage patterns when compared to the base TG and, therefore, may not result in any significant insights while fine-tuning the media plan.

4.6.2 Media Segmentation

This is exactly like the psychographic segmentation, the only difference being that the segmentation or clustering variables are media usage patterns versus the values, attitudes and lifestyle variables used in psychographic segmentation.

Readership of dailies, language of dailies read, magazine genres, channels normally watched, radio stations listened to, internet usage, language of movies watched, etc., would typically be the variables used. Surveys like the NRS, IRS and TGI which cover media usage across media like print, TV, radio, cinema and internet would provide a good base for media segmentation studies [11].

Since the segmentation is done on the basis of media variables, each segment has distinct and well differentiated media habits. Media segmentations are, therefore, able to overcome the shortcomings of psychographic segmentations as far as fine-tuning media choices is concerned.

4.7 THE IMPORTANCE OF TG DEFINITION—A CASE STUDY

Let us look at an actual case study which demonstrates the benefits of defining the TG right. An internet service provider was looking at a campaign to support the launch of their products (in 1999)—*an ISP and a portal*. There were to be three creative units—one for the portal, one for the ISP, and a common creative unit for the portal and ISP together.

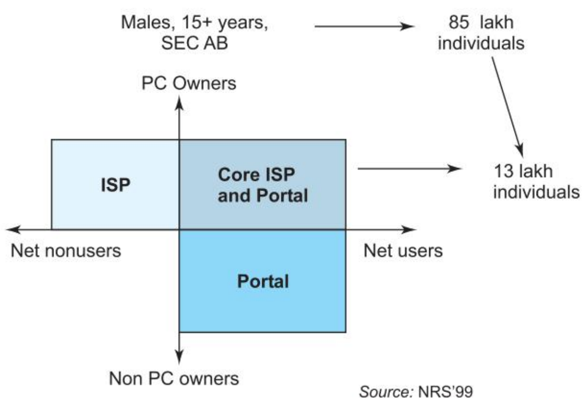


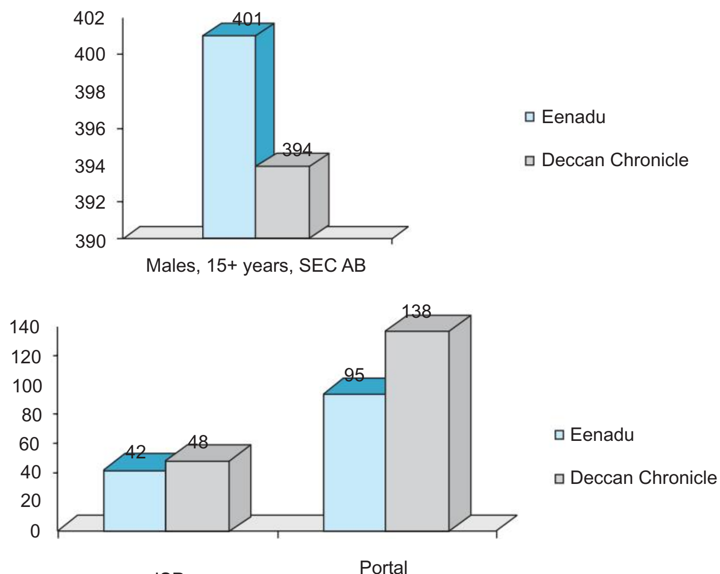
Fig. 4.2 The right focus

4.7.1 Focused TG Definition

The TG mentioned in the brief from the client was: Men, 15+, SEC AB. This could have been taken as the TG, and the process of deciding the media plan could have started, but it would mean targeting 85 lakh individuals! An attempt was made to try and fine-tune the TG definition using a commonsense approach of reaching the internet users for the portal and computer owners for the ISP. An overlap of these two factors (see Fig. 4.2) resulted in a much narrower focus, and a target of only 13 lakh individuals versus the original 85 lakh!

4.7.2 A Different Starting Point

Right from the word go, there was a significant difference in the media plans. A case in point was Hyderabad where the base publication—the first publication selected to build the plan itself, was different. If we were working with the base TG we would have selected *Eenadu* (see Fig. 4.3), while for both the ISP and the portal TG, *Deccan Chronicle* turned out to be the base publication.



Source: Hyderabad NRS'99

Fig. 4.3 Selecting the base publication

4.7.3 Savings Before Reaching the Negotiating Table!

At the plan build-up stage too there were significant differences. For the base TG, we would have had to take both *Eenadu* and *Deccan Chronicle* to meet the reach objectives (see Fig. 4.4). The reach goals for the portal TG were being met by *Deccan Chronicle* alone. This meant that we could afford to leave out *Eenadu* for all the 'portal alone' ads (see Fig. 4.5). This resulted in a savings of 35% even before reaching the negotiating table, simply by focusing and fine-tuning the TG definition!

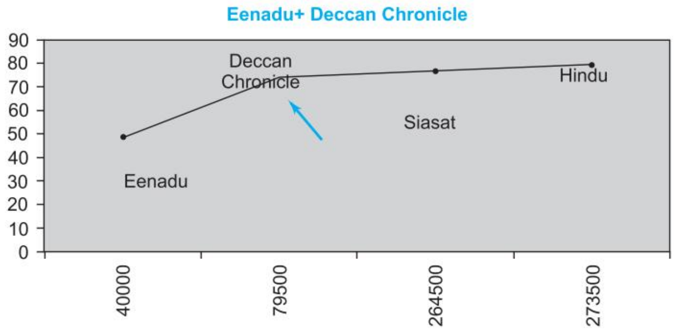
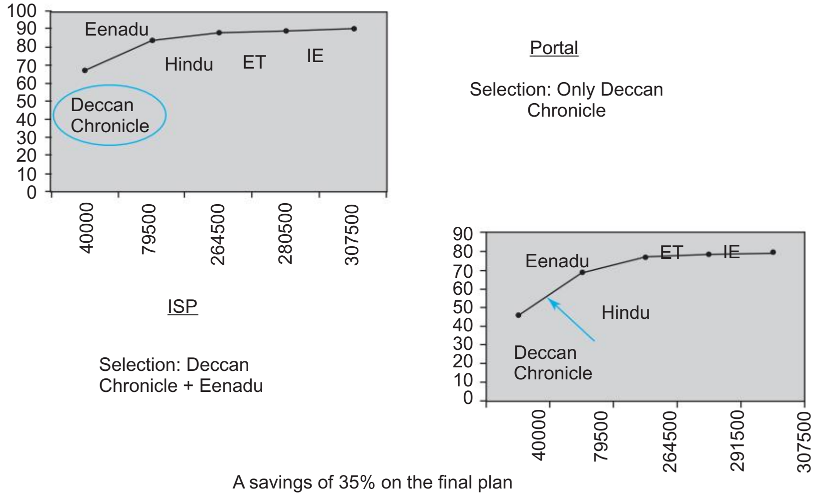


Fig. 4.4 Publication Selection—Base TG



Source: NRS'99

Fig. 4.5 Fine tuning TG leads to saving

SUMMARY

- *Impact of marketing plan—non-users to increase penetration; heavy users to increase volumes; users of competitor brands to grow share.*
- *Data sources— marketers' brand understanding, past brand researches, NRS, IRS, Pulse, TGI & household panels.*
- *Media TGs—demographics like gender, age & SEC.*
- *Size of the segment, contiguous classes and Selectivity index.*
- *Selectivity index benchmarks to the universe to understand how much above or below the average a demographic class is for our TG.*

- *Target the user, influencer or decision-maker?*
- *SEC—occupation versus education (of CWE) preferred over MHI.*
- *SEC overlaid with durable ownership to better define purchasing power.*
- *Creative brief helps identify the Target Person in the TG mass.*
- *Psychographics tries to get to personality, lifestyle, attitudes, interest and opinions of a person to enable better targeting.*
- *Ethnicity is critical in India due to vast cultural differences.*
- *Life-stages is the lifecycle of a household and is especially important for financial, education and real estate products.*
- *Segmentation studies help in understanding the 'types' hiding in the mass and tailoring our media solution to them.*

REFERENCES

1. 'Defining the target group'—John Philip Jones, *How Much is Enough*, Chapter 7, 1992.
2. 'Secondary Data Sources'—M G Parameswaran, Understanding Consumers, Appendix A, 2003.
3. Media Strategy—Chapter 3 in this book.
4. Media Basics—Chapter 2 in this book.
5. 'Strategy Planning I: Who, Where and When'—Sissors & Bumba, *Advertising Media Planning*, Chapter 8, 1996.
6. 'Homing in on the hinterland'—*Businessworld*, 7th Apr 1999.
7. 'Demographic, Psychographic and social determinants of consumption'—Rama Bijapurkar, *We Are Like That Only*, Chapter 7, 2007.
8. 'Just how much purchasing power does consumer India really have?'—Rama Bijapurkar, *We Are Like That Only*, Chapter 5, 2007.
9. 'Consumers break class barriers'—*Economic Times*, 19th Feb 2007.
10. 'Defining the target'—Leo Bogart, *Strategies in Advertising*, Chapter 9, 1995.
11. 'Understanding Consumers'—M G Parameswaran, *Understanding Consumers*, Chapter 2, 2003.
12. 'Share of Wallet'—*Businessworld, The Marketing Whitebook* 2007–2008.

FURTHER READING

'The fog of battle: A general enquiry into the value of targeting in TV'—Erwin Ephron, www.ephrononmedia.com.

'Consumer Psychographics'—*Businessworld, The Marketing Whitebook*, 2007–2008.

'Consumer Segmentation and media'—John Svendsen, *Admap* Nov. 2000.

'UK study urges advertisers to tap ethnic market'—www.indiantelevision.com, Sep. 2003.

'Unmassing America: Ethnic media and the new advertising marketplace'—Amy Garmer, Aspen Institute Forum on Diversity and the media.

'Finding consumers'—Sean Brierley, *The Advertising Handbook*, Chapter 3, 2001.

'The new, improved Indian consumer'—*Businessworld*, 8 Dec. 2003.

'Indian consumers and the market'—*Businessworld*, 1 May 2006.

'Psychographics comes of age'—Roberts & Lalonde-Dade, *Admap*, Jun 1999.

'The art and science of consumer segmentation'—Stewart-Hunter & Bergenthal, *Admap*, Oct. 2004.

'Power of Cohorts'—Meredith & Schewe, *American Demographics*, Dec. 1994.

'The Changing Mindset of a Billion minds'—Dheeraj Sinha, ESOMAR 2007.

MARKET PRIORITIZATION 5

"To live is to choose. But to choose well, you must know who you are and what you stand for, where you want to go and why you want to get there."

.... Kofi Annan

This chapter draws up the blueprint for prioritizing markets—all the variables that need to be looked at … and then some more!

Markets are defined as regions with some geographical homogeneity held together by a web of transport and communication or by a common historical or social heritage— places with an agglomeration of people who are able to purchase products and services [1]. The easiest way is to define markets as per the sales territories charted out for the brand, which may further be defined at a depot, town or district level. The data, ofcourse, can also be collated to look at state and/or zonal level sales.

Why would markets need to be prioritized? The one reason we always come up with is— *finite resources*. It becomes important to allocate resources— first to markets which are the most deserving, and so on, till we run out of budget. It is critical to be able to arrive at a layered importance or prioritization of the markets. As the resources are finite, there needs to be an understanding of the critical markets so that the resources can be channelized towards these markets. Also, the *task in each market may be different*, needing differing levels and kinds of resources. Let us look at the different parameters used, and ways to prioritize markets.

5.1 MARKET OR SALES CONTRIBUTION, SALIENCE OR DISPERSION

The most commonly used parameter is also the one which is most easily available—sales figures, by region or market. Using the sales data, we can calculate Market or Sales Contribution, Salience or Dispersion—all essentially different names for the same thing! It is a measure of market importance to assess which *market is contributing the most to total sales for the brand.*

The *total sales across regions or markets for the brand acts as the base,* and all individual market contributions are expressed as a percentage of this base (see Table 5.1).

Table 5.1 Sales Contribution

Market	*Sales (in tones)*	*Sales contribution (%)*
A	10,000	20
B	25,000	50
C	7,000	14
D	8,000	16
Total	50,000	100

In the example above, market B would be the most important with 50% sales, followed by markets A and D, and then market C. This is the principle followed to allocate advertising budgets in many companies—what is called the A to S Ratio, or Advertising to Sales Ratio. The budget allocation across markets mirrors the sales dispersion.

5.2 MARKET GROWTH

In addition to market contribution, one may overlay *growth over last year's sales* to further refine the market salience or contribution data. If two markets have similar market contribution, then the market with higher growth is the market with a higher priority. We would rather invest our funds in *markets which have greater potential*.

Table 5.2 Market Growth

Market	*Sales (units) 2005*	*% Sales contribution*	*Sales (units) 2004*	*% Growth*
A	10,000	20	9,090	10
B	25,000	50	21,740	15
C	7,000	14	5,185	35
D	8,000	16	5,517	45
Total	50,000	100	41,532	20

In Table 5.2, while market B has the highest contribution, it also has lower growth. Markets C and D have similar contributions, but market D is a faster growing one.

5.3 COMPETITOR SALES AND MARKET SHARE

While sales contribution data is the most commonly used, it has certain drawbacks. Since it has *no category or competitive context*, it can lead to a situation where the *sins of the past are repeated* every year! If competitive data is available, it is always advisable to layer that on as well, which brings us to the next measure for market prioritization.

Market share takes into account the competitive context. It is a *measure of brand dominance in a particular market*. The *category sales of the market is taken as the base*. The sales of brand X in a market as a percent of this base is the market share of brand X in that market.

Table 5.3 shows how the base for market contribution and market share differs. The total market sales (across all regions or markets) for the brand, forms the base for market salience or contribution calculation. On the other hand, the category sales, in a particular market forms the base for market share calculations for the brand in that market.

Table 5.3

Market	*Sales*			
	Brand X	*Brand Y*	*Brand Z*	*Category*
A			Brand X Market Share in Market A	
B				
C	Market A Salience for Brand X			
D				
Total Brand				

Let us look at an example to calculate market shares for brand X (Table 5.4). Markets A and D are the ones in which brand X has a dominant share, while brand X has a lower market share in markets B and C.

Table 5.4

Market	*Sales*				*% Market Share Brand X*
	Brand X	*Brand Y*	*Brand Z*	*Category*	
A	475	177	217	869	55
B	432	955	789	2176	20
C	315	469	542	1326	24
D	242	65	129	436	56
Total Brand	1,464	1,666	1,677	4,807	30

Now, if we were to juxtapose market contributions to the market shares (Table 5.5), we would have richer information with which to prioritize markets for brand X. While, markets A and B are big markets for brand X, market A is where it is dominant, and market B is where competition is dominant. It is also a tougher market. Of the other two markets—C and D, while the contribution is in the same range, market D is a comfortable market with a dominant share for brand X, while market C is where competition is dominant.

Table 5.5

Market	Sales				% Market share brand X	% Market contribution brand X
	Brand X	Brand Y	Brand Z	Category		
A	475	177	217	869	55	32
B	432	955	789	2176	20	30
C	315	469	542	1326	24	22
D	242	65	129	436	56	17
Total brand	1,464	1,666	1,677	4,807	30	100

5.4 CATEGORY SIZE (SALIENCE OR DISPERSION)

The other variable, which one should overlay (apart from the ones discussed above), is how big the category is in a particular market, i.e., category size. This variable is able to map the true potential for a brand. *A small share in a large market shows potential for growth, while a large share of a small market may be an indication of saturation.*

Table 5.6 overlays category salience on market contribution and market share as a means of prioritizing markets. Both markets A and B have similar market contributions, with brand X having a dominant share in market A compared to market B. When we realize that market B accounts for 45% of category sales, and that market A accounts for only 18%, a different perspective to market prioritization emerges.

Market A, while contributing large volumes and high market share for brand X, is actually a smaller sized market overall when compared to market B. Brand X has a fair amount of ground to cover in market B which is the largest sized market, and where brand X has a smaller market share.

Table 5.6

Market	Sales				% Market Share Brand X	% Market Contri-bution Brand X	% Category Salience
	Brand X	Brand Y	Brand Z	Category			
A	475	177	217	869	55	32	18
B	432	955	789	2176	20	30	45
C	315	469	542	1326	24	22	28
D	242	65	129	436	56	17	9
Total brand	1464	1666	1677	4807	30	100	100

Brand versus category salience or contribution matrix helps in understanding the task in each market (Table 5.7). Markets like Maharashtra and West Bengal, where both the brand and category contribution is high, would be consolidation

Table 5.7

% Brand Contribution

% Category Contribution

% Category Contribution	High			Medium			Low		
High	Maharashtra	17%	19%				Tamil Nadu	4%	9%
	W. Bengal	16%	10%						
Medium	Uttar Pradesh	11%	8%	Mumbai	6%	8%			
	Madhya Pradesh	7%	4%	Kerala	5%	7%			
				Orissa	5%	4%	Delhi	2%	6%
				*PHCHP	4%	6%			
				Karnataka	4%	7%			
Low				Chhattisgarh	5%	3%	Andhra Pradesh	3%	3%
							North-East	3%	3%
							Bihar	2%	1%
							Goa	2%	3%
							Rajasthan	1%	1%

*PHCHP—Punjab, Haryana, Chandigarh, Himachal Pradesh markets. But, medium to large markets like Tamil Nadu and Delhi, where the brand has low contribution, are the ones with potential for the brand; they would be growth markets. Brand contribution versus market share could be another way to look at the same information (Table 5.8).

Table 5.8

← Brand % Contribution

% Brand Market Share ↑	High			Medium			Low		
High	Maharashtra	17%	40%				Tamil Nadu	4%	21%
High	West Bengal	16%	72%						
High									
Medium	Uttar Pradesh	11%	61%	Mumbai	6%	34%			
Medium	Madhya Pradesh	7%	82%	Kerala	5%	35%			
Medium				Orissa	5%	55%	Delhi	2%	15%
Medium				*PHCHP	4%	31%			
Medium				Karnataka	4%	27%			
Low				Chhattisgarh	5%	91%	Andhra Pradesh	3%	61%
Low							North-East	3%	47%
Low							Bihar	2%	70%
Low							Goa	2%	27%
Low							Rajasthan	1%	56%

* PHCHP—Punjab, Haryana, Chandigarh, Himachal Pradesh

5.5 BRAND AND CATEGORY DEVELOPMENT INDEX— BDI AND CDI

The more evolved form of market prioritization uses BDI and CDI to prioritize markets. BDI and CDI try to incorporate the concept of per capita consumption to sales. Two markets may have the *same contribution, but if the sales per capita are higher in one of the markets, investment in that market would yield higher returns.* Table 5.9 shows that if we were to look at only sales contribution, Uttar Pradesh would be a higher priority, but when we overlay the TG dispersion, we find that only 5% of the total TG contributes to 10% of sales in Mumbai, while 18% of the TG contributes to 12% sales in Uttar Pradesh. As the per capita consumption is higher in Mumbai, media monies spent to reach TG in Mumbai would yield higher returns.

Table 5.9

Market	*% Sales Dispersion Brand X*	*% TG Dispersion*
Bombay	10	5
Uttar Pradesh	12	18
...		
...		
All India	100	100

BDI and CDI are calculated in the following manner:

$$\text{BDI, CDI} = \frac{\text{Sales Salience}}{\text{TG Salience}} \times 100;$$

$$\text{BDI} = \frac{\dfrac{\text{Brand Sales in Market } X_1}{\text{Total Brand Sales All India}}}{\dfrac{\text{TG in Market } X_1}{\text{Total TG All India}}} \times 100$$

Table 5.10 shows the actual calculations.

Table 5.10

State	*% Dispersion*			*BDI*	*CDI*
	Category	*Brand*	*TG*		
Bihar	14.7	10.0	3.8	262	385
Andhra Pradesh	11.8	8.7	11.4	76	103
Maharashtra	9.3	9.3	5.7	163	162
North-East	7.6	3.3	6.7	50	114
West Bengal	7.6	13.3	1.4	932	531
Kerala	6.7	8.7	5.7	151	118
Punjab	5.7	6.0	4.8	126	120
Orissa	5.4	4.0	4.8	84	113
Karnataka	5.1	8.0	7.1	112	71
Tamil Nadu	5.1	10.7	4.8	224	106
Uttar Pradesh	5.1	6.7	4.8	140	106
Gujarat	4.2	1.3	10.5	13	40
Rajasthan	3.5	3.3	3.8	87	93
Haryana	3.0	1.3	4.8	28	64
Himachal	2.7	2.8	3.8	73	71
Delhi	2.5	2.7	7.1	37	35
	100.0	100.0	100.00	100	100

$$\text{BDI}_{\text{Bihar}} = \frac{\text{Brand Sales Salience}_{\text{Bihar}}}{\text{TG Salience}_{\text{Bihar}}} \times 100$$

$$= \frac{10.0}{3.8} \times 100$$

$$= 262$$

$$\text{CDI}_{\text{Bihar}} = \frac{\text{Category Sales Salience}_{\text{Bihar}}}{\text{TG Salience}_{\text{Bihar}}} \times 100$$

$$= \frac{14.7}{3.8} \times 100$$

$$= 385$$

Index less than 100 indicates scope for developing the market. An index greater than 100 indicates a developed market.

The BDI : CDI grid

BDI and CDI comparison indicates potential for the brand. Category size or salience plays a role in determining whether a market is large or small. Markets are further categorized on the basis of BDI and CDI comparison (see Fig. 5.1).

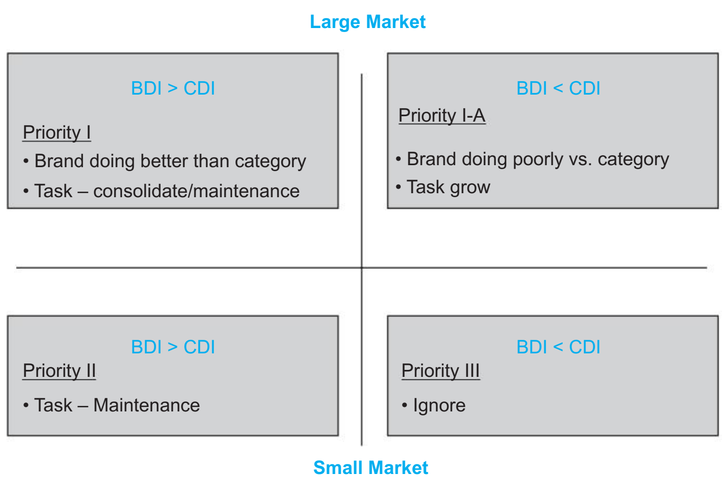


Fig. 5.1 The BDI: CDI grid

5.5.1 Large Market—BDI > CDI

These are markets where the *brand is doing better than other competing brands*. The task in such markets would be to *'Consolidate' or 'Maintain'*. These are literally, the markets where our brand is the 'big fish in a big pond'. These are also the markets where competition would be investing to gain a foothold and, therefore, need close monitoring as they would be high brand contribution markets. A strategy of focusing on existing heavy sales markets would be a low risk 'defensive strategy' [2].

5.5.2 Small Market—BDI > CDI

These are markets where the *brand is doing better than other competing brands* and is the 'big fish in a small pond'. The *maintain* task in such markets would be a comparatively easier job.

5.5.3 Large Market—BDI < CDI

These are markets where other *competing brands are doing better than our brand*. These are markets where our brand is the 'small fish in a big pond'. These are also the markets with high growth potential, which would need investments. The task in such markets would be *'grow'*. This kind of high risk 'offensive strategy' *needs heavier investment* as these are markets where competition is already well-entrenched. However, the growth task in these markets is not a function of media investments alone.

If the competitor is doing better in these markets, is it a function of insufficient advertising expenditure historically by our brand? Or is it the competitor's more robust distribution strength, competitive pricing, or brand promotions? The solution should, therefore, be a way forward, touching all the P's of marketing including pricing, promotions (both consumer and trade), and other distribution initiatives. For instance, pumping money into advertising alone may not result in sales, if there is no initiative to grow the distribution alongside. Go and no-go decisions on such markets are, therefore, a 'thought-through' call the brand manager or marketing person has to take.

5.5.4 Small Market—BDI < CDI

These are markets where other *competing brands are doing better* than our brand, and our brand is the *small fish in a small pond*. These markets being small-sized, the returns may not justify the investments. The task in such markets is, therefore, *Ignore*.

It is critical to understand that this grid would be a *mirror image for the competition*. Our *consolidate* markets would be competition's *grow* markets. A close watch needs to be kept on key markets where our brand has dominating share to monitor if the competitor is in 'invest' mode. Mapping the markets from Table 5.10 onto the BDI:CDI grid, we get a '*market prioritization grid*' (see Fig. 5.2)

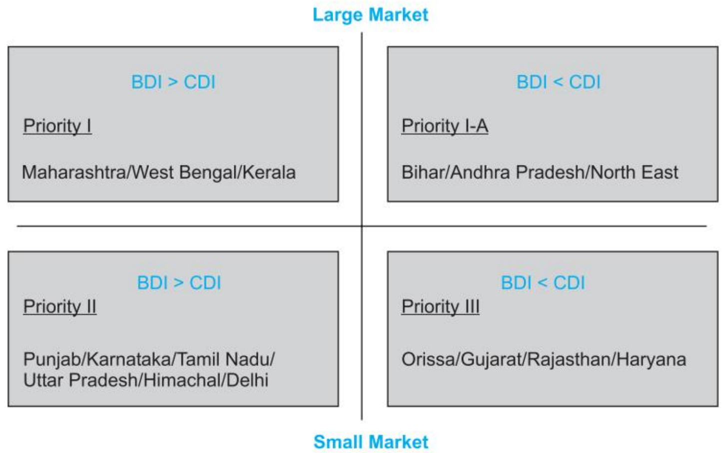


Fig. 5.2 Mapping markets

5.6 WHEN CATEGORY DATA IS UNAVAILABLE

Very often, category data may be unavailable. In such cases, the sales data, along with growth are the standard variables to work with. In addition to this, we could also look at brand or category penetration data to understand product acceptability or potential. Like the market contribution versus market share grid (see Fig. 5.3), we could map a *market contribution versus product penetration matrix*. The High Contribution–High Penetration markets are the '*consolidate*' markets, the Low Penetration–High Contribution markets are the '*growth*' markets, and the High Penetration–Low Dispersion markets are the '*saturation*' markets.

% Penetration

% Contribution	High High	High Low
	West Bengal Bihar Maharashtra AP	Tamil Nadu Kerala Karnataka
	Punjab Rajasthan Gujarat	Uttar Pradesh Orissa Assam Delhi
	Low High	Low Low

Fig. 5.3

5.7 MARKET INDEX

Market index *grades a town on the basis of the potential of that market*. Marketers find the RK Swamy *BBDO Guide to Urban Markets*, or the older, *Thompson*

Urban Market Index helpful to understand the targeting potential of a market. A number of factors are weighted to arrive at the market index. The RK Swamy BBDO guide uses factors like numbers or population, means the consumer has, his consumption behavior, awareness levels, and the extent of market support to arrive at the MPV or Market Potential Value [3]. The market index is especially *helpful in launch scenarios, or when a distribution expansion is being planned.*

5.8 MEDIA ISOLATABLE MARKETS

The *cost of reaching the audience* with our brand communication can *differ significantly across markets,* and this is an added variable which needs to be factored-in when we look at prioritizing markets. Two markets may have equal potential from the sales perspective, but what if we needed to use expensive national television to reach the consumer in Madhya Pradesh, while Andhra Pradesh allowed for low-cost, high-reach local channels? We would favor Andhra Pradesh over Madhya Pradesh as the same amount of money invested in both markets would net higher returns from the former.

Combination of key markets is also very important as the high cost for national media can get defrayed across a larger consumer base. If, in the above example, we were to add Uttar Pradesh, Rajasthan, Gujarat and Bihar to Madhya Pradesh as our other key markets, all of which need national television, we would find national television, actually, delivering greater efficiencies of scale, compared to a market that necessarily needs regional inputs.

A market being media isolatable can significantly impact market prioritization. The presence of high reach, local media not only costs less, but also allows a targeted up-weighing in a high priority market versus the diffused multi-market impact of high cost national channels. Clients and media planners with experience develop an understanding as to which markets are isolatable, and which deliver greater efficiencies when grouped, as also the approximate cost of reaching out to the consumer in each of them (Table 5.11).

Being media isolatable is also important in a few other cases. Sometimes a brand may not have a uniform consumer promotion running across markets. Some markets may have '*extra volume free with the product*', while another set of markets may have a bucket as a free give-away. In such cases, it is important that the right offer runs in the right set of markets and there is no cross-connection! Some product categories like telecom services have a perennial issue with *different plans or offers running in different markets*. As the advertiser has a legal liability if an ad appears publicizing an offer which is not available in the market, utmost care has to be taken in such cases. Most durable ads need to carry dealer panels at the bottom of the main ad which change by market. Planners need to map areas to print editions, with complex juggling of different creative across different editions. Advertisers, actually, give 'no print' instruction for certain editions, and thereby lose the opportunity to cover a certain part of the publication's circulation in areas where there is no service, or offer.

Table 5.11 Market Isolatability

			% Reach in C&S homes		**Source: TAM
Urban Market	**Leading daily % reach*	**C&S % penetration*	***DD-National % reach*	***Star Plus % reach*	***Regional channel % reach*
Delhi	21.6	75.0	37.7	66.9	3.8
Punjab	19.9	69.7	32.1	64.9	33.9
Uttar Pradesh	35.7	39.0	30.5	72.6	23.4
Uttaranchal	49.2	53.9	NA	NA	NA
Rajasthan	45.1	44.8	45.6	71.3	35.6
Bihar	43.1	30.0	NA	NA	NA
Jharkhand	31.2	53.3	NA	NA	NA
Orissa	33.7	45.9	32.8	73.1	67.7
West Bengal	35.1	54.8	19.5	51.4	62.4
Assam	41.0	43.1	NA	NA	NA
Tamil Nadu	39.6	75.1	13.6	4.1	87.6
Kerala	49.7	66.4	15.9	11.3	81.8
Karnataka	26.7	69.9	23.4	37.0	74.2
Andhra Prasesh	31.5	72.6	17.4	27.3	86.3
Maharashtra	22.1	57.5	30.9	59.7	48.2
Gujarat	25.4	51.4	34.3	77.5	34.7
Madhya Pradesh	37.5	44.1	43.2	83.9	34.1
Chhattisgarh	36.7	39.9	NA	NA	NA

* *Source*: IRS
** TV reach is the reach of time-slot: 8–11 PM
TAM TG: CS 4+ years
IRS TG: All urban

Test marketing is yet another case where, whether the market is media isolatable or not makes for a 'go', 'no-go' kind of decision. The basic premise in a test market is to have a matched pair of markets—the control market where all elements are at the normal level, and the test market where experiments are performed with variables being increased or decreased one at a time. The corresponding increase or decrease in the variable being measured (sales, awareness or preference) is monitored and compared to the control market to understand the strength of the change [4,5]. If either the test or the control markets are not isolatable, there is a real chance that the results may get contaminated and be difficult to read. The South markets with their strong regional network of channels are a marketer's favorite testing ground!

5.9 DISPARATE MARKETS ADD TO COMPLEXITY

With 5,161 towns and over 6,00,000 villages, India is *more like a continent than a country*! The vast spread and the differences across the markets make the marketing and communication task that much more complex. The 28 states of India have very disparate social and economic development and media exposure, leading to differing levels of purchasing power and consumption patterns. Literacy can range from about 95% in Kerala to below 50% in Bihar (see Fig. 5.4)!

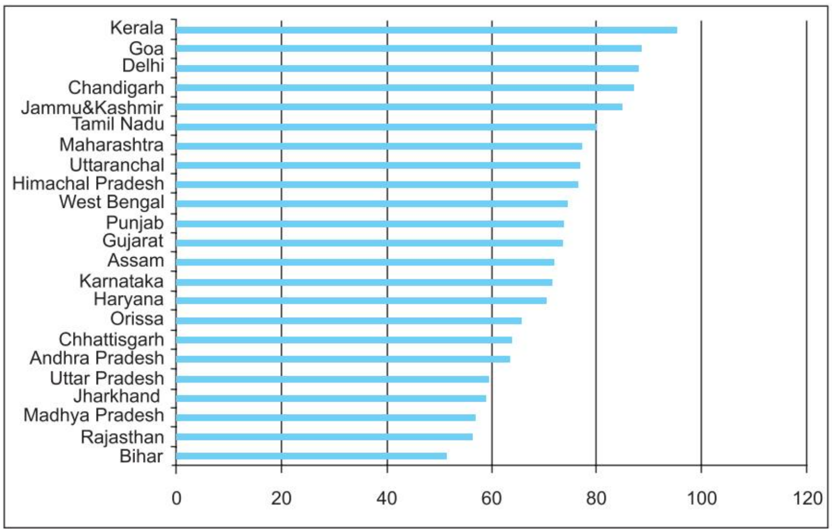


Fig. 5.4 State-wise literacy

One of the problems in rural areas is the vast geographical spread of the markets and the logistical problem in reaching them. Of the 6,00,000+ villages, the 5000+ population villages which are close to urban areas, are only about 20,000 in number, and have 15% of the total rural population inhabiting them (see Fig. 5.5). Not all the villages are alike, and Rama Bijapurkar talks of 'oases within the desert' [7] which are pockets of affluence, especially in the states which are more developed—like *Maharashtra, Punjab, Tamil Nadu*, etc. Micro-market planning by mapping the rural areas down to the smallest unit—district, taluka or village, is the key to successful market prioritization in rural markets.

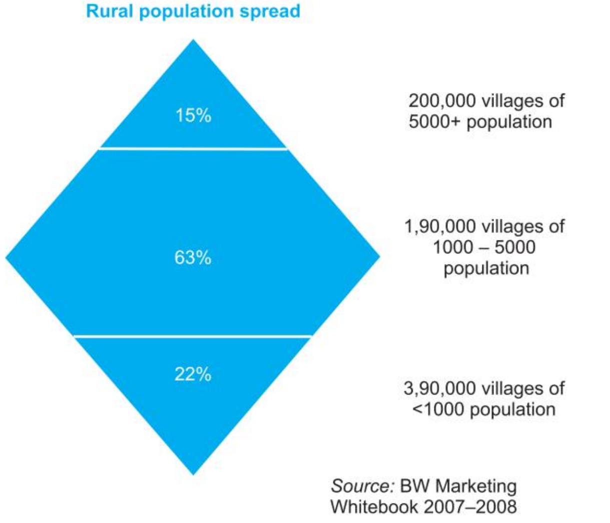


Fig. 5.5

Urban markets have a different break-up (see Fig. 5.6), with the top eight metros accounting for 29% of the population and 39% of its disposable income [6]. 10 lakh+ population cities (eight metros, and the 26 tier-two cities), account for 44% of the population and 53% of its disposable income.

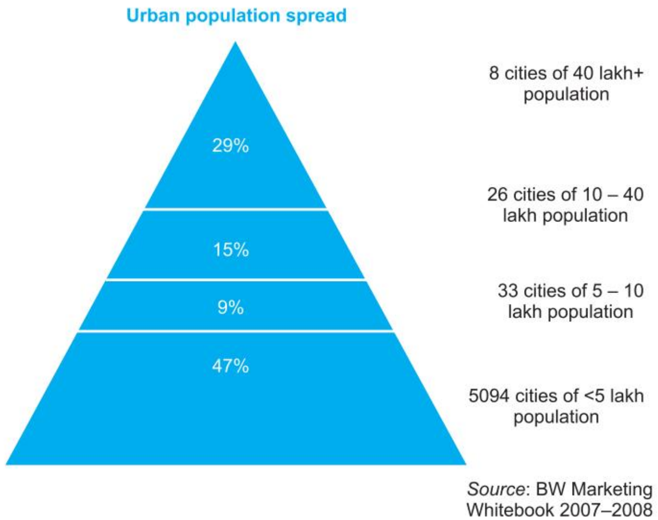


Fig. 5.6

5.10 ALLOCATING BUDGETS BY MARKET

Having prioritized markets, the next task for the planner is to decide how to split budgets across the markets. The most commonly used way is to categorize markets into A,B,C types and start the allocation top down such that A markets get the first preference followed by B, then C markets. The fundamental issue is whether the focus should be on allocating higher budgets or higher media weights to the priority markets [8].

As we saw in the earlier section, media costs would be a function of how media isolatable a market is. However, even in markets with strong regional media, the same GRP weight delivered in two markets could come at very different costs. Focusing on budget allocation alone may result in under-delivery in a critical priority market as the media costs may be higher in that market. Of the four southern regional markets, Kerala is the least costly, and Tamil Nadu the most expensive. If Kerala is a priority market, allocating a large part of the budget to it may result in an overkill in that market as media costs are lower, and may result in significant under-delivery in a market like Tamil Nadu. On the other hand, if the focus is only on deliveries, then we may have a situation with an unbalanced ratio of advertising–sales, with higher spends on high cost but lower sales markets!

Further, complications arise when we try and factor-in viewership differences across markets. A cluttered and high viewership market like Andhra Pradesh may need weekly GRPs of 200 for a particular brand, but 200 GRPs may be a complete overkill in a lower viewership market like Maharashtra, even though Andhra Pradesh may be a lower priority level compared to Maharashtra. A realistic solution to this complexity is to ensure that we factor-in competitive activity in the market place, and the overall category GRP levels by setting SOV-linked targets for a market. This ensures that we examine the market differences as far as GRPs are concerned. We would still need to overlay the media costs of the GRPs by market to arrive at a final budget allocation.

Of course other factors, apart from media, also determine the budget allocation: how the market has responded in the past to advertising, distribution issues, how profitable a market has been, and, of course, inputs from the sales force. The sales force is closest to the marketplace and has a finger on its pulse. The sales force is the best possible source of competitive MIS in the form of price changes, heightened trade schemes, consumer promotions and increased competitive share and distribution initiatives [8].

5.11 DATA SOURCES

5.11.1 Primary Sales

Sales *from the company to the stockist or wholesaler* is called primary sales. This kind of sales data would be available from the sales and marketing departments, mostly organized by the sales office and/or depots.

5.11.2 Retail Off-take

We would need to understand brand purchase at the last leg—*from the retailer to the consumer*. Also, a competitive category context is critical in order to prioritize markets better. This last leg of sales, from a retailer to the consumer, is called '*consumer off-take*'. ORG monitors a large number of retail outlets and provides off-take data for various product categories and brands [9].

ORG data is available at the state level with an urban–rural divide, and also at a village or town class level. The rural report is quarterly, while the urban report is monthly. The sales data is also reported by population–strata—Metros, Class 1 towns (with population above 1 lakh), etc. The report not only shows unit or volume sales, but also the rupee or value sales. It is also possible to understand the strength of the distribution network vis-à-vis competition from these reports. In fact, the reports also show what kind of outlets the off-take is happening from—grocery stores, departmental stores or chemists, etc.

5.11.3 Product Linkage Data

The *National Readership Survey, and The Indian Readership Survey* cover usage and penetration levels of various categories and brands. For the categories and brands covered, it is possible to get a user spread across markets, as also a spread of demographic TG across markets. This data would obviously be of invaluable use in the calculation of BDI—CDI. Both these surveys also allow for profiling and checking the spread of heavy users across markets for a limited set of categories and brands.

This data is not so useful in determining quantum of sales (though IRS purports to do this as well). It is a useful database from the perspective of profiling users and understanding target groups or consumers.

SUMMARY

- *Finite resources necessitate market prioritization. Also, the task in each market may be different, requiring different input.*
- *Market or sales contribution, identifies which market is contributing the most to total sales for the brand.*
- *Growth over last year helps identify markets with greater potential.*
- *Sins of the past repeated if competitive context absent. Market share is a measure of brand dominance in a particular market within the competitive set.*
- *Category size is able to map true potential for a brand. A small share in a large market shows potential for growth, while a large share of a small market may be an indication of saturation.*
- *BDI and CDI incorporate per capita consumption. If per capita sales are higher in one of two markets with the same contribution, investment in that*

market would yield higher returns. BDI and CDI is a ratio of Sales to TG salience. Index < 100 indicates scope for developing the market; index > 100 indicates a developed market.

- ✓ *Large market—BDI > CDI: Consolidate or Maintain*
- ✓ *Small market—BDI > CDI: Maintain*
- ✓ *Large market—BDI < CDI: Grow*

- ➲ *Market Index grades towns basis the potential of that market, and is helpful in launches, or distribution expansions.*
- ➲ *The cost of reaching the audience can differ significantly across markets, and combination of markets is important in making media choices.*
- ➲ *Media isolatability of a market helps where different offers are running across markets, or in case of test markets.*
- ➲ *With 5,161 towns and 6,00,000+ villages, India is more like a continent than a country, and the differences across these markets make the planning and prioritization a complex task!*
- ➲ *Primary sales, Retail off-take, and the NRS/IRS are key data sources.*

REFERENCES

1. 'Understanding Media'—Leo Bogart, *Strategy in Advertising*, Chapter 5, 1995.
2. 'Strategy Planning I: Who, Where and When'—Sissors & Bumba, *Advertising Media Planning*, Chapter 8, 1996.
3. 'Pain and Gain of Urban India'—*Businessworld*, 24 May 2004.
4. 'Marketing Strategy and Media Planning'—Sissors & Bumba, *Advertising Media Planning*, Chapter 7, 1996.
5. 'How to develop and expose better advertising'—John Philip Jones, *What's in a Brand*? Chapter 11, 1998.
6. 'Rural Consumer India'—Rama Bijapurkar, *We are like that only*, Chapter 11, 2007.
7. 'Towns and Cities'—*Businessworld, Marketing Whitebook* 2007–2008.
8. 'Strategy Planning II'—Sissors & Bumba, *Advertising Media Planning*, Chapter 9, 1996.
9. 'Secondary Data Sources'—M G Parameswaran, *Understanding Consumers*, Appendix A, 2003.

FURTHER READING

'The man who invented ADI's: The idea that markets can be defined by viewing put TV at the centre of media planning'—Erwin Ephron, www.ephrononmedia.com.

'The race begins again'—*Businessworld*, 26 Mar. 2007.

'The new, improved Indian consumer'—*Businessworld*, 8 Dec. 2003.

‘Indian consumers and the market’—*Businessworld*, 1 May 2006.

‘Best Cities’—*Business Today*, 26 Aug. 2007.

‘Town and Country’—Madison, www.exchane4media.com, July 2002.

‘Household Potential Index HPI from IRS’—www.exchane4media.com, July 2005.

MEDIA WEIGHTS

6

"The answer is 42 …. .What is the question?" The Hitchhiker's Guide to the Galaxy,
. . . . .Douglas Adams

Media weights are *set in terms of GRPs, Reach and AOTS*. The most critical thing is to ensure that the media weight planned for the brand is at the most efficient level, or at the level which best achieves the communication task set for the brand. Media weights for the brand can be set in many ways, and this chapter attempts to set down the ways in which media weights can be decided on, with pros and cons for each method.

6.1 SETTING MEDIA WEIGHTS BASIS COMPETITION

Competition forms the most important basis for setting objectives as all brands operate in a competitive context, and none are isolated.

6.1.1 Competitive Review

Before we decide on the media weights, the first step is to get a complete understanding of the past activity within the category. This detailed analysis is called the *competitive review*. Some of the possible *ways to analyze competition* are as follows (see Annexure 3 for details):

(a) Trend analysis of overall spends
(b) SOE (Percentage share of expenditure) across the years, portfolio analysis of multiple brands, variants
(c) Print versus TV versus other media spends
(d) Market skews
(e) Seasonality analysis
(f) TV analysis
  (i) SOE and percentage share of total airtime
  (ii) Terrestrial versus satellite
  (iii) Channel genre
  (iv) Day-part mix
  (v) Program, or program genre mix
  (vi) Value additions like sponsorships, contests and specials

(vii) Duration, or edit mix

(viii) GRPs and SOV (percentage share of GRPs), active months, average and peak weekly or monthly GRPS, reach, frequency of key competitors at week, month or campaign level

(ix) Marketwise GRPs

(g) Print analysis

(i) SOE, and share of volume

(ii) Dailies versus magazines, English versus regional, color versus B&W

(iii) Edition mix analysis (at publication/market level)

(iv) Magazine genre

(v) Size of ads

(vi) Positioning of ad

(vii) Market skews

(viii) Innovations used

(ix) Active months, average and peak monthly GRPs, reach, frequency at month or campaign level

(h) New commercial launch, relaunch

(i) Theme versus promotions

Some of the issues to be aware of during a competitive review are:

Corrected Spends

The source of spends for both print and TV is usually TAM Adex (short for Advertising Expenditure). *Spends reported by TAM,* in the case of print, are card rates, and they *need to be adjusted for the savings due to negotiations*. The savings achieved on the print plan can vary vastly, depending on the size of spends, the category being advertised, the mix of publications (leader versus follower), the competitiveness in a market, and, of course, the negotiating skills of the buyer.

A good thumb rule is to look at the achieved overall percentage savings last year and apply it across all publications and brands. We must exercise caution while analyzing at a publication level in such a case. Of course, the most accurate, though laborious and time-consuming analysis would be to correct spends of each publication to the level of its savings in the previous year.

The other thing to keep in mind while correcting the print spends is that the *applicable premia for positions is part of the reported spend* figures. This can substantially inflate spends and, therefore, apart from the savings on the card-rate, savings on position premia need to be factored in as well. Again, the quantum of adjustment is a factor of the kind of publications and positions used. Front page positions in a leader publication may not be discounted, or may be marginally discounted. On the other hand, follower publications may discount even front page premia heavily. Usually, one figure which incorporates both, the card-rate and the premia savings is applied across all publications for quick calculation.

Market rates used by TAM for TV spends, while presenting a better picture than card-rates, may still not be close to reality. In this case, frequency channels are corrected on the basis of a realistic effective rate, while the spend for mass channels are corrected at either a CPRP level or, painstakingly, at a program level. Rough and ready effective rate correction can be used if in a hurry, but this would not be very accurate.

Edition-wise Analysis

A complication in the print analysis is that the *edition data is reported separately for every insertion*. If a brand has used a combination package, the data will still report the ads as separate insertions in each of the editions, and the *combination rates for the all edition packages will not be applicable*.

If we analyze the data date-wise and edition-wise, it is possible to isolate all such package insertions. There may, however, still be a complication if the brand has taken all the editions, but utilized the ads across different days! This process is fairly time-consuming as it is not automated and requires manual intervention.

Normalized GRPs

These are used mostly in a buying context, but may need to be part of the competitive review as well. In the planning context, a spot on a program would deliver a certain TRP regardless of its duration. TRP as a measure is independent of the duration of the ad. Now, this would obviously be very problematic in the buying context where a 20 second spot would cost twice that of a 10-second spot.

To solve this problem, we have normalized GRPs which are *GRPs factored by ad duration*. It is a fairly straightforward mathematical calculation. A 20 second spot on a program would result in twice the GRPs of a 10-second spot on the same program, all else remaining constant. GRPs are always normalized in the buying context, and are usually normalized to 10 seconds. This, however, is only in the buying context. GRPs may, or may not, be normalized in the planning context, and that too not necessarily to 10 seconds.

$$\text{Normalized GRPs} = \frac{\text{GRPs} \times \text{Ad duration}}{10 \text{ (seconds)}}$$

If we run a mix of edits (i.e., ads of different durations), then the rating of each of the units should be factored by the relevant duration.

The competitive review helps in giving a bird's eye view of the advertising weights that the competition is deploying, in addition to a broad understanding of the market, media mix, and scheduling strategy.

6.1.2 SOV–SOM and the Advertising-Intensiveness Curve

John Philip Jones, during his search for cutting down wasteful advertising expenditure arrived at a measure of advertising intensity—a comparison of SOV (share of voice or GRPs) to SOM (Share of market). His study was *based on empirical research conducted in 1987 involving 1,096 advertised brands across 23 counties*. Most of these brands were FMCGs, or what he calls repeat purchase packaged goods [1].

He found that brands could be classified into two categories:

Profit-taking Brands or Under-spenders

These were mostly *established, large share brands operating with SOV lower than, or equal to their SOM*. These were brands with probably a historical place in the consumer's mind—brands which had been built over the years. In such cases, advertising budgets worked harder and more efficiently, and these brands could, therefore, afford to operate with their SOV lower than SOM. These brands, however, could end up losing share if they were significantly under-advertised or 'milked' over extended periods.

Investment Brands or Over-spenders

These were mostly *small share, or new brands operating with SOV higher than their SOM*. These were essentially brands in the growth phase where investments were essential for them to stand out of the clutter of other, more established, brands.

The advertising intensiveness curve is depicted graphically in Fig. 6.1 (for packaged goods)—the X axis plots the market share of brands, and the Y axis plots, how much above or below SOM the SOV for a brand should be.

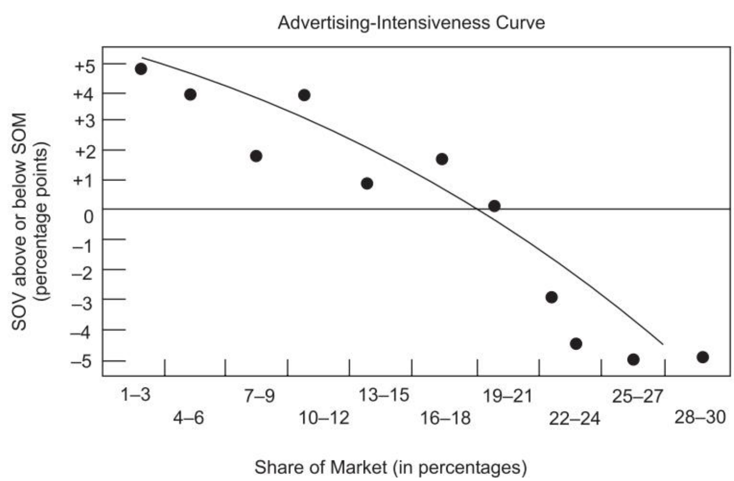


Fig. 6.1

The advertising intensiveness curve is better understood when we apply it to the toilet soap category. Large share brands like *Lux* and *Lifebuoy* which have been advertised over the years have successfully built brand equity in the consumer's mind. This equity enables such brands to operate with their SOV substantially below their SOM. Of course, consistent below threshold-level media activity, though not impacting established brands in the short term, can impact a brand's equity and subsequently sales in the long term. Medium share brands like *Santoor* operate with SOV=SOM. New brand launches need to operate with SOV equal to roughly thrice the SOM.

Shortcomings

1. Difficulty in predicting category GRPs

The major problem with the SOV–SOM method of setting media objectives lies in the prediction of GRPs for the category. The GRPs for each brand, and for new launches have to be predicted to arrive at the category GRPs. The desired SOV level for the brand then results in a certain annual GRP target on the basis of the predicted category GRPs. Predicting GRP levels accurately for each brand, and also being aware of every new launch, the levels the new brands will be at, and which of the existing brands will not advertise in the year, is a task fraught with uncertainties and also with great chances of error!

Let us look at a brand which operates in a category with a GRP level of 25,000 (see Table 6.1). SOV level of 20% for the brand means 5000 GRPs. If the brand's strategy is to maintain its SOV at the level of 20% for the next year as well, the first task would be to predict the category GRPs. If the GRPs grow from 25,000 to 35,000 next year due to new launches and heightened competitive levels, the brand would need to be at 7000 to achieve a SOV of 20%—a growth of 40% in its annual GRP levels! On the other hand, if the year ahead is a sedate year with the category GRPs falling to 20,000, our brand has to only operate at 4000 annual GRPs. As we observe, a lot depends on the category GRP prediction. The brand GRPs in the case above could vary from 4000 to 7000, depending on the category GRP prediction. Accurate prediction, therefore, is absolutely critical for the success of the SOV–SOM method.

Table 6.1

	This year		*Next year (Scenario 1)*			*Next year (Scenario 2)*		
	GRPs	%SOV	GRP	%SOV	%growth	GRPs	%SOV	%growth
Brand X	5000	20	7000	20	40	4000	20	-20
Category	25000	100	35000	100		20000	100	

2. The spiraling effect

The other downside to the SOV–SOM method is that while it is an excellent competitive framework for setting objectives, it does not factor in efficiencies. As this method only benchmarks to competition, if the competitor ups his weights beyond the level we have predicted for him, we will also be forced to increase our levels in order to attain our desired SOV level—a matter of keeping the share of the pie constant! This typically leads to an ever-increasing cycle of upped media weights, or what is termed as the 'spiraling' or 'inflationary' effect.

6.2 SETTING EFFICIENT MEDIA WEIGHTS

To counteract the shortfalls of the SOV–SOM method of setting objectives on the basis of competitive activity levels, we have a method which incorporates efficiencies into the process of arriving at ideal media weights. This is the EFER or *Effective Frequency and Effective Reach method*.

6.2.1 Effective Frequency and Effective Reach

With increased clutter levels and divided attention, it is quite likely that *multiple exposures to the ad are required before it has the desired effect* on the consumer. Effective Frequency is the minimum number of times the target audience needs to be exposed to our communication so that it has the desired effect [2].

Colin McDonald's study in 1971 proved that consumers were more likely to switch if they had two or more exposures to the ad in the interval between purchases [3]. This kind of behavior led to the surmise that response to advertising (sales or purchases), if plotted against the advertising increments (advertising frequency in this case) would show a classic S-shaped response curve (see Fig. 6.2). *Advertising at lower levels of frequency is ineffective and does not add to sales or purchases.*

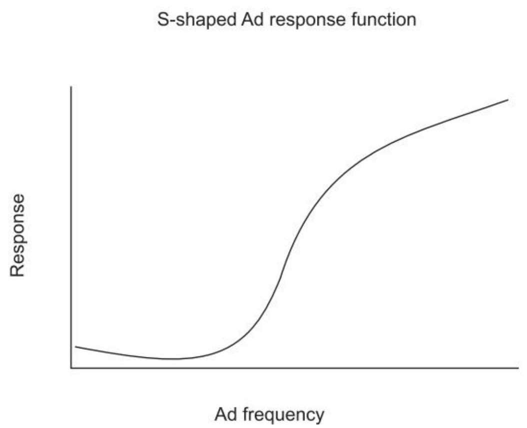


Fig. 6.2

Beyond the threshold level, or at the effective level of frequency, the message begins to have an effect. The response increases at an increasing rate till the bend in the curve, called the '*inflection point*'. After the inflection point, the increases in ad response happen at a decreasing rate [4].

Herbert E. Krugman talked about three exposures being enough to do the job [5]. Krugman talked of three levels of exposures in psychological terms—curiosity, recognition and decision. He said that the first exposure gave rise to a 'What is it?' kind of response. The second exposure went on to generate a 'What of it' response, an attempt to understand whether the message had any personal relevance to the consumer. The third exposure acted as the reminder, while all subsequent exposures only fulfilled the same task—of a reminder.

Naples published his book on Effective Frequency in 1979. Naples found little or no effect of one exposure. While most studies suggested two exposures as effective, Naples found three exposures to be optimal. He also found that large, well-established brands were likely to have fewer gains from increased frequency, especially, if they were close to advertising saturation levels. Small and less well-known brands, on the other hand, had much to gain from increased frequency. He also found that each brand had a different context and different response to the same frequency level on the basis of this context [6].

Ostrow's talk at the ARF conference in 1982 on Effective Frequency tried to set a framework to arrive at the effective frequency for a brand which would take into account its marketing, media and creative context. This was path-breaking work as there was an acknowledgement of a brand's context impacting its frequency, and also laying down of a framework to arrive at the effective frequency for a brand—the *Frequency Estimator* (Fig. 6.3).

Factor	Low frequency	1	2	3	4	5	6	7	High frequency
Marketing factors									
The brand is...	Established								New
Brand dominance...	Very dominant								Small share
Brand loyalty...	High								Low
Purchase cycle...	Long								Short
Usage cycle...	Long								Short
Competitive SOV is...	Low								High
Target group learns...	Fast								Slowly
Message factors									
Message complexity	Simple								Complex
Message is...	Unique								Me too
Campaign is...	Continuing								New
Commercial pool	One spot								Many spots
Wearout of commercial	Low								High
Commercials are...	Long								Short
Media factors									
Clutter is...	Low								High
Environment to message	Close match								No match
Attentiveness of audience	Involved								Not involved
Plan is...	Continuous								Pulsed
Number of media used	One								Many
Promotional support is	High								Low
FCB grid position									
Product is...	High involvement								Low involvement
Product is...	Emotional								Rational
Minimum frequency									

Fig. 6.3 The frequency estimator

There are various such grids that have been developed by different agencies. The grid works like a logical checklist for factors like brand share, loyalty, age of the brand, purchase frequency, message complexity, size of the creative unit, clutter levels, multi-media, etc., that would impact the frequency level of the brand. For instance, if the brand is an established, high share brand with high loyalty, it would need lower levels of frequency. If, however, the campaign is new with a complex message, it would need higher levels of frequency. The brand is mapped or plotted on all the factors in the grid and the factors are weighted to arrive at the effective frequency [7].

After arriving at the effective frequency level using the grid, we plot the Effective Reach at the effective level of frequency for increasing activity. The reach at every increment in GRP levels is plotted to give the effective *reach curve*. After a while the reach increases but, at a decreasing rate, and the point at which this starts happening is called the 'point of diminishing returns', PODR, or the 'inflection point'. The *PODR is the most efficient level for a brand to operate at, and the corresponding Effective Reach and Effective Frequency would be efficient objectives for the brand.*

In Fig. 6.4, increased activity levels are plotted along the X-axis in the form of GRPs in roughly 100 GRP increments. Let us assume that using the FCB Frequency Estimator, we arrive at 3+ as the effective frequency for our brand. The reach increments are plotted for every increase in GRP level to give us the 3+ reach curve. We then calculate *dy*/*dx*, i.e., change in reach/change in GRPs. In the initial phase, reach build-up will happen faster. However, the curve will taper off, and the point where the rate of growth slows down significantly, will be the PODR. A horizontal line dropped from the PODR to the Y-axis gives us the reach target, 65. The effective frequency arrived at using the FCB grid was 3+. A vertical line dropped from the PODR gives us the GRP targets within which we should achieve the EFER goals—roughly 600 GRPs in this case. So, our efficient media weights are 65 at 3+, 600 GRPs.

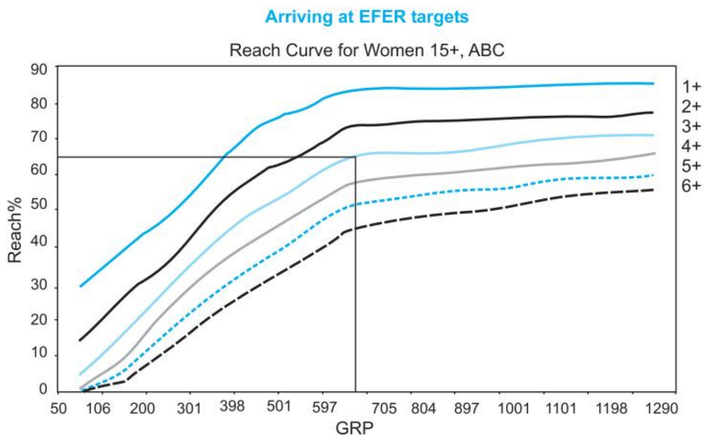


Fig. 6.4

Shortcomings

1. TG-based

The EFER method is based on the target group, and all else remaining constant (the channel mix and plan composition in terms of day-parts), it will throw up exactly the *same objectives for two different brands if they are targeted at the same TG* regardless of the difference in the brand context. This method does not factor in the competitive context, and is entirely TG based. While the effective frequency grid does factor in a fair amount of brand context, if two different brands have the same effective frequency, they will end up with exactly the same media objectives for the same TG, regardless of other differences.

While *SOV–SOM* has a strong competitive context, this method does not factor in efficiencies. *EFER,* on the other hand, has a strong efficiency mechanism in-built into the method, but lacks a strong competitive framework. Thus, the two methods *are complementary ways of setting objectives* as one makes up for the shortcomings in the other. For this reason, they always need to be *used in conjunction* to arrive at media weights.

6.2.2 Smile Toothpaste—A Case Study

Let us look at a case on setting efficient media weights for *Smile toothpaste*. Smile Dental is the largest selling mass toothpaste brand in the market with a dominant share. Smile Total is the high-end toothpaste in the Smile franchise and, it is the highest priced toothpaste in the market. Smile Total's competition is Dentadent, which is a high-end offering from a competitor (though priced lower than Smile Total). If we look at the user profile data from the NRS, we see that there is a brand differentiation issue. Total and Dental have close user profiles, while Dentadent clearly has a more upmarket profile. Figure 6.5 shows a higher satellite base of users for Dentadent, while Fig. 6.6 shows a higher SEC AB proportion for it, whereas Total is closer to the Smile Dental user profile.

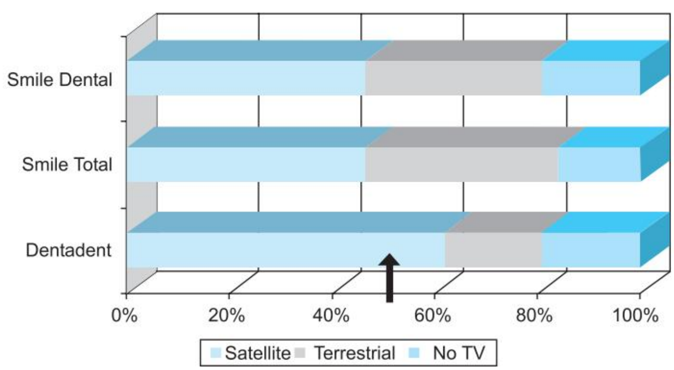


Fig. 6.5 Dentadent users with higher satellite access

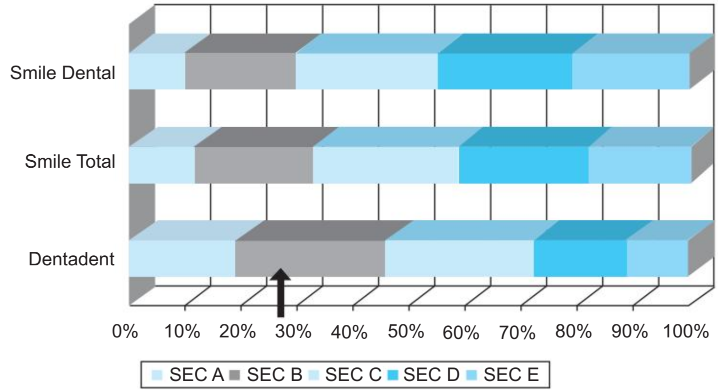


Fig. 6.6 Dentadent users more upmarket

Look at Fig. 6.7. The market leader, Smile, is following the SOV–SOM theory and operating with its SOV at 40% lower than its SOM at 52%. The new entrant Dentadent, is operating with its SOV at 28%, which is more than double its 12% SOM. Freshgel, an established mid-size brand, is operating with its SOV = SOM.

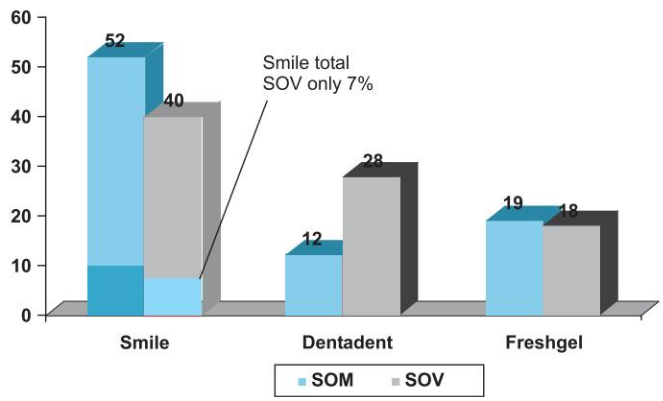


Fig. 6.7 Dentadent SOV 4 times smile total

The problem is really with Smile Total—at 7% SOV it is being outshouted by its competitor Dentadent at 28% SOV! Smile Total, a recently launched brand, is not following the AIC norm of being advertised at higher ad intensity compared to its SOM (10% vs. SOV of 7%). It is, therefore, operating below threshold, and is not being able to differentiate itself from the mother brand, Smile Dental. Due to this, the upper end of Smile Dental users, instead of upgrading to Smile Total and being retained within the franchise, are upgrading to the competitor's high-end offering, Dentadent.

Let us look at the efficient EFER solution to this problem. Using the FCB frequency Estimator, we arrive at an effective frequency of 3+ for Smile Dental, and a frequency of 6+ for Smile Total (Figs. 6.8 and 6.9). Now, let us look at the reach curves for the two brands (Fig. 6.10). The PODR for Smile Dental is 64 at 3+ but it is operating well beyond this at the heavily inefficient zone of 85 at 3+. On the other hand, Smile Total, which ought to be an investment brand, is operating far below the threshold of 44 at 6+ with its level of 18 at 6+.

Factor	Low frequency	1	2	3	4	5	6	7	High frequency
Marketing factors									
The brand is...	Established	1							New
Brand dominance...	Very dominant	1							Small share
Brand loyalty...	High	1							Low
Purchase cycle...	Long							1	Short
Usage cycle...	Long							1	Short
Competitive SOV is...	Low	1							High
Target group learns...	Fast			1					Slowly
Message factors									
Message complexity	Simple	1							Complex
Message is...	Unique			1					Me too
Campaign is...	Continuing	1							New
Commercial pool	One spot	1							Many spots
Wearout of commercial	Low							1	High
Commercials are...	Long	1							Short
Media factors									
Clutter is...	Low							1	High
Environment to message	Close match		1						No match
Attentiveness of audience	Involving						1		Not involving
Plan is...	Continuous		1						Pulsed
Number of media used	One	1							Many
Promotional support is	High				1				Low
FCB grid position									
Product is ...	High involvement							1	Low involvement
Product is ...	Emotional							1	Rational
Minimum frequency	3.4	9	2	2	1	0	1	6	

Fig. 6.8 Smile dental: The frequency estimator

Factor	Low frequency	1+	2+	3+	4+	5+	6+	7+	High frequency
Marketing factors									
The brand is...	Established							1	New
Brand dominance...	Very dominant							1	Small share
Brand loyalty...	High							1	Low
Purchase cycle...	Long							1	Short
Usage cycle...	Long							1	Short
Competitive SOV is...	Low							1	High
Target group learns...	Fast	1							Slowly
Message factors									
Message complexity	Simple						1		Complex
Message is...	Unique					1			Me too
Campaign is...	Continuing							1	New
Commercial pool	One spot		1						Many spots
Wearout of commercial	Low							1	High
Commercials are...	Long			1					Short
Media factors									
Clutter is...	Low							1	High
Environment to message	Close match					1			No match
Attentiveness of audience	Involving					1			Not involving
Plan is...	Continuous							1	Pulsed
Number of media used	One				1				Many
Promotional support is	High							1	Low
FCB grid position									
Product is ...	High involvement							1	Low involvement
Product is ...	Emotional							1	Rational
Minimum frequency	5.8	1	1	1	1	3	1	13	

Fig. 6.9 Smile total: FCB frequency estimator

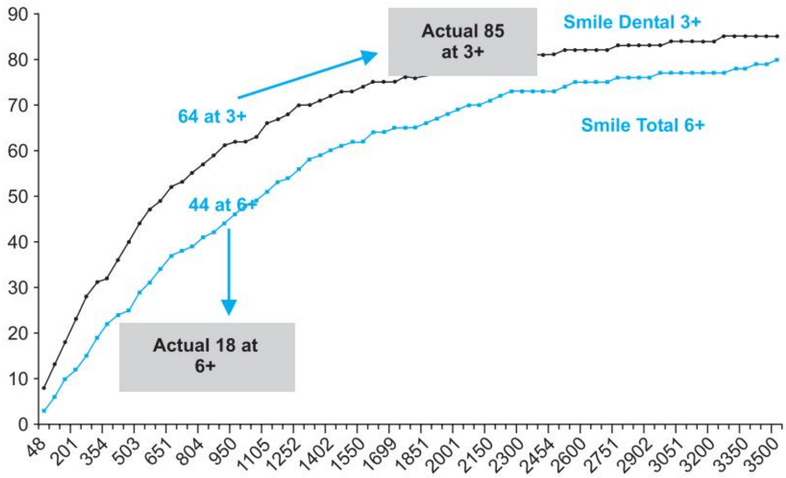


Fig. 6.10 Minimizing wastage, maximizing efficiency

The solution to the Smile problem is to cut off the Smile Dental activity at the PODR, and redeploy the budget saved on Smile Total to ensure that it too operates at its PODR level. In fact, as reach buildup beyond PODR is very expensive, the money saved by being efficient on Smile Dental actually, would stretch to support Smile Total for more weeks and months on air in the year. This would give the brand the much needed continuity, unlike its earlier sporadic, flighted pattern of activity, and help establish it as a competitor to Dentadent.

6.2.3 The Effective Frequency Versus Recency Debate

Later work in the area of setting media objectives started questioning the 3+ theory of effective frequency. Single source data (brand purchase and media habits monitored in the same households) provided an impetus to studies in this area. In 1995, John Philip Jones in his book *When Ads Work,* talked about the shelf-space model of Recency [4].

John Philip Jones found that '*within a week, a single ad exposure was enough to produce a strong purchase effect and that subsequent exposures within that week added very little*'. The result is a different response function from the traditional S-shaped response curve—a concave diminishing curve (Fig. 6.11). The first

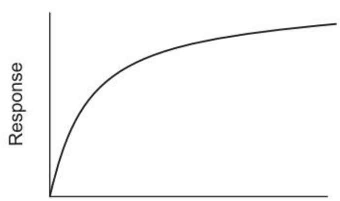


Fig. 6.11 Concave downward ad response function

exposure to the ad started having an effect, and this increased at an increasing rate till the bump in the curve, or the PODR or the inflection point. After this, the increase happened at a decreasing rate. This was a fairly revolutionary finding for an industry brought up on effective frequency and repetition being the key to comprehension and subsequent action!

While this would seem to challenge psychologist Krugman's theory of three hits, Erwin Ephron is at pains to assure us that Krugman never actually said that three exposures are necessary [8]. What he did say was that psychologically only three exposures are possible as all exposures after three behave like the third exposure response. Ephron and Jones clarify that while frequency and repetition might be required for a new brand launch, the consumer has already passed through the two phases of response for existing communication, and the third exposure is all that is required to get the required response.

The *task of advertising is therefore to 'remind' the consumer* when he is ready to purchase. And, as consumers would be buying every day, *'presence' rather than' frequency' is the key*. Also, the effect of advertising is greatest when it is close to purchase as '*propinquity' is of importance rather than repetition* [9]. Erwin Ephron, therefore, recommends that all planning should be weekly and, rather than flighting activity with greater concentration during the flights, the activity should be as spreadout as possible to ensure more weeks 'on-air'. The attempt should be to maximize weekly reach at 1+. The earlier way was to plan for 3+ exposures in the month and maximize monthly reach at 3+.

Shortcomings

1. Not universally applicable

The Recency model is based on FMCG goods in competitive, fragmented markets. It may not necessarily be a good strategy to take on leader brands with high share where we may end up being present at below threshold levels in an effort to be visible. Also, non-FMCG categories which are not bought through the month and the year may not necessarily benefit from this theory.

6.3 SETTING TASK-BASED MEDIA WEIGHTS

A more evolved way of setting objectives is to look at the task at hand for the brand, and then arrive at media targets which enable the goal to be delivered. Usually, brand track or household panel data is used to understand the existing relationship, and then the task is overlayed to arrive at the media objectives.

6.3.1 Reach–Awareness–Trial–Retention Ratios

Let us look at how we can use household panel data [10] to arrive at media objectives. In a household panel, category and brand consumption is tracked on a weekly basis. This allows for a fairly rich analysis of new product trials, conversions, retention, awareness, preference, gain-loss analysis, etc. The advantage of this database is that it is a continuous study—which also means that the coverage is limited to a couple of cities as it is an expensive proposition.

The reach of the media plan is data that is available to us outside of the panel data. A fraction of the people reached becomes aware of our brand. Of the people who are aware, a fraction tries our product. In fact, only a part of the people who try our product are retained, i.e., they continue buying our product and become users of our brand. This leads to a pyramid-like relationship (Fig. 6.12).

Fig. 6.12

Let us look at an example on how we can use this relationship to set media targets. Look at Fig. 6.13—a brand has 4.5 mn units of sales. We have a TG base of 50 mn people, and our last media plan reached 80% of this base, i.e., 40 mn individuals. From the past panel data, we have established a relationship between reach and awareness. Seventy percent of the people reached are aware of the brand, i.e., 70% of 40 mn reached are aware of the brand, i.e., 28 mn. Of the people aware, only 25% try our brand, i.e., 25% of 28 mn = 7 mn. Twenty-five percent of trialists become brand users, i.e., 1.75 mn users. Sales divided by the user base gives us the per capita consumption for the brand, i.e., 4 mn units/1.75 mn users, which is 2.3 units per person.

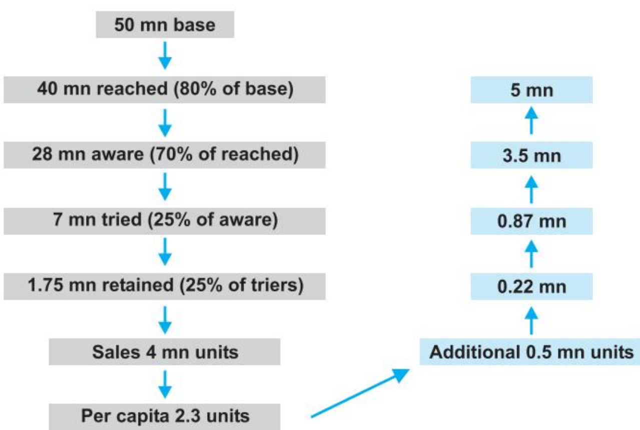


Fig. 6.13 Using reach-awareness-trial-retention ratios

Now, let us see how to use this relationship for future planning. If we wish to sell an additional 0.5 mn units, we need to have 0.5 mn/2.3, which is 0.22 mn users.

$$\text{Per capita consumption} = \frac{\text{Sales}}{\text{User base}}$$

$$\text{Per capita consumption} = \frac{\text{Additional sales}}{\text{Additional users}}$$

$$\text{Additional users} = \frac{\text{Additional sales}}{\text{Per capita consumption}}$$

$$= \frac{0.5\text{ mn}}{2.3}$$

$$= 0.22\text{ mn}$$

We now use the established relationship and work backwards to arrive at the number of people we need to reach. Only 25% of people who try become users of the brand—0.87 mn.

$$\text{Users of the brand} = 25\%\text{ of Trialists}$$

$$= 0.25 \times \text{Trialists}$$

$$\text{Trialists} = \frac{\text{Users of the brand}}{0.25}$$

$$= \frac{0.22\text{ mn}}{0.25}$$

$$= 0.87\text{ mn}$$

We can work backward to arrive at the required reach in this way. Only 25% of the people who are aware try our brand, i.e., 3.5 mn. Seventy percent of those reached are aware, i.e., 5 mn additional people to be reached in order to ensure additional sales of 0.5 mn units! The interesting point to be noted is that sales are up from 4 mn to 4.5 mn units, an increase of 12.5%. Reach is up from 80% to 90% (40 mn to 45 mn). Budgets, however, are up 35% to achieve this task! This is due to the fact that reach is infinitely more expensive to build as the curve starts plateauing beyond the PODR. So, doubling the budget will not necessarily double sales. It depends on how close to saturation the brand is—the closer it is to saturation point, tougher and more expensive the task.

Shortcomings

1. Panel data essential

No inherent shortcomings of this method of setting targets. The only downside is that it necessarily needs household panel data to work, making it a restrictive way of setting targets.

2. Extrapolation issues

The panel data may exist for select cities only. It may be impractical to extrapolate to other markets on the basis of a few cities.

6.3.2 Econometric Modeling

Using Brand Tracks

The most scientific way to set targets is to build an econometric model relating advertising to its effects [11,12]. The modeling process requires specialized knowledge of econometric modeling. The model usually contains a 'dependent' variable, mainly advertising effects like sales or awareness measures, and multiple 'independent' variables which impact the dependent variable. The independent variables could be promotions, price, distribution and advertising for a market mix model, or individual media like TV, print, radio, etc., for a multimedia model. The main advantage of econometrics is that it is able to separate the effect of each variable in the model and quantify its individual effect.

For most FMCG goods, a major part of the budget is spent on TV. Brand tracks are a good source of advertising effects data, mostly in the form of Awareness measures like TOM, Spontaneous awareness, and brand preference. Brand tracks are similar to household panels in that they have a constant number of homes that are contacted within a defined time-frame (normally a week). While the household panel may capture brand and ad awareness, its focus is primarily brand and category usage, or consumption. On the other hand, the brand track focuses on brand and ad awareness, preference, brand equity and brand attribute statements [10].

The regression equation is expressed as,

$$Y = C + b_1X_1 + b_2X_2 + b_3X_3 + \dots + b_nX_n$$

Y is the dependent variable, $X_1 \dots X_n$ are the independent variables, $b_1 \dots b_n$ are called the regression coefficients, which are a measure of how much the dependent variable would change with a unit change in each independent variable. In other words, the regression coefficients are nothing but the 'elasticity'. If the independent variable is price, and the dependent variable is sales, the regression coefficient is the price elasticity—how much the sales will change for every single unit change in price. This is the way we would arrive at the advertising elasticity for a brand when the independent variable measures advertising, e.g., TV GRPs. Unlike price, which is a strong force in shaping sales, advertising is a weaker force, and the average advertising elasticity is generally about 0.1 [13]. The R^2 test shows how much of the variation in the dependent variable is explained by the independent variable. The higher the R^2, the more accurate is the model.

Once a relationship is established between advertising and its effects through the model, it can be used in a predictive way to test various hypotheses. We can set desired awareness or preference scores, and then use the model to predict what GRP levels would be required to achieve the objective. This approach to setting GRP targets has the advantage of being completely customized to the brand and based on the brand's past context.

Shortcomings

Modeling Expertise Accompanied by Judgment Essential

While this method of setting targets has no inherent shortcomings, the issue is really in ensuring that the model is statistically sound. A high R^2 is only the tip of the iceberg in ensuring that the model is statistically significant. There are a host of statistical tests which are critical in ensuring a robust model.

While statistical knowledge of the process of building the model is essential, what is even more important is having sound judgment in crafting the framework of the model—which variables are to be included, how they interact, the pattern to be expected, etc. This needs a thorough understanding of the advertising process too.

6.3.3 The Concept of Adstock

Adstock is used to describe the measure of advertising recall which, in addition to the recall of the current advertising also adds-on the carryover effect of past advertising. While Jone's experiments with single-source data proved the short-term effect of advertising, Adstock as a concept was propounded by Simon Broadbent to account for the long-term effects of advertising. The long-term effect of advertising is a fairly difficult parameter to measure. It is extremely difficult to separate the effect of advertising from actual product experience in the formation of the brand equity [14,15].

Adstock is not only a response to present advertising, but also part of a continuum of past exposures and a carryover to the future as well. Each new exposure lifts the ad effect (sales, awareness, brand preference) to a new level, and this is called the '*response function*' or '*advertising wearin*'. As per the Recency theory, wearin is immediate and starts with the first exposure. Depending on the strength of the communication, the weight of the media plan and the kind of vehicles being used, etc., the effect of the communication starts wearing out (till the next exposure), and this wearout is called advertising decay [16]. Adstock is thus a model of how communication builds and decays. Modeling of ad effects to media weights is similar to that using brand tracks, and is able to be similarly used in a predictive way. The only difference is that, instead of GRPs, *Adstock adjusted GRPs are modeled to ad effects* (see Fig. 6.14).

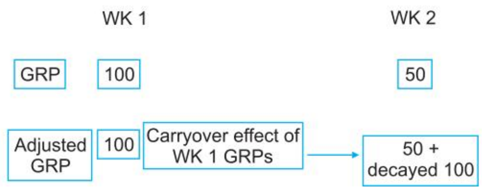


Fig. 6.14 Adstock

6.3.4 Advanced Modeling: Multimedia and Market Mix Modeling

While TV is the dominant medium for most FMCG brands, media like print and outdoor get a significant share of the budget for other categories and services. In such cases, *modeling TV GRPs alone cannot provide a satisfactory model,* and multimedia modeling is the solution. The process is fairly similar to econometric modeling. The effect of a 30 second TV commercial is not necessarily equal to a 30 second radio ad, which in turn, may not be equal to a 100 cc print ad. The primary issue in multimedia modeling is the method of making the effects of different media comparable [17].

Market mix modeling recognizes that advertising is only one part of all that goes in to deliver sales. The highest form of modeling is to successfully be able to model all elements of the marketing mix—like price, distribution and advertising, to sales of the brand. This method, while being the most evolved, is also extremely rare as there is usually a lack of historical data on required parameters like consumer and trade promotions, price hikes, and of course the competitor's consumer and trade schemes.

6.4 OTHER WAYS OF SETTING MEDIA WEIGHTS

There are other practical ways of looking at media weights which may not necessarily be the most scientific.

6.4.1 Budget-based Weights

While we may desire the brand to operate for maximum weeks in the year at the most impactful level of media weights, very often the brand budget is the cold reality that has to be dealt with. The ideal media weights may not be possible for the brand at the level of the budget it has at its disposal. In such a case, the ideal has to be over-ruled by the practical. The ideal scenario may dictate continuous activity at PODR weights. Rather than choosing to be operational at suboptimal weights for 52 weeks, the brand may be better off ensuring at least PODR level weights in the 39 weeks that the budget allows.

6.4.2 Benchmarking Like Brands in Other Categories

While a lot of the action is focused on what competitors within the category are doing, often it could be interesting to understand how brands in other similar categories are operating. Very often, a brand is not only competing with brands within the category, but also with brands across categories for the consumer's attention. Media weight data in terms of GRPs, Reach at different levels of frequency, active weeks, peak GRPs, etc., could be collated across brands at an FMCG or durables level. The brands could also be split into high-medium-low share, and the media weights could be benchmarked. This information can be insightful, but not necessarily decisive about how weights for our brand need to be set.

SUMMARY

- *Media weights usually set in terms of GRPs, Reach, AOTS.*
- *Competitive Review—detailed analysis of the competitors' activity, using corrected rates.*
- *SOV–SOM—competitor based, large share brands operate with SOV < or = SOM, new or small share brands SOV > SOM. Difficulty in predicting category GRPs, inflationary, and media levels not efficient.*
- *EFER—Efficient, multiple exposures to the ad required before it has desired effect. PODR—reach increases at a decreasing rate after PODR. TG-based and not sensitive to brand context.*
- *SOV–SOM and EFER—complementary and need to be used in conjunction.*
- *Recency—single, weekly ad exposure enough to produce strong purchase effect, subsequent exposures add very little. Maximize weekly 1+ reach and presence (number of active weeks). May not be relevant for non-FMCG categories which are not fragmented and are seasonal.*
- *Reach: Awareness: Trial: Retention ratios—Relationship established from past household panel used to set task-based targets. Panel data essential. Issues with extrapolation to other markets.*
- *Econometric modeling—Task-based, a 'dependent' variable, like sales or awareness modeled against multiple 'independent' variables like promotions, price, distribution and advertising for a market mix model, or individual media like TV, print, radio, etc., for a multi-media model. Past relationship used to set task-based targets. Modeling skills critical.*
- *Adstock is not only response to present advertising but also part of a continuum of past exposures and a carry-over to the future as well. GRP adjusted for carryover effect and then modeled to other effects.*

REFERENCES

1. 'Advertising Budgets'—John Philip Jones, *How much is Enough*, Chapter 5, 1992.
2. 'Media Basics'—Chapter 2 of this book.
3. 'The history of single source research: The first steps'—John Philip Jones, *When Ads work*, Appendix B, 2006.
4. 'One shot of advertising adrenaline'—John Philip Jones, *When Ads work*, Chapter 4, 2006.
5. 'Why three exposures may be enough'—Herbert E. Krugman, *Journal of Advertising Research*, Dec. 1972.
6. 'Reach, Frequency and Effective Frequency'—Sissors & Bumba, *Advertising Media Planning*, Chapter 6, 1996.
7. 'Weighting, Reach, Frequency and Continuity'—Sissors & Bumba, *Advertising Media Planning,* Chapter 9, 1996.
8. 'Frequency of three'—Erwin Ephron, www.ephrononmedia.com..
9. 'Learnt any ads lately?'—Erwin Ephron, www.ephrononmedia.com..
10. 'Media Strategy'—Chapter 3 of this book.
11. 'The single source breakthrough'—John Philip Jones, *When Ads work*, Chapter 1, 2006.
12. 'Research Designs to assess advertising Effectiveness'—Gerard J. Tellis, *Effective Advertising*, Chapter 5, 2003.
13. 'Sweet secret workings of advertising'—Gerard J. Tellis, *Effective Advertising*, Chapter 2, 2003.
14. 'Media Scheduling and carry-over effects: Is Adstock a useful TV Planning tool?'—Erwin Ephron, www.ephrononmedia.com.
15. 'Advertising Research: A digression on Recall'—John Philip Jones, *What's in a Brand*, Chapter 6, 1998.
16. 'Evaluating Advertising'—Gerard J. Tellis, *Effective Advertising*, Chapter 1, 2003.
17. 'Media Mix'—Chapter 7 of this book.

FURTHER READING

'An Inventory of knowledge'—John Philip Jones, *How much is Enough*, Chapter 10, 1992.

'Short-term Advertising Strength'—John Philip Jones, *When Ads Work*, Chapter 2, 2006.

'Does Advertising Work'—John Philip Jones, *When Ads Work*, Chapter 3, 2006.

'Talking Paper: The Scientific Principles of Media Planning are few but awesome'— Erwin Ephron, www.ephrononmedia.com.

'Teaching Tap to the elephant: Media Planers have fewer scheduling options than they think'—Erwin Ephron, www.ephrononmedia.com.

'Factors that shape a brand during its growth and maturity'—John Philip Jones, *What's in a Brand*, Chapter 4, 1998.

'How does advertising work'—John Philip Jones, *What's in a Brand*, Chapter 10, 1998.

'There are no absolutes in media planning'—Peter Gallucci, *Admap* Jul 1997.

'Market effects of advertising intensity'—Gerard J. Tellis, *Effective Advertising*, Chapter 6, 2003.

'Advertising's Dynamic and Content effects'—Gerard J. Tellis, *Effective Advertising,* Chapter 7, 2003.

'Advertising Pressure: A Diminishing rate of yield'—John Philip Jones, *What's in a Brand,* Chapter 8, 1998.

'Marketing Strategy and media planning'—Sissors & Bumba, *Advertising Media Planning,* Chapter 7, 1996.

MEDIA MIX DECISIONS

7

Media is not like creative where a "one message" strategy is important. Media is the many voices carrying that message. The end isn't integration it's performance. That means using different media to achieve brand goals. The integrating force in media has to be the Brand.

. . . . .Erwin Ephron

7.1 WHY MEDIA MIX?

When planners use more than one medium in the plan, the result is a media mix. There could be many reasons why the planner looks at a media mix versus a single medium. Some of them could be the following:

(a) It could be because the planner wants to *augment reach* by adding on people who would not otherwise be reached using a single medium.

(b) Every medium is consumed with differing levels of intensity. So, we would have heavy viewers of TV (defined as people who spend more than 10 hours a week watching TV), medium viewers (3-10 hours a week), light viewers (less than three hours of a week), and of course the non-viewers. A single media plan inevitably delivers maximum exposure to the heavy viewers, some exposure to the medium viewers, and possibly no exposure to the light viewers. It is fairly expensive to build reach within the light consumers of any medium, and the budget could be far more efficiently deployed in *adding on new people from another medium* like print.

(c) In cases, where we want to *add frequency*, we may do the job more efficiently by adding on exposures from a secondary or support medium which is less expensive. For instance, a brand may use the expensive TV medium to build reach, and then do an extremely cost-efficient job of building repetition and frequency by using radio.

(d) To *reinforce the message* using different kinds of sensory stimuli.

(e) To *deliver the message to the consumer through his day*— in the morning while he reads the newspaper, or watches breakfast TV news, while travelling to work (through outdoor hoardings or the financial paper he reads in the car), through search engine marketing and the internet at work, through word-of-mouth when he is gossiping with his friends during coffee-break, through the radio when he is on his way back home, and through late night TV which he watches when the rest of the family is in bed.

(f) To *reach different kinds of audiences*—mothers through afternoon serials on mass channels like Star Plus and women's magazines, and kids through cartoon channels and Discovery [1].

The other building blocks of the media strategy—like TG definition, market prioritization and media weights—have a lot of research and science, and possibly even models backing them. Media mix is the building block of the media strategy where a lot of *'intuition' and 'gut feel' comes into play,* and often the data is a post-decision tool to justify the choices made!

There is actually a very simple reason for this. Media mix decisions have to be made keeping in mind a host of factors, *quantitative, and also a lot of fairly qualitative or subjective* factors not so easily quantifiable. Also, most of these factors need to be considered in parallel as they impact and act on each other. This is the reason why we have very few scientific models which aid in the decision-making process for determining the media mix.

7.2 TYPES OF MEDIA MIX DECISIONS

7.2.1 Broad Media Classes

This is the *broad categorization of media classes* like print, TV, radio, cinema, ambient, outdoor, internet, mobile, etc. Usually, the first step in the media mix decision is to select one or more broad media classes as part of the mix.

7.2.2 Media Vehicles

These are *specific vehicles* we choose which *fall under a broad media class*. So, if we choose TV as the broad media type or class, then Star Gold, Zee TV and NDTV 24X7 can be the media vehicles we choose within that class.

7.2.3 Media Units

The *creative duration or size* is the media unit we run in the media vehicle. The media vehicles selected within the broad media class of print could be *Hindustan Times*, *Times of India* and *Mail Today*. The media unit for *Hindustan Times* may be a full page ad, while it may be 240 cc in *Times of India* and 100 cc in *Mail Today*.

7.3 MEDIA CHOICES—SETTING THE CONTEXT

Print and TV still rule the roost with over 85% of the share of advertising revenues in the industry. The latest round of IRS (see Fig. 7.1) shows that satellite TV has registered growth while print has registered a marginal fall in readership (%). Emerging media, in addition to being more engaging and interactive, are also significantly more measurable in their effect. In an era of heightened accountability, they are winning wider acceptance. Technology has transformed existing media like outdoor as well. Let's take a look at the action within each media.

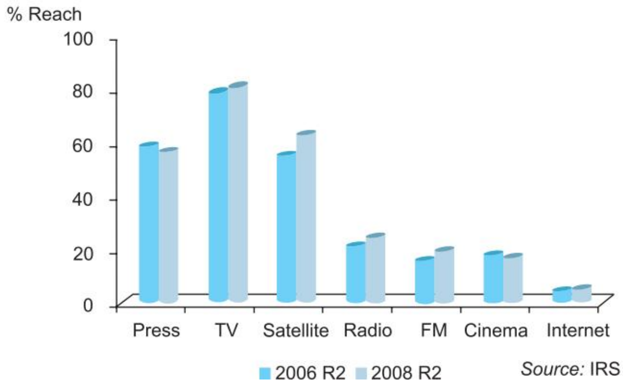


Fig. 7.1 Urban India—Media reach

7.3.1 Print

A classic beauty never goes out of style and print has epitomized this to the T. With a *lion's share of the advertising revenue,* print continues to reign supreme despite stagnating readership levels, aided of course by the annual rate hikes due to 'increase in newsprint rates'. Print has not been sleeping though; and has been fully alive to the threats facing it. *Increased competition* has willy-nilly made print players *upgrade their offering to the consumer*.

When *Divya Bhaskar* launched in Gujarat, both *Gujarat Samachar* and *Sandesh* increased the number of supplements from two to 15 in the week [2]! *Alliances and partnerships* that would not have been considered before, became a reality—a case in point being *Sandesh*'s tie-up with *Times of India* in the Gujarat market [3].

The *reader* was the one who *benefited the most,* with all efforts to woo him and keep him within the fold. *The Times* launched *Mumbai Mirror* (a loss-making product for the first couple of years), and offered it free to the readers of *Times of India* in an effort to block DNA from making inroads into homes as the second paper in the Mumbai market [4].

In a bid to *woo the youth,* which seemed to be slipping out of their grasp, print players launched *supplements and features* focused on this TG. The sudden flurry of activity in the *tabloid* space that we have seen lately has been focused more on the traditionally light or non-reader segments like women and youth. *Mid-day* has extended into Delhi and Bangalore, apart from their home market, Mumbai. *Mail Today* from the *India Today* group launched two years ago in Delhi [5]. *Metro*

Now, a *Hindustan Times* and *Times of India* joint offering was also launched in Delhi a couple of years ago, targeting the Delhi Metro travelers.

Print was also alive to the threat posed by media like *radio and outdoor aggressively focusing on local advertising*, its traditional strong point. Print players like *Dainik Bhaskar* and *Dainik Jagran* extended their offerings into local media like outdoor, cable TV, on-ground activities and events in their effort to *deliver the market, instead of delivering just readers*. The Times Response team has for many years been offering deals which include elements spanning group offerings like radio (Mirchi), internet (indiatimes), TV (Zoom, Times Now), outdoor (Times OOH), exhibitions, events and on-ground activation.

Innovations are now alternative sources of revenue, and even the traditional, unbending dailies are relaxing their strict codes to make innovations happen. Jackets, half-jackets, sky-buses (strip below masthead) are so frequent now-a-days that they have stopped being innovations, and have become just another position or page to buy.

With the consolidation of agency business [6], and a rising demand for lower rates from buyers, print media players too have been trying to consolidate their position and negotiating power by *extending their presence to other markets*. *Dainik Jagran,* originally the leader in Uttar Pradesh now operates in Delhi, Haryana, Punjab, Uttaranchal, Himachal Pradesh, Madhya Pradesh, Bihar, Jharkhand and Jammu. *Bhaskar,* originally from Madhya Pradesh, is now present in Rajasthan, Punjab, Haryana and Gujarat. *Deccan Chronicle* has extended its presence from Andhra Pradesh to Chennai and Bangalore.

English print, with only a 10% share of readership, still manages to garner a large proportion of the revenues, showing the skew towards upper SEC-focused products favoring this medium (see Fig. 7.2). Education, services, finance, retail and auto are the sectors that have fuelled growth in print, contributing to half the print revenues (see Fig. 7.3).

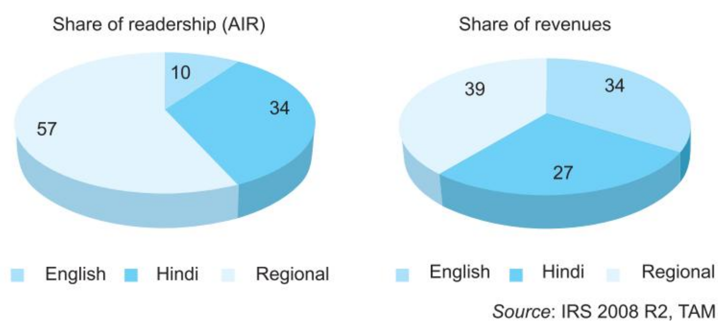


Fig. 7.2 English print—Disproportionate revenue share

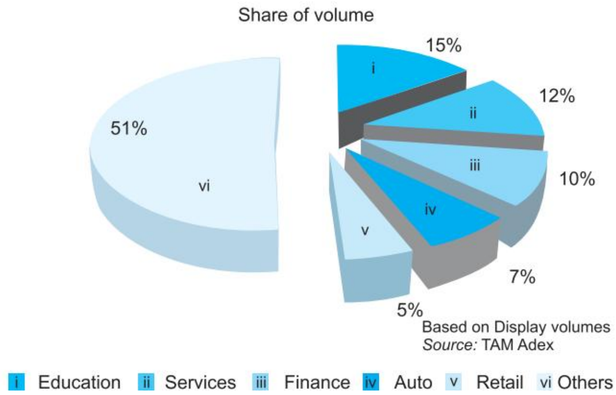


Fig. 7.3 Key sectors—Print 2008

Magazine readership, overall, has not been growing, but the *spate of special interest magazine launches* continues unabated. *India Today* is not only available in many regional languages, but has also added many magazines to its portfolio—*Reader's Digest*, *Spice* (a city magazine), *Business Today*, *Good Housekeeping*, *Cosmo*, *Travel Plus*, *Design Today*, *Time*, *HBR*, *Men's Health*, *Prevention*, *Golf Digest*, *Money Today*, *Scientific American India*, etc. Foreign titles like *Maxim*, *Vogue* and *Forbes* have been launched whilst *Fortune* is expected to launch its Indian version soon (refer Annexure 4 for top dailies and top magazines).

7.3.2 Television

With satellite TV booming, the 90s was the decade when TV was firmly on the ascent with its share of revenues actually overtaking print [7]. Growing revenues and a relatively non-fragmented base was attractive enough for many new entrants to secure funding and enter this space. Sameer Nair's NDTV Imagine, Peter Mukerjea's 9X, and TV 18 –Viacom's Colors are recent launches in the GEC space. UTVi and ET Now the most recent launches in the already crowded news channel space with CNBC, Awaaz, Zee Business and NDTV Profit as immediate competition, Times Now, NDTV 24X7, CNN-IBN, CNN, BBC, Headlines Today, Star News, NDTV India, Zee News, Aaj Tak and India TV as extended competition! Every genre, be it Hindi films or kids or lifestyle, is crowded with at least four to five players jostling for viewership.

While the choices available to the consumer are steadily on the rise, the *consumer* is not too impressed, and *is not spending substantially more time watching TV* (see Fig.7.4). The already fragmenting viewership was obviously not helped much by the entry of many new players. Star, which ruled with an almost DD-like dominance is no longer the undisputed leader with a huge margin. It has Zee and, surprisingly, new entrant Colors snapping at its heels [8]. Ratings on lead programs across GEC channels have fallen, prompting them to pull up their socks and introduce new programs. Star Plus retired '*Kyunki Saas....*' which ran for eight long years and was the lead program on the channel for a long, long time! With the success of reality shows like '*Khatron ke Khiladi*' and '*Big Boss*' on Colors and '*Nach Baliye 4*' on Star Plus, almost everyone is trying to ride the reality horse. *Regional channels* too have picked up on the trend and launched their versions of *reality shows and talent hunts*. The tough times have forced companies like Balaji to tread carefully and defer their GEC plans for now. Alva brothers and Turner partnership's Real TV was a cautious and low key launch in the second half of 2008.

Media	2006	2007	2008
Press	27.8	27.4	26.5
TV	93.8	96.4	99.4
Radio	69.7	70.4	81.1
Internet	61.5	62.3	60.1
Total Time Spent	**113**	**115.8**	**121.1**

Source: IRS

Fig. 7.4 Time spent (minutes) urban and rural

The *Twenty-20 format* saw the revival of revenues for the sports genre [9]. *ICL and IPL* got a new format of league cricket into India. ICL, backed by *Zee* and Subhash Chandra started out as a rebel league to combat the monopoly that BCCI enjoyed. BCCI was quick to ban players who signed on with ICL, and promptly started their own league IPL. The key success factor was to build team loyalty and popularize the new league format, and this meant huge investments. IPL seems to have got it right by creating a concept of franchise where corporates (like UB group, Reliance, India Cement, *Deccan Chronicle*, etc.) would own teams, be a part of the process of spending money to popularize their team, and have a share of the match revenues. The second season has not been very promising for ICL with TRP touching less than one, while IPL had average rating of five, with the peak rating actually going over eight [10].

With the need to have slick looking serials, and an attempt to hook in celebrities and film stars in a bid to win the TRP game, production *costs have only been on the rise* for channels. IBF tried to 'enforce' a rate hike end 2007 but, with major advertisers boycotting all channels, fierce competitiveness in the industry ensured that things got back to normal pretty fast. All channels have been looking at alternative sources of revenue—SMS contests, promotions, syndicated programs, innovations and in-serial placements are visible across channels. With DTH and increased transparency in the distribution process, the alternative source of revenue for TV channels from distribution has mercifully been on the rise.

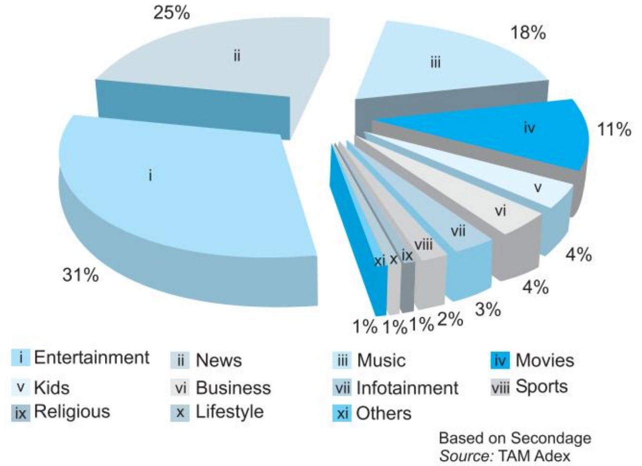


Fig. 7.5 Genrewise shares—TV 2008

GECs are still in the lead with a 31% share of advertising airtime; news is a close second with 25% share. Together, these two genres alone account for 56% of all advertising (see Fig. 7.5)! TV channels are shifting focus from FMCG to more non-traditional, competitive categories like telecom, auto and finance which are looking for impact and are willing to pay a premium for properties to block competition. This moves the focus away from CPRPs, and lets channels earn better yields on their inventory. The last two years TAM Adex data shows the presence of a fair number of non-traditional categories in the top ten (see Fig. 7.6).

Category	Rank in 2008	Rank in 2007
Cellular phone service	1	1
Social ads	2	2
Toilet soaps	3	3
Shampoos	4	6
Corporate/brand image	5	4
Aerated soft drinks	6	7
Cellular phones	7	5
DTH service providers	8	19
Life insurance	9	11
Cars/jeeps	10	10

Based on Secondage 2008 (till 27th December)
Source: TAM Adex

Fig. 7.6 TV—Top 10 categories

7.3.3 Radio

According to a recent FICCI-PWC report, the radio sector in India is poised to become a Rs. 1200 crore industry by the end of the decade. Mirchi and BIG have managed to build a leadership position—Mirchi, with the advantage of being one of the first to enter the market, and BIG, on the basis of the compelling consumer promotion they ran at the launch stage which ensured high levels of trial and a high degree of localization in content. They also lead the pack in terms of number of stations, with BIG having 44, and Mirchi having 32 stations.

With restrictions on the number of stations that can be owned by an operator, *bigger players are entering into JVs with regional players,* so as to offer an extended coverage to advertisers, and get a larger share of the pie. Consolidation in this way, they hope, would also lead to better realizations.

With all stations focusing on maximizing revenues through *reaching out to masses* there is little to differentiate stations from each other. Even stations which had a distinct upper SEC skew and focused programming, were forced to shift to the lowest common denominator of popular film music. This was also because radio stations found *new advertisers in local retail outlets*, with retail, soon forming a substantial portion of revenues. The fraternity is awaiting the opening up of news content to radio channels with bated breath as it would allow for significant differentiation and multi-station offerings in a city.

With an extended coverage and a growing listener base, radio has managed to go from being just a frequency medium to one that can offer something beyond spots. *Content integration, RJ mentions, contests, viewer polls*….. Radio stations are very open to all sorts of innovative ideas. Some years ago, Saffola actually had the overweight Radio One RJ, Jaggu, go on a diet on the breakfast show with a goal to lose 10 kilos in a month! This proved to be an involving and engaging idea with lots of people phoning and offering suggestions and encouragement to the RJ, and some even going on a sympathetic diet regime with him. The scientific and health monitoring tips from Saffola worked for Jaggu, and also won Madison, a nomination at the Cannes Media awards!

Innovations, coupled with a smart extension into *on-ground activation* that almost all stations are now geared to offer, has ensured a selling proposition for radio. It is now being advertised as the new newspaper (the average listener spends more time on radio than on reading the newspaper in a day)! TAM's setting up of the *RAM database* to monitor expenditures and provide detailed data on listenership has been a major impetus in channeling more money towards this medium. Advertisers can now actually plan their radio activity and also hold the station accountable for the delivery on the plan, or the lack of it! Coupled with *expansion* into a further set of markets *in Phase 3*, radio is set to take off with a growth rate next only to digital media!

7.3.4 Outdoor

Outdoor spends were at Rs. 1400–1500 crore in 2007 as per the PWC report, and predicted to touch Rs. 1800 crore in 2008 as per industry estimates. Outdoor continues to face challenges due to *lack of any organized data* on performance. *Restrictions on large format* outdoor (namely hoardings in Delhi) is expected to extend to other cities in the near future which could significantly impact the high-value business from these markets. The disorganized nature of the industry also works against it, with *multiple layers of middlemen*, each adding his cut to the final price, not to mention the proliferation of illegal sites. The necessity of deals out of local budgets, the lack of transparency in the dealings, and the *difficulties in centralizing* this medium have also worked against it.

On the brighter side, increasing population and the developing infrastructure mean more opportunities for *transit media options,* apart from the traditional hoardings. Cabs, buses, trains, stations, metro stations and airports are options which generally manage exposure to a significantly larger base due to high traffic. With the advent of digital technology, digital screens are occupying unconventional places like office complexes, residential buildings, doctors' clinics and gyms.

With the retail industry booming, *in-store or point-of-purchase* advertising is coming into its own with potential enough to tempt investors to channelize funding into existing players like Laqshya media, and new companies like Ishan Raina's 'OOH', and Pradeep Guha's 'Street furniture'. The challenge is first for more retailers to understand the value of this medium and become a part of this industry. Next, the challenge is to be able to use the medium in a way which works with consumers and, finally, to prove the efficacy of the medium to advertisers.

Technology, while earlier driving up costs from painting of hoardings to printing vinyls, has, post-digitization, actually worked in favor of the advertiser. *Digital screens* can play multiple ads at a fraction of the cost it took to produce vinyls earlier. The *Indian Outdoor Survey* conducted across 11 key cities by Hansa research would go a long way toward bringing some method to the outdoor madness!

7.3.5 Cinema

Industry estimates put cinema advertising revenues at roughly Rs. 100 crore (excluding the on-ground and activation spends). With IPOs from several players like UTV, K sera sera and Saregama, with funding being pumped into companies like Percept, and IDBI itself getting into a funding mode, the process of *corporatization of the Indian film industry* has truly begun. Improvements in sound and projection technology, growing multiplexes (and malls-with-multiplexes), and the sheer diversity of the films being made today has got the Indian consumer back to the theatres to watch movies. Multiplexes have extended into others means of reaching out to the audience *apart from on-screen advertising—standees, LCD displays, elevator branding, floor graphics, seat flaps, product displays and branding in restrooms.* These are coming up in a large way.

PVR, Inox, Cinemax, Shringar and Adlabs alone are expected to have 700 screens in 3-4 years from now [11]. The southern states and, to a lesser degree, the western zone are the cinema-skewed zones (see Fig. 7.7). *Digital cinema* (projection of films digitally without celluloid) would be the technology change, which would give an added impetus to the spread of the medium to smaller towns.

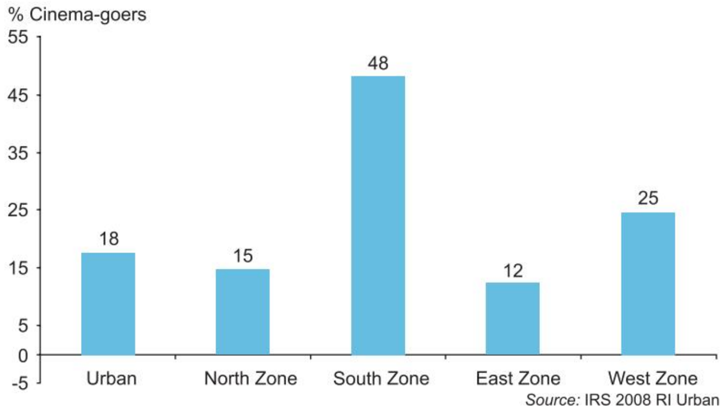


Fig. 7.7 South and west zone: Cinema-goers

7.3.6 Internet

The internet as a space has come a long way from email, chat and portals. Industry estimates seem to vary. A Lintas Media report pegs the online advertising revenues to be Rs. 215 crore in 2007, which seems to be only a display advertising figure [12]. Zenith Optimedia has released its advertising expenditure forecasts for Internet advertising, pegging the industry to be worth Rs. 460 crore by the end of 2008. Internet advertising has been broken up into three categories: display, classified and search, with display contributing Rs. 257 crore, classified (such as jobs and matrimonial portals) Rs. 110 crore, and search at Rs. 92 crore [13]. Industry experts peg search at about 50% of the market, and tend to agree that search would be closer to Rs. 250 crore [14], taking the overall revenues closer to Rs. 550–600 crore by 2008.

An IAMAI report pegs *active online users at 32 mn,* which is only half the PC literate population of 65 mn in India. Forty-one percent of Internet users come from small towns and non-metros. As vernacular content grows on the net, a greater penetration is expected in these markets. E-mail and chat allow the Internet to be used as a communication device, while online gaming, news, classifieds and blogs make it an infotainment source. Online banking, ticketing and retailing ensure users come back for more [15]!

Google is the preferred search site, with over 60% of users accessing search. Paid placement, which appears as the sponsored link on the right-hand side of the search, is when the advertiser pays only when the user clicks on the ad and is directed to the advertiser's website. This is on the basis of the keyword that the user types into the box to action his search. *Search engine marketing works* because the user is actively seeking information about the product or category, and is in the right frame of mind to take action—receptivity targeting!

Display advertising is dominated by *key portals like Yahoo, Rediff, web 18 and indiatimes*. More intrusive display options have been added to banners in a bid to grab attention and improve the chances of a 'click through'—blinking banners, pop-ups, interstitials and interactive banners. Page views or exposures are the basic display metric leading to *CPM,* or 'cost per thousand' exposures. Digital media have always been evaluated with a stricter performance benchmark. So, we have Cost-per-click-through or *CPC* which is payment only if the user clicks on the banner, and is redirected to another site for further action. Cost per lead, or CPL is payment per user lead generated. PPA or pay per action is when the user is expected to perform an action like filling up a form, taking part in a contest, etc.

The need to be connected with friends and peers, and the need to be in control has led to a *trend of formation of communities, social and business networking, and blogging*. Through interactive initiatives, companies are tailoring their offering to this trend, and *combining a traditional internet presence with the power of communities*. Some of the successful examples are HUL's all-girl online community *Sunsilkgangofgirls.com*; *Mycandymanclub.com*, a kids community by ITC, and *Pepsizone.yahoo.com* for the youth. This would be a fairly expensive long-term approach as fairly heavy advertising would have to be carried out to popularize the community before it can gain enough membership to run on its own steam.

The other approach would be to take existing social networking sites like Orkut and Facebook, and try and promote the product. There is a lot of cynicism about such activities, and it needs to be done extremely carefully in such a way, that it does not look like an obvious product plug. *Viral or buzz marketing* could be the way where the content is engaging or entertaining enough to be passed along within the community. Buzz marketing, also known as 'word-of-mouth marketing', 'guerilla marketing' or 'viral marketing' is an art that involves trendsetters in any community to carry the brand's message, thereby creating an interest in, and a demand for the brand, with no overt advertising. The heart of a viral or word-of-mouth campaign is the content. Online games, quizzes, ecards, microsites, video clips, blogs and jokes come in handy. A case in point is webchutney's series of virals for makemytrip.com [16].

Content creating portals and websites are termed as publishers. *Ad networks,* or ad aggregators like Komli, use technology to aggregate advertisers and online *publishers,* and match them effectively. *Full-service agencies* like Pinstorm, Quasar, and Interactive Avenues do everything, from search engine marketing to blog creation to online advertising. Pinstorm, in fact, has a unique model closest to a solutions approach. The advertiser defines the objective, whether it is number of people who contact the financial institution for an investment product, or the number who register for test-drives for an auto company. Pinstorm decides a value for every lead with the advertiser, and is then paid only for the leads delivered. The team, actually, has creative people (creating designs at the discretion of Pinstorm), media planners to plan the campaign and optimizers which then serve the ads to ensure the best chance of response.

7.3.7 Mobile

Mobile advertising in India is just a couple of years old, but the sheer reach of the mobile device leads one to think, it has a fairly bright future. Internet, which is capped by need for access to a machine, has not grown to be a medium in India with the kind of reach it enjoys in developed countries like the US. But, unlike internet, mobile devices have fairly low entry costs thereby ensuring their penetration into smaller towns and lower SECs as well. Industry estimates put mobile advertising revenues between Rs. 40 to 45 crore, growing at the fastest rate compared to other media, albeit on a small base.

The prediction is that there would be *500 mn cell phone owners* in India *by 2010* [17]. Juxtapose this with about 130–140 mn TV homes, and even with a multiplier of 5 per household, mobile owners would, actually, be in the same ball-park as TV. Mobile—the new mass medium! Add to that the fact that the mobile is a very personal device with high levels of involvement, and you have an active medium, unlike the passive TV.

Riding on these factors and the essential interactivity of the medium, companies like mkhoj and mobile2win offer a chance to engage with the consumer through contests, games, downloadable content and information. They also enable *serving of ads on WAP* enabled (able to access the internet) mobile phones through tie-ups with multiple mobile websites.

While only half the phones are predicted to be WAP enabled, *SMS* is turning out to be a powerful advertising tool which cuts across. Companies like Netcore are riding on this wave to feed daily news updates (mytoday) to a subscriber base via SMS. The consumer does not pay for the service, the advertiser pays Netcore to have his ad embedded in the content and exposed to the subscriber base.

Telecom service providers like Vodafone and Reliance are sitting on a host of data spanning profile of user-to-usage pattern to m-commerce (purchases or transactions on the mobile). Other players in the mobile space are handicapped as they do not have the same access which would lead to a far more productive activity.

7.4 STRATEGIC ISSUES

7.4.1 Marketing and Advertising Task

The brand or category under consideration significantly influences the media mix. It is a commonly held belief that repeat purchase products like FMCG goods are best advertised on TV. However, the marketing and advertising tasks need to be closely examined to determine the mix for a brand. A product launch would have a different media mix from a promotion, or from an educative campaign.

If a FMCG brand is planning to run a *limited period promo offer*, it may decide to use *dailies* to propagate the offer and build reach quickly. If there is an event linked to the brand, it may make sense to advertise the event through a combination of print (city supplements which cover all events happening in the city) and radio, rather than TV which does not permit localization at the city level.

If a brand has to *educate the consumer* about a product like *Amul Probiotic curd*, it would probably use print for the credibility, and the amount of information that can be given to the consumer. The brand would also *use a lot of advertorials* in magazines where the ad would be part of a larger editorial feature on 'wellness, or on 'friendly bacteria'.

Changing habits is always a complicated task as deeply entrenched behavior of the consumer needs to be changed. When *Ariel detergent was* launched in India, it was perceived to be really expensive. Ariel's advertising talked about how it worked out to be quite cost-effective as the housewife needed only Ariel and not a bar as well. This was not an easy task as the brand had to change an entrenched Indian habit of soaking the clothes in detergent, and then using the bar to scrub the clothes. Ariel launched a high decibel campaign which went on to become the iconic mother-in-law (old fashioned) versus daughter-in-law (modern, progressive) stand-off. *TV was absolutely critical for a demonstration* of the washing process with Ariel (sans 'tikki'). The commercial wound up with the daughter-in-law chucking the bar over her shoulder to drive home the fact that a wash with Ariel was enough, and no bar and scrubbing was necessary.

The Pizza Case

(a) A weekly offer (with coupon)–Dailies like *Mid-day* and *Mumbai Mirror* which are low cost compared to the leader, enable the required frequency.

(b) Promote the new cheese burst pizza–Demonstration of cheese oozing out of pizza required. Television, preferably reach-based, if budget permits.

(c) Advertise the 30-minute delivery guarantee–Image building and continuous presence required. Frequency channels like news, Infotainment channels like Discovery, National Geographic and movie channels preferred over mass reach channels like Star Plus.

(d) Promote the 'Toll free Hunger line'–Low cost, high frequency auditory medium like radio would help consumers recall the number through a catchy jingle or internet banners delivered closer to lunch-time.

(e) Get kids to be active influencers in the purchase–Channels like Cartoon network, Disney and Discovery which are focused.

7.4.2 Geographical Coverage

(a) National versus Local

The market coverage of the brand—whether it is a national or local brand, can significantly impact the media mix. Localization *of media options* is the key parameter of differentiation. If the brand is a hypermarket one like *Big Bazaar* with stores in some key metros, a localized approach would be adopted, with the use of dailies' supplements to publicize the offers that will get footfalls to the store, and possibly outdoor media close to the store. On the other hand, an FMCG product like *Pantene Shampoo* with a national footprint would favor mass satellite channels.

(b) Market Combinations

Combination of key markets is also very important as the high *cost for national media can get defrayed across a larger base*. We would need to use expensive national television to reach the consumer in Madhya Pradesh, while Andhra Pradesh allows for low-cost and high-reach local channels.

If we were to add Uttar Pradesh, Rajasthan, Gujarat and Bihar to Madhya Pradesh as our other key markets, all of which need national television, we would find that national television actually started delivering greater efficiencies. If, on the other hand, we were to add Kerala, Karnataka and Tamil Nadu as our other key markets to Andhra Pradesh, we would have practically no efficiencies as we would need to take local options across all the markets, due to the lack of a strong national option across these markets. *Differences in media consumption across markets* can impact the mix (see Fig. 7.8).

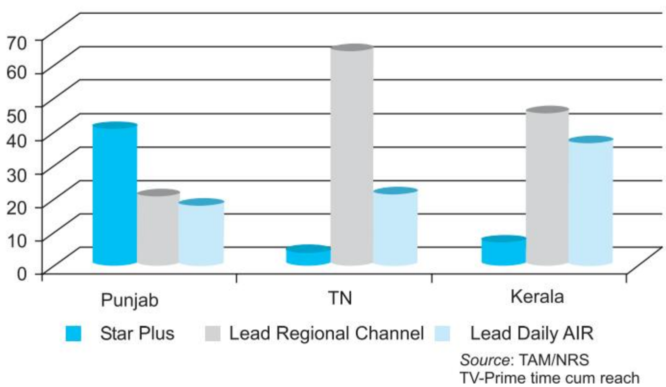


Fig. 7.8 Media habit differ across markets

(c) Media Isolatibility

Sometimes a brand may not have a uniform consumer promotion running across markets. Some product categories, like telecom services, have a perennial issue with *different plans or offers running in different markets*. As the advertiser has a legal liability if an ad appears publicizing an offer which is not available in the market, utmost care has to be taken in such cases.

Local media which has zero spillover into other markets needs to be used in such cases. Local dailies are the obvious choice, and planners need to map areas to print editions with markets and offers. Advertisers, actually, give 'no print' instruction for certain editions, and lose the opportunity to cover a certain part of the publication's circulation in areas where there is no service or offer.

7.4.3 Response

Leads, footfalls, and conversions are the golden mantras for advertising. It is quite difficult to establish a clear link of advertising to sales. Media like the internet, or events and on-ground activities which can be *directly linked to response, have an edge over other media* in this regard. Traditional media too try and incorporate response, whether it is of the viewer voting through SMS for popular reality shows, or participation in contests.

The *financial sector* is especially tuned to response, and has actually turned it into a measure for media selection. Ads are staggered over a period and response to each ad (usually calls or SMS to a phone number mentioned in every ad) is monitored. In this fashion, a database is built and, over time, there are learnings on which vehicle generated the most response, and where the conversion is high. This is, of course, linked to the costs for advertising in that particular vehicle or medium, and the media mix is decided on the basis of these learnings.

The *big retail chains* follow a similar model where not only advertising, but also other elements of the marketing mix, like competitive activity, promotional offers, in-store display, and merchandising, etc., are related to footfalls through the mechanism of an econometric model. The relationship established is used to map the effectiveness of various media, which then go to deciding the media mix. This is an experimental approach which uses *learnings from past activity to map the future*.

7.5 TG MEDIA CONSUMPTION

The target group and the way it consumes media has a decisive impact on the media mix. Even before starting the process of planning the media strategy, a detailed study of the TG and media interaction is done as part of the situation analysis. Look at Table 7.1 to check the relative performance of media classes by TG [18].

Let's look at the case of a brand like *Dove moisturizing soap* which is a national FMCG brand targeted at the upper SEC woman versus a mass brand like *Lux toilet soap* skewed to lower SECs, small towns and rural markets. The media

Table 7.1 TG Media Consumption

TG	*Dailies*	*Magazines*	*TV*	*Radio*	*Cinema*	*Outdoor*	*Internet*	*Mobile*
Youth 15-25, SEC AB	Medium City supplements	Low	Medium/Music, sports, movies, news	High/FM	High	High/Colleges, hang-outs	Very high/ Chat, blogs, communities	Very high Voice, SMS, VAS
Women 25-45, SEC AB	Medium	High/Women's, Fashion, Health	Very High/Mass channels, movies	Medium	Low	Medium	Low	Medium/ Voice SMS
Men 25-45, SEC AB	High/English & Financial	High/General interest, Business	Medium/News, Sports, Infotainment, Movies	Medium/FM, Drive-time	Medium	High/Office routes	Very High/E-mail, Search, Portals	High/VAS, email
SEC CD, R1 (Rural)	Low/Regional	Very low	Medium Terrestrial	Medium/Primary channel	Medium	High/Wall painting, haats	Very Low	Low/Voice

*VAS—Value-added services

consumption for the two TGs is clearly delineated (see Fig. 7.9). The upper SEC Dove woman is much more multi-media. In addition to a national satellite TV plan, magazines, internet and multiplexes in metros would be the ideal mix. On the other hand, Lux would need to use primary channel on radio and terrestrial TV. However, the main media in the case of Lux would need to be rural media like *haat* and wall paintings, as even terrestrial TV would reach only 30% of the TG due to the large rural base for Lux.

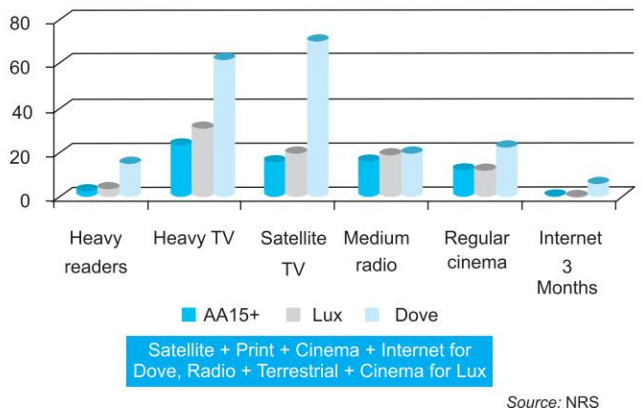


Fig. 7.9 TG media habits decisive

Sometimes a brand has *multiple TGs* to target, a primary and a secondary TG. In such cases, common ground is sought as the basis of the media mix, and then TG-specific media are layered on. *Cadbury's Milk Treat* is targeting mothers as well as kids with the proposition of chocolates with the goodness of milk. The basic plan could have some neutral mass channel programs like dance reality shows, and infotainment channels like Discovery, National Geographic and Animal Planet which would be watched by both mothers and kids. This could be layered with regular soaps for the mothers, and cartoon channels for the kids.

It is also important to be able to understand the niche segments within the mass, and media segmentation studies like Lodestar's Mediagraphics really help in getting through to the sub-types hiding in the mass [19]. Settled Corpo is one of the subsegments within Men, 25+, SEC AB, 8 metros who is a mid-level or senior executive, slightly older, upper SEC male. While print is the main medium for this segment, the internet and news channels actually work as 'reach-building' media for the Settled Corpo!

It is critical to *track how the TG's media consumption changes* with the passage of time. Of course, this is influenced by the media choices available. In the 1980s, with TV being a novelty and with very little targeted programming, the youth watched TV just like everybody else. With satellite channels booming in the 1990s, music channels like MTV and Channel V became the choice of the youth. With digital technology having made rapid progress in the last decade, youth are less likely to be watching TV, and much more likely to be listening to music on their ipods or FM on their cell phones, hanging out with friends at multiplexes, chatting, and blogging and being part of a community or group on the net, or staying connected with friends through their cell phone.

7.6 COMPETITIVE ACTIVITY

It is important to understand competition's media mix strategy. This will allow us to decide whether we want to use the same mix and outshout them (provided we have the necessary budget), or play smart and focus on a few media more suited to our brand needs, and dominate them. A study of the competitors' media activity is also a part of the situation analysis done before planning the media strategy [20].

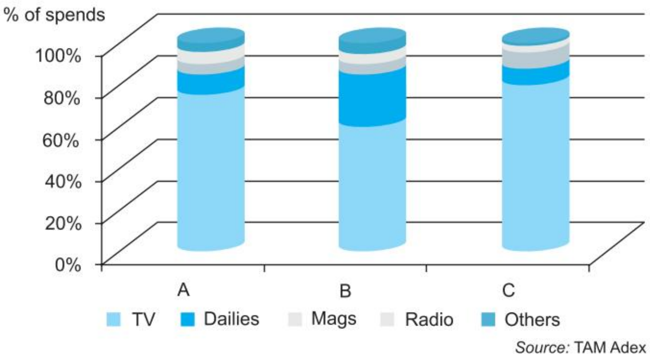


Fig. 7.10 Competitor's media mix

Let's look at the media mix for *Brands A, B and C* (see Fig. 7.10). Brand C has the highest proportion of spends on TV while brand B has a high proportion of spends on print. Now, let's look at share of spends for the brands by medium (see Fig. 7.11). Brand A dominates radio; brand B dominates dailies and other media; while brand C dominates TV and magazines. It is important to look at both the spread and the share of media for all competitors. Drill down analysis by genre, and by vehicles is also a part of studying the competitor [21].

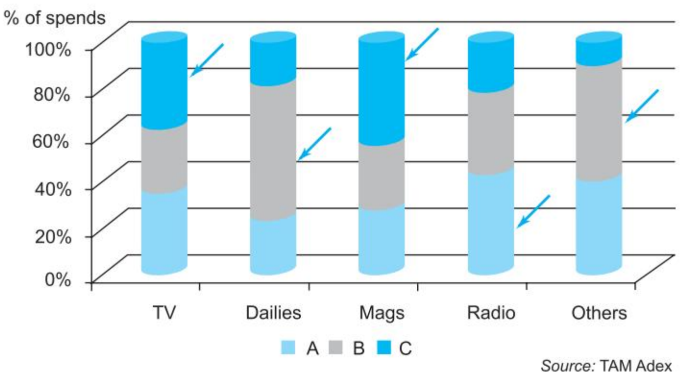


Fig. 7.11 Competitor's media dominance

7.7 QUANTITATIVE PARAMETERS

7.7.1 Reach

The primary decision criterion for selection of media is the audience delivery—the *number of people who can be reached* by the medium. This is the basic parameter which is first looked at. If we are trying to communicate with Men, 25+, SEC AB, Star Plus would give a mass reach delivery while Star News would deliver significantly lower numbers.

7.7.2 Cost-efficiency

Of course, the cost of the delivery is overlaid to look at how efficient the medium is. Cost-efficiency is measured as the *cost incurred to reach a thousand people belonging to the defined Target Group* through a particular vehicle. It could be defined as CPT, or cost per thousand people reached, or CPRP which is "cost per rating point".

If a daily has 10 lakh readers, and the cost of a 100 cc ad in it is 25 lakh, then …..

$$\text{CPT} = \frac{\text{Cost}}{\text{Reach in 000s}}$$

$$= \frac{25{,}00{,}000}{1{,}000}$$

$$= 2500$$

For selecting broad media classes, we could either compare the lead vehicle under each medium, or develop a single medium plan based on a specific budget, and compare the deliveries for each medium. This process is also followed to identify the lead medium, and the support or secondary media.

7.8 QUALITATIVE FACTORS

7.8.1 Selectivity Index

A measure used to look at audience quality is Selectivity Index. This measure is helpful in giving us an idea of *audience skews or preference* [21]. This index shows how much of the total audience of a medium or vehicle is actually our TG. Basically, it is a measure of the wastage of a medium. The larger the proportion of TG to total audience, the more the audience's preference for the medium. If two vehicles deliver the same reach, the preferred vehicle would be the one with the higher selectivity index.

$$\text{Selectivity Index}_{\text{vehicle X}} = \frac{\text{TG TRPs/AIR}_{\text{vehicle X}}}{\text{All Individuals TRPs/AIR}_{\text{vehicle X}}} \times 100$$

Let's go back to the *Dove versus Lux soap* case. The more mass targeted and large share a brand is, the closer it would be to the 'All Individuals' base, and closer would be its index to 100, or the average (Lux). The more up market-focused a brand is, the higher would be its Selectivity Index across most media (Dove) (see Fig. 7.12).

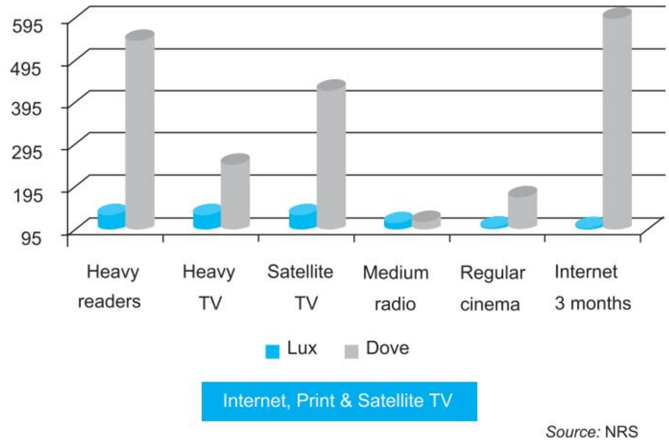


Fig. 7.12 Selectivity index shows preference

7.8.2 Time Spent, Loyalty, and Clutter

Beside reach delivered by the vehicle and the cost, we also look at various factors which reveal the quality of audience interaction with the vehicle. If a person watches even a minute of a TV program, he is considered to have been reached by the program. There is, however, a difference in the involvement level of a person who just watches a minute of the program versus someone who watches the whole 30 minutes of the program, including the ad breaks!

There is extensive research about how involvement with the editorial actually adds to noticing and recall of commercials. Studies on noticeability of print ads show that positioning the ad in the cover story of a magazine can significantly improve the chance of it being seen. Time spent is, therefore, another measure looked at to understand the quality of the audience. The stickiness index of a program gives a sense of involvement levels as well. We also look at sole readership, or repeat viewers, as a measure of how loyal or committed the audience or reader is [22].

Clutter is another measure looked at to understand quality of interaction. The longer the break, the higher the chance that the viewer will zap the commercial and switch to another channel. It is important, therefore, to look at clutter levels in the vehicles we chose to advertise in. Ad noticeability studies in print have shown that noticeability is highest for ads that are in solus position. The minute other ads appear on the page, the noticeability levels drop by half! This is the reason that media planners are willing to pay the premium for solus positions like front and back pages in dailies, covers in magazines, or the home page banner on portal websites. This is also the reason why planners try to get a first and last position in the ad capsule on TV.

7.8.3 Creative Considerations

The creative requirements may sometimes dictate that the media choices go beyond the quantitative parameters. For a brand like *Omega watches* which is trying to build a premium image, *how the ad is reproduced* may make all the difference. This would rule out regular dailies, and focus the campaign in magazines. Even if dailies are used, it would be the glazed supplements that would be a part of the campaign. Some publications are notorious for variation of quality in the print run, and such publications should be avoided if reproduction of the ad is key to the communication.

Innovations are a means to break out of the clutter and be noticed by the audience. Often, the innovation also tries to communicate the brand message in a novel and interesting way. Media vehicles which are limited, or too rigid about the innovations that they allow can be ruled out in cases where the innovative route is essential for a brand. Planners are *willing to pay a premium to get innovations to happen* in leader vehicles which do not normally do it. The flip side of the coin is that it is possible to overdo things such that innovations become the norm for a vehicle, and lose the standing or premium that the planner is willing to pay.

7.8.4 Medium as the Message

The *context that the ad appears in seems to add something to the brand,* that is not easily quantifiable. Research in as early as 1962 showed how ads placed in a magazine with the right context or environment, actually generated higher brand image and preference scores than those placed in general magazines. This is a principle similar to using celebrities in advertising. Some of the qualities of the celebrity endorsing the brand would possibly rub-off onto the brand itself!

The environment also communicates on behalf of the brand. This is the reason that, even with all news channels priced similarly and operating with about the same TRPs, a brand targeted at the upper SEC male, like *Nokia cell phones,* would prefer channels where there are not so many *paan masala, gutkha* and *underwear* ads!

This is the reason for the popularity of advertorials. Open any magazine today and you will find shampoo ads positioned next to articles on haircare, or a healthy cooking oil advertised in a recipe feature on healthy cooking…….. the list is endless. In fact, ads for beauty products from *L'Oreal, Wella, Lakme,* etc. in magazines like *Elle*, *Cosmo* read almost like editorial matter! Search engine marketing on the Internet too works on the same principle of serving up ads in the right context. So, you will get served ads on the half price air-tickets to Goa on *makemytrip.com* if you have just searched for Goa airfares.

On TV, brands try and get the right program to associate with, or sponsor—vehicles that will add to the brand communication. Almost 15 years ago, *Amul butter* hit upon the idea of associating with Shree Krishna through exclusive ads interspersed within the program—almost like a guerilla product placement, that too on Doordarshan! During Diwali, families across some of the prime time serials on mass channels greeted each other with *Cadbury's chocolates*.

7.9 ROLE SUITABILITY OF THE MEDIUM

Each medium has intrinsic characteristics which need to be matched to the advertising and marketing task.

7.9.1 Dailies

Advantages

(a) Quick reach build-up

Dailies are not fragmented like TV, and the leader publication in most markets is able to deliver a significant proportion of the reader base. As reading dailies, especially the morning ones is a deeply entrenched habit, dailies are able to build the maximum reach with just 2–3 insertions versus TV where the reach build-up is slow, and multiple channels need to be part of the plan. Due to this, dailies are able to deliver a sense of immediacy, a '*now / new*' quality which is ideal for product launches, sales promotions, contests and events.

(b) Local emphasis

Unlike the national or, at best, a language-based coverage of TV channels, dailies are able to provide localized audiences. With the distinct footprint of each edition, dailies allow for local dealer or outlet addresses to be mentioned in the ad, thereby making them the ideal medium for dealers. If a brand has markets scattered through the country versus a national brand, dailies become the ideal medium. Dailies are also extremely flexible, allowing for differential pricing, offers or communication across markets.

(c) Portability and control

Print is an active medium, with the reader controlling the interaction. Print is a portable medium, allowing the reader to carry it along. Dailies, therefore, have an involved reader base which it is hoped would register and recall more ads.

(d) Informative

The medium allows the reader to peruse it at his leisure, versus TV where he is a passive viewer. The reader looks at dailies as a source of information. This is ideal for products which want to educate or convey a lot of information about the product.

(e) Credible

The power of the printed word—people believe all the news they read in the newspaper. New brands or brands which want to establish themselves ride on the credibility of this medium.

(f) Low lead times

Low lead times make it convenient for brands to advertise in dailies (and make those last minute changes to the ad). The deadline for dailies is just 2–3 days but, in certain cases, the material is accepted even the night before issue date, depending of course on the goodwill and relationship shared by the agency and media partner!

(g) Targeting

Through special pages and supplements it is possible to do some amount of targeting. With increased competition in the marketplace, most dailies have upgraded their offering from the standard 1–2 supplements in the week to 7–15! This allows targeting at a significantly lower cost. The caveat is that supplements inevitably have a lower readership and ad noticeability compared to the main issue.

Drawbacks

(a) Printing quality

Some dailies have issues on print quality due to variation in newsprint quality, and difference in reproduction between print runs. High-end premium products for which reproduction of the ad is critical in establishing the relevant imagery, may avoid dailies for this reason.

(b) Cost-inefficient for national campaigns

TV is much more cost-efficient at a national level as the costs get defrayed over more markets. For a national print campaign, publications need to be selected for each market, resulting in practically no economies of scale.

(c) Low pass-along, retention

The shelf-life of dailies is zero, and yesterday's paper, if retained, is only kept to be passed on as *raddi*. Unlike magazines, dailies have no pass-along readership beyond the household, and as the paper is not picked up more than once, there is no scope for multiple exposure of the ad.

(d) Literacy cap

Readership moves in synch with literacy levels, and is capped by it. Print does not deliver mass audiences in media-dark states like Bihar and Uttar Pradesh where the overall literacy level is low.

(e) Inability to segment

Most newspapers deliver a mass audience without being able to actually segment, focus, or target. This obviously leads to a lot of wastage. Newspapers have tried to tackle this issue by launching TG (youth, women, kids, etc.) or topic (wellness, Bollywood, career, technology, etc.) focused supplements.

(f) Exposure versus reach

Unlike TV, where we can actually measure reach of the communication, all print data is limited to reach of the vehicle in which the ad is carried. International ad noticeability for dailies is just 6% as per Starch scores. This is the reason for brands paying premia for positions, or taking ads with a larger size to improve the chances of the brand communication being noticed.

7.9.2 TV

Advantages

(a) Audio-visual impact

The unique advantage of TV is the sheer impact of being audio-visual. It allows for product demonstrations, and the 'emotional' approach versus the 'rational' approach to decision-making that dailies offer. If the communication objective is to change a habit (a difficult task), TV would be the medium of choice.

(b) Mass reach

Unlike print, which is capped by literacy, TV has no restrictions apart from ownership of a TV set. With penetration of TV sets being fairly high, especially in urban areas, TV is able to deliver a mass audience, which results in it being the most cost-efficient medium—ideal for mass market FMCG products.

(c) National, local, and niche coverage

Terrestrial and mass satellite channels ensure a national coverage (excluding south). Cricket, in fact, manages to overcome even this limitation. Some states like Tamil Nadu, Kerala, Andhra Pradesh, Karnataka and West Bengal have strong regional channels as well. High-end lifestyle channels like Star World, Star Movies, etc., allow for premium audience coverage. TG-focused offerings (both at channel and program level) allow for a segmented approach—cartoon channels for kids, music and sports for youth, news for men, prime time, and afternoon serials for women.

(d) Cost-efficient

TV is the most cost-efficient medium for mass market national brands

Drawbacks

(a) High total cost

Due to fragmentation of the viewer base, a large basket of channels is required to deliver the needed reach. While the mass audience delivered makes TV a cost-efficient medium, due to the large basket that is required, the overall costs are fairly high.

(b) Clutter

Due to the high levels of clutter on TV, brands need a minimum threshold level of activity to break through and be noticed. This, of course, results in driving up the costs further.

(c) Passive and short-lived

TV is relatively more passive, and exposure to the medium is not as controlled by the audience as a medium like print. This leads to inattentiveness and multi-tasking by the audience, and with the advent of the remote, even ad-avoidance. Also, the format of the ads in this medium is fairly short-lived and fleeting, adding to the issue of noticeability and involvement.

(d) Inventory issues

Due to a capping of the amount of airtime that can be devoted to advertising, there are frequently inventory issues, with ads getting bumped off by the channel, thereby impacting overall plan delivery.

(e) High production cost

TV also has probably the highest production cost across media, requiring brands to have a minimum threshold level of budgets, if they want to be active on TV. Most news channels have found a way out of this dilemma by actually producing the commercial in-house at lower costs, thereby allowing the brand to be active on the channel.

7.9.3 Magazines

Advantages

(a) Reproduction quality

Due to the high standards of the paper used, as well as the printing, magazines are able to deliver a reproduction quality which ensures that the ads take on almost a catalogue value. This helps brands build an image, making magazines an ideal medium for lifestyle and premium brands.

(b) Long shelf-life

The periodicity of magazines ensures that they have a longer shelf-life than dailies. This also means that the magazine is picked up multiple times and with pass-along readership and copies being retained, chances of multiple ad exposures are fairly high.

(c) Active, not passive

Magazines are fairly high priced compared to dailies, and most magazines have a loyal subscriber base ensuring an interested and involved reader more likely to notice the ads.

(d) Medium is the message

The editorial environment adds to brand communication. This translates to a lot of brands wanting to associate with specific features or articles in a magazine, and also a focus on advertorials.

(e) Niche targeting or selectivity

While there are general interest magazines like *India Today* and *Outlook*, most magazines have segmented and special interest titles which allow a fine-honed targeting strategy. Magazines like *Good Housekeeping* cover home décor for the lay person, *Design Digest* is meant for interior decorators, and *Indian Architect and Builder* is meant for the architect community.

Drawbacks

(a) Not mass reach builders

Magazines are unable to give the kind of mass coverage a daily delivers. They are practically never the main reach builders in any campaign.

(b) Slow-burn

Unlike dailies, where the reach build-up is very quick, magazines are slow-burn, and build reach slowly. This makes them unlikely media for launches, promotions and contests.

(c) Inability to localize

Except for regional magazines and city splits of some national magazines, most magazines are unable to deliver a localized audience. National magazines like *India Today* and *Outlook* have tried to solve this issue by having an add-on magazine which is city-specific bundled along with the main magazine.

(d) Long lead times

Magazines, especially monthlies and fortnightlies have long lead times, and brands may miss the material deadline and have to wait a month (for monthlies) before their ad can appear.

7.9.4 Radio

Advantages

(a) High frequency build-up

Radio has a loyal listener base which tunes in regularly ensuring multiple exposures, making it a high-frequency medium.

(b) Mobile

Cars, pocket radios, cell phones – radio is the most portable medium making day-part targeting possible.

(c) Low cost

Most cost-efficient medium with station networks offering multi-city packages.

(d) Local

Flexibility to choose markets and stations allows for localized inputs.

Drawbacks

(a) Background medium

Audio tracks play as background music and may not be actively consumed, leading to a distracted audience which may be multitasking.

(b) Fleeting message

Radio is necessarily a passive medium which is not controlled by the listener, with unfortunately no advantage of visual inputs that TV provides.

(c) Support medium

Radio can rarely be the main medium, and acts as the secondary frequency builder.

7.9.5 Cinema

Advantages

(a) Local

Cinema theatres not only allow flexibility to choose markets, but also allow actual selection of localities. It is the ideal media for retail outlets which can choose to advertise in only theatres close to them.

(b) Audio-visual

While not a mass reach delivery medium like TV, cinema has similar benefits of being an audio-visual medium. TV commercials can easily be adapted, the caveat being that the commercial has to be a minute in duration. If the mix has been decided in advance, the creative team ensures they have a one minute version of the ad which can be easily adapted for cinema.

(c) Size

The cinema screen projects the brand with a larger-than-life imagery which definitely creates an impact.

(d) Scope for targeting

It is possible to do some fairly broad-based SEC, or disposable income targeting, by selecting a certain class of cinema theatres. Multiplexes like PVR or Fame will deliver a certain kind of audience versus Regal theatre or Gaiety or Deepak Talkies (in Mumbai).

(e) Small town reach

Cinema can work as a very good support medium in small towns where literacy levels may make print a suboptimal option, especially in markets like Andhra Pradesh and Tamil Nadu, where movies are extremely popular.

(f) Low cost options

Apart from running ads, brands with lower levels of budgets can use slides which need minimal production and lead times, and are fairly inexpensive. Slides are used extensively by retailers.

Drawbacks

(a) Slow reach build-up

Theatres can accommodate from 40 to 300 people per show. Even assuming 100% occupancy across all shows, this is obviously a medium which cannot deliver mass reach. The reach build-up too is extremely slow. Cinema works as a support medium and can rarely take center stage.

(b) Long lead times

Fairly limited flexibility in creative terms and long lead times, make it difficult for tactical campaigns to use cinema.

(c) Low levels of frequency

Cinema can act as a good frequency medium, when it is the secondary medium. The TG may visit theatres a maximum of maybe 3–4 times in a month—that's the really heavy viewers. Regular cinema viewers are taken to have visited a theatre once in a month. This translates to very low levels of frequency build-up if used as a medium in isolation.

7.9.6 Outdoor

Advantages

(a) Local

Outdoor allows flexibility in choosing markets and also actual selection of localities. The hoarding for a soft drinks manufacturer can be positioned near colleges (sometimes even inside the canteen), and in or near multiplexes. Outdoor is the ideal medium for retail outlets which can choose to only advertise in an area leading up to the store.

(b) Size

Outdoor really allows for larger-than-life imagery which definitely creates an impact.

(c) 24 hour targeting

It is possible to expose the TG to the communication at all times of the day (and night!).

(d) Quick reach build-up

Past research has shown that outdoor builds 80%+ reach within the TG by the end of the first week! This is due to the medium being exposed to a high-traffic mobile audience.

Drawbacks

(a) Simple messages only

Being a transient medium, it is limited in the scope of information it is able to convey.

(b) No 'editorial'

Outdoor is one of the few media options with no editorial context. The TG is exposed to the ad alone. This probably impacts noticeability as involvement with the editorial is said to impact attentiveness and recall of the ad.

(c) Exposure, but reach?

The fleeting nature of the medium brings up the question of recall. A large proportion of the TG is exposed to the medium, but noticeability and recall are questionable. Sites may be graded, and there are sporadic traffic counts, but there really is no data on the kind of audience exposed to the sites, let alone a measurement of reach.

(d) Cost

With better technology, fabrication costs for outdoor vinyls can be quite a lot. Also, a large number of sites would be required for adequate coverage of larger metros like Mumbai which could turn out to be an expensive proposition. Also, with a lot of middlemen operating in the marketplace, it is highly possible that when a brand buys a hoarding, it may be five steps away from the actual owner! This drives up costs as each middleman takes his cut of the business!

(e) Restrictions

There could be restrictions on hoardings in a particular city. Some years ago, all hoardings in Delhi were pulled down in an effort to beautify the city, and now only public utilities and bus shelters are available for advertising. Sites on heritage buildings were declared illegal in Mumbai and were dismantled.

7.9.7 In-store

Retail formats have been changing slowly over a period of time. Placing an order to the neighbourhood *kirana* store for home delivery of the month's supplies is slowly giving way to visits to hypermarkets or supermarkets, especially in the metros.

Advantages

(a) Closest to purchase

The importance of in-store advertising is rising as a means to influence the consumer at the right psychological moment. In-store advertising plays an especially important role in purchase of 'impulse products' and also FMCG brands which are operating in a competitive market where special offers and discounts may be all that is required for a brand switch.

(b) Information

Information is fed to the consumer exactly when he is most receptive.

(c) Reinforcement

The key brand message or imagery that the consumer already has is reinforced at the right juncture.

Drawbacks

(a) Damaged displays

Signs and displays can be easily damaged due to the heavy traffic at these outlets. This, in turn, could have a negative impact on the brand image.

(b) Talking to committed consumers

A large proportion of the consumer base has already made the brand decision, and is unlikely to be impacted by the in-store offer. This is especially true of categories like shampoo and skin-care products, where consumers go with trusted brands, and are not so open to experimentation. This is also true of high quality, premium priced brands where the consumer is willing to pay for the quality.

7.9.8 Internet

Advantages

(a) Active medium

The interactivity dimension to the Internet makes it an extremely involving medium, where the consumer is an active participant. Search-engine marketing is about linking the consumer to the brand, when he is actually seeking information on the product or category.

(b) Dynamic customization

Creative executions can be judged on a real time basis, and reworked or shelved depending on the response.

(c) Geo-targeting

It is possible for a brand to target the campaign at specific cities as the ip address of the consumer makes it easy to locate him.

(d) Measurable

This is one of the most measurable media, with a track of not only exposures (which only TV is able to deliver), but also of the number of people clicking on the ad, the number who are actual leads or prospects, and even the number of people, who actually buy the product! In an era of rising accountability, the internet truly has an edge over other media.

(e) Controlled costs

With e-commerce taking off, albeit slowly, consumers are now able to purchase goods online, cutting out middlemen like dealers and distributors, and ensuring that marketing costs are under control. This means savings for both the consumer as well as the brand.

Drawbacks

(a) Limited reach

The need to either own or have access to a PC, which is a fairly expensive durable, limits the reach this medium can deliver.

(b) Technology cap

The need to be conversant and comfortable with the technological dimension of this medium is also a limiting factor, with the younger lot being far more open to this medium than the older consumers.

(c) Consumer profile data suspect

It is difficult to target consumers on the internet demographically. While all websites have profiles of their users, this is basis forms filled online by the user himself and is not validated information.

(d) No third-party reporting

While comScore data helps in fine-tuning the plan and selection of sites, unlike TV, there is no third party report on the actual activity, nor is there a proof of appearance like in print. All that the advertiser would have access to are the server logs of the website as proof.

7.9.9 Mobile

Advantages

(a) Personalized

One-to-one communication makes this a personalized medium.

(b) Low cost

Low production costs add to the overall cost-effectiveness of the medium.

(c) Interactive

The device lends itself to interactivity via SMS or web sites, and engages the consumer.

(d) Measurable

It is easy to measure response in this medium, especially for contests and promotions.

(e) Mass reach

With 500mn mobile owners predicted by 2010, mobile is capable of being a mass reach vehicle, in the same league as TV.

Drawbacks

(a) Data access restricted

Telecom service providers like Vodafone and Reliance are sitting on a host of data spanning profiles of users, usage pattern, and m-commerce (purchases on the mobile). Other players in the mobile space, like *mkhoj*, *netcore* or *mobile2win* are handicapped as they do not have access to this information which would lead to a far more productive activity.

(b) Creative impact

The smaller screen of the cell phone is thought to affect the impact of video inputs. We do have a rising trend of more and more people being perfectly comfortable watching movies on their ipods, so the 'small screen–low impact' premise is questionable.

7.9.10 Direct Mail

Advantages

(a) Personalized

One-to-one communication with specialized attention makes this a personalized medium.

(b) Low cost

If the brand communication is part of a regular mailer, say the monthly phone bill of the telecom service provider, then costs could really be controlled.

(c) Targeted

A robust database allows for both geo and demo targeting, making it a focused medium

(d) Measurable

It is easy to measure response in this medium.

Drawbacks

(a) Expensive

Cost of postage adds significantly to the cost of a direct mailer. Special paper or techniques to print can add to the weight and the cost!

(b) Inaccurate lists

This is the single largest bane of direct mail advertising. The response rate is impacted if the list is not from a reliable source. The list should be accurate, containing all the data that would be required and updated frequently.

7.9.11 Product placement

Product placement is when the brand or product becomes part of the vehicle. Product placement is done in serials on TV or in films.

Advantages

(a) Attentiveness

Involvement with the program or movie ensures greater noticeability of the ad. Opportunity to notice the ad is heightened by the fact that the ad is seen by the consumer in a non-cluttered and non-competitive environment.

(b) Image rub-off

The association with the filmstars and actors in the movies and serials has a positive rub-off on the image of the brand.

(c) Size

The cinema screen projects the brand with a larger-than-life imagery which definitely creates an impact.

(d) Multiple exposures

Even when the films are telecast on TV channels, the brands continue to be part of the film, earning multiple exposures to a much larger base of the TV audience.

Drawbacks

(a) Intrusive

If there are too many brand placements in a movie, or if the placements are not subtle, they may actually have a negative effect on the brand imagery.

(b) Not noticed

The brand has to tread a thin line between being noticed, and not being intrusive, as it is possible for the brand placement in the movie to be overlooked.

(c) Restrictions

Sometimes the star may refuse to do the placement if he is endorsing rival products. Also, the production house in the case of TV serials (like Balaji or Endemol, etc.) may create issues even if the TV channel has okayed the placement. It is important, therefore, to get all the players on board before finalizing the deal.

(d) No information

It is rare to have a situation where you can feed in information regarding the brand. Most placements ride mainly on the quasi-endorsement of the star using it, and are unable to go beyond that.

SUMMARY

- *Media mix to augment reach, add on new people from another medium, add frequency, reinforce message, deliver message through the day. Broad media classes—media categorization, media vehicles—specific under a broad media class, media units—creative duration or size.*
- *Print—increased competition from within category, from radio, outdoor. Print players upgrading their offerings, actively looking at alliances and partnerships, and extending their presence to other markets. More open to innovations, looking at ways to deliver the market versus delivering just readers. Niche title launches for a segmented approach.*
- *TV –viewership further fragmented. Celebrities, reality and talent shows abound, even on regional channels. Twenty-twenty format saw the revival of revenues for the sports genre. Alternate revenue sources—SMS contests, product placements, innovations and on-ground activation.*
- *Radio—growth in listenership, current mass content may change with the expected opening up of news content. National and regional players JVs offer extended coverage. Content integration, RJ mentions, contests, viewer polls, on-ground activation and focus on local advertisers.*
- *Outdoor—challenges due to lack of organized data, restriction on large format, multiple layers of middlemen, and difficulties in centralizing decision-making. Transit media options, in-store or point-of-purchase advertising on the rise. Digital screens in unconventional places like office and residential buildings, doctors' clinics, gyms, etc.*
- *Cinema—entry of corporate, funding from financial institutions. Growing multiplexes, improvement in sound and projection technology, versatility of films has got consumer back. Standees, LCD displays, elevator branding, floor graphics, seat flaps, product displays and restrooms branding. Digital cinema growing fast.*

- *Internet—PC ownership capping growth to an extent. Search engine marketing gets nearly half the Internet revenues. Growing trend of communities, social and business networking and blogging has led to increase in viral and buzz marketing.*
- *Mobile—500 mn by 2010—mass medium likes TV! Many companies into wap enabled advertising, games, downloads, contests. Info services as SMS with embedded ads has larger base versus wap.*
- *Media mix choice impacted by marketing task, by TG preferences, market priorities, competitive activity, need for a measurable response.*
- *Quantitative factors—reach, cost efficiency.*
- *Qualitative factors—selectivity, time spent, loyalty, clutter, creative considerations, medium as message, role suitability.*
- *Dailies—quick reach build-up, local, portability, control, low lead times, informative, credible, targeting versus high costs for national, printing quality, low pass along, retention, literacy cap, exposure versus reach, inability to segment.*
- *TV—Audio-visual, mass reach, national, local and niche versus passive, fleeting, cluttered, high total cost, high production cost, inventory issues.*
- *Magazines—reproduction quality, medium is message, niche targeting, shelf life, retention, active medium versus low reach, slow burn, inability to target markets, long lead time.*
- *Radio—high frequency, low cost, mobile, local versus background medium, fleeting, support medium.*
- *Cinema—audio-visual, scope for targeting, size, small town reach, local, low cost versus slow reach build-up, low frequency, long lead time.*
- *Outdoor—local, size, 24 hour targeting, quick reach build-up versus simple message, no editorial cost, restrictions, exposure, but reach?*
- *In-store—closest to purchase, information, reinforcement versus damaged displays, talking to already committed buyers.*
- *Internet –active medium, geo-targeting, measurable, dynamic customization, controlled costs versus low reach, technology cap, consumer profile data suspect, no third party reporting.*
- *Mobile—personalized, low cost, interactive, measurable, mass reach versus data access restricted, creative impact.*
- *Direct Mail—personalized, low cost, targeted, measurable versus expensive, inaccurate lists.*
- *Product placement—attentiveness, image rub-off, size, multiple exposures versus intrusive, restrictive, no information, not noticed.*

REFERENCES

1. 'Selecting Media Classes'—Sissors & Bumba, *Advertising Media Planning*, Chapter 10, 1996.
2. 'Divya Bhaskar takes on newspaper majors in Gujarat'—www.dayafter-india.com.
3. 'Times of India group buys 12% in Sandesh'—www.economictimes.indiatimes.com.
4. 'Newspaper empires at war in India'—www.guardian.co.uk.
5. 'Smaller format dailies in favor of separate profiling by readership bodies' –*exchange4media Roundtable*, April 2008.
6. 'Roles and Structures'—Chapter 1 in this book.
7. 'Why media matters: Share of ad spends by media'—Vanita Kohli Khandekar, *The Indian Media Business,* 2006.
8. 'Star Plus under threat: Colors inching closer'—www.agencyfaqs.com, October 2008.
9. 'IPL doubles BCCI profit, set to top ad rates for T20 WC final'—ipl.timesofindia.indiatimes.com.
10. 'ICL v/s IPL—Why the first mover came second'—mayanmuse.blogspot.com
11. 'The Indian entertainment & Media industries—A growth story unfolds': a PWC report.
12. 'Target for takeover'—*Business Today*, January 2008.
13. 'Zenith Optimedia estimates Internet advertising at Rs 460 crore'—www.agencyfaqs.com, June 2008.
14. 'Search engine marketing'—Aug. 2008, www.iamai.in.
15. 'I-cube 2007'—www.iamai.in.
16. 'Viral hall of fame 2006'—www.marketingsherpa.com.
17. 'TRAI' report.
18. 'Media Strategy'—Chapter 3 of this book.
19. www.indiantelevision.com.
20. 'Media Strategy', 'Media Weights' and 'Building a Plan'—Chapters 3, 6 and 9 of this book.
21. 'Media Basics'—Chapter 2 of this book.
22. 'How to evaluate and select media vehicle'—Sissors & Bumba, *Advertising Media Planning*, Chapter 12, 1996.

FURTHER READING

'Exploring the media'—Helen Katz, *The Media Handbook*, Chapter 4, 2003.

'Overview'—Jim Surmanek, *Media Planning: A practical guide*, Chapter 1, 1995.

'Consumers changing relationship with new technologies'—Nigel Sheldon, *Admap,* April 2007.

'Engagement is many different things'—Erwin Ephron, *Admap,* April 2006.

'Outdoor firms want say in policy making'—*Economic Times*, Sep. 2007.

'The Booming World of Mobile Entertainment'—*Businessworld*, May 2006.

'Mobile VAS in India'—Sep. 2008, www.iamai.in.

'Indian Media Forecast 2008'—group M.

'How people sense media: The use and limitations of ears and eyeballs'—Erwin Ephron, www.ephrononmedia.com.

'The bent acronym: Scrambled letters from the Internet'—Erwin Ephron, www.ephrononmedia.com.

'Delivering the message: How consumer involvement flows from magazine content to advertising'—Erwin Ephron, www.ephrononmedia.com.

'The Song of the siren: It's wise to consider what's seaworthy before we abandon ship' –Erwin Ephron, www.ephrononmedia.com.

'The Bureau of weights and measures: Can you trust the label on a CPM?' —Erwin Ephron, www.ephrononmedia.com.

'A Memo from the mountain: P&G and Unilever agree. There's less TV in their futures'—Erwin Ephron, www.ephrononmedia.com.

'The great wall of media: In Planning, there is Television. Then there is nothing else' - Erwin Ephron, www.ephrononmedia.com.

'Catching them unawares'—*Outlook Business*, Apr. 2007.

'Old boys learn new tricks'—*Outlook Business,* March 2007.

'The new champs'—*Outlook Business,* March 2007.

'Gamble for eyeballs'—*Outlook Business,* May 2008.

'Crank out music and bills'—*Outlook Business,* Dec. 2007.

'Chasing the young'—*Outlook Business,* Nov. 2007.

'No starring roles in sight'—*Outlook Business,* Sep. 2007.

'Changing the rules of the game'—*Outlook Business,* Sep. 2007.

'Mingling business & camaraderie'—*Outlook Business,* June 2007.

'Lage raho, bollywood'—*Outlook Business,* Nov. 2006.

SCHEDULING

8

"The key is not to prioritize what's on your schedule, but to schedule your priorities."

. . . . Stephen R. Covey

This is one of the building blocks which is the least complex to understand and implement. Scheduling deals with the question, 'When should we advertise the product?' The answer is fairly commonsensical—when it has the best chance of being bought!

8.1 FACTORS THAT AFFECT SCHEDULING

8.1.1 Sales Pattern

This would be the key factor to determine scheduling patterns. A close study of the sales pattern (both for the brand and the category) would need to be done to understand the presence of any seasonality in sales. The following are the different kinds of sales patterns:

(a) No seasonality

Sales happen *through the year* and blips, if any, are insignificant. Most FMCG (fast moving consumer goods) brands have this kind of a sales pattern with sales happening through the year.

(b) Some seasonality

Sales happen through the year, but *some periods show significant increase in sales*. Refrigerator sales are through the year, but show a significant blip in the summer months.

It is also possible that a product category shows no seasonality, but a brand within the category shows a significant seasonality. While the toilet soap category shows no seasonality, a brand like *Dove,* which promises extra moisturizing, might actually see a blip in sales in the winter months.

(c) Seasonal

A lot of product categories could be purely seasonal in nature—the sales for such brands or product categories would be *concentrated in a particular time-period in*

Table 8.1 Sales Pattern

Sales	*Jan*	*Feb*	*Mar*	*Apr*	*May*	*Jun*	*Jul*	*Aug*	*Sep*	*Oct*	*Nov*	*Dec*	*Annual*
No seasonality													
Brand X	350	335	355	330	350	330	360	365	325	325	335	360	4120
% Spread	8.5	8.1	8.6	8.0	8.5	8.0	8.7	8.9	7.9	7.9	8.1	8.7	100.0
Some seasonality													
Brand Y	455	385	355	395	415	465	475	395	1450	1225	975	475	7465
% Spread	6.1	5.2	4.8	5.3	5.6	6.2	6.4	5.3	19.4	16.4	13.1	6.4	100.0
Seasonal													
Brand Z			1100	1565	1895								4560
% Spread	0.0	0.0	24.1	34.3	41.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
Other brands													
Others	4245	4835	3820	3160	2490	4430	4800	4565	3890	4075	4265	4990	49565
% Spread	8.6	9.8	7.7	6.4	5.0	8.9	9.7	9.2	7.8	8.2	8.6	10.1	100.0
Category													
Category	5050	5555	5630	5450	5150	5225	5635	5325	5665	5625	5575	5825	65710
% Spread	7.7	8.5	8.6	8.3	7.8	8.0	8.6	8.1	8.6	8.6	8.5	8.9	100.0

the year. Umbrellas and raincoats only sell during the monsoon or mangoes in summer. To arrive at an understanding of seasonality, we need to see the spread or dispersion of sales across the months (see Table 8.1). When we compare the spread through the year of the brand X with the category, we find that both of them are not seasonal. A similar comparison with the category spread shows us that brand Y is partly seasonal, and brand Z is completely seasonal.

8.1.2 Purchase Cycle

Besides looking at sales pattern in the year, it is also important to examine the purchase cycle of the brand. Is the brand being bought *through the month,* or is the brand more like a *grocery list purchase* that is only bought at the end of, or beginning of the month?

The scheduling pattern needs to take the purchase cycle into account. While larger units or pack sizes of an FMCG (fast moving consumer goods) product may be part of the monthly grocery purchase, smaller units of the same product, like sachets, may actually sell through the month. If sachets are bought more in smaller towns and large packs sell in the metros, we may need to have a different scheduling strategy for the metros and large towns, and a different one for the smaller towns.

8.1.3 Product Availability

There would be very little point in advertising a product when it is not *available on the shelf*. A car brand could have a capacity issue at its plant and the demand may exceed the supply. In such a case, the car brand ought to go easy on its advertising campaign until the production issue is sorted out.

8.1.4 Competitive Activity

It is important to closely analyze competitor sales as well as map their media activity across months and weeks in order to arrive at the past scheduling strategy. A competitor may be a partly seasonal brand, but may be advertising equally through the year with a continuous scheduling pattern. If we upped our media weights in the high competitor sales months, would it help us in gaining volumes and share at the cost of our competitor?

Should our scheduling pattern closely *mimic the competitor,* or should we follow a strategy of *being where and when the competitor is not*? Erwin Ephron talks about how an established large brand actually gains from a smaller competitor's advertising as consumers in a cluttered environment tend to attribute the ad message to leader brands [1]. Smaller brands should, therefore, avoid shadowing larger competitor brands and formulate a scheduling and mix pattern that helps them differentiate themselves from competition.

Keeping track of competitor activity is so important that more and more clients are demanding that 'market intelligence' be defined as a part of the job scope of a media agency. If we have foreknowledge of a competitor relaunch, it is possible to up the media weights in a period before the relaunch in order to gain share, and steal a march over the competition.

8.1.5 Marketing Task

The *marketing task influences scheduling* to a large degree. A product launch, would need fairly heavy media weights initially which could later be followed by a maintenance level activity. A brand could have a scheduling strategy of equal weights through the year but, if consumer promotions are scheduled in some particular months, the media weights in those months would be heavier.

A brand may have an aggressive 'grow share' strategy in some markets. In those markets, its strategy could be to do a heavy burst just before the known activity period of the competition. These are some of the ways in which the marketing task or objective could impact the scheduling for a brand.

8.1.6 Budget Constraints

While in an idealistic world our scheduling strategy would take on the competitor and leave him gasping, budgets have a way of letting the harsh realities intrude! This is the variable which would force us to examine all our options very closely.

All conventional wisdom says that a brand which has year-long sales should be present throughout the year. However, if the budgets are low, then, rather than be present with below-threshold level weights across the months, it may actually make sense to drop a couple of weeks and be present with above-threshold weights whenever active.

8.1.7 Target Group

The TG we are addressing would also impact the scheduling strategy. *Each TG has a certain distinct way of using the medium*. Male viewership of niche channels increases on the weekend, certain day parts, like early evening, are skewed to kids, and late nights have a higher proportion of youth tuning in. These insights into TG behavior would obviously influence the scheduling strategy.

8.2 RECEPTIVITY TARGETING

If the consumer is in the *right frame of mind when he receives our brand message*, it can make all the difference in the world! On the other hand, no amount of repetition and reach can work if the consumer does not have the right frame of mind.

Erwin Ephron labels this form of targeting as 'Receptivity Targeting' [2]. "When I was a kid and I needed to ask my father for something, usually money, my mother would advise me to 'wait until after dinner'. It works, because what a person is feeling, doing or thinking at the time of communication can greatly enhance response" says Erwin Ephron, the father of modern media planning.

A Colgate ad, early in the morning when we are brushing.

A Colgate ad in the night, to remind us to brush twice a day!

A Maggi noodle commercial early evening, when hungry kids have just returned from school.

A Marie biscuit ad at teatime.

ZOD! Clubwear ads on Friday and Saturday to prepare for the partying weekend.

Real estate ads on the weekend for all the weekend house-hunting.

A *Big Bazaar* special offers ad on Friday and Saturday—supermarket sales peak on Thursday, Friday and Saturday.

Online movie ticketing, or home delivery ads on the weekend, when chances of the show being 'houseful' are greater.

8.3 SCHEDULING PATTERNS

There are three main types of scheduling patterns (see Fig. 8.1).

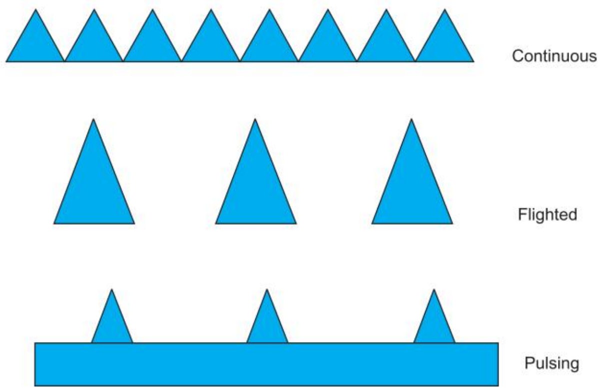


Fig. 8.1 Scheduling patterns

8.3.1 Continuity

This is the scheduling type where the *media weights are spread evenly and continuously across the year*. Most FMCG brands which do not show much seasonality prefer this method of scheduling. The consumer is in the market for the product year-long, and it makes sense to be there with the ad message at the same time.

A continuity strategy may help media buys and deals in some cases. For example, if we wanted our ad to appear in every issue of *Business World*, we could negotiate a cover position for the year. Not only would we get far better rates for being able to commit the volumes, we would also get the added impact of the TG seeing the ad in the same position.

Continuity can be a suboptimal option for brands with budget constraints, as activity spread evenly across the year could result in below-threshold visibility level weights for such brands.

8.3.2 Flighting

Flighting is when the advertising happens in *bursts, with gaps in-between when no activity happens*. As the activity is concentrated in bursts, the media weights are fairly heavy in the active periods.

Flighting is primarily used by brands which are seasonal, by concentrating the budgets in activity periods with high sales potential. Flighting can also be used as a viable scheduling strategy for brands with budget constraints. Flighting allows such brands to take on competition and be impactful and visible in high potential months by focusing the media activity periods. It works especially well if the competitor brand with significantly higher budgets is using a continuous scheduling strategy. It allows our brand to shout louder in the chosen time-period. Flighting allows for more impactful multi-media campaigns as well. It allows the advertiser to support the ad campaign in the primary medium with a complementary campaign in a support medium.

The downside of flighting is that since the advertising is compressed in a time-period, it may tend to build frequency, and not reach, if the flighting is particularly heavy. If the gap between two bursts is too long, the ad may wearout and the consumer may forget the existence of our brand. The competition can take advantage of the gap to heavy-up its advertising and gain share.

8.3.3 Pulsing

Pulsing brings together the best of both continuity and flighting while cutting out the downsides. In this scheduling method, *a continuous and evenly spaced activity forms the base, accompanied by heavier weights in the key time-periods*.

Pulsing is the method best employed by brands which have sales year-round, and show a blip in some months. A lot of durable brands would fall in this category with sales through the year, and a significant blip during the festive period. Very often, a lower cost medium can be used to provide continuity while the higher cost medium is used for the flighting, leading to an overall pulsed activity.

8.4 A CASE STUDY: CARS

Let us take a look at two car brands and their scheduling strategies. Our brand has been operating with a scheduling pattern which was flighted during the festive period as historically sales have been heavier in the festive months. With the car category having opened up in the last couple of years with a larger available choice-set, consumers do not seem to be waiting till the festive period to make their purchases. Sales have, thus, begun to be fairly evenly paced through the year.

Competition has been following a continuous scheduling strategy, more in keeping with the changed sales pattern over the last couple of years (see Fig. 8.2). The dilemma for our brand is: should it stick to the flighting pattern of scheduling or, should it change its scheduling pattern to a continuous one like that of the competitor brand?

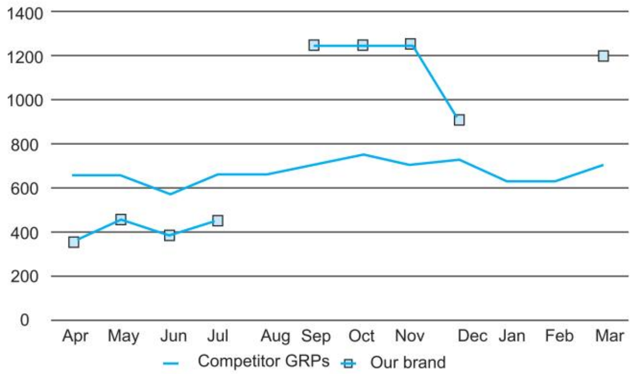


Fig. 8.2 Competitor continuous

There are various issues that need examination before this kind of a decision. A plot of Category sales shows a flat-line trend, more in keeping with the advertising pattern of competition (see Fig. 8.3). Contrary to popular belief, even the clutter levels seem to be consistent through the year. The one thing remaining to be checked is the operating level, and whether it is above or below threshold. While the point of diminishing return [3] is at about 700 GRPs, our brand has been operating at a very high 1200 GRPs in the entire festive period, and in the pre-budget February-March period (see Fig. 8.4).

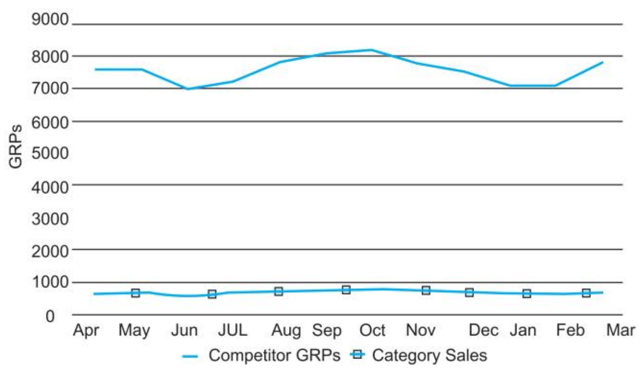


Fig. 8.3 Category sales through the years

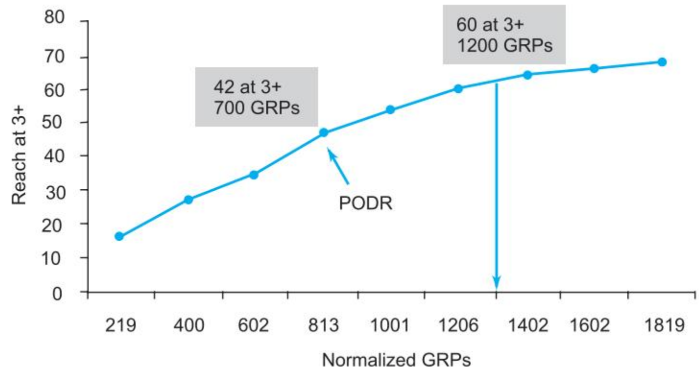


Fig. 8.4 Operating levels beyond PODR

The right decision in this case would be to operate at 700 GRPs through the year. This would ensure brand activity for all months of the year. The periods of non-activity where sales continued to take place, would be cut out for our brands. The up-weights can continue but, instead of the festive period, they will have more effect if they are for new launches, or new communication.

8.5 SCHEDULING FOR IMPACT

Apart from the annual scheduling patterns, scheduling can also be used to create impact.

8.5.1 Road-block

The premise behind this kind of scheduling strategy is that consumers have a tendency to switch channels during commercial breaks and watch something else. In a road-block, the *ad gets aired across all channels at the same time,* ensuring that the consumer is not able to miss the communication even if he changes the channel. Road-blocks are extremely expensive propositions and are mostly used as high impact strategies for a brand launch.

8.5.2 Day, or Day-part Emphasis

This type of scheduling is normally adopted by follower brands. These brands would not have the level of budgets that the dominant brand would have. The trick therefore is to *'Focus and Dominate'. Specific days* or day-parts are chosen and the activity is focused on those days and parts thereby ensuring higher weights and visibility compared to competition within those day-parts.

An upper SEC, male-targeted lifestyle brand may not have the budget to be present at prime time during weekdays. It may adopt a strategy of advertising only on the weekends on niche channels, as the viewership of niche channels goes up on the weekend. A brand which is trying to change a habit amongst women may deploy this strategy by focusing on the afternoon slot on TV. This would be an extremely cost-effective way of getting a loyal audience to see the communication multiple times.

In the case of high TRP daily soaps, analysis could even be done on whether ratings vary by day of the week, and whether a particular day delivers significantly higher ratings over a sustained period of time. Then care should be taken while scheduling spots on that soap to chose the day with higher TRPs.

8.5.3 Multiple Spotting

In this case an ad is *carried in the same break 2+ times*. This is an impact strategy which definitely gets the attention of the TG, but may, however, compromise on the overall reach delivery, and focus on delivering higher OTS instead.

8.5.4 Teasers

This is more a creative-led scheduling strategy where *one or more creative units are aired before the main ad campaign, without the brand actually being mentioned* in the teaser ads. Teasers are used mainly to get consumers interested enough to ask 'What is this campaign about?'

Teasers can be spots aired on TV or radio, or even print ads carried in the same or successive issues. The danger with teaser campaigns can be that the consumer may not connect the teaser to the main ad, in which case it can turn out to be money wasted!

8.6 AD RESPONSE FUNCTIONS AND SCHEDULING

Colin McDonald's study in 1971 proved that consumers were more likely to switch if they had two or more exposures to the ad in the interval between purchases. Herbert E. Krugman talked about three exposures being enough to do the job. Krugman talked of three levels of exposures in psychological terms—curiosity, recognition and decision. Naples published his book on effective frequency in 1979. Naples found little or no effect of one exposure, and while most studies suggested two exposures as effective, Naples found three exposures to be optimal.

This kind of behavior led to the surmise that response to advertising (sales or purchases), if plotted against the advertising increments (advertising frequency, in this case), would show a classic S-shaped response curve [3]. The response increases at an increasing rate till the bend in the curve, called the 'inflection point' or PODR. After the inflection point, the increases in ad response happen at a decreasing rate. The concept of *Effective Frequency typically led to flighting* as a scheduling pattern, with advertisers concentrating their activity to ensure that they were operating at the effective level of frequency.

Later work in the area of setting media objectives area started questioning the 3+ theory of effective frequency. In 1995, John Philip Jones in his book, '*When Ads Work*', talked about the shelf-space model of Recency. John Philip Jones found that 'within a week, a single ad exposure was enough to produce a strong purchase effect, and that subsequent exposures within that week added very little'. The result is a different response function from the traditional S-shaped response curve—a concave diminishing curve [3]. The first exposure to the ad started having an effect, and this increased at an increasing rate till the bump in the curve, or the PODR or inflection point. After this, the increase happened at a decreasing rate.

The task of advertising is therefore to 'remind' the consumer when he is ready to purchase. As consumers would be buying everyday, 'presence' rather than frequency, is the key. Also, the effect of advertising is greatest when it is close to purchase, and 'propinquity' rather than repetition is of importance. The implications for scheduling—all planning to be weekly and, rather than flighting activity with greater concentration during the flights, the activity should be as spreadout as possible to ensure more weeks on-air. The attempt should be to maximize weekly reach at 1+. *Recency, therefore, became synonymous with continuity* as a scheduling pattern. Erwin Ephron has actually demonstrated that recency as a scheduling option works even with an S-shaped response function [4]! While most FMCG brands have turned to recency as a scheduling option, it may not have universal application across all situations!

Recency may have greater application in the US where most categories are in the mature phase and are severely fragmented with a multitude of brands. In the Indian context not all categories are mature, or as fragmented. Flighting as a strategy may work better, to take on the category leader, instead of continuously shadowing it, and being below threshold. The jury is still out on this one and the debate continues [5, 6]!

8.7 ADSTOCK MODELING AND SCHEDULING

Adstock is used to describe the measure of advertising recall which, in addition to the recall of the current advertising, adds-on the carryover effect of past-advertising. Each new exposure lifts the ad effect (sales, awareness, brand preference) to a new level. This is called the 'response function' or 'advertising wearin'. Depending on the strength of the communication, the weight of the media plan and the kind of vehicles being used, etc., the effect of the communication starts wearing out (till the next exposure), this wearout being called 'advertising decay'. *Adstock is thus, a model of how communication builds and decays* [3].

Each communication has its own rate of response or wearin, as well as decay or wearout. The GRP weight for each successive exposure has to be adjusted for the carryover effect of the previous exposures [see Fig. 8.5]. While scheduling activity, we would not only look at the base GRPs, but also the GRPs adjusted for the advertising decay. *When the ad stock adjusted GRPs start dipping below threshold is when we need to come back on air* with further levels of activity.

Options	Week	1	2	3	4	5	6	Total
1	Weekly GRPs	250	250	250	250	250	250	1500
	EGRPs	250	470	662	832	980	1111	*717
2	Weekly GRPs	400	250		400	250		1300
	EGRPs	400	601	528	864	1008	885	*714
3	Weekly GRPs	300	300	300	300			1200
	EGRPs	300	563	795	998	876	769	*717
4	Weekly GRPs	400	400	400				1200
	EGRPs	400	751	1060	930	817	717	*779

* Ruled 6 weekly coverage

EGRPs are adjusted for carryover and dependent on the decay rate

Fig. 8.5 Adstock

Let us look at a case where modeling ad effects to the adjusted GRPs threw up an optimum weight of 720 adjusted rolled 6 weekly GRPs. There are multiple ways in which we can schedule the base GRPs to get 720 rolled six-weekly adjusted GRPs. We can use the decay factor to extend beyond the six-week period, and figure out the longest break possible before we need to get back on air with our advertising. This would be when the rolled six-weekly adjusted GRPs fall below the threshold 720 GRPs (see Fig. 8.6). Option 1 turns out to be optimal as it allows us the longest period off-air.

Opts	Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	Weekly GRPs	250	250	250	250	250	250		6 wks							
	EGRPs	250	470	662	832	980	1111	975	856	752	660	580	509	447	393	345
	6 Week rolled EGRPs						717	838	903	918	889	822	722	634	557	489
2	Wkly GRPs	400	250		400	250			5 wks							
	EGRPs	400	601	528	864	1008	885	777	683	599	526	462	406	356	313	275
	6 Week rolled EGRPs						714	777	791	803	747	656	576	506	444	390
3	Wkly GRPs	300	300	300	300		5 wks									
	EGRPs	300	563	795	998	876	769	676	593	521	457	402	353	310	272	239
	6 Week rolled EGRPs						717	780	785	739	649	570	500	439	386	339
4	Wkly GRPs	400	400	400		5 wks										
	EGRPs	400	751	1060	930	817	717	630	553	486	427	375	329			
	6 Week rolled EGRPs						779	818	785	689	605	531	466	434	404	377

Break Period

EGRPS are adjusted for carry-over and dependant on the decayrate

Fig. 8.6 First option allows longest off-air time

Though scheduling using adstock is a fairly common and widely accepted practice. It still has its naysayers [7]. This is largely due to the fact that recency loyalists find it hard to support any practice which recommends any off-air time as the basic premise of recency is *'presence' all the time, for as much time as possible.* Recency loyalists are already battling the effective frequency die-hards, and now they also shadow-box the ghostly decay effect which can't be seen, but is certainly felt!

8.8 QUESTIONS FOR DISCUSSION

What would be the scheduling strategy for,

1. Launch of a toilet soap.
2. Hit mosquito repellent.
3. Consumer promotion of a toothpaste brand.
4. A '12 hour protection' toothpaste.
5. A refrigerator brand with mid-size budgets.
6. Godrej Storwel cupboards with limited budgets.
7. A new range from Levi's jeans.
8. A new candy targeted at kids.

SUMMARY

- *Sales pattern affects scheduling—FMCG brands are not seasonal, fridges have some seasonality, with a summer blip, while umbrellas are seasonal products.*
- *Purchase cycle—through the month, or bought as part of grocery basket.*
- *Shadow and outshout competition, or peak when the competitor is low.*
- *TG media consumption, especially time-slots, impacts scheduling.*
- *Marketing task—launch, promotion, habit change, growth—all have different scheduling strategies.*
- *Receptivity targeting—reaching the consumer when he is most receptive to the message, and in the right frame of mind.*
- *Continuity for brands bought through the year (FMCG), flighting for seasonal and follower brands, pulsing for brands with some seasonality, like durables which show a blip in the festive period.*
- *Road-block, day, or day-part emphasis, teasers and multiple-spotting are used to schedule for impact.*
- *Effective frequency, which believes in a minimum number of exposures for the desired effect concentrates activity leading to flighting. Recency, which believes in 'maximizing presence at lower level of frequency' leads to continuity.*
- *Adstock is a model of how communication builds and decays.*
- *GRPs have a carryover effect of previous activity on the basis of the decay rate. It is when the effect of the adjusted GRP dips below threshold that we need to come back on air with our activity.*

REFERENCES

1. 'Sleeping with the enemy: Competitive clutter is a fact of life. Why not try to use it?'—Erwin Ephron, www.ephrononmedia.com
2. 'The Organizing Principle: Media Planning does not seem to have any'—Erwin Ephron, www.ephrononmedia.com.

3. Media Weights—Chapter 6 of this book.
4. 'Teaching Tap to the elephant: Media Planners have fewer scheduling options than they think'—Erwin Ephron, www.ephrononmedia.com.
5. 'There are no absolutes in media planning'—Peter Gallucci, *Admap,* July 1997.
6. 'Untangling the Confusion of TV scheduling theories. May be once is not always enough?'—*Spittler*, ESOMAR 1998.
7. 'Media Scheduling and Carry-over effects: Is Adstock a useful TV planning tool?'—Erwin Ephron, www.ephrononmedia.com.

FURTHER READING

'The history of single source research: the first steps'—John Philip Jones, *When Ads Work,* Appendix B, 2006.

'One shot of advertising adrenaline'—John Philip Jones, *When Ads work*, Chapters 1 and 4, 2006.

'Why three exposures may be enough'—Herbert E. Krugman, *Journal of Advertising Research*, Dec. 1972.

'Reach, Frequency and Effective Frequency'—Sissors & Bumba, *Advertising Media Planning*, Chapter 6, 1996.

'Frequency of three'—Erwin Ephron, www.ephrononmedia.com.

'Learnt any ads lately?'—Erwin Ephron, www.ephrononmedia.com.

'Advertising Research: A digression on Recall'—John Philip Jones, *What's in a Brand*, Chapter 6, 1998.

'Evaluating Advertising'—Gerard J. Tellis, *Effective Advertising*, Chapter 1, 2003.

'A New Memory model for Ad Impact Scheduling'—Chessa & Murre, *Admap,* March 2001.

BUILDING A PLAN

9

"Planning is bringing the future into the present so that you can do something about it now"
..........Alan Lakein

The media strategy brings together all the building blocks—TG, markets, media weights, media mix and scheduling. It is the media strategy that decides which goals could be compromised, and which are the most important priorities. The media strategy sets guidelines to help selection from the multiple plan options. So, the media plan is really the *execution of the media strategy*.

9.1 ELEMENTS OF A MEDIA PLAN

The essential elements of a media plan are discussed in the following sections [1, 2].

9.1.1 Media Budget

The media budget is the most important part of the plan. It is the budget which *caps the activity levels,* and decides how many weeks or months the brand can be active in the year. It is also the budget against which the client wants to see savings or value-addition. The media budget is distinct from the advertising or the marketing budget, and is the actual amount spent on media [3].

9.1.2 Allocation Across Media

The media mix and the media weights (or objectives), are brought together to decide on the allocations across the media. The planner uses last year's plan costs to arrive at a rough idea of the budget required to attain the objectives for the current year (see Table 9.1).

Table 9.1 Budget Approximation

TV				
GRP	9,000			
Last year CPRP	14,000			
Budget	*CPRP X GRP*			
	14,000 X 9,000			
Rs. Lakhs	1260			
Print				
Burstwise activity levels	*Last year costs*	*# bursts this year*	*This year costs*	*Inflation adjusted*
	(Rs. Lakhs)		*(Rs. Lakhs)*	*10%*
Heavy	140	2	280	308
Medium	90	2	180	198
Total		4	460	506

In this fashion, s/he allocates the budget across all media in the mix, then fine-tunes and optimizes the plan.

9.1.3 Layering

The scheduling strategy is overlaid on the cross-media allocation to arrive at the *media-wise, week-wise, and brand-activity-wise annual plan*. Each element has a clear objective and budget assigned to it. In case of multiple brands, the layering guidelines are kept in mind. Two brands in the portfolio may require zero overlap so they are scheduled accordingly, while two other brands may need to be synchronized in their activity. Some brands run theme and promotional offers separately, while some brands may have the guidelines to run them simultaneously. All these factors are kept in mind by the planner as he draws up a cross-media schedule of activity for the year [4].

9.1.4 Creative Units

The plan clearly lays out the use of the creative units—whether it is the mix of sizes and colour ads in the print mix, the duration, or edit mix strategy on TV or radio. If cinema is part of the mix, then a 60-second ad should be part of the creative units. Outdoor designs need to have adaptations in various formats—rectangular vertical, rectangular horizontal, square, etc. The strategy on deciding which creative unit should run with what weight, and which time of the year, also needs to be clear to the planner.

Earlier, newspaper ads would be cc-based, i.e., no. of columns by height of the ad. So, a 25× 4 or 100 cc ad would be a 25-cm by 4-column ad. Most dailies have started including the space between the columns in the calculation, i.e., a sq.cc, instead of a cc calculation. The rough and ready rule to convert cc to sq.cc is to multiply by four. So, a 100cc ad would be a 400 sq. cc ad. Column measures differ by publication, and the planner needs to be accurate while working on the actual plan. Care should be taken to check which publications still work on cc, and adjust the ad size and plan cost accordingly.

9.1.5 Objectives and Deliveries

The plan should have clear objectives *by medium and by activity level,* e.g., reach goals for a week, month, or burst on TV; reach AOTS goals for a print burst, etc. The media objectives could change on the basis of market priority, and the plan will have to capture this as well. The plan should not only have clear objectives but also show the burst-wise, market-wise delivery on the objectives.

9.2 PRINT PLANNING

The more detailed, complex and updated the data available, the more involved and layered the planning process. Print data is not as dynamic as TV and usage is habit-based and slower to change (with the NRS and IRS rounds being released at an annual level). IRS has two rounds in the year (with the sample split for the rounds), each round being reported independently every six months. Print planning is mostly *a part of the annual plan* at the beginning of the year, primarily based on quantitative data like readership, circulation, costs, etc. Quality of advertising manifests in factors like size of ads, the use of colour, positioning of the ad, etc.

9.2.1 The Print Mix

TG print media consumption is studied to arrive at a rough print mix. NRS or IRS provide the readership habits based insights while TAM's Adex database provides insights into past activity of brands within the product category. Decisions on the print mix are based on the level of reach within the TG, as well as the skew or preference, compared to the universe (all 12+ individuals).

- Relative importance of dailies versus magazines in the plan.
- Language mix—English versus Hindi versus regional.
- Dailies mix—Morningers versus financials versus tabloids.
- Magazine genre mix—general interest versus special interest.
- Initial publication list.

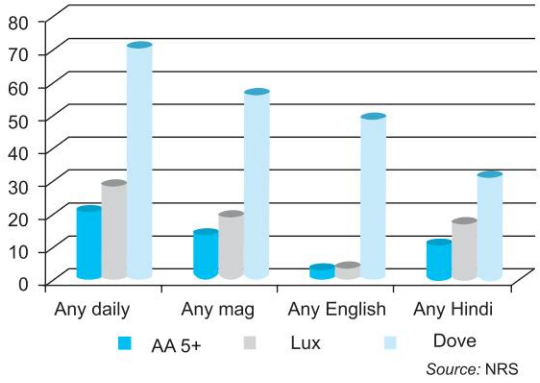


Fig. 9.1 Readership habits

In Fig. 9.1, we can see that the *Dove* TG has much higher print usage compared to the TG of both *Lux*, and the universe (12+ individuals). There is a higher skew for dailies and magazines, as well as a preference for English versus regional languages. From Fig. 9.2, it is evident that the Dove TG has a larger magazine basket spread across various genres, with women's, general interest, and film magazines having the highest reach compared to the TG of competitor Lux.

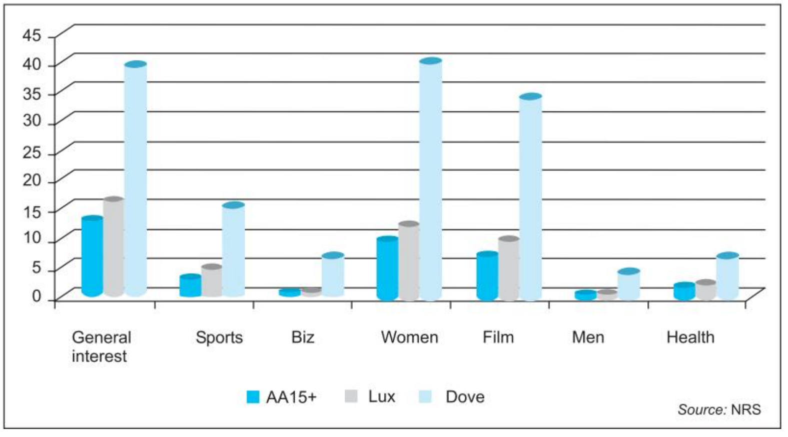


Fig. 9.2 Magazine types

Figure 9.3 gives an overview of the past activity for three brands—X, Y, and Z. Brand Y was more regional, with small sizes and less color, while brand Z had the reverse strategy of mostly large-sized, color ads in English publications.

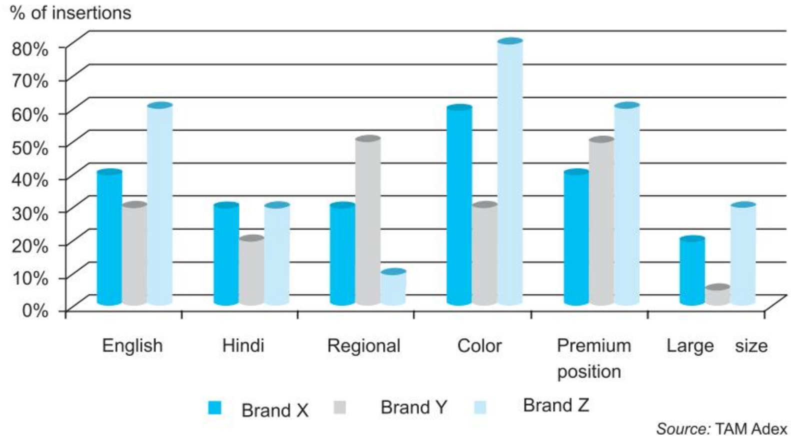


Fig. 9.3 Competitor print plan snapshot

9.2.2 Impact of Markets

(a) Differing media costs by markets

If the marketer has used A–S ratios to allocate budgets, the budgets would be split across the markets in the same proportion as the sales contribution [5]. While Kerala may be a large contributor to volumes, the high levels of literacy and two newspapers dominating the print scene ensures a significantly lower cost when compared to a market like Maharashtra, which needs a different set of publications to target Mumbai, and another set to target the rest of the state. Even within Mumbai, the fragmented and cosmopolitan nature of the audience may necessitate inclusion of multiple languages to attain a certain level of reach. Also, the dominant position the leader, *Times of India* (TOI) occupies ensures that it charges a premium which adds to the overall costs. So, if the budget is based only on the A–S ratio, we may end up with an overkill in Kerala, and be well below threshold in Maharashtra with serious under-delivery issues. Usually, the A–S budget allocation is overlaid by a more media objectives based approach, as the cost of media varies substantially across markets.

(b) Layering of the media plan

On the basis of market priorities, the print plan too tries to prioritize the budget allocations across markets. The *most important markets* get the *highest weight,* with decreasing weight to lower priority markets, both in terms *of quantity and quality* of advertising.

- Larger publication basket
- More insertions
- More color versus black & white ads
- Full pages, large sizes versus smaller sizes

The qualitative layering has no impact on the plan deliveries, as the evaluation algorithm is not geared to factor in quality of the ad into the reach calculation process. This approach however, goes a long way towards pruning of the overall spends and allocating more money for the high priority markets, apart from driving up ad noticeability and impact in the key markets.

(c) Market combinations

Some markets are not media isolatable as far as TV activity is concerned. This would definitely impact the print media plan. Most of the North belt has no high delivery local TV and print becomes the only other mass medium of choice. However, in states like Bihar, Jharkhand, Uttar Pradesh and Madhya Pradesh, print reach is lower than the levels prevailing in other markets. If a marketer has scattered presence in some states of the North, it forces him to either look at more on-ground ways to communicate with the TG, or actually extend brand coverage to as many northern markets as possible in a bid to make national TV a cost-efficient buy! Effectively, the whole block becomes one priority market due to media isolatibility issues.

Market combinations may also change the actual implemented or bought plan. The planner may choose *Rajasthan Patrika* for Rajasthan, but if Madhya Pradesh is also one of the markets, the buyer may change the plan to drop *Rajasthan Patrika* and add *Bhaskar* in both the markets because of the higher discounts offered for market combinations. This is, of course, keeping in mind the overall buying guidelines. If the brand context calls for an impactful, high reach plan versus a money-saving, cost-efficiency driven plan, the choices made would be quite different.

(d) Differing literacy levels

Literacy levels tend to vary quite a bit across the markets [6]. A blanket reach goal set across markets may not be the ideal way. The *media objectives* set need to be factored, or layered, *not only by the priority of the market, but also by the literacy levels*.

Readership patterns within the market will obviously impact the plan delivery and the maximum possible reach. Reach goals need to be set after mapping the heavy and medium intensity readers across markets [7]. An efficient plan needs to try and deliver the heavy+medium readers, while a high reach strategy (where some inefficiency is pardonable) would try and reach the maximum possible (maxpos) readers, including the expensive-to-reach light readers.

In Table 9.2, all three markets A, B, and C are priority 1, and would normally have been set the same reach goal—70% in this case. When layering the maxpos, or 'total readers', we find that it would be impossible to deliver on the reach goal for market A as the maxpos reach in that market is only 65%. With efficiency and budget constraints being a factor for the brand, 90% of heavy+medium readers would be a more obtainable reach goal within the budget. This brings down the reach goal for market A from 70 to just 45, while market B actually has a higher reach goal at 72%, applying the same principle.

Table 9.2 Different Reach Goals

Market	Reach goal	Maxpos or total readers	Heavy + Medium readers	Reach goal 90% of H + M
A	70	65	50	45
B	70	85	80	72
C	70	80	70	63

Heavy readers: Reading for 10+ hours
Meadium readers: 3–10 hours/week
Light readers: <3 hours/week

9.2.3 Mapping Competition

Competition's plan mix, and media weight, influences our plan to a great extent. The competitor's plan is tracked on various parameters before the media weights or objectives are decided [8,9].

- Market-wise spends
- Volume (cc's or sq.cc's) and value by market, genre and publication
- Spread versus share
- Dailies versus magazines
- English versus language
- Color versus black & white
- Sizes—especially full pages
- Premium position—front, back, business pages, etc.

A simple activity map from TAM's Adex of the competitor's insertions (brand Y) compared to brand X is revealing of the strategy adopted (see Table 9.3). In Bengaluru, brand X is using color as a means to build imagery, while competition brand Y is channelizing the budgets saved through use of B&W versus color into taking many more ads and creating a dominating presence. Brand X doesn't really seem to miss the use of color as its full page presence more than makes up for it. Also, while brand X has restricted its publication basket to just English, competition brand Y has a wider basket within English, and has extended presence to the language papers as well.

9.2.4 The Marketing and Advertising Task

The print plan would vary on the basis of the marketing and advertising task at hand, i.e., awareness, impact, educate, change habit, generate trials, generate response, remind, etc. [10].

Table 9.3 Mapping Competitor

Brand Y (Insertions)

Publication	Size cc	BW	Color	Total
Business Standard	FP	1		1
Deccan Herald	FP	3		3
Economic Times	120	2		2
	FP		1	1
Financial Express	FP	2	1	3
Hindu	120	1		1
	FP	13	1	14
Prajavani	120	3		3
	FP	2		2
Times of India	FP	11	3	14
	120	2		2
Vijay Karnataka	FP	2	1	3
Total		42	7	49

Brand Y (Insertions)

Publication	Size cc	BW	Color	Total
Business Standard	180	1		1
Deccan Herald	180	1		1
	HP		4	4
Hindu	144	1		1
	180	3		3
	HP		3	3
	FP	3	2	5
Times of India	FP		4	4
Total		12	15	27

Bengaluru
FP—Full page
HP—Half page
Source: TAM Adex

(a) Brand launch

- Larger, more attention grabbing sizes
- Color ads in premium positions
- Larger publication basket, reach focus
- Impactful innovations which further the brand proposition, preferably in high reach vehicles

(b) Sales promotion

- Awareness and reminder
- Higher frequency
- Smaller size ads
- Color ads, if costs permit (compelling product offer is enough)
- May not be in premium positions
- Use of relevant supplements
- No magazines in the plan (immediacy)

(c) Educate potential consumers

- Less of brand, more of category sell
- Mostly medium-sized ads
- More magazines and supplements
- Rarely ads in premium positions—inside pages
- Advertorials or ads looking like editorial
- Example: Nestle Probiotic curd

9.2.5 Circulation versus Readership

Circulation is the actual audited copies sold, while readership is data which helps figure out who is actually consuming (reading) the copies. As readership is unbiased third party reporting which can be used to benchmark TG behavior, it is preferred by planners, as the buying currency. The only downside that readership data has is that *no edition-wise readership data is available*. So, if the planner needs to map edition-wise readership in Uttar Pradesh for the different editions of *Dainik Jagran*, readership data would not be of any use. An added problem with readership data is that the readership analysis cannot extend beyond the market units reported in the NRS or IRS. This is where *circulation* data comes in use as it allows analysis of *edition-wise, district-wise, and town-wise reporting of sold copies*. This is invaluable information for companies like those in telecom, which need to run different price or promotional offers in different markets. There are legal issues that prevent an ad appearing in markets where the offer is not available. Circulation data is used by the planner to map markets and editions, to figure out which ones to include in the plan, and which ones to exclude. The agency issues a 'not-to-print' order for such markets to the print partner.

9.2.6 Selectivity Index

The extent of readership among different TGs can vary. Selectivity index [11] minimizes wastage and reaches out to the TG optimally. While choosing between publications A, B and C (see Table 9.4), if the brand needs a high reach strategy, publication A would be the choice. On the other hand, if imagery and wastage are issues, then brand B with the higher selectivity index and lower wastage would be the right choice.

Table 9.4 Selectivity Index

Daily	All 12+	TG F25+AB	Selectivity index
A	30	30	100
B	10	20	200
C	40	20	50

9.2.7 Creative Considerations

Creative considerations, quality *of the newsprint and reproduction of the ad,* are issues which *can impact publication choice*. For an image-building campaign of a luxury brand like premium watches, glossy reproduction of the ad may be a necessity, thereby ensuring that the main issue of dailies using standard newsprint would not be part of the choice set at all. The ad will instead appear only in glazed lifestyle supplements, and in magazines. The ad for a consumer brand promotion, on the other hand, may need to appear in the main issue to reach out to the maximum possible readers, with reproduction issues being compensated for by the compelling offer. Publications need to be able to execute the innovations that agencies may come up with. If an agency wants to run a double-spread ad in a daily across the gutter-space, the planner will have to know (or find out) which publications can run the double-spread, and include only those in the plan.

9.2.8 Positions

While we operate with the paradigm that reach of a print plan is equal to reach of the campaign, this is not true at all. Unlike TV, where we are actually able to comment on the reach of the communication, all data reported in the syndicated researches like NRS and IRS are restricted to reach of the vehicle in which the communication, or ad, was carried. Media houses and agencies carry out customized ad noticeability studies to try and learn more about the reach of the ad within the vehicle. Such studies follow the Roper Starch methodology which is the accepted worldwide standard for measuring print noticeability. This part of the planning process moves beyond selection of the publication, to attempting to *maximize visibility of the communication by positioning it in the most noticeable parts* of the selected publication.

9.2.9 Using Duplication Tables

Reach being an unduplicated measure, duplication tables are of great help in the plan build-up process. If *reach has to be maximized,* we need to *add-on publications with minimum duplication*. The lower the duplication between two publications, the higher will be the reach that would get added on. On the other hand, for a frequency plan, high duplication publications would be the right choice. Leading morning dailies which are part of the reading habit have a fairly loyal reader base. The gap between total and average issue readership is fairly low for such publications. Two-three insertions in such a publication is enough to deliver most of the reader base of the publication, and reach is added by taking other low duplication publications.

Duplication tables [12] are read down the column as 'Readers of X publication' (in the column) who also read other publications (in the rows). In Table 9.5, TOI Mumbai has a greater duplication, or readership overlap, with magazines like *India Today* and *Outlook*, while a reach-building addition is likelier to be *Hindustan Times*. In Table 9.6, TOI Delhi shows a lower duplication with *Economic Times* than with *Hindustan Times*. The caveat to be kept in mind is that the overall readership would of course count in the reach added on. While TOI has a lower duplication with *Economic Times*, the overall base of *Economic Times* will be significantly lower compared to *Hindustan Times*.

Table 9.5 Duplication Tables

Mumbai

Col %	*TOI*	*HT*	*IT*	*OL*
TOI	100	$\boxed{20}$	$\boxed{10}$	$\boxed{5}$
HT	$\boxed{15}$	100	20	$\boxed{5}$
IT	60	70	100	10
OL	70	90	30	100

Source: IRS

TOI–Times of India
HT–Hindustan Times
IT–India Today
OL–Outlook

Table 9.6 Duplication Tables

Delhi

	HT	*ET*	*TOI*
HT	100	$\boxed{51.9}$	26.2
ET	$\boxed{5}$	100	$\boxed{5.7}$
TOI	29.7	67.9	100

Source: IRS

9.2.10 Plan Build-up

The plan build-up needs to have the costs overlaid, and this is done by an interactive planning process. On the basis of all the analysis, the plan options are prepared. These options are iteratively worked on to maximize reach delivery, and/or minimize costs. Both the IRS and NRS have fairly user friendly plan building modules which allow for simultaneous working of multiple plans, with deliveries being updated real-time as you change the insertions in a plan option, making the whole process fairly simple.

- Lowest cost for incremental reach—this method is used to build a cost-efficient plan where budgets are constrained. The planner keeps adding publications which add the most to reach at the lowest cost (lowest cost per incremental reach delivery).
- Or …maximize reach within provided budget—this method is used for a high reach delivery, usually a launch, or when planning for a leader brand. The planner keeps adding publications which add the highest reach till the budget is exhausted.

The cost for each burst, with the relevant delivery on the objective, is arrived at in this way. Promotions versus theme campaigns may be at different levels of media objectives and costs. For categories displaying seasonality, activity in the high sales months may be at different media weights and costs. The allocated print budget is examined to check the number of bursts possible, and whether it covers all the planned activities. The planner usually works with rough, negotiated costs to enable him to set realistic levels of activity in the year.

9.3 TV PLANNING

The media objectives and the media mix lay down the guidelines on the deliverables of the plan, along with a rough channel mix. The reach building part of the plan, based on the mass channels, follows a different methodology *compared* to the frequency, or the niche channels. Markets which have an under-delivery through national channels are boosted using regional channels. Terrestrial versus satellite decisions are taken on the basis of the TG, and the markets being targeted.

9.3.1 Day-parts

The planner should attempt to cover all the day-parts where the consumer interacts with media. The *dominance of a particular medium, changes according to the time of day* (see Table 9.7). This would be the case with TV, where certain channels like news, or religious ones like Aastha perform better in the morning, the post-lunch time being taken by afternoon soaps and serials, and early evening by Discovery and kiddie programs; and then, the prime time soaps and news, followed later in the night by the niche channels. Day-parts are a key part of the planning process. In fact, most optimizers do not operate at a program level, and work on a day-part level. Working at the day-part, rather than the channel level, helps a planner identify and make use of cost-efficient day-parts, aside from the high reach but also high cost prime time band [13].

Table 9.7 Times of Media Consumption

	TV	*Newspaper*	*Magazine*	*Radio*	*Internet*
Early morning to breakfast	5	33	7	18	2
Breakfast to lunch	6	38	21	18	21
After lunch	21	23	44	21	51
Evening until dinner	37	6	21	31	24
After dinner	32	1	7	12	3

Source: IRS (*Urban* + *Rural*)

Optimizers usually work with day-parts as a unit—each day-part has a market rate assigned to it for a particular TRP delivery. The goal or focus would be to either maximize reach for a given budget, or attain a pre-set GRP and reach goal at the least cost. Optimization not only makes the plan more cost-efficient but also works from a buying perspective by spreading inventory away from the high demand prime time, and allowing the buyer to negotiate from a stronger position with the channel [14].

It is still possible to use day-parts in the planning process, even if the planner does not have access to an optimizer. Day-parts should be defined on the basis of TG viewership pattern, and not as defined by the channel. Continuous half-hour bands which deliver similar TRPs should be grouped together to arrive at distinct day-parts, which are then assigned a market rate. The planner then uses these day-parts as planning units, and carries out an iterative process of building the plan on the basis of CPRP for an efficient plan, or on the basis of incremental reach delivery for a reach-focused plan.

9.3.2 Channel Selection

One school of planning still believes that optimization is too mechanical a process, and that the judgment, or the qualitative factors that need to be part of the planning process would get overlooked by a mathematical optimization process. In such cases channels, rather than day-parts, become the planning unit with various factors coming into play in the channel selection process. While the media mix process lays down a broad list of channels, the planner would work on the actual plan-building process to arrive at the final list and budget allocation across channels.

(a) Terrestrial Versus Satellite Homes

Depending on the rural, or the small town versus metro (or large town) importance in the market prioritization process, a decision is made on the quantum of terrestrial TV (Doordarshan) in the plan. Since, there is no representation of the rural market in the TV measurement data, delivery is benchmarked to non-cable and satellite homes in the lower pop-strata markets where available, or just the state level data when lower pop-strata breaks are unavailable. The same channel choice holds true in case the TG is a mass product skewed to lower SECs. If the brand needs to deliver across SEC, then separate benchmarks are set in C&S and non-C&S homes, and the terrestrial and satellite components are adjusted accordingly.

(b) TRP Delivery

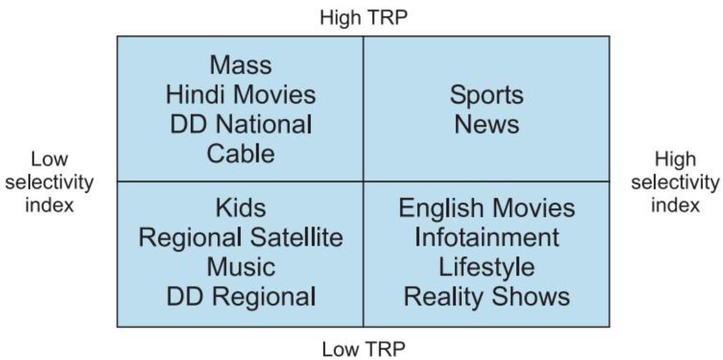
The primary factor looked at in the channel selection process is the rating, or TRP delivery. Channels with high TRPs are expected to translate into high reach delivery as well. Usually, three measures are looked at—the weekly GRP (sum of all program TRPs in the week), the average prime time (8 to 11pm) TRPs, and the average of the top 10 programs on a channel.

(c) CPRP

The cost of the TRPs delivered is the actual indicator of efficiency, and the decider in the channel selection process. Past-plan CPRP data for the brand, and CPRP benchmarks from other brands in the agency are used to set CPRP levels of channels.

(d) Selectivity Index

Channel ratings indexed to the average give a sense of the skew, preference or wastage factor for a channel—the Selectivity Index [11]. This is also a crucial factor for channel selection, especially for niche or frequency channels (see Fig. 9.4).



Source: TAM, Oct'04 TG: M, 25+ AB, C&S homes

Fig. 9.4 TRP versus selectivity index map

(e) Reach Versus Frequency Channels

National mass channels like Star Plus, Zee, Colors and Sony are the reach building channels which are judged on the basis of delivery, i.e., reach and CPRP. Frequency channels are secondage and effective rate based. Frequency channels may be selected for image-building, in which case selectivity index is the key to selection in addition to TRPs. MTV, Zoom, Star Movies, HBO, Star World, NGC, Discovery, Travel & Living, FTV, etc., may all be frequency channel choices depending on the TG we are looking at. Hindi movie channels like Zee Cinema, Set Max, Star Gold, etc., while working on secondage and effective rates, end up delivering substantial GRPs and reach, and may actually be counted in the basket of reach-building CPRP-based channels.

(f) Cricket Versus other Reach Channels

Cricket is a great choice as a reach channel, especially *if the TG is youth or males*. Cricket has another advantage over the regular mass channels—it manages to *deliver in the non-Hindi South markets* where the delivery of conventional mass channels is nothing to write home about. The downside of cricket is that it is high impact but *concentrated reach delivery*. Brands which operate with recency [8] as the guiding principle, basically FMCG products, will have issues of spread of the campaign across a longer time period. This is because an equivalent amount spent in other mass channels will buy the same reach, but spread over a longer time period. Cricket, in fact, is a great platform for an impactful product or new communication launch, but may not necessarily be the ideal choice for regular campaigns of FMCG products.

(g) Regional Channels

Regional channels are added on once the national channel plan has been built to add onto the national plan deliveries. If any of the southern markets are priority markets, regional inputs would certainly be required. The CPRP of regional channels and the deliveries are worked out at a market level. The terrestrial versus satellite regional channel decision mirrors the national level selection on the basis of the importance of rural and small towns.

(h) Niche Channels—Reach Builders?

Depending on the audience being targeted, some niche channels could actually end up building reach. Channels like Discovery, Cartoon Network, Disney, etc., could actually be reach builders for kids. News as a genre could build reach in a certain section of the upper SEC, older male.

9.3.3 CPRP-based Planning

A simple and quick way of getting together a plan is to simply look at the channel CPRPs delivered by the past plan, and use them to allocate money across the national mass channels (see Table 9.8). The CPRP is multiplied by the GRPs required from each channel to get the required budget. This plan is then evaluated to check on reach deliveries which are used to tinker around with the allocation (lower money allocated to channels which deliver lower reach). Regional channels are added on to this plan using regional channel performance and marketwise deliveries. Selectivity index is used to add-on niche channels.

Table 9.8 CPRP-based Channel Plans (Dummy Figures)

Channel	*Last Yr CPRP*	*GRPs reqd*	*Cost (Rs. Lakhs)*
Mass satellite			
Star Plus	15000	300	45
Zee	10000	200	20
Colors	12000	200	24
Hindi movies			
Zee Cinema	5000	150	8
Set Max	6000	150	9

9.3.4 Reach-based Planning

This is an iterative process where plan options are modified and the reach evaluation is run after every iteration to check on deliveries, further changes are made to the plan, and then it is evaluated again. This is done iteratively till the reach goals are met. If the plan is focused on impact and high reach, the planner will choose the high reach option even if is not the most cost-efficient. If costs and efficiency are the focus, the planner will keep on adding the most cost-efficient option which will build reach. Regional and niche channels are added on in the same way as the CPRP planning process.

(a) Base channel

The base channel is the mass reach channel we usually begin our plan with. The base channel is decided on the basis of the goal of the plan—reach, cost-efficiency, or impact.

(b) Channel budget deployed in stages

While past experience may have shown that there is a threshold level of spots that we need on a certain channel, and therefore, a certain level of threshold budget, the budget is never deployed in one lot. The *base channel is built in stages* where the channel plan is tweaked at every step to check on reach build-up, and we stop deployment on a channel when reach does not build at an increasing rate. The reach level monitored may be 1+ for recency based plans, or higher levels of frequency for effective frequency based plans [15]. The channel CPRP remains constant even at higher budget deployment. It is the reach which gets affected beyond a certain level as additional budgets buy only increasing frequency, and not reach. In Table 9.9, the reach build-up on channel X starts slowing down beyond Rs. one crore. Deployment beyond these levels is inefficient, so the planner moves on to other channel options.

Table 9.9 Budget Deployed in Stages

Base channel	*Budget deployed (Rs. Lakhs)*	*GRPs*	*1+ Reach*	*4+ Reach*
Channel X	25	200	10	2
	50	400	15	5
	75	600	20	9
	100	800	25	14
	125	1000	28	16
	150	1200	30	17

(c) Incremental reach

The planner keeps on adding channels in stages of budget deployment, always checking for incremental (additional) reach delivery. He will start a level lower than the optimal level of the previous channel just to check if the new channel is able to build reach more efficiently than the previous one. In Table 9.10, while the efficient level to stop channel X is Rs. one crore, he starts by adding channel Y to Rs. 75 lakh of channel X and checks the delivery. This deployment of Rs. one crore actually generates higher GRPs and is more cost-efficient, but Rs. one crore on channel X generates higher reach. So, this becomes his base plan. Addition of Rs 25 lakh on channel Y to the Rs. one crore of channel X generates higher GRPs and, more importantly, higher reach than Rs. 1.25 crore on channel X alone. This becomes the new base plan, and the plan build-up carries on iteratively in this fashion.

Table 9.10 Adding Another Channel

Base channel	*Budget deployed (Rs. Lakhs)*	*GRPs*	*1+ Reach*
X	75	600	20
	100	800	25
	125	1000	28
	150	1200	30
X(75 lakh) + Y(25 lakh)	100	825	24
X(100 lakh) + Y(25 lakh)	125	1250	30

(d) Collective viewing

For dual TGs (e.g., product targeted at kids where mothers are secondary TG), planning is a little more complex. Channels and day-parts are chosen such that there is maximum overlap, or what is called 'collective viewing'. The rest of the plan is built to add on programs which have individual viewing (if required) to meet the reach goals for both TGs. For example, kid's programs on the mass reach channels like Star Plus (in the early evening band) and educative channels like Discovery would have collective viewing. The planner would then add-on Cartoon channels to the base plan for kids and possibly afternoon serials for the mother in order to meet the reach goals.

9.3.5 Program Level Planning

There is a strong school of thought which holds that viewers no longer have any channel loyalty and watch programs, rather than channels. Planning, therefore, needs to focus on the program as a planning unit, rather than the day-part or the channel. Program level planning is thus built into the reach based planning process where a lot more analysis and detailing goes into the program selection for a channel allocation.

(a) KBC1 versus KSBKBT

Program level analysis is especially important in the light of the fact that TRPs in the peoplemeter system being time-weighted, it is entirely possible that two programs with the *same TRPs, have very different viewer profiles*. A weekly serial with a strong storyline like the erstwhile *Kyunki Saas bhi Kabhi Bahu thi* (KS-BKBT) may hook-in a fairly loyal audience which watches the entire program and follows the storyline. On the other hand, a non-serial format like KBC1 may have far larger number of people sampling it, but not sitting through the entire program. With time-weighting, the TRP for both these programs were actually at the same level at a certain point in time. Now, if we wanted to maximize reach, spots on KBC1 would actually have resulted in greater reach than spots on KSBKBT, while the GRP deliveries from both would have been the same. Alongside, TRP of the program, its reach delivery should also be checked to aid in identifying programs in the reach build-up process.

(b) Program duplication to build reach

Duplication is helpful in identifying programs that would add the highest incremental reach to the existing programs, similar to the print planning process where duplication tables are an extremely useful tool. In the TV space, multiplicity of choice makes this analysis quite a complex one, as duplication would need to get checked against multiple programs (see Table 9.11). Planners, however, do not mind this step as it actually cues them into what iteration to do next, and saves a lot of time in having to actually run multiple plan iterations to find the optimal reach delivery (see Table 9.12) [16].

Table 9.11 Duplication with Kyunki....

Low duplication program	*TRP*	*Medium duplication program*	*TRP*
KKR	5.9	JMJ	5.0
CID	5.8	Kalash	5.8
Kkusum	5.3	KBS-J	5.8
Shree Ganesh	7.8	Kora Kagaz	7.3

Source: TAM (Old data)

Table 9.12 And the Result....

Low duplication programs	*Reach 1+*	*Medium duplication programs*	*Reach 1+*
Kyunki + CID	19	Kyunki + JMJ	15
Kyunki + Kkusum	20	Kyunki + Kalash	18
Kyunki + KKR	22	Kyunki + KBC - J	18
Kyunki + Shree Ganesh	24	Kyunki + Kora Kagaz	20

Source: TAM (Old data)

9.3.6 Spot, Break or Program Rating?

It is possible for the planner to actually use program or break ratings to build the plan, versus just program ratings. As ratings may fall by as much as 40% during the breaks, this is generally a safer bet because planning on program ratings will inflate the actual deliveries possible from the plan, and will result in large under-deliveries in the executed plan. Plans for *mass and regional channels are built using break or spot ratings*. *Niche channels* do not add much to deliveries and, therefore, *time-band or day-part ratings* are used for these channels to build the plan. Between spot and break ratings, some planners prefer to use break ratings as they are an average. Cautious planners use low rated spots while building plans so that the actual delivery will not be less than the planned.

9.4 RADIO PLANNING

9.4.1 Choosing AIR Versus FM

From being a metro phenomenon initially, the reach of FM has spread to 91 cities. While AIR's Vividh Bharati and some FM stations do overlap in their coverage, *AIR's primary channel reigns supreme when it comes to small town and rural coverage*. Depending on the consumption of radio by the TG, using NRS or IRS data and pop-strata distribution of priority markets, FM and/or primary channel would be selected.

9.4.2 Choosing Station Networks

Planners still have to depend on the old way of listenership ranking of radio stations in the markets where RAM data is not available. The key element of the planning process is actually *mapping the priority markets and the station footprints*. Planners rely on dipstick studies like NRS or ILT which function more on an overall listenership ranking of radio stations. They then chose the station with a footprint most closely matching that of the set of markets for the brand. Additional stations are added depending on gaps in coverage and the intensity of the planned activity. The *market combination offers* that stations have also need to be examined in detail to try and ensure that the plan makes optimum use of them.

9.4.3 Reach, AOTS-based Radio Planning

With TAM having launched their *RAM* services a couple of years ago, radio *planning has become more scientific*. The RAM data functions on the basis of diaries placed in panel homes where the data is collected every week. The advantage over the old researches is that the RAM is an *ongoing weekly measure of performance* versus the dipstick once/twice in the year kind of studies earlier. Also, the RAM data is able to map station-wise, time-slot-wise listenership which makes it actually possible to arrive at a reach and frequency evaluation of the plan. It is now *possible to set reach goals by market,* and select stations and time-slots to deliver to those goals. Currently, the RAM service is operational in Mumbai, Delhi, Bengaluru, and Kolkatta, with a possible extension to Chennai and Hyderabad soon.

9.5 CINEMA PLANNING

TG cinema going habits help arrive at the markets where cinema would be part of the media mix. Within a market, a cinema plan takes into account a couple of factors.

9.5.1 Number of Theatres

Having selected the market, the next decision is on how many theatres would be required. The *capacity of a theatre*, the *number of screens* (in case of a multiplex), the *number of shows a day*, the *fill rate* or occupancy, and the *period of the activity* are considered to figure out how many people would be reached. A capacity of 300, an average fill rate of 35%, four screens, five shows a day, and a month's activity would mean we would reach roughly 63,000 individuals. If we set a target of individuals we need to reach, we could work backwards to figure out the number of theatres we would need to plan for.

9.5.2 Class of Theatres

While no demographic information exists at the theatre level, the *ticket price and the location of the theatre* are indicative of the kind of crowd likely to be the audience. Theatres are generally, divided into classes on the basis of the ticket price, with the multiplexes usually being taken as A class types with the highest ticket price. Depending on the kind of product and TG being targeted, we would decide on the class of theatres to be targeted.

9.5.3 Coverage

As people usually prefer to go to the theatre nearest their home (provided it is a class of theatre they would like to visit), the planner may need to spread his choice of *theatre locations to capture the key areas* in the city.

9.5.4 Advertising Options

Options beyond the regular film and stills, such as in-theatre branding opportunities like kiosks, translites, floor branding, elevator branding, product display and in-theatre activation programs, are now available. If the brand is to take the regular options, then using a cinema agency like Dimples Cine, which can offer theatres across networks, would be preferred. If, on the other hand, innovations and on-ground activations are what the brand wants to take forward, then going with a network like INOX or Adlabs across cities and theatres within a city would probably be a better bet.

9.6 OUTDOOR PLANNING

Outdoor has a lot of options to choose from—hoardings, bus-shelters, transit media like cabs, buses, railway stations, airports and even digital screens set up at malls, office and residential complexes. Planning for outdoor is not a complicated task due to the (unfortunately) limited amount of data or research available. Some of the more evolved vendors like Clear Channel, Primetime, Times OOH may at best have site ranking on the basis of size, placement, etc., which is more of a subjective, visibility metric. Some outdoor cells within media agencies have attempted to go beyond site metrics into a reach calculation, but they are all based on traffic counts, with no way to link such counts to actual consumer demographics, or guarantee eyeballs. Planning for outdoor is restricted therefore to a few metrics.

9.6.1 Presence or Weight

The quantum or 'weight' of activity required in a market for a brand to be visible on outdoor is dependent on how important outdoor is as a medium for the brand. Retail, telecom, airlines and media companies are some of the heavy users of outdoor. The weight of outdoor advertising would also be dependent on how much of 'other' media advertising is part of the plan for a particular brand. If there is heavy presence in other media, with activity running concurrently, the brand can afford to operate with lower outdoor weights. *Clutter levels and the spread, or size of the city,* also impact the advertising weight. For a city like

Mumbai with its high levels of outdoor options, a significantly higher weight would be required when compared to a smaller city like Pune, or Ahmedabad, which are not so cluttered.

9.6.2 Type of OOH Option

The *advertising task influences* the OOH option chosen for the brand in a big way. For an impactful launch, hoardings in high traffic locations would be the medium of choice. For a promotional campaign where frequency is essential, small hoardings, coupled with transit media like bus shelters, bus panels and railway stations would be preferred.

9.6.3 Location

While no demographic data exists for the sites, it is *possible to target a specific TG by planning the location* of the outdoor options carefully. If the planner has a youth targeted product, like the latest music phone model for which he has to plan outdoor in Mumbai, he would map the key college areas like Churchgate, VT, Bandra, etc., and take hoardings, bus-shelters in these locations. To advertise the latest rock-concert to the same TG, he would probably target the OOH options in and around hangout joints like pubs, malls and multiplexes. On the other hand, outdoor advertising for the latest Blackberry phone would target the business traveler through sites outside airports, and options within the terminal. This would be supplemented with advertising in premium office areas or routes like MG road in Bengaluru or Marine drive in Mumbai.

Knowledge of the city layout and the major office areas, college areas, location of shopping malls and multiplexes is therefore essential for a planner to plan outdoor for a market. It is also important to have a map of the premium, middle-income and low-income areas within a city. A luxury brand of watches like Omega may decide to restrict its outdoor presence to Connaught Place in Delhi, or Malabar Hill and Breach Candy in Mumbai. The planner usually gets some of the information from city maps, coupled with information from people who have resided in the city in the past, or are current residents.

9.6.4 Travel Patterns

The *movement of people within the city also impacts* how planning for outdoor is done. Travel to and from work in a city like Mumbai necessarily happens along a pre-set route as the city is laid out lengthwise. Hoardings are actually divided into morning and evening traffic on the basis of which side of the road they are on, and which set of travelers they face!

All these elements come together in the OOH plan which the planner then passes on to the buyer for site selection and negotiation [17].

9.7 INTERNET PLANNING

Planning on the internet is paradoxical in nature—easy and difficult at the same time! User tracking is most evolved on the internet—apart from page views or sheer exposures; it is possible to track unique users, ad click-throughs, leads, conversions, and even actual sales! There is no ongoing comprehensive internet industry study like TAM for TV, RAM for radio, or the IRS for readership habits, especially with user demographic profile data. Activity monitoring is completely dependent on the server logs of the website which makes informed decision making difficult. Besides, the expertise in this area is more experiential and dependent on data supplied by the media partner.

9.7.1 Search

The *importance of search* for a brand *increases the closer it comes to being able to make a sale on the internet*. So, airlines and hotels have a very high component of search in their internet plans as the consumer is able to go all the way, and end the internet transaction by actually purchasing the product. The other area where search can play a decisive role is in *categories driven by technology* where there are a large number of close competitors like the auto category or mobile phones. In such cases, consumers use search to compare competitors on various product features and start making mental choices of their preferred buy.

Search Engine Optimization (SEO) is the science behind making the brand, product or company website friendly to the search process such that your brand makes it to the top of relevant search lists of the consumer. *Search Engine Marketing* (SEM) on the other hand, is where you need to pay a search engine host like google which ensures that the link to your site pops up when the user executes a search for any of the keywords linked to your site—more like a 'sponsored link'. SEM works as the consumer is actively seeking out information, and is in the right frame of mind to take action. Approximately, half the internet revenues come from SEM.

9.7.2 Reach or Exposure

A brand launch, or a product promotion or offer, needs to reach out to a large base of consumers. Brands focus on sheer exposure and are usually on *high traffic portals or mail sites* like Rediff, Yahoo, etc. These are the basic brand-building campaigns with visibility being the driving force. More intrusive display options, like blinking banners, pop-ups, interstitials and interactive banners, can be used (at a premium) to grab attention and stand out of the clutter, especially on high traffic sites.

9.7.3 Call to Action

A brand which needs the user to perform a specific action, whether it is taking part in a contest or filling a form, is focused more on involving the user enough such that he answers the call to action! This kind of a campaign is usually successful on *specialized, focused content sites with involved users, or within focused content sections* of the high traffic sites, e.g., a blinking banner requesting click-through to test drive the Xylo on gaadi.com. The user needs to click on the ad and is directed to the company site for further interaction. This kind of campaign is more measurability-driven and action-oriented, with focus on response. The creative content has to be engaging enough for the user to click on it. The advantage with the internet as a medium is that live, ongoing feedback about creative options is possible, thereby helping the marketer to fine-tune his campaign.

9.7.4 Leads

The marketer or advertiser may want to build a relationship with the consumer that will sustain multiple transactions, and not just one action. This is especially in use in categories like banking and financial services where *each lead generated by the media partner is paid for,* and is *then owned by the marketer*. Lead generation comes at a premium compared to all the other kinds of activities, extending more into the realms of marketing activity for the brand, rather than just advertising.

9.7.5 Communities

The need to be connected with friends and peers, and the need to be in control has led to a trend of formation of communities, social and business networking, and blogging. Marketers can use this medium to 'spread the word' and get opinion leaders to exert peer pressure on the group. Marketers can also set up their own brand-linked community, but this is an expensive, long-term approach requiring heavy advertising to popularize the community and get enough membership, e.g., Sunsilk gang of girls, or Bigadda.com. The other approach would be to take existing, popular social networking sites like Orkut and Facebook, and try and promote the product through *buzz or viral marketing,* with content that is engaging or entertaining enough to be passed along within the community. This kind of approach is the way for youth brands where the TG is difficult to reach with conventional media. It is peer-group oriented and is suitable for brands which need to create more involvement with a product category like soft drinks, shampoos, etc.

9.7.6 Aggregators or Agencies

Ad networks, or ad aggregators like Komli, use technology to aggregate online publishers and advertisers, and match them effectively. Full service agencies like Pinstorm, Quasar, and Interactive Avenues do everything, from search engine marketing to blog creation, to online advertising.

SUMMARY

- *Media budget caps the activity levels. Media mix and weights help the planner do a rough allocation across media. Scheduling helps decide the layering across brands for the year.*
- *TG print consumption and competitor's strategy decide the print mix—types of dailies, magazines and the language mix.*
- *A:S allocation needs to be overlaid by cost of media in a market. Sizes, colour, no. of publications layered by market priority. Market combinations and literacy levels impact objectives and plan.*
- *Plan differs by the marketing task—launch, promotion, etc.*
- *Circulation has edge over readership when it comes to edition-wise and markets (beyond NRS, IRS reported) planning.*
- *Print plan build-up on basis of cost-efficiency or reach, add-on low duplication publications to maximize reach.*
- *Viewership and dominance of day-parts changes by time of day leading to the use of day-parts as TV planning units. Channel selection on basis of TRPs, CPRP and Selectivity Index. Spread and importance of markets decides satellite versus terrestrial proportions. Cost-efficiency, reach or impact decides mass channel selection. Regional channels to meet delivery shortfall of national channels. Niche channels added on basis of skews and Selectivity Index.*
- *CPRP based channels focused on costs and efficiency. Reach based plan built in stages on basis of incremental reach. Program level planning works on duplication as a tool to maximize reach. Spot or break rating for Mass channel planning, niche channels on time-slot ratings.*
- *Primary channel versus FM radio choice on basis of market spread. Footprint of station network matched to priority markets for selection. RAM data allows reach, AOTS based planning (four metros). Capacity, number of screens, shows-a-day, occupancy, period of activity, and spread of key areas decide number of theatres required. Price of ticket/class and location of theatre allows for TG targeting.*
- *Role of outdoor, clutter, spread or size of the city decides the advertising weight. Knowledge of the city layout, office or college areas, shopping malls, multiplexes, travel patterns is essential.*
- *Search for technology driven products, brands with on-line sales, and reach based campaign are usually on high traffic portals while response-driven campaigns work better on focused content sites. Marketers pay a premium on leads generated for multiple transactions. Viral marketing for online communities.*

REFERENCES

1. 'Assembling elements of a media plan'—Sissors & Bumba, *Advertising Media Planning*, Chapter 13, 1996.

2. 'A professional annotated media plan'—Sissors & Bumba, *Advertising Media Planning*, Chapter 14, 1996.
3. Setting Budget—Chapter 13 of this book.
4. Creating the Plan—Helen Katz*, The Media Handbook,* Chapter 6, 2003.
5. 'Media Strategies'—Jim Surmanek*, Media Planning: A practical guide*, Chapter 29, 1996.
6. 'Market Prioritization'—Chapter 5 of this book.
7. 'Quintile distribution'—Jim Surmanek, *Media Planning: A practical guide*, Chapter 14, 1996.
8. 'Media Weights'—Chapter 6 of this book.
9. 'Competitive Review'—Annexure 6.6 of this book.
10. 'Developing optimal media objectives'—Helen Katz, *The Media Handbook*, Chapter 3, 2003.
11. 'Media Basics'—Chapter 2 of this book.
12. 'Media Mix'—Jim Surmanek, *Media Planning: A practical guide*, Chapter 11, 1996.
13. 'Broadcast day-parts'—Jim Surmanek, *Media Planning: A practical guide*, Chapter 23, 1996.
14. 'Optimizers redefine planning and buying'—Erwin Ephron, www.ephrononmedia.com.
15. 'Media Strategy'—Chapter 3 of this book.
16. 'Reach'—Jim Surmanek, *Media Planning: A practical guide*, Chapter 8, 1996.
17. 'Sauce for the Outdoor goose'—Erwin Ephron, www.ephrononmedia.com.

FURTHER READING

'OOH Media and The Nielsen Company jointly present the residential research'—www.exchange4media.com, 10 Feb. 2009.

'Tag Media comes out with its audience research'—www.exchange4media.com, 2 Feb. 2009.

'Radio with other media—Media Multiplier study'—www.exchange4media.com.

'Hierarchy of Internet Usage—User Life Cycle (ULC)'—www.exchange4media.com.

'Non Voice Communication: TNS'—www.agencyfaqs.com.

'Amar Goel, Founder & CEO, Komli demystifies online ad networks'—www.agencyfaqs.com.

'Teaching Tap to the elephant: Media Planners have fewer options than they think'—Erwin Ephron, www.ephrononmedia.com.

'The brittle bones of media: Why reach isn't reach anymore'—Erwin Ephron, www.ephrononmedia.com.

'A sophomore slump – Optimizers rattle cages but haven't opened doors'—Erwin Ephron, www.ephrononmedia.com.

'Whatever happened to Robobuyer?'—Erwin Ephron, www.ephrononmedia.com.

EVALUATING MEDIA BUYS

10

"There's a lady who's sure all that glitters is gold, and she's buying a stairway to heaven."
……….Led Zeppelin

Buying has evolved most rapidly in the last decade. From a genteel sport of knowing the right people, it has become a no-holds barred fight-to-the-finish to satisfy the demands of bottomline-pressured clients who want lower and lower rates.

In this era of a Shylock-like demand for the 'pound of flesh' by media buyers, it is important to focus on the parameters used to judge a good buy—the science and analysis which could give buyers the much needed extra edge in their buys, and the art of infusing the buy with uniquely creative elements. For media partners, it is good to understand the parameters that buyers would use to negotiate and evaluate deals, giving them an edge at the negotiation table.

10.1 TELEVISION—HOW TO EVALUATE A BUY

The importance of comparing apples to apples can never be stressed enough in a TV buy. *'A low rate does not a good buy make'*. A TV buy has so many components that it is quite possible to compare apples to oranges if all factors are not carefully examined (see Fig. 10.1). Let's look at some of the key principles of TV buying.

10.1.1 Dysfunctional Card Rates

Unlike print where, though discounting abounds, the base is still a workable rate-card, very *few deals on TV* can be said to be *based on rate-cards*. Discounts can be as high as 70–80% and a lot of channels even give free, or 'zero value' bonus spots. A lot of niche channels work with rates ranging from 1/3rd to 1/10th of card rates! Aaj Tak and the Sun group would probably be the only exception with very structured and straightforward ways to do a deal, and a rigidly followed rate-card.

A couple of channels in the past have even launched non-negotiable rate-cards which they have hoped would mitigate some of the cut-throat negotiations that are an industry norm. However, with so many channel options in one genre, market forces and competition have ensured continued negotiation without giving much weightage to rate-cards [1].

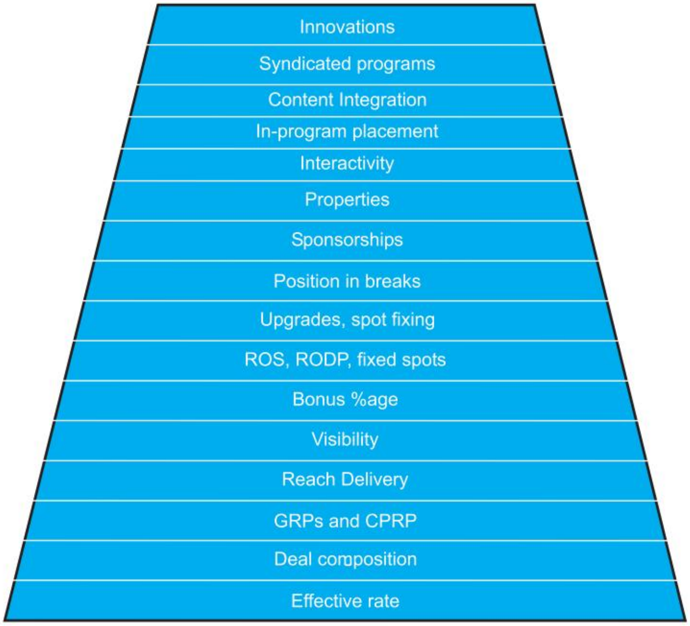


Fig. 10.1 The TV Buy ladder

Rate-cards can be enforced if there is a clear leader operating with low levels of competition. That's why a monopolistic Doordarshan could pull-off a workable rate-card in the days of yore. While there is talk from the TV industry body, the Indian Broadcasting Federation (IBF) of putting in place workable, non-negotiable (!) rate-cards, it seems highly unlikely to be an implementable idea with the even more heightened levels of competition currently.

10.1.2 Secondage and Effective Rate (ER)

This is the most basic parameter of the deal, at the bottom of the buying pyramid. This is basically the amount of secondage, or airtime we get for the money paid. Effective rate is the *total cost* for the program, channel or channel bouquet *divided by the secondage* in 10 second units—the cost per 10 seconds.

$$\text{Effective Rate} = \frac{\text{Total cost}}{\text{Total Secondage (in 10 seconds)}}$$

So, if we have spent Rs. eight lakhs on a channel deal and got 10,000 seconds, the effective rate would work out to Rs. 800 (per 10 seconds) for that channel.

$$\text{Effective Rate} = \frac{8{,}00{,}000}{1{,}000} = 800$$

An additional spend of Rs. two lakhs to add-on a channel from the bouquet on offer bought an additional 5000 seconds, the effective rate of the second channel would be 400 (2,00,000/500) and for the channel combination, it would be 666.67

$$\text{Effective Rate} = \frac{(8{,}00{,}000 + 2{,}00{,}000)}{(1{,}000 + 500)} = \frac{10{,}00{,}000}{1{,}500} = 666.67$$

10.1.3 Deal Composition

Effective rate is the most basic parameter. How the deal or buy is structured is of crucial importance. If the 10,000 seconds we bought is all on prime time versus all of it being in the morning slot, the costs would obviously be dramatically different. It is, therefore, not enough to compare the effective rates of two buys. We need to also look at the composition of the buy, *how much of prime time secondage* the deals have, and *the weekday versus weekend split* (see Tables 10.1 and 10.2). Two deals with the same secondage may be valued quite differently basis their breakup across the day-parts. A spread through the day on Star News (see Table 10.1) would actually be priced lower than the same secondage focused on the morning and prime time bands.

Table 10.1 Day-part breakup

Day-part	*NDTV 24X7 % down*	*Star News % down*
7–10	20	10
11–14	-	10
14–17	-	10
17–19	-	10
19–21	20	10
21–23	40	30
23–1	20	10
1–7	-	10
% of total secondage	100	100

Table 10.2 Day-part and weekday—weekend breakup

Day-part	*NDTV 24X7 % down*	*HBO % down*
Weekday Morning	20	-
Weekday Afternoon	-	-
Weekday Early evening	-	-
Weekday Evening	-	20
Weekday Prime	20	30
Weekday late night	20	10
Weekend Day	20	20
Weekend Prime	20	20
Weekend Late night	-	-
% of total secondage	100	100

Weekday prime time is thought to be the best (highest TRP) slot, followed by weekend (through the day). Weekends work as de-facto prime time, especially in the case of niche channels where viewership picks up on the weekend. Afternoons work as an efficient slot for female TGs. Morning slots on news channels work better than afternoon weekday slots, which seem to be at the bottom of the heap. The exception of course is a business channel like CNBC where the market hours are the most highly prized.

10.1.4 Cost per Rating Point (CPRP)

The best way to overcome the disadvantages of effective rate as a measure is of course to shift the focus from what we buy, to what it delivers! CPRP as a measure does precisely that–it is a *measure of price paid for GRPs delivered.*

$$\text{CPRP} = \frac{\text{Cost}}{\text{GRPs}}$$

Two buys with the same effective rates may have widely varying CPRPs, as one buy may have the secondage, all in prime time, versus the other, which has most of the secondage in non-prime time.

While some buyers deliver CPRPs regardless of the time-slot, other buyers may try to bring in quality to the buy by selecting the time-slots carefully. Technically, afternoon slots deliver ratings even in the male TG, but the client and planner can, in consultation, decide not to take these time-slots in a blind attempt to reduce CPRPs [2].

Performance guarantee deals are where the CPRP is guaranteed, and are, therefore, completely risk-free. If the channel underperforms, it has to makegood the value equivalent to the underdelivery. This, though rare, is done by the channel to seal high value deals which are looking 'iffy'. This was a regular practice by mass channels like Zee and Sony years ago till they underperformed on a large number of deals and had to give away a lot of airtime free as make good [3].

10.1.5 The Need to Look at Normalized GRPs

In the planning context, a spot on a program would deliver a certain TRP regardless of its duration. TRP as a measure is independent of duration of the ad. Now, this would obviously be very problematic in the buying context where a 20-second spot would cost twice that of a 10-second spot.

To solve this problem, we have normalized GRPs, which are *GRPs factored by ad duration*. It is a fairly straightforward mathematical calculation. A 20-second spot on a program would result in twice the GRPs of a 10-second spot on the same program, all else remaining constant. GRPs are always normalized in the buying context, and usually to 10 seconds. This is, however, only in the buying context. GRPs may or may not be normalized in the planning context, and that too not necessarily to 10 seconds.

$$\text{Normalized GRPs} = \frac{\text{GRPs} \times \text{Ad duration}}{10(\text{seconds})}$$

If we run a mix of edits (i.e., ads of different duration), the TRPs of each of the units will need to be factored by the relevant duration (see Table 10.3).

Table 10.3 Normalized GRPs

Edit duration	*Spots*	*Secondage*	*GRPs*	*Norm GRPs*
10 seconds	50	500	100	100
25 seconds	40	1000	80	200
40 seconds	30	1200	60	240
			240	540

10.1.6 Reach Delivered by the Buy

It is important to also check the reach delivery of the buy as it not only has to be cost-efficient, but also has to meet the plan benchmarks of GRPs and reach. Two buys may deliver the same GRPs, but a buy which has a *better spread and more high TRP programs will end up delivering better reach,* than a buy with a lower spread and more spots on the same low TRP programs.

A plan (see Table 10.4) with 10 spots on a cost-efficient afternoon serial with two TRPs would deliver the same GRPs as another plan with five spots on five different prime time serials delivering about four TRPs each (20 GRPs). However, the reach delivery from the second plan would be significantly higher compared to the first one.

Table 10.4 Reach delivery

		Plan 1		*Plan 2*	
	TRPs	*Spots*	*GRPs*	*Spots*	*GRPs*
Afternoon Serial	2	10	20		
Prime time 1	4			1	4
Prime time 2	4			1	4
Prime time 3	4			1	4
Prime time 4	4			1	4
Prime time 5	4			1	4
Total		10	20	5	20
% Reach		3		15	

10.1.7 Visibility/Number of Spots

While a plan may deliver the GRPs and reach, very often we are also concerned about spread of the campaign. This is especially true for *low budget brands which need to stretch their 'on-air' presence*. Two buys can deliver the same GRPs, but the number of spots in the buy can be dramatically different.

Star Plus would deliver a certain CPRP with far less number of spots, especially, if we took the high TRP prime time serials. Zee and Sony would probably deliver lower CPRPs, but they would need far more spots to attain the same level of GRPs. A choice of channel would depend on the brand objectives *in this case higher reach but delivered in a shorter span of time, or extended presence with some compromise on reach.*

While a follower FMCG brand may not be able to replicate the leader brand's 52-week continuity scheduling strategy, it too will need to maximize its presence as much as possible. It may choose the low cost-efficient afternoon serials to maintain a constant presence, supplemented with bursts of mass channel activity. An upmarket brand may use lifestyle and niche channels to maintain the low cost presence, and supplement it with mass channels in bursts.

10.1.8 Bonus Percentage

Some channels like Sony structure the buy in such a way that all the cost is assigned to the *spots on the top 2–3 categories (paid secondage), while the rest of the spots in the buy are 'zero value', or bonus spots*. To compare two buys on Sony, one of the factors we would look at is how much of the total secondage is bonus. Bonus secondage can be banked (used later) within a specified time-period. The bonus, or free secondage, is not really free and needs to be part of the deal evaluation (see Annexure 5 for an example of a TV deal).

10.1.9 ROS, RODP versus Fixed Spots

Fixed spots are spots that appear within a particular program. ROS is run-of-schedule where the spot can appear anytime during the day, and RODP is run-of-day-part where the spot can appear anytime in a fixed day-part like 8:00–11:00 pm. Fixed spots in a deal are priced higher than ROS and RODP spots. This is because *ROS and RODP allow the channel to better manage its inventory* versus fixed spots, and therefore, *have higher discounts* linked to them.

It is important to compare like-to-like. Two buys (see Table 10.5) on Star Movies with the same effective rates and the same percentage of seconds in prime time may have widely varying delivery, as one buy may have the prime time secondage as RODP (Deal 1) while the other may have it fixed on the 9 pm movie (Deal 2). Result—a substantially lower CPRP!

Table 10.5 Fixed spots v/s RODP

	Star Movies	
	Deal 1	*Deal 2*
Cost Rs. Lakh	30	30
Secondage	6000	6000
Effective rate	5000	5000
% of secondage in 7–11pm	30	30
GRPs	190	280
CPRP	15789	10714

Most buyers try and use a judicious mix of RODP and fixed spots to try and maximize value for the brand. ROS deals would make sense on mass channels as afternoon serials have substantial viewership. News channels, on the other hand, have fixed peaks in viewership in the morning, early evening, prime time and late-night. In such cases, buyers try and keep to RODP for the peak viewership day-parts and restrict the ROS component to weekends when viewership increases through the day. On English movie channels, the 9 pm movie gets significantly higher viewership than even the evening movie. So, the 17–24 hours RODP may actually, prove to be an inefficient buy even at a higher discount.

10.1.10 Upgrades and Spot Fixing

While this is never put down on paper, another way to sweeten the deal is to actually *fix RODP or ROS spots* ensuring higher deliveries. It is also possible that spots in a particular category can get *upgraded to higher category time-bands or programs*. Upgrades and spot fixing are done as value-adds to a deal. They can also be requested for if the deal is not performing to expectations.

10.1.11 Sponsorships

Program sponsorships are added on to a deal in order to deliver added value [4]. The *value in sponsorships comes from the branded tags promoting the program*—'This program is brought to you by …' The programs are promoted through the day, and each time the branded promo tag comes on, the brand gets an 'on-air' exposure. The value of this in GRP terms can be more than 30% of the main spot GRPs at the very minimum!

There are two types of sponsor relationships–the main sponsor (also called the title sponsor if the program is branded, like Hero Honda *Sa Re Ga Ma Pa*, etc.), and the associate sponsors. There is only one main sponsor for every program, but there would be multiple associate sponsors. Normally, there are two sets of program promos with two different sets of associate sponsors run by the channel to promote the program.

Sponsorships are usually given in blocks of 4–8 weeks. Higher spends and commitments ensure better and more sponsorships. In fact, very often channels use upcoming property sponsorships to try and hook in more outlays on the channel. A minimum amount of airtime has to be bought on the program being sponsored, and the norms for these vary across channels. There are two types of sponsorships which are good buys (see Fig. 10.2).

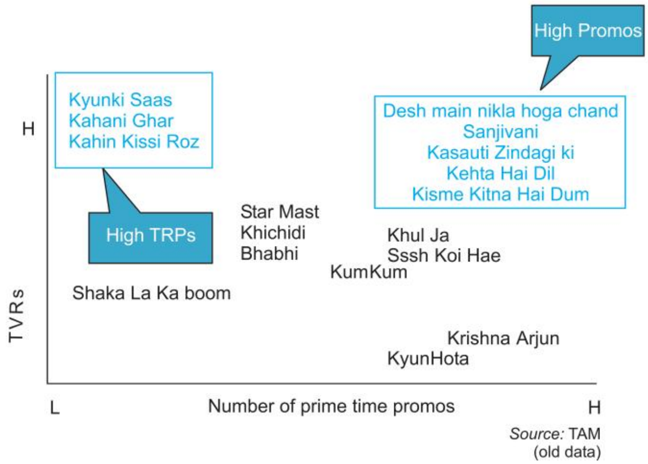


Fig. 10.2 Sponsorship selection

(a) High TRP program sponsorship

These are sponsorships where the sponsored program itself would be a prime time program. This program being an established, high TRP one, does not need to be promoted much. The value from this sponsorship would come from the opening and closing credit titles that happen on the high TRP program itself.

(b) Highly promoted program sponsorship

These are programs which are slated to be the hot, new releases in that time-period which will be promoted most by the channel. The value from these programs comes from the high number of tags which even appear on high TRP prime time programs.

10.1.12 Position in Break or Sponsorship Capsule

Due to increasing clutter levels, *viewership during the break can fall by* anything between *10–40%* compared to the program viewership! *The first and last ads in the break are the least impacted* in terms of viewership, and are therefore highly prized. While most clients demand a first or last position in either the break or the promo tag capsule, these value-adds are the most difficult, and often impossible to pull off. They can only be requested for, never demanded, and are a function of the relationship shared with the media partners [5].

10.1.13 Properties and Opportunity Cost

The 'medium is the message' translates into *association with properties that are in synch with the brand,* and add value to the brand communication. Sometimes, programs have a lot of synergy with specific brands, like a dating program on MTV, and *Close-up toothpaste* which is targeting youth. In such cases, Close-up could be offered the title sponsorship of this property. Close-up could even run on-ground activities and contests around the program to try and leverage maximum benefits from it.

Since this kind of synergistic properties are rare, there would probably be at least four to five other youth brands queuing up for it. There is an opportunity cost for missing out such properties as the competition could very well get hold of it. That is the reason why the normal negotiation process does not hold much water in such cases. Media partners often use these properties to lock in deals at higher costs than the benchmarked rates.

Cricket sponsorships fall firmly and squarely into this category, especially for a lot of youth brands like Coke, Pepsi, Hero Honda, and the telecom brands. Cricket seems to be the only medium with mass connect with the youth and, in a lot of cases, negotiations literally become like 'the other guy blinked'.

10.1.14 Innovation

Innovations are defined as 'things that are novel or new, original, or never done before, and an improvement on the existing'. In the media context innovations are clutter-breaking, creative ways of using new media, or new ways of using existing media in order to strengthen the brand proposition.

The most easily done innovations would be vignettes which are created and aired by the channel. Vignettes normally use channel footage to get across the brand message or proposition in an interesting and novel way. Niche channels like Discovery, National Geographic, Zee Café, Cartoon Network, etc., and Hindi movie channels like Zee Cinema and Set Max specialize in these. The other innovations which are fairly common are slates or supers which appear at the bottom of the screen. The slates can be static or animated, and normally have the brand message presented in a creative way.

Innovations are very difficult to carry in content protected channels like the news channels, and are therefore, more highly prized. Innovations in news channels are mostly by way of brand presence as an animated logo or slate on the headline screen or the weather section. Content copyrighted channels, like

English movie channels, are even more rigid about carrying any innovations as there may be legal implications.

'Big idea' innovations necessarily have active participation from the channel partner in ensuring permissions from the higher-ups as, in most cases, there is a departure from the norm—whether it is turning a live feed on Zee TV into a B&W broadcast for a minute, followed by *Nerolac Paints* 'bringing color into our lives', or the Indian cricket team doing a '*Pepsi* huddle' on the field. While vignettes and slates can be part of the deal as a value-add, or come at a minimal cost, the big ideas are almost always at a premium.

A lot of companies, like HUL, encourage innovations by keeping aside a part of the budget for them. The impact of innovations is not measurable frequently, and this is the biggest drawback in judging whether it has been a success. The effect of innovation on parameters like awareness and preference can be traced through the brand health tracks, or the client could commission customized research. The effect of the innovation should be large enough to more than cover the premium paid.

10.1.15 In-program Placement

Next in the hierarchy is placement of the brand within the program. This type of innovation is much in demand due to the cluttered ad environment, as these placements are thought to cut through and be noticeable. Apart from the sheer noticeability value, the brand gets almost an endorsement from the TV serial celebrities, whether it is Mandira Bedi talking of the finer points of the *Tata Indicom Walky phone* on 'Indian Idol' or Jassi being fitted with Bausch & Lomb contact lenses during her make-over. These innovations need to be done with finesse so that they are not jarring. While they come at a price, occasionally they may be thrown in as a value-add to sweeten the deal, or to ensure the deal does not go to a competing channel.

10.1.16 Content Integration

This is a more evolved form of in-program placement where the *brand communication is seamlessly integrated within the serial*. Unlike product placement, this requires much more creativity and active compliance from the production house as well as the channel.

It could take the form of a protagonist of the serial taking part in a *Lux* beauty contest over a couple of episodes of the serial (while a Lux beauty contest is actually running on air), or it could be the *Tata Indigo Marina* commercial being enacted within the serial, with the man taking his wife off on a picnic date, with everything needed being carried in the boot of the car (just like in the ad).

10.1.17 Syndicated or Advertiser-funded Programs

This is at the top of the hierarchy with the advertiser, agency, channel and production house working together to produce and air a program funded by the advertiser. These are the highest cost programs, but they are able to completely showcase the brand [6].

With the government talking of enacting a rule to cap commercial airtime, all channels are looking at alternative revenue sources and are more open to advertiser-funded programming. A couple of channels have even set up special cells to tap all such revenue opportunities. FBC, a production house, along with *Lakme* Lever, launched Lakme Fashion House on Star One. *Kansai Paints* aired '*Nerolac style jama de*', a celebrity home décor show, on Zee TV. These are just some examples of an area which has really opened up in the last two years.

10.1.18 Interactivity and Consumer Contact

Customer interactions are very highly prized, and some channels specialize in combining 'on-air' with on-ground. The youth are the least likely to be reached with mass media, and youth channels like MTV and Channel V have an extremely good on-ground connect with them. Kid channels like Cartoon Network, Disney, and also Discovery have a lot of events and contests for kids. Even channels like CNBC specialize in events targeting the up-market male.

Consumer contact may be in the form of customized events organized specially for the brand, or it may be an event run by the channel with the brand as a partner. An on-ground event could also be telecast, leading to added visibility for associated brands. The *ET awards* for corporate excellence which was telecast on Times Now, and Set Max's *'Gully cricket' with Kapil Dev* are just some such examples. The spotlight of negotiations is always on the effective rate for airtime, while clients are actually willing to pay a premium for consumer contact. Channels, therefore, see it as a source of additional revenue beyond the airtime being sold.

10.2 PRINT—HOW TO EVALUATE A BUY

Like television, print too has various parameters used to judge the buy (see Fig. 10.3). Print buying, however, is not as complicated as buying on television. One of the key reasons is that, unlike swimming in the minute-by-minute ratings data on television, print readership data is not as dynamic, and is updated only annually. Print readership is also habit-based and slower to change.

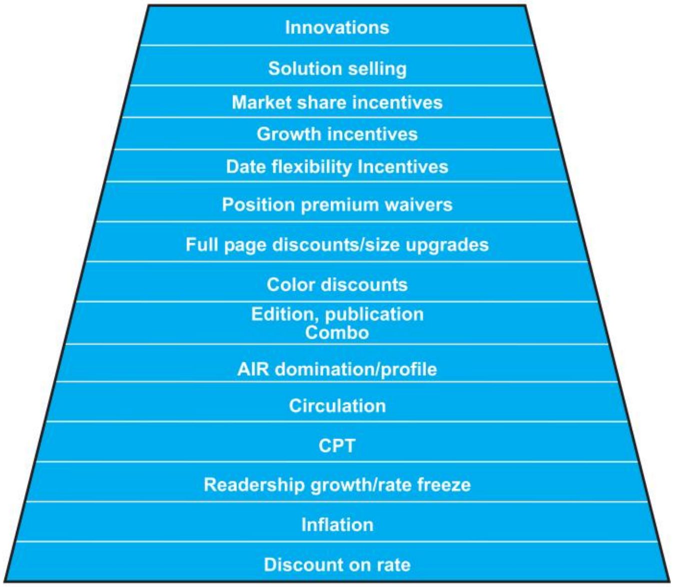


Fig. 10.3 Print buying pyramid

10.2.1 Discount on Ratecard

This is the primary parameter to look for in the buys—the *quantum by which the card rate is lowered,* or the actual savings for the client. Leader publications discount less, while follower publications give higher discounts. With the market getting more competitive due to new launches, and existing publications extending their coverage to new markets, even leader publications are now more open to giving discounts.

$$\%\ \text{discount} = \frac{(\text{Card cost} - \text{Negotiated cost})}{\text{Card cost}} \times 100$$

The point to note is that the calculations for the discount percentage have the card cost in the denominator, and not the negotiated rate (see Table 10.6).

Table 10.6 Discount on card-rate

	Year 1 (Rs. Lakh)
Cost for 100cc ad	2.5
Negotiated cost	2.25
% Discount	10

10.2.2 Inflation (Card Rate and Negotiated Rate)

Discounts alone are not indicative of whether the buy is good. A *publication can hugely increase the card rate and then give large discounts*. Therefore, it is important to monitor the inflation or the increase in costs as well.

$$\% \text{ inflation} = \frac{(\text{Earlier cost} - \text{Current cost})}{\text{Earlier cost}} \times 100$$

In Table 10.7, a brand gets 10% discount in the first year, and the second year too, which would look okay if we only look at percentage discount as a parameter. It is only when we overlay the inflation do we realize that the costs have risen by 50%!

Table 10.7 Inflation

	Year 1 (Rs. lakh)	Year 2 (Rs. lakh)	% Inflation
Cost for 100 cc ad	2.50	3.75	50
Negotiated cost	2.25	3.38	50
% Discount	10	10	

For a good buy, we need to ensure that the inflation in negotiated costs is significantly lower than the inflation in card rates. This is possible if we are able to negotiate a better discount (see Table 10.8).

Table 10.8 Lower inflation on negotiated rate

	Year 1 (Rs. lakh)	Year 2 (Rs. lakh)	% Inflation
Cost for 100 cc ad	2.50	3.75	50
Negotiated cost	2.25	2.63	17
% Discount	10	30	

Unlike TV, where increase in costs is fairly closely linked to better performance, publication rates in the print industry increase every year (sometimes, even 2–3 times a year for certain leading publications). This is allegedly due to the increasing cost of newsprint which is an input cost for the industry. The rate hikes annually are usually in the 10–15% range.

10.2.3 CPT or Cost per Thousand

The best way to judge a buy is to focus on the delivery versus the cost. The parameter we make use of in this case is CPT, or cost per thousand, reached *by the vehicle*. Please note, the reach calculations discussed in print have all to do with *the vehicles in which our communication is carried,* and are not about the people actually reached by our communication or ad message through the vehicle.

CPT is defined as the *cost by the number of average issue readers,* or AIRs, for a publication or plan (in 000's). CPT comparisons across all publications in a market give us an understanding of efficiencies and help fine-tune our buys.

$$\text{CPT} = \frac{\text{Cost of publication or plan}}{\text{AIRs of publication or plan}}$$

10.2.4 Rate Hikes Versus Readership Growth and Rate Freeze

We also need to check whether the inflation is justified. We can do this by *overlaying the readership growth on the cost inflation*. If a publication is showing an increase in rates and the readership for the publication is stagnant and declining, it makes a stronger case for tougher negotiations. On the other hand, if the readership for a publication is showing growth, then it is okay to pay proportionately more as we would be reaching more number of people.

Very often, if the readership is stagnant or showing a drop, a rate freeze is asked for. In this case, while the card rate may show an increase or inflation, the negotiated rate remains at the same level as in the last deal period. With two readership surveys, NRS and IRS, operating in the marketplace, the situation is fairly confusing with both the surveys rarely concurring on anything. If the NRS shows growth in readership for a publication, IRS is quite likely to show a fall in readership or, at best, a stagnant base! Media partners of course use whichever survey shows their publication in a better light.

10.2.5 Readership Versus Circulation Tracks

Circulation juxtaposed against readership gives a sense of total number of copies in circulation as well as the *readers per copy,* and makes for an additional parameter that can be examined. Magazines which have *higher pass along readership have more readers per copy,* while dailies have fewer readers per copy. It is possible to check circulation growth versus readership growth as it would usually follow the same trend, unless of course the reading pattern changes for a publication.

10.2.6 Market Share Incentives

If a publication is trying to promote or protect one of its markets, it is willing to give additional incentives on the inclusion of the market, and successively *higher discounts for equivalent share, higher share, or 100% share of the business versus competition* (see Table 10.9). The annual volumes are reconciled at the year-end to figure out the applicable additional incentive, if any. The incentive is usually in the form of free space usable within a pre-specified period, though some publication do offer cash back incentives in the form of credit notes. *Dainik Bhaskar* used this method to great effect when it launched in Rajasthan, to get a larger share of the business away from it's competitor *Rajasthan Patrika*, riding on its existing MP editions.

Table 10.9 Market share incentives

Editions	*Consumption*	*Discount*
If Edition X included	Up-front	25%
Edition X at 50% share	Year end incentive	3% additional
Edition X at 75% share	Year end incentive	5% additional
Edition X at 100% share	Year end incentive	10% additional

10.2.7 Growth Incentives

A publication is willing to offer *additional discounts if the entire business shows substantial growth*. The growth can be looked at on either value or volume. If value of business is calculated, then it is net of agency commission and net of discounts offered, unless mentioned otherwise.

Growth incentives are normally offered at the year-end as credit notes or free space worth the incentive amount which has to be utilized within a specified time-period. The incentives are usually worked out slab-wise (see Table 10.10). If the volumes or value are committed upfront versus being reconciled at the year-end, higher discounts are offered.

Table 10.10 Growth incentives

Revenues	*Additional discount*
Last year revenues	Rs. 130 lakh
131–145	4%
146–175	6%
175+	10%

10.2.8 Combination Rate Incentives

If a print group has a *weaker edition, or publication to package with its main edition or publication, it offers higher discounts*. It is, however, up to the media planner to check whether the combination makes sense in the plan.

Selecting editions on the basis of brand needs is the first step. It then needs to be overlaid with the delivery at the negotiated costs for the combinations, keeping in mind the inefficient point where we need to stop. (See Table 10.11). The all edition combination has the lowest CPT and makes the most sense from the efficiency standpoint. As we can see, spends too keep increasing, and if there is a budget crunch we may not be able to take the all edition combination (even though it is the most efficient), as the decision is also dependent on the actual amount spent. The CPT remains as the thumb-rule to decide what to include. While the inclusion of the second edition significantly lowers CPT, the CPT is higher for the third edition and it should not be included. This kind of analysis also helps guide negotiations with the media partner.

Table 10.11 Combination rates

Edition/market	*Readership in 000s*	*Negotiated cost in Rs.*	*Efficiency/CPT*
Edition 1	156	500000	3205
Add Edition 2	245	650000	2653
Add Edition 3	270	765000	2833
All Editions	310	810000	2613

10.2.9 Full Page Discounts and Size Upgrades

Full page ads ensure that the publication's inventory is utilized better, and most publications offer an additional discount for full pages over and above the discounts on regular-sized ads.

While discounts may not be possible beyond a certain level, publications are willing to offer additional benefits through other means. Size upgrades fall into this category of benefits and go towards lowering the effective rate on the publication. Size upgrades may be any of the following forms:

(i) Every 240 cc ad gets upgraded to a full page
(ii) Every fourth 150 cc ad gets upgraded to 240 cc
(iii) Every fourth 240 cc ad gets upgraded to a full page.

10.2.10 Discounts for Color Ads

Color ads used to carry a 100% premium on B&W ads. In recent years, a few publications like *Hindustan Times* have dramatically reduced the gap between B&W (black and white) and color costs. Some publications have gone to the extent of making a certain edition 'All color' where, even if a B&W ad is carried, it would get billed at color rates! Some publications, especially regional newspapers, continue to have 75–100% premium on color ads. *Better discounts are offered by publications on color ads as the same space or inventory will net better realizations* compared to B&W ads for the publication.

10.2.11 Date Flexibility Incentives

In order to *manage inventory better, publications offer better incentives if date flexibility is possible*. Instead of specifying the exact date of release, it is left to the discretion of the publication (with only the broad time-period specified) when the ad must appear. In such cases, a publication extends better discounts.

If a publication's inventory is being utilized better on weekdays, it might offer significantly higher discounts on the weekend to ensure better inventory management. In the case of retail or real estate advertising, where advertising is concentrated on the weekends in supplements, better discounts are offered if the ads can be carried on the weekdays.

10.2.12 Positioning

Positions can have a dramatic effect on the noticeability of the ad. That is the reason all publications charge position premium. Some positions, like the front page solus, can cost 2.5 times the inside page ad cost in publications like *Times of India*! One way of adding value to the deal could be to either waive off or lower the position premium. In some cases, depending on inventory, a regular ad could be upgraded to a special position ensuring higher noticeability, savings, and a lowering of the effective deal rate.

10.2.13 Combination Deals

Most deals are combinations of various types of discounts. A typical deal would have an upfront discount on the card rates, differential discounts on color, full pages, combination, or all editions. Some deals would also build-in market share incentives, growth incentives, as well as upgrades for sizes and positions. Savings calculated for the brand, therefore, have to factor in all these elements to arrive at the final effective rate for the brand.

10.2.14 Solutions Selling

Publication groups have extended their operations into other media, like outdoor, internet, direct contact, radio, cable, and even TV channels in order to go *beyond delivering readers to delivering markets*. Media companies are already engaged in market penetration activities to further circulation, and leader publications can boast of fairly deep coverage. This is then used as the back-bone for activities like 'test marketing', or other direct contact activities that clients would like to undertake in the market.

Publications organize events which can be tied into the deal, like the *Sananda* (a magazine from the ABP group) Tilottama beauty pageant, or the *Business Today* awards for the best managed company, etc. The choice is to ride on an event already being run by the publication, or have something customized specially for the brand (which would of course come at a price premium). See Chapter 14 of this book for details.

10.2.15 Innovations

At the highest level of adding value, innovations help brands stand out from the cluttered environment. There was a point in time when publications did not do any kind of innovation. Even a double-spread ad in newspapers was not possible. With increased competition within the category, and with consumers having alternative sources of information and entertainment, print has had to adapt and become more flexible and competitive.

There are a host of innovations possible now…. (see Annexure 6 on print innovations).

1. Layout-based innovations
    - Jackets, strips below masthead, other front page innovations
2. Format-based Innovations
    - Double-spreads in dailies, stickers, pop-ups, islands and gatefolds
3. Copy wrap-arounds
    - Ad with copy shaped around it (mostly dummy copy)
4. Editorial-supported innovations
    - Medium is the message principle
    - Power of editorial rubs-off onto ads
5. Exclusives
    - Only advertiser—breaking through the clutter
    - Or …. exclusive to a certain subset of the reader base
6. Sensorial
    - Special colors, perfumes or paper
7. Focused on brand proposition
    - Solves the brand problem or furthers the brand proposition

Clients and agencies approach innovations from different angles.

Agency focus

- Never done before—new, novel
- Attention grabbing
- Displaying clout and relationship with the media partner
- How it furthers the brand proposition

Client focus

- What is the effect of the innovation?
- Can the results be measurable?
- Is the pricing justified?

10.3 OTHER MEDIA BUYS

Other media buys are far less complicated primarily because of the lack of sophisticated data available for those media.

10.3.1 Radio Buys

Radio airtime is sold in 10 second units just like in television. You can buy time on a station in one market, or across a combination of markets. Each radio station has its unique combination of markets to offer. Bigger stations are tying up with regional players to offer a larger spread, or a national coverage.

Apart from airtime, radio channels offer *sponsorship* of programs as well as an opportunity to associate with *contests* being run by the station. *RJ mentions* are unique to this medium—the brand is mentioned by the Radio Jockey within a program, offering lower levels of clutter and, hopefully, being more memorable! Some radio stations offer *on-ground events,* apart from 'on-air' secondage.

Radio rates are juxtaposed with listenership data from the Indian Listenership Track (ILT) or other radio researches to ensure a rational benchmarking of rates. With the RAM data, radio planning can now be as scientific as TV planning, with reach calculations and scheduling patterns, and even program level detailing. Unfortunately, this is only in four markets at present but is expected to extend to some more cities soon.

10.3.2 Outdoor Buys

With many new companies entering the fray [7] outdoor has moved beyond just hoardings and bus shelters to many exciting possibilities in transit media like cabs, buses, railway stations and airports. Technologically, advanced digital screens have been set up at malls, offices and residential complexes. Outdoor buys have the least amount of science involved, as there is the least amount of data or research available for this medium. The data, at best, can be a *survey of all available sites*. This could be *overlaid with a subjective quality of site measure* depending on size and placement of the hoarding. While there has been some sketchy attempt to arrive at reach of the site using traffic counts, it remains fairly dubious as the traffic counts are done in limited locations and yield no data on demographics and number of occupants of the vehicle. Besides, there is absolutely no guarantee on eyeballs.

Buying for outdoor is also the least organized, with *multiple vendors selling the same site* and various levels of go-betweens, resulting in *multiple levels of commissions and inflated prices*. The process is complicated further by vendors offering package rates across multiple sites! The only way to benchmark outdoor rates is to ask for multiple quotes from vendors, and to look at data on past buys. A site visit where each site is selected by *physically visiting every site location is essential* as, very often, vendors photograph the site from an unrealistic but complimentary angle to make it more saleable.

The recent practice of outdoor companies bidding for, and then being given the *sole contract for airports or railway stations,* brings in some clarity in the rates. On the downside, a monopoly and the high bids submitted have an inevitable upward pressure on the rates. A system of monitoring site occupancy could give some idea of demand and supply, and cues on how hard to negotiate. Lacking this, outdoor information systems are fairly weak, with the outdoor concessionaires themselves giving reports on competitive brand activity and spends. Often, clients put in place informal MIS systems through the local sales team in each market where the brand has outdoor activity.

10.3.3 Cinema Buys

Theatres are *divided into classes primarily on the basis of the price of tickets*. Vendors offer rates across classes of theatres, and across cities. While the air time is priced at 10 second units, it has to be bought in multiples of 60 seconds. Companies like Dimples Cine advertising offer national coverage across markets and class of theatres. Along with on-screen options, they also offer off-screen opportunities through their activation cells.

PVR, Inox, Cinemax, Shringar and Adlabs now form multiplex chains with presence in most major cities. In 3–4 years from now, these companies alone will have 700 screens across India. Currently only 15% of screens are digital, but this is expected to grow rapidly, allowing a much better reach into smaller towns, and also better control and monitoring of activity [8]. *Tie-ups with multiplexes allow for exciting in-theatre activation* possibilities, aside from screen advertising, i.e., *standees, LCD displays, elevator branding, floor graphics, seat flaps, product displays and branding in rest-rooms*.

Apart from cutting through clutter, grabbing attention, and getting celebrity endorsement at a fraction of the price, in-film activities have the added benefit of the brand getting repeat viewing every time the movie is aired on TV as well! Often, brands which are already using the stars in brand communication associate with films starring these actors. Agencies like Starcom (Leo entertainment), Group M, Madison and Lodestar have set up divisions which look at in-film associations as part of the brand communication plan. There is obviously no ratecard for such opportunities, and costs are decided on the basis of the 'starpower' of the actors, the banner under which the film is being made, the director's track record and, of course, a wild gamble on the film being a hit! The cost would also depend on whether the brand just appears as a prominent hoarding in the background or is integrated into the script. Whether it works for the brand is difficult to judge unless a specific research is commissioned to check on its efficacy, but producers of the films are certainly laughing their way to the bank. Madhur Bhandarkar's "Fashion" allegedly recovered Rs. 8.5 crore of the total Rs. 22 crore invested from in-film placements alone across brands like *Kimaya, Reebok, Lenovo, Sunsilk shampoo, Cellucom and LG Electronics* [9]!

10.3.4 Internet Buys

The Internet is the most sophisticated medium when it comes to tracking users. *Apart from page views or sheer exposures*, it is possible to *track unique users*. Data is available on actual *ad click-throughs* connecting to a *track on leads and conversions* or *actual sales*! *Geo-targeting,* which means focusing on a particular city or state, is also possible. While most sites claim a demographic profiling of their users, this is possibly the weak link as this data is based on the profile filled in by the user, which is not necessarily the most accurate!

Internet buys can be of various types. In fact, a buy could actually be a mix of the various types, each fulfilling a particular purpose.

(a) CPM or cost per thousand deals

These deals *focus on sheer exposures,* and are usually on high traffic portals or mail sites like Rediff, Yahoo, etc. They are the basic *brand-building campaigns with visibility* being the driving force.

(b) CPC or cost per click-through deals

These are on specialized, focused content sites with involved users, in addition to the high traffic sites. The *user needs to click on the ad* and is directed to the company site for further interaction. This campaign is more 'measurability-driven and action-oriented with *focus on response*. The creative unit has to be engaging enough for the user to click on it.

(c) PPA or pay per action deals

These are campaigns where the *user is expected to perform an action,* whether it is taking part in a contest, filling in a form, or even an actual sale. Costs are on the basis of number of actions performed.

(d) CPL or cost per lead

This is especially in use in categories like banking and financial services where *each lead generated is paid for* [10].

(e) SEM or search engine marketing

These are deals where the *link to your site pops up when the user executes a search for any of the keywords* linked to your site. These are like the 'sponsored links' that appear on the right-hand corner of the google search results page.

(f) Affiliate marketing

This has not yet taken off in a big way in India. When the *ad for a product placed on a site results in a sale, the proceeds from the sale are shared with the host site*.

(g) Measurement issues

The paradox of internet as a medium is that while it is the most scientific in terms of user interaction tracking, there exists *no comprehensive industry study or research which is a third party benchmarking of performance*. While comScore and IAMAI may come up with studies intermittently, and Alexa may have a global site ranking (with some India information as well), there is no ongoing comprehensive industry study like TAM or NRS for the Internet space, *especially with user demographic profile data*. Activity monitoring is completely dependent on the server logs of the website. This makes informed decision making difficult, and the expertise in this area is more experiential and dependent on data supplied by the media partner.

10.3.5 Communities and Blogging

Communities and blogging are the most 'now' thing in media, especially with the younger 'click' generation. Marketers have jumped on to this bandwagon as well in an effort to *communicate with the youth in a language they understand*. Marketers are setting up their own blogs and hiring community managers to keep the blog alive and the community active. The other route is to use existing communities on networking sites like Facebook, Orkut, etc., to create groups. The one-on-one interactivity of the net, blogs and communities *help group interaction and dialogue* [11]. Marketers use this medium to 'spread the word' and get opinion leaders to exert peer pressure on the group through *buzz or viral marketing*. The creative unit has to be compelling to grab attention, and interesting enough to create a talking point and be passed around. The results behind initiatives in this space may not necessarily be quantifiable and, therefore, are fairly difficult to evaluate. Impact on corporate or brand image, etc., and awareness can be monitored to try and isolate the effect (all other factors remaining constant).

10.3.6 Mobile

This medium is even more nascent than the net as far as advertising is concerned. The advantage of this medium over the net is the significantly larger base of mobile owners, and if value-added services take off then there would be a significant play due to the larger base.

(a) WAP-based

A WAP site is like a *website on the mobile* and the advertising opportunity is quite like the net. Advertising could be on the basis of *impressions* in the form of banners viewed, *or on the basis of click-throughs*. The issue with this way of mobile advertising is that a much smaller proportion of the cell phone base is WAP-enabled. Even more importantly, most sites do not have a mobile-friendly version of their content, leading to an experience for the user that may not exactly be what will keep him coming back!

(b) SMS-based

Mobile advertising could also be in the form of a SMS. Mobile users could be *pulling content through SMS* in the form of weather reports, cricket match scores, astrology, news updates, etc. The *brand ad is tagged to the content* (called a Footer message). As the SMS is 'pulled content', the tagged ad has a better chance of being viewed compared to a spam SMS. The advantage of this form of mobile advertising is that the form is very user-friendly, and the entire base can be accessed with no restrictions of technology [7].

(c) Gaming

Gaming on the mobile is also a promising medium. While the industry was sized at Rs. 210 million in 2007, advertising accounted for only Rs. 22 mn [12]. The advertising is in the form of brand or *logo placements within the game* like a Honda logo for a bike racing game, or *banner ads on gaming portals or websites* on-site, or games developed, especially, for the brand (where it is deeply integrated into the game)—*advergames*. The basic problem with the internet (in terms of a lack of an ongoing industry research validating the numbers) is also the problem with mobile advertising.

10.3.7 Integrated Buys or Solutions

These are packages which may span various types of media, and are offered to the advertiser as an integrated media solution. They are the most difficult to evaluate as it is *not enough to break up the deal by medium to price it*. This is a typical case of the whole being greater than the sum of its parts! After breaking up a deal by medium to try and price it, a premium needs to be applied to account for any customization or innovation, as well as the synergistic nature of the deal [13].

Erwin Ephron talks about the *complexity involved in inter-media CPM/CPT comparisons*. Different media have differing levels of effectiveness in message delivery—this is the communication or 'impact value' of the medium. The accuracy of audience measurement will also impact the CPM calculation. While outdoor may show very low levels of CPM when compared to other media, it would be because the traffic count done to arrive at the exposure figures significantly inflates the audience delivery versus the relatively more realistic exposure measure arrived at using the peoplemeter system for TV. This would be the exposure, or OTS value, of a medium. Zenith Optimedia in the UK (2004) came up with a CPM measure which factors in both the impact value and the OTS value to arrive at more realistic CPM measures for inter-media comparisons [14].

10.4 MEASURING THE EFFECT OF THE BUY

The best form of evaluating a deal is *not just to measure the price* that has been paid, *but to focus on the effect of the buy*. This ensures that we evaluate not just the efficiency of the deal but also its effectiveness.

10.4.1 Ad Tracks

Ad tracks provide ongoing data on a number of parameters which are indicative of brand health. Measures like TOM—'top of mind awareness', 'spontaneous awareness', and 'aided awareness' are more indicative of media effects or, in other words, whether the campaign was noticeable. Other ad track measures like 'consideration', 'preference' and 'brand attribute' statements are more indicative of whether the brand proposition and ad communication are working.

10.4.2 Customized Research

If a brand does not have an existing ad track in place, or is unable to customize the track to isolate the effect of just the innovation, a customized research to measure the effect of the innovation may be the best bet.

The relevant attributes need to be measured before and after the innovation (all other variables remaining constant) to isolate the effect of the innovation. The measures being monitored could be ad or brand awareness at a basic level, going on to preference or scores on brand attributes. For example, if an innovation is trying to drive up the attribute of 'washes clothes the whitest', scores on this attribute are what need to be tracked pre and post to monitor for significant changes.

10.4.3 Response-linked Ads

Another way to measure innovations is to make it response-linked. If previous ads have a certain monitored response rate, then it would be juxtaposed against response rate from the innovative ads. The innovation premium is justified if the response rate from the innovative ads is significantly higher.

SUMMARY

- *Competitive TV scene has ensured cut-throat negotiations with 70–80% discounts and bonus spots resulting in dysfunctional rate-cards.*
- *Effective rate—total cost for the deal, divided by the secondage. Deal composition to check prime time proportion, weekday versus weekend split.*
- *CPRP is a measure of price paid for GRPs delivered. Normalized GRPS (factored by ad duration) should be used.*
- *Reach delivery of the deal also needs to be checked. A better spread and more high TRP programs will deliver better reach.*
- *Low budget brands need to stretch their on-air presence, and may have to trade higher reach delivered in a shorter span of time for extended presence with some compromise on reach.*

- *ROS, RODP allow the channel to better manage its inventory versus fixed spots, and fetch higher discounts for the agency.*
- *The value in sponsorships comes from the branded tags promoting the program, can contribute more than 30% additional GRPs.*
- *Break viewership can fall by 10–40%, first and last spots are least impacted, and are requested by the buyer to improve plan delivery.*
- *'Medium is the message' means association with properties that are in synch with the brand, and come at a price premium.*
- *With the government talking of enacting a rule to cap commercial air-time, TV channels are looking at alternative revenue sources through product placements, syndicated programs, contests, on-ground activation, etc.*
- *While percentage discount is the basic parameter to evaluate print buys, it needs to be overlaid with inflation and CPT.*
- *Incentives on multiple editions, supporting weaker publications, ensuring greater share of business versus competition, and growth in business are some ways to increase effective discounts.*
- *Full page, color, date flexibility ensure better utilization and realization of inventory and additional discount.*
- *Publication groups extended to outdoor, internet, direct, radio, cable and even TV channels, to go beyond delivering readers to delivering markets.*
- *Apart from airtime, radio channels offer sponsorships, contests, RJ mentions and on-ground events to deliver added value.*
- *Sketchy data, multiple vendors, and commission levels have made outdoor a disorganized medium. Single concessionaires for airports, railways, site visits before selection, and informal MIS system essential.*
- *Cinema—multiplex chains, off-screen opportunities. Digital cinema will help reach into smaller towns and monitor delivery.*
- *Page views, tracking unique users, geo-targeting, click-throughs connecting to a track on leads and conversions, or actual sales, are all possible on the net! CPM, CPC, PPA, CPL, SEM and affiliate marketing deals on the net. Third-party monitoring, user profile data are an issue.*
- *Communities and blogs help group interaction and dialogue. Marketers are setting up their own blogs and communities, or are riding on existing communities like Facebook, Orkut, etc., through viral or buzz marketing.*
- *Mobile—banners on WAP- enabled handsets, ads placed in content SMS, or advertising in mobile games (banners on portals, logo in game, or advergames with brand integrated deeply in the game).*
- *Integrated buys are difficult to break up by medium to evaluate due to synergies.*
- *Focus on the effect versus just the price or efficiencies, customized research and monitoring response rates.*

REFERENCES

1. 'Zee introduces transparent rate-card, buyers unsure'—www.indiantelevision.com, 2003.
2. 'The Bureau of weights and measures: Can you trust the label on a CPM?'—Erwin Ephron, www.ephrononmedia.com.
3. 'Learning to ride a bicycle: Why it may be too early to call CPRP the bad guy in TV Buying/Selling'—Ravi Kiran, www.agencyfaqs.com.
4. 'Tacos or Diamonds: Sponsorship sells because celebrity is surer than sales'—Erwin Ephron, www.ephrononmedia.com.
5. 'How to evaluate and select media vehicles'—Sissors & Bumba, *Advertising Media Planning,* Chapter 12, 1996.
6. 'Media Costs & Buying problems'—Sissors & Bumba, *Advertising Media Planning,* Chapter 15, 1996.
7. 'Media Mix'—Chapter 7 of this book.
8. 'The Indian entertainment & Media industry—a growth story unfolds': *A PWC report.*
9. 'Fashion earns Rs. 85 mn from in-film advertising'—*Yahoo India news*, Oct. 2008.
10. 'Or is it an elephant? Stretching our minds for a new web pricing model'—Erwin Ephron, www.ephrononmedia.com.
11. 'Authenticity over exaggeration: The new rule in advertising'—Julia Hanna *HBS Working Knowledge*, Dec. 2007.
12. 'Online gaming India 2007'—*a report by IMRB.*
13. 'What about 360 degrees?'—*Businessworld,* 23rd Aug. 2004.

FURTHER READING

'Consumers changing relationship with new technologies'—Nigel Sheldon, *Admap,* April 2007.

'Cross Platform: If it's media mix on a budget, it makes sense'—Erwin Ephron, www.ephrononmedia.com.

'The Buying Survey'—*Business World,* 24 Jan. 2005.

'Sponsorships: From Management ego trip to marketing success'—Crimmins & Horn, *Journal of Advertising Research,* July 1996.

'Event Sponsorship: Does it work?'—Abel & Long, *Admap,* Dec. 1996.

THE BUYING PROCESS

11

"No man ever reached to excellence in any one art or profession without having passed through the slow and painful process of study and preparation"

.... Horace

From a function which is responsible for negotiating lower rates and saving costs, buying is now seen as a crucial activity in the delivery of a great media plan. The buying function can contribute by ensuring brand relevant, clutter-breaking innovative ideas as well. Apart from exploiting or tweaking existing media options, buyers can even create new media opportunities for the brand to interact with the consumer. A process-led buying approach has a greater chance of resulting in a better buy. This chapter examines all the steps that need to form part of the buying process.

11.1 STRUCTURES, ROLES AND RESPONSIBILITIES

Large clients may have different creative agencies for different brands. When the *media planning and buying function is consolidated with a single agency, that agency is called an AOR,* or 'agency on record'. Some clients may only consolidate buying while the planning remains with the respective creative agency. In this case, the AOR is a buying AOR. Clients may even consolidate planning with one agency and buying with another. AORs basically bring in buying efficiency through consolidation, and enable easy implementation.

Different media agencies have different structures and job responsibilities. Some media agencies may have *different planning and buying teams,* while others may have a *planner-buyer structure,* with planners also responsible for buying. *Two or more agencies with the same holding company may merge their buying* function to get better efficiencies and more negotiating power. The buying in this case would be done by this third entity [1].

Agencies may structure their buying team with either a media or a brand orientation. In some media agencies, *buyers may be structured by media*—they buy for all brands for a specific media or set of media vehicles. There could be different teams buying for print and TV. Within TV itself, buyers could be structured by genres like regional channels, mass channels, sports, niche, etc. This allows for better rate benchmarking and more power and clout to the buyer sitting at the negotiating table. Another structure would be to have *buyers aligned to brand teams,* and buying cross media for a brand or set of brands. This structure allows for more brand focused buys, and also for more creative and innovative ideas as the buyer has a better understanding of the brand needs when he sits at the negotiating table.

Some agencies may encourage implementation or operations people to directly interact with clients on make-goods, estimate approvals, etc., while other agencies may only have the buyer interfacing with the client on all issues. In some cases, the creative and media agency belong to the same parent company. In such cases, the two departments work fairly closely, and servicing may play a major role in creative approvals and collections. Some agencies may have a system where the buyers raise the estimates, and not the operations team.

11.1.1 The Buyer's Role

(a) Putting together the buying plan after receiving a brief from the planner
(b) Negotiations
(c) Getting approval from the client on the buying plan
(d) Estimate approval from the client
(e) Coordinating with, and supervising the implementation team
(f) Missed activity and 'make-good' coordination with the client
(g) Deal inventory management
(h) Reconciliation prior to billing
(i) Resolution of disputes with the client
(j) Savings statement
(k) Follow-up on outstandings with the client

11.1.2 The Implementation/Operations Role

(a) Raising estimates
(b) Material requisition to servicing team at the creative agency
(c) Booking-in the activity
(d) Sending release orders
(e) Dispatching material (in cases where creative agency not responsible to send material)
(f) Follow-up on activity and monitoring
(g) Coordinating with buyers on missed activity, and initiating 'make-goods'
(h) Reconciling bills with estimates and deal letters

11.2 OBJECTIVES OF A MEDIA BUYER

(a) To ensure that the bought plan delivers more GRPs and reach, and/or reduces costs compared to the final plan.
(b) To enhance visibility for the brand/communication such that it is more impactful.
(c) To manipulate media, in order to augment the creative message.
(d) To ensure smooth implementation of the plan through a rigid, process-driven buying system.
(e) To provide accountability in the media process by delivering against measurable objectives.

11.3 STEPS IN THE BUYING PROCESS

The steps in the buying process are listed below. Let us examine each step in detail.

1. The buying brief
2. Environment analysis
3. The science of buying
4. The art of buying
5. Benchmarking
6. Buying plan presentation
7. Deal management
8. Post-buy

11.3.1 The Buying Brief

Once the annual plan or campaign has been approved by the client, it is time for the planner to brief the buyer. To ensure that the buying plan is not only a rate negotiation process, and has a buying strategy and innovative ideas relevant to the brand, it is essential for the buyer to have a thorough understanding of the brand strategy. While the buying brief is meant to be a formalized document which ensures *knowledge transfer of all the critical elements of the media strategy*, it actually helps *if the buyer* sits in on the media plan presentation and gets a first-hand understanding of where the client is coming from.

Elements of a Buying Brief

(a) The advertising strategy
- ✓ The advertising objectives of the brand
- ✓ The brand positioning

(b) Target audience

- ✓ Demographic and psychographic definition of the TG.
- ✓ The target person, the advertising, is focused towards (usually part of the creative brief).
- ✓ The target audience as per the media strategy—primary and secondary, buyer, influencer, etc.
- ✓ The target audience to be used for media analysis (takes into consideration the limitations of data and software).

(c) Markets
- ✓ Priority markets.
- ✓ Markets with a different advertising task.
- ✓ Consolidate versus growth markets.

(d) Media mix
- ✓ Media selection rationale.
- ✓ Role of each medium.

(e) Media budget
- ✓ By medium.

(f) Creative Units
- ✓ Number of ads.
- ✓ Size / duration of ads.
- ✓ Captions.
- ✓ Language.
- ✓ Role of each creative unit—theme/promo.

(g) Media objectives
- ✓ By markets.
- ✓ By media.
- ✓ By creative units.
- ✓ By day-parts.

(h) Campaign period and scheduling strategy
- ✓ Marketing activity schedule.
- ✓ Promotion plan.
- ✓ Purchase cycle led?
- ✓ Months of heavy activity/seasonality.

(i) Approved media plans with
- ✓ Channel or publication selection.
- ✓ GRP and reach targets.
- ✓ Planned budget.

(j) Programming strategy (in case of a TV plan).
- ✓ Qualitative fit with the brand.

- ✓ Scheduling for impact.
- ✓ Reach versus frequency maximization.

(k) Innovations and events

- ✓ Need for innovations.
- ✓ Kind of events the brand should be associated with.
- ✓ Kind of events the brand has been successfully associated with in the past.
- ✓ What does the innovation aim to achieve?
- ✓ Who is the target person for the innovation?
- ✓ What is the insight about the consumer which will make this innovation effective?
- ✓ Any competitive insights that will help?
- ✓ What creative proposition or positioning does the innovation need to build on?

11.3.2 Environment Analysis—Setting the Context

Before we actually start the process to arrive at the buy for a brand, it is essential to pull back and *understand the overall media context* in which our brand would be operating. This understanding is critical so that we can make use of every means possible to ensure we get the best buy for our brand.

The analysis is usually a quantitative as well as a qualitative look at the media market dynamics. The data is looked at over an extended time-period to get a sense of movement and trends. Unlike the preparation for negotiation kind of analysis which focuses on the vehicle to be negotiated and its immediate competitors, this kind of analysis is a broad level study, and is not at a vehicle level. A typical analysis covers most of the areas listed below:

TG-based

- ✓ Changes in TG media consumption habits.
- ✓ Impact of changing lifestyle on media usage patterns, with specific focus on day-parts.
- ✓ The role that non-traditional media plays.

Media-based

- ✓ Share of media expenditure by medium.
- ✓ Growth in media expenditure.
- ✓ Movement in pricing and inflation levels.
- ✓ Impact of fragmentation on reach of the medium.
- ✓ Imminent launches and impact on existing players.

- ✓ Tie-ups, takeovers and their impact on the negotiating power of media partners.
- ✓ Impact of new media on traditional media consumption and pricing.

Understanding the media marketplace from a pull-back perspective enables a sharp media buyer to predict trends. This understanding enables informed negotiations with media partners resulting in a better buy. For example, print inflation at an all-time high due to newsprint costs going through the roof versus TV CPRP remaining constant could be a negotiation ploy with print media. Or mass channel program ratings falling versus segmented, niche channels doing well, could be used to negotiate better rates with mass channels.

11.3.3 The Science of Buying

While planning is thought to be the thinking part of the media process which deals with numbers and figures, buying is thought to be the softer side of media, with the focus primarily on being a good negotiator. This view is, however, quite erroneous. A good buyer will never sit at the negotiating table without first having thoroughly scrutinized all the relevant data. This stage exists for media where detailed research or data exists. The more evolved the available data, the more depth there is in the analysis.

TV

(a) Tracking media performance

The first step is to take stock of the performance of all the media vehicles under consideration. This extends beyond just the vehicles in the plan to a fairly *comprehensive analysis of all the possible alternatives*. Analysis goes from a broad understanding of channel performance to day-parts and, finally, to program level data. Data is usually looked at over an extended time-period in order to identify trends in viewership.

While the buyer may access fair amounts of both quantitative as well as qualitative data to understand viewership patterns, the important thing to be kept in mind is that as far as buying is concerned, *TRPs are the buying currency,* and the metric against which the efficiency of the buy is measured.

- ✓ Reach and ratings
- ✓ Audience share
- ✓ Time spent
- ✓ Stickiness index [2]
- ✓ Selectivity index
- ✓ Performance within the genre

(b) Benchmarking past deals

'History repeats itself', but a knowledgeable buyer armed with all the data and learning from the past deals ensures that this is true for only the good parts! The *past deals and the delivery on the deals give the buyer a base to benchmark* the current deals. Additionally, it also enables the buyer to check on how the deal performed against the commitments—whether there was over or under-delivery, and accordingly the current buy can be fine-tuned. A comparison of past deals within a genre also gives competitive leverage while negotiating.

TV deal benchmark metrics

- ✓ Deal outlay
- ✓ Deal secondage
- ✓ Effective rate
- ✓ % Bonus
- ✓ % Prime time secondage
- ✓ Growth in ratings of key programs/day-parts
- ✓ GRPs delivered—normalized
- ✓ CPRP

As TV is a dynamic medium, special focus is on delivered versus deal metrics. Care should be taken to ensure that when we compare the deal metrics, we should look at the delivered CPRP, and not the pre-activity deal CPRP.

(c) Channel consideration set

While the plan given to the buyer may have specific channels only, the buyer usually extends his consideration set to include other channels in the same genre. So, if the plan has only Zee Cinema and Star Gold, the buyer will probably also ensure that he gets deals from Set Max and Filmy as well. This is done to ensure that there are no missed opportunities. This is also done because it is likely that channels which are not included in the plan will make extra effort to be a part of the buy, and will give really good deals.

(d) Competitor's buying strategy

An understanding of the competitor's strategy also arms the buyer at the negotiating table. If the competitor's strategy and needs are fairly similar, then the buyer needs to be prepared to pay a premium as the advertising budgets across brands are probably chasing the same properties and programs. The media partner has the upper hand in the supply and demand dynamics as the buyer is always on the look out to be associated with new properties and events, and cut the competitor out of the equation.

The other way in which this information can be made use of is to support channels, or events and properties that are not part of the competitor's plan. The channel mix that the competitor is using can also be tweaked around to get better deals. If the competitor is favoring Asianet and has low spends on Surya, and if both the channels are in approximately the same performance band, consciously funneling higher outlays to Surya versus the competitor will ensure a better buy than just splitting the money evenly across the two channels.

While there is rarely access to documented and authenticated data on *competitor deal outlays*, the buyer is always on the look out to get this information informally from media partners. This *crucial information* acts as an input into what our brand outlays should be on the channel, and also helps to arrive at all the cost-linked buying metrics like effective rate and CPRP. In fact, this information is so critical that some clients have now started demanding competitor market and media intelligence, which extends beyond the usual information on new launches and campaigns, to cover an evaluation of the competitor's buy.

The only information required is the deal outlay and the deal period, as the rest of the information, like deal secondage and GRP delivery, can be sourced from the TAM Adex database. What needs to be kept in mind is that if the source is the media partner, he is likely to inflate the outlays on his own channel and deflate the outlays on competing channels! If the deal outlay information is not available from external sources, then the TAM Adex data is used after correcting spends to market rates.

The deal analysis should ideally be done over an extended time-period, and ongoing deal evaluations should be analyzed with caution as the way a deal is being utilized may give a distorted picture of the actual deal. For example, a competitor may use only the prime time inventory at the start of the campaign and schedule the non-prime time secondage later.

Competitor deal evaluation metrics—TV

- ✓ Deal outlay
- ✓ Deal secondage
- ✓ Effective rate
- ✓ % Prime time secondage
- ✓ Day-part spread of secondage
- ✓ GRPs delivered—Normalized
- ✓ CPRP
- ✓ Channel spread (across channels for the brand)
- ✓ Channel share (across brands for the channel)

Print

(a) Tracking media performance

As in the case of TV buys, tracking the performance of vehicles under consideration should be the first step in the print buying process as well.

- ✓ Average issue readership (AIR)
- ✓ Share of the TG base
- ✓ Selectivity index
- ✓ Readership growth versus other competing publications
- ✓ Wastage—what part of the total reader base for the publication is our TG, and what is wasted?
- ✓ Cost per thousand (CPT)
- ✓ Loyalty—Solus readers
- ✓ Duplication levels
- ✓ Average issue versus claimed readers
- ✓ Time spent
- ✓ Circulation break-up

While the buyer may access fair amounts of both quantitative as well as qualitative data to understand readership patterns, the important thing to be kept in mind is that, as far as buying is concerned, AIR or *Average issue readership is the buying currency* and the metric against which the efficiency of the buy is measured.

(b) Benchmarking past deals

The past deals, and the delivery on the deals, give the buyer a base to benchmark the current deals. As print research is not as dynamic as TV, the readership and reach delivery, both pre-activity and post-activity, are identical (assuming no loss of insertions). The focus when we examine past deals for print is primarily on *deal composition and how well it was serviced.*

If a leading daily has agreed to allow quarterly utilization of free space on the basis of volume slabs versus the usual annual utilization, this is a good precedent to use in negotiations with others. Another example could be if a media partner has extended a facility to upgrade ads to a larger size as part of the deal. This could again be a precedent setting behavior which can be used to get competing publications to better their deal.

Print deal metrics

- ✓ Deal outlay
- ✓ % discount
- ✓ Inflation in card versus negotiated rates over the previous period

- ✓ Readership growth versus other publications
- ✓ Cost per thousand (CPT)
- ✓ Presence and extent of volume, or value based incentives (linked to growth over last year)
- ✓ Special discounts for larger sizes/full pages
- ✓ Market share incentives
- ✓ Additional value delivered due to savings in position premia

(c) Publication consideration set

While the channel mix in the TV plan may be dramatically changed around by the buyer, the scope to do this in print is fairly limited. Most markets have a *strong leader publication* which is the reach building option, and this *can be rarely substituted*, even if the deals given by the follower publications are significantly better. In markets where the gap between the leader and follower publications is lower, an option to substitute the leader can be considered.

11.3.4 The Art of Buying

(a) Negotiating a win–win deal

The negotiation process is not always a function of power dynamics alone. This is the reason why the brand with the *largest budget does not automatically get the lowest rates*. The knowledge and acumen of the buyer, his negotiating skills and, most importantly, the kind of relationship that he shares with the media partner—all have a role to play in ensuring a great buy.

An approach of *treating media partners as only suppliers,* and using the size of the client's business as a bludgeon to beat down the rates is an *extremely short-sighted approach*. It is unlikely that the agency will have an upper hand in all situations, and there are bound to be instances where the goodwill of the media partner becomes absolutely necessary [3]. Win–lose deals have a way of turning around and biting back! When the material for the ad to be carried in a daily the next day reaches only at 11pm in the night, no amount of heavy handed behavior is of any help. The buyer has to throw himself on the mercy of the media partner and hope that his good relations with him will save the day!

These kinds of situations are fairly common and, therefore, a good buyer should never approach a buy from a superior position. A mature buyer ensures that the deal is done in a fashion which does not come at the cost of the media partner's interests—a classical win–win deal. The buyer can definitely try and better the buy with lower rates, provided he manages to grow the business that he is giving the media partner. The thing that works best for both the client and the media partner, and is a true win–win is when the buyer is able to persuade the media partner to do a brand relevant innovation. The media partner is happy as he is able to earn better realizations on the deal as well as significantly grow his revenues. The agency is happy that they have been able to deliver value beyond just a lower rate, and the client is happy as well if the innovation works for the brand.

(b) The power of relationships

The importance of building good relationships with media partners can't be stressed enough. Not only does it rescue the media buyer in crisis situations, it can also go on to deliver value beyond what was promised in the deal. However, getting overfamiliar is the best way to start the relationship off on a bad note. Relationships get built gradually over a period of time. A *healthy relationship is based on mutual respect and need.*

It is important for the buyer to stay connected with the media partner even when he does not necessarily have a deal to discuss. The media partner is able to provide a good sense of the media market-place as well as feed information about the competitor brands. Staying connected also ensures that the buyer gets to hear about new initiatives and changes in the media vehicles. The media partner, on his part, should not hesitate to showcase all that he has done for the brand.

(c) Types of negotiating strategies

There are various strategies a buyer employs during the negotiation process. The same buyer may go from one negotiating style to another, depending on the context and how well he thinks the strategy is working. Listed below, are just some of the approaches buyers use while negotiating.

1. Using clout

The *quantum of revenue throughput* from an agency can significantly influence the deal. The larger the client budgets controlled, the more muscle the buyer has to flex, and it is no wonder that this is termed as buying clout! It is rare however, to see deals being done at the agency level. *Most deals in the country are still client based*. In fact, a client like Unilever has a completely separate, dedicated agency within the mother agency (Fulcrum in Mindshare) to ensure that no other clients are able to benefit from the large ad budgets they command. This is true of most large clients like Coke, P&G, etc. which have dedicated, stand-alone teams separated from the rest of the agency, usually for reasons of confidentiality.

The agency which controls large budgets also benefits in other ways. It is able to *benchmark rates far better,* to understand where there may be room to push the media partner that much more. Also, demanding clients ensure that the *overall quality of people* working on the business *is of a high caliber*. Large agencies also have access to resources to *develop tools and techniques* which aid the science and analysis part of the buy. And while buyers in large agencies may not necessarily do agency level deals, the ability to withhold business across clients, or even give competing media a larger share of the revenue, goes a long way in ensuring that the media partner gives a better deal [4]. The *media partner can counter* this approach by doing a *thorough benchmarking of all deals* extended to the agency, and by ensuring that he follows a logical client–revenue linked discounting mechanism, rather than discussing 'agency' rates.

2. 'The other guy blinked' approach

In this approach, the *buyer makes use of the media partner's overwhelming desire to best his competitor*. This works extremely well in markets where there are close competitors. At the slightest hint of the business getting split, the media partner is willing to better the deal to cut the competitor out of the game. Delhi is a case in point where the CPT of *Times of India (TOI)* is significantly lower when compared to its CPT in Mumbai. This was a strategy adopted to take business away from *Hindustan Times (HT).* In fact, TOI followed the classic entry strategy of piggy-backing on the strong Mumbai edition in the earlier days when there was a significant gap between TOI and HT readership. This has since settled into an under-pricing strategy once both the publications started running neck-to-neck [5]. The *media partner can counter* this approach by having very *stringent discounting threshold levels* beyond which he should not be allowed to discount by his seniors, aided by a strong MIS systems and discount level approval system.

3. Bludgeoning with data approach

This approach is employed to the greatest effect on media partners who are not very data savvy. The buyer pulls out all the *data which is unflattering to the media partner* and flattering to its competitor, and keeps hammering the media partner with the information. The entire tone and manner of the discussion is oriented towards logic and data which the media partner has a tough time refuting. This approach does not work as well with data-savvy media partners, who are as adept as the buyer in making the data work to their advantage! The obvious *counter by the media partner* is a *thorough analysis of available data* to spot the weaknesses and utilize the strengths.

4. Carrot and stick approach

This approach basically comprises of playing on the media partner's desire to meet his revenue targets. This approach works well on partners who are set very stiff revenue targets, or have suffered recent share loss to competitors. The partner is *tantalized with a larger revenue figure* than he would have budgeted for, and then a *disproportionately high value is extracted* from him for the expected increased revenues. Not all media houses set very stringent ceilings on discounts that can be offered, or monitor realizations very closely. This approach basically exploits this loophole at the media partner's end. The obvious *counter by the media partner* to this approach is to have *stringent discounting thresholds*.

5. Support other vehicles in the group

This approach consists of extracting *better value on the main vehicle* in the group *by supporting other satellite vehicles* within the group. This approach works especially well in cases where the media partner has launched a new vehicle, or added on a new market for the existing vehicle. For example, stand-alone deals with the *Hindu* do not fetch as good discounts as they do when *Hindu Business Line* is a part of the deal. These kinds of deals work for both parties and are possible win–win deals.

6. Founder brand approach

For new media vehicle launches, most clients wait to see it establish itself and command a viewer or reader base before they are willing to invest. This is especially difficult for a publication as it may take a year for it to get featured in a readership survey. It is extremely critical for a new vehicle to get advertising as this is seen as a sign of it being a viable proposition. The media partner then uses the presence of advertisers to show precedent and use as an example to get more business. In fact, some media partners even carry free ads in the beginning just to fill inventory and make it look like they are getting business!

If a *new vehicle is supported by an advertiser* over a long period, *right from day one, he gets a founder brand status* on the channel or publication. It results in a low rate that is locked-in even when the new vehicle goes on to garner better viewership or readership. The founder brand also has first right of refusal on new initiatives or properties on the channel along with innovations and creative ideas. The media partner benefits by having advertiser support from day one, as well as being able to use the founder advertisers to get more business on board [6].

7. 'Downplay budget' approach

Very often buyers have a certain amount of money earmarked for a channel or publication, but they *brief the media partner for a lower figure*. Once the best rates have been extracted from the media partner, the buyer then briefs him for a higher outlay. The *media partner is* always looking at ways to increase the outlay on his vehicle and is *willing to improve the deal to get a higher outlay*. Buyers, therefore, downplay the budget at the start of the negotiation process to get a better deal for the budgeted money! The media partner can counter this approach by proposing a multi-layered deal which has increasing benefits for increasing levels of revenue. This way, he will not be caught flat-footed and overcommit in a bid to get the already earmarked budget.

8. Understanding the seller's context

This approach consists of putting oneself in the media partner's shoes and thinking like him. In this approach, the buyer makes full use of the needs of his media partner in order to get a better deal. The *maximum benefits are extracted on the basis of whatever is the primary concern of the media partner*. If the media partner is concerned about competition making inroads, heavy incentives for market share are incorporated into the deal. If the media partner wants support in a new market, or wants another vehicle from the group included in the buy, it too comes at a heavy price! Of course, the most basic necessity of this approach is to understand the buyer's context well enough to know where he would be coming from.

9. 'Bend like a willow' approach

This approach is all *about flexibility*. It is about not being rigid and sticking to your position. If shifting some ads to the supplement from the main issue gives the buyer disproportionate value, then he is willing to explore that option. If the media partner is willing to guarantee premium positions in return for date flexibility, then the buyer is agreeable.

10. Using market intelligence

The trick in this approach is for the buyer to have his ear fairly close to the ground so that he is able to figure out how events in the media market place can be turned to his advantage, e.g., media associations, take-overs, and tie-ups. Management moves are studied closely and used to predict the impact on the group and vehicle performance. Investment decisions are then taken based on these predictions. If a channel is having distribution issues, this information is used to lower the operating rates. If a channel is being re-launched, and the buyer gets to hear of it early in the game, he can actually work with the media partner to figure out how to extract maximum mileage out of it for his brand. Basically, *industry information* is garnered and then *turned to the buyer's advantage.*

11. Campaign-based approach

In a situation where there are *many close players*, like the Hindi film genre, with Zee Cinema, Set Max, Star Gold and Filmy, it always make sense to not do annual deals with any one channel, but do campaign based negotiations in order to extract the maximum value. In fact, while the print industry works primarily on annual deals, some players give so much importance to market share and 'missings' (when the ad appears in a competing publication, and not in the publication under consideration), inevitably, added value can be extracted at a campaign level over and above the benefits of the annual deal. Even if the publication is in the plan, the buyer is smart enough to withhold the ads and have the ads appear in competing publications first, so that he can extract additional value from the media partner.

12. Exploiting the media team structure

Understanding *how the media team in the agency is structured* can often help negotiate a better deal. In a reasonably large media house with divergent offerings, if the team is structured in such a way that all the offerings are sold together, doing a network deal will yield the greatest value. If there are different teams selling groups of offerings, a network deal is not required. If the Star Plus team is also selling Star Gold, the team will push to have it included in the plan. It will be willing to offer a more attractive deal on Star Plus to have Star Gold included in the plan. Thus understanding of team structures of the media partner can really help the buyer negotiate better.

13. 'Think local' approach

In this approach, *advantage is taken of the regional differences in rates* by routing the advertising through markets with lower rates. Sometimes, smaller regional markets which are not meeting targets, or not showing growth, are given additional benefits that they can pass on to clients in an effort to get the business. Media agencies take advantage of this by routing negotiations through the regional office. Most media partners have set systems in place where the origin of the client determines which regional team will handle the deal to avoid this kind of negotiations.

Apart from the consumer, the dealer may be a very important target group as well! Advertising can help expand the retail network by generating consumer pull. A dealer can play a fairly large role in influencing brand choice, and it is therefore, critical for the advertiser to ensure that the dealer is well-informed of the advertising campaign. In fact, the *local sales divisions* of some products like cars, durables, etc., have *regional budgets,* and they *work very closely with the dealer* in deciding how to spend the money. Very often, the dealer or the regional sales head has very good contacts with the local teams of media companies as well and may look down on the media agency's plan. One solution to this issue is for the marketing or brand manager to centralize the buys to ensure that the money is pooled, and the company benefits from the resultant lower rates. The media agency needs to ensure that there is sufficient coordination and servicing of the local team so that their needs are met. The other solution that is adopted is a decentralized one with each local office having charge of the local budgets which may get released through small, local agencies, while the corporate account is handled by the large media agency. There are frequent rate disputes as a local media rep may have the leeway to offer local or retail rates which may turn out to be lower than the corporate national rate. Media houses have become more cognizant of this problem, and have started putting in place systems which avoid this kind of conflict.

14. Levels of negotiation approach

In this approach, the *junior people* on the agency team *start the negotiation* and, when they have extracted as much as possible, *escalate it to the next level, and so on*. The media partner is forced to give additional concessions when senior people come to the negotiating table. At the end of the exercise, he ends up giving away much more than he should have. Smart media partners learn through experience which teams or agencies favor this kind of an approach, and are careful to not give their best deal to the junior people or, better yet, to empower and unleash junior people in their team to do the initial negotiations.

(d) Matching the buying strategy to the vehicle

The media choices facing the buyer are so numerous and disparate that there is no universal law to fit every situation. The buying strategy is usually tailored to fit the vehicles under consideration.

1. Cricket

Cricket is the only relevant mass media platform to tap into the youth or the male audience. It is also the only mass platform to do well across all regions of the country, unlike Hindi mass channels which do not have a southern presence. With the rising popularity of 20-20 cricket, and the battle between IPL and ICL, this genre still manages to retain a magical quality. The cricket *calendar is usually mapped for the year,* and the client and the agency jointly discuss which tournaments would best suit the needs of the brand. Then, it is a race to block out the competitors from the preferred tournament. While rate negotiations are obviously part of the game, for categories like soft drinks, two-wheelers and other categories or brands which look upon cricket as the main component of their media plan, blocking off competition is a larger issue. As tournaments in a year are limited, very often brands end up paying a premium to be on the tournaments of choice. It is then up to the client and the buyer to extract maximum mileage out of the deal in the form of innovations, in order to stand out of the clutter.

The performance of a series is pretty much *dependent on the performance of the Indian cricket team*. India matches have significantly higher ratings compared to non-India matches. Due to the unpredictable nature of the ratings (and the Indian cricket team!), brands which are not sponsors and want to buy spots alone, may choose to wait out the league matches and buy spots quarter-finals onwards. While they may end up paying a premium on the rates versus a situation where they had bought spots from day one, this is usually a safer bet to hedge against the disaster of the Indian team not making the quarter-finals. Buying decisions on cricket are linked mostly to the quantum of budget available.

Choosing India matches is a no-go, as media partners are smart enough to bundle all the matches, and do not allow matches to be chosen. With a minimum of 4–5 spots per day, and with rates ranging from Rs. 1.5 lakh to Rs. 2.5 lakh per 10 seconds, the *bare minimum outlay for a 16 match tournament works out to Rs. one crore* (assuming a 10-second spot duration). Spots acts as the reach builders, and the lower priced animated graphic plates act as the frequency builders. The trick is to buy a judicious mix of the two.

The league tournaments like *ICL and IPL have totally changed the rules of the game*. Each league is a thorough hotchpotch of players from different countries so the traditional country loyalty is broken up. Also, most of the matches are timed to be telecast during prime time thereby impacting viewership of regular prime time programming. Buying on league matches too is different, with some companies having acquired franchise rights for a team for 10 years with the responsibility to market and monetize their team. In addition, there are tournament sponsors leaving very little air time for spots buys [7]. While the IPL tournaments have been successful in delivering on the hype, ICL has seen a run of really low viewership, prompting a drying-up of sponsorship monies and further reinforcing the unpredictable nature of cricket ratings.

In expensive tournaments often a *guerilla buy* would be to take the *ground rights,* which means hoardings along the perimeter which are hugely visible and get high OTS in a match. Options like the third empire, or the 4's and 6's sponsorship, may not get the regular exposure of a standard ad, but they seem to come at a lower cost and work both efficiently and effectively in delivering visibility for the brand.

2. Mass channels

Most mass FMCG brands targeted at women need to use mass channels. It makes sense for brands with large outlays on the leader mass channel, Star Plus, to do annual deals. This ensures that innovations and specials, which are always difficult to get on Star Plus, are possible. It is the mid-size and small outlay brands which need to keep their options open so that the media partner has to work hard and offer better deals to ensure that the budgets do not go to competition. As there are ups and downs in the performance of the other channels, it is wiser to do campaign based deals on these channels. With this genre seeing a fair bit of action in the last couple of years with the launch of INX, NDTV imagine, Colors and some others on the anvil and, more importantly, due to the sliding TRP deliveries, clients would be more *cautious, and unwilling to do annual deals*.

While evaluating deals on these channels, it is important to go beyond the deal GRPs and CPRP to actually arrive at *reach delivered by the deal*, even for the non-Star Plus channels. This is to ensure that the deal is not only a frequency building one with lots of spots totting up to good CPRP, but is also capable of building reach. This is especially critical when Plus is not a part of the plan as the buyer is then dependent on the other mass channels to deliver on his reach objectives.

3. Hindi movie channels

The space in the Hindi movie channel genre is fairly crowded, with a lot of channels within the same performance band. It is wiser, therefore, to not make any annual commitments on any channel. Most movie channels have a paired mass channel—Zee Cinema has Zee, Star Gold has Plus, Set Max has Sony, and Filmy has Sahara. The buyer tracks which media group has a common team selling both the mass and movie channel together. If the mass channel is part of the plan, it is possible to get a better buy by including the movie channel as well since the same team is selling it. A campaign-wise evaluation of properties during the time of the activity is looked at to arrive at the possible added value and the outlay required. Usually a wider set of channels are briefed, and the best deals are then carried forward with a smaller set of channels.

4. Regional channels

Most of the south channels have a dual system, with FCT on the same program being *sold both by the channel as well as the producer*. Some regional channels like Gemini, Udaya and Surya have the producers selling at lower rates. On such channels, buys should be at producer level with an attempt to buy a basket of programs from the same producer to maximize efficiencies. If the brand needs dictate day branding, or other such innovations, then there is no option but to buy the higher priced channel inventory. On channels like Sun, the channel rates are lower than the producer rates. If the brand has regular monthly plans, then the wisest buying strategy is to send bookings for the FCT to the channel well in advance thereby controlling costs.

5. Niche channels

On niche channels, *properties have a large role to play*. Most channels promote their prime properties cross media as well as cross channel (in a network). This gives huge visibility to the brand. It is, therefore, always wiser to negotiate deals with niche channels on the basis of the properties being promoted. On movie channels, careful evaluation of the prime band versus fixed program spots should be done to decide whether the savings delivered by not buying fixed spots have too much of an adverse effect on deliveries.

(e) The value of creativity in the buying process

The single most important case for innovations is the amount of choice and clutter that the average consumer is surrounded by. Average international noticeability for a print ad is in the single digit! That means, only a fraction of the readers of a publication notice an average ad! TV is no better, with viewership dropping up to 40%. Innovations become especially important in helping the brand cut through the clutter and deliver the brand message to the consumer in a way that he can understand and assimilate.

Aside from innovations, an integrated approach, or a 360^0 solution, is another way to cut through and deliver the brand message in a manner which the consumer is unlikely to miss. Clients prize this highly as, very often, it involves the consumer being able to touch, feel and interact with the brand, unlike being just bombarded with the brand message. As there is a response mechanism in-built into most of these activities, the client is able to actually look at the ROI and judge the efficacy of such activities [8].

While buying for a lot of clients revolves around paying lower and lower rates, innovations, special events or properties, and integrated or 360^0 solutions, are where the client is willing to pay a premium [9]. While effective rates and CPRPs are stringently benchmarked and monitored, disproportionate value can be added to the deal through these properties. The client is keen to deliver a richer, interactive brand experience to the consumer, which is more measurable compared to traditional mass media advertising. The buyer loves these situations as he is able to allow his creative juices to flow, and the media partner is happy with the higher realizations—a true win–win!

The most important and critical element for such properties is that they be *measurable* in order to *prove their efficacy and justify the premium* being paid. Thus, a mechanism to judge their effectiveness should be built-in, whether it is a track or custom research that is conducted. A lot of brands have existing awareness tracks, which can be used to monitor the innovation. All other factors need to be kept constant, and the impact on pre-decided parameters (whether it is awareness, preference or actual sales), needs to be tracked. The cost is overlaid to check if the premium paid versus regular activity is justified, and whether the impact is more than the blip that would be seen with regular activity. This is absolutely critical as only after having tasted success will clients be more open and willing to do innovations.

The ideation process does not really need whacky creativity or a 'creative' person especially dedicated to just ideate. In fact, it needs buyers, planners and whosoever is involved in the ideation process to *bring together a deep knowledge of the brand*—positioning of the brand, competitors and the brand objectives, *with an equally deep knowledge of media*. Only if the buyer knows the restrictions a media partner operates with can he know how to test the limits and push the media partner to deliver an innovation. Only then can he figure out how much of the resistance is a negotiation tactic, how much of it is because of a natural resistance to something new, and how much of it is due to technical issues. If the buyer has to match brand needs and media possibilities, it is critical for him to keep his ear to the ground for new events, properties, etc., and be in constant touch with the media partner.

While there has been enough and more award winning work in the area of media innovations, innovations do not have to necessarily be only the path-breaking kind. The buyer should look at being creative in everyday kind of situations as well. Alongside the one big idea, the buyer should work on many small innovations which add to the 1+1 > 2 effect for the brand. The buyer may have successfully pulled off an astounding never-done-before innovation in print. He can augment this with branded film festivals, day brandings, and in-serial brand placement on TV to push up the overall visibility levels for the brand.

Print media partners are usually better equipped to deliver the 360° kind of solution as most of them have focused on delivering the market, and not just readers. They have branched out into outdoor, cable, TV channels, radio stations, internet, events, and even into customized on-ground activity. Some of the niche channels, especially the ones focused on kids and youth like MTV, V, Disney, Cartoon Network, etc., are fairly active on the ground, and are also able to deliver 360° solutions. Channels like CNBC too have a strong internet offering as well as lots of ground events that they use to deliver integrated solutions. Radio channels too conduct a lot of on-ground events, especially for the youth.

Agencies mostly used to dealing with mass media plans and campaigns have been slower off the block in coming to terms with this phenomenon, which is definitely here to stay! Most agencies have separate specialized cells which deal with internet related activities, direct marketing, organizing custom events, in-serial placement, etc. As clients have become more and more demanding in this arena, some agencies have set up activation teams which try and execute ideas beyond mass media. If agencies want to play a larger role in this arena, they need to not only have specialized teams, but also start thinking integrated solutions for the brand.

(f) Value-adds to better the deal

Very often, the buy can be substantially augmented by the so-called value-adds. The impact of the value-adds actually turns out to be so critical that it is only fair to evaluate it as part of the deal, just like we would include the free or bonus secondage in deal evaluations.

Positioning of the ad is the first major value-add that really adds value! Average noticeability for a print ad is in the single digit. Of course, the noticeability can be driven up dramatically by increasing the size of the ad and positioning it right. Ad noticeability studies have shown that a Solus ad has the highest noticeability, and the minute a few other ads are added to the page, noticeability almost halves! This is the reason why advertisers are willing to pay the hefty premium for Solus ads and premium positions. If the follow-up is diligent, the relationship is good, and the client and buyer organized enough to book the ad well in time, the media partner could upgrade the ad to a good position without any premium being charged. If the buyer can manage to formalize the number of upgrades that will be done as part of the deal, it is of course even better!

A similar situation, though much more difficult to manage, is when the buyer is able to persuade the media partner to schedule his ad as the first or last ad in the commercial break. Viewership is seen to drop by up to 40% in the break and positioning the ad really works in delivering better GRPs for the same money [10]. The home page banner on an internet website comes at a significant premium compared to the other creatives. While measurability of the impact of position is possible on the internet and TV, print media players have to conduct primary research in the form of ad noticeability studies as per Starch guidelines to understand and price positions. Media agencies, on the other hand, conduct similar studies in order to maximize noticeability of the campaign through positioning of the ad, and also to negotiate better with the media partner.

Internet plans which are response-linked versus exposure-driven have it easier. They do not have to commit positions, but a certain level of response. The same ad space or position can carry multiple ads with different sets of audiences seeing different ads in the same space.

The other value-add which really heightens visibility for the brand is in the form of *sponsorships*. The only monetary commitment that has to be made in the case of sponsored programs is a minimum FCT commitment on the program [11]. *Visibility is built through* the opening and closing *credit lines* that appear at the beginning and end of the program, and through the *promo tags* that appear through the day, which the channel uses to promote the program. As sponsored programs can augment visibility in a huge way, picking winners is a critical art that the buyer needs to develop. The buyer can chose to sponsor well–established high TRP programs like *Kahani*… and *Kyunki*… on Star Plus where the visibility comes from the opening and closing credits. The other kinds are the new program launches where the visibility comes from the huge number of tagged promos that are run by the channel in a bid to promote it [12].

Niche channel properties, as discussed earlier, are actually deal makers or breakers. The buyer selects properties which ideally have brand fit, and are not only about visibility. Of course, the buyer will settle for visibility in face of nothing else to choose from! In a multiple new program launch scenario, the buyer has to be astute enough and have insider knowledge of which programs will be given the most importance as far as promotions go. Very often channels use these kinds of new programs or properties to hook in the deal and take business away from competition. Buyers should keep this in mind and drive a hard bargain to get the program of choice from the channel.

(g) Inventory analysis as a means to a better deal

An analysis of the inventory status of the media vehicles under consideration almost always results in insights which could lead to better buys. An inventory analysis is especially useful in the context of TV. The inventory on TV is perishable, and if the inventory on a particular program remains unsold, it lapses. The situation is quite different in print where publications can decrease or increase pages to account for demand-supply variations [13].

Inventory analysis of a channel equips the buyer to come from a stronger negotiating power. A look at the *fill rates* compared to the maximum possible inventory a channel can carry gives a sense of how much business the channel is able to get. A comparison with competitive fill rates, and then a quick 'back of the envelope' revenue calculation by costing the inventory at going market rates, enables the buyer to arrive at a rough estimate of *market share for the channel*. This, combined with a calculation of our *brand's share of the total channel inventory* or revenue, enables a buyer to negotiate from a position of knowledge. If our brand is one of the top three advertisers in, say the Western region across categories, it puts the buyer in a very strong negotiating position, especially if the fill rate for the publication is significantly lower than competition!

Demand-supply has a major role to play in pricing TV inventory. The importance of timing in TV buying cannot be stressed enough [13]. Distress buys occur when the inventory on a program remains unsold, and gets sold at the last minute at a significantly lower rate than the regular price. If the buying decision is left too late, in the hope of getting distress inventory, the buyer runs the risk of the inventory on high demand programs getting over. Of course, the buyer will get good rates on low demand programs in such a case. If the buyer does the deal too early, he would probably get inventory on high demand programs, but at a higher price.

Cricket works in the reverse way with lower rates at the beginning of the tournament. The rates keep increasing with the passage of time, especially if India is winning! This is because all the buyers who are committing to the tournament are taking a major gamble as the ratings show a dramatic fall the minute the Indian team exits the tournament! The low rates are a pay-off for this! Of course, the inventory is available at throwaway rates if India does exit the tournament early on, making decisions on cricket fairly difficult for the client and the buyer! Clients and brands have tried to seek compensation for having committed at the beginning of tournaments when India has made an early exit. But this can only work if the media partner is responsible for the performance of the Indian cricket team, which it is not [14].

Some clients get their buyers to give standing instructions to media partners to buy inventory, only if a distress sale is happening. Rate norms are decided in advance which ensures that the client is able to make use of distress sales to get a consistently lower rate. The downside is, of course, that if the inventory keeps getting sold-out, the brand does not get any inventory on the programs under consideration.

Media partners devise *special deals which make better use of unused inventory*, especially for unsophisticated clients who do not have established agencies negotiating deals for them. The client hands over a lump sum of money to the channel with fairly broad benchmarks of visibility and a certain level of prime time presence. The media partner then uses his discretion to air the spots as and when there is free inventory. There is obviously no pre-determined schedule that is followed in this case. This enables the channel to extend really low rates to the client who, in turn, is happy with the visibility that he gets from the channel. This model rarely works with an agency as it is loath to surrender control to the media partner, and wants to ensure that it is contributing to the media plan in a significant way! Most clients too are not comfortable with so much fluidity, and want a date schedule to pass on to the sales force or dealers! As such deals are rarely GRP guaranteed, most clients prefer to pay a higher rate for guaranteed activity.

Inventory analysis for print also yields significant advantages, though not necessarily as dramatic as TV. While some publications actually extend a lower rate if the client is date-flexible, almost all publications ensure that they deliver added value by positioning the ad in premium positions in case the client allows some flexibility in the scheduling. Publications manage inventory in this fashion as the situation is nowhere near as complex as it is for TV. If there are not enough ads, the publication can take a decision to print fewer pages, thereby managing the costs.

For real estate and retail segment, where most of the advertising is concentrated over the weekend, better deals are available if some of the ads can be scheduled on weekdays. This works for both the publication and the client—the publication manages to spread the inventory and not lose any ads due to lack of space, and the client is happy too as he gets a significantly lower rate on a part of his media activity. Of course, it is up to the client to monitor response and check the ROI of the weekday advertising. If enough of walk-ins are not happening on the weekdays to justify the expenditure, the client should obviously not use the weekday inventory, even if it is coming to him at a lower rate.

(h) Why servicing is an essential part of the deal

Negotiating and sealing a deal is actually only the beginning while most media partners treat this as a closed business. How the deal is serviced is a critical part of the process. A buyer may negotiate the best deal ever but, at the end of the activity, the executed deal may bear no resemblance whatsoever to the negotiated deal if it has not been serviced well!

The first step in servicing the deal is to ensure that the *inventory, as committed in the deal, is available* and booked in. A deal may sometimes be done by a pressured media partner with secondage on prime programs which are totally booked already. This means that secondage on those programs just does not get booked in, and the plan delivery and brand visibility suffer greatly as a result. The print equivalent is that of doing a fabulous deal for front pages, and then not getting space as all the front pages have been booked by other brands earlier!

The other way in which a *badly serviced deal* can impact deliveries is when the paid spots are booked in and executed, and the *bonus spots keep getting dropped*. The media partner is not impacted as his billing is protected through the paid spots. But the plan deliveries would be hugely impacted due to the heavy bonusing percentage. The print equivalent is in a paid and free ad deal, where the free ads are dropped in favour of paid ads of other brands!

These are, of course, worst case scenarios, but *a plan can be seriously impacted by staggered booking-in* too. If a new campaign is breaking, or it is a brand launch, ideally the activity should be front-loaded. What is especially critical is that the brand be visible on the high viewership programs. In a deal that is not serviced well, it is possible that the activity starts off on a channel due to pressure from the client and the agency, but the inventory on key programs only gets booked at the later stage of the activity. This not only impacts visibility and reach build-up, but also detracts from the success of the new campaign or brand launch. The media partner would technically be in the clear as, at the end of the deal period, all the secondage would have appeared as per the deal.

On a positive note, it is also possible that a media partner over-services the deal. Not only does the media partner fight an internal war to make the relevant inventory available, he also ensures that the spots do not get dropped by the scheduling team. Sometimes the ads may be positioned as first or last in the break to deliver added value. This is normally the case when the media partner has fought a hard battle versus the competing channels to get the business.

A properly serviced deal can, therefore, have a huge role to play in the success of a media plan. It is therefore up to the buyer to ensure that a proper value is put on this factor during the negotiation process. Buyers generally use past experience to ensure that a deal is both realistic and executable. They also ensure that a well serviced deal is rewarded by continuing and increased activity levels. Badly serviced deals are sometimes terminated to ensure that media partners are not repeat offenders! At the very least, corrective action is taken by keeping a close watch on the deal and monitoring the activity on an ongoing basis.

(i) Buying tools

The buyer should, whenever possible, make full use of the proprietary buying tools at his disposal *to gain a competitive edge in his negotiations*. A lot of agencies invest in researches which are insightful and add to the learning base of the buyer so that he can negotiate better.

Rating Predictors

Tools that predict ratings would help buyers understand the range of TRPs that can be expected from new programs, and they would help the buyer price the programs more realistically. However, program rating predictors may find it very difficult to get things right as most of the work in this area has been of the nature of using the past to predict the future. A regression modeling is usually carried out to establish a relationship between programs in the same time-slot in the past, and various other quantitative and qualitative factors. This relationship is then used to predict ratings of new programs in the time-slot. The factors could be ratings of programs preceding and succeeding the predicted programs, the genre of the serial (horror, child-friendly, new age, family drama, etc.), strength of production house, etc. [14].

We have enough evidence from the past to suggest that viewing chases content and is not determined by day-parts and time-slots. Viewership patterns keep changing with new programs and scheduling patterns. In the late nineties, there was a time when the prime time used to actually be 8:00–10:00 pm. Star bucked this trend by scheduling *Kyunki Saas …* at 10:00 pm, right after their blockbuster program, *Kaun Banega Krorepati* or KBC. *Kyunki Saas …* went on to become the lead program for Star Plus, out-performing even KBC after a while! Now, if the past time-slot ratings were a major factor in trying to arrive at the ratings for *Kyunki Saas…*, the predictions would obviously be way off the mark!

The qualitative factors like starcast, storyline, production house, etc., play an extremely critical role towards the success of a program. Unfortunately, these factors are also extremely hard to define or quantify, and are therefore, almost impossible to incorporate into any prediction model. This is the main reason why we do not have successful program predictors.

The one exception to this rule is the prediction for blockbuster movies aired on television. These movies already have a proven measure of success—collections at the box office. If this is used as a factor in the modeling, along with the usual factors like channel, time-slot, recency of movie, etc., the resultant model can be fairly accurate as far as the ratings prediction goes, and is of great help to the buyer in bringing in some method to the madness of buying blockbusters [15].

Print ad Noticeability Studies

Unlike TV, where we get spot and break ratings, most of the data available for print focuses primarily on the vehicle, and not on the ads carried in it! Ad noticeability studies in print shift focus from reach delivered by the vehicle, to the noticeability of the ad carried in the vehicle. They are based on the Roper Starch methodology followed internationally to understand ad noticeability [16].

A 'yesterday reader' of a daily is taken through the paper to understand which ads he remembers having noticed or glanced at. This then forms the basis of arriving at Average Noticeability for the ad—the people who remember having noticed the ad out of the total reader base. Instead of having to take decisions on how to position the ad within the paper on the basis of gut feel alone, noticeability researches provide a scientific basis to positioning ads to maximize visibility.

This kind of research is invaluable to the buyer as it gives him an edge over the media partner at the negotiating table. The media partner may be charging a premium on page three but, if research shows that the noticeability is really low on page three due to clutter, and that the ad will get higher noticeability on page five (which has no premium attached), the buyer can actually get better visibility for his brand at a lower cost by placing the ad on page five.

An ad noticeability study usually has loads of similar learning for the buyer which can actually make for a substantially improved print buy. An ad noticeability study, therefore, becomes an invaluable tool for the buyer. Media partners too have understood the value of these studies and most large media houses conduct ad noticeability studies themselves as a means to pricing positions and better negotiations [10].

11.3.5 Benchmarking Rates

How can we judge a buy to be a good one? Percentage discount or savings in an absolute sense may make little or no sense. A 20% saving in the print activity on *Hindu* may be an excellent buy, but would actually be a laughable discount on most TV channels. The judgment of a buy, therefore, needs to be relative.

(a) Comparison to last year

The buy is *compared to a similar buy last year*. An equivalent discount would be the expectation if factors like readership / viewership, competitive (media) context, outlay and time-period remained constant. The percentage discount or saving would need to be adjusted in case of any changes versus the comparative deal. While this kind of comparison ensures that no glaring errors happen, the major issue with this method is that it may be too internalized. There may be a danger of repeating the sins of the past.

(b) Comparison within a genre

A good practice is to compare deals, rates and value-adds *across channels within a genre,* e.g., a comparison of Zee Cinema, Set Max, Star Gold and Filmy deals. Of course, one would also overlay the channel performance data to make sense of the deals.

(c) Comparison with other clients within the agency

To ensure the maximum benefits from consolidation, most media agencies create a central database where all the deals across all regions and clients reside. Due to the sensitive nature of the data, access to the database is usually restricted and level-dependent.

It allows the senior people in the buying team to have an idea of *deals and rates across all their clients and regions*. This allows for setting up a range of acceptable buying benchmarks for a certain level of outlay. This also helps to set up benchmarks for levels of value-adds.

This generalized information on buying benchmarks is then passed down the line and works as guidelines and goals for the buyer. *This data, coupled with existing deals and rates, is then passed* on to the planning team and functions as planning rates.

(d) Comparison with competitors

While internal comparisons reveal fairly rich data for benchmarking purposes, clients are always keen to know *how competitors are performing*. This kind is fairly difficult to get hold off. One way is to get a rough idea from the media partner on the outlay for competing deals (for TV). This can then be linked to available TAM ratings data to understand deal performance. This is a fairly rough and ready way to measure competitor deal performance. Care needs to be taken to downweigh the spends data quoted by the media partner (as there is always some amount of exaggeration) so that higher outlays are committed by the agency. The other way that agencies get a fix on competing agency rates is when a client shifts from one agency to another. The client's rates are benchmarked to get an idea of competitor deal performance.

(e) Buying audits

Audit agencies also have rate benchmarks across their client portfolio, and are able to provide *third party buying benchmarks*. The client is assured that the benchmarks are more realistic as they come from a third party. Due to the sensitive and confidential nature of the information, only generalized information (and no specific client data) can be shared [17].

11.3.6 Plan Presentation and Client Feedback

(a) Using Power-point

This is the critical step of the buying process and all the hard work that went into the buying plan (see Annexure 7) can come to naught if the buyer is unsuccessful in getting a 'buy-in' from the client. Very often, the final buy is presented as a spreadsheet. This ensures that all the hard work done in arriving at the buy as well as the rationale for it is completely hidden from the client.

It is necessary to *share the thinking behind the buy*, the complete rationale for choosing the vehicles that are in the plan, the final bottom-line in terms of costs, savings and deliveries, as well as the scheduling pattern. In fact, it even helps to present the deals that the team did for alternative vehicles, and which were rejected. A presentation format allows the buying team to *showcase their achievements*, be it in value-adds, innovative ideas, or cross-platform solutions being offered to the client. It is a good idea to make some tentative calls to channels to check on inventory availability and possible 'on-air' dates before the client meeting, as the next step, the client will immediately want to know after the plan approval (sometimes even before!) is when the activity can be 'on-air'.

(b) Rationale for channel choice

In case the planner's channel choice has been changed around, the buyer should have a *clear rationale* within the presentation *for inclusion of the channel* (including channel performance), and how the channel adds to the plan. The reason for inclusion cannot be on the basis of low rates alone! Mathematically speaking, any media vehicle may be cost-efficient at a certain rate. The task for the buyer is to check whether the vehicle makes sense for the brand. It is always a good idea to revisit the brief in order to re-orient oneself with the brand needs and to then judge the inclusion of alternative media vehicles. In fact, the brief would impact the way we would structure the deal within the vehicle as well.

An auto brand positioned as the second car in the home, targeted to women, may have a substantial part of the deal secondage on the cost-efficient afternoon brand. A ready-to-eat convenience food brand which is targeted at working women would necessarily avoid the afternoon band. A youth-targeted two-wheeler brand might have deals with secondage spread through the day, but a car brand which is to be launched may need prime time deals to cut through clutter, build reach quickly, and make an impact.

(c) The 'Babushka effect'

Media planners and buyers always complain about the client cutting budgets and setting up a cycle of under-delivery which, in turn, may impact sales which may induce further budget cuts! It is, therefore, a good idea for the planner to accompany the buyer to the buying plan presentation as he is better placed to tackle this issue from a strategic perspective. The buyer and planner also need to sit together and figure out the *'Babushka effect'*. If the budgets were to get pruned, which part of the plan would be the first to be sacrificed, what would get chopped off at the next level, and the next … and so on, till you were left with the smallest Babushka doll! If this preparation is done before the team actually meets the client, it ensures that the core part of the plan which needs to be executed remains protected. In the event of a budget cut, the Babushka effect ensures that while a series of compromises are taken, the important priorities remain protected.

11.3.7 Deal Management

This is the *housekeeping step in the buying process*—keeping the house clean and tidy! If a close track is not kept on the deal, there is a high probability that the buy, while being well-planned, remains just that and does not get executed properly.

Campaign-wise deals are the least complicated to manage. The most important issue in this case is to ensure online monitoring of activity so that any missed ads can be identified at the earliest, and made-good within the duration of the campaign. Deal management can be fairly *complicated in a multi-brand, multi-vehicle and multi-campaign annual deal* scenario. For example, a network deal across all Star channels. The buy or deal needs to be structured in such a way that it satisfies the individual brand needs and delivers on each brand's objectives. The deal inventory then needs to be tracked across all the brand plans and campaigns.

Most *print deals have volume or revenue growth incentives* which can be used as free space at the year-end. If it is possible to reach the next slab of incentives by doing some additional activity, then it could work out to be more profitable for the brand. The incentive is usually on the entire spend so it can translate into higher value than the additional spend! It is, therefore, important to keep a close track on the volumes and revenue utilization for print deals.

Some TV deals may be structured in a paid–bonus secondage split. If the deal is not managed right, there is a possibility that the paid spots get completely used up, and only free spots are left to schedule. This normally creates a fair degree of scheduling problems as the channels are reluctant to schedule only zero value spots, and in case of inventory crunch, these would be the first spots to be dropped. Deal management would play a critical role in ensuring that the *paid–bonus ratio remains balanced* and mimics the overall deal ratio as far as possible.

Most agencies follow a manual system of deal management where the deal and the implementation of the brand plans reside in separate databases. The deal balance is manually arrived at after adjusting the deal for activity that has been successfully executed. A simpler and technologically advanced way is to have a *single system for deal entry and activity implementation*. The deal status then becomes an automatic by-product of the MIS.

11.3.8 The Post-buy

With the media rupee under pressure, it is essential that media be accountable, and the buy perform against measurable objectives set before the activity has been initiated. The post-buy analysis is essentially to *help in learning from the past*. It acts as an *accountability report to the client and the planner*. It is a course correction mechanism to evaluate actual buys against annual deals and goals, and assess if any changes are required. It is also a tool to assess trends in media consumption habits and develop the next year's buying strategy. The post-buy is also a platform for the agency to showcase its buying skills to the client.

Print Post-buys

As print research is the fairly static, 'once in six months to a year' kind of data, the post-buy, in this case, focuses primarily on the activity and costs. It is a check against the planned no. of insertions, missed insertions, 'make-goods', the dates the ads were scheduled for, the planned costs and savings (see Annexure 7). Additionally, the buying performance report may incorporate positions of ads versus competition, and premium waivers for special positions. Speed of response and ability to handle crisis situations would also be parameters to judge buying.

Response-linked Ad effectiveness

In scenarios where some response mechanism is in-built into the ad, an analysis can be presented on effectiveness of ads. A front page Solus ad may have got 40% more walk-ins into a store, but if it cost 100% more than the page three ad, with no premium paid and a 15% walk-in, it would still not be as effective. It is critical to push clients to share traceable response data, be it in the form of walk-ins or call-ins, as it is invaluable in understanding vehicle effectiveness.

TV post-buys

As TV has dynamic minute-by-minute data, the post-buy can be a fairly involved process of checking the buy against actual deliveries (Annexure 7). Apart from the usual GRPs, Costs and CPRPs channel-wise, there is scope to look beyond these parameters to review buying performance.

(a) Ad position index

With fairly high levels of channel switching behavior and long commercial breaks, the position in the break can actually contribute in a large way to higher deliveries. What proportion of ads were first, last, first three or last three in the break for our campaign versus competition? *Ratings* delivered could be *indexed to mid-break ratings* to arrive at the Ad Position Index. Obviously, an index greater than 100, and higher than competition indicates better performance.

$$\text{Ad Position Index} = \sum_{X1 \ldots Xn} \frac{\text{TRP}_{\text{prog } X1}}{\text{Mid-break TRP}_{\text{prog } X1}} \times 100$$

(b) Promo tags

Both the quality and quantity of sponsorships need to be judged. The *sponsorship tag secondage,* benchmarked to competition, gives a sense of the total secondage of brand mentions, or the *quantity of sponsorships*. The sponsorship or *tag promo GRPs* benchmarked to competition give an accurate reading of the *quality of sponsorships*. When benchmarking competitive SOVs, two figures need to be presented, with and without tag GRPs.

(c) Selectivity index

Selectivity index is helpful in giving us an idea of *audience skews, or preference*. TG TRPs are indexed to TRPs of the entire base, and the resultant comparison reveals the skews or preference of the TG.

$$\text{Selectivity Index}_{\text{channel X}} = \frac{\text{TG TRPs}_{\text{channel X}}}{\text{All Individual TRPs}_{\text{channel X}}} \times 100$$

We can compare selectivity index benchmarked in the plan versus the actual delivered index. Diagnosis can be done by channel, program genre, and even day-parts to understand underdelivery if any. Selectivity index of the delivered plan can also be compared to competition to understand channel selection strategy and TG focus better.

Brand Z has lower skews towards the 'opinion-leader' TG, female, 25+ years, SEC A, C&S home, compared to competition (see Fig. 11.1). When the plan deliveries in this TG are indexed to the base TG of All 15+, SEC AB, the selectivity index delivered is significantly lower when compared to the competitive delivery. A diagnosis of the activity reveals that channels other than Zee, Sony and Star Plus are resulting in a lowering of the overall index for brand Z, (see Fig. 11.2) as a majority of our brand's activity is on the other channels, DD1, DD2, Zee Cinema and Set Max (see Fig. 11.3).

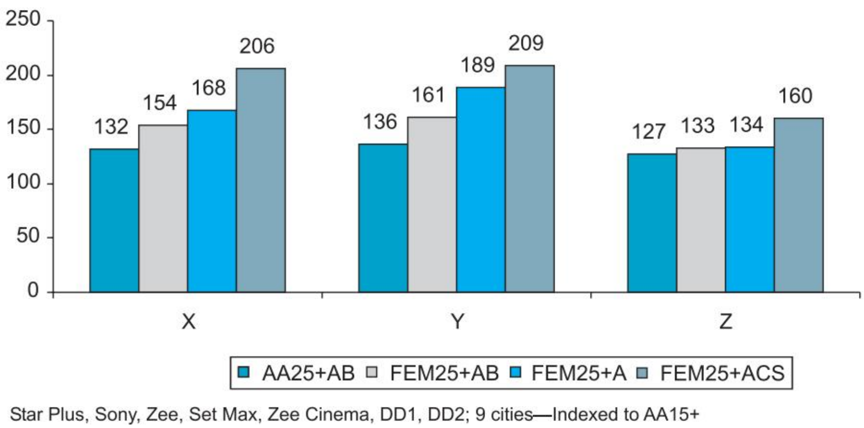


Fig. 11.1 Upper SEC skew lowest for Z mass channels

CHANNEL	SELECTIVITY INDEX FEM, 25+, SEC A		
	X	Y	Z
DD1	62	59	50
DD2			58
Set Max			127
Zee Cinema			128
Zee	208	247	172
Sony	184	163	155
Star Plus	156	176	151
Total	168	189	134

Fig. 11.2 DD1, DD2, Set Max and Zee Cinema pulling down the SECA index

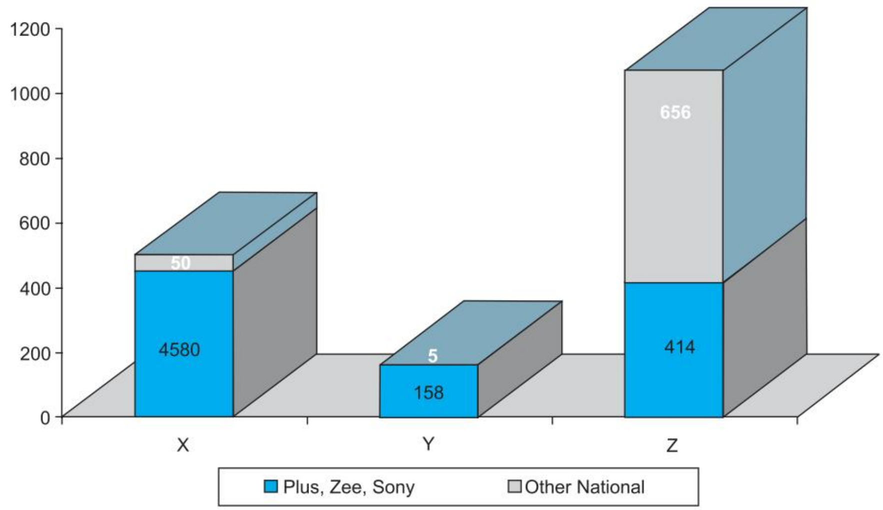


Fig. 11.3 Competitors focused on high selectivity channels (Zee, Sony, Star Plus)

(d) Channel-wise CPRP comparisons

Apart from comparing the plan CPRP to the delivered CPRP, deeper analysis usually reveals insights that have implications for the next buy. Instead of focusing on only the planned and delivered CPRP, *channel-wise movements in costs, GRP delivery, CPRP and the resultant efficiency* should be examined.

In Table 11.1, the overall plan efficiency for the Maharashtra market has been bettered by 15%. It is only when we examine the data channel-wise, do we observe that the efficiency on two out of three channels in the plan has actually worsened! A typical post-buy must not only present this information, but should also be able to provide reasons for the shortfall in performance. The fall in ratings for a channel could be either due to connectivity issues or the selected programs getting lower ratings. A program level analysis helps fine tune the insights.

Table 11.1 Maharashtra plan efficiency

Channel	Indexd to last year		CPRP		% Efficiency
	Cost	GRPs	2004-05	2005-06	
Zee Marathi	98	96	1013	1031	–2
DD 10-Marathi	91	125	584	422	28
ETV Marathi	135	125	642	697	–8
Maharashtra	106	124	1183	1004	15

In Table 11.1, the cost on ETV Marathi has gone up by 35%, but the corresponding increase in GRPs has only been 25%. This could be because costlier GRPs (maybe in prime time) have been bought. Further, analysis to check reach delivery of the plan should bring clarity on this issue—if the brand objective has been to maximize reach, and the mix with costlier GRPs has managed to deliver significantly higher reach, it would have been a worthwhile decision. The costs may also show a disproportionate increase when compared to GRPs in case investments have been made in executing an innovation, taking on sponsorships, or branding of a high cost property. In this case, we should checkback on additional visibility generated through promo tags and, more importantly, the awareness track to see if the innovation or branding had a significant impact on brand or ad awareness (all else remaining constant)—enough to justify the price-premium.

(e) Day-part purchase pattern

The day-part buying pattern in the executed plan is checked against the planned plan to ensure that there have been no deviations. This is also a check on whether the channel delivered on the promised day-part break-up as per the deal. Sometimes spot upgrades as part of the deal may be an informal understanding between the agency and the media partner. During the post-buy, analysis can be done to see how the upgrades added value to the deal and this can be showcased in the buying performance review.

(f) Channel buying performance

A comparison of ratings delivered in the executed plan, benchmarked to the average ratings of the top 5–10 programs on a channel, gives an understanding of the buying prowess. The benchmarking is usually done channel-wise and on the basis of day-parts. The objective, of course, is to have a better average delivery by day-part for each channel. Course correction can be put in place for all day-parts where the plan ratings are lower than the channel average.

(g) Channel spread

An analysis of the competitive channel strategy during the post-buy acts as input into the next buying cycle. The activity spread is examined in terms of secondage and/or GRPs for each brand (refer Fig. 11.4). The comparison can be in terms of channel genre (e.g., all Hindi movie channels, or English niche channels) or by markets, especially for regional channels, e.g., all satellite and terrestrial Telugu channels in Andhra Pradesh. This analysis reveals the *channel strategy followed by competition*.

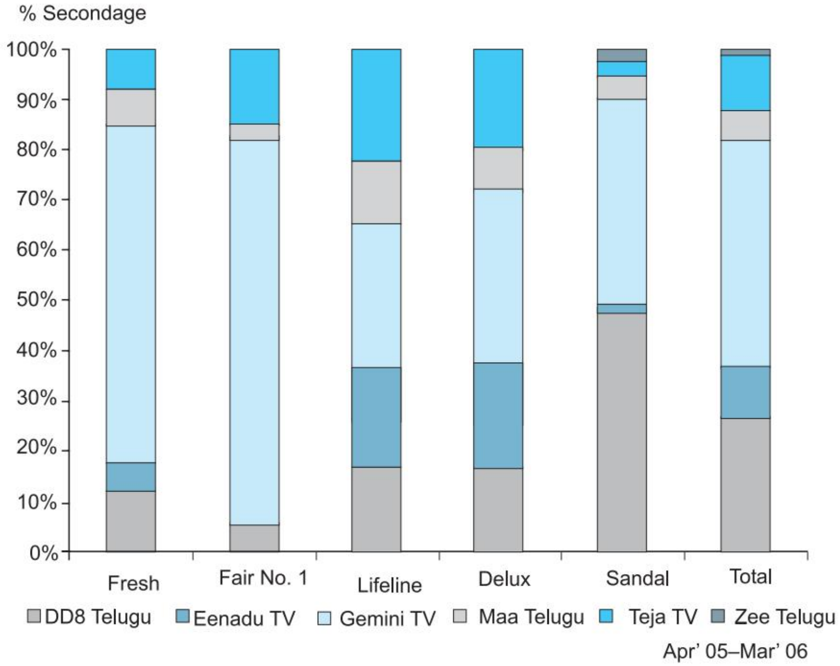


Fig. 11.4 Channel spread

(h) Channel share

Another analysis that should be part of the post-buy and can act as an input into the next buying cycle is an understanding of channel share for our brand. This is a measure of *how important our brand is to the channel,* and where a majority of the business for it came from. The share of our brand amongst the considered competitive set is examined for each channel (refer Fig. 11.5). The comparison, similar to channel spread, can be in terms of channel genre (e.g., all Hindi movie channels, or English niche channels) or by markets, especially for regional channels.

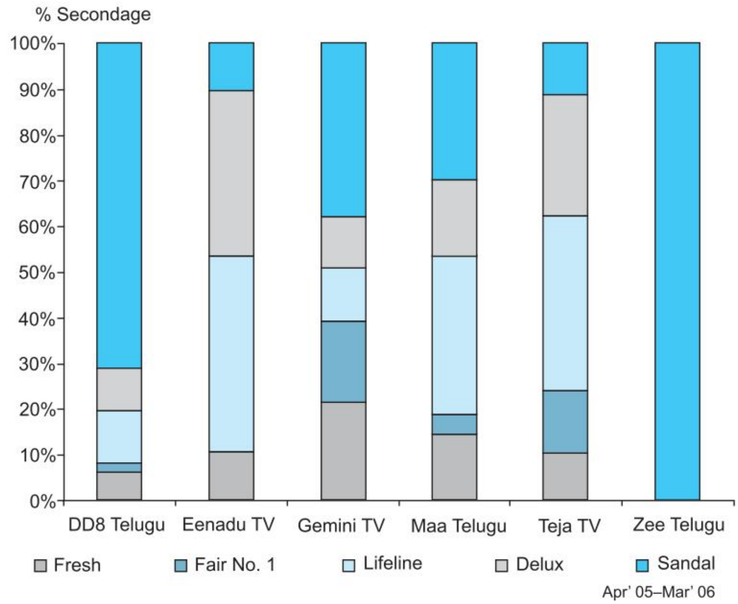


Fig. 11.5 Channel share

Channel share and channel spread, when seen together, give a sense of the negotiating power of the brand. As can be seen from the two figures, Sandal is the brand with the highest terrestrial skew in its channel mix, and also dominates activity on the terrestrial channel. It is also the sole advertiser on Zee Telugu and, therefore, will have the power to negotiate low rates as well as make innovations happen. It's presence on the two lead satellite channels, Eenadu and Gemini, however, is not a dominant one, and has implications on the negotiating power in this case. The buyer could recommend a strategy in the following year of consolidating budgets on one of the two lead channels thereby ensuring a more meaningful position enabling increased levels of value-adds and discounts.

Other Media Post-buys

Data on other media is sketchy at best, ensuring a fairly basic level of post-buy analysis. The post-buy is more a stock-taking of planned activity rather than an analysis of the past for future learning. TAM monitors a limited set of radio markets, and for all other markets the radio channel's telecast certificate is taken as proof of appearance for reconciliation of activity. Similar is the case for outdoor and cinema, though the client may get his sales team to double up as a monitoring unit for outdoor activity. While interactive media, like internet, have detailed data on the activity through the server logs, there is a drawback in the fact that the activity is not originating from a third party, and is from the media partner. There is still a lot to learn from the data. The unique ability of the Internet is that the post-buy does not have to wait for the activity to happen, and can actually be done on an ongoing basis. If an interactive campaign has multiple creative units, feedback on response to or efficacy of each such unit can be received on an ongoing basis, enabling modifications in the campaign.

SUMMARY

- *Agencies could have planning and buying as separate divisions, or a planner–buyer structure, or a third entity in case of a common holding company. Buyers could be structured by media or by client accounts, or aligned to brand teams.*
- *Buyer's objectives—save costs, add value, enhance brand visibility, augment the creative message through innovations, process-driven buying, accountability by delivering against measurable objectives.*
- *Steps in the buying process ……*
- *Buying brief—formalized document to ensure knowledge transfer of all the critical elements of the media strategy.*
- *Environment Analysis—understanding the media market place from a pullback perspective to predict trends for informed negotiations.*
- *The science of the buy—tracking media performance on parameters like reach, share, time spent; benchmarking past deals on parameters like effective rate, savings, CPRP; competitor's buying strategy.*
- *The art of buying—negotiating win–win deals where all parties benefit; building relationships as they make the crucial difference; the different negotiating strategies— using clout, 'the other guy blinked', bludgeoning with data, carrot and stick, support other vehicles in the group, founder brand, downplay budget, understanding the seller's context, 'bend like a willow', using market intelligence, campaign based, exploiting the team structure, think local, level based negotiation*
- *The art of buying—matching strategy to genre—cricket, mass, movies, niche, etc.; creativity and innovation; value-adds like sponsorships, positions are essential part of the deal; inventory analysis—demand–supply dynamics for an upper hand; servicing—the 99% perspiration of a deal; buying tools—research provides the competitive edge.*
- *Benchmarking rates—comparison to last year, within a genre, to other clients, to competitors, buying audits.*
- *Buying plan presentation—to share the thinking and hard work behind the buy, and to showcase achievements.*
- *Deal management—the housekeeping step in the buy, reconciliation of the deal with the activity.*
- *Post-buy—helps in learning from the past, a course correction mechanism to evaluate actual buys against annual deals and acts as an accountability report to client and to the planner.*

REFERENCES

1. 'US company launches India Media Exchange'— www.livemint.com.
2. Media Basics—Chapter 2 of this book.
3. 'The Buying Process'—Chapter 11 of this book.
4. 'The Buying survey: Take the blinkers off'—*Businessworld*, 24 Jan. 2005.
5. 'Clout. Does it exist? Is it contagious? Has it just blinked?'—Erwin Ephron, www.ephrononmedia.com.
6. 'Times, HT Price war'—*Hindu Business Line,* 14 July 2002.
7. 'HUL joins INX's Media's Platinum Club'—*The Financial Express*, 6 Dec. 2007.
8. The IPL website – www.iplt20.com.
9. 'What about 360 degrees?'—*Businessworld*, 23 Aug. 2004.
10. Media Solutions—Chapter 14 of this book.
11. 'How to evaluate and select media vehicles'—Sissors & Bumba, *Advertising Media Planning*, Chapter 12, 1996.
12. 'Tacos or Diamonds: Sponsorship sells because celebrity is surer than sales'—Erwin Ephron, www.ephrononmedia.com.
13. Evaluating Media Buys—Chapter 10 of this book.
14. 'Media Costs & Buying problems'—Sissors & Bumba, *Advertising Media Planning*, Chapter 15, 1996.
15. 'Madison claims success with program prediction tool'— www.indian-television.com, 2002.
16. 'Bioscope: The Blockbuster Race' www.agencyfaqs.com.
17. www.starchresearch.com and www.gfkamerica.com.
18. 'Media Auditing: Progress or digress?'—www.indiantelevision.com.

FURTHER READING

Cross Platform: If it's media mix on a budget, it makes sense'—Erwin Ephron, www.ephrononmedia.com.

'The Fifth Season: The fascinating history of the upfront'—Erwin Ephron, www.ephrononmedia.com.

'The Indian Entertainment & Media Industry' *FICCI and PwC*, March 2006.

'Media Spin-offs'—Mark Tungate, *Adland: A Global History of Advertising,* Chapter 10, 2007.

'Consolidation Incorporated'—Mark Tungate, *Adland: A Global History of Advertising*, Chapter 11, 2007.

'The agency of the future'—Mark Tungate, *Adland: A Global History of Advertising,* Chapter 20, 2007.

'Press'—Vanita Kohli Khandekar, *The Indian Media Business*, Chapter 1, 2006.
'Television'—Vanita Kohli Khandekar, *The Indian Media Business*, Chapter 2, 2006.
'Radio'—Vanita Kohli Khandekar, *The Indian Media Business*, Chapter 5, 2006.
'Internet'—Vanita Kohli Khandekar, *The Indian Media Business*, Chapter 7, 2006.
'Dentsu media's ad auction model raises eyebrows'—www.agencyfaqs.com.
'Media Managers: Going in-house'—*Businessworld,* 4 Oct. 2004.
'How they lost the plot'—*Businessworld,* 23 Aug. 2004.
'Sir Martin's mind'—*Businessworld*, 23 Aug. 2004.
'It's getting crowded in here'—*Businessworld*, 22 May 2006.
'The Persuaders'—*Businessworld*, 18 Sep. 2006.
'Sponsorships: From Management ego trip to marketing success'—Crimmins & Horn, *Journal of Advertising Research*, July 1996.
Event Sponsorship: Does it work?'—Abel & Long, *Admap,* Dec. 1996.

PLAN IMPLEMENTATION

12

"I have been impressed with the urgency of doing. Knowing is not enough; we must apply. Being willing is not enough; we must do."

.... Leonardo da Vinci

The proof of the pudding is in the eating, and this is never more true than in the case of media! A brilliant media strategy, path-breaking innovative ideas, and the best buys can come to naught if the plan is not implemented right. The implementation phase is also crucial from the perspective of exposing the agency to financial commitments as it is the last leg of the entire advertising process where actual monetary transactions happen. It is, therefore, essential to have a process and a system that allows for zero error. A well managed and tightly controlled implementation and billing process actually earns the agency money, and can make the crucial difference between a profitable and a non-profitable client!

With approximately 20 publications in a national plan (each carrying 3–4 ads), or more than 20 channels (each carrying roughly 240–300 spots in a month), the implementation person has to be extremely organized, follow processes to the T, and maintain proper documentation to ensure that disasters do not strike!

12.1 RAISING ESTIMATES

The estimate is an *official financial document*, which allows a media agency to *record a written authorization from the client*, in order to initiate the media activity. While the client may sign the media plan, the estimate is the only document that authorizes the agency to effect releases on behalf of the client. All further official communication is between the agency and the media partner, financially committing the media agency as it is liable for the money spent. It is thus essential to get an approval from the client on the estimate before commencing the activity.

It is a good practice to *maintain a register of approved estimates*. The operations system would be able to throw-up a list of all generated estimates which, when compared to the register of approved estimates, reveals the extent of unapproved ones. The system generated list of approved estimates, is generally unreliable. Most systems are constructed such that release orders get generated only if the estimate is entered as approved. The operations people, thus, sometimes have to enter an estimate as approved even though the approval could still be pending from the client in order to initiate activity. The operations, or implementation person, needs to follow-up with the relevant team to ensure prompt approval on all pending estimates.

Sometimes, the client can approve an annual estimate based on annual deals. The activity, however, would get initiated every month, based on the monthly plans. Very often, the estimate and activity schedule are combined into a single document, and clients prefer to approve the estimate cum schedule (see Annexure 8).

It is essential to ensure that all documents are shipshape before generating the estimate. Deal letters and contracts need to come in, and the estimate needs to be checked against the deals to ensure the right rates. Most channels are moving towards *tripartite contracts involving the channel, agency as well as the client*. The advantage with tripartite contracts is that it ensures the client's commitment towards the approved and signed outlay and the credit period. It protects the agency from 'deficit' implications. The downside is that the tripartite is binding and, in case of media environment changes, funds cannot be reallocated. Ideally, an exit clause should be included in the agreement.

The estimate ideally should be *generated on the actual negotiated rates*. This way the client commits to the exact amount of media spends, and there is little scope for any confusion or dispute. The generated estimate is usually checked by the buyer before being dispatched to the client for approval. In fact, some operations systems are built in such a way that the buyer needs to feed in the bought plan which then automatically transforms into the estimate, thus eliminating manual entries and the possibility of human error.

Any change in rates or sizes requires a fresh estimate to be generated. If part of the estimate has already been acted upon, supplementary estimates linked to the main estimate, need to be raised. As the estimate is an official financial document, any *changes (or overwriting by hand) made on the document are not recognized* and have no validity.

12.2 BOOKING-IN THE ACTIVITY

After the client approves the estimate, it is time for the activity to be initiated. For *print ads, space availability needs to be confirmed* in order to draw up the schedule. *Material readiness and deadlines* need to be checked as well, in order to figure out *possible scheduling dates*. All *special positions require prior booking* and reconfirmation. Some publications levy cancellation charges if the position is booked, but not cancelled in time.

In case of *new TV campaigns*, the activity may need to be *front-loaded*, instead of an even spread across the time-period. This will ensure that the ad breaks through the clutter and gets noticed. As far as possible, the *paid–bonus ratio* *needs to be maintained* throughout the activity. For TV plans, FCT or *secondage availability* may be a major concern. Specific program which are part of the deal may be running totally full, especially if the activity is getting booked-in at the last minute! This would impact the start date of the campaign on those channels. This is the primary reason why sometimes the campaign breaks in a staggered fashion across different channels. The best way to prevent this is to ensure that the bookings go well in advance, the earlier, the better!

Sponsored programs sometimes have larger lead times. This is due to the fact that the promo tags are normally made as sets with each one having the main sponsor, and a different set of associate sponsors. Of course, relationships can occasionally be used (but not overused) to ensure that timelines get crunched. The schedule shared with the channel is modified on the basis of the available FCT and sent across to the client for approval. The spot is then capsuled with other brand ads.

Care should be taken not to schedule all the paid spots and leave only bonus spots for a later time period. The channel would not give zero value or bonus spots enough importance and that could result in a large number of dropped or missed spots. During the time of booking the activity, requests for special positions, like first in break, or last in the promo tag, etc., can be made.

The channel needs to be sent a *formal letter blocking the required dates for sponsorship*. This is done only after it has confirmed availability on the dates. Most channels have a specific format that blocks dates for sponsorships, and the operations person needs to send the letter in the required format.

Radio activity is fairly similar to TV activity, i.e., the sponsorships and RJ bookings need to be confirmed along with the actual spot activity dates. For *outdoor* plans, a recce or reconnaissance visit would have already been made to finalize the sites. The implementation person needs to reconfirm *availability dates for each element of the plan* (hoarding, kiosks, bus shelters, etc.) and draw up the schedule. Most *internet* deals rarely have inventory issues, except probably the *marquee positions* like header banners on the home page or other high-traffic pages, which *need to be checked* for availability, and the booking reconfirmed.

12.3 RELEASE ORDERS OR ROS

A release order is a crucial document *authorizing the media to carry out the activity*. The importance of having the estimate approval before sending the release order cannot be stressed enough. As the release order exposes the agency to a financial liability, it is crucial that the agency has the relevant documented authorization from the client (basically the estimate though, sometimes, approval of the plan by the client is taken to be the go-ahead and the estimate is signed during or after the activity).

Release orders are normally an automatic by-product of the estimate (see Annexure 8). Once the operations person certifies the estimate as having been approved, release orders can be automatically generated from the system. While the entire estimate is approved, the release orders could be sent in stages. This would enable a better handling of campaign changes while the activity is still on. The material may be dispatched separately or may accompany the release order.

12.4 MATERIAL DISPATCH (CREATIVE UNITS/EDITS)

Once the operations or implementation person gets the buying plan, he generates a material requisition. *A material requisition specifies the requirements from agencies for airing, printing or broadcasting the ad by media*—number and language of betas required as well as promo tag details for any TV activity, and file formats for print ads. The *creative agency usually takes the onus to deliver the material* as it is responsible for the final creative product. A close working relationship between the servicing team of the creative agency, the media operations unit, and the buyers ensures better coordination and lower chances of disasters occurring.

An *attempt should be made to adhere to timeliness*. Material delays are the single most reason for people working late in the media industry! It is also the source of a majority of disputes on cancellations, positioning of the ad, etc. For print ads where no premium is being paid, prominent positions can only be requested. The earlier the media partner receives the material, the better the position he can offer.

Print Material Formats

Material for print ads can be sent as hard copy as well as soft copy (tif, jpeg, etc.). Usual time lines for print ads are below. These can, and do, get crunched in special cases. An attempt should be made not to strain the relationship with the media partner by crunching the deadline for every ad released!

Print Material Time Lines

✓ Dailies	24 hours
✓ Weekly supplements	7 days
✓ Weekly magazines	7–14 days
✓ Fortnightly magazines	14–21 days
✓ Monthly magazines	4–5 weeks

TV Material Formats

Material formats used to vary across channels in the past, and one had to be extremely careful about the material requisition. Now, the task is that much simpler with material being sent in 'beta' format across channels. Even DD Regional networks have upgraded to beta format. A beta should ideally contain only one TVC (TV commercial). Different edits for the same commercial need to be on different betas. Promo tags also need to be on different betas.

Though language requirements are not mentioned for the Star Network channels, ideally, Star Plus, Star Gold and Star News accept Hindi, English; Star World, Movies, NGC, [V], History accept English, Hinglish; Star Vijay accepts Tamil, English betas. All TVCs for the Sun Network need to be in the respective regional language or in English only.

A soft copy register of all betas dispatched needs to be maintained with details on material ids assigned by the channel, internal material codes, date of dispatch, channel, etc. A similar soft copy register should be maintained on storyboard approvals as well. Best practice is to call back the material from the channel once the campaign is finished, as it will prevent fiascos of old commercials getting aired by mistake.

Promo Tags

The average duration across channels for promo tags is four seconds. Zee TV gives only 2.5 seconds for tags. Some channels (HBO) only give freeze frames (two seconds) with no VO (voice-over). Channels require the voice-over in 'written' format.

Sun Network gives a two-second freeze frame. Only in the case of a branded program does the brand get a five-second tag. The Sun Network still gives break bumpers in a freeze-frame format. Other South channels give five seconds (seven seconds for ETV) promo tags. If the VO is mentioned in English, the channel will voice it in the respective regional language. These channels are open to day and program branding as well.

Commercial Approval

All *Doordarshan TVCs require a story board approval*, prior to telecast. DD follows norms laid out by the I &B Ministry, AAAI and ASCI. TVC approvals are given at DD Delhi and the ads are viewed via CD, not just VHS. Usually, approvals take 3–4 working days. However, crunching time lines is possible. Some private producers can be extremely helpful at these times(especially recommended for critical situations involving cricket!).

For *Star Network, Standards & Practices (S&P) is the approving body*, working out of Hong Kong. All new TVCs require S&P clearance prior to airing. The procedure takes 3–4 working days after receipt of material. Any claims in the creative content require support, and dangerous acts require a super (caution), e.g., "This act has been performed by experts—please do not try without guidance". Promos and offers require a super mentioning the closing date of the offer. Other details of the contest need to be sent as well—how one can participate in the offer, the form details, what is required to be filled on the form, how a winner gets the prize, etc.

Zee Network, Sony Network, AXN, HBO, MTV and BBC uplink from Singapore. Technical checks and approvals happen primarily at Mumbai. BBC requires a story board/VHS/CD for checking the TVC, prior to airing activity.

TVCs of all banned categories need to be vetted and approved by IBF before they can be aired. Liquor and tobacco companies can only advertise surrogates, with papers that prove the validity of the surrogate. *Paan Masala* ads can air with no regulations, as long as the commercial gets approved. It is, however, completely banned in Kerala, and such companies can advertise only surrogates. Infant and weaning food ads are completely banned.

TV Time Lines

The *place of uplinking of the channel also impacts the time taken for material delivery and, therefore, how soon the activity can be on air*. For Doordarshan, up-linking for National Network is from Delhi, while regional networks uplink from their respective centers. Activity can start, post approval, within 24 hours, depending on the program.

All channels in the Star Network, barring Star News, uplink from Hong Kong. Star News uplinks from Delhi. Activity can start, post approval, on the basis of FCT availability. Star FCT logs usually close four days in advance. Star News can start the activity in 2–3 days.

Zee Network, Sony Network, AXN, HBO, MTV and BBC uplink from Singapore. Activity can start on the basis of FCT availability, within a week. FCT logs usually close four days in advance. Zee News uplinks from Noida. CNBC India feed gets up-linked from TV18 office in Delhi. SAB, Sahara and all other news channels get up-linked from India. Activity can start on the basis of FCT availability, within 2–3 days.

All the Sun Network channels get uplinked from Chennai. Asianet uplinks from Trivandrum, Kairali uplinks from Cochin, and ETV Network uplinks from Hyderabad.

Other Media

Radio material needs to be sent as a dat file on CD. Radio stations have full-fledged creative teams and, very often, the stations themselves create the spot or contest. *Outdoor* companies create the material themselves (another backward integration) and share the layout and format for approval with the client and the agency before creating the vinyls. *Cinema* has a reverse telecine format with a 60-second duration. For digital screens, this is not required as the beta is sufficient. *Internet* websites accept material in soft copy format on CD.

12.5 MONITORING THE ACTIVITY

The activity needs to be closely monitored on an ongoing basis as this *ensures fewer disputes,* and lesser chances of a dispute continuing unresolved for years! Also, ongoing monitoring and prompt make-goods *ensures full billing for the agency and no plan underdelivery for the brand*. If print ads have been missed, or spots have been dropped by the channel, or activity has not been logged-in for a new campaign, prompt monitoring can sort out the issues. Make-goods need to be effected—some clients allow the agency to make-good the activity without taking approvals on each individual ad, while other clients want to authorize every make-good. Concerns on position, reproduction, dealer panels, logo units, etc., have to be discussed immediately with the publication.

Press monitoring is linked to the periodicity of the publication. *TAM monitors press activity with a lag time of 2–3 weeks*. This may be too late for make-goods. It is essential that the operations or *implementation person gets hold of the copy,* or has the status of ad appearance *within 24 hours (for dailies)* in order to effect make-good. He usually informs the buyer who coordinates with the client and issues make-good instructions.

TV monitoring is done by TAM with a lag effect of 3–4 days. For special events like cricket, these time lines are crunched further. TAM reports are good enough for monitoring TV activity and action make-goods as the lead time is not as much as in print. New campaigns, however, need the implementation person to actually make phone calls to channel partners to confirm logging-in of spots. Most brands operate with weekly GRP targets, which means that make-good should happen as soon as possible.

TAM monitors only four *radio* stations (to extend to some more cities soon), and the reports are used as supporting documents while billing. Activity outside these markets has no documented monitoring. There is no formal monitoring process for the *outdoor*. Often the client's sales and marketing team acts as the de facto monitoring agency! Photographs of the sites with the brands' vinyls act as proof of appearance. While the photographs can prove that the vinyl was up, there is no way of verifying if it was on for the entire duration of the activity! *Cinema* theatres have absolutely no monitoring. There is no third party monitoring of *Internet* activity, but the server logs of the website act as proof of appearance.

The monitoring reports are also important from the deal management perspective. *Parallel streamlining of deal inventory* is done by the buyer to catch any discrepancies. If the report shows a mismatch between 'paid' and 'bonus' ratios, future plans are crafted in a way that the ratio is restored. At the end of the activity, a final monitoring statement, with costs, needs to be prepared and sent to the client. This would form the basis for the billing activity.

The monitoring report has monetary implications as it is used by the billing department to raise bills on the client. *Unmonitored activity can lead to billing* *delays,* and can impact the client profitability for the agency. A close watch, therefore, needs to be kept on the monitoring to ensure that it is done on time. A periodic check of the system by the buyer will reveal the extent of unmonitored activity, which can then be followed up with the implementation team.

12.6 BILLING

Press bills are usually received within a week of activity, while TV inward bills are received every fortnight. *Inward bills* received from the media house require to be *cross-checked with the estimate and the final monitoring statement*. Any discrepancies need to be discussed with the buyer and clarified with the media partner. Once the operations person has checked the inward bill, it is passed on to the billing department.

The billing department raises the outward bill on the client. The *outward bill needs to be accompanied by supporting documents*. In the case of print ads, copies of the printed ad or what are called 'voucher copies' accompany the bill. The annual print deals are sent to the client at the beginning of the year, and all activity is checked against them at the client's end. The client may also require a copy of the final monitored schedule as well as the approved estimate to accompany the bill. In the case of TV outward bills, third-party monitoring reports like the TAM Adex reports, deal letter copies, sponsorship confirmations, approved estimate copies, make-good statements, and final monitoring statement need to accompany the bill.

It is good practice to maintain a *register of received inward bills, which basically records the date the bill was received* (the bill is normally stamped on receipt), as well as the date it was checked and passed on to the billing department by operations. The billing department maintains a record or *register of when the outward bills were dispatched to the client*. The client, in turn, stamps a copy of the outward bill on receipt.

12.7 COLLECTIONS

Tight reign on collections may be the difference between a profitable or non-profitable client. If the collections team is lax, the media agency runs the risk of actually becoming the financing agency for the client! This is especially true for print payments, where the agency is liable to make the payment to the media partner within the specified time lines, regardless of whether the client has made the payment to the agency. It is standard practice for the media agency to have *'collections meetings' where the outstandings are discussed at a client-wise, media-wise level. The age of the outstanding* (in days) is also examined. Any outstandings which are over 45–60 days old are examined closely to find out if any disputes are holding up the payment. If so, these disputes are sorted out on a priority basis. The relevant team in charge of regular follow-ups ensures that the payments are cleared on time.

The credit period is 45 days from the month of activity for print ads. Indian Newspaper Society (INS) is the regulatory body for the press. The agency pays, irrespective of client payment, and earns only when the client pays. Non-payment, or outstandings, can result in blacklisting of the agency, and all activity for the agency across all clients (and not just the defaulting one) can be put on hold.

The Indian Broadcasters Federation (IBF) is the regulatory body for TV and radio. The credit period for these media is 60 days from the month of activity. The agency pays only after the client pays, and earns when payment happens. Problem clients, or habitual defaulters, are closely monitored. Serial offenders work mostly on advance and tripartite agreements are usually the norm.

SUMMARY

- *The implementation phase is crucial as it exposes the agency to financial commitments. A well managed and tightly controlled implementation and billing process actually earns the agency money.*
- *Estimate is the only official financial document which records a written authorization from the client. The estimate should be raised on negotiated rates, and a register of approved estimates should be maintained.*
- *For print ads, space availability, material readiness, deadlines, and special positions need to be confirmed to figure out possible scheduling dates.*
- *For TV activity, new campaigns to be front-loaded, paid-to-bonus ratio to be maintained, schedule drawn up on the basis of FCT availability, and sent to client for final approval.*
- *Release order—document authorizing media to carry out activity. Client's approval of estimate before sending ROs is essential.*
- *Material requisition specifies the requirements from the agency for airing, printing or broadcasting the ad by media. Usually, the creative agency takes the onus to deliver material.*
- *Ongoing monitoring and prompt make-goods ensure fewer unresolved disputes, full billing for the agency, and no plan underdelivery for the brand.*
- *A tight control on billing and collections ensures the agency has a profitable client.*

RELATED WEBSITES

1. www.ddindia.gov.in
2. www.star.co.in
3. www.ascionline.org
4. www.ins.org—'A guide for Publications & Agencies'
5. www.ibf-india.com

SETTING MEDIA BUDGET 13

"He who does not economize will have to agonize"

…………………. Confucius

We have all heard the famous quote, "I know half my advertising budget is wasted …. I am not sure which half," from Lord Leverhulme (founder of Lever Brothers, the current day Unilever). After so many years, and so much ground being covered, a lot of people would think that we are no further along the road when it comes to tracking the effect of advertising. This is actually the key reason why there is still so much uncertainty around the subject of advertising budget setting.

The truth is that we have not yet been successful in establishing a clear and direct relationship between advertising and sales. Advertising is only one part of the marketing mix, and the other factors like distribution, promotions, pricing, product changes, packaging, etc., all have their role to play in the sales process. While some advertisers have figured out the relationship of all these factors to sales with the help of econometric modeling, even they do not assume that the relationship would remain constant at all times. The dynamic nature of the marketplace and competitive activity adds to the complexity.

The brand marketer wants to spend just the right amount. Too little, and his brilliant creative effort will be ineffective, too much—and the money, which could have been more effectively deployed elsewhere, will be wasted!

13.1 THE BRAND'S BUDGET

While the marketing manager may plan for a brand over a three, or even a five-year period, the firming up of the brand's budget is an annual occurrence. The budget for the next year is decided in the last quarter of the current year. The marketing budget usually comprises the following elements.

13.1.1 The Media Budget

This is the *actual money that would be spent on advertising the brand on conventional media* like print, TV, radio, cinema, outdoor, internet and mobile. The media budget is a sub-set of the advertising budget.

13.1.2 The Production Budget

The marketing manager incurs a *cost to produce the creative* units that are used in the communication process. This could be in the form of the fees paid to the producer, the cost of shooting or dubbing for the creative content as well as the material cost (betas for TV channels, positives or soft copy files for print, etc.)

13.1.3 The Advertising or ATL Budget

The *media budget and the production budget together* form the advertising budget. This is also termed as the ATL or 'above-the-line' budget. Particular care should be taken by the media planner to check whether the budget figure given by the client is actually the media budget, or it is the advertising budget and money needs to be kept aside for production.

Usually production costs are less than 5% of the advertising budget, unless TV is a part of the mix. Costs for TV production vary greatly, and are dependent on the kind of producer, the models, location of the shoot, and the quantum of post-production work involved (if there are animation, or special effects which need work on the system post the shooting).

13.1.4 The Trade Budget

This is the part of the budget which is kept aside by the client *to activate offers and promotions for the trade*. This is especially, important for brands which are in the mature stage of the product lifecycle where competition is intense. Brands which are unable to establish major differentiators between themselves at this stage have to rely on the trade 'push' generated through better schemes versus consumer 'pull'. This is part of the BTL or 'below-the-line' budget of a brand.

13.1.5 The Promotions Budget

This is the part of the budget that is set aside *for activating consumer promotions or offers*. This budget also includes any direct contact activation, or on-ground events for reaching out to the consumer. This is part of the BTL or below-the-line budget.

13.1.6 The BTL Budget

The *trade and promotions budgets together* form the BTL or below-the-line budget.

13.2 ALLOCATION OF THE BUDGET

Allocation of the budget across markets is discussed in detail in Chapter 5 on 'Market Prioritization', allocation across media vehicles in Chapter 7 on 'Media Mix', and allocation across time periods in Chapter 8 on 'Scheduling.' The following section looks at allocation of the budget across elements of the marketing mix.

The *debate between the good (advertising), the bad (trade schemes), and the ugly (promotions) continues* to rage fiercely. How should the money be allocated across the three? What is the 'right' proportion, or is there any such concept at all? Brands have different splits across the three, depending on their context.

13.2.1 Short Term Versus Long Term

The effect of *advertising* is difficult to measure, isolate and trace back to sales. It is a far *weaker force than pricing* of the product which is almost nine times stronger in driving sales. Advertising is thought to work in the long term by *building 'brand awareness', 'differentiation', 'brand image' and 'brand preference'*—the holy grail of the marketer!

Promotions, on the other hand, have an *immediate, visible result on the topline,* and are seen to work in the short term. They are effective price discounts and have a strong impact on sales, especially in competitive, price-sensitive categories. The effect of a percentage reduction in price (promotions) on purchasing is almost nine times that of the similar percentage increase in the advertising budget. Marketers are torn between shoring up short-term sales with promotions, versus investing for long term growth of the brand through advertising.

Promotions may, actually, result in a reduction of sales when viewed over the long term, as they bring forward future sales which could have been at full price. The extra sales volume increases direct cost of raw material, production, packaging, distribution, etc. Coupled with a reduction in price, *profitability of the brand may be impacted* with promotions. Pressure from trade and competition forces promotions. Clients often run theme and promo together to get the best of both [1, 2].

13.2.2 Retailer Power

The distribution network is extremely fragmented with a wide web of *kirana* stores, wholesalers and few organized retailers like Big Bazaar. Distribution takes a long while to build due to the sheer number of stores that have to be covered, and requires intensive effort from the wholesalers' and manufacturers' salesmen. Wholesalers are more powerful compared to the retailers. This is unlike what prevails in more developed markets like the US where supermarkets are all powerful and command a substantial portion of the marketing budget. In *developed markets like that of the US, trade—promotions—advertising is 50–26–24*, unlike that of India, where advertising plays a larger role in most categories [3, 4].

Transportation issues and location of supermarkets ensure the continuing survival of *kirana* stores, even in metros. To match the 'high volume, low price' game of supermarkets, most *kirana* stores are cutting margins to offer lower prices to consumers. There is pressure on the marketer to offer trade schemes, part of the benefits of which can be passed on to customers.

With markets growing at a rapid pace, there has been an explosive growth in competition as well. The number of competitors in a category has shown a rapid rise, and this is true of all categories. The marketer also faces a challenge from related categories, e.g., colas from non-aerated drinks, fruit juices, *golas*, sugarcane juice, ice-creams, *kulfi, falooda, nimbu pani,* or even bottled water! Marketing tie-ups and an expanding grey market ensure availability of 'foreign' brands in every category.

Earlier, sales strategy consisted of pipeline stuffing by selling large volumes to the retailer to tie-up his working capital and shut out competitors. Getting on to a retailer's shelf was enough to ensure market share. The *explosion of new brands, variants and SKUs has increased the retailers' bargaining power*. Active participation and support from retailers is essential to drive sales [5].

13.2.3 ATL Versus BTL—The Disappearing Line

Advertising has a strong secondary audience—the trade, especially for categories like durables where the trade is fairly strong. A lot of auto and telecom company dealers and local offices have a substantial part of the advertising budget over which they have complete control.

"60% of my budgets go into BTL (consumer and trade promotions, events and on-ground activation). That's a significant budget, waiting to be tapped into", Hemant Mallik, Marketing Head, ITC Foods, Goafest 2008. *Agencies are trying to grow revenues and cross the line to tap into the BTL budget* by offering on-ground activation, and event management, etc., as part of their services.

Organized retail accounts for only 4% of total market now. It is predicted to grow by 20–24% to contribute 9% of total retail by 2010. With 80% of supermarkets in the metros, and 66% of organized retail in the top six metros, these stores would service a desirable market. Organized retail is predicted to be a powerhouse presence with all the 'names' like Ambani, Mittal, Godrej, Tata, Rahejas, Birla, Biyani, Goenka investing crores of rupees [6–8].

From an era of placing orders at the neighborhood *kirana* store on the phone, shopping has started turning into a family outing to the latest mall. It is absolutely the right psychological moment for a consumer-brand interaction—'point-of-purchase'. The consumer's focus is on the brand, unlike the passive or distracted state while watching brand communication on TV. *In-store advertising is, therefore, a huge opportunity,* and there has been a lot of activity in this area with conventional outdoor companies like Laqshya media venturing into this territory, as well as new ventures like OOH set up by Ishan Raina, and Street Culture by Pradeep Guha.

13.3 METHODS OF SETTING BUDGETS

There are various methods for setting the advertising budget. While in most cases, a method may be looked at in isolation to set budgets, often a combination of methods can actually deliver a more robust budget level.

13.3.1 Status-quo

This method is a 'Let's not rock the boat', or, 'If something's going well, why fix it' way of setting budgets. The marketing manager keeps the *budget fixed at last year's levels*, with it probably having done the job in delivering on the goals.

Pros:

This method *uses past success* to fix budget levels, and so, it is broadly in line with brand interests.

Cons:

This method *ignores the threats and opportunities* the brand would face, and the action it needs to take. This method is a fairly inward looking 'I am okay' kind of approach to budget setting.

13.3.2 Inflation Adjusted

This method is a slightly modified version of the 'status-quo' method. While the last year's budget is seen as a successful formula by the brand manager, an acknowledgement is also made of the fact that *inflation in media costs would force a higher spend to achieve the same task.*

The typical way this works is to look at how inflation has panned out for the last couple of years, and to get the media agency to predict it for every medium for the coming year. The inflation figure for each medium is then weighted by the percentage of budgets allocated to that medium, to finally arrive at an inflation adjusted budget.

You can see from Table 13.1, the way the budget is allocated across media, or how the media mix determines the level of inflation. An FMCG brand with heavy

Table 13.1 Inflation-adjusted budgets

	Predicted inflation %	*Budget allocation %*	*Adjusted inflation %*
TV			
Regional Satellite	15	10	1.5
Regional Terrestrial	8	10	0.8
National Satellite	6	40	2.4
National Terrestrial	2		
English Niche	10		
Sports	20		
Print			
Dailies—Regional	5	15	0.75
Dailies—National	20		
Magazines—Regional	0	5	0
Magazines—National	2	10	0.2
Radio	15	10	1.5
Cinema	10		
OOH	20		
Interactive	5		
		100	7.2

activity on national TV will have a significantly lower inflation than a durable brand which is active in national print.

Pros:

The media agency uses not only the past inflation figures but also other factors like utilization of inventory, overall advertising levels in the medium, changes in audience delivery, and changes in pricing to map inflation levels by medium. While this is not brand and category specific, it *factors the broad industry trends into the budgeting* process.

Cons:

Like the 'status quo' method, this approach too is *not sensitive to the threats and opportunities* the brand faces, and the action required. In other words, it is not sensitive to market and brand realities.

13.3.3 Advertising–Sales (A–S) Ratio

The advertising *budget is set as a percentage of sales*. In effect, the budget is determined by multiplying the projected sales revenue for the year by a pre-determined percentage. This 'pre-determined percentage' is usually a historical figure, or a number benchmarked to competition. For example, if the projected revenue for a brand is Rs. 1000 crores, and the multiplier is 5%, we would have an advertising budget of Rs. 50 crores.

The marketer should be open to setting the multiplier at higher levels instead of sticking to the same multiplier for all occasions. If the brand has a high margin or a growth objective, new product, re-launch, new creative units, frequent purchase goods, etc., then a higher multiplier would be called for [9].

Pros:

This is a simple rule which is easy for the marketing or brand manager to understand and execute. Also, by linking directly to sales it ensures that brand resources are managed on an ongoing basis. The finance department is happiest using this method as it *preserves a consistent margin!*

Cons:

This method goes by the principle that *advertising is based on sales, while the reverse may actually be true*—sales are based on advertising! Should advertising be lower if the sales or market share shows a dip, or higher? If the brand looks like it may not meet its projected revenue targets, this would result in a cutback in the advertising budget. In a lot of cases, the multiplier becomes an arbitrary thumb rule, or a historical figure unquestioned by anyone. The effect of advertising for the brand, and also the impact of other factors like quality of the creative, media mix, advertising task, or the effect of other marketing variables like distribution and promotion are ignored.

By linking directly to sales, the *mistakes of the past may continue* to be perpetuated. A market may need investments to take on the competitive challenges and gain share but, with this method, it will only get allocated a budget proportionate to the sales it managed last year. This method *does not recognize the long-term growth perspective* of investing in markets before they start yielding dividends.

13.3.4 Case Rate and Advertising to Margin Method

This approach is identical to the A–S method except that the *budgeting is linked to the number of cases or units sold,* and not to sales revenue.

The variation of A–S is the 'Advertising to Margin' method when the *advertising is a proportion of the margin*. This enables brands with the same revenue, but better margins to actually spend more on advertising.

13.3.5 SOV–SOM Method

The *competitive situation forms the framework* for setting budgets in this approach. John Philip Jones, during his search for cutting down wasteful advertising expenditure arrived at a measure of advertising intensity—a comparison of SOV (share of voice or GRPs) to SOM (share of market).

Large share or profit-taking brands have an existing, brand equity within the minds of consumers. In direct contrast to the A–S approach, Jones found that these brands can actually operate with their SOV lower than, or equal to their SOM. *Advertising budgets seemed to work harder and more efficiently* for these brands. Investment or small share brands were relatively newer brands which needed to operate with their SOV higher than their SOM. These were essentially brands in the growth phase where investments were essential to stand out of the clutter of other more established brands [10].

Pros:

This method is fairly *outward focused* with the use of competitor activity and market share forming the basis for setting budgets. It also brings in some amount of *task focus* with the recognition of launch brands needing investment before they will show growth.

Cons:

The biggest issue with this approach lies in the *accurate prediction of category GRPs*. The GRP levels for each brand, and for new launches have to be predicted to arrive at the category GRPs. The desired SOV level for the brand then results in a certain annual GRP target on the basis of the predicted category GRPs. Predicting GRP levels accurately for each brand, and also being aware of every new launch—what levels the new brands will be at, and which of the existing brands will not advertise in the year— seems like a task fraught with uncertainties, and with great chances of error!

As this method only benchmarks to competition, if the competitor ups the weights beyond the predicted level, our brand is forced to increase GRP levels in order to attain the desired SOV—a matter of keeping the share of the pie constant! This typically leads to an ever-increasing cycle of upped media weights, or what is termed as the spiraling or inflationary effect. Thus, the other downside to the SOV–SOM method is that it *does not factor-in efficiencies*.

13.3.6 Yardstick Method

Failing detailed data on competitive brands within the category, *similar brands in other categories* may be used *as a benchmark* to set activity levels and budgets.

Pros:

This method is *outward focused* in its effort to benchmark similar brands in a broad competitive context.

Cons:

This method *does not factor in efficiencies,* just like the SOV–SOM method. It is also *a step removed from the market reality* as it does not set budgets on the basis of immediate competition. It remains oblivious to the greater impact of competitive activities within the category.

13.3.7 Effective Frequency and Reach Method

This approach brings in the much needed efficiency into the process of setting objectives and budgets. Effective frequency is the minimum number of times the target audience needs to be exposed to our communication so that it has the desired effect. Advertising at lower levels of frequency is ineffective, and does not add to sales or purchases. Beyond the threshold level, or at the effective level of frequency, the message begins to have an effect.

The response increases at an increasing rate till the bend in the curve, called the 'inflection point'. After the inflection point, increases in ad response happen at a decreasing rate. This approach works at finding the inflection point, or the PODR—point of diminishing return for each activity to try and *cut out inefficiencies stemming from both underspending and overspending* [11].

Pros:

This method *brings in efficiency* into the budget setting process by focusing on the plateau point in reach build-up.

Cons:

This method *does not factor in the competitive context,* or the brand task, and is *entirely TG based*. The reach will plateau at exactly the same point for the TG (media mix remaining constant) regardless of the brand context. If two different brands have the same effective frequency, they will end up with exactly the same media objectives for the same TG, regardless of other differences.

The other drawback is that this method works bottom upwards as it is primarily an activity optimization tool. To use it for budgeting means that *all activities in the year will have to be mapped* and the effective level of operation will have to be overlaid to arrive at the costs, finally leading to the annual budget!

This approach *works only for media where detailed data to enable reach calculation is available*—TV, print and now radio. Unfortunately, it only works one medium at a time, and finds the PODR by medium at the plan level. This means that a combined budget across media, which incorporates *media synergies, is not possible* with this method.

While SOV–SOM has a strong competitive context, it does not factor in efficiencies. EFER, on the other hand, has a strong efficiency mechanism built into the method, but lacks a strong competitive framework. Thus, the two methods are complementary ways of setting objectives and budgets as one makes up for the shortcomings in the other. For this reason, they should ideally be used in conjunction.

13.3.8 Recency-based Budgeting

The recency theory propounded by John Philip Jones questioned the need for effective frequency on the premise, 'within a week, a single ad exposure was enough to produce a strong purchase effect, and that subsequent exposures within that week added very little'. The task of advertising is, therefore, to 'remind' the consumer when he is ready to purchase, and as consumers would be buying everyday, 'presence' rather than frequency, is the key. Also, the effect of advertising is greatest when it is close to purchase, and 'propinquity' is of importance rather than repetition.

This method advocates *planning at a weekly level, and steady continuous presence through the year*. Planning and budgeting with this method means figuring the weekly operating threshold level, and then trying to have as many weeks of activity as the budget will allow.

Pros:

This approach, which *maximizes brand presence,* is especially helpful for brands which are bought year round and show no particular seasonality—typically the FMCG goods.

Cons:

This method suffers from problems similar to those in the EFER approach—it *works only for media where it is possible* to calculate *reach data.* It too works one medium at a time, and is *unable to give a cross media budget*. It is *TG-specific* and *does not factor in the brand tasks and competitive context.*

13.3.9 Awareness–Trial–Retention Ratios

A fraction of the people reached, become aware of our brand. Of the people aware, a fraction try our product, and only a part of the people who try our product are retained, i.e., they continue buying our product and become users of our brand. Household panel data [12] is used to arrive at a *relationship between reach delivery of the plan, product awareness, trial and retention*. This relationship is then *used to set media goals* [11].

Pros:

This approach is completely *oriented in the real-world context of the brand,* and attempts to connect advertising effects and budget decisions to sales. With the household panel being a continuous study, real time tracking and modification of the plan is possible [13].

Cons:

The downside to this approach is that it *necessarily needs household panel data to work*, making it a restrictive way of setting targets. Being a continuous track, the coverage of the panel data is limited to a couple of cities as it is an expensive proposition. These cities necessarily have to be assumed to represent the larger set of sales territories (which may be very far from the truth!). For example, Mumbai and Nashik results are extrapolated to the whole of Maharashtra state.

The other downside would be the direct connection of advertising to sales without considering the *impact of other variables in the marketing mix*. The competitive framework and the impact of competition's activities too are totally ignored in this framework.

13.3.10 Marginal Analysis

In this approach, the marketer continues to increase the advertising budget as long as the incremental expenditure is exceeded by the added revenue it generates.

This analysis can be applied to the other elements of the marketing budget to get the optimal trade and promotions budget as well. In essence, this method looks at the elasticity of sales response to various elements—advertising, promotions, trade, etc. [14].

Pros:

This method is focused on the efficiency level beyond which the investment is not yielding sufficient returns.

Cons:

This approach assumes a linear relationship between each variable in relationship to sales. It also is able to examine a relationship only one variable at a time, whereas, all variables would be acting simultaneously and also impacting each other. Sales is not dependent on advertising alone, and the quality of the creative—the media mix, the advertising task (apart from other marketing variables like distribution, pricing, promotions, etc.)—would all impact it. Even if we are able to arrive at a relationship close to reality, competitive activity, or the economic, social or cultural environment, can impact and change this relationship completely!

13.3.11 ROI-based Approach, or the Modeling Approach

The most scientific way to set budgets is to build an *econometric model relating advertising* (and/or other marketing variables) *to its effects.* The modeling process requires specialized knowledge of econometric modeling. The model usually contains a 'dependent' variable, mainly advertising effects like sales or awareness measures, and multiple 'independent' variables which impact the dependent variable. The independent variables could be promotions, price, distribution, and advertising for a market mix model, or individual media like TV, print, radio, etc., for a multimedia model. The main advantage of econometrics is that it is able to separate the effect of each variable in the model and quantify its individual effect.

Brand tracks are a good source of advertising effects data, mostly in the form of awareness measures like TOM, spontaneous awareness, and brand preference. Brand tracks are similar to household panels in that they have a continuous number of homes that are contacted within a defined time-frame (normally a week). While the household panel may capture brand and ad awareness, its focus is primarily on brand and category usage or consumption. On the other hand, the brand track focuses on brand and ad awareness, preference, brand equity and brand attribute statements [12].

The established relationship between advertising effects and the variables affecting it helps get a task orientation into the budgeting process. We can set desired awareness, preference scores or sales targets, and then use the model to predict what level of resources would be required to achieve the objective.

Zero-based budgeting is another way of looking at this approach. The budget level starts off at zero, and the effect of every subsequent increase in the budget on sales has to be explicitly established for the budget to be decided. What this means in effect is that a relationship has to be established between all elements that impact sales, and the costs of these activities. In a sense, this is more marketing budget planning rather than just an advertising budget planning. A causal relationship is established of elements like distribution costs, promotions, advertising in various media to sales or response mechanisms like footfalls. This relationship helps decide the budget on the basis of the desired growth in sales, and also helps allocate the budget amongst the marketing elements.

Pros:

This approach to setting budgets has the advantage of being *completely customized to the brand,* and based on the brand's past context. Competitive context can be factored in by making variables tracking competitive activity and market share a part of the modeling process.

This approach *acknowledges the role that every element of the marketing mix* (and not just advertising) plays in securing sales, and tailors the budget accordingly.

Cons:

While this method of setting targets has no inherent shortcomings, the issue is really that of *ensuring that the model is statistically sound*. A high R^2 is only the tip of the iceberg in ensuring that the model is statistically significant. There are a host of statistical tests which are critical to ensure a robust model.

While statistical knowledge of the process of building the model is essential, what is even more important is having sound judgment in crafting the framework of the model—which variables are to be included, how they interact, the pattern to be expected, etc. This needs a thorough understanding of the advertising process too.

13.3.12 Experimental Approach

This method uses a real-time experimentation approach to budget-setting. Various *levels of budgets may be tested against results on sales*. The approach could be to start with a higher level and keep cutting budgets and monitor impact on sales, or to keep increasing the budget in increments, continuously checking viability against a corresponding increase in sales.

Tests could be performed in particular markets or in a test-control kind of situation where one market remains at status quo (control) and the inputs are changed in the test market and the effects compared against the control market. This kind of approach normally extends beyond just a testing of the budget levels to a test of the media mix, promotion versus theme advertising, and to even testing different creative units [14].

Pros:

This method attempts to bring in an *empirical scientific approach* to budget setting—learning from the past and experimenting for the future.

Cons:

Cutting budgets may not impact sales in the short term, leading to a belief that the previous spending was unnecessary and inefficient. However, the effects would be felt in the long run, with an eroding of equity. This method *lacks the context setting* of the modeling approach where data over a longer period is analyzed to factor in both short and long term effects.

Costs of experimentation may be higher than the pay-off! Experimenting with budget size means all other elements of the marketing mix need to be kept constant to isolate the effect of the budget size—this may be infeasible and practically impossible to achieve (especially keeping the competitive framework constant).

There are also *issues with paired market testing*. The test and control markets need to be paired (similar ones) along a lot of dimensions for the test to be a really scientific one, and this is frequently impossible to achieve.

13.3.13 Subjective Approach

While we may desire the brand to operate for maximum weeks in the year at the most impactful level of media weights, very often the bottom-line is the cold reality that has to be dealt with! The ideal media weights may not be possible for the brand at the level of the budgets it has at its disposal. In such a case, the ideal has to be over-ruled by the practical. *Subjective criteria are used* to choose between compromises to be made in the given budget in order to make the best use of it.

The ideal scenario may dictate continuous activity at PODR (point of diminishing returns) weights. Rather than choosing to be operational at suboptimal weights for 52 weeks, the brand may be better off ensuring at least PODR level weights in the 39 weeks that the budgets allow.

In the "all we can afford" method which is a kind of subjective budgeting, the desired profit figure is decided upon, the costs to be incurred calculated, and the remaining money deployed towards the marketing cost.

Pros:

If the person taking the judgment call is experienced enough, this could turn out to be the *most practical or realistic approach*. Cost is under control and the targeted profit level is achievable.

Cons:

This method always questions the *assumptions made in deciding on a profit level*. If we invested more, could we not have made more profits?

13.3.14 Breakeven Planning

This is normally the planning method deployed for a launch brand. The brand should be in an investment mode in the first couple of years. This means a disproportionate allocation of budgets to advertising and promotions. It is important to plan this out so that we have a *definite goal of when the brand will break even,* and start making profits [15].

Table 13.2 looks at a three year plan for a launch brand. The brand has a phased market share plan over the three years (b) which translates to a certain no. of cases sold (c). Cases multiplied by revenue per case gives the total revenue for the brand (d). Costs are about 60% of revenue (e) which results in a certain amount of money being available to the brand for advertising, promotions and profit (f). In the initial phase, the brand will need to invest and run at a loss. The total money available is thus reallocated over the three years (g) with a heavier proportion in the first two years (h). A high proportion of the money is spent on advertising (i) and the remaining on promotions (j). The allocation would of course vary across brands. Profit is the total revenue (d) less costs (e), less the reallocated budget (k). The brand needs an investment of 213 crore in year 1 and 2 put together. This is the difference in the available money (f) versus the reallocated budget (g) for the two years. In year 3, the brand is able to pay back this money and breakeven. This is of course assuming that the brand is successful in meeting the market share goal it has set itself.

Table 13.2 Breakeven planning

		Year 1	*Year 2*	*Year 3*	*3-Year total*
(a)	Market size (mn cases)	15	18	20	
(b)	% Brand share	2	3.5	4.5	
(c)	Sales (mn cases)	0.3	0.63	0.9	
(d)	Revenue in crores (10k per case)	300	630	900	
(e)	Costs in crores (6k per case)	180	378	540	
(f)	Budget available in crores (profit + advertising/promos)	120	252	360	732
(g)	Reallocated budget	330	255	147	
(h)	% Allocation of 3 yr total	45	35	20	100
i)	Advertising in crores (85%)	281	217	125	
j)	Promotions in crores (15%)	50	38	22	
k)	Profit/loss in crores	-210	-3	213	0

13.4 FACTORS THAT AFFECT BUDGET SETTING

A lot of groundwork needs to be done before we can actually go about the budget setting process. It's like tuning the car, checking the oil, brakes and every working part before the F1 race! Lot of factors affect budget setting, and a marketer usually runs through a checklist of all such issues before getting down to actually setting budgets.

13.4.1 Advertising Task

How strong a force is advertising for our brand? Some brands have high advertising elasticity—i.e., for every change in advertising level, there is proportionate or corresponding change in sales. Other brands have a lower sensitivity to advertising. The more differentiated a brand, the *higher the advertising elasticity,* and *better the returns from increased levels of ad spending*. Brands which have several undifferentiated competitors will possibly have low advertising elasticity, and may have high price elasticity and would benefit from higher promotions budget.

Is the brand's communication goal to create awareness for a new brand that is to be launched, or is it to create preference for the brand, and take share away from competition? Is the brand's objective to change a long entrenched habit, or to educate the consumer on a new product concept?

The advertising task has a direct implication on budget levels. It takes significantly *greater budgets to expand markets than it does to take share away from competition*. Brand switching is easier in a competitive market than getting trials for a product. The task becomes *even more difficult for a new product concept*, obviously requiring higher levels of budgets.

13.4.2 The Competitive Framework

How a brand sees itself and the context it sets for itself have a fairly large impact on the budget. Is the 'B segment' sedan car competing with other 'B segment' sedans, with the entry level 'C segment' car, or with the lower price mass brand like the Maruti 800?

The broader, or more mass focused the target group, the more the budget that is required! The budget can vary greatly if the target is the higher end 'C segment' versus the mass market of Maruti 800 owners or buyers. If, from focusing on the 'C segment', we move to a super luxury segment, we may decide not to do any mass media advertising at all. We may focus on more segmented media like direct mail, digital and niche channels, bringing down the budget requirements quite drastically. This leads logically to the corollary of our rule—*the more niche or targeted the product is, the lower would be the budget it would need.*

13.4.3 Market Dominance

Large share, leader brands can spend relatively less (in relation to their market share) when compared to new launches or low share brands [11]. These brands have been built over the years and have a historical place in the consumers' mind. In such cases, advertising budgets work harder and more efficiently. Low share brands, and particularly new launches, are in the growth phase where investments are essential to stand out of the clutter of other more established brands. *Low share brands, and particularly new launches, need to spend relatively more* to establish themselves.

13.4.4 Market Coverage

The wider the coverage, the higher is the budget requirement. A national brand will need significantly higher budgets than a local brand. The combination of markets that a brand operates in also impacts budget requirements. A *local brand operating in fewer markets with strong local media options will have lower budget requirements* than a local brand operating in markets which do not have strong local options.

Markets like Tamil Nadu, Andhra Pradesh, Kerala, Karnataka, West Bengal and, to a certain extent, Maharashtra have strong local TV options ideal for local FMCG brands. All states of the Hindi belt have extremely weak local TV options and are better reached through national TV or regional newspapers.

13.4.5 Media Costs

Even in markets with strong regional media, the *same GRP weight delivered in two markets could come at very different costs*. Focusing on budget allocation alone may result in underdelivery in a critical priority market as the media costs may be higher in that market. Of the four southern regional markets, Kerala is the lowest cost and Tamil Nadu, the most expensive. If Kerala is a priority market, allocating a large part of the budget may result in an overkill in that market as media costs are lower and may result in significant underdelivery in a market like Tamil Nadu. On the other hand, if the focus is only on deliveries, then we may have a situation with an unbalanced ratio of advertising–sales, with higher spends on high cost but lower sales markets!

Further complications arise when we try and *factor-in viewership differences across markets*. A cluttered and high viewership market like Andhra Pradesh may need weekly GRPs of 200 for a particular brand, but 200 GRPs may be a complete overkill in a lower viewership market like Maharashtra, even though Andhra Pradesh may be of a lower priority level compared to Maharashtra. A realistic solution to this complexity is to ensure that we factor-in competitive activity in the marketplace and the overall category GRP levels by setting SOV-linked targets for a market. This ensures that we examine the market differences as far as GRPs are concerned. We would still need to overlay the media costs of the GRPs by market to arrive at a final budget allocation.

13.4.6 Market Task

The task for the brand in a market could be to maintain or consolidate its position while, in other markets where competition is performing better, the task would be to grow share. Apart from an increase in advertising budgets, growth in sales would be a function of factors like increased distribution coverage, more trade and consumer promotions, more displays in outlets, etc. *Growth is an investment heavy objective* requiring higher budgets versus a consolidate or maintenance task in a market.

13.4.7 TG to be Targeted

The more *segmented and focused* the TG, the *less budget* it would require. Reaching women would be less expensive than reaching all Individuals. Reaching kids would be less expensive than reaching kids + mothers.

The media consumption pattern of the TG to be targeted shapes the media mix and impacts budget levels. Some target groups are heavy consumers across media, while others are more *difficult to reach requiring higher budget levels*. The literate, upper SECs have higher print, TV and Internet consumption compared to the lower SECs. Men are lighter viewers of TV compared to women. The situation is reversed when we look at print consumption with more male readers than female. Youth consume less mass media compared to others and can be reached more engagingly with digital media like Internet and mobile.

13.4.8 Pricing

Does the product have *price parity or a price advantage* in comparison to competition? *Lower budget levels* would be required in such a case. On the other hand, if the product is priced at a premium, or looking at a price increase, then the advertising budgets need to be higher.

13.4.9 Frequency of Purchase

Products which are bought frequently and display no particular seasonality, need to be advertised through the year. These kinds of products usually *need higher outlays* compared to other products. FMCG goods would typically fall under this category.

13.4.10 Effect of Increased Sales on Other Marketing Costs

While increasing levels of budget may result in a proportionate increase in sales, *marketing managers try to control demand if* there is a *cap on production* capability. The current production capacity may support sales up to a certain level. Beyond that level, investments would have to be made in additional capacity and other related costs which have a definite impact on profitability. Auto manufacturers typically tend to build up advance orders till it reaches the capacity borderline, and then cut-back on advertising in a bid to control demand.

13.4.11 Profit Margin

It is the general belief that the higher a margin for a brand, the higher is the advertising budget, and vice-versa. When we need to increase the profit margin, ideally the advertising budget should also increase. Unfortunately, the short-term and *shortsighted action point is to cut the advertising budget to shore up profits.*

SUMMARY

- *Media budget—actual money spent on brand advertising in conventional media. Production budget—cost to produce creative units. Media and production budget together form the ATL budget.*
- *Trade budget—activate offers, promotions for trade. Promotions budget – activate consumer promotions. Together they form the BTL budget.*
- *Advertising is a weaker force than pricing, prompting marketing managers to deploy promotions to shore up short term sales. More competitive a category, greater the pressure to run promos.*
- *Status-quo budget fixed at last year's levels. Uses past success, but ignores threats and opportunities.*
- *Inflation adjusted—last year's budget adjusted for inflation.*
- *A to S—budget is set as a percentage of sales, advertising based on sales, while reverse may be true!*
- *A to M (margin)—Higher margin brands get more budgets).*
- *SOV–SOM—High share brands spend less, and low share brands looking to grow spend more, efficiency levels absent.*
- *Yardstick—benchmarking to like brands in other categories.*
- *Effective Reach Frequency—Efficient but no competitive context, works at campaign level. Works best when paired with SOV–SOM*
- *Recency—weekly planning to maximize brand presence at 1+ reach, cross media budgets and competitive context not factored in.*
- *Awareness–Trial–Retention ratios—past relationship used to set objective target, set in brand context but data is expensive.*

- *Marginal analysis—Efficiency planning, assumes linear relationship, works one variable at a time.*
- *Econometric modeling—scientific ROI planning, set in brand context, real world but needs skilled modeler.*
- *Experimental approach—levels of budgets, changes in other variables tested against results on sales. Difficult, costly.*
- *Subjective—Senior person takes judgment call.*
- *Breakeven Planning—work backwards from breakeven to deploy an investment approach.*
- *Factors that impact the budget—advertising task, competitive framework, market dominance, market coverage, media costs, market task, TG to be targeted, pricing, frequency of purchase, impact of sales on other marketing costs, profit margin.*

REFERENCES

1. 'Promotions'—John Philip Jones, *How Much is Enough*, Chapter 6, 1992.
2. 'Advertising versus promotions or Advertising plus promotions'—John Philip Jones, *How Much is Enough*, Chapter 5, 1992.
3. 'Trends'—John Philip Jones, *How Much is Enough*, Chapter 2, 1992.
4. 'Factors that shape a brand during its growth and maturity'—John Philip Jones, *What's in a Brand?* Chapter 4, 1998.
5. *Economic Times*—Rama Bijapurkar, Feb. 2008.
6. *The Indian Retail Report 2005.*
7. Images KSA Technopak study.
8. *Businessworld*—Nov. 2007 and Apr. 2008.
9. 'Methods'—Simon Broadbent, *The Advertiser's Handbook for Budget Determination*, Chapter 5, 1988.
10. 'Advertising budgets'—John Philip Jones, *How Much is Enough*, Chapter 5, 1996.
11. 'Media Weights'—Chapter 6 of this book.
12. 'Media Strategy'—Chapter 3 of this book.
13. 'One shot of Advertising adrenaline'—John Philip Jones, *When Ads Work*, Chapter 4, 2006.
14. 'Setting Media budgets'—Aaker, Myers & Batra, *Advertising Management,* Chapter 16, 1996.
15. 'Setting and Allocating the budget'—Sissors & Bumba, *Advertising Media Planning,* Chapter 16, 1996.

FURTHER READING

'Deciding how much to spend and where'—Leo Bogart, *Strategy in Advertising*, Chapter 2, 1995.

'Financial resources'—Chris Fill, *Marketing Communications*, Chapter 12, 2007.

'Determining the optimal level of Media Spending—Danaher & Rust, *Journal of Advertising Research,* Jan./Feb. 1994.

'Finding the other half: The idea that advertising doesn't pay may be more about packaged goods than it is about advertising'—Erwin Ephron www.ephrononmedia.com.

'Chaos isn't for sissies: It means changing our plans'—Erwin Ephron www.ephrononmedia.com.

'Did advertising just sneeze? Agencies need better arguments to weather a recession'—Erwin Ephron www.ephrononmedia.com.

'An Inventory of Knowledge'—John Philip Jones, *How Much is Enough*, Chapter 10, 1996.

'The energy that produces sales: The advertising budget'—John Philip Jones, *How to turn advertising expenses into investments*, Chapter 4, 2005.

'Setting Media Budgets: A different Perspective'—Spatial Access.

MEDIA SOLUTIONS

14

"The ultimate solutions to problems are rational; the process for thinking them is not".

14.1 WHY SOLUTIONS?

Why do we need to understand 'solutions' if more than 85% of the money continues to be spent on print and TV?

14.1.1 Increasing Competition

Indian GDP hit a trillion USD in 2007 and, while the first trillion took 62 years, we are expected to hit the next trillion by 2015, in just eight years! This kind of discontinuous growth means that the competitive scenario can only get worse (for the marketing manager). *Number of competitors in a category* has more than doubled in the last five years. In the auto category, more cars were launched in Q1 2008 than those existing a decade ago!

Brand Marketers are now facing *stiff competition from related categories,* e.g., colas versus non-aerated drinks, fruit juices, *golas*, sugarcane juice, ice-creams, *kulfi, falooda, nimbupani* or even bottled water! Marketing tie-ups and the expanding grey market make *'foreign' brands more easily available* to the consumer, e.g., Hair-care—Keune, Schwarzkopf, Tony & Guy, Tigi, Body Shop, Paul Mitchell, VO5, Lush, Neutrogena, Wella.

14.1.2 Increasingly Exposed Consumers

The Indian consumer has witnessed a steady rise in disposable incomes with more spenders, saving less! The average Indian urban household was saving 4% in 2005, compared to 12% in 1999. By 2010, India will have almost 150,000 households that qualify for "super-rich" status with annual income greater than INR 10 mn or $230,000 [1]. The mall and multiplex phenomenon sweeping even the small towns ensures that the *consumer is out of the house* and in the store! Indian retail chains are offering a venue for the interaction of the consumer with multiple brands, both Indian and foreign, with a visit to the nearest mall-multiplex turning into a family outing, or a hangout place for the youth [2].

There is also a heightened exposure to the way people in other countries and cultures think and live. The consumer is truly a *global citizen,* with a significant rise in people traveling abroad on work and leisure. International exposure is also happening through media like BBC, CNN, Star Movies, MTV, VH1, Discovery, Discovery Travel & Living, Vogue, Maxim, Cosmo, Wall Street Journal in Mint, etc.

14.1.3 Segmented Approach

With brand proliferation and a bitter share battle being fought in the marketplace, the trick lies in being relevant to the consumer, and in being able to deliver a value proposition that can't be replaced. Differentiation, practising the art of niche marketing, narrowcasting or consumer segmentation is, therefore, the key. Marketing managers are moving from an 'all things to all people' strategy to an *'all things to some people' or a 'some things to some people' strategy*.

From mass brands like *Lux and Lifebuoy*, we now have a moisturizing soap for the older woman, a fairness soap, an anti-acne soap, an anti-bacterial soap, and even soap-free face washes. Even a herbal soap like *Medimix* is now available in four variants. Portfolio management is now about using different 'some things to some people' products to be 'all things to all people'. *Cadbury* has moved beyond Dairy Milk, Gems, Eclairs & Five Star to adding on……..

- ✓ Perk—Young, light, fun, female
- ✓ Milky Bar—Milk, kids, nutritious, mothers
- ✓ Bytes—Sweet snack, young, any time
- ✓ Halls—Throat, candy, menthol
- ✓ Cadbury's Lite—Sugar-free, healthy, diet, diabetics
- ✓ Temptations—Chocoholics, up-market, connoisseurs
- ✓ Celebrations—Festive, gifting, mithai
- ✓ Bubbaloo—Gum, kids, soft centre, liquid, fruit

14.1.4 Niche Media Proliferation

The *increasing need for segmentation* and a focused approach to defining target audiences has also spawned huge *growth in focused and niche media*. TV has not only seen many more genres coming into play, but also an increase in the number of players in each genre. From a mass channel domination of Doordarshan, Star Plus and Zee, we now have Fashion, Travel, Lifestyle, Sports, Movies, Music, Religion, Regional, etc. The magazine space is also crowded with a host of niche and segmented titles. The Living Media group is an interesting study—from the mass reach English-language *India Today,* to *India Today* in Hindi, Gujarati, Tamil and other regional languages, *Business Today, Money Today, Cosmo, Good Housekeeping, Time, HBR, Scientific American India, Reader's Digest, India Today Travel Plus, Men's Health, Prevention, Golf Digest, Design Today, and Spice!*

14.1.5 Multiple Touch-points

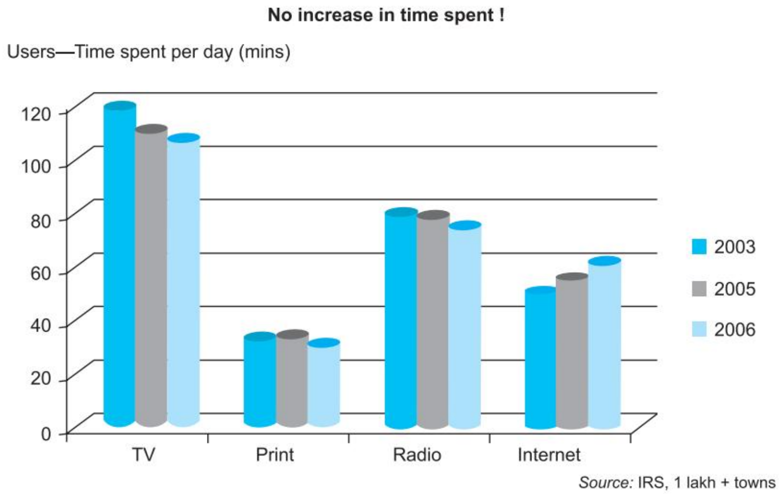


Fig. 14.1

There has been an explosion in media choices for the consumer across media (see Table 1.1). However, this has not lead to any increase in the time spent on the conventional media (see Fig. 14.1). The same or *lesser time is now being split across more choices* leading to a fragmented and distracted audience. A traditional high reach delivery

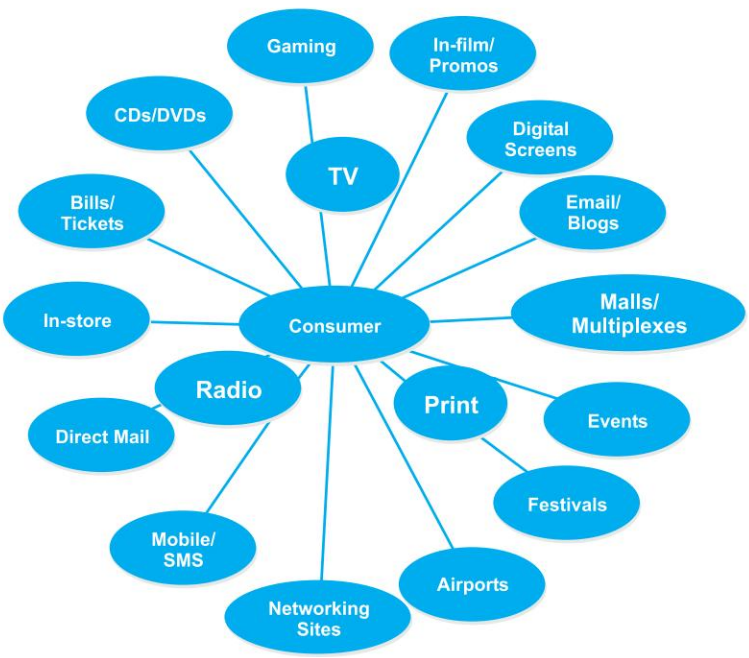


Fig. 14.2 Multiple touch-points

medium like TV is seen to be passive and not as effective in delivering engaged eyeballs. The consumer is much more mobile, and is exposed to a large number of unconventional media vehicles. Both the agency and the client are, therefore, looking at a more *360° approach to the communication plan*, with multiple touch-points for the changed consumer (see Fig. 14.2). The task is to find possible intersection points of the brand with the consumer's day.

"The multitude of media options is both a challenge and an opportunity. It gives us several more streams to connect with our consumers. That's the opportunity view. Given the choices that consumers make, it calls for greater creativity—in ideas as well as execution. So, the old approach is surely not enough anymore. And that is the primary reason behind our focus on 360° communication. It is certainly more engaging and effective." Rahul Welde, GM-Media Services, Hindustan Lever [3].

14.1.6 Richer Brand Experience

With so much choice, a brand needs to be well differentiated and relevant to the consumer. *Conventional advertising may be too passive,* and therefore, marketing managers are going beyond conventional brand communication and providing the consumer a richer brand experience in a competitive market. While innovations are being looked at to breakthrough the sheer competitive clutter, the focus is on media options that allow for the consumer to be attentive and engaged. *Interactive, customized brand communication* makes for a 'touch-and-feel' experience that delivers a richer brand experience for the consumer besides delivering a *more engaged audience.* In addition, it allows for a *check on the response* to the brand and communication, unlike conventional media.

14.2 WHAT IS A SOLUTION?

14.2.1 A Solution by any Other Name...

A solution has many names—360° Communication, Total communication, Multimedia Plan, Media-neutral delivery platform, Media surround, etc. They could all mean very different things to different people. A media planner may look at 'other media' to deliver the incremental reach that would plateau in traditional media. A buyer could look at solutions as a means to do innovative stuff which may not be possible in expensive mass media vehicles. A brand manager would look at supplementing the mass media activity with digital media in order to ensure participation in future-ready media. While these may very well be part of a solution, none of them completely define it.

14.2.2 Integrated Marketing Communication (IMC)

Integrated Marketing Communication (IMC) is the execution of diverse marketing activities as an expression of a common marketing strategy. It is a process of *synergistic execution* where *each element of the marketing mix plays its role* towards attaining the brand goals or objectives. Product design, packaging, consumer advertising, database marketing, personal selling, trade advertising, trade promotions, consumer promotions, sampling, product placement, demos, events and public relations (PR)—all have their part in the marketing plan [4]. IMC leads logically and seamlessly into solutions which is its media version.

14.2.3 What it is Not!

A solution is *not just a multimedia deal*. It is not a check-list of media vehicles to be necessarily used as part of the plan. This kind of an approach would usually result in extending the mass media creative unit into other media without any attempt to examine the distinct strengths of that medium, or an attempt to leverage them. This is exactly the kind of approach that results in the creative on outdoor sites, with the branding at the bottom of the hoarding being blocked from view as it is a replica of a similar print ad. Similar is the case of Internet banners on websites which are again like the print ad, with no attempt made to engage the consumer so that he clicks on the ad.

Nor is a solution a bringing together or consolidation of all activity within the group in order to demand a lower rate. A solution, in that sense, is *not a buying tool*. Very often, a solution would have an innovative or creative element and almost always a fair bit of customization. This would actually come at a premium versus the norm of consolidation of business, delivering better value to the client or agency either in terms of more savings, or increased value-adds.

14.2.4 A Trueblue 'Solution'—Brand Focused

A solution should be focused on the brand and should try to *solve brand issues or problems*. A solution does not necessarily have to have all possible media or vehicles, but should be a judicious mix of media required to achieve the brand's marketing and communication objectives. It is usually a synergistic execution of the communication across media, but need not be necessarily so. For instance, a shampoo brand like *Sunsilk* may have a campaign running across TV and radio trying to establish the variants and the unique features of each variant. But it may run an unconnected online activity like Sunsilk 'Gang of girls' having a different communication objective of attempting to build a community and a closer identification with the brand. The online activity is part of the whole, and solves a unique brand issue or problem.

A solution works in such a way that the *sum of the individual parts is greater than the whole*. This is also called the media multiplier effect [5]. A solutions approach takes it to a level even beyond that, with each element solving some brand issue, and the whole effort delivering more. This is the reason why solutions are not a consolidated, discounted buy, but one where the marketing manager should be *willing to pay a premium*.

14.2.5 Accountability

Input cost for media partners is on the rise, prompting an attempt to take up the price to the brand. Channels are putting in significantly more monies behind the production of software. Celebrities are roped in at huge costs to try and bolster the sagging TRPs (to not much avail). Powerful production houses like Balaji dictate terms when it comes to production costs, though these power dynamics too are undergoing a transformation with the fall in ratings. Recently, Star Plus brought the never-ending *'Kyunki Saas bhi*……" from Balaji to an end after eight long years, prompting Ekta Kapoor to sue Star Plus [6]!

The explosion of media choices, and the resultant audience fragmentation, has *driven up overall costs for the marketing manager*. He now needs more channels and higher budgets to deliver the same (or even lower) reach on TV! Print media has a regular-as-clockwork 10–15% hike every year on account of the rising price of newsprint [7]. With the opening up of FM and more operators per market, talent is in short supply prompting even radio to try and take up the 'invitation' pricing that was offered in the first few years of operation. Technological upgradation too has led to increased prices, OOH being the prime example of this.

The pressure is on the marketing manager, and *accountability is the need of the hour* with the marketing manager needing to know exactly where each rupee of his advertising budget is going, and what it is delivering. Traditional media like TV and print have syndicated industry research which is able to give some measure of the audience delivered in terms of reach and exposures (GRPs), unlike most unconventional media. Most solutions have an in-built response-tracking mechanism which is actually able to measure the effect of the communication. This is far more valuable to the marketing manager as it actually goes beyond measuring advertising exposure to the effect of the advertising, and links up to ROI. Measurable solutions meet the client's need for increased accountability.

Nerolac Disney Paints was launched on TV, mostly on cartoon channels. The product was targeted at parents with kids acting as strong influencers. In the next phase, the objective for Nerolac Disney Paints was to generate leads. A back-end was set up to handle and process the calls and pass them on to the sales team for a follow-through. The activation arm of Lodestar handled the program across six cities and various initiatives at McDonalds, Pizza Hut, Pantaloons, Multiplexes, etc. Detailed city-wise analysis of highest leads, highest conversion, most cost effective activity etc., helped identify initiatives that were effective for Nerolac.

This allowed them to cut down the list of activation initiatives to only the ones which ensured ROI. It also helped them generate a large number of leads that actually needed an expansion of the back-end.

14.2.6 Enabling Participation in Media of the Future

India is one of the world's top 10, and the fastest growing when it comes to the Internet. An IAMAI report pegs active online users at 32 mn, which is half the PC literate population of 65 mn in India. Forty-one percent of Internet users come from small towns and non-metros. As vernacular content grows on the net, a greater penetration is expected in these markets [8]. India will have 500 mn phones by 2010. Juxtapose this with about 130–140 mn TV homes, and even with a multiplier of 5 per household, mobile owners would actually be in the same ball-park as TV, equaling its mass reach delivery! With this kind of potential for digital media, all *marketing managers want to ensure that they are 'future ready'* when it comes to talking the digital language. Solutions allow marketers to experiment with digital media on a smaller scale as part of the overall communication plan, and scale-up participation on the basis of results. "Brands want to learn the medium so that, when Internet subscribers (in India) grow in the next couple of years, they know what works and what doesn't," says Alok Kejriwal, CEO of Contest2win.com.

14.2.7 Youth Connect

With malls and multiplexes sprouting even in small towns, the youth have multiple hang-out joints, are highly mobile, and are not to be found sitting at home. Youth now are more connected, and have more and closer friends. Friends influence each other as much (if not more) as brand marketers [9]. The youth also consume media differently, wanting more control and a dialogue, ensuring *communities, social networking and blogging becoming the new buzzwords*. A passive mass media communication gives absolutely no chance for a dialogue to happen. A brand marketer has to incorporate non-conventional media in the communication plan if he wants to connect with the youth.

Youth have the advantage of growing up with technology, rather than having to learn it! A ten year old child can give you a five minute crisp management summary of why the PSP is more 'Technologetic' than a Gameboy! And the differences between the Playstation and X-box, and the absolute necessity of having both! According to the IMAGES-AC Nielsen Study of 13–35 year olds across the country, an average of nine hours per week is spent on the Internet for personal purposes. The youth spend double the time that their household spends on Internet usage, and landline phones are passé compared to mobiles. Mass media still dominates, and future media would not be more than 10–15% of total spends for a youth brand in the short term. Most brand marketers, however, realize that understanding technological changes is important in order to keep up with the youth.

14.3 THE MEDIA PARTNER'S TAKE

Solutions also make a lot of sense for the media partner for many reasons.

14.3.1 From Supplier to Partner

The biggest advantage that comes with a solutions approach is the movement from being treated like a supplier to being treated like a business partner. With a discussion on brand issues and problems, the client finally sees an orientation which is focused not on selling but on problem-solving. The media partner is able to *move the discussion beyond rates* to innovative ideas, customized activation, etc.

For example, a *leading brand of cement* had been underinvesting in West Bengal even though it was the highest contributing market in the East. Competitors were heavily active, leading to a declining share. Instead of selling them print space, the solutions team at *Ananda Bazaar Patrika* did a deep dive into the client's marketing issues. An in-house research on brand image was conducted, along with an analysis of spends versus market share. Research threw up different TGs with different issues—the consumer, the influencer (architect/contractor) and the dealer. A solution was crafted keeping each TG in mind, solving a specific brand issue with a strong on-ground component and presence across media like dailies, magazines, TV, radio and Internet. The brand went from spending Rs. 4 lakh in the previous year to spend more than Rs. 1 crore due to the solutions approach!

14.3.2 The BTL Potential

The effect of a percentage reduction in price (promotions) on purchasing is almost nine times that of the similar percentage increase in the advertising budget. Promotions are used by brand marketers to shore up sales in the short term. While promotions may actually result in a reduction of sales, as they bring forward future sales which could have been at full price, pressure from trade and competition forces promotions. Promotions (trade & consumer) and direct marketing could be as high as 60–70% of the budget! "60% of my budgets go into BTL. That's a *significant budget, waiting to be tapped into*", Hemant Malik, Marketing Head ITC Foods [10]. Apart from the ATL budgets, this is additional revenue for the media partner to target. The route to the BTL budget is through consumer contact programs or on-ground activations.

Agencies have been quick to spot this opportunity, and are trying to grow revenues and cross the line by offering event management and on-ground activation through specialized divisions as part of their services. Group M, Starcom, Madison, Lodestar, etc., have all set up specialized divisions—Mobile, Interactive, Entertainment, Syndicated programming, Retail, OOH, PR, Rural, etc. This revenue source is not only growing at the fastest pace, but is also the one with significantly higher margins. Thirty percent of total revenues is already coming from non-conventional media for Group M [11].

14.3.3 Better Realization

Agencies and clients haggle on rates down to the last penny but are willing to *pay a premium for 'customization', 'consumer contact' and 'innovation'*. This is because the existing mass media options may deliver exposures but fail to do much beyond that in terms of engaging the consumer and developing a richer brand experience. Solutions can deliver significantly higher margins to the tune of 30–50% for the media partner.

The premium chargeable is higher if the media partner is able to deliver something unique that can't be replicated by competitors or the client. For example, if a magazine is running a club for its readers with monthly or quarterly events, it can be an exclusive platform to offer to marketers for interaction with the brand—trials, product demos, celebrity meets, special offers, lead generation, etc. Direct contact with consumers is what is prized by brand marketers who are willing to pay a premium for this kind of activity. Even existing initiatives could fetch better margins for the media partner when bundled into a solution deal, than when it is sold as a stand-alone.

14.3.4 Targeting Possibilities

Marketing managers moving from an 'all things to all people' strategy to an 'all things to some people', or a 'some things to some people' strategy, has brought the targeting abilities of media vehicles under the microscope. Niche media are already advantaged in this regard. Solutions allow a mass media brand to actually target smaller sub-groups. A media group can chose existing offerings in its portfolio and create customized activations to put together target group focused initiatives. For example, a mass channel like Zee can run a youth targeted dancing competition at a city or zonal level as an on-ground event ensuring direct contact with TG. The same event in the final stages could get televised ensuring the 'on-air' component. A *youth brand* would then have the option of association with this event both at an on-ground and 'on-air' level versus just running a regular campaign across channel programs which would necessarily have a large amount of wastage.

A regional print publication like *Eenadu* has a mass reader base cutting across demographics. It could put together an initiative targeted at women through its women-targeted supplement/special section, and couple it with a contest and/or an on-ground event. This would allow a woman-focused brand normally opting for a TV based campaign, to run an activity extending beyond mere exposures. This would also enable the use of a mass media vehicle to reach a more focused base without the wastage.

14.3.5 Larger Share of the Pie

For a media group with cross media offerings, solutions facilitate inclusion of new launches, or *weaker offerings* bundled with the lead product. The weaker offerings would have a lower chance of inclusion if ranked on merit and as a standalone product. Solutions help these vehicles to *jump the selection queue*. For example, Friends FM was ranked fourth in the list of FM radio channels in Kolkata, six months after launch. It was the radio station bundled into all activation deals with *Ananda Bazaar Patrika* and *Telegraph*. A radio activity done as a stand-alone would have ensured that Mirchi, Red or Big were chosen over Friends.

Solutions approach allows a media group to *block competition* and mop up a larger part of the client's budget across its portfolio. For example, *Zodiac's* deal with TOI group in mid '90s—three multimedia proposals to chose from, all from TOI (Response, Mirchi and Indiatimes)! Each deal had all elements—print, radio, interactive, on-ground, contests, etc. Zodiac had no activity with *Hindustan Times* or *Deccan Herald* that year.

14.3.6 Key Account Management

Simply selling space or time is necessary, but not sufficient! Media groups need to keep demonstrating value addition to key clients. Solution selling is one way to demonstrate an understanding of client's context and to provide customized answers. It also enables media groups to give "You are important enough for us to depart from the norm" cues. It helps to *grow key accounts beyond the regular growth rate,* and helps to protect against competitive in-roads.

14.3.7 Targeting Hard-to-get Advertisers

Certain types of clients, like FMCGs, spend minimal amounts on print, with a major portion of spends being focused on TV. A standard pitch to spend on print rarely does the job. Solutions can work very effectively in hooking in budgets from these kinds of clients, e.g., West Bengal is one of the largest markets for *Nestle Everyday*. While Nestle is one of the top ten advertisers on regional TV in the state, it had practically no spends with the *Ananda Bazaar Patrika* group.

Everyday was offered the exclusive sponsorship of the *Telegraph* 'Hand-in-hand' apartment puja activity. 'Hand-in-hand' is a puja event organized with 100 high-income group apartment complexes in Kolkata. Each building complex has a puja within it, and associated brands can set up stalls within the complex, and associate with the contests and games that are part of the event, besides doing product sampling and creating customized activities to meet brand objectives. Apart from some regular print advertising, the money was channelized towards on-site events, sampling, logo presence in ads publicizing the event, and a 'tea with celebrity' contest. A well executed solution with adequate response ensures that a 'trial converts to retention' which was the case with Nestle as well.

14.3.8 A Solutions Offering

Clients are prepared to pay a premium for any task where the doer is 'irreplaceable', versus an 'irritating' task which the client can do, but would rather not! So, film producers are paid their exorbitant fees, but there will be haggling for the creative agency commissions. Media partners own the means of reaching out to the consumer which puts them in an 'irreplaceable' position! The *'power of magnification'* is a very important criterion in the solutions offering. The media group has to have a strong *offering that is able to deliver the market,* and enough vehicles for the cross media multiplier effect to magnify the message.

A solution is usually a *marrying of the 'existing' with the 'possible'*. While customization is key, existing properties or initiatives which are focused on the specific TG, and have a close fit with the brand can serve the purpose with a little bit of tweaking. Customized events and properties also need to be created, especially for the client. While inventory across the entire portfolio is on offer, it is not necessary for every group vehicle to be a part of the deal, only the ones which make sense for the brand and its objectives A solution normally incorporates a 'brand experience' component, which is where the consumer gets to touch-and-feel the brand. An ideal solution also needs to be response-based in order to be able to measure performance.

14.3.9 Why Publication Groups Are Better Placed to Offer 'Solutions'

Print groups have fairly *deep penetration,* with coverage extending into the small towns. More importantly, print groups have a *ready task-force* to do on-ground activations *in the form of the circulation team*! While TV channels have deeply penetrated viewership, they suffer from a lack of 'on-ground' coverage. As 'on-ground' activation usually forms a part of the solution, print media is at an advantage in this regard as they are able to extend existing infrastructure for activation to the client. In fact, print groups may even be able to function as an expanded distribution arm, and even control and deliver a 'test market'. Most print groups have *forayed into other supporting media* like radio, outdoor, events, online and even TV and cable in some cases. They are able to go beyond delivering exposures, to delivering the market, and also able to use their cross media presence to magnify the message.

14.4 ISSUES WITH A SOLUTIONS APPROACH

14.4.1 Solutions Mindset

Solution selling requires a different mindset from the usual sales orientation. It requires an understanding of the client's issues and problems, a thorough knowledge of the media brand, and the ability to connect the two. It is important for the solutions team to have an *understanding of how marketing works.* It is also important to have an 'ideator' or, at the very least, a person with a *creative bent of mind* in the team who can generate innovative ideas that need to be part of the solution.

14.4.2 Structure and Conflict

There is *no single successful structure,* and each structure has its pros and cons. Should a media group set up a separate 'solutions' sales team, or use the existing sales team(s) to also sell solutions? There are benefits of non-collaboration in a competitive context with the traditional and solutions teams competing with each other, and hopefully generating more revenue than if they worked together. The downside is that the sales team may have built up an equation and equity with the client which the solutions team is not able to leverage. The sales team, on the other hand, is restricted to selling plain vanilla stuff, with no value-addition or benefit orientation that can be delivered. The client or agency may play one team against the other to get better rates.

If the sales team also has to sell solutions, the short-term orientation of booking in revenues may ensure that the sales team focuses on doing more of the same, and continuing to sell the traditional way. A middle ground to the structure issues may be to have a small solutions team (either drawn from the existing sales team or recruited from outside) which has a strong marketing orientation. This team would be in charge of approaching clients with a solutions platform, understanding client issues, coordinating with the various teams within the media organization, putting together a solution, and then selling the solution to the client. Double-counting revenues may be a good way of avoiding conflict within the teams!

14.4.3 Execution

The proof of the pudding is in the eating, and execution is everything in a solutions deal. A badly executed activation will not get the advertiser the response he was expecting. This actually has a hugely negative impact on the media group imagery and capabilities. A media group should offer solutions only if it has a *strong back-end team* to execute the ideas.

14.4.4 Role of the Agency

Technical dimension to new media has forced media agencies to add specialized cells to tackle Internet and mobile initiatives. As media choices expanded, agencies kept adding even more specialized cells in a linear manner—events, films, outdoor, direct, in-serial, syndicated programming, retail, etc. Clients have been disinclined to put all their eggs in one basket, especially in digital areas which are seen to be media requiring technological expertise. Agencies face competition not only from independent specialists but also from specialist divisions of other agencies, e.g., Media Turf, Ogilvy Outreach, Ogilvy Landscapes, etc.

The heightened competition in the agency space, and the increased evaluation from clients, makes it difficult for agencies to take risks with new or unconventional options which may not have research data to back them unlike print and TV. With multiple cells for unconventional media, the *biggest issue for agencies is to get all the divisions to work together* in a concerted manner. Clients' need for a 'complete' solution finds a mismatch, with multiple specialist divisions in the agency all marching to their own tune! Some agencies have changed their structure to have a business head to lead the brand team. The business head coordinates between divisions and tries to bring in an integrated approach to the brand plan.

14.5 WINDS OF CHANGE

14.5.1 Expanding Footprint

Most major media groups have been consolidating and extending their portfolio to have a more multimedia presence over the last decade.

(a) The Bennett Coleman (*Times of India*) group has a dominating presence across key markets and media which includes:
   - ✓ English, business and language papers—*TOI*, *ET*, *Maharashtra Times*, *Navbharat Times*
   - ✓ Mirror—tabloid in key markets
   - ✓ Mainline magazines like *Femina* and *Filmfare*
   - ✓ Tie-ups with regional print partners like Sandesh, Vijay Karnataka
   - ✓ BBC tie-up for niche magazines like *Top Gear*, *Good Homes*
   - ✓ TV—Times Now, Zoom, and the recently launched business news channel ET Now
   - ✓ Radio Mirchi—presence in key metros, expanded to smaller cities
   - ✓ Indiatimes—a leading horizontal portal
   - ✓ Vertical portals—Times jobs, Simply Marry, Magic Bricks (real estate)

- ✓ Times OOH—airports, metro stations, bus shelters, hoardings
- ✓ Medianet—PR photo, edit coverage of launches, events
- ✓ 360°—on-ground events, promotions, launches, exhibitions
- ✓ Times Music—production, promotion and distribution of music
- ✓ Mirchi Movies—production and marketing of films

Times group has always tried to leverage its presence to offer cross-media deals to clients. Recently, Red Cell, an activation arm, was launched by the Times group to deliver 360° integrated brand solutions to clients and agencies. Grey cell, a division handling events and B2B activities in also a recent addition.

From a presence in UP, the Jagran group now has extended its presence to a multimedia pan-India level. *Dainik Jagran*, India's largest read Hindi daily published in 37 editions across 11 states; *I-Next*, a daily bilingual compact targeting the 18–35 year old urban professionals; *City Plus,* an English infotainment compact weekly; *Sakhi*, a women's monthly, and *Jagran Varshiki*, an annual general knowledge digest form the extended basket of print offerings. A joint venture with Yahoo makes Jagran.com the largest Hindi portal in the world. J9 provides IVR/AVR/SMS services through its short code service. Radio Mantra, launched in 2007, broadcasts in eight cities. Jagran Outdoor with 700+ sites provides pan-India presence. Jagran Solutions provides BTL activities like promotional marketing, event management and on-ground activities. The Bhaskar group, Deccan Chronicle, Sakaal, etc., are also trying to establish a multimedia presence, and expand into delivering solutions.

Network 18 is another group with a diversified multimedia presence.

- ✓ CNBC—the leading business TV channel;
- ✓ Awaaz—a Hindi consumer and business channel;
- ✓ CNN-IBN—an English news channel;
- ✓ IBN 7—a Hindi news channel;
- ✓ IBN–Lokmat—a Marathi News channel;
- ✓ Viacom18—which houses MTV, VH1, Nickelodeon;
- ✓ Studio18—which has launched the Hindi GEC Colors;
- ✓ in.com—the No. 2 Indian website (Comscore- Sep'08);
- ✓ Moneycontrol.com—Asia's largest business portal;
- ✓ Jobstreet.com—an e-recruitment portal;
- ✓ Yatra.com—a travel portal;
- ✓ Cricketnext.com—a cricket site;
- ✓ Compareindia.com—a free product information service;
- ✓ HomeShop18—televised home shopping service;
- ✓ 52622—Network18's mobile short code;

- ✓ Infomedia18—with presence in Yellow pages, and the B2B space;
- ✓ E18—the events management venture;
- ✓ Sport18—a sports marketing company;
- ✓ PowerYourTrade.com—a financial advisory portal;
- ✓ Commoditiescontrol.com—India's first commodities information and research service;
- ✓ Capital18—the venture capital and private equity arm, and
- ✓ The indian version of Forbes international business magazine launched mid 2009

14.5.2 Solution's Star on the Ascent

With the growing need of advertisers for a solutions approach, more and more media houses are gearing up to serve up a solutions fare. Agencies are setting up specialist cells to go beyond conventional media. Agency structures too are changing, with a business head trying to integrate the various divisions for a more solutions and 360° approach.

Emvies, the Ad Club Awards for media excellence is the *barometer of the rising popularity of the solutions approach*. Winning Media Strategy cases a couple of years ago were more research based. For the last couple of years, winning cases have been ones which have a '360 degree Solutions approach', be it Horlicks, Nerolac or Vodafone. A couple of years ago, a new category was introduced at the Emvies, aside from Best Strategy, Best Research and Best Innovation—Best Integrated Campaign!

SUMMARY

- ➲ *Solutions star on the ascent—Brand marketers facing increased levels of competition. More choice in leisure and media options has led to multiple touch-points for the mobile consumer. From mass targeting to segmentation and niche marketing, and a richer brand experience.*
- ➲ *A solution is not just a multimedia deal. It is a brand-focused, media-neutral offering that is a logical extension of IMC (Integrated Media Communication) where the sum of parts > the whole.*
- ➲ *Solutions meet the brand marketers' need for accountability and measurable response. It allows them to be future ready, and build a youth connect using unconventional media.*
- ➲ *Solutions allow a media group to move from being treated like a supplier to a partner, with discussions moving from rates to brand issues, creative ideas, activation programs, etc.*

- *Tapping into the BTL budgets, key account management, targeting hard-to-get advertisers, TG focused offering for mass media brands, support for weaker offerings, and better margins, are some other benefits.*
- *Print groups, advantaged as they have small town penetration, a ready circulation task-force for activations, and an expanding portfolio incorporating support media that helps them deliver the market.*
- *Solutions need to have the power of magnification, an ability to deliver response, and a marrying of the existing and the possible.*
- *Solutions teams need to have an understanding of marketing needs of the client, product knowledge, and an ability to connect the two.*
- *Structuring the solutions team, internal conflict resolution, and proper execution could be issues faced.*

REFERENCES

1. 'India Shopping'—*Businessworld,* June 2008.
2. India's mania for malls'—*Time,* Sep. 2004.
3. Exchange4media.com, 2007.
4. '*Kellogg on Advertising and Media,*'–Philip Kotler and Bobby J. Calder, 2008.
5. 'Media multiplier effect'—PPA, 1990.
6. 'Finally, Star India decides to put an end to Kyunki... saga'—*Economic Times*, 21 Oct. 2008.
7. 'How have rising newsprint prices hit print?'—agencyfaqs.com, Nov. 2008.
8. 'I-cube 2007'—www.iamai.in.
9. Circuits of Cool/Digital Playground Youth Research 2006—MTV in association with Microsoft.
10. 'Goafest 2008'.
11. 'Making consumer connects in a fragmented landscape'—indiantelevision.com Feb. 2005.

FURTHER READING

'The age of the anxiety'—Erwin Ephron, www.ephrononmedia.com.

TRAI report.

'Catching them unawares'—*Oulook Business,* Apr. 2007.

'Old boys learn new tricks'—*Outlook Business,* March 2007.

'The new champs'—*Outlook Business,* March 2007.

'Gamble for eyeballs'—*Outlook Business*, May 2008.

'Crank out music and bills'—*Outlook Business,* Dec. 2007.
'Chasing the young'—*Outlook Business,* Nov. 2007.
'No starring roles in sight'—*Outlook Business,* Sep. 2007.
'Changing the rules of the game'—*Outlook Business,* Sep. 2007.
'Mingling business & camaraderie'—*Outlook Business,* June 2007.
'Lage raho, bollywood'—*Outlook Business,* Nov. 2006.

ANNEXURES

Annexure 1

This Certificate is issued subject to the provisions of the bye-law dated 10th July 1957 made by the Bureau's Council of Management in exercise of the powers conferred on it by Articles 42 and 43 of the Articles of Association of the Bureau.

MULTI EDITION

Audit Bureau of Circulations
Wakefield House, Sprott Road, Ballard Estate, Mumbai 400 001.

Certificate No. 115/106

ABC Certificate of : **DAILY THANTHI**

Address : 86, E.V.K.SAMPATH ROAD, CHENNAI - 7

Published/Estd : BANGALORE EDN-79,CHENNAI EDN-49,COIMBATORE EDN-62,CUDDALORE EDN-72,DINDIGUL EDN-01, ERODE EDN-94,MADURAI EDN-42,NAGERCOIL EDN-96,PONDICHERRY EDN-91,SALEM EDN-77, THANJAVUR EDN-99,TIRUCHIRAPPALLI EDN-54,TIRUNELVELI EDN-67,VELLORE EDN-69

Language : TAMIL **Frequency :** DAILY

Price : NAGERCOIL & TIRUNELVELI EDNS : MON-SAT RS. 2.00, SUN RS. 4.00
OTH EDNS : FRI,SAT & SUN RS. 4.00, OTH DAYS RS. 3.00

Auditors : SURI & CO., 70,KODAMBAKKAM HIGH ROAD, NUNGAMBAKKAM, CHENNAI-34

2006	No. of Publishing Days	Total Net Paid Sales	Average Net Paid Sales	Previous Periods
		(At Trade Terms Upto 40% of Published Price)		Jul-Dec 2005 8,17,194 (182 ISSUES)
JANUARY	30	2,53,06,060	8,43,535	
FEBRUARY	28	2,35,22,148	8,40,077	
MARCH	31	2,57,15,522	8,29,533	Jan-Jun 2005 8,02,305 (180 ISSUES)
APRIL	30	2,51,76,812	8,39,227	
MAY	31	2,55,69,460	8,24,821	
JUNE	30	2,46,46,282	8,21,543	
TOTAL	180	14,99,36,284	8,32,979	

1. Average Trade Terms allowed to the Distributors 25.2%
22,874 copies sold at Minimum Trade Terms 16.0%
17,938 copies sold at Maximum Trade Terms 33.0%

2. Break up of Average Net Paid Sales

- Newsstand Sales / Single copy 8,29,295
- * Subscription Sales 3,270
- * Institutional Sales (Upto 10% fo Net Paid Sales) 414

3. Not Included in Average Net Paid Sales

- Free & Complimentary copies 1,425
- Institutional Sales (avove 10% of Net Paid Sales Nil
- * No. of Average copies sold at trade terms above 40% Nil

(* For details refer attached sheet)

Dated : 25-08-2006

AVERAGE NET PAID SALES

Edition	Ave	Weekdays	Sundays
Bangalore	46,571	45,266	54,666
Chennai	2,40,750	2,28,107	3,19,133
Coimbatore	74,022	70,949	93,074
Cuddalore	26,652	26,320	28,713
Dindigul	21,956	21,614	24,073
Erode	28,074	27,524	31,485
Madurai	51,197	50,140	57,751
Nagercoil	58,451	58,711	56,844
Pondicherry	13,872	13,611	15,495
Salem	57,960	56,939	64,290
Thanjavur	45,549	45,020	48,830
Tiruchirappalli	45,186	44,088	51,995
Tirunelveli	87,643	87,842	86,412
Vellore	35,096	34,303	40,002

AUTHORISED FOR ISSUE BY THE COUNCIL OF THE BUREAU

Secretary General

AUDIT BUREAU OF CIRCULATIONS

Details of Distribution and Territorial Breakdown of circulation

MULTI EDITION

No.	
115	106

Name of the Publication : **DAILY THANTHI, Bangalore , Chennai , Coimbatore , Cuddalore , Dindigul , Erode , Madurai , Nagercoil , Pondicherry , Salem , Thanjavur , Tiruchirappalli , Tirunelveli & Vellore**

Average Circulation for the audit period **: January/June 2006 : 8,32,979**

Section A Statewise distribution in India and outside India	Total Circulation	
	Weekdays	Sunday
1. In the town(s) of Publication		
Bangalore	33,820	41,470
Chennai	1,31,039	1,82,553
Coimbatore	34,349	48,218
Cuddalore	4,642	5,325
Dindigul	4,437	5,164
Erode	8,836	10,449
Madurai	16,048	19,810
Nagercoil	16,216	15,272
Pondicherry	8,095	9,497
Salem	17,724	22,252
Thanjavur	6,763	7,815
Tiruchirappalli	17,612	23,747
Tirunelveli	17,751	17,285
Vellore	7,365	9,416
2. In the State(s) in which the town(s) of publication are situated :		
Karnataka	11,307	13,065
Pondicherry	6,389	6,958
Tamil Nadu	4,51,530	5,15,409
3. In Other States		
SOUTHERN ZONE		
Andhra Pradesh	3,658	4,407
Kerala	11,011	12,616
Lakshadweep	–	–
WESTERN ZONE		
Chhattisgarh	4	4
Dadra & Nagar Haveli	–	–
Daman & Diu	–	–
Goa	2	2
Gujarat	51	50
Madhya Pradesh	12	12
Maharashtra	883	1,027
NORTHERN ZONE		
Chandigarh	–	–
Delhi	630	666
Haryana	–	–
Himachal Pradesh	–	–
Jammu & Kashmir	–	–
Punjab	–	–
Rajasthan	2	2
Uttar Pradesh	2	2
Uttaranchal	1	1
EASTERN ZONE		
Andaman & Nicobar Islands	217	229
Arunachal Pradesh	–	–
Assam	3	3
Bihar	1	1
Jharkhand	1	1

Section A Statewise distribution in India and outside India	Total Circulation	
	Weekdays	Sunday
Manipur	–	–
Meghalaya	–	–
Mizoram	–	–
Nagaland	–	–
Orissa	5	5
Rest of India	–	–
Sikkim	–	–
Tripura	–	–
West Bengal	27	29
4. Outside India	2	2
TOTAL	8,10,435	9,72,764

Section B

Town-wise distribution (250 copies or more) in various States

	Weekdays	Sunday
BANGALORE EDITION		
KARNATAKA		
Bangalore Dist.		
Bangalore	33,820	41,470
Dasarahalli	437	517
Other Places	6,145	7,326
Dist. Total	40,402	49,313
Kolar Dist.		
Robertson Pet	915	1,071
Other Places	411	434
Dist. Total	1,326	1,505
Mysore Dist.		
Mysore	834	956
Other Places	132	137
Dist. Total	966	1,093
Other Districts		
Other Places	2,394	2,583
Dist. Total	2,394	2,583

P.T.O.

Annexure 2 Lifestyle Data (*Source:* NRS)

	AA15+ 000's	AA15+ % down	Charms % down	Charms % across	Wills Navy % down	Wills Navy % across
Pop 000/prfl	193784	100	100	0.2	100	0.3
Marital status						
Never married	52789	27.2	17.0	0.1	29.2	0.3
Married	129453	66.8	82.5	0.3	69.3	0.3
Widowed	10126	5.2	0.7	0.0	0.2	0.0
Divorced/Separated	661	0.3	0.0	0.0	0.6	0.5
Not specified	755	0.4	0.0	0.0	0.6	0.4
HH size						
1	3908	2	5.5	0.6	4.1	0.6
2	11274	5.8	4.5	0.2	6.5	0.3
3	21453	11.1	16.3	0.3	14.0	0.3
4	39944	20.6	21.3	0.2	27.3	0.4
5	39161	20.2	15.1	0.2	17.0	0.2
6	27382	14.1	16.7	0.3	62	0.2
7	16848	8.7	8.4	0.2	7.7	0.2
8	10854	5.6	5.3	0.2	3.7	0.2
10+	15740	8.1	5.5	0.1	5.4	0.2
Child in HH						
< 1 Yr	10874	5.6	5.5	0.2	5.8	0.3
1 Year	15222	7.9	8.6	0.2	8.2	0.3
2 Years	16834	8.7	4.1	0.1	5.6	0.2
3 Years	19293	10	10.0	0.2	8.0	0.2
4 Years	18137	9.4	6.0	0.1	8.6	0.3
5 Years	21095	10.9	6.5	0.1	9.7	0.2
6 Years	19913	10.3	7.2	0.2	6.2	0.2
7 Years	18545	9.6	7.9	0.2	7.1	0.2
8 Years	23115	11.9	8.9	0.2	8.4	0.2
9 Years	15987	8.3	6.7	0.2	5.8	0.2
10 Years	27571	14.2	8.6	0.1	12.3	0.2
11 Years	15946	8.2	7.7	0.2	4.3	0.1
12 Years	26316	13.6	11.0	0.2	7.5	0.2
13 Years	19206	9.9	13.6	0.3	7.3	0.2
14 Years	24944	12.9	10.0	0.2	10.8	0.2

(*Continued*)

Annexure 2 *(Continued)*

	AA15+ 000's	*AA15+ % down*	*Charms % down*	*Charms % across*	*Wills Navy % down*	*Wills Navy % across*
Pop 000/prfl	193784	100	100	0.2	100	0.3
Medium of instruction (of child in HH)						
English	25132	13	10.0	0.2	28.4	0.6
Vernacular	73300	37.8	34.4	0.2	18.7	0.1
Eng. & Verna.	3923	2	2.4	0.3	0.9	0.1
Medium not mentioned	896	0.5	0.0	0.0	0.6	0.3
No school	25350	13.1	12.7	0.2	9.7	0.2
No children	65183	33.6	40.4	0.3	41.7	0.3
Own house						
Own	148128	76.4	64.8	0.2	68.8	0.2
Rented	38235	19.7	26.1	0.3	24.7	0.3
Company flat etc.	5848	3	6.9	0.5	4.5	0.4
Others	1573	0.8	2.2	0.6	2.2	0.8
No. of rooms						
One (or less)	34163	17.6	20.3	0.2	6.5	0.1
Two	53882	27.8	26.6	0.2	15.1	0.2
Three	47100	24.3	23.7	0.2	28.2	0.3
Four	30094	15.5	17.2	0.2	20.7	0.4
Five +	28544	14.7	12.4	0.2	29.3	0.6
Style of toilet						
Indian style	144946	74.8	84.7	0.2	89.5	0.3
Western style	6331	3.3	2.9	0.2	8.6	0.7
No toilet	46785	24.1	13.9	0.1	6.4	0.1
Fuel used						
LPG (Gas)	112021	57.8	52.4	0.2	86.4	0.4
Kerosene	65606	33.9	45.2	0.3	23.9	0.2
Electricity	2519	1.3	0.2	0.0	3.2	0.7
HHld details						
Eat meals on the floor	155882	80.4	78.9	0.2	48.4	0.2
Dining table	24217	12.5	17.0	0.3	35.3	0.8
On chair	4841	2.5	1.4	0.1	6.7	0.7

(Continued)

Annexure 2 (*Continued*)

	AA15+ 000's	AA15+ % dwn	Charms % dwn	Charms % acr	Wills Navy % dwn	Wills Navy % acr
Pop 000/prfl	193784	100	100	0.2	100	0.3
Have servant						
Yes/full time	3246	1.7	4.8	0.6	5.8	1.0
Yes/part time	15783	8.1	14.4	0.4	20.9	0.7
No servant	174999	90.3	81.6	0.2	73.6	0.2
Colour/B&W						
Colour TV	65005	33.5	27.5	0.2	68.0	0.6
B&W TV	84374	43.5	51.2	0.3	33.1	0.2
Remote						
Yes	55716	28.8	25.1	0.2	59.8	0.6
No	89834	46.4	50.2	0.2	32.5	0.2
C&S HHlds						
C&S TV HHlds	85649	44.2	40.4	0.2	70.8	0.4
Non-C&S HH	59901	30.9	34.9	0.2	21.3	0.2
Non owners	48234	24.9	24.9	0.2	7.7	0.1
Language read						
English	63053	32.5	45.0	0.3	74.2	0.6
None	39614	20.4	7.9	0.1	1.7	0.0
Language spoken						
English	396	0.2	0.0	0.0	0.4	0.5
Lifestyle						
Trsprt to work						
Public bus	37261	19.2	14.6	0.2	9.9	0.1
Private bus	19189	9.9	14.4	0.3	9.5	0.3
Company bus	540	0.3	0.5	0.4	0.2	0.2
Company/Personal car	3435	1.8	1.2	0.1	7.9	1.2
Two-wheeler	21401	11	10.0	0.2	45.2	1.1
Train	6724	3.5	3.3	0.2	4.1	0.3
Bicycle	26472	13.7	28.5	0.4	8.2	0.2
Tram	41	0	0.0	0.0	0.2	2.4
Taxi	1407	0.7	0.2	0.1	2.1	0.8
Walk	55812	28.8	20.6	0.2	7.9	0.1
Auto rickshaw	11428	5.9	2.6	0.1	2.2	0.1
Horse/bullock	187	0.1	0.0	0.0	0.0	0.0

(*Continued*)

Annexure 2 (*Continued*)

	AA15+ 000's	AA15+ % dwn	Charms % dwn	Charms % acr	Wills Navy % dwn	Wills Navy % acr
Pop 000/pdrfl	193784	100	100	0.2	100	0.3
Cycle rickshaw	7578	3.9	3.3	0.2	1.7	0.1
Boat/hover	80	0	0.0	0.0	0.0	0.0
Others	2226	1.1	1.2	0.2	1.1	0.3
Frequency of eating outside						
> 1 per week	1565	0.8	1.2	0.3	4.1	1.4
1 per week	3880	2	2.2	0.2	8.0	1.1
1 per fortnight	3472	1.8	2.2	0.3	6.5	1.0
1 per month	9760	5	5.0	0.2	12.5	0.7
1 in 2-3 times per month	10219	5.3	4.3	0.2	10.7	0.6
Lss often/fest	16805	8.7	8.4	0.2	13.8	0.4
Rarely/never	136648	70.5	73.0	0.2	41.9	0.2
Not remember	11434	5.9	3.8	0.1	2.2	0.1
Travel						
Travel once per year						
Travelled	104730	54	60.0	0.2	70.7	0.4
Not travelled	89049	46	40.0	0.2	29.3	0.2
Travel in India/ Abroad						
India	104489	53.9	60.0	0.2	70.1	0.4
Abroad	625	0.3	0.7	0.5	1.3	1.1
HH Prdts						
Ent.Eqp(Own)						
Hi-Fi CD	2532	1.3	1.4	0.2	7.3	1.5
Walkman	9753	5	4.5	0.2	14.0	0.8
Discman	432	0.2	0.2	0.2	0.7	0.9
Laser disc	915	0.5	0.0	0.0	1.3	0.8
B/W TV	84374	43.5	51.2	0.3	33.1	0.2
Col TV	65005	33.5	27.5	0.2	68.0	0.6
Other appliances (own)						
Camera	18786	9.7	16.7	0.4	29.7	0.8
Tel.STD/ISD	13238	6.8	5.3	0.2	18.1	0.7

(*Continued*)

Annexure 2 (*Continued*)

	AA15+ 000's	AA15+ % dwn	Charms % dwn	Charms % acr	Wills Navy % dwn	Wills Navy % acr
Pop 000/prfl	193784	100	100	0.2	100	0.3
Tele.local	30749	15.9	13.9	0.2	31.0	0.5
Air condition	2051	1.1	0.5	0.1	3.4	0.9
Any washing machine	16054	8.3	1.7	0.0	27.3	0.9
PC	2190	1.1	1.0	0.2	3.7	0.9
Comp. printer	908	0.5	0.7	0.3	2.6	1.5
Fax machine	234	0.1	0.2	0.4	1.3	3.0
Video camera	316	0.2	0.0	0.0	0.2	0.3
Individual Pro						
Per.Du.-Own						
Bicycle	37208	19.2	37.8	0.4	19.1	0.3
2-wheel own	20267	10.5	11.5	0.2	46.2	1.2
2-wheel company	724	0.4	0.7	0.4	4.9	3.6
4-wheel own	2796	1.4	1.9	0.3	12.3	2.4
4-wheel company	76	0	0.0	0.0	0.6	3.9
Mobile phone	1117	0.6	0.5	0.2	4.5	2.1
Pager	349	0.2	0.0	0.0	1.9	2.9
Fin. Serv.Indi						
Investments						
Savings bank A/c	58760	30.3	53.1	0.4	71.6	0.7
FD/RD in bank	7913	4.1	7.7	0.4	16.1	1.1
FD in company	1180	0.6	1.7	0.6	3.7	1.7
Post office	6406	3.3	3.1	0.2	6.9	0.6
Shares*	1174	0.6	1.4	0.5	2.8	1.3
Units/UTI	903	0.5	1.2	0.6	2.8	1.7
Mutual funds*	219	0.1	0.5	0.9	1.5	3.7
None of above	129416	66.8	43.8	0.1	26.5	0.1

Annexure 3 Competitive Review

(a) Trend in spends

Category/Brand/ Variant	Medium	Year 1	Year 2	Growth % Y2/Y1	Year 3	Growth % Y3/Y2
Brand A - Variant 1	Press					
	TV					
	Others					
	TOTAL					
Brand A - Variant 2	Press					
	TV					
	Others					
	TOTAL					
Brand B - Variant 1	Press					
	TV					
	Others					
	TOTAL					
Category	Press					
	TV					
	Others					
	TOTAL					

(b) % SOE

Category/Brand/ Variant	Year 2	% SOE	Year 3	% SOE
Category		100%		100%

(c) % Print v/s TV

Category/ Brand/Variant	Print Spends	TV Spends	Total Spends	% Print	% TV	%Total
						100%
						100%
						100%
Category						100%

(d) Market skew

Category/ Brand/Variant	Market 1 Spends	Market 2 Spends	Market 3 Spends	Total Spends	Market 1 %	Market 2 %	Market 3 %	Total %
								100%
								100%
								100%
Category								100%

(e) Seasonality

Brand	Spends/%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Brand 1	Spends													
	% across													100%
Brand 2	Spends													
	% across													100%
Category	Spends													
	% across													100%

(f. i)Terrestrial v/s satellite

basis spends / secondage

Brand	DD (Rs.Mn)	% SOE	C&S (Rs.Mn)	%SOE	%DD	% C&S	%Total
							100%
							100%
							100%
							100%
Category		100%		100%			100%

(f. ii) Channel genres basis spends/secondage

Brands	DD NW/ Metro	DD Regional	Mass Hindi Satellite	Other Hindi Satellite	English Satellite	Regional Satellite	Total	% DD NW/Metro	% DD Regional	% Mass Hindi Satellite	% Other Hindi Satellite	%English Satellite	% Regional Satellite	Total

(f.iii) Daypart

Brands	Secondage	Early Morning	Morning	Afternoon	Evening	Early Prime	Prime	Late night	Total
Brand 1	Seconds								
	% across								100%

(f.iv) Duration basis no. of spots

Brands	Spots	5 secs	10 secs	15 secs	20 secs	25 secs	30 secs	40 secs	45 secs	60 secs	Total	*ACD
Brand 1	Spots											
	% across										100%	

* ACD = Average Commercial Duration = Total secondage / Spots

(f.v) GRPs, SOV, Reach, AOTS

Brands	*Annual GRPs*	*% SOV*	*Active months*	*WOA**	*Average per active month*	*Average per active week*	*Peak month GRPs*	*Peak month AOTS*	*Peak month 1+*	*Peak month 3+*	*Peak month 5+*
Brand 1											
Category		100%									

** WOA = Weeks on air*

(f.vi) TV - Marketwise GRPs

Brands	*Market 1*	*Market 2*	*Market 3*	*Market 4*	*Market 5*	*Market 6*	*Weighted Average*

Note : GRPs are averaged across markets weighted by the TG base in each market

(g.i) Print - %SOE

Brands	*Print Spends*	*% SOE*	*Insertions*	*% down*	*CCs*	*% down*
Brand 1						
Category		100%				

(g.ii) Print - English v/s Regional, Dailies v/s Magazines, Colour v/s B&W

Brands	Print Spends	% SOE	English Spends	Regional Spends	% English	Dailies Spends	Magazine Spends	% Dailies	Colour Insertions	B&W Insertions	% Colour
Brand 1											
Category		100%									

(g.iii) Print - Size of ad basis insertions

Brands	Dailes					Magazines			
	<60cc	61-100 cc	101-200 cc	>240 cc	Full Pg	Strip / 1/4 page	1/2 page	Full page	Doublespread

(g.iv) Print - Positions basis insertions

Brands	Dailes								Magazines					
	Front page	Page 3/5/7	Back page	Any right hand	Sports	Business	Supplement Front page	Inside Front Cover	Inside Back Cover	Back Cover	Gatefold	Reverse Gatefold	1st right hand page	Next to cover story

(g.v) Print Spends, % SOE, Active months, Reach, AOTS

Brands	Annual Spends	% SOE	Active months	Average per active month	Peak month Spends	Peak month AOTS	Peak month 1+	Peak month 3+	Peak month 5+
Brand 1									
Category		100%							

Annexure 4

Readership (In lakhs)

Top dailies

Publication	Language	2007 R2	2008 R2	% growth
Times of India	English	135	133	−1.5
Hindustan Times	English	61	63	3.3
The Hindu	English	53	52	−1.9
The Telegraph	English	30	29	−3.3
Deccan Chronicle	English	30	28	−6.7
Economic Times	English		20	
Mid Day	English		16	
DNA	English		13	
Dainik Jagran	Hindi	536	557	3.9
Dainik Bhaskar	Hindi	306	338	10.5
Amar Ujala	Hindi	282	293	3.9
Hindustan	Hindi	235	266	13.2
Rajasthan Patrika	Hindi	132	139	5.3
Punjab Kesari	Hindi	109	109	0.0
Assomiya Pratidin	Assamese	66	60	−9.1
Dainik Agradoot	Assamese	40	32	−20.0
Ananda Bazaar Patrika	Bengali	158	153	−3.2
Bartaman	Bengali	88	84	−4.5
Gujarat Samachar	Gujarati	85	87	2.4
Sandesh	Gujarati	64	65	1.6
Vijay Karnataka	Kannada	99	92	−7.1
Prajavani	Kannada	66	58	−12.1
Malayalam Manorama	Malayalam	129	121	−6.2

(*Continued*)

Annexure 4 (*Continued*)

Publication	*Language*	*2007 R2*	*2008 R2*	*% growth*
Matrubhumi	Malayalam	105	97	–7.6
Lokmat	Marathi	207	199	–3.9
Daily Sakal	Marathi	126	116	–7.9
Sambad	Oriya	51.5	60.6	17.7
Samaj	Oriya	46.4	53.1	14.4
Ajit	Punjabi	31.2	30.5	–2.2
Jag Bani	Punjabi	29.6	29.3	–1.0
Daily Thanthi	Tamil	209	205	–1.9
Dinakaran	Tamil	161	168	4.3
Eenadu	Telugu	142	144	1.4
Andhra Jyoti	Telugu	57	68	19.3

Top English magazines

Magazine	*Language*	*2007 R2*	*2008 R2*	*% growth*
India Today	English	71.3	68.5	–3.9
Reader's Digest	English	49.3	40	–18.9
GK Today	English	43.7	35.2	–19.5
Competition Success Review	English	32.9	26.8	–18.5
Stardust	English	26.6	19.2	–27.8

Annexure 5

SET India Ltd
Registered &Corporate Office
Bldg No. 7, 3rd Flr, Interface,
New Link Road, Malad (W),
Mumbai 400 064
Tel: 55081337

To :The Planner
Agency :XXXX
Fm :Media Partner
Date :XXXX

Client	XXXX
Deal Period	April'06 - March'07
Total Outlay: INR	$$$$$$
Category/Programme	Total FCT
Fear Factor Spot Buys (Friday - 2100 - 2200 IST)	240
CID (Friday - 2200 - 2300 IST)	240
Aisa Desh Hai Mera (Mon-Thu 21:00)	1500
Thodi Khushi Thode Gham (Mon-Thu 21:30)	900
Ek Ladki Anjani Si (Mon - Thu 2030 - 2100 IST)/Jassi 2200 IST Mon-Thur	990
First Run Movie Spot Buys	210
Kandy Floss (Fri - 2300 - 2330 IST)	600
Boogie Woogie (New Season) - To Replace Fear Factor	300
DYND	300
Kaisa Ye Pyar Hai (Mon - 2000 - 2030 IST)	900
Cine Prime Movie (Sat/Sun)	1200
New Shows (1 Hrs Weekly) 2200Hrs (Mon-Thur)	1200
RODP 1800 - 2400 Mon - Thu	3000
CBCC (Fri - 1930 - 2000 IST)	1320
Cine Matinee (Fri, Sat,Sun - 1300 IST)	2100
RODP 0800 - 2000 (Sat/Sun)	2100
Manthan Secondages (ROS 0800 - 2400)	4500
Matinee TV 0900 - 1200 Mon-Thur (Excl. Afternoon Originals)	1800

(Continued)

Annexure 5 (*Continued*)

Matinee TV 1200 - 1800 Mon-Thur (Excl. Afternoon Originals)	4200
Kabhie Toh Nazzar Milao (Afternoon Original) - May'06 - TBC	1500
Rishton Ki Dor (Afternoon Original) - May'06 - TBC	1500
TOTAL	30600

Associate Sponsorships

4 weeks of 2100IST Show (Mon-Thur)
4 Weeks of Ek Ladki Anjani Si (Mon-Thur)
4 weeks of Kaisa Yeh Pyaar Hai (Mon-Thur)
4 weeks of CID (Fri)
4 weeks of KandyFloss (Fri)
4 Weeks of Kabhie Toh Nazzar Milao (Original Afternoon)
4 Cine Matinee Movie/Events (Fri, Sat or Sun)
4 Cine Prime Movie/Events (Sat/Sun - Excluding MBB/BB/Premiere/First Runs)

Terms & Conditions

- The release orders for commercials should be in place a minimum of 14 working days in advance from the date of airing the commercials.
- All sponsorships on Sony are non-exclusive.
- Reschedules will be effective only 14 working days prior to the spot airing date.
- Promo tags with the 5 sec beta, voice-over details and sponsorship confirmation format letter should be sent 14 days in advance of the start date of sponsorship.
- Bonus spots are subject to pre-emption.
- All programs mentioned in the proposal are subject to availability. The channel reserves the right to change the timings of all programs/program.
- All Television Commercials must be submitted to the channel for Standard & Practices and/or other checks and procedures.The channel reserves the right to refuse to transmit any advertisement without giving any reason.
- Invoices to be paid on time irrespective of the consumption of bonus spots.
- Bonus spots to be consumed within the deal period unless agreed to the contrary in writing.
- Service Tax & all other taxes/duties/levies ,as applicable from time to time over and above the deal value shall be paid by the Client/Agency.

Payment terms:

(a) In case of AAAI Accredited agency:
Within 75 days from the end of the activity month (can be different in a few cases)

(b) In case of NON-AAAI Accredited agency : (Pl.put depending on the terms agreed)

Within 60 days from the end of the activity month

OR

Advance payment

OR

30 /45/ 60 Days Post Dated Cheques

* Payments will be made to SET India Pvt. Ltd within the stipulated time after deducting tax at source at applicable rates as per the order passed by the Income Tax Authorities. TimelyTDS certificates will be issued for tax so deducted.
* This Deal is non-terminable by the advertiser/agency, unless mutually agreed by all parties.
* No break will be allowed in between the deal period unless the Channel has to do so due to unavoidable circumstances

Thanking you

Yours sincerely

For **SET India Pvt Ltd**

Annexure 7 Television Estimate and Schedule

Campaign:

Period:

Plan No.:

Plan date:

Estimate No.:

Estimate Date:

Channel/Program	*Rate/ Spot*	*Caption Duration secs*	*# of spots*	*Total Gross Amount*	*12 Mon*	*13 Tue*	*14 Wed*	*15 Thu*	*16 Fri*	*17 Sat*	*18 Sun*	*19 Mon*
Asianet												
RODP (18:00 - 23:00)	XXX	XXX	18	XXX			6	6	6			
		Asianet sub-toal		XXX			6	6	6			
Asianet Plus												
RODP (18:00 - 23:00)	XXX	XXX	24	XXX		6	6	6	6			
		Asianet Plus sub-toal		XXX		6	6	6	6			
		Total for Jan 2009		XXX		12	12	12	6			
		Total		XXX		12	12	12	6			
		Vendor Sevice Tax		XXX								
		Vendor Education Cess		XXX								
		Agency Commission		XXX								
		Agency Service Tax		XXX								
		Agency Education Cess		XXX								
		Grand Total		XXX								
		Rupees XXX and paise XXX only										

Annexure 7 Television Release Order

Sub Brand:

RO No. :

Date:

Estimate No.:

Program	*Start time*	*End time*	*Caption*	*Ad Date*	*Gross Rate/10sec*	*Duration secs*	*Rate/spot*	*# of spots*	*Gross Amount*
Asianet Plus									
RODP	18:00	23:00	XXX	14th Jan 2009	XXX	35	XXX	6	XXX
RODP	18:00	23:00	XXX	15th Jan 2009	XXX	35	XXX	6	XXX
RODP	18:00	23:00	XXX	16th Jan 2009	XXX	35	XXX	6	XXX
RODP	18:00	23:00	XXX	17th Jan 2009	XXX	35	XXX	6	XXX
						Asianet Plus Sub-total		24	
						Total (Rs.)			XXX
						Agency Commission (Rs.)			XXX
						Net Amount			XXX
Rupees XXX and paise XXX only						Taxes will be charged wherever applicable			

GLOSSARY

A

Ad noticeability

Research conducted to understand ad exposure in print media. Unlike TV, print syndicated researches report reach of vehicle, and not exposure to advertising.

Adstock

Adstock is used to describe the measure of advertising recall which, in addition to the recall of the current advertising, also adds-on the carry over effect of past advertising. It is a model of how communication builds and decays.

Advertising carry-over, or retention

It is the amount of retention of advertising message effects on a selected target audience through time, and is the opposite of the advertising decay rate.

Advertising – Editorial ratio (also 'ad – edit' ratio)

The ratio of advertising to editorial pages in a print medium, e.g., 60–40 would indicate 60 per cent of all pages are advertising.

Advertorial

Ad created to look like editorial matter with the brand advertising in a relevant context.

Agency billing

The money spent by the advertiser or client through the agency.

Agency commission

The remuneration or commission the agency receives from the media where it places the client's business. The 15% norm is gradually breaking down and has been replaced by fees from client in most cases versus a commission from the media.

Agency of record (AOR)

The media buying and/or planning agency across all brands and creative agencies for a client.

Aided recall

Recall of brand or ad where the respondent is given aid or prompted to help remember.

Ambient media

Media found in the ‘surroundings’, out-of-home, non-traditional outdoor media.

AOTS—Average opportunity to see

The average number of times a particular campaign or advertisement will be seen by an individual in the selected target audience.

Above-the-line(ATL) budgets

Part of the marketing budget which is meant for advertising targeted at consumers, and includes the creative production cost.

Audience

A measure of people exposed to a certain medium or vehicle.

Audience duplication

A measure of overlap in viewership, readership or listenership — people who have been exposed more than once are a duplicated audience.

Audience spillover

Reach beyond the defined primary TG into other groups is called spillover.

Audit Bureau of Circulation (ABC)

Organization that verifies (audits) and publishes circulation figures for newspapers and magazines, unbiased third–party reporting.

Average Issue readers (AIR)

Readers of an average issue of a publication, (AIR readership) is linked to the periodicity of the publication, yesterday's readership for daily, last week's readership for weekly, etc.

B

Back-lit

An outdoor hoarding which is illuminated from behind with fluorescent bulbs.

Back– to– back scheduling

Two ads scheduled together, with one immediately following the other.

Banner

A rectangular advertising unit (of varying size) on internet web sites.

Barter

Advertising that is paid by the advertiser with goods and services rather than cash.

Bleed

A print ad which extends past the margin to the very edge of the page on which it is printed.

Bonus spot

Additional TV or radio spots given free along with the paid activity.

Brand development index (BDI)

Measure of the strength of a brand's sales salience (% of total sales) in a market indexed to the TG salience. Index of 100 indicates that sales and TG salience are proportionate, index below 100 means scope to develop market and index above 100 means a developed market.

Below-the-line (BTL) budget

Part of the marketing budget for on-ground trade and consumer activations, promotions, and other initiatives targeted to the trade.

Break

Ads capsuled together which appear within the program.

Broadsheet

National or regional dailies which are roughly 52–56 cms in length, like *Times of India.*

Burst

A short, concentrated advertising campaign.

Business-to-business

An advertising campaign which communicates with companies or individuals with certain responsibilities within companies, and not consumers.

C

Cancellation date

A certain fixed date or time period by which the space or air time booking needs to be cancelled. Beyond this date, the advertiser is liable to be charged a cancellation fee.

Card rate

The cost of media quoted on a rate card on which discounts may be given.

Case rate

A method for setting advertising budgets, which is based on a forecast of unit sale.

Category development index (CDI)

Measure of the strength of the category sales salience (% of total sales) in a market indexed to the TG salience. Index of 100 indicates sales and TG salience are proportionate, index below 100 means scope to develop market and index above 100 means a developed market.

Center-spread

Two facing full pages located in the exact centre of the magazine.

Chat

Interactive online communication that enables typed conversations to occur in real-time.

Circulation

The circulation of a publication is the number of copies it sells within a fixed time period.

City–split run

City-specific part of the circulation of a magazine could be offered to the advertiser to run his communication like the four metro split for *India Today.*

Claimed readers

Readers of a publication who may not be regular readers, but have read it in the past.

Clutter

The proliferation of advertising messages aimed at the consumer.

Combination rate

A discounted rate if two or more media vehicles are used from the same group.

Continuity

A scheduling pattern, which tries to maximize weekly presence through the year.

Corporate campaign

A corporate advertising campaign which addresses general company objectives, and targets a broad audience, rather than focussing on specific sales or awareness requirements.

Cost—per—thousand (CPT) or CPM

A measure of cost–efficiency – audience delivered (in 000’s) per unit of cost.

Cost–efficiency

Cost–efficiency is a comparative measure of audience delivered per unit of cost.

Cost-per-rating point (CPRP)

Plan costs divided by GRPs, or the cost of achieving a single rating point in the TG.

Cover or coverage

Coverage (also known as 'reach') is the proportion of a specified target audience exposed to the campaign, medium or vehicle.

Cumulative reach

Unduplicated audience build-up over successive insertions, or spots of a vehicle, or campaign.

D

Day-parts

Broad TV time bands, such as early morning, day-time, early prime, prime time, late night.

Demographics

Characteristics used to describe audiences— like gender, age, education, occupation, income, SEC, pop-strata etc., among others.

Diaries

Diaries were used to collect TV audience data on a weekly basis with respondents recording their media usage patterns for the week; replaced by peoplemeter over a decade ago.

Direct response

Promotional media activity that requests consumers to directly respond to the advertiser by post, telephone, e-mail or SMS.

Direct mail

One–to–one communication of brand message to the TG through mail, usually with an in-built response mechanism.

Discounts

Savings on the card rate offered by the media to the agency or client based on the advertising quantity, volume, expenditure, or relationship with media partner.

Display

Display advertisements in print are differentiated from classifieds by the fact that they are not printed in a special 'classified' section of the publication.

Drive time

Relevant to mobile media like radio, this is the time spent commuting to work, so morning and evening are 'drive-time.'

Duplication

The number or percentage of the TG in a media vehicle's audience, who are also exposed to another vehicle.

E

Early right hand page (E.R.H.P.)

An ad position in a publication regarded as more effective than later, or left hand positions. Early, generally, signifies the first half, or first one-third of the publication.

Effective frequency

The minimum number of times the TG needs to be exposed to the communication for it to have the intended effect, often set at 3+ or 4+ for the month.

Effective reach

Percentage of the TG that has been reached with the effective frequency within a relevant time period.

Elasticity

The rate of variation in sales on the basis of variation in advertising, promotions, price etc.

Establishment survey

An audience research which 'establishes' the size and demographic composition of the population carried out annually by TAM for updating the peoplemeter panel.

Evening traffic

An outdoor site classification — hoardings facing the traffic returning from work.

Exclusivity

An agreement, whereby a media vehicle agrees not to run any advertising directly competitive to the advertiser purchasing the vehicle.

Exposure

An opportunity–to–see the ad.

F

First right of refusal

The opportunity for an advertiser to extend sponsorship of a program or vehicle before it is offered to another.

Fixed position

An advertising position which remains fixed over time, such as the inside covers of a magazine.

Flighting

A scheduling technique with high intensity bursts of activity, and a hiatus between bursts.

Fast moving consumer goods (FMCG)

Household goods which are purchased frequently— like food, soaps, detergents etc.

Frequency distribution

Exposure distribution of audience at each frequency level in a media plan. Ranges from zero to the total number of insertions in the media plan.

FY

Fiscal or Financial Year. In India, usually, from April 1st to March 31st of the following year.

G

Gatefold

A joined and folded multipage print ad which opens out to produce a large impactful ad.

General interest magazine

A magazine with a mass coverage (usually news and politics) not targeted at any specific segment.

Gross

Means 'total'. When used in the context of billings, denotes billing inclusive of agency commission.

Gross impressions

The total duplicated vehicle or message exposures achieved by a plan (numerical).

Gross rating points (GRPs)

The total duplicated vehicle or message reach of a plan (% reach), the sum of ratings of each spot or insertion in the media plan or 'Reach times AOTS'. Competitive benchmark of overall media weight.

Guarantee

A delivery commitment to the advertiser by a medium that, should there be shortfall from the pre-set delivery benchmarks, there would be bonus advertising to make–up for it.

Gutter

The part of a printed page which is closest to the spine of a publication.

H

Heavy–up

An increase in advertising activity for a limited period of time.

Hiatus

A scheduled period of inactivity between advertising flights.

Home page

A web page that is topically the main source of information about a particular person, group, or concept.

Household

Either one person living alone, or a group of people, usually members of the same family, who live together and manage their food and living expenses as a unit.

Homes using television (HUT)

Percentage of households in a market viewing any program during a specified day-part.

Housewife/Head

Member of the household, who takes purchase decisions on household goods like toilet soaps, edible oils, etc. Housewives may be male or female.

I

Impression

A single exposure of an audience member to an advertising spot or insertion.

Index

A number indicating relative difference versus the 'base' number, which is taken to be 100. A 110 index indicates 10 percent higher than base value; a 90 index a 10 percent lower value.

Inflation

The percentage increase in costs of a medium or vehicle compared to that in the previous year.

Infomercial

Long, information–rich TV ad — the broadcast equivalent of an advertorial.

INS

The print industry body which sets down the rules and regulations governing print advertising, and also addresses disputes and outstanding issues.

Insert

An ad or other promotional material which is included in a magazine or newspaper as a separate item (i.e., not printed as part of the body of the publication). It may be bound into the publication, or be inserted loose.

Insertions

Number of ads placed in a vehicle within a specified time period.

In—store media

Point–of–purchase advertising options.

Integrated marketing communication (IMC)

A process of coordination of all marketing efforts like advertising, direct, promotions, PR etc. into a cohesive plan which works towards achieving the marketing objective.

Intensity

Depth of media consumption of the audience; break-up into heavy, medium and light users.

Interactive

Two way communication between the advertiser and the consumer via media.

Island site

A print ad position, usually in the centre of the page, surrounded by editorial material.

L

Lead time

A period of time before the ad appears which gives last date for supply of material.

Life stage

People's aspirations, lifestyle, and desires change at different stages of their life like Independents, DINKs (double-income-no-kids), Empty Nesters, etc.

Lift

The increase in sales or awareness due to a unit increase in ad activity.

Log

Chronological record of a station's program and commercial airing time.

M

Make–good

Comparable unit of advertising offered by the media at no charge when the original spot or ad did not run, or ran incorrectly.

Market development index (MDI)

A ratio of BDI and CDI, shows potential for developing a market.

Market segmentation

A break-up of the market on the basis of cultural, lifestyle or demographic parameters into distinct sub-groups with different behaviour patterns.

Masthead method

A technique used to measure readership where the mastheads of publications are pasted into a book which is then used to aid recall of readership.

Maximum possible or Maxposs

The maximum reach a medium can deliver if all vehicles within that media class are used.

Media category or medium

Broad class or category of media like TV channels, newspapers, radio stations, etc.

Media mix

Combination of media vehicles and media categories which make up a campaign.

Morning traffic

An outdoor site classification — hoardings facing the traffic travelling to work.

Multiplex

Large cinema complex, typically offering multiple screen choices.

Media audit

An assessment of the effectiveness of media planning and/or buying, usually done by an unbiased third party specialist audit company.

N

Narrowcasting

Using a broadcast medium to appeal to audiences with special interests.

Net

(i) Abbreviation for internet

(ii) When used with reference to billing, it implies the gross amount less the agency commission.

O

Objective and task

Method of setting media budgets based on the cost of achieving the designated goals.

Off–prime

Any air-time which is not peak or primetime. Usually 8-11pm in the night is prime time for TV.

Outdoor

Generic name for out–of–home advertising, primarily hoardings, bus-shelters, kiosks and public utilities.

P

Package

A combination of various media units and vehicles which makeup the offer or deal, usually at a discount versus the individual rates of each element.

Panel

In research, a panel is a fixed sample of respondents, who are periodically tracked on their product or media behaviour.

Pass–along readership

Readers of a publication, who have not purchased it form the pass–along readership base, part of the 'average issue readership' base.

Peoplemeter

An electronic device which records viewership patterns and reports data at a minute level. Superior to diary, as it is *recorded* and not *reported* behaviour.

Penetration

The degree to which a product or medium has coverage or reach in a specific market or TG.

Piggyback

A weaker offering from a group is included in the deal along with the stronger offering.

Point of diminishing returns (PODR)

The point in a brand's activity beyond which increasing levels of advertising start building reach at a decreasing rate, the efficient level of activity.

Position premium

Certain positions in publications like front page or back page have higher noticeability compared to inside pages. A premium is charged for ads to be placed in these positions.

Position–in–break

The order in which the ad appeared in the ad capsule. Usually first and last position in a break are desirable as they get higher viewership than mid–break.

Primary research

Custom research where respondents are contacted versus that using syndicated research data.

Prime time

TV day-part or segment which has the highest viewership (and costs!), usually 8-11pm.

Product life-cycle (PLC)

The stages that a product passes through— introduction, growth, maturity and stagnation.

Product placement

Paid placement of the brand within a TV program or a film.

Promo tag

The credits for the sponsorship of a program, i.e. "This program is brought to you by......."

Psychographic

Psychographic segmentation of the TG, based on attitudes, interests and opinions which can then be related to media and product usage.

Pulsing

A scheduling method where continuous, low key activity is interspersed with bursts of heavy activity.

Q

Quality rating points (QRP)

TRPs which are unrevealing of quality of viewing are factored by variables like time spent watching, continuous viewing, and repeat viewing to get QRP.

R

Rate protection

A deal or understanding where the deal rate holds good for the period (usually annual) even if there are interim rate hikes.

Rating

The estimated percentage of a target audience exposed to a media vehicle within a specified time period. In the peoplemeter system, ratings are time-weighted versus the earlier diary way of just a headcount.

Reach

The estimated percentage of the target audience exposed one or more times (at least once) to the units or vehicles in a plan. Unduplicated is the essence of reach.

Reach (3+)

The estimated percentage of the target audience exposed three or more times (at least thrice) to the vehicles or messages in a plan.

Reach curves

A plot of audience accumulation or reach (Y axis) with increase in GRPs or budget levels (X axis).

Readership

Total number of individuals in the TG who have read or glanced at a particular publication within its periodicity. Usually, the masthead method is used to measure readership, and it can be 'claimed', 'average issue', or 'sole readership'.

Readers-per-copy (RPC)

A copy of a publication may have multiple readers. RPC is the readership of a publication by its circulation. Magazines with greater pass-along readership have higher RPC than dailies.

Regression analysis

A mathematical technique which has multiple, linear, and non-linear forms, and is used to relate advertising and marketing efforts (independent variables) to their effects — sales, awareness, preference (dependent variable)

Response function

Measure of response to an advertisement or a campaign, change in ad effects (GRPs, awareness, etc.) for every unit change in advertising.

Return on Investment (ROI)

A measure of the effectiveness of the media budgets — how effective the media expenditure (investment) has been in achieving the desired results.

RHP

Right hand page

Roadblock

A scheduling technique where a brand's advertising is aired across all channels in the TG's viewing basket, ensuring that the TG does not miss the communication; particularly in use for impactful launches.

Run of day-part (RODP)

A TV schedule where there are no fixed spots on specific programs and the ad can appear anytime within pre-defined dayparts. This allows the channel to manage inventory and extend a better discount to the advertiser.

Run of schedule (ROS)

A TV schedule where there are no fixed spots on specific programs or day-parts and the channel runs the ads at its discretion on the basis of inventory levels. This allows the channel to manage inventory and extend a better discount to the advertiser.

S

Scheduling

Method of timing ads across weeks and months. Typical patterns are continuous, flighting, and pulsing.

Search engine

A program or web site that enables users to search for keywords on web pages throughout the world wide web.

Search engine marketing

Reaching the TG with an ad when the surfer does a related keyword search, so that we catch him at the right time.

Selectivity index

Denotes preference or skew, and gives a sense of the wastage. TG media consumption is indexed to total audience consumption.

Share of audience

The percentage share of a particular media vehicle versus the competitive set within the TG in a particular market, and a specific time period.

Share of voice (SOV)

Share of total category GRPs for a brand within a defined market in a specified time period.

Share of market (SOM)

Share of total category sales for a brand within a defined market in a specified time period.

Simulcast

Broadcast of the same program at the same time on multiple channels.

Skybus

A banner ad in dailies that is immediately below the masthead.

Spread

(i) An assessment of the extent to which the weight of an ad campaign is evenly distributed across specified regions, target audiences, or a specified time period.
(ii) A shortened form of 'double page spread.'

Strip scheduling

A program scheduled at the same time each day, typically Monday–Friday.

Syndicated program

A TV program commissioned by a brand, with the brand elements woven into the program.

Synergy or multimedia synergy

The 1+1 > 2 effect of using multiple media.

T

Tabloid

Newspaper with a page size that is roughly half that of a broadsheet or standard newspaper.

Target audience

A group of consumers with the most potential as far as brand sales is concerned, that an advertiser is attempting to influence.

Teaser

An ad which is a precursor to the main campaign, used to pique curiosity and arouse interest.

Telemarketing

Use of telephone as a medium to sell, promote, or take orders for goods and services.

Television rating point (TRP or TVR)

The estimated percentage of a target audience exposed to a media vehicle within a specified time period. In the peoplemeter system, ratings are time weighted versus the earlier diary way of just a headcount.

Test market

New launches or communication tested in a representative market to spot and correct issues and problems before a national roll-out.

Tracking studies

Research studies conducted at periodic intervals to estimate the effects of advertising on awareness, recall, and attitudes.

Traffic count

A count of the traffic passing an outdoor site. Used for reach estimation.

U

Unaided recall

Awareness measure to understand percentage of TG base which remembers the brand or advertising without being prompted.

Unique cover

A media vehicle which necessarily has to be used to reach out to a certain section of the TG, which cannot be reached through any other.

Usage and attitude studies (U&A)

A major brand research which focuses on product purchase, usage, user profiles, attitudes and awareness and which may also incorporate media exposure data.

V

Viral marketing

Word–of–mouth buzz creation, where the TG is encouraged to pass on brand information to others.

Vehicle

A sub-unit within the broad category or media class like a magazine or a TV program.

W

Wastage

The proportion of a vehicle's audience base which is not the specified target audience.

Weight

A measure of the strength of advertising exposures, used to benchmark against competition.

Z

Zapping

Using a remote control device to change channels, usually when ads are being shown.

Zero % inflation

This is when the agency is able to hold onto the deal rate it got on a vehicle even if there has been a rate hike on the card rate, thereby ensuring no inflation.

INDEX

P

Q

R

S