

8

Chapter Eight

Traditional Media Channels

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UEFA Champions League

- Broadcast in 70 countries and 40 languages
- Sponsorship packages
- Easy channel to reach 16-34 year old males
- Nike's advertising in 2010 – now only sponsors allowed ad time



8

Traditional Media Channels

Chapter Objectives

1. What is a media strategy?
2. What elements and individuals are involved in media planning?
3. How do the terms used to describe advertising help the marketing team design effective campaigns?
4. What are some of the primary advertising objectives?
5. What are the advantages and disadvantages associated with each of the traditional advertising media?
6. How can the marketing team use the media mix to increase advertising effectiveness?
7. What are the key issues associated with media selection for business-to-business markets?
8. What issues are associated with media selection in international markets?

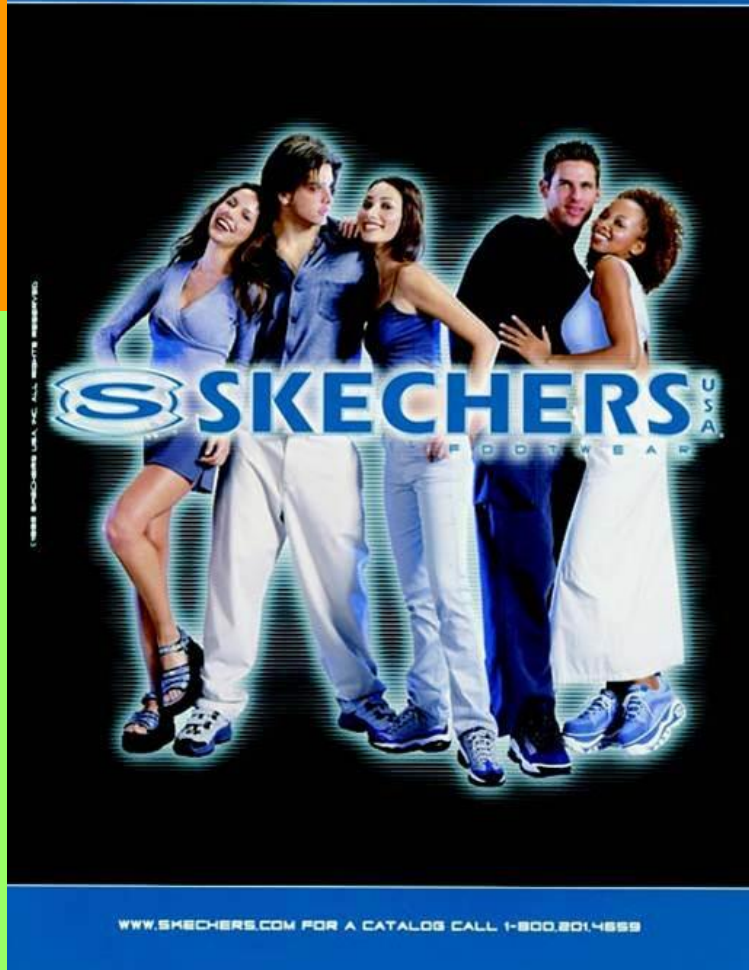
8

Traditional Media Channels

Chapter Overview

- Nature of media strategy
- Media planning
- Media buying
- Media choices
- B-to-B media selection
- International media concerns

Media Strategy



Process of
analyzing and choosing media
for
advertising and promotional
campaigns

Media Planning

- Analysis of target market
- Focus on consumer behavior
- Understanding purchase process
- Study media choices
- Listening and viewing habit

FIGURE 8.2

Examples of Times Workers Are Exposed to Advertisements

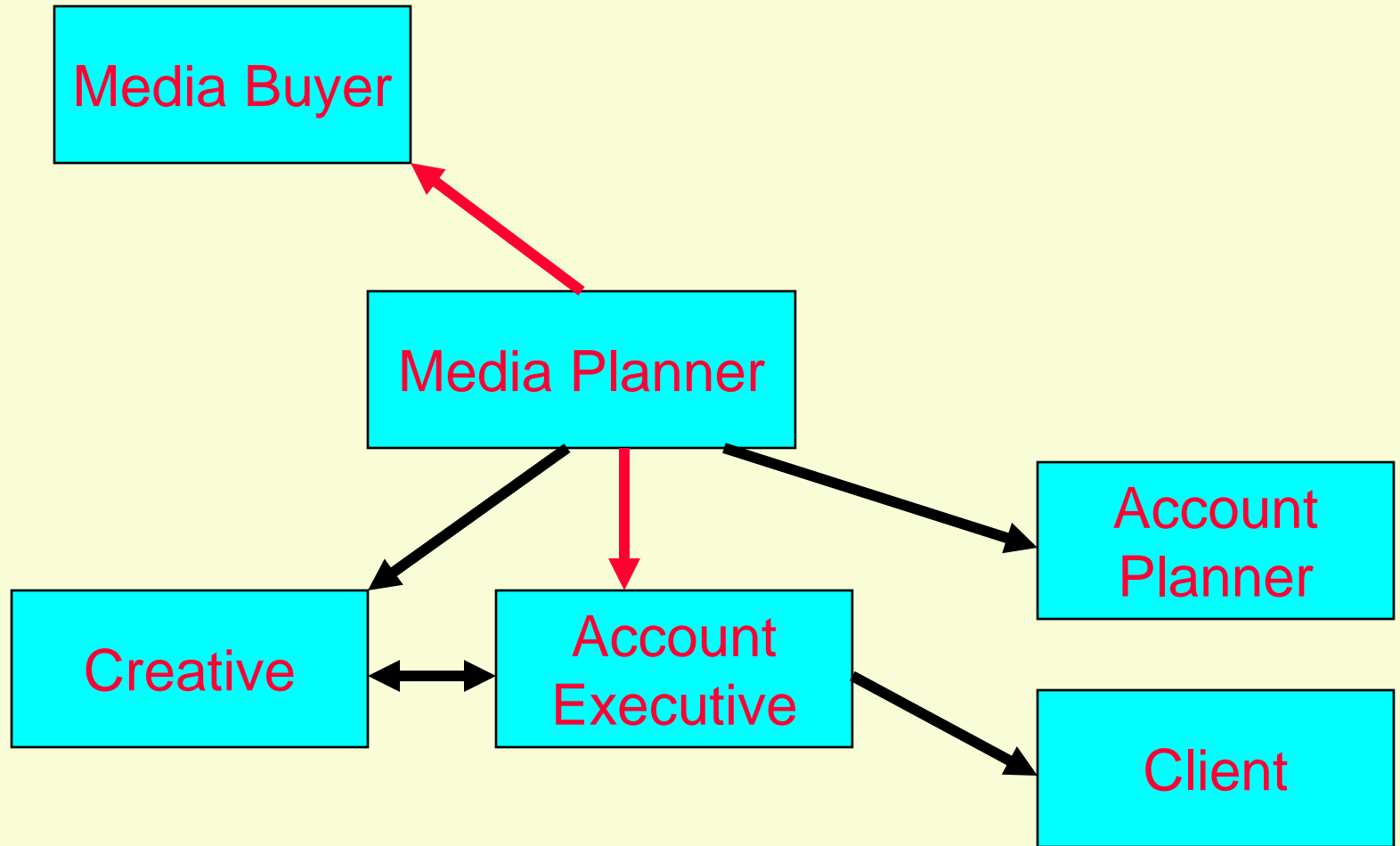
- **A favorite wake-up radio station or one that is listened to during the commute to work**
- **A favorite morning news show or newspaper**
- **Trade or business journals that are examined while at work**
- **A radio station that is played during office hours at work**
- **Favorite computer sites that are accessed during work**
- **Favorite magazines that are read during the evening hours**
- **Favorite television shows that are watched during the evening hours**
- **Internet sites that are accessed during leisurely hours**
- **Shopping, dining, and entertainment venues that are frequented**

FIGURE 8.3

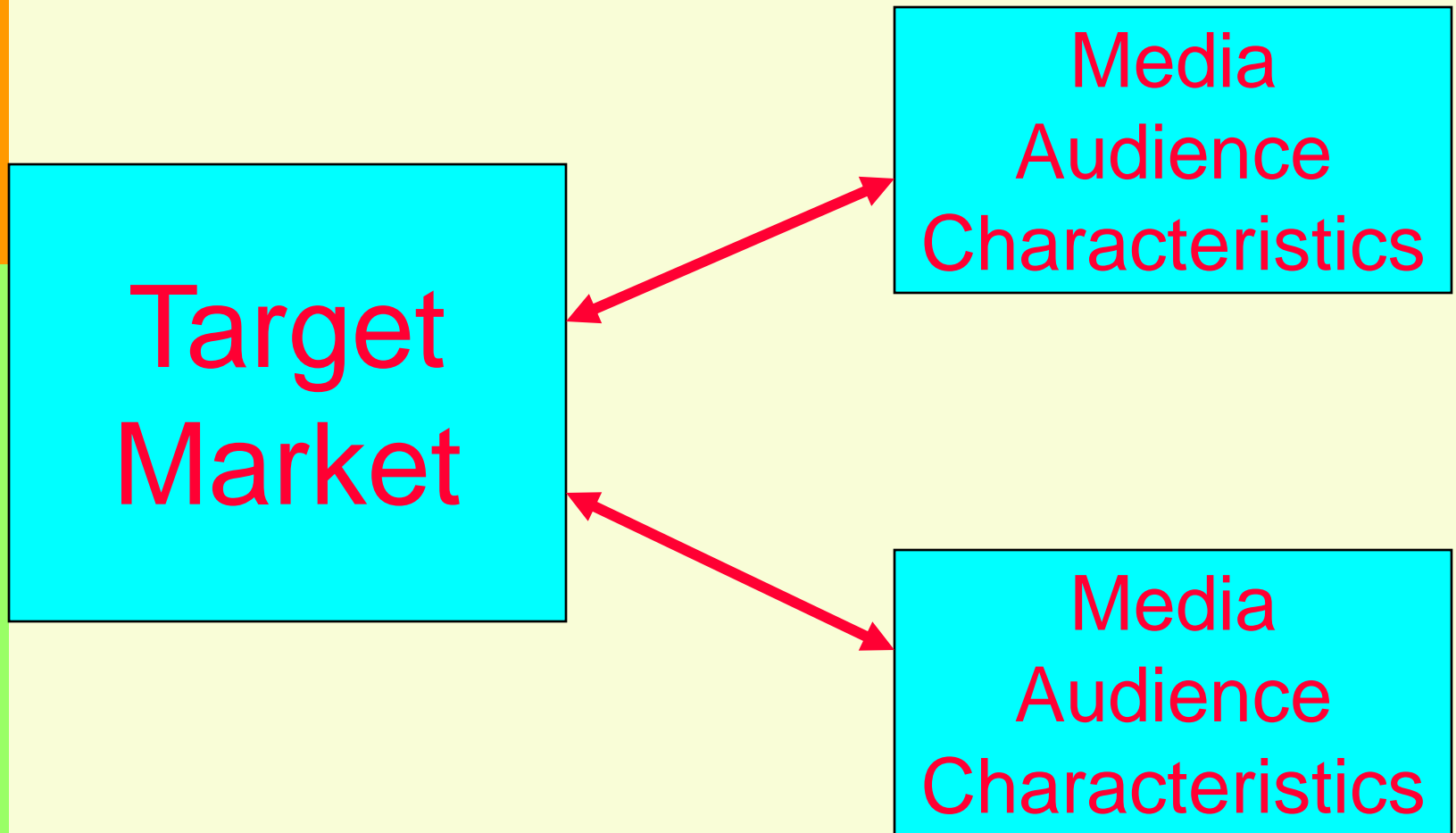
Components of a Media Plan

- Marketing analysis
- Advertising analysis
- Media strategy
- Media schedule
- Justification and summary

People Involved in Media Selection



Media Planner



When does a jogger become a runner?

On a day like this.

achieve **new balance**

 © 1999 New Balance Athletic Shoe, Inc.

Media Planner

An advertisement by New Balance placed in *Runner's World* magazine by the media planner.

Media Buyers

- Purchases space, negotiates rates
- Placement important consideration
- Little connection between agency size and price
- Spot ad – one time placement
- Effectiveness related to
 - Quality of media choices
 - Creativity
 - Financial stewardship
 - Agency's culture and track record
 - Relationship with media reps



Advertising Terminology



- **Reach**
 - Number in target audience exposed
 - Typically 4-week period
- **Frequency**
 - Average number of exposures
- **Opportunities to see (OTS)**
 - Cumulative exposures
 - Placements x frequency
- **Gross rating points (GRPs)**
 - Measures impact of intensity of media plan
 - Vehicle rating x OTS (number of insertions)



Advertising Terminology

- **Costs**

- Cost per thousand (CPM)
- CPM allows for cost comparisons

- **Ratings and Cost per Rating Point (CPRP)**

- Ratings measure percent of target market exposed by medium
- CPRP allows for comparison across media
- Cost of media buy / vehicle's rating
- Weighted CPM

- **Continuity**

- Continuous campaign
- Pulsating campaign
- Flighting (or discontinuous) campaign

- **Impressions**

- Gross impressions – total audience exposed to ad

FIGURE 8.5

Hypothetical Media Information for Select Magazines

Publication	4C Base Rate	Total Paid & Verified Circulation	CPM	Target Market (20 million)			
				Percent of Readers Fit Target Market	Number of Readers Fit Target Market	Rating (Reach)	Cost per Rating Point (CPRP)
Better Homes and Gardens	\$506,380	7,648,600	\$66.21	13.51%	1,033,000	5.2	\$98,041
Glamour	\$219,190	2,320,325	\$94.47	24.65%	572,000	2.9	\$76,640
Good Housekeeping	\$387,055	4,652,904	\$83.19	10.81%	503,000	2.5	\$153,899
National Geographic	\$225,455	4,495,931	\$50.15	26.96%	1,212,000	6.1	\$37,204
Reader's Digest	\$185,300	7,114,955	\$26.04	18.62%	1,325,000	6.6	\$27,970
Southern Living	\$198,800	2,855,973	\$69.61	10.57%	302,000	1.5	\$131,656
Sports Illustrated	\$392,800	3,201,524	\$122.69	16.77%	537,000	2.7	\$146,294
TIME	\$320,100	3,376,226	\$94.81	18.60%	628,000	3.1	\$101,943

FIGURE 8 . 6

Calculating Weighted CPM

Publication	4C Base Rate	Total Paid & Verified Circulation	CPM	Target Market (20 million)		
				Percent of Readers Fit Target Market	Number of Readers Fit Target Market	Weighted (Demographic) CPM
Better Homes and Gardens	\$506,380	7,648,600	\$66.21	13.51%	1,033,000	\$490.20
Glamour	\$219,190	2,320,325	\$94.47	24.65%	572,000	\$383.20
Good Housekeeping	\$387,055	4,652,904	\$83.19	10.81%	503,000	\$769.49
National Geographic	\$225,455	4,495,931	\$50.15	26.96%	1,212,000	\$186.02
Reader's Digest	\$185,300	7,114,955	\$26.04	18.62%	1,325,000	\$139.85
Southern Living	\$198,800	2,855,973	\$69.61	10.57%	302,000	\$658.28
Sports Illustrated	\$392,800	3,201,524	\$122.69	16.77%	537,000	\$731.47

Achieving Advertising Objectives

Three-Exposure Hypothesis

- Herbert Krugman
- Minimum of 3 exposures to be effective
- Intrusion value

Recency Theory

- Clutter, 3 exposures not enough
- Selective attention and focus
- Pay attention only to certain ads
- One ad exposure may be enough
- Requires continuous advertising
- Increase exposure through adding reach

Achieving Advertising Objectives

Effective reach and frequency

- What percent of audience must be exposed?
- How many times must audience be exposed?
- Too few ads – not effective
- Too many ads – wasted resources
- Size and placement of ads
- Number and type of media
- Computer models to optimize schedule



Achieving Advertising Objectives

- **Brand recognition**
 - Emphasis on visual product presentation
 - Recognize brand
- **Brand recall**
 - Frequency more important than reach
 - Repetition important



**HIKING BOOTS, A BOTANY TEXTBOOK, AND AN OLD PICK-UP.
THIS WAS VENTURE CAPITAL FOR A TEA COMPANY IN 1969.**

We may have had an unorthodox business plan when we started making tea in 1969, but we worked hard to create the most delicious blends of herbs the Rocky Mountains had to offer. Today our operation is a little more sophisticated, but we still create our tea the old-fashioned way: hand-blended from the finest ingredients in the world.



celestialseasonings.com

FIGURE 8.7

Brand Recognition versus Brand Recall

Objective	Brand Recognition	Brand Recall
Goal	Create/strengthen mental linkages	Place brand in evoked set
Method	Increase reach	Increase frequency (repetitions)
Best media	Television	Television
	Outdoor	Radio
	Magazines	Newspapers
	Internet	Internet
	Direct mail	

FIGURE 8.8

Television Advertising

Advantages

- High reach
- High frequency potential
- Low cost per contact
- High intrusion value
- Quality creative opportunities
- Segmentation through cable

Disadvantages

- High level of clutter
- Low recall due to clutter
- Channel surfing during ads
- DVRs skipping ads
- Short amount of copy
- High cost per ad

Nielsen Ratings

$$\text{Rating} = \frac{\text{number of household turned to a program}}{\text{total number of households in a market}}$$

In the United States, the total number of households with television sets is approximately 109.7 million. To calculate the rating of an TV episode, if the number of households tuned to the show was 17.8 million, then the rating would be:

$$\text{Rating} = \frac{17,800,000}{109,700,000} = 16.2$$

Next, if the advertiser were interested in the percentage of households that actually were watching television at that hour, the program's share could be calculated. If 71 million of the 109.7 million households had a television turned on during the hour in which the show aired, the share would be:

$$\text{Share} = \frac{\text{number of households tuned to } \textit{Survivor}}{\text{number of households with a television turned on}} = \frac{17,800,000}{71,000,000} = 25$$

C3 Ratings

- **Rating for actual commercial time slot**
- **Rating plus viewing within 3 days**
- **Now used for advertising rates**
- **Calculated for all ads within a pod**
- **Criticism – ads within pod not equal**
 - **First position – 28% higher awareness**
- **On Demand C3**

FIGURE 8.9

Cost of 30-Second Ad Based on C-3 Ratings

American Idol	\$467,617
Sunday Night Football	\$415,000
Glee	\$272,694
Family Guy	\$259,289
The Simpsons	\$253,170
House	\$226,180
Grey's Anatomy	\$222,113
The Office	\$213,617
Desperate Housewives	\$210,064

Source: Adapted from Brian Steinberg, "Simon Who? Idol Spots Still Pricest in Prime Time," *Advertising Age*, October 18, 2010, <http://adage.com/pring/146495>.

Ratings Provider

- **AC Nielsen**
- **DMAs**
- **Demographic information**
 - **Nielsen Media Research**
 - **Starch INRA**
 - **Mediamark Research**
 - **Burke Marketing Research**

Television

- **Local and Regional TV advertising**
 - Excellent for local and regional companies
 - National brands – spot TV ads
 - 75% national time sold during sweeps week
 - Can generate higher GRPs at lower costs
- **Effective television advertising**
 - Television audience should match target market
 - Can reach large audience
 - Low cost per contact
 - Cable provides segmented audiences

Social Media and Television

- Trends for consumers
 - Less time watching television
 - More time online
- High social media users watch more TV
- 75% consumers multi-task watching TV
- Bluefin Labs – online buzz and TV shows

YouTube and Television

- Television ads posted on YouTube
 - Simultaneous rollout
 - YouTube pre-rollout
 - Super Bowl – teaser ads
- Result in higher recall
 - 200% higher recall for both TV and YouTube
 - 150% higher recall YouTube only

Super Bowl Advertising

- Biggest advertising event of year
- 110 million plus viewers
- Brand building opportunity
- Many Super Bowl ads pre-roll in social media
 - Teaser ads
 - Extended ad with additional information
- Immediate feedback
- Monitor social buzz

FIGURE 8.10

Radio Advertising

Advantages

- Recall promoted
- Narrower target markets
- Ad music can match audience
- High segmentation potential
- Flexibility in making ads
- Modify ad to local conditions
- Intimacy with DJs
- Mobile – listen anywhere
- Creative opportunities with sound and music

Disadvantages

- Short exposure time
- Low attention
- Difficult to reach national audiences
- Target duplication with several stations using the same format
- Information overload

FIGURE 8.11

Outdoor (out-of-home) Advertising

Advantages

- Select key geographic areas
- Accessible for local ads
- Low cost per impression
- Broad reach
- High frequency on major commuter routes
- Large visuals possible
- Digital capabilities

Disadvantages

- Short exposure time
- Brief messages
- Little segmentation possible
- Clutter

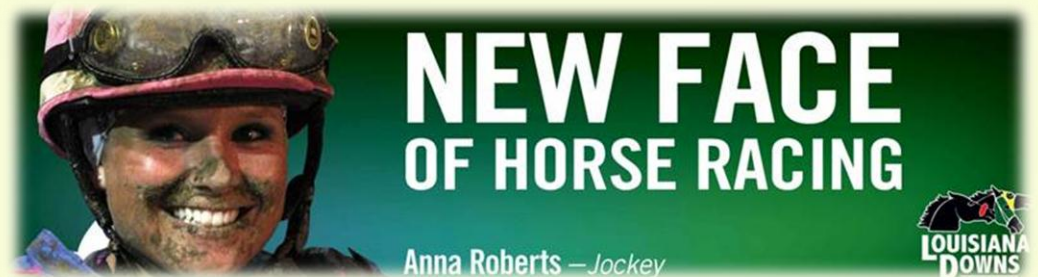
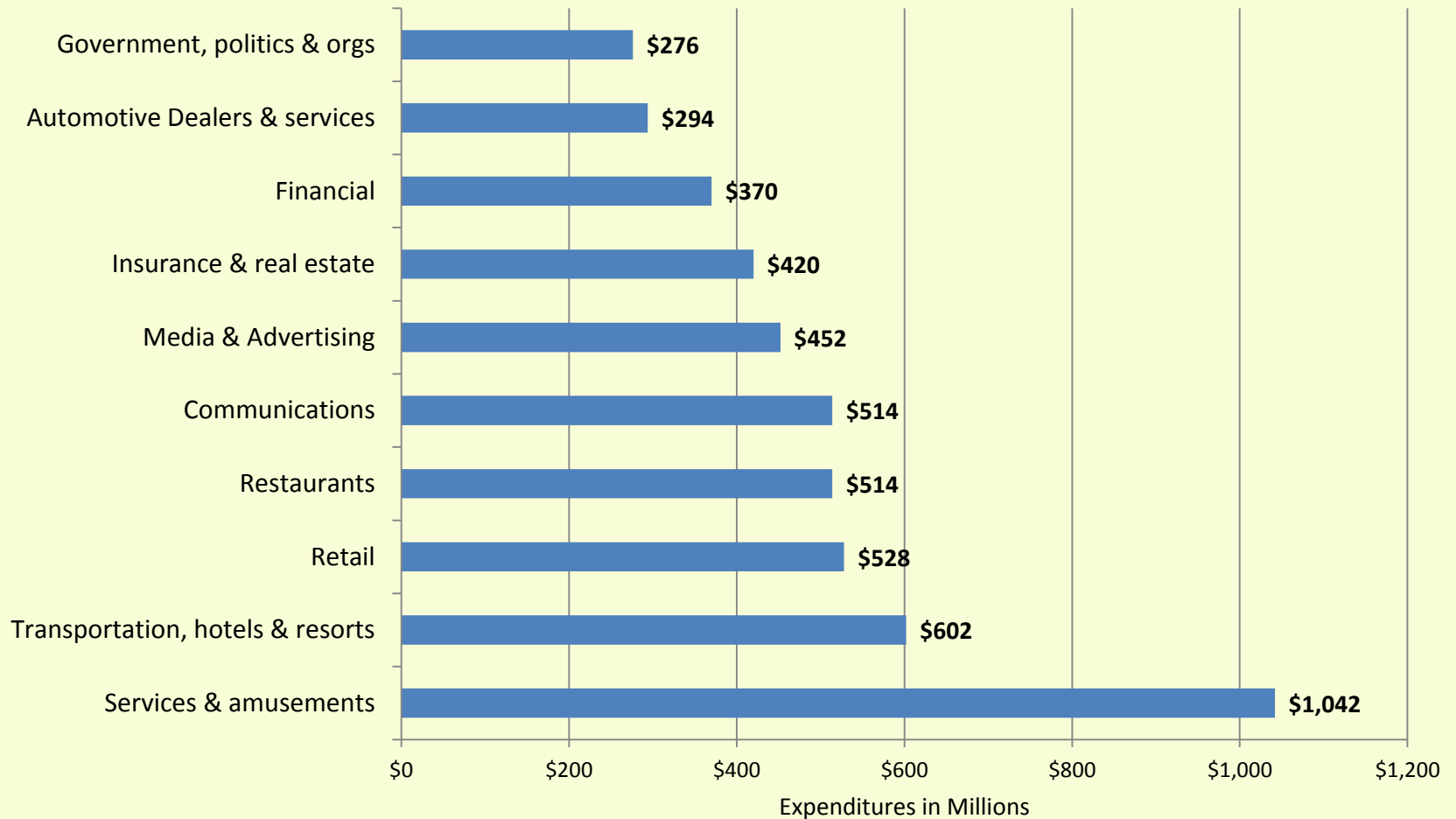


FIGURE 8.12

Expenditures on Outdoor Advertising



Source: Adapted from "Outdoor Advertising Expenditures, 2009 January-June," *TNS Media Intelligence/CMR OAAA*, September 2009.

Outdoor Advertising



First outdoor billboard for
Unleashed Indoor Dog Parks

Outdoor Advertising



Second outdoor billboard for
Unleashed Indoor Dog Parks

Outdoor Advertising



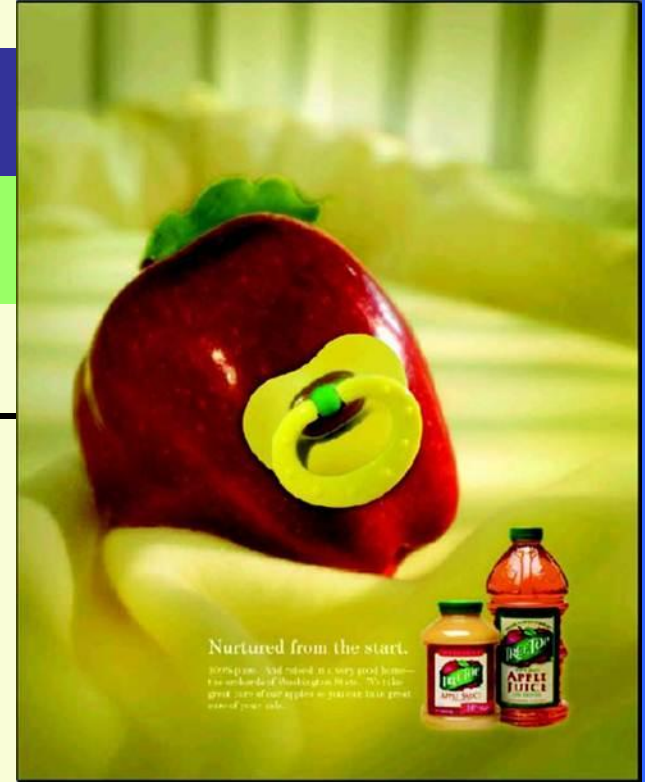
Third outdoor billboard for
Unleashed Indoor Dog Parks

FIGURE 8.13

Magazine Advertising

Advantages

- High market segmentation
- Targeted audience by magazine
- Direct-response techniques
- High color quality
- Long-life
- Read during leisure
 - longer attention to ads
- Availability of special features



Disadvantages

- Declining readership
- Clutter
- Long lead time
- Little flexibility
- High cost

FIGURE 8.14

Newspaper Advertising

Advantages

- Geographic selectivity
- High flexibility
- High credibility
- Strong audience interest
- Longer copy
- Cumulative volume discounts
- Coupon and special-response features

Disadvantages

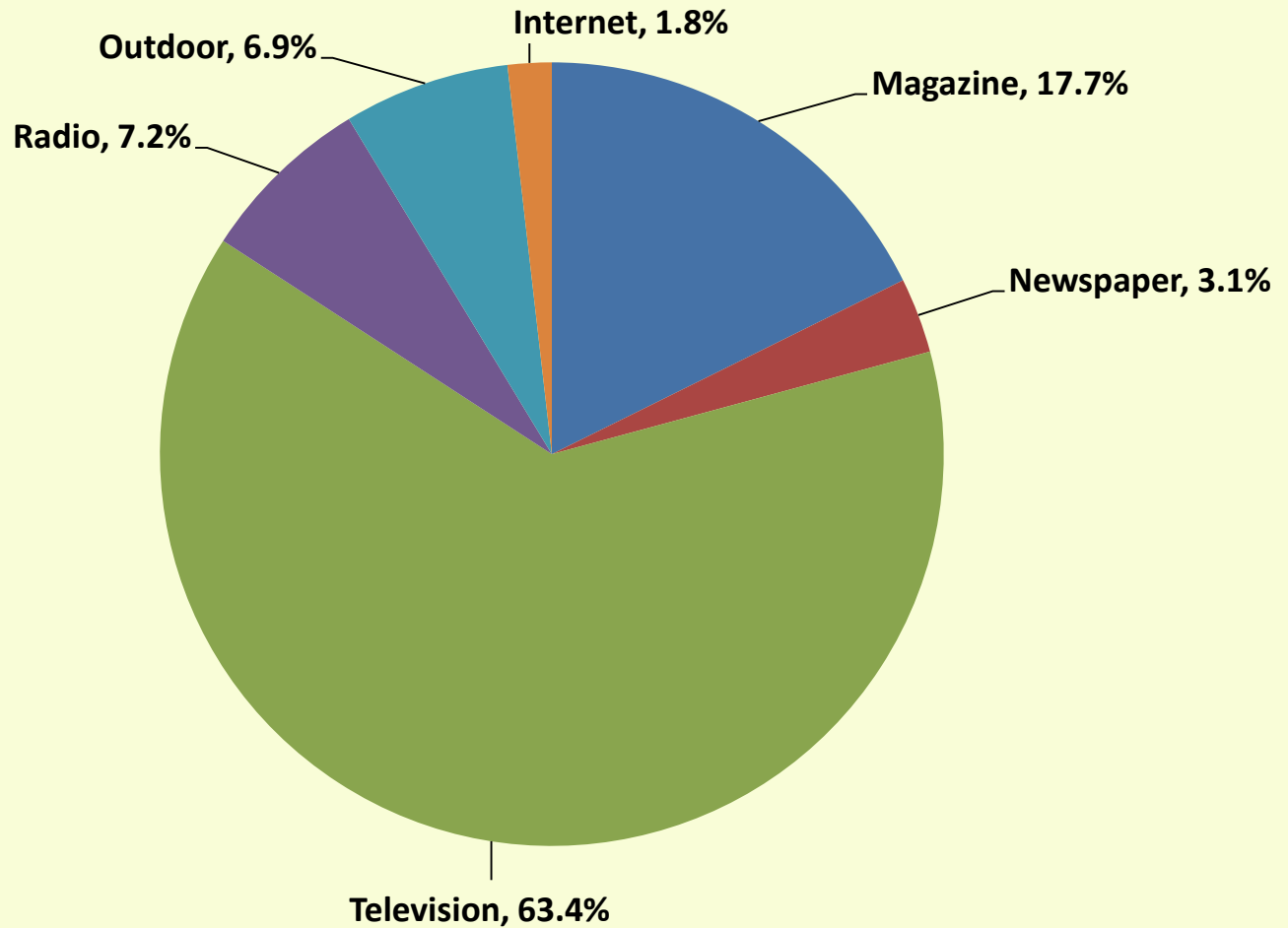
- Poor buying procedures
- Short life span
- Clutter
- Poor quality reproduction
- Internet competition
- Aging readership

Media Mix

- Select proper blend of media
- Media planners and media buyers
- **Media multiplier effect**
 - Consumer audience
 - Business-to-business audience

FIGURE 8.15

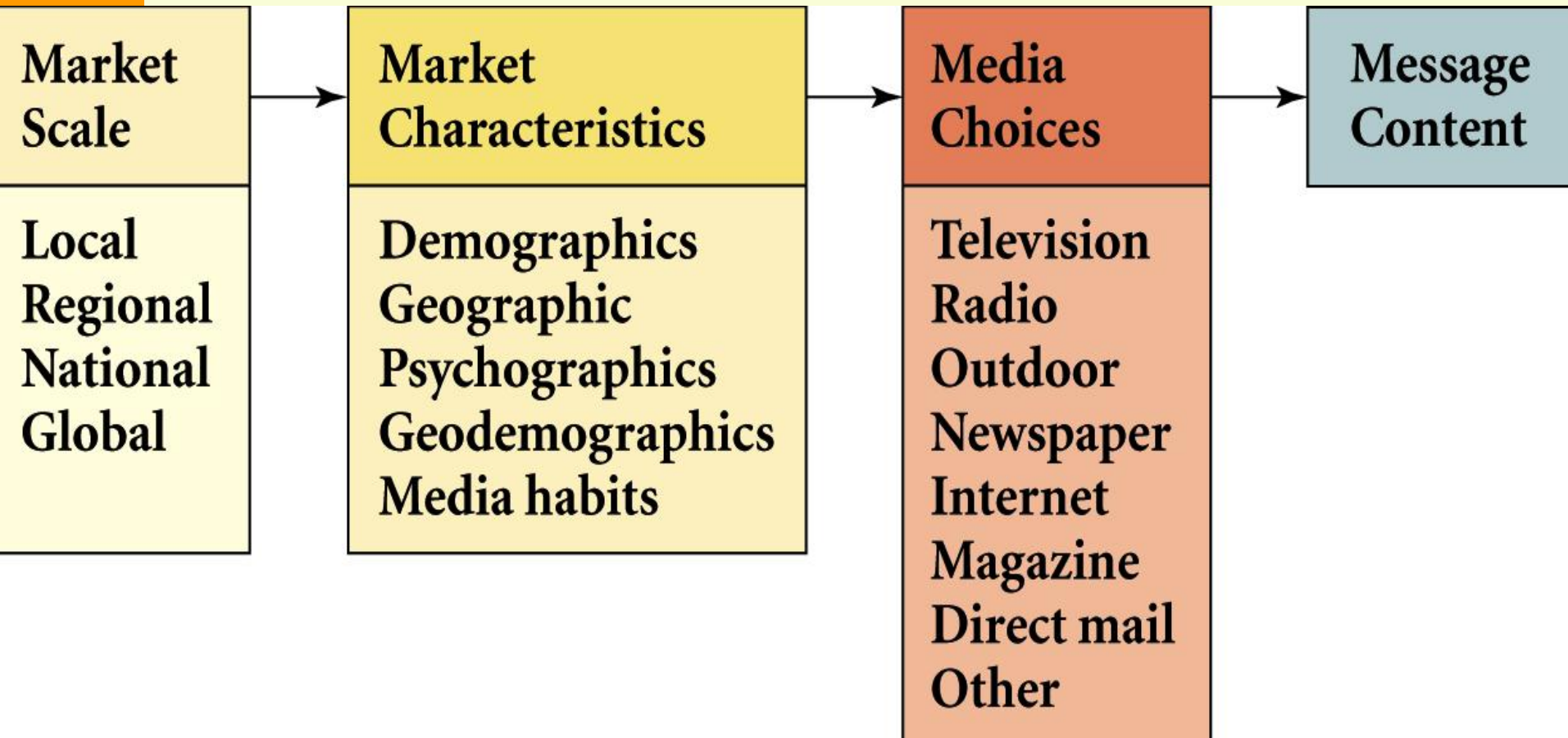
U.S. Advertising Expenditures by Media for Coca-Cola



Source: Adapted from *Marketer Trees 2009*, <http://adage.com/marketertrees09>, December 28, 2009.

FIGURE 8.16

Developing Logical Combinations of Media

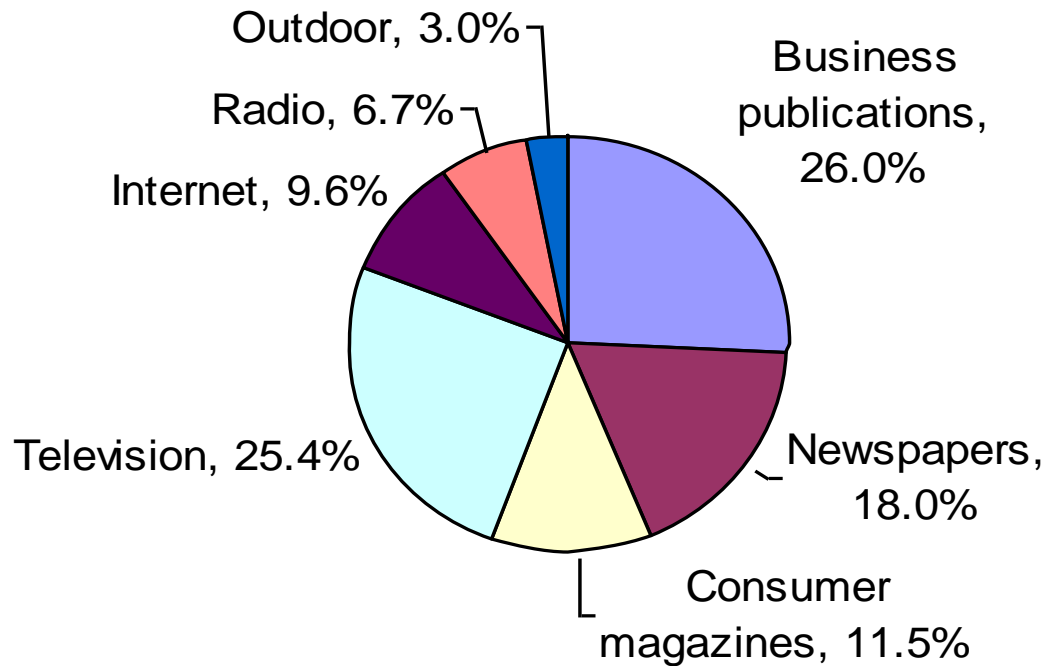


Media Selection in B-to-B Markets

- B-to-B ads looking more like consumer ads
- Reasons for shift
 - Decision makers also consumers
 - Decision makers difficult to reach
 - Clutter in B-to-B traditional media
- Increase in advertising through consumer media
- Trade publications still important
- Business magazines

FIGURE 8.17

Business-to-Business Advertising Expenditures



Source: Based on Kate Maddox, "Top 100 B-to-B Advertisers Increased Spending 3% in '06," *B to B*, Vol. 92, No. 11 (September 10, 2007), pp. 25-30.

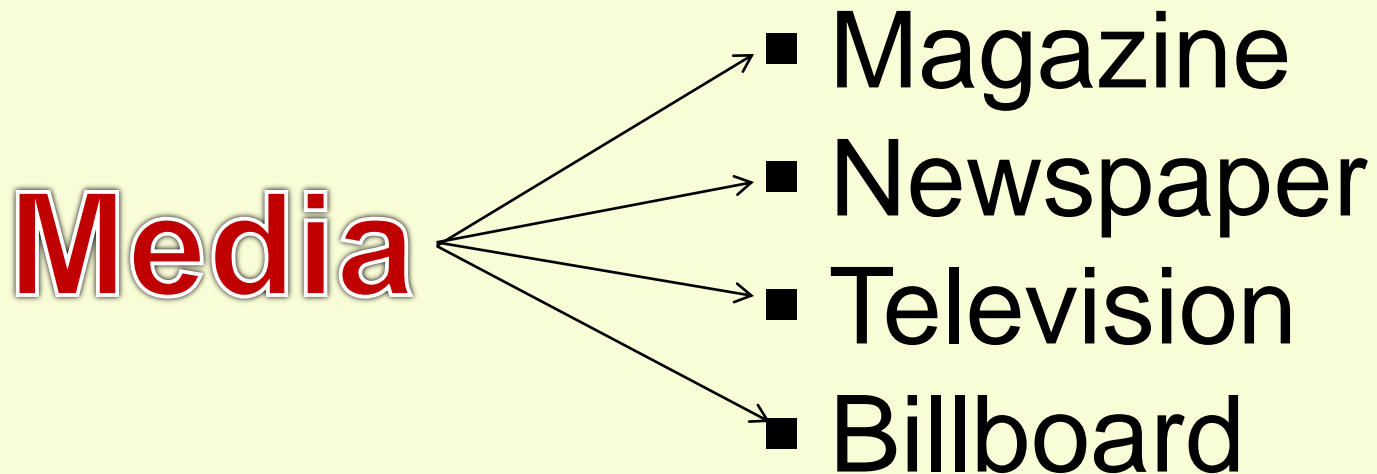
International Implications

- Media importance varies.
- Media viewing habits vary across countries.
- Media buying is different.
- Cultural mores vary.

Ouachita Independent Bank

(Part 8)

Theme of campaign - Local people, local trust



Ouachita Independent Bank

(Part 8)

Magazine

An OIB Welcome!

We are pleased to announce that Kathy Boykin has joined our team. She will lead the Hwy 165 North branch in Monroe. Customers will benefit from Kathy's years of experience in personal banking, lending and other banking services.



Kathy Boykin
Branch Manager

It's nice to rely on my bank.



OUACHITA INDEPENDENT BANK

OIBank.com



Ouachita Independent Bank

(Part 8)

Newspaper



It's nice to rely on my bank.



Can you rely on yours?

Out here, it's good to have a friend you can rely on. It's nice to have a bank you can rely on, too. At OIB, our customers rely on us to make sound financial decisions to protect their assets. Decisions made locally and in our customers' best interest... Local People, Local Trust.

Ouachita Independent Bank

(Part 8)

Television



15 second Ad



30 second Ad

Ouachita Independent Bank

(Part 8)

Billboard



Integrated Campaigns in Action

The Snoring Center

