

# MEDIA 101

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## **BUDGET**

One of the first steps in creating an advertising campaign is to determine the budget.

- 1) Objective Method – With this procedure, you first determine your advertising objectives and then select the media that will best meet these objectives. Your budget will be based on how much money is necessary to meet your goals.
- 2) Advertising to Sales Ratio Method – This method begins by forecasting sales for the coming year. The advertising budget is then taken as a percentage of this sales projection.
- 3) Competitive Method – This method involves estimating how much the major competitors are spending. Once this is established, you can set your spending level equal to theirs to have a comparable share of voice, or at a higher level to achieve market dominance.
- 4) Historic Method – This procedure evaluates what's worked or not worked in past advertising campaigns.

In reality, many budget determinations are based on a combination of methods. Historical information should always be taken into consideration and, whether using a percentage of available funds or merely basing the budget on objectives, your organization must identify the differences between goals and budget realities.

In buying media, never disclose your budget up front.

## **MEDIA REPS**

If your organization is working with an advertising/marketing agency, let the agency deal with the media reps and place all media.

If your organization is not working with an advertising/marketing agency, designate one person in your organization who has the time, desire and personality to work with the media. This person should cultivate relationships with the media and become familiar with media terminology. There are many wonderful media reps who are eager to help your organization.

## **DEVELOPING MEDIA OBJECTIVES/ADVERTISING GOALS**

To develop media objectives, consider the following variables:

- 1) Who is your target market?
- 2) What are the geographic boundaries of your target market?
- 3) When do you wish to conduct your advertising campaign?

### Target Audience

The people who are regarded as good clients for your organization comprise the segment of the population called the target market. This is the group that will be most responsive to your advertising message. By successfully identifying the target market and their media usage, you can concentrate your advertising on the people who are most likely to respond to your message.

### Geographic Boundaries

You undoubtedly know the area your organization serves and your geographic objectives should outline how much of this area you want your advertising campaign to cover.

The various media have their own market designations. Newspapers use terminology such as Primary Market Area, Retail Trading Zone, City Zone, Total Market Coverage.

Television and radio markets are based upon geographic coverage areas within which the signals of the stations are received. Television coverage is measured by Nielsen DMAs (Designated Market Areas) or by Arbitron ADIs (Areas of Dominant Influence). Radio coverage is measured by Arbitron in ADIs (the closest approximation to television DMAs) and MSAs (Metropolitan Survey Areas).

To analyze these media markets, you can request and receive data from your media sales reps for comparison. Just makes sure you analyze, compare and buy all media on the same geographical and demographic basis.

### Timing/Media Scheduling

The next step is determining when you want your advertising to run. The following questions will guide you in this process.

- 1) Do you wish to have an even pattern of advertising activity throughout the year (continuity) or do you wish to be active in some periods and inactive in others (flighting)?
- 2) What seasonal considerations will impact your use of advertising throughout the year?
- 3) Are you planning any events that will require additional advertising support?

Lead time for newspaper is generally the shortest with the closing date (when you must commit to space) approximately two to three days prior to publication date. The ad is due to the newspaper one to two days prior to publication.

Radio has a relatively short lead time as well, but depending on what quarter it is and the availability of inventory, it is always best to schedule your radio two to four weeks prior to the run dates. The copy or spots need to be at the stations at least 2 to 3 days prior to airing.

Television should be scheduled four to six weeks prior to run dates. Generally, you will have more negotiating power if you can purchase television more than four weeks before air date.

### **MEDIA STRATEGY/SELECTION**

The media strategy establishes what media will be used to best meet your objectives. Whether or not a medium is included in the media plan should be determined by its ability to meet the following criteria:

Delivery: The ability of a medium to reach the target prospect

Cost-Efficiency: The relative cost of delivering the target audience.

After selecting the media, and if television and radio are going to be part of the buy, don't feel compelled to buy time on every television station in the market and half the radio stations. You should not fragment your schedule by running a few spots on every station.

### **NEGOTIATING AND BUYING MEDIA**

Get everything in writing. Ask the sales reps to jot down prices and added value and get it to you in a fax or email. When ready to commit to a buy, ask for a contract signed by both parties.

#### Newspaper

When requesting information from the newspapers, be sure and ask for the non-profit rate. Larger newspapers, and some smaller ones, have non-profit rates. No other discounts, such as frequency, apply when using the non-profit rate, unless you have specifically worked out an agreement with your sales rep.

Ask for the circulation and readership figures. The circulation is actual numbers of copies sold through subscription and newsstands and is monitored by auditing bureaus. The readership is an estimate based on surveys, usually done by the newspapers themselves, of how many readers read one copy of the newspaper. Example – how many family members read the newspaper in a subscriber's household. The information may also include ages, sex, household income, days of the week most widely read, etc.

Ad size - The ad size in inches is determined by the width, in columns, multiplied by the height, in inches. Example: a 3 column x 10" ad is referred to a 30" ad.

Multiply the ad size (30") by the newspapers column inch rate. This gives you the cost to run the ad one time in that particular newspaper.

Position – Select the section of the newspaper that you determined has the highest number of readers in your target audience. Always ask for “right hand page, up front, best position available” within the selected section.

### Outdoor

Most outdoor companies have non-profit rates.

The more boards you commit to and the longer length of contract, the lower cost per unit.

Outdoor is measured by Daily Effective Circulation (DEC). Ask your sales rep for a list of available boards during the time you wish to advertise. The rep will be able to provide you the DEC for each board.

There are basically two types of boards, poster boards and bulletins.

Posters are generally 12' x 25' and are covered with paper or vinyl which can be changed every 30 to 60 days.

Poster panel placement is sold on a monthly basis in what are called showings. For instance, a 25-showing in Midland/Odessa requires 4 boards strategically placed in each community to deliver a minimum daily exposure of 25% of the market's population.

Bulletins are either permanent or rotary. The permanent bulletin is generally sold for a full year or more on an individual unit basis and is usually located in a high traffic area.

The Rotary bulletin is displayed at a location for 30 to 60 days and then moved to another location. Site locations for the year are determined and locked in at time of contract.

## Radio

Radio spot lengths are generally either :30 or :60, but can be :10 or :15. Be sure and ask each station what lengths it accepts. It is generally better (less expensive) to produce a spot that is accepted and can run on all stations you've selected in your media plan.

Most radio stations in larger markets have a unit price, which means it costs the same to run a :30 as it does a :60. Within the last couple of years, however, a major radio company has revised their rate cards and now have different rates for :30s and :60s. Be sure and specifically mention your spot length when requesting rates.

Radio is generally bought in dayparts. Basically, they are Morning Drive, 6 a.m. to 10 a.m., Monday through Friday; Daytime, 10 a.m. to 3 p.m., Monday through Friday; Afternoon Drive, 3 p.m. to 7 p.m., Monday through Friday; Evening, 7 p.m. to midnight, Monday through Sunday; and Saturday and Sunday Daytime, 10 a.m. to 3 p.m. Each Daypart usually has a different rate. Unless a very specific target audience is required, a cost-efficient buy would be 6 a.m. to 7 p.m., Monday through Friday.

Radio stations are ranked per demographics and dayparts. Ask your sales rep for Rankers and Cost-per-points (CPP). Obtain these from several stations and compare them.

## Television

In television, the most commonly purchased time is a :30 spot. A :60 spot is generally double the cost of a :30, and placement is limited. Previously, television stations have also sold :10 and :15 spots, but these are getting more difficult to purchase, due to limitations networks have put on local stations.

Television Dayparts are generally Early Morning, Daytime, Early Fringe, Early News, Prime Time, Late News and Late Night. Specific programming can be purchased at a higher rate, or rotators within a specific daypart.

Program performance is measured by ratings (the percentage of the target audience that the program reaches in that market). The sum of the individual ratings per program is referred to as GRPs (Gross Ratings Points).

Request Avails from each station. This is a list of all program availabilities, their unit cost, estimated rating points and cost per rating point from each station. The estimated ratings tell you which programs reach the most people and the cost-per-point (CPP) shows relative program efficiency.

Television rates are negotiable. The sales rep will want his rates to be competitive with the other stations so that he will get a portion of the buy. You can capitalize on this by comparing CPP for similar programs on the other stations and letting the rep know when his rates are not competitive.

### Cable

Cable reaches only subscribers and those are only in the city limits of the market. In markets that are undergoing major residential construction, be sure and ask your sales reps if all new neighborhoods are capable of receiving cable. Ask your sales rep for the penetration of cable in your market. This is a percentage of the total households who are cable subscribers.

Cable rates are lower and can provide higher frequency. Ask your sales rep for help in selecting networks that reach your target market.

### Broadcast

Although no longer required by the FCC, most larger market radio and television stations, as well as cable companies, still bonus non-profit organizations with no-cost spots. Depending on inventory, this could be a one for one bonus (one no-charge for each one purchased), or more commonly, one-for-two bonus (one no-charge for each two purchased).

The no-charge spots can run anytime, 24-hours a day, 7-days a week within the purchased flight dates.

### Conclusion

The amount of exposure your advertising receives among your target audience is an important element in an advertising campaign. It's most commonly described as reach and frequency----or delivery, which is the combination of both.

Reach refers to how many of your potential clients are covered by your media effort and is usually expressed as a percentage of your target audience. Frequency reflects the average number of times the consumer will see your advertising message.

Generally, budget constraints require you to determine a priority between reaching as many people as possible or repeating your sales message to a small, more select group. Establishing this priority will help you select the most appropriate media.