

MEDIA PLANNING AS A CONSPIRACY

It's difficult to explain why we spend as we do.

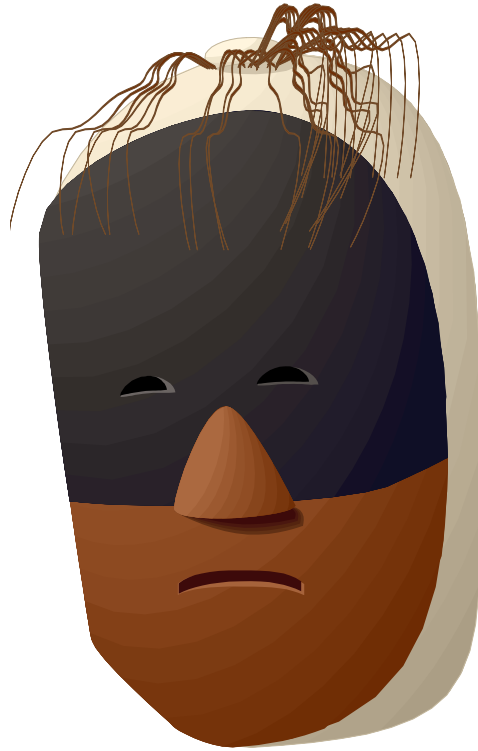
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How do we select media? That is a \$60 billion question we can't answer simply without sounding foolish or evasive. The media planning process isn't easy to explain.

If the brand has a significant budget we grandfather in Television, because we've always used it and it seems to work. Then we talk about "doing a good job" in that primary medium before moving on to the next, so there's usually no money left by then.

We can't in conscience say TV is the first medium we should use, or that it's the most cost-effective way to spend the money, because we don't know that it is. So we talk instead about reach and about sight, sound and motion, about the dynamite creative and about dealer expectations.

In short, we change the subject.



It's interesting that our business considers questions like "how do we select media?" naïve, if not rude, because smart people who know better don't ask that kind of question.

We seem to plan media as a conspiracy.

Media-mix optimizers may shake things up because they don't have our subtlety or our preconceptions about media. And they don't have to make it look like last year's plan. Optimizers just go with the numbers they're given.

One of the new mix-optimizer databases is Mentor from Knowledge Networks/SRI. It includes five media: TV, Radio, Magazines, Newspapers and the Internet.

65 Reach. Women 25-54		
	GRP's	% Dollars
Television	48	38
All Other	108	62
TOTAL	156	100

Sources: MultiMedia Mentor,
CPM's used from E P& E.

The table above shows what a Mentor optimization looks like using real marketplace CPM's. The most cost-effective mix for a 65 reach plan against Women 25-54, (the old P&G target and four-week reach goal), puts 62% of the dollars in Print, Radio and the Internet, 38% in television.

The same 65-reach goal for Men 18-to-34 splits 56% of the dollars between Radio, the Internet and Print and puts 44% in Television.

65 Reach. Men 18-34		
	GRP's	% Dollars
Television	24	44
All Other	123	56
TOTAL	147	100

Sources: MultiMedia Mentor,
CPM's used, EP&E.

The sobering thing about these Mentor-generated plans is they are both logical and unfamiliar. They use more different media.

This happens because the next GRP in any medium will usually contribute less reach than the last GRP, which produces the “diminishing returns” shape of the reach curve. That’s why optimizers build reach by adding new media.

Agreed optimizer plans are driven by low CPM’s and low CPM’s are not the ultimate goal. However there is evidence that the real brand goals, awareness, persuasion and response, achieved by a single medium are also subject to diminishing returns. This supports the idea that using a mix of media will make advertising work better.

So why the big difference between these optimized plans and the familiar ones with more dollars in Television? They both use the same CPM’s. The

answer is we knowingly, or unwittingly, deep discount the CPM's of other media. We behave as if their exposures have far less communication value than TV exposures. That's probably true, but we really do not know what those values are.



We've been asked that question before. In the 1970's during the first Golden Age of media-mix optimizers, (systems called LP, Compass, Mediac and HAMM), agencies were pushed to come up with media exposure values. At least half-a-dozen worked nervously on the problem, but their efforts were really an exercise in reverse engineering. We all hunted for numbers that would produce the familiar plans. Those numbers from the 1970's haunt our collective memory. Television at 100, other media from 65 to 10.

Today, 30 years later, the changes in relative media costs make the old numbers laughable. It would now take weights more like TV valued at 100, other media from 35 to five to let an optimizer create last year's plan. Perhaps it's time to reverse engineer again and unearth the hidden assumptions we plan on.

It might turn conspiracy into contrition.

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December 31, 2001