M&M’S: THE SWEET TASK OF MEDIA SELECTION

Can you remember the first time you ate M&M’s? Most probably cannot, because it happened so early in life. The M&M’s brand is one of the most famous and popular candies offered by Mars, Incorporated. Today, the brand enjoys an international presence that continues to grow.

M&M’s began with a global flavor. According to legend, Forrest Mars Sr. was in Spain visiting soldiers fighting the Spanish Civil War. He noted that they were eating pieces of chocolate that were encased in a hard sugary coating. Using this as inspiration, Mars returned to the United States and refined the recipe for M&M’s. The first packages were sold in 1941 in the United States. They were a favorite of many GIs serving in World War II. The original candies were sold in a cardboard tube. The famous brown and white label package didn’t emerge until the late 1940s.

The legend of M&M’s grew when colors were added to the original brown. In the 1960s, red, green, and yellow were created. Eventually, these and other colors developed into advertising spokescandies, including the egomaniac Red, the lovely female Green, the amazing Crispy Orange, Cool Blue, and, of course, nutty Yellow.

Red disappeared for a time from the M&M’s mix after some research suggested concerns about red food dye, even though the problem was not associated with M&M’s. In 1987, Red triumphantly returned, much to the joy of candy lovers around the world.

The advertising program for M&M’s has been long-lasting, noteworthy, and award-winning. Practically any baby boomer remembers the original M&M’s tagline: “Melts in your mouth, not in your hand.” Television advertisements have long been the staple of M&M’s. Using a natural tie-in with candy consumption at Christmas, an intense burst of M&M’s advertising takes place each December. Most of these ads include a guest visit from Santa.
The effectiveness of the M&M’s characters has allowed many additional forms of support advertising. Print ads featuring Red, Blue, Green, Yellow, and Orange are placed in magazines for both children and adults. The M&M’s Web site celebrates the characters, even offering a bio for each individual color. The characters are featured in a “Virtual Hollywood” site that includes M&M’s Studios. By 1996, the characters were more popular than Mickey Mouse and Bart Simpson. M&M’s merchandise, such as stuffed “candy” pillows, are available online and in other retail locations.

Several exciting advertising and promotional programs have been used to advertise the M&M’s brand. In 1998, M&M’s became the “Official Spokescandies of the New Millennium,” due, in part, to the good fortune of two “M”s (MM) being the equivalent of the Roman numeral for “2000.” Also in 2000, the official candy name switched from M&M’s Plain Chocolate Candies to M&M’s Milk Chocolate Candies, a major victory for Red, who supported the more accurate brand name.

During the tragedy of September 11, 2001, M&M’s were provided in a special package containing red, white, and blue colors only. The candies were distributed to rescue workers and others working near Ground Zero. Approximately $3 million of the proceeds from the sale of the limited edition were given to victims and survivors of the attacks.

At the close of 2004, all of the M&M’s lost their color on Dick Clark’s Rockin’ New Year’s Eve television show. The question was posed, “Will the colors come back?” Only black and white M&M’s were on the market for about 2 months. Then, the colors returned with a grand celebration, noting, “Chocolate is better in color!”

Beyond advertising in print, electronic, and television media, M&M’s are part of several charitable efforts. One is with the Special Olympics, in which a “Keep Wrappers...
to Keep Dreams Alive” promotion raised more than $1 million dollars for the charity. In 2003, M&M’s “Groovy Summer” program was used to support the Susan G. Komen Breast Cancer foundation. Special pink and white candies were created as part of the effort.

The future of M&M’s continues to be bright. Everything from a vote to choose a new color (purple won) to news that the candy flies on the Space Shuttle keeps M&M’s a popular, memorable, fun brand in the eyes of candy lovers around the world.1

If a tree falls in the forest, and no one is present, does it make a sound? This philosophical question has been asked for many years. In the world of advertising, one common problem is that too many “trees” fall as unheard and unseen advertisements. Successful marketing account executives help a firm identify target markets and then find media that reach the members of those markets, in both retail situations and business-to-business marketing efforts. Once they identify the right media, creatives design clever, memorable, exciting, and persuasive advertisements to help convince customers to purchase products.

This chapter explains the nature of advertising media selection. The topics include:

- The media strategy
- Media planning processes and the roles of the media planner and buyer
- Advertising objectives
- Media choices based on the advantages and disadvantages of each medium
- Media selection in business-to-business and international settings

Developing an advertising campaign within the framework of an integrated marketing communications program is a vital function that high-quality advertising agencies provide. Client companies depend on effective ads to attract customers and entice them into purchasing various goods and services. The goals are to build a firm’s image and to create a larger consumer base. Advertising media selection is an important element in this process. A review of the elements of the selection process follows.

**MEDIA STRATEGY**

One of the most important ingredients in matching an advertising campaign with the overall integrated marketing communications program is to prepare an effective media strategy. A media strategy is the process of analyzing and choosing media for an advertising and promotions campaign.

The average consumer reads or looks over only 9 of the more than 200 consumer magazines on the market. A radio listener usually tunes in to only 3 of the stations available in a given area. Television viewers watch fewer than 8 of the 30-plus stations available by cable or satellite, and average network prime-time ratings have declined by more than 30 percent throughout the last decade. Simply finding the right places to speak to potential customers is an increasingly challenging task (see the Communication Action box titled “Out with the Old: In with the New”).

Also, to make the account executive and media buyer’s jobs more difficult, prices for advertising time or space have not gone down and often have risen. Client budgets for advertising have not kept up with inflation, yet there are stronger demands for results and accountability. The marketing team faces many difficulties as they seek to provide the right media outlets for the company.

Once the media strategy is in place, other aspects of media selection can proceed. The first step is to prepare a thorough media planning program containing the firm’s advertising objectives.
COMMUNICATION ACTION

Out with the Old: In with the New

To be successful in advertising in today’s global market, many marketing teams must change their views of advertising. The old advertising model had three distinct concepts. The first was the idea that a “mass market” exists and can be reached through effective broadcast advertising. Second, the old model suggests that segmentation based on demographic factors such as age, income, gender, and education is sufficient to be able to create effective ads. Third, with enough repetition and reach to the mass markets, favorable impressions can be made. An analysis of the typical advertising budget using the old model shows the majority of advertising dollars spent on network television aimed at a mass audience with the goal of building brand equity, whereby consumers are led to believe that a given product or company has a distinct advantage in the marketplace. This perspective views brand awareness as the key, because it is the first step toward higher levels of brand equity. Therefore, advertisers felt regional and local advertising was not necessary. They were also not very interested in other media channels.

A revised view of advertising suggests a mass-appeal ad is not likely to be effective. Further, merely knowing a target market’s demographic makeup is not sufficient, and using only network television does not automatically result in brand awareness, brand equity, and brand loyalty. The new method of advertising campaign development is based on the idea that it takes a more integrated approach based on an in-depth understanding of the target market. In addition to demographics, it is essential to know the lifestyles of the members of a target market, how these consumers think, what their opinions are, and to have a solid understanding of their media habits.

This new approach emerged when consumers became more sophisticated as they became exposed to a greater number of media outlets. Increased clutter created a highly refined ability to tune out ads and messages. To counter this tendency, the advertising agency chooses spots, magazine placements, newspaper sections, Internet links, and billboard locations based on the customer’s strongest interests. In those situations, the individual is more likely to listen to, watch, or read an ad and actually process the information. The old method is simply “zapped” too easily, as consumers become increasingly better at ignoring mass-appeal approaches.


MEDIA PLANNING

Media planning begins with a careful analysis of the target market. While developing the media plan, it is important to:

- Focus on consumer behavior
- Create plans that reflect the consumer’s (or business’s) purchasing process
- Influence consumers in the marketplace

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One method of addressing media planning is to study the media choices that members of a specific, defined target market might make during the course of a day. Some of the more common are listed in Figure 8.1.

Specific details of this type are extremely valuable when developing a media strategy. Simply knowing demographic information such as age, sex, income, and education is not enough to determine the media habits of a person in a target market. Information about the viewing patterns of customers helps the marketing team design messages that appeal to the right people. The message can also be made available at the best times and in the best places.

No two media plans are alike. Each plan should integrate the overall IMC strategy with specific marketing tactics. The typical components of a media plan include the following elements:

- A marketing analysis
- An advertising analysis
- A media strategy
- Media scheduling
- Justification and summary

A marketing analysis is a comprehensive review of the fundamental marketing program. It includes a statement of current sales, current market share, and prime prospects to be solicited (by demographics, lifestyle, geographic location, or product usage). These elements should reflect a compatible pricing strategy based on the product, its benefits and distinguishing characteristics, and an analysis of the competitive environment.

An advertising analysis states the fundamental advertising strategy and budget to be used in meeting advertising objectives. The media strategy spells out the media to be used and the creative considerations. The media schedule notes when ads will appear in individual vehicles. The justification and summary states the measures of goal achievement. It also states the rationale for each media choice. Each of the media plan’s elements is described in greater detail in the upcoming sections.

Several individuals are involved in media planning. In addition to account executives and creatives, most agencies utilize media planners and media buyers. In smaller agencies, the media planner and media buyer can be the same person. In larger companies, they usually are different individuals. A discussion of the main tasks performed in these positions follows.

**Media Planners**

The media planner formulates a media program stating where and when to place advertisements. Media planners work closely with creatives, account executives, agencies, and media buyers. It is important for the creative to know which media will be...
used. The choices have a major impact on how advertisements are designed. Television ads are constructed in a different way from radio or newspaper ads.

Media planners provide extremely valuable functions and are in high demand. The issue of accountability for advertising results combined with need to create a “return on investment” of marketing dollars has led to a shift in more power now being held by the media buying side and less held by the creative side. Media planning drives much of the strategic planning process as advertising and marketing campaigns are developed. Marketing experts at companies such as Procter & Gamble and Unilever consider media planning to be the heart of a communications strategy. In the Unilever division of P&G, the first step is to set brand priorities and objectives. Next, a media channel communications plan is agreed upon before the actual communications plan and creative brief are prepared. The challenge for media buyers in this environment, according to Carl Fremont of worldwide media services company Digitas, is “to integrate marketing messages across a range of media, and sometimes this involves working with several agencies to accomplish the client’s goals.”

In most instances, the media planner conducts research to help match the product with the market and media. If a product’s target market is 18- to 25-year-old males with college degrees who love the outdoors, then the media must have a high percentage of its audience in the 18- to 25-year-old, male, college-educated, outdoor category. It is no accident that a fishing magazine contains advertisements for a bass boat and fishing gear next to articles about the summer feeding habits of bass and other fish. A successful media planner identifies these ideal locations for the client’s advertisements. The New Balance running shoe ad on this page was placed in *Runner’s World* near an article about running. The media plan should be designed to find the best ways to reach the client’s customers.

Part of the media planner’s research is devoted to gathering facts about various media. This includes newspaper and magazine circulation rates and demographic groups other media reach. Besides demographic information, media planners want to know as much as they can about the lifestyles, opinions, and habits of each medium’s audience. For instance, the audience for a television show may be quite different from those of a radio station or a magazine. Careful research improves the chances of selecting appropriate media for the campaign.

Almost everyone has heard of S.O.S. soap pads. A few years ago, however, S.O.S. sales had begun to decline. The product was no longer the top-of-mind brand for many consumers. The task of rebuilding awareness for the S.O.S. soap pads in Canada was assigned to the Palmer Jarvis DDB agency. The agency’s media planners began by examining the media habits of the primary target market for S.O.S. soap pads. The group consisted of women, ages 35 to 54, who work, have kids, and are in a busy, active household. Women in this target group are heavy magazine readers. They have interests in home décor, entertaining, gardening, and cooking. As a result, media buys were made in *Canadian Living, Cooking at Home, Canadian House & Home*, and *Homemaker’s*. These magazines were the best match of product, market, and media habits of the main consumer group.
Media Buyers

After the media are chosen, someone must buy the space and negotiate rates, times, and schedules for the ads. This is the work of the media buyer. Media buyers stay in constant contact with media sales representatives. They have a great deal of knowledge about rates and schedules. Media buyers also watch for special deals and tie-ins between different media outlets (e.g., radio with television, magazines with the same owner, etc.).

To ensure that promotional dollars are spent wisely, the media planner works with the media buyer, the creative, and the account executive in the design of an advertising campaign. Each plays a critical role in the development of an integrated marketing communications program. The challenge of coordinating the efforts of these individuals intensifies when they are from different companies.

The size of the advertising agency or media buying firm alone does not ensure effective media purchases. Although it would seem logical to assume that larger agencies have greater bargaining power with media outlets, it is not always true. There is little connection between the size of an advertising firm and the prices they can negotiate. In fact, in one study the differences in media costs were based on the time the actual purchase was made (closer to the day the ad was to run) rather than the size of the agency.\(^8\) Other major factors in cost differences are knowledge of the marketplace and the ability to negotiate package deals. Spot television media plans vary by as much as 45 percent in the price of the spot.

A spot ad is a one-time placement of an ad on a local television station. Rates are negotiated individually by the times ads appear with individual stations. For example, a media plan costing one firm $10 million can cost another firm $15.3 million. Radio time slots vary by as much as 42 percent and national print ads by as much as 24 percent.\(^9\)

More importantly, differences in effectiveness of advertising are often related to:

- Quality media choices (the right ones) made by each agency
- Creativity
- Financial stewardship (“bang” for your advertising buck)
- Agency culture and track record
- Computer systems to analyze data
- Relationships between the agency and the medium’s sales representative

The negotiated price is only one element in the success of an advertising program. Effectiveness in advertising is also determined by quality of the selections made by the marketing team and the content of the ad itself. Media should be selected and purchased with specific advertising objectives in mind. These goals assist marketing team members in choosing the right media and combining them effectively to achieve the desired results.
ADVERTISING OBJECTIVES

In selecting media, it is important to review the communications objectives established during the development of the IMC program. These objectives guide media selection decisions as well as the message design (see Chapters 6 and 7). Several concepts or technical terms are used in media objectives, including:

- Reach
- Frequency
- Opportunity to see (OTS)
- Gross rating points
- Cost per rating point
- Cost
- Continuity
- Impressions

These ingredients are the key features of an advertising program. **Reach** is the number of people, households, or businesses in a target audience exposed to a media vehicle or message schedule at least once during a given time period. A time period is normally 4 weeks. In other words, how many targeted buyers did the ad reach?

**Frequency** is the average number of times an individual, household, or business within a particular target market is exposed to a particular advertisement within a specified time period, again, usually for 4 weeks. Or, how many times did the person see the ad during the campaign? A regular viewer sees the same ad shown each day on *Hollywood Squares* more frequently than an ad shown once on *The Apprentice*, even though the program has a far greater reach. In media planning, instead of frequency, **opportunities to see (OTS)** is commonly used. Opportunities to see refer to the cumulative exposures achieved in a given time period. For example, if a company places two ads on a television show that is televised weekly, then during a 4-week period there are 8 OTS (4 shows x 2 ads per show).

**Gross rating points (GRP)** are a measure of the impact or intensity of a media plan. Gross rating points are calculated by multiplying a vehicle’s rating by the OTS, or number of insertions of an advertisement. GRP gives the advertiser an idea about the odds of the target audience actually viewing the ad. By increasing the frequency, or OTS, of an advertisement, the chances of a magazine reader seeing the advertisement increase. It makes sense that an advertisement in each issue of *Time* during a 4-week period is more likely to be seen than an advertisement that appears only once in a monthly periodical.

**Cost** is a measure of overall expenditures associated with an advertising program or campaign. Another useful number that can be calculated to measure a program’s costs is its **cost per thousand (CPM)**. CPM is the dollar cost of reaching 1,000 members of the media vehicle’s audience. The cost per thousand is calculated by using the following formula:

\[
\text{CPM} = \frac{\text{Cost of media buy}}{\text{Total audience}} \times 1,000
\]

Table 8.1 shows some basic cost and readership information. The first three columns of the table provide the name of the magazine, the cost of a 4-color full-page advertisement, and the magazine’s total readership. The fourth column contains a measure of the CPM of each magazine. The cost per thousand (CPM) for *National Geographic* is $16.44. This means that it takes $16.44 to reach 1,000 *National Geographic* readers. Notice the CPM for *Sports Illustrated* is $71.11 and for *Travel & Leisure*, $83.09. The readership of *Travel & Leisure* is the lowest, and yet its CPM is the highest of all eight magazines. In terms of cost per thousand readers, the best buy is *Southern Living*, at only $1.98 per thousand.

Another cost calculation can be made besides CPM. One critical concern is the cost of reaching a firm’s target audience. Therefore, a measure called the **cost per rating**
point (CPRP) was developed. The cost per rating point is a relative measure of the efficiency of a media vehicle relative to a firm’s target market. Ratings measure the percentage of a firm’s target market that is exposed to a show on television or an article in a print medium. To calculate the cost per rating point, the formula is

\[
\text{CPRP} = \frac{\text{Cost of media buy}}{\text{Vehicle’s rating}}
\]

Table 8.1 ratings were generated for potential buyers of a 35 mm camera (see the case at the end of this chapter). The table shows the CPRP for National Geographic is $21,496. This is the average cost for each rating point or of each 1 percent of the firm’s target audience (35 mm camera buyers). Not all readers of a magazine are part of the firm’s target market. The CPRP more accurately measures an advertising campaign’s efficiency than does CPM. Notice that the CPRP is the lowest for National Geographic, Southern Living, and U.S. News & World Report.

CPRP provides a relative measure of reach exposure in terms of cost. For example, it costs $21,496 to reach 1 percent, or 200,000, of the 20 million in this firm’s target market using National Geographic. To reach 1 percent, or 200,000, using Sports Illustrated costs $91,994. To reach 1 percent, or 200,000, using Southern Living costs only $4,738. Because Southern Living is so efficient, why wouldn’t a media planner just do all of the advertising in that magazine? The answer lies in the rating for Southern Living. Advertising in only that magazine reaches just 2.4 percent of the target audience, meaning 97.6 percent of the target market does not read Southern Living. Thus, another magazine or media outlet is necessary to reach them. This example explains why diversity in media is essential to reach a large portion of a firm’s target market.

To further study whether or not an ad has reached the target market effectively, a weighted (or demographic) CPM figure may be calculated, as follows:

\[
\text{Weighted CPM} = \frac{\text{Advertisement cost} \times 1,000}{\text{Actual audience reached}}
\]

For example, if the cost of an advertisement in Sports Illustrated is $115,000, and the magazine reaches 4,200,000 readers, the standard CPM would be $27.38. If the ad targets parents of Little League baseball players, and research indicates that 600,000 of Sports Illustrated’s readers are Little League parents, the result would be:

\[
\text{Weighted CPM} = \frac{115,000 \times 1,000}{600,000} = 191.66
\]
This figure could be compared to figures for Sporting News, ESPN Magazine, and other sports magazines.

Continuity is the exposure pattern or schedule used in the ad campaign. The three types of patterns used are continuous, pulsating, and discontinuous. A continuous campaign uses media time in a steady stream. The Skechers ad shown on this page could be presented on a continuous schedule. To do so, the media buys would be for ad space in specific magazines for a period of 1 to 2 years. By using different ads and rotating them, readers will not get bored because they will see more than one ad for the same product. A pulsating schedule means there is a minimal level of advertising at all times but there are also increases in advertising at periodic intervals. A retailer such as JCPenney might advertise throughout the year but increase the number of advertisements in small, short bursts around holidays, including Christmas, Thanksgiving, Memorial Day, Labor Day, Mother’s Day, Father’s Day, and Easter. The goal of pulsating advertising is to reach consumers when they are most likely to make purchases or buy special merchandise, such as during the holiday shopping season. Thus, a Blockbuster advertisement just prior to Christmas can encourage consumers to purchase Blockbuster gift cards. A flighting (or discontinuous) campaign schedule places advertisements at special intervals with no advertising between. A ski resort is following a flighting advertising schedule when it runs several ads during the fall and winter seasons but none during the spring and summer.
The final objective advertisers consider is the concept of impressions. The number of gross impressions is the total exposures of the audience to an advertisement. It does not take into consideration what percentage of the total audience may or may not see the advertisement. Table 8.1 indicates that the total readership of National Geographic is 21,051,000. If six insertions were placed in National Geographic, multiplying the insertions by the readership would yield a total of 126 million impressions.

ACHIEVING ADVERTISING OBJECTIVES

One continuing issue facing advertisers is deciding how many times a person must be exposed to an ad before it has an impact. Most agree that a single exposure is not enough. Discovering the actual number has inspired a great deal of debate. Some argue it takes three exposures. Others say as many as 10. The basic rule, developed by Herbert Krugman, states that it takes a minimum of three exposures for an advertisement to be effective. This is the three-exposure hypothesis. Most media planners have assumed it for many years.\(^{11}\)

Now, many advertisers think three exposures are not enough to create an impression in the consumer’s mind, primarily because of the amount of clutter that exists. Clutter also affects the types of objectives firms try to accomplish. For instance, increasing brand awareness is usually easier than building brand image. Attention-getting is easier than holding someone’s interest long enough to make a point about the firm’s image. Also, a well-known brand that is the first choice of the majority of consumers can accomplish its objective with fewer ad exposures than a less well-known brand.

Seeking to discover the minimum number of exposures needed to be effective is based on two concepts: effective frequency and effective reach. Effective frequency refers to the number of times a target audience must be exposed to a message to achieve a particular objective. Effective reach is the percentage of an audience that must be exposed to a particular message to achieve a specific objective. The concept of effective reach implies that some minimum number of exposures exists.

Effective frequency and effective reach are crucial. Too few exposures means the advertiser will fail to attain its intended objectives. On the other hand, too many exposures wastes resources. The goal is to discover the optimal reach and frequency mix to accomplish the intended objectives without experiencing diminishing returns from extra ads. Remember that the optimal mix for an objective dealing with brand recognition is different than if the objective involved is brand recall.

When the objective is to increase brand recognition, the emphasis will be on the visual presentation of the product and/or logo. The goal is to create or strengthen a linkage in the person’s knowledge structure between the brand and other nodes of knowledge that already exist. Rather than have the individual recall the brand name from memory, the advertiser wants the person to recognize the brand name and logo at the retail store or in an advertisement. In this situation, advertisers want to increase reach, exposing a maximum percentage of the target audience to the brand’s name, logo, and selling point. Media that are good at maximizing reach include television, billboards, magazines, the Internet, and direct mail.\(^{12}\)

When the objective is to increase brand recall so the brand name becomes a part of the person’s evoked set, then frequency is more important than reach. Repetition is required to embed a brand name in the consumer’s cognitive memory. Repetition increases the odds that a particular brand will come to mind when a person thinks about a product category. The more often a consumer hears the brand name, the greater the probability it will be remembered. When the name of a restaurant is mentioned seven times in a 30-second commercial, it is more likely the name will be remembered than if it is stated only once or twice. In terms of media selection, television, radio, newspapers, and the Internet offer the potential for high frequency.\(^{13}\)

Other elements can also enhance effective frequency and effective reach. They include the size, placement, and the length of an ad. A small magazine advertisement does not create the same impact as a larger ad. In television advertising, a spot in the middle of an ad sequence usually has less of an impact than the ads shown at the beginning.
and end of the series. If a firm uses 15-second television ads, effective frequency may require six exposures. In comparison, a longer 45-second spot may only require only four exposures to be remembered.

Another important factor that affects these objectives is the number of different media used in an advertising campaign. In general, a campaign featuring ads in two types of media, such as television and magazines, has greater effective reach than a campaign in only one medium, such as magazines only. A recent survey of Australian automobile buyers indicated that for customers of a particular car manufacturer or dealership, newspaper advertising was the most popular method for receiving promotional information followed by direct mail. For noncustomers of a particular auto brand, however, television was rated as the most preferred source of promotional information, followed closely by newspapers and direct mail. The media mix is described in greater detail later in this chapter.

In recent years, numerous media companies have designed computer models to optimize reach and frequency. One of the more popular is Nielsen SAVE. The program examines cable TV alternatives and calculates the value of each using criteria such as Nielsen TV audience data (ratings), product purchasing information, customer preference cluster data, and specific systems data. Another version, ADPlus software, combines reach and frequency information with media mix information, budgeting data, and customized information for the individual advertiser. Adware provides Arbitron and Nielsen rating information, calculates media costs, and is designed to project GRP.

These and other software programs help the marketing team evaluate effective reach and frequency. They are based on probability theory. The programs help the marketing team allocate advertising dollars and may also show where interaction effects are present. An interaction of an attention-getting television ad with a magazine ad with copy explaining a product’s features may have a synergistic effect. This means the ads in two media work together and are more potent than the impact of either ad alone.

**Recency Theory**

A new theory concerning reach and frequency challenges the traditional three-exposure hypothesis. The approach, called recency theory, suggests that a consumer’s attention is selective and focused on his or her individual needs and wants. The traditional three-exposure hypothesis is based on the intrusion value of advertisements and the idea that advertisements can make an impact on an audience regardless of individual needs or wants. Intrusion value is the ability of media or an advertisement to intrude upon a viewer without his or her voluntary attention.

Recency theory states that consumers have selective attention processes as they consider advertisements. They give the most attention to messages that might meet their needs or wants. The closer or more recent an ad is to a purchase, the more powerful the ad will be. Also, when a consumer contemplates a future purchase of the product being advertised, it becomes more likely that the consumer will pay attention to and react favorably toward the ad. This means that a member of a buying center from a business in the market for a new copier will more readily notice copier advertisements. An individual who is not in the market for a copier ignores the same ad. The same is true in consumer markets: An individual needing a new pair of jeans notices clothing ads, especially ones that feature jeans.

Recency theory suggests that it is a waste of money when ads reach either individuals or businesses that are not in the market for a particular product or have no interest in it. Advertisers should carefully target ads to individuals who want or need a firm’s goods and services. In other words, advertising life insurance to teenagers wastes promotional
funds. At the same time, advertising supplemental health insurance to the elderly on social security is highly likely to be noticed and have a profound impact on that target market.

One primary difference in recency theory is the idea that one ad exposure is enough to affect an audience when that person or business needs the product being promoted. Additional exposures actually may not be necessary. The advertising strategy that matches recency theory spreads the message around using a variety of media, each one providing only one exposure per week or time period. In the case of selling supplemental health insurance to the elderly, magazines such as Senior Living, televisions spots on local news and weather programs, and newspaper ads close to the obituary section can quickly reach the target audience in a cost-effective manner. Such an approach, which maximizes reach, accomplishes more than increasing frequency.

In the business-to-business arena, applying recency theory means that ads should appear in a number of outlets rather than running a series of ads in one trade journal. Many times, a number of individuals are members of the buying center. Each has different interests and responsibilities. To make sure each one sees the ad, placing ads in all of the journals that might be read by a given buying center member is the secret to success. To facilitate the purchasing process for a company seeking to buy an audioconferencing system, the media buyer purchases space in trade journals, human resource journals, sales journals, and business journals. This increases the odds that the message will effectively reach various members of the buying center. Recency theory suggests that one exposure might be enough for each member, because the member is looking for information and is ready to make a purchase decision. To reach business personnel while traveling, Polycom recently placed an advertisement in the Delta Airline’s Sky magazine, because of the higher odds that more than one buying center member might see the ad while flying with Delta.

Once the media buyer, media planner, account executive, and company leaders agree about basic objectives of the advertising campaign, they can select the actual media. Marketing experts consider each medium’s distinct pros and cons as well as logical (and illogical) combinations of media. The next section examines media that an advertising program can use, leading to the final selection of media for the company’s campaign.

**MEDIA SELECTION**

There are many choices of advertising media. Effectively mixing these media is an important part of designing quality advertising. To do so, the advantages and disadvantages of each individual medium must be understood so that an advertising campaign features successful combinations.
It also helps to know how attentive consumers are to various media. The degree of attention varies considerably. Factors such as the target audience, product category, and media programming all affect how closely an ad is watched. A recent study conducted by MediaVest USA sheds some light on the how attentive consumers are to brand messages in different methods of communication. Word-of-mouth messages were at the top of the list. Of the survey sample, 63 percent said they pay more careful attention to brand messages conveyed by word-of-mouth. Second was sampling (45%), followed by in-store messages (32%), and mass media advertisements (27%). Mass media includes TV, radio, newspapers, magazines, and outdoor advertising. The complete list is displayed in Figure 8.2.

### Television

For many years, television held the reputation of being the most glamorous advertising medium. A company featuring a television advertising campaign enjoyed a more prestigious reputation. To some, television advertising is still the best option. It is wise, however, to carefully consider whether or not a television advertisement is the optimal medium.

Table 8.2 lists the advantages and disadvantages of television advertising. As shown, television offers advertisers the most extensive coverage and highest reach of any of the media. A single ad can reach millions of viewers simultaneously. Even though total cost of running the ad is high, the cost per contact is relatively low. This low cost per contact justifies, for example, spending $2.5 million for a 30-second spot on the Super Bowl.

Further, television has the advantage of intrusion value, which is the ability of a medium or advertisement to intrude upon a viewer without his or her voluntary attention. Television ads with a catchy musical tune, sexy content, or humor can quickly grab a viewer’s attention. Television provides many opportunities for creativity in advertising design. Visual images and sounds can be incorporated to capture the viewer’s attention and present persuasive messages. Products and services

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**Figure 8.2** Percentage Indicating They Are “Very Attentive” to Brand Messages by Various Media


<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. High reach</td>
<td>1. Greater clutter</td>
</tr>
<tr>
<td>2. High frequency potential</td>
<td>2. Low recall due to clutter</td>
</tr>
<tr>
<td>3. Low cost per contact</td>
<td>3. Channel surfing during commercials</td>
</tr>
<tr>
<td>4. High intrusion value (motion, sound)</td>
<td>4. Short amount of copy</td>
</tr>
<tr>
<td>5. Quality creative opportunities</td>
<td>5. High cost per ad</td>
</tr>
<tr>
<td>6. Segmentation possibilities through cable outlets</td>
<td></td>
</tr>
</tbody>
</table>

---

TABLE 8.2

Television Advertising
can be demonstrated on television in a manner not possible in print or using radio advertisements.

Clutter remains the primary problem with television advertising, especially on syndicated programs. The average for syndicated programs is 13 minutes and 56 seconds of commercials per hour. Among the broadcast networks, ABC runs the most nonprogramming materials. ABC shows 12 minutes and 29 seconds of nonprogramming materials per hour. CBS has the lowest rate at 11 minutes and 17 second per hour. On the cable side, Headline News shows more commercials than syndicated programs. The rate is 14 minutes and 51 seconds per hour. Other cable channels high on the list are E!, TBS, and MTV. On average, a 30-minute television program is packed with between 12 and 15 commercials. Many viewers switch channels during these long commercial breaks. Thus, messages at the beginning or near the end of the break have the best recall. Those in the middle often have virtually no impact. Therefore, clutter makes it difficult for a single message to have much influence.

Television commercials have short life spans. Sixty-nine percent of the national ads produced during the past year were 30-second ads. Occasionally an advertiser purchases a 15-, 45- or 60-second ad, but those are rare. Another disadvantage of television is the high cost per ad not only for the media time but also in terms of production costs. Outstanding commercials often are expensive to produce. The average cost to produce a 30-second national ad is $358,000. Production fees account for the largest portion of the cost, an average of $236,000. Other costs include director fees ($23,000), editing and finishing the ad ($45,000), and creative/labor fees and music ($34,000).

Another disadvantage of television advertising is that the spots are shown so frequently that they can quickly lose the ability to attract the viewer’s interest. Companies are forced to replace the ads with something new before consumers get tired of them and tune them out. At the same time, the marketing team wants to run an ad long enough to recover the production costs.

In recent years, choosing the best television advertising outlets for an ad has become more challenging. A variety of options exist. Advertisers try to select the programs and channels that are most likely to be viewed by members of the target market audience. It is advisable to match a firm’s target audience with specific shows. Each television network and each television show tends to attract a specific type of audience. A cable television program can provide a well-defined audience consisting of a more narrowly defined target market.

To gain a quick sense of how well an advertisement fared in terms of reaching an audience, a given program’s rating can be calculated. The typical ratings formula is:

\[
\text{Rating} = \frac{\text{Number of households turned to a program}}{\text{Total number of households in a market}}
\]

In the United States, the total number of households with television sets is approximately 109.7 million. To calculate the rating of an episode of *American Idol*, if the number of households tuned to the season finale 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 *American Idol* aired, the share would be:

\[
\text{Share} = \frac{\text{Number of households tuned to American Idol}}{\text{Number of households with a television turned on}} = \frac{17,800,000}{71,000,000} = 25
\]
A 16.2 rating would mean 16.2 percent of all televisions in the United States were tuned to *American Idol*. A 25 share means 25 percent of the households with a television actually turned on were watching the program.

Of course, there is no guarantee that the viewers saw the commercial. Ratings and share are only indicators of how well the program fared against the competition. They are used to establish rates for advertisements. The higher a show’s rating over time, the more that is charged for an advertisement. For example, *American Idol* had a rating in March 2005 of 16.2, and a 30-second spot cost $658,333. *Survivor* had a rating of 10.8 with a 30-second ad costing $412,833. Figure 8.3 provides the cost and ratings of other TV shows.

The primary organization that calculates and reports rating and share is the ACNielsen. The company also provides local channel information regarding shares of stations in local markets known as designated marketing areas (DMAs). Data gathering techniques used by Nielsen include diaries written by viewers who report what they watched, audience meters that record what is being watched automatically, and people meters that allow the viewing habits of individual members of families to be tracked.

These numbers can be further refined to help advertisers understand whether an advertisement reached a target market. Within rating and share categories, the viewers can be subdivided by certain demographics, such as:

- Age
- Income
- Gender
- Educational level
- Race or ethnic heritage

Organizations that prepare this kind of information include Nielsen Media Research; Starch INRA; Hooper, Inc.; Mediamark Research, Inc.; Burke Marketing Research; and Simmons Market Research Bureau. An advertising team may find it extremely helpful to know that viewers of *The West Wing* tend to be college-educated, older than the age of 40, and have annual incomes of more than $50,000. If psychographic information can be added in (such as that the show is mostly watched by people who voted for Democrats in the previous election), then the advertiser has a good sense of whether this is the best audience for a given advertisement or campaign.

For local and regional advertisers, spot TV is the best option for television advertising. In many cases national brands supplement national commercials with spot TV purchases in select markets. Media planners do this primarily because of the high cost of national ad time and because 75 percent to 80 percent of prime-time slots are sold out during the spring, shortly after they go on the market. By selecting local early news, late news, and local prime access, a media planner can generate higher GRP at a lower cost than if only national ad time is purchased.

Two measures, called the *brand and category development indices* (BDI and CDI), can be used to help pick spot TV times. The *brand development index* is the market’s percentage

<table>
<thead>
<tr>
<th>TV Show</th>
<th>Cost (30-Second Ad)</th>
<th>Nielsen Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>American Idol</em></td>
<td>$658,333</td>
<td>16.2</td>
</tr>
<tr>
<td><em>Survivor</em></td>
<td>$412,833</td>
<td>10.8</td>
</tr>
<tr>
<td><em>CSI: Miami</em></td>
<td>$374,231</td>
<td>10.0</td>
</tr>
<tr>
<td><em>Everybody Loves Raymond</em></td>
<td>$315,850</td>
<td>9.8</td>
</tr>
<tr>
<td><em>Two and a Half Men</em></td>
<td>$249,017</td>
<td>9.6</td>
</tr>
<tr>
<td><em>Law and Order</em></td>
<td>$227,500</td>
<td>8.3</td>
</tr>
</tbody>
</table>

*Figure 8.3* Cost of a 30-Second Ad and Nielsen Rating

of sales of a particular brand divided by the percent that local market represents of total U.S. households. The category development index is the particular market’s percentage of a category sales divided by the percent of the market’s share of the U.S. households. To illustrate, the city of Miami has 1.4 percent of the total U.S. population. To calculate the BDI and CDI for a product such as Ivory bar soap, several figures are needed. First, 4.6 percent of Ivory’s total U.S. sales occur in Miami. This yields a BDI of 329 (4.6/1.4). The category sales of bar soap in Miami are 3.3 percent of total U.S. sales of bar soap. This makes the CDI 236 (3.3/1.4). The BDI and CDI indices indicate that Ivory has a higher percentage of the total bar soap of the Miami market than it does in other U.S. markets. This information can then be compared to sales figures in other markets in order to gain a sense of where Ivory is doing well and where sales are less strong.

Another factor that may be considered before making a decision to purchase spot TV time to buy in Miami is trend information. If the BDI has been declining during the last few months or years, additional spot TV time may be purchased to reverse the declining trend. On the other hand, if the trend analysis shows a steady market share or increasing market share, Ivory’s marketing team may reduce spot TV time in Miami and shift those advertising dollars to other local markets where sales are less robust.

In general, television still has a wide audience that has a great appeal for companies selling goods and services with general target markets. These markets include most durable goods (washers, dryers, cars, etc.), staple items (detergent, soap, deodorant), general appeal products (snack foods, beers, soft drinks, and Internet sites), and various luxuries marketed to larger groups (cruise ships, theme parks, and credit cards).

Business-to-business advertisers use television for several reasons. First, it is becoming more difficult to reach members of the business buying center, and they do watch television. Second, increased ad clutter in trade journals and traditional business outlets makes television spots a more desirable alternative. Third, business advertisements now use more emotional appeals, and television can portray emotions effectively. Fourth, because the importance of a strong brand identity is a growing factor in the business-to-business sector, television ads can be a source of brand identity. Finally, television is an excellent medium to reach members of the buying center when they are not preoccupied with other business concerns. Consequently, they may be more open to advertising messages.

Radio

Radio is not as glamorous as television. It is more difficult to attract talented creatives to prepare radio ads. At the same time, a well-placed, clever ad is a one-on-one message (announcer to driver in a car stuck in traffic). Many smaller local companies still heavily rely on radio advertising, and most radio ads are produced locally and with small budgets. Table 8.3 summarizes the advantages and disadvantages of radio advertising.

Radio offers several advantages to advertisers. Skillful radio advertisers help the listener remember the message by creating a powerful image to visualize or by using repetition. It is

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Recall promoted</td>
<td>1. Short exposure time</td>
</tr>
<tr>
<td>2. Narrow target markets</td>
<td>2. Low attention</td>
</tr>
<tr>
<td>3. Ad music can match station’s programming</td>
<td>3. Few chances to reach national audience</td>
</tr>
<tr>
<td>4. High segmentation potential</td>
<td>4. Target duplication when several stations use the same format</td>
</tr>
<tr>
<td>5. Flexibility in making new ads</td>
<td>5. Information overload</td>
</tr>
<tr>
<td>6. Able to modify ads to fit local conditions</td>
<td></td>
</tr>
<tr>
<td>7. Intimacy (with DJs and radio personalities)</td>
<td></td>
</tr>
<tr>
<td>8. Mobile—people carry radios everywhere</td>
<td></td>
</tr>
<tr>
<td>9. Creative opportunities with music and other sounds</td>
<td></td>
</tr>
</tbody>
</table>
important to help the consumer move the ad from short-term to long-term memory. Various sound effects and lively memorable tunes assist in this process. Through repetition a person hears an advertisement often enough to assist in recall—just like repeating a phone number or e-mail address helps you remember numbers or letters.

A radio station has definable target markets based on its format. Certain formats (talk radio, lite mix, oldies, etc.) attract similar audiences throughout the United States. This means a firm can advertise on a certain type of station across the country. Campbell’s found radio spots were an effective way to promote its Chunky Soup using a tie-in with the National Football League. The company advertised on sports stations with primarily male audiences and featured professional football players praising Chunky Soup.21

Radio has become a viable alternative for reaching Hispanic Americans. Hispanics tend to listen to radio more than the general population. Many stations have been converted to Spanish. Currently there are more than 600 Spanish-speaking radio stations reaching more than 95.5 percent of all Hispanics age 12 and older. National advertising on Hispanic stations has increased by double digits as more companies realize radio offers an effective medium for this target market group. The Miller Brewing Company recently signed a $100 million deal with Univsion. The package included radio, TV, and online advertisements aimed at the Hispanic market.22 Miller Brewing integrated the TV, radio, and online ads to reflect messages that were specially designed for Hispanics.

Radio advertisers can also examine the rating and share of a program as well as the estimated number of people listening to a program. The primary organization that calculates these numbers for local stations is Arbitron. Radio’s All-Dimension Audience Research (RADAR) reports ratings for national radio networks.

Radio stations offer considerable flexibility and a short lead time. Commercials can be recorded and placed on the air within a few days and sometimes within hours. Ads can be changed quickly. This is especially helpful in volatile markets or in the retail sector for companies that want to change the items featured on sale. Radio can help a national company to modify advertisements to fit local conditions. In other words, a manufacturer can develop one national advertisement and change it for each dealer or retailer that carries the manufacturer’s merchandise. General Motors offered its 3,800 U.S. dealers nationally produced radio spots to advertise the GM certified brand of used vehicles. The national ad was higher quality than can usually be produced locally and provided consistency across the United States for GM. Local dealers can customize the spots with local information, such as the dealer’s address, phone number, or Web site.23

Another major advantage of radio is intimacy. Listeners often feel personally close to some DJs and radio personalities. This closeness grows over time. Listening to the same individual becomes more personal and intimate, especially if the listener has a conversation with the DJ during a contest or when requesting a song. The bond or intimacy level gives the radio personality a higher level of credibility and an edge to goods and services the radio celebrity endorses. No other medium offers this advantage.

Elizabeth Arden used radio to launch the Skinsimple brand skin-care line of products. Dollar sales of Skinsimple increased by an average of 18 percent in the 3 weeks following the run of radio advertisements in 30 markets. According to Greg Griffin, vice president of marketing for Elizabeth Arden, “The radio listener is more open to your message . . . especially when the DJs are given leeway to have fun with the promotions and chat about the brand, consumers don’t feel like it’s an ad.”24

Besides intimacy, radio is mobile. People carry radios to the beach, the ballpark, work, and picnics. They listen at home, at work, and on the road in between. No other medium stays with the audience quite like radio.

Radio also has disadvantages. One is the short exposure time of an ad. Like television, most radio advertisements last only 15 or 30 seconds. Listeners involved in other activities, such as driving or working on a computer, may not pay attention to the radio. Further, people often use radio as a background to drown out other distractions, especially at work.

Like other media, radio suffers from advertising clutter. A U.S. study indicated that after six ads in a block, only 20 percent of the listening audience is still there. Yet, radio advertisers continue to build larger and larger blocks of ads. In Australia, ad blocks have
reached a high of 13 straight ads. With the advance of iPod and digital technology, ad clutter in radio is going to become an even more serious problem because listeners will have new alternatives for listening to music.25

For national advertisers, covering a large area with radio advertisements is challenging. To place a national advertisement requires contacting a large number of companies. Few large radio conglomerates means contacts must be made with multiple stations. Negotiating rates with individual stations based on volume is difficult. Local businesses can often negotiate better rates than national advertisers because of the local company’s relationships with the radio stations.

There are four national radio networks: Westwood One, ABC, CBS, and Unistar, along with a few other strong networks such as ESPN radio and CNN. Nationally syndicated programs such as the Paul Harvey news and Don Imus do offer some opportunities to national advertisers.

In large metropolitan areas, another problem is target duplication. Several radio stations may try to reach the same target market. For instance, Chicago has several rock stations. Advertising on every station is not financially feasible, yet reaching everyone in that target market is not possible unless all rock stations are used. The rock music audience is divided among those stations, with each having its own subset of loyal listeners.

Another new challenge to traditional radio is satellite radio. These stations charge a fee for listening, but then do not run advertisements. The growth in satellite radio may hurt both national and local radio stations and networks.

Finally, because many ads are locally produced, a common problem with radio ads is putting too much information into one ad. It overloads the consumer and very little is retained.

Radio advertising is a low-cost option for a local firm. Ads can be placed at ideal times and adapted to local conditions. The key to radio is careful selection of stations, times, and quality construction of the ad. Tests can be created to see if ads effectively reach customers. Immediate response techniques, contest entries, and other devices provide evidence about whether customers heard and responded to ads. Radio remotes occur when the station broadcasts from a business location. Remotes are a popular method of attracting attention to a new business (restaurants, taverns, small retail shops, etc.) or to a company trying to make a major push for immediate customers. Effective radio promotions can be combined with other media (local television, newspapers, etc.) to send out a more integrated message.

For business-to-business advertisers, radio provides the opportunity to reach businesses during working hours, because many employees listen to the radio during office hours. More importantly, radio can reach businesspeople while in transit to or from work. Both radio and television usage has increased for business-to-business marketing.

Outdoor Advertising

Billboards along major roads are the most common form of outdoor advertising. They have been used since the late 1800s. Billboards, however, are only one form of outdoor advertising. Signs on cabs, buses, park benches, and fences of sports arenas are other types of outdoor advertising. Some would argue that even a blimp flying above a major sporting event is a form of outdoor advertising.

Outdoor advertising has changed dramatically with advances in technology. Annual expenditures on outdoor advertisements now total more than $5.5 billion. Global positioning systems, wireless communications, and digital display technology have transformed outdoor advertising. The most popular outdoor technology, LED, is used by companies such as Procter & Gamble and McDonald’s.
LED technology can be used to create video screens for animated videos in locations such as Times Square in New York and the Strip in Las Vegas. It can create both static messages and visuals that change electronically.26

The cosmetics industry spends heavily on outdoor advertising. On average 6.7 percent of a cosmetics company’s budget is reserved for outdoors, compared to an industry average of 2.6 percent. In the past few years, billboards have been used to feature Dove and Neutrogena. Taxi-top ads helped launch the Visibly Even line of products for Neutrogena.27

Other fast-growing outdoor ad programs are found in the fashion industry. The Gap, Calvin Klein, Ralph Lauren, and DKNY regularly buy outdoor space. In Times Square in New York and on Sunset Boulevard in Los Angeles, large outdoor billboards cost as much as $100,000 per month.28 Table 8.4 lists the basic advantages and disadvantages of outdoor ads.

One primary advantage of billboard advertising is long life. For local companies, billboards are an excellent advertising medium because the message is seen primarily by local audiences. Services such as restaurants, hotels, resorts, service stations, and amusement parks are heavy users of billboards. Billboards provide an effective way to communicate a firm’s location to travelers. Individuals who want to eat at a particular restaurant (Wendy’s, Shoney’s, Burger King) while on the road can normally spot a billboard for that restaurant.

In terms of cost per impression, outdoor advertising is a low-cost media outlet. Outdoor advertising also offers a broad reach and a high level of frequency if multiple billboards are purchased. Every person who travels past a billboard or sees an advertisement on a taxi has the potential for being exposed to the message. Many billboard companies provide rotation packages in which an ad moves to different locations throughout a town during the course of the year, thereby increasing the reach of the ad.

Billboard ads can be large and spectacular, making them major attention-getting devices. A billboard’s large size creates the impression that the product and message are important. Movement and lighting through LED technology add to the attention-capturing qualities of billboards. At the other extreme, outdoor advertising can be small, yet stir attention. Recently a large number of taxis were seen in Boston, whizzing through traffic with a Starbucks’ cup of coffee (which had been magnetically attached) precariously perched on the roof. People would pull up along the side of taxis traveling at 55 mph, honk, and point at the roof. The unique outdoor ads were created by Seattle-based agency called Creature.29

A major drawback of outdoor advertising is the short exposure time. Drivers must pay attention to the traffic as they travel by an outdoor ad. When the ad is on a vehicle, pedestrians often get only a quick look. Most either ignore outdoor ads or give them just a casual glance. Ironically, in large cities along major arteries the cost of billboard spots is increasing. The reason: traffic jams. People stuck in slow-moving traffic spend more time looking at billboards. If this space is not available, a firm can seek billboard locations where traffic stops for signals or at stop signs.

To counter the short exposure time and take advantage of traffic jams, another outdoor technique that is now being used is a mobile billboard, which is a truck covered with a two-sided billboard. For $500 to $800 a day, customers can tailor a mobile billboard to exact

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Able to select key geographic areas</td>
<td>1. Short exposure time</td>
</tr>
<tr>
<td>2. Accessible for local ads</td>
<td>2. Brief messages</td>
</tr>
<tr>
<td>3. Low cost per impression</td>
<td>3. Little segmentation possible</td>
</tr>
<tr>
<td>4. Broad reach</td>
<td>4. Cluttered travel routes</td>
</tr>
<tr>
<td>5. High frequency on major commuter routes</td>
<td></td>
</tr>
<tr>
<td>6. Large, spectacular ads possible</td>
<td></td>
</tr>
</tbody>
</table>

Table 8.4 Outdoor Advertising
routes they want driven, to specific ZIP codes, or to even park outside a specific event. Although some cities ban mobile billboards and some citizens are raising concerns about added pollution and drivers being distracted by reading billboards on moving vehicles, the popularity of mobile billboards is rising. Mobile billboards provide the opportunity to beat ad clutter and the short exposure times of static billboards. They reach consumers where they are—stuck in traffic.³⁰

Outdoor ads provide limited opportunities for creativity. A short exposure time means the message must be extremely brief. People usually ignore a complicated or detailed message. Further, outdoor ads offer limited segmentation opportunities, because a wide variety of people may view the billboard’s message. To help overcome this problem, some companies use geodemographic software technologies to identify the profile of individuals who will pass by a particular outdoor location. Such an approach works well on local streets of cities and towns but is not very effective along major interstates, because of long-distance traffic.

Procter & Gamble uses the most current technology to place billboard advertising for Luvs diapers, by identifying geodemographic segments. P&G uses billboards placed near day-care centers and hospitals and in areas with a high number of young marrieds with no children or young marrieds with very young children.³¹

In the past, outdoor advertising was seldom considered in the planning of an integrated marketing communications program or the development of the media plan. Now outdoor advertising is an additional tool to reach consumers. Figure 8.4 highlights the major industries and how much each spent on outdoor advertising during the last year.

**Internet**

The Internet is a rapidly growing advertising medium. There is some evidence that television audiences are migrating to the Internet. A study by Forrester Research indicated that 24 percent of Internet users give up time spent eating or sleeping to be on the Web. The vast majority (75 percent) reported that they gave up time watching television to surf the Web instead. An ACNielsen report stated that the number of U.S. households watching prime-time television declined by 1 million viewers in 1 year. During that same year, the number of North Americans with online Internet services had almost doubled. It is likely that many former viewers of prime-time television have

**Figure 8.4**

Expenditures on Outdoor Advertising During the First Quarter of 2004

<table>
<thead>
<tr>
<th>Industry</th>
<th>Expenditures (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beer and wine</td>
<td>$53.8</td>
</tr>
<tr>
<td>Insurance and real estate</td>
<td>$94.5</td>
</tr>
<tr>
<td>Auto dealers and services</td>
<td>$94.5</td>
</tr>
<tr>
<td>Financial</td>
<td>$99.8</td>
</tr>
<tr>
<td>Restaurants</td>
<td>$99.8</td>
</tr>
<tr>
<td>Media and advertising</td>
<td>$111.6</td>
</tr>
<tr>
<td>Retail</td>
<td>$112.9</td>
</tr>
<tr>
<td>Public transportation, hotels, resorts</td>
<td>$128.6</td>
</tr>
<tr>
<td>Local services, amusements</td>
<td>$203.4</td>
</tr>
</tbody>
</table>

shifted to the Internet. Table 8.5 presents a brief review of the major advantages and disadvantages of Internet advertising.

As shown, a major benefit of Internet marketing is the creative opportunities available and the short lead time. Creativity is possible because banners can be composed using many different types of graphics. Animation and streaming videos can be incorporated into banner ads. Short lead time is possible because an advertisement can be changed and posted on the Internet immediately, even when ads are placed on other sites.

Segmentation is easy to accomplish with the Internet. Through a technique called behavioral targeting, a company can identify a user’s online patterns and reach the user with relevant ads. Engage Technologies records the path an individual uses to move from site to site. The company uses these data to create a profile of the person and then match it to profiles in a database. Based on the person’s profile, appropriate advertisements are then sent. Web surfers are not even aware this tracking takes place and often are amazed that products they like suddenly appear on the screen.

Audience interest is another advantage of the Internet. Internet browsers normally go to Web sites that attract them. Advertising on these pages is efficient because the audience is already curious about the site. For example, two lucrative places to advertise are on sports-related sites and music sites. Each draws a large number of hits per day, although demographics vary. Sports sites tend to attract males. Music sites tend to attract females. Both have high levels of interest.

Another feature of the Internet is its search capabilities. Consumers are increasingly using search engines to locate information about various products. General Motors, Toshiba, and IBM now spend more than $4 billion for advertising on search engines. Although it is impossible to measure the total impact of this type of online advertising, companies that have advertised have experienced an increase in both online and store sales. Many consumers research a product online and then travel to a physical store to make the purchase. Select Comfort, a manufacturer of mattresses with 370 stores, had an increase of 120 percent in call-center revenues when the company’s search advertising was tied to a TV campaign. Cadillac had a 170 percent increase in dealership traffic when a search campaign was tied to Super Bowl ads. Jenny Craig purchased 75 keyword listings and enjoyed an increase of 80 percent in online registrations.

The use of the Internet as an advertising medium for business-to-business marketing has increased substantially. Placing ads on business sites is an excellent method of targeting ads to interested buyers. When employees search for information about various products, they often will click on Internet ads to see what is offered. Business buyers look for information and consequently pay more attention to ads they see during the search. Internet ads allow individual companies to advertise their own services. For example, an employee gathering information on a vendor’s site may see an advertisement for other products the company sells or products from the firm’s subsidiary. As more businesses install the Internet for their employees, reaching buying center members through advertising on the Internet should become increasingly productive.

Among the various media available to advertisers, Internet advertising allows for tracking and measuring results better than any other medium. Measurement started with tracking click-throughs on an advertisement, but has progressed to more advanced techniques. Through cookie technology, an advertiser can determine if someone has been
exposed to an advertisement, the frequency of that exposure, and if the person has interacted with the ad in any way. Further, advertisers can actually determine how an individual interacted with an ad, which sections of the ad, and what they did. This type of feedback is not available with any other medium.35

Internet clutter is one disadvantage. The explosion of Internet advertising means many sites show numerous ads several layers deep. Web surfers quickly bypass these ads. In addition, a Web site filled with advertisements that delay its loading causes many surfers to become impatient and move on to other sites.

To counter the clutter, Audi of America designed a unique Web ad campaign for the A4 Sedan. Potential buyers were required to identify nine of the car’s improvements via an online scavenger hunt. Every customer who found all nine improvements was entered into a contest. The prize was a 2-year lease of an Audi A4. The clues were clear and easy to find. The goal of the contest was to embed the Audi band name and features of the A4 sedan in the buyer’s mind. The event was tied in with the NCAA men’s basketball tournament and was aimed toward 28- to 35-year-old men with annual incomes of more than $75,000.36

Another problem is that Internet ads have short life spans. The wear-out time for Internet ads seems to be even shorter than that for other media.37 This means advertisers must spend more time updating the advertisements if they hope to retain the audience’s attention.

Unlike television, the Internet tends not to have intrusion value. Web surfers do not have to pause on an advertisement as one would have to do when looking at a magazine or newspaper. To get surfers to stop (i.e., to intrude upon individuals), ads featuring streaming videos and flashing displays have been developed and have proven to be less controversial than pop-up ads. Some advertisers have developed what is called interstitial advertising, which interrupts a person on the Internet without warning. These types of ads have to be clicked off to remove them from the screen, and they are extremely controversial. Although they have intrusion value, they also are annoying. Interstitial ads can come onto a person’s computer even after logging off the Internet or come on the screen the next time the person logs on.38 Although untested at this time, interstitial advertising could prove extremely valuable to business-to-business marketers. Targeted ads could be sent to members of the buying center even after they log off the computer. The chances of capturing some level of attention increase because these ads must be clicked off. Also, if the business buyer has been searching for information about a product and an advertisement for that product pops onto the screen, the individual will likely study the ad to see what is being offered.

The Internet is the fastest-growing medium in history. It took television 13 years to reach 50 million viewers. It took radio 38 years to reach 50 million. Experts estimate it took only 5 years for the Internet to reach 50 million users.

It is too early to know for sure the full impact of Internet advertising. If it is measured by the number of click-throughs, whereby the ad is quickly zapped, Internet advertising appears not to be as successful as advertisers first thought. Studies have shown that Web users tend to ignore banners, and most Internet users can’t even remember the last banner...
they clicked on. Some studies indicate that Internet advertising is ineffective. Other studies reveal the Internet is a successful method of advertising. A study by Millward Brown International concluded that brand awareness using Internet brand banners increased between 12 percent and 200 percent. Compared to brand awareness studies of television and radio ads, Internet banners generated greater ad awareness with a single exposure than did either television or radio.\(^3\)

Internet advertising programs are certain to grow in the future. Chapter 13 is devoted to Internet marketing and e-commerce.

### Magazines

For many advertisers, magazines have always been a second choice. Recent research, however, indicates that in some cases magazines are actually a quality option. A study by the Magazine Publishers of America concluded that every dollar a company spends on magazine advertising yields an average of $8.23 in sales. The return on investment for all other media is $3.52 per dollar spent on advertising. The reason given for this huge difference is the magazine advertising’s ability to target consumers more efficiently by demographics and lifestyles.\(^4\) Naturally, the validity of these results has been staunchly debated by executives from other media. In any case, evidence exists that magazine advertising can be effective. Table 8.6 displays the pros and cons of magazine advertising.

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. High market segmentation</td>
<td>1. Declining readership (some magazines)</td>
</tr>
<tr>
<td>2. Targeted audience interest by magazine</td>
<td>2. High level of clutter</td>
</tr>
<tr>
<td>3. Direct-response techniques (e.g., coupons, Web addresses, toll-free numbers)</td>
<td>3. Long lead time</td>
</tr>
<tr>
<td>4. High color quality</td>
<td>4. Little flexibility</td>
</tr>
<tr>
<td>5. Availability of special features (e.g., scratch and sniff)</td>
<td>5. High cost</td>
</tr>
<tr>
<td>6. Long life</td>
<td></td>
</tr>
<tr>
<td>7. Read during leisure time (longer attention to ad)</td>
<td></td>
</tr>
</tbody>
</table>

One major advantage of magazines is the high level of market segmentation available. Magazines are highly segmented by topic area. Specialized magazines are much more common than general magazines with broad readerships. Even within certain market segments, such as automobiles, a number of magazines exist. Magazines are so highly differentiated that high audience interest becomes another advantage. An individual who subscribes to *Modern Bride* has some kind of strong attraction to weddings. People reading magazines also tend to view and pay attention to advertisements related to their needs and wants. Often, readers linger over an ad for a longer period of time because they read magazines in waiting situations (e.g., doctor’s office) or during leisure time. This high level of interest, segmentation, and differentiation are ideal for products with precisely defined target markets.
Trade and business journals are a major medium for business-to-business marketing. Businesses can target advertisements to buying center members. The ad copy can then provide a greater level of detail about products. Readers, if interested, take time to read the information in the ad. Ads can provide toll-free telephone numbers and Web addresses so that interested parties can obtain further information.

Magazines offer high-quality color and more sophisticated production processes, providing the creative with the opportunity to produce intriguing and enticing advertisements. Motion, color, and unusual images can be used to attract attention. Magazines such as Glamour, Elle, and Cosmopolitan use scratch-and-sniff ads to entice women to notice the fragrance of a perfume or cologne. Even car manufacturers have ventured into this type of advertising by producing the smell of leather in certain ads.

Magazines have a long advertising life that reaches, lasting beyond the immediate issue because subscribers read and reread them. This means the same advertisement is often seen by more than one person. It is not unusual for an avid magazine reader to examine a particular issue several times and spend a considerable amount of time with each issue. This appeal is attractive because advertisers know the reader will be exposed to the ad more than once and is more likely to pay attention. In addition, magazine ads last beyond the current issue. Weeks and even months later, other individuals may look at the magazine. In the business-to-business sector, trade journals are often passed around to several individuals or members of the buying center. As long as the magazine lasts, the advertisement is still there to be viewed.

One major disadvantage facing magazine advertisers is a decline in readers. The Leo Burnett Company’s Starcom Report stated that magazines lost 61 million readers from the 18- to 49-year-old age bracket in just a year. Most moved to the Internet. Mediamark Research Inc. recently reported that magazine readerships declined by 5.9 percent for the same year. Of the 200 magazines examined, 56 gained readers while 144 lost readers.41

Although circulation continues to decline, ad revenue has rebounded in recent years and seen a steady increase; as a result, ad revenue is becoming a larger portion of a magazine’s revenue. In 2004 advertising as a percentage of a magazine’s total revenue was 53.7 percent; by 2008, it will rise to 59.5 percent. Part of this increase is due to the rising cost for a magazine ad. For national magazines, color ad rates now run approximately $10,000 per ad page for every 100,000 circulation. A magazine such as Sports Illustrated, therefore, charges $243,000 for a full-page color ad; Parade (newspaper supplement) charges $830,000. The full-page rate for Better Homes and Gardens is $339,000. LIFE magazine charges $310,000, and ESPN, the Magazine costs $148,000.42
Clutter is another big problem for magazine advertisers. A recent 318-page issue of *Glamour* contained 195 pages of advertising and only 123 pages of content. Ads can be easily lost in those situations. To be noticed, the advertisement must be unique or stand out in some way.

Long lead times are a major disadvantage of magazines, because advertisements must be submitted as much as 6 months in advance of the issue. Consequently, making changes in ads after submission is very difficult. Also, because of the long life of magazines, images or messages created through magazine advertising have long lives. This is good for stable goods or services, but not for volatile markets or highly competitive markets wherein the appeal, price, or some other aspect of the marketing mix changes more frequently.

Magazines continue to proliferate even with the problems of declining readership. The wide variety of special interests makes it possible to develop and sell them. Many advertisers still can target audiences and take advantage of various magazine features, such as direct-response Internet addresses and coupon offers. This is especially true in the business market. Although business-to-business marketers increasingly use other media, trade journals and business magazines remain an effective method of reaching their target markets. As a result, the nature of advertising in magazines may change, but individual companies still will find effective uses for the outlets.

**Newspapers**

When *USA Today* was launched, few believed a national daily newspaper could succeed. Obviously it has. The nature of news reporting has changed. Many small local papers no longer exist and conglomerates such as Gannett own most major city newspapers. Still, daily readership continues.

For many smaller local firms, newspaper ads, billboards, and local radio programs are the most viable advertising options, especially if television ads are too cost prohibitive. Newspapers can be distributed daily, weekly, or in partial form as the advertising supplements found in the front sections of many grocery stores and retail outlets. Table 8.7 displays the basic advantages and disadvantages of newspaper advertising.

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Geographic selectivity</td>
<td>1. Poor buying procedures</td>
</tr>
<tr>
<td>2. High flexibility</td>
<td>2. Short life span</td>
</tr>
<tr>
<td>3. High credibility</td>
<td>3. Major clutter (especially holidays)</td>
</tr>
<tr>
<td>4. Strong audience interest</td>
<td>4. Poor quality reproduction (especially color)</td>
</tr>
<tr>
<td>5. Longer copy</td>
<td>5. Internet competition with classified ads</td>
</tr>
<tr>
<td>6. Cumulative volume discounts</td>
<td></td>
</tr>
<tr>
<td>7. Coupons and special-response features</td>
<td></td>
</tr>
</tbody>
</table>

Table 8.7: Newspaper Advertising
in a newspaper ad. Short lead time allows retailers to change ads and promotions quickly. This flexibility is a major advantage. It allows advertisers the ability to keep ads current. Ads can be modified to meet competitive offers or to focus on recent events.

Newspapers have a high level of credibility. Readers rely on newspapers for factual information in stories. Newspaper readers hold high interest levels in the articles they read. They tend to pay more attention to advertisements as well as news stories. This increased audience interest allows advertisers to provide more copy detail in their ads. Newspaper readers take more time to read copy, unless simply too much information is jammed into a small space.

Newspaper advertisers receive volume discounts for buying larger column inches of advertising space. Many newspapers grant these volume discounts, called cumulative discounts, for 1-month, 3-month, or even year-long time periods. This potentially makes the cost per exposure even lower, because larger and repeated ads are more likely to garner the reader’s attention.

For local companies, newspapers offer an effective means of advertising. For example, the Vancouver Aquarium placed an ad featuring its spring break schedule in the life/entertainment section of a local newspaper. Parents flipping through the paper were exposed to a humorous message along with a list of events at the aquarium. A local newspaper ad for Healthy Inspirations Weight Loss & Lifestyle Centers generated 6 to 12 phone calls. The calls netted an average of 2.5 memberships per ad. The company calculated the acquisition cost for a new membership to be $92. After switching to freestanding insert in the paper, the number of phone calls rose to more than 30. This reduced the company’s acquisition costs to $63 per new membership.43

There are limitations and disadvantages to newspaper advertising. First, newspapers cannot be targeted as easily to specific market segments (although sports pages carry sports ads, entertainment pages contain movie and restaurant ads, and so forth). Newspapers also have a short life. Once read, a newspaper normally is cast to the side, recycled, or destroyed. If a reader does not see an advertisement during the first pass through a newspaper, it probably will go unnoticed. Readers rarely pick up papers a second time. When they do, it is to continue reading, not to reread or rescan a section that has already been viewed.

Newspaper ads often have poor production quality. Many companies do not buy color ads because they are much more expensive. Photos and copy tend to be harder to read and see clearly compared to other print media, especially magazines. Newspaper ads tend not to be wild or highly creative. Newspaper editors normally avoid and turn down anything that may be controversial, such as Calvin Klein ads featuring more-or-less naked models. Newspapers are very careful about offending their readers.

Newspapers suffer poor national buying procedures. For a national advertiser, this means contacting numerous companies and using rate cards that vary by market. Also, newspapers tend to favor local companies instead of national firms. Local businesses generally receive better advertising rates than do national advertisers, because local companies advertise on a more regular basis and receive volume discounts. Also, newspapers want to have a strong local appeal. By favoring local companies in ad rates, they can meet this goal and seem more desirable to local patrons. To counter this difficulty, the Newspaper National Network (NNN) and Newspapers First have been formed to make national buys. NNN helps national advertisers reach virtually every daily U.S. newspaper with one buy and one bill. Another company, Newspapers First, is a cooperative that places ads in more than 40 large, daily newspapers.44 As a result, national advertising, which makes up only 17 percent of all newspaper ad spending, is growing faster than any other category of newspaper advertising.45
Direct Mail

Another major advertising medium is direct mail. Many companies send ads directly to target markets of customers through carefully constructed mailing lists. Other companies will blanket a region with direct mail information about more general products.

A few years ago, General Motors sent out 6 million direct-mail pieces as part of a 24-Hour Test Drive program. The mailing notified recipients that they could keep a vehicle overnight. GM also used the mailing to promote a $50 million giveaway. The idea was to generate traffic to GM showrooms and to build awareness of GM vehicles.

Frito-Lay relies on direct mail to increase awareness of new products. To introduce its new Naturals line of products, Frito-Lay mailed 500,000 coupons. To sell a new Sensible Snacks line, Frito-Lay mailed 400,000 coupons.

Direct mail is used by a variety of companies. According to Mark Siegel of AT&T Wireless, “There is an intimacy and personalization and therefore an impact with direct communication with a customer that you just don’t get anywhere else.” Average overall response to direct mail offers is 2.5 percent. Packaged-good manufacturers have the highest response rate (5.36%). Retailers have the second highest at 4.45 percent.46

The major advantage of direct mail is that it normally lands in the hands of the person who opens the mail, who usually makes a significant amount of family purchasing decisions. Many mail offers include direct-response programs, so results are quickly measured. Direct mail also can be targeted to geographic market segments.

The primary disadvantages of direct mail include costs, clutter, and the “nuisance” factor. To be noticed, direct-mail advertising usually requires a color brochure, making the mailings more expensive to produce. As postage rates continue to rise, so do the costs of direct mail. Mailings tend to clutter post office boxes and become more prevalent during key seasons, such as Christmas. Many people are genuinely annoyed by “junk mail” and actively seek to have their names taken off mailing lists, especially for catalog-type operations.

Direct mail suits well-known local or national firms seeking a more immediate response (e.g., coupon redemption) or when the company wants to reinforce ads presented in other media. Direct mail reaches some customers who do not buy newspapers. Record clubs, book clubs, and others have used direct mail effectively over the years. It is likely that many firms will continue to use direct mail in the future.

Direct mail remains a favorite marketing tool for business-to-business marketers. It provides a method of bypassing gatekeepers when the names of actual members of the buying center can be obtained. Direct mail can be one method of reaching businesses when they are in a straight rebuy situation with another vendor and not open to calls by salespeople. Even if the direct mail is ignored when it is received, many people often file it away for future use. Although the cost per contact is high for direct mail, so is the response rate as compared to other media. The key to success for businesses is to make sure that the direct-mail piece gets into the hands of the right person in the buying center and that it is attractive enough to grab attention.

Alternative Media

Besides all of the “traditional” and new (Internet) media discussed, numerous alternative ways are available for companies sending out advertisements. The key, as always, is to make certain the ads reach the right target market with the proper message. Some examples of additional forms of advertising—some that are new and some that have existed for many years—include:

- Leaflets, brochures, and carry-home menus
- Ads on carry-home bags from stores (grocery stores and retail outlets)
- Ads on T-shirts and caps (promotional giveaways and products sold)
- Ads on movie trailers both in theaters and on home video rental products
- Small, freestanding mall signs
Part 2  IMC Advertising Tools

- Self-run ads in motel rooms on television, towels, ice chests, and other places
- Yellow pages and phone book advertisements
- Mall kiosk ads
- Ads sent by fax
- Ads shown on video replay scoreboards at major sports events
- In-house advertising magazines placed by airlines in seats
- Ads on the walls of airports, subway terminals, bus terminals, and inside cabs and buses or transit advertising

Each of these has additional benefits and problems. For example, yellow-page advertising has become more difficult as additional firms enter into the phone book preparation market. Mall kiosk ads are placed in high-traffic areas, but are easily defaced by vandals. Ads sent by fax are low cost and can be highly targeted (luncheon specials faxed to local companies just before noon). Still, many business owners become angry when their fax machines are tied up receiving ads. Ads on replay scoreboards have high intrusion values, yet can be ignored or even “booed” by those attending the game. Nonetheless, advertisers must consider all of the possibilities as they prepare advertising campaigns. The goals of reach, frequency, cost, and continuity must all be considered as individual media are selected and groups of media formulated into a campaign mix.

One of the more widely used alternative media programs is called **guerrilla marketing**, which is a focus on low-cost, creative strategies to reach the right people. Guerrilla marketing means the marketing team looks for ways to reach individuals and small groups in a unique way that will cause them to take notice. Creativity is the key to guerrilla marketing. For example, a booth at a golf tournament may be set up to allow customers to hit a tee shot and have a computer estimate the distance and accuracy of the drive. When the customer is handed a small piece of paper with the information, the paper contains not only the golf shot information, but also the advertiser’s brand, tagline, and logo. This piece of paper will be kept and shown to others, thereby increasing awareness of the advertiser at a low cost, plus those shown the paper will be interested golfers, which is the target market.

Many national products are also displayed as part of a television program or movie. These are called **product placements**. Ford trucks appeared in the *Extreme Makeover* show hauling trailers and carting away refuse. A Ford Super Duty truck was also in the family’s garage. Placements are relatively low-cost methods of achieving additional product exposures during a television program or film. Typical fees charged by film companies are $20,000 for showing the product, $40,000 for mentioning it, and $60,000 for the actor to actually use the product. Not all companies are willing to pay for a product placement. John Deere & Co. provides tractors and equipment for placement in movies and television shows, but does not pay to have them in the show. Company leaders also screen the show to make sure that it fits with the marketing image John Deere wishes to portray.

Another form of placement is the purchase of advertising space in what will be key camera shots during sporting events. For instance, many Major League Baseball teams now allow ads to be displayed behind home plate, so that a center-field camera shot of the pitcher and the batter will also reveal the advertisement. Professional golfers, not to be outdone, are paid fees for wearing caps carrying the names of various companies. Tiger Woods wears a cap featuring the Nike swoosh, and Phil Mickelson wore one for KPMG Consulting for several years.
ETHICAL ISSUES

Media Selection for Adult Products

In 2002, NBC began accepting money to run advertisements for liquor products with alcohol contents that were stronger than beer or wine. Almost immediately, a host of critics argued that it would be unwise to subject minors to such ads. Eventually the network decided against running the ads. The debate once again raises questions about free speech and free enterprise and why the tobacco and alcohol industries are banned from advertising on specific media when other product categories do not face this media restriction.

After television tobacco advertising was banned by the government, marketers have created a series of tactics to make certain company products are mentioned on the air. Sponsorship of the Virginia Slims Tennis Tournament and Marlboro Cup Racing have come under congressional scrutiny, because sportscasters must state the names of the products while reporting scores and results. Is this ethical?

Many adult products require tasteful advertising and marketing programs, even when they are free to be shown through any medium. Feminine hygiene, condoms, and other personal adult products may be featured in practically any medium. It is the responsibility of the marketing professional to select media that are appropriate as well as create ads that will not be offensive.

In the international arena, this responsibility becomes even greater. In many Islamic countries, advertisements for personal hygiene or sexually related products would be highly offensive. It is important for company leaders to explore these cultural differences before undertaking any kind of marketing campaign.

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One of the more creative approaches to establishing an alternate method of reaching customers involves using what is essentially “flip card” technology in subways. Instead of riders seeing barren walls, 20- to 30-second commercial messages appear through the windows. Target was among the first advertisers to utilize this unique new method for reaching customers.

The use of alternative media has risen dramatically in the past 20 years. Clutter and consumer disinterest in traditional advertising methods have driven marketing teams to look for new, distinctive ways to reach customers. They may be tied to traditional advertisements or stand-alone. They must, however, match the company’s brand, image, and theme to be successful.

MEDIA MIX

Selecting the proper blend of media outlets for advertisements is a crucial activity. As campaigns are prepared, decisions are made regarding the appropriate mix of media. Media planners and media buyers are both excellent sources of information about the most effective type of mix for a particular advertising campaign. It is the challenge of the creative to design ads for each medium that speak to the audience and that also tie in with the overall theme of the integrated marketing communications program.

Table 8.8 shows considerable differences in media mixes used by various industries. Notice that retailers spend more on newspaper advertising (41.3%) than they do on any other media. Apparel manufacturers spend 71.6 percent of budgets on magazines; restaurants spend 84.8 percent of advertising funds on television. Choosing the appropriate advertising channels and then effectively combining outlets requires the expertise of a media planner who can study each outlet and match it with the product and overall message.

Recent studies by Millward Brown and ACNielsen highlight the benefits of combining different media. In a telephone survey, Millward Brown found that ad awareness was 65 percent when consumers viewed the ad both on television and in a magazine. It was 19 percent for those who saw only the magazine ad and 16 percent for those who saw only the television ad. The increased impact of using two or more media is called...
a media multiplier effect, which means the combined impact of using two or more media is stronger than using either medium alone. Business-to-business firms can apply this concept by buying ad space in places other than traditional trade journals. The key is finding effective combinations of media when designing a media mix.

Figure 8.5 shows possible linkages between various media. Consider the many possible options and combinations. Media experts work continually to decide which go together for individual target markets, goods and services, and advertising messages.

### MEDIA SELECTION IN BUSINESS-TO-BUSINESS MARKETS

Identifying differences between consumer ads and business-to-business ads is becoming more difficult, especially in television, outdoor, and Internet ads. In the past, it was easy to spot business-to-business ads. The content was clearly aimed toward another company, and television, outdoor, and the Internet were seldom used. Currently, about 56 percent of all business advertising dollars are spent in nonbusiness environments.49

Several items explain this shift to more nonbusiness media. First, business decision makers are also consumers of goods and services. The same psychological techniques used to influence and gain consumer attention can also be used for business decision makers.

Second, and probably the most important, business decision makers are very difficult to reach at work. Gatekeepers (secretaries, voice mail systems, etc.) often prevent information flow to users, influencers, and decision makers. This is especially true for straight rebuy situations whereby orders are given to the current vendor. If a company is not the chosen vendor, it is extremely difficult to get anyone’s attention. To avoid various gatekeepers, business-to-business firms try to reach the members of the buying center at their homes, in their cars, or in some other nonbusiness venue.

![Figure 8.5: Developing Logical Combinations of Media](image-url)
A third reason for this shift to nonbusiness media is that the clutter among
the traditional business media has made it more difficult to get a company
noticed. Business advertisers recognize that a strong brand name is a major factor in
making a sale. Taking lessons from brand giants such as Nike, Campbell’s Soups,
Wal-Mart, and Procter & Gamble, business marketers see the value of strong brand
name, because the name helps a company gain the attention of members of the
buying center.

Office Depot recently launched an advertising campaign directed toward their busi-
ness customers, which make up approximately 80 percent of the company’s customer
base. The campaign, titled “Takin’ Care of Business,” highlighted the company’s com-
mmitment to business customers. The ads ran as TV spots, along with radio, print, online,
and search marketing ads. Office Depot also signed a sponsorship deal to be the official
office products partner of NASCAR.50

In the past, business ads were fairly dull, but now they look much more like consumer
ads. Creative appeals and the use of music, humor, sex, and fear, similar to consumer ads,
are used. The boldest business ads sometimes include nudity or other more risqué mate-
rial. In fact, many consumers cannot tell the difference.

B-to-B ads are now regular advertisers on the Super Bowl. At $2.5 million per
30-second ad, this is seen by many observers as a very risky venture. But considering
that last year’s Super Bowl audience totaled 86.1 million, others see it is a viable alter-
native to trade publications and an opportunity to reach business buyers. Evaluation
evidence of the impact of the B-to-B ads would indicate they are a good buy. FedEx’s
45-second spot in the 2005 Super Bowl featuring Burt Reynolds and a talented bear
generated 186 broadcast mentions and publicity valued at $1.3 million. The three spots
for Careerbuilder.com generated 250 broadcast mentions and generated $3.4 million
worth of publicity.51

Figure 8.6 identifies how business-to-business advertising expenditures are divided
among the various media. Figure 8.7 lists the top six business-to-business advertisers.
As shown, trade journals remain the number-one media used in business settings.
Approximately 43 percent of all B-to-B advertising dollars are spent here. Trade journals
offer a highly targeted audience.

Trade journals provide an opportunity to reach members of the buying center whom
salespeople cannot reach. Gatekeepers typically do not prevent trade journals from reach-
ing different members of the buying center. Unfortunately, if the firm is in a straight rebuy
situation, it is doubtful the ad will be noticed. If the firm is in a modified rebuy and the
buying center is in the information search stage, then the ad has a better chance of success.

In addition to trade journals, business-to-business advertisers also use business
magazines such as BusinessWeek and consumer magazines. A total of 53.9 percent of
the advertising budget goes for magazines. When newspapers are added to this list,
print media accounts for 70.1 percent of all business-to-business dollars spent. The primary reasons for these high levels of expenditures in print media are because they have highly selective audiences and the ads have longer life spans in print. Business decision makers and members of the buying center spend more working time examining print media than any other medium. Business buying center members are more likely to notice the WingspanBank.com ad shown to the left when it is located in a trade journal than they would if the same ad ran in a more general-audience type magazine such as Time. A trade journal’s readers are more likely to notice and read the advertisement because they are more likely to have been working with or thinking about banking or financial services within their companies.

Many goals in business-to-business advertisements are the same as those devoted to consumers. It remains important to identify key target markets, to select the proper media, and to prepare creative, enticing ads resulting in some kind of action, such as a change in attitude toward the company or movement toward a purchase decision. Many of the variables shown in Figure 8.5 apply equally well to business advertising.

**MEDIA SELECTION IN INTERNATIONAL MARKETS**

Understanding media viewing habits in international markets is important for successful advertising programs. In Japan, television is a major advertising tool; in other countries, it is not as prevalent. In Europe, the best way to reach consumers is through newspapers. Magazines are also used more often in Europe; direct
mail is used more often in North America. Figure 8.8 illustrates differences in media usage in North America, Europe, and Japan.

Just as media viewing differs, media buying in other countries often differs. For example, the trend in France is to farm media buying out to international media specialists. France’s largest advertiser, PSA Peugeot Citroen, hired Euro RSCG’s Mediapolis to do its media buying. Another advertising agency, the Danone Group, chose Carat Media Services France to handle its media buying. Several international companies operating in France follow this trend. Nestlé used to have its own internal company, Societe Publique Edition Distribution Courtage, to purchase media. Now it uses Optimedia, a media specialist firm.

In other countries, the reverse may be true. Top advertising agency executives in Brazil fiercely oppose all independent media buying groups. They have even pushed for a change in the law that would prohibit the payment of agency commissions and discounts from media buying to any firm that is not a full-service advertising agency. In India, the Advertising Agencies Association passed a stern resolution requiring members to stop handling media-only accounts or risk expulsion from the association. The Advertising Agencies Association of India believes it is critical for the full-service agency to be involved in all aspects of a brand’s advertising, including media buying. The resolution and opposition of the Advertising Agencies Association to media buying independents is aimed at Carat Media Services India—India’s first independent media buying service. Carat successfully persuaded Charagh Dink, India’s largest shirt maker, to move its entire media buying account to Carat while hiring a freelancer to do the creative work. Carat also captured business from BBC World, Cadbury India, and Virgin Music. To prevent expulsion from the Advertising Agencies Association of India, agencies such as Madison DMB&B, which handles media buying for firms such as Coca-Cola, have added small creative departments.

In international settings, it is important to understand the media habits of consumers as well as their daily lifestyles. McCann-Erickson Worldwide launched a multinational media research effort named Media In Mind in Europe. The goals of this research were to: (1) improve media effectiveness by matching a firm’s advertising to the time of day the audience will be most receptive and (2) select the correct medium. Such firms as Motorola, Johnson & Johnson, General Motors, Coca-Cola, and Boots Healthcare International use Media In Mind. They report increases in media effectiveness by as much as 20 percent more than those firms that do not use Media In Mind.

One aspect of Media In Mind’s research in Europe has focused on consumer moods throughout the day. Boots Healthcare International used this research in the advertising
of headache remedies. The research revealed that in Poland the people classified in the “headache” category were more likely to have a headache from the time they woke up until around noon. Thus, Boots Healthcare advertises on billboards that people see on their way to work or at lunch. The company also advertises on radio during the morning hours.54

In general, many tactics used to develop advertising campaigns in the United States apply to international advertising. What differs is the nature of the target markets, consumer media preferences, and the processes used to buy media. Also, companies must carefully attend to cultural mores to make sure the buying process does not offend the cultural and religious attitudes prevalent in any given region. It is important to carefully screen clothing, gestures, words, symbols, and other ingredients as a company purchases advertising time or space and prepares ads.

### SUMMARY

The traditional view of advertising has been to design a message that will accomplish the intended IMC objective and then find the best media channel. This view is slowly being replaced as the roles of media planners and media buyers grow in importance. According to Bob Brennan, chief operating officer of Chicago-based Leo Burnett Starcom USA, in the past, “Ninety-five percent of your success was great creative and 5 percent was great media. Now it’s much closer to 50–50.”55

This chapter reviews the media selection process. A media strategy is the process of analyzing and choosing media for an advertising and promotions campaign. Media planners and buyers complete much of this work. The media planner’s primary job is to formulate a program stating where and when to place advertisements. Media planners work closely with creatives and account executives. Media buyers purchase the space, and they negotiate rates, times, and schedules for the ads.

The goals of reach, frequency, opportunity to see, gross rating points, effective rating points, cost, continuity, and impressions drive the media selection process. Reach is the number of people, households, or businesses in a target audience exposed to a media vehicle or message schedule at least once during a given time period. Frequency is the average number of times an individual, household, or business within a particular target market is exposed to a particular advertisement within a specified time period. Gross rating points (GRP) measure the impact or intensity of a media plan. Cost per thousand (CPM) is one method of finding the cost of the campaign by assessing the dollar cost of reaching 1,000 members of the media vehicle’s audience. Cost per rating point (CPRP) is a second cost measure, which assesses the efficiency of a media vehicle relative to a firm’s target market. Ratings measure the percentage of a firm’s target market that is exposed to a show on television or an article in a print medium. Continuity is the schedule or pattern of advertisement placements within an advertising campaign period. Gross impressions are the number of total exposures of the audience to an advertisement.

In addition to these basic concepts, advertising experts often utilized the concepts of effective frequency and effective reach. Effective frequency is the number of times a target audience must be exposed to a message to achieve a particular objective. Effective reach is the percentage of an audience that must be exposed to a particular message to achieve a specific objective.

In seeking advertising goals, marketing experts, account executives, and others must assess the relative advantages and disadvantages of each individual advertising medium. Thus, television, radio, outdoor billboards, the Internet, magazines, newspapers, and direct mail should all be considered as potential ingredients in a campaign. Other new media can be used to complement and supplement the more traditional media outlets. Logical combinations of media must be chosen to make sure the intended audience is exposed to the message. The three-exposure hypothesis suggests that a consumer must be exposed to an ad at least three times before it has the desired impact; other experts believe even more exposures are necessary. In contrast, recency theory suggests that ads truly reach only those wanting or needing a product and, therefore, only one exposure is necessary when someone is “on the hot spot” and ready to buy.

In business-to-business settings, companies can combine consumer media outlets with trade journals and other business venues (trade shows, conventions, etc.) to attempt to reach members of the buying center. In many cases, enticing ads using consumer appeals such as sex, fear, and humor have replaced dry, dull, boring ads with an abundance of copy.

When designing business advertising, remember that advertising is just one component of the integrated marketing communications plan. It must be integrated with the sales force, sales promotions, trade promotions, and public relations. Business-to-business advertising using traditional consumer media cannot accomplish all of the communications objectives a business needs to accomplish. They help develop brand awareness and build brand equity, but are usually not the best for providing information the buying center needs.

International advertising media selection is different in some ways from that which takes place in the United States, because media buying processes differ as do media preferences of locals in various countries. At the same time, the process of media selection is quite similar: Marketing experts choose media they believe will reach the target audience in an effective manner.
Media selection takes place in conjunction with the message design and within the framework of the overall IMC approach. Effective media selection means the company spends enough money to find the target audience and does not waste funds by overwhelming them with the same message. Account executives, creatives, media planners, media buyers, and the company’s representative must all work together to make certain the process moves as effectively and efficiently as possible.

**REVIEW QUESTIONS**

1. What is a media strategy? How does it relate to the creative brief and the overall IMC program?
2. What does a media planner do?
3. Describe the role of media buyer in an advertising program.
4. What is reach? Give examples of reach in various advertising media.
5. What is frequency? How can an advertiser increase frequency in a campaign?
6. What are gross rating points? What do they measure?
7. What is the difference between CPM and CPRP? What costs do they measure?
8. What is continuity?
9. Describe the three-exposure hypothesis.
10. How is recency theory different from the three-exposure hypothesis?
11. What is effective frequency? Effective reach?
12. What are the major advantages and disadvantages of television advertising?
13. What are the major advantages and disadvantages of radio advertising?
14. What are the major advantages and disadvantages of Internet advertising?
15. What are the major advantages and disadvantages of magazine advertising?
16. What are the major advantages and disadvantages of newspaper advertising?
17. Is the strong intrusion value of television an advantage? Why or why not?
18. Name a product and three media that would mix well to advertise that product. Defend your media mix choices.
19. What special challenges does media selection present for businesses? What roles do gatekeepers play in creating those challenges?
20. What special challenges does media selection present for international advertising campaigns? What differences and similarities exist with U.S. media selection processes?

**KEY TERMS**

- **media strategy**  The process of analyzing and choosing media for an advertising and promotions campaign.
- **media planner**  The individual who formulates the program stating where and when to place advertisements.
- **media buyer**  The person who buys the space and negotiates rates, times, and schedules for the ads.
- **spot ad**  A one-time ad placed on a local television station.
- **reach**  The number of people, households, or businesses in a target audience exposed to a media vehicle or message schedule at least once during a given time period.
- **frequency**  The average number of times an individual, household, or business within a particular target market is exposed to a particular advertisement within a specified time period.
- **opportunities to see (OTS)**  The cumulative exposures to an advertisement that are achieved in a given time period.
- **gross rating points (GRP)**  A measure of the impact or intensity of a media plan.

- **cost per thousand (CPM)**  The dollar cost of reaching 1,000 members of the media vehicle’s audience.
- **cost per rating point (CPRP)**  A measure of the efficiency of a media vehicle relative to a firm’s target market.
- **ratings**  A measure of the percentage of a firm’s target market that is exposed to a show on television or an article in a print medium.
- **weighted (or demographic) CPM**  A measure used to calculate whether an advertisement reached the target market effectively.
- **continuity**  The schedule or pattern of advertisement placements within an advertising campaign period.
- **continuous campaign**  Media buys that result in a steady stream of advertisements during a particular time period.
- **pulsating schedule**  A minimal level of advertising punctuated by increases at periodic times.
- **flighting (or discontinuous) campaign schedule**  Placing ads at special intervals with no advertisements shown between those intervals.
2. Billboard advertising in Times Square is so popular that space has already been sold for 10 years. Coca-Cola, General Motors, Samsung, Prudential, NBC, Budweiser, and The New York Times are paying rates in excess of $100,000 per month to hold these spaces. Inter City is building a 50-story hotel at Broadway and 47th Street. The building will accommodate 75,000 square feet of advertising. Even before the completion of the hotel or tower, companies including FedEx, Apple Computers, AT&T, HBO, Levi Strauss, Morgan Stanley, and the U.S. Postal Service purchased space. Why would companies pay so much for outdoor advertising? What are the advantages and disadvantages of purchasing billboards at Times Square?

3. Repetition and a short, catchy name are the keys for an effective radio spot. Sports equipment retailer Fogdog.com has been very successful with its radio spots. The URL is easy to remember and is reinforced with the sound of a howling dog. People don’t have to fumble with finding a pencil to write it down. After a few repetitions, they remember it. Another Web company, Sandbox.com, which is a fantasy sports game site, is looking to develop a radio and billboard campaign. Prepare a radio and a billboard advertisement that will catch people’s attention and that will be easy to remember. What are the advantages of combining a radio campaign with billboards?

4. Xerox offers a color printer that sells for $1,200. The goal is to market it to business buyers. What media mix would you suggest for a $20 million advertising campaign? Justify your answer.
3. A major supplier of media research information is Nielsen Media Research. Access its Web site at [www.nielsenmedia.com](http://www.nielsenmedia.com). Go to the “About Us” section and then access the information available. Read “What TV ratings really mean” and summarize what TV ratings mean. From “Ratings 101,” determine how ratings are calculated. What other types of services does Nielsen Media offer?

4. In Canada, a valuable source of information is BBM (Bureau of Broadcast Measurement). Access this Web site at [www.bbm.ca](http://www.bbm.ca). What type of information is available on the site? How can it be used to develop a media plan for Canada?

5. Achieving advertising media objectives normally requires a blending of the various media within the advertising plan. Access Benchmark Communications at [www.bmcommunications.com](http://www.bmcommunications.com) and examine the information that is provided in the site, especially about the traditional media of newspapers, radio, and television. What types of services does Benchmark Communications provide? How can Benchmark Communications assist in the development of a media plan?

2. The following table provides the population of the top 10 demographic marketing areas (DMAs). The target market for a particular company is yuppie boomers, or those 35 to 54 years old who are professionals or managers. Based on the percentage of adults in each DMA that fits the target market profile, calculate the size of the target market in each DMA. Washington has been completed for you. If you had funds to advertise in only five of the 10 DMAs, which five would you choose? Why?

<table>
<thead>
<tr>
<th>DMA</th>
<th>Population</th>
<th>DMA Percent</th>
<th>Number in Target Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington</td>
<td>3,965,200</td>
<td>18.4%</td>
<td>729,600</td>
</tr>
<tr>
<td>San Francisco–Oakland</td>
<td>4,824,600</td>
<td>14.2</td>
<td></td>
</tr>
<tr>
<td>Boston</td>
<td>4,495,600</td>
<td>13.6</td>
<td></td>
</tr>
<tr>
<td>Dallas–Ft. Worth</td>
<td>3,669,900</td>
<td>13.3</td>
<td></td>
</tr>
<tr>
<td>Houston</td>
<td>3,251,100</td>
<td>13.1</td>
<td></td>
</tr>
<tr>
<td>New York</td>
<td>14,432,500</td>
<td>12.0</td>
<td></td>
</tr>
<tr>
<td>Chicago</td>
<td>6,483,800</td>
<td>11.7</td>
<td></td>
</tr>
<tr>
<td>Philadelphia</td>
<td>5,655,800</td>
<td>11.6</td>
<td></td>
</tr>
<tr>
<td>Los Angeles</td>
<td>11,391,200</td>
<td>11.3</td>
<td></td>
</tr>
<tr>
<td>Detroit</td>
<td>3,549,600</td>
<td>11.1</td>
<td></td>
</tr>
</tbody>
</table>

6. Two Web sites that are important for radio advertising are the Radio Advertising Bureau at [www.rab.com](http://www.rab.com) and the top 100 radio sites at [www.100topradiosites.com](http://www.100topradiosites.com). Access both sites. What information is available in each site? Discuss how the information can be used to develop an advertising plan using radio.

7. A major company for outdoor advertising is Lamar Advertising Company. Access its Web site at [www.lamar.com](http://www.lamar.com). Access the outdoor component of the company and locate the rates for your area. What type of outdoor advertising is available? Access the transit component of the company. What services does Lamar offer? What other services does Lamar offer?

8. One of the best sources of information for business-to-business advertisers is Advertising Age’s Net B2B Web site at [www.netb2b.com](http://www.netb2b.com). What type of information is available at this Web site? How can it be used? What benefits would a B-to-B advertiser derive from the Web site?
IMC Plan Pro

Picking the right advertising media is a vital step in creating an effective advertising and promotions campaign. You can use the IMC Plan Pro disk and booklet available from Prentice Hall to assist in the task of choosing an effective mix of media. Remember, you will need to consider the more traditional advertising locations such as television, radio, and magazines along with the proper mix of new media, such as Internet programs and other alternative media.
Manuel Ortega was placed in charge of an advertising campaign for a new 35 mm camera. His company was going to compete directly with Nikon and Yashica. As the account manager, Manuel was given a $12 million budget for the first phase of the campaign, which was to run for 3 months.

The objective of the campaign is to explain the firm’s version of disk technology. Images recorded on computer disks rather than film are sharper and easier to use. The complexity in conveying the details of the new technology and the benefits to consumers makes the campaign more difficult. Manuel consulted carefully with his media planner, media buyer, and creative after receiving the contract from the company. They agreed to use magazine ads to be followed up with television spots.

Part of their reasoning for choosing magazines was the profile of the target market for this particular type of camera. The company’s research indicated that the target buyer is between 18 and 44 years of age, has completed at least 2 years of college, and has a family income in excess of $30,000. These individuals read magazines at home and subscribe to most of the magazines they read. Manuel knew that individuals who subscribe to a magazine pay more attention to advertisements than do those who purchase the same magazine from a store. The other major characteristic of this group is that they have purchased a 35 mm camera in the past. The company believed those who had not purchased a 35 mm camera in the past were unlikely to buy into this new technology.

The company believed that 20 million individuals in the United States fit the target market profile for the 35 mm camera, and 3.22 million of those individuals read National Geographic. Manuel explained to the company’s leaders that by dividing the percentage of the total target market by those who read National Geographic, the yield is 16.1 percent. In other words, 16.1 percent of the target market for this camera reads National Geographic and would be exposed to an advertisement placed in the magazine. As shown in Table 8.9, the percent sign is dropped and the reach for National Geographic is listed simply as 16.1. In the advertising industry, this number is the rating for that particular vehicle and can be obtained from commercial sources.

Table 8.9 indicates that National Geographic and Time magazines have the largest ratings. Travel & Leisure and Southern Living have the smallest ratings. Two things explain the difference in ratings: (1) the size of the circulation of the various magazines and (2) the percentage of readers who fit the target audience. For example, the total circulation for National Geographic is

<table>
<thead>
<tr>
<th>Magazine</th>
<th>Cost for 4-Color Full-Page Ad</th>
<th>Total Readership (000s)</th>
<th>CPM Total</th>
<th>Rating (Reach)</th>
<th>Cost per Rating Point (CPRP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Geographic</td>
<td>$346,080</td>
<td>21,051</td>
<td>$16.44</td>
<td>16.1</td>
<td>$21,496</td>
</tr>
<tr>
<td>Newsweek</td>
<td>780,180</td>
<td>15,594</td>
<td>50.03</td>
<td>12.2</td>
<td>63,949</td>
</tr>
<tr>
<td>People</td>
<td>605,880</td>
<td>21,824</td>
<td>27.76</td>
<td>9.4</td>
<td>64,455</td>
</tr>
<tr>
<td>Southern Living</td>
<td>11,370</td>
<td>5,733</td>
<td>1.98</td>
<td>2.4</td>
<td>4,738</td>
</tr>
<tr>
<td>Sports Illustrated</td>
<td>965,940</td>
<td>13,583</td>
<td>71.11</td>
<td>10.5</td>
<td>91,994</td>
</tr>
<tr>
<td>Time</td>
<td>1,324,282</td>
<td>21,468</td>
<td>61.69</td>
<td>15.9</td>
<td>83,288</td>
</tr>
<tr>
<td>Travel &amp; Leisure</td>
<td>183,216</td>
<td>2,205</td>
<td>83.09</td>
<td>2.3</td>
<td>79,659</td>
</tr>
<tr>
<td>U.S. News &amp; World Report</td>
<td>100,740</td>
<td>8,929</td>
<td>11.28</td>
<td>8.3</td>
<td>12,137</td>
</tr>
</tbody>
</table>

(continued)
21,051,000 readers, compared to only 2,205,000 for Travel & Leisure. Not all readers of National Geographic fit the target profile for this 35 mm camera. In fact, only 15.3 percent of National Geographic’s readers fit this profile compared to 20.8 percent of Travel & Leisure’s readership. (Manuel calculated these percentages by multiplying the rating times 20, then dividing by the readership of the magazine in millions.)

The advertising team decided that two primary factors would determine the reach of the campaign. First was the number and diversity of media being used. A media plan using the eight magazines would have a greater reach than a media plan using only five magazines. Notice that the total reach for the eight magazines is 77.1. Thus, 77.1 percent of the target market for this 35 mm camera would be exposed at least once during the next 4-week time period to an advertisement. In addition to the quantity, the diversity of media will have an impact. Magazines that are different from each other tend to overlap less than magazines that are not different. Advertising only in sports magazines, for example, would overlap considerably because the same individuals probably read the various sports magazines. Reach measures the unduplicated percentage of a firm’s target market exposed to an advertisement. Ads in media with nearly identical target markets do not reach as many people as advertising in vehicles with different target markets.

1. Use the information provided in the case and Table 8.9 to develop the magazine media selection plan for the print advertising campaign for Manuel Ortega. Each magazine must have at least one advertisement insertion but no more than eight insertions.

Use Table 8.10 to calculate the gross rating points for the magazine campaign and the total cost. As noted in the case, Manuel has a $12 million budget to work with. To illustrate how to calculate the gross rating points and total cost, the first magazine, National Geographic, has already been completed. The goal is to maximize the gross rating points while staying within the constraints of the $12 million budget. (Those familiar with linear programming can solve this problem using a linear program to maximize the gross rating points. It also can be solved using a spreadsheet and what-if analysis.)

2. Justify the solution, especially in terms of frequencies chosen.

3. Is television a logical medium for the next phase of the campaign? Why or why not? If not television, which medium would be best?

<table>
<thead>
<tr>
<th>Magazine</th>
<th>Cost for 4-Color Full-Page Ad</th>
<th>Rating</th>
<th>Number of Insertions</th>
<th>GRPs</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Geographic</td>
<td>$346,080</td>
<td>16.1</td>
<td>8</td>
<td>128.8</td>
<td>$2,768,640</td>
</tr>
<tr>
<td>Newsweek</td>
<td>780,180</td>
<td>12.2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>People</td>
<td>605,880</td>
<td>9.4</td>
<td></td>
<td></td>
<td></td>
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<tr>
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<td></td>
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<td>U.S. News &amp; World Report</td>
<td>100,740</td>
<td>8.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$2,768,640</td>
</tr>
</tbody>
</table>

Note: The goal is to maximize the GRPs within the $12 million budget. There is a minimum of one insertion per magazine and a maximum of eight per magazine. Based on a linear programming solution, the optimal number of National Geographic insertions is eight. National Geographic’s information has already been completed.
MARK JONES was about to begin an interesting aspect of his advertising career. His agency had been chosen to represent a new client—Opryland America. The country and western, gospel, and bluegrass music show was located near the Lake of the Ozarks, in central Missouri.

For many years, Opryland America was not only the best choice for live country and western music, but it was also the only choice. Visitors came from nearby towns such as Jefferson City and Columbia, Missouri, and from the Kansas City and St. Louis metropolitan areas. In the years between 1960 and 1980, Opryland thrived using a small television advertising program for the local markets and in the metropolitan areas. Word-of-mouth brought in a great deal of business. Campers and lake-lovers who visited the Lake of the Ozarks would drive by the music theater as they reached the Bagnell Dam area, creating another set of potential audience members.

The 1990s brought new challenges to the show. First, the Lake of the Ozarks area had evolved from a “family” area to a major hangout for college students (especially from the University of Missouri, which was about 60 miles away) and 20-somethings looking for a place to party on the weekends. The natural draw of families had declined.

The bigger problem was new, regional competitors. Among the most dangerous was the new music mecca called Branson. The Branson region featured several cleaner, less crowded lakes along with other family enticements, especially the Silver Dollar City theme park. Silver Dollar City’s advertising stretched across the Midwest and attracted many visitors who would then attend one of the many music shows nearby. Market research indicated that people attend Branson music shows for three reasons: nostalgic fun, religion, and patriotism. Many political candidates (especially Republicans) scheduled campaign stops in Branson. For several years Branson had also been a satellite site for the Jerry Lewis Muscular Dystrophy Telethon during the Labor Day weekend.

Other competitors were also beginning to advertise on a wider scale, especially Pigeon Forge, Tennessee, which was close to the Dollywood theme park. Nashville also became more of a threat as roads to the city were widened. Access to quality country and western music had become much easier, for people in Missouri, Tennessee, Arkansas, and other nearby states.

Mark’s challenge was to find a way to bring people back to Opryland. Essentially, he had a much smaller budget than the competition. He needed to find a way to attract local music lovers and reach the tourists who still came to the Lake of the Ozarks.

Opryland had two major advantages. First, those who had seen the show over the years were loyal fans. These people would bring their children and grandchildren to see the program. Second, Mark knew that the actual music and show were every bit as good as those offered by competitors, who charged higher prices. Tickets to prime shows with good seats in

CASE 2

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Branson, Pigeon Forge, and Nashville ran in excess of $40. Opryland still only charged $25 for the best seats in the house.

Against this backdrop, Mark began to think about his media choice options. He knew the future of Opryland America might very well depend on the quality of the advertising program he developed.

1. Which media should Mark use in advertising Opryland America? Defend your choices.
2. What should be the primary message sent out in Opryland’s advertising?
3. Besides advertising, what else should Opryland do to bring back business and find new customers?
35. Richard Karpinski, “Online Advertising: Key Metrics,” B to B 89, no. 7 (June 8, 2004), p. 23.
38. Ibid.
39. “Why Internet Advertising?”
55. Neff, “Media Buying & Planning.”
56. Noah Liberman, “Web Marketers Use Radio to Net Audience Members,” Atlanta Business Chronicle 22, no. 16 (September 24, 1999), p. 73A.