Section 2:
Media Promotion

If you were asked to think about "television advertising" you might recall the Nissan commercial you saw during *Lost*. If asked to think about "newspaper advertising" you might remember Macy's sale ad in yesterday's newspaper. And, if asked to think about yellow pages advertising, you might envision the ads you read when looking for a restaurant or auto repair facility or you might think about the ads shown in the search results from an online yellow pages directory.

All of these ads represent the **end** result of the media planning process. Many media decisions are made before individuals have the opportunity to see these ads.The advertising media planning process begins with an advertiser deciding that a particular medium (e. g., yellow pages, radio or newspaper) is likely to be an effective way to reach his/her target audience. Once a medium is selected, the advertiser then selects the specific vehicle within that medium (e.g., a specific yellow pages directory, radio station/time, or television program) in which to place the advertising. Two underlying principles of this process are that:

- each individual advertising medium competes with all other media in an effort to convince advertisers of the relative merits of that medium.

- different advertising vehicles within a medium compete to increase their competitive position and attract advertisers. Once an advertiser is convinced of a medium's merits, advertiser-directed advertising might be used to convince advertisers that a *specific* media vehicle is the best option (for example, one of the two competing print directories within a market). Additionally, consumer-directed advertising might be placed into the market in an attempt to increase consumer usage of that specific vehicle (for example, advertising designed to encourage consumers to use yellow pages Directory A versus Directory B).

This chapter explores these aspects of media and media vehicle promotion.

Media Organizations

Every advertising medium in the United States has an association or organization that is responsible for the promotion of that medium, for example:

Medium	Association
Yellow Pages	Yellow Pages Association
Radio	Radio Advertising Bureau
Newspaper	Newspaper Association of America
Television	Television Bureau of Advertising
Magazines	Magazine Publishers of America

Direct Marketing	Direct Marketing Association
Interactive	Interactive Advertising Bureau

Organizations and associations promote their specific medium in two main ways: research and advertising.

Media Promotion - Research

Media organizations and associations conduct research on an ongoing basis. Research provides insights into the advertising and consumer dynamics that can be used to position one medium against competitive media. Two important areas of media research relate to media "reach" and "return on investment."

Media Reach

Media "reach" can be operationalized several ways.

One common way is to define "reach" as the total number of individuals exposed to a particular medium at a given time, for example, the number of people watching a television program or the circulation of a newspaper or magazine. Media which accumulate larger audiences are considered to have greater reach.

It is the case, however, that most individuals are exposed to an advertiser's message in multiple media. As a result, "reach" can also be defined in terms of the number of people exposed to an advertiser's message exclusively by a single medium and by that medium in conjunction with other media. Consider, for example, the two scenarios shown below. Both tables show the reach of two media. Both Medium A and Medium B reach 30% of the target audience.

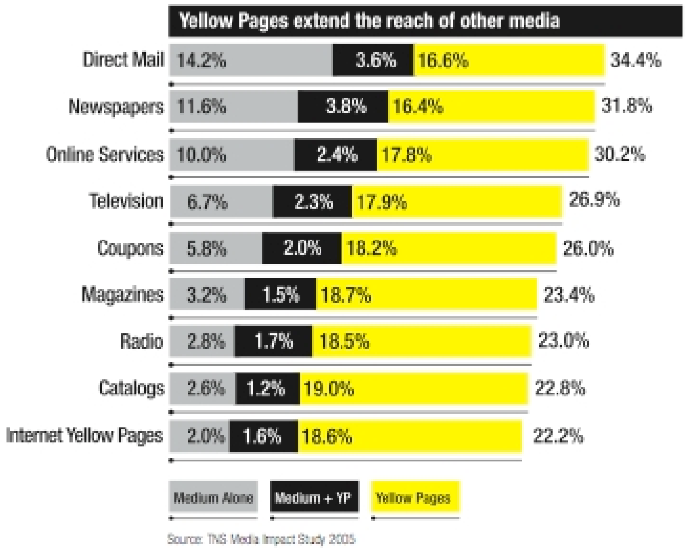
	Percent of Target Reached
Medium A	30
Medium B	30
Subtotal A and B	60
Media overlap	25
Net percent reached by both media	35

	Percent of Target Reached
Medium A	30
Medium B	30
Subtotal A and B	60
Media overlap	5
Net percent reached by both media	55

In the table on the left, media overlap is 25%, meaning that 25% of the target audience is reached by both media. Given this high overlap (duplication of reach), the **net** percent of the target reached by both media is only slightly higher than that reached by either medium alone. In essence, an advertiser in this situation can place his/her advertising in either medium (but not both) without a significant loss in reach.

The table on the right shows the opposite situation. Again, both Medium A and B reach 30% of the target audience, but few individuals (5%) are exposed to messages in both media. As a result, the two media work together - the two media are synergistic - and the placement of advertising in both media significantly extends the advertiser's reach. Advertisers therefore look for synergy across the media when considering where to place their ads.

The Yellow Pages Association has conducted research that examines this synergistic aspect of reach.



The research findings clearly show that when reach is defined from this perspective, the yellow pages extend the reach of all other media. While newspapers alone, for example, reach 11.6% of all consumers, the addition of yellow pages to newspaper nearly triples reach to 31.8%.

Return on Investment

Return on investment (ROI) is a simple concept. A positive ROI means that an investment (in this case, paid advertising) brings more sales than the actual dollars invested in the advertising. Advertisers are increasingly becoming concerned with their return on investment from advertising in all media.

> A recent *Ad Age* article (*Ad Age*, 10/13/03) provided this insight: "Media advertising does the worst job of any marketing discipline in proving return on investment and network TV is the worst of those media, according to an exclusive survey of leading advertisers. Media advertising was cited by more than one in four respondents as the worst for proving ROI, followed by public relations, at 25%. Product placement was third with 13%. Overwhelmingly seen as best medium for proving ROI is direct mail, cited by 42% of respondents, more than a 2-to-1 ratio over the second-best medium, the Internet, at 19%." (Yellow Pages were not included in this survey.)

While ROI is a simple concept, it is a difficult number to obtain for most media. The *Ad Age* article notes that "two of three respondents said current measurement tools are inadequate to prove ROI, with larger marketers tending to express more dissatisfaction than smaller ones." ROI is difficult to measure in broadcast media, for example, because of consumers' exposure to the same message in multiple media and an indirect and delayed response between advertising exposure and brand choice or purchase. An individual may see a McDonald's television ad on Monday, hear a radio ad on Tuesday, talk to his friends about McDonald's on Wednesday, and then decide to eat at McDonald's on Thursday. The task of allocating this brand decision (and profit from purchase) to the advertising in general, and to each specific medium's advertising in particular, is a complex and daunting task.

The yellow pages provide a straightforward way of determining an advertiser's yellow pages ROI. This process, which uses a technique known as **remote call forwarding** (RCF), allows a yellow pages advertiser to precisely know the effectiveness of his/her ad and that ad's contribution to ROI. The process works as follows:

> A specialized research company, such as DCCI, works with the yellow pages advertiser and directory publisher to obtain a unique telephone number that will appear in the yellow pages ad. This telephone number is published only in the ad to be tracked. The advertiser's regular number is used in the White Pages and any other advertising such as billboards, direct mail, or other media. Therefore, only calls from those consumers who have used the Yellow Pages to find the telephone number of the business will be tracked and counted. Next, when a consumer places a call (using the special number in the yellow pages ad) the call is seamlessly transferred to the regular business number of the advertiser, and is handled in the usual way. Neither the consumer calling in, nor the person at the business answering the call, are aware that the call is being measured. However, in the process of transferring the call, call-specific information is recorded and compiled by DCCI's computer system. Importantly, the privacy of the caller is respected. Calls tracked by remote call forwarding are not recorded and no one listens in. The only information that RCF provides is: a) time of the call b) length of the call c) time the call ended and d) where available, the name and address of the caller. The actual conversation that takes place remains private.
>
> Finally, data are compiled and summarized. Monthly reports are made available to the advertiser in

both print and online form.

As a result, yellow pages advertisers can track the number of calls generated by an ad and then, through the use of a ROI calculator (see example to the right), determine the ROI on their yellow pages advertising.

Example	Your business
A. Number of calls received per month	100
B. Number of calls to make one sale (conversion rate)	2
C. Number of sales made to Yellow Pages callers (Line A / Line B)	50
D. Average spent by customer	$300
E. Total Sales produced by Yellow Pages (Line C x Line D)	$15,000
F. Yellow Pages monthly investment	$1,000
G. Return on investment (Line E / Line F)	15:1

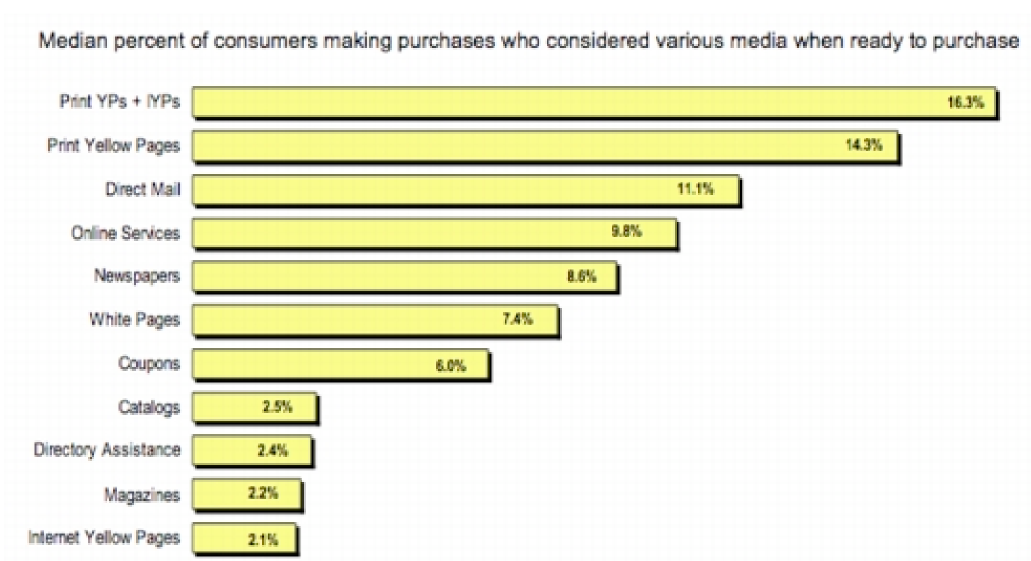
In this example, for every $1 spent on Yellow Pages advertising, the advertiser receives $15 in sales revenue.

The ROI for yellow pages is impressive. The average local display ad achieves more than a 13:1 sales return for every dollar invested while the average national display ad achieves more than a 27:1 sales return for every dollar invested.

Factors Underlying ROI

All advertisers are looking for a high ROI. In order to obtain a high ROI an advertiser must make certain that (1) his/her ads are placed in the media that most efficiently reach the target audience (see discussion of "reach" above) and (2) that once reached, consumers use the information in the ads as part of their purchase decision. Both factors are important. After all, even efficient reach is pointless is consumers ignore the ads.

The yellow pages deliver a high ROI because it successfully responds to both factors. We've already seen how the yellow pages successfully reaches target consumers. Additional research conducted by the Yellow Pages Association indicates that yellow pages ads play a very important role in the purchase decision. As the table below indicates, at the time of product purchase, more consumers consider information in the yellow pages than all other media.



Media Promotion - Advertiser-Directed Communications

Each advertising medium has determined its primary strengths versus other media. In many cases, advertiser-directed campaigns are created to make certain that these strengths are understood by advertising decision-makers. A print campaign sponsored by the Yellow Pages Association illustrates this approach.

The yellow pages' campaign focused on one of its primary benefits: **it places an advertiser's message in front of consumers at or near the time they are ready to make their purchase decision**. This proximity to purchase is unique to the yellow pages and, as a consequence, was how the yellow pages decided to position itself versus competitive media.

(Click for larger image)

(Click for larger image)

Promoting Media Vehicles

Once an advertiser has decided that a particular advertising medium will help him/her effectively reach the target audience, the next step is to identify the specific **vehicles within that medium** that best deliver the target audience, where "best" is typically defined in terms the cost to deliver a set number of the target audience. This section looks at media vehicle promotion for both traditional and online media.

Traditional Media

Audience delivery can be operationalized in terms of total number of individuals delivered by a media vehicle (for example, newspaper or magazine circulation) or in terms of competitive audience strength (for example, a television rating). In markets where there is only one media vehicle (for example, one newspaper) or when circulation is of prime importance, as is generally the case for magazines, total audience delivery is a reasonable descriptor. However, in markets where there are multiple media vehicle options (for example, multiple yellow pages directories in a single market or multiple television stations), the relative measure of "rating" is generally more useful to advertisers. Perhaps the most well known rating is the Nielsen television rating collected by Nielsen Media Research. Nielsen collects national television ratings as follows:

> "Nationally, there are 5,000 television households in which electronic meters (called People Meters) are attached to every TV set, VCR, cable converter box, satellite dish or other video equipment in the home. The meters continually record all set tuning. In addition we ask each member of the household to let us know when they are watching by pressing a pre-assigned button on the People Meter which is also present. By matching this button activity to the demographic information (age/gender) we collect at the time the meters are installed, we can match the set tuning - what is being watched - with who is watching. All these data are transmitted to Nielsen Media Research's computers where they are processed and released to our customers each day." (Source, Nielsen Media Research)

The outcome of this procedure is the rating, an estimate of a program's audience size expressed as the percentage of the total possible audience watching a particular program, where "total possible audience" is typically operationalized as households with television. For example, assume that there are 100,000,000 households with televisions in the United States. (The actual number is slightly higher.) If 30,000,000 households are watching CSI, then CSI's rating would be 30 (30,000,000/100,000,000=30). (For a more in-depth discussion of television ratings visit the Museum of Broadcast Communication.) Since one national television rating point always means the same thing (currently about 1.1 million households) programs with higher ratings deliver larger audiences and the audience delivery of two programs can be directly compared. Television networks and radio stations therefore use ratings to communicate the potential strength of different media vehicles. A television program with a "15" rating, for example, delivers three times the audience of a program with a rating of "5." The larger audience delivered by the "15" rating also means that the network or station can charge more for commercial time within that higher rated program.

Print Yellow Pages Directory Promotion

Yellow pages print directories also use ratings to competitively position themselves, although ratings in this context have a slightly different meaning. Print directory ratings are calculated to reflect a directory's share of usage in the area in which it is distributed.

Imagine, for example, that there are three directories distributed in a particular market. Because the areas of distribution are generally equivalent, their circulation would be comparable, as shown below.

Directory	Circulation
A	100,000
B	120,000
C	110,000

Each directory charges a different price for a full page ad. The cost of each ad is shown below.

Directory	Circulation	Ad Cost
A	100,000	$18,000
B	120,000	$10,000
C	110,000	$12,000

It might seem that Directory B is the best buy. It delivers the greatest amount of people for the lowest cost. Circulation, however, just tells us that a directory has been sent to a home. It does not tell us whether or not that directory is being used. This is where ratings come into play.

Added to the table below are the total number of references and the percentage of all references (the rating) for each directory over the prior twelve months.

Directory	Circulation	Ad Cost	Total References	Rating
A	100,000	$18,000	1,500,000	75%
B	120,000	$10,000	300,000	15%
C	110,000	$12,000	200,000	10%

Clearly, Directory A is the most referenced directory in the market, accounting for three in every four references.

The table below takes the ratings into account as the relative pricing of the three directories is reexamined. The last column provides the cost to an advertiser for each directory reference (versus the prior chart that looked at ad cost in terms of circulation).

Directory	Circulation	Ad Cost	Total References	Rating	Cost Per Reference
A	100,000	$18,000	1,500,000	75%	$.012
B	120,000	$10,000	300,000	15%	$.033
C	110,000	$12,000	200,000	10%	$.060

As you can see, even though Directory A has the highest ad cost in an absolute sense, it is still the best value because of its low cost per reference. Directory ratings are therefore very important to directory publishers. Similar to television and radio stations, higher ratings mean that a print directory can charge more for advertising space. Given this, print directory publishers develop and place advertising to encourage use of their specific directories, knowing that if the advertising is successful their ratings (share of usage) will increase and, as a consequence, so will their advertising revenues.

At the same time, print directory publishers also develop and place advertising designed to convince business advertisers that their directories are the best yellow pages in the market. These business-focused ads typically promote the positive business results obtained through advertising in that particular directory.

Sources

All sources are noted in the text. We appreciate DCCI's explanation of remote call forwarding.