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No Magic Number for

If Your Client Wants Only a Hard Figure, Try Recasting the Debate Toward Relevance

By Mark Dominiak
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Special to TVWeek

My longtime co-worker, media research guru and past contributor to this space, Roger Baron, was fond of a list he kept tacked on his wall citing Media's Five Unanswerable Questions. He even wrote about them here (TelevisionWeek, March 24, 2003).

As you would suspect, the questions on the list are typically the ones to which clients consistently demand answers. Yet it never seems to matter to clients that the questions are essentially unable to be unequivocally answered. Nor does it matter that the increasing complexity of today's media world makes those questions thornier than they ever have been; clients still demand answers.

How Much Is Enough?

But sometimes equivocally answering the questions may not be relevant at all. To demonstrate, I'd like to attack question No. 1 of the unanswerable questions, "How Much Is Enough?," but from a different perspective.

Clients ask this question because they view the answer as a kind of a magic number; as if there was some precise amount of media weight you could invest in a week for your brand and see the highest return in sales. They expect that we can know the answer. No one of course knows the correct answer, and media planners burn themselves out trying to find something substantive that will satisfy the client.

I would propose that when a client asks this question, media planners need to redirect the question right back to the client. Many times the client isn't asking the right question.

It should be proposed to the client that the real question isn't "How Much Is Enough?," but rather "How Much Makes Sense?" When the question can be reframed, there are tools to use that can help a planner find a relevant answer.

Here's one example that applies to quite a few planning situations.

Start With Reach

A key objective of most media plans is to create broad awareness. One of the critical drivers of broad awareness is reach. If we could, we'd build plans that generated 100 percent reach among our target audience every week of the year. Two things make that wish a pipe dream. First, reach doesn't accumulate in that simplistic a way, and second, few brands any of us work on command resources to cover 52 weeks.

But let's say we were successful in turning the unanswerable question back on our client, and the team in fact agreed to answer the question `How Much Makes Sense?' If the plan objective is to create broad awareness, one way to start is to establish the number of weeks we believe we'd like to cover in the plan.

For example's sake, let's choose the best 40 weeks of the year for that brand. Those weeks can be determined by looking at the brand's specific sales per week divided by the average week to derive an index. Or you could look beyond the brand and consider the weekly sales indices for the category.

Since the goal is to create broad awareness, we would want to try to generate as much reach as we possibly could in those best 40 weeks. We know we can't achieve a 100 percent reach, and we know "How Much Is Enough?" isn't a productive approach. Our goal then is to determine "How Much Makes Sense?"

Diminishing Returns

But how do you define "makes sense?" If you want to get a client's attention, tie "makes sense" to financial investment. The answer, then, lies in establishing a financial inflection point at which it no longer makes sense to add incremental weekly reach. That point can be determined by something as simple as a diminishing returns analysis. How do we do that?

Start with this simple premise: Every target ratings point purchased comprises a combination of reach and frequency. Find the point at which the next TRP investment yields a greater increase in frequency than reach. This is basically the same paradigm as recency.

At that point, what makes the most sense is to seek a new period in which to create reach than to squander valuable funds on frequency unlikely to generate incremental awareness. Financial investment at that point runs directly counter to the goal of broad awareness.

You don't need an optimizer to accomplish this task. You can do a fairly straightforward analysis with reach and frequency software and an Excel spreadsheet. The starting point is to pick some increment level of TRPs to serve as the basis for an analysis. A nominal increment is five or 10 rating points.

Make sure the increment is consistent. If it is, then every increment within a daypart represents a consistent monetary investment. You could also consider a specific monetary increment to be applied across all dayparts. For example purposes, let's use TRP increments within each daypart.

For every daypart you would consider using, do a simple run of reach and frequency yield at 5, 10, 15, 20 TRPs and so on, up until the 80-100 range. Record the resulting reach and frequency at each level in an Excel spreadsheet. When the spreadsheet is ready, insert a couple of simple columns that calculate the percentage of change in reach and in frequency from each TRP increment to the next.

You'll end up with two columns of decreasing numbers. One represents the change in reach and the other, frequency. At the top of the column, you'll notice that the changes from increment to increment for reach are larger than those for frequency. But at some point, the change in frequency starts to exceed the change in reach. That is the point of diminishing returns.

It's fairly easy to graph out the data once you have it in an Excel spreadsheet. There are two examples here using adult 25-54 TRPs and simple academic-based reach and frequency software. The first looks at the diminishing returns analysis for the network prime daypart and the second for the cable prime daypart. For network prime, the point of diminishing returns occurs at around 85 TRPs. For cable prime, diminishing returns occurs a bit earlier, at around 70-75 TRPs.

If you endeavor an analysis of your own, your results may vary from those above. It's likely that you'll have a different target-perhaps women or young adults. Different targets will make different dayparts look more attractive than they may for other demos. Also, every media organization has its own reach and frequency software. Differences between those software tools will generate somewhat different results.

Ways to Skin the Cat

If you decide to begin your plan with the highest reach yield daypart, you might schedule 85 prime TRPs in each of the 40 weeks you selected to support, provided your budget allows. If you still have resources available, you might then add the next most productive reach daypart and its corresponding level of diminishing return TRPs.

You could also elect to begin adding that next daypart directly to the reach and frequency result of the first, which will require an investment of fewer TRPs in the next daypart added until diminishing returns again results. You'd then add the second daypart to incremental weeks until all 40 weeks are covered or the budget runs out. If resources remain, you could select yet a new daypart.

You could begin the process with the most efficient daypart and add dayparts in order of decreasing efficiency. That type of approach inevitably leaves network prime out of the mix and something like cable fringe or daytime as the first selected daypart.

You might also select dayparts based on cost per reach point or another criterion that suits your brand or client.

Redirect Thinking

The point of this discussion is not to suggest a simple analysis like diminishing returns is the end-all to finding the "right' answers clients search for. What it should suggest is that you may have opportunities during the planning process to redirect the nature of the team's thinking on thorny issues.

The zealousness of clients to want answers to unanswerable questions creates plenty of opportunities. While it's understandable that clients want to know things like exactly what the right level is to invest, the environment in which communications exist is far too dynamic to ever allow us to identify any magic number. And, truthfully, it's really silly to squander resources trying.

The smarter approach is to turn to a relevant maneuver like the redirected question, which can help the team refocus on what makes sense for established objectives. When the team is refocused, simple tools like a diminishing returns analysis come in handy, helping to create plans that have better marketplace impact.

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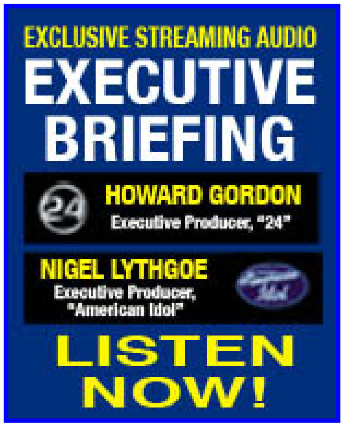

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