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8 Advertisers and Media Planners

Advertising is a craft executed by people who aspire to be artists, but assessed by those who aspire to be scientists. Advertising executive John Ward (Mayer 1991)

With media advertising revenue either static or even declining and below-the-line advertising – trade shows, promotions – increasing there is now considerable ferment within the advertising-marketing-promotions field about the best strategies for reaching consumers and the best methods for interacting with them. Advertisers have built analytical techniques and vocabularies to manage audience ratings. These techniques are used to place advertising within media and to evaluate their success. What is striking about the advertiser side of the ratings convention is that the limits of advertiser-supported media were apparent from its inception, suggesting ways in which the attachment to advertiser-supported media and spot advertising has always been much more provisional than it appears. As we have seen, advertisers were major contributors to research in the early years of the media industry and were responsible for the development of the first ratings surveys. Later they became more detached from research as ratings were increasingly paid for by the media providers themselves; today, this research focus within advertising is returning and there is considerable debate over the nature of the settlement and its intellectual basis coupled with active explorations of alternatives.

The Dual Persona of the Advertiser

One of the first surprises to confront the advertiser when he gets serious about the possibilities of radio advertising is the dual personality back of this radio business. He finds right from the start two radically different viewpoints that of the advertiser and that of the showman. To an advertising manager experienced in all the intricacies of visual media, a failure to adjust himself to this dual personality may spell ruin. Inability to see both viewpoints has probably accounted for many of the failures of the air – the sponsored programs that are not handing the advertiser a profit on his investment. Warren B. Dygert (Dygert 1939: 13)

This advice, dating from 1939, is from Warren B. Dygert, Associate Professor of Marketing, New York University; Secretary and Account Executive, F.J. Low

Advertising Agency; Member of University Radio Committee, New York University. Dygert himself was in the advertiser role with F.J. Low, but he was more than this, as you can see, with a post in marketing at New York University.

Peter Coleman later provided a less flattering, tongue-in-cheek description of the 'advertising man' as:

a sort of mixture of con-man and artist manqué, an unreliable, sentimental, cynical huckster with bags of sympathy for mankind when he was not contemptuous of it, a man who drank too much, lived on his nerves, grew ulcers, seemed to thrive on scandals which never affected his business, and who ended-up in the fundamental corruption of believing the rhetoric his trade taught him to think. (Coleman 1969: 677–8)

There is something very important in both Dygert's and Coleman's descriptions of the advertising persona. Advertisers, from the beginning, had a show role, having to come up with appropriate narratives and performances for clients to sell their expertise and advice, and a marketer's role, to decide on a range of sources of information about audiences, markets, goods, consumer attitudes and so on. The advertiser had to decide on all these sources of information in order to construct a narrative that was convincing to the client. The choice among sources of information, however, was not arbitrary. Indeed, in Dygert's *Radio as an Advertising Medium* he is clear that in 1939 the evidence suggested that radio should be thought of as a secondary medium, a 'good will' medium, that should be used in conjunction with other media:

But there seems no doubt that radio is at its best as a secondary medium as a good-will medium to back up the strong sales talk in newspapers and magazines. Survey after survey shows that advertising, as such, is less popular with listeners than with readers. One seldom hears these days of magazine readers tearing out the advertisements in rage but one does hear often enough of a listener tuning out the advertising message, particularly if it is a long one. The big advertiser will probably accomplish more by leaning toward good will in his radio program and using other media to pound the public into prospects. The small advertiser, however, who cannot afford this effective plan, must and can do his selling over the air. The caution is: Do not overdo it. (Dygert 1939: 216)

From an advertising standpoint, radio's greatest misfortune, for Dygert, is that it had played up this potential circulation too much. According to Dygert, the Joint Committee on Radio Research, sponsored by the American Association of Advertising Agencies, the Association of National Advertisers and the National

Association of Broadcasters, estimated in 1938 the number of families owning radio sets in the United States was 26,666,500. There were at the time approximately 32,641,000 families in the United States. 'This is a national coverage then of 82 per cent. But the advertiser should not take this too seriously. If broadcasting stations could offer this stupendous coverage to the radio advertiser on the same basis that an ABC publication can offer its specified coverage, then radio rates should be boosted many times' (Dygert 1939: 216). Dygert argued that the empirical evidence, surveys and other sources, had demonstrated that many people did not turn on their radio sets and many did not even listen when they were on. This great radio circulation represents a potential 100 per cent audience, listeners which no advertiser, no president, nor hurricane could ever draw to the radio at a single given moment. Dygert's advice to the advertiser in the case of radio was to:

- 1 determine what class of the public has the biggest sales possibilities;
- 2 design a programme to interest this class;
- 3 select a time of day and week best suited to reach the greatest number in this class.

And then use newspapers, magazines, direct mail in combination to boost sales.

Print for Dygert was still at that time the most persuasive medium for the advertiser. His book provides detailed overviews of how radio ratings worked, how to decide among different kinds of surveys and what the empirical data said worked. In particular, Dygert was keen to ensure that the advertiser kept their eye on cross media and did not forget that radio was only one medium among others. His examples were intended to be instructive. WSM radio for example took a two-column advertisement in *Tide* to tell of a nursery in Osage, Iowa, that offered in a 15-minute weekly programme a complete assortment of plants, shrubs and seeds for US\$1. The programme consisted of music and a friendly voice, the Master Gardener, who talked of seedtime and planting and invited the listeners to order. Orders received were:

26 January	\$2,203
2 February	\$1,676
9 February	\$2,697
16 February	\$2,663
23 February	\$1,905

Radio for Dygert did therefore sell goods. Another example he gives readers was *Captain Tim's Adventures*, run three times a week on radio at 6.15 to 6.30 p.m. for Ivory Soap. From 1934 to 1936, the programme gathered 2,700,000 members into the Ivory Stamp Club. Some 800,000 stamp albums and over 400,000,000 stamps were mailed out to listeners, at cost to the listener. 'Two Ivory Soap wrappers were required for the album, and two for each packet of stamps, plus 5, 10, or 20 cents, according to the richness of the collector's appetite' (Dygert 1939). Dygert, of course, was writing before the world of frequency and reach calculations had ideas on how many messages were needed to reach a particular broadcasting audience over time. That said, he was genuine in his interest in careful application of social science research. He had all the characteristics of the modern advertiser interested in how audiences worked, how different media worked and how the creative execution led to successful sales or consumer awareness.

The dual personality of advertiser therefore was one of analysis of 'cold facts' and the capacity to organize a good 'show':

Where the businessman is geared to run on cold reason-why facts, the showman's machine is driven by emotion and enthusiasm. There never was a good showman yet who did not believe his ideas simply could not fail who would not rather use a \$5,000 star even when the sponsor's margin of profit on his product could allow only a \$1,000 one. (Dygert 1939)

The advertisers life was a tough one and some of this tough life even comes out in early television comedies like *Bewitched* where the husband has to sell the agency's ideas as the best ideas, compared with competitors, in order to 'win the account'. The origins of the collection of media, market, and audience evidence, as Hurwitz (Hurwitz 1983) shows, are closely tied to those of the origins of advertising agencies themselves. 'Space salesmen', employed by the newspaper publishers to sell advertising space, were the precursors of the modern advertising agent. As the sales areas of manufacturers expanded and more and more goods became available to consumers, those space salesmen, and they were men, serviced 'space jobbers', who wholesaled space from a range of newspapers in a range of cities across the United States. The competition was cut-throat as jobbers became affiliated with space buyers and offered them additional services to gain the advertising dollar. The outcome from this process was the creation of independent agencies that provided services to national advertising campaigns and the preparation of copy.

This is the earliest example of advertising agencies seeking to be 'creative' forces on the one hand, preparing copy that helped sell goods and newspapers,

and ‘researchers’ ensuring return on investment (ROI) for the space that they bought. National advertisers, as they grew, discovered quickly that a substantial amount of their budgets was related to space cost and they wanted to know that they got value for their money. This led to the creation of a range of ‘advertising clubs’ that worked together to establish standards for measuring circulation and auditing measurement. Counting audiences-readership was an obvious solution to the problem of ROI on space buying. Decently audited circulation figures would at the least give an indication of effectiveness of advertising, in the absence of individual audience readership figures. This might sound a simple matter, but publishers everywhere did not want to give out their *real* circulation figures. In the United Kingdom this led to court battles. In the United States what the advertisers did was to deny uncooperative publishers their business. Bureaus of circulation were an outcome of this pressure from advertisers and these bureaus continue today.

It was advertisers, therefore, that started the intense interest in the social geography of people and their habits, and their relationship with media, by virtue of wanting clear metrics for estimating the success of advertising. These two core sides of the role of advertising remain:

- 1 Understanding the audience; and
- 2 Advertising effectiveness.

Dygert’s concern about radio as a secondary medium starts to make sense in this context. From his point of view, analysing the evidence of the time, it was not at all clear that radio provided the actual reach to audiences that was claimed by radio broadcasters. Indeed, it was well known that broadcasters would exaggerate their radio footprint, where their signals went, in order to claim larger listening audiences than they actually had (Dygert 1939). Radio signals could sometimes for various reasons travel further than their normal footprint. If a listener wrote in from outside a station’s footprint and said that they had heard a broadcast, then those stations often claimed the increased footprint as normal, not accidental. Print, on the other hand, had established practices that were better audited and controlled, in Dygert’s view. His conclusions are, in fact, right, based on the evidence he had in front of him. His questions were the same ones that have always been at the forefront of the advertiser mind: ‘Has the relevant audience been successfully reached?’ ‘Has the advertising been effective?’

The advertiser role in the audience-ratings convention has been much as it was in the lead up to the creation of audit of circulation bureaus, the ‘advertising

clubs' acting as quasi-research authorities that conduct comparative studies of different methods and measures when controversies arise over which might be best for use in planning and when there are doubts about ROI. Advertising has also had an intense interest in motivational research and many other forms of approaches to evidence about attitudes, behaviour or habits that might assist in constructing advertisements, designing campaigns or selling their expertise. The whole development of knowledge around media planning and buying is one important aspect of this. The creative side of agency work could still flourish in the face of 'cold facts' about the audience. However, the creative outcomes would always in some way reflect the research that informed the agencies overall.

By the 1960s, in the United States and Australia, the role of television in advertising strategy was well established. Australia did not have the 'advertising clubs' of the United States, but it did have advertisers who worked to established rules of the game. For example, at the end of March 1962 there were 1,355,589 television licences in force in Australia, with Sydney, Melbourne, Brisbane, Adelaide and Perth accounting for 73.9 per cent of them. It is worthwhile citing in depth an address by A.S. Cowan, general manager of Federation of Australian Commercial Television Stations (FACTS) to advertising students. This address was in 1962 and was specifically designed by Cowan to show how the industry had become both professionalized and standardized:

To avoid a clash of picture signals, it is necessary for a system of licensing stations, rather than for anybody to at will set up a television station ... Those frequencies allocated in Australia for radio and television are allocated by the ABCB. There are 13 channels available for television, but cities in different states, or far apart can be allocated the same channel without risk of interference. For example channels 7 and 9 are operated on in Sydney, Melbourne, Brisbane, Adelaide ... The maximum amount of advertising permitted is prescribed by the Board after consultation with the industry. There is a distinction between advertising in sponsored sessions and for programmes containing spot advertisements.

In brief the weekday advertising standards provide for 2 minutes for a 15 minute programme, 3 for a half hour and 6 minutes in an hour programme. Spot advertising may be placed at the rate of 1 minute in each 5 minutes of programme time. No more than 3 consecutive advertisements should be telecast, but billboards indicating the name of the programme and of the sponsor are not treated as advertisements. On Sundays the amount of

advertising time is restricted, and there is a total prohibition on the advertising of liquor ...

All commercial television stations are members of the Federation of Commercial Television Stations known by its key initials as FACTS. It is the 'spokesman' for the industry, enters into liaison with the Government and Control Board and the advertising associations, represents its members in arbitration proceedings, deals with the complicated industry copyright matters and the like. It is its connection with advertising however which I will briefly outline.

The Television Advertising Board (TAB) which in fact has had a longer existence than FACTS, is now a Division of that body, responsible for accreditation of advertising agencies and the formulation of television advertising rules and procedures. Before an agent is entitled to commission on television business it is necessary for him to receive TAB accreditation, based on his financial position, experience, accounts and office facilities ... An industry association does not concern itself with domestic matters affecting a station such as the rate structure and programmes but there are certain matters where uniformity as to procedure and treatment is desirable, and in fact is requested by the advertising associations ...

The use of back-to-back announcements has been regulated. These are advertising films divided into commercials for 2 distinct products (say a one minute film divided into 2 at 30 seconds). This is permitted if only for 2 products in sponsored sessions, but only permitted by permission of the station if used as a spot message ... The Broadcasting Act provides that a station shall publish particulars of its advertising charges, and shall not without reasonable cause discriminate against any person applying for the use of the advertising service. All stations therefore publish rate cards of the conditions applicable to advertising placed over it ... A guide to viewing habits is carried out by independent survey organizations, of which Anderson Analysis and the McNair Survey Company are the best known. Regular capital city surveys are conducted by these two organizations, on viewing each quarter hour during the period of the survey. From this basic information is estimated for each quarter hour:

- 1 Number of families viewing each station
- 2 Number of people
- 3 Number of men, women, and children
- 4 Percentage of television sets in use.

These surveys form a guide to the most popular programmes, and represent a useful tool of measurement. Survey results have indicated the tremendous attraction which commercial television has for the public ... But the greatest development last year was in the ever increasing popularity of daytime television. Time does not permit a detailed examination, but surveys indicated that the aggregate afternoon audience to regular television programmes in most instances topped the combined audience to radio programmes at the same time.

All advertising media has its separate advantages, but TV holds a special place in the minds of the public apart from its advantages shown in the film you have just seen. A study in November, 1961, conducted by Elms Roper & Associates to the question 'Suppose you could continue to have only one of the following – radio, television, newspapers or magazines – which one of the four would you most want to keep', showed:

Television 42%

Newspapers 28%

Radio 22%

Magazines 4%

Don't Know 4%

This was taken on the American scene, but with the rapid acceptance of TV in this country, would be a logical basis to assume its application here. (Cowan 1962)

A.S. Cowan's account is instructive because it shows the dominance of television in the thinking of the advertiser and also the rules and context that governed the relationship between networks and advertisers, together with the government regulatory bodies. This is the era of the beginning of the dominance of the main free to air networks over the Australian mediascape, something that the networks as incumbents have maintained for decades. However, the relationship between the television networks and the ratings providers, just as the relationship between the advertisers and the networks, were not passive ones. All had an eye on the ratings and any perceived mistakes were immediately acted on. The letter on the next page is from Stan Fildes, a manager of the Perth television station TVW7, to Sir James Cruthers, its managing director. In this case, McNair had misprinted the titles of television stations in its diaries. Stan Fildes had, as a result, gone through all the diaries. McNair had underestimated the reaction to the error.

TVW CHANNEL 7

May 15, 1969

Dear Jim,

I went to McNair's office this morning and spoke with Ian McNair and Jim Grant, their Office Manager, about the incorrect heading of STW7 and TVW9 on the diaries used for their television survey in Perth.

Ian McNair commenced the discussion with an apology for the error. He went on to say that while he thought the error was serious in itself, it would have no effect whatsoever on the results of the survey.

Other points made by McNair are contained in a letter due to be delivered to this office later today for inclusion in our airbag. I read the draft of this letter.

Comments I made to McNair include the following:

We view the error in a very serious light.

Regardless of the fact that the information was correct at the bottom of each page, people read from top to bottom, so the incorrect information at the top could very well mislead.

Despite the McNair opinion that people think of the figure and not the letters in a station's call sign, we have spent a good deal of time and money on getting Western Australian viewers to remember both so far as TVW7 is concerned.

If the error was discovered at a point during the checking stage, I couldn't follow why the incorrect information was not physically changed on at least those books still to be checked. Furthermore, I was surprised the error was not correct with the respondent at the stage the diaries were collected.

Grant brought in a number of diaries for me to inspect and McNair invited me to look through all 300 of them as they came to hand. One diary did have three of our programmes written in by the respondent but had TVW9 ticked; however this had been corrected in the McNair office. McNair and Grant claimed this was not uncommon kind of error and could not necessarily be attributed to the diary misprint. I indicated that I was surprised nevertheless the error had not been corrected at the collection stage.

My approach could be described as firm and unrelenting. Clearly McNair was disturbed by the apparent seriousness with which we regarded the matter. As I started to leave their boardroom McNair attempted to brighten up the proceedings a little by saying 'Well Stan, I hope you have a good result in the survey'. I replied 'Ilan, it had better be good'.

This type of interaction between the players engaged with ratings was everyday and ongoing. If it was not a network provider querying results through technical sub-committees it might be an advertiser complaining about contradictory results.

The new knowledge intermediary that grew out of these interactions was the media planner.

The Media Planner

National advertising originates with manufacturers, retailers, corporations and governments, located in many cases outside a particular medium's circulation or viewing area. As we know, a national ad in a single newspaper is often only part of a much wider advertising campaign. It may be backed up by advertisements in major and minor papers, in radio and television and even echoed on railway billboards. Today, this kind of campaign is normally managed by an advertising agency that specializes in researching the client's needs, devising the advertisements and scheduling them for publication. Some agencies concentrate their business in a single city, some have branches around the country and some are transnational agencies or partnerships between national and transnational firms. Some agencies specialize in certain forms of advertising or in servicing relatively few advertisers. Others specialize in coordinating wide-ranging campaigns which may include not only advertisements in the mass media but also launches, promotions, mail drops, DVD distribution, T-shirts, caps, advertising balloons and so on. A glance at the classified advertisement sections in industry journals gives some idea of the range of media and promotions available to agencies. These agencies are highly competitive and the competition has increased.

Generally, the big agencies are called full-service firms. They liaise with the client, work out their requirements, help define the market and the product, propose a campaign, draw up a budget, recommend appropriate media, create the advertisements, book media space and time, and liaise with media advertising departments. Global competition in this area of buying space increased considerably in 1998 when the world's largest marketing group, WPP (originally Wire and Plastic Products), pooled the media-buying power of its main advertising divisions, the agencies J. Walter Thompson and Ogilvy & Mather. Under the name of MindShare, they planned to be free to compete for the business of other advertising agencies in buying space in television in all its terrestrial, orbital, analogue and digital forms, magazines, billboards, bus shelters, screen-savers, sky-writing and much more.

Buying space, as we have seen, goes back to the foundations of agencies. But these days advertising, like much of the media, has been globalized and international full-service firms aim to provide more than buying services. Some can supply a full range of skills from their own resources but where they lack those skills they can organize or buy-in associated promotions and public relations services. They usually employ campaign planners, media buyers, copywriters, artists, creative directors and art directors but may hire more for big campaigns. Big firms daily hire outside photographers and film-makers, specialist artists, printers, actors, models,

celebrities, voice-over readers and special-effects people. They also hire props and properties for advertising shoots. Indeed, they make a substantial contribution to sustaining the film, acting and photographic industries.

There are many accounts of how particular advertising campaigns were put together. Many of those from within the industry are pervaded by an atmosphere of triumphalism – hype, after all, is the common currency of advertising. One in particular, *True Confessions* by John Singleton, adds a note of iconoclasm to its triumphalism. It begins:

Most of the books written about advertising have little to do with Australian advertising; or advertising at all if it comes to that. Advertising books are mostly written by antique principals of US Agencies as a sort of desperate last fling for some new business. Or as a deathbed rationale for the boredom or predictability of their performance ... First, it's important *not* to have too good an education. I don't know anyone in advertising whose mind is cluttered with too many bullshit degrees. (Singleton 1979)

Singleton's breezy and irreverent book is a great read, but Michael Schudson's *Advertising, the Uneasy Persuasion: Its Dubious Impact on American Society* (Schudson 1984) still provides a serious scholarly critical and analytical perspective. As R.R. Walker said in his survey of the industry, 'Advertising is not art, it is not literature, it is not design, it is not entertainment. It is part of a communications process between people with things to sell and people with money to buy. It embraces everybody. In many respects it is a business looking for professional status' (Walker 1967: 1). He also noted that even though the media depend on advertising for most of their revenue, the media were markedly reluctant to talk about either the role or process of advertising or marketing. Newspapers, he said, were very diffident about doing so, even though they wanted to know everything they could about other people and other businesses (Walker 1967: 199–200). These remarks came from a man who worked for 26 years in Australia's largest advertising agency and for some years wrote that rare thing, a column on advertising for an Australian newspaper, the *Age*.

The rise of the professional status of advertising itself has a long history, with Art Nielsen promoting market research as a core discipline and including 'the advertiser' as manager-scientist. The rise of media planning added to the science feel of advertising. In the mid-1970s a new type of time-buying service emerged, attracting clients of larger agencies who thought they could get more personal service from a small organization like Zenith. These companies were in turn bought by large European 'buying centrals' that had flourished in a climate of loose controls. Large agencies set up or bought up buying services as a substitute for their own media departments and in the contemporary moment this has become general practice.

Buying services originally began with the premise that they were uniquely skilled at bargaining down rates, but their main selling point shifted to the claim that they selected media with high sophisticated skill. They developed 'optimization models' that stressed 'accountability' and performance rather than cost efficiency. Similar models had been used – and abandoned – by agencies thirty years earlier. (The simplest optimization model might be a table ranking different media options in terms of only two variables: the cost of an advertisement and the size of the audience each would deliver – or, putting the two together, the CPT gross ratings points or impressions a given investment would buy.) (Bogart 2003: 169)

By adding information about the composition of the audience the comparison could then be refined further to the cost of reaching people of a certain kind, say men aged 18 to 34, mothers of children under six, professionals and managers, to use Bogart's example. Computers can create alternative schedules and budgets for comparison. When comparing schedules that contain different media and repeated advertisements the modelling becomes more complicated because it adds reach and frequency over the life of a campaign. Such schedules could provide an 'optimum' frequency such as three exposures per person. 'The audience measurement services fed this development, by supplying lots and lots of numbers to crank into the models. As the analysis of media schedules grew more complex, the large agencies and buying services had a further advantage, because they could afford the necessary technology and talent' (Bogart 2003: 170). Figure 8.1 provides an overview of the relationship of the 'media planner' within the agency context.

Figure 8.1 General model of the media planner

Media planning, therefore, has become a major part of the planning process because it provides optimum cost-efficiency plans for the delivery of advertisements across a range of media. The knowledge around media buying includes a range of formulae that have been developed over time, from frequency and reach through to understanding different patterns of delivery of advertisements and audience behaviour. It was worthwhile going backwards to the 1960s to see the advertiser view of these formulae before the advent of the personal computer.

Cost Efficiency and the Curve of Experience

The Australian Association of National Advertisers (AANA) held its annual conference in Perth, Western Australia, in 1966. One of the keynote speakers was Kevin Luscombe, head of advertising and marketing at Heinz. Luscombe told the AANA conference that Heinz had experienced a massive loss in sales, with competition from both East and West Coast of the United States. 'The advertising you saw earlier talked about thicker, richer Heinz Ketchup, and from what we could see, to many consumers this seemed to be on target, but it lacked the demonstrable breakthrough that *convinced* people that ours *was* thicker, richer than the competition' (Luscombe 1966).

Heinz had noted in group interviews and quantitative home-use studies a connection between richness and thickness in its ketchup. Heinz appointed agency Doyle, Dane and Bernbach to look into the interview findings and how to use television as the main medium in a media plan:

Then the answer to the creative problem was found, right in our own plant. During an Agency tour of the plant, they saw several tests being made, tests which clearly demonstrated that Heinz was richer and thicker, less 'runniness' than our competitors. Demonstration of this seemed to be the answer. Storyboards were pulled together with absolute singularity of purpose. Judgment on these boards came quickly and the commercials went into test markets in record time. Recall of communication tests quickly followed. We got a tremendous playback, almost verbatim playback from an agreeably large number of consumers. (Luscombe 1966)

Luscombe told the gathering that major media work closely with advertising agencies to provide a steady flow of cost-efficiency data and audience profile studies. Audience specifications, he said, can be very precise. 'I have a product for upper income families with children in the late teen bracket, in urban markets. They need to have a separate frozen food cabinet and entertain regularly.' A media plan

with supporting facts can be selected to fit this need but in less specific markets, reach and frequency are the basic criteria:

In talking reach and frequency, I have run into some varying definitions. In this discussion, reach is a measurement of the number of different homes viewing a program (or programmes) in a given period. Frequency is the average number of times the average home that is reached saw that programme or those programmes. Reach and frequency data is most commonly based on 4 week data. (Luscombe 1966)

The following matrix highlights what Luscombe was talking about:

Table 8.1 Homes viewing matrix

	A	B	C	D	E	Total
Week 1		X		X		2
Week 2	X	X				2
Week 3		X		X		2
Week 4		X		X		2
Total Contacts	1	4	0	2	1	8

The determination of the reach with a combined buy using, for example, one programme spot and four night rotating spots is simply based on the laws of probability – the probability in this case of not seeing one of the television spots. For example, if this schedule of the programme calls for two telecasts of a show in the four-week period and that is seen by 29 per cent of households, 71 per cent of households did not see this show in a four-week period. In a similar manner it can be deduced that 30 per cent of households did not see one of the spot announcements in a four-week period. Therefore, accordingly to the laws of probability, 21 per cent of households saw neither the programme nor any of the spots: $71/100 \times 30/100 = 21/100$. This would mean that 79 per cent of households saw at least one announcement in the schedules.

Although estimates of reach and frequency give quantitative values on a particular media schedule, interpretation is still the judgement of the media planner. Decisions have to be made on such questions as:

- Should reach be more important than frequency?
- How is the frequency distributed? Are a relatively small number of homes getting heavy exposure at the expense of other homes?

The thing that makes reach and frequency information so critical in media selection is its role of supplying quantified evaluations of a broadcast media plan, for example, where combination buys are being used and a decision has to be made between several alternatives. Two plans, spending the same budget and delivering approximately the same total messages, can deliver markedly different reach and frequency results. This depends on the spread of day-parts involved and the type of programme that the majority of spots are clustered in. Reach and frequency numbers can be determined either by purchasing actual exposed tabulations from a ratings service (which will show a count of the number of different homes exposed to the schedule and the number of times each was exposed), or by making an estimate of the results of such tabulations.

Two years after Luscombe's presentation, case studies produced a number of reported case studies linking optimal exposure levels:

1968 3–5 exposures (du Pont)

1968 2–3 (GEC)

1968 3–4 (GEC)

1970 2 (du Pont)

In 1972 Herbert Krugman came up with a three-hit theory of advertising messages: on first exposure, the consumer's reaction is 'what is it?'; second exposure, this is the evaluative stage where the consumer moves from simply absorbing 'the message' to relating the message to its relevance; third exposure is where the person decides to act, assuming the message is relevant.

The three-hit theory is an attempt to reduce the 'scattergun' approach in a schedule, providing a heuristic measure giving some confidence that the target audience has been reached three times and, further, that a third exposure is inherently linked to motivation. Understanding reach and frequency, therefore, developed additional assumptions. Krugman's three-hit theory is one of those assumptions based on case studies. Studies on frequency distributions also provided the statistical modelling for the data, not least the work of Agostini, Metheringham and Leckenby, and Kishi.

A range of concepts are important in this context, including Unduplicated Audience (also known as exclusive or unique audience; it refers to that proportion of the audience of a combination of more than one media vehicle that is unique to one or other of these media vehicles), Audience Flow (the movement in audience in broadcast media from station to station at a given time), Average Frequency (the average number of times people or homes are

potentially exposed to an advertiser schedule of advertisements), Cumulative Audience (or Reach; the number or proportion of different people or homes reached at least once by a medium as a whole or by specific media vehicle or number of advertisements), Gross Ratings Points (GRP, expressed as thousands rather than a percentage; it describes the total weight delivered by the schedule without regard to audience duplication), Opportunities to See (OTS, the number of potential impacts available to a given advertising message as expressed by an estimated audience), among others.

Reach is a measure of the unduplicated audience. If a placement in a television programme reaches 30 per cent of the target audience and a second placement has a reach of 28 per cent it is unlikely that the schedule reach will be as high as 58 per cent. Almost certainly some of the viewers of the first programme will also have seen the second programme. The reach may be in the region of 50 per cent (that is, 8 per cent of the target group will have viewed both programmes). Reach, frequency and gross ratings points are closely related:

$$\text{GRP} = \text{Reach} \times \text{Frequency}$$

Luscombe, in his 1966 presentation to the AANA, made an important point about understanding frequency distribution and the role of mathematical modelling – it had to be used as part of what he called an *experience curve*. An advertiser needed to understand the limits of the statistics. For example, average frequency does not necessarily indicate how many people received how many exposures. A schedule analysed as having a reach of 75 per cent and an average frequency of 3.0 may seem to be quite reasonable, but the following frequency distribution which meets this 75 per cent/3.0 criterion shows up the difficulties:

Spots Seen	Target audience (per cent)
0	25
1	15
2	25
3	10
4	10
5	5
6	5
7	5

Here we have audience skew: 25 per cent of the target audience could be classified as having heavy exposure (more than 3), 40 per cent had light exposure (less than 3); and 10 per cent had the average level of exposure. If three exposures to the advertisements were necessary to get the message through, then this schedule would only have succeeded with 35 per cent of the target groups, not the apparent 75 per cent. Frequency criteria should be expressed in terms of minimum acceptable frequency or acceptable frequency range to avoid audience skew.

Barwise and Ehrenberg (Barwise and Ehrenberg 1988) also show why the experience curve is an important part of understanding the application of knowledge in this area. ‘Double jeopardy’ is a good example of this. The audience composition of most television programmes is much the same, although different individuals choose different programmes. But how regularly do people watch the successive episodes of a particular program? To what extent is it the same viewers each week? Most TV programmes appear as a series of episodes and if there are no big changes to channels, audience size ratings of a regular series tend to be steady from day to day. However, repeat viewing provides a double jeopardy effect for those programmes that get low ratings. Barwise and Ehrenberg’s example in Table 8.2 exemplifies double jeopardy, listing contrasting shows that aired in the early, middle and late evening on four Wednesdays in New York.

Table 8.2 Audiences of four successive episodes (household ratings)

New York, November 1984	1	2	3	4
<i>ABC World News 7.00 WABC</i>	9	8	8	6
<i>Wheel of Fortune 7.30 WCBS</i>	14	15	17	14
<i>Highway to Heaven 8.00 WNBC</i>	13	11	12	11
<i>Dynasty 9.00 WABC</i>	25	26	24	24
<i>St Elsewhere 10.00 WNBC</i>	11	10	8	12
<i>Channel 2 News at 11 11.00 WCBS</i>	8	6	13	7

Source: Barwise and Ehrenberg 1988

These figures look like the audiences are stable. But in each case only about half or even fewer of those watching a programme in week 1 also watched it in week 2.

Repeat levels are even lower than they used to be, because there are more channels and thus lower ratings per program. In the US the average

repeat percentage for prime time networks program is now down to 40 percent. Most series in the table averaged repeat rates of less than 30 percent. Popular soap series can have repeat levels 10 percent higher, averaging up to about 50 percent; but a relatively 'high' 50 or even 55 percent rate is not 90 percent that the popular mind might expect. (Barwise and Ehrenberg 1988: 380)

Nuanced understanding of what is happening with audiences is not a navel-gazing exercise. The consequences when translating figures into the market are startling. The figures below give some idea on the costs of a 30-second advertisement for high-rating programmes against a Nielsen rating.

Table 8.3 Nielsen ratings for 30-second advertisements in high-rating programmes

	30-second ad (US\$)	Nielsen Rating
<i>American Idol</i>	\$658,333	16.2
<i>Survivor</i>	\$412,833	10.8
<i>CSI Miami</i>	\$374,231	10.0
<i>Everybody Loves Raymond</i>	\$315,850	9.8
<i>Two and a Half Men</i>	\$249,017	9.6
<i>Law and Order</i>	\$227,500	8.3

The language of quantity in any context requires caution. This does not mean that repeat viewing principles mean that a serial is not doing well or that people are not watching and involved, only that in presenting the statistics without understanding repeat levels skews the meaning of the results. Statistical modelling is now an established part of media planning practice and the language of quantity even more complex than the days of Art Nielsen's flip charts. The everyday media planner, the young woman or man sitting at the computer, does not necessarily need to know the mathematical modelling, but whether they have the experience curve mentioned by Luscombe is highly unlikely.

Modern campaigns combine different sources of information in their planning. For example, Caemmerer's report (Caemmerer 2009) on how Renault and Nordpol + Hamburg executed an integrated communication campaign is a contemporary example of how media and evaluation are used in tandem. The objective of the campaign was to increase consumer awareness of the safety of Renault cars with the message: '*Die sichersten Autos kommen aus Frankreich*' ('The safest cars

come from France’). The campaign used cinemas, the internet, television and print. Figure 8.2 shows the media campaign schedule:

Figure 8.2 Campaign schedule for Renault
Source: Adapted from Balnaves 2010

TNS was employed to track changes in consumer attitudes and to evaluate the effectiveness of the campaign. The study showed an increase in awareness levels of the safety of Renault cars, from 44 to 52.2 per cent, and intentions to purchase a car from Renault. According to Caemmerer (Caemmerer 2009) an independent readership survey by the magazine *Auto, Motor und Sport* also showed that Renault had achieved a 7 per cent increase in consumer perception of safety. The Renault campaign is a good example of tactical use of media all focused on a single coherent message. The Director of Marketing at Renault held that cinema was a good venue for high quality film and advertisements. The combination of the media is assumed to enhance reach and frequency to the desired target demographics. What we do get by deploying the different media, however, is expansion of frequency and reach. What is most interesting is the viral marketing aspect of the campaign.

The media planner is faced by a range of different measures, rules of thumb and statistical principles in developing their media plans. Software packages are designed to provide access to the different sources of data and to provide the formulae automatically against the data. All major media, from television through to outdoor, attempt to provide frequency against demographics, but vary in how they do it. In cinema, reach and frequency are derived from the actual or projected campaign admissions overlaid with cinema-going demographics. In the case of Australia, this overlay is derived from Roy Morgan’s single-source survey that fuses consumer

questionnaires given to thousands of households against ratings and other data. As discussed in Chapter 2, the authors would not call this genuine single-source data, but Roy Morgan does attempt to fuse different types of data to give a picture of consumers or audiences. In the case of cinema, as the Val Morgan cinema network advertising says, a campaign aimed at a target audience is directed towards appropriate movies in each complex and booked each week. The total number of movies available each week against a particular demographic sets the optimum weight – the campaign weight required to reach all moviegoers in that demographic. Val Morgan's example of campaign achievements, in all-people admissions and reach against demographics for varying campaign weights, is outlined in Table 8.4.

What has emerged with this complexity is the problem of getting competent users of data, those who have an underlying understanding of the statistics as well as the 'experience curve'.

Table 8.4 Cinema admissions

14–24's Campaign Achievement						
	200 screens per week			400 screens per week		
	Admissions (all people)	%	f	Admissions (all people)	%	f
	4 weeks	659,000	21.1%	1.0	1,318,000	34.5%
8 weeks	1,318,400	34.5%	1.2	2,636,800	50.6%	1.7
25–34's Campaign Achievement						
	200 screens per week			400 screens per week		
	Admissions (all people)	%	f	Admissions (all people)	%	f
	4 weeks	659,200	12.5%	1	1,318,400	21.1%
8 weeks	1,318,400	21.1%	1.2	2,636,000	32.5%	1.5
18–49's Campaign Achievement						
	250 screens per week			450 screens per week		
	Admissions (all people)	%	f	Admissions (all people)	%	f
	4 weeks	824,000	11.8%	1	1,483,200	18.9%
8 weeks	1,648,000	20.6%	1.1	2,636,800	30.7%	1.4

The Competent User

More research data and more complex ways of manipulating them on the computer made media buyers better informed but not more intelligent. Planners might switch from one yardstick, like cost per thousand, to another, like cost per reach point, but to make either the number of impressions or the number of people reached the sole criterion for evaluating media, or media schedules, was to fall into a fatal error. My studies taught me that in advertising there were simply no universal rules, no sure formulas for marketing success. There was, however, a formula for failure, and that was a reliance on formulas. I began to learn this lesson when I worked in the agency business.
Leo Bogart (Bogart 2003: 170)

The mathematical modelling of behaviour, as Bogart says, was once the exclusive domain of economists but it is now very much a part of marketing practice and of media research. Media buying now takes a growing share of advertising agency operating costs and inbuilt in its vocabulary are assumptions about audience attitudes and behaviour. Dygert's days are gone. Many of the overarching considerations in advertising remain, such as a principled understanding of diverse sources of evidence, and, above all, the dual personality of marketer and show performer. Not only do data need to be analysed, but, as in Luscombe's days, they needed to be convincingly sold. However, if Heinz's ketchup did not sell after an advertising campaign, then the agency employed by Heinz would most likely have been sacked.

There is now more computation than ever before. There is, though, an addition to this complex mix. The Advertisers Research Foundation (ARF) in 2007 created a more complex model of consumer behaviour and the advertising process. This included, not least, the addition of engagement as an important variable, above and beyond exposure. The figure opposite provides an overview of the model.

The contemporary advertising industry sees engagement as an alternative measure to exposure and a reflection of the changing nature of self and family in the online world. (Advertising Research Foundation 2009). Traditional media economics is now complemented by software packages that look into online activity and consumer generated media. Nielsen, for example, now has NetView, SiteCensus, VideoCensus, AdRelevance, BuzzMetrics, Custom Research – all related to online analysis and part of the push to treat advertising analysis as a 'conversation'. Figure 8.3 provides an overview of Nielsen online research analytics.

BuzzMetrics, represented in Figure 8.4, is designed to give business and organizations a sense of what is being talked about among audiences online. Computational semantics is a growing area providing algorithms for statistical analysis of language.

Figure 8.3 Nielsen Online Media Research Analytics

Figure 8.4 Nielsen BuzzMetrics

Optimedia's new Content Power Ratings (CPR 3.0) likewise attempt to estimate audience activity using composite measures. CPR 3.0 brings together:

- Optimedia's primary research
- Nielsen Media Research's NTI database
- Nielsen Online's VideoCensus
- Nielsen Mobile
- comScore's Media Metrix
- e-Poll's FastTrack Television
- Dow Jones Factiva
- Google Trends
- Facebook
- Nielsen BuzzMetrics

- CPR Measures: Audience Delivery – across TV, Web and Mobile platforms;
Involvement – overall awareness of and loyalty to programme; and
Advocacy – overall levels of conversation and PR activity, plus personal
recommendations
- Evaluated Content
- Primetime and Late Night

Table 8.5 below, provided by Optimedia, shows its CPR ranking compared with Nielsen Ratings.

Table 8.5 Optimedia's Content Power Ratings

CPR 3.0 Rank	Nielsen Rating
1 AMERICAN IDOL FOX Reality/Contest	1
2 LOST ABC Sci-Fi	34
3 DANCING WITH THE STARS ABC Reality/Contest	2
4 GREY'S ANATOMY ABC Drama	26
5 HOUSE FOX Drama	28
6 FAMILY GUY FOX Comedy	63
7 THE OFFICE NBC Comedy	60
8 NCIS CBS Drama	4
9 GLEE FOX Musical	66
10 CSI CBS Drama	6
11 HEROES NBC Sci-Fi	65
12 THE BACHELOR ABC Reality/Contest	13
13 SURVIVOR CBS Reality/Contest	14
14 GOSSIP GIRL CW Drama	125
15 TWO AND A HALF MEN CBS Comedy	9
16 DESPERATE HOUSEWIVES ABC Drama	17
17 JAY LENO SHOW NBC Variety	55
18 TRUE BLOOD HBO Drama	131
19 SCRUBS ABC Comedy	81
20 BIGGEST LOSER NBC Reality/Contest	23
21 SO YOU THINK YOU CAN DANCE FOX Reality/Contest	50
22 HOW I MET YOUR MOTHER CBS Comedy	37
23 60 MINUTES CBS News	8
24 THE BIG BANG THEORY CBS Comedy	20
25 CHUCK NBC Drama	57

Like Roy Morgan with cinema, these are all attempts to give an overarching picture of what the consumer or audience is doing, something that goes back a long way in advertising history. Historically, also, there have been competing pictures of the audience and its behaviour and the role of these different measures sometimes come into conflict. Advertisers, however, as the voice in the market, are now bringing engagement into practice in a way that they were not able to do in the past because computing power gives them access to data in a way that was not possible before. The Advertising Research Foundation's 'On the road to a new effectiveness model: measuring emotional responses to television advertising' (Advertising Research Foundation 2009), like all ARF reports before it, puts engagement on the audience ratings agenda.

There is a real problem, however, of measurement experimentation speeding ahead of competent users of the data that are generated. The experience curve of Luscombe almost looks like it is being lost in computation of secondary data at the expense of competent judgement. The user is being given a desktop interface that is easy to use and translate requests into tabulations and decent graphs but, as is clear, understanding the intricacies of what is happening with audiences is a major exercise in itself.

Summary

Advertising is generally planned and evaluated in terms of campaigns rather than individual commercials. Advertisers have always been among the most sophisticated users and critics of the ratings. They have also been the group most likely to experiment with and embrace different sorts of research. They were the initial engine for the development of the audience market and for the ratings instrument itself (CAB/Crossley, Anderson, McNair). They established its basic vocabulary; they appear now as an important part of the engine transforming the ratings and interrogating its efficacy.

The American Association for Public Opinion Research (AAPOR) ethics research code has been revised to become more specific and demanding, but as Leo Bogart notes, there has also been 'ever greater abuse of survey research by companies and individuals outside AAPOR' (Bogart 2003: 112). The authors are not saying that any of the examples provided in the chapter are an abuse of statistics or of research. However, telemarketing, push polling and other market- or politics-driven methods have no doubt created confusion in people's minds about what counts as survey research. More importantly, this confusion leads to non-cooperation in surveys and diminishes the ethos of the modern survey.

The hunger for measurement has other downsides, not least providing a platform for people to enter the market, as in the days before the US Congressional hearings, to sell bogus methods or data:

Then there was Norton Garfinkel, who satisfied the advertising business's inane appetite for a 'single source' of data on media and markets with his Brand Rating Index. The Index quickly rode to stellar success, and Garfinkel sold his company to the Arcata Corporation, a West Coast forest products company with dreams of becoming a giant conglomerate. BRI foundered after a presentation to the 1970 Advertising Research Foundation conference by William Simmons, whose company measured magazine readership as well as product consumption. Simmon's presentation demonstrated an uncanny resemblance between BRI's magazine figures and his own, as well as between BRI's television data and Nielsen's. In this case, too, the service went under, but Garfinkel remained on the party circuit. (Bogart 2003: 113)

The role of the advertiser in the audience-ratings convention is a complex one and it has changed over time. In its early days advertising clubs often conducted their own research, as did early advertising agencies. Today, research costs are most likely to be passed on to the client and pure research is not seen to be core business. There are exceptions, like Project Apollo, that attempt to create a single-source methodology that works. Accountability for the dollar spend, though, remains. Creating cost efficiencies in delivering advertising are core business. A special form of knowledge about how audiences work has built up around traditional broadcast ratings and exposure measures generally. That knowledge is complex and the 'experience curve' related to it involves not only knowledge of frequency distributions and mathematical modelling but the *actual limits of statistical knowledge*. In terms of the relative disposition of advertisers in the audience ratings decision-making, the advertiser brings to the table the voice of the market. They are voiced in terms of the currency of the ratings and also in terms of representing client interests. If a medium is seen not to be viable for the delivery of advertising, then advertisers will direct the client's money elsewhere. If the ratings do not deliver the size of audiences or the specific audiences that are required, then, likewise, they will redirect their dollars elsewhere. In the contemporary moment, however, modern broadcast ratings are still gilt-edged in terms of the robustness of their methods.