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MEDIA SPENDS: a new dilemma

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Background

It is not only difficult to develop a brand, but it is also expensive and perplexing, especially considering that there are so many avenues to choose from. Often faced with the dilemma of how much to spend, and which channels to spend on, owner-managers of medium sized enterprises seem to stand at crossroads. The situation gets worse with rising costs, including those for talent, and a dipping economy, which renders media budgets insufficient. Entrepreneurs today judiciously plan their brand campaigns, and want to know ways in which they can get maximum mileage out of every rupee they spend. Unfortunately, there isn't one rule that can direct them to success. Experience shows that traditional methods do not always pay off, and to increase the options of 'getting it right' – one of the best ways is to share experiences and best practices, and then adapt them to a particular situation.

*9.9 Media realised the need to address these dilemmas, primarily the ones that play a key role in terms of planning or assessing media spends, and recently hosted a briefing session to find the answers. The discussions were led by **Arpita Menon**, Vice President at 9.9 Media. She was also joined by **Ashvinder Singh**, Managing Director, Uni Style Image and **Anil Kapur**, Chief Executive Officer, Reinol Obstfeld India who shared their own experiences on the subject.*

Introduction

Unlike a few years ago, 'media' is no longer a background function. This transition has come into being simply because of the heightened complexities in this space. The consumer has the power of choice, which compels organisations to plan their media options carefully.

Segmentation is the key

Marketers are facing stiff competition given India's recent unprecedented growth. Direct marketing tie-ups and the expanding grey market have given consumers access to international high-quality products like never before.

In such an environment, where brand proliferation is high and a bitter share battle is being fought in the market place, the trick is to be relevant to the consumer and offer a 'unique proposition' – one that cannot be replaced! It is, therefore, necessary to move away from an '**all things to all people**' strategy to an '**all things to some people**' or a '**some things to some people**' strategy. This, indeed, is the need of the hour, as far as media plans are concerned.

Segmentation allows marketers to reach out to their specific audience. The need for this emerges from the hypothesis that while demographically, people may be similar, they have distinct media consumption patterns. The attempt should be to penetrate the layers and reach the level where one can completely delineate, or differentiate their media consumption, resulting in a focused target group – the net impact being huge monetary savings.

A typical example for niche marketing, narrow casting or consumer segmentation, would be that of Dove Soap. Unlike Lux, which is a mass brand, Dove focuses on mature women. Even the media space is reflecting this trend. For instance, India Today, from being just a 'mass brand', is now targeting niche audiences by focusing on specific segments.



Marketing and advertising task impact plan

A print plan can vary depending on what it seeks to achieve. For instance, if the task is brand launch as opposed to generating trails, then one would place larger ‘attention grabbing’ colour advertisements in premium positions through a high reach vehicle. Depending on cost constraints one may not extend this plan to smaller publications at all. If the task is that of sales promotion i.e. awareness and reminder, then the plan will involve smaller size (non-colour) advertisements with a higher frequency, but not in premium positions. Similarly, when the idea is to educate potential customers, then medium sized advertisements – more like editorial – work best. It is, therefore, useful to draw up a media plan keeping in mind the task at hand, as it is imperative to have the two aligned.

Focus on the right metrics

The availability of more options and increased choices, has led to a highly fragmented audience. As a result, higher costs are being incurred to achieve the same level of delivery! Further, rising inputs costs too are being passed on to the marketer. This implies that it has become imperative for organisations to cut their ‘media spend’ flab, wherever possible.

The focus of negotiations is often on % discounts or savings on the card-rate. Publications have been known to hike their card-rates substantially in order to offer better discounts. The buying metric to focus on should be growth or inflation on the actual outlay. Even inflation can be justified provided there is a commensurate growth in readership. The task for the marketer is to look at the planning and buying process for each medium, and extract the maximum value at every stage of the way!

A company may claim that they enjoyed a 10% discount on the card-rate of a daily newspaper in the previous year and is focused on a higher discount in the current year. One should note that if the card rate has gone up by 50%, even if the discount offered is bettered by 50% to touch 15%, the actual hike in the outlay is a huge 42%!

One way of cutting the flab off a media plan is to focus on minimizing wastage. A Selectivity or Preference Index helps do just this. These methods/parameters identify what proportion of the audience base is in the actual target audience. The larger the proportion of target audience covered by the vehicle, the lower the wastage. For instance, on the basis of ratings, Doordarshan may deliver a larger audience in sheer numbers for a Target Group of Men, 25+ years, SEC AB. The Discovery Channel, on the other hand, may deliver a substantially lower target group, but 60% of the Discovery audience may be in your company’s TG compared to only 5% on Doordarshan! Using a Selectivity Index to select vehicles ensures that we minimize the wastage and make our plans leaner.

Unlike TV, where we get minute-by-minute data and are able to track actual Ad Viewership, in the print space, only data on publication readership is available! Ad notice ability Studies help move the focus from measuring the readership of the publication to the notice ability of an ad. This way, advertisers are able to focus on the ‘real’ reach of their communication. While Ad notice ability shows a significant drop compared to publication readership, insights on positioning of the ad, the optimal size, the impact of colour, clutter etc. can play a role in driving up its intended impact.

One of the biggest worries for marketers is that they may not be getting the best possible deals. Experience has shown that in order to understand what kind of value you are getting compared to other similar spenders; the most realistic approach is to rely on auditors, as they are seen to be unbiased third parties.



Moving from efficiency to the 'effect'

In a heightened competitive marketplace, marketers are under severe pressure to deliver. The temptation to indulge in promotions is generally high, since they have a direct impact on sales and are measurable. The impact of advertising, on the other hand, is indirect and measurement of its effectiveness would be at best sketchy, as it is difficult to estimate the contribution of other elements in the marketing mix.

As a result, a lot of focus is now being placed on the effect and not just the delivery. Agencies are now talking about ROI and partnering clients for brand growth. A few big agencies are setting up specialized econometric models to track the effect of advertising (GRPs) on awareness measures and/or sales. At a more basic level, many marketers are now tracking response variables, like footfalls in a store, leads generated through a contest etc. and trying to connect this to their media and marketing efforts. For example, TATA AIG has a response mechanism built into every single advertisement. So, an ad on a particular channel will have a different call back code, enabling them to track the viability of that media option.

Solutions – the right mix!

The consumer is no longer a passive statistic captured easily by conventional mass media. The consumer of today is a lot more active, with marketers needing multiple touch-points to reach out to them. Marketers are now turning to Integrated Marketing Communications (IMC) where diverse marketing activities are executed as expressions of a common Strategy. 360 degrees communications or Solutions is the logical media extension of IMC.

A Solution is normally an answer to a brand issue and is focused on the brand. Customization is the key to a solution. An ideal solution normally incorporates a 'brand experience' component which is where the consumer gets to 'touch-and-feel' the brand. It has to magnify the communication to give a larger than life feel, ideally across multiple media channels. It also needs to be response based in order to be able to measure performance.

To spend on media research or on the media plan or the media vehicle? Some successful marketers share their experiences...

With a limited brand awareness budget, **Uni Style Image (USI)** developed a smart media strategy that ensured there was a multi-fold impact on awareness. Every product that was launched, every communication that was created and every promotion that was planned, was done keeping in mind the 'brand strategy'. They prioritised the core values of the company and the target customer for whom the products were made. The focus was on the brand and the niche target segment. The most effective way for USI was word-of-mouth publicity. For the last 8 years, their advertisements have been designed in an identical manner – same size, colour, and art work. Due to the constrained budget, doing the right thing has been critical for the brand and this was possible through investing in research.

At **Reinol Obstfeld India**, there has been a realization that research spends are necessary, since in a dynamic environment, it forms the backbone of any initiative. However, care must be taken to ensure that not too much management time or effort is spent on this. Research inputs need to come from experts who have gone up the learning curve in this particular area. It is important to understand what the brand stands for. Being a supplier of industrial products, in a commodities market, building the brand has been the critical differentiator in their success story.