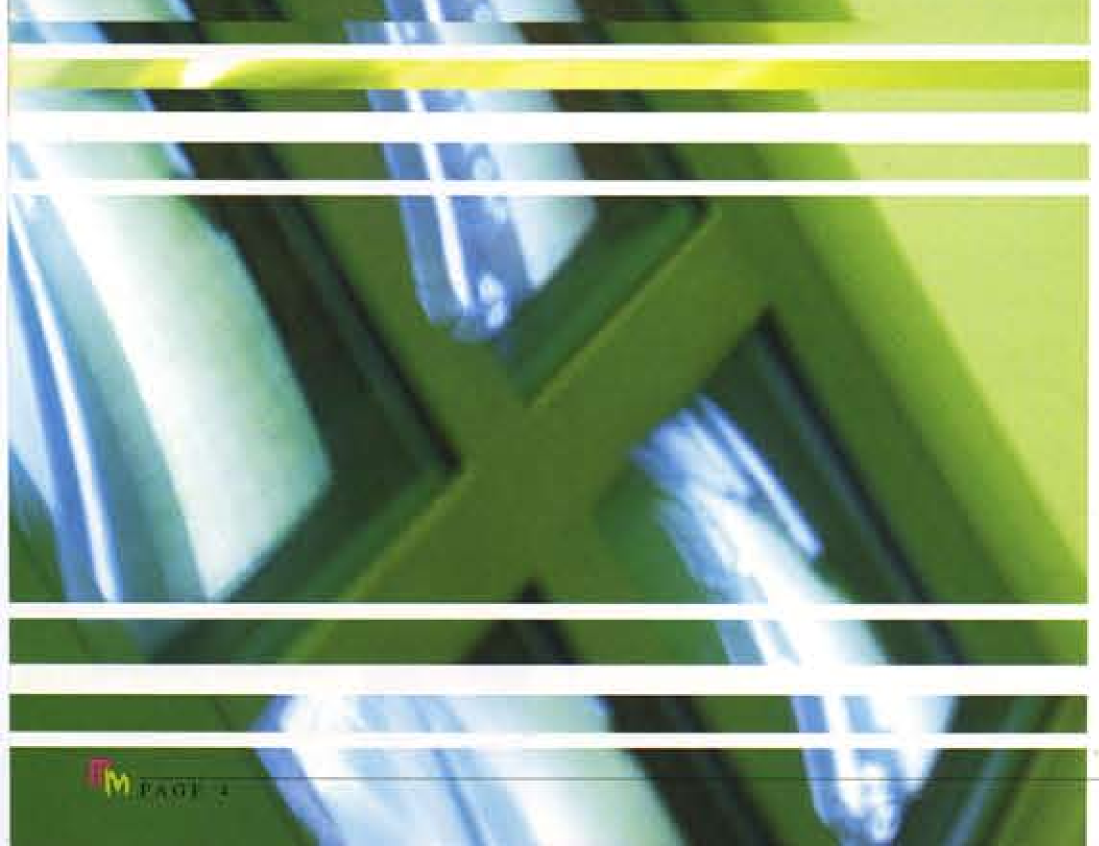
e-media e-xamined

by Mark Chesterfield

The 2004 year was a bumper for the media generally with predicted revenues rising overall by in excess of 9 per cent, and the major electronic media, television and radio by up to 12 per cent.



The actual numbers won't be known until the first quarter next year but the exceptionally bullish stance of the media brought on by the very high levels of commercial fill in the last six months of 2004 point to a realistic fulfilment of the promise.

Winners and winners

The overall strength of the advertising market means that even those media down the pecking order will still receive significant revenues as advertisers battle just to get their schedules to air.

Nonetheless, the high flyers inevitably retain increased revenue share in line with their relative audience share – and often beyond. Brought on by the less informed end of the market, who tends to buy on overall share rather than more definitive demographic or qualitative measures, the overall winning position is one eagerly sought by individual media as a source of significant incremental income.

Share and share alike

The metropolitan television market was as competitive in 2004 as it has ever been with the apparently omnipotent Nine Network continuing to dominate the overall position, despite tart rivalry by Seven and Ten.

The final OzTAM survey for 2004 saw Nine maintain a strong lead ahead of Seven, which just edged out Ten. Averaged across the year, Nine's overall FTA share was 29.9 per cent, Seven's 24.9 per cent and Ten's 23.8 per cent.

But these figures only tell part of the story. Whilst Nine dominated in most demographic areas, Ten maintained leadership of the younger end of the market, especially against its 16–39 core audience. More, Ten made significant inroads in the broad (and advertiser rich) 25–54 years demographic, primarily at the expense of rival Seven.

Seven had a rocky road in 2004 and although still number two overall, it has never looked like bringing the fight back up to Nine — except, of course, during the Olympic survey where it took the honours for the only time that year.

Radio rivalry

The major players in the radio market, at least on a national network basis, remained the key Austereo (DAY/MMM), ARN (MIX/WSFM), and NOVA stations amid strong contention for the younger end of the market. Radio has always tended to be a youth advertising medium (Laws, Jones et al. aside) and the continuing jousting between Austereo's DAY and MMM networks with the new kid on the block NOVA has been an interesting stoush.

ARN tends nicely to take the middle ground and fight off the older-end, typically AM band, stations like 2UE, 2CH, and 2GB in Sydney for the grey power market.

Buying better

The intense rivalry between the players in each medium and in each market, and the fragmentation of audience generally means that the art and science of media planning and buying comes into its own through the power of technology. Primarily this is through its potent ability to slice, dice, and julienne the ongoing demographic ratings information into useful, usable chunks of information.

Most major media buying companies these days have a variety of software tools designed to make the planning and buying process more effective, more efficient and, for the advertiser, much, much easier.

In fact, the combination of intensive statistical analysis with good strategic insight and strong negotiating leverage means that the buying shops are hard to beat for effective media placement.

Direct debit

Though the allure of a direct deal and the often astonishing rates offered by direct advertiser representatives may seem good value at the time, not all spots are equal. In the end, no amount of cheap airtime will make up for the right spot in the right environment talking to the right audience for the right price.

For most advertisers, the cost of media buyer services is usually more than offset by greater effectiveness and efficiency — not to mention the saving in the marketing professional's time!

Media multiplier magic

Taking the right advice is a great start but it's also good to have a basic understanding of your options going in. One station or more? One medium or more? Which markets? How much weight? All good questions...

Here's a basic top ten

1 Most strategies are driven by budget. Make sure your media agency clearly explains what the minimum effective weight for a given campaign period should be for any one medium. Too little weight can be just as wasteful as too much.

2 Along with budget, your target and communication needs will tend to drive the choice between using just one medium versus more than one. Always consider to whom you're talking and how you need to communicate with them.

3 Television viewers are generally program loyal — this means that they will watch the programs that interest them regardless of which network they're shown on. The decision to use one, two, or three networks for a given TV buy should be driven primarily by access to appropriate programming and statistical outcomes first; cost of spots second.

4 Radio listeners are generally station loyal — this means that they stick to one main station and occasionally switch to a small set of others for variety. So, as a rule, to reach larger proportions of most target audiences, you need to use more than one station. The broader the target, the more stations needed.

5 When considering reach of your market, media buying tends to be a diminishing returns activity. The more spots you buy in any given campaign period, usually a week or a "burst", the more expensive it becomes to add extra market reach — duplication sets in.

6 Multi-media strategies can add to efficient reach, assuming the right mix of audience and communication factors. For instance, stopping weight in television before it becomes too inefficient and adding radio can reduce the diminishing returns effect.

7 If a deal looks too good to be true then it probably is! There is plenty of cheap and cheerful airtime out there that the media is dying to get rid of. A senior industry sales doyen was once heard to say: "We're in the business of selling s**t airtime 'cause the good airtime sells itself!" Never a truer word was spoken.

8 Always consider new or alternative strategies. Doing it one way because "we've always done it like that" ignores the plethora of new opportunities the media devise every day and can exclude you from fresh thinking, fresh communication options, and fresh consumers.

9 When working with a media planning and buying specialist, make sure you have access to all the resources at his or her disposal that are appropriate to your business. Acquaint yourself with the research and technology resources (both industry-standard and proprietary) and look for their use in the recommendations the specialist makes to you.

10 When in doubt, don't be afraid to seek independent advice. An experienced, unbiased, objective view can quickly ascertain the right path for you and arm you with the confidence to debate knowledgably with media agency or medium alike. ■

In the final survey for 2004:

NOVA comfortably kicked butt in the 18–24 years market (Sydney, Melbourne, Adelaide, and Perth)

There were some major skirmishes between Austereo and NOVA on a market-by-market basis for the 25–39 years group

ARN took the honours in most 40–54 years markets

Mostly AM band independents took out the 55+ years group (though the ABC smashed them in Perth!)

Mark Chesterfield started his career 30 years ago at the then Hansen Rubenson McCann Erickson, one of the acknowledged training grounds for young media operatives. He progressed through several agency media departments before settling in 1980 at Merchant & Partners (now Initiative).

Mark's commitment to the media specialist function and his passion for the strategic and research disciplines is reflected in his most recent corporate responsibilities at M&P/Initiative as Strategy, Planning & Research Director, General Manager.

Contact Mark at media@p3.com.au