CHANGING MEDIA METRICS: MEASURING RELEVANCE AND EFFICIENCY

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ABSTRACT

With the advent and access broadband presents and the rising importance of mobile and in-place digital communication, revisions in our thinking about cost and effectiveness of media delivery are needed. Having a clear understanding of what it is that the communication platform delivers is important for both advertising agencies and their clients. The efficiencies delivered at these new alternative digital and experiential brand touch points, in terms of both audience reach and desired impact, are not adequately reflected when analyzed using traditional measures. The language of media – CPM, CPP, CPI and the rest - needs to be modified to embrace the new delivery systems currently in place and those being developed.

BACKGROUND

The questions that need to be asked and answered as well as the new metrics associated with these changes are in development – by the various advertising bureaus, digital network developers, traditional media and their advertisers as they become more involved in having representation in these new vehicles. Generally speaking, those studying the issue do not believe that intermedia CPM comparisons (e.g., network broadcast vs. national magazine) are helpful in looking at cost efficiencies that can now be delivered at the point of purchase and - in some cases - at the point of consumption.

Leaders in the media planning and evaluation business recognize the importance of new media and appropriate evaluation. Recently, Initiative North America CEO Richard Beaven commented at the 2007 Advertising Week Conference [1] on new media delivery that "Change isn't going to slow down." Starcom MediaVest executive Laura Desmond forecasts that soon perhaps 60% of clients' budgets will be set aside for what is now called “new media.” Equally important will be the impact on traditional media of the access that Google has given its advertising clients to determining the effectiveness of their ad plays. Being able to know if the intended audience has seen a message and determining if it is “working” has always been a major driver of media selection. In the absence of accepted effectiveness measures cost indices have served as a fall back basis for evaluating the plan. New media and new measures – with demonstrated validity - will quickly gain the participation of major advertisers and media buying organizations.

Existing media purchasing practices as well as the measures used to justify financial decisions simply no longer apply. Even the traditional annual plan and associated commitment is clearly an anachronism. The old rules - as a consequence of the convergence of broadband, media affiliation, are obsolete and universities, agencies and clients are all learning to adapt. Greg Smith, now chief operating officer for North America at Neo@Ogilvy, has said that gross rating points-based analysis does not show the full-picture and can actually lead to major errors in measuring the effectiveness of marketing communications. The old measures, he said, "are worse than useless. They're exclusionary and misleading.” The trend for both advertisers and agencies will place more emphasis on the quality of the communication – the level of engagement that was attained rather than the quantity reached by the buy. Engagement has been an industry buzzword since last July, when the ARF, along with American Association of Advertising Agencies and the Association of National Advertisers, kicked off an initiative to put it front and center in the research and measurement process. It's one of the many pieces of evidence that the proliferation of digital media is dramatically changing the marketing world and its processes.

Understanding the importance these disruptive media break-throughs can bring and the effectiveness they possesses in building brand trial and loyalty can be easily misunderstood by comparisons with traditional media metrics. In an era of audit and measurement, where clients demand that agencies produce evidence of a return on investment (ROI) for the dollars invested in reaching their desired audience, experiential and targeted media delivery campaigns excel in terms of what they deliver. The early adopters of these new media vehicles want to see supporting quantitative and qualitative data and a new set of descriptive statistics is emerging.

For new media – like the Internet, experiential brand encounters, events or in-place advertisement - the size of the universe from which to compute these indicia is a hotly debated question. Is it the number of people with computers and modems? The number of passers-by? Is the issue one of how many people have the possibility of seeing an ad in a retail establishment? Clearly, if the size of the universe exposed to the message changes one also changes the cost index that results. Existing CPM indices vary, depending on audience delivered; print, for example, may vary from $5 to over $200 CPM depending on selectivity of audience and total circulation. Television now also has comparable pricing variation depending upon the selectivity of the audience attracted by content

Looking at the cost for planning and executing an experiential campaign – as well as new media opportunities has stimulated discussion and concern about appropriate costs and benefits delivered. (It may be helpful in the brief discussion that follows to consider that at one time all media was new.) As those of us in advertising and marketing explore, begin to understand and use media and message processes generally called new or "alternative" - in that they are different than the traditional electronic, print and out-of home that have characterized the business for the past 125 years - we struggle to develop an appropriate analysis. What should serve as the metric that helps us compare advertiser's purchases in these new media with traditional media expenditures? And, can the media planners and buyers, the delivering alternative media networks and the clients agree upon new measures of effectiveness – and a rational basis for costs - in a business in which decisions in the past were built upon cost per thousand (CPT or CPM) and cost per point (CPP). Clearly, media buyers and sellers, long married to metrics that measure the number of eyeballs that see ads, to buy into a more consumer-centric conception of how ads work.

WRAPPING UP

Initially, advertising agency account planners led the charge of being 'media neutral' only to be followed by creative staff and media planners who delighted in being media agnostic. Today the use of wikis, message boards, digital signage and wireless technology gives marketers the ability to communicate with their audiences specific and concentrated messages. Advertisers and their agencies know that in today's environment – and as always was the case – targeting the desired audience with intrusive and relevant messages is the key to success. This desire has redefined media deployment as "behavioral targeting" as a term for those tactics that enable advertisers to deliver consumer-centric messages to a receptive, qualified audience. New ventures like Revenue Science [3] and Barfly Networks [4] are examples of message delivery systems that reach aggregated groups – at specific websites, or in bars where those present have essentially declared their interest in the category of service and products. Beyond reach and frequency estimates that fail to embrace the significance of these new networks, marketers are enabled to reach their desired audience at the right time and at the right place at reasonable cost and with ROI measurements easily accessible.

REFERENCES

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