

# Media Planning and Strategy

Prof. Pierre Xiao LU, Fudan University

## The Traditional Media Landscape

Satellite radio stations  
**2**

Broadcast networks (TV and cable)  
**100**

TV stations  
**3,510**

Consumer magazines  
**5,340**

Newspapers (daily and weekly)  
**8,100**

Radio stations  
**13,898**

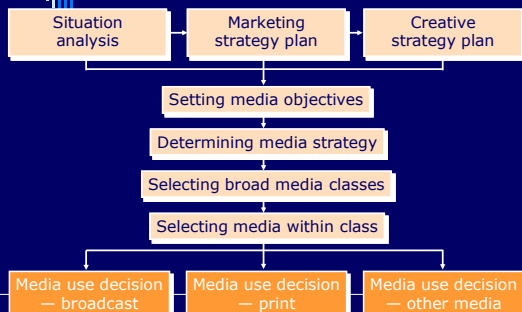
## Media Terminology

<b>Media Planning</b>	→ A series of decisions involving the delivery of messages to audiences
<b>Media Objectives</b>	→ Goals to be attained by the media strategy and program
<b>Media Strategy</b>	→ Decisions on how the media objectives can be attained
<b>Media</b>	→ The various categories of delivery systems, including broadcast and print media
<b>Broadcast Media</b>	→ Either radio or television network or local station broadcasts

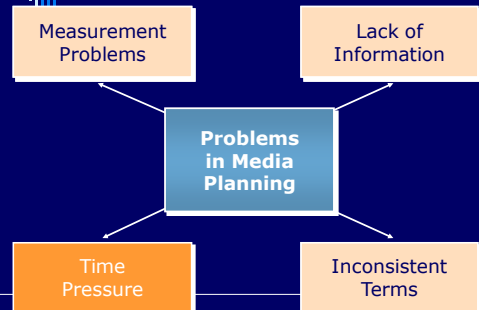
## Media Terminology

<b>Print Media</b>	→ Publications such as newspapers, magazines, direct mail, outdoor, etc.
<b>Media Vehicle</b>	→ The specific carrier within a medium category
<b>Reach</b>	→ Number of different audience members exposed at least once in a given time period
<b>Coverage</b>	→ The potential audience that might receive the message through the vehicle
<b>Frequency</b>	→ The number of times the receiver is exposed to the media vehicle in a specific time period

## Developing the Media Plan



## Media Planning Difficulties



## Developing the Media Plan



## Brand and Category Analysis

### Brand Development Index

$$BDI = \left( \frac{\text{Percentage of brand to sales in THE market area}}{\text{Percentage of total population in THE market area}} \right) \times 100$$

## Brand and Category Analysis

### Category Development Index

$$CDI = \left( \frac{\text{Percentage of total product category sales in market}}{\text{Percentage of total population in market}} \right) \times 100$$

## Example

$CDI = \frac{\text{percentage of product category sales in Utah/Idaho}}{\text{Percentage of total US population in Utah/Idaho}}$

$$= 1\% / 1\% \times 100 = 100$$

$BDI = \frac{\text{percentage of total brand sales in Utah/Idaho}}{\text{percentage of total U.S. population in Utah/Idaho}}$

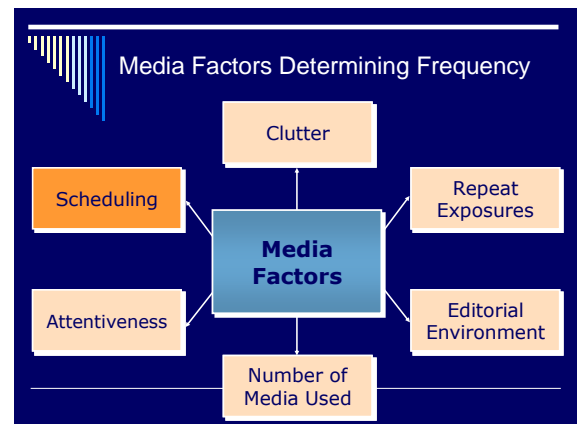
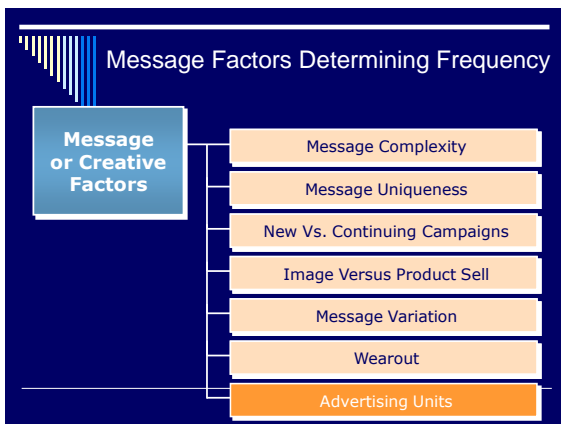
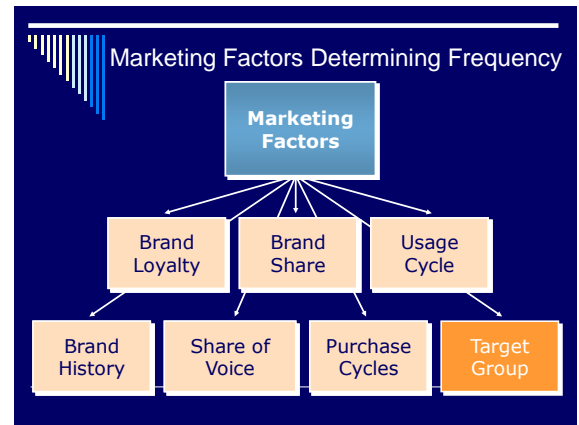
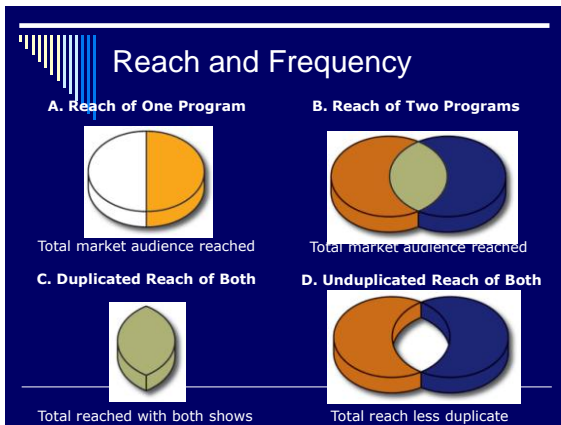
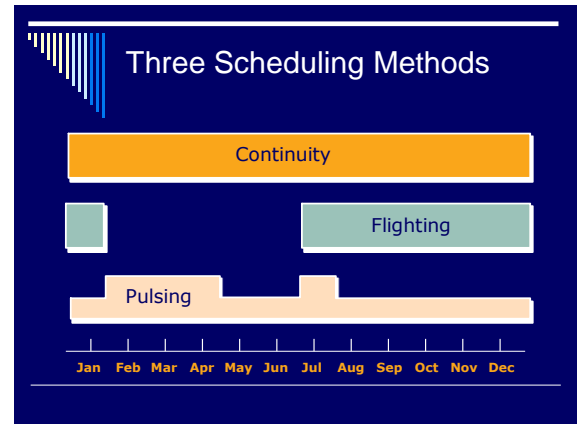
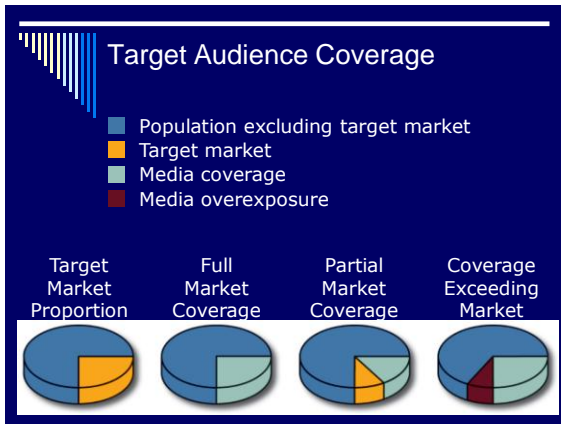
$$= 2\% / 1\% = 200$$

## Brand and Category Analysis

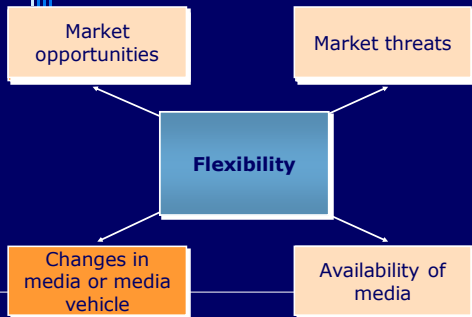
	High BDI	Low BDI
High CDI	High market share Good market potential	Low market share Good market potential
Low CDI	High market share Monitor for sales decline	Low market share Poor market potential

## Brand and Category Analysis

	High BDI	Low BDI
High CDI	The market usually represents good sales potential for both the product and the brand.	The product category shows high potential but the brand isn't doing well; the reason should be determined.
Low CDI	The category isn't selling well but the brand is; may be a good market in which to advertise but should be monitored for sales decline.	Both the product category and the brand are doing poorly; not likely to be a good place to advertise.



## Flexibility in Media Planning Strategies



## Determining Relative Cost of Media-Print

### Cost per thousand (CPM)

$$\text{CPM} = \left[ \frac{\text{Cost of ad space (absolute cost)}}{\text{Circulation}} \right] \times 1,000$$

## Calculating CPM Based on the Target Audience

### Scenario A: Overestimation of Efficiency

Target market 18-49  
Magazine circulation 4,000,000  
Circulation to target market 65% (2,600,000)  
Cost per page \$234,000

$$\text{CPM} = \frac{\$234,000 \times 1,000}{4,000,000} = \$58.5$$

$$\text{CPM (actual target audience)} = \frac{\$234,000 \times 1,000}{2,600,000} = \$90.00$$

### Scenario B: Underestimation of Efficiency

Target market All age groups, male and female  
Magazine circulation 4,000,000  
Cost per page \$234,000  
Pass-along rate 3\* (33% of households)

$$\text{CPM (based on readers per copy)} = \frac{\text{Page cost} \times 1,000}{\text{Circulation} + 3(1,320,000)} = \frac{\$234,000 \times 1,000}{7,960,000} = \$29.40$$

\*Assuming pass-along was valid.

## Television Pros and Cons

### Advantages

- Mass coverage
- High reach
- Impact of sight, sound and motion
- High prestige
- Low cost per exposure
- Attention getting
- Favorable image

### Disadvantages

- Low selectivity
- Short message life
- High absolute cost
- High production cost
- Clutter



## Radio Pros and Cons

### Advantages

- Local coverage
- Low cost
- High frequency
- Flexible
- Low production cost
- Well-segmented audience

### Disadvantages

- Audio only
- Clutter
- Low attention getting
- Fleeting message



## Magazine Pros and Cons

### Advantages

- Segmentation potential
- Quality reproduction
- High information content
- Longevity
- Multiple readers

### Disadvantages

- Long lead time for ad placement
- Visual only
- Lack of flexibility



### Newspaper Pros and Cons

Advantages	Disadvantages
High coverage	Short life
Low cost	Clutter
Short lead time for placing ads	Low attention getting
Ads can be placed in interest sections	Poor reproduction quality
Timely (current ads)	Selective reader exposure
Reader controls exposure	
Can be used for coupons	




### Outdoor Pros and Cons

Advantages	Disadvantages
Location specific	Short exposure time
High repetition	Short ads
Easily noticed	Poor image
	Local restrictions



### Direct Mail Pros and Cons

Advantages	Disadvantages
High selectivity	High cost per contact
Reader controls exposure	Poor image (junk mail)
High information content	Clutter
Repeat exposure opportunities	



### Internet Pros and Cons

Advantages	Disadvantages
User selects product information	Limited creative capabilities
User attention and involvement	Websnarf (crowded access)
Interactive relationship	Technology limitations
Direct selling potential	Few valid measurement techniques
Flexible message platform	Limited reach

