

**Media Madness**  
**Where Should I Spend My Money?**  
**What Does Today's Media Plan Look Like?**

***NJ Ad Club***  
***May 5, 2009***



Creating  
Effective  
Strategies

# Overview

- *sdt media*
- *Setting the Scene*
- *Where should I spend my Money?-The Simple Answer*
- *What does today's media plan look like?*
- *Media Trends*
- *Parting Thoughts*
- *Resources*

# sdt media

- *Seven year old award winning offline and online media buying and planning firm, Pennington, NJ (Mercer County)*
- *Work with medium and small ad agencies and clients*
- *Strong in strategic media planning and New Jersey Media*

# Setting the Scene

- *The world of media is changing at an increasing rate.*
- *Media has become a much larger part of the marketing conversation among agencies as well as clients.*
- *As we all are aware, we now share the media with our customers.*
- *Marketing has become a two way conversation.*

# Where Should I Spend My Money?

## The Simple Answer: It Depends

- ***Marketing Objectives***
- ***Media Objectives/Strategies***
  - Target Audience/Lifestyle
  - Competition
  - Geography
  - Scheduling
  - Others
- ***Agency/Client Relationship***

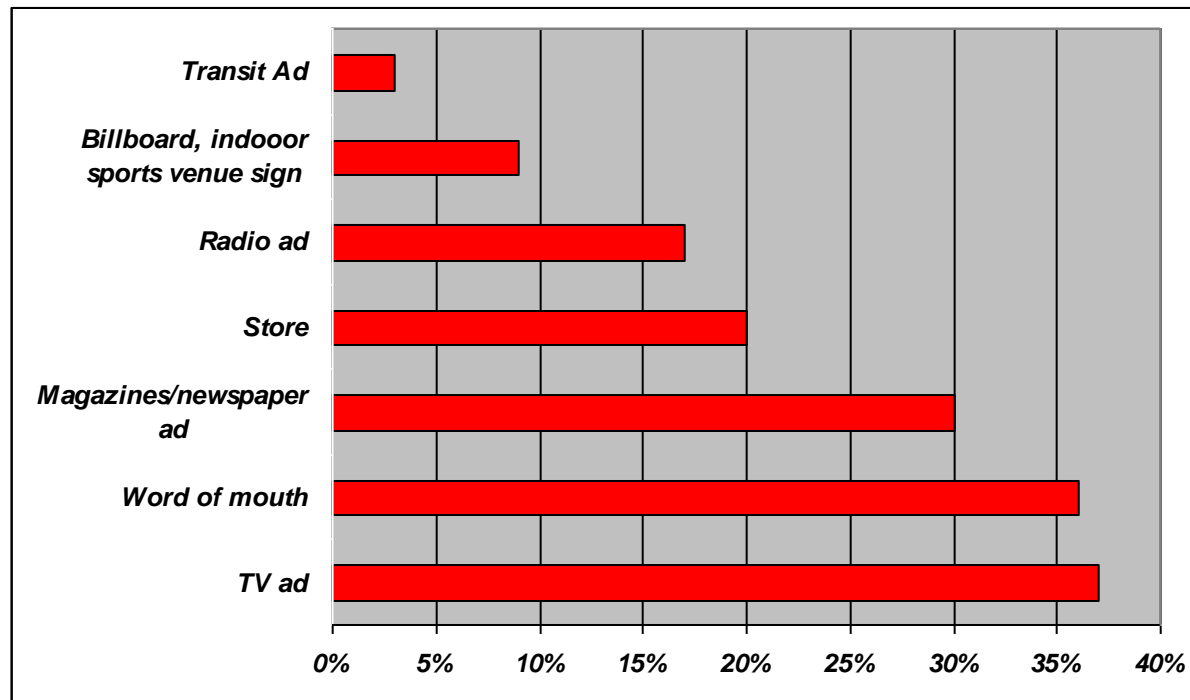
# What Does Today's Media Plan Look Like?

- *Fully integrated*
- *Media agnostic, media is media*
- *In order to get the most bang for the buck, a media plan should take into account or all of the media, paid and earned.*

# What is today's media?

- *Offline*
- *Online*
  - Paid Digital
  - Social Internet
- *There is a place for all of these.*

# Two-Thirds of Online Search Users are Driven to Search by Some Offline Channel. TV and WOM Influence over One-Third.



# Media Trends: The Big Picture

- ***Advertising spending is declining because of:***
  - the economy
  - structural changes with a shift to less expensive, more accountable media
- ***The media inventory glut is leading to opportunities and cut backs:***
  - Opportunities to buy increased media for the same price
    - i.e.: Burger King, Wal-Mart
  - Ability to buy the same level of media for less leads to budget cutbacks

# Media Trends: The Big Picture

- ***Recovery in media spending will lag because of dramatic changes in major ad categories:***
  - Automotive
  - Financial
  - Real Estate
  - Retail
  - Entertainment
  - Pharmaceutical

# Media Trends: Regional Ad Spending Forecasts Widely Varied

<u><i>Media Agency</i></u>	<u><i>2009</i></u>	<u><i>2010</i></u>
<i>ZenithOptimedia</i>	<i>-8.3%</i>	<i>-1.5%</i>
<i>Carat Insight</i>	<i>-9.8%</i>	<i>-2.7</i>
<i>Group M- North America</i>	<i>-4.2%</i>	<i>N/A</i>
<i>Source: www.emarketer.com</i>		

# Media Trends: Worldwide Media Spending Forecast (millions)

	<u>2008</u>	<u>2009</u>	<u>% Change</u>
<i>TV</i>	\$183,277	\$173,158	-6
<i>Newspapers</i>	\$121,636	\$107,005	-12
<i>Internet</i>	\$49,994	\$54,298	+10
<i>Magazines</i>	\$55,136	\$49,046	-11
<i>Radio</i>	\$37,361	\$33,621	-10
<i>Outdoor</i>	\$31,395	\$29,276	-7
<i>Cinema</i>	\$2,421	\$2,336	-4
<i>Total</i>	\$481,219	\$448,740	-7

Source: [www.emarketer.com](http://www.emarketer.com)

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# Television Not Dead Yet

- ***Ranked first for raising awareness- ARF Study***
  - 338 Case Studies 1990-2008
  - Units sold increased as a result of increased TV impressions
  - For some marketing messages, TV remains the most effective channel
  - TV ads help simplify the purchasing decision

# Television Not Dead Yet

- *Point Logic*

- Of 25 touch points measured between '04 and '07 TV rose from seventh to fourth place in purchase impact

# Broadcast versus Cable: Becoming More the Same but Still Different

- *Especially in Northern NJ may be one of the only over the air media that has very limited spill out side of the state*
- *Ratings at parody*
- *C3 and L3 ratings are changing show rankings dramatically*

# Radio Still Strong with Some Fragmentation

- ***Becoming more fragmented with over the air, satellite, internet and HD, but not as much as you might think:***
  - 61% of Americans listen to the radio every day
  - 73% turn the radio on when they get in the car
  - 72% are listening about the same or more than five years ago

# Radio Still Strong with Some Fragmentation

- 33% have listened to internet radio
- 12% have listened to HD Radio-need to buy special equipment
- 77% prefer over the air radio
- 15% prefer satellite
- ***Medium whose core strength is locality and stations need to refocus on this.***

# Radio Still Strong with Some Fragmentation

- ***More on satellite radio:***

- Can only be bought nationally, may soon be able to purchase east/west of Mississippi
- Increasing competition-New iPhone App
- As car sales slow, so will satellite radio growth.
- Conversions from free to paid declining while cancellations are increasing
- Advertising accepted only on talk stations, not music stations
- Very low rates
- Very low ratings
- Very targeted

# Magazines: A Mixed Message

- *While, 95 magazines stop printing in first quarter '09 magazines 110 were started.*
- *Some niche categories will grow*

# Magazines: A Mixed Message

- *Economist paid circulation went up 9.2%.*
- *Overall, emarketer predicts 2009 consumer ad spending will be down 16%.*
- *American Business Media predicts that business-to-business ad spending will decrease by 22%.*

# Newspapers Probably will be Around for a While

- *Newspapers are in trouble.*
- *What are the newspapers doing about it:?*
  - Going on-line only
  - Cutting outlying circulation
  - Decreasing frequency
  - Cutting sections

# Newspapers Probably will be Around for a While

- *The worst state of affairs of all media (except satellite radio, maybe).*
- *BUT....over 65% of media buyers feel that print newspapers will not fade away for at least 5 years and more than half feel they will be around for at least another 10 years.-Media Life Survey*

# Newspapers Probably will be Around for a While

- *Most media buyers say that newspapers need to refocus on local news that is not published elsewhere.*
- *They also are calling for an easier (non-human), less labor intensive buying process where multiple newspapers in different markets can be bought at once.*

# Newspapers Probably will be Around for a While

- *May be good opportunities for deep discounts*
- *Still an important medium for certain categories, like banking*

# Out-of-Home, a Growth Category

- *Performing better than most other traditional media*
- *Traditional and alternative media*
- *Out-of-Home, particularly billboards work well with radio*
- *Although efficient, can have a high out of pocket cost if high market penetration is the objective.*

# Out-of-Home, a Growth Category

- *Billboard reach and frequency has not faltered like other media with the changing media environment*
- *Digital is a growth area*
- *Growing number of alternative out-of-home media vehicles*

# **Paid Digital must be integrated with other media**

- *Taking dollars from all media*
- *Clients have more of an emphasis on measurement and ROI which bodes well for online advertising*

# Social Media/Internet Buzz

- *Becoming more powerful reaching more and more people.*
- *Ashton Kutcher, The King of Twitter*
- *In the last month, Oprah devoted at least 20 minutes of two different shows to Facebook and Twitter.*

# Social Media/Internet Buzz

- *We all must become astute about how to use social media.*
- *Simon Clift, CMO of Lever Brothers:  
“Social Media is not a strategy. You need to understand it and you’ll need to deploy it as a tactic.”*

# BUT

- *With all the buzz about social media/internet and Web 2.0, or 3.0, traditional media is not going away for a long time, if ever.*

# Parting Thoughts

- *The media scene will probably look very different in 5 years, maybe even one year.*
- *Metrics are more important than ever for justifying media spending to clients.*
- *We all need to take a 30,000 foot view of all of the media changes so that we can be strategic in making sense of it all.*

# Media Resources

- **Books**

- *Groundswell-Winning in a World Transformed by Social Technologies* by Charlene Li & Josh Bernoff
- *Advertising Media Planning* by Jack Z. Sissors & Roger Barron
- *Advertising Media A to Z* by Jim Surmanek
- *The Media Planning Handbook* by Helen Katz

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# Media Resources

- ***Blogs/ Online Magazines***
  - New Economics of Advertising
  - Media Life Magazine
  - Media Post Publications

# Media Resources

- *Media Web Sites*

- **Thumbnail Media Planner** [www.thumbnailmediaplanner.com](http://www.thumbnailmediaplanner.com)
- **Mediapost.com** - news/blogs, reps, resources
- **SRDS for Media Math**  
[http://www.srds.com/frontMatter/sup\\_serv/calculator/index.html](http://www.srds.com/frontMatter/sup_serv/calculator/index.html)
- **imediaconnection.com** - info on online media  
<http://www.imediaconnection.com/planning/index.asp>
- **Audit Bureau of Circulation:**  
<http://www.accessabc.com/resources/mediabuyers.htm>- information on ABC Statements and other services provided by the Audit Bureau of Circulation
- **Business Publishers Association:** <http://www.bpaww.com/mediabuyer/> resources for BPA statements and other BPA services