

Media Selling, 4th Edition

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Chapter 23 – Media Comparisons: Advantages and Disadvantages

As you learned in Chapter 9, one method of prospecting is to approach current advertisers in other media. Because there are few businesses that do not advertise in one medium or another, the vast majority of your prospecting will be conducted by monitoring other media to find advertisers who use another medium and then attempting to switch to your medium by selling the advantages of your medium. Also, because your best prospects are your current customers, you will encourage them to invest less in other media and to invest more in your medium. In this process, you have to be careful not to disparage customers' judgment for buying another medium.

It is best to focus on the concept of media mix and how your medium can add either reach, frequency, improved targeting, impact, or all of these elements to an a customer's advertising campaign. But while recommending a media-mix strategy, you should not knock the competition, either in your medium or in other media. Instead of knocking the competition, you should sell the advantages and synergies that can come from combining other media with your medium.

With the increased fragmentation and segmentation of media – more cable channels and networks, more websites, the decline in newspaper circulation and broadcast television viewing – mixing and combining media is the best way for advertisers to get more for their advertising dollars, especially more reach. To understand the media mix concept more thoroughly, go to www.charleswarner.us/indexpresentations.html and read the presentation “Media Mix and the Natural Laws of Advertising by Erwin Ephron.”

Cross-platform selling will steadily increase in the coming years, and in order to participate in this trend, salespeople will have to be experts in all media and sell them bundled together as an effective advertising mix. Many media conglomerates such as Viacom, Time Warner, CBS, NBCU, and Clear Channel are currently practicing a cross-platform selling approach.

Following are lists of advantages and disadvantages of the media covered in this book. When you view the lists, keep in mind that you should not focus on the disadvantages of other media, but on the advantages of your medium and how it can add to the effectiveness of a media mix. To give you some ideas of which media to go after, see Exhibit 23.1.

Exhibit 23.1 Media Time Spent By Age, HH Income, and Education and Advertising Expenditures

Medium	Percent of Time Spent Yesterday, Age 18-49 (Hours)*	Percent of Time Spent Yesterday Age 18+ (Hours)*	Estimated Percent of Total Advertising Expenditures, 2008 **
Television	46	51	31.7
Newspapers	4	6	18.1

Radio	27	24	8.8
Magazines	3	3	10.0
Internet	20	16	8.4

Medium	Percent of Time Spent Yesterday, HH Income (\$25-50 K)*	Percent of Time Spent Yesterday HH Income (\$100K+)*	Estimated Percent of Total Advertising Expenditures, 2008 **
Television	57	40	31.7
Newspapers	5	6	18.1
Radio	28	20	8.8
Magazines	3	4	10.0
Internet	12	26	8.4

Medium	Percent of Time Spent Yesterday, Education (HS Grad)*	Percent of Time Spent Yesterday Education (College Grad+)*	Estimated Percent of Total Advertising Expenditures, 2008 **
Television	56	45	31.7
Newspapers	4	7	18.1
Radio	26	22	8.8
Magazines	3	4	10.0
Internet	11	22	8.4

* Source: TVB, Nielsen Media Research Custom Survey 2006.

http://www.mediainfocenter.org/television/competitive/time_reach.asp. March 2008.

** Source: Jack Myers Media Spending Forecasts. <http://www.jackmyers.com/commentary/media-spending-forecasts/9805012.html>. March 2008.

As you can see from Exhibit 23.1, television gets the largest share of adults' 18-49 and 18+ time and the largest share of total advertising dollars. Newspapers receive a substantially higher percent of total dollars than time people spend reading them (18.1 percent versus 6 percent). This disparity indicates that newspapers are vulnerable to competitive media attacks, using the reasonable argument that media dollars should be allocated according to how much time people spend with each medium.

Some media, such as television, are considered to have more impact than other media. However, if you give television credit for having greater impact, greater reach, and being more memorable, if you are an advertiser what appeals to consumers in higher income and education demographics, you have to ask if you should be shifting some of your ad dollars online, as evidenced in Exhibit 23.1.

On the other hand, radio gets 24 percent of adults' time but only 8.8 percent of ad dollars, according to Exhibit 23.1. Therefore, radio, using time-spent dollar allocation logic, should get a considerably higher share of advertisers' dollars. The same rationale holds true for the Internet, with only 8.4 percent of dollars and 16 percent of time spent

with adults, 26 percent in higher-income households, and 22 percent in higher-education households.

Newspapers

If you sell for a medium other than newspapers, be careful not to criticize newspapers too much, especially to local retailers, who for years have been relying on newspaper advertising for their survival and growth. However, newspaper circulation is in decline and many retailers are switching – to some degree on another – their advertising dollars to other media, especially to the Internet. The best way to go after newspaper money is to sell the ROI benefits and efficiency of your medium, and to use updated figures from Exhibit 23.1, especially, if you sell for television, radio, or the Internet.

Exhibit 23.2 Newspapers

Advantages

Disadvantages

Credibility: One of the oldest, most highly regarded media. Loyal readers, high degree of credibility, familiarity, and acceptance.

Visuals: The combination of text, graphics, and pictures can show products and create a visual appeal that reinforces a message.

Mass Audience: Newspapers reach a large audience in a market with one exposure.

Ad Variety: Newspapers offer a variety of ad sizes that allows advertisers to match budgets to ad sizes.

Upscale Audience: Newspapers generally reach an older, upscale audience, including homeowners.

Long Copy: Newspaper ads have the ability to communicate lengthy, complex or detailed information and descriptions.

Coupons: By use of coupons, advertisers can track responses.

Random Access: Readers can access an ad when they want to, at their convenience, and pour over it. Readers control the amount of ad exposure.

Portability: Newspapers can be read anywhere, on a train, on the beach, in any room in a house.

Shelf Life: Newspapers can hang around for days or weeks and be accessed again and again.

Lead Time: Advertisers can place orders with a relatively short lead time – not as long a lead time as magazines, outdoor, or television.

Decreasing Circulation: In most cities circulation reaches less than 50 percent of all households. Newspaper circulation nationally has been declining steadily for decades.

Increased CPMs: As circulation has declined, newspaper rates continue to increase, thus increasing CPMs, which are among the highest in the media.

Passive: Newspapers provide information once a consumer is in the market for a product, but they do not build awareness, aid in branding, or create product demand. Used mainly for price comparisons.

Clutter: A typical daily newspaper is over 60 percent ads, not counting free-standing inserts. Ads often appear next to or on top of competitive ads, encouraging price comparisons. Little or no product separation.

Page Browsers: Most people do not read all sections of a paper every day, only those they are interested in. Even the most read sections are seen by only one-half of the people who buy a newspaper.

Low Ad Readership: Even if people read a newspaper section, on the average only 42 percent of readers will recall noting a full-page ad.

Older Readers: People in younger demographics rarely read newspapers, especially 18-24.

Increased Competition: Interactive is attacking one of newspapers' stronger ad categories, classifieds, especially recruitment advertising. eBay is now the country's largest used-car dealership.

Low Targetability: Difficult to reach many high-potential target segments efficiently.

Poor Production: Even with the addition of new and improved newspaper color printing technology, it is difficult to make some products, such as food and new cars, appealing in newspaper advertising.

Declining Coupons: Despite increased coupon face values, coupon redemption has been declining for years—too many coupons, too little interest.

Source: www.naa.org/TrendsandNumbers.aspx. March 2008.

Broadcast Television

Both American viewers and advertisers are in love with television, and with good reason. Television moves products and services, it imbeds brands in people's minds, and it creates an emotional bond between consumers, advertisers, and ideas. Television garners the biggest share of major national advertising dollars because it works, or at least these major advertisers and their agencies are convinced that it works. Changing their minds is like pushing a huge rock uphill; it is incredibly hard work and it takes a long, long time. The best way to get a piece of a television advertising budget is to go slowly and to try to get a little bit at a time. Cable television struggled for 15 years before it made significant inroads on broadcast television, especially network, budgets. If you are selling against television, you have allies such as radio, newspapers, and online, magazines, and all of them make television their primary target. By using a media-mix approach and by showing advertisers that despite television being an excellent reach medium, it is quite expensive to add reach after about 35 percent reach is achieved because of diminishing marginal response to media weight. See www.charleswarner.us/indexpresentations.html, "Media Mix and the Natural Laws of Advertising by Erwin Ephron."

Exhibit 23.3 Broadcast Television

Advantages

Disadvantages

Sight, Sound, Motion, Emotion: The most powerful medium. Combines visual appeal with the ability to touch viewers' emotions. Well-executed television commercials can grab and hold attention like no other medium. Excellent for creating awareness, branding, and reminding.

Reach: Television is ubiquitous; 98 percent of American homes have a television set. Television, especially prime time TV and big events such as the Super Bowl and Academy Awards, can reach over half the homes in America with a single program. No medium has the reach of television.

Mass Audience: Television is the most mass of all the mass media. It reaches virtually everyone.

Time Spent: People spend a great deal of time with television. The average home watches over eight hours a day, on the average.

Young Audience: Baby-boomers (45-65 year olds) and 18-34 year olds grew up with television, watch it, and love it. The medium continues to attract your viewers, who are desirable targets for most advertisers.

Competitive Separation: Television provides more competitive separation than newspapers, the Yellow Pages, and the Internet.

Intrusive: The most intrusive of all media. Viewers have to make an active effort to avoid commercials.

Declining Audience Shares: In television's most watched time period, prime time, ratings and share of viewing have been steadily declining, thus decreasing the medium's reach.

Increased CPMs: As ratings have declined, rates have not been lowered correspondingly. Television requires large budgets to make an impact – not for the small businesses or the faint of heart.

Linear Access: Unlike in print, viewers cannot go back or forward to view a commercial again, when it is gone, it is gone. Commercials have no shelf-life, unless recorded on a digital video recorder (DVR), such as a TiVo.

Clutter: Commercial clutter had increased substantially in recent years. Some television commercial and promotional pods contain as many as 17 individual units, thus chasing people to record programs so they can skip commercials.

High Production Costs: The average national television commercial costs over \$350,000 to produce. Small advertisers cannot compete.

Channel Surfing: People watch TV with a remote in their hands and surf when commercials come on. DVRs, such as TiVo, also make it easy to skip commercials.

Viewing Decreases as Income Increases: The lightest television viewing households are in the top third of incomes in the U.S. Heavy viewing is in lower-income households and by older people (65 +)

Source: www.tvb.org/nav/build_Frameset.aspx. March 2008.

Radio

Radio continues to slog along unglamorously as an efficient advertising workhorse. Radio is efficient, builds frequency, and is a great medium for consistently reminding people about their favorite brand, retailer, or bank. It is also an excellent hamburger helper – radio can beef up impact, efficiency, and reach when combined with another medium. Radio's greatest advantage is its recency – the last advertising consumers are exposed to when they are ready to make a buy and before they make a purchase. For more information on how radio can work effectively with other media, go to www.rab.com, click on "Get the Facts," and see the "Radio Marketing Guide and Fact Book," also click on the Competitive Media tab to compare see how radio works well in combination with other media.

Exhibit 23.4 Radio

Advantages

Personal, the Theater of the Mind: Even though radio is only a sound medium, it is a very personal medium. Radio can involve and excite people's imaginations with scenes and stories that would be impossible to put in a television commercial. Radio is second only to television in its ability to emotionally involve people.

Frequency and Reach: Radio is an inexpensive medium and frequency can be purchased efficiently. Also, radio is even more ubiquitous than television. Because of radio's extensive penetration, it can extend the reach of any other medium.

Low Production Costs, Fast Closing: Lowest production costs of all media. Some of the most effective commercials cost nothing and are ready by on-air personalities. Commercial copy can be added or changed on a same-day basis if need be.

Efficient: In terms of CPMs, radio's are the lowest of any medium except for outdoor. Radio offers both reach and frequency efficiently.

Imagery Transfer: Studies show that by airing the audio portion of a well-crafted television commercial, radio can stimulate the mind to recreate the visual image originally placed there by television, which costs a lot less than on a television screen.

Competitive Separation: Radio provides more separation than newspapers, the Yellow Pages, and the Internet.

Intrusive: Not as intrusive as television, but more intrusive than print or outdoor.

Targetability: Similar to magazines in ability to target a wide variety of age, interest, life-style, and gender groups. Especially effective at reaching hard-to-reach teens, minorities, and ethnic groups.

Portable: Radio is everywhere. There is more radio listening in cars than there is at home. You cannot read a newspaper or magazine, or watch cable or broadcast television, or surf the Internet while driving car, but you can listen to radio and look at billboards – an excellent combination of media.

Disadvantages

Sound Only: You cannot show or demonstrate a product or its package and label on radio. Although the human voice is personal and warm, many advertisers believe they need a picture of their store, product, or themselves to sell their products.

Increased Clutter: Though not as cluttered as television, radio has become increasingly more cluttered with not only more commercials in an hour but also with more a commercials appearing in a single commercial break, which limits a commercial's impact.

Linear Access: Unlike in print, listeners cannot go back or forward to hear a commercial again, when it is gone, it is gone. Commercials have no shelf life.

Fragmentation: In some markets there are more than 60 radio signals competing for listeners' attention and advertisers' money. Even though radio as a medium can deliver reach, in many markets to match the reach of a newspaper or a television station, ten or 20 radio stations have to be purchased, making it difficult to buy.

Declining Listening: For the last several years, total radio listening has declined, especially among younger people as listening to iPods, non-commercial radio, satellite radio, and Internet radio has increased dramatically.

Source: www.rab.com/public/MediaFacts/Factbook.cfm. March 2008.

Cable Television

In 2007 Cable television networks had a larger audience in prime time than all of the broadcast television networks combined.ⁱ Cable offers more targeted programming to a more affluent audience than broadcast television, as detailed in Exhibit 23.5

Exhibit 26.5 Cable Television

Advantages

Sight, Sound, Motion, Emotion: The same qualities as broadcast television, the most powerful medium. Combines visual appeal with the ability to touch viewers' emotions. Well-executed television commercials can grab and hold attention like no other medium. Excellent for creating awareness, branding, and reminding.

Continued Growth: Cable now reaches 87 percent of U.S. television households and continues to take audience from broadcast television.

Inexpensive: Compared to broadcast television, cable CPMs are low.

Targetability: Cable can subdivide its audience into more easily targeted segments than broadcast television. Most homes have a choice of over 200 channels, and that number is growing. Cable is the choice medium: Sports, music, news, food, travel, and more.

Upscale, suburban: Because cable is a subscription medium, it tends to reach up-scale households in major markets and their suburbs. Cable households generally are better educated and have higher incomes.

Competitive Separation: Like broadcast television, cable provides more competitive separation than newspapers, the Yellow Pages,

Intrusive: Television is the most intrusive of all media. Viewers have to make an active effort to avoid commercials.

Disadvantages

Small Audiences: Because cable gives viewers so many choices of channels, cable audiences are fragmented and smaller than those on broadcast television networks.

Inaccurate Local Numbers: As many as 15 percent of homes get television programming from satellite TV or other delivery systems and so local cable ratings are not as stable as cable network ratings.

Clutter: Commercial clutter had increased substantially in recent years. Some cable television commercial and promotional pods contain as many as 15 individual units, thus chasing people to record programs so they can skip commercials.

Linear Access: Unlike in print, viewers cannot go back or forward to view a commercial again, when it is gone, it is gone. Commercials have no shelf-life, unless recorded on DVR, such as TiVo.

Source: *CAB 2008 TV Facts*. 2008. New York: Cabletelevision Advertising Bureau.

Magazines

Magazines are a highly targeted medium, with magazines devoted to almost any human endeavor you can think of. However, with increased time spent on the Internet and other

media, time spent with magazines has declined in recent years, and of the major measured media has the lowest time spent (see Exhibit 23.1.). For national media such as broadcast television, cable, and radio networks and, especially, Interactive, magazines currently are a vulnerable target.

Exhibit 23.6 Magazines

Advantages

Wide Readership: According to the 2008 MRI study, 84 percent of adults say they read one or more magazines.

Targetability: There is a magazine for every conceivable interest. Advertisers can target by product affinity, lifestyle, interest, hobby, or demographically.

Portability: Magazines are even more portable than newspapers because they are smaller. Magazines can be read anywhere except, hopefully, the car.

Content Relevance: Advertising can be placed near relevant editorial material to heighten the interest and readership.

Regionalizing: Magazines can be purchased on a regional, city, or even ZIP code basis.

Advertorial: An in-depth advertising message can be created to appear like editorial copy than an ad and can present complex information.

Production: Most magazines are printed on glossy stock that can reproduce for color advertising beautifully. There are many exciting and arresting creative opportunities in magazines.

Disadvantages

Competition: There are nearly 18,000 magazines, which creates too many choices for consumers. Many magazines do not survive their first year of publication. Established magazines are expensive for this reason.

Time: The average person spends only 3 percent of media time weekly with magazines.

Expensive: Magazines are the most expensive on a CPM basis of the major media. And even though magazines can be purchased on a regional or spot (market-by-market) basis, to do so is extremely expensive.

Inflexible: Because of lead times of six weeks or more are common, ads must be prepared long before publication dates, which limits flexibility to adapt to market conditions.

Source: www.magazine.org/content/Files/magHandook07_08.pdf. March 2008.

The Internet

Interactive will have the highest percentage growth over the next decade of any medium, as its share of advertising dollars continues to grow with its share of time spent grows compared to other media.

Exhibit 23.7 The Internet

Advantages

Direct Response: On the Internet advertisers can reach highly educated, affluent, and younger consumers who can purchase with a mouse click.

Interactivity: Interactive allows customers to communicate directly with advertisers and tell them what they like and do not like, and what they will buy.

Information: Advertisers can provide information to consumers before they buy a product. Over 70 percent of the people who buy a new or used car, research it on in the Internet.

Immediate: Consumers do not have to wait for a brochure to be sent to get information. Advertisers can change offers and prices in real time in response to competitive pressure.

Tracking: Interactive technology allows advertisers to measure exactly how many people saw which ad and how they responded or whether they made a purchase. Consumers online behavior can be tracked and ads served accordingly.

Optimization: Internet advertising ad serving technology can serve demographically, geographically, and life-style targeted ads to specific consumers.

Branding: New research indicates that the Internet is not only an excellent direct-response medium but is also good for branding. New interactive, rich-media and video ad technologies make branding more effective than ever before.

Efficient: Online CPMs are generally lower than other media, except out of home. And cost-per-click search advertising is extremely efficient.

Add Reach: Advertising dollars invested online can add reach to any other media investment. Along with radio, the ideal media-mix component.

Search Advertising: Small advertisers can purchase keywords on Google on a cost-per-click basis by using Google's AdWords automated auction system. Google search advertising is a low-cost, performance-based ad model affordable for even the smallest advertiser, and search advertising is highly relevant to most users.

Disadvantages

Low Awareness: Internet users pay less and less attention to banners every year as they become wallpaper to frequent users.

Inexperience: Many advertisers and agencies have yet to learn the intricacies of the Internet – how to use it, how to buy it, and how to design effective creative.

Spam and Pop-Ups: Spam has severely hurt the effectiveness of email advertising. Software can block annoying pop-ups, which makes them ineffective with users who have the software – mostly younger, Internet-savvy ones.

Hard to Buy: Difficult for many advertisers to understand. Hard for agencies to make a profit buying Internet advertising. Some online companies, are difficult to do business with.

Source: www.iab.com/resources_admin_downloads_IAB_comScoreExecPreso.ppt. March 2008.

Outdoor

Billboards reach everyone who can read – they are highly visible and virtually inescapable, and new technologies are making outdoor advertising more noticeable and exciting. Never a high-growth medium, out of home advertising will continue to be an important medium, especially on the highways and for tobacco and liquor advertisers.

Exhibit 23.8 Outdoor

Advantages

Brevity: Outdoor is effective for conveying brief messages and simple concepts.

Low Cost: Out of home's CPMs are significantly lower than any other medium by a factor of 10 or more.

Directional: Billboards can be used to point directions to businesses.

Geographically Targeted: Billboards can be placed in high-traffic areas and transit ads in places where people commute. Also, an inexpensive way to reach minorities or ethnic groups that might be grouped in certain locations.

Bonus Showings: Billboard operators do not pull down a board when a contract is up or until the board is sold to another advertiser, so sometimes free showing can last for months.

Disadvantages

Brevity: Message capacity is limited to five or seven words at most – cannot deliver more than a simple message and cannot show benefits or advantages.

Low Recall: Commuters are behind the wheel and other potential customers are exposed very briefly, and such conditions as rain and fog can limit readability and recall.

Lack of Effective Measuring Tools: Unlike other media, out of home has no reliable method to measure its audience or effectiveness. CPMs are based on street or highway traffic, not on exposure.

Inflexible: Ads must be ordered 28 days before they go up, and once up cannot be changed, in most cases.

Ugly Image: Because of growing environmental concerns, many communities have limited the volume of out of home advertising.

Source: www.oaaa.org/outdoor/research/. March 2008.

Yellow Pages

In the third edition of *Media Selling* the Yellow Pages were included as a major advertising medium; there was even a separate chapter for Yellow Pages. Since then, Yellow Pages advertising has migrated to the Internet, to a large degree, to such websites as www.craigslist.com, www.google.com, www.yellowpages.com, and www.yellow.com. Therefore, the Yellow Pages are not included in this fourth edition of *Media Selling*.

Test Yourself

1. What are six advantages of newspapers?
2. What are four advantages of broadcast television?
3. What are five advantages of radio?
4. What are four advantages of cable television?
5. What are four advantages of magazines?
6. What are five advantages of Internet advertising?
8. What are five disadvantages of outdoor?

Project

Assume you are selling advertising for a local website in your market. Write a presentation to a local advertiser who invests all of its advertising dollars in the local newspaper and recommend a switch of some percentage of that budget onto your website. Use the data in Exhibit 23.1 and in the media-mix presentation on www.charleswarner.us/indexpresentations.html in the presentation “Media Mix and the Natural Laws of Advertising by Erwin Ephron” to craft your recommendations.

Resources

www.onetvworld.com (The Cabletelevision Bureau of Advertising’s website)
www.charleswarner.us (The author’s website where presentations referred to in this chapter are located)
www.ephronmedia.com (Media buying and planning expert Erwin Ephron’s website)
www.iab.net (The Interactive Advertising Bureau’s website)
www.magazine.org (The Magazine Publishers Association of America’s website)
www.oaaa.org (The Outdoor Advertising Association of America’s website)
www.rab.com (The Radio Advertising Bureau’s website)
www.tvb.org (The Television Bureau of Advertising’s website)

Endnotes

ⁱ *CAB 2008 TV Facts*. 2008. New York: Cabletelevision Advertising Bureau.