



Planning Uncovered

Using magazines to optimise return on investment



Just
taste it

So we improved t

SURE

Same excellent. We're through this.



It's all understanding when-where jobs, both
water conservation with gold awards.

Magazines Uncovered

Magazines Uncovered is a series of three brochures produced in response to advertising industry calls for better information to plan more effective campaigns

Sales Uncovered

shows how magazines can be used to contribute to a variety of sales-related campaign objectives

Planning Uncovered

explains how media planning targets can be optimised through the use of magazines

Communication Uncovered

sets out how magazines can boost campaign effectiveness

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IN BRIEF

Planning Uncovered

describes how

MEDIA PLANNING TARGETS CAN BE OPTIMISED USING MAGAZINES

It explains how

SALES performance can be boosted

by incorporating magazines in mixed-media scheduling

AUDIENCE DELIVERY of ratings, reach and repetition can be optimised by increasing magazines' budget allocation

AD AWARENESS can be improved

by the cost-effective addition of magazine advertising

It calls for a

FRESH APPROACH TO PLANNING

and suggests

reviewing ad weights in magazines
greater use of mixed-media scheduling

and

employing accumulation data

to plan ratings exposure as the reader reads;
to schedule for coverage build as well as overall campaign coverage;
and to balance title selection and intensity in short periods



INTRODUCTION

What's this about?

This booklet, *Planning Uncovered*, explains how magazines can make media budgets work harder - improving the efficiency of schedules and optimising media planning targets.

It comprises the second part of *Magazines Uncovered*, the series of three booklets designed to help media planners get more out of magazine advertising.

Who's it for?

Planning Uncovered is designed principally for advertisers and their planning agencies - though all those involved in the buying and selling of advertisement space will find it useful.

What exactly does it uncover?

Planning Uncovered takes up where *Sales Uncovered* leaves off - showing how magazines' cost-effective ability to boost schedule performance can pay real dividends

It is divided into two main sections:

The first indicates how planners - particularly in the light of newly available data - can put magazines to work to optimise sales targets, improve audience delivery through better-balanced schedules in terms of ratings, reach and repetition, and achieve improved levels of ad awareness, cost-effectively.

In the second section, the broader implications in the planning process are explored - and a fresh approach to scheduling suggested.

The magazine planning process now embraces new extra-active ingredients that can help advertisers take wiser and better decisions to improve campaign effectiveness

Until now, planners have been unable to locate the timing of magazine exposures; recency planning has hardly ever been applied; weekly or monthly coverage/reach rarely discussed. Boxes are arranged to fill the space on the flowchart rather than scheduled to deliver messages. All that is now history

Print can deliver significant coverage of mass or specific target markets weekly

By planning print weights similar to that in TV, short term sales effects from magazine advertising will be measurably improved

Start planning as the reader reads and not as the publisher publishes, to create immediate and not just deferred sales effects

John Billett

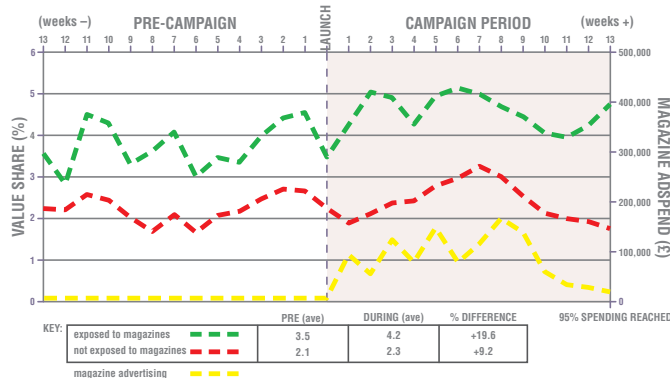


USING MAGAZINES TO OPTIMISE...

Start with new evidence...

The crunch for any medium is its ability to generate sales for its advertisers. It is the key measure of ROI for most companies. PPA recently completed a major research project with TNS to help identify how sales can be boosted - using magazines.

The study, detailed in *Sales Uncovered*, examined 20 brand campaigns to see how magazine advertising affected sales of specific brands. The green line on the illustrative chart below represents the sales among individuals exposed to magazine advertising, while sales among those not exposed to magazine advertising are in red. Given that both groups were equally likely to see any TV, outdoor, in-store promotion or DM, if the gap between the two lines increased after the start of the magazine campaign, it could only be down to the magazine advertising - as in this example.



Just add magazines...

The analysis found that, more often than not, the gap between the lines did increase, and increased by quite a bit: for those who saw the magazine campaign, sales rose by an impressive 21.6%. This means that across the 20 brands investigated the average sales uplift attributable solely to magazines was a very significant 11.6% (among those not exposed to the magazine ads, sales went up by an average of 10.0%. These extra sales are due to other marketing that ran alongside the magazine campaign).

Magazines are similarly effective no matter which measure is chosen. Magazines can increase market share, attract new customers by increasing penetration and can persuade existing brand users to buy more - that's the average weekly purchase measure. The far right column shows that the increases amongst the exposed group across all measures are roughly twice that of the non-exposed. It would seem that, no matter what the sales strategy, magazine advertising can be effective.

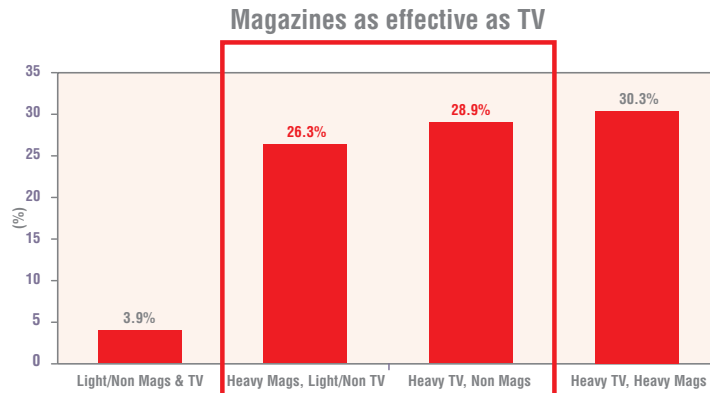
	Non-exposed	Exposed	Difference	Index
Sales (£)	10.0%	21.6%	+11.6%	216
Market Share (£)	8.8%	15.5%	+6.7%	176
Sales Volume	11.2%	29.3%	+18.1%	262
Market Share (Vol)	8.8%	17.4%	+8.6%	198
Penetration	7.0%	15.5%	+8.5%	221
Ave. Weekly Purchase	2.1%	3.7%	+1.6%	176

...The crunch for any medium is its ability to generate sales for its advertisers...

Take a mixed-media approach...

7 of the 20 brands which had significant TV elements to their campaigns were examined in more detail. TNS was able to divide its panel up into 4 groups to compare the effect of each medium on sales.

The results clearly show how similar the sales uplift generated by magazines is to that of TV. Although the two media together performed the best of all, sales rose by between 26% and 29% among those who'd seen either one of the media. This is especially significant considering the different media costs involved in generating this result: magazines' advertising costs are roughly a third of TV's.



...and deliver positive returns

By calculating the value of additional sales generated amongst the exposed groups and dividing that into the media costs, TNS was able to compute the return on investment the 20 brands achieved during the period of their campaigns.

The average came out at £1.79. So for every £1 spent on magazine advertising, the sales of the brand in question grew amongst those who saw the ads by about £1.79 during the short period of their campaign.

Equally important is that the sales uplift was maintained after the campaign had finished: the advertising continued to influence subsequent purchasing decisions. By looking at the exposed group and the value of their repeat purchasing within 12 months from the start of the campaign, TNS found that magazines advertising had a medium-term return on investment of an even more impressive £2.77.

It is important to remember that there are other types of return advertisers might expect from their advertising investment. Although sales may be key, more people seeing the advertising and more people remembering it are also crucial...

...results clearly show how similar the sales uplift generated by magazines is to that of TV...

USING MAGAZINES TO OPTIMISE...

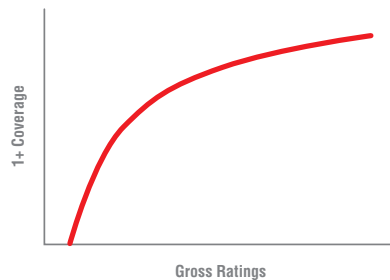
Dump those diminishing returns...

The more invested in a single medium, the greater the diminishing return in coverage.

It is the key point in exploring magazines' role within mixed-media schedules.

Eventually any medium will merely add frequency to its heavy users. To ensure the maximum reach for a campaign it is likely that a mixed-media approach will provide a better result than any single medium.

Coverage curve - any medium



Match up media partners...

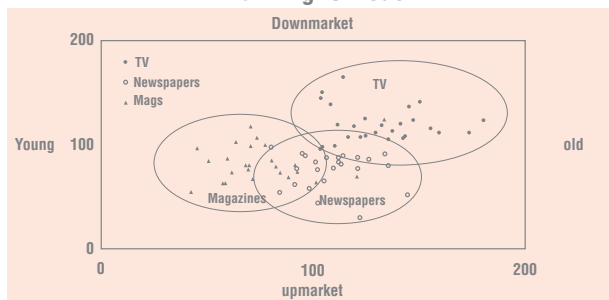
When considering which media to use it is important to appreciate the inherent strengths and weaknesses of each.

Everywhere in the developed world TV tends to deliver consumers who are mass market and concentrated in the older demographics. This doesn't mean younger, more affluent groups on TV can't be targeted, it just means that, because they are not a natural strength of the medium, more upscale or younger audiences will become increasingly expensive to deliver.

Magazines, on the other hand, tend to deliver more affluent and younger audiences as a natural result of cover price, portability and editorial content.

The strengths of both media complement each other perfectly.

Planning for reach



Source:Media Efficiency maps; MediaEdge for Young and Rubicam

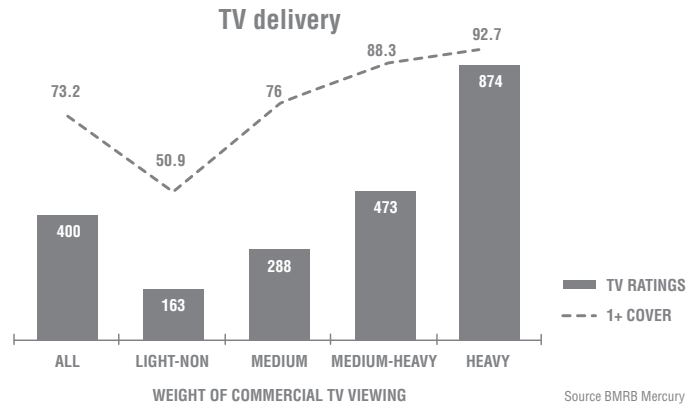
...The more invested in a single medium, the greater the diminishing return in coverage...

...AUDIENCE DELIVERY

Check your balance...

To help identify the value added by the addition of magazines to TV, BMRB produced a fusion of BARB audience data with NRS weighted TGI called Mercury.

This enables planners to measure with more accuracy than previously possible, the delivery characteristics of TV with print. Here's what a typical TV schedule might look like. If targeting particular groups the delivery might be slightly different, but not significantly.



On the surface everything is pretty much as expected - purchasing about 400 ratings and reaching around 73% of main shoppers roughly 4.5 times across the burst. But, scratch beneath the surface and a very different picture emerges. Those shoppers who view a lot of television have had almost 900 ratings delivered against them with a frequency of 9 or 10 exposures. At the other end of the scale, the younger, more affluent consumers are seeing least of the advertising - only 160 ratings against these light viewers. The schedule is missing 1 in 2 of them - and those that are reached are seeing the advertising only 3 times. The dotted grey line at the top of the chart should be much flatter than it is if this 'broadcast' schedule were truly going to deliver a broadcast audience. Adding (more) magazines to the schedule will go a long way to redressing this imbalance.

...and slash ratings costs...

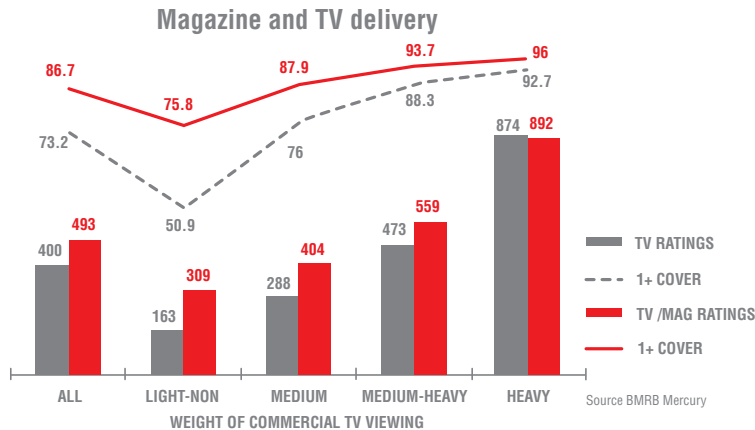
Doing this, the first thing that would be appreciated is that magazine ratings are very much cheaper than TV. If it is upscale or younger audiences that are of interest (and this is where under-delivery will be most acute) then magazines are just one third the cost of TV. In other words, moving 100 TV ratings into magazines will get 300 ratings of identical size for the same budget. For mass-market audiences (like Main Shoppers), magazine ratings are closer to half the cost of TV. This increase in ratings obviously results in an extension to advertising presence as well as bringing the campaign's cost per rating point down significantly.

...magazine ratings are very much cheaper than TV...

USING MAGAZINES TO OPTIMISE...

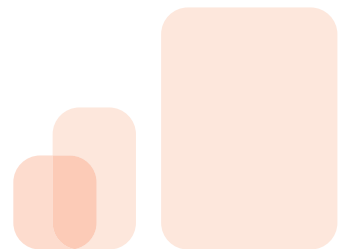
Boost coverage where it matters...

But the biggest advantage is the increase in coverage that this strategy will generate and the distribution of that coverage in a truly 'broadcast' manner. Mercury can measure how magazines improve the performance of the schedule. The grey bars represent the TV only burst already seen. The red bars represent a mixed magazine and TV schedule of 300 TV ratings and 193 magazine ratings. The 193 ratings, rather than 200, are driven by the way in which schedules are constructed on Mercury. The figures are, frankly, conservative: the combined ratings are probably under-estimated.



At the macro-level coverage shows an increase of 18% to a level of 87% in total. The heavy viewers are still seeing too much advertising but the frequency against this group has dropped slightly. (To reduce this further would require moving more ratings out of TV).

But it is with the light viewers that the improvements are most impressive. Coverage has risen by a massive 49% to the 76% level and frequency is now at a more sensible figure of just over 4 opportunities to see. The red line is much flatter, much more broadcast, than the grey dotted line. The difference between these two lines represents the increased number of consumers that will be exposed to the advertising - for no additional investment.



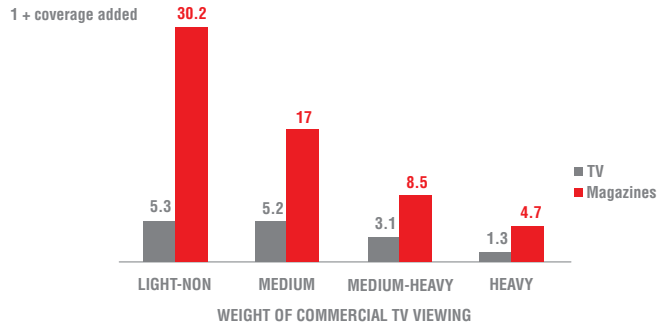
...the biggest advantage is the increase in coverage that this strategy will generate and the distribution of that coverage in a truly 'broadcast' manner...

...AUDIENCE DELIVERY

...and make every penny count

What does the last 25% of budget buy? The answer is, if left on TV, not as much as magazines would. All the people that TV finds it easy to reach (the heavy viewers) have seen the advertising too much already. Consequently, the only people left to reach are the ones that don't watch much TV. It seems a little strange that a medium might be used to reach the people that don't use it - but after 300 ratings on TV, this is pretty much what is happening.

If the final 25% of the TV budget is redeployed in magazines substantial coverage is delivered



If that money were spent in magazines, it would deliver 6 times as many light TV viewers - for the same investment. Given that these are the more affluent consumers it's got to be a desirable outcome.



...What does the last 25% of budget buy?...if left on TV, not as much as magazines would...

USING MAGAZINES TO OPTIMISE...

Get noticed...

Reaching more people is not the be all and end all of effective media scheduling. It is crucial that those consumers reached actually remember the advertising.

The seminal piece of research into this area is Millward Brown's Adtrack research done for IPC Media in the mid 1990s. Among other things, Adtrack sought to establish the ability of magazine advertising to generate advertising awareness and then to compare this with TV. With 24 brands covered across one year's data, Millward Brown concluded that magazines will generate around 13% advertising awareness for every 100 ratings deployed and that this figure is exactly the same for television!

Now, this may seem a little incongruous - how do magazines manage to compete with the sight, sound and motion of TV? Well, the answer lies in the detail. When 100 ratings are purchased on TV, 100 ratings are delivered - but magazines don't quite work like that. When 100 ratings are bought in magazines, the consumers reached will actually read the advertising more than once. The average page of the average magazine is read by the average reader 2.5 times. So in magazines, 100 paid-for ratings will actually deliver around 250 ratings*. Millward Brown's conclusion seems much more comfortable when this repeat exposure is taken into account.

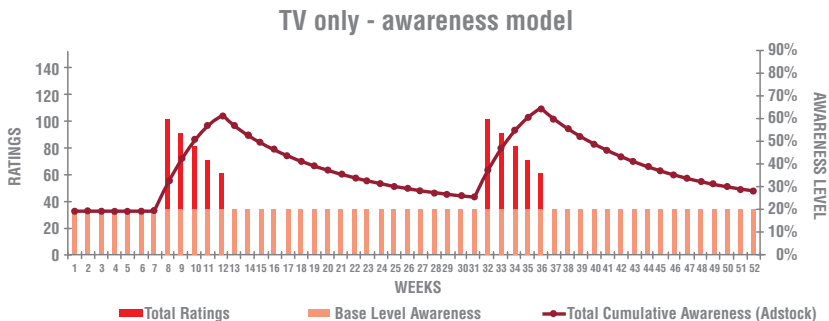
For less...

This research was repeated in the US in 2001 - using a sample of 113 brands in a two year survey.

The findings were broadly similar, although expressed in a different manner. Magazines were discovered to generate advertising awareness 3 times more cost-efficiently than TV. This was due to the relative cost of ratings in the two media and the comparatively similar effect these ratings have on ad awareness.

A simple awareness model gives a good idea of the increased ad awareness that this strategy could deliver. The model is based on a number of reasonable assumptions - although these assumptions can be replaced with real data for specific campaigns, if available. The model incorporates Millward Brown's view that magazines and TV generate advertising awareness at an average of 13% per 100 ratings - and a rule of thumb that advertising awareness decays at a rate of about 10% per week.

The model examines a 12 month TV-only strategy and the kind of awareness two bursts of TV might deliver over this period - and then compares this with a mixed magazine and TV strategy.



This is what the TV only strategy might look like: two 5 week bursts of activity, each at 400 ratings with the strike rate (number of ratings per week) front-weighted to an extent.

*QRS : Quality of Reading Survey

...Magazines generate ad awareness three times more cost-efficiently than TV...

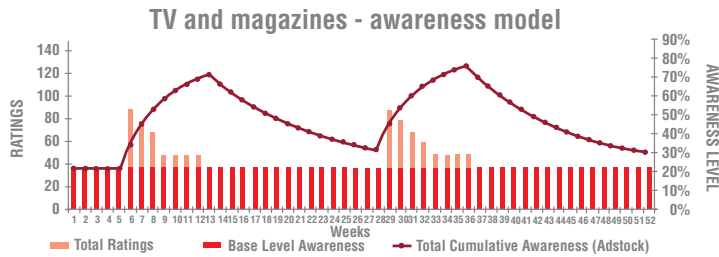
...AD AWARENESS

The consistent bars at the bottom of the chart are the base level awareness of the brand in question. Base level awareness takes into account the people who already remember advertising for the brand. With an understanding of this level, the contribution to advertising awareness that the current activity accounts for can be plotted. The red line begins to rise as ratings are deployed into the marketplace. This line represents the advertising awareness created by the activity in question and continues to rise until the ratings stop and then descends as that awareness decays over time.

The second burst of TV is timed to kick-start awareness before it reaches the base level. The same pattern can be seen - ratings growing awareness, which begins to decay after the activity ends.

...by adding magazines

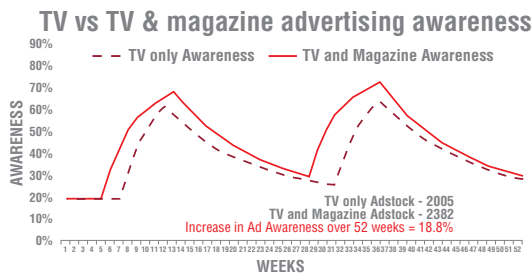
How might this look for a TV and magazine alternative?



Immediately it is clear that the ratings have increased from 800 to 1,000 thanks to the cheaper magazine ratings. It should again be stressed that these levels could be higher in reality, as final rating levels will be dependent on the actual schedule bought.

It is also apparent that the campaign presence has been extended by 60% - now covering a period of 16 weeks. This period could obviously be shortened by running the media at the same time - but the ability to communicate with more consumers as they reach the buying phase of their purchase cycle is arguably a stronger advantage.

As before, awareness increases as ratings are deployed into the market. The key is to compare the two strategies and the awareness they create. This can be done by using a device called "Adstock". Along the maroon awareness line is a series of dots. Each dot represents the percentage of awareness that is present in any given week. If all of these numbers are added together it is possible to calculate the stock of advertising awareness created across the period. This is "Adstock". So, how do they compare?



The very visible difference between the dotted maroon and red lines is quite apparent. The red line represents the mixed-media performance. The difference between the two is those consumers who are aware of the advertising that wouldn't have been had the TV-only strategy been pursued. If the Adstock is calculated for both campaigns, the mixed-media campaign generates nearly 19% more awareness than the solus TV alternative.

While this is not sales, it is reasonable to assume that advertising awareness contributes significantly to the sales effectiveness of advertising. Whatever magnitude this contribution has for a particular campaign, it is likely to see a significant improvement as a result of using (more) magazines in a mixed-media approach.

...the mixed-media campaign generates more awareness than the solus TV alternative...

A FRESH APPROACH TO...

Time to challenge convention...

Magazines appear, then, to be a medium that generates coverage cost efficiently, and ad awareness at a fraction of the cost of TV, yet still drives sales at much the same rate in the short and medium term. So, how come it's a 7% medium? Why isn't magazines' door being broken down by advertisers eager to take advantage of this fabulous deal?

David Bridges, CEO of billets marketing sciences can shed some light on this. He acknowledges that decent ROI from magazine campaigns seems to be pretty difficult to find - but suggests it is more to do with the kind of advertising weight being used in the magazine medium than anything else. It is, as he puts it, "typically because spend is small in comparison with other media"

Let's have a look...

20 largest magazine spenders	Adult GRPs per advertising week
HMV	23
Freedom Finance	22
Woolworths	21
Tesco	19
Nivea	19
M&S	28
Dolmio	22
Virgin	14
Sky	17
Pantene Pro V	16
Herbal Ess	14
Bose	19
Special K	20
Christian Dior	36
Head & Sholders	11
ROC	16
Dove	24
Dairylea	20
UK Living	19
Domestos	15

Source:
NMR Multimedia Jan-Dec 2004,
NRS (excludes newspaper supplements)

Here are the top twenty magazine advertisers for 2004. Without commenting on any individual media strategy here, the average rating level for each week of their magazine campaigns is only 20 (based on colour pages). And these are the big spenders!

It's likely though, that these advertisers were targeting a more discrete target market. So, in fairness, the rating level was probably closer to 30 target audience ratings. How does this compare with other media?

20 largest TV spenders	TVRs per advertising week
Homebase Ltd	343
Argos Ltd	327
B&Q Plc	307
MFI Furniture Group Plc	280
PC World Computer Superstore	233
DFS Furniture Plc	226
Tesco Plc	214
McDonalds - Restaurant Chain	209
Currys Group Plc	207
Asda Stores Ltd	193
Sainsburys Supermarkets Ltd	148
Wanadoo	148
Mastercard Ltd	126
Burger King (UK) Ltd	120
Kentucky Fried Chicken GB Ltd	116
BT - Broadband	115
HSBC Bank Ltd	100
Capital One	98
More Th>n - Car Insurance	86
ING Direct	79

Source:
NMR Multimedia Jan-Dec 2004, DDS

Looking at the top 20 TV advertisers, it is clear it doesn't compare. The average weekly rating level is 156 Adult TVR's (based on 30 seconds) - more than 5 times higher than the most generous estimate of magazine weight. 5 times higher in a medium that is three times the cost! And the discrepancies don't stop at the weekly weight.

...Why isn't magazines' door being broken down by advertisers...?

20 largest magazine spenders	Total annual GRPs
HMV	1200
Freedom Finance	1100
Woolworths	1100
Tesco	1050
Nivea	950
M&S	750
Dolmio	750
Virgin	750
Sky	700
Pantene Pro V	650
Herbal Ess	600
Bose	550
Special K	500
Christian Dior	450
Head & Sholders	450
ROC	400
Dove	350
Dairylea	350
UK Living	350
Domestos	350

Source:
NMR Multimedia Jan-Dec 2004,
NRS (excludes newspaper supplements)

Looking at the total campaign weights by medium for the calendar year 2004, it is apparent that the top 20 advertisers in magazines purchased around 670 ratings. Again, gross that up for a more discrete target market, and that would be, say, 1000 ratings. What about TV?

20 largest TV spenders	12-month Adult network TVRs
B&Q Plc	15300
Homebase Ltd	13400
McDonalds - Restaurant Chain	10900
DFS Furniture Plc	10400
Currys Group Plc	10200
Argos Ltd	9800
Asda Stores Ltd	9400
Tesco Plc	8600
Sainsburys Supermarkets Ltd	7700
MFI Furniture Group Ltd	6700
Kentucky Fried Chicken GB Ltd	5800
PC World Computer Superstore	5600
Burger King (UK) Ltd	5200
HSBC Bank Plc	4600
BT - Broadband	3900
Wanadoo	3700
Mastercard Ltd	3600
Capital One	3600
ING Direct	3000

Source:
NMR Multimedia Jan - Dec 2004, DDS

A staggering 7,000 ratings was the average investment across 2004 for the top 20 TV advertisers: 7 times more than the weight in magazines - or 24 times the budget!

And billets recognise this discrepancy: this work led to John Billett concluding at the Magazines 2005 conference that;

“Media scheduling practice may be more the cause of any magazine effectiveness weaknesses than any reason of consumer response”

Could it be that it is how magazines are planned and bought that creates the difficulty in measuring the strong consumer responses that research suggests result from magazine advertising? If so, how should the magazine medium be planned?

In discussing a change to planning methodology, the intention is to spark a debate about current planning practice and how new information and planning tools could be used for a more effective return on investment.

...it is how magazines are planned and bought that creates the difficulty in measuring the strong consumer responses...

A FRESH APPROACH TO...

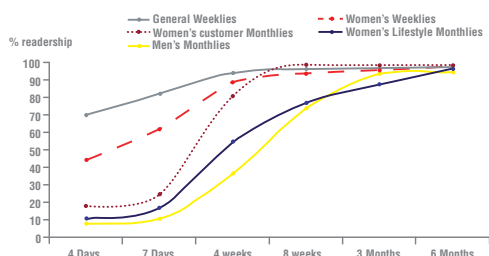
Magazine planning just got easier...

In television, newspaper and radio planning the ability has existed for some time to identify and locate, with acceptable precision, when and where exposure to advertising takes place.

Timing of exposure, expressed as weekly or monthly reach dominates media thinking. But this is rarely applied to magazines. In magazines it has been impossible to locate the timing of exposures, especially as they can occur after the publication date.

As a result, magazines have been planned title by title - or spot by spot. Media plans are chock-a-block with magazine title insertions filling the planning schedule with activity - but these schedules do little to reflect the actual delivery of messages or the intensity with which they are delivered.

Well, it needn't be the case now. With the launch of the NRS Readership Accumulation Survey, there's now a much more accurate method of planning magazines - and this new information was used within *Sales Uncovered*. What, then, does accumulation data uncover - and what are the implications?



The above chart shows that different types of magazines take different lengths of time to deliver their readers. It's a little clearer from this table...

Category	Reach	Weeks
TV Weeklies	96%	1
General Weeklies	91%	2
Women's Weeklies	79%	2
Monthlies	50%	4
	70%	6-7
	90%	12-13

Source: NRS Accumulation Study 2004

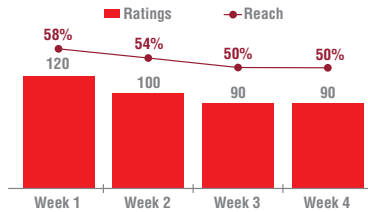
Unsurprisingly weeklies deliver most of their coverage within the first 2 weeks of circulation. TV weeklies are particularly quick as might be expected from their content. By the end of the cover month, monthlies will have generated around 50% of their total audience, rising to 90% within the next 8 weeks.

All very interesting, but it is what this data allows planners to do which is the exciting part.

...there's now a much more accurate method of planning magazines...

With this data magazines can now be planned in much the same way as every other medium. It's easy to work out the weekly rating delivery, the weekly coverage of target audiences. Magazines can be planned to impact on consumer purchasing in just the same way that other media are planned.

TV delivers significant weekly weight to influence consumers during their purchase cycle



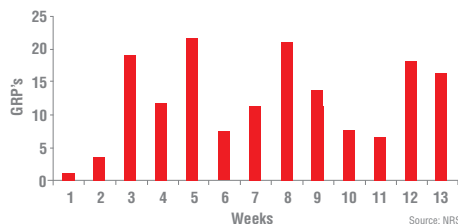
Take TV for example. This is what a fairly typical TV schedule would deliver. Each week a significant proportion of the target market is exposed to advertising in order to affect the purchase decisions they make that week. Note that the coverage never dips below 50% and that the rating levels are all reasonably strong - although not as strong as the 156 ratings per week referred to earlier.

As publishers publish

Page 4clr	Ins	March	April	May	June	July	August
Women's Weeklies							
OK! Magazine	4			X,X	X	X	
Now	4			X	X,X	X	
Heat	4			X,X	X	X	
Women's Monthlies							
She	2			June		August	
Red	2				July	August	
New Woman	3			June	July	August	
Marie Claire	2			June		August	
Top Sante	2			June	July		
Target Audience	Young up-scale women 49% @ 3.8 OTS						

What does today's magazine schedule look like in comparison? Here's an example. This plan delivers 186 ratings in what looks like a pretty sensible schedule.

As readers read - several "black holes"



But here's what it really looks like. No single week has more than 20 ratings. The strike rate is all over the place. Many weeks have less than 10 ratings being delivered. The low weekly strike rate in magazines makes it difficult to measure the effect of the advertising, though not impossible, as *Sales Uncovered* demonstrates. The magazine schedule may be just one part of a mixed-media campaign, but the structure of this delivery makes it unlikely that the advertiser will enjoy the potential for ROI that magazines can offer.

...With this data magazines can now be planned in much the same way as every other medium...

A FRESH APPROACH TO...

Squeeze that data...

Now, with the addition of the NRS Readership Accumulation Survey, this is no longer necessary. If desired, 100 ratings a week in a mixture of weekly and monthly magazines could be delivered. The purpose here is not to suggest this particular weight, but simply to demonstrate that it is possible to plan magazines at a weekly weight sufficient to deliver more measurable short term results. For more detailed data on different target audiences, turn to Appendix 1.

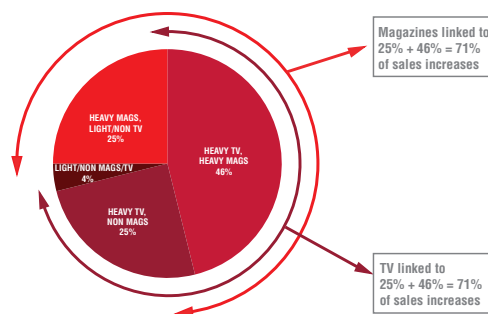
It's also important to remember that the magazine medium enjoys a more emotive relationship with its readers as well. Nothing said so far should suggest that this isn't still important. In fact, the way magazines can be used to communicate more effectively with consumers is detailed more fully in the third in this series of booklets, *Communication Uncovered*.

But the true significance lies in the fact that both aspects of magazines are true. It is a medium that can reach consumers en masse while retaining the characteristics of flexibility and targeting for which magazines are more famous.

Cut costs...

The final point requires a short return to *Sales Uncovered*. What could be expected from an ROI point of view if weight in the magazine medium were increased?

Earlier, when examining the way in which TV and Magazines impacted on sales, it was revealed that those who saw both media accounted for 46% of total additional sales, those who'd seen neither medium just 4% and those who'd seen only magazines 25% and only TV 25%.



In other words, magazine advertising had some contribution to 71% of additional sales. TV contributed to a similar amount of extra sales. (TV does, of course, have an additional, though very minor, impact within the red heavy magazine/light-non TV segment).

But how much money was spent on advertising in each medium to generate broadly similar returns?

Across the 7 brands concerned, 70% of the budget was spent in TV and just 22% in magazines. So if the contribution to sales revenue was similar for each medium, but 3 times more money was spent in TV than in magazines, it can be concluded that magazines appear to generate sales roughly 3 times more cost effectively than TV.

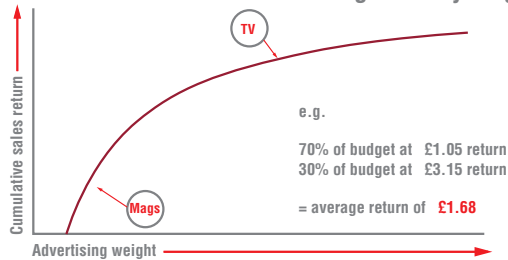
What does this mean?

...magazines appear to generate sales roughly 3 times more cost effectively than TV...

...and boost returns

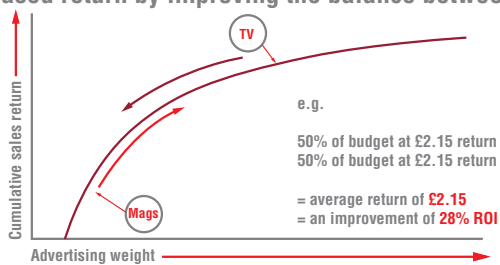
There's a choice. Accept that magazines are three times more powerful than TV at generating sales or look to another, perhaps more plausible explanation. Just as with coverage in a single medium, or with frequency of communication, ROI is probably governed by the laws of diminishing returns. Each medium has its own return curve - as more weight is applied to a single medium so it moves up its return curve and the return diminishes.

Diminishing sales return from excessive weight in any single medium



Take this for example. With 70% of the budget invested in TV, it is likely to have reached a point where the last slice of advertising expenditure produces a lower return than the earlier expenditure. The point of diminishing returns has been passed. With just 30% of the budget in magazines, you end up very much lower on the return curve. Overall then, the campaign might deliver a return of £1.68 driven more by the over-reliance in a single medium than the contribution magazines can make.

Increased return by improving the balance between media



Moving TV further down its return curve by reinvesting part of the budget into magazines is likely to result in two things:

Firstly TV return will increase - it's a steeper part of the curve. At the same time magazine return would decrease - although it would still be contributing more to the absolute sales growth than before.

But secondly, and most significantly, the overall campaign return would be improved very significantly - by 28% in this example.

While this is, of course, hypothesis, it does provide a reasonable explanation of the data.

Return curves are likely to be specific to individual businesses and the perfect balance of weight between different media is something that will also vary considerably. But advertisers should be confident that increases in magazine expenditure of significant proportions will generate more effective campaigns delivering a higher return on investment.

The time is right for many advertisers to consider the weight of magazine advertising on schedules. The significant changes in planning information should lead to magazine campaigns that are expected to deliver significant impact each week - and tangible sales results. Furthermore, there is good evidence to suggest to advertisers and planners that an increase in overall ROI is a likely outcome of increased weight in magazines.

...an increase in overall ROI is a likely outcome of increased weight in magazines...

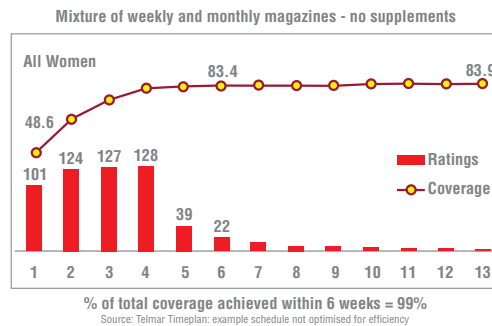
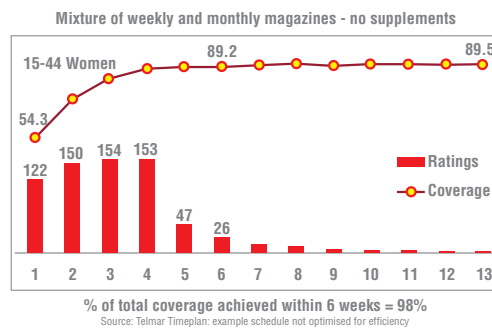
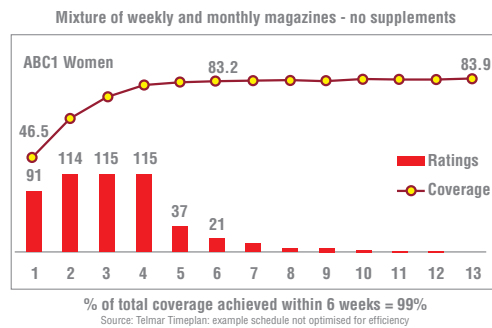
APPENDICES

1. Delivering different target audiences

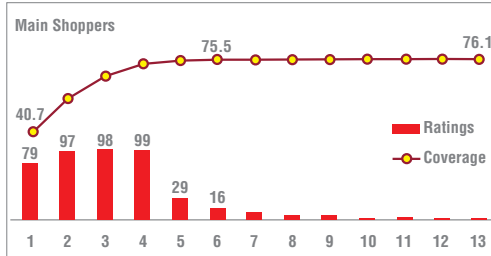
A number of bureaux provide proprietary software packages used in press planning, including IMS, Telmar and Choices. The schedules summarised in the charts in this section are derived from Telmar's Timeplan system.

The schedules have been constructed using insertions in weekly publications in each of the first four weeks of the campaign, and one insertion in monthly titles with an on-sale date within the first two weeks of the campaign start date.

Once again, it is not suggested that these are ideal schedule constructions: the examples simply demonstrate how significant and controlled weekly advertising weights can be delivered against a variety of different target audiences.

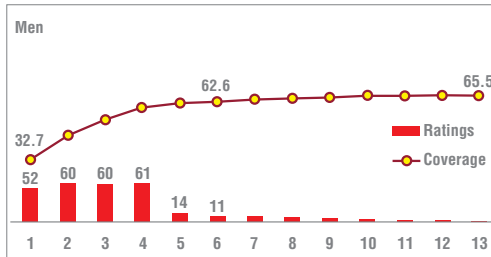


Mixture of weekly and monthly magazines - no supplements



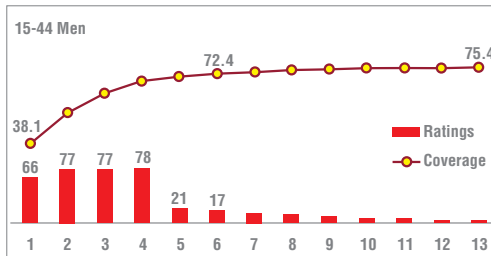
% of total coverage achieved within 6 weeks = 99%
 Source: Telmar Timeplan: example schedule not optimised for efficiency

Mixture of weekly and monthly magazines - no supplements



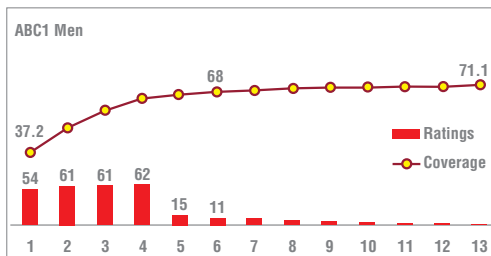
% of total coverage achieved within 6 weeks = 95%
 Source: Telmar Timeplan: example schedule not optimised for efficiency

Mixture of weekly and monthly magazines - no supplements



% of total coverage achieved within 6 weeks = 95%
 Source: Telmar Timeplan: example schedule not optimised for efficiency

Mixture of weekly and monthly magazines - no supplements



% of total coverage achieved within 6 weeks = 95%
 Source: Telmar Timeplan: example schedule not optimised for efficiency

APPENDICES

2. Finding out more

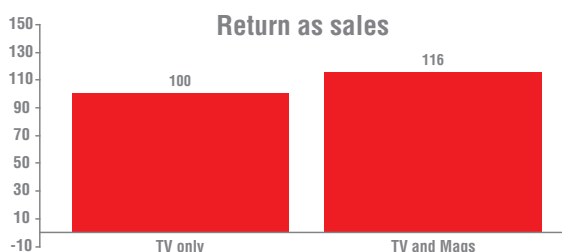
What else is there?...

Many of the findings alluded to in this booklet have been echoed in other research.

For instance, in Germany a single-source panel has yielded further evidence about the virtues of mixed-media advertising.

Bauer Publishing has been responsible for a number of tests using the GfK Hassloch BehaviourScan panel. The panel consists of 3,000 households in the town of Hassloch whose purchases in a range of product fields are recorded using scanner technology in local stores. Panel members receive television through a cable system, which means that the commercials shown to each household can be controlled. Panel members also receive two weekly magazines as an incentive, and the advertisements carried in these can be varied too.

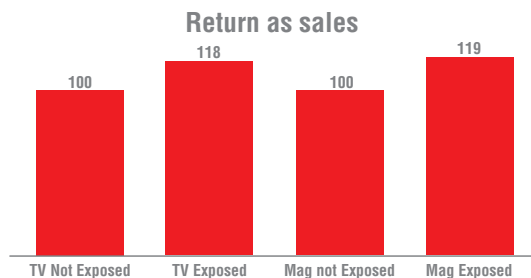
For the launch of a personal care product two media strategies were tested, representing equal expenditures: some households received 100% television and others received advertising split 68% television and 32% magazines.



After the campaign had run for one year the mixed-media strategy had outsold the TV-only strategy by 16%. Most of the increase was due to increased weight of purchasing, rather than the greater penetration of the market - and this in turn was attributed to a more powerful communication of the advertiser's message.

John Philip Jones has added his support to this view.

Jones produced a measure of the ability of each medium to generate shifts in brand share. In measuring the Short Term Advertising Strength (STAS) of Television, Jones found that households exposed to advertising in the seven days prior to purchase accounted for 18% more brand share. He went on to produce a STAS figure for magazines - and discovered it to be 19%. In other words, magazines' ability to generate short term sales response is essentially the same as television's.



From PPA?...

There's a good deal of other material available from PPA to help with the planning of campaigns involving magazines - and which flag magazines' particular strengths.

A useful first-port-of-call is *How Magazine Advertising Works* which signposts research-based data covering all aspects of magazine advertising.

Now in its fifth edition (August 2005), the publication presents a summary of research evidence which describes how readers use their magazines, how advertisers benefit from this, how magazines sell products when used as the sole medium, how they work in combination with other media, and their effectiveness as part of multi-channel campaigns.

Other recent useful booklets include *The Life of a Magazine*, a guide to the effective use of the NRS Readership Accumulation Survey. It describes how this new information contributes to the planning armoury - and explains how it can be used, in practical terms, in day-to-day media planning.

...and from you?

PPA and individual magazine publishers would very much like to hear planners' thoughts and answer any questions they may have. There is still much to learn, particularly about magazines' ability to affect specific businesses and any ideas for achieving this with the magazine industry would be gratefully received...

Getting in touch...

Further information on research into the magazine industry can be found at www.ppamarketing.net

If, as a client or agency, you would like *Magazines Uncovered* presented to you, please call Philip Cutts or Dylan Griffiths at PPA Marketing on 020 7404 4166.

The *How Magazine Advertising Works 5* report can be downloaded from the PPA Marketing website and is fully searchable to find out what research is available.

Acknowledgements

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- Peter Dear for editing this booklet.

THERE ARE MANY OTHER MAGAZINE RESEARCH STUDIES AND CASE STUDIES AVAILABLE AT
WWW.PPAMARKETING.NET

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