

## 27. TYPES OF MEDIA BUYS

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TV-10.

## 27. TYPES OF MEDIA BUYS

To appreciate the true value of a particular media buy, we have grouped TV stations into three categories and analyzed their rates based on their comparative coverage. The three categories are:

**NATIONAL.** These TV stations are either cable networks or national superstations. (To illustrate, we'll use Nickelodeon at 1:30 a.m. on weekdays which costs \$12,500.)

**PRIMARY.** These are local broadcast TV stations in major cities with at least one million TV homes. ( We'll use WPGH, the FOX affiliate in Pittsburgh, at 1:30 a.m. on weekdays which costs \$900.)

**SECONDARY.** These are local broadcast TV stations in smaller or secondary cities, with usually less than 500,000 TV homes. (We'll use WWAT, and independent in Columbus, Ohio at 1:30 a. m. on weekdays which costs \$150.)

Charting comparative rates and effective reach of each station yields the following:

TV GROUP	RATE	TV HOMES	CPM*
Nationals	\$12,500	63 million	0.20
Primary	\$900	1.2 million	0.75
Secondary	\$150	350,000	0.43

\*The acronym CPM stands for Cost Per Thousand ( M stands for Mil, Latin for thousand). Based on the preceding table, if all the potential viewers being reached by each respective station were watching that station at that time, it would cost you 20 cents to reach every 1,000 viewers watching a widely subscribed to cable network, 75 cents for a primary station, and 43 cents per 1000 viewers in a secondary market.

Although it seems obvious that you may want to split your media buys between the national and secondary markets, often this is not possible. Here are some of the reasons:

> Airtime on national stations is hard to come by. Fewer than 20 cable networks and superstations fall into this category, and most available infomercial time has already been purchased or is controlled by major media brokers and infomercial production houses.

> In the test market stage, it is unwise to invest a lot of money in national

media buys. It is better to spread your budget over a string of secondary markets to get a better feel for viewer feedback.

> Finding good secondary markets involves a fair amount of research. It is best to deal with media brokers who specialize in this category.

## 28. TESTING

Always test media on an OTO (one-time-only) basis. Even Fortune 500 companies with multimillion-dollar budgets always test their products and the media where they are placed. No one can accurately predict the outcome of an untested campaign. Lay out a sensible test campaign and evaluate the results accordingly.

For do-it-yourselfers, secondary markets with airtime rates between \$150 and \$400 offer ideal, low-risk vehicles for test marketing your infomercial. Although TV stations in secondary markets do not generally offer the best CPM (compare to nationwide cable channels), they charge the lowest entry fees required to get a fair "let-the-market-decide" type of evaluation for an infomercial.

## 29. APPROVAL

As soon as the first draft of your infomercial is completed, make several copies and send one to each station you are considering.

But before you send any tape for approval, contact the station to confirm that they have available airtime. The approval process can take anywhere from a day to a month, depending on who you know and the overall attitude at that station.

## 30. MEDIA BROKERS

Media brokers are independent companies that sell airtime for stations nationwide. Stations pay these brokers a commission based on the cost of airtime purchases.

Brokers come in all shapes and sizes, depending on the type of TV stations they represent and their volume of business. In some cases, brokers who buy a lot of media time have better pricing leverage. Therefore two brokers may have different rates for the same time slot at the same station.

**BROKERS WORK LIKE A ONE-STOP SHOP FOR TV AIRTIME ACROSS THE COUNTRY.**

If you want to buy airtime outside your state, a broker will come in handy, giving you vital information about TV stations in different markets. Brokers are particularly helpful when you're buying airtime on a network affiliate (ABC, CBS, NBC, FOX), a cable network (ESPN, A&E, CNN), or a superstation

(WGN or WOR). Brokers give you access to as many stations in as many regions as you want, but you only have to deal with one person, saving you the hassle of negotiating with each station individually.

However, if you are buying airtime from stations in your city or in a geographic area that you're familiar with, using a broker may hurt rather than help. For example, if the station you want to use does not recognize your broker, that broker may try to convince you to advertise on a station that will pay his commission.

Likewise, a media broker may cost you more if you are buying large quantities of airtime. By placing your order as a direct account, you can negotiate a rebate on the portion of the fee that the station would otherwise pay a broker.

### 31. TARGETING BY ZIP CODE

If your media buy is sensitive to demographics, one method of buying will deliver precision, especially if you buy from cable service companies on a local basis.

From Beverly Hills to the Bronx, expanding your geographic exposure is as easy as qualifying the socio-economic profiles of your audience. Marketers now use ZIP codes to identify the geographic distribution of their potential viewers. As markets become more segmented, a new method of categorizing American neighborhoods is gaining ground.

**THE CLUSTERING OF AMERICA.** This is a book by Michael J. Weiss which dissects different lifestyles in contemporary America based on the U.S. Postal Service's Zone Improvement Plan - better known as ZIP codes.

#### **THE 5 DIGITS OF YOUR ZIP CODE CAN TELL A MARKETER WHAT YOU ATE FOR BREAKFAST**

Weiss explains that your ZIP code, which actually represents the community where you live, reveals a lot about the people who live within its boundaries. The 5 digits of your ZIP code are not being used to tell marketers the kinds of magazines you read, what you eat for breakfast, and the brand of toothpaste you are likely to use. Marketers are even using ZIP codes to decide what kind of celebrity to use in their advertising. (From *The Clustering of America*, by Michael J. Weiss; Perennial Library, Harper & Row, New York; ISBN 0-06-091599-4; \$10.95.)