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Media planning and buying for international TV campaigns : a white paper

April 2015

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Media planning and buying for international TV campaigns : background and considerations

1. Planning

- Typically an international TV advertising campaign is planned 4-6 weeks before the advertising commences, though there may be significant variations - a shorter **lead time** where there is good short-term availability of low cost airtime, for instance; or a longer lead time where the market is 'hard' (high demand for airtime) or where there are many **administrative** and **regulatory obstacles** to take into account.

- If currency exchange is a factor in allocating the **media budget** and committing funds, it's prudent to make an allowance within the budget for currency variations. There is no truly 'safe' level for this allowance, but usually a figure of 2-3% is adequate.

There is a long list - at least seventeen - of recognised techniques for deciding on budget levels. It may be necessary to apply different methods to different countries, especially where the availability of data inputs varies.

- Although many TV stations publish rate cards, the **cost of airtime** is most often set by the forces of supply and demand. The stations may impose surcharges or offer discounts on airtime in a particular month; they may increase surcharges or discounts on 'packages' of airtime; and they may dilute the 'quality' of airtime so that the overall level of audience delivered for a particular budget is lower. Buyers can negotiate by (for instance) initially holding back funds and then offering a bigger budget; or offering an improved budget share, etc., etc.

- Basically, the **cost of TV airtime** is a function of supply and demand. But ... when we talk about 'airtime', we can mean two different things: an amount of audience or a number of spots.

In some countries, there is highly sophisticated **audience research** available which measures and reports on an ongoing, minute-by-minute basis, the viewing habits of a wide range (eg many hundreds) of demographic groups over very short time periods. In such countries, it makes no sense to decide to buy airtime on the basis of a number of spots alone. There is no typical audience - one spot may be seen by, say, 25% of a particular target audience; whilst another may be seen by 0.1% of the audience. In such cases, the usual method employed is to aim to buy a certain level of audience - which is referred to using expressions such as GRPs, TVRs and 'impressions' (of which, more later).

In other countries, there is quite good TV audience research but it covers only 'topline' parameters, eg what percentage of Adults tune into the different channels in a month or how long they spend watching different types of TV (satellite, terrestrial, etc.) channels. This is helpful in initial planning but gives no certainty about the true audience delivered by a campaign.

In some countries, there is little or no availability of reliable audience research. In such a market, the only option is to apply local, general information about that market/channel combined with knowledge gained in other similar markets about the optimum type of airtime to use, eg how much to allocate to prime time versus daytime or 'late off peak'; whether there are programming considerations (is it a good idea to be close to news broadcasts - or within films - or on a sports channel?). But, in the end, in such markets the transaction is based on a number of spots.

Detailed audience data, where available, serves a number of purposes:

(i) assisting with **targeting** the commercials(s) into slottings (timings) that will be seen by the required target audience;

(ii) enabling the **cost-efficiency** of individual slots to be measured and comparisons to be made by dividing the cost by the estimated or actual audience level (usually expressed in thousands, so that a CPM or CPT - cost-per-thousand - can be derived and applied to a single spot, a package of spots or a whole campaign); and

(iii) reporting, where the actual audience delivery, or "achievement", of a booked campaign can be compared to the original plan, providing a means of **accountability** and material for a **post-campaign review**, if required.

At the other end of the spectrum, there are research studies that offer topline data on the audience achievement and audience profiles of **international TV stations** whose footprint covers more than one country or may even be classed as **pan-continental stations**.

• Defining the **target audience** for a campaign as closely as possible is highly advisable. Even in countries where there is inadequate audience research - so no measure of audience achievement against that audience group - a good demographic description can assist with deciding on slottings into particular programme types or 'dayparts'. There may be more than one target group; the targeted audience may be very narrow or very broad; and it may be worthwhile applying weightings to the amount of airtime allocated to (say) two different target audiences, where one is deemed more important than another. (This method can be linked to **copy rotation**, where different creative executions are selected to run at different times of the day; or different **timelengths** are selected, for instance where a launch campaign has reached the point where a shorter, 'reminder' ad. is sufficient).

• The **media objectives** for a campaign should be discussed and decided in the pre-planning process. In a multi-country campaign these may vary according to the client's status or marketing considerations in different markets. Often there is a balance to be struck between **awareness** and **response**. Some campaigns will be intended purely to create or raise brand or message awareness. In others, the intention will be solely to maximise response levels. Typically, there will be a mix of objectives. If a research programme is in place (eg awareness or attitude tracking, or response analysis), this may provide historical data which can be used as an input in agreeing realistic media objectives for a TV burst. Sometimes it's possible to derive a **response function (RF)** for a particular campaign - and where RFs vary between countries, this can help determine the objectives for different countries, or indeed whether some countries receive any support at all.

• **Timing** is a key consideration. In some countries, airtime costs can vary very significantly across the year, even to the extent that airtime in a particular month may be more than 100% more expensive than in other months. This is by no means true in every country; but the **seasonality** of costs may have major implications for the choice of **campaign period**.

Where there is availability of sales (or other relevant) data, the calculation of a **cost:value index** can bring to light key insights, eg if airtime costs are low in January, but sales are high, perhaps that might be a good time to advertise in that country?; if TV costs are high in November but sales are not so strong, that may be a good month to avoid; by indexing both costs and sales and deriving a cost:value index, decisions on timing can be arrived at on a rational, calculated basis. (This is a technique that can be applied in other ways, of course - eg across different TV stations, different countries, etc. and perhaps incorporating the modelling of multi-dimensional factors, with changes in awareness or other measures).

Another timing consideration is how long a campaign should last - and, more specifically, whether airtime should be deployed in a '**drip** or **burst**' configuration. An advertiser of a headache remedy might decide to spread airtime across the whole year, running at a low weight every month, perhaps with an upweight around festive holidays; an advertiser running a campaign for a highly seasonal product (eg a gardening item) may decide on a quite narrow timing window. Where a product is at different stages in its lifecycle across different geographical territories, this can be factor in deciding between drip or burst configurations in different marketplaces.

Coming back to airtime slots, it is always worth considering the timing of appearances of the commercial across the day. Upscale audiences tend to watch more prime time, first run films and weekend programming. Other audiences, such as Men, Housewives with Children, Adults aged 55+, etc., have different viewing characteristics.

Although it is interesting to consider the influence of complicating factors such as video-on-demand and time-shift viewing (levels of which which do vary from country to country) , such aspects are rarely of great significance in campaign planning,.

• The allocation of budget to different regions can be arrived at in various ways.

In the real world, **regionality** is a factor which may be influenced by personnel considerations. Local representatives often play a part in lobbying for a greater share of media budgets. With this in mind, it can be helpful to be able to inform any debate with a rational basis for budget allocation, by, for instance, using the cost:value indexing technique described above.

In certain markets, it's wise to take account of regional cultural differences, within particular geographic areas. This aspect can affect channel selection, for instance, especially where there is a complex mix of **languages** within the same country. Again, this can link to the creative strategy. But in some countries there are strong regional identities, and it can be unwise to ignore them altogether in making decisions between media.

Literacy levels are still low in some countries/regions, another consideration when determining how much to spend on TV in different territories.

Regulatory authorities impose varying degrees of control, usually via an advertising code, on what may be broadcast and when. This can be a major issue in media planning for some markets and for some types of campaign, especially, for example, in sectors such as finance, pharmaceutical and cosmetic products, advertising to children, direct response, etc.

In some countries there are self-regulatory organisations (**SROs**) who can advise on the various advertising codes and their significance for a particular campaign. (Their advice is usually available for a fee and it does not guarantee that there will be no problems with the campaign). Typically TV channels will not accept an ad. that hasn't been cleared by the relevant SRO.

• The **media strategy** for a TV campaign should take into account a wide range of factors including those listed earlier.

In an international TV campaign, where the decision to use television has already been arrived at, there may be ways of using media that provide coverage of more than one - and perhaps many - countries. Some pan-regional TV media offer **localisation** opportunities by market, together with the possibility of integration with online support and sponsorship.

Some international TV channels are **themed** with programming aimed at a particular audience - such as business people or children; others offer material which is mixed and of interest to a broader span of audiences.

So there can be an interplay between domestic and international channels when planning an international TV campaign. And this can have significant implications in terms of the buying of the campaign ...

Note

A **Gross Rating Point** (= a **TVR**) is one percentage point of a specified target audience. Total GRPs for a campaign can be calculated by the formula 'Reach times average frequency'. This is a measure of the advertising weight delivered by a medium or media within a given time period. A given total of gross rating points may be arrived at by adding together ratings from many different spots. GRPs may, thus, sum to more than 100% of the total target audience.

A sum total of GRPs (TVRs) represents a gross total of individual viewings expressed as a percentage of the 'universe' of that particular audience group, e.g
say there are 1,210,000 Adults aged 15-34 in a particular country or TV area (ie that is the Adults 15-34 universe),
then a level of 54 ratings would equate to 54% of 1,210,000 = 653,400 viewings (usually called 'impressions' or 'impacts').

A level of 250 ratings would equate to 3,025,000 impressions. Note that these viewings will also include duplication (clearly the maximum audience is 100%). If these gross impressions were experienced by only 75% (907,500) of the Adults 15-34 universe, then

3,025,000 gross impressions

experienced by

907,500 Adults 15-34

means that the average opportunity-to-see (OTS) figure for this group was 3,025,000/907,500 = 3.33.

TVRs/GRPs are a useful shorthand, reducing all calculations to percentages. Here, we would divide 250 TVRs by 75% coverage to get our OTS of 3.3.

But the 'thousands' values are required in the calculation of costs-per-thousand.

2. Buying

• **Sales points** vary in terms of their location.

Buying negotiations can be carried out direct with the TV channel's own sales force, via a completely separate sales agency within its home market, via its own sales office in another country or via a completely separate sales agency within another country. But often there are good reasons not to divulge the advertiser's identity.

• Typically the seller will tend to want to know the **identity of the advertiser** before entering into serious negotiations. They will worry that in quoting a cost to an unnamed advertiser, they run the risk of unwittingly showing an existing advertiser that they are being overcharged.

• It is very helpful to the seller to know the advertiser's **target audience**. This provides them with a key insight into what the advertiser is trying to achieve. If a TV channel is having difficulty selling a particular type of airtime, they may be prepared to offer it at lower rates. But where a client has admitted that they are targeting a particular group, there may be less need for the seller to offer that type of airtime at lower rates. So the disclosure of exact target audiences is of dubious value from the buyer's point of view; and it can be an important factor in negotiations. Sellers will sometimes make 'innocent' direct calls to unwary clients to double check the target audience.

• Virtually all TV media selling to non-domestic advertisers or their agencies will require **payment in advance**.

Local taxes can be an important consideration, eg the 5% charge on net advertising costs in Austria.

• Analysis of the results of initial negotiations will usually reveal significant differences in **cost-efficiencies** (CPMs or CPTs). These can show, for instance, that a themed channel may well offer an ideal programming environment but at a much higher CPM than a more general channel. In such a case, a choice needs to be made by the buyer (in consultation, if required, with the advertiser).

Revised schedules and amended costs are usually produced to arrive at the best available offer from particular stations - and it's at this point that a decision can be made about which channel(s) to use.

• Sometimes there are opportunities to aggregate expenditure within a country, ie to negotiate with a broadcaster who offers more than one channel, and thereby arrive at a lower overall CPM than might have been achieved by an agreement with separate media owners.

• Extending this principle, **media co-ordination** of negotiations with a media owner of different channels across more than one country can often offer a means of agreeing group deals which deliver much lower CPMs than would have been achieved by handling media negotiations on a country-by-country basis.

• **Inflight** and **online** TV channels represent another method of using the television medium internationally, often at lower cost and with useful targeting benefits.

How can we help you with your international media campaign?

Feel free to contact us.

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