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Splintered Audiences and Optimizers

Media industry is besieged by fragmentation with multiple suitors for consumers' time (prime or otherwise). Look at the larger, picture television fragmentation is but a pimple on the face of larger fragmentation that we face in everyday life. *Burgeoning real estate market, multitude of shopping malls replete with varied product choices amongst almost all categories be it perfumes, automobiles or even holiday destinations; even for spending money we have to swim through a deluge of choices.*



Fragmentation is ubiquitous and we are living in a splintered society (Fletcher 2006). A television media manager is no different when faced with the realities of a splintered society; aiming to reach the optimum number of prospective consumers in the most cost efficient manner.

There is an ocean of content choices for the consumers, to intercept at their discretion - every minute of the day and night, and there are more reception platforms than ever before, within the ever-expanding TV spectrum. This level of diverse TV consumption results in a sea of data that has to be analyzed for buying and planning on a day-to-day basis. There are numerous forces at play dictating media management decisions:

- Fragmentation increases the demand of high rated programs
- Prices are dictated by demand and supply
- It also presents buying opportunity in terms of multiple media sellers
- Multiple media sellers translate into lower prices

Television Reach Optimizers

Did you know ?

The brief that was handed to the four agencies asked to present in response to P & G's review in 1997

- We want to deliver our brands' media strategies substantially more effectively and efficiently by eliminating artificial barriers, and in the case of TV the barriers are dayparts'. [More](#)

WHAT'S NEW AT aMAP ?



- aMap working closely with leading media agencies has developed an automated pre evaluation module for campaign planning. It reduces the time taken for generating multiple schedules across multiple target markets.
- aMap is in the process of releasing its multi market optimizer, which has been developed and is undergoing user trials.

WHAT IS OXYGEN ?

Oxygen is an aMap (Audience Measurement and Analytics Ltd) publication that aims at bringing fresh perspectives to the practicing media professional. It will be our endeavor to inform you of the issues that are shaping the media industry around the globe and their possible impact on the direction in which Indian media industry could move.



Any discussion about optimizers has to start from a basic definition of what an optimizer does. *They enable TV planners and buyers to manipulate respondent-level audience data to maximize the purchase and scheduling of TV spots. They do this by identifying the most cost-effective combination of dayparts/programs/genres, sources and vendors available to achieve pre-specified reach and frequency performance goals* (Lynch and Woodcock 1997).

As per Ephron (1998) optimization is the child of fragmentation and recency planning. Optimizers like most of the innovations in media research and planning/buying were first developed in Europe in spite of a government controlled media (Oxygen May 2006). These were exported to USA in 1997, which was a watershed year for two basic reasons:

- Procter and Gamble placed its US\$ 1.2 billion television agency of record assignment up for review which included not only the traditional buying of airtime but also tactical planning. Till that time the same was being done by media buyer in UK and media planner in USA.

The rationale “**We need an optimizer to help us buy TV, because we have so many options that sorting through inventory is beyond our current systems**”

- Recency, the idea that advertising works with people who are ready to buy the product, was establishing target reach as the priority planning goal for advertisers

Optimization and Robobuyer

Optimization as a process is defined as the action of finding the best solution within the given constraints and flexibilities. A television optimizer essentially executes three basic functions:

- It is a real time reach and frequency calculator
- It can generate reach curves for set inputs at the daypart, vendor, or program type levels for available demographics
- It calculates the best or optimal daypart or program combinations to achieve set budget or reach goals



Optimizers are essentially tools to help translate planning strategies optimally into an executable plan, it cannot create strategies.

Optimizers can be touted as the highest expression of technology in media management.

In spite of all the hype surrounding the introduction of Optimizers in U.S.A (1997-99) the concept of Robobuyer did not catch on. The idea of optimizers for buying was to buy reach more efficiently by negotiating around high-cost dayparts and its sellers, but this meant changing a lot of things and so they were happily shipped to planning (Ephron 1999).

After their initial avatar the optimizers have undergone many a changes and some



ARCHIVES

[April '06 - Defining Tomorrow](#)

[May '06 - Global Television Audience Research](#)

[June '06 - 360 Degrees View of TV Audience - Everyday](#)

[July '06 - The Audience Product](#)

[August '06 - A Premium for Prime Time!](#)



REGULAR FEATURES

- [TV Competition Grid](#)

agencies also include qualitative factors into optimizing programs as, *If every agency used the same [quantitative] optimizer program, then everyone would come up with the same set of solutions.*

Enactment

- The tightest fit with a particular daypart or programs has its own premium and as optimizers work with incremental reach point planning, any large scale substitution or less precise timing of delivery are totally unacceptable for optimized schedules and defeat the very purpose of the exercise. In effect the enactment of the schedule is hypercritical.
- Buying in bulk is a function of a corporation and optimization happens at the brand level, this requires careful planning and execution.
- Optimization happens on reach and spot selection happens on cost per incremental reach point, the planning, buying and of course selling has to be on Target Reach Point and not Target Rating Point.

Real Time Accurate Data

- Accurate commercial level data is critical for any optimizer to function optimally and a lack of the same can place question marks about the sophistication and quality of its output.
- Dynamic posting: A daily comparison of weights (GRP's) as runs against weights as ordered is essential for reach optimization as, for example a 80 GRP a week plan is of no use if delivered as 40 GRP in week one, 50 GRP in week two and 150 GRP in week three as taking timely action as against the practice of fortnightly or monthly post evaluation and quarterly reconciliation.

All this can be summer up as *Poor Data Poor Results!*

Sales Optimizers!!

They are an “*upside down*” tool which can directly produce sales presentation; in effect they exhibit to the advertiser how a particular vehicle provides more value than any other buy which excludes the same. It has to potential of bringing the next paradigm into media sales providing them with enough sophistication and technology to equal that of the agency on the other side of the table. Robobuyers beware Robosellers are round the corner!

After the break

October issue of Oxygen will discuss global trends in Television Industry, including the impact of technology on content distribution.

Please feel free to send in your comments to Ravi Dixit - Director Research and Knowledge Management (ravi.dixit@audiencemap.com) and we can assure you that we will try and respond to all your information requirements through this periodical.

Periodicity

This periodical is mailed to its subscribers on the first working day of every month. If you have received this as a forward, write to oxygen@audiencemap.com for your own copy.

DOUBLE JEOPARDY AND OPTIMIZERS

To generate further evidence for Double Jeopardy (Oxygen August 2006) effect in television serials, we examined the viewer of (5 minutes consecutive) daily primetime strips in depth. Figure 1 exhibits that there is a distinct trend of low, medium and high rated shows generating ...[more](#)

