

MEDIA *matters*

MOVING FROM EXPOSURE TO ENGAGEMENT

It would be an understatement to say that there have been dramatic changes in the media landscape of virtually every country in the world resulting in a major change on the impact of advertising exposure on the consumer's mind and yet there has been very little change in the way media sellers sell, media agencies buy and advertisers take decisions. We must accept the blame for not imposing on the seller new parameters or metrics, basis which the media product should be bought or sold. The new metric, should reward those sellers who provide a more conducive environment for the exposure or 'sent message' to be 'received' and acted upon and penalize the seller who provides an environment that is not conducive for the message to be received or acted upon. The absence of this provides no incentive to the seller to price his product, based on what value the advertiser receives, rather than just exposure.

Decisions today on where to put the TV money cannot be determined anymore exclusively by conventional metrics such as TVR or TRP. This conventional metric had a lot of relevance decades back, when the viewer had only one or two channel options and watched, with equal interest all the programmes that the channels decided to dish out. With the plethora of channel options available today, the time has come to move beyond this conventional metric.

We believe that a simple eyeball measure like ratings is not the ideal metric in an environment where our clients are fighting in a ruthlessly competitive market and are looking at us, their agency, to help them sell their product and be more accountable for the money spent on advertising. We need to come out of our comfort zone of delivering reach, frequency and GRPs. We now have to start to deliver to our clients, "relevant audiences in the right frame of mind to accept and act on the advertising message being beamed to them".

TWO GOOD!



On the Riviera, Madison blazes new trail

Madison Media
becomes the first Media Agency to bring home
not 1 but 2 Media Lions.
Cannes Lions 2006 - 53rd International Advertising Festival

Madison Media also wins 3 Golds, 2 Silvers and People's Choice Award at Emvies 2006.

The implicit assumption with which media planners and buyers work today is that higher the TVRs, higher the exposures and better it is for the brand, as this they believe translates into higher brand recall. Hence, decisions on which television programmes to advertise on, and which programmes to lock in on sponsorships are based almost entirely on programme TVRs. However, we believe that the correct metric by which we should be basing our decisions to advertise should be a programme's ability to deliver the correct brand recall.

There is a growing awareness in almost all fields that the basis for price determination should be what the buyer receives and not what the seller sells. We believe that exposure is more a function of what the seller gives and not anymore a good metric of what the buyer receives. The time is right for us to seriously question whether it is mere exposure that we are after, and whether we should not incentivise a media owner who offers us a favorable environment under which if an exposure is given, leads to a higher chance of completing a sale or at least enables higher message retention and conversely penalize those media owners who do not offer a favourable environment that is conducive to meeting the advertiser's objective.

Our experience clearly indicates that exposure or TVR in many cases is an inadequate measure and does not correlate to sale or message retention. Questions that keep emerging in our minds are:

- Is it more profitable to address an active viewer or passive viewer?
- Is it better to advertise in a high involvement programme or low involvement programme?
- Is it better to reach a consumer when he is involved in appointment viewing OR at the time of channel surfing?
- Which genre of programming is best suited for message retention?

For example, two programmes with similar TVRs may differ significantly in terms of viewer attention and involvement and therefore the likelihood of viewers watching the commercial breaks and noticing the ads aired (and remembering the brands advertised) would be different. There could also be certain programme characteristics which determine whether they are indeed involving.

To find answers to a lot of such questions that plague the media industry we initiated a pilot research to answer the following two questions:

• **WHAT IS THE POTENTIAL OF A PROGRAMME TO ENGAGE THE CONSUMER & HENCE ENABLE RECALL OF THE AD BEAMED ON THE PROGRAMME?**

• **WHAT IS THE ACTUAL COST PER 10" WE NEED TO PAY FOR THE PROGRAMME BASED ON ITS ABILITY TO IMPACT BRAND RECALL (AND NOT GENERATE EYEBALLS)?**

We commissioned IMRB to do a research amongst 540 House wives & Males belonging to SEC AB, 25-44 years and residing in Cable and Satellite homes in Mumbai to arrive at the answers.

The objective of this research was to arrive at what we call Madison Engagement Correction Factor or M:ECF in short which when multiplied on to the TVRs would help in giving a metric that better serves the advertiser's objective, viz achieve Brand Recall. A correction factor of say 0.9 would mean that the actual TVR has to be down weighted by 10% and if the correction factor was say 1.07 then the TVR would get up-weighted by 7%.

The starting point of this research was to focus on identifying the possible variables that can influence M:ECF. We arrived at 65 such variables that were categorized under the following heads:

1. Environment while watching the programme

The physical environment in which the consumer is viewing Television was studied. For example, was the individual multi-tasking? Was the respondent watching the programme by herself?

2. Viewer Psychographics

All aspects of viewers' attitude towards advertising was captured.

3. Attitude towards the programme

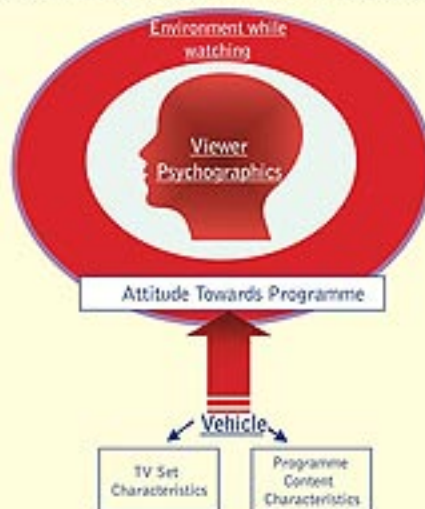
Viewers' attitude towards the programme, their image of the programme, attention level with which a programme is viewed, were studied.

4. TV Set Characteristics

The physical characteristics of a TV set such as Colour or Black and White TV set, number of channels available, whether the TV set has a remote, etc were examined.

5. Programme Content Characteristics

The genre of the programme, whether the programme had high drama or low drama, whether the programme was episodic in nature or long running, whether it was heavily promoted or not-promoted were ascertained.



52 of these 65 variables were collected through a questionnaire while the balance 13 variables primarily in the area of programme content characteristics were post coded.

The research was spread across a fortnight and extensive data was obtained for analysis from the 540 respondents. All respondents were asked to recall "ads watched yesterday." Likert & Bipolar semantic scales were administered for each programme that was viewed the previous day by the respondent to capture attention and explore the relationship between attention and commercial viewership. Out of the 65 parameters only 26 parameters were found to best explain brand recall.

The 26 parameters were:

FACTORS AFFECTING BRAND RECALL	
S No.	Factors
1	Episodic or Long Running
2	Genre Type
3	Kids Programme or Not
4	Cast Type (Good, Bad or Poor)
5	Drama (High or Low)
6	Primetime v/s Non-Primetime
7	Promoted v/s Not-Promoted
8	Recall of favourite character
9	News Bulletin v/s Interview v/s Panel discussion
10	Enjoyment rating
11	Extent of programme watched
12	Attention level while watching the programme
13	Quality of reception of the programme
14	Emotions evoked while watching the programme
15	Attitude on missing a programme
16	Attitude towards the programme
17	Block buster v/s Small film
18	Repeat v/s First Time Movies
19	Recall of favourite movie actor
20	Buy brands which are advertised
21	Adventure v/s Non adventure
22	Number of ads
23	Number of channels available
24	Reasons for not changing the channel
25	Weekday v/s Weekend
26	Cricket v/s Non-cricket

We formulated and tested a few hypotheses and arrived at some astonishing findings listed below:

1. WHICH GENRES WORK BEST FOR THE ADVERTISER?

The basic assumption of many media planners is that soaps have the highest engagement amongst housewives and hence are willing to pay a premium to get their client's ad on soaps. Did you know that the M: ECF for an ad that appears on soaps is actually lower than that of reality shows? The M: ECF on serials is only 0.93 while that for a reality show is 1.08 as shown in the table below.

GENRE	M:ECF
SOAPS	0.93
HINDI FILM	0.54
REALITY SHOWS	1.08
NEWS	1.07

A Hindi movie has a M:ECF of only 0.54. Why do movies get such a low negative correction factor? This is due to the high clutter level across most Hindi film channels i.e. too many breaks per movie and too many ads within each ad break.

Clearly, advertisers wanting to improve their message retention are better off paying a premium to Hindi movie channels who agree to air fewer commercials.

2. DO ALL SOAPS HAVE THE SAME CORRECTION FACTOR?

Our study shows that though soaps as a genre have a higher negative M:ECF, the factor varies significantly for different soaps. A case in point is two soaps with identical TVRs, telecast over two leading satellite channels A&B. As can be seen in the table below the M:ECFs for these two soaps varies quite a bit :

(Identical TVR Soaps)

CHANNEL	PROGRAMME	M:ECF
A	X	1.08
B	Y	0.97

The positive correction factor for programme X is due to:

1. Higher Enjoyment Rating
2. Higher Level of Attention
3. Higher Positive Emotions evoked by the programme

Since the composite M:ECF is calculated using 26 different factors the scores across different soaps would vary considerably.

3. WHAT IS THE IMPACT OF PRIMETIME V/S NON-PRIMETIME?

The implicit belief when planning a TV campaign is that Primetime programmes, even those that are not promoted are far more valuable than those telecast at Non-Primetime. However, this study shows that M:ECF for both Primetime & Non-Primetime shows is similar at 1.34 & 1.35 respectively.

4. DOES ENGAGEMENT VARY IF YOU ARE IN THE MARKET TO BUY A BRAND?

It is generally believed that advertising works harder on those consumers who are in the market to buy a brand. This study corroborates this hypothesis as M:ECF amongst those who are pre-disposed towards buying advertised brands is almost 50% higher than the correction factor for respondents who are less pre-disposed towards buying advertised brands.

	M:ECF
Pre-disposed towards advertised brands	1.34
Less Pre-disposed towards advertised brands	1.19

5. IS THERE A DIFFERENCE IN ENGAGEMENT FOR SHOWS WITH HIGH & LOW DRAMA?

The M: ECF for high drama & low drama shows is identical. Clearly this indicates that there is no need to pay any premium for the so called "high drama" shows which typically are sold at a premium.

6. WHAT PREMIUM SHOULD THE ADVERTISERS PAY FOR PROGRAMMES WITH TOP CAST?

Channels tend to demand a huge premium for shows which have a top cast i.e. cast who are very popular or those who bill higher. This study shows that presence of top cast indeed has a positive M:ECF but the factor value is only 1.11. This means that advertisers should at best pay a 11% premium on rates and no more.

7. WHAT IS THE VALUE OF SPECIALS AND FINALES?

Specials and finales are favourites amongst channel owners to demand higher costs. While the demand for such programmes is high even amongst advertisers the question often asked is how much more should we pay? The M:ECF positive scores for specials and finales are 1.06 i.e. only 6% higher.

8. WHAT IS THE IMPACT OF PASSIVE VERSUS ACTIVE VIEWERSHIP?

Our study also blew the myth that advertising on programmes where a viewer is watching it "passively" has a significantly lesser chance of retaining an ad message versus a programme which the viewer views actively. The gap in the M: ECF between a "passively" viewed programme versus an "actively" viewed programme is only 2 points.

M:ECF

Soaps	: 0.93
Reality Shows	: 1.08
Hindi Movies	: 0.54
Original/Repeat	: 0.98
Show with top cast	: 1.11
Specials & finales	: 1.06

In Sum

This pilot study validates our hypothesis that it is important to look beyond mere TVRs to meet advertiser's objective. Whilst exposure is important, several factors relating to viewing situations, programme content and viewers' attitude towards programme and advertising affect Brand Recall, a measure that we should look at more closely, than only exposure. We now plan to develop a model, whereby we will be able to calculate the M:ECF for various programmes.

This is but a small step...but we believe a step in the right direction that will enable us to plan and buy better for our clients and positively impact the ROI of our clients who want us to deliver on their brands. From a channel's perspective, the M:ECF gives us a better edge to reward them with a higher price for the right programmes that better meet advertisers' objective and reduce the price we currently pay for certain programmes in our mistaken endeavor to chase eyeballs.

- M:ECF (Madison Engagement Correction Factor) is a tool for correcting TVRs to factor in Brand Recall
- Correction factor ranges from as low as 0.54 for Hindi films to 1.08 for reality shows
- Even for programmes in the same genre with similar TVRs, M:ECF can vary dramatically
- Correction factor for repeat programmes during non-prime time is identical to original programmes on prime time
- M:ECF for programmes with top cast should be no more than 1.11. Despite the buzz and hype around specials and finales, M:ECF for such programs is only 1.06