RESPONSE NOT READERSHIP IS PRINT'S MAJOR PROBLEM

Erwin Ephron, Ephron Papazian & Ephron Inc.

In London, Bankruptcy Court is on Carey Street. Timothy Joyce was fond of saying that UK Publishers *are fond of saying* "The way to Carey Street is paved with broken rate cards." Not true here. You don't need a Pyrex rate card to make it in the US. You need at least two. The real one for the P&L and the public one for the discounting.

Here magazines seem to have a death wish. They've been maneuvered into price negotiation—like television—without the limited inventories and strong demand that makes negotiated pricing work for television.[1] Magazine inventories are plastic because they can add pages. Demand is sluggish because print does not compete for the bulk of advertising dollars reserved for television.[2] With CPM-readers the only widely accepted measure of value, magazines spend their energies creatively cutting price and bitching about undercounted readers. It is the worst of both worlds.

Magazines need a tonic—convincing proof that print advertising, like TV advertising—can have an immediate effect on brand sales. This would help magazines compete for TV dollars and make for a less grumpy medium. It may be a tired argument, but it has a steely logic. Price-competition works best when there are more buyers buying.

Print has not done well this decade. In 1986, national advertisers spent $16.2 billion in television, $5.6 billion in magazines. The magazine share of the $21.8 billion TV/magazine pie was 26%. In 1996, the pie was up to $37.6 billion— $28.4 billion in TV and $9.2 billion in magazines. The magazine share was down to 24%.[3]

It is surprising that print's share did not increase during a time when the case for TV became less compelling. With audience fragmentation and higher costs—program ratings are down and CPMs are up substantially—advertisers believe they are getting far less for their TV dollars than they did a few years back.[4] In contrast mass magazine readership has held up better—down only 2% since 1986.[5] And CPMs increases have been minimal.[6] If the job of an advertising vehicle is to deliver audience to the advertiser's message, there is considerable evidence that the cost-value advantage is shifting to print.

Magazines are beating TV programs at their own ratings game. Today, magazines are unquestionably the high reach media vehicles. If they qualified, along with TV programs, for the *Nielsen Adult "Top 10"* list, only *ER* and *Seinfeld* would make the cut, placing sixth and eighth. The top five would be *Reader's Digest, TV Guide, BH&G, National Geographic and Good Housekeeping.*[7]

Certainly there are media values in addition to audience. These range from objective characteristics like the *sight, sound and motion* of TV or the *continuing physical presence* of print—to more subjective, environmental qualities like the *intimacy* of radio, the *intrusiveness* of TV or the *involvement* of magazines. These unique media properties are often more important than cost-per-thousand in media selection. But there should be a cross-over point where price can shift the balance. *At what CPM differential should an advertiser start moving dollars from TV to print?* This is a rational question without a rational answer.

We like to think of media selection as a logical process where media compete for dollars based upon objective criteria like cost, audience-size and quality of exposure. That is not the reality. In planning media there is television and then there is *nothing*. If *prime time* network becomes too expensive (up 11% this year), dollars are shifted within television to cheaper forms—*day, news, syndication, cable, 15's*—not to print. It is as if media plans are built with air-tight compartments labeled "TV" and "all others." Agencies talk about an even playing field, but if they took their own counsel there would be more money in print. A while back, my associate, Ed Papazian asked 50 agency media directors to rate the "effectiveness" of different media. (He cannily defined effectiveness as the product of "probability of exposing the average ad" and its "contribution to the impact of the message.") The results were published in his newsletter *Media Matters.*[8]

This paper is dedicated to our friend and colleague Timothy Joyce.

[1] For an excellent contemporary discussion of the effects of demand on TV and print pricing, see Harry Henry, *Hysteria About Television Costs: A Cyclical Ailment*. Admap, May 1997.

[2] Magazines get roughly one dollar for every three going to TV.

[3] Source: Robert Coen, McCann Erickson.

[4] According to Nielsen, average prime time network ratings are down 49% since 1980. (See David Poltrack, *Needed: A New Paradigm for Media Evaluation by Advertisers, ESOMAR, Portugal, July 1997)* According to NETCOSTS, Network TV costs have increased about 35% over the last four TV seasons (1992-93 to 1996-97). The spectacle of higher prices for smaller audiences is puzzling, but TV is a demand-priced medium, so if demand holds while inventory falls, the result is higher prices.

[5] According to MRI, the 10 largest audience magazines aggregated 310 million average issue readers in 1987 and 308 million in 1996.

[6] In fact, magazine rates began falling in 1987 when McCall's announced a negotiated pricing policy.

[7] For example, Nielsen NTI, week of October 14, 1996. SIMMONS, Spring 1997

[8] *Media Matters,* March 1993, Page 10.

Using a TV *prime time* :30 as the bench-mark (100), the consensus score for *daytime* was 48, *early news*, 83, *late fringe* 63 and *magazines* P4C, 70. When these values are factored by CPM, *day* and *early news* are currently under-priced compared to *prime* (a dollar value of 110 and 118), *late fringe* is over-priced (a dollar value of 83), and *magazines* are the biggest bargain of all (a dollar value of 125). But while *prime time* dollars have been flowing to *day* and *early news* there's not a trickle to *magazines*.[9] And that is the nub of the problem. Advertisers do not think magazines can substitute for any form of TV in generating an immediate sales response. Their perception is magazines work slowly to build brand awareness. This is based on many years of experience with television and print—and yet it may be quite wrong. Professor John Philip Jones has recently unearthed short-term print advertising effects, quite similar to those found in television, from Starch panel data.[10]

The difference in media effectiveness could be—in fact, most likely is—a result of the different ways TV and magazines are planned and scheduled. "Number of insertions" in print versus "number of target points" in television. If we approached television as we do print, we would flow-chart the number of spots.

Advertisers plan TV for reach. There is an accepted threshold of 60-100 target points-a-week to use the medium. The minimum TV-weight required to read sales effects in-market is 50 points a week.[11] Advertisers plan magazines for "continuity." There is no minimum target point weight—in fact TRP's are not an important part of most magazine plans. A typical $10 million brand using TV and print will spend about $8 million in TV and $2 million in magazines. When magazine advertising runs, TRP levels will be 10 to 15 points a week—or less than one-fifth of the level acceptable in television. Weekly reach of target would average close to an eight. Advertisers claim they can buy around any of the "seven sisters." When an advertiser uses all of the women's books, the weekly rating points delivered are just 35.[12]

The striking inadequacy of a typical print plan is masked by print planning conventions. *The way we buy schedules. The way we flow-chart the insertions. The way we calculate reach and frequency.*

- *We buy many insertions in few magazines.* The typical magazine rate-card discounts lead us to schedule 13 ads in a weekly, six in a monthly, when buying fewer insertions in more titles would produce greater reach.

- *We flow-chart insertions by publication interval—usually between flights of television to fill empty weeks on the calendar.* An ad in a weekly gets one box, an ad in a monthly gets four. The graphic message of the flow-chart is weeklies provide seven days of advertising, monthlies, 30 days. Of course they don't.

- *We calculate reach and frequencies for the total schedule.* Over the course of a year a print schedule can reach 70 percent of the target, but not have effective short-term reach levels.[13]

When we look at weekly TRP's, like we do in TV, most magazine schedules would be considered inadequate. Yet there is evidence that weekly weight is as important to print effectiveness as it is to television. Why should it be otherwise?

The importance of weekly reach has been high-lighted by the new Recency planning which holds that most advertising works by influencing the brand selection of consumers who are ready to buy. (Since purchases are made each week and planners don't know who is going to make them, the goal is to reach as many different target consumers as possible in as many different weeks as possible—in order to reach the few that are in the market at any time.) The recency strategy is to cycle through the market at the lowest cost by maximizing total weekly, total 4-week and total quarterly target reach points across the year. It is a short- and longer-term reach strategy.[14]

More weeks at lower TRP's—so called "drip scheduling," the TV equivalent of print planning—doesn't appear to work. The problem with very light TV schedules seems to be insufficient weekly reach. Similarly, sales response to magazine advertising may not be detectable because magazine schedules almost never achieve sufficient weekly reach.[15]

There is strong anecdotal evidence showing that when print advertising is run at TV weight-levels it produces strong, immediate sales effects. The 1991 Family Circle study, tracking magazine and product purchase in the CitiCorp scanner panel, showed magazine advertising can increase short term sales.[16] It also suggests the importance of higher TRP levels. Since the "test" ads were actual magazine schedules running in several women's magazines—and the Family Circle purchaser is a heavy magazine reader—the Family Circle purchaser households, (the test group in which brand purchase was measured), received considerably more print advertising weight than the brand plan called for. In fact the research design had the effect of tripling the print weight received by the test group to TV weight-levels. For example the Duncan Hines Frosting brand, which showed a short-

---

[9] Network TV dollars have also shifting to cable and syndication, but those media were not included in the 1993 survey.

[10] John Philip Jones, *"Consumer Purchasing, Starch and STAS: Does Magazine Advertising Produce an Immediate Effect."* 1998 Telmar Awards Paper to be published in April 1998.

[11] See Larry Gold, *Let's Heavy-up in St. Louis.* Journal of Advertising Research, November 1992.

[12] SIMMONS, Spring 1997 Report

[13] Print R&F's are seldom calculated by "average four-weeks" and almost never by the week, as we routinely do for television.

[14] Erwin Ephron, *An Introduction to Recency Planning.* Journal of Advertising Research, October/November 1997.

[15] For a proto-typical analysis of magazine schedule weekly weight delivery see *Magazine Dimensions 1996*, page 227.

[16] *The 1991 Family Circle Study Of Print Advertising Effectiveness.*

term cumulative increase in sales of 28.6 per cent as a result of print advertising, ran 94 W18+TRP's in Family Circle, but the test group women actually received closer to 262 points when other magazines carrying the campaign were included in the analysis.

Nabisco Harvest Crisps showed 38.8 per cent cumulative sales increase as a result of print advertising. The Family Circle test schedule delivered 85 Women 18+ GRPs. When other magazines were included, test group women actually received closer to 225.

Fifteen test brands showed sales increases as the result of print advertising. The average test-group magazine weight for the was 185 TRPs. That is the weekly weight of a light, but acceptable, television schedule.

Another celebrated example. The "Milk Mustache" campaign, out of Bozell, spent $36 million in 15 months—only in print—and increased sales in a billion dollar category.[17] The 1995 introduction ran in 48 magazines delivering 4,911 W25-54 TRP's. The weekly weight was 95 TRP's. The average 4-week reach was over 90. The average weekly reach was close to 40 (my estimate). These are respectable TV-weight levels.

Advertiser perception is magazine effects are not strong or rapid enough to introduce a new product. For that you need television. Not always. In 1992, Coty introduced *Vanilla Fields* with 13-weeks of magazine advertising at TV weight-levels. At the end of the holiday season, *Vanilla Fields* had become the number one mass perfume brand.

There is agreement that the primary purpose of advertising in mature markets is to protect and increase sales. The usual reason it does, or doesn't, is the strength of the message and the reach of the schedule. Scanner data clearly show the selling-effects of strong messages widely delivered are immediate and evident.[18] This means advertisers can know whether a campaign is working *before all the money is spent.* With greater focus on advertising productivity, the role of short-term sales effects in predicting long-term success is redefining the traditional advertiser/agency relationship. Sophisticated packaged-goods advertisers are using scanner panel data to evaluate campaign performance in-market, *quickly.* Giant advertisers in highly competitive categories—McDonald's, Miller, Coke—are giving creative assignments to competing agencies in the hope of getting campaigns that "work." But these new techniques focus entirely on television. Magazines do not seem relevant when short-term sales response is the goal. This is the perception magazines need to deal with.

The print effectiveness issue is not parochial. It is bad for magazines, but worse for advertising. As television audiences fragment and costs increase, advertisers must find effective new ways of reaching consumers with messages. I think a more intelligent and inventive use of print should be the early option.

[17] Milk Processor Education Program (PEP).

[18] See John Philip Jones *"When Ads Work"* Lexington Books, 1995 and Jim Donius and Mike von Gonten, *Advertising Exposure and Advertising Effects: New Panel-based Findings.* ESOMAR, Rome 1996.