

## Media Definitions

- **AUDIENCE PROFILE:** The characteristics of the people who make up an audience of an advertising medium in terms of age, sex, region, education, socio-economic group, occupation or any other demographic aspects.  
For example ; profiling the One Network News Viewer by age, we breakdown the 5+ demographic in thousands and split it into say 10 year age bands to see the composition of the overall group.
- **AUDIENCE SKEW:** Describes a situation where a specific group is exposed to a given medium more than other groups (or the overall population).  
For example: One Network News attracts slightly older viewers. Its audience is therefore skewed towards the older age groups.
- **AVERAGE AUDIENCE:** The average number of people who tuned into the given time selected and expressed in thousands or as a percentage (also known as a Rating) of the total potential audience of the demographic selected. It is also known as a T.A.R.P - Targeted Audience Rating Point.  
For Example: One Network News rated 24% last night for 25-54 year olds (or) 24% of 25-54 year olds watch One Network News last night.
- **COST EFFICIENCY:** The cost of reaching a unit of your target audience i.e. measures the relationship between the audience reached and the cost of using the medium.  
CPT - Cost per TARP = The cost of reaching each audience rating point  
(formula) Advertising cost / Average Rating (%)  
For Example: One Network News rated a 24% last night for 25-54's, the ratecard value was \$7000 for this programme, therefore the CPT was \$292.  
CPM - Cost per Thousands = The cost of reaching every 1,000 units of audience.  
(formula) Advertising cost / Average Audience (000').  
For Example: One Network News attracted 130,000 viewers last night for 25-54's, the ratecard value was \$7000 for this programme, therefore the CPM was \$54 (per '000).
- **CHANNEL SHARE:** This is the share one channel has of all viewing for a particular time period. The share, expressed as a percentage, is calculated by dividing the channel's average audience by the average audience of all channels (PUTs)  
(It is held in higher esteem by networks than media buyers on a day to day basis and is only referred to by the latter group when apportioning budgets and evaluating a programme for sponsorship).

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- **COVERAGE AREA:** This is the geographic area claimed by e.g. a given Television or Radio station, to be capable of receiving adequate reception  
For Example: TVNZ covers 99% of New Zealand.
- **CUMULATIVE AUDIENCE:** Also known as 'reach', and relates to the total number of different people within the selected demographic who tuned into the selected time period for 8 minutes or more (i.e. reached at least once by a specific schedule or advertisement). It is usually represented in thousands, but can be transferred into a percentage of the potential audience.  
For Example: Cumulative audience should be higher than average audience, i.e Dharma and Greg attracted an average audience of 194,000 / 24% of 15-29 year olds, yet had a cumulative audience of 200,700 / 26%. The difference between ave aud and cume can represent trial, loyalty and provide a quick indication of the time spent viewing a programme.
- **FLAGS:** Demand for programmes are defined by Flags  
H = High Demand Programmes : Ensure that we can identify all programmes which are selling strongly well in advance. High demand are nominated as "core" inventory. Bonus spots are not placed on core inventory.  
M = Medium Demand for Programmes  
A = Adequate Demand  
L = Low Demand Programmes : Ensure that we can identify all programmes which are not selling strongly well in advance. Low demand are nominated as "non-core" inventory.
- **FRAGMENTATION:** A term which refers to the increasing number of audience subdivisions which, when taken together, constitute total usage of a medium.  
For Example: TV sets can also be used as computer/video game terminals or video playback as well as normal TV viewing.
- **FREQUENCY:** Describes the average number of times that a person within the target audience has had the opportunity to see an advertisement over the campaign period.  
**EFFECTIVE FREQUENCY** - (next page)

## Media Definitions

- **EFFECTIVE FREQUENCY:** Is defined as the minimum number of times a communication must be exposed to a viewer/potential consumer to positively impact on that consumers buyer / purchasing behaviour.

When the concept was developed by Michael Naples of Lever, it was interpreted as meaning that the effective frequency for any product communication was 3 times.

1st time: Startle or provide the message that this communication has something to say

2nd time: Recognise communication

3rd time: Comfort, familiarity & acceptance

The 3+ rule gives an excellent guideline, but in order to minimise wastage and maximise value the Effective frequency level should be revisited for each new campaign and adjusted subjectively based on the following criteria.

- Desired response to communication: Changing perception / brand or direct sales
- Brand / Product history
- Brand perception and position in the market
- Creative : Stand out ad in the right media context or just another 30" with models swinging their hair around
- Competition: active or not, Creative - stand out/mediocre, Dominant / no real presence, targeted to similar audience or not etc
- Purchase cycle - One week or 1 month
- Visibility instore - do they need to ask for it or is there lots of eye level shelf space for the product.
- Where is the product in it's life cycle - is it a new or older brand
- Duration
- Brand loyalty
- the complexity of the communication

If an ad is pre-measured and has good cut through and the message is understood, the communication has succeeded. When pre-measured the number of exposures needed for the desired response should also be noted, as the it could give weight to the effective frequency needed for the campaign.

Effective frequency can either be employed at an aggressive level - more people more times - 50% 3-4 times for a launch or a continuity level - 50% 2 times for a more established brand, as such the 3+ or 2+ reach figures become the main indicator.

"There's a window of advertising opportunity preceding each purchase. The purpose of the advertising is to influence the purchase. The purpose of the media planning is to place the message in the window": Erwin Ephron

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- **HOMES USING TELEVISION (HUTS):** The percentage of homes with television sets ON at a particular time, regardless of how many viewers were watching each set. This can only be measured by ACNielsen.
- **HUNTER EXPENDITURE:** This is an ACNielsen service which monitors the placement and cost of advertising on television, newspapers, radio, magazines and cinema. All expenditure is expressed at ratecard cost.
- **MEDIA MIX:** A combination of media used for a particular schedule / campaign
- **MEDIA WEIGHT:** The total impact of an advertising campaign in terms of the number of commercials, insertions, reach or frequency achieved, etc.
- **OTS:** Is an abbreviated description for **Opportunity To See**. This term is used when quantifying how many exposures / average frequency a campaign should be planned to. i.e over the duration of the campaign an average person in our target audience should have the OTS 3 or more commercials.
- **PENETRATION:** The percentage of total homes or people in a give area who own a particular media vehicle  
For Example : 90% of households in New Zealand own a colour TV set.
- **PEOPLEMETER MEASUREMENT SURVEY:** This is the current method of measurement of TV audiences in NZ. It involves people measuring their viewing by means of a handset and the electronic collection of the channel being watched. Data is then combined to produce estimates of viewing to programmes, channels, etc.
- **POTENTIAL:** The total number of people in a given geographical area who conform to a specific definition. Population potentials are derived from the latest census figures.  
For Example: The population potential for All 5+ equates to 3.3million people.
  - FIXED POTENTIALS
  - FLOATING POTENTIALS
- **PROGRAMME PRICING:** The pricing strategy =  
Set initial price based on recent demand for same or similar programmes.  
Track Sales and demand for each episode of each programme into the future.  
Regularly adjust programme prices to ensure programmes are not under utilised or sold too cheaply.

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- **PUTs / People Using Television:** PUTs is calculated by taking the average audience figures for all channels and adding them together. This term can also be described as the total audience available/watching (from the selected demographic) over the given time period.
- **QUINTILES OF VIEWING:** These are five equal proportions of the population derived from a ranking of their time spent viewing over a period of time range from 'light'(Q1) through to 'heavy' (Q2) viewers.
- **RATECARD COST:** This is the cost of an advertisement as shown on a published ratecard for any given medium. It does not take account of any discounting.
- **REACH:** Is the term used to express the total percentage of a target audience who are exposed to a commercial at least once throughout a campaign period. This figure represent unduplicated audience exposure.

- **REACH & FREQUENCY:** R&F's are always looked at hand in hand, one measures the number of people exposed (unduplicated), and the other the number of exposures. If we place a One Network News spot (22%) we can reach 22% of our audience once, if we add a Blue Heelers spot (18%) and 5% of the Blue Heelers viewers also saw the ONN spot our reach & frequency distribution looks like this;

	TARP	1+	2+
ONN	22	22	
Blue Heelers	40	35	5

The placement of these two spots has seen us build reach therefore our frequency has been sacrificed, ie. 35% of our audience have had the OTS to see 1 (1+ Reach) or more communications, 5% have had the OTS to see two (2+Reach) communications.

Total tarps divided by 1+ reach provide the average number of times our communication has had the opportunity to be seen ( $40 / 35 = 1.14$  Average frequency).

N.B Average frequency only relates to 1+ Reach, where as the effective level may be 2+, 3+ or even 4+ reach.

- **REVENUE MANAGEMENT:** Is a way to manage the Sales process so that we make the most revenue from the airtime we have for sale. It involves a sophisticated approach to programme pricing, discounting and inventory control.
- **SAMPLE / PANEL SIZE:** The number of people used in a survey e.g the peplemeter panel, to give a statistical estimate of the viewing audience.

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(It is held in higher esteem by networks than media buyers on a day to day basis and is only referred to by the latter group when apportioning budgets and evaluating a programme for sponsorship).
- **TIME SPENT VIEWING or TSV:** How many minutes/hours an audience has viewed a particular channel. There are two calculations that can be used that provide significantly different figures. The measurement in dataline provides the TSV a programme for the average person within the demographic, regardless of being a viewer or not. This calculation is made with ave. aud. and potential. The second calculation provides the TSV for actual viewers and is made using ave aud and cumulative audience.
- **VISION:** Used to price and track sales inventory levels. Vision contains TVNZ sales information from the past 3 years and is updated daily. It produces numerous reports which track demand, sales, rates and discount levels. Vision collects and produces Booking Pace data, produces forecasts for demand and recommends price changes.
- **WEIGHTING:** Each day in the Peoplemeter sample the distribution of homes and people is checked against Statistics NZ Census data to ensure the correct proportions are in place. Any differences in these proportions are corrected by weighting.  
For Example: If a distribution is higher in the panel, a weight of less than 1:00 is applied. If it is lower, a weight greater than 1:00 is applied.