

How much of your advertising budget is being squandered today?

I was back in New York last week to join a group of presenters offering “new and improved” research tools to measure the effectiveness of media, under the auspices of the Advertising Research Foundation. At the heart of the discussions was the critical need to understand the big picture, like the tectonic shifts taking place in societies around the world, influenced by the rising prices of fuel and food. When you add a disaster like the home-loan crisis in the United States today, “the situation goes from the subprime to the ridiculous”, to quote Australian economist Tim Harcourt. In a word, the worldwide chairman of Cadbury called it “scary”, even though people turn to sweets in difficult times.

To truly understand the impact of these factors on consumer behaviour across different levels of society, to analyse it from the perspective of different brands, there is almost unanimous agreement today that a large, robust, national survey is essential knowledge. A static report, produced as a one-off at a particular point in time, is hardly enough. But a continuous survey that dredges the entire country every day, every week provides a 360-degree understanding of society, periodically. It is able to portray consumer behaviour on a continuing basis, monitoring relationships with brands against a backdrop of life itself. That is essentially what Roy Morgan Single Source produces this side of the world, every 90 days. So it was with pleasure and pride that I shared examples, philosophical and factual, with my peers.

But during the last visit and this one, I learnt a few important lessons. While big picture appreciation is vitally important periodically, small picture actions every week are equally important to maximise return on investments. In America, the billions of dollars spent on marketing communications every week renders a quarterly report ‘too much, too late’. On the other hand, daily audience measurement via meters connected to the TVs of a small panel of households, but disconnected from brands and other media, has little value either.

In an ideal world, I believe there should be a quarterly big picture seamlessly linked to a weekly small picture, both with 360-degree appreciation of consumers. That would facilitate a continuum of strategic direction, influencing the CEO’s vision and carried through by strategists and media planners deploying brand budgets. Weekly course corrections in media deployment for each brand could then become a reality, against the backdrop of overall strategy reviewed every quarter. The technology and the reporting involved would make syndication an essential prerequisite for a continuing survey of such monumental proportions. Those are the challenges facing the advertising industry, and not only in America. Those are the opportunities for real change, while too many are doing their jobs the old fashioned way, wasting scarce funds on choices made with inadequate knowledge.

But even today, TV continues to command a major share of most advertising budgets almost all the the time, almost everywhere. So it is important to make the best use of tools already available. Television audience measurement is an available resource used by every media agency. But it is disconnected from brands. Nor is it capable of measuring the audience’s engagement with the program and therefore with the advertising, within. A look at the country’s Top 5 news and current affairs programs, through the lens of Roy Morgan Single Source, tells an interesting story that no meter can.

PT. Roy Morgan Research, Wisma 46, Kota BNI, 17th Floor, Jl. Jend.Sudirman Kav. 1 Jakarta 10220

Tel: (021) 572 2021 or 572 7529 Fax: (021) 572 4864

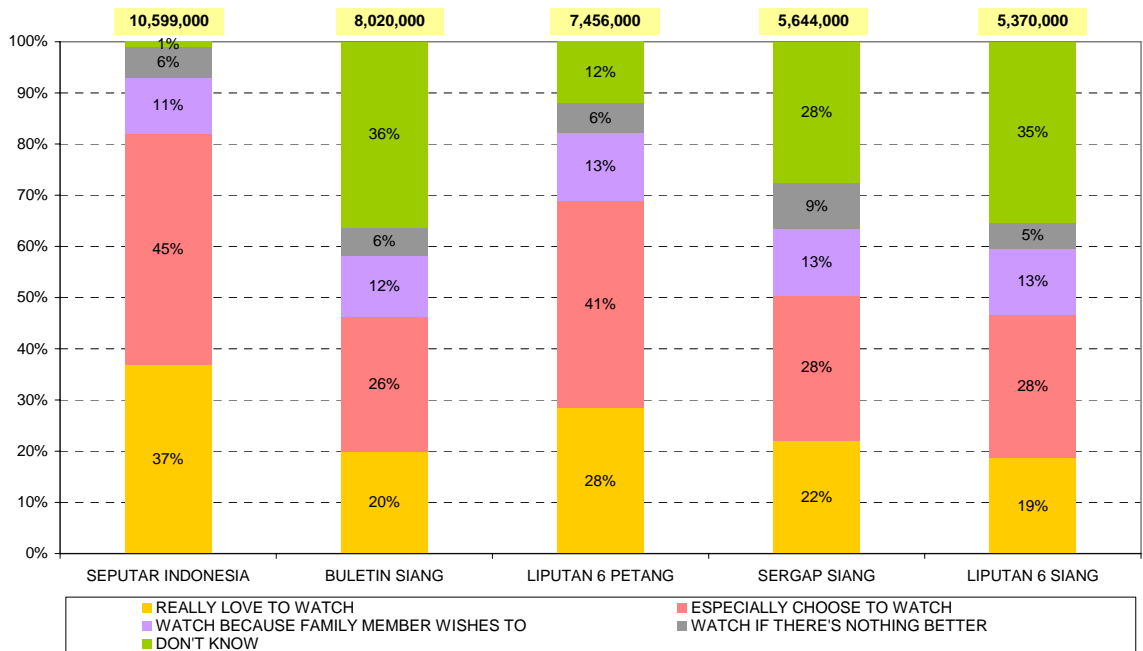
411 Collins Street, Melbourne, Victoria 3000, G.P.O. Box 2282U, Melbourne, Victoria 3001, Australia

Tel: (03) 9629 6888 Fax: (03) 9629 1250 (03) 9224 5387 Email: melbourne@roymorgan.com

Website: www.roymorgan.com

Offices also in: Sydney, Brisbane, Adelaide, Perth, Canberra, London, Auckland and USA

TOP 5 NEWS PROGRAMS: AUDIENCE ENGAGEMENT LEVELS



Seputar Indonesia leads with 10.6 million viewers on the average, followed by Buletin Siang at 8 million, Liputan 6 Petang at 7.5 million, Sergap Siang at 5.6 million and Liputan Siang at 5.4 million. But the quality of engagement with Seputar Indonesia puts it in a league of its own. 45 per cent of its viewers ‘especially choose to watch’ the program, 37 per cent ‘really love to watch’ it, 11 per cent watch it ‘because a family member wishes to’, 6 per cent if ‘there’s nothing better’ and only 1 per cent ‘don’t know’ why they watch it but they remember doing so. That 1 per cent is dramatically different to the 36 per cent of Buletin Siang’s viewers and the 12 per cent of Liputan Petang viewers who ‘don’t know’ but watch it nevertheless, like paint drying on the wall. If you add yet another vital layer of knowledge, like people ‘intending to get a motorcycle loan’, what value do the eyeballs of the entire country add to program selection for a bank’s media plan?

In reality, the TV ratings for a program watched by the entire country has little to do with the advertising campaign for a credit card. Today, there are only half a million planning to get a credit card in the next 12 months. The starting point for an appropriate plan would be to first understand the media preferences of these intenders, not some dumb demographic definition based on socio-economic strata. Then, their preferences and engagement levels with the major TV programs and not just the ratings data. These tools exist today, so you would do well to ask how much is being used to maximise the bang for your advertising buck. Or you can continue to let things be done without sincerity, without imagination, without accountability.

The writer can be contacted at Debnath.Guharoy@roymorgan.com