



Welcome to the "Sort of New" Newsletter

Many of you may remember *Media By* from years gone by; to those of you, we hope that you will enjoy its reinstatement. For those who are not familiar with *Media By*, we hope that you will enjoy its arrival.

Media By is designed to give readers the experience and opinions of advertising professionals (over 131 years of combined experience, I might add!) in an orderly method. You will not see a jumble of ideas and opinions all thrown together by people who publish newsletters and/or magazines having never spent a day working for an ad agency or media outlet.

It is also designed to become an information resource for small to mid-sized companies who know they *want* to advertise - know they *need* to advertise - but just don't know where to begin. We will do everything we can to remain unbiased and impartial as we present our materials.

We welcome any questions or topic suggestions. And, if you need more advice regarding your advertising plans, please call Betty Clark at CPMedia Services: (614) 717-4910 or e-mail me at: bclark@cpmedia.com.

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Do You Need an Ad Agency?

Advertising - no matter where you turn, it's everywhere! Media vehicles such as television, radio, newspapers, magazines, billboards, direct mail, Internet, grocery carts, cash register tapes, ATM screens, movie theatres are just the tip of the advertising iceberg. And, every advertising sales person (and there will be many calling upon you and taking up your time) claims that their medium will work the best for your company. But do they have a clear understanding of *your* product, *your* customers, *your* goals and objectives? Doubtful. This is one of the many reasons why you may want to consider hiring an ad agency.

You don't need an advertising budget in the millions to utilize the services of an ad agency. Many local agencies (much like CPM) will provide you with all the services offered by the major agencies, but scaled down to fit within your budget and your advertising requirements. These smaller agencies will also know your local market intimately - they know the local media and what stations are hot and the ones that are not. They know rate cards and demographics and all the

important research data relevant to your local market that they can put to good use when handling your business. They're friends with station owners and managers, newspaper editors and advertising managers, account executives and creative talent. Simply, they are a wealth of local knowledge.

If they are doing their jobs properly, an agency takes the burden of creating great advertising off your shoulders and frees your time to do something the agency will never be able to do - properly run your business.

When you hire an agency, you're trusting that these professionals will do a better job of promoting your business than you can do yourself. And trust is an operative word. You need to trust the creative department and allow them to be creative and trust the media buyers to use their experience to spend your media money efficiently and effectively. Your account should be important to your agency and, if they're dedicated to being your marketing partner, they will do everything they can to assure your business success and their long-term future with you.

CPM Offers "MASTERS" Program

"What should I expect to see in a media plan?"

"How do I know if the media plan and buy are good or not?"

"I buy my own media...what should I ask the sales rep?"

If these are questions that from time to time you have asked yourself,

why not ask the experts? CPM offers a **MASTERS** Program - a tailor-made media training program covering everything you should know and everything you should expect from a media plan or buy.

For more information on how CPM can help you "master" the world of media, please call Betty Clark at CPMedia Services: (614) 717-4910 or e-mail me at: bclark@cpmedia.com.

Who's Who in an Agency

Advertising agencies are made up of people performing many different jobs. While not all agencies employ people in all of these positions, one day you may end up working with an agency that does.

Senior Management- basically, in larger agencies, these people are just there. These people are not usually involved in the day-to-day servicing of individual accounts as they are busy doing manager stuff. Generally, they appear with the entire account service and creative team staff when there is some type of a major pitch to secure your business.

Account Supervisor this person supervises the creative and account service team handling your account (as well as others) on a daily basis. This is the person who makes sure things are running smoothly in the day-to-day servicing of your business. The Account Supervisor usually has the last word when it comes time to make creative, account service and billing decisions.

Account Executive (AE)- is the person who services your account on a daily basis. He may have been

the person who originally called you to solicit your business. Depending upon the size of the agency, the AE may handle more than one account. The number of accounts an AE handles is usually determined upon the total advertising budget of each account; the bigger the budget, more work involved, thus the fewer accounts handled by one person. An AE is easy to spot. They are eager to please. They want your business to grow - along with your budget - so that someday they can become an Account Supervisor. And, if he does his job correctly, your business will succeed and your budget will grow!

Creative Director (CD)- typically oversees all the creative products that are developed and designed at the agency. The CD supervises the writers, designers, photographers, actors, voice talent - anybody involved in the creative process. Most Creative Directors have paid their dues having arrived through the creative ranks, and now enjoy a corner office with windows.

Graphic Designer- can work magic with graphic elements and type-

faces. From their keyboard, they can make your print and collateral pieces eye-catching.

Media Buyer- should be very important to you. The Media Buyer fields all calls and meets with all the numerous media sales reps that want a piece of your business. He gently and/or firmly says "no" to them if their offer isn't right or "yes" if it is. If there is one good reason to hire an ad agency, it is the Media Buyer. A good one will be fair but firm with the media, insisting upon the correct format, ratings or circulation, the right audience composition and demographic before committing your hard-earned dollars to them. He will also do the very important job of reconciliation where she will examine closely all the media invoices to make sure everything bought is accounted for. Media Buyers love numbers. Think about it - they stare at lists of numbers for hours - in order to give you the most bang for your buck and stretch your media budget, regardless of its size, as tightly as it can be stretched without breaking.

Marketing Plans Keep Sales Growing

So many times throughout the years, the staff of CPM has heard two phrases over and over again . . . "What exactly do you do?" In a nutshell, here's what we do at CPM:

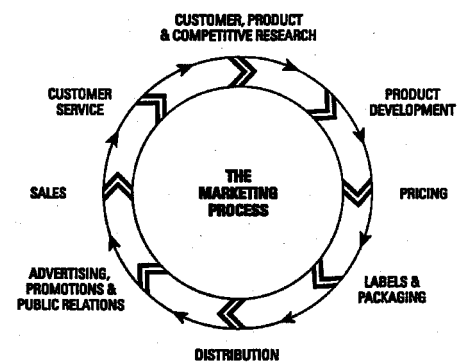
"CPM prepares and analyzes marketing plans, deciphers the habits of the target audience, then converts those findings into mathematical formulas. A course of action is designed that shows how advertising time and space will be used to contribute to the achievement of the marketing objectives, thus ultimately capturing the target audience."

The second phrase that follows right behind is "Exactly what is marketing?" Allow us to provide you with some plain descriptions:

- Marketing is the fact-finding process through which you create - and keep - customers.

- It is the matchmaker between what your business is selling and what your customers are buying.
- Marketing covers all the steps that are involved to tailor your products, messages, distribution, customer service, and all other business actions to meet the desires of your most important business asset - your customer.
- Marketing is a win-win partnership between your business and its market.

Marketing is a continuous cycle. It begins with customer knowledge and cycles round to customer service before it begins all over again. Every successful marketing program, no matter what type or size of business, follows the same marketing cycle.



(Source: *Small Business Marketing*)

As you loop around the marketing wheel, you encounter the following steps:

- 1.) You get to know your target customer and your marketing environment.
- 2.) You tailor your product, pricing, packaging, and distribution strate-

gies to meet the customer, market, and competitive realities of your business.

3.) You use your customer and product knowledge to create and project marketing messages that will grab attention, inspire interest, and move your customer to action.

4.) You go for the sale; but you're not done yet!

5.) Once the sale is made, marketing moves into the customer service phase, where your business works to ensure customer satisfaction so that you can convert the sale into an opportunity for repeat business

and word-of-mouth advertising business.

Remember, in marketing, there are no shortcuts. To build a successful business, you can't jump from the customer to the sale, you need to follow each step of the marketing process.

Marketing Budgets - How Much Should You Spend?

You can choose from several different methods to find out how much you should budget for marketing. For example, one industry survey finds that businesses that market primarily to other businesses (B2B) spend on an average 3.49 percent of their revenues on marketing. Conversely, the same survey states that businesses that market to the general public (BtoC) tend to spend closer to 8 to 10 percent.

Other methods include:

- **Arbitrary Method:** The budget is based on intuition and experience, often using the past year's budget as a benchmark.
- **Competitive Parity:** The budget is based on awareness of how much your competitors are spending and how your business compares in terms of size and strength.
- **Goal-Oriented Method:** This is a "spend what's necessary" approach. It involves a serious look at what you expect your business to accomplish over the upcoming year and what level of marketing is necessary to accomplish the task. It is based on a calculation of the costs involved to implement a marketing program capable of achieving your business goals.
- **Percentage of Sales:** In this method, a business forecasts its next year's sales and allocates a percentage of those sales to marketing. This is the most frequently cited means of establishing a budget, though it is problematic because the percentages vary from 1 percent to 50 percent - depending on the industry, the product or service, the competitive arena, and the cost of media in a particular city.

Percentage of Sales Spent On Marketing	Percentage of Responses by 346 of the "Inc. 500" Companies
Less than 1%	3%
1 - 5%	43%
6 - 10%	25%
11 - 20%	18%
21 - 50%	9%
More than 50%	1%

To demonstrate the wide range of amounts that companies spend on their marketing budgets, above is a survey compiled by Inc. magazine.

The most important commitment you can make to your marketing program is to establish a budget and then stick to it. Successful companies don't say, "Let's see how much we have left over at the end of the month, and then we'll spend it on advertising." They dedicate funds in advance because they know that without good marketing there won't be any money left over! When a business cuts back on marketing, it puts itself on a downhill slide. You may recoup some money at the time of the budget cut, but with less money for marketing, you can place fewer advertisements. With fewer advertisements, your sales decline. Declining sales reduce your overall revenues, which means you have even less money to allocate for future marketing.

Finally, the most important consideration in setting your budget is to understand what you want to accomplish with your marketing. The more aggressive your sales and profit goals, the more you need to budget. For example, if you're planning to launch a new product or open a new location, you need to increase your marketing efforts to gain awareness, interest, and action,

and to fund the training, marketing support, and additional advertising required to meet your business objective.

Arbitron to Measure Outdoor Advertising

Arbitron, an international media and marketing research firm, has announced that it will develop a syndicated ratings service to measure outdoor advertising, a \$5 billion business that has not had audience ratings save for periodic audits of consumer exposure provided by the Traffic Audit Bureau (TAB). Arbitron said it will begin exploring methods to measure the outdoor industry that conform to existing audience-measurement standards used by radio, TV, magazines and newspapers. Based on the results, Arbitron plans an extensive test in Atlanta during the fall of 2002, with results delivered in the first quarter of 2003. (Source: Ad Week)

Interactive Advertising Terms: Featuring "A"

The evidence is in: Interactive is here to stay. But do you really have a clue to what all this new terminology means? The Interactive Advertising Bureau's *Glossary of Interactive Advertising Terms* was written to help marketers, agency executives, and publishers understand the language of this powerful new marketing tool. We at CPM hope that by sharing it with you, it can help you too. Due to the limited space, we will provide the terminology over the course of the next several *Media By* newsletters.

Abandon -

When a user leaves a shopping cart with something in it prior to completing the transaction.

Abort -

When a Web server does not successfully transfer a unit of content or ad to a browser. This is usually caused by a user hitting the stop button, the ESC key, or clicking on another link prior to the completion of a download.

Activity audit -

Independent verification of measured activity for a specified time period. Some of the key metrics validated are ad impressions, page impressions, clicks, total visits and unique users. An activity audit results in a report verifying the metrics. Formerly known as a count audit.

Ad / Advertisement -

A commercial message targeted to an advertiser's customer or prospect.

Ad audience -

The number of unique users exposed to an ad within a specified time period.

Ad banner -

A graphic image or other media object used as an advertisement.

Ad blocker -

Software on a user's browser which prevents advertisements from being displayed.

Ad centric measurement -

Audience measurement derived from a third-party ad server's own server logs.

Ad click -

A measurement of the user-initiated action of responding to (such as clicking on) an ad element causing a re-direct to another Web location or another frame or page within the advertisement. There are three types of ad clicks: 1) click-throughs; 2) in-unit clicks; and 3) mouseovers. Ad click-throughs should be tracked and reported as a 302 redirect at the ad server and should filter out robotic activity.

Ad click rate -

Ratio of ad clicks to ad impressions.

Ad display / Ad delivered -

When an ad is successfully displayed on the user's computer screen.

Ad download -

When an ad is downloaded by a server to a user's browser. Ads can be requested, but aborted or abandoned before actually being downloaded to the browser, and hence there would be no opportunity to see the ad by the user.

Address -

A unique identifier for a computer or site online, usually a URL for a Web site or marked with an @ for an e-mail address. Literally, it is how one computer finds the location of another computer using the Internet.

Ad impression -

1. An ad which is served to a user's browser. Ads can be requested by the user's browser (referred to as pulled ads) or they can be pushed, such as e-mailed ads;
2. A measurement of responses from an ad delivery system to an ad request from the user's browser, which is filtered from robotic activity and is recorded at a point as late as possible in the process of delivery of the creative material to the user's browser - therefore closest to the actual opportunity to see by the

user. Two methods are used to deliver ad content to the user - a) server-initiated and b) client-initiated. Server-initiated ad counting uses the publisher's Web content server for making requests, formatting and re-directing content. Client-initiated ad counting relies on the user's browser to perform these activities. For organizations that use a server-initiated ad counting method, counting should occur subsequent to the ad response at either the publisher's ad server or the Web content server. For organizations using a client-initiated ad counting method, counting should occur at the publisher's ad server or third-party ad server, subsequent to the ad request, or later, in the process.

Ad impression ratio -

Click-throughs divided by ad impressions. See click rate.

Ad insertion -

When an ad is inserted in a document and recorded by the ad server.

Ad materials -

The creative artwork, copy, active URLs and active target sites which are due to the seller prior to the initiation of the ad campaign.

Ad network -

An aggregator or broker of advertising inventory for many sites. Ad networks are the sales representatives for the Web sites within the network.

Ad recall -

A measure of advertising effectiveness in which a sample of respondents are exposed to an ad and then at a later point in time are asked if they recall the ad. Ad recall can be on an aided or unaided basis. Aided ad recall is when the respondent is told the name of the brand or category being advertised.

Ad request -

The request for an advertisement as a direct result of a user's action as recorded by the ad server. Ad requests can come directly from the user's browser or from an intermediate Internet resource, such as a Web content server.

Ad serving -

The delivery of ads by a server to an end user's computer on which the ads are then displayed by a browser and/or cached. Ad serving is normally performed either by a Web publisher, or by a third-party ad server. Ads can be embedded in the page or served separately.

Ad space -

The location on a page of a site in which an advertisement can be placed. Each space on a site is uniquely identified. Multiple ad spaces can exist on a single page.

Ad stream -

The series of ads displayed by the user during a single visit to a site (also impression stream).

Ad transfers -

The successful display of an advertiser's Web site after the user clicked on an ad. When a user clicks on an advertisement, a click-through is recorded and re-directs or "transfers" the user's browser to an advertiser's Web site. If the user successfully displays the advertiser's Web site, an ad transfer is recorded.

Ad view -

When the ad is actually seen by the user. Note: this is not measurable today. The best approximation today is provided by ad displays.

Ad window -

Separate from the content window.

Affiliate marketing -

An agreement between two sites in which one site (the affiliate) agrees to feature content or an ad designed to drive traffic to another site. In return, the affiliate receives a percentage of sales or some other form of compensation generated by that traffic.

Affinity marketing -

Selling products or services to customers on the basis of their established buying patterns. The offer can be communicated by e-mail promotions, online or offline advertising.

Alternate text -

A word or phrase that is displayed when a user has image loading disabled in their browser or when a user abandons a page by hitting "stop" in their browser prior to the transfer of all images. Also appears as "balloon text" when a user lets their mouse rest over an image.

Animated advertisement -

An ad that changes over time. For example, an animated ad is an interactive Java applet or Shockwave or GIF89a file.

Animated GIF -

An animation created by combining multiple GIF images in one file. The result is multiple images, displayed one after another, that give the appearance of movement.

Anonymizer -

An intermediary which prevents

Web sites from seeing a user's Internet Protocol (IP) address.

Applet -

A small, self-contained software application that is most often used by browsers to automatically display animation and/or to perform database queries requested by the user.

Applicable browser -

Any browser an ad will impact, regardless of whether it will play the ad.

Artifacting -

Distortion that is introduced into audio or video by the compression algorithm (codec). Compressed images may have stray pixels (often white dots) that were not present in the original image. See codec.

Aspect ratio -

The width-to-height ratio of the picture frame.

Audit -

Third party validation of log activity and/or measurement process associated with Internet activity/advertising. Activity audits validate measurement counts. Process audits validate internal controls associated with measurement.

Auditor -

A third party independent organization that performs audits.

Internet Interest Dips

Has the novelty of the World Wide Web finally worn off? Perhaps. According to a report released in March by the Washington, D.C.-based Pew Internet & American Life Project, a division of the Pew Research Center, Americans are spending slightly less time online these days than they did in the recent past. Specifically, the average Internet session lasted 83 minutes in 2001, compared with 90 minutes in 2000. The center's experts attribute the decrease to the fact that Internet users have become more efficient and goal-oriented



when they surf online and no longer spend so much time browsing as they did when the Web was relatively new. Still an 83-minute stretch is

a decent chunk of time to spend in front of a monitor. So what activities are people sacrificing to devote more time to virtual deeds? Pew reports that 25 percent of Internet users say their online use comes at the expense of TV time, and 18 percent say they now spend less time shopping in stores. Fortunately, only 2 percent of the online population say they spend less time attending social events. In fact, 5 percent say they actually spend more time at social functions since becoming Web-enabled.

(Source: American Demographics)

More Clutter On TV

According to *MediaWeek's* John Consoli, commercial clutter on television during 2001 reached an all-time high in three dayparts - early morning, daytime and local news - and clutter levels for the late-night and network news dayparts were also up over the previous year, according to the annual Television Commercial Monitoring Report. Prime-time was the only daypart in which non-programming minutes decreased.

Non-programming time includes commercial time, public service

announcements, public service promotions and on-air promotions by the networks.

In the early morning daypart, non-programming time was up to 18:02 minutes per hour, from 17:44 in 2000; in daytime, it was up to 20:57 minutes from 20:03; and up to 17:10 from 17:05 in local news; prime time fell to 16:08 from 16:17 - the lowest it has been since 1998.

In November '01, CBS during prime time showed the biggest rise in non-programming time, jumping 26 seconds to 16:04, compared to

the year prior. NBC, despite a decrease of 43 seconds, remained the most cluttered network in prime time; ABC is the least cluttered.

Fox Family Channel was the most cluttered cable network, running 17:54 minutes of non-programming per hour, while E! Entertainment Television ran 17:31. The Weather Channel with 12:42 in May and CNN with 9:58 in November were the least cluttered of the cable nets.

(Source: MediaWeek)



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