

Evaluating Reach-Maximising Tactics on a Fragmented Television Audience Market

Evaluating the impact of audience fragmentation on the effectiveness of shelf-space approach to media planning. A replication study on the television market environment in the United Kingdom based on the original research in the Australian commercial TV environment.

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Research Abstract

The growth in the number of television channels globally has caused audiences in many markets to fragment, spreading them thinly over many more channels. Consequently, advertisers may need to include more channels in their campaigns to achieve a high level of reach.

Focusing on maximising reach, Newstead (2010) applied Ephron's (1995) shelf-space approach to media planning. According to Ephron, advertisers need to maximise the reach of their advertising campaigns by ensuring that they are available when the consumer is ready to make a category purchase. Adopting this principle, Newstead showed that applying a range of simple scheduling tactics could result in reach-efficiency gains of between 2 - 46% with minimal potential budget impact. These tactics are:

1. Doubling the campaign length, up to 52 weeks on air;
2. Spreading the advertising throughout the day-parts to reflect the aggregate viewing habit;
3. Placing the advertising on competing channels ('road-blocking') within a short time period;
4. Spreading the advertising across every day of the week; and
5. Distributing the advertising to the channels / networks based on the aggregate share of viewing.

Newstead's research was conducted using commercial television channels in the Australian market, which was relatively un-fragmented in 2008. GRPs/TARPs were used as a proxy for the exact cost, so that when the tactics were applied, the GRPs/TARPs were kept constant.

The thesis replicates and extends Newstead's research to a more fragmented audience environment, specifically the television market in the United Kingdom. The purpose of the research is to test whether the scheduling tactics produce similar results in the UK market and thus evaluate the empirical generalisation of the findings. The thesis also extends the replicated research by considering the audience-fragmentation impact on tactic effectiveness as well as proposing an alternative method to address the limitations of Newstead's proposed measurement.

This research found that the tactics performed similarly when applied to 115 actual media schedules from the UK market. Doubling campaign length also produced the highest reach-efficiency gains, followed by day-part distribution, and road-blocking. Furthermore, spreading the media throughout the weekdays did not produce any reach-efficiency improvement. However, distributing the media to the channels according to the aggregate share of viewing weakened the reach-efficiency as spots were taken from numerous subscription television channels into free-to-air television.

As well as reporting the findings using Newstead's method, this research also presents an alternative method in evaluating the tactic effectiveness against the original schedules, by examining the relationship between the cumulative reach and the campaign length. Comparison of the line-of-best-fit equations between the two variables confirms that spreading the advertising allocation through all day-parts, as well as road-blocking, present viable alternatives

to doubling the campaign length. This recommendation is particularly useful for special promotion campaigns or seasonality-affected product categories.

These thesis findings have wide implications for media strategists and contribute to the discussions on the rate and the timing of television advertisement scheduling to obtain the optimal level of reach in fragmented audience markets. The findings also have the possibility to affect television networks in bundling their offering to maximise the return advertisers obtain from advertising with them most effectively. Many of the lessons are likely to be useful for other media as well, though empirical validation is recommended.

Keywords

Media, advertising (specifically on television), media buying and planning, audience fragmentation