AD RECEPTIVE TARGETING REQUIRES LOCAL MARKET AS WELL AS NATIONAL PLANNING

A recent study by IAG for the Television Bureau of Advertising (TVB) takes another look at the potential merits of spot TV advertising for marketers. Taking four product categories, IAG defined people who were in the market for them as follows:

Product	**In-Market Definition**
DTC	Suffer from high cholesterol
Pickup Trucks	Intend to purchase a new pickup truck
SUVs	Intend to purchase a new SUV
Hamburger Restaurants	Visit fast food hamburger restaurant 4+ times monthly

Based on IAG's commercial recall measurements for these categories, persons who were in the market for these products scored 7% higher in general recall, 15% higher in brand and message recall and 41% higher in likeability than those who were not likely buyers. While such results are hardly surprising, they serve as yet another wakeup call for advertisers who think that 18-49, 25-54 or 35+ "targeting" is really bringing their ad messages to the attention of consumers who are interested in what they have to say. In reality, all that their agency time buyers are doing is purchasing 18-49, 25-54 or 35+ GRPs to quotas set by the planners, without any consideration of which programs single out *ad receptive* product users within these preposterously large "demographics."

Taking its study a step further, the TVB focused on the DTC cholesterol lowering category's high Category Development Index (CDI) markets (15 markets where the product category performed well about its nationwide sales norm). As shown in the accompanying table, the findings suggest very clearly that ad receptivity can be heightened when an advertiser singles out people who are in the market for his/her product (in this case those who suffer from high cholesterol) *in geographic areas with higher per capita sales volume*—in other words, by using spot TV and/or some other local medium. In the DTC example, while general and brand name recall did not increase over the national level among cholesterol lowering drug users, message recall and likeability were boosted, implying an added selling power benefit for DTC commercials aired in these high CDI locations.

Obviously each advertiser must evaluate spot TV's targeting merits in light of a brand's particular needs. And not every case will seem as positive as the TVB's DTC example. However, the wisdom of adding a pivotal geographic or local market underlay to any nationwide targeting scheme is obvious. In more instances than may be realized, the use of CDI indicators or, in some cases, BDIs (brand development indicators) may enable a savvy marketing organization to ambush its "think national" adversaries by hitting them where they aren't expecting it.

The combination of national and local ad receptives may be even more potent when launching new ad campaigns, especially for new products. In this case, the national marketer has a unique opportunity to maximize national sales by placing added weight in key (or developing) markets,

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until local returns begin to diminish relative to investment. In some areas this may call for 50-100% more GRPs than would have been employed nationally, with the fringe benefit of spending less in comparatively unproductive regions that get reduced, network-only weight.

The crux of the issue—and the dilemma faced by spot sellers—is how this segment of the TV medium is viewed. If an advertiser regards network TV as the core of a brand's campaign, while spot is seen as an incremental option, this reduces the latter's ability to provide a sound ROI. Obviously a spot add-on of 500 GRPs to an existing network-provided delivery of 1,500 GRPs is unlikely to produce a proportionate 33% sales lift in most markets, no matter what their CDI is. The diminishing return principle mitigates against that. The fair way to evaluate this option would be if spot were planned in conjunction with network, so its GRPs were perceived as being attained concurrently. In short, the total plan's efficiencies would be considered, rather than trying to isolate an ROI factor for each of its components.

COMMERCIAL RECALL LEVELS FOR DTC CHOLESTEROL LOWERING PRODUCTS AMONG SUFFERERS AND NON-SUFFERERS NATIONALLY AND TOP CDI MARKETS

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	TOTAL U.S.				
	NON-SUFF.	SUFF.	% DIFF.	HIGH CDI MKT.	% DIFF. CDI MKT. VS. TOTAL U.S. NON-SUFF.
General Recall	55	58	+5	58	+5
Brand Recall	32	37	+16	37	+16
Message Recall	27	31	+15	33	+22
Likeability	15	20	+33	23	+53

Source: Television Bureau Of Advertising (TVB), "IAG In-Market Engagement Study."