

## In Terms of ROI: Another Episode of RAD MEN: "Not All Rating Points Are Created Equal" - Bill Harvey - MediaBizBloggers



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INTERIOR. DAY. OFFICES OF LARGE CPG ADVERTISER, BOARD ROOM. Seated around table are CHIP HOLCUM, Brand Manager, BRAD STERLING, Head of North American Media, GARTH GENTRY, Procurement Officer, and DAN STANLEY, Chief Investment Officer of the media agency on the account. Standing and reading from slide projected on the screen is JOHN GREGORY, EVP Advertising Sales at a major cable network.

JOHN

...it's not their real name, but I like to call TRA "The Right Audience." As you can see, we got left off the buy based on 18-49 thinking, but in terms of reaching actual cereal purchasers, our cost per thousand is actually lower than most of the cable networks you *did* buy. Can you really afford to depend on the gross 18-49 metric when it is so misleading and when harder, more financially relevant numbers are now available?

DAN (Laughs)

John, you know you got left off the buy because we wanted a 6% down and you were the only network that didn't go along with it.

JOHN

But the CPM trumps absolute cost, our higher purchaser indices more than make up for the fact that we would only give 3% down. Look at the side by sides here (points to part of the slide).

BRAD

We've been looking at TRA too, like everybody else. Before we shift that many dollars based on these new numbers, how do we know they are right?

JOHN

We like the fact that they are stable over time, and the fact that they correlate highly with everything else we use, and that the demographics and ratings in the singlesource sample look so much like those in the overall set top box sample, even unweighted, as independent industry consultants have commented.

BRAD

Umm, John I must say you've made some really good points, and we can't say we haven't been thinking along similar lines. Let us huddle on this and get back to you next week.

THE SEATED MEN rise to shake hands and escort John out the door where an assistant picks him up and leads him out. The door closed again and men re-seated, the conversation continues.

DAN

In the end it's a judgment call, there is no certain knowledge in research. Our modelers agree that the TRA data show a strong correlation between purchaser targeting and higher ROI, and European results support that too. We know we can do a better job using real purchaser targets, but you the client have to help pay for the effort it will take to switch over.

GARTH

And you guys think it will lift our ROI, even in the ROI numbers we now get independently from the external modelers?

DAN

We do.

This will mean a change in our optimizer to use purchaser weights on the Nielsen sex/age data, and a complete retraining of the team on our end. We believe it will be justified by the improved performance.

GARTH

Would you still be proposing this if it was your money?

DAN

It is our money already, we are betting that the ROI modeling numbers on which our bonus is judged will go up. We have very carefully considered the risks of the opposite, believe me. Our skin is fully in the game with you on this. We feel it can only go up or stay flat but the odds of it going down as a result of this are microscopic. Everybody has always known that real purchaser targeting works. Now the vast evidence from Internet has confirmed that over and over again.

CHIP

Are we just safer doing nothing?

CHIP looks around table and after a long pause, very slowly, all heads shake side to side.

BRAD

Private labels...price wars...we need to exploit every last ounce of media capabilities we've built or can build.

DISSOLVE. INTERIOR OFFICE. NIGHT. BILL HARVEY still dressed in suit and tie rolls off office couch and lands on floor, wakes up from dream. Looks up to see standing figure of MARK LIEBERMAN in doorway.

MARK

You still here?

BILL (groggily)

Just having prescient dream...

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