

# Achieving the optimum cost-per-reader in print advertising



When designing advertisements for print publications, marketers have long debated the relative merits of such elements as the use of color, ad size, placement in the front or back half of the magazine, and special placement options, such as inside front, inside back, and back cover positions. How much do color, ad size, and placement options influence reader recall...and what is the most cost-effective combination to achieve a high level of readership? Just as important, what factors should marketers consider beyond the raw data when planning their media schedules?

## About the study

Over the course of a multi-year study,<sup>1</sup> readers were asked if they “remembered seeing” a total of 109,460 print advertisements appearing in 57 specialized trade publications. The study included all ads one-half page or larger, divided into categories by color and size. Subscribers were mailed their current issue as scheduled; two weeks later, randomly selected subscribers were mailed the same issue again. Scores reflect the percentage of readers who said they remembered seeing the advertisements in question in the issues surveyed; readers were surveyed by mail, and each study was based on a minimum of 100 responses. When you factor in ad costs, you can use the information from this kind of study to analyze your media decisions and achieve the optimum cost per reader.

Reader recall of print advertising as categorized by color and size <sup>1</sup>		Sampled Average Cost	Cost-Per-Point
Fractional	24%	\$5,411	\$225.46
One-Page Black & White	33%	\$7,234	\$219.21
One-Page 2-Color	35%	\$8,139	\$232.54
One-Page 3 & 4 Color	44%	\$8,950	\$203.41
Black & White Spreads	43%	\$12,972	\$301.67
4-Color Spread Ads	57%	\$16,121	\$282.82
Inserts	63%	*\$17,930	*\$284.60

While reader recall climbs as trade print ads become larger and more colorful, the cost of increased readership doesn't keep pace with the additional investment. Cost-per-point of recall reaches an optimum level at full-page, three- and four-color ads; any readership gain for larger ads comes at a premium price. This suggests that an advertiser who chooses to run ads larger than full-page should have reasons for doing so beyond cost efficiency.

<sup>1</sup>Includes production cost for materials: 86,000 quantity, 8.5" x 11", 2-color, two-sided on 80# cover stock.

## Executive Summary

- Size and color are important factors in reader recall of ads in trade print magazines. Full-page, four-color advertising seems to achieve the best cost-per-point of readership in most cases.
- When planning a print campaign, marketers should first identify the minimum ad size and color necessary to support brand identity and communication goals, and use this as a starting point for media planning.
- To compute cost-per-point of readership for each level of advertising in a given publication, divide the ad costs by the readership numbers.
- Consider using your cost-per-point of readership analysis as a bargaining tool with print publications.

## The right mix: a five-step approach

A cursory analysis of the CARR study suggests that trade print advertisers should run full-page, four-color ads in nearly all cases: less will compromise readership, more will not be worth the cost of the incremental readership gain. There's a lot of truth to this; however, any number of factors may influence your level of print advertising. Here's a five-step approach to achieving the right mix of elements to give you the readership you want, at the best possible cost:

**Step 1: Determine your level of entry.** Not every advertiser should be running full-page, four-color ads. Much depends upon your company, your product or service, your position, or the image you want to create in your industry, and the industry itself. Some market leaders, for example, should never consider running only fractional-page ads; some are even "expected" to run four-color spreads. You may have other considerations as well: a specific creative approach may demand a unique ad size; a specific communication need may cause you to want the highest readership possible, regardless of cost; or a certain print vehicle may be the most cost-effective way to reach your audience, even if the cost-per-point of readership is comparatively high. The basic question, though, is the first one you should answer: what is the minimum level of advertising you should run?

**Step 2: Calculate your cost-per-point of readership.** To do so, use the information provided here to roughly determine what sort of readership you'll get for the ad you're running, then divide that number into your ad cost to determine cost-per-point. This gives you a starting point for determining the value of additional readership points you may gain or lose if you change your advertising size/color strategy.

**Step 3: Build a print media schedule that reaches your audience more thoroughly and effectively.** Use your cost-per-point analysis to make the best use of your print advertising dollars. Note that, depending on your industry, the cost may be relatively high, but print advertising may still be your best vehicle in terms of cost-per-thousand readers or total audience reach.

**Step 4: Use your analysis as a negotiating tool.** You can bargain with print publications by showing them your analysis and how much you're paying for their readers. For example, it should be easy to show using your figures that the additional readers gained by running spread ads instead of single-page ads are wildly expensive: you essentially pay double the ad price for a gain of only a handful of readership points. You may be able to negotiate discounts or extra services, particularly if running ads in a competing publication is a viable alternative.

**Step 5: Tweak the mix.** Don't do your analysis once and consider it done. Keep working to get the optimum media schedule based on your results and evolving needs. Take advantage of readership studies offered by publications to help you determine the effectiveness of your efforts, and make adjustments along the way.

The point is, every publication—and every media decision—should be evaluated individually, with your specific goals and budget in mind. And every media plan should be continually evaluated and adjusted based on experience and updated information. The best media decisions require facts and professional judgment.

<sup>1</sup> Cahners Advertising Research Report No. 105.1B, *How Is Advertising Readership Influenced by Ad Size and Color?*, Cahners Publishing Company, 1994.