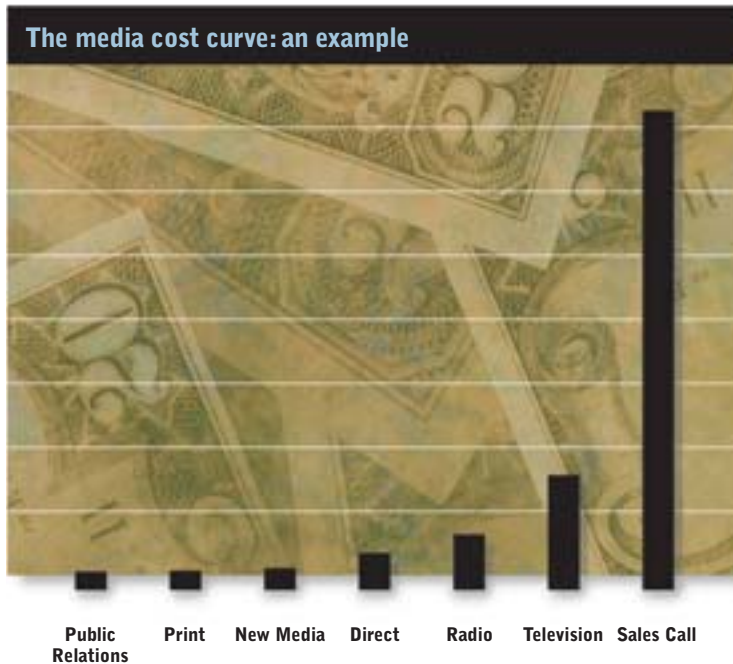


Determining optimum communications mix

Marketing and media strategists need to reach the right audience with minimum waste and must choose communications (advertising, sales calls, tradeshows, etc.) that support their messages. The challenge is achieving a balance of all these factors while maintaining the lowest cost per exposure.

Cost analysis: the starting point

Media mix modeling builds frequency *cost effectively* by saturating each medium, beginning with the least expensive, until the desired frequency is reached or the budget is exhausted. The starting point is understanding the per exposure cost of each medium. The chart below gives an example.



This graph, reflecting cost per exposure, was created for a business-to-business marketer in a health care industry segment. Each industry has its own, distinct media cost curve. Marketers need to know the cost curve for their industry.

Executive Summary

- Frequency is required to build retention of a message.
- An effective communications mix builds necessary frequency in the most cost-efficient manner.
- Understanding relative cost per exposure is the first step in analyzing alternatives.
- Beyond cost, other qualitative factors (such as message capacity, targetability and lead time) should be evaluated.

Strengths & weaknesses: considering your communications mix

Each communications vehicle has strengths and weaknesses beyond cost. Formulating the best overall plan involves adjusting the dollar allocation to exploit strengths and mitigate weaknesses of individual media. The chart below compares several non-cost characteristics that should be considered when developing a communications plan.

| Qualitative analysis of media alternatives | | | | | | | Comments |
|--|---|---|---|---|---|----------|---|
| Message Capacity —how in-depth or complex the message can be. | Message Consistency & Control —the degree to which everyone in the target audience can receive the same message, exactly as the advertiser wishes. | Interactivity —how adaptable the message is to individual prospects. | Targetability —how closely the target audience for the message can be drawn. | Message Life —how long the message lives, and whether there is any pass-along value. | Lead Time —how far in advance the communications must be prepared. | | |
| Public Relations | High | Low | Low | Moderate | Long | Moderate | <ul style="list-style-type: none"> High degree of credibility: seen as coming from an independent source Only messages with news value have much chance of gaining media attention Editors and news directors have the final say about content —you have less control over specific messages No media costs, relatively low production costs |
| Vertical Print Advertising | Moderate | High | Low | High | Moderate | Moderate | <ul style="list-style-type: none"> Numerous pass-along opportunities Production costs can range from moderate to high |
| Website | High | High | High | Low | Moderate | Moderate | <ul style="list-style-type: none"> Costly and difficult to build traffic Usually requires large amounts of sophisticated content Difficult to close the sale |
| Banner Ads | Low | High | Moderate | High | Short | Short | <ul style="list-style-type: none"> Low message capacity, usually employs a click-through to a Website to increase message capacity Quick production, relatively low cost |
| E-mail Programs | Moderate | High | Moderate | High | Long | Short | <ul style="list-style-type: none"> Sometimes difficult to obtain e-mail addresses Quick production, low cost |
| CD-Rom | High | High | High | N/A | Long | Long | <ul style="list-style-type: none"> Must be used with another tactic for delivery (direct mail, personal selling, response ad) Very expensive to produce |
| Direct Mail/Database Communications | High | High | High | High | Long | Long | <ul style="list-style-type: none"> Excellent "one-to-one" message medium Costs can be extremely high Can be time-consuming and difficult to develop the right mailer for each target High degree of message risk: if you say you know your customer, your mailer must live up to your claims |
| Radio | Low | High | Low | Moderate | Short | Short | <ul style="list-style-type: none"> Quick, low-cost production Excellent mass medium to build frequency—if not broad reach Message capacity is limited to 30 or 60 seconds Potentially huge audience waste for business-to-business messages |
| Television | Low | High | Low | Moderate | Short | Long | <ul style="list-style-type: none"> Messages can be especially dramatic and memorable—ideal high-impact branding medium Production and media costs can be extremely high Although more specialized programming allows better targeting, there is the potential for much waste |
| Personal Selling | High | Low | High | High | Short | Long | <ul style="list-style-type: none"> Most personal, adaptable medium Can be targeted with pinpoint accuracy with highest message capacity Highest level of interactivity Too expensive for desired three-to-eleven-time frequency for awareness Different personal styles means difficulty in maintaining message consistency Lead times can be extremely long, involving such interim activities as training, program development, and appointment-setting |