

Warne's Marketing

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Buying Business Media

Tens of thousands of advertising dollars are misdirected annually into business publications that should never be on any company's schedule.

IN MANY BUSINESS SECTORS there are still marginal publications being sustained through poor media buying.

This statement is backed by 31 years of research studies plus many detailed analyses.

The Findings

In any business or technical field one or two leading publications reach the majority of readers who can be reached by all publications in the field.

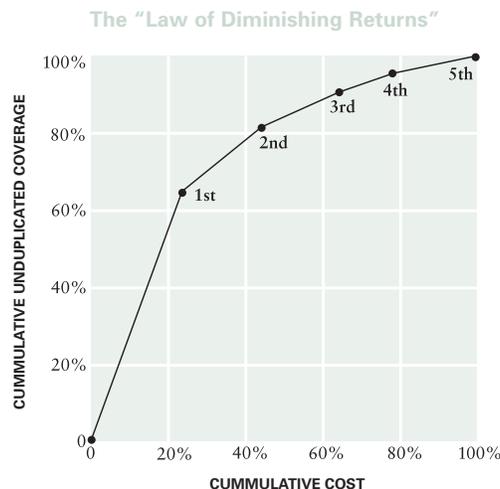
Concentrating your efforts in those leading publications will greatly increase your advertising efficiencies.

For 31 years the McGraw Hill Laboratory of Advertising Performance (LAP) reported on multiple reach studies of business publications. Up to 18 major advertisers participated in the individual studies, which covered up to nine business and technical fields at a time.

There was a limited range of difference between the studies. The median of results (as shown on the graph) indicated that the leading publication in a field would provide 63% reach of that field. Adding a second publication would add 18% reach. A third, 9% more reach. A fourth, 7% more. And the fifth, only 3% more.

The high score for the leading publication in any study was 66% reach. The high for adding the second publication was 20% additional reach for 86% cumulative reach.

A more recent CARR report from Cahners Publishing shows the leading magazine at 86% reach... two publications at 92% cumulative reach... three at 94%... with the fourth adding no additional reach. The CARR report no. 441.1A covered 27 separate fields and involved 13,185 questionnaires.



Source: McGraw-Hill Laboratory of Advertising Performance

Studies that Warne has conducted on business publications for a number of advertisers have yielded similar results.

Research

The methodology of all these studies is similar.

First, find out what publications your customers and prospects read. (Use your own database or an industry list for the research sample. Use of publication lists will bias the study).

Second, rank the publications in order of number of mentions. After 125 responses the ranking order of publications won't change. However, the percentages will be more precise with larger samples.

Third, calculate how many readers each succeeding publication adds.

Following these steps it is possible to determine the number of additional readers reached with each additional publication, plus how much it costs to reach them.

The Analytical Alternative

You can also improve your media buying through an analysis of the reach of publications to your target markets and key buying influences.

Such an analysis takes you beyond gross circulations and gross CPM's (cost per thousand circulation). It pinpoints how effectively each publication reaches your key target prospects and at what cost. It can indicate whether publication advertising or direct mail is the most cost efficient way to reach those key prospects.

The box shows such an analysis. The Net Effective Circulation is the number of identified target buying influences in target industry operations who have requested receiving our fictitious publication in the past year.

In this example our advertiser is primarily interested in reaching operating management and engineering personnel in process industries plus consulting engineers serving those industries. The rest of the circulation does not represent key buyers for the advertiser's products or services.

Net Effective Circulation is arrived at by multiplying the circulation figure in line (1) by the percentages in the following lines (24,500 x .975 x .737 etc).

The Analytical Approach

Publication: Industrial Process News
Audit: By: CCAB
Date: 92/06

Class: 530
Rates: \$3,035 (Std Pg B&W)
Card Date: 92/01

CIRCULATION	QUALIFIED	%	CPM*	COMMENTS
(1) Total	24,500	100%	\$124	Rounded CPM's
(2) Name and Title	23,888	97.5%	\$127	
(3) Selected SIC's	18,063	73.7%	\$168	Process & Consulting Engineering Only
(4) Selected Titles	19,544	79.8%	\$155	Ops., Eng., Consulting Engineers
(5) One-Year Written Request	18,168	74.2%	\$167	
(6) Net Effective Circulation	10,424	42.5%	\$291	

*Cost Per Thousand Circulation

Lines (3) and (4) represent the target industries and buying influences. Lines (2) and (5) represent the quality of circulation of the publication. To properly identify the players in an industry, it's essential that a publisher obtain names and titles. One year personal request merely counts the number of people who have asked to receive the publication in the past year.

By using one year personal request, you eliminate circulation from directories or list services.

The Response Factor

One other factor of importance is the response generated by your advertising. Response is a measure of readership and involvement in a publication, plus the pay back you're getting from your dollars. Response is not necessarily related to a publication's format or size. Indeed several standard (8 1/4" x 11 1/4") format publications in North America have outstanding response. Response is, in fact, a measure of a publication's vitality and value.

Remember this analysis is for comparative purposes. By going through the exercise for other publications in the field you can easily determine the leader or leaders.

The Offer

So there you have it. Two ways to identify the business publications that should be on your advertising schedule.

Call Scott Warne if you have any question that your advertising is not being placed in the leading publications.



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