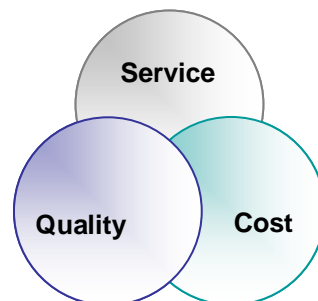


## What Gets Measured – Gets Improved

As we rapidly approach the 2010 planning season we have been working with a number of clients benchmarking year to date activity and setting targets for future campaign periods.

Some years ago business guru Tom Peters was credited with penning the term ‘what gets measured gets improved’ and in a market where we are all constantly looking forward - never getting enough time to look back and learn – it is critical that marketers put a few key media metrics in place to measure and improve year-on-year media performance. After all if you are not accurately measuring what you are doing - and we see an amazing number of top name clients who are not - then you cannot know if you are achieving what you set out to achieve and you cannot know if you are improving!

In our experience media metrics fall into three interconnected areas:



Agencies often argue that ‘you can chose any two out of the three’, for example a focus on low cost can only be achieved by sacrificing quality, whilst delivering a responsive front-line client service team often means cutting back on heavy-hitter negotiators or seasoned tactical planners.

But from where we sit, we regularly see huge increases in year-on-year ROI amongst those of our clients who have set clear, measurable and realistic media goals in close partnership with their agency, especially in their buying performance – but with no compromise on quality and service metrics echoing that wise business principle that ‘what gets measured gets improved’.

### **Top 5 tips for setting effective media metrics:**

- 1. Set 5-8 key metrics, don't try to measure everything. Decide which are the real measures that will contribute to your brand's success e.g. where marketing dept staffing is under pressure, agency service may be a top priority.**
- 2. Keep it simple. Metrics should be easily available as part of your on-going activity e.g. minimise the time the agency need to spend compiling metrics - try setting set up planning analysis and post buy formats upfront so top line data can simply be dropped into regular metric reporting.**
- 3. Ensure key metrics form part of the agency's remuneration. Money talks and this is the most powerful way to ensure metrics are fully embraced by the agency. Set clear incentives for year on year improvements.**
- 4. Set clear and agreed baseline metrics for the current year and work closely with the agency in setting targets that are: realistic and really stretch the agency – but are also achievable. Give the agency the space and time to achieve goals and targets e.g booking and negotiation lead times.**
- 5. Take advantage of external benchmarking and impartial objectivity.**

### **What to measure?**

Each client faces a different marketing and media challenge so there is no simple formula to adopt but here we summarise some of the key metrics we have benchmarked over the last year:

**1. Cost based metrics – apply equally to all media**

Metric	What does it measure	Value
Year-on-year cost increases/decreases	<ul style="list-style-type: none"> <li>▪ Year-on-year change in real prices</li> <li>▪ Actual \$ costs paid vs last year</li> </ul>	<ul style="list-style-type: none"> <li>▪ Most accurate benchmark</li> <li>▪ Critical to establish 'cost unit' e.g CPRP or % discount</li> <li>▪ Can only measure like for like media</li> </ul>
Costs vs external benchmark	<ul style="list-style-type: none"> <li>▪ Compares costs paid to third party data pool</li> </ul>	<ul style="list-style-type: none"> <li>▪ Valuable indicative cost base</li> <li>▪ Pool relatively small but growing fast</li> </ul>
Costs vs market rate	<ul style="list-style-type: none"> <li>▪ Actual costs paid vs agency estimate of average costs paid by other advertisers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Agency favourite but almost impossible to verify</li> <li>▪ Can give a useful general perspective</li> </ul>
Costs vs inflation	<ul style="list-style-type: none"> <li>▪ Similar approach to market rate.</li> <li>▪ Compares year-on-year actual costs vs theoretical inflation rate</li> </ul>	<ul style="list-style-type: none"> <li>▪ Baseline inflation usually taken from media vendor rate card changes or CCTV annual action results</li> <li>▪ Useful but impossible to quantify</li> </ul>
Costs vs internal agency benchmark	<ul style="list-style-type: none"> <li>▪ Compares actual costs to average rates paid by agency</li> </ul>	<ul style="list-style-type: none"> <li>▪ Valuable benchmark but agencies very reluctant to share internal data</li> <li>▪ Agency rates need to be verified by third party</li> </ul>
Savings vs rate card	<ul style="list-style-type: none"> <li>▪ Rates paid vs rate card cost</li> </ul>	<ul style="list-style-type: none"> <li>▪ Limited value - nobody pays rate card</li> </ul>

**2. Quality based metrics - greatest focus is on measuring quality of TV tactical planning and scheduling but can apply to print title selection and positioning, quality of radio spots, cinema and OOH positions.**

Metric	What does it measure	Value
TV spot verification	<ul style="list-style-type: none"> <li>▪ Spot matching scheduled vs actual on air spots</li> <li>▪ Captures spots appearing as planned vs missing or out of zone spots. Also captures bonus spots</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sets basic spot accuracy level vs benchmark</li> <li>▪ Ensures missed spots are accurately compensated</li> </ul>
GRP verification	<ul style="list-style-type: none"> <li>▪ Benchmarks planned vs actual GRP's</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sets accuracy level vs benchmark</li> </ul>
Campaign strike rates	<ul style="list-style-type: none"> <li>▪ Measures number of campaigns achieving planned weight of GRP's</li> </ul>	<ul style="list-style-type: none"> <li>▪ Measures consistency of tactical planning and scheduling across brand portfolio</li> </ul>
TV peak %	<ul style="list-style-type: none"> <li>▪ Benchmarks % of actual GRP's appearing in pre-determined prime time segment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Indicates broad quality of schedule</li> <li>▪ Ensures reach and frequency objectives are met</li> </ul>
Position in break	<ul style="list-style-type: none"> <li>▪ Benchmarks % of GRP's or spots (usually prime time) that appear in predetermined position in each ad break</li> </ul>	<ul style="list-style-type: none"> <li>▪ Subjective measure of audience attention</li> <li>▪ Measured against benchmark</li> <li>▪ Can apply to print positioning, OOH</li> </ul>
Programme selection	<ul style="list-style-type: none"> <li>▪ % of GRP's delivered in top rating programmes</li> <li>▪ Usually Top 10 highest rating shows used as benchmark</li> </ul>	<ul style="list-style-type: none"> <li>▪ Broad quality metric measuring use of 'hot programming'</li> <li>▪ Ensures reach goals achieved</li> <li>▪ Can be applied to non TV media</li> </ul>

**3. Service based metrics – qualitative measures which should be tailored to individual client needs and internal resources and here we highlight just a few examples which can be further broken down to match client needs and expectations.**

<b>Metric</b>	<b>What does it measure</b>	<b>Value</b>
Involvement of senior agency management	<ul style="list-style-type: none"> <li>▪ Visibility and contribution of senior agency management including heads of agency insights and buying/negotiation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ensures senior agency representation on key accounts</li> </ul>
Stability of agency team	<ul style="list-style-type: none"> <li>▪ Staffing headcount and stability vs industry benchmark data</li> </ul>	<ul style="list-style-type: none"> <li>▪ Measure of continuity and knowledge capture</li> </ul>
Sharing of global/regional learnings/resources	<ul style="list-style-type: none"> <li>▪ Sharing and embedding best practice – and export of good ideas</li> </ul>	<ul style="list-style-type: none"> <li>▪ Core value of using a multinational media agency</li> </ul>
Delivery of agreed scope of work	<ul style="list-style-type: none"> <li>▪ Measures core competencies of the agency</li> <li>▪ Ensures contracted services delivered to agreed standards</li> </ul>	<ul style="list-style-type: none"> <li>▪ Critical to define upfront agreed SOW</li> </ul>
Quality of ideas/thinking	<ul style="list-style-type: none"> <li>▪ Balances agency buying and execution with qualitative judgement on effectiveness of ideas and planning creativity</li> </ul>	<ul style="list-style-type: none"> <li>▪ Critical to successful media investment</li> </ul>
Communications leadership	<ul style="list-style-type: none"> <li>▪ Agency contribution to overall communications process</li> </ul>	<ul style="list-style-type: none"> <li>▪ Measures value of agency beyond standard media planning and buying</li> </ul>
Timeliness and accuracy of work flow	<ul style="list-style-type: none"> <li>▪ Benchmarks adherence to workflow best practice</li> <li>▪ Benchmarks billing and accounting accuracy and issue resolution</li> </ul>	<ul style="list-style-type: none"> <li>▪ Minimise rework and errors, allows greater focus on value creation</li> </ul>

Marketers need to keep in mind that although they must invest time honing the creative pieces of their communication, ultimately media is the largest investment they make, and it demands the same degree of rigor. The ones that understand this already are the ones driving real benefits and growth.

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