



Media Zone: General Advertisers Create a New Type of DRTV

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The rapidly changing world of communications and advertising is beginning to fit the paradigms of exponential transition defined socially by Alan Toffler in "Future Shock" and technologically by Nicholas Negroponte in "Being Digital." Simply put, it will only take the next five years to bring about the same changes that occurred in the past 10.

Since society and technology are intrinsic elements of change in marketing methodology, it's easy to see why we're in the middle of a constant evolution that affects not only the increasing number of available media conveying advertising, but also the modes of delivery and, in turn, the economics of generating consumer impressions.

From its humble and sometimes maligned beginnings, who would have thought that DRTV would become an appealing alternative for general advertisers seeking the holy grail of ROI?

How It All Started

Just a few years ago, some of the largest retail and packaged goods TV advertisers began challenging their agencies to become accountable for more than delivering target rating points. New requisites of accountability meant building new models on the metrics of revenue generation as a correlation to advertising spend. But wait — wasn't there a group of marketers already using TV to sell directly, using efficiency of sales as drivers of strategy?

When it became clear that simply adding a response mechanism to create the required call to action would allow for better metrics, several general advertisers dipped their toes into DRTV. Others plunged in feet first. But, it wasn't until three years ago that the king of all packaged goods manufacturers and the largest advertiser in the world, Procter & Gamble, found that it could accomplish two things with DRTV: (1) Create lead generation and measurable response; and (2) Branding, through a supporting strategy to its general advertising efforts that increased awareness and promoted trial at lower cost-per-thousands (CPMs).

Taking Advantage of the Trend

As the migration of general advertisers to DRTV grows, prices of short-form DR media will increase — to the detriment of smaller DRTV advertisers who rely on lower-end pricing to achieve proper efficiency ratios. The buying tactics employed now by DRTV agencies — like "negotiating" the lowest possible rates to make a campaign profitable, or laying-in an entire calendar quarter to "secure" schedules — will become obsolete if the bigger general advertisers are willing to pay slightly more. "Negotiated" and "long-term" spots, in all likelihood, will be gone.

In many instances, general advertisers know that DRTV is a whole new ballgame. Instead of using their general ad agency, they seek out the expertise that comes from years of DRTV



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experience. But, these clients also have a set of unique expectations that many DRTV agencies do not regularly address. However, there are ways for prepared DRTV agencies to take advantage of the trend.

First, invest in top-level personnel with general media experience. It's what the general agencies did when their clients started asking questions about DRTV: they became instant experts by acquiring DRTV agencies or hiring DRTV staff to fill in the blanks.

Second, basing a plan on historical DRTV response data isn't going to impress the chief marketing officers of large corporations. You need to speak the language they understand. Develop comprehensive plans that address campaign objectives, strategic alternatives and executional guidelines. Learn the fine nuances of general advertising measures like reach, frequency, daypart weighting and the whole list of audience efficiency calculations.

Finally, bring analytics to the table that even general agencies haven't gotten their heads around, such as profiling and segmentation of key customer attributes like geo-demography and psychographics. Once you define key targets along those lines, it opens up a new world of strategic planning that addresses TV viewing habits, behavioral characteristics and product purchase cycles.

You'll stand head-and-shoulders above what a typical general agency presents by being able to take the waste out of media spend and make every dollar accountable. That's what true ROI is all about. And, that's a new kind of DRTV that can drive retail sales and have general advertisers knocking on your door.

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