

Annual Buying Power—how to create

What is the Annual Buying Power report? (Optional)

The Annual Buying Power report is a powerful new report available for all of The Media Audit's measured markets. This optional report defines the number of local consumers for hundreds of specific goods and services not measured in The Media Audit standard survey. The reports include the average dollars spent per year on these specific goods and services, and the total dollars spent on these goods and services (e.g. number of consumers X the average dollars spent) for the general market and for all local media audiences. The power of the report lies in its ability to demonstrate how much money a local media audience spends on different products and services relative to other media. For example, a local media might rank low in reaching adults 18+ who frequently shop for jewelry but the same media might rank high in the dollar amount spent on jewelry purchases by each person in the media's audience, further strengthening the media's case for inclusion on a media buy.

There are seven types of Annual Buying Power Reports:

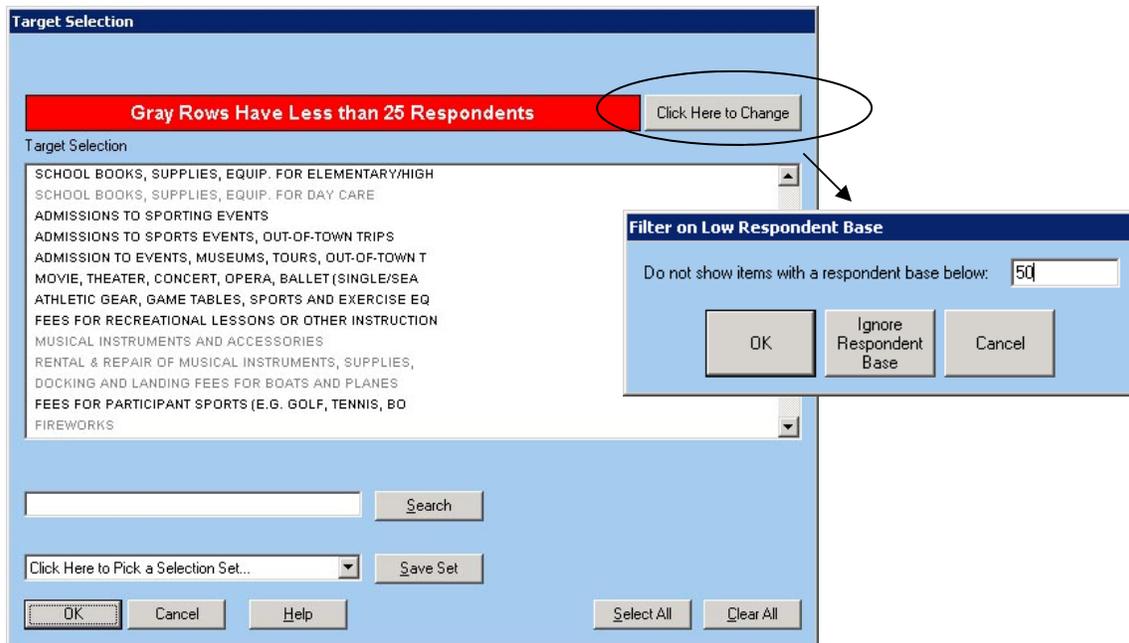
1. **Buying Power Report** - sub categories include a TMA Buying Power Report, and an Arbitron Buying Power Report. Provides buying power figures for a single media on an unlimited number of targets.
2. **Annual Ad Budget Calculator**—Interactive Report that calculates gross revenue potential and how much an advertiser would need to invest in an advertising campaign to reach campaign goals.
3. **Combo Builder Report**—Displays the unduplicated (net) come reach of a target audience offered by different media combinations.
4. **Re-Orderable Combo Builder Report**—is similar to Combo Builder application but user may select the order in which the selected media will appear
5. **Ad Campaign Planner**—Displays the cumulative unduplicated (net) come reach of a target audience offered by single media combinations of different media genres.
6. **Cross Tab Report**—provides in-depth buying power information for a single target.
7. **Ranker Report**—ranks buying power for an unlimited number of media for a single consumer category. Sub category includes an Arbitron Buying Power Ranker Report.

How to Create a Buying Power Report :

1. Click on Buying Power Report from the menu.
2. Select TMA Buying Power Report from the sub menu.
3. In the Media Selection screen, select the single media you wish to include in the report. Click OK.
4. At the Target Selection screen, select the target or targets you wish to include in the report. Hold down the CTRL key while making multiple selections. Click OK when finished. See next page for an explanation on why some of the targets in the list may be grayed out.
5. A sample of a Buying Power Report follows the explanation of how to adjust target filters, with an explanation of how to read the report.

Annual Buying Power—adjusting filter for target respondent base

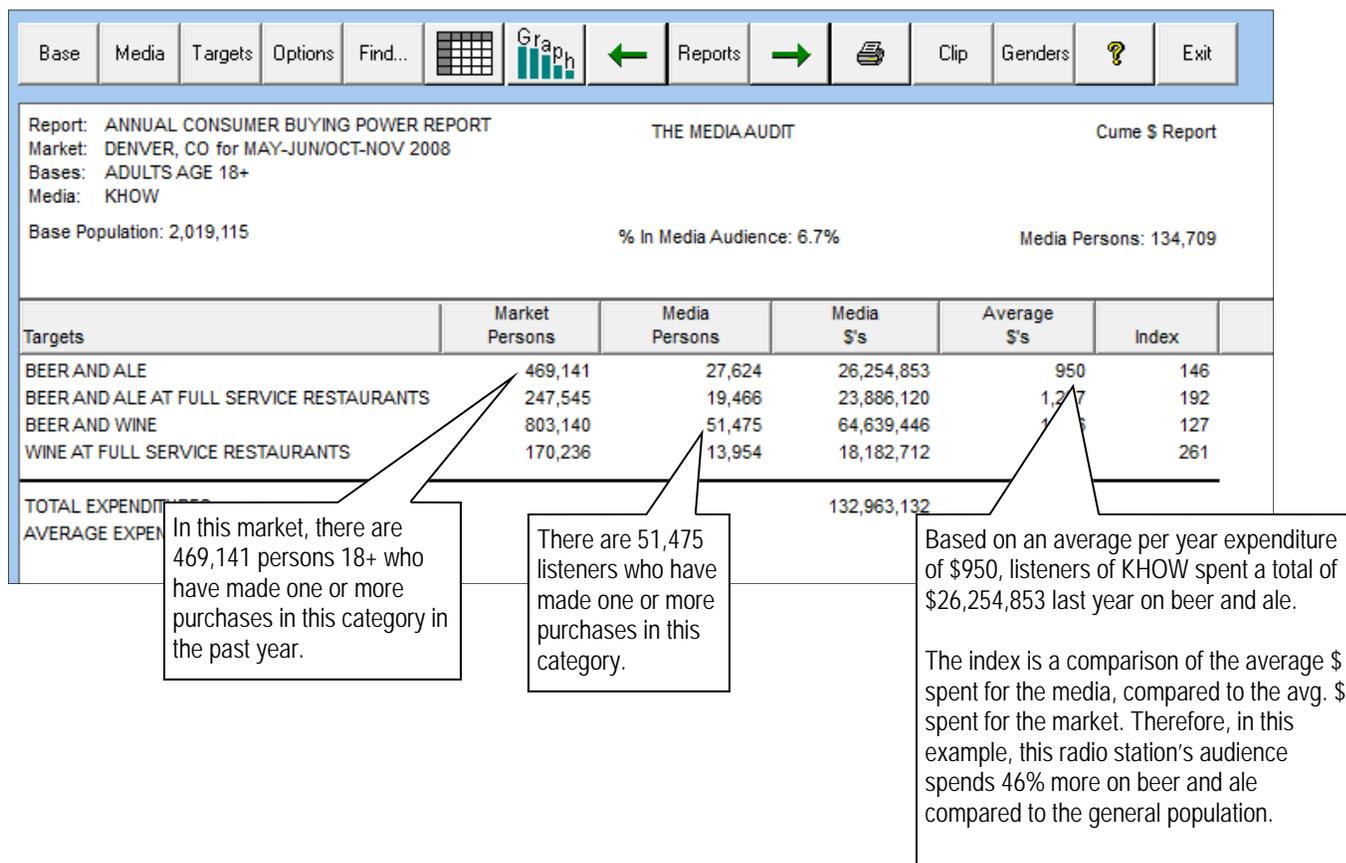
Note: When making selections in the Target dialog window, you will see something similar to the below image. Note in the Target selection window, some items have been grayed out. This is because the default setting for minimum respondent base has been set at 25, helping to filter out those targets with relatively small respondent base. You can still select these items, however if you do so, the program will warn you that the respondent base may not be reliable and that you should use the data with caution. If you would like to change the threshold for the minimum respondent base, or remove it altogether, you can click on the “Click Here to Change” button in the dialog window.



In the example above, the user has changed the minimum respondent base to 50 from the default setting of 25. By typing in the new number and clicking OK, the Target Selection dialog will now only gray out those targets that have less than 50 respondents, helping you to filter out targets that do not meet your minimum threshold. If you click on the “Ignore Respondent Base” button, the dialog box will automatically close and all items listed in the target list, regardless of respondent base will not be grayed out.

Annual Buying Power—how to read a Buying Power Report

Below is a sample of a Buying Power Report for a radio station in a local market. The report summarizes the amount spent per year on various consumer items such as beer and ale by this media's audience. To toggle between the media's cume and most often audience, click on Reports/Most Often \$ Report or click the right arrow button on the menu.



Market Persons: The total number of persons in the base who are also in the target category

Media Persons: The total number of persons in the media who are also in the target category

Media \$'s: The total amount spent per year on the target category

Average \$'s: The average amount spent by the media audience per year for each target category

Index:

How to Create an Arbitron Qualitatively Adjusted Buying Power Report

(Only for Arbitron subscribers with tape access clearance):

1. Repeat steps on the previous page for creating a Buying Power Report, only select Arbitron Buying Power from the sub-menu.
2. Your report will be displayed and read similarly as the above Buying Power Report, only the media persons will be based on Arbitron ratings data, rather than The Media Audit's ratings data. See the Utilities/Arbitron Options section for further information on how to select which Arbitron ratings period you want to apply to your Arbitron adjusted report.

Annual Buying Power—how to use and read an annual ad budget calculator

How to use an Annual Ad Budget Calculator:

1. Click on Annual Ad Budget Calculator from the sub menu.
2. At the Media Selection screen, select the single media that you want to perform analysis on and click OK.
3. At the Target Selection screen, select the single target that you want to perform analysis on and click OK.
4. In the Advertising Campaign Settings Window, insert estimates for the following:
 - A. Advertiser's Gross Margin
 - B. Estimate what percent of people exposed to the ad campaign will become customers
 - C. What percent the advertiser is willing to allocate to an advertising campaign.
5. Click on the Calculate button.
6. To adjust any of the three figures in the white boxes, enter the new number and click on the Calculate button again to re-calculate.

In this example below, by obtaining specific information from an advertiser such as gross margin %, expected response rate, and percent of gross revenue the advertiser is willing to place with a particular media, the Ad Budget Calculator will demonstrate the potential ROI a given advertiser can gain by placing a schedule with this media. The white boxes in the analysis represent estimates that a media would ask a prospective advertiser to estimate for his or her business. The bold face numbers printed in black are the result of the prospect's estimates.

In the example below, based on the estimates provided, radio station KAAA-FM has the potential to convert 1,189 listeners to customers (3% of 39,617 listeners), and if each customer is worth \$223 per year (gross margin dollars), the total revenue potential or ROI to the advertiser is \$265,220.

The screenshot shows a software window titled "Advertising Campaign Settings". At the top, there are buttons for "Media", "Target", "Calculate", "Print", "Clip", "Help", and "Exit". Below the buttons, the settings are as follows:

MEDIA: KAAA-FM
TARGET: EYECARE SERVICES (E.G. EXAM, TREATMENT, OR SURGERY)

AVERAGE DOLLARS SPENT BY TARGET HOUSEHOLDS PER YEAR.....	372
GROSS MARGIN % ((REVENUE - COST OF GOODS SOLD) / REVENUE) * 100.....	<input type="text" value="60"/>
GROSS MARGIN DOLLARS.....	223
NUMBER OF TARGET CONSUMERS REACHED BY MEDIUM.....	39,617
WHAT % OF PEOPLE EXPOSED TO AD CAMPAIGN WILL BECOME CUSTOMERS?	<input type="text" value="3"/>
POTENTIAL # OF CUSTOMERS REACHED.....	1,189
TOTAL GROSS REVENUE POTENTIAL PER YEAR.....	265,220
% OF GROSS REVENUE POTENTIAL ALLOCATED TO ADVERTISING.....	<input type="text" value="3"/>
DOLLARS INVESTED IN ADVERTISING CAMPAIGN.....	7,957

Based on the three estimates that were inserted into the calculator, the advertiser should expect to invest \$7,957 in a campaign in order to achieve a 3% response rate

Annual Buying Power—combo builder, ad campaign planner and cross tab

How to Create a Combo Builder, Re-Orderable Combo Builder, or Ad Campaign Planner Report within the Annual Buying Power program

The Combo Builder, Re-Orderable Combo Builder, and Ad Campaign Planner reports are identical to the reports in The Media Audit regular software, only they utilize consumer targets that are unique to the Annual Consumer Buying Power program. Refer to previous sections in this manual on how to create and read these reports.

How to Create a Cross Tab Report

1. Click on Cross Tab from the sub menu.
2. At the Primary Target Selection screen, select a single target for your analysis. Click OK.
3. At the Secondary Target Selection screen, select as many targets that you wish to analyze. Hold down the CTRL key while making multiple selections.
4. See below for an example of a Cross Tab Report.

In the example below, the user created a Cross Tab report, profiling fans of the Denver Broncos and how much they spend annually on various electronics such as TV's. An electronics store may find this useful in evaluating a potential sponsorship.

Targets	Total \$'s	Average \$'s
COLOR TV - CONSOLE, LARGE SCREEN TV PROJECTION EQU	51,832,688	2,213
COLOR TV - PORTABLE AND TABLE MODELS	611,271,296	1,806
TOTAL EXPENDITURES	663,104,000	
AVERAGE EXPENDITURES		1,909

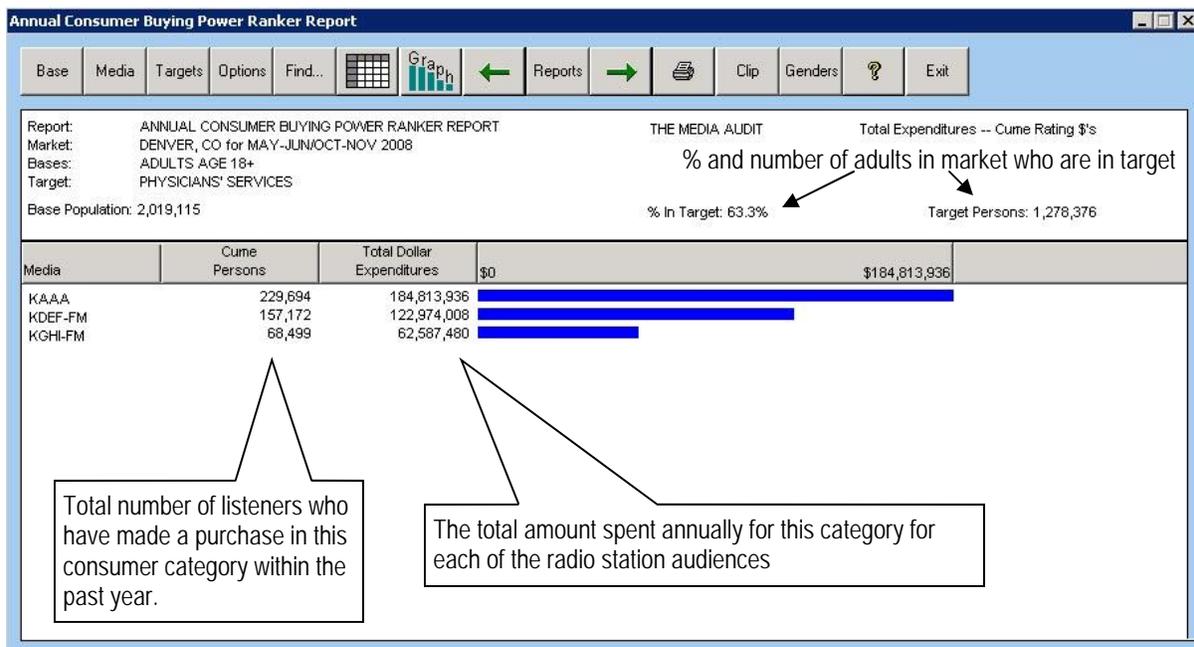
In this example, the average dollar amount spent per year on color TV's, large screen TV and projection equipment by Denver Broncos fans is \$2,213 per year. When this figure is multiplied by the number of fans in the market who have made such a purchase in the past year, the total \$ figure is calculated. In this case, Denver Broncos fans in total are worth an estimated \$51 million a year in buying power for this consumer category.

Annual Buying Power—how to create and read a ranker

How to Create a Ranker Report

1. Click on Ranker Report from the sub menu.
2. Select TMA Buying Power Ranker report from the pull down menu.
3. At the Media Selection screen, select as many media as you wish to rank. Hold down the CTRL key while making multiple selections. Click OK.
4. At the Target Selection screen, select the single target you wish to analyze. Click OK.
5. By clicking on Reports or using the left and right arrows on the toolbar, you can scroll through each of the different reports, which include total and average expenditures for a media's cume and most often audience.
6. See below for an example of a Ranker Report.

In the example below, the user created a Ranker report, comparing the total annual dollar expenditures for three different radio stations in the physicians services category.



How to Create an Arbitron Qualitative Adjusted Ranker Report (Only for Arbitron subscribers with tape access clearance):

1. Repeat steps above for creating a Ranker Report, only select Arbitron Buying Power Ranker Report from the sub-menu.
2. Your report will be displayed and read similarly as the above Ranker Report, only the media persons will be based on Arbitron ratings data, rather than The Media Audit's ratings data. See the Utilities/Arbitron Options section for further information on how to select which Arbitron ratings period you want to apply to your report.