

REGENCY PLANNING

*It's not about Reach or Frequency. It's About How Ads Work in
Mature Consumer Markets.*

***How can a weak force
have strong effects?***

New information, including Jones's influential and widely circulated analysis of Nielsen panel data, shows a single exposure can strongly influence which brand is purchased. If advertising is a weak force, how can a single ad message produce a strong effect?" The answer is "Recency." The idea that advertising messages "sell" to those consumers whom are ready to buy. There is no inconsistency between strong effects on certain individuals and weak effects on the total market.

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reach, more exposures
are frequency.**

A single exposure is reach, more exposures are frequency. This means that in the short-term, reach is cost-effective, repetition is wasteful.

Here's how it works.

We don't know where the window is for each consumer (i.e., who is ready to purchase). But purchases are made each week. So, advertising should try to reach as many new target consumers as possible in as many weeks as possible. A pure reach strategy! Plan and buy for continuous short-term reach.

**Isn't frequency needed
for considered purchase?**

Many advertisers argue that advertising for a car is not like advertising for a box of cereal. A single exposure may work for corn flakes where the empty box signals the need to purchase, but considered purchase advertising often has to sell the idea of buying the product as well as the particular brand. Recency planning applies equally well to both cars and corn flakes.

Each day, usually independent of the advertising— people are in the market for corn flakes or cars. (The cereal box is empty, the car lease is up.) Advertising usually works by influencing the purchases of that small group of consumers.

When John Jones finds "a single exposure close to purchase can trigger a response," this is not the first exposure, *but the most recent in a series of exposures*. It is effective because the consumer is in the market. That model applies to cars as well as Corn-flakes.

Recency planning ignores purchase cycle, *because it targets the purchase* not the consumer who makes the purchase. As long as there are purchases each week, it doesn't matter how often, or seldom, the average user buys.

**If advertising only works with purchasers, isn't
mass TV wasteful?**

Some critics say that Recency destroys the value of mass media. *If TV works only with a small group of purchasers, what about all the other viewers who aren't ready to purchase? Isn't that wasteful?*

Low CPMs are misunderstood. They show cost-effectiveness, as much as cost-efficiency. For example, a shampoo brand buys daytime TV at \$10.00 for a thousand 30-second exposures.

Since each incremental unit of shampoo sold makes a \$2.00 contribution to profit (i.e. wholesale price minus marginal cost), then fewer than five incremental sales can cover the cost of the advertising. And also the cost of talking to 994 other potential customers who may be in the market next week!

Micro-marketers, who argue that exposures not resulting in a sale are wasted, are as wrong-headed as people who argue that advertising shouldn't be expected to sell at all. Some exposures sell, but all exposures build broad market awareness, shift attitudes and help create the brand value, which is the foundation for the next sale. *These are the hard and soft effects of TV advertising.*

**Doesn't "Share of Voice"
argue for concentration
and fighting?**

Most brands are fighting for share in markets that are not growing, so the effect of lower frequency on share of voice is always a concern. *If a brand chooses continuity and the competition flights, won't consumers be influenced more by the competitor's advertising because they see more messages?*

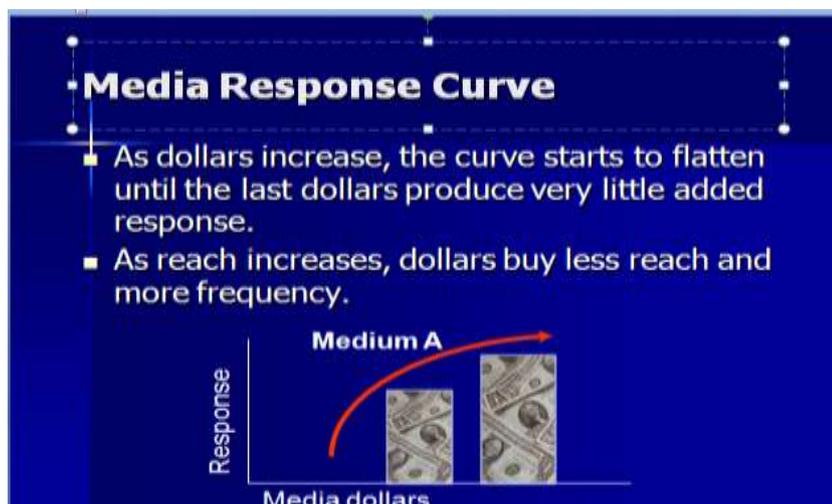
The answer is "Yes," but only short-term. All brands would like to advertise more heavily for more weeks. The problem isn't scheduling, it's budget. Recency planning deals with the question of "what is the right media weight," by suggesting too little advertising is too low a weekly reach and excess advertising is too high a weekly frequency.

Since flighting wastes money on short-term frequency, continuity is an engaging strategy. If you buy reach, while the competition is buying frequency, you're using the Rands more effectively.

Won't too few messages lose sales?

Another concern focuses on the need for frequency to be more certain of making the sale, i.e., *If we reach a consumer only once we can lose the sale.*

Certainly sales are lost because of too little frequency, but more sales are lost because of no frequency at all. The Jones frequency response curve shows reach is more cost-effective than frequency. *Reaching three consumers, once, will generate more purchases than reaching one consumer three times.*



I believe this is because whether a consumer is "ready to buy" is more important than the number of messages the consumer receives. When a consumer is in the market, a single message can have an effect, but if a consumer is not in the market, multiple messages are not likely to make the sale. By reaching three different consumers we are more likely to reach one who is ready to purchase. A single exposure can work only because it is the last of series of brand messages consumers see. It is effective this time because that consumer is now in the market.