



“Separating the Wheat from the Chaff”

Ever really listen to a bunch of advertising, media and marketing people and wonder just what in the blue blazes they were talking about? “ADI’s, DMA’s, MSA’s, etc., etc ... ad infinitum ... ad nauseam”. Oh sure, there’s a lot more than these few and we will gradually cover the rest, but these are as good a place to start as any.

Anytime anybody starts to use a lot of jargon that nobody else understands it’s a sure bet that there’s a wolf prowling the pasture. Kind of like lawyers, politicians (interchangeable with lawyers), and used car salesmen. In other words, if they had wanted you to really understand what they were talking about they would have used plain English. Or at least plain American. Or Southern, whichever. If they were truly erudite they would have used the more precise “PV” (Pure Virginian) version of the “Mother Tongue”.

The federal government has stipulated specific definitions of markets that are based on numbers of households and population density known as Metropolitan Statistical Areas (MSAs) and the smaller (and now defunct) Standard Metropolitan Statistical Areas (SMSAs), giving way to the more profound CMSA or Central Metropolitan Statistical area. These are definitions handed down by our illustrious benefactors in the District of Columbia who have empirically deduced that if they move one step beyond the “Beltway” they will fall off the face of the earth. Needless to say, the larger the scope of the definition the lower Richmond falls in the hierarchical ranking of major cities. If you look real quick out your window you might see billions of dollars in federal subsidies flying past your window. If you look real hard at your advertising co-op dollars, the same thing starts to happen. Unfortunately, nobody seems to notice that the Richmond area is growing about 25% faster than the rest of the country. Depending on who you talk to, the Richmond MSA had a population of a little more than 630,000 in 1980 and is expected to have somewhere around 720,000 today. In terms of households, it went from almost 230,000 to around 275,000 - that’s over 20%. I mean, really, we have not had this much of an influx since the 4th Massachusetts cavalry rode in on April 3 (1865). If you want to have some fun, notice where people bought their cars. You know, the little self advertising piece of chrome on the trunk lid of a car? You’d be surprised how that can help pinpoint in-migration.

Then there are the abstract definitions of a market that are really befuddling - ADIs, DMAs, etc. - and play havoc with advertising and marketing dollars. These geographic definitions are arbitrary and totally suspect - and yet billions of dollars are spent every year on how a market fares by their definition. ADIs and DMAs are media definitions of markets based on where people are that listen to, or watch, media more than from other areas. ADI stands for “Area of Dominant Influence” and DMA for “Designated Market Area”. So, if somebody lives 100 or 150 (air) miles



from where the signal originates, but they watch and listen to stations from that city, they are counted - and everybody around them - in that market. Nobody asks them where they shop.

ADI's are market definitions created by Arbitron and DMA's are created by the A. C. Nielsen Company. Since they both represent coverage areas, it always strikes me as a little peculiar that they are never quite the same in count. For example, the Richmond ADI has about 2,200 more people than the Richmond DMA. Not enough to put a burr under the saddle, but enough to wonder who is - and is not - being counted.

Now, just to confuse you a little more, and so the numbers can work any way media people want them to, an ADI is further broken-down to a TSA (Total Survey Area) and a Metro area. Now all this makes a lot of sense if you are marketing a product nationally and have a lot of distribution throughout the area; or, if you have a lot of stores in a given area (like a department store, grocery store or bank). On the other hand, if you are a single site retailer, is this geographic coverage worth the price that you have to pay? Probably not. Afterall, how many people within a given geographic area really represent your customer base? And if you have specialized products or services the numbers come down dramatically and the cost to reach them goes through the roof.

So what's a person to do? Well, dig in and keep your powder dry until the next chapter when we carry the battle to the aggressors.

Let's see now, I believe we were whittling away at a few conceptions, perceptions, and misconceptions dealing with the jumble of acronyms that the advertising industry uses to camouflage market definitions - and what those mean to you.

Well, we have given a brief overview of ADI's and DMA's, how they are arrived at and what they mean. Sort of. Afterall, some of those people in advertising are known to scratch their heads, think a little bit, and come up with entirely new definitions if they can't think of the right one - and who's to know the difference? Kind of like whether a mare can tell the difference from a stud and a gelding. Anyway, if you read last month's column you know the difference and they probably still don't (you see, advertising people don't read this column for two reasons: 1) they already know it all; and 2) well, figure it out). That's to your advantage.

Now, let's suppose that it is to your advantage to advertise on radio or tv, or both. All market information and ratings are generally given by sex and age; i.e., women 18+, men 25-34, adults 54+, etc. I don't know about you, but I have never known a retailer to have such broad target markets - for all the products they

sell. Oh sure there are exceptions, but darn few when you really think about it. So here is where we reconnoiter behind enemy lines.



Understand that the numbers and ratings are quantitative - tonnage, fill, reasons to get a lower GRP (Gross Rating Point), TRP (Target Rating Point) or CPM (Cost Per Thousand) cost figure. The idea is to make you think you're getting a lot more than you are paying for. You wind up buying high numbers and low cost (and probably not enough sales to justify the cost) and they wind up with a schedule. (NOTE: remember that if an agency negotiates a price they get a 15% commission off the top; if you buy your own media, the media keeps that 15%. Now you know why they like dealing with you directly).

What you really need to ask them is:

“excuse me, kind person, I’m only an ignorant country person, but what do your (listeners/viewers) buy? Do they really buy my products? How often do they buy them? And what do your (listeners/viewers) really look like? Do they look like my customers? Please be so kind as to elucidate on these simple questions?” (As they lift themselves up on one elbow from the floor, you continue...) “Would you be so kind as to look at the pins I have in this map and tell me how well you reach these simple, loving people?... And people like them? Oh, kind person, how much will the cost be then?”.

It does not take long to figure out that they’ll probably skedaddle quicker than Rush’s Lancers at Cold Harbor. No, they won’t be gone entirely, they’ll probably drop their lances and shoulder plates for carbines and sabres before they charge again. And charge again they will. (This time we’ll change tactics and ambush them).

This time “they” will probably counterattack with a computer-run using Cluster-Plus (a system based on geodemographics, remember that?), tied to their diary returns, which indicates what products they do well with. Okay, good strategy. But that gives us a perfect opportunity to drawn down on them from covered positions:

“Excuse me, kind person, since I’m STILL only an ignorant country person, could you explain, to this simple mind, how a statistically unreliable sample can be extrapolated to cover the entire (listener/viewer) audience? Could you be so compassionate as to explain what YOUR geocoded audience buys or needs? Not to mention how all this relates to MY customers? *So you see, instead of saying things simply, everybody wants to impress with “I know more than (they/you) do”.*

Now, what it really comes down to is this: I have spent two precious columns saying a whole lot, when it could be said quite succinctly, by you - to them:

“Could you explain that to me in language I can understand?”



Remember, it's not the pretty uniforms and parades that win a war, it's logistics and tactics and capacity. Above all, it is knowing your enemy and having a commitment to winning that can often turn the tide.
