23 JUL 2020

Maximising your media budget

Nick Slaymaker, Mediacom's Global Chief Investment Officer, highlights the new areas of opportunity for better media value.

There are three universal truths about media trading when times are tough. Firstly, certainty and an ability to commit cash buys advantage and better deals; secondly, you can ask for more because things that were once impossible are no longer so; and thirdly, people will remember how you behaved for a long time after the downturn is over.

These rules apply as much to our current COVID-induced downturn as they have to any traditional recession from the past. What’s different from previous tough times is the fragmented nature of the media available to advertisers and the changes to consumer behaviour or content availability caused by lockdown.

Each market has its own dynamics but globally we have moved from a sellers’ market to a buyers’ market, creating a range of opportunities across a fragmented landscape. The goal for brands should be to identify the places that offer the best value when it comes to reaching their desired audiences.

This is not about purely finding cheap media but understanding how and why the right media can be better value today. It’s not even always about smart negotiation or relationships because auction platforms are also seeing falling demand and lower prices. There is no cost of entry or exit from an auction, so lower clearing rates provide opportunities for advertisers.

Finding better media value allows brands to either boost their share of voice or stick to their old plans and divert money to new opportunities or the bottom line.

Gaining advantage through smart buying means focussing on five key areas:

1. Advertisers should be willing to commit early with core partners while also pushing them on pricing and flexibility. Media owners who are struggling to find revenue will be willing to incentivize those who are willing to guarantee spend.
2. Media directors should where possible hold back some budget to play the late market, auctioning the investment to the media owner who will offer the best package that reaches their target markets. Advertisers should be flexible and adapt according to what’s on the table.
3. Brands should remember that things that were once impossible can now be asked for. So if they want to trade on CPR or reach rather than traditional currencies that media owners have offered, they should push

for change to ensure the trading currency aligns more closely with business KPIs.

4. They should integrate linear, digital, and connected TV channels to ensure that you have a holistic approach across all audio-visual content. Viewership that peaked during lockdown is likely to fall across many platforms so the ability to move money around in the search for value will be critical.
5. Advertisers should continue to seek new channels to get their message across to consumers. Many of the newer media owners and channels are offering additional value for new budgets.

A downturn in demand represents an opportunity to build a step-change in value and create a business advantage via a strategic approach to media buying.

The changes brands make now will pay off both in the short-term as well as the longer-term, when it comes to relationships, currencies and building best practice when it comes to identifying the best value way to reach the target audience.

BLINK