

Prophecy II: continued from the cover

"Prophecy II is the first media planning system to use neural networks for this purpose," says Jon Swallen, senior vice president and co-director of UM Knowledge. "Neural networks grew out of research into artificial intelligence. Neural nets are terrific for modeling complex interactions among many variables, such as those that characterize consumer awareness of advertising. For this task, they're a huge improvement over traditional regression techniques."

Kingdom launch of MSN, the Web portal.

First, Prophecy II was used to determine a feasible level of ad awareness that could be achieved, given a defined ad budget and a set of media costs. Next, the system evaluated two alternative plans against the brand's awareness goals. Option I included a launch flight in October followed by bursts at Christmas and in April. Option II involved a launch flight in October and a consolidated, heavier flight in April/May. The

PROPHECY II CLIENTS CAN SET AWARENESS GOALS BASED ON MORE PRECISE, RELEVANT CRITERIA.

Prophecy II can also be used in situations where no historical awareness data exists, making the tool even more flexible. Normative estimates of how awareness builds and declines can be used instead to calculate and predict future awareness. With or without historical data, the result is the same—a superior, powerful tool for helping media planners determine the best way to schedule TV weight.

Prophecy II has many success stories to tell. Most impressive: the tool's ability to refine awareness goals and then evaluate alternative TV media plans against that goal. That's exactly how UM used Prophecy II when planning the United

concern: assessing the tradeoff between higher media costs at Christmas versus a longer hiatus with no advertising.

Prophecy II showed that while Option II achieved higher peak ad awareness, Option I delivered more gross awareness over the entire campaign. "Option I was chosen and implemented," states Swallen. "Our MSN client was extremely pleased that Universal McCann could prove that the expensive Christmas flight would not compromise overall awareness goals." The result: an optimized TV schedule, developed and evaluated against objective criteria, and consistent with the brand's marketing strategies.

forum



MEDIA INTELLIGENCE FROM UNIVERSAL McCANN

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UM TOOL: PROPHECY II

Taking the Guesswork Out of Advertising Awareness



Predicting advertising awareness levels—and actually achieving them—has traditionally relied more on intuition than science. Until now. While good judgment will always be a significant part of the planning process, it is no match for Universal McCann's latest solution, Prophecy II. This proprietary tool models the relationship between GRPs and advertising awareness, undertaking "what if" analysis with a level of sophistication and statistical power that is as revealing as it is new.

Prophecy II reduces the guesswork in setting and scheduling TV weight to achieve a given awareness level. Using neural network modeling, the tool examines brand tracking information collected from past TV campaigns. As part of the modeling process, a core piece of software assesses all data inputs and excludes any figures that are statistically irrelevant to the analysis.

OUR POINT OF VIEW



Tough times require smarter solutions—and this past year leaves us much to be proud of. The results of our ever-expanding knowledge base and dedicated, human talent are more evident in our clients' achievements than ever.

Forum will serve as a showcase for our collective genius. Over the next year, this newsletter will spotlight what makes Universal McCann North America the world's best media services company. The objective of our launch issue: to provide a platform for sharing ideas and viewing great creative media work using our latest proprietary systems and tools.

Dedication, top talent, intelligence and foresight characterize the UM community. It is our people who developed UM's sophisticated systems and tools to function as individual parts of an integrated whole. The four tools profiled here support each stage of UM's proprietary media-marketing process; provide insights and ideas; help optimize investments; and ensure that every media program is as effective and efficient as possible.

Each tool has a unique role in our business and epitomizes our company's philosophy: to translate our unique insights and understanding of the consumer's relationship with media into effective ideas and accountable communications solutions that differentiate and build our clients' brands.

Murray Dudgeon
Executive Vice President
Worldwide Operations Director
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UM NEW HIRES & PROMOTIONS

NEW YORK NEW HIRES

EVP, DIRECTOR OF GLOBAL SYSTEMS DEVELOPMENT **Greg Smith**
SVP, DIRECTOR OF NATIONAL BROADCAST **Annette Cerbone**

The following people were promoted since September 2001:

LOS ANGELES PROMOTIONS

MEDIA PLANNER **Melissa Yearta**
MEDIA SUPERVISOR **Ruth Behr**

NEW YORK PROMOTIONS

MEDIA PLANNER **Kathryn Counts**
Brian Jung
Victoria Lehnert
Jennifer Mayer
Corrine Shaffer
MEDIA SUPERVISOR **Ealain Ng**
George Price
Pallavi Kumar
NATIONAL BROADCAST BUYER **Jessica Edelman**
NATIONAL BROADCAST SENIOR BUYER **Dan Derian**
VICE PRESIDENT

SAN FRANCISCO PROMOTIONS

MEDIA PLANNER **Eileen Peng**
Sean Mason
Anna Tse

UM ANNIVERSARIES

20 YEARS OF SERVICE

ATLANTA **Loretta Faison**
NEW YORK **Anne-Marie Genua**

15 YEARS OF SERVICE

NEW YORK **Susan Nathan**

5 YEARS OF SERVICE

DETROIT **Kevin Terlescki**
LOS ANGELES **Tom Szczepanski**
NEW YORK **Robert Allaire**
Claudia Baricevic
Sandy Bovis
Marian Cicollelo
Cynthia Colbert
Christine Decker
Pamela LaGuardia
Brian Stack
Chuck Thompson
Charles Valan
Meredith Winston
SAN FRANCISCO **Robert Martin**



Greg Smith



Annette Cerbone



Susan Nathan



Dan Derian

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Tracking How Consumers Watch, Read, Buy and Live... **Globally**



The mind of the consumer is elusive and tantalizing territory. For clients of Universal McCann, however, this domain is now yielding its innermost secrets in unique and quantifiable ways. The reason: Media in Mind, a pioneering study that matches consumers' daily lives with media consumption.

Media in Mind (MIM) looks into consumer attitudes and opinions, product purchasing behavior and media consumption habits—all the areas where

the sample is census-balanced and statistically projectable.

"MIM is completely customized around the needs of UM clients," explains Project Director Karen Ring. The success stories are as varied as the consumers they study. Working with client Buitoni, MIM identified a new conceptual target comprised of people who live their lives on the go, make the most of moments they have, and appreciate good food. "Called 'Life Embracers,' the new target now had a head, a heart and a wallet," says Neal Lucey, associate managing director of UM, Los Angeles.

Paxil, an anti-depressant marketed by SmithKline Beecham, also benefited from MIM's insights.



MEDIA IN MIND "EAVESDROPS" ON ADULTS AND TEENS IN 20 COUNTRIES.

syndicated studies fear to tread. Now going into its fourth wave, MIM enables planners to zero in on "conceptual" targets that are based on mindset rather than simple demographics.

This ongoing research program "eavesdrops" on adults and teens in 40 countries. The heart of the survey is a 7-day diary. A first of its kind, the diary reveals sensitive "day-in-the-life" information: who consumers are with, where they go, activities, media habits, and mood—all in half-hour intervals. After the diary, respondents complete an extensive questionnaire on attitudes, lifestyle, media usage, values, and attitudes towards advertising. The data is stored in a powerful, single-source database;

Besides identifying a target that suffered from social fears and anxieties, the research discovered that these people were interactive and responsive readers, listeners, and viewers; heavy users of in-home shopping venues; and heavy consumers of all in-home media.

These findings helped form the centerpiece of the subsequent advertising, which featured talk shows, aspirational characters, settings, entertainment and chat rooms. The result: within one hour of the first commercial airing, over 200 calls were placed to the 1-800 hotline. The entire \$25 million campaign paid for itself with revenues from the first month of activity.

Tying Media Reallocation to **ROI**



Clients have long sought increasing levels of accountability. Less than a year ago, a new tool quickly rose to the occasion. Its main objective: to measure media mix ROI.

Media INvestment Tool (MINT) analyzes media activities in great detail to help clients reallocate their advertising dollars more effectively. In three to five days, this model provides guidance in rebalancing the media mix to achieve gains in ROI of as much as 10%. Says MINT Project Director Marston Allen: "MINT's power lies in its turnaround speed, its low cost, the unique results that are generated each time and the implications these results have for the strategic reallocation of media funds."

The model relies on historic client information, the more detailed, the better. Local market rather than national data works best. Key inputs are spending and impression/GRP detail, plus a client "success measure" such as sales figures, accounts opened or calls received.

Two levels of media plan data are analyzed. Level 1 looks at allocations across media components such as TV, radio, newspaper, and magazines. Level 2 looks at allocations within level 1 components. Depending on availability, sample data could include TV dayparts, commercial lengths and/or programming genres; radio

dayparts and/or formats; and magazine/newspaper titles and/or sizes.

MINT evaluates each level 1 component in terms of incremental sales effectiveness and efficiency. The output of MINT is easy to understand. Matrices for level 1 components indicate the relative effectiveness and efficiency of each component at driving incremental sales volume. Matrices for level 2 data indicate the relative ROI of the tactics used within a level 1 component. Results are used to guide the reallocation of funds across and within media to improve ROI. Other diagnostics for level 1 components are also helpful: Half-life data helps determine maximum hiatus periods, and response curves provide guidance on how much money can safely be reallocated from and to media before crossing a point of diminishing returns.

Because it is not an expert or benchmark model, MINT yields different results for each client, each time. "Clients love it," states Allen. "They can now plan based on ROI in conjunction with traditional media measures, which allows a much greater degree of accountability. Six months after an initial model run and reallocation, they can re-test and track progress, and fine-tune as indicated. The result is a tighter, smarter media and marketing plan."



MINT Project Director Marston Allen

Media Intelligence, Geared to Go



The problems of a difficult economy, compounded by the highly fragmented nature of the media landscape and its effect on consumer attitudes and behaviors, have increased the pressure on media users and clients to make precisely the right decisions quickly.

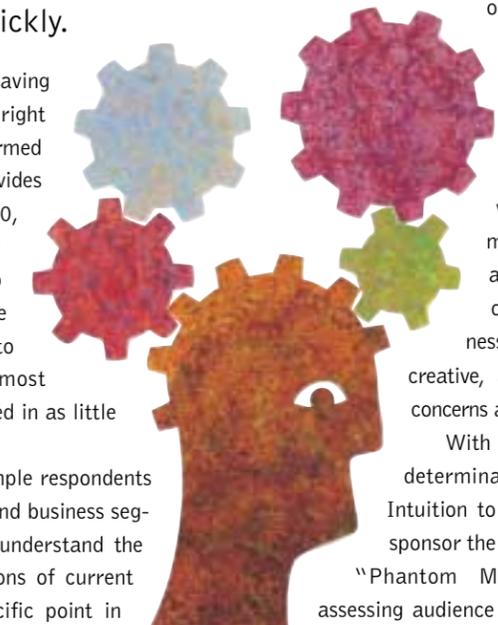
In this complex environment, having the right information at the right time is critical to making informed media choices. Intuition provides exactly that. Introduced in 2000, this proprietary, Internet-based research tool allows UM to gather real-time marketplace feedback as a reliable aid to judgment. Turnaround is almost immediate, with results analyzed in as little as four hours.

Intuition can efficiently sample respondents from 100 different consumer and business segments. Its main objective: to understand the attitudes, behaviors and opinions of current or future audiences at a specific point in time. Using it, planners can talk directly

match it to a particular medium. Dan Derian, vice president and media research manager, states: "Users can filter on any number of variables and compare and contrast between different groups. Cross-tabbing allows us to measure general media affinities against a qualitative or conceptually based target."

While custom screening is easily accommodated by Intuition, the service also prescreens on lifestyle, behavior, geographic and demographic attributes. The research is highly dynamic, customized according to client need. The applications are vast, from investigating media issues such as brand awareness, ad placement and overall advertising effectiveness, to strategic planning, creative, and account management concerns as well.

With only 24 hours to make a determination, Coca-Cola used Intuition to help it decide whether to sponsor the TV premiere of Star Wars' "Phantom Menace." The challenge: assessing audience associations with Pepsi—the original sponsor. Top-of-mind awareness



INTUITION'S MAIN OBJECTIVE: TO UNDERSTAND THE ATTITUDES, BEHAVIORS AND OPINIONS OF CURRENT OR FUTURE AUDIENCES AT A SPECIFIC POINT IN TIME.

to consumers in a relevant target group and use the data to achieve more impactful media planning and buying tactics.

Though the results are not projectable across all consumers, they allow planners to do what syndicated research does not: hone in on questions relevant to each brand's unique conceptual "footprint" and

levels among 300 respondents gave planners their answer. "Intuition proved what we'd long suspected: that Pepsi's tie in with 'Phantom' was too strong, and sponsorship was therefore not recommended," says Doug Hochstadt, senior vice president and director of Coca-Cola National Broadcast. "No other research could have told us that in 24 hours."

➤ MORE THAN 1300 NORTH AMERICAN DAILY NEWSPAPERS HAVE LAUNCHED ONLINE SERVICES.

➤ IN 2002, TOTAL U.S. AD SPENDING WILL INCREASE 2.4% TO \$239.3 BILLION, PREDICTS UNIVERSAL MCCANN'S ROBERT COEN. GLOBAL AD SPENDING WILL ALSO INCREASE 2.2% TO \$466.1 BILLION.

➤ THE AVERAGE U.S. TV HOUSEHOLD RECEIVES ABOUT 63 CHANNELS, INCLUDING BROADCAST, INDEPENDENTS AND CABLE. APPROXIMATELY 11 ARE VIEWED WEEKLY, WITH ALMOST 4 HOURS DEVOTED TO EACH CHANNEL.

➤ WHO WATCHES THE MOST TV PER DAY? WOMEN LEAD WITH 4 HOURS AND 43 MINUTES; MEN VIEW APPROXIMATELY 4 HOURS AND 8 MINUTES.

➤ MORE MONEY WAS INVESTED IN U.S. TELEVISION ADVERTISING THAN ANY OTHER MEDIUM. TELEVISION ACCOUNTED FOR 24% OF ALL ADVERTISING DOLLARS, FOLLOWED BY DIRECT MAIL (20%) AND NEWSPAPERS (19%).

➤ NEARLY HALF OF ALL TEENS ARE PAYING HIGH ATTENTION TO TV IN PRIMETIME.