



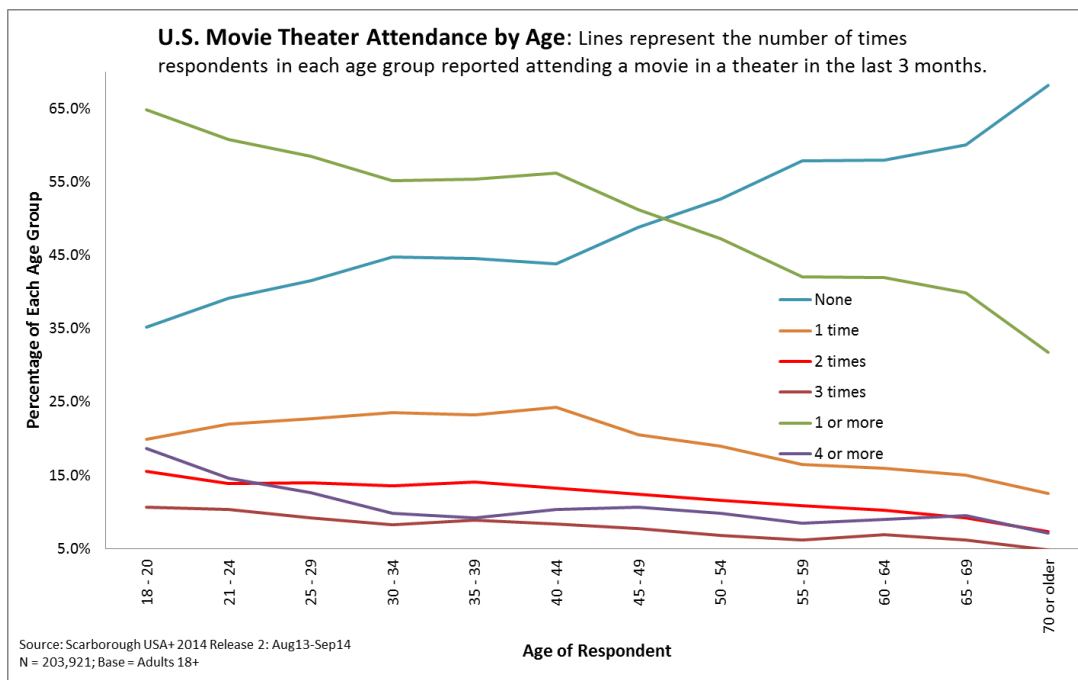
“Let’s All Go to the Lobby” The Movie Audiences and Attendance Campaign

After just two years in business, your Los Angeles-based boutique media agency has landed its largest account: the Movie Audiences and Attendance Campaign (MAAAC) sponsored by a coalition of motion picture producers and movie theater operators.¹ The objective of the campaign is to increase trips to the theater by adult moviegoers over the age of 18. The national campaign has a budget of \$60 million for six months, July through December. Your job is to use consumer and media research to (1) identify the target audience(s), (2) understand how the targets use media, and (3) plan how the \$60 million media budget should be spent over the six months. The production of creative content is not your responsibility, although MAAAC is looking for your thoughts on what kinds of creative elements should be produced.

How Hollywood looks at movie audiences

You are in the process of reviewing market research about who goes and doesn’t go to movies. One of the things you’ve learned by talking to the MAAAC clients is that many Hollywood producers and marketers use a traditional audience segmentation model called the “four boxes.” It divides potential moviegoers into four quadrants based on gender and age with the age break traditionally set at 25 years. Film producers want to appeal to at least two of the four boxes, e.g. a so-called “chick flick” might be targeted at women younger than 25 and women older than 25. A movie intended to appeal to all four corners could end up being a blockbuster “tent pole” film.²

For the purposes of this campaign, MAAAC is not requiring media decisions to be based on the traditional four boxes model. They have tasked you to recommend target audiences for adults 18+. Market research data clearly show a decline in movie attendance as age increases (see graph below), but you will have to decide what role age and gender will or will not play in your definition of target audiences.

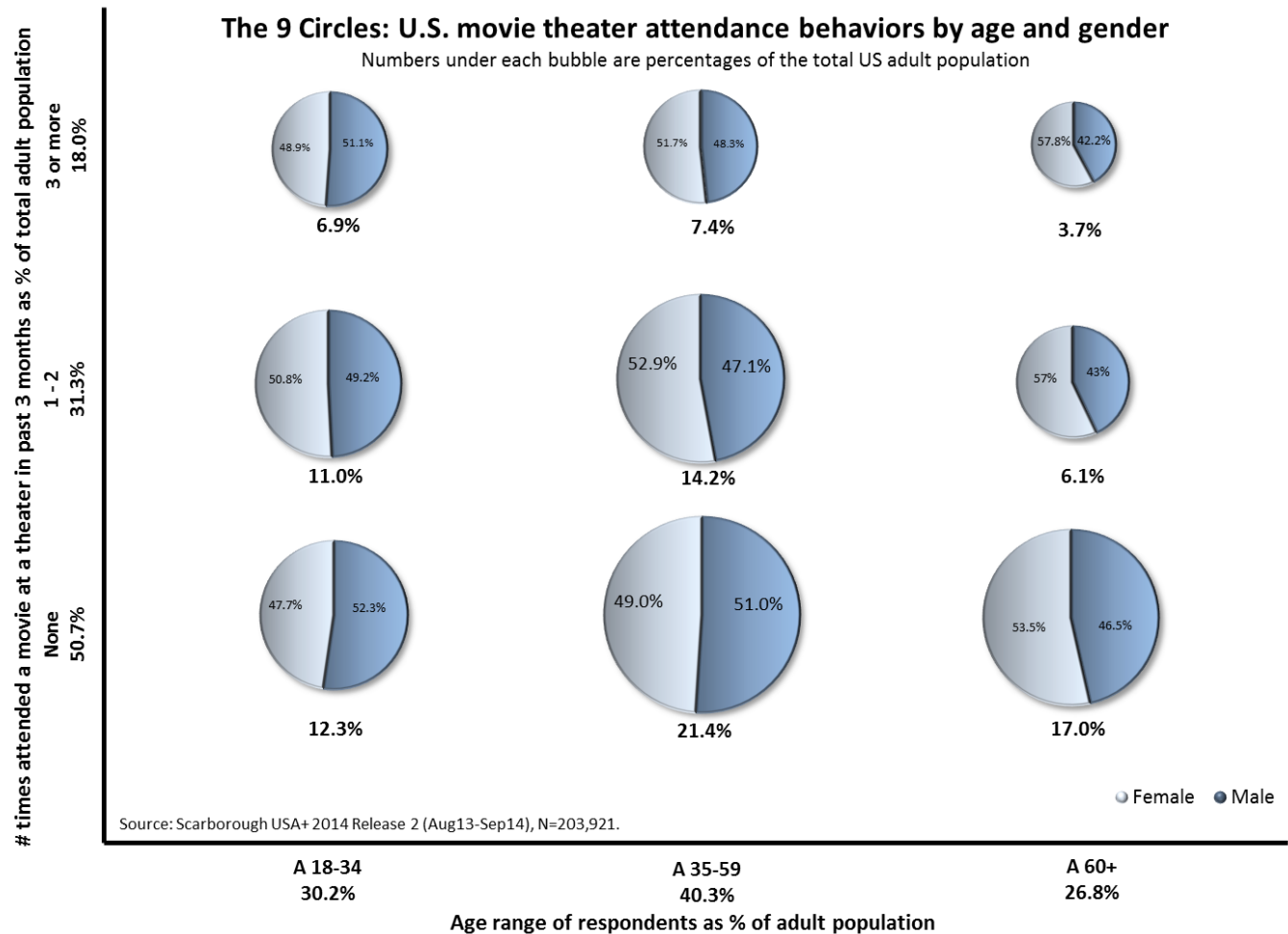


¹ The Movie Audience Attendance Campaign is fictitious and not based on any actual industry organization or marketing initiative. Research data is drawn from consumer studies and may have been edited for the purposes of this case study exercise. Students are encouraged to augment the provided data with their own research. © 2015 by the authors and the Washington Media Scholars Foundation. May be reproduced only by permission.

² See http://en.wikipedia.org/wiki/Four-quadrant_movie
<http://screencraft.org/2013/11/22/four-quadrant-film-10-essential-elements/>

Identifying possible target audiences

Your agency research department subscribes to large-sample consumer research surveys such as Scarborough, MRI, and comScore.³ One of the segmentation ideas they're pitching you is called the "nine circles," based on their analysis of 203,921 adult interviews conducted by Scarborough Research. Looking at the vertical axis, you see that 18% of American adults say they've been to a movie theater three or more times in the past three months, 31% say they've been once or twice, and 51% haven't been at all. The horizontal axis shows three age segments while the size of the bubble is proportionate to its percentage of the U.S. adult population. Gender is represented by the pie chart in each bubble. The largest segment, 21.4% of adults, say they haven't been to the movies in three months and are 35-to-59 years old. The group is divided almost equally between women (49%) and men (51%).



Several of your MAAAC clients, accustomed to the 4-boxes model, have been talking about targeting based on age and sex demographics. Most movie advertising skews toward a younger target, but some theater owners are saying that the key growth demo is 35-59 with higher disposable incomes who are able to spend more on new premium concession stand offerings.⁴ Meanwhile some members of your research team argue that targeting is best done on the basis of movie attendance without regard to age or gender. It will be up to you to review the available research data and decide who you want to target with MAAAC advertising.

³ <http://www.scarborough.com/> <http://www.gfkmri.com/> <http://www.comscore.com/>

⁴ Concession sales account for more of a theater's income than ticket sales which are split with the movie's owners. See <http://entertainment.howstuffworks.com/movie-distribution2.htm>

You've asked your research group to prepare a series of cross tabulation tables for you based on the Scarborough survey data. Your plan is to work through all 4,400+ rows of data to better understand moviegoers and non-goers, and to evaluate your targeting alternatives.

You open up your crosstabs in Excel and start with the movie attendance questions in rows #14-52.⁵ You note (cell D5) that 18.1% of American adults say they have been to a movie 3 or more times the past 3 months. These heavy moviegoers number about 43.9 million out of the estimated total adult population of approximately 243 million at the time the survey was completed.⁶

You notice that heavy moviegoers are also early moviegoers who don't mind the crowds on opening weekends – 21.5% of heavy moviegoers attend on opening weekends compared to just 8.9% of all adults.⁷ In other words, heavy moviegoers are 2.4 times more likely to go on opening weekends. This is indicated by the index score of 241 (cell D9). Consumer researchers frequently use index scores to compare a subgroup to the overall population. The index score is calculated by dividing 21.5% by 8.9% = 2.41 and then multiplying by 100 = 241. As you read through the many data tables, you scan the columns looking for index values that are particularly high or low. This can quickly draw your attention to potentially informative data points.

| | A | B | C | D | E | F | G |
|----|--|------------|-------------|---|------------|----------------------|-----------------|
| 1 | | | | No. Movies Attended at a Theater in Past 3 Months | | | |
| 2 | | | All Adults | 3+ Movies | 1-2 Movies | Did Not Attend Movie | 1+ movies (A+B) |
| 3 | Total | Target Pop | 242,977,984 | 43,883,008 | 75,993,839 | 123,101,137 | 119,876,847 |
| 4 | | Vert % | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| 5 | | Row % | 100.0% | 18.1% | 31.3% | 50.7% | 49.3% |
| 6 | | Index | 100 | 100 | 100 | 100 | 100 |
| 7 | Movies - when usually seen at a theater past 12 months | | | | | | |
| 8 | Opening weekend | Vert % | 8.9% | 21.5% | 11.8% | 2.6% | 15.4% |
| 9 | | Index | 100 | 241 | 132 | 30 | 172 |
| 10 | After opening weekend, but within first two weeks of opening | Vert % | 25.8% | 47.6% | 39.2% | 9.7% | 42.3% |
| 11 | | Index | 100 | 185 | 152 | 38 | 164 |
| 12 | After the second week | Vert % | 23.2% | 28.0% | 39.6% | 11.3% | 35.4% |
| 13 | | Index | 100 | 121 | 171 | 49 | 153 |
| 14 | Did not attend new movie | Vert % | 42.1% | 2.8% | 9.3% | 76.3% | 6.9% |
| 15 | | Index | 100 | 7 | 22 | 181 | 16 |

⁵ Crosstabs are provided in both Excel and PDF formats. Crosstabs include 16 columns. Only five columns shown here. Rows shown here are different from the actual crosstab files provided.

⁶ Note that population projections are only approximate and are best rounded when reported (e.g. 43.9 million instead of 43,883,008.)

⁷ Because of the Scarborough survey's very large sample size (N=200,000+), it is acceptable to report percentages to the first decimal place (e.g., 8.1%).

How Movie Audiences use Media

To get an overall sense of how your potential target groups use media, you first look at the media quintiles data starting on row #1745 of your crosstabs. Quintiles break a population into five roughly equal groups of about 20% each. The 1st quintile is the heaviest user of a particular media as measured by time spent with each. The 1st and the 2nd quintiles are the most important measure of media heaviness – for example, the top 40% of radio listeners account for 80%+ of total radio listening according to some sources. For online usage, the numbers are similar. For television, the top 40% account for 70%+ of total TV time.⁸

| | | All Adults | 3+ Movies | 1-2 Movies | Did Not Attend Movie | 1+ movies | Age 18-34 & 3 or more times |
|---|--------|-------------|------------|------------|----------------------|-------------|-----------------------------|
| | Proj | 242,977,984 | 43,883,008 | 75,993,839 | 123,101,137 | 119,876,847 | 16,749,231 |
| | Vert % | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| | Horz % | 100.0% | 18.1% | 31.3% | 50.7% | 49.3% | 6.9% |
| | Index | 100 | 100 | 100 | 100 | 100 | 100 |
| Radio Quintile - National | | | | | | | |
| Radio 1st Quintile (heaviest) | Vert % | 19.1% | 20.6% | 20.1% | 18.0% | 20.3% | 20.5% |
| | Index | 100 | 108 | 105 | 94 | 106 | 107 |
| Radio 2nd Quintile (heavy) | Vert % | 20.2% | 23.1% | 21.3% | 18.6% | 21.9% | 23.0% |
| | Index | 100 | 114 | 105 | 92 | 108 | 114 |
| Radio 3rd Quintile (medium) | Vert % | 20.2% | 21.2% | 21.1% | 19.3% | 21.1% | 22.3% |
| | Index | 100 | 105 | 104 | 96 | 105 | 110 |
| Radio 4th Quintile (light) | Vert % | 20.2% | 19.8% | 19.9% | 20.6% | 19.9% | 20.3% |
| | Index | 100 | 98 | 98 | 102 | 98 | 101 |
| Radio 5th Quintile (lightest) | Vert % | 20.2% | 15.3% | 17.6% | 23.6% | 16.8% | 13.9% |
| | Index | 100 | 76 | 87 | 117 | 83 | 69 |
| TV Quintile - National | | | | | | | |
| Television 1st Quintile (heaviest) | Vert % | 19.1% | 16.1% | 15.4% | 22.5% | 15.6% | 9.2% |
| | Index | 100 | 84 | 80 | 118 | 82 | 48 |
| Television 2nd Quintile (heavy) | Vert % | 20.2% | 19.7% | 19.4% | 20.9% | 19.5% | 13.9% |
| | Index | 100 | 97 | 96 | 103 | 96 | 69 |
| Television 3rd Quintile (medium) | Vert % | 20.2% | 20.4% | 21.1% | 19.6% | 20.8% | 18.4% |
| | Index | 100 | 101 | 104 | 97 | 103 | 91 |
| Television 4th Quintile (light) | Vert % | 20.2% | 22.2% | 22.7% | 18.0% | 22.5% | 26.5% |
| | Index | 100 | 110 | 112 | 89 | 111 | 131 |
| Television 5th Quintile (lightest) | Vert % | 20.2% | 21.6% | 21.5% | 18.9% | 21.5% | 32.0% |
| | Index | 100 | 107 | 106 | 94 | 106 | 158 |
| Internet use Quintile - National | | | | | | | |
| Internet use 1st Quintile (heaviest) | Vert % | 19.1% | 23.1% | 21.9% | 16.0% | 22.3% | 30.5% |
| | Index | 100 | 121 | 115 | 84 | 117 | 160 |
| Internet use 2nd Quintile (heavy) | Vert % | 20.2% | 25.0% | 22.8% | 16.9% | 23.6% | 28.4% |
| | Index | 100 | 124 | 113 | 84 | 117 | 141 |
| Internet use 3rd Quintile (medium) | Vert % | 20.2% | 22.4% | 21.7% | 18.5% | 22.0% | 21.7% |
| | Index | 100 | 111 | 107 | 92 | 109 | 107 |
| Internet use 4th Quintile (light) | Vert % | 20.2% | 18.0% | 20.6% | 20.8% | 19.7% | 14.3% |
| | Index | 100 | 89 | 102 | 103 | 97 | 71 |
| Internet use 5th Quintile (lightest) | Vert % | 20.2% | 11.5% | 13.0% | 27.8% | 12.4% | 5.2% |
| | Index | 100 | 57 | 64 | 138 | 61 | 26 |

Skimming the page, you highlight four cells that jump out at you. Heavy moviegoers, particularly those aged 18-34, are also heavier Internet users. Moviegoers are slightly heavier users of radio but are not overall heavy users of television. You want to run a multi-media plan, so you will have to pick your television placements carefully. You proceed to review the rest of the media usage data in your crosstab deck.

⁸ Based on the authors' review of MRI quintile data. Other estimates may vary slightly.

Budgeting and Planning

After defining your targets and getting a sense of how they use media, you begin evaluating budget alternatives – what media will you purchase each month during the six month campaign, and how many total adult impressions and target audience impressions will you achieve?

Your media buying group has pulled together tables of planning costs for many different types of media, including some types that you may not use.⁹ An example of the planning cost data is shown below describing different types of TV programs. Targets in this example are heavy moviegoers. The highest indexing program format is reality dating – your research estimates that 27% of viewers will be heavy moviegoers. Since only 18% of all adults are heavy moviegoers, the index for reality dating is 150, topping the chart.

On the right, you open up a scratch pad worksheet to do some basic media math. Reality dating looks like it could be part of your TV mix but it is on the pricey side. If you bought 200 million adult impressions, it will cost you \$3.4 million gross dollars.¹⁰ Your 200 million impressions will yield about 54.2 million target impressions among heavy media goers. Expressed as a percentage, target impressions are 124% of the target universe. In media lingo, you've bought 124 target rating points (TRPs) at an average cost of \$27,419 per TRP.

| Movie Audiences and Attendance Campaign (MAAAC) Media Planning Costs and Audiences | | Attended 3+ Movies | |
|---|---|-----------------------------|-------|
| | Avg Planning Costs per 1000 adult 18+ impressions (CPM) | As Horiz% of Media Audience | Index |
| TELEVISION (:30) | | | |
| Combined Broadcast & Cable TV (by program type) | | | |
| Reality - dating | \$17 | 27.1% | 150 |
| Late night talk | \$9 | 24.3% | 135 |
| Science fiction | \$13 | 24.3% | 135 |
| Music videos | \$10 | 24.2% | 134 |
| Reality - talent | \$15 | 24.0% | 133 |
| Dramas | \$12 | 23.5% | 130 |
| Novelas | \$31 | 22.0% | 122 |
| Movies | \$5 | 21.8% | 121 |
| Mystery/suspense/crime | \$12 | 21.8% | 121 |
| Comedies | \$18 | 21.3% | 118 |
| Documentaries | \$5 | 21.0% | 116 |
| Kids shows | \$6 | 20.9% | 116 |
| Reality - adventure | \$14 | 20.3% | 113 |
| Sports | \$23 | 19.9% | 110 |
| National/network news | \$11 | 19.5% | 108 |
| Daytime talk shows | \$7 | 19.3% | 107 |
| Game shows | \$4 | 19.2% | 106 |
| Court shows | \$6 | 18.9% | 104 |
| Local news - late | \$12 | 18.5% | 102 |
| Local news - morning | \$7 | 17.1% | 95 |
| Religious (adjacencies only) | \$3 | 16.7% | 92 |
| Daytime soap operas | \$8 | 16.3% | 90 |
| Local news - evening | \$10 | 16.2% | 90 |

What happens if you spend \$3.4 million on reality dating shows to reach adults who have been to 3+ movies in past 3 months?

Reality dating. CPM Adults 18+ \$ 17

A18+ impressions purchased 200,000,000

Gross cost 3,400,000

Est. percent of adult impressions that will hit 3+ movies target 27%

Est. target impressions 54,200,000

Total universe of adults who attend 3+ movies 43,883,008

Target impressions as a percent of universe 124%

Target Rating Points (TRPs) 124

A18+ impressions 200,000,000

Total universe A18+ 242,977,984

A18+ Rating Points (GRPs) 82

⁹ Note: planning costs provided are for the purposes of the case and are not intended to represent current negotiated CPMs in market.

¹⁰ Students are assumed to know the difference between gross and net media costs. All planning is done in gross dollars.

Case Competition Deliverables

Your agency has to prepare a proposal for the MAAAC. It is unclear exactly what the final spreadsheet and summary will end up looking like, but you want to include the following:

- a. A month-by-month media plan in an Excel spreadsheet. The columns will be months. The rows will be different media vehicles that you want to include in the plan. The spreadsheet will show how much money you will spend each month on each different type of media, how many impressions you will get each month, and estimate your total gross rating points over the course of the campaign.
- b. Summary tables and graphs for your presentation to the MAAAC investors. These will show the thinking and analysis behind your budget recommendations.
- c. A memorandum that includes a narrative description of the proposed media plan along with any supporting tables or graphics. You should keep the memo to 10-15 pages long, including any tables or graphs that you decide to insert.

Table A: Movie theater attendance behavior of U.S. adults

| | | Number of times attended movie at a theater past 3 months | | | | | |
|------------------------|---------|---|--|------------|------------|------------|-------------|
| | | All Adults | 4+ times | 3 times | 2 times | 1 time | None |
| All U.S. Adults | Proj | 241,532,596 | 26,402,107 | 18,932,941 | 29,488,568 | 46,775,637 | 119,933,343 |
| N = 204,604 | Vert % | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| | Row % | 100.0% | 10.9% | 7.8% | 12.2% | 19.4% | 49.7% |
| | Total % | 100.0% | 10.9% | 7.8% | 12.2% | 19.4% | 49.7% |
| | Index | 100 | 100 | 100 | 100 | 100 | 100 |
| Men | Proj | 117,395,770 | 13,033,004 | 8,892,478 | 14,175,977 | 21,914,502 | 59,379,809 |
| | Vert % | 48.6% | 49.4% | 47.0% | 48.1% | 46.9% | 49.5% |
| | Row % | 100.0% | 11.1% | 7.6% | 12.1% | 18.7% | 50.6% |
| | Total % | 48.6% | 5.4% | 3.7% | 5.9% | 9.1% | 24.6% |
| | Index | 100 | 102 | 97 | 99 | 96 | 102 |
| Women | Proj | 124,136,826 | 13,369,103 | 10,040,463 | 15,312,591 | 24,861,135 | 60,553,534 |
| | Vert % | 51.4% | 50.6% | 53.0% | 51.9% | 53.1% | 50.5% |
| | Row % | 100.0% | 10.8% | 8.1% | 12.3% | 20.0% | 48.8% |
| | Total % | 51.4% | 5.5% | 4.2% | 6.3% | 10.3% | 25.1% |
| | Index | 100 | 99 | 103 | 101 | 103 | 98 |
| Adults 50 or older | Proj | 109,307,891 | 9,648,498 | 6,780,245 | 10,741,925 | 16,889,523 | 65,247,700 |
| | Vert % | 45.3% | 36.5% | 35.8% | 36.4% | 36.1% | 54.4% |
| | Row % | 100.0% | 8.8% | 6.2% | 9.8% | 15.5% | 59.7% |
| | Total % | 45.3% | 4.0% | 2.8% | 4.4% | 7.0% | 27.0% |
| | Index | 100 | 81 | 79 | 80 | 80 | 120 |
| Adults 18 - 49 | Proj | 132,224,705 | 16,753,609 | 12,152,696 | 18,746,643 | 29,886,114 | 54,685,643 |
| | Vert % | 54.7% | 63.5% | 64.2% | 63.6% | 63.9% | 45.6% |
| | Row % | 100.0% | 12.7% | 9.2% | 14.2% | 22.6% | 41.4% |
| | Total % | 54.7% | 6.9% | 5.0% | 7.8% | 12.4% | 22.6% |
| | Index | 100 | 116 | 117 | 116 | 117 | 83 |
| Men 50 or older | Proj | 51,005,893 | 4,546,196 | 2,984,829 | 4,748,657 | 7,504,077 | 31,222,134 |
| | Vert % | 21.1% | 17.2% | 15.8% | 16.1% | 16.0% | 26.0% |
| | Row % | 100.0% | 8.9% | 5.9% | 9.3% | 14.7% | 61.2% |
| | Total % | 21.1% | 1.9% | 1.2% | 2.0% | 3.1% | 12.9% |
| | Index | 100 | 82 | 75 | 76 | 76 | 123 |
| Men 18 - 49 | Proj | 66,389,877 | 8,486,808 | 5,907,649 | 9,427,320 | 14,410,425 | 28,157,675 |
| | Vert % | 27.5% | 32.1% | 31.2% | 32.0% | 30.8% | 23.5% |
| | Row % | 100.0% | 12.8% | 8.9% | 14.2% | 21.7% | 42.4% |
| | Total % | 27.5% | 3.5% | 2.4% | 3.9% | 6.0% | 11.7% |
| | Index | 100 | 117 | 114 | 116 | 112 | 85 |
| Women 50 or older | Proj | 58,301,998 | 5,102,302 | 3,795,416 | 5,993,268 | 9,385,446 | 34,025,566 |
| | Vert % | 24.1% | 19.3% | 20.0% | 20.3% | 20.1% | 28.4% |
| | Row % | 100.0% | 8.8% | 6.5% | 10.3% | 16.1% | 58.4% |
| | Total % | 24.1% | 2.1% | 1.6% | 2.5% | 3.9% | 14.1% |
| | Index | 100 | 80 | 83 | 84 | 83 | 118 |
| Women 18 - 49 | Proj | 65,834,828 | 8,266,801 | 6,245,047 | 9,319,323 | 15,475,689 | 26,527,968 |
| | Vert % | 27.3% | 31.3% | 33.0% | 31.6% | 33.1% | 22.1% |
| | Row % | 100.0% | 12.6% | 9.5% | 14.2% | 23.5% | 40.3% |
| | Total % | 27.3% | 3.4% | 2.6% | 3.9% | 6.4% | 11.0% |
| | Index | 100 | 115 | 121 | 116 | 121 | 81 |
| Potential MAAC Targets | | 18.7% | Attended 3 or more movies in last 3 months | | | | |
| | | 31.6% | Attended 1-2 movies in last 3 months | | | | |
| | | 49.7% | Did not attend a movie in last 3 months | | | | |

