



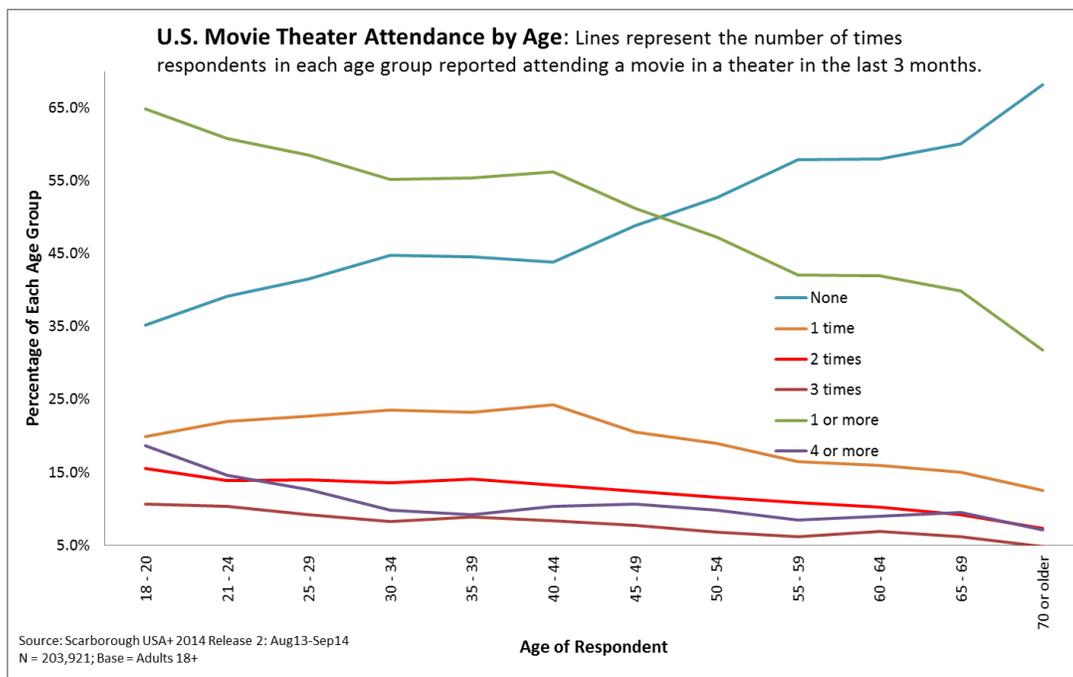
“Let’s All Go to the Lobby” The Movie Audiences and Attendance Campaign

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.

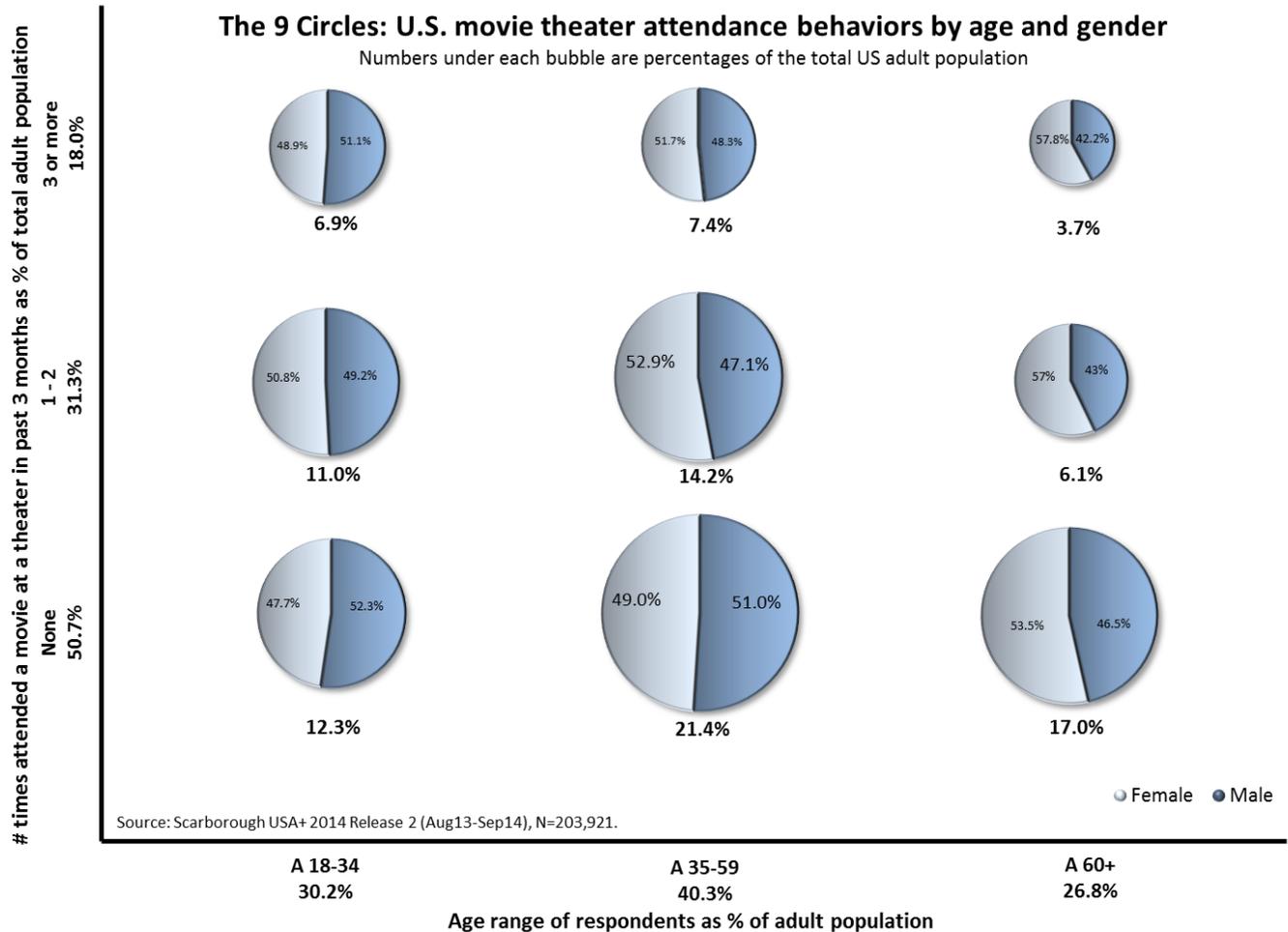


¹ The Movie Audience Attendance Campaign is fictitious and not based on any actual industry organization or marketing initiative. Research data is drawn from consumer studies and may have been edited for the purposes of this case study exercise. Students are encouraged to augment the provided data with 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	
TELEVISION (:30) Combined Broadcast & Cable TV (by program type)	Avg Planning Costs per 1000 adult 18+ impressions (CPM)	As Horiz% of Media Audience	Index
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 N = 204,604	Proj	241,532,596	26,402,107	18,932,941	29,488,568	46,775,637	119,933,343
	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			

