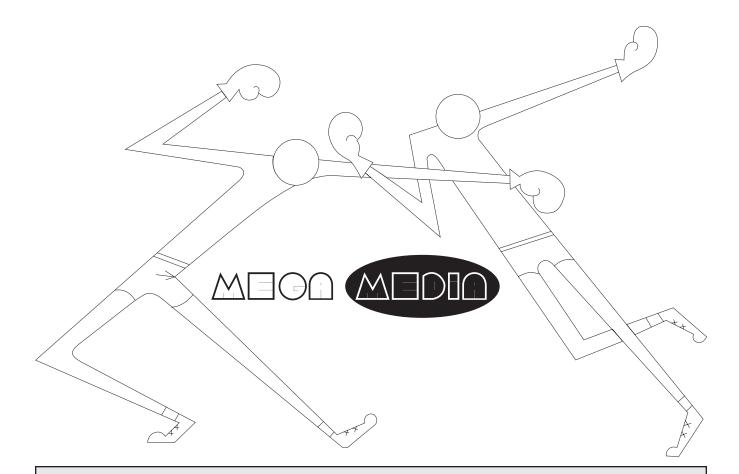


Goals of Media Management System

The following is a systematic advertising management program geared to make your advertising more efficient.

Guarantee: Mega Media's: Media Management System will save advertiser's money, should you demonstrate that we were unable to save you at least double your system investment, Mega Media will refund the amount of this program in full. This said our program will:

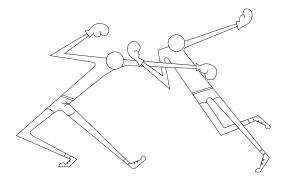
- 1. Familiarize company's with advertising's unique and complex language.
- 2. Organize marketing efforts in a formidable, organized media strategy.
- 3. Develop formulas through inter-media comparison to determine standard advertising efficiencies.
- 4. Evaluate current media spending efficiency to negotiate advertising rates more cost efficiently.
- 5. Develop mathematical models to determine Cost Per Thousands, Cost Per Rating Points, Reach and Frequency.
- 6. Create standardized forms to manage advertising media efficiency in a consistent manner.
- 7. Create credibility and relationships in broadcast as an authority to negotiate the most efficient rates possible.
- 8. Build models for demographic and psychographic segments to create more impactful advertising messages.
- 9. Provide systems for post-analysis to meet or exceed media efficiency.
- 10. Provide Barter, Vendor or CO-OP opportunities to increase advertising revenues and subsequent demographic audiences.



MEDIA MANAGEMENT SYSTEM

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Copy Number:	For:	





Prepared by: Dan L. Oliver Media Information and Analysis Division of Meaa Media, Inc. Copyright: Mega Media

Introduction: Publication of Mega Media's, Media Management System coincides with a period of dramatic need for media organization systems and

negotiating tools to consistently manage advertising campaigns and improve media efficiently dramatically.

This organizer has been developed to utilize the advertising professionals time in the most efficient ways possible. The average business non-advertising professional and even many advertising professionals that purchase advertising are generally ill prepared to negotiate effective rates. There a unique language and system associated with the effective use of media planning, sometimes laborious and tedious nonetheless a well calculated program will guarantee improvements in increasing audience levels dramatically. Generally, these improvements when scheduled properly will increase bottom-line sales. The exceptions if any could be in recessionary periods or highly competitive factors. Adjustments, to compensate for these factors however should meet or exceed the desired results.

The Advertising-Media Management System and Advertising Dayplanner provides a wealth of quantitative as well as qualitative data on television and radio planning activities as well as competitive media data.

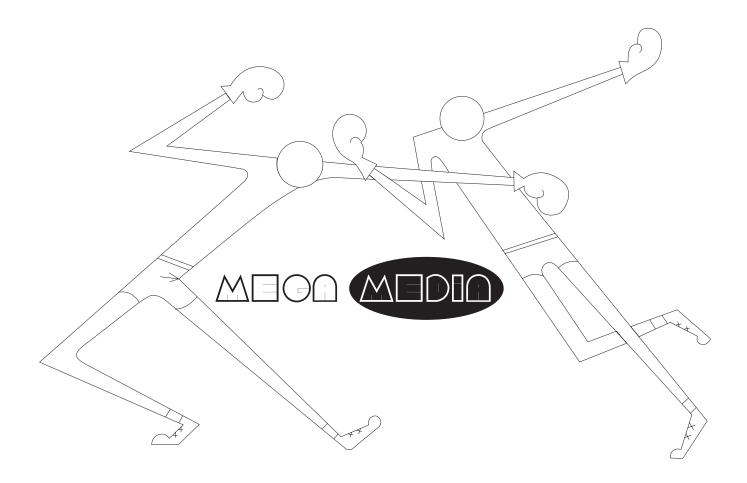
Organized Planning... Planning involves the use of three managerial tools:

- 1. Objectives: Statement of the task one wishes to accomplish.
- 2. Strategies: Is the means prescribed for obtaining the objective.
- 3. Tactics: Are the specific, detailed activities required for implementation of the strategy.

It goes without saying that the material presented in this system cannot be utilized as a sole means for media planning. Additional implementation requires careful integration from information provided by your account executives, marketing, research and creative elements. We also acknowledge the transitory nature of specific media data as the media universe continues to change. The explosion of Cable and computer E mail provides advertising opportunities into the 21st century. Updated Media Management Systems therefore will be available annually.

So plan your day and work your plan, and you will become better organized, more successful and a more professional media planner and negotiator.

> Dan L. Oliver Senior Vice President-Executive Director Media Information & Analysis Division Mega Media, Inc.



Understanding Media

The purpose of understanding advertising media is to manage your media and advertising campaign in the most logical manner possible. Advertising has a language all its own, most people would never pretend to be a lawyer in a court trial or attempt to repair an automobile without the proper knowledge, experience or appropriate know how.

Why then do we consider ourselves sufficiently prepared to plan advertising without the proper training to monitor and manage a successful media plan. Maybe its a matter of being exposed to so much advertising that we believe we are experts ourselves, maybe it comes from overseeing all aspects of our business and attaining good to marginal results based on sales, or the ego associated with everyday life experiences of negotiating many products and services at well reasoned value. Nobody wants to think that they are not capable of being a good negotiator if our business livelihood has been tied to managing and negotiating every aspect of those daily activities. Even, many advertising professionals themselves are ill prepared and lack the appropriate knowledge and detail planning to maximize media with the proper tools and follow through. Maybe its even the lack of energy and effort required to plan efficient advertising.

To negotiate and plan effective advertising and media campaigns requires, organization, evaluation, thorough knowledge of the language, continuity and predetermined standards of media value attained to negotiate advertising rates that are based on parity guidelines. This essentially means that advertising must meet or exceed predetermined cost efficiencies when comparing all media versus specific demographic delivery when comparing all media. Advertising rates therefore will meet these standards, or they will not be purchased.

Besides the hundreds of elements to understand effective media planning and buying which we will go into in detail, the primary elements of successful advertising are:

- Determining Demographic and Psychographic Segments.
- Determine Objectives, Strategies and Tactics for Product or Service.
- Understand outside economic factors that influence sales.
- Evaluating Cume or Gross Audience...Reach of Vehicle.
- Evaluating Current Cost Efficiency....Cost Per Thousand, Cost Per Rating Point.
- Evaluate Frequency attained with individual and total media schedules.
- Evaluate Weekly, Monthly, Quarterly, Annual Sales.
- Evaluating Media Delivery...Ratings, Circulation, Etc.
- Compare all Media Value on a common basis.
- Determine the optimum reach and frequency needed to maximize audience and avoid media waste.
- Set predetermined media efficiency standards that all advertising must achieve.

The first step of evaluating media is to compare all advertising on a like basis, most vehicles will say you can't compare apples and oranges, this not true. All advertising whatever there demographic preferences attain a determinable Cost Per Thousand based on that segment. All media also has a determinable effective reach and frequency. In order for some vehicles to be purchased, predetermined standards will set rates in order to be considered. These standards guarantee continuity and parity of cost for all media to attain. These factors will guarantee value and generally secure sales improvements, however economic factors and the effective value of an audience impression may vary based on the qualitative audience of a particular vehicle. This system will however:

- 1. Effectively determine improved media cost efficiencies.
- 2. Set standards for all media to attain.
- 3. Provide a manageable system that will continue to provide a negotiating tool to secure results.

The common denominator of all advertising is Inter-media Comparison: The purpose of inter-media comparison is to create a common measuring device which allow us to compare all advertising on the same basis.

Aside from this, the factors that influence media efficiency are:

- Supply of Vehicle.
- Demand of Vehicle.
- Current State of Economy.
- Impact of the creative message.
- Flighting of schedule.
- Sales share of product category.

The primary objective of Media Management System {MMS} is to maximize audience opportunities.

This is done by posturing the media against one another and understanding thoroughly, methods for setting audience standards to exceed current delivery of media.

Primarily this is done by:

- 1. Evaluating present efficiencies of print and broadcast media to make logical and imformed buys, understanding:
 - a. Reach
 - b. Frequency
 - c. GRP's Gross Rating Points
 - d. CPP's Cost per Rating Points
 - e. Gross Audience Impressions
 - f. CPM's Cost per Thousands
- 2. Setting standards for media improvements versus available advertising and media budget budget.

For example, there are two ways to do this:

- 1. By maintaining the current level of audience with a reduction in budget. {Set an audience goal by determining Gross Impressions delivered at the budget level and at what CPP or CPM goal. or
- 2. By determining an appropriate audience increase within the framework of the media budget.

First we must know exactly what our basis for comparison is. To do this takes a thorough evaluation of current media schedules and their efficiencies to determine a roadmap of posturing negotiated improvements.

These reductions or improvements will either:

- 1. Improve audience delivery with the same budget.
- 2. Maintain audience levels with reductions in budget. {or}
- 3. Set parameters for increased budgets with demographic improvements while maximizing audience and cost efficiencies.

Posturing The Media...Negotiating best available rates and audience opportunities.

Improved audience opportunities are measured by:

- Bottom Line Sales Increases
- Improvements in Gross Audience Impressions
- Quality of target audience versus product and usage categories.
- Increased Reach and Frequency
- Improved Cost Per Rating Points and Cost Per Thousands
- Sales and Distribution of Media schedule as it relates to sales improvements

The goal of Media Management System is to measure:

- 1. Current Weekly Sales
- 2. Monthly Media Budget
- 3. GRP's converted to Gross Impressions...Audience Opportunities {Convert opportunity costs and return on investment}
- 4. Convert print, radio, TV and other media to a common standard of measurement
- GRP's
- Gross Impressions
- Cost Per Point/CPP
- Cost Per Thousand/CPM
- 5. Set audience improvements or budget reductions to increase product or company sales

Generally, media sets the rates for advertising, based on inventory, market costs, competition and competitive conditions. Rate integrity will be a much bigger issue in the future with huge media conglomerates owning multiple stations in the same market. A form of colusion will be easy since one owner will own a large percentage of the media market.

Media Management System will assist retail business, and agencies in setting standards for negotiating rates. Additionally, when purchasing multiple markets setting rate parity assures that certain standards of comporable audience delivery be maintained at competitive costs. It also provides better means for comparing advertising and sales from one market to another.

HOW ADVERTISING AFFECTS PROFITABILITY AND GROWTH



FOR CONSUMER BUSINESSES

Most retailers would like to know precisely how spending affects their business or brand in its marketplace. Specifically, they want to be able to measure advertising's impact on:

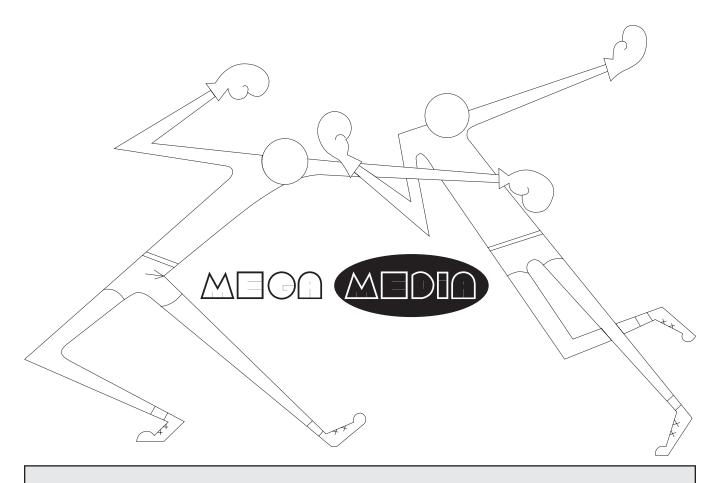
- Preceived quality image relative to competitors
 - Share of Market
 - Profitability
 - Growth

Yet most research on the effects of advertising stops far short of supplying such specific and vital information. Typically, the available data are not sufficient to measure the direct linkages between advertising, profitability, and growth. On the other hand, Mega Media's PIMS (Profit Imapact of Market Strategy) Mega Media System provides comprehensive, systematic evidence on the mechanisms by which advertising drives profitability and growth. {See Appendix A for a description of ASAP-Advertsing Strategies and Planning.

In this section we will draw more than 700 consumer businesses from this unique data base to (1) quantify general relationships from advertising to perceived quality, market share, relative price, perceived value, profitability and growth; and (2) to describe how these general relationships can be fine tuned to reflect the market environment and competitive position of specific businesses and brands.

The PIMS Competitive Strategy Data Base on consumer businesses contains business experiences ranging from consumer non-durables to consumer durables competing in different market environments:

- Rapid versus slow inflation
 - Good and bad years of the business cycle
 - Europe and North America



Post Analysis

The purpose of post analysis is to evaluate advertising efficiency with one primary goal. To convert all advertising cost to a common basis and to determine a range of value that sets rate goals based on predetermined audience delivery versus costs. Better negotiations and substantial savings should add consistency to advertising and more consistently compare market conditions and impact of creative message.

The evaluation and value of this analysis sets standards to posture media against one another, setting parity guidelines. Meaning that broadcasters must meet your rate criteria based on a set standard CPP/CPM achieved from your advertising. This may not sound important but it is this posturing that can save advertisers thousands of dollars as well as improving the amount of audience delivery. For example, let's say we measure a variety of station cost efficiencies based on our current spending levels, our target group being Adults 25-34. Based on a Cost Per Thousand Analysis, Station A CPM = \$5.00, Station B = \$10.00 while station C = \$20.00. Essentially what this says is that our most efficient standard comes in at \$5.00 while our most expensive standard comes in at \$20.00; 4x as costly as station A, to essentially reach the same target demo. From a negotiating standpoint this says that station B must deliver traffic for your product or service twice as effective as station A and C must quadruple that in comparison to station A, since proportionately they cost that much more for every thousand people reached. Now although it is difficult to say this is not possible, it is probably not probable. From a pure logic standpoint, aside from creative differences and product offers the premise of this negotiating strategy requires parity guidelines. Since station A delivers a \$5.00 CPM our goal standard will maximize our media schedule if we effectively posture stations against one another and achieve that lowest standard with others. When we do, we will reduce our media rates and improve our target delivery.

Converting Numbers...

Purpose: To compare a variety of advertising vehicles on a common basis.

The primary factors in converting media to a common factor is to measure media efficiency into demographic ratings, these ratings next can be converted to gross audience impressions. Or maybe more appropriately gross audience opportunities. Next we compare Schedule Cost ÷ GRP's = Cost per Rating Point {CPP} as well as converting the Target GRP's to a Gross Audience Delivery...GRP's x Total Demographic Population = Gross Audience Impressions (Opportunities). Next we compare Schedule Cost ÷ Gross Impressions x 1000 = Cost Per Thousand {CPM}. We can take this measure to an additional level if we desire to compare sales to audience delivery. Therefore we can determine that based on sales achieved and audience delivered that each impression was worth a determinable amount of product sales.

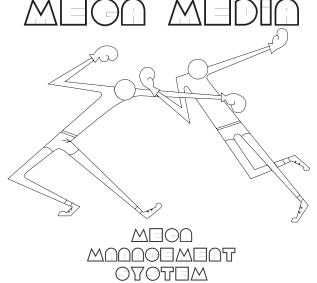
Typically, markets are purchased on CPP, however population size of market area determines the range of CPP in a market. Since a rating point represents one percent of the population, 1 percent in New York City is vastly different that 1 percent in Providence, RI. However cost versus the audience they deliver on a per thousand basis may be fairly similar even though the actual costs vary greatly. Again the good thing is our ability to compare multiple markets and to set these standards to CPP goals for parity guidelines and negotiation purposes. Preferably when dealing with multiple markets and to guarantee comporable value, CPM's offer a better picture of parity value. Once we know our standard CPM's we can always convert our standards simply to CPP. Negotiations with the media is also easier when dealing with CPP because Budget ÷ CPP = Target GRP goals. Afterall, doesn't it make sense if we are to improve media management that we set the criteria for value and make all media accountable to our standards rather than theirs. Think about it...If we are to increase traffic for our products and services don't we first need to determine our range of media value and make those on the high end meet an improved standard of those on the low end. If our range of value changes drastically it is not unusual to expect an improvement of 25 to 50%. CPM's vary that drastically.

We can next assume for improvements in future sales while assuming a goal in delivering media improvements in:

- GRP's
- Converted to Gross Impressions
- Negotiated CPP and CPM goals will lead to a bottom line improvements in sales.

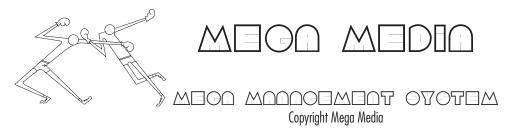
Even though we improve our audience delivery we can assume at some point that even though additional negotiated exposures increase the overall schedule and increase bottom line sales those improvements will at some point reduce the value per audience impression. Expect a determinable decrease in rate of return on value per impression, this is not important though since these improved negotiated schedules increased sales without additional expense.

For future media planning however, we may be able to reduce our media expense if we determine that a maximum Gross Audience Delivery achieves desired sales levels and we can negotiate that audience level with our budget goal.



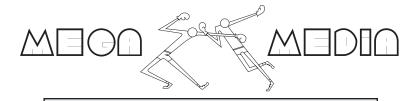
TV Station Summary Total Schedule

	Eastern Time Zones	Approx % Demo ()
	Daytime 7a-4:30p	
OTOTOM Client: Agency: Address:	Fringe 4:30-7:30p 11p-ccl Sa 2-7:30p 11p-1a Su 12n-7:30p 11p-1a	
City: State: Zip: Month:	Sports Sa/Su 12n-6p	
Market: Station:	Prime 7:30-11p	
City: Zip:	Total:	
Date:	Target Demo :	
Account Executive:email:	Average CPM Total Schedule:	
Telephone:	Total Schedule Cost:	
Fax:	Percent Range of Budget Requested:	



Client:		Agency:
Contact:		Phone:
		Spot Television-Ground Rules
The following se	et of ground ru	ules will apply to orders placed between us and your station.
		delvery as well as daypart distribution shuld be consistent with stated goals. Each Monday station or fax an agency schedule report sheets showing previous weeks advertising.
2. As stated our	r daypart distri	ibution requirements for our Demo: are:
20% in Daytir20% in Week45% in Fringe15% in Prime	ends and Spo	rts
Daypart Definiti	ons are as foll	lows
Eastern Time Zo	ones	
Prime Time:	M-Su	7:30p-10:59p
Fringe:	M-F M-Su Sa/Su	4:30p-7:29p 11p-1a 7a-7:29p
Daytime	M-F	7a-4:29p
Sports	Sa/Su	12n-6p
3. Spots prefero	ably have a m	inimum 30 minutes separation.
4. Target audier	nce delivery w	rill be based on Nielsen actuals, using rating information for each specific program that runs.
5. Commercial	rotations will b	be based on trafic instructions.
6. Should agree	ed-to-objective:	s not be met, we have the right to terminate the schedule immediately.
Please call with	any auestions	

Media Buyer



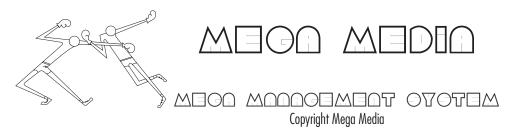
Television Post-Analysis

Weekly Spot Television Delivery

Cost:

Client:

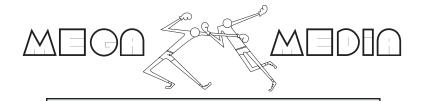
A.E.: Target Dem Universe De	o:emo Population:		Cost Per Rating Point: Gross Impressions: Cost Per Thousand: Reach: Frequency:			
<u>Date</u>	Day of <u>Week</u>	Actual <u>Time</u>	<u>Program</u>	HH <u>Rating</u>	Demo <u>Rating</u>	Demo Delivery (000's)



Please call with any questions.

Client:	Agency:
Contact:	Phone:
Spot Radio-	-Ground Rules
The following set of ground rules will apply to orders placed between us	s and your station.
Weekly Demographic () delvery as well as daypa account executive MUST email or fax an agency schedule report sheets	rt distribution shuld be consistent with stated goals. Each Monday station showing previous weeks advertising.
2. As stated our daypart distribution requirements for our Demo:	are:
 % in Morning Drive 6-10a % in Daytime 10a-3p % in Drivetime 3-7p % in Evenings 7p-12m % Overnights 12m-6a % ROS 6a-12m 	
3. Spots preferably have a minimum 30 minutes separation.	
4. Target audience delivery will be based on Arbitron, using rating inform	nation for each specific program that runs.
5. Commercial rotations will be based on trafic instructions.	
6. Should agreed-to-objectives not be met, we have the right to termina	ate the schedule immediately.

Media Buyer



Radio Post-Analysis

Weekly Spot Radio Delivery

Client:

Station: Market: A.E.: Target Demo: Universe Demo Population: Rating Source: to to			GRP's: Cost Per Rating Point: Gross Impressions: Cost Per Thousand: Reach/Cume: Frequency:			
<u>Date</u>	Day of <u>Week</u>	Actual <u>Time</u>	Program or	<u>Daypart</u>	Demo <u>Rating</u>	Demo Delivery <u>(000's)</u>
1	ı	1				i

Healthtrax International

dba: New England Health & Racquet

Flight Dates for Future Planning

Dates are subject to revision

Market: Hartford TV Broadcast Goals

Broadcast Week Begin	Broadcast Week End	Total Market Budget	A 25-54 GRP Goal	CPP A 25-54	A 25-54 Gross Impressions	CPM A 25-54
September 9/16 9/23	9/22/96 9/29/96	\$10,000	186	\$53.76	2,000,000	\$5.00
October 10/14 10/21	10/20 10/27	\$11,000	204	\$53.92	2,200,000	\$5.00
November 11/11 11/18	11/17 11/24	\$12,000	224	53.57	2,400,000	\$5.00
December 12/26 January 12/30	12/29	\$7,000	130	\$53.85	1,400,000	\$5.00
Totals		\$40,000	744	\$53.76	8,000,000	\$5.00

* Figure represents market commitment. Share of business will probably be shared up to 3 ways. Proposals should reflect schedules for these flight dates

Note: Parity Guidelines have been established in order to insure consistent value of historical planning and to maintain levels of delivery within markets to have comporable value.

In addition we are very open to trade opportunities to help reduce CPP and CPM's to these levels. We offer one year memberships at a value of \$900, six months at \$450 and monthly certificates at \$75.