Proof We Buy Media Better Parity Standards™ & VPI

BIG IDEAS

Using Parity Standards and Impression Values

When it comes to buying media, most agencies claim to be able to purchase media in the least expensive most effective manner.

Agencies claim to buy better based on their "Buying Power", "Leverage of other clients", etc, things that are intangible.

Ultimately, the best media buy is the one that has the best return on investment.

Mega Media believes we have tangible proof to demonstrate that our system is better than any agency in the United States and we have six irrefutable points to prove it.

First, and foremost the only way to determine a model is to provide a post-analysis to see where your media cost efficiencies fall so you can set a point of reference that accomplishes an improvement goal. i.e. previous CPM A25-54…$15 goal CPM…$10 (50% improvement). To do a post-analysis (determines our actual cost efficiency, CPM's and CPP's) this is a long and tedious process but ultimately provides a road map for determining :

• Current efficiencies….Actual cost of media versus audience delivery medium delivers (This provides us a benchmark to negotiate improvement). We have been able to leverage this information to improve media efficiency as much as +70%.

• Return on Investment…Revenue achieved versus sales achieved (Each dollar spent yielded (x) return).
(Agencies often look at how efficiently they purchased media (CPP) , ultimately we should be most concerned with **RESULTS**.

• Value per impression™…Mega Media's revolutionary system tracks sales revenue versus impressions delivered.
(Value Per Impression provides Mega Media with a means to track advertising results by impressions delivered as well as subjectively reviewing sales results based on program rotations and other media influences as it relates to sales and audience delivery).

• Parity Standards™…Mega Media's revolutionary and proprietary system is far superior to typical agencies dependence on Nielsen and SQAD's dependence on pricing markets and media. Parity Standards is a more consistent method based on population size. SQAD is a third party tool that provides market costs for agencies that do not know how to price it otherwise. Mega Media created a media quiz based on its observance of inadequate media buyers ability to understand the process for determining market costs beyond a third party source, telling them what it should be.

• ROI…Ratio yield of Expenditures vs. Return (i.e. every dollar spent yielded $20)

• Media Quiz is an exclusive Mega Media tool that evaluates an agencies ability and understanding of how to price markets without having a reference tool tell them what it should be. It is our belief that agency personnel are too dependent on this tool and it doesn't allow for a client to get the ultimate value that they should because of it. Parity Standards is a superior method to negotiate media because it places value on population of a market and delivery of that market, not supply and demand.

Media calculations utilized to measure ROI:
• Sales Revenue
• Media Budget
• Media Selected
• Programs chosen (Propensity to Consume index)
• Media CPP and CPM
• Market Effective Buying Income
• Rate of Diminishing Return
• Audience Impressions/Value Per Impression
• Sales Yield per Media Dollar Spent

On the next page is a **Value Per Impression™** model that measures ROI. This method includes annual sales, Value Per ImpressionROI and Sales Yield Per Media Dollar Spent. Depending on the impression value we can quantify a media buy based on specific formats and programs and ROI. The model below is for a broadcast campaign, but can be adapted for all media including newspaper, magazine, outdoor, direct mail and internet.

This example below demonstrates a **Value Per Impression™** model that measures ROI. This example includes annual sales, Value Per ImpressionROI and Sales Yield Per Media Dollar Spent. Depending on the impression value we can quantify that a media buy had certain positive or flat effect based on spikes in sales and ROI. This actual example that tracks and quantifies audience delivery, expenditures, revenue realized and ROI based on a dollar yield as well as a Value Per Impression™. Its is the most thorough, accurate and reliable service on the planet today.

2004 Restaurant Chain/Value Per ImpressionROI™

Market Size	Market	Population W2549	1% Demo	Annual GRPs	Gross Impressions	Annual Sales	Value Per Impression	Media Expense	CPM	W25-49 Actual CPP	ROI Yield Per Dollar
12	Seattle	806,632	8,066	5,873	47,373,497	$36,075,241	76¢	$716,600	$15.12	$122.02	$50.34
18	Denver	682,884	6.829	7,289	49,775,541	$27,266,111	55¢	$610,500	$12.98	$83.76	$44.66
24	Portland	513,029	5,130	7,625	39,118,461	$30,075,728	78¢	$497,000	$12.70	$65.18	$60.51
						$93,417,080		$1,824,100			

Restaurant Chain 2003 Post-Analysis Model Prior to Mega Media

Market Size	Market	Population W2549	1% Demo	Annual GRPs	Gross Impressions	Annual Sales	Value Per Impression	Media Expense	CPM	W2549 Actual CPP	ROI Yield Per Dollar
12	Seattle	806,632	8,066	5,042	40,668,772	$33,856,400	83¢	$670,500	$16.50	$133.09	$50.49
18	Denver	682,884	6.829	6,433	41,130,952	$25,983,455	57¢	$585,300	$12.88	$87.99	$44.39
24	Portland	513,029	5,130	6,098	31,282,740	$28,853,200	87¢	$455,000	$13.73	$70.46	$63.41
						$88,693,055		$1,710,800			

Summary: Above is an actual scenario posting out the previous agencies cost efficiencies compared to Mega Media's cost efficiencies and reviewing an actual ROI. This **Value Per ImpressionROI™** model for a client of ours is an actual annual evaluation of results prior to and after Mega Media's cutting edge media buying solutions.

Bottom Line

2004

Target CPP @ $15/CPM	W25-49 Actual CPP	CPM	ROI Yield Per Dollar	Budget Increase	Revenue Increase	Impression Increase
$120.99	$122.02	$15.12	$50.34	+$46,100	+$2,218,841	+6,704,725
$102.43	$83.76	$12.98	$44.66	+$25,200	+$1,282,656	+8,644,589
$76.95	$65.18	$12.70	$60.51	+$42,000	+$1,222,528	+7,835,721
				$113,300	**+$4,724,025**	**23,185,035**

2003 Prior Agency

W25-49 Actual CPP	CPM	ROI Yield Per Dollar
$152.08	$16.50	$50.49
$101.26	$12.88	$44.39
$79.61	$13.73	$63.41

Bottom Line

Budget Increase...**$113,000**

Revenue Increase...**$4.7 million**

Impressions Increased...**+23 million**

Summary: Above is an actual example of Mega Media setting Parity Standards™ and applying them to an annual buy. Media expenditures rose slightly and bottom line sales rose dramatically. Mega Media added 23 million annual impressions. At some point we will have a diminishing rate of return on Value Per Impression, but we added so mamy more impressions and the impressions appear to be of better value based on ROI of dollar yield versus dollar spent. Subsequently, sales rose dramatically.