Parity Standards™

BIG IDEAS

A Negotiation Tool To Secure Lower Rates

When Mega Media buys spot time, we are in effect, buying audience opportunities. Variables that influence audience opportunities for any specific medium are:

- Size of target audience
- Target TRPs converted to Impressions using the **Value Per ImpressionROI™** model
- Audience Demographics/Psychographics
- Audience Composition
- Effective audience delivery (versus audience waste)

Increased audience opportunities provide the advertiser with a means to maximize audience delivery. At Mega Media, we consider different media scenarios in our modeling to maximize value, either stated as a reach or frequency objective. The optimum approach to planning a media campaign is to set **Parity Standards™** which allows us to compare various mediums and markets on a like-cost basis. From the Parity Standard, we utilize this model as a guideline for negotiation, and to project effectiveness prior to the campaign.

Mega Medias **Parity Standard™** is a powerful tool, allowing us to negotiate rates, and make value judgements during negotiations to obtain the lowest rates relative to value. This model has allowed us to secure rates up to 40% less than market value.

Because each individual market is unique, Mega Media creates a regression model that introduces other variables such as Propensities to Consume Index, Target Index, Brand Development Index and Category Development Index. These indexes, along with our **Parity Standard™** model allow us to look at all markets based on a common standard. Supply and demand forces will also influence market costs, but parity guidelines establish a bar or common measurement to determine value from market to market, and medium to medium, and project a relative ROI for all markets on a common basis.

The **Parity Standard™** approach to negotiation is revolutionary and an exclusive media tool to Mega Media.

Example: Below are population estimates by demographic cell. We have taken each market's population, and determined the size of one (1) rating point, representing 1% of the population. We then create a standard CPM and CPP model allowing us to derive a Parity Standard for each market. For example, based on a $10 CPM in New York City, the CPP converts to $847.80. As another example, a $10 CPM in Bloomington, Illinois converts to a $24.50 CPP. This means that although the CPP is different in each market, the Parity Standard is the same - $10- CPM. The **Parity Standard™** model demonstrates how we can look at all markets equally, although the CPP is different, and negotiate rates based on a common CPM or **Parity Standard™**.

Establishing Parity Standards™ in Markets of Various Sizes

Campaign: 70% Reach, 4 Frequency				Extremely Aggressive		Very Aggressive		Aggressive	
Market	Population A25-54	1% A25-54	280 TRP's R/F	$5.00 CPM/CPP	A25-54 Budget	$10.00 CPM/CPP	A25-54 Budget	$12.50 CPM/CPP	A25-54 Budget
New York City	8,478,000	84,780	70%/4x	$423.90	$118,692	$847.80	$237,384	$1059.75	$296,730
Los Angeles	6,980,000	69,800	70/4	$349.00	$97,720	$698.00	$195,440	$872.50	$244,300
Chicago	3,932,000	39,320	70/4	$196.60	$55,048	$393.20	$110,096	$491.50	$137,620
San Francisco	3,063,000	30,630	70/4	$150.32	$42,088	$300.63	$84,176	$382.88	$107,206
Boston	2,629,000	26,290	70/4	$131.45	$36,806	$262.90	$73,612	$328.63	$92,016
Washington	2,562,000	25,620	70/4	$128.10	$35,868	$256.20	$71,736	$320.25	$89,670
Seattle/Tacoma	1,831,000	18,310	70/4	$91.55	$25,634	$183.10	$51,268	$228.88	$64,086.40
Phoenix	1,470,000	14,700	70/4	$73.50	$20,580	$147.00	$41,160	$183.75	$51,450
Denver	1,464,000	14,640	70/4	$73.20	$20,496	$146.40	$40,992	$183.00	$51,240
Baltimore	1,225,000	12,250	70/4	$61.25	$17,150	$122.50	$34,300	$153.13	$42,876.40
San Diego	1,194,000	11,940	70/4	$59.70	$16,716	$119.40	$33,432	$149.25	$41,790
Salt Lake City	840,000	8,400	70/4	$42.00	$11,760	$84.00	$23,520	$105.00	$29,400
Albuquerque	679,000	6,790	70/4	$33.95	$9,506	$67.90	$19,012	$84.88	$23,766.40
Omaha	417,000	4,170	70/4	$20.85	$5,838	$41.70	$11,676	$52.13	$14,596.40
El Paso	350,000	3,500	70/4	$17.50	$4,900	$35.00	$9,800	$43.75	$12,250
Bloomington	245,000	2,450	70/4	$12.25	$3,430	$24.50	$6,860	$30.63	$8,576.40
Total	37,359,000	373,590	70%/4x	$1,867.95	523,026	$3,735.90	$1,046,052	$4,669.88	$1,307,566.40