



Using Parity Standards to Evaluate Impression Value and ROI

We at Mega Media have created a methodology of evaluating and buying media that is unique, insightful, and we think, revolutionary. This methodology has been developed over years of understanding media from the inside, and developing this **Value Per Impression™** model over years of generating ROI for clients.

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

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

2004 Red Robin Real Value Per Impression ROI™ Model

Market Size	Market	Population W2549	1% Demo	Annual GRPs	Gross Impressions	Annual Sales	Value Per Impression	Media Expense	CPM	Target CPP @ \$15/CPM	ROI Yield Per Dollar
12	Seattle	806,632	8,066	5,873	47,373,497	\$36,075,241	76¢	\$716,600	\$15.12	\$120.99	\$50.34
18	Denver	682,884	6,829	7,289	49,775,541	\$27,266,111	55¢	\$610,500	\$12.98	\$102.43	\$44.66
24	Portland	513,029	5,130	7,625	39,118,461	\$30,075,728	78¢	\$497,000	\$12.70	\$76.95	\$60.51

Summary: This is a **Value Per Impression ROI™** model for Red Robin's actual broadcast buys. In this model, the quantified media goal was to realize a \$15 CPM to reach the target for each market. Since each market size is different, the target CPP at parity was between \$76 to \$120. In Denver and Portland, we significantly exceeded the \$15 CPM goal. Conversely, Seattle did meet this goal, however, the Value Per Impression and ROI was very good relative to the dollars invested. The higher CPM in Seattle was influenced by supply and demand forces. Consequently, we achieved sales of 55¢ to 78¢ for every Audience Impression we attained, and for every dollar we spent on advertising, it yielded \$44 to \$60. From this model we can determine future quantifiable media goals. To take the model further, we could apply other variables to the regression model such as outside economic indexes.

This information is proprietary and is not to be shared with any agents, competitors or third party sources.

2005 Red Robin Projected Value Per Impression ROI™ Model

Market Size	Market	Population W2549	1% Demo	Annual GRPs	Gross Impressions	Annual Sales	Value Per Impression	Media Expense	CPM	Target CPP @ \$18/CPM	ROI Yield Per Dollar
12	Seattle	806,632	8,066	4698	37,895,571	\$28,800,634	76¢	\$716,600	\$18.00	\$145.18	\$40.19
18	Denver	682,884	6,829	5831	39,818,966	21,900,431	55¢	\$610,500	\$15.00	\$104.96	\$35.87
24	Portland	513,029	5,130	6100	31,294,769	24,409,920	78¢	\$497,000	\$15.00	\$92.34	\$49.11

Summary: Above is a projected scenario utilizing the current buying philosophy which is similar to past systems that were in place prior Mega Media's analysis. This **Value Per Impression ROI™** model for Red Robin is a possible projected revenue estimate based on estimating a dollar return a likely scenario if the value of advertising remains the same while audience size is decreased. From this estimate we would estimate that advertising efficiency would decrease, value per impression in reality would decrease and actual sales would fall significantly.