**VIDEO TRANSCRIPT**

**Understanding ROS vs Fixed Positions and Posting in Media Placement**

The purpose of this lesson is to study the concept of placing advertising in what is known as fixed positions vs. ROS or run of station in media and the very important concept of Posting a media placement. This lesson will not only address differences in pricing, but will also serve to understand the concept of media delivery on audience projections.

After you finish this video lesson, you will be able to:

* Define the concept of fixed position in media placement
* Define the concept of ROS or run of station media placement
* Recognize the application of these concepts in a post analysis report
* Recognize the expected audience delivery using industry standard parameters
* Recognize the concept of underdelivery and overdelivery in media schedule
* Report the results of a post analysis of audience delivery negotiated between the advertiser and its advertising agency and the media

Let’s start with the basic terminology you need to understand this lesson.

Fixed position is when an advertiser is very specific with the media (station, print, radio, etc.) of where the advertising message is to be placed. Fixed position is generally higher in cost than ROS. The less freedom of placement the media has, and the more the advertiser dictates specifically where the advertising message is placed, the higher the cost of placement. The opposite of a fixed position is ROS.

ROS is also known as Run of Station, Run of Schedule or Run of Site (for internet websites) which means that the advertiser is allowing the station the freedom of placement with certain defined parameters. The more freedom of placement the media has of the advertising, it is generally less expensive. The opposite of ROS is fixed position. In an ROS schedule, the advertiser cannot dictate placement and has to agree on the advertising placed within the parameters stipulated for generally a lesser cost.

Rotator is the average hours of programming where the advertising will be placed. In television, it could be as wide as placing when the station signs on until it signs off, or placement limited to a few programs.

Roadblock is a scheduling technique where the advertiser’s commercial airs at approximately the same time on all or most stations in a given market. This is the most extreme of fixed position scheduling.

Post analysis report also known as "posts" or “posting”, is the report on the performance of audience delivery by the media.

Industry Standard is the expected delivery on 90% of the pre-negotiated and projected rating points, if no further parameters are discussed and set.

Makegoods are the replacement commercials or advertising that is offered by the media to the advertiser to make up for lost and agreed-to audience delivery estimates. Makegoods can happen for underdelivery of rating points or not delivering on promised audience levels by media, for advertising that did not run for any reason, or advertising that ran incorrect.

Stewardship is monitoring the advertising schedule while it is running and not waiting for the post analysis after it runs to make up underdeliveries.

Underdeliveries and overdeliveries is the performance of audience delivery by media (impressions and ratings) that above or below the projection. The result of goal “underdelivery” are makegoods or advertising “weight” used to make up for lost audience delivery, for whatever reason.

Before I start, I cannot stress how important projected audience delivery is to an advertiser’s objectives and business goals. Business goals are based on exposure levels, meaning that if an advertiser wants to sell 10% more, it has to expose the advertising message to a certain number of people. If the intended exposure goals are not achieved, the campaign will fail, the advertiser will not reach their business goals, and this is not a good scenario. This is why advertising agencies and media has to closely monitor these delivery levels, preferably by stewarding the schedule while it is airing, so underdeliveries for any reason can be addressed.

Also, let me be very clear that when I talk about goals, that means audience delivery projections. When I talk about post, this is reality, you have to look at exactly where the commercial unit ran and what Nielsen says the audience delivery is. I hope this becomes clear the more we get into the explanation.

You probably saw the video lesson on rating projections. If you haven’t, I strongly recommend that you see it before this lesson or right after to fully understand the concept of media delivery expectations. Remember that media is planned / bought and sold more than likely for future campaigns. In other words, the media that you are negotiating today will run sometime in the future. If you remember from the video lesson, you do not have a crystal ball to know exactly what the audience delivery will be so you have to use mathematical equations and your knowledge to “guesstimate” what those deliveries will be. Now fast forward to the future, the campaign runs on ratings or audience delivery “guesstimates” you did at the time of planning/buying/selling. Those audience projections, in the specific example we studied on ratings projections using the Nielsen ratings books, the accuracy of the “guesstimates” will be tested. The report that follows after a campaign runs is called a post analysis report. These “posts” as they are known, is generally a useful tool to determine the skill of a buyer and the promise of audience delivery by the media. For clients it generally serves as a report card for their advertising agencies, but their business goals are also riding on the audience delivery goals. Broadcast stations and media in general also used it to monitor their performance and deliver on their promised audience levels. An important function on behalf of the media buyer (especially) and the media seller is to steward the schedule, meaning not just to place the schedule and allow it to run, but to check on audience delivery using the overnights (where available) to test how well the ratings were projected and well the station is delivering on the negotiated projected ratings. Remember also that media sets their pricing on the “eyeballs” or impressions they deliver. The more impressions, the higher the cost of placement. The cost of placement is negotiated, the projected rating can also be negotiated as it will dictate the selling price. The only drawback is that regardless of a high projected rating to sell for a higher price, the media still has to deliver on the ratings and impressions that are agreed to. In the media and advertising industry, the expected delivery or industry standard is on 90% of the total placement. In other words, if an advertiser is running a schedule of 100 rating points (which was a projected audience delivery and agreed to between advertiser or agency and media), the media is expected to deliver on 90% of the 100 points or 90 points instead of the full 100. Please also note that the advertiser or agency can negotiate a different delivery parameter, for example if it is a buyer’s market where the buyer has the upper hand, the buyer can dictate 5% audience delivery and not the industry standard 90%. This has to be agreed beforehand during the negotiation for media to honor the delivery that deviates from the industry standard of 90%.

What is the difference between fixed and ROS, price and placement? As mentioned, the more freedom you give media to place the advertisement, generally the lower the cost. In an ROS schedule, the advertiser cannot dictate placement and has to agree on the advertising placed within the parameters stipulated. For example, a wide ROS can be for the advertising to be placed anywhere within (say) 6am and 12 midnight…anywhere means anywhere. You have to understand that each program delivers a different rating so to estimate delivery of audience, more than likely the buyer and media will calculate an average audience delivery for each program and give the each commercial placement an average rating and impressions to project delivery. The more the advertiser specifies where the advertising is to be placed, the extreme being a roadblock where the commercial runs at the exact same time in all negotiated stations on the buy, the more expensive the media inventory. Have you ever had an experienced while viewing a television program, that you “channel surf” during a commercial break and you run into the same commercial in every station you tuned into? It is probably an advertiser roadblock.

Regardless of whether you are buying fixed, ROS, projected ratings, expected delivery at 90% of goal or any other variation, the result of performance is called a post analysis and this report guides what happens next. If a station or media does not deliver the expected goal and the pre-negotiated delivery standard, say 90% of the total points, the media owes the advertiser points below 90% of the goal or negotiated ratings and impressions. In the example we used, 100 is the goal, 90% industry standard delivery is 90 points. Audience delivery below 90 points, have to be delivered in the forms of makegoods or make-up weight until the 90% of points (or whatever the negotiated standard was) as dictated by the advertiser. This is called underdelivery. Of course, media can overdeliver as well.

OK, let’s start. Refer to the video lesson PPT on Understanding ROS vs Fixed Positions and Posting in Media Placement to study the chart.

STEP ONE: Understanding the numbers and the situation

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Goal or TRPs Scheduled | Industry Standard90% | Buy achieved Points | Number of Commercials units placed | At what % did the buy post | Makegoods Owed |
| 84 Points | 76 Points | 74 Points | 12 commercials @ 7 rating average each | 88% | 2 Points |

Let’s analyze these numbers.

Goal: The advertiser and agency placed 84 rating points in various programs from the television station. Posting Standard: The advertiser and agency agreed with media to respect the 90% industry standard delivery or to make-up underdeliveries below 76 points, which is 90% of 84 point goal.

Media Placement: Twelve (12) commercial units were placed at an average of 7 ratings each from a three program rotator.

Rating Average Calculation: This means that the commercial can fall within any of the three programs in the rotator, each program delivering a different rating. The advertiser cannot stipulate how many should fall on each show because they want the discounted priced on giving the station freedom of placement. The station is placing on the supply available, but the advertiser agreed to these conditions. In this case, there were three programs each delivering a different rating, but the average of the three is 7 rating and what is agreed to between advertiser and station.

Post: The schedule aired but did not reach the intended points and delivered only 38 points, which is 75% of the goal of total points placed. The station owes the advertiser and agency 7 points for audience under-delivery below the agreed 90%.

STEP TWO Let’s define the scenario of what happened

The station agreed to an ROS schedule of three programs:

Program A with a 6 rating

Program B with a 7 rating

Program C with a 9 rating

The best method of estimating delivery for this rotator is to average all three programs and give the rotator the average rating:

 6 plus 7 plus 8 equals 21 divided by 3 programs equals 7 rating point average.

We will give the rotator a 7 average rating.

Now this is reality…The station did not have inventory on Program C, and aired 10 of the 12 commercial units in Program A and 2 of the 12 commercial units in Program B

Step THREE Posting the Media Placement based on this scenario

First, post the buy to the specific program it aired in, not the average:

Program A with a 6 rating: 6 ratings multiplied times 10 commercials aired = 60 points achieved

Program B with a 7 rating: 7 ratings multiplied times 2 commercial units aired = 14 points achieved

Program C with a 9 rating: no commercial units aired in this program

Add the ratings achieved in this rotator: 60 plus 14 equals 74 Points

The Post is 74 points and the goal was 84 points.

Second, calculate the Percentage of Post from Goal:

74 post divided by 84 points goal equals 88% of goal. The buy posted at 88% of the goal. You divide the POST results from the GOAL.

Step FOUR Negotiating the makegoods

Obviously it did not post at the agreed to 90%.

90% INDUSTRY Standard of the goal is 76 and the buy posted at 74 points.

76 points minus 74 posted points equals 2 points.

The station owes 2 points in makegoods.

Step FIVE Understanding and Reporting the Results

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Goal | Industry Standard 90% | Buy achieved Points | Number of Commercials units placed  | At what % did the buy post |  Makegoods Owed |
| 84 Points | 76 Points | 74 Points | 12 commercials @ 7 rating average each | 88% | 2 Points |

84 total Points or 12 commercial units were placed in a three program rotator delivering an average of a 7 rating. The rotator delivered 74 points posting at 88% of goal. At an Industry standard delivery of 90%, the station owed 2 points in makegoods.

Now continue practicing with the different posting scenarios provided in the video lesson PPT and always remember that you will find the answer in the full lesson PPT.

See you in the next video lesson.