

Advertising Media Effect Models in Japan:

Part I. An Academic Perspective of Practice Operational Models

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Abstract

A very famous saying from the end of 19th century attributed to Lord Leverhume, founder of the Lever Brothers Company, is, "Half of the money I spend on advertising is wasted. The trouble is I don't know which half." Even now many advertisers still consider how to invest advertising funds effectively and reduce the wasteful part of their advertising expenditures. Because the greatest portion of money is spent buying advertising time and space, media-related affairs are becoming more important in the advertising industry, regardless of the market. Media related professionals have achieved a high status in the advertising industry, and the current practices of media buying houses reflect advertisers' needs for professional media planning and buying services. Based upon the need to integrate and apply limited advertising resources in a way that produces the desired media effect, media practitioners dedicated themselves to developing media effect models in the 20th century.

Through a combination of theory and practice, this study analyzes media effect models in Japan from an academic perspective. In Part 1, the underlying philosophy of each practice operational model is discussed. Finally, in Part 2 these models are critiqued according to their effectiveness.

Key Words: Advertising, Media Planning, Media Planning Model.

Introduction

When the greatest part of the advertising budget is decided by the media effect, lots of the advertising agencies are devoted into providing the advanced media service for their clients. The media effect model is a good actual example of these media service. After the consideration about the advertising operational reality this research is focused on the advertising media effect model. Therefore under the consideration of actual research operation this research concentrates on the model of the advertising media effect. In fact it is not easy for the academics to conduct the media related research about the model of the advertising media effect. Especially when these media models already became the tool for the competition, the advertising agencies or the media buying houses would not want to provide their know-how for the academics. According to the limitation of the advanced information this research would try to achieve these research purposes:

- To explore the possible variables in the model of the advertising media effect
- To observe the application of the model of advertising media effect
- To evaluate the possibility of the model of advertising media effect

Besides the research purpose above, meanwhile, the research would display the academic meaning of the media model for the advertising industry.

The Definition of the Research Question

In 1980s there are some essays discussing the media effect models in Japan.^[1, 2] Shimizu introduced lots of foreign famous advertising effect models in his essay. There are LP I, LP II, HAMM, AD-ME-SIM, and MEDIAC developed by American advertising agencies or academicians. Meanwhile, he also displayed three main advertising effect models applied in Japan. There are DMP model 805, HAAP, and DIAP by three Japan advertising agencies. Besides Shimizu, two advertising practitioners also presented the current effect predictive models used in their agencies in Japan.^[3, 4] There are the Dentsu advertising effect predictive model and the Hakuhodo HAAP model. At the end of the 1990s, lots of the media professionals in Japan empathized the importance of the media planning system in advertising industry in Japan.^[5~14] This research would try to present the landscape of the media planning models in Japan for understanding the media planning operation system. Although there are several rough introductions about these media effect models in 1980s, it is difficult to have related information about the current development of the media planning models in Japan. This related research involves in the know-how of the advertising agency, and especially some clients' cases shouldn't be open for outside researcher. These limitations add the difficulty for conducting this research. Under considering the feasibility of the research, this research is focused on the concept dimension of media effect model. The research questions include:

- The content of the media effect model
- The procedure and the operation of the media effect model
- The application of the media effect model
- The evaluation of the possibility of media effect model from the academic perspective

Research Method

There are four parts in the research method. They are the description of the research subject, the research method, the research structure, and the research execution as the followings.

The description of the research subject: Dentsu, Hakuhodo, and Asatsu DK

As we know Dentsu, Hakuhodo, and Asatsu DK are the three greatest advertising agencies in Japan. Both of the Dentsu's and Hakuhodo's established time are over 100 years, and all of these three advertising agencies' capitals are over 35,000 million yen (see Table 1). The related advanced information about these three advertising agencies can be found on their websites. In fact these three advertising agencies compete with each other from Japan to

Table 1 The basic data of the Dentsu, Hakuhodo, and Asatsu DK

Advertising Agency	Dentsu	Hakuhodo	Asatsu DK
Established	July 1,1901	October 6,1896	March 19,1956
Capital/million yen	58,967.1	36,772	37,581.4
No of Employees (calculative date)	5621 (March, 2002)	3497 (April, 2002)	1996 (December, 2001)
Website Address	www.dentsu.co.jp	www.hakuhodo.co.jp	www.adk.jp
Applied Media effect model	DiaLog	Super HAAP	MPSS

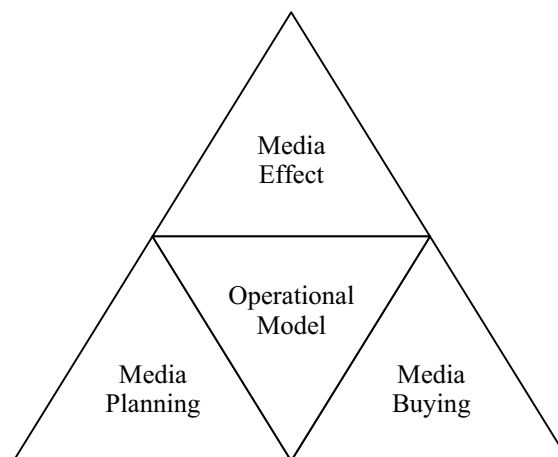
abroad. The Dentsu is famous as its detailed integrated communication power. The Hakuhodo is famous as its consumer research. The Asatsu DK is famous as its creativity of brand value and its cooperation with foreign advertising group. On their websites you also could find that all of them emphasize their media planning abilities and their applied media selection tools.

The research method: Literature review and interview

The researcher applied both research methods in this research. One is literature review, the other is specialist interview. Literature review is for the content knowledge of these media effect models in Japan, and specialist interview is for the procedure knowledge of these media effect models.

The research structure

Because the attribute of this research is descriptive, thus it would not provide the substantial research structure here. But it is needed to present concept of this research here for analyzing. Here is a triangular concept structure. Basically the operational model is the practice of the media effect; it links the main parts of the media professions-media planning and media buying. Practically, the operational model is the integrated instrument of the media working. It bases on the media professional, and is directed by the media effect.

**Figure 1 The Outline of the Concept of this Research**

This research tried to display the latest development of the media operational model for the academic and hopes to search the theoretical implication for the practitioners.

The research execution

Basically this research conducted four interviews with these persons from August 2002 to January 2003, they are Kazuya Kusumoto (Research Director Media Research Department

Media Lab Division, Dentsu), Yuichi Numata (Vice Manager Marketing System Group, Asatsu DK), and Masaaki Tomita (Executive Manager, R & D Division, Hakuhodo).

Data Analysis I

The main result of this research is presented in five dimensions. There are introduction, basic elements, differences, application, and the critiques about the media effect model in Japan.

Dentsu's DiaLog

The entire name of DiaLog is Dentsu intelligent system for accountable and Logical solutions.^[16] It is announced an optimal and effect media plan generating system. The origin of DiaLog can be traced back to the developing of DMP Model (Dentsu Media Planning Model) in 1960s.^[3] The structure of this system, which is an integrated system, consists of the optimizer and the simulator. The multi media optimizer is applicable to Television, Radio, Magazine, Newspaper, OOH, and Internet. The media planner is able to generate cost efficient multi media package and allocate budget to each medium for maximum effectiveness with the multimedia optimizer. Besides the simulator is an advertising effectiveness forecasting model. This advertising effectiveness forecasting model is weekly basis; the maximum period can be extended to 52 weeks. The media plan can calculate its effect like 'reach', 'frequency', 'GRP', 'effective reach'. Through the simulator the media planner is able to identify with the target audience's awareness and comprehension of the advertising message. Actually the DiaLog itself integrates the media planning operation; it is based on related advertising statistics and the media planner could directly set some certain conditions as his need. After that the DiaLog would provide the optimal plan as media selection's reference. Meanwhile through the simulator of the DiaLog the media planner would evaluate the possible effect of the media plan he made. Figure 2 presents the relationship between the optimizer and the simulator of Dentsu's DiaLog.

In general the media planning is operated with the computer in advertising industry now.

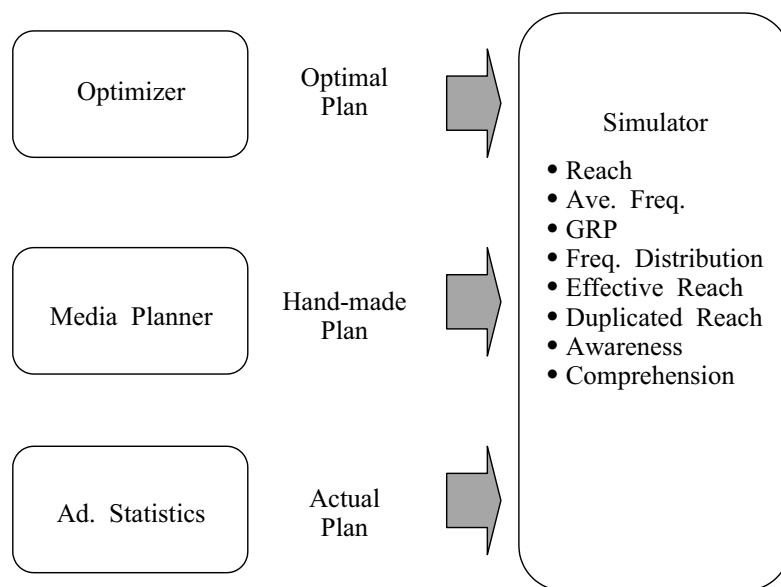


Figure 2 The Relationship b/w Optimizer and Simulator of Dentsu's DiaLog

Therefore the development of the computer operation system relatively influenced the media planning practice. Most of the media effect model is operated under the Window circumstance, and retrieve the needed index from the database by network. The information technology integrates the operation of the media planning on the same platform in the computer. Dentsu's DiaLog did provide the media planner an operation instrument helping to enhance the efficiency of the media planning. The whole operation process is described as the following Figure 3.

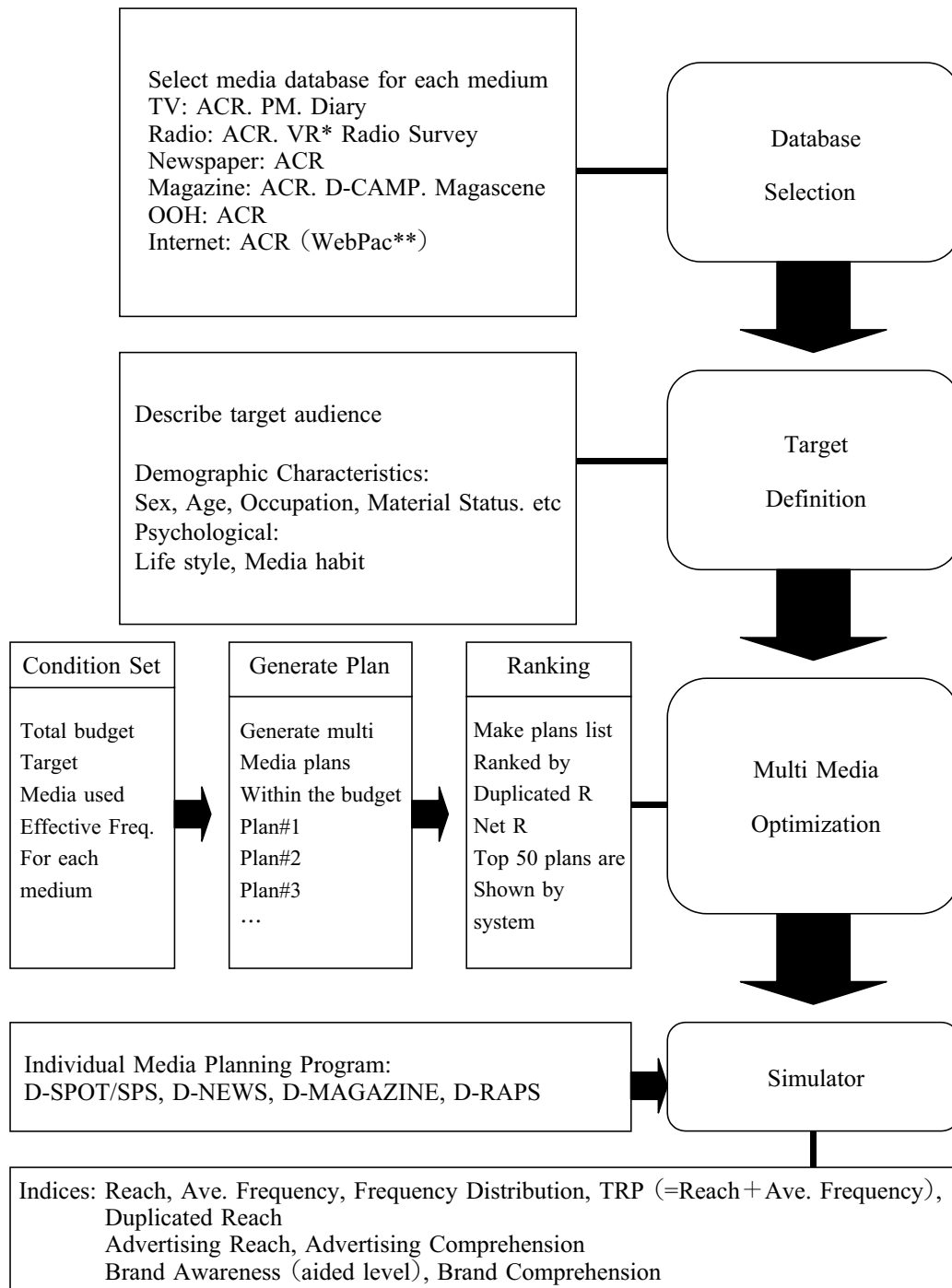


Figure 3 The Operation Process of Dentsu's DiaLog

Hakuhodo's Super HAAP

Basically Hakuhodo's media planning is based on ACR database which includes purchase and usage behavior, media contact behavior, and individual attributes.^[17] There are three models for media selection in Hakuhodo; they are MACROS, MMMixer, and Super HAAP. The main function of the MACROS is the evaluation of the advertising vehicle. It could provide four kinds of the related analysis indices for the media planner as the following. There are vehicle contact ranking analysis, basic vehicle indices analysis, audience component ratio analysis, and readership analysis by target.

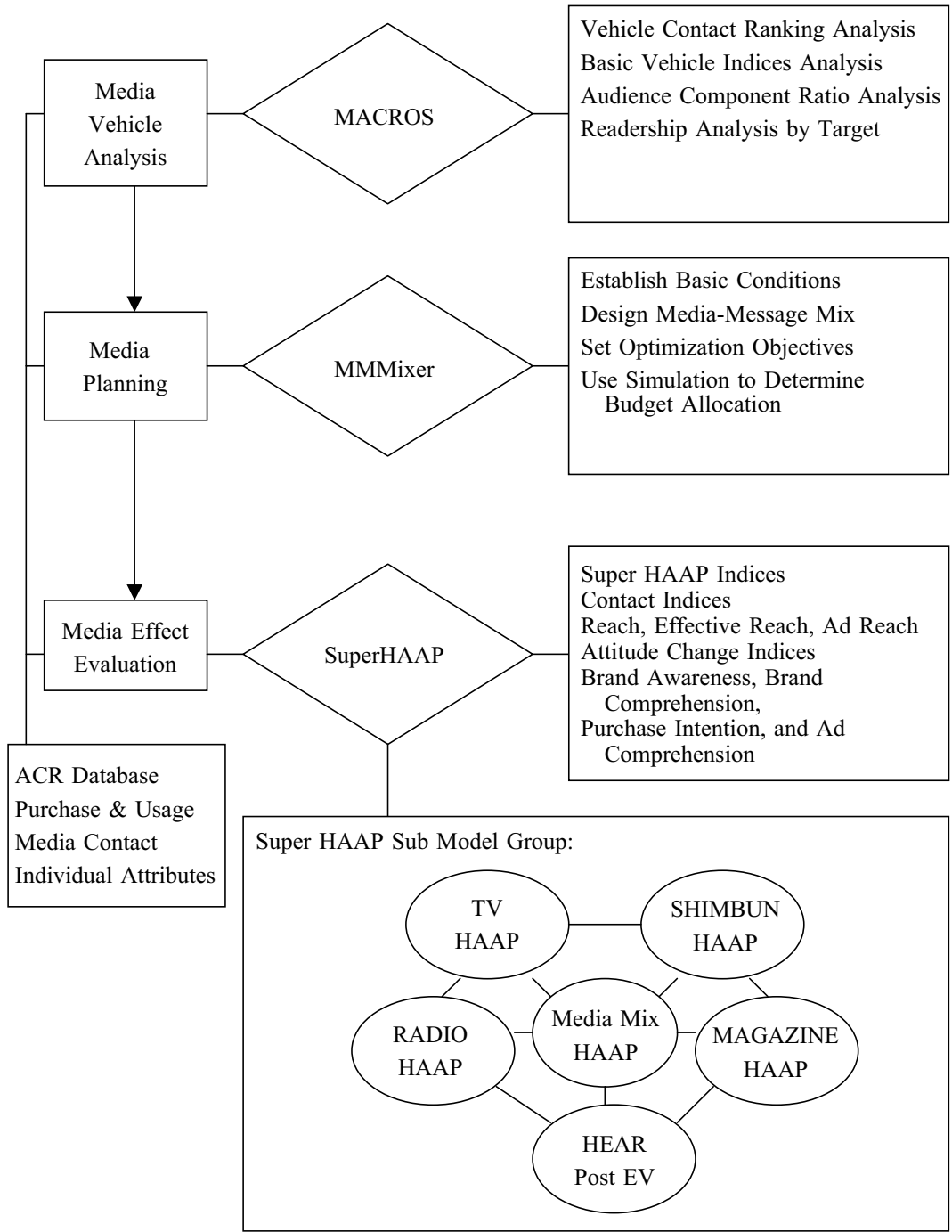


Figure 4 The Operation Process of Hakuhodo's Media Selection Models

Likewise the major task of the MMMixer is the media mix and budget allocation. The operation steps of the MMMixer orderly are **establishing basic conditions, design media-message mix, set optimization objectives, and use simulation to determine budget allocation.** In addition Hakuodo's Super HAAP stems from HAAP (Hakuodo Approach to Advertising Planning). David A. Aaker (The founder of the ADMOD) assisted to develop the HAAP.^[4] The two key functions of the Super HAAP are optimization and simulation. There are lots of subsystems in Super HAAP. They are divided by the media attribute. There are media mix HAAP, TV HAAP, Radio HAAP, SHIMBUN HAAP, and Magazine HAAP.

The Super HAAP is based on the individual consumer-level simulations; the Super HAAP conducts realistic simulations with decay rate, advertising attention rate, and other factors taken into account. The indices which are provided by Super HAAP include:

- **Contact indices:**
 - Reach, Effective Reach, Advertising Reach.
- **Attitude Change Indices:**
 - Brand Awareness, Brand Comprehension, Purchase Intention, Advertising Awareness

Hakuodo's media selection models also provide the media planner an operation instrument helping to enhance the efficiency of the media planning for their clients. The whole operation process is described as the following Figure 4. The functions of these three models are media vehicles analysis, media planning, and media effect evaluation. In fact in 1999 Hakuodo announced their media planning operation system 'MEDIWIN'. (see Figure 5)^[15] From strategy making, optimization, to media plan execution the MEDIWIN integrated these media planning practice cycle into one single operation system. This new media planning instrument is explained a total media planning solutions of Hakuodo for the competition.

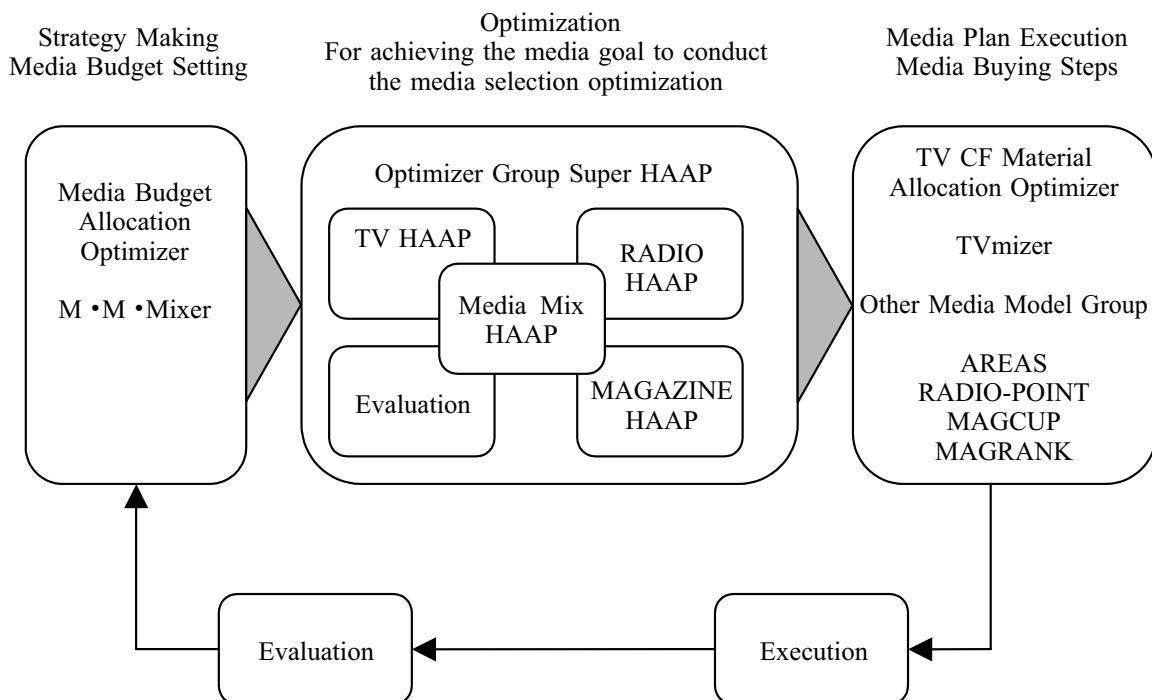


Figure 5 The model groups of Hakuodo's MEDIWIN planning cycle

Asatsu DK's MPSS

Fundamentally the MPSS is embedded in the structure of the brand value that is the main proposition of Asatsu DK.^[18] The Figure 6 presents MPSS's instrumental position in the ADK brand value creation assistant system.

MPSS is a media planning assistant system, and it assist the media planner developing the media strategy, conducting the pre-evaluation, monitoring the execution of the advertising, and post-evaluating the media plan execution. The systems of the MPSS are divided into 2 groups — individual media and multi-media.

The following Table 2 is the name of these systems. In fact these systems are used in the different stage of the media planning. Especially the television system is paid much attention because television usually is the main media for most advertising campaigns in Japan.

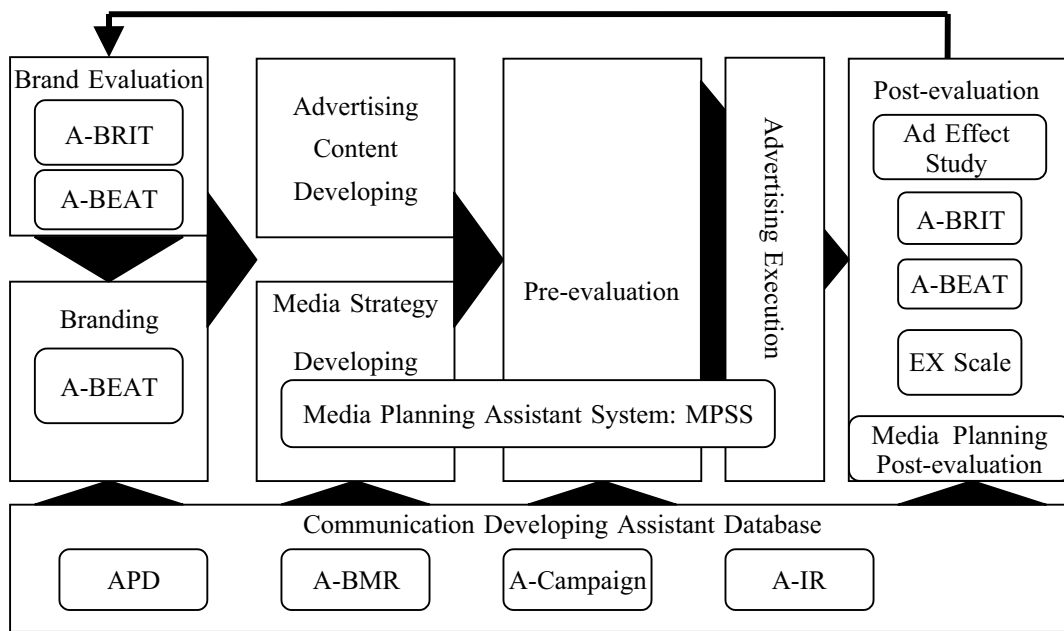


Figure 6 ADK Brand Value Creation Steps & Assistant System

Table 2 The Names of the MPSS's System

Media Type	System	Complete Name
Multi-Media	AD-Navi	Advertising Statistics System
	Media-Cross	Media Data Cross Cumulative system
	AMP4	Advertising Effect Simulator
Television	Rating-Navi	TV Rating Retrieve System
	TV-Navi	TV R&F Optimizer
	Spot-Navi _{pro}	TV Spot Optimizer
	Spot-Navi	TV Spot Projection, Audience Rating Retrieve System
	Spot-Wizard	TV Spot Material Distribution System
Newspaper	NP-Navi	Newspaper Cost Simulator
Magazine	MG-Navi	Magazine Integrated Database Optimizer
Internet	Web-Navi	Internet Advertising Planning System
Traffic	TR-Navi	Traffic Advertising Planning System

In general, the multi-media system belongs to the integration of the media planning operation. The four components of the media planning are audience, budget, competitors, and vehicles. The eternal objectives the media planner seeks for are communication effectiveness and cost efficiency. Therefore, the systems of the MPSS serve for these needs of the media planner.

Combined the real operation of the media planning with the MPSS system the operation process of the MPSS would be presented. Figure 7 displays the interactions of the MPSS systems in the media planning practice. The television media planning is emphasized in the MPSS systems particularly, it can operate independently from media planning to media buying.

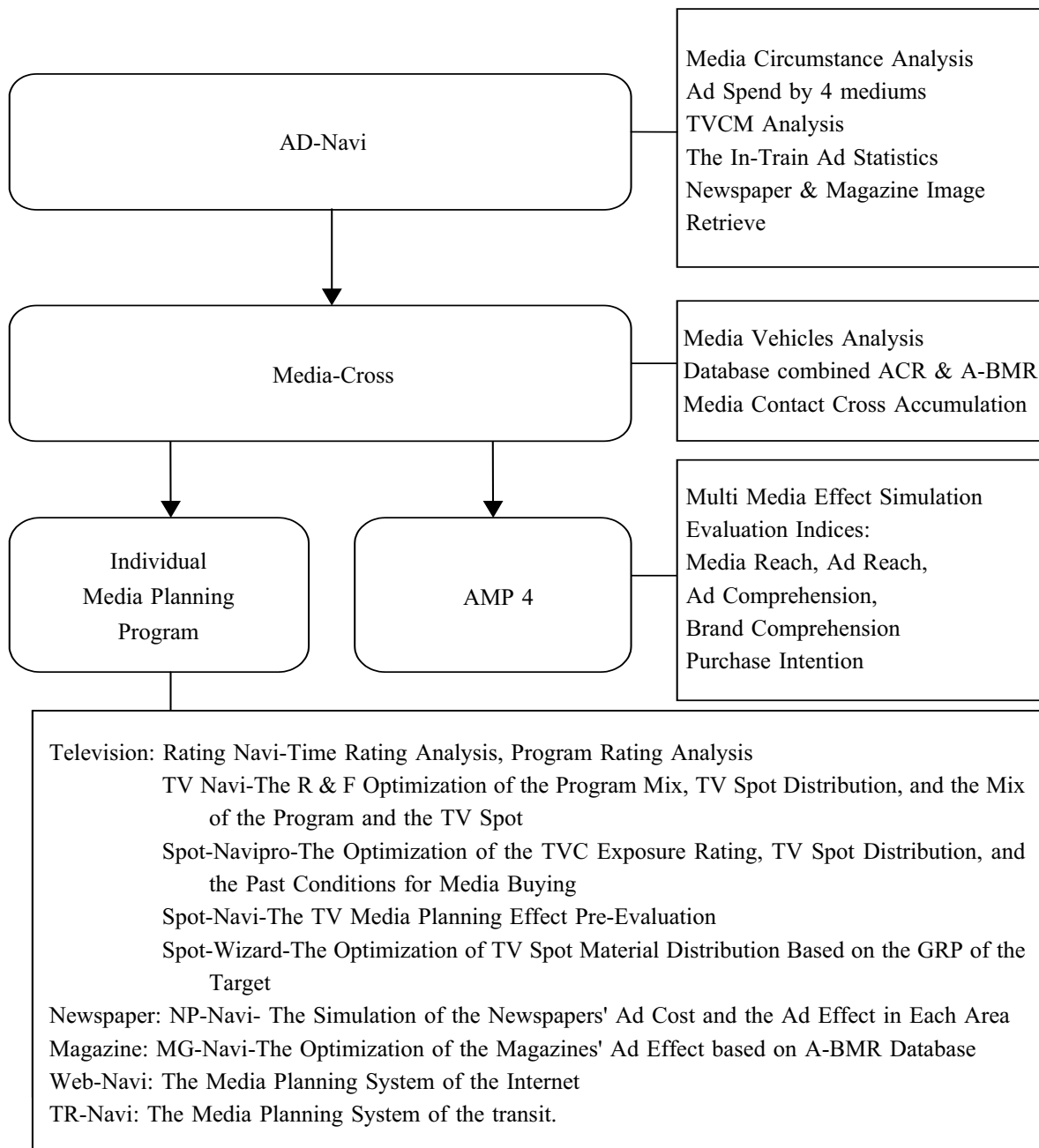


Figure 7 The Operation Process of ADK's Media Planning System

Although these three advertising agencies have their particular proposition about the media planning in the advertising practice, there are also same basic elements in these different media planning systems. Basically these basic elements of the media effect models would be discussed in the subsequent article.

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