



## **Index Your Next Ad Campaign for Better Results**

For years marketing people have loved CPP, which stands for Cost Per Point -- the total cost of reaching 1% of the entire population, or a particular age group. Now many are using CAR -- the Consumer Adjusted Rating.

CAR is a great solution for those who don't want to waste a valuable media budget talking to people who'll never be hot prospects for what they sell.

The old CPP formula assumes everyone in the audience is a prospect. It may work for cold remedies and potato chips, but what about air travel or imported wine?

The CAR formula shifts the marketing focus from people to prospects. In his book, *Guerrilla Marketing Attack*, Jay Conrad Levinson says "You shouldn't care how many people are exposed to your message, but you should care like the dickens how many prospects are exposed to it."

Here's how the CAR formula works. Suppose you already know from a syndicated study (like MRI) that one audience is more likely to buy. Say they have an index of 200, when the average is 100. That means they're twice as likely to buy. They're hot prospects. So you double ratings from that audience. It's that simple.

Of course, if one audience has an index of 75 for your product, you multiply their ratings by .75 to get their CAR.

You can still work out a cost per point, but you use the consumer-adjusted ratings to get a CPP for prospects.

If a schedule for the first audience group delivers 5 rating points at an index of 200 you really have a Consumer Adjusted Rating, or a CAR of 10. If the schedule costs \$10,000, your CPP for prospects is \$1,000. If the schedule for the second audience group delivers 8 rating points at an index of 75 you only have a CAR of 6. If that schedule costs \$12,000, the CPP for prospects is \$2,000.

Cynics may say the CAR formula will lead to higher media costs, but the system pays less to media with lower indexes and more to those with higher. It all averages out.

In the end the advertiser wins, because more media dollars go for reaching real prospects. As the Madison Avenue saying goes, "It's more important to reach the people who count, than to count the people you reach."

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