

A. T. Kearney's 'Media Blitz'

Saving 15-35% cash on your marketing investment
within maximum 5 weeks

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“Optimizing media is a never-ending ‘cat-and-mouse’ game – as audiences constantly fluctuate among titles, channels and programs, so do costs... Hence, for maximum impact, media strategies should be frequently reevaluated and readjusted.”

Dr. Martin Fabel, Partner at A.T. Kearney

Advertisers should seize the current window of opportunity in media beyond what has already been optimized

Typical concerns (client examples)

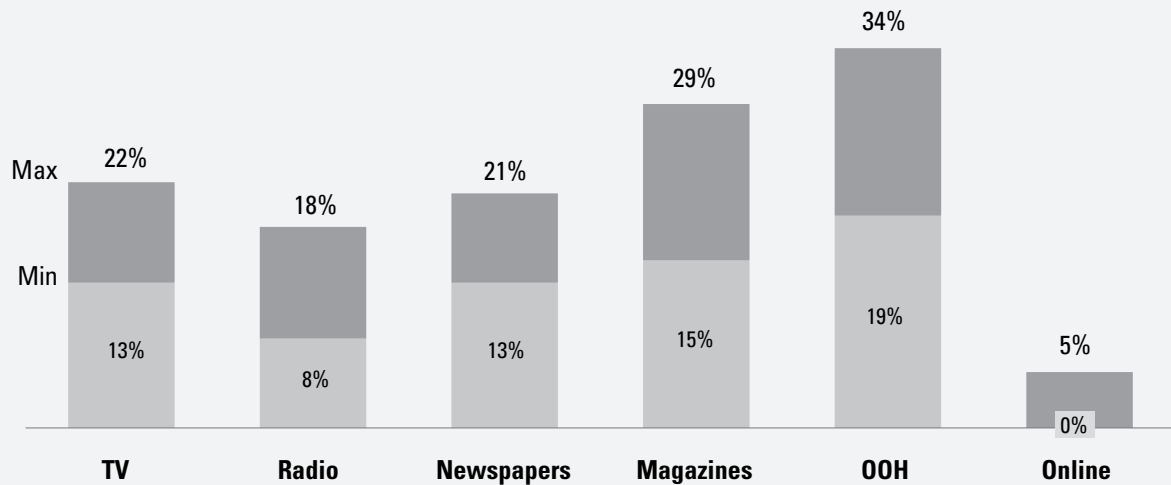
- “We need to keep the media investment to get our sales targets.”
- “We have already achieved significant savings this year.”
- “The marketing plans are fixed, we cannot change them.”
- “Media auditor reports show we are doing very well on costs.”
- “If an opportunity existed, our media agency would surely have told us, wouldn’t they?”
- “Markets will be improving in the second half of current year so media will be a dead end for this year.”

Source: Advertisers’ quotes during recent A.T. Kearney media optimization assignments across Europe

Current market environment offers immediate cash saving opportunities probably bigger than ever before

Advertising prices across all media types have dropped throughout Europe – now is the time to go to market

Net price declines by media category across Europe (1H09 YoY⁽¹⁾) – estimates



⁽¹⁾ first half year 2009 versus same period 2008

Source: A.T. Kearney estimates based on recent media optimization assignments across Europe

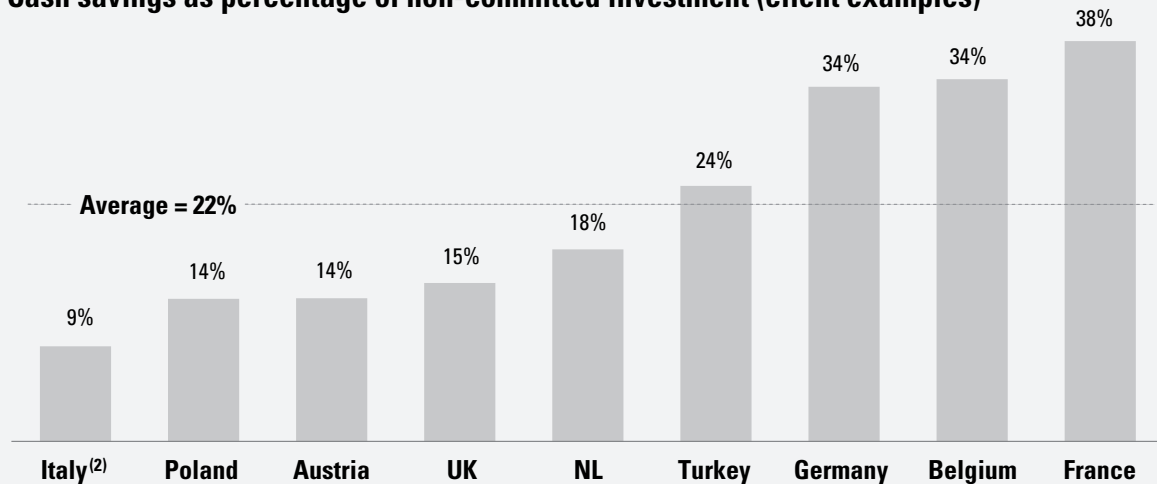
Media net price declines especially in 1Q09 and 2Q09 were substantial and justify immediate renegotiations – even if media agency has been pitched recently!

“Any additional budget for an end of the year push needs to be competitively negotiated as media owners are hungry for new budgets to improve their financial position before the year end closure.”

Emmanuel Hembert, Principal at A.T. Kearney

Cash savings vary by country and do not deteriorate advertisement quality⁽¹⁾

Cash savings as percentage of non-committed investment (client examples)



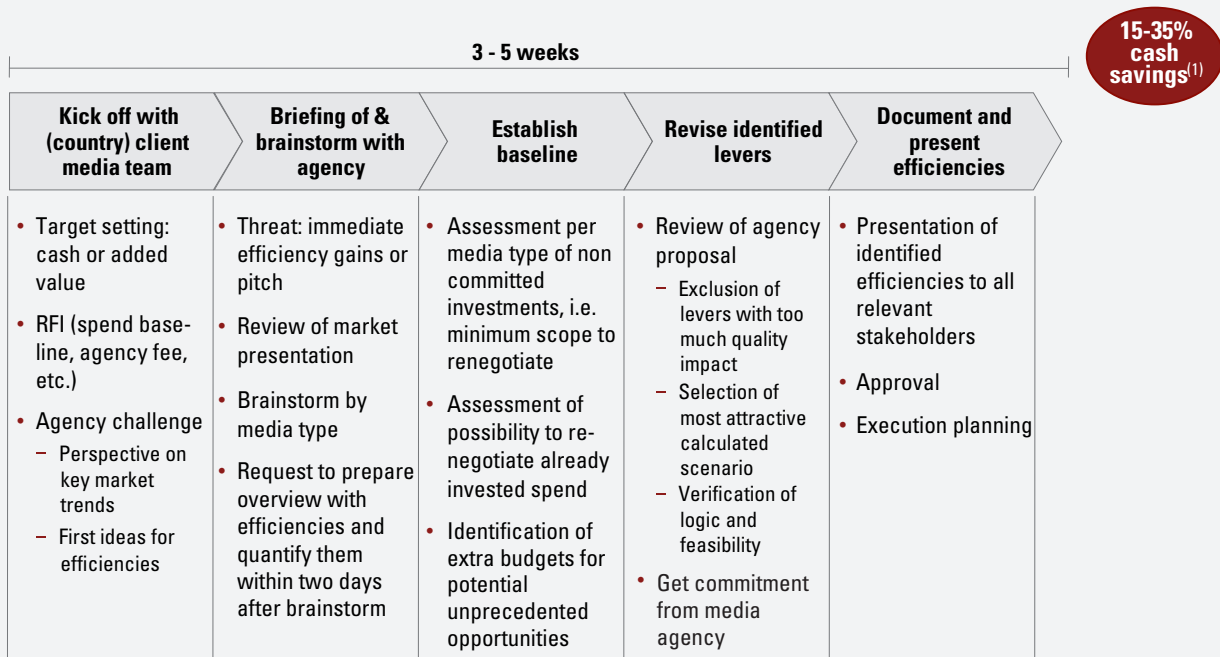
⁽¹⁾ Quality in its broadest definition: e.g. measured as a combination of net reach, effective reach 2+, number of GRPs, OTS, etc.

⁽²⁾ Due to limited market competition, savings are lower in Italy, however there is more non-committed spend as negotiations are on a monthly basis

Source: A.T. Kearney estimates based on recent media optimization assignments across Europe

Country specific ambition levels must be aligned with local market dynamics and an advertiser's available non-committed investment

A.T. Kearney developed a 'Media Blitz' approach delivering 15-35% cash savings within 3 - 5 weeks



⁽¹⁾ On non-committed investments

Source: A.T. Kearney

Today is a perfect time to go to market as media agencies and media owners are desperate to secure investments and retain client accounts

A.T. Kearney's experience and media expertise ensure efficient and tangible results fast

Approach	Major efficiency levers
<ul style="list-style-type: none"> • A country approach is most effective because channels, media agencies and auditors are organized by country • 2-4 weeks per country – to the extent possible in parallel to make it appear like a global media agency pitch • Close cooperation between media team, media agency, auditor (if present) and A.T. Kearney 	<ul style="list-style-type: none"> • More aggressive negotiation for additional discounts <ul style="list-style-type: none"> – Commit all remaining volume at once – Renegotiate retroactively (i.e. invested amount) – Bundle spend to fewer channels for higher discounts – Negotiate for a longer period, e.g. two years – Challenge prices using auditor reports (if available) – Restructure the agency remuneration • Challenge specifications of media plan and buying policies <ul style="list-style-type: none"> – TRP over delivery: stop investing once R/F objectives are reached instead of spending budget – Reduce spot length, e.g. 2nd flights 15" (TV only) – Optimize channel, day part mix & position in break (TV only) – Optimize for seasonality, i.e. shift to cheaper months – Buy (part of) advertisement on a different basis: stand by / floating / last minute / spot buy – Use editorials instead of ads (Print) – Redefine target audience • Country specific 'levers' <ul style="list-style-type: none"> – Optimize region mix, e.g. more pressure in cheaper regions (UK) – Obtain discounts by proving the brand was directly attacked by hard discount brands (Belgium) – ...
Key success factors	
<ul style="list-style-type: none"> • Clear support from the leadership team • Mandate to pitch agency • Media agency involved from day 1 • Local media challenges agency • Agency commits to identified savings • Share best practices across countries 	

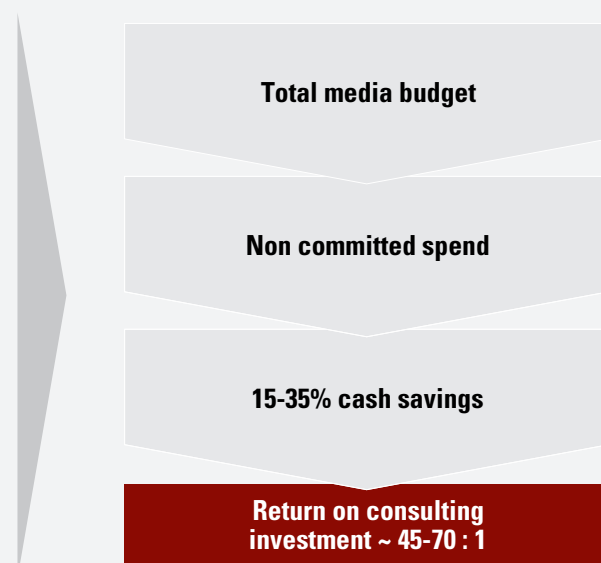
Source: A.T. Kearney

The 'Media Blitz' approach has been successfully tested with leading advertisers

'Media Blitz' delivers a dramatic return on consulting investment after only 3 - 5 weeks

Typical multi-country set-up (client examples)

- Scope: Selected countries or clusters of similar neighboring countries
- Timing:
 - Week 1: preparation
 - Week 2-4: parallel 'Media Blitzes' per country/cluster
- Joint team:
 - 1 experienced assignment manager
 - 1 media buying and planning expert
 - 1 consultant per selected country / cluster of countries
 - 1 client media manager per country in scope



Source: A.T. Kearney

Minimum disruption, maximum return on investment

“Now is the time to shift the paradigm: instead of maximizing value for a pre-specified budget, pay the least possible for a given marketing objective.”

Dr. Martin Fabel, Partner at A.T. Kearney

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A.T. Kearney is a global strategic management consulting firm known for helping clients gain lasting results through a unique combination of strategic insight and collaborative working style. The firm was established in 1926 to provide management advice concerning issues on the CEO's agenda. Today, we serve the largest global clients in all major industries. A.T. Kearney's offices are located in major business centers in more than 30 countries.

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