

Quick reference...



Helpful Advertising Formulas

Compare audience and cost of media using cost per thousand equations. The lowest cost per thousand medium is the most efficient, all other variables being equal.

A cost per thousand equation can use circulation figures, homes reached, readers, or number of audience members of any demo or product usage classification.

For print media based only on circulation:

CPM= $\frac{\text{cost of 1 ad} \times 1000}{\text{circulation}}$

For print media when audience data is available:

CPM= $\frac{\text{cost of 1 ad} \times 1000}{\text{number of prospects reached}}$

Alternative Method:

CPM= $\frac{\text{cost of ad}}{\text{circulation represented in thousands}}$

For broadcast media (based on listeners/viewers reached in program/day part

CPM= $\frac{\text{cost of 1 unit of time (Commercial)} \times 1000}{\text{number of listeners/viewers reached during program/day part}}$

For broadcast media (when audience data is available):

CPM= $\frac{\text{cost of 1 unit of time (Commercial)} \times 1000}{\text{number of prospects reached during program/day part}}$

Column Inch:

Multiply the number of columns across by the number of inches in height.

For Example:

- 1 column across by 6" high = 6" ad.
- 2 columns across by 3" high = 6" ad.
- 3 columns across by 2" high = 6" ad.
- 4 columns across by 1.5" high = 6" ad.
- 6 columns across by 1" high = 6" ad.

Radio OES (Optimum Effective Schedule):

- 1- Station's weekly CUME divided by AQH = Turnover Ratio
- 2- Turnover Ratio multiplied by 3.29 = Radio Station's OES