



██████████:30-second Television Test Proposal

Purpose

- ▲ To determine the effectiveness of television media to:
 - increase sales/transactions
 - generate new ██████████ customers
 - spur consumer trial
- ▲ To determine the weekly GRP weight level necessary to influence consumer behavior and spur incremental ██████████ business

These factors will be evaluated after each television flight:

- comp store sales vs. YAG
- the number of new customers generated (trial)
- transactions vs. YAG
- repeat business
- sales drop off over time

Target Audience

- ▲ Women 35-54, HHI \$75K+ (media buying target)
- ▲ Women 35-64, HHI \$75K+ (recognized ██████████ customer base)

Two Test Models

- ▲ Since the media pressure levels required to generate incremental business are unknown, it is prudent to test two significantly different GRP levels.

An adequate sales lift at the lower GRP levels could translate into greater profit due to lower marketing expenses.

High Impact Test – Weekly GRP's generally in the 300 range

Lower Impact Test – 150 GRP's/week

Timing of Test

- ▲ April 2007 - March 2008
 - each television flight will be measured and evaluated
 - only upon satisfactory results will the ensuing television activity be ordered
 - the timing of the flights has been determined based on a monthly ██████████ revenue analysis over the past three years (a spend behind business philosophy)

(The actual revenue, percentages and indices are shown in yellow on the flow chart.)



██████████:30-second Television Test Proposal

Test Market Selection Criteria

- ▲ Markets ranked 25-100 have been analyzed based on the factors below. Testing *can* occur in larger markets but this will drastically increase the media budget and is therefore unnecessary.

Markets with indices between 85 and 115 are deemed generally acceptable except if they have a high percentage of Hispanics (who may prefer Spanish-language television and advertising).

- index to national Women 35-64
- index of median household income
- presence of Hispanics
- presence and number of ██████████ stores (BDI's and CDI's of the recommended test and control markets should be checked)
- geographic diversity
- a minimum of four stores in the test markets and three to four stores in the control markets

- ▲ Two markets for each test (a total of four) are recommended

Recommended Daypart Mix

▲ <u>Daypart</u>	<u>Rationale</u>
Daytime	Low cost, reaches non-working/part-time working women
Prime Access/ Prime Time	Extends reach to working women, presence of higher-rated, audience-involved programs
Late News <i>(for higher impact test only)</i>	Enhances message frequency at a lower price point than prime time

Programming

- ▲ Examples include:

<u>Daytime</u>	<u>Prime/Prime Access</u>	<u>Late News</u>
The View	Dancing w/ Stars	Local 10PM,
One life to Live	Grey's Anatomy	11PM news
General Hospital	Jeopardy	
Passions	Wheel of Fortune	
Oprah	Access Hollywood	
All My Children	Inside Edition	
Noon news	Daytime Emmy Awards	
	House	
	Style network	
	Oxygen	
	Food Network	
	HGTV	

Test Market Analysis

Rank	DMA	Women 35-64 (000)	Women 35-64 Index	Market Averages			
				Median HHI	Med. HHI Index	% Hisp.	Hisp. Index
	Total US	59,446	100	\$46,740	100	13.6%	100
25	Indianapolis	535	100	\$46,812	100	6.2%	45
26	Charlotte	547	101	\$45,343	97	4.5%	33
27	San Diego	567	99	\$53,956	115	30.3%	223
28	Hartford & New Haven	557	106	\$60,938	130	9.4%	69
29	Raleigh - Durham	527	102	\$45,593	98	6.5%	48
30	Nashville	495	101	\$42,555	91	3.0%	22
31	Kansas City	470	100	\$47,943	103	4.3%	31
32	Columbus, OH	457	100	\$46,971	100	1.9%	14
33	Cincinnati	463	102	\$48,535	104	7.1%	52
34	Milwaukee	558	124	\$50,238	107	7.0%	52
35	Salt Lake City	422	85	\$53,838	115	8.8%	65
36	Greenville	418	100	\$38,462	82	3.3%	24
37	San Antonio	419	98	\$40,315	86	50.1%	369
38	West Palm Beach - Ft. Pierce	253	65	\$44,139	94	16.0%	118
39	Grand Rapids - Kalamazoo	380	98	\$47,383	101	4.8%	35
40	Birmingham	370	101	\$38,697	83	1.9%	14
41	Harrisburg - Lancaster	381	101	\$48,534	104	3.4%	25
42	Norfolk	381	102	\$44,938	96	3.4%	25
43	Las Vegas	350	96	\$50,142	107	20.6%	151
44	Memphis	353	102	\$40,105	86	2.2%	16
45	Albuquerque - Santa Fe	357	102	\$39,705	85	39.5%	290
46	Oklahoma City	321	96	\$38,111	82	6.3%	46
47	Greensboro - High Point	336	101	\$42,183	90	5.6%	41
48	Louisville	336	102	\$42,635	91	1.9%	14
49	Buffalo	327	100	\$40,296	86	5.1%	37
50	Jacksonville	340	103	\$43,347	93	7.9%	58
51	Providence - New Bedford	337	101	\$48,000	103	8.7%	64
52	Austin	312	97	\$54,282	116	31.3%	230
53	Wilkes Barre - Scranton	298	97	\$37,861	81	2.6%	19
54	New Orleans	318	103	\$39,429	84	3.5%	26
55	Fresno	308	91	\$39,346	84	50.8%	374
56	Albany - Schenectady - Troy	285	101	\$45,238	97	6.8%	50
57	Little Rock - Pine Bluff	269	99	\$35,508	76	2.5%	18
58	Dayton	268	100	\$45,361	97	1.2%	9
59	Mobile - Pensacola	270	100	\$39,533	85	2.8%	21
60	Knoxville	267	100	\$34,289	73	1.6%	12
61	Richmond - Petersburg	285	107	\$48,443	104	2.3%	17
62	Tulsa	258	98	\$38,184	82	6.4%	47
63	Lexington	247	101	\$33,259	71	1.7%	12
64	Fort Myers	312	128	\$43,199	92	12.8%	94

Markets in *light gray* are not ideal test markets due to abnormally high or low indices against key factors.

= Denotes test market

Test Market Analysis

Rank	DMA	Market Averages					
		Women 35-64 (000)	Women 35-64 Index	Median HHI	Med. HHI Index	% Hisp.	Hisp. Index
	Total US	59,446	100	\$46,740	100	13.6%	100
65	Charleston - Huntington	242	100	\$30,344	65	1.0%	7
66	Flint-Saginaw	241	99	\$42,145	90	3.0%	22
67	Wichita	218	95	\$43,815	94	9.7%	71
68	Roanoke - Lynchburg	224	100	\$37,112	79	1.7%	13
69	Green Bay - Appleton	220	98	\$48,312	103	2.5%	18
70	Tucson	210	95	\$38,538	82	35.7%	263
71	Toledo	213	98	\$44,914	96	5.1%	37
72	Honolulu	254	101	\$55,451	119	8.3%	61
73	Des Moines	208	97	\$43,386	93	3.1%	23
74	Portland-Auburn	222	176	\$44,425	95	0.9%	7
75	Omaha	203	98	\$47,404	101	5.6%	41
76	Springfield, MO	197	95	\$32,377	69	2.2%	16
77	Spokane	204	98	\$37,398	80	7.9%	58
78	Rochester, NY	211	104	\$48,473	104	4.1%	30
79	Syracuse	198	100	\$42,327	91	2.7%	20
80	Paducah-Cape Girardeau	183	95	\$32,714	70	1.7%	12
81	Shreveport	190	97	\$32,944	70	5.3%	39
82	Champaign & Springfield - Decatur	179	95	\$42,647	91	2.6%	19
83	Columbia, SC	201	105	\$41,099	88	2.6%	19
84	Huntsville-Decatur	194	101	\$39,641	85	3.1%	23
85	Madison	188	100	\$49,905	107	3.3%	24
86	Chattanooga	180	100	\$38,293	82	4.4%	32
87	Jackson, MS	184	101	\$35,214	75	1.5%	11
88	South Bend-Elkhart	170	98	\$44,821	96	4.7%	35
89	Cedar Rapids - Waterloo	162	95	\$42,971	92	1.8%	13
90	Burlington-Plattsburgh	179	105	\$43,243	93	1.6%	12
91	Harlingen, Weslaco, Brownsville	190	91	\$25,606	55	74.1%	545
92	Tri-Cities, TN VA	164	100	\$31,549	67	1.5%	11
93	Baton Rouge	171	98	\$40,110	86	2.0%	15
94	Colorado Springs	163	100	\$46,404	99	18.0%	132
95	Waco - Temple - Bryan	146	89	\$37,305	80	22.8%	168
96	Davenport - Rock Island - Moline	153	97	\$42,854	92	4.7%	34
97	Savannah	147	95	\$39,243	84	4.5%	33
98	Johnstown - Altoona	143	93	\$35,802	77	1.5%	11
99	El Paso	169	98	\$32,911	70	70.2%	517
100	Charleston, SC	151	102	\$41,516	89	2.7%	20

Markets in light gray are not ideal test markets due to abnormally high or low indices against key factors.

Television Test Market Flow Chart

		2007												2008																																					
		April			May			June			July			August			September			October			November			December			January			February			March																
		26	29	30	7	14	21	28	4	11	18	25	2	9	16	23	30	6	13	20	27	3	10	17	24	1	8	15	22	29	5	12	19	26	3	10	17	24	31	7	14	21	28	4	11	18	25	3	10	17	24
2004-2006	Sales Revenue:	\$337.2			\$348.4			\$377.9			\$276.1			\$290.6			\$414.0			\$325.8			\$327.4			\$494.3			\$285.8			\$249.4			\$388.7																
	Monthly Sales %:	8.2%			8.5%			9.2%			6.7%			7.1%			10.1%			7.9%			8.0%			12.0%			6.9%			6.1%			9.4%																
	Sales Index:	98			102			110			81			85			121			95			95			144			83			73			113																
Lower Impact Test		Above average seasonality suggest the timing of each flight																																																	
2007/2008 TV		33% Daytime, 67% Prime Time/Prime Access																																																	
Daypart Mix:		150																																																	
W35-54 GRPs/Week:		150																																																	
Test Market: Cost \$000*		150																																																	
Kansas City (4 stores):		\$480.6																																																	
Nashville (4 stores):		\$493.7																																																	
Control Markets		150																																																	
Greensboro (3 stores)		150																																																	
Norfolk (4 stores)		150																																																	
Higher Impact Test		30% Daytime, 25% Prime Time, 25% Prime Access, and 20% Late News																																																	
2007/2008 TV		150																																																	
Daypart Mix:		250																																																	
W35-54 GRPs/Week:		300																																																	
Test Market: Cost \$000*		350																																																	
Salt Lake City (4 stores):		\$855.5																																																	
Providence (4 stores):		\$814.2																																																	
Control Markets		350																																																	
Columbus, OH (4 stores)		350																																																	
Harrisburg (3 stores)		350																																																	

2004-2006
 Sales Revenue:
 Monthly Sales %:
 Sales Index:

2007/2008 TV
 Daypart Mix:
 W35-54 GRPs/Week:

Test Market: Cost \$000*
 Kansas City (4 stores):
 Nashville (4 stores):

Control Markets
 Greensboro (3 stores)
 Norfolk (4 stores)

Higher Impact Test
2007/2008 TV
 Daypart Mix:
 W35-54 GRPs/Week:

Test Market: Cost \$000*
 Salt Lake City (4 stores):
 Providence (4 stores):

Control Markets
 Columbus, OH (4 stores)
 Harrisburg (3 stores)

*All costs are unnegotiated

**To be read: During the course of this six week television flight, 83% of the target audience will be exposed to at least one [redacted] message. The average viewer will be exposed to 1.8 messages a week or 10.8 over the flight.

Test Market Options
Television Costs for Higher and Lower Impact Schedules

	<u>Higher Impact Test</u>	<u>Lower Impact Test</u>
	<u>Cost \$(000)</u>	<u>Cost \$(000)</u>
INDIANAPOLIS	\$1,051.9	\$561.0
CHARLOTTE	\$981.5	\$546.0
RALEIGH-DURHAM	\$1,000.1	\$535.8
NASHVILLE	\$870.8	\$493.7
KANSAS CITY	\$868.0	\$480.6
COLUMBUS, OH	\$1,168.2	\$657.3
CINCINNATI	\$873.6	\$493.7
MILWAUKEE	\$973.3	\$539.5
SALT LAKE CITY	\$855.5	\$473.1
GRAND RAPIDS	\$825.7	\$450.7
HARRISBURG-LANCASTER	\$803.3	\$452.5
NORFOLK- NW	\$622.5	\$343.1
GREENSBORO	\$433.2	\$245.9
LOUISVILLE	\$476.1	\$250.6
BUFFALO	\$625.3	\$343.1
JACKSONVILLE	\$535.0	\$311.4
PROVIDENCE-NEW BEDFORD	\$814.2	\$443.2
ALBANY-SCHENECTADY-TROY	\$682.4	\$377.7
DAYTON	\$467.4	\$245.0
RICHMOND-PETERSBURG	\$531.2	\$299.2
FLINT-SAGINAW-BAY CITY	\$403.4	\$206.6
WICHITA-HUTCHINSON PLUS	\$394.7	\$214.1
GREEN BAY-APPLETON	\$392.7	\$216.0
TOLEDO	\$393.0	\$213.2
DES MOINES-AMES	\$356.7	\$197.3
OMAHA	\$525.0	\$279.6
ROCHESTER, NY	\$491.4	\$275.8
SYRACUSE	\$380.7	\$206.6
CHAMPAIGN & SPRINGFIELD	\$324.4	\$168.3
COLUMBIA, SC	\$322.8	\$179.5
HUNTSVILLE-DECATUR	\$389.1	\$216.0
MADISON	\$419.5	\$219.7
SOUTH BEND-ELKHART	\$305.2	\$164.6
CEDAR RAPIDS	\$280.5	\$156.1
BURLINGTON-PLATTSBURGH	\$505.4	\$264.6
BATON ROUGE	\$416.2	\$216.9
DAVENPORT-ROCK ISLAND-MOLINE	\$434.8	\$222.5
CHARLESTON, SC	\$303.7	\$180.5