

Make More Money with Your Super-Duopoly

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The Super-Duopoly: Radio's Newest Strategic Advantage

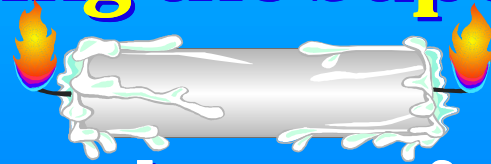
- **Advertisers can reach more target consumers with Radio, more often, and more efficiently than any other medium.**
- **Sell the net reach of the super-duopoly.**
 - ◆ **Target newspaper and television dollars**
 - ◆ **develop new dollars to radio**
 - ◆ **seek more opportunities from co-op/vendor**
 - ◆ **event marketing dollars.**

Agenda

- **Organizing the Sales Staff**
- **Leveraging the Market Position**
- **Sales research tactics**
- **The super-duopoly selling guide:**
 - ◆ strategies for selling a super-duopoly
 - ◆ examples of sales tactics against other media
 - ◆ a dozen helpful hints to get more revenue
- **Handout**



Organizing the Super-Duopoly



- **Programming sets the stage for sales strategy**
 - ◆ **Consult Mike McVay's "Programming in a Multipoly World" co-written by Research Director, Inc.**
- **No single answer to strategy, but some logical marketing approaches**
- **The strategy your super-duopoly chooses will likely be the result of**
 - **group objectives**
 - **local market conditions**
 - **success at the stations' programming**
 - **size of the stations' audiences**
 - **size of the market.**

Offensive Strategies: "Own" a Demo

- ▶ **The super-duopoly seeks to dominate a demo in order to attain the largest share possible so as to maximize the advertising.**
- ▶ **Example: control the Persons 35-54 demo with a Country, an AC and a News/Talk.**
- ▶ **Sales strategy: a single sales staff sells all the stations in combination because the potential advertisers are the same.**

Offensive Strategies: "Own" a format.

- ▶ **Possess two or more stations that program variations on the format.**
"If we don't segment, others will segment us."
- ▶ **Example: Hot AC, Mainstream AC, and Soft AC**
- ▶ **Sales strategy: segment the stations into a sales unit that sells the format and its variations.**

Offensive Strategies: "Complement" a format

- ▶ **The stations overlap demographically.**
- ▶ **Example: a Hot A/C targets W 18-44, while a light A/C targets W 35-54. If both are done successfully, W18-54 are covered.**
 - ◆ **(This may also be referred to as "step programming.")**
- ▶ **Sales strategy: Set up a sales team that succeeds by sharing information and making joint presentations.**

Offensive Strategies: "Complement" a format

- ▶ **The stations overlap demographically.**
- ▶ **Example: a soft A/C super-serves W 35-54 and a classic rock super-serves M 25-44 fit together to deliver much of the P25-54 demographic group**
- ▶ **Sales strategy: Set up a sales team that succeeds by sharing information and making joint presentations.**

Defensive Strategies: Mimic

- ▶ **Take on a direct competitor by duplicating what they do and attempt to do a better job.**
- ▶ **The strategy is to reduce the audience size of a strong competitor to permit a second property of your own to do better in relative ratings terms.**

Defensive Strategies: Flank

- ▶ **Flank the opponent**
- ▶ **Example: Skew your station younger, older, more female or more male than the competitor by super-serving a viable segment of the competitor's audience.**
- ▶ **Sales strategy: Position the station as a individual entity. Use the traditional sales plan with each station having its own sales team. Target advertisers that have a customer age skew in the direction of your station.**

Defensive Strategies: Block

- ▶ **"Protect the Mother Ship!"**
 - ◆ **Jump on a new format**
 - ◆ **Buy up the better talent that may be desired by the competitor**
 - ◆ **contract with network or syndicated programming before the competitor can sign them.**
 - ◆ **Use the weaker station to protect the heritage station.**

Defensive Strategies: Block

- **Example: You own two AM signals in the market. Places Talk on both stations. One has local news and talk while the other carries syndicated talent.**
- **Sales strategy: Combine the similarly formatted stations and present as a single entity. Use inventory on secondary stations to help protect inventory on the higher demanded station.**

Offensive and Defensive Strategies

- **The sales strategy changes with the programming strategy**
- **Offensive**
 - ◆ **Own a demo**
 - ◆ **Own a format**
 - ◆ **Complement a format**
- **Defensive**
 - ◆ **Mimic**
 - ◆ **Flank**
 - ◆ **Block**



**Helpful Hints on
How You Can
Make More Money
With Your
Super-Duopoly**

#1 Go Beyond the City Line

- **OBJECTIVE:** Target daily newspapers where most have a lower circulation.
- **TOOL:** "Radio's reach goes beyond the city line." Compare to TSA
- **EXAMPLE :** Compete by using the TSA estimates. Calculate your station(s) "bonus" audience (TSA - metro).

#1-A Go Beyond the City Line

- **OBJECTIVE:** Target daily newspapers where most have a lower circulation.
- **TOOL:** "Radio's reach goes beyond the city line." Compare to DMA
- **EXAMPLE :** Compete with newspapers in the DMA.
 - Radio audience estimates are available in the top 100 markets.
 - DMA newspaper circulation figures are available at the public library in the SRDS Newspaper Circulation publication.

#2 Seek Non-Radio Dollars

- **OBJECTIVE:** Use the size of your super duopoly to get non-radio dollars.
- **TOOL: Formal presentation**
 - ◆ positioning your super-duopoly as a single entity with better reach and frequency than a competitive medium.
- **EXAMPLE:** A major market group has a weekly reach of 5,610,500 P12+. This figure is unduplicated reach from Maximiser. That is 40% of the market and eight times more listeners than the largest newspaper's circulation.

#3 Sell Target Audience Advantage

- **Newspapers will claim versatility and targeting by having sections of the newspaper**
- **A radio super-duopoly can make the claim, too. Instead of sections, the Radio Group offers formats that appeal to specific audiences.**

#4 Illustrate total spending power

- **Example: <\$4.5 Billion> dollars are spent annually by our audience for <insert business category>. <33> cents of every dollar spent in the < > market comes from audiences of the <Radio Group>.**

#5 Illustrate total penetration of key demos

- **Example: "We reach ... 82% of all African Americans, or 75% of all Women, or 71% of all Persons 25-54 or reach 8 out 10 persons who live in the metro."**

#6 Sell Total Reach

- **Prove that the Radio Group's reach equals or exceeds a TV station, Newspaper, or cable system.**
- **Demonstrate that the frequency of the campaign with the super-duopoly exceeds other media schedules.**

#7 Organize Yourselves

- **Consolidate -**
 - more resources to produce bigger events
- **Coordinate -**
 - avoid competing for attendance
- **Communicate -**
 - Have regular super-duopoly promotion meetings

#8 Create a Presentation

- **Create a super-duopoly presentation positioning the benefits of your stations.**
- **Brand your duopoly with**
 - ◆ **brochures**
 - ◆ **multimedia, a CD ROM and other tools as a means of**
 - ◆ **advertising in other media.**
- **Some brands we've heard are: "Results Radio," "<market> Radio Group," and "Radio First."**

#9 Fix Internal Systems

- **Goal: Create a cooperative business environment for advertisers and agencies.**
- **Ensure that internal systems at your radio stations work smoothly by stressing coordination between traffic, continuity, and the business office.**
- **Train your staff at all levels, from receptionist to general manager, to handle sales inquiries.**

#10 Sales Team Structure

- **Ensure that the sales team structure matches the overall sales strategy of your super-duopoly**
- **rewards match management expectations!**

#11 Customer Service Survey

- **Conduct a thorough needs analysis with key media buyers and advertisers to determine how they would like to be serviced/called on.**
- **Some buyers may prefer one salesperson from the group while others want separate a separate salesperson from each station.**

#12 Use Budget Power

- **Combine super-duopoly resources and budgets to hire experts and consultants for**
 - ◆ **sales training**
 - ◆ **vendor/coop**
 - ◆ **research**
 - ◆ **multi-media projects**

#13 Make National Buying Easy

- **Use your super-duopoly leverage to maximize revenue from national advertisers**
- **Make national buys easier to place**
- **Design a system to make it easy for national reps to represent your super-duopoly**

#14 Super-Duopoly Specialist

- **Create a new sales position as the super-duopoly specialist to target non-radio advertisers.**
- **Sell radio's strengths.**

#14 Monitor Competitive Media

- **Take monitoring of competitive media to a higher level (TV, print, direct mail).**
- **Train the sales staff on pros and cons of all media.**
- **Invite an expert on another medium to a sales meeting.**

Prepare your own list of helpful hints.

Use the checklist to form an plan with specific actions and schedule

The Super-Duopoly Selling Guide

- **Provides the demographic strength of each station within a super-duopoly and gives -**
 - **an aggressive share goal for every buy**
 - **the demographic strength of each station**
 - **a strategy for various size buys with the most requested demographic groups**

Understand the Components of Your Super-Duopoly

- **Demographic targets of advertisers and budget restraints on the buy make it nearly impossible to get all stations on a single buy.**
- **The Director of Sales needs a reference guide because of the quick turnaround required on transactional business.**
- **TOOL: Create a Super-Duopoly Selling Guide**
 - **a sales manager can quickly determine how the individual stations of the group fit the parameter of a specific buy.**

Super Duopoly Selling Guide

Example: Radio Group, mid-sized market with 6 stations.
Target: Persons 18-49, M-F 6A-7P

<u>Station</u>	<u>Rank</u>	<u>Format</u>	<u>Target Eff.</u>
KAAA	#3	Gold	79%
KBBB	#2	AC	87%
KCCC	#9	Soft AC	83%
KDDD	#10	Mod Rock	89%
KEEE	#17	MOR	8%
KFFF	--	Talk	--

Group Market Net Reach 61%

Strategy for a P 18-49 Buy:

<u>Station</u>	<u>Rank</u>	<u>Format</u>	<u>Target Eff.</u>
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Size	Strategy	Schedule	Goal
Small 50 grps	Lead w/KBBB - format appeal	12x KBBB 25.7 grps	50%

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Size	Strategy	Schedule	Goal
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Medium 50-100 grps	KBBB + KAAA - rank	12x KBBB+KAAA 48.9 grps	60%

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Medium 50-100 grps	KBBB + KAAA - rank	12x KBBB+KAAA 48.9 grps	60%
Adequate 100+ grps	Increase schedule, if tight inventory add KDDD	A. 15xKBBB+KAAA 61.2 grps B. 12x KBBB+KAAA/ +KDDD 64.6 grps	50%

Make More Money With Your Super-Duopoly

- Leverage the audience
- Leverage the network
- Leverage the brand
- Leverage the budget power
- Design the tools and systems necessary to

Win Big!

WIN BIG!!!



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