Managing Sales: An Insider’s View

Lisa Poe-Howfield
General Manager for KVBC TV 3—Las Vegas, Nevada

It is difficult to produce a television documentary that is both incisive and probing when every twelve minutes one is interrupted by twelve dancing rabbits singing about toilet paper.

Rod Serling

INTRODUCTION

Although many viewers may not appreciate having their favorite sporting event, newscast, talk show or prime time show being interrupted by those annoying commercials, as indicated by Rod Serling in the above quote, they do serve a
most important role in the media industry. And nobody likes those intrusive pop-ups on Internet sites, either. Primarily, those commercials are there to pay the bills and so you can still access your favorite content, DJs, and news anchors on the air.

In the broadcast world, commercials also support the public interest activities of stations. In 1946, the “public interest” standard was further delineated by the FCC in a document entitled *Public Service Responsibility of Broadcast Licensees*, commonly known as the “Blue Book.” It states that devoting a reasonable percentage of broadcast time to sustaining programs is one criterion for operating in the public interest.* The FCC never ratified nor rejected the “Blue Book” guidelines which required four basic components: live local programs, public affairs programming, limits on excessive advertising, and “sustaining” programs. However, it did lead to new and stronger “voluntary” codes as set forth by the National Association of Broadcasters in 1948.† Although many rulings have occurred over the years that have both supported and challenged the federal government’s authority, broadcasters are still required to serve the community by airing news stories and programs that serve the public interest. This FCC requirement translates to the broadcaster’s ability to adequately cover issues and as one might conclude, requires money to cover the costs of employees, equipment, insurance, utilities, batteries, studio lights, microphones, computers, software – the list goes on. In order to cover these costs, it is imperative that broadcasters maintain a healthy state of financial well being. Although there have been expansions for broadcasters into new media platforms to generate revenues, the bulk of the income continues to be generated through “spot sales” – the selling of commercial advertising time. Now, we begin to understand the importance of managing a first-rate Sales and Promotion Department.

Many companies face what are called *two-sided* markets. This means that they market and promote to at least two distinct types of buyers. Content purveyors market their wares to consumers – series, programs, videos, Web sites, songs, games, and other individual content products. Some of them also sell time or space to advertisers – a completely different market.

In broadcast, the Sales and Promotion Department handles advertising sales. The Promotions/Creative Service department markets to consumers. Internet companies sometimes define the two markets as B-to-B (or B2B) and B-to-C (B2C). These terms mean *business-to-business* and *business-to-consumer*. Electronic media companies count on the strength of their B2C effort to attract consumers to increase audience share while concurrently depending on the B2C marketing to sell to advertisers, to sell commercial time based on those audience numbers. It is

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* The Museum of Broadcast Communications
† The Benton Foundation
easy to see the delicate balance between these two efforts. The other glaring factor is the quality of the content. This obviously plays a role in the degree of difficulty to market or sell, but even material that is viewed as “bad” can generate revenues when priced properly – just not to the level of its successful counterparts. To fully understand the synergy between these two divisions, let’s take a more in-depth view of each area beginning with sales. The chapter begins by focusing on broadcast advertising sales, because this industry segment has the most developed sales structures and processes. It then moves to considering promoting content to consumers. Many of the sales and promotion activities that take place in broadcast companies translate to the Internet and, later in the chapter, Internet selling is covered explicitly.

THE SALES DIVISION

Over-the-air reception simply requires the viewer to watch commercials in turn for receiving that signal at no charge. As technology advanced over the years, many viewers opted to begin receiving their broadcast stations via their local cable company which also enabled them to choose from hundreds of additional networks such as MTV, ESPN, CNN, and others that served the needs of niche markets. Later, satellite companies developed technology that no longer required running cable throughout the local neighborhoods and instead launched many of the same networks via a satellite signal, which required homeowners to install a satellite dish.

The telephone companies in many markets have now taken on the cable companies by offering their very own television/cable services utilizing their existing fiber optic lines. These services are referred to as TelCo. Television over the Internet (IPTV) will be following suit, in that it will utilize Wi-Fi and fiber optic lines currently utilized for Internet service to offer viewers yet another option by which to receive a collection of broadcast and alternative network signals. These alternative means for which viewers watch their favorite programs are referred to as alternative delivery system (ADS). There are obvious differences between traditional broadcast stations and the ADS networks, such as delivery system, but perhaps the most noticeable is the means from which each entity generates its source of revenue. Whereas traditional broadcast stations rely primarily upon selling advertising, ADS networks have the secondary source of revenues generated by subscribers for their service.

Over the years, electronic media companies have been forced to advance their methods of selling advertising due to the incredible growth in entertainment choices. There were only a handful of television and radio stations to choose from not so long ago. These stations enjoyed tremendous shares of audience in the early days. The method from which Account Executives sold advertisers air
time during those golden years looked very different from those used in today’s competitive environment. In fact, the sales representatives of that time were often referred to as “order takers.” Those days are long gone. In the past 30 years, consumers have been introduced to cable systems, satellite, internet, ipods, mobile devices and game systems, all contributing to the erosion of audience for those traditional media outlets; television and radio. What this meant for those working in the media industry, besides a rude awakening, was the absolute necessity to change their methods of selling advertising. To assist in this area, several organizations formed in an effort to keep their respective industries both knowledgeable and competitive with new media platforms through education and training:

- **Television:** Television Bureau of Advertising (TVB)
- **Cable:** Cabletelevision Advertising Bureau (CAB)
- **Radio:** The Radio Advertising Bureau (RAB)
- **Internet:** Internet Advertising Bureau (IAB)

In this section, we will take a closer look at some of the new approaches and common practices used to generate revenues for electronic mediums to include television, cable, and radio. Many of these practices are applicable to the sales process for selling Internet, but the terminology varies and this area will be detailed separately.

The typical broadcast sales department does not include a traffic department, which operates software to ensure commercial and non-paid spots are placed properly on the log in relation to break structures. Many media companies have begun to move away from having this department report to sales as it has the potential to be a conflict of interest for a Sales Manager to have control over how the spots are placed. If the traffic manager reports to the Business Manager, it creates a “checks and balance” system.

![Typical structure of a broadcast sales department. Source: Lisa Poe-Howfield.](image-url)
a general view of a sales department, recognizing that some media companies may combine some positions, while others may include more specific roles.

**General Sales Manager (GSM):** The general sales manager is responsible for the complete operations of the sales division. This position establishes budgets, projects revenues, sets incentives to motivate the Local Sales Manager and the National Sales Manager, handles personnel issues within the division, provides final approvals on rate cards and order processing, and reports directly to the general manager of the station. This person must also continually monitor inventory levels of available commercial spots and adjust rates accordingly to stimulate sales to open areas and raise rates on those that are selling out. It is a constant balancing act and if not done properly, can cost media companies hundreds of thousands of dollars. The GSM is considered a department head position and perhaps one of the more stressful positions. The numbers don’t lie. If the station is not hitting budget, then the GSM is held accountable. It is not uncommon for a GSM to oversee the sales division of more than one radio or TV station in the instances where the parent company owns more than one station (i.e. duopoly) or has a Leasing Management Agreement (LMA) with another broadcast company. In most cases, this position can lead to the general manager position.

**Local Sales Manager (LSM):** The local sales manager is responsible for handling the day-to-day activities associated with the local account executives (AE). This means joining the AEs on sales calls, developing special projects to develop revenue streams, and approving spot orders. The LSM also works closely with the GSM to establish rates that are reflective of the market conditions. Often this position serves as an advocate for the AEs when the GSM is looking to make revisions or changes to the sales department.

**National Sales Manager (NSM):** This key position is responsible for generating revenues from national advertisers most often working closely with a National Rep firm such as Petry Media, HRP or Telerep to represent the station or stations in a group to larger, national advertisers. In this case, the NSM works alongside those media buyers at the rep firms to garner larger shares of business. If the station does not utilize a national rep firm, then they must personally develop business relationships with national advertising agencies to obtain that segment of the advertising business. Either way, this position is responsible for presenting rates, sales packages, and ratings information to either the rep firm or agencies.

**Marketing Manager:** The marketing manager oversees any and all functions that drive potential customers to the station. This entails gathering research from various sources and working alongside the research analyst to develop campaigns specific to either the market place or to the station’s programming. For example, a radio station that is airing NASCAR would create a special package for advertisers to run spots in that broadcast.
The package may even include tickets for the business owner to attend a race. These types of packages and client incentives are put together to create “special packages” geared toward a niche marketing approach.

**Copywriter/Producer:** This position works alongside the AEs to write scripts, produce commercial spots and design web elements.

**Research Analyst:** The research analyst works with the Marketing Manager to research qualitative and quantitative data about the station or Web site to used by AEs presenting to prospective clients.

**Account Executives (AEs):** Account Executives are the “money makers” and responsible for generating the lion’s share of revenues. The sales representatives are responsible for servicing and selling to existing clientele while also continuously generating new business. Later in this chapter, we will go through the many steps and training it takes to be a successful AE. This is typically where you will find some of the highest-paid employees. Most often, account executives are paid a percentage of the business they generate, creating a pay scale that has no ceiling. Some stations have moved to other methods of compensation to provide a more controlled system of staying within corporate budgets. One such approach includes paying a fixed salary plus an earned percentage of a pooled commission, based on accumulation of points set forth by management and bonuses for hitting budget as a group. Either way, the position requires those who are highly motivated by money and the willingness to handle rejection.

### A NEW APPROACH TO SELLING MEDIA

One of the biggest changes to take place in the world or electronic media sales, has been the shift to incorporate a new approach to media sales by providing customized ad campaigns that are specific to the needs of the customer. Keep in mind that the success or failure of a media company lies in the hands of its sales department. That is why most media companies continuously invest in this division to keep each AE sufficiently trained, especially in light of the constant changing technology. Generally speaking, Account Executives, sometimes called Client Marketing Executives or Advertising Specialists, are responsible for developing new business and continuously selling and servicing existing clients.

### Generating New Business

Creating new business is the lifeline to any AE and therefore is viewed as one of the top responsibilities. The process of generating new business can be accomplished through the following methods:

1. **Cold Calls**
2. **Prospecting**
Cold Calls

“Cold Calls” are one of those necessary evils of the position which requires the AE to pick up the phone or drive to a location without any prior introduction in hopes of setting an appointment to further present information on the station. New AEs are likely to describe this aspect of the position as their least favorite. However, more seasoned reps will tell you it is their favorite, because without them – one is likely to make very little money. Here is some good advice when making cold calls:

- Be prepared with a script designed to get their attention.
- Do your homework on the company or the industry you are calling.
- Keep the call short and to the point.
- Project an upbeat tone to your voice.
- Do not get discouraged.
- Get the appointment with the decision maker or influencer.

Prospecting

The verb definition of the word prospect is “to search or explore (a region), as for gold” (according to Dictionary.com). Here are some of the ways to … “search for gold”:

- **Referrals:** Ask existing clients to provide names of businesses or other companies that could benefit from your type of marketing.
- **Monitoring:** Watch for businesses utilizing your competition, along with other advertising platforms in the market, including TV, radio, newspaper, billboards, Internet, and so on.
- **Yellow Pages:** Select a category and begin calling. Look up celebrated or honored months such as National Dental Month and begin calling that category.
- **Lead Groups:** Meet regularly with other AEs in the market to see if there are new businesses coming to town. This may require approval from the Sales Manager as some companies will not allow Account Executives to participate in lead groups.
- **Network:** Join a local business or community group that allows you to interact with people in the community.
- **Walk in:** Drive to an area of town where there are new businesses being built.
- **Business to Business:** A smart AE leaves business cards with companies they do business with – the dentist, dry cleaner, hairdresser, etc...
- **News:** Regardless of the type of news platform (TV, Radio Internet, Newspaper), it is a great source to discover stories about new businesses coming to town or grand openings.
The 1st Appointment
The ability to successfully prospect and make cold calls is all in an effort to set an appointment with a prospective client that should ultimately lead to a long term business relationship. Prior to going on the initial meeting, the AE will prepare with this simple “Pre-meeting” checklist:

- Dress professionally.
- Gather information about the company, its competitors and industry.
- Learn some of the industry terminology.
- Prepare information that fits into their marketing plans.
- Turn off the cell phone.
- Bring several business cards.
- Be equipped with a pen and paper to take notes.
- Practice your presentation.
- Bonus: Bring station goodies with logos as leave behinds.

Making a Good First Impression
There really is something to be said for first impressions. Account Executives recognize that this initial meeting is the foundation for which the client will formulate an opinion about them and gather enough information about the media company to determine if there will be a future business relationship together. Therefore, it is important for the AE to follow a game plan interjected with his or her personality. Following these simple steps can help in establishing a good foundation for a healthy business relationship:

1. Establish rapport.
3. Present company information clearly and concisely.
4. Set a follow up appointment.
5. Follow up.

Establishing Rapport
Establishing rapport requires an observant nature on the part of the AE and the ability to listen carefully to discover some common ground. Most of the time, it requires asking a few questions without getting too personal within the first few minutes of meeting. Are there photos on the wall of a favorite football team, college, kids, or awards? It’s amazing how much one can learn about a person just by being observant and listening. After briefly exchanging introductions, the AE should waste no time in thanking them for taking the time to meet. This is the time to exchange business cards, saving both the AE and the prospective client from any embarrassment of forgetting names. The AE can then let them know what will be covered in the meeting: the completion of a Customer Needs Analysis, presenting important information about the media
company and concluding with setting a second appointment to bring back a customized marketing campaign. This is a good time for the AE to assure them that the meeting will conclude on time.

**Customer Needs Analysis**
This should be the most time consuming portion of the meeting. The AE needs to dedicate most of his or her time to learning as much as possible about this business and industry. Completing a Customer Needs Analysis requires the AE to obtain great detail about the potential client that will play a vital role in preparing a marketing campaign designed to meet the goals set forth by the client. The ultimate goal is not to simply get a new client to advertise once; it is to create a long lasting business relationship which benefits the client. Many companies have existing Customer Needs Analysis (CNA) forms which an AE can bring along to the meeting. Some AEs may not feel comfortable using a form and will memorize a series of questions allowing them to take notes on the pertinent information. Here are just a few of the questions that one can ask:

- How long have you been in business?
- Describe your primary customer beyond age and gender.
- What challenges does your business face?
- What differentiates your business from the competition?
- What are you currently using to advertise your business?
- Is your business seasonal?
- What expectations would you have from this advertising investment?
- Can you show me around your facilities to better educate me about your business?
- Do you have a budget in mind?

**Presenting Information on the Media Company**
Once enough information has been gathered about the client, the AE will share pertinent information about the media company they represent. The presenting AE should never assume that the prospective client knows anything about the media company. The information should be enough to provide a basic understanding, but not overwhelming. Provide information on:

- The format of the radio station or affiliate of the TV station.
- Name the more popular on-air talents.
- Community events that the media company is involved in.
- Strengths of the station for advertisers.

The AE will end the presentation by opening up the conversation for questions.
Setting the Second Appointment
The AE will conclude this meeting by setting up a 2nd appointment within the next 2 weeks. The AE may meet with resistance if the prospective client does not yet feel comfortable with moving forward. It is the job of the AE to create an atmosphere of trust and clearly presenting the benefits of advertising on their medium. If this is not yet accomplished, it is likely that the AE will have a difficult time setting a 2nd meeting. Once this 2nd meeting is scheduled, the AE should thank them again for their time and present them with the media company goodies.

The Final Step
Not so quick…the 1st meeting may have concluded, but the process is never complete until the AE follows through with a most important step – sending a thank you note. Perhaps one of the more important steps, yet one that is often overlooked. This simple act reinforces the AE’s commitment to service the client and also is a great way to confirm the date and time of the next appointment.

Preparing for the Closing Call
Over the next two weeks or so, the AE will have met with the marketing manager, research analyst and copywriter to develop a full scale marketing campaign. All of the information gathered and any additional items that the AE can include will be utilized to enhance the presentation for the closing call.

The presentation should include the following elements:

- **Cover page** – Includes the media company’s logo, client’s company logo, date of presentation, name of person being presented and AE’s name and phone numbers.
- **Introduction** – This reiterates some of the facts gathered about the company including industry data that is pertinent to the overall marketing strategy.
- **Research** – Based on the identified target customer, provide detailed information about that individual specific to the market.
- **Sample Script** – The creative portion of the presentation allows the prospective client to visualize the look or sound of the commercial.
- **Proposal** – Provides a thorough explanation about the marketing schedule designed to specifically reach their target market and will include the investment required.
- **Terms/Conditions** – Information about the media company’s business policies.

The Close
After the AE has presented information in the proposal, allowing for a two-way flow of information, the time arrives to close the sale. This is the most
important part of the sales call; it requires the AE to ask for the business. Many articles, books and consultants have analyzed “The Close.” The closing technique used by the AE is a matter of personal preference and style. Here is short list of some of the methods used to close a sale.‡

- **Assumptive Close** – acting as if they are ready to decide. Act as if the other person has made the decision already. Turn the focus of the conversation towards the next level of questions, such as when shall we start the schedule, how did they want to set up payment, let’s set the production time now to get you on the air next week, and so on.

- **Bracket Close** – make three offers – with the target in the middle. Make the other person three offers. First offer them something sumptuous and expensive that is beyond their budget. Not so far beyond them that they would not consider it. Ideally, it is something they would look at wistfully, but just couldn’t justify (if they do, it is your lucky day!). Secondly, offer them a solid good deal that is within their price bracket. It may not have all that they wanted, but it is clearly a good value for them. Finally, offer a severely cut-down deal in which very little of what they want is included. They should, of course, go for the middle option.

- **Handshake Close** – offer handshake to trigger automatic reciprocation. As you make a closing offer, extend your hand for a handshake. Smile and nod as if the deal is done. Look expectantly. If necessary, raise your eyebrows slightly.

- **Humor Close** – relax them with humor. Get them amused by telling a joke or otherwise making witty remarks. Then either go for a relaxed close with another closing technique or weave closure into the joke. This is particularly useful when they are tense. Beware of “http://changingminds.org/techniques/humor/pc_humor.htm” politically-incorrect humor unless you are sure it will be effective. Self-deprecating humor is often a safe bet and shows you to be confident and likable.

- **Summary Close** – tell them all the things they are going to receive. Summarize the list of benefits that the other person will receive, telling them the full extent of what they are getting for their money. Make it sound impressive, using full phrases and attractive words. Go into detail, separating out as many sub-items and features as you can. But also fit the description into a reasonable space of time. You goal is to impress them with what they are getting, not to bore them with excessive detail.

‡ Changingminds.org
Valuable Customer Close – offer them a special ‘valued customer’ deal. Find a reason to show that they are of particular value, and then offer them a special, one time only discount. Tell them you need one more sale to complete your quota for the month/quarter and that you will offer an extra discount to get the sale.

A DAY IN THE LIFE OF WENDY Y. SHELTON

Wendy Y. Shelton, Sales Manager, KVBC TV-3 (NBC), Las Vegas

I am a native Las Vegan and started in the broadcast industry at KLAS TV-8 (CBS affiliate) in the summer of 1989, where I interned in the news department. In October 1989, I went to KVBC TV-3 (NBC affiliate). I began my career as a copy writer in Creative Services. I moved to the sales department in 1990, where I worked as a client marketing representative creating sales packages with the use of Leigh Stowell research. I was promoted to an account executive in 1991 where I sold television airtime for 16 years before being promoted to local sales manager in January 2007.

As the Sales Manager at Channel 3, I manage a team of ten outstanding, creative, and hard-working individuals. My primary responsibility is developing and implementing strategies to achieve local revenue goals. My personal goal is to motivate my salespeople to achieve their personal best despite the struggling economy and increased demands from our clients.

My day begins with greeting my staff and then processing advertising orders. I attend regular department head meetings. I lead a sales meeting every week. I participate in a Gatekeeper’s meeting twice a month to review special projects that are being requested by potential media partners. Each week, I also take part in an inventory meeting to assure our commercial inventory is being sold at the appropriate rate based on supply and demand. I have a bi-monthly meeting with my general manager to discuss accomplished goals as well as future ones. I also attend sales calls with my salespeople on a regular basis.

I interact with various staff members and departments at the station, including the news, promotions, and traffic departments. Each department is essential to the success of our product, which is our news. The better our news viewership, the easier it is for my salespeople to increase revenues.

The biggest challenges I face as a television sales manager are the numerous competing advertising platforms that are now available to businesses, as well as the struggling economy. Most television stations generate most of their revenue from automobile dealerships, but with the economy being what it is, automobile advertising is considerably down, posing a big obstacle for media salespeople.

The highlight of my day is seeing my team excel and achieve. There’s so much negativity regarding our economy, but I’m convinced that through stressful times, we can accomplish great things. Motivating a team to achieve amazing things during tough times is any manager’s dream, so when I see my team thinking outside the box and going the extra mile to reach their goals, it’s extremely rewarding to me. I’m convinced that my team is stronger, smarter, and more creative despite the current advertising environment. I believe that the obstacles we’re facing force us to expand our horizons and at the same time make us appreciate the good things in life that we may sometimes take for granted.

I end each day recalling my many blessings. Outside of work, I have been married to my long-time love, Allen Shelton, for 14 years, and we share two magnificent boys, Allen and Christian Shelton. My entire family is here in Vegas, so my time outside of work consists of a host of family functions.

I regularly conduct workshops for various organizations addressing subjects such as Interviewing, Self-Esteem, Dressing for Success, and Selling Non-Traditional Revenue. I have been a member of Women in Communications as well as the Las Vegas Association of Black Journalists. I also worked with Make-a-Wish Foundation and the American Heart Association (Board of Directors, 2004–2006). I attend church and teach Sunday school.

My final words of wisdom: “Limitations live only in our minds. But if we use our imaginations, our possibilities become limitless.” I challenge everyone to take advantage of these trying times and explore all your possibilities.
### Daily Planner

**Date:** 8/17/2009  
**Name:** Wendy Y. Shelton

#### August, 2009

**Monday, August 17, 2009**

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#### ABC Prioritized Task List

- Revise Olympic Proj.
- Revise NFL Proj.

#### Time People to Call

- ABC Agency
- Internet Vendor

#### $Amt Expenses

- AE Personnel Review
- Prepare Sales Mtg Agenda
- Sales Contest
- Sponsorships

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**Notes:** Upcoming sales promotions
Terms and Conditions
Before allowing a client to sign off on the proposal, the AE will need to explain the terms and conditions. One can expect to answer the following questions about the client and payments:

- Will the client be cash in advance or pay on credit?
- When will future schedules need to be paid?
- Can the client pay with a credit card?

Production Appointment
Finally, set the appointment to shoot or record the commercial spot. It is important that the AE includes their new client on each step of the production. In fact, it’s a good idea to have the new client sign off on a script. The AE does not want to complete a production only to have a client tell them that is not what they wanted. At the editing session, the client needs to be engaged in the process working with the editor of the spot. Ultimately, everyone involved needs to come together to produce a spot that generates results for the client.

Follow up
The AE should always follow up with a new client once the schedule begins running. Often, AEs are so concerned that they will hear back from the client that “it’s not working” that they avoid checking in with the new client. It is the job of the AE to continually check in to see whether there are certain programs or dayparts where they are getting a higher response and others that are not delivering. The AE should be prepared to make changes to the schedule if needed, adjust the script, and do what it takes to service the client by making the campaign successful.

Selling and Servicing Existing Clientele
Now that the AE has built up a great list of clients from successful cold calling and outstanding presentations, just how does one maintain that business? For starters, be prepared for attrition. Many clients will not continue advertising on a particular station – that is simply a part of business. That is why a good AE constantly searches for new clients. The good news is that most AEs hired at a station are provided with an existing client list. In fact, many stations will lure AEs from other stations with a “Heavy/Strong List,” meaning the list of accounts they will receive is known for generating large revenues and therefore high commissions. On the other hand, some AEs are hired to develop a new list of accounts and must start from scratch. There are two types of advertising business on these lists:

- **Agency:** Advertising agencies that usually handle a number of accounts and receive an agency discount (typically 15 percent) from the station.
AEs are also paid a commission on this business, but at a lower percentage than direct business (between one and five percent).

- **Direct**: Advertisers that deal directly with the TV station. Account executives are typically paid a higher commission than that which runs through an ad agency (between ten and fifteen percent).

Advertising agency business requires that the AE work directly with a media buyer. More easily translated, the AE is the seller and the media buyer is … well, the buyer. The negotiation begins with a media buyer requesting “avails” from the AE. “Avails” is a term that applies to the availability of spots on the station. The request can include information specific to the demographic group the advertiser is looking to reach, the flight date (date that the campaign will run), dayparts they are looking to run in, rating point goals, and total market budget for the campaign. Often, the request for avails will also include a list of programs that the advertiser has dictated as “blacklisted” where they will not run. Often, these decisions are made based on the subject matter of the program, cultural beliefs or political positions of company executives. When the AE is working with a direct account, they are dealing face to face with the owner or decision maker for the business looking to advertise. In both instances, the AE will provide the “buyer” with information about rates, ratings and programs or daypart areas where the commercial schedule should run based on the best efficiency to reach a specified target market. The term “dayparts” pertains to what time of day the advertiser is looking to run (i.e. Daytime, Overnight) which differs between Television/Cable and Radio.

**TV/Cable Dayparts**

Although television is often purchased program specific, advertisers may choose to purchase advertising by dayparts. It would be important for advertisers choosing this method to only buy those dayparts that would continue to reach their target market. These are the dayparts as established by the Television Bureau of Advertising, but are subject to vary by market:

- **Early Morning/Morning News**: 5:00 a.m.–9:00 a.m.
- **Morning**: 9:00 a.m.–12:00 noon
- **Daytime**: 12 noon–3:00 p.m.
- **Early Fringe**: 3:00 p.m.–5:00 p.m.
- **Early News**: 5:00 p.m.–7:00 p.m.
- **Prime Access**: 7:00 p.m.–8:00 p.m.
- **Prime**: 8:00 p.m.–11:00 p.m.
- **Late News**: 11:00 p.m.–11:30 p.m.
- **Late Fringe**: 11:30 p.m.–1:00 a.m.
- **Overnights**: 1:00 a.m.–5:00 a.m.
Not all television stations adhere strictly to these listed time periods. For example, in some markets, access may start at 6:30 p.m. These same dayparts are applicable to cable company advertising. However, the advertiser will need to work with their cable representative to determine which cable stations are ad-insertable. Some of the cable networks do not allow for local advertising. More importantly, the advertiser working with the cable AE should determine which networks are the best fit for their product. Cable companies sell advertising on a tiered structure. These tiers will be based on the accumulation of cable stations with higher ratings and/or higher demand which then warrant higher pricing. Advertisers also have the choice to run “scatter” ads which rotates the airing of the spot across various cable stations.

**Radio Dayparts**

Unlike TV, radio is primarily sold in dayparts – the commercial spots purchased run during the time periods as defined by RAB (Radio Advertising Bureau):

- **Morning Drive**: 6:00 a.m.–10:00 a.m.
- **Daytime**: 10:00 a.m.–3:00 p.m.
- **Afternoon Drive**: 3:00 p.m.–7:00 p.m.
- **Evenings**: 7:00 p.m.–12:00 midnight
- **Overnights**: 12:00 midnight–6:00 a.m.

The weekends for radio are much less structured allowing for advertisers to specify a time span that is more conducive to their business hours. These are called ROS/Run of Station spots. As an example, the spots can run 9 a.m.–5 p.m. or 6 p.m.–12 midnight.

**Internet**

Selling traditional media requires a great deal of knowledge about ratings, programming, cost per thousands, and psychographics, but when it comes to selling Internet, the selling situations may be very different. When television, cable and radio stations began to extend their brand to the internet, the question loomed about who would be responsible for selling it. The debate still stands. Many stations choose to have their existing group of account executives sell, while others dedicate a full-time person or staff to sell this entity.

Either choice seems to have created issues within the media companies. For media companies that opt to use existing account executives, it means teaching a brand new platform to individuals who are far more comfortable with selling the strengths of their existing medium. Companies going this route have found it slow going as most AEs spend their time explaining the details of television/radio advertising to clients and then outline the benefits of an extension of their company, yet an entirely different platform. On the other hand, hiring a full time staff or person to sell internet for the media company means that they
are sure to be calling on existing clientele creating problems with the media AE already handling that account. It has been reported that some sales departments are sharing the commission on those accounts which would alleviate the tension that could develop between these two sales forces. Regardless of the path chosen, media companies recognize the strength of the world wide web and continue to develop methods from which to monetize it.

**Internet Ad Revenues**

In 2008, the internet generated $23.4 billion in advertising which was up 10% from 2007. Compare this figure to TV, Cable and Radio which all experienced substantial decreases in advertising during this same time period, and it’s clear that there is a noticeable shift to this growing medium. After all, the internet has the capability to communicate more about an advertiser’s business than the traditional 60 second radio spot or 30 second television commercial. It also allows the visitor to interact with the advertiser, automatically capable of establishing a relationship. Of course the advertiser will run the risk of losing a potential customer if not executed properly, but as time goes by, advertisers are learning more and more about the required means to reach their target market and the means from which to successfully engage them. To gain a better understanding about the growth of internet advertising, take a look at Figure 10-2, which shows the growth since 1999 when it generated $4.6 billion.

Further research by Pricewaterhouse Coopers, LLP on 2008 internet advertising revenue indicates that the format leader was “Search” at 45% ($10.5 billion), up 20% from 2007. Other formats garnering substantial ad revenues include “Display” at 33% ($7.6 billion) which includes Banner ads, Rich Media, Digital Video and Sponsorship. “Classifieds” revenues accounted for 14% ($3.2 billion) with “Lead Generation” coming in at 7% ($1.7 billion). In terms of advertiser category, Retail lead the way at 22% ($5.0 billion) of all dollars.

while Financial Services placed 2nd with 13% ($3.0 billion) and Automotive in 3rd with 12% ($2.8 billion). The numbers are big and by all indications, the internet appears to be a viable competitor with the traditional electronic mediums. Not bad for a platform that has revolutionized the way we communicate, shop, socialize and educate ourselves on any topic we choose. Quite impressive for an industry that celebrated its 40th birthday on October 29, 1969. This was the date when UCLA professor Leonard Kleinrock sent a message to the Stanford Research Institute from his school’s host computer. He attempted to send the message “login,” but the system crashed after 2 letters. Therefore making our first step into the World Wide Web with a simple “lo.” There were other milestones over the years, but this was certainly the first step to a whole new world that includes e-mail, search, chat and social networks that forever changed our global society.

The Internet AE
A sales person for this media platform must be well versed in selling the value of his or her Web site to meet the needs of a potential client. In the world of TV, cable or radio, the AE sells the spot in lengths of 10, 15, 30 and 60 seconds. There are exceptions, but these are the generally accepted spot lengths. With the internet there are a host of sizes:

- **Banner & Buttons**: Full Banner, Half Banner, Micro Bar, Button 1, Button 2, Vertical Banner, Square Button, Leaderboard
- **Rectangles & Pop-Ups**: Medium Rectangle, Square Pop-up, Vertical Triangle, Large Rectangle, Rectangle, 3:1 Rectangle and Pop-Under
- **Skyscrapers**: Wide Skyscraper, Skyscraper, Half Page Ad

Each unit is available for animation as well.

These ad units are guidelines set forth by IAB, but will vary depending on the design of the web page.

As one can see, it starts with knowing what inventory is available to sell. Then, management must determine how to price these units. Similar to traditional electronic mediums, many ads are priced on a cost per thousand. Ultimately, the rate will be determined by what the market will bear.

Common Internet terminology that applies to advertising:

- **Banner**: A banner is an advertisement in the form of a graphic image that typically runs across a Web page or is positioned in a margin or other space reserved for ads. Banner ads are usually Graphics Interchange Format (GIF) images. In addition to adhering to size, many Web sites limit the size of the file to a certain number of bytes so that the file will display quickly. Most ads are animated GIFs since animation
has been shown to attract a larger percentage of user clicks. The most common larger banner ad is 468 pixels wide by 60 pixels high. Smaller sizes include 125 by 125 and 120 by 90 pixels. These and other banner sizes have been established as standard sizes by the Internet Advertising Bureau.

**Caching:** In Internet advertising, the cache server or the user’s computer means that some ad views won’t be known by the ad counting programs and is a source of concern. There are several techniques for telling the browser not to cache particular pages. On the other hand, specifying no caching for all pages may mean that users will find your site to be slower than you would like.

**Click:** According to ad industry recommended guidelines from FAST, a click is “when a visitor interacts with an advertisement.” This does not apparently mean simply interacting with a rich media ad, but actually clicking on it so that the visitor is headed toward the advertiser’s destination. (It also does not mean that the visitor actually waits to fully arrive at the destination, but just that the visitor started going there.)

**Click stream:** A click stream is a recorded path of the pages a user requested in going through one or more Web sites. Click stream information can help Web site owners understand how visitors are using their site and which pages are getting the most use. It can help advertisers understand how users get to the client’s pages, what pages they look at, and how they go about ordering a product.

**Clickthrough:** A clickthrough is what is counted by the sponsoring site as a result of an ad click. In practice, click and clickthrough tend to be used interchangeably. A clickthrough, however, seems to imply that the user actually received the page. A few advertisers are willing to pay only for clickthroughs rather than for ad impressions.

**Click rate:** The click rate is the percentage of ad views that resulted in clickthroughs. Although there is visibility and branding value in ad views that do not result in a clickthrough, this value is difficult to measure. A clickthrough has several values: it’s an indication of the ad’s effectiveness and it results in the viewer getting to the advertiser’s Web site where other messages can be provided. A new approach is for a click to result not in a link to another site, but to an immediate product order window. What a successful click rate is depends on a number of factors, such as: the campaign objectives, how enticing the banner message is, how explicit the message is (a message that is complete within the banner may be less apt to be clicked), audience/message matching, how new the banner is, how often it is displayed to the same user, and so forth. In general, click rates for high-repeat, branding banners vary from 0.15 to 1%. Ads with provocative, mysterious, or other compelling content can induce click rates
ranging from 1 to 5% and sometimes higher. The click rate for a given ad tends to diminish with repeated exposure.

**Cost-per-action:** Cost-per-action is what an advertiser pays for each visitor that takes some specifically defined action in response to an ad beyond simply clicking on it. For example, a visitor might visit an advertiser’s site and request to be subscribed to their newsletter.

**Cost-per-lead:** This is a more specific form of cost-per-action in which a visitor provides enough information at the advertiser’s site (or in interaction with a rich media ad) to be used as a sales lead. Note that you can estimate cost-per-lead regardless of how you pay for the ad (in other words, buying on a pay-per-lead basis is not required to calculate the cost-per-lead).

**Cost-per-sale:** Sites that sell products directly from their Web site or can otherwise determine sales generated as the result of an advertising sales lead can calculate the cost-per-sale of Web advertising.

**CPM:** CPM is “cost per thousand ad impressions”, an industry standard measure for selling ads on Web sites. This measure is taken from print advertising. The “M” has nothing to do with “mega” or million. It’s taken from the Roman numeral for “thousand.”

**Fold:** “Above the fold,” a term borrowed from print media, refers to an ad that is viewable as soon as the Web page arrives. You don’t have to scroll down (or sideways) to see it. Since screen resolution can affect what is immediately viewable, it is good to know whether the Web site’s audience tends to set their resolution at 640 by 480 pixels or at 800 by 600 (or higher).

**Hit:** A hit is the sending of a single file, whether an HTML file, an image, an audio file, or other file type. Since a single Web page request can bring with it a number of individual files, the number of hits from a site is not a good indication of its actual use (number of visitors). It does have meaning for the Web site space provider, however, as an indicator of traffic flow.

**Impression:** According to the “Basic Advertising Measures,” from FAST, an ad industry group, an impression is “the count of a delivered basic advertising unit from an ad distribution point.” Impressions are how most Web advertising is sold and the cost is quoted in terms of the cost per thousand impressions (CPM).

**Unique visitor:** A unique visitor is someone with a unique address who is entering a Web site for the first time that day (or some other specified period). Thus, a visitor that returns within the same day is not counted twice. A unique visitor count tells you how many different people there are in your audience during the time period, but not how much they used the site during the period.

**User session:** A user session is someone with a unique address that enters or reenters a Web site each day (or some other specified period).
A user session is sometimes determined by counting only those users that haven’t reentered the site within the past 20 minutes or a similar period. User session figures are sometimes used, somewhat incorrectly, to indicate “visits” or “visitors” per day. User sessions are a better indicator of total site activity than “unique visitors” since they indicate frequency of use.

**View:** A view is, depending on what is meant, either an ad view or a page view. Usually an ad view is what’s meant. There can be multiple ad views per page views. View counting should consider that a small percentage of users choose to turn the graphics off (not display the images) in their browser.

**Visit:** A visit is a Web user with a unique address entering a Web site at some page for the first time that day (or for the first time in a lesser time period). The number of visits is roughly equivalent to the number of different people that visit a site. This term is ambiguous unless the user defines it, since it could mean a user session or it could mean a unique visitor that day. With growing technologies, the world of sales and promotion on the internet is the most evolving and has the potential to move into the number source for advertising revenues. It is currently in third place.

**Promotions**

As mentioned earlier, the success of a sales staff depends heavily on the success of the programming they are sent out to sell. Meaning that the sales division is counting on high ratings to garner increased rates which in turn calculates to higher commissions paid out on their paychecks. The role of the Promotions department, sometimes called Creative Services, is specifically in place to increase ratings (viewers/listeners) through the use of various methods directed at a target market specific to the programs airing on their particular station.

**On-air Promotions:** These spots will run on their own station promoting upcoming programs or specials. If the station has a slogan or brand that distinguishes them from the competition, the Promotions department will utilize these identifiable elements to further familiarize the audience with their unique characteristics.

**Public Relations:** The PR department is responsible for generating publicity about the station which may occur in the form of a Press Release to the local media companies, newspapers, magazines and trade publications.

**Community Outreach:** As mentioned earlier in the chapter, broadcasters are primarily in business to serve the best interests of the public. Many would say that they are a “Public Servant.” Therefore, the Promotions
department will include a specific employee that is dedicated to being involved in community programs. This involves attending events for non-profit groups and civic organizations. This involvement further enables the station to get their name into the community while serving its citizens. **Internet Campaigns:** The media company will have its own Web site allowing the Promotions division to execute interactive campaigns that furthers their exposure to the public. Some examples might include News, Traffic or Weather alerts to those loyal viewers or listeners who have opted in for the service. **Sales Promotions:** Working alongside the sales division, Promotions will develop campaigns that will occur most often during ratings. For example, “Get Away May” runs in the morning news program encouraging viewers to watch and win in the month of May for a free trip to paradise courtesy of ABC Travel. This type of promotion can include on-air spots and internet elements specifically designed to get viewers to tune in during a time period that will be rated by Nielsen or Arbitron. In addition, they work with the Sales Department to sell these promotional ideas to generate much needed revenues for a station.

It is a collaborative effort on the part of the Sales and Marketing teams to generate revenues while also increasing viewership. In the upcoming years, there will be new and exciting methods from which both areas will evolve. On the initial horizon is the use of mobile devices, Hi-Def radio, Two-way cable and the further expansion into Digital Video. Most advances involve the interaction between the electronic media company and the end user. As long as the distribution points of these mediums continue to expand, it can only prove to be more beneficial to advertisers looking to reach their target customer and a place for Account Executives to show them the way in this bold world of media sales.

**SUMMARY**

This chapter examined the structure of a typical broadcast sales department and the responsibilities of those positions. It covered the new approaches and common practices, used to generate revenues for electronic media, including television, cable, radio, and Internet. Prospecting and generating new business were explored in depth, including guidelines on how to set a first and second appointment, performing the pitch, and multiple types of closing methods. In addition, we reviewed the role that Promotions/Creative Services plays in contributing to the success of the Sales division and described the various positions within that department. The ability for media companies to compete will be counting on these important departments to attract advertiser friendly audiences and generate substantial revenues, especially with the expansion into
new technologies. Finally, the chapter considered selling time and space on the Internet and the developing terminology of this new field.

**WHAT’S AHEAD**

The next chapter discusses the distribution revolution and the profound changes in the way content reaches consumers, content management, and digital rights management. The impact of digital distribution has had a tremendous impact on the way content industries manage their businesses. The chapter examines both traditional and continuously emerging distribution methods.

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**CASE STUDY 10.1 CNA (CUSTOMER NEEDS ANALYSIS)**

As a very persistent account executive for a local television-station, you have been calling on a local attorney’s office for the past six months attempting to get an appointment. This high-profile attorney has a long-standing reputation in your city and has traditionally spent his advertising dollars in the Yellow Pages.

Today is your lucky day – the attorney is angry with the local Yellow Pages because they somehow misspelled his name in the recent directory. He has granted you an appointment, but advises you that you must really impress him before he takes a leap into television advertising.

You explain to him that you will not walk in with a pre-packaged schedule because you want to spend the first meeting gathering the facts, as he does when he first meets with clients. He likes your style and sets you up with a meeting in seven days. He’ll meet with you in the morning because he has cases that begin promptly at 9:30 a.m., giving you 30 minutes to get the job done.

Begin laying out your strategy to make this a successful call. Choose a local attorney, and do some preliminary research on the firm. How long have they been in business? Are they associated with any charities? Do they specialize in a particular area of the law? Develop a Customer Needs Analysis form. What questions can you ask that will assist you in developing a well rounded advertising campaign?

Follow these guidelines when making your first call:

- Exchange business cards.
- Outline your meeting to the client.
- Present quick information about the station you are representing.
- Conduct a thorough Customer Needs Analysis.
- Set a follow-up appointment, at which you will present a customized advertising campaign.
- Thank him for his time.
- Get out on time.

**Assignment**

From beginning to end, describe how you intend to hit each of these actions points. Now, put this plan into action. Conduct your first meeting in front of your class. If there are time constraints, make this a 15 minute meeting. Keep your paperwork, because you will need it for part two of this Case Study. Allow your classmates to evaluate your meeting. If they were the client, would they grant you the 2nd appointment? By the way, make sure you set that next appointment no later than 5 business days from the initial meeting.

The more time that passes, the more opportunity that the potential client will find reasons to fall back into his traditional advertising patterns, not to mention that word will get out on the street, and your competitors will be chomping at the bit to get an appointment, too.
CASE STUDY 10.2 THE PITCH

How did your meeting go with your potential new attorney client? What did you find out about his or her business that will enable you to formulate an advertising campaign that will be deemed successful? Did you ask him or her what his or her definition of a successful campaign would be?

Sometimes clients are looking to get a branding message out that may not generate immediate phone calls, but will grow a clientele base over time. Other businesses want the phone to ring off the hook yesterday. How do you accomplish this?

It is extremely important that you establish the expectations of the campaign and determine how you will measure this success. Now that you are armed with the information, it’s time to put that data to use. For starters, when you created your own business card, what company did you decide on? Great! You’ll need to conduct some research on the strengths of the station you represent and how that applies to your client’s goals. Work these strengths into your Introduction page, which feeds back to the client some of the goals and information he or she has provided. This page should really communicate to the client that you were listening.

Target market page: Did you both decide on who the target market is for his or her business? If not, you are really going to have a difficult time moving forward, so make sure you have that critical piece of information. What can you tell your client about this target market that he or she may not know? Does your TV station deliver this audience? Where – what programs? How does that compare to your competitor? (By the way, it is likely they will be outside waiting for their opportunity to prove they have the better station.) Also, don’t forget where he or she has been spending his or her ad dollars in the past. You do not want to make the client feel like he or she has been making a huge mistake – that is offensive. Simply offer an improved and expanded approach to his or her marketing strategy.

What extra research can you bring to the table that perhaps other stations did not consider? Is there data that tells you that attorneys who are now shifting attention to another area are reaping higher returns? Share this information. You need to become well informed about this industry. What challenges is the attorney facing? Do you have solutions to these challenges?

Assignment

Put together a schedule that reaches the client’s target market and stays within his or her budget. Make sure to choose programs that are suitable to the client’s target. Determine your flight dates and how many months you would like to start with.

Next, write a script for a 30-second television script. Based on the information you have gathered, what message do you want your viewers to hear that will make them react?

Before asking for the business, you will want to ask the client his or her thoughts on the presentation. This is a great time to hear the objections to the campaign. In this case, you might hear the client reveal that he has worked it out with his Yellow Pages sales representative and it was made clear to him that if he is not in this directory, he will lose business. Is that true? What answer do you have for that statement? What can you offer that the Yellow Pages cannot? Is there a compromise you can offer? Reduce the size of your ad and use the savings to branch out into television. If the client has no questions, be careful. It may be that he has made up his mind not to advertise and did not pay attention. Keep your client involved with the presentation. Stop and ask questions along the way to maintain interactivity.

Close the deal. Ask for the business. Use a closing line that would work best for you and this particular client. Have the client sign the contract, schedule a date for production, and let the client know when the commercial spot will begin running and how the schedule will be invoiced.

Okay, you guessed it: Do this in front of the class as well. Create a Microsoft PowerPoint presentation and obtain feedback from your classmates at the end. Did you meet your objectives? How did you handle objections? If you were successful, you’ll not only have a new client on the air. You also get to pick up the lunch tab at the next meeting. Congratulations!
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