A Practical Guide to Sales and Selling in the Media Business

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Dedication

I've been encouraged over the years by a number of people who have mentored me, molded me, and taught me the everyday operations of the business, long after I leth the classroom. To them, I will always be grateful, particularly Dr. Herb Howard.

This book is dedicated to the three people who have been part of the development of it for the last 25 years. To my children, Andrew and Gabriela, who grew up in newspaper offices and television and radio studios—I understand and appreciate those times you wish I had been at the school Easter parade or the PTO meeting. I know you learned to cook early because I believe a healthy meal is a salad out of a bag, and I trust some of that independence you both have in spades comes from me.

To my husband, Dr. Nick De Bonis—for 30 years you've fixed my coffee at 4AM when I was called to the station, met me at the Atlanta airport to give me another suitcase for a flight to yet another emergency sales call, moved cross country for my job, and said, "We'll see you when you get back," when I was headed o% to some less than desirable country for my research and photography with a medical team. Without you, I could not have done any of it, including this book.

Finally, thank you to my editor at Cognella, Monika Dziamka. She has been exactly what I needed to get this book completed while listening to my wild and crazy ideas. I don't know many who could understand when told I'd touch base when I got back from Haiti. Monika, thanks, and I'd work with you anytime.

CHAPTER 1
Media Markets

Location, Location, Location

The old sales adage "Location, Location, Location" certainly holds true with media sales. Where a market is located has both real and perceived benefits in the mind of the advertiser. In this case, the location is not necessarily where the advertiser is located, but where the target audience receiving the message is located.

A good example of this philosophy is with internet sales. A growing sales group is internet groceries and within that, internet meat sales. A very successful lamb and beef producer is located in the Low Country South Carolina.

While many of the upper scale restaurants in the Charleston area purchase the lamb products in bulk, the business began as only a beef distributor to individuals, some as far away as the Northwest Coast. The company entered the lamb market, doubling its business in just a few years, because individuals in the Northeast requested lamb, in addition to the beef. At no time has the company been anything but an internet company, so all marketing is through the internet and social networks.

Most advertisers with traditional media are not just internet companies, but are local companies within the market where the medium is located. Therefore, there are several steps to take when working with the advertiser.

First, determine the **target market.** The target market is the group of people the advertiser wishes to reach to purchase his/her product. The target market is not necessarily geographically specific, but could be found all over the market.

Determining the target market is the first key step in working with the advertiser, in addition to determining the geographic market. For many years, advertisements for malls were based around the "10-mile" concept. The mall was most interested in attracting the people who lived and worked within a 10-mile area of the mall. (*Note: A 10-mile area means 10-miles out from the center of the mall, in any direction*.) This does not suggest that people outside that area were not appreciated customers, but research had determined that people who lived outside a 10-mile area of a mall were less likely to shop there if other malls were available in the market. This was also true of car dealerships and other businesses. For instance, one sit-down restaurant with multiple locations nationally used the "10-mile" rule when determining the real estate purchases for new restaurants. No two franchises were ever within 10-miles of one another.

The target market, though, is composed of people most likely to buy the advertised product or people the advertiser would like to attract to the product. Whether the advertiser is pushing multiple locations of a restaurant or one large car dealership, the mass media will sell using the market definition of the medium, unless directed differently by the ad agency and/or advertiser. With National sales, usually only the standard market definition is used.

The market is usually seen by the advertiser as the actual market where the product is sold. The standard definition of a market, used by many, comes from the Office of Management and Budget, based on census data from the Census Bureau, which is located in the Department of Treasury.

The purpose of the U.S. Census, which is taken every ten years, is found in Article One of the U.S. Constitution, which orders the decennial Census for the purposes of reapportionment of the U.S. House of Representatives. Thomas Jefferson was in charge of the first census and legend is that George Washington completed the first census form (probably around the time he cut down the cherry tree, too). However, as the years have gone by, the Census has taken on a larger function, which is to record the life of America and its citizens. In addition to recording the voting age population, it also records the demographics of its citizens, business activity in the country, an annual survey of housing, another one of governments and even more.

Although the Census Bureau collects massive amounts of data, it does not set policy. Much of that is given over to other departments in the government. One which has particular influence with the media industry is the Office of Management and Budget, which is under the White House.

The OMB sets the "markets" for the country, officially called the **MSA (Metropolitan Statistical Area).** The MSA is defined as basically a core population of 50,000 or more. There are also adjacent communities that have substantial economic and social interaction with the core area. The largest city is the Principal City, but the cities in the adjacent counties are also included in the MSA. Every ten years, after the Census data has been compiled, the OMB reviews all MSAs, adding and removing adjacent counties, creating new MSAs and combining MSAs into CSAs (Combined Statistical Areas). Included in the CSAs are often the Micropolitan Statistical Areas, that is, places of at least 10,000 in population but not more than 50,000. With the 2010 Census, there are now 388 MSAs in the U.S., including Puerto Rico, 541 Micropolitan areas and 169 Combined Statistical Areas.

How much of the U.S. does this cover? Eighty-four percent of the U.S. population lives in a MSA and another nine percent in a Micropolitan area.

What is the purpose of the MSAs, other than slicing and dicing more data? The OMB is very quick to say that it is only performing statistical work by delineating the areas; it has no policy-making in ways the data may be used. However, belonging to a MSA allows for certain types of Federal funding, particularly with social programs.

Outside of the Federal government, the MSAs are used to designate the markets for marketing purposes, particularly research. In fact, the census data is the basis for most marketing statistics in the U.S. Sampling is based on it and decisions are made, such as forming a radio or TV market based on the data.

A salesperson has a wealth of information available through the census. When presenting to a client, as will be discussed in Chapter Twelve, one of the first key parts of the presentation is establishing the market. Remember, census data can be studied at the state, county, town, zip code and census tract level. With the census data, pertinent information, including basic information about the area's population establishes credible information from the beginning. Being able to compare the market with the client and the media vehicle allows for a very tidy package showing the fit between all three.

Media Markets

Although the media, like other marketing and research entities, depends on the base of the Census for data, they have different definitions for what constitutes a market. Remember, the market definition is unique to a particular medium and cannot be used uniformaly. The newspaper market is the **NDM (Newspaper Designated Market).** Unlike the Radio and Television markets, newspapers determine their own market area. Usually this is very close to what the market actually is, but in recent years, as newspapers have shrunk their coverage area, they have shrunk their NDMs accordingly. Why? Very simple. The market area a paper is using should be the area where it sells the most papers. Some newspapers use the entire MSA, some use only the core counties, and others simply designate the counties where they have the primary coverage. NDMs are not recognized by many national ad agencies as viable markets because using the NDM does not allow the newspaper to be compared with other media, particularly television.

For zoned editions, the newspaper is designating areas where it has coverage and the area has some sort of uniqueness, such as a suburban town near the core area. Newspapers and zip codes are very similar in this respect. Postal Service Zip Codes were created to facilitate delivery of the mail. If more are needed, more are added. If Zip Codes need adjusting, they are adjusted. However, Zip Codes have no relationship to any population delineation. They simply exist to facilitate delivering the mail. Newspaper delivery routes and zoned editions are exactly the same as the Zip Codes. Newspaper routes were formed to facilitate delivery of the paper and no other relationship to the market.

Radio **Markets** are determined by Nielsen Audio (Arbitron), the radio research firm that calculates the audience data. While radio markets are not, in any way, related to the MSAs as determined by the U.S. Office of Management and Budget, they usually follow the government designations to some degree. It has to do with population density. The ranking of a radio market (and that of TV) is based on its population. For the government, an MSA is based on population concentrations. In Spring 2013, according to Nielsen Audio (Arbitron), there were 274 markets, ranked by sized. New York City is the #1 market, with Los Angeles #2.

The smallest market is #274, Casper Wyoming.[1] An important note: only about half of the counties in the U.S. are part of radio markets. All others are not measured and are in rural areas with small populations. Since radio markets are unique to that medium, national ad agencies are only anxious to use the market designation when the competition for the buy is radio to radio. Locally, the radio market designation makes perfect sense, because the local advertiser is only interested in that area.

Nielsen, even according to the FCC, is the determinant of the TV markets. Many years ago, Nielsen decided to create DMAs, which are Designated Market Areas. Every county in the U.S. belongs to a DMA and a county cannot be split among DMAs. Remember that radio markets only include about half of the counties in the U.S., because the range of radio stations is much smaller. DMAs are based on historical television viewing patterns and Nielsen updates the markets annually. Some DMAs are quite small, geographically, while others cover a large area, which is usually much greater than its radio market. DMAs have become the delineator with national ad agencies because every medium is usually found within the DMA. However, this isn't fair to both radio and newspaper, particularly radio, because there is, undoubtedly, population not reached by those two media. A simple mathematical example shows why.

Assume that station WXXX-FM has 60,000 listeners. The Radio Market has 100,000 in Population, while the DMA has 150,000 in Population. Since advertisers look for how well a media vehicle can reach the Population, WXXX-FM has no desire to show up in the DMA, but loves the Radio Market. WXXXFM has a Reach of 60 percent in the Radio Metro, which is where its signal is located, anyway. But, in the DMA, WXXX-FM has a Reach of only 40 percent, because there is a waste factor of 50,000.

$$\text{RADIO MARKET} \quad \frac{60{,}000}{100{,}000} = .60 = 60\%$$

$$\text{DMA} \quad \frac{60{,}000}{150{,}000} = .40 = 40\%$$

What Does "Market" Mean?

So, how does an advertiser know what to use? Unfortunately, most don't and even people who live in an area for most of their lives get confused. Atlanta, Georgia, is a case in point. In 2013, when the title "Metro Atlanta" is used, what is meant?

- **Nielsen Audio (Arbitron), with radio,** says the Atlanta Radio Metro is 20 counties and 4.4 million Population 12+.[2] Oh, and by the way, those 20 counties are based on the counties used for the MSA in 1990.
- The Office of Management and Budget, using **Census data,** says the Atlanta Metropolitan Statistical Area **(MSA)** is actually 29 counties and names it the "Atlanta-Sandy Springs-Roswell" area, with a Population of
- 5.3 million. And, it includes anyone born on April 10, 2010.
- **Nielsen, with the DMA** designation, says it's 54 counties, including one in North Carolina and two in Alabama, with 5.4 million Population Persons 12+.[3] Nielsen says the DMA is number nine in size (which is good), but that's down from number eight in 2011 (that's not so good).
- But, wait, there's still more! The **City of Atlanta,** is not considered in the top tier of major cities, because it has **only 420,279** and that counts everybody.
- This doesn't even talk about how the **print media** in "Atlanta" talks about their numbers, since sometimes they use the **NDM** and sometimes the **"Core Numbers,"** which is 20 counties, but not the same 20 counties Nielsen Audio (Arbitron) uses.

Most markets are not this confusing, but the point is identification is based on the organization designating it and it's extremely important to be clear when discussing geography.

Size Means Everything

In the media, size means everything. The bigger the better. Few organizations have been successful in marketing themselves as the smallest in town. In fact, a number of years ago, when the Audit Bureau of Circulation came out with the national newspaper numbers, the *Los Angeles Times* held a party for all 10,000 employees (those were the good old days) because it was now the #1 newspaper over the *New York Times*. No, the designation didn't last long, but that didn't matter on that particular day. Gift s were given (they varied depending on job grade), drinks of varying kind were served, and a good time was held by all.

Market size means everything, no matter the size of the media vehicle in the market. National sales are based on the size of the market and varying percentages are thrown out, but many will say that 50 percent of all National sales come out of the Top 10 markets. To be in the Top 10 is like winning the Super Bowl every year. Media people in the Markets #11–15 keep close eyes on the population movement in the Top 10. The Top 10 DMAs, for 2012–2013[4], with the TV Households, are:

1.	New York	7,384,340
2.	Los Angeles	5,613,460
3.	Chicago	3,484,800
4.	Philadelphia	2,949,310
5.	Dallas-Ft. Worth	2,588,020
6.	San Francisco-Oakland-San Jose	2,502,030
7.	Boston (Manchester)	2,366,290
8.	Washington, D.C. (Hagerstown)	2,359,160
9.	Atlanta	2,326,840
10.	Houston	2,215,650

Some markets have an opportunity to grow and there will be some shifting here and there, but from what is apparent in the list above is that the Top 3 are here to stay.

Personality of the Area

So, what happens if you're not in the Top 10 or even the Top 50 (#50 is Jacksonville, FL) or Top 100 (#100 is Greenville, NC)?

Personality can be sold and every market has its own personality. Remember the city that didn't get the factory? It was selling Personality and while it didn't get the factory, it undoubtedly attracted many other industries with the nice beaches, sunrises, parks, and generally Happy Faces. Other markets will push its Higher Education and while Boston sells itself a number of ways, Higher Education is often used to attract businesses which want a highly educated workforce.

From a media standpoint, a salesperson is often selling the market to both outsiders and businesses already located there. As noted before, many residents don't know their own cities, such as where growth patterns are emerging, which restaurants are the most popular at what time of the day, how commute patterns may be changing, etc. The first part of the presentation should always be a few factoids about the city; but ones which relate to the presentation.

What's Happening

What's happening in a city is part of its Personality. Some cities are known for particular festivals, like Charleston with Spoleto or Houston's Rodeo and Livestock Show. Others are known for year-round "happenings," such as San Antonio's Riverwalk and Napa Valley Wine Country.

Every city has something and, depending on the "fit" with the client, the attractiveness of the ambiance or individual event can often be used with a client. This is particularly true when the media vehicle represented is a participant in the event. However, a bad "fit," such as wine at the rodeo, can also be just as detrimental.

The Client's Market—Location, Location, Location Revisited

The client's market can be, but is not necessarily, geographic. For instance, the national restaurant chain with the "10-mile" rule for new real estate is an example where geography is a key. However, sometimes, only the market boundaries restrict the geography. When there is a general product, such as tomato soup or a popular movie, geography is only restricted if the traditional media is used.

In many respects, though, the client's market is that elusive target audience. While many business owners have a good handle on who is buying the product, they may not know how their product will fi t into a specific market.

As part of the relationship that can be built, a savvy salesperson can know that information before the first meeting.

This raises the question, though, of the use of traditional media for an internet business. To a certain degree, yes, there is a need for traditional media. If the lamb and beef producer discussed earlier recognizes that the company has no customer base in Snowbird Florida, but is doing well in the Northeast, the company may want to try some traditional media that puts the website prominent in the ads and links the company website in online ads from the media.

Unfortunately, many salespersons don't recognize the need to research the client's market and be familiar with their own. Deals have been broken because of a lack of knowledge about the client's market, but great appreciation has been shown by clients whose markets are recognized.

End Notes

1. Arbitron, Inc. "Market Survey Schedule and Population Rankings." Spring 2013.
2. Ibid.
3. The Nielsen Company. "Local Television Market Universe Estimates: Estimates as of January 1, 2013 and used throughout the 2012–2013 television season." 2012.
4. Ibid.

CHAPTER 2

Understanding Your Customer

Basic Demographics

Understanding basic demographics is a great starting point to knowing your customer. In it the most simplistic form, basic demographics is how people look. It's Gender, Age, and Ethnicity/Race.

Gender is Male and Female. This does not include sexual orientation, merely Male and Female. Based on these two characteristics alone, readership of newspaper sections, listening to radio formats, viewing certain television programs can be predicted. For instance, Men are more likely to read the Sports and Comics sections of the newspaper. When the groups are subdivided, some Men will read only Sports, some only Comics and some both sections. We know that Women are more likely to listen to Adult Contemporary radio and, to some degree, Country. Men are News/Talk listeners.

Gender is usually too simplistic. Another level to add is **Age**. The most popular age group to sell is Adults 25–54, followed closely by Adults 18–49. However, these two groups have a wide range of years and an 18-year-old usually has very little in common with a 49-year-old. The 25–54 year-old group is often called a "Family Reunion in the Making." The standard age groups for measuring readership and/or audience are:

12–17
18–24
25–34
35–44

45–54
55–64
65+

Note that these are mutually exclusive and can easily be put into a pie chart for presentation purposes. However, anytime the groups overlap, such as 18–34, 18–24 and then 25–34, they can only be shown as a bar chart.

Ages can be grouped in any way, but caution is given when the groups become too small. This is mass media and often times a single media vehicle, such as a radio station, will not have enough listeners in the Nielsen Audio (Arbitron) data to justify the results. An example, though, of using the smaller groups is with the beer industry. A number of years ago, in a self-regulatory action, the beer industry decided not to advertise on a radio station during the times a certain percentage of listeners would be under 21. For that reason, beer distributors requested stations to provide data showing listenership of under 21-year-old listeners by daypart. For some stations, this was difficult because of listener numbers. Some beer advertisers went so far as to pull all ads from stations which had under 21 listeners only during a certain daypart, such as Evening. The advertisers did not want to take a chance that an ad could be put in the rotation in the wrong place.

Ages have also been categorized in different ways by researchers other than simple age ranges. It's called *Age Segmentation* and is a common research tool used by marketers. Figure 2.1 shows a timeline of these different segments. There is much disagreement on when the groups from around 1980 begin and end, but there is general consensus when

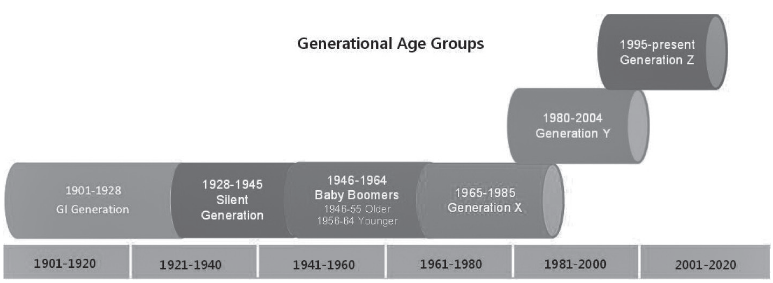

Figure 2.1 Generational Age Groups

discussing a particular group about behavior, particularly media behavior. Very briefly, the groups are:

- **GI Generation.** Born before 1925–1928, this group experienced World War II, including, for the youngest ones in the group, serving in the military during that time. Called "The Greatest Generation" by retired TV anchor Tom Brokaw and, then by others, this group is composed of the most elderly citizens, rarely targeted by advertisers.
- **Silent Generation.** Born from 1925–1928 to 1945, these people experienced the Depression and World War II, primarily as children. The oldest ones may have served at the end of the war, but they were active in the Korean War and, to some degree, the early years of Vietnam. At the time of the turbulent 60s, this group was observing, many in the middle of parenthood and early middle-age. Now, they range in age from 68 to 88 and, like the previous group, are rarely targeted by advertisers.
- **Baby Boomers.** Born between 1948 and 1964, this group is the largest group of Americans and has the most money to spend. Advertisers have begun to realize the power of Baby Boomers. Called Baby Boomers because of the increase in the birthrate after World War II, the **Older Boomers (1948–1955)** are now just entering retirement age and collecting pension plans and Social Security. Older Boomers have the most discretionary income, that is, money to spend after all necessities are paid, and the idea of retirement for this group is not sitting on the porch in a rocking chair at a nursing home. Younger Boomers (1956–1964) are at the top of their income levels and many are becoming Empty Nesters, with children leaving home. This gives them the discretionary income to start planning for retirement and/or enjoying what they are making.
- **Gen X** brings confusion into the picture. The group begins with people born in 1965, but whether this group is through 1980 or 1985 is open for debate. Gen X grew up with cable, disco and it's the first group whose newspaper

readership began to drop. This is the first generation of Sesame Street. They are also the children and, to some degree, the first grandchildren of Baby Boomers.

- **Gen Y.** Born from 1980–1985 to 2004 are often called "Millenials," or "Echo Boomers," and "Boomerangs" because of the propensity to return home after college. They've also been called the "Me Generation." Gen Y group members are the most likely to have Zero TV, but they also were at the advent of learning with a computer.
- **Gen Z.** Born from 1995 to Present, this group knows nothing but technology. By the time they could walk and talk, the internet had become a standard in the American home.

The third major demographic level is to incorporate **Race and/or Ethnicity** into the target definition. Based on Office of Management and Budget standards set in 1997, the Census Bureau recognizes five races:

- **White.** A person with origins in any of the people from Europe, the Middle East and North Africa
- **Black or African American.** A person who has origins with any of the Black groups from Africa.
- **American Indian or Alaskan Native.** A person maintaining tribal affiliation or attachment and has origins of the people of North and South America.
- **Asian.** A person with origins in people from the Far East, Southeast Asia or the subcontinent of India. Examples of countries would be China, Japan, Thailand, India and Pakistan.
- **Native Hawaiian or Other Pacific Islander.** A person having origins from any of the original people of Hawaii or other Pacific Islands.
- Beginning with the 2000 Census, the government has allowed for multiple races to be named by a person completing the census questionnaire.

Race and Ethnicity are totally separate. Ethnicity is based on the social group that has a national or cultural history. Some differentiations of Race and Ethnicity use the Physical vs. Sociological definitions. Race has to do with the Physical characteristics of a person while the Ethnicity is sociologically based. **Hispanic** is not a Race; it is an Ethnicity. According to the 2010 Census, 17 percent of the population was Hispanic or Latino. Among Hispanics or Latinos, approximately three-fourths said they were White.

Other Demographic groups important in establishing a Target Audience include **Education** and **Household Income.**

- **Education** is often used when predicting newspaper readership, the premise being that the more educated the person, the more likely he/she is to read. The Education categories most commonly used are: Less than High School, High School Graduate, Some College/Technical School, College Graduate, Post-Graduate.
- **Household Income** is sometimes difficult to obtain. On any given survey, at least ten percent of the sample will not answer the question. Nonetheless, it is important to recognize the level of wealth for groups. Household Income levels usually used are: Less than $25,000; $25–$34,999; $35–$49,999; $50–$74,999; and, $75,000+. In some cases, the $75,000+ may be split into $75–$99,999 and $100,000+.

Other Demographic areas include Employment and Religion, although Religion is a sensitive issue and many people will not answer.

It should be noted that Nielsen Audio (Arbitron) and Nielsen only ask the three major Demographic questions when gathering listenership and viewership information: Age, Gender and Race/Ethnicity. That leads to Psychographics, which is the bailiwick of other groups.

Basic Psychographics

Psychographics is the study of behavior, personality, interests, values, attitudes and, for media work, lifestyles. It allows advertisers to look at their target audience from more than just how they look, but how they will behave. In other words, what type of car are they most likely to buy when they purchase in the next year (which is another behavior)?

Depending on the level of analysis an advertiser chooses to use when determining the target audience, Psychographics will include the basic demographics and add behavioral and attitude attributes needed to get a better handle on the group. Psychographic segmentation, along with the demographics, is not individual specific but looks at "More Likely To" perform a certain behavior.

A study of Gen Y gives a good example of Psychographics. The title, "Gen Y," was first used in an Ad Age article in the early 1990s to discuss the new "teenagers." Demographically, we know that Gen Y is composed of people born between 1980 and 2004. From a Gender standpoint, they are probably split like the nation is, which slightly skews toward women. Psychographics, though, help tell more of the story. Because of when they were born, we know they were in the age of entering internet use and other new technologies. They are also called Millenials, because their age range straddles two different centuries. The title "Boomerang" comes from the behavior of returning home after college frequently, between jobs, or not leaving home at all. They experienced the first "multitasking" and don't feel a need to stay in the same place of employment their entire careers just to earn a pension, as their parents, grandparents, and other generations did.

Most psychographics used by media is gathered in research by marketing research firms. Several well-known in the media world are Scarborough, Simmons and Gallup. These companies provide massive amounts of data dealing with subjects as finite as what local restaurant someone will visit how many times in a month.

Psychographics, as stated early, help refine the target audience of an advertiser or a media vehicle. Nielsen Audio (Arbitron) releases each year a detailed document that takes the top radio formats in the country and provides several pages on the lifestyles of the consumers most likely to listen to the particular format. This may range from internet activity to beer purchases. This does not suggest that every person who listens to a format is a certain gender, age, race/ ethnicity, live in a certain part of the country, or buy airline tickets through the internet. Instead, it suggests behavior.

Geodemography

"Birds of a Feather Flock Together."

That old adage is what directs Geodemography. It is the study of Demographics (and Psychographics) as related to where the person lives and works, with the assumption that most people will live in areas where people like them also live. It incorporates socioeconomic data and uses multivariate statistics to determine the groups.

A number of companies specialize in this work, but the best known is Claritas, with its Prizm segmentation. Recently purchased by Nielsen, Claritas products can assist companies in determining where to establish new locations and understanding better the target audiences where they have businesses. Using Census data and supplementing it with data from Scarborough, Simmons and others, the country is divided into 66 segments with certain attributes specific to that group. Multiple groups may have similar attributes, but the mix of the attributes is what makes a segment unique.

Media Usage

Why do the media use the Audience Data? For the same reason any other business group does—to understand and attract the customers.

How do the media use the Audience Data? Most simplistically, by knowing the basics (age, gender, race/ethnicity) of who is using the product. However, this is simplistic and the more information you know about the readier/listener/viewer, the better to keep and attract them.

Sales, though, is where the information is used the most and usually the best. Knowing more about the media product and that of the client's allows for serving the client better. For instance, if a salesperson knows that his/her station's audience is most likely to drive a pickup truck, the next conversation with the auto dealer client is about directing the ads to that group. It also allows the sales staff to better target the clients to approach. Pickup trucks are rarely seen as glamorous, so why pitch them that way to a luxurious vehicle dealer?

In a more sophisticated way, using geodemography, a salesperson can educate a client on the behaviors of the population in his/her trade area. For instance, although it is a rather new activity, many automotive dealers track both shoppers and purchasers based on where they traveled from to shop at the dealership, what the behavior was at the dealership (shop/purchase), and other attributes about the person based on simple demographics and the home address.

Targeting the Right Audience

In the long run, it comes down to targeting the right audience and knowing the targeting was correct. Unless an advertiser says, “I only want customers from this zip code who are this age and have this income,” the targeting is on the salesperson’s shoulders to accomplish. The more research that’s done, the more likely the target audience is correct.

Looking back at the scenario, Sam, the experienced salesperson, obviously used data to know the possible activities of the factory supervisor. On the other hand, Mike, the less-experienced sales person, took one variable, type of employment, and made incorrect assumptions.

CHAPTER 3
Math and the Sales Process

An Introduction

Many students are turned off from a career in Sales and, therefore, Management, because of a fear of Math.

Yes, this chapter is all about calculating audience and rates, but there should be no fear. At the very worst, percentages are used. And, to make it all easier, in a Sales department, the computers are programmed to run the data. A salesperson has to know what to run and why it is used. Therefore, a chapter on calculations.

Confusion can reign, however, because people often forget a step in the process or what to use when. Organization is the key. Media Math is best understood if one remembers fifth grade word problems, the bane of everyone's existence. Actually, the key to Media Math is the same as the key to fifth grade word problems: one step at a time. If you attempt to jump steps, not read carefully what is requested and generally take this in a cavalier manner, you will find yourself just like the students in fifth grade who had to stay in from the playground to finish the class assignment. Only this time, you're out of a job.

Accept that the terminology is another language and print is different from electronic which is different from internet measurement. There is no one which is easier than another. It's what you work with the most and once you get the hang of things, it will be like tying your shoes. You don't forget. It all comes down to the basics: how much audience, how much can you charge, and what is the best plan for both you and the client.

Basic Terminology

As noted, Media Math has its own terminology, just like any other industry. This section, on Basic Terminology, introduces you to the key terminology in each industry, beginning with Print.

Print

Print has two major ways to look at the audience: **Circulation** and **Readership.**

Circulation is the tangible newspaper itself and the number of copies distributed, primarily paid. Most Circulation is either **Subscriptions,** those papers paid for ahead of time and distributed to locations, usually homes; or, **Single-Copy Sales,** which are those copies sold individually in grocery and convenience stores and from the racks seen outside of stores and other locations. Circulation is usually expressed as Daily (Monday-Friday, Monday-Saturday) or Sunday. (*Note: Be careful! Circulation is also a term used in Broadcast and Outdoor, although not as often.*)

Readership is the number (or percentage) of people who say they are reading the publication or the ad. Traditionally, the number of people per copy of the paper has been 2.0, although that number fluctuates widely with different papers.

Circulation, for paid papers, is monitored and audited by the Alliance for Audited Media (formerly the Audit Bureau of Circulation). Readership, on the other hand, is the product of survey research where people supply their readership behavior. Readership is usually larger than Circulation.

Another widely used measurement is based on Readership. **Gross Impressions (GIs)** are the total <u>number</u> (or sum) of readers delivered by an advertising scheduling.

HINT: GROSS = SUM

Gross Impressions = Readership × Number of Spots (Ads)

Cumulative Audience (Cume) is the number of different people who read the newspaper over a prescribed length of time. While Cume is used in Newspaper, it is more frequently seen in TV and Radio.

Geography, the coverage area, is important for every medium. With **Newspaper,** the AAM measures the **Newspaper Designated Market (NDM).** The NDM is a self-determined area for the newspaper and is considered to be the market served by the newspaper. An NDM has to include the area where the newspaper is marketed and have census units that are contiguous. In other words, the NDM can't skip over the map, with counties or census tracts within an area not included because the circulation and readership are poor there.

The **City Zone** and **Retail Trading Zone** are also used. These are the same for all the papers published in an area and are established by the AAM. A **City Zone** is the central area of the newspapers and is similar to the actual central city in a metropolitan area. It is usually the place where the primary newspaper in the area will have its greatest concentration of circulation. The **Retail Trading Zone** usually includes the City Zone and surrounding areas, sometimes just two or three but sometimes expanding out.

Television and Radio

Television and **Radio** use the same measurements as one another, with a few exceptions. In **Television,** the base is **Households Using Television (HUT),** because Nielsen uses Households as the basic measurement. The HUT is a percentage of all the TV Households which actually have one or more sets on during a time period. It's only counted one time, even if there are two or more sets on in a household at the same time watching different programs.

Radio uses **Persons Using Radio (PUR)** because Nielsen Audio (Arbitron) looks at Persons, not Households. The PUR looks at listening during a particular daypart or by a certain demographic or in a particular geography and it's the total amount of listening to the radio.

Rating and **Share** are the basis of all Radio/TV/Cable measurement. The industry operates on the Ratings and rates are determined by the ratings for a specific station, either radio or television. A **Rating** is the audience expressed as a percentage of the Total Audience. One Rating point equals one percent of the Total Audience.

$$\frac{\text{Persons}}{\text{Population}} \times 100 = \text{Rating (\%)}$$

A **Share** is similar, but it relies on the HUT/PUR level, that is the Persons actually having the television or radio on at the particular time/daypart it is measured. The Share will always be higher than the Rating, because the Share doesn't use the wasted audience of households/persons who don't have the set actually turned on.

$$\frac{\text{Persons to a Station}}{\text{Population to All Stations}} \times 100 = \text{Share (\%)}$$

Rating can be used across the entire day or even week. For instance, an advertiser could compare a station's Morning Drive versus another station's Afternoon Drive. In Television, the early morning news show could be compared to the competition's noon news. However, since **Share** is based on the sets or persons actually turned on, it could only be measured within a daypart. An advertiser could measure the early morning news on all stations or the noon news for every station, as long as the dayparts' time frames were the same. Mathematically, Rating, Share and HUT/PUR are related. If you know two of the three, you can calculate the third. The formula is quite simple, one learned in basic algebra:

Rating = Share × HUT (or PUR)

Nielsen Audio (Arbitron), many years ago, created another variable to the measurement system that is unique to radio, and, quite honestly, rather archaic. Back in the days of early radio, in the 1940s, radio programs were 15 minutes long. Therefore, programs were measured using the **Average Quarter Hour (AQH).** To this day, the Average Quarter Hour is still used, even though radio programs are not 15 minutes.

An **AQH** is the number of persons (or household) who are tuned in to a station or program during an average 15 minute period for at least five minutes. In **Radio,** the **AQH Rating** and **Share** are used. The formulas for calculating AQH Rating and Share are the same as for Rating and Share.

Both **Gross Impressions (GIs)** and **Cume,** similar to what is used in Newspaper, are used in TV and Radio.

HINT: GROSS = SUM

Gross Impressions = Persons × Number of Spots (Ads)

Cume is the non-duplicated audience for a radio or TV program or daypart/time period. It is shown as a percentage. It is important to remember that with **Gross Impressions** a person is counted every time he/she sees an ad. This is different from Cume. With **Cume,** a person is only counted once, no matter how often he/she sees/hears the ad. The Cume for a station, Monday-Sunday 6AM—Midnight is considered the Total number of listeners for a radio station.

Reach or **"Net Reach"** is a term used interchangeably with Cume. However, there is a slight difference. Cume is used when talking about the Audience. Net Reach is used when talking about the Advertising Schedule.

Geographies, with Radio and TV, are based on the markets, as prescribed by Nielsen Audio (Arbitron) and Nielsen. A rather extensive discussion of both can be found in Chapter Eight, but just to reiterate:

> **Radio** uses **Metros,** areas loosely built by Nielsen Audio (Arbitron) around the MSA of a market. Only about 50 percent of all counties in the U.S. belong to a Metro, but a high percentage of the U.S. population is found in the Radio Metros. Periodically the Metros are updated, but this is done at the request of station owners in a market and with the consent of a large number of the owners.

TV uses **DMAs, Designated Market Areas,** Nielsen's division of the U.S. DMAs incorporate every county in the U.S. and are used not only by Nielsen for TV, but by advertising agencies and others when looking at multimedia in the area. Nielsen adjusts DMAs annually, but most are not changed in the number of counties. With both Nielsen Audio (Arbitron) and Nielsen, since market sizes are based on population, a market can move up or down in the rankings as the population for that market and others around it in the rankings change, too.

Two other measurements for TV and Radio which bear discussion are **Frequency,** used with both TV and Radio and **Time Spent Listening (TSL),** a radio measurement.

Frequency is the average number of times a person is exposed to an advertising schedule. A successful schedule usually needs a 3 Frequency. In other words, the viewer/listener needs to have seen/heard the same ad at least three times.

$$\frac{\text{Gross Impressions}}{\text{Net Reach}} = \text{Frequency}$$

Time Spent Listening (TSL) is a radio measurement that looks at the amount of time an average listener spends with an individual station (or total radio) during a daypart. TSL is reported in Hours and Minutes. It's only measured within the Metro and can't be used with other geographies.

$$\frac{\text{Quarter} - \text{Hours In a Time Period} \times \text{AQH Persons}}{\text{CUME}} = \text{TSL}$$

Audience Measurement and Cost of an Ad

Audience Measurement and Cost of an Ad is the calculation of the medium using the rates as determined by the medium and the measurement tools discussed in the previous section. Newspaper and Magazine are different from one another, while Television and Radio are the most similar. Unfortunately, since each medium is measured differently, there is only one way to compare the media: **Cost Per Thousand (CPM),** which will be discussed at the end of this section.

Print

Magazine is the simplest to understand among the Print media. With a magazine, the rates are based on the different sizes of ads for the magazine, since space is sold in a page or portion of a page. The basic ad sizes are:

Quarter-Page
Half-Page
Full Page
Double Truck (Two Pages, Centerfold)

In addition, there can be extra charges for color, placement on a page or section and other production issues. Understand that a half page is not necessarily half the price of a full page, although it often is. The dilemma for the advertiser who wishes to place ads in multiple magazines is the different sizes magazines may have, as discussed in Chapter Three.

Newspapers have what can appear to be the most confusing measurement structure. Newspaper advertising charges are based on **column inch.** A column inch is one column × one inch. This is based on the concept that a newspaper is designed around five or six columns on the page horizontally and is a certain depth, that is, vertical length. Most broadsheet-sized newspapers are 21 inches in depth or close to that measurement.

Newspapers are usually sold in standard sizes:

Full Page
Half Page, both Horizontal and Vertical
Quarter Page
Full Page Double Truck (two pages in a centerfold)
Premium Positions (certain pages in sections)

As an example, look at a small paper in the Midwest that is 6 columns × 21 inches as a standard size. For discussion purposes, let's assume the Daily rate is $71.50 and the Sunday rate is $82.50. That means the Daily rate is $71.50 per column inch. Let's also assume the advertiser is interested in a Full Page on Sunday and a half page on Friday (Daily). What would be the cost?

Look at the Daily, first:
A Half Page would cost $71.50 × (6 × 10.50) = $4504.50
Note: The 10.50 is half of 21 (Half of Full page)

Now, look at the Sunday:
A Full Page would cost $82.50 × (6 × 21) = $10,395.00
The **TOTAL** cost of the campaign would be: $4504.50 + $10,395.00 = $14,899.50

This, of course, does not assume any color charges, of which there would be both Daily and Sunday, or any other production charges.

Since the advertiser may be interested in other media, it's a good idea to look at Gross Impressions, which will be used later in calculating the **Cost Per Thousand.** Remember, **Gross Impressions** are based on **Readership.** Daily and Sunday papers have different Readership.

For this example, let's assume the **Daily Readership is 15,500** and the **Sunday Readership is 21,500.** So, what would be the Gross

Impressions? Since the advertiser is only buying one ad each on Friday and Sunday, it's simply an addition of the two:

$$15{,}500 + 21{,}500 = 37{,}000$$

IF the advertiser had purchased two Daily ads, say Thursday and Friday, the Daily Gross Impressions would have been $2 \times 15{,}500$.

Television

Television ads are just the opposite of Newspaper: much easier to calculate. TV stations don't expect calculations; the advertiser is given the rate. It's then the advertiser's decision on what to buy and for how much. In the simplest form, the ads are priced as a 30 second (:30) or 60 second (:60) ad with a spreadsheet with the dayparts or programs.

Let's assume the advertiser who bought newspaper is also interested in television, particularly the 6:00 and 11:00 News. In almost all markets the 6:00 News is more expensive that the 11:00 News. But, he wants both. So, let's assume he buys the 6:00 on Monday, Wednesday, and Friday for $1200 per :60 spot and the 11:00 on Tuesday and Thursday for $500 per :30 spot. What is his Total Cost:

First, the 6:00 News at : 60 for three days:
$1200 × 3 = $3600.00

Now, the 11:00 News at :30 for two days
$500 × 2 = $1,000

The **TOTAL** for TV would be $3600.00 + $1,000.00 = $4,600.00

But, Wait, There's More!

Television relies on **Cost Per Point (CPP).** Cost Per Point is the amount it would cost per Rating point. But, before it can be calculated, the **Gross Rating Points** have to be determined.

Let's assume the 6:00 News has a Rating of 4.5 and the 11:00 News has a Rating of 2.1. To calculate the Gross Rating Points (GRPs), the number of spots in the program are multiplied by the Ratings for that program.

Media	Newspaper	Magazine	TV	Radio
Sales unit	Col.In. (ci), Page Fraction or Page	Page Fraction or Page	Minute, Minute Fraction, or program	
Coverage measure	Geographic area, Zones		Geographic area within which an originating station's signal can be received.	
Audience measure	Circulation, Readers, Readership		Ratings, Share	
Audience Accumulation Measure	Total Circulation		Ratings, Share, Net Cume Audience	Ratings, Share, Cume
Gross Advertising Weight	Gross Impressions (GIs)		Gross Rating Points (GRPs)	
Cost Efficiency Measure	Cost Per Thousand (CPM)		CPM, Cost Per Point (CPP) or Cost Per Rating Point (CPRP)	

Figure 3.1 Comparison of Media Vehicles

For the 6:00 News: $3 \times 4.5 = 13.5$

For the 11:00 News: $2 \times 2.1 = 4.2$

The **TOTAL GRPs** $= 13.5 + 4.2 = 17.7$

$$\frac{\text{Total Cost}}{\text{GRPs}} = \text{CPP}$$

So, for the **Television CPP:**

$$\frac{\delta 4{,}600.00}{17.7} = \delta 259.89$$

But, Wait, There's STILL More!

Remember the **CPM**? That's based on **Persons** for the **Gross Impressions.** Let's assume that ONE Rating Point equals 1,500 people. So, how many people are we talking about in this buy?

For the 6:00 News: $(1500 \times 4.5 \text{ Rating}) \times 3 \text{ Spots} = 20{,}250$

For the 11:00 News: $(1{,}500 \times 2.1 \text{ Rating}) \times 2 \text{ Spots} = 6{,}300$

The **TOTAL Gross Impressions (GIs)** = 26,550 (Hold that thought, please.)

Radio

Finally, **Radio.** Technically, Radio is calculated the same way as Television, but using the Average Quarter Hour (AQH) Rating. Usually a radio rate card is not by program, but by Daypart. Occasionally, there will be programs a station sells, such as with Sports or a syndicated talk host, but it's usually by Dayparts.

Back to our advertiser. Now, he wants to purchase a little radio. Morning Drive and Afternoon Drive (Duh! Like everyone else!). For Morning Drive, two 30-second spots a day, five days a week and for Afternoon Drive, three 30-second spots a day, five days a week. Let's assume Morning Drive costs $150 at this station and Afternoon Drive $125.

For Morning Drive:
$150 × 2 (times a day) × 5 (weekdays) = $1,500.00

For Afternoon Drive:
$125 × 3 (times a day) × 5 (weekdays) = $1,875.00

The **TOTAL** for Radio would be: $1,500.00 + $1,875.00 = **$3,375.00**

Just like Television, Radio relies on **Cost Per Point (CPP).** Cost Per Point is the amount it would cost per **Rating** point. Remember, the **Gross Rating Points** have to be determined.

Let's assume **Morning Drive** has a **Rating of 8.3** and **Afternoon Drive** has a **Rating of 7.2.** To calculate the Gross Rating Points (GRPs), the number of spots bought in that Daypart are multiplied by the Ratings for that Daypart.

For Morning Drive: (2 × 5) × 8.3 = 83

For Afternoon Drive: (3 × 5) × 7.2 = 108

The **TOTAL GRPs** = 83 + 108 = 191

$$\frac{\text{Total Cost}}{\text{GRPs}} = \text{CPP}$$

So, for Radio

$$\frac{\delta 3{,}375.00}{191} = \delta 17.67$$

But, Wait, There's STILL More!

We have to be ready for the CPM. That's based on Persons for the Gross Impressions. Let's assume that ONE Rating Point in radio equals 1,100 people. So, how many people are we talking about in this buy?

For Morning Drive: (1,100 × 8.3 Rating) × 10 Spots = 91,300

For Afternoon Drive: (1,100 × 7.2 Rating) × 15 Spots = 118,800

The **TOTAL Gross Impressions (GIs)** = 210,100 (Hold that thought, please.)

Cost Per Thousand

Cost Per Thousand (CPM) is the only way to compare the media on pricing. Each medium is calculated the same:

$$\frac{\text{Cost of Media Buy}}{\text{Gross Impressions}} \times 1000 = \text{CPM}$$

So, let's compare the three media the advertiser wants: Newspaper, Television, Radio, using the calculations we've already completed.

So, what to do? Should the advertiser use the Friday/Sunday newspaper buy? The television 6:00 and 11:00 News buy? Or, the Morning Drive/Afternoon Drive radio buy?

The Answer: That wasn't a trick question, but there's not enough information here. What is the advertiser's Target Market? What are the Target Audiences for each of the media? What is the advertiser trying to accomplish? Push a special sale? Remind the market of his company?

$$\text{Newspaper} \quad \frac{\$14{,}899.50}{37{,}000} \times 1000 = \$402.69$$

$$\text{Television} \quad \frac{\$4{,}600.00}{26{,}500} \times 1000 = \$173.58$$

$$\text{Radio} \quad \frac{\$3{,}375.00}{210{,}100} \times 1000 = \$16.06$$

The bottom line: All of this data is necessary for making a proposal to an advertiser. The correct answer is based on multiple sources, not just the numbers. For help in comparing the different media, Figure 3.1 gives a quick and easy view.

CHAPTER 4

Basics of the Sales Process

When You're Handed the List

There are two broad categories of salespersons hired. The first group is salespersons with experience. These people most probably know other people in the industry, particularly within the medium they are joining. After all, the media business is quite small and networking is the key to good, solid employment, particularly if someone wishes to move up in the business.

Even though they have probably just completed a non-compete with their previous media vehicle, these people bring a valuable asset in addition to their experience: their client lists. No doubt, there is duplication among their lists and those of the medium they are joining, but they also bring strong relationships with those clients. If there is duplication of the client between the current salesperson and the new one joining the media vehicle, the sales manager of the new place of employment must make the decision on keeping the client with the current salesperson or assigning the client to the new salesperson. It depends on a number of factors, but particularly the relationship between the client and the salesperson.

The second type of salesperson hired is the one with no media sales experience, although it's possible the new hire has sales experience from another area. In many cases, this person should be given the most attention by the sales manager, including training. In some large clusters of radio stations, salespersons are actually hired, trained, and then placed with the appropriate station. However, unfortunately, there is usually little time or resources to train salespersons except in shadowing other salespersons and an orientation to the media vehicle's policies and practices.

A new salesperson, whether brand new to the business or new to the market, does not have the client list and it's something that must be developed quickly, just as with any other industry. A good sales manager will know the assets each new salesperson brings and recognize previous experience that may have nothing to do with sales, but allows the salesperson to bring experience and perhaps, contacts. This could be from Sports, working in restaurants, or numerous other assets. Sometimes, if a person has lived for a long time in a geographic area, such as a part of suburbia in a larger market, that person may know who is who in the area.

Unfortunately, many sales managers are overworked and/or do not have the managerial training to recognize those assets. In most cases, a new salesperson is simply given a list of possible clients and then expected to work with those and develop others who are similar.

When given a prospecting list, it can be done in a number of ways. The crudest and least sophisticated way, but one still used, is to give the salesperson a portion of the telephone book and told to call from there. A much more sophisticated way is to provide the new salesperson with a current client list (with appropriate salesperson) and a list of prospective clients similar to that one. If there is an opportunity for a new salesperson to shadow a more experienced one with some of the clients, it makes for a much smoother transition into the selling process.

When you're given the list, what is the first step?

Organization!

Remember the elementary school teacher who graded her students on their planners, distributed each Fall by the PTO? There was a reason for learning organization at an early age; the hope that it would become ingrained. Organization cannot be over emphasized. From the beginning, every salesperson needs to obsess with organization.

Organization is based on personal systems, but each person needs some sort of system for his/her desk, briefcase, and tablet. When speaking with clients, a salesperson needs the ability to immediately access the material needed, be it a sales sheet, a contract, facts about the client or market, and ability to access the inventory for the media vehicle. Most people keep numbers and email addresses in personal phones, but a salesperson also needs a file on each client.

The file, which can be cross-referenced and accessible from the field, should include:

- Client's phone numbers
- Email addresses
- Social network sites
- Business department of company with names and numbers
- Backup name and contact information
- Status of the Account (Prospect, 1st Call, 2nd Call, etc.)
- Copy of the contract
- Details of productions and schedules of ads running
- Any information pertinent about the client

In addition to the salesperson's information on a client, there will be required information the media vehicle must have each day. Primarily, a Daily Call Sheet will be completed at the end of business, each day, along with an update on each client and where the process stands. This information is then incorporated into a file for the entire sales group.

A Daily Call Sheet is best compared to how attorneys operate with billable hours. Basically, the salesperson is justifying his/her day, showing which clients have been contacted, how long the contact, in what way the contact was made and the outcome. Even the mundane, such as "Out of Town until next week," is recorded.

Every media vehicle has its own way of displaying the information, but no matter the different options, all are basic spreadsheets. For this reason, a good working knowledge of Excel in its latest format is strongly suggested.

The use of spreadsheets is true also with inventory files, which can be updated throughout the day, showing what types of inventory are available and for what prices. This allows for everyone who needs to know to see changes in both inventory and rates as they change and allows the appropriate persons, particularly the sales managers, to approve the rate changes, sometime right at a deadline.

Another key area of organization is with sales materials, such as media kits or sales sheets. Ideally, the media kit and sales sheets are updated with new releases of data and/or as new information on the market, the medium, or the media vehicle become available. Any new rates to be presented to clients and/ or special sections/programs being pushed should be part of the salespersons information on the desk, in the tablet/laptop, and in hard files.

Although the media is an electronic business and most people work electronically, there are still many prospective clients where hard copy is much more appropriate. For instance, if you are seeing a client for the first time, it is appropriate, in addition to leaving your business card, to also leave a onesheeter about your organization and/or upcoming special events. Never assume that a client or prospective client has the same technological capability as your organization. In fact, many will not.

Finally, good solid organization requires planning. Every salesperson must have detailed calendar capability. Some prefer to work electronically; many others still use hard copy planners. A planner should include:

- A Daily calendar, with a detailed schedule
- A Weekly calendar, with key meetings noted and goals to achieve
- A Monthly calendar, with objectives and deadlines for the month outlined
- A Futures Calendar/File with events in the future, even a year away
- Short-Term Goals with Deadlines
- Annual Goals with Deadlines

(*Note: Some organizations have six month reviews. If that is the case, then there should be a place for the six-month goal and deadlines to be noted.*)

In a Daily and Weekly plan, record not only the meetings set, but the time spent on the phone setting up those meetings, presentations, etc. and a place to notate the outcome. Your time is valuable and keeping a planner of this type allows you to analyze your work behavior and make adjustments as necessary. For instance, are you spending too little time on prospecting and too much time schmoozing with the client who doesn't need that much hand-holding?

Don't over organize. Assume in the sales business, as in much of the media business, that for six different goals to be accomplished in one day, maybe three will happen and three new ones will pop up. At the same time, don't try and jump tall buildings every day. Be realistic about what can be done. You are no good to your clients, your organization or yourself if you spend too much time scurrying from place to place, servicing all, but not satisfying any.

Cold-Calling

There are two types of accounts: the assigned and the unassigned. The assigned are the accounts and agencies assigned by sales management. The unassigned are the ones you develop on your own through prospecting. The first, and most important ones, are the Key Accounts. They should be as much as 80 percent of your billing. They are top advertisers and agencies, who have been carefully recruited over time and probably have an annual contract with your organization. Experienced salespersons will be given the top accounts and agency accounts.

The second group of accounts is the ones for targeting. They may or may not be assigned or unassigned. These can take an inordinate amount of time, but they are seen as having potential to be Key Accounts. They may already be in the system but now have been identified as potential growth properties.

The third group of accounts is the smaller accounts, some of which are already active but many others which have been targeted for development, just on a smaller level. More than likely, these are accounts with the smaller budgets. This, of course, leads to the question "Do you spend twice as much time on a Key Account as you do on a smaller account, or does the Key Account become a maintenance property, while you spend more time on the second group or even third group of potential client?"

Cold-Calling is simply approaching prospective clients, usually by telephone or email or through a connection on a social network, who weren't expecting a call or hadn't called to ask to be contacted. Cold-calling has been around as long as advertising has been around, but as with many other items in the sales process, it has morphed itself many times over.

Some people, particularly in the social network arena, suggest that cold-calling is useless; a dying activity. But, other advertising experts say that cold-calling, well done, can be the beginning of a successful sale. There are various opinions in the marketing arena, but many organizations require that ten to 20 percent of all sales calls be Cold-Calls. The idea is that without approaching prospective advertisers, how can new ones be recruited? It's the exact opposite of "if we build it they will come" and more like "the mountain comes to Mohammed."

How is Cold-Calling done? Geoffrey James, of CBS Moneywatch, interviewed best-selling author Andrea Sittig-Rolf. She wrote *The Seven Keys to Effective Business-to-Business Appointment Setting* and is a firm believer in cold-calling. In the interview, she told James that it's all about getting an appointment with the client and she targets her whole approach to that.[1]

Cold-Calling rarely allows you to walk away with a signed contract. Instead, it's that first contact; the first impression so to speak. Do not use the cold-call as the first sales call with a presentation. Treat it as the introduction of you introducing yourself and your company.

A successful cold-call requires a lot of pre-planning. Once again, organization is the key. Arrange the prospective clients according to some variable, as determined by you. If you have researched a client sufficiently, then this is not difficult. Next, know what you are going to say. Don't stammer and forget who they are, who you are and who you represent. Expect total silence, hang-ups and interruptions. Plan for those, also. If you are given three to four reasons the prospect can't meet with you, assume this is not going to be a prospect with whom to continue. If necessary, leave a message, but listen carefully to what is requested in the directions. Finally, have a plan of action. Request the interview with the prospect, naming a day and time. If that's not convenient for the prospect, suggest another one.

Most importantly, to be successful, be positive. Go into the call knowing what you are doing and assuming you will succeed. Reserve a certain time of the day for cold-calling, probably no more than an hour or so, but keep at it.

Many people suggest that cold-calling is simply going door to door and leaving a business card. That is probably one of the most time-consuming wastes of your day. However, if you are calling on a client and see a new business in the area, drop by and introduce yourself. Who knows? That may become your best sale of the year.

Information is Power

Whether it is said "Information is Power" or "Knowledge is Power," it doesn't matter. Either way, the more you know about a client or prospect, the more successful you will be. As a caveat, though, remember that you are in no obligation to tell everything you know. You're gathering information for yourself, not for them. In fact, not revealing everything you know is often a good strategy in negotiations.

At the very least, you should have some basic information on a client that includes the name of the owner and/or manager, length of time at a location, number of employees and products/ services sold. In addition, knowing the same about their competition is helpful.

Know their market. If the client is selling internet beef, then know the market for internet beef. If you can't find anything, then find out about internet food sales. Then, make this as localized as possible. What plays in Peoria doesn't necessarily play in your market.

Know your own market. Know the basic facts, such as population, how fast it's grown, biggest industry in town, where people live, and include facts a local advertiser may not know.

Know your medium and your media vehicle. Know it nationally, regionally and locally. What makes it the market it is? If you are the biggest or only daily in town, why would people in the suburbs read you and not the community papers that would cost the advertiser less than you? Why would an advertiser want to buy you? What makes you better than the other 24 radio stations in town? Why you rather than the other four television stations in town or the cable outlet?

Don't just talk the talk. Have the evidence (sales sheets) for all of this. Be prepared to answer the questions.

Set the Appointment

Set the appointment at a time convenient to both parties. If the time the prospect insist on is not going to work for you, suggest another one. Before you set the appointment, ascertain several details:

- Amount of time you believe it will take
- Amount of time you believe it will take you to get to the meeting and back

- What times in your calendar make it "tight" or difficult to do
- If you know the research on the prospect, how important of a person is this? If the person is head of a company, is this someone you need to take your sales manager. If so, ascertain his/her schedule.

Set the appointment directly with the person with whom you will be meeting. Do not take the word of just anyone in the company unless you know that person is responsible for your contact's calendar.

Determine how many people will be at the meeting and who they are. Usually on a first meeting, it will be with only your contact, but don't just assume that.

Be prepared for different cultures. In some parts of the world, before a meeting can began, a cup of coffee or tea must be shared. If the contact is from another culture, what do you need to say, bring or be prepared to do?

This is a meeting you requested, so control the process. Part of the information you learn allows you to be in control. You should go into a meeting with few surprises.

The Needs Assessment

There is an old axiom where the advertiser says, "I know 50 percent of my advertising works, I just don't know which 50 percent. "A needs assessment is an activity that helps answer that question. Completing the needs assessment is a consultative process which will determine the needs of the client, his/her understanding of his/her customer base, including the media literacy of the client and his customers. For instance, if a client wants to advertise with your newspaper, but his customers don't read a newspaper, what are you doing but taking his money? If, during the consultative process, you determine that his customers are heavy outdoor consumers (billboards, bus panels, etc.), a better long term relationship is to suggest you set him up with a representative from your company's outdoor division.

The needs assessment is not something that is done at the first meeting or even with the client present. In fact, the needs assessment should be completed by the salesperson as soon as possible, but certainly between meetings one and two. Most media companies have a needs assessment template for salespeople to use, but basically you are looking for answers to the following questions and others that may be appropriate to your organization.

- Which of the following is the client trying to accomplish with his/her advertising: Inform, Persuade or Remind his/her customers?
- What advertising is currently being conducted? How successful has it been?
- Who are the customers for the advertiser?
- Does he/she need to grow the customer base or simply reconnect with the current customers?
- Why would the advertiser believe your company could best help him/ her?

These questions and others your company may have for all assessments are ones you can appropriately ask in a meeting. However, do not make the mistakes often made by asking questions that are totally unnecessary. These include questions regarding items you can find in a quick internet search with the yellow pages, the Chamber or just the company's website.

In the long run, what should you know after a needs assessment? You should know the current advertising plan of the client, his/her understanding of advertising and the media literacy of his customer base. You should also have a full understanding of what he/she expects from advertising with your company and what he/she is capable to do from a financial standpoint.

Write the Plan

Once the Needs Assessment has been completed and the salesperson has a better understanding of what the client may accept for the advertising, it is time to write the plan which will be signed for the contract between the media company and the client. A good plan will acknowledge the basic facts about the client's company, including its customer base, and the media market. It will also acknowledge what the advertising needs of the client may be, which allows the plan to then move into the arena of how the media vehicle can fulfill the needs.

At this point, the plan will show how the expectations of the client can be met through the advertising and cost per spot, with the total amount given. Depending on the client, some plans will be very simple; other are much more detailed, but this depends on the client and an understanding of the client by the salesperson.

What are the Choices? Finding the Right Mix

From a Cross-Platform perspective, the salesperson is left with the decision of what media to use. Does the plan include just the primary medium, that is the newspaper, radio or television? Or, does the plan call for a combination of the primary medium and the website? Or, just the website?

Once again, this depends on the client. While in this day and age, this is a World of television, radio, the internet, tablets, smartphones, etc., there are still many advertisers with consumers who are much more likely to use traditional media and may not even have a clue on how to advertise or look for advertising on the new media.

On the other hand, the target audience is actually the key. There may be an audience who is reached by the internet and/or iPhone/Smartphone technology. Sometimes, there is a disconnect between the advertiser and his/her customer. Looking back at the newspaper example, older advertisers still read the newspaper. Do their customers?

This leads to understanding by the salesperson. Often times, the salesperson will find him/herself convincing the advertiser of what's best. At this point, negotiating skills, not just with the finances, are necessary.

Second Visit

A second visit is usually held. This one can be at the media vehicles offices, for several reasons. First, this places the salesperson in control of the meeting. Second, many new advertisers are reassured when they see where the advertising is conducted. Sometimes, the second visit is through a phone call or email, although it is suggested that when possible, a one on one meeting be held. Personal communication is much more conducive to closing the sale.

Why there is a second visit is based upon the results of the first meeting. In this day and age, there is little need for multiple meetings.

When the Client Isn't Interested

A client can lose interest at any point in the process. For instance, during the Cold-Call, a client may just flat out say they aren't interest. The first meeting may be such that it is apparent that the client is not interested and/or the client's needs can't be met. However, it is not unusual for a client to make a decision based totally on finances and that can occur at any time during the process. Unfortunately, when a prospect has not advertised before, the cost of media can be astounding and lead them to immediately shut down when the plan is presented.

How the salesperson chooses to handle the situation depends on the reasons behind the prospect's decision to stop the process. If it appears to be just uncertainty, there is usually a negotiation which can lead to a satisfactory solution for all.

Close the Deal

Closing the deal is simply a matter of attaining the signatures of both parties on the contract. With smaller advertisers who have not advertised substantially, the contract may be for no more than one month. On the other hand, key advertisers and agencies are more likely to have signed an annual contract, which can be quite extensive with numerous clauses regarding what is expected of the media outlet in return for substantial dollars.

At what point the salesperson turns over the process to the sales manager and other administrators of the media vehicle depends on the amount of the contract and the advertiser. On many occasions with the smaller advertisers, it is something the salesperson handles, usually after a short consultation with the sales manager. On the other hand, it is not unusual for a client with a multimillion dollar contract to have a day-by-day salesperson in charge of the daily advertising, while the negotiations for the total deal are conducted by the sales manager, Director/VP of Sales and even the Publisher or General Manager.

Follow-Up and Keeping the Client

The deal is not over when the contract is signed. This is Relationship Selling and follow-up, while maintaining the client is an ongoing process. Just how many times a client is contacted is based on the client and the contract. It is usual process to contact a client when the advertising begins or new ads begin. In addition, the client should be contacted on a regular basis to see if all needs are being met, what other needs to be discussed and just in general to maintain a relationship with a client. It is appropriate when new sales information is released to provide the client a copy, even if it does not pertain to that particular client.

Some salespersons maintain a website for their clients to access to get the latest industry information. Others do a limited e-blast to clients with little "tidbits" of information that comes to the salesperson. These are often information the clients may find useful. How the salesperson maintains the relationship depends on the salesperson, but Keeping the Client is a primary responsibility of the salesperson.

End Note

1. James, Geoffrey. 7 Steps to a Perfect Cold Call. CBSMoneyWatch.com, September 20, 2012.

CHAPTER 5
How to Make Solid Presentations

Can You Present Naked?

The publisher at a large Daily once told his Research Manager, when she asked how long he wanted her to present to the Executive Board, seven minutes. That was the length of time it would take her to enter the Publisher's Office, walk to the table, present the data and leave.

The moral of those stories is that people are busy and their undivided attention is limited. Your job as a salesperson is to present the story you want the advertiser to hear in as succinct a manner as possible, while ensuring that they hear all of the pertinent information. More importantly, just as a good ad should present the product in such a way that it is remembered, the information should be presented so that it is remembered.

So, do you have to present naked? No, because then the information will never be remembered, but your naked body, in all its glory, will be. Instead, there are a several aspects of a presentation that will make it valuable in the selling process.

First, never forget that the presentation is the first impression, even if the advertiser already knows you. Know that what you say and show will be what is remembered and used. The chances of anyone reading an expanded, lengthy version of your presentation are slim to none. The only part of the presentation that may be read later is the contract to sign.

Always assume that something will happen that is not your fault nor in your favor. The key attendee is late. Someone has the projector and screen for presentations, but no one knows who. The computer to use isn't working. The big room with audiovisual materials is set up, but no one knows who has the key to the equipment. Or the right person is home sick. Or the person from the competition is running over her time, so yours will have to be cut short since the president of the company has a plane to catch.

A good presenter thinks on his/her feet, can ad lib, and appreciates the 15-second soundbite approach. Keep it short. Keep it entertaining, but informative. No one should know the information better than you. It's your presentation, take control.

It's the Story, Not the Bells and Whistles

Much good information is lost in the "flash and trash" being used. You are a storyteller and always remember that. While color, movement, and the latest technologies and software are interesting, none of that tells the story as well as the information given succinctly and by a person well-prepared with the facts.

How should a presentation be organized? There are many different ways, but a true and tried method has often been replicated. The outline is as follows:

Introduction

A brief opening with the purpose of the presentation and what can be expected.

No more than a couple of minutes. This depends on attendees and if any are new to the process.

The Macro

What is the big market picture? This is the place to show you know the advertiser's market, but don't bore them with the mundane they already know.

The Local Market

This is where you can shine, particularly with an out of town advertiser. Don't quote the Chamber of Commerce, but do know the basic facts. If warts are very apparent, don't avoid them. Include in this section your knowledge of the local media without going overboard. You're not selling for the competition, just acknowledging they exist (i.e., there are 25 radio stations in town).

The Client

At this point, the client should be made to feel that this is all about him/her. There should be no "we" in the presentation, but here is where "you," "yours" becomes part of the vocabulary.

The Objectives to be Met

Segue from discussing the client to his/her objectives for his advertising campaign done similarly to a research project, with questions to be answered or, more likely, goals to be met for the client. Once again, it's all about the client.

How You Can Meet Those Objectives

Don't continually pat yourself on the back. This is the hard core how you will meet the objectives. For instance, if the client wants to Remind the market of the product and ongoing sales, outline the media campaign and schedule to best meet that goal.

Conclusion

Always end as strongly as you began. Never waver at the end. Instead, offer a contract, talk in a positive way about working with the client and relationship (this word should be used frequently). Thank the client for the opportunity.

At all times, appear confident and knowledgeable but not arrogant. Never lie. If you don't know the answer to a question say you don't and offer to get back with them with the information. You just gave yourself another meeting with the client. Yeah!

Less is More

Less is More is a strategy where offering less allows for the client to retain more information. Unfortunately, this is usually not the case with a presentation. People are driven by the clock. If they have 20 minutes, instead of writing a presentation with the information, then editing it to meet the time frame, people are more likely to cram as much information as possible into the presentation.

Always remember, only one fact per page, whether it is with powerpoint, Word, Excel, Prezi, or dancing cows across the stage. If, to explain the one fact takes multiple pages, that's okay. However, give only the absolute necessity. You are not writing a master's thesis, but giving a sales presentation. If you used a certain type of procedure to get the information, you probably don't need to explain the theoretical base behind it.

While this does not advocate withholding valuable information, pick and choose what you present. You probably know more than there is time to discuss, but choose carefully what you use. Some people will rank order their facts to determine what should be in the presentation. Other people are more natural storytellers and the story flows are they write it.

Another aspect of Less is More is the single presenter versus the Dog and Pony Show. Nothing is more awkward than two or more people presenting together. If your Research Director presents to clients, suggest that person present the Research part and you step in for the sales part. Other than that, do it yourself and leave the egos at home.

Know Your Information

You have to know the information better than anyone else. You need to be a walking encyclopedia on the subject. A common error with more experienced salespersons is when they depend on sales assistants or the graphic artists to do more than just put together the presentation. They expect these other people to do the information-gathering for them. It is often necessary to use assistants to help in the process, but it's still the presenter's responsibility to know it.

Allow time before the presentation to practice. A good time is always the day before. When you practice, try and use a similar setting, such as a conference room, and if you are using slides, have them available to be shown as you talk. Ask other people to join you, such as other salespersons or even a sales manager. If they are not in your group, that's fine—someone not familiar with the account will often have questions which are pertinent but would not have been recognized by someone close to the project.

Make notes, don't try to wing it. Even if you wrote the presentation, don't assume you will remember everything. Have a hard copy of your slides, with notes, if necessary.

Know Your Audience

Don't walk blindly into a presentation, facing the firing squad. Ask how many and who will be at the presentation. Sometimes, it is just one person, which is fine. Other times, someone may come unexpectedly, and that's fine, too. They obviously are there because they are interested.

Recognize certain types who will attend. Your contact is probably anxious to please those higher up. If you have a good working relationship with the person established prior to the presentation, that person can give you valuable information on those attending. Know, however, there will always be the person who doesn't want to be there, the manager who is there because he/she should be, the arrogant know-it-all who can disrupt a presentation trying to impress others and the prolific note taker.

Do not focus on anyone other than those people who are the important few. Talk to them directly. If there isn't someone like that present, then still Talk to the audience, don't read or lecture them.

Keep their interest. This should be inherent in the presentation if it is written correctly. If you are dependent on technology/software with which you are not familiar, don't lose the interest of your audience while you figure out how to use the software. Speak forcefully, but don't yell. If it is a big room, have a wireless mic with you to use.

Dress appropriately for the presentation. Even if the company has a business-casual policy, still dress like Corporate America. You are representing your company and you are in charge of the event. As an aside, wear appropriate shoes. You will be on your feet, probably for several hours. If your feet hurt, you can't perform.

Allow for Questions

Every presentation should allow for questions. However, keep it to a minimum. For a 30 minute presentation, allow for only ten minutes at most.

Do not let one person control the questions, unless that person is in charge of the others in the room, such as the president of the company.

Recognize, as you probably already have, if that person is asking on behalf of the person in charge.

Keep the questions focused on the presentation. Don't allow the questions to go off on a tangent or become a discussion among others in the room.

Don't answer what you don't know. If you don't know, tell them you'll get back with them. If you aren't sure if you answered the question so that the answer was understood, ask them if you were clear. Honesty is always the best practice.

If no one has questions or the questions end before the prescribed time is up, thank your hosts and leave.

Leave Behinds

Leave Behinds are the materials pertaining to the presentation that you leave with the audience. They can also be material you may leave with a client after a meeting. This can be a one-sheeter of an upcoming event or the media kit.

Never, ever, ever hand out the Leave Behind before you start the presentation. In fact, don't even have it so people can see it, if at all possible. You will lose the attention of the entire audience as they flip through and read the material.

Do not attempt to write a full blown report to leave behind after the presentation unless it has been requested or is appropriate to do so. It is appropriate to have hard copies made of slides as the leave behind. However, if the presentation is long, with many slides, it may be more effective to edit the slides into a much shorter version, with the key points you wish to emphasize.

One effective Leave Behind, if designed correctly, is a Flash Drive, usually only four gigabytes. A copy of the presentation, examples of the ads you are suggesting, and materials, such as your media kit can be put on the Flash Drive.

Promotional material is often given at presentations, but not expensive ostentatious ones. Rather, if the Flash Drive discussed has the media vehicle's logo, that is considered promotional in the same way a coffee cup is. If promotional material is used, make sure it is appropriate to the situation instead of going to the promotional closet and pulling out whatever is available. (That's actually done a good bit.)

CHAPTER 6

Industry Laws and Personal Ethics

The Federal Trade Commission

The purpose of the Federal Trade Commission (FTC) is, among other things, to protect the public from deceptive and misleading advertising. Advertising is deceptive if it contains deliberately false statements or demonstrations or if the true statements are misleading.

What is a **deceptive demonstration**? The Volvo case is the example of one of them, a Rigged Demonstration. Advertising must show the product as it is, not as something more than what it is. So how do ice cream advertisers get away with it since we all know ice cream melts quickly and it takes more than just a minute to shoot a video ad? There are exceptions to what is allowed and the FTC has a long laundry list of what is allowed and not allowed. There is an assumption of common sense with the public, such as everyone knows that ice cream will melt.

The FTC also has rules regarding what is considered **misleading advertising.** With **Endorsements**, if an actor or celebrity is paid to endorse a product, he/she must actually use it. In other words, if an actor/actress is seen in a milk ad with a milk mustache, he/she must actually be able to prove he/she drank milk.

Testimonials are very similar. When a consumer raves about the high amount his/her attorney got for him/her in a recent car accident, it has to actually have happened. If an actor is playing the part of a consumer, the actor must note he/she is an actor. This is also true in medical ads where a doctor promotes a product. If the doctor actually uses the product, it's okay. However, if it is an actor playing a doctor, it has to be apparent, whether the actor says it or there is a very bold statement at the bottom of the ad, such as in print ads.

Comparative ads are not a good idea. First, the FTC is very strict. If advertisers compare their products to the competitions, consumers should be able to verify the claim. Secondly, from an advertising sense, having nothing to do with the FTC, why promote someone else? Even if the ad is negative towards the competition, it still has brought the competition's name and probably picture to the front of the consumer's mind.

Research is a very effective way to convince consumers. People are impressed when they see numbers and/or pictures of people in labs wearing white coats. According to the FTC, it's perfectly acceptable when the research is presented accurately. However, it is unacceptable if misleading. For instance, for years, a well-known toothpaste had "4 out of 5 Dentists said . . . " Surprisingly, a large number of people actually believe that.

Finally, one of the most important in the last few years is **Truth in Lending.** The FTC is very strict in saying that the terms of loans and credit terms must be presented. It is considered the **Public's Right to Know.** However, it has not been done as much as it should have in ads, particularly in radio and television ads.

This was brought to the forefront with credit companies who were signing people to mortgages the people would have not qualified for under any other circumstances. Many homeowners were placed in default in the last ten years, because they were not aware of the fine print outlining the terms of the loans. Several credit firms were put out of business when the FTC, along with other Federal agencies investigated.

How does a TV or radio 30-second ad carry all the information needed? One acceptable way is in the pharmaceutical ads where there will be a statement that more about the drug can be found in a named magazine. In that magazine, then, the advertiser will place a multi-page ad, with all of the required information. Sometimes, the information can take two out of the three pages of the ad.

The Federal Communications Commission

While the FTC is responsible for advertising with all media, the Federal Communications Commission (FCC) regulates Radio and Television, and to some degree, Cable in the U.S. The FCC issues licenses and renews licenses to be able to legally operate a station. *Note: The FCC does not* *regulate broadcast networks, except where it pertains to the stations owned by the networks or their parent corporations.*

All stations keep a **public file,** which includes the daily logs and any letters or emails from listeners/viewers. This can include complaints about ads that are run. The FCC must investigate all complaints against stations. It then can issue fines, which can total as much as $500,000 per fine. A fine of that magnitude could easily put a small to midsize station out of business. However, most fines are much smaller. The FCC also receives so many complaints, that it has a backlog to investigate. Obviously, ones which are widespread and are of a heinous nature are going to jump to the head of the list.

The FCC also monitors other areas than just the complaints. Required by the Telecommunications Act of 1996, **all ads are required to identify the product.** It's called Sponsorship Identification.

Payola and **Plugola** have received much press over the years and are problems, particularly in the radio and music industry. Payola is the illegal payment for promoting a record or other products, usually connected to the record, on the air. Plugola, its first cousin, is when a commercial product, not a charitable service, is gratuitously mentioned during an entertainment program and the announcer receives money for it. Most of the payments have been under the table. However, the FCC usually finds the culprits. Most radio stations now require all new employees to sign a form as terms of employment saying they will not participate in either Payola or Plugola.

It is easy for a new salesperson to get caught up in "helping" a client. "Just that little mention, you know. He said he can get you tickets to the ballgame." Avoid it like the plague.

If a station conducts a **contest,** the rules must be disclosed. There are some very creative ways to do that and stations are very careful about how a contest is conducted.

Every broadcaster knows FCC Rule 315, particularly Rule 315a. That is what dictates what can and cannot be done during a **political campaign.** The sponsor of a Political broadcast must be clearly identified. It must be known who paid for the ad: "Paid for by the Committee to Re-elect Orville Bodine for Congress."

NO broadcaster can censor a political candidate's ad. A station can run a spot after the ad saying the views of the candidate to not reflect the views of the station, but only after the ad has run. If a candidate is given airtime, the competition can request it, too. However, if a member of Congress runs an ad, the candidate for Dog Catcher doesn't get the equal time.

Rule of thumb: before signing a contract to run political ads, check with the Sales Manager or the person designated at the station to handle political advertising. Political advertising is big business, particularly for television, but it has to be handled very strictly.

Liquor advertising is legal, contrary to popular belief. However, very few stations do, because there are self-imposed restrictions, particularly from the beer industry.

In the long run, there is one phrase to tattoo in the brain: **ALWAYS Protect the License.** There is nothing worse than losing the license for the station, because then the station is out of business. This rarely happens, but it does. If the mantra of protecting the license is remembered and followed, then problems don't happen.

State Regulations

State Regulations vary from state to state and the FCC has nothing to do with the state regulations. Where there are no Federal regulations, there are often state regulations.

One of the most common types of state regulations is with Professional Services. Professional services are the licensing of doctors, nurses, attorneys, beauticians, plumbers, etc. Individual states may or may not regulate advertising for individual professions.

Lotteries

Lotteries have become much more prevalent in the last ten years, but they are difficult to understand. Technically, a lottery has three elements to qualify as a lottery:

- Prize—Is there a price to the prize, anything of value, offered?
- Chance—Is the winner selected by chance, rather than skill? Is the amount of prize determined by chance?
- Consideration—Does the contestant spend money, time or effort to qualify?

In most states, the State-Run Lotteries can advertise. There is a key point, though. In order to accept the advertising, a station must be licensed in that state. So, if station WXXX is on the border of two states, and licensed to State A, it can't accept the lottery advertising for State B.

Historically, casinos could not advertise on radio and TV. However, with the advent of Native American reservations' casinos, the courts ruled that state laws and FCC regulations violated the First Amendment rights. With those rulings, casino advertising began.

Self Regulation

Self Regulation is not a set of laws, but a set of rules and regulations an industry has set for itself, such as AAAA, the trade organization for ad agencies. Stereotyping is an area that has been addressed by many groups. Stereotyping is using common images to depict a specific group.

Gender stereotypes are showing women or men in specific ways to depict the gender, such as Mrs. Cleaver from Leave it to Beaver, or the Marlboro Man. In many cases, genders, particularly women, have been stereotyped. Some of the well-known ads have shown women as homemakers dependent on the man to take care of them.

Ethnic/Racial stereotypes are cultural depictions used to show an ethnic or racial group. Some of the more infamous ones have been Aunt Jemima (Pancake mix and syrup), although the picture on the packaging has been changed over the years, and the Taco Bell Chihuahua. Many Mexican groups found the dog offensive and Taco Bell pulled the campaign.

Morals, Laws, and Ethics

Ethics are defined as the rules of conduct or principles of morality which guide us to proper behavior. Something can be lawful, but not ethical, while something else can be ethical, but unlawful. Morals, Laws and Ethics are often interrelated, but each has a place in society.

Morals define personal character, the willingness of the person to do what is right.

Laws are society's values and standards that are enforceable by the courts.

Ethics are the moral principles and values that govern the actions and decisions of an individual or group.

Unfortunately, Advertising Practitioners are seen as being some of the least honest people in the Gallup annual poll on Honesty and Ethics in the professions. In fact, advertising practitioners were perceived as being only above Members of Congress and Used Car Salesmen. This low ranking has, historically, been one that has been held by advertisers.[1]

When faced with an ethical dilemma, ask yourself three questions:

Is it Legal?
Is it Balanced?
How will it make me feel about myself?

Performance Codes

An increasing number of companies have adopted written codes of ethics. Some emphasize preventing unlawful behavior by penalizing wrongdoers. Company rules regarding Payola and Plugola are good examples of this philosophy. Other companies use Integrity-Based codes. These define the organization's values, creating an environment that encourages and supports ethical behavior and emphasizes a shared accountability among employees.

Many media organizations have codes of conduct. Having a code helps professionals make ethical decisions quicker and with a degree of uniformity. However, media systems have no review boards, like the American Bar Association, so there are few disciplinary sanctions because of unethical behavior other than dismissal from a company and inability to find work in the industry.

Within the advertising industry, there are professional organizations with codes of conduct. Membership is voluntary, as is following the codes. The industry, believes that self-regulation is much more preferred than government censorship. The American Association of Advertising Agencies (AAAA) has some of the strictest rules, many of which have been accepted across the industry.

Organizational Policy

There are often policies within an organization. Within the newspaper and magazine industries, there can be Operating Policies, under which Advertising is usually found, and Editorial policies which guide the News operations. One popular concept is *Boosterism*, which suggests that consumers should seek multiple media to get a more complete view. This, obviously, is directed more towards news than advertising.

Within the TV and radio industries, the networks have Standards and Practices departments that review the content aired on the network before it airs. However, how it is monitored varies from network to network and among the cable channels. Some monitor everything, including the ads, while some rely on the program's producers to follow what is accepted. A current struggle is the understanding that what is not acceptable for broadcast may appear on the internet.

Individual stations self-regulate and most have a policy book as part of the public file. The most common self-regulation is to air a network program later or not at all that is believed to offend local community standards.

Economic Controls

Economic controls are ones which affect an organization in the revenue area. The controls can take many forms.

Pressure from advertisers is a common attempt at economic control. It can take the form of product placement, such as not advertising on a certain program or not at all if a certain program is aired.

Some media are more vulnerable to advertiser pressure than others. Local television news is very vulnerable to local pressure from large advertisers and it is not unusual for an advertiser to threaten to pull all advertising if a certain news story is aired. It becomes the decision of the top management to make the decision on which way to go. Usually, if an advertiser does pull the ads, he/she comes back in a few months.

Pressure Groups

Pressure groups, particularly audience segments, can band together to pressure the media. This can be in the form of boycotts, with the idea of affecting the revenue of a station or network, publicity pressures or even legal pressures.

There are both positive and negative aspects of citizen groups. Many people who belong to any of these groups believe in their causes, for good reason. Unfortunately, in many cases, the groups are for a select few, forgetting that the media in the U.S. is for the masses and protected by the First Amendment.

End Note

1. Newport, Frank. "Congress Retains Low Honesty Rating." Gallup, Inc., 2013.

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A Practical Guide to Sales and Selling in the Media Business

Susan De Bonis

Susan De Bonis earned her Ph.D. in Communications at the University of Tennessee. With 20 years experience in the media industry, she has worked in newspaper, radio, and television including work for the Los Angeles Times, The Atlanta Journal-Constitution and Clear Channel Communications. Dr. De Bonis is currently an assistant professor in the Department of Communication Arts in Multimedia at Georgia Southern University. In 2013 she was nominated for a Peabody Award and a Southeast Regional Emmy student production award for producing live election coverage. She won a 2012 Emmy for a South-east Regional Student Production, on which she served as a producer.

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