Walk that Tightrope with Confidence: Negotiating Rate, Copy and More

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Director, Corporate Support

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Manager of Sponsorships
The rates we put in front of our clients represent the value of our programming and audience. Keep the value strong!!

- Establishing and maintaining a solid rate will support a higher perception of value to the client.
- The notion of offering low rates because of open, or surplus inventory will box you in - limiting opportunity later, when inventory is tight.
- Intro rates, special deals, fire sales become the rate going forward.
- Likewise special rates for local business, non-profits, or other special categories eventually create an issue when inventory is tight.
- A business that buys at the low rate typically won’t shift to a higher rate when the deal ends.
How do our business supporters value our content and audience? Do they value its value (low price) or do they value its values (high experiences)?

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RATES CARDS??

Rates cards and pre-set package menus can be a very tactical and an essential internal tool for our sales strategy and teams – but externally, what’s the value??

• Clients respond better when you present something specifically for them rather than presenting them a preset or a la carte menu to chose from.

• You are the expert! Offer one (1) package as the best option to reach your audience. If you are outside the budget, you’ll have the opportunity to adjust.

• External rate cards may seem like a short cut – easy for the client - but they can work against you:
  • Leaving rate cards with clients, or as part of the obligatory media kit, sets you up to always be responding to old, outdates rates.
  • Rate cards float around, and become an easy tool for your competition. I’m a rate card collector! If you left a rate card somewhere, I probably have a copy of it.
SELL THE FULL AUDIENCE

Designing packages to reach your full audience will help manage rate against available inventory. …Avoid rotators though!!

• Take the focus off individual shows, build the value of all your programing and audience through the notion that your audience listens across shows.

• Rotator spots suck. …just sayin’ :)
  – Usually offered at a lower rate; filling your avails up in high value dayparts
  – Typically its best available – so when is that? How does your client see the value?
  – The value you gain with scheduling flexibility doesn’t translate to maintaining a healthy, high value rate and maximizing your inventory.

• Full Audience Packages guarantee placement for the client and retain a higher value for your most desirable inventory – giving your client confidence of when the spot will be heard, while also helping you by spreading the spot load across all dayparts

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50 / 25 / 25

This ratio represents an equitable and balanced split across all key dayparts: Prime, Evenings, and Weekends.

- Offers the client confidence that a 50% of spots will hit the most listened to dayparts and shows, while driving frequency and reaching the full audience.
- Insures that the rate remains strong in the most desirable dayparts, while supporting sales of inventory across all dayparts.

<table>
<thead>
<tr>
<th>PROGRAM</th>
<th>Daypart</th>
<th>OPEN RATE</th>
<th>10K</th>
<th>17K</th>
<th>28K</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Net</td>
<td>Gross</td>
<td>Net</td>
<td>Gross</td>
</tr>
<tr>
<td>Distribution Plan = 10% off</td>
<td>5am-7pm/Mon-Fri</td>
<td>$120</td>
<td>$141</td>
<td>$108</td>
<td>$127</td>
</tr>
<tr>
<td>50% Prime</td>
<td>7pm-12M/Mon-Fri</td>
<td>$75</td>
<td>$88</td>
<td>$68</td>
<td>$79</td>
</tr>
<tr>
<td>25% Weekends</td>
<td>6am-12m/Sat-Sun</td>
<td>$70</td>
<td>$82</td>
<td>$63</td>
<td>$74</td>
</tr>
</tbody>
</table>
TRACK RATE DATA

Get intimate with your data, know how you are trending, build transparency, and manage performance.

• Use reporting from your Traffic software to track rate by inventory, daypart and also sales rep.

• Include rate management and targets as an aspect of annual goal setting and forecasting with your team. Revisit via regular 1:1 check-ins.

• Work with your team to always be moving the rate up with two basic tenets:
  – New business = always target rates above your Average Unit Rate(s)
  – Renewal business = target rate increases, across the board, every year

• Support a culture of awareness and transparency within the team around sales data and metrics – including rate.

• As you celebrate individual ad team successes, be sure rate is part of story.

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# Year over year rate tracking by daypart

<table>
<thead>
<tr>
<th>Underwriting Cash AUR</th>
<th>Apr</th>
<th>YoY</th>
<th>May</th>
<th>YoY</th>
<th>Jun</th>
<th>YoY</th>
<th>Jul</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>M-Su 5a-12m</td>
<td>$83.13</td>
<td>8%</td>
<td>$81.84</td>
<td>6%</td>
<td>$83.25</td>
<td>5%</td>
<td>$83.44</td>
<td>7%</td>
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<tr>
<td>Previous Year</td>
<td>$77.19</td>
<td></td>
<td>$76.98</td>
<td></td>
<td>$79.64</td>
<td></td>
<td>$78.02</td>
<td></td>
</tr>
<tr>
<td>Prime (M-F 6a-7p)</td>
<td>$100.16</td>
<td>7%</td>
<td>$100.30</td>
<td>7%</td>
<td>$100.86</td>
<td>6%</td>
<td>$103.20</td>
<td>10%</td>
</tr>
<tr>
<td>Previous Year</td>
<td>$93.66</td>
<td></td>
<td>$94.10</td>
<td></td>
<td>$95.06</td>
<td></td>
<td>$93.61</td>
<td></td>
</tr>
<tr>
<td>Eve (M-F 7p-12m)</td>
<td>$60.71</td>
<td>9%</td>
<td>$59.65</td>
<td>5%</td>
<td>$60.75</td>
<td>4%</td>
<td>$57.28</td>
<td>6%</td>
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<tr>
<td>Previous Year</td>
<td>$55.45</td>
<td></td>
<td>$57.05</td>
<td></td>
<td>$58.70</td>
<td></td>
<td>$54.23</td>
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<tr>
<td>Wkend (S-Su 9a-12m)</td>
<td>$57.35</td>
<td>8%</td>
<td>$57.55</td>
<td>1%</td>
<td>$57.04</td>
<td>2%</td>
<td>$55.94</td>
<td>5%</td>
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<tr>
<td>Previous Year</td>
<td>$53.27</td>
<td></td>
<td>$56.92</td>
<td></td>
<td>$55.84</td>
<td></td>
<td>$53.45</td>
<td></td>
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</tbody>
</table>

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Marci Ozawa

Oregon Public Broadcasting
sponsorship spots
and a little about rates
OPB SNAPSHOT

FORMAT
OPB Radio (news & info)
KMHD Radio (jazz)
opbmusic (HD2)
OPB TV

MARKET SIZE
24th TV
23rd radio

RADIO SPOT BASICS
:10 starting with funder’s name
Intro not included in :10
48-51 syllables including spaces, pauses
Content guidelines probably similar to most public radio

DIGITAL BASICS
More lenient than broadcast. Live-stream pre-roll same guidelines as broadcast.

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FY17: $4.6M TOTAL REVENUE

- 83% radio
- 11% TV
- 6% digital
SPOT NEGOTIATION STARTS AT RECRUITMENT

RECRUIT AEs WHO CAN BE SUCCESSFUL IN THIS SPACE

“Your job will be sell when you constantly have to tell the client no.”

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discuss spots during the pitch
RECORD A SAMPLE SPOT

• Ask announcers to record proposed copy/existing spot.
• Play spot for prospect…
• …tell them that was :10 of sponsor content
• “Wow, that’s only ten seconds?”

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SHORT SPOTS ARE A SELLING POINT

Less clutter so sponsor brand stands out.

Commercial Music stations play between 12 and 14 minutes of ads per hour - between 26 and 32 ads. Commercial News stations play between 14 and 16 minutes per hour - between 28 and 36 ads. NPR stations play 2 and ½ minutes of sponsorship messaging per hour – an average of 8 ads per hour!

Audience appreciates spot brevity and clarity, in support of content they rely on, and therefore appreciate the sponsor.
ACKNOWLEDGE THE GUIDELINES

Our guidelines help to create the environment that attracts the valuable audience sponsors want to reach.
negotiating spots after the sale
SOME TACTICS:

• Offer clear reason for revision – I can always use work on this
• Get revisions voiced by announcer – “That does sound okay.”
• Consider digital where guidelines are not as strict
• Group copy approval
  o Sales team gets constant training and reminders about guidelines and interpretation.
  o Brainstorm - someone always thinks of a save!
• With tougher copy, may go to legal counsel and/or CEO – can be easier to say “Our legal counsel/CEO reviewed…”
• Good relationship with legal counsel – she’ll try to find a way for copy to be defensible

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before/after spots
QUALITATIVE, CALLS TO ACTION

Client version
“Parklane Mattresses. You'll enjoy every night on a Parklane Mattress. Rest well, for years to come.”

Explanation
Guidelines prohibit calls to action and use of qualitative language.

Revisions
1. Parklane Mattresses, made in Oregon since 1921, with mattresses made for tonight, tomorrow and for years to come

2. Parklane Mattresses, made in Oregon since 1921. Committed to every night's sleep now and for years to come. Online at Parklane.com
POLOITICALLY SENSITIVE

Client version in August 2016

Explanation
Unfortunately, we will need to decline this spot. In an abundance of caution, OPB wishes to avoid the perception that OPB is supportive of any side of the political debate.

Revision
“Portland Five, presenting theatrical storyteller Mike Daisey with a brand new show about the current election. September 25th at the Newmark theatre. Portland five dot com.”

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“New Season’s Market, The Friendliest Store in Town”

1. Is it a federally registered trademark?
   
   YES

2. Been in use consistently for some period of time (2 years+)?
   
   NO

Initially we had to say to decline the tag, but accepted it down the road when it was established (long standing slogans might ‘identify’ rather than ‘promote’)

Always depends on context!
PRICE/VALUE

Via Tom Motta at NPM...

The client wanted to talk about ‘affordable, discounted textbooks’

Brilliant revision
“…a higher education publisher disrupting the traditional textbook model…putting textbooks within reach of all students.”
a little about rates/pricing
$4K MINIMUM CONTRACT FOR NEW BUSINESS

- Small contracts
  - drain time and resources
  - often don’t get results/renew

- $4K min new biz contract implemented July 2016

- Explanation: “There is minimum investment in order for a campaign to be successful. In addition, we have a small department, and the minimum allows us to run efficiently and best serve sponsors.”

- Grandfathered in < $4K if they were longstanding accounts or had multiple contracts a year totaling $4K

- Phase I results: a few unhappy accounts, but processed 80 fewer contracts < $4K, and overall revenue increased

- Phase II: now working on small longstanding accounts:
  - 3+ contracts annually, $1,000+ min contract
  - < 2 contracts annually, $2,000+ min contract

#PMDMC17
Brian Benschoter
Manager of Sponsorships
Negotiations Aren’t Always Neat or Easy
Establish Value Before Negotiation

- Audience Psychographic
- Scarcity of Audience
- Scarcity of Inventory
- Environment
  - Halo Effect
  - Clutter-Free
Levers of Negotiation

• Rate
• Term
• Dayparts
• Rotators
• Digital
• Rotations
• Sponsorships

• ROS Bonus
• Seasonal Bonus
• Move Dollars to Low Demand Months
• Break Rates by Quarters
• Blend Rates across Quarters
Speaker Information

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Special thanks to our Platinum Sponsors!

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