Cyber Monday Brings in Record Haul

Cyber Monday has made history — again.

With shoppers spending $3.45 billion online on Cyber Monday, Nov. 28, a 12.1% jump year-over-year, sales not only surpassed predictions, but made this the largest Cyber Monday shopping event to date, according to Adobe Digital Insights, which aggregated data from 23 billion visits to retail websites.

Mobile spending on Cyber Monday started off strong early in the day, then slowed in the evening hours. However, it still generated $1.07 billion, a 34% YoY increase. Interestingly, this was $130 million less than Black Friday.

Specifically, mobile accounted for 47% of visits to retail websites (38% through smartphones, and 9% via tablets: 9%) and 31% of sales (22% from smartphones, and 9% through tablets). The slight decrease is indicative that consumers were shopping from their desktops and laptops in the late evening, according to Adobe.

Conversions were well above holiday averages, with smartphones at 2.8%, tablets at 5.1% and desktops at 6.3% (compared to holiday averages of 1.3, 2.9 and 3.2%, respectively). The average order value (AOV) on iOS smartphones ($141) was slightly higher compared to Android smartphones ($128), Adobe said.

The holiday shopping season so far (November 1-28, 2016) has driven a total of $39.97 billion in online revenue, a 7.6% increase YoY. Given the strong performance of online shopping sales over Thanksgiving weekend and Cyber Monday, Adobe affirms its projection that the holiday shopping season will drive $91.6 billion in online sales.

"Cyber Monday was one for the history books this year, bringing in $3.45 billion and making it the biggest online shopping day ever," said Tamara Gaffney, principal analyst, Adobe Digital Insights.

"Consumers converted carts into purchases at record high levels before the season, and likely the year’s lowest price deals ended,” she added. "It’s an incredible milestone, but it’s also incredible that Black Friday inch ed so close to Cyber Monday this year, generating only $110 million less in online sales. We’ll be watching this closely next year as Black Friday could be the one to top the records.”

The top-selling electronics on Cyber Monday were the Sony PlayStation 4, Microsoft Xbox, Samsung 4K TVs, Apple iPhone and Amazon Fire. Lego sets, Nerf, Shopkins, Barbie and Pie Face Game were the top-selling toys. Shoppers found their kids’ most coveted Christmas wishes via search ads (38.5% of sales) and direct sales (25.3% of sales) — both of which drove the majority of sales on Cyber Monday. Shopper Helper sites like CNET and RetailMeNot drove 16% of sales and email drove 18.1% of sales, Adobe said.
As expected, many shoppers were attracted by retailers’ sales. The highest price drops were seen for televisions (which had an average discount of 21.4%), tablets (21.1%), toys (14.6 %), pet care (11.8 %) and computers (11.1%). Also, from Thanksgiving to Cyber Monday, the percent of purchased products that featured the same price across multiple retailers increased to 32% this year from 26% in 2015. This illustrates that online retailers are matching each other's prices, and consumers are taking advantage of it, the firm said.

http://www.chainstoreage.com/article/cyber-monday-brings-record-haul

**The Retailer with the Best Customer Satisfaction Survey is …**

When it comes to customer satisfaction surveys, a convenience store giant — 7-Eleven — is at the top of the class.

That's according to a study by Interaction Metrics which finds that retailers are wasting customers' time — and their own — by conducting critically flawed satisfaction surveys.

The study, which examined the customer satisfaction surveys of 51 top U.S. retailers, found that the root of problem is twofold: Retailers collect inaccurate data, and they fail to show active customer listening.

Based on an objective evaluation of 15 elements, the surveys overall scored an average 43 out of 100 points, an F grade.

Other findings include:

• With 23 questions on average, the surveys were excessively long.

• 32% of all questions lead customers to give answers that companies want to hear.

• 7-Eleven had the best survey — it was 13 questions, none of which were leading or used biased wording.

• Family Dollar had the worst customer survey—it had 69 questions, 29 of which were leading.

• Nordstrom, the retailer most known for customer service, stated its survey would take two minutes — but with 25 questions, it took four-five minutes.

“To get real value from their customer satisfaction surveys, retailers need to strengthen their survey science — and take a creative approach to showing customers they care,” said Martha Brooke, chief analyst and founder of Interaction Metrics. The retailers selected for the 2016 Customer Listening Study were the National Retail Federation's top retailers, omitting supermarkets and membership stores.

http://www.chainstoreage.com/article/retailer-best-customer-satisfaction-survey-

**How Companies can Achieve Cut-through to Reach Millennials**

According to the U.S. Census Board, there are 92 million millennials, making this generation the biggest in U.S. history. The millennial is set to dominate spending, and consumer packaged goods companies need to adapt to tap into a generation who collectively are expected to spend more than $200 billion annually starting in 2017 and $10 trillion in their lifetimes. Mining data for insights on shopping habits and learning from the start-up community will be key to reaching the millennial consumer.

Millennials are digitally savvy, increasingly segmented and highly unpredictable. They expect to be able to shop anywhere, anytime and want seamless, personalized experiences across multiple platforms — from tablets to smart devices to home computers.
The adoption of smart devices has made a big impact on e-commerce sales, allowing for shopping on the go. Smartphone penetration among millennials is high. A recent Bank of America survey showed that nearly 4 in 10 millennials (39%) say they interact more with their smartphones than they do with their significant others, parents, friends, children or co-workers. However, despite the use of digital devices being common to millennials, their spending habits and interests are more difficult to predict than previous generations. They are increasingly segmented, with differing interests and devotions to brands that have specific appeal to them. In addition, CPG companies need to be thoughtful in their method and style of outreach, as millennials are easy to alienate.

So how are CPG companies able to sustainably capture the millennial market? By tailoring the customer experience based on individual needs.

Fortunately, both consumer goods companies and retailers are now awash with data to learn from. Millennials are generally more comfortable sharing their information if they think they will receive more personalized experiences, such as discounts that are specifically tailored for them. According to our recently launched holiday shopping report, more than half (54%) of survey respondents are open to sharing personal information and shopping preferences in order to receive personalized offers (up from 51% in 2015 and 33% in 2014). As might be expected, those aged 18-24 are most likely to do so (62% versus 55% in 2015).

As a result, CPG companies are investing in data collection and analytics capabilities to enable personalized customer experiences and pricing based on loyalty, purchase history, and demographics. They are increasingly utilizing predictive analytics to provide personalized service offerings and taking advantage of location-based services to embed themselves within customer lifestyles. What’s important is consistent communication with the millennial at every point in the purchasing journey.

Start-ups have often been leading the way, using digital innovation to appeal to the millennial consumer. A large number of start-ups are also created by millennials, so they are often very familiar with whatever problem millennials have that their new venture can solve. Large CPG companies are less agile and need to listen and learn from the start-up community. The pace of change seems to have increased rapidly over recent years with disruptive technologies seemingly altering the entire marketplace overnight.

There are some very interesting start-ups that are working with big brands to ensure they capture the attention of the millennial consumer in the right way. The solution from UK- and U.S.-based UserReplay, which won our Consumer Innovation Award earlier this year, enables businesses to discover the details about their customers’ digital experience by combining replays of customer journeys with sophisticated analytics that identifies customer pain points and monetizes their impact—enabling businesses to improve conversion rates, resolve technical and usability issues more quickly, recover lost customers and prevent fraud.

So, in order to appeal to millennials, CPG companies cannot treat them as a homogenized group. They must use smart data to appeal to this group as individuals, utilize technology to create seamless, well-designed experiences that fully-function across all platforms, and need to learn to move as quickly as a start-up. Not much to ask when your audience is the generation with the biggest spending power in history.


**Patagonia’s Black Friday Sales Hit $10 Million -- and Will Donate it All**

Patagonia’s Black Friday sales hit $10 million this year-- five times what it had expected.

More significantly, the retailer is donating 100% of it.

Just before Thanksgiving, the company pledged to give away the sales it brought in on one of its biggest shopping days of the year. The company said it was expected pull in about $2 million in sales at both its 80 global stores and Patagonia.com but blew past its own estimate many times over.

The $10 million will go to grassroots environmental groups fighting to protect vital natural resources like water, air and soil.
"We're humbled to report the response was beyond expectations.... Patagonia reached a record-breaking $10 million in sales," the company said in a statement. "The enormous love our customers showed to the planet on Black Friday enables us to give every penny to hundreds of grassroots environmental organizations working around the world."

Patagonia's effort isn't entirely out of character for the brand. The firm already donates 1% of its daily global sales to environmental organizations, which amounted to $7.1 million in its latest fiscal year. This was a pledge the company made in 1985.

"We definitely came up with the idea after the election," Lisa Pike Sheehy, vice president of environmental activism at Patagonia, told CNNMoney last week. "This is a difficult and divisive time for our country. I believe the environment is something we can all come together on. ... Environmental values are something we all embrace."

Kenna said the donation would go to a large network of nearly 800 organizations in the U.S. and around the world.

"The threats facing our planet affect people of every political stripe, of every demographic, in every part of the country," Patagonia CEO Rose Marcario, wrote in a company blog post detailing the Black Friday effort. "We all stand to benefit from a healthy environment."

Scottish Retailer Takes Stand Against 'Deceptive' Black Friday Discounts

Although UK-based shoppers are catching up to their American counterparts in holiday shopping, spending as much as £1.96 billion on Black Friday, according to VoucherCodes.co.uk and the Centre for Retail Research, one retailer refused to take part in the deep discounting practices the day is now known for.

A Hume, a Scottish apparel, footwear and accessories retailer, retained its standard full pricing model throughout Black Friday. The brand brought the issue of deceptive pricing tactics to light as a reason for keeping its own prices static.

In the weeks leading up to Thanksgiving weekend, retailers may raise prices so that on Black Friday, they appear to be discounts. The positive news is that this practice doesn't appear to be the norm.

Of merchandise sold between Oct. 19 and Nov. 17, according to WalletHub:

78% of items had a significant Black Friday discount;

4.7% of items had Black Friday prices similar to what they sold for in that time period; and

17.3% of items would be more expensive than Black Friday prices shown on Amazon.com.

On the company's blog, A Hume's owner, Archie Hume, noted that the retailer's value proposition is built on "uncompromising standards" that are marked by high product quality and personalized service.

"We won't give in to the pressure to adopt a discount pricing model," Hume wrote. "We see it as a bit of a grey squirrel, something that's endangering our homegrown retail model. Within this imported pricing culture, it's impossible for the customer to figure out what the real price of a product is – let alone the real value."

Hume noted that his company has not ended discounting completely: the retailer hosts semiannual sales after the holiday season at and the end of summer.

While there are retailers within the apparel and luxury industries that don’t reduce prices for Black Friday, few have been as outspoken about it as a way to spread brand awareness. In the U.S., REI has been the most notable brand to divert from normal Black Friday tradition thus far, closing its stores and encouraging its consumers and employees to spend the day outdoors as part of the #OptOutside social media campaign.
**AIM Newspapers Closed. Here's how to Reach Their Advertising Markets**

Publishing giant Gannett purchased—and then quietly closed—the AIM papers. According to AIM publisher, the North Jersey Media Group, the AIM weeklies were not shuttered due to lack of advertisers, but instead, to merge some of their many publications. "We had 53 weeklies across northern New Jersey," said Nancy Meyer, president of the North Jersey Media Group. "We did need to consolidate some titles." Local Newspapers Well Positioned Yet, Editor and Publisher, a trade publication for the newspaper industry, reported last summer that "small, community newspapers across the country are not just surviving, but — in many cases — actually thriving." The article quoted Chip Hutcheson, president of the National Newspaper Association. "It's not the doom and gloom that major market papers face," he said. West Milford Messenger a Solid Alternative The AIM papers’ final issues went out last week, but print advertising remains a strong influence in the Newfoundland, West Milford, and Hewitt communities via the West Milford Messenger's print, digital, and native advertising opportunities. The West Milford Messenger is the community news source for 18,000 dedicated readers, 46% of whom have household incomes in excess of $100,000. Commenting on the closing of the AIM papers, Jeanne Straus, publisher of the West Milford Messenger, said, "We are sorry to see AIM close. Their being on the scene alongside us helped keep us on our toes. More inquiring reporters out on the beat, covering town meetings and asking questions, are good for our community and our country."


**10 Retailers Grab 66% of Holiday-Quarter Sales**

Cyber Monday might kick off a month-long shopping spree for consumers. But investors are shopping for ways to make money on retail stocks, where winners and losers will be set over the next few critical months.

Revenue reported by retailers in the broad Standard & Poor's 1500 is expected to rise 5.4% during the fourth quarter to hit $567.4 billion, according to a USA TODAY analysis of data from S&P Global Market Intelligence. Just 10 companies are expected to haul in 66.7% of all the revenue retailers in the S&P 1500 are seen collecting during the pivotal fourth quarter. That's up slightly from the 66.6% claim these same companies took last year. The analysis looks at companies in the retail industry group as well as those in the foods and staples retail category.

It's a critical time for retailers and investors, since 27% of total retail revenue comes from the fourth quarter. Nowhere can the rise of massive winners in retail be seen better than with Amazon (AMZN). The online retailing giant is expected to haul in 7.9% of all revenue reported by retailers in the S&P 1500 during the fourth quarter. If analysts are correct, Amazon's piece of the retail pie will rise from the 6.6% slice it claimed in the fourth quarter of 2015. Amazon's piece of expected fourth quarter revenue is almost twice the 3.7% slice Target (TGT) is seen taking, which is down from 4% last year.

"We see further market share gains (versus traditional retailers) in Amazon's core electronics and general merchandise offerings, thanks to a focus on providing value to consumers through selection, price and convenience," says Tuna Amobi, analyst at CFRA, in a note to clients.

Shares of Amazon are up nearly 14% this year to $767 a share, but analysts see the stock having 22% more upside over the next 18 months. Part of Amazon's rise is explained by the fact the online retailer's revenue is expected to jump by 25% in the fourth quarter to $44.7 billion. But it's also due to weaker growth by key rivals: Walmart's (WMT) revenue is expected to rise just 0.7% in the fourth quarter and Target's falling 2.6%.


**FTC Review to Delay Cabela's-Bass Pro Merger**

The merger of Bass Pro Shops and Cabela's has hit a speed bump.

The Federal Trade Commission has asked Bass Pro Shops for more information on its $5.5 billion acquisition of Cabela's, a move that will hold up the Oct. 5 deal for what two sources close to the situation said could be a few months.
Bass Pro had hoped to get clearance under its first regulatory review that expired this week.

Cabela’s acknowledged Tuesday afternoon it is refiling it merger application with regulators, giving them until Dec. 29 to decide whether to ask for a second request. A second request review typically takes several months, at a minimum.

“You usually refile because you think with a few more weeks you can avoid a second request,” a DC source not directly involved in this merger said.

“It means you are optimistic,” the source added.

Bass Pro, in a confidential lender presentation, said 45 percent of its customers also shop at Cabela’s.

Bass Pro has agreed to buy Cabela’s for $65.50 a share. Cabela’s shares dipped 2.8 percent in the minutes after nypost.com broke the news Tuesday morning of the extended FTC review, before closing at $62.54, up 7 cents.


**Home Furnishings Giant Continues U.S. Expansion**

Ikea is hoping to build its fifth store in the state of Texas.

The retailer is submitting plans to the City of Live Oak, Texas, for a San Antonio-area store. Pending approvals, construction could begin in spring 2018, with an opening in summer 2019.

Located approximately 15 miles northeast of downtown San Antonio, the 289,000-sq.-ft. proposed Ikea would be built on 31 acres.

Ikea said it would evaluate potential on-site power generation to complement its current U.S. renewable energy presence at nearly 90% of its U.S. locations.

http://www.chainstoreage.com/article/home-furnishings-giant-continues-us-expansion

**Here’s How Much Engagement Holiday Retailers are Getting in Social Media so Far**

Since Nov. 1, Origami Logic has been tracking 125 brands across Facebook, Instagram and YouTube to gauge the level of engagement holiday-focused marketers are achieving.

The company, which offers marketing software and services, found that the brands it’s tracking had generated nearly 1.2 million engagements from 805 posts through Cyber Monday.

Standout holiday retailers so far include Nordstrom, Lowe’s and Old Navy.


**For Most Small Businesses, Social is Top Marketing Tactic**

Social media is a key online marketing tool for small businesses. According to a recent poll, more than half of small business owners in the US said social media is their primary digital marketing tactic, far more than those who cited websites or online advertisements.
In September, Vistaprint Digital surveyed 1,001 small business owners in the US about their online and offline marketing mix. The majority of those polled came from companies that had fewer than 10 employees.

More than half (or 53.3%) of respondents said they mainly use social media to market their organization online. Another almost a third of small business owners said they use their websites. Other tactics like online ads and directory listings fell far short with only 6.6% and 5.0%, respectively, of those polled.

Meanwhile, when it comes to offline marketing tactics, business cards were the overwhelming majority with 51.1%.

When it comes to online marketing, other research also points out small businesses’ preference for social media, even in advertising. Magisto, a video editing software firm, reported in October that more than 40% of small and medium-sized businesses in the US count on social media ads for brand awareness and revenue generation.

Advertising and marketing are no less important for small businesses than for major corporations, even if they don't have the luxury of dedicated departments. Earlier this year, a survey by the National Small Business Association found that almost half of the small business owners polled said that advertising and marketing would be a major driver for growth.

Microsoft and Newspaper Publisher Pioneer Launch Citizen Journalism App, Give Windows 10 Tablets to Subscribers

The past two decades have been rough for the newspapers. In the digital age, most people expect to get their information for free, shaking the traditional news industry.

But to Seattle-based Pioneer News Group, digital media isn’t just a threat. It’s an opportunity.

The company, which operates 23 newspapers in Washington, Oregon, Idaho, Utah, and Montana, is launching a radical new digital program to convince past subscribers to come back and court a new generation of readers.

Readers who sign up for a $15/month, one-year digital subscription with participating newspapers will get a Windows 10 tablet included. The tablet comes pre-loaded with uReporter, a new app that allows community members to upload content. In addition to the digital subscription, participants can also have the Sunday newspaper delivered to their homes.

The program is the product of a collaboration between Pioneer and Microsoft. The Redmond, Wash. software giant helped Pioneer find an app developer and is providing the cloud infrastructure to run uReporter.

Beyond uploading content around breaking local news — like weather events, rallies, etc. — uReporter users can submit photos, videos, and short stories reflecting daily life in their communities. Editors review the submissions and decide whether to publish immediately, hold for later, or reject the content.

uReporter was designed with the rise of citizen journalism in mind. People are used to reporting what they see and experience on social media platforms like Facebook, Twitter — even Snapchat. Pioneer doesn’t see this behavior as a liability for the traditional news business. The company believes it can be an asset.

“It ups the game of the newspaper in the community, because it’s very different and exciting,” Johnston told Microsoft. “Our staff is really starting to love selling it.”

The Skagit Valley Herald, the Idaho Press-Tribune, and The Herald and News, are piloting the initial launch.

Pioneer COO Eric Johnston hatched the tablet plan with a few Microsoft execs he fortuitously met on the golf course. They connected him with Microsoft’s West region solutions director, Peter Wengert, who pushed the project through.

“Those new friends helped connect Pioneer to a company that could provide Windows-based tablets for under $100 each,” Microsoft said in a blog post.
Microsoft connected Johnston with Posh Technologies, an app developing company with experience building mobile solutions for news organizations. Posh built the uReporter app using Microsoft’s Universal Windows Platform. All submissions are hosted on the Azure cloud.

“That way, Pioneer doesn’t have to invest in servers – or technicians to maintain them,” Microsoft said. “Whether one person submits a photo of fall leaves one day or a thousand upload photos of a political march the next, the pay-as-you-go cloud platform scales accordingly.”

Pioneer plans to sell ads using Appinteract, another of Posh’s services that creates affordable, custom apps for small businesses. Newspapers can tie their apps to those of local retailers and offer discounts and deals to readers. It’s similar to the ad model that newspapers have used for decades.

The uReporter app will be available on all Windows, Android, and iOS devices.

“People still look to the newspaper for information, and it’s still valued,” Johnston said. “If we can keep readers engaged, that’s part of the battle of keeping the newspaper a vibrant piece of the community, whether it’s in print or not.”


**New York Times Subscription Growth Soars Tenfold, Adding 132,000, After Trump’s Win**

Despite endorsing Hillary Clinton and enduring Donald Trump's repeated criticisms, The New York Times said paid subscriptions online and in print have soared since Election Day.

From the election on Nov. 8 through Saturday, the Times has seen "a net increase of approximately 132,000 paid subscriptions to our news products," the media giant said in an exclusive statement to CNBC.

"This represents a dramatic rate of growth, 10 times, the same period one year ago," according to the statement issued ahead of a CNBC interview Tuesday with New York Times CEO Mark Thompson.

Thompson told CNBC’s "Squawk on the Street" that he does not know whether these new subscribers will stay long term after the election excitement dies down.

"Overall, we're seeing [less] churn for the time. So the number of people net leaving the Times is reducing over time," Thompson said.

Addressing Trump's references to The New York Times as "failing," Thompson said: "Far from failing, we're seeing remarkable response" for the kind of journalism at the Times.

The most recent dust-up with Trump came last week, when the GOP president-elect tweeted on the morning of Nov. 22 that he had canceled a planned meeting with the Times.

In the on-the-record interview that finally took place with Times reporters and editors, Trump spoke on many topics, including that he did not intend to press an investigation of Clinton over emails and was keeping an open mind on whether to pull out of the Paris climate change accord.

Trump is giving mixed messages about the Times in his statements, said Thompson, who’s been CEO for four years this month. He previously was director-general of the BBC.

"Last Tuesday was a day that began with the president-elect tweeting about the 'failing' New York Times. He certainly left us after we had lunch with him, talking about The New York Times as 'an American jewel, a world jewel,'” Thompson said.

Thompson said he asked Trump last Tuesday about his threats to harden the nation's libel laws and whether he's committed to the First Amendment.
“He said, firstly, that someone had told him if he hardened the libel laws he might get sued a lot himself. And he finished by saying, ‘I don’t think you’ll have anything to worry about,’” Thompson recounted.

“He had words of assurances in terms of freedom of speech. Again, that assurance is good to have, but let's watch and wait and see what happens,” Thompson said.

The Trump rally in paid subscriptions at the Times also came despite its editorial board’s September endorsement of Democrat nominee Clinton for president.

The Times did report extensively on Clinton’s email scandal.

“It’s the fundamental task of the New York Times to hold all public figures, including the president-elect and when he becomes President Donald Trump, to account without fear or favor,” Thompson said.

“We reach vast audiences in America. We're reaching about half of everyone who touches the news on ... the web,” he said. "We've got around 125 [million] to 130 million users every month."

The Times is not the only media group benefiting since Election Day.

Tronc Inc., formerly Tribune Publishing Company, told CNBC its properties have seen "an average increase of 29 percent in paid digital subscriptions during Election Week."

"At the Los Angeles Times, our largest publication, we have seen the greatest increase in paid digital subscriptions. Election Week delivered all-time highs for new paid digital only subscribers at the LA Times, with paid digital subscriptions increasing 61 percent during Election Week," the media company said, adding digital subscriptions at the LA Times have also been up 47 percent over the last two weeks.

At The Wall Street Journal, orders and new subscribers were up 300 percent on Nov. 9, versus an average Wednesday. The wsj.com website saw uniques on Election Day and the day after deliver “the highest volume since February 2014, amounting to a 45 percent increase from the previous record, despite keeping the paywall up."

Is the Events Business Right for Media Companies?

Many local media companies are viewing events as a great way to bring in new revenues and support the future of journalism.

And the industry has seen some notable successes. Jason Taylor’s energetic advocacy has lit up many a convention stage since he started as president of the Chattanooga Time Free Press in 2007. And Brent Low, CEO of Utah Media Group in Salt Lake City, has made events a cornerstone of his diversified revenue model since he was publisher in St. George, Utah, more than a decade ago.

Why I’m skeptical

These guys probably do it right. But personally, I’ve been skeptical.

This dates back to my own attempts to diversify revenue at a small-market newspaper in the ’90s. I hired an experienced events director, and we went at it full-force for a couple of years, producing many popular and well-received events. On the surface, it looked like a success.

But over time I found that we were wearing out the energy and good will of our people, tapped repeatedly to do events work beyond their regular jobs. Reckoning the hours they spent and the drain on our normal operations, I realized we weren’t actually making money.
So I pulled the plug on events, and a lot of our key employees heaved a collective sigh of relief.

My conclusion — unchanged since — was that events could be a good business, but only if it were built as a business — a separate P&L, employees and marketing budget, with best practices in programming, sponsorship sales and costs.

That’s not how most media companies have done it. Since our days of high profits and market dominance, most have viewed events as community givebacks and signature branding opportunities more than as a business. And few have been careful about segregating costs to reveal true profitability.

But times have changed

Now it’s 2016, and the need to diversify local media companies is immense. Strategically, events make sense as a related business, and I think it’s time to learn to do them right.

So this summer I went to the Web looking for an events conference to attend on behalf of Morris Publishing Group, our local media division. In our 11 markets, we own and produce quite a few events, and we sponsor many others that we don’t own.

I wanted to immerse myself in the best practices of people who do community events for a living.

Community events specialists

I picked the International Festival and Events Association’s annual conference, held in Tucson three weeks ago. Its focus is community events — not corporate, sports, music, education or other kinds of events, all of which have their own associations and conferences.

It was a great learning experience for MPG President Derek May and me. I came away with 23 pages of notes and new perspectives on opportunities in the events space.

From my summary report after the conference, here are some of my top overall takeaways:

250 to 300 events professionals attended, eagerly soaking up a wide range of best practices. Events represented ranged from small to huge (Rose Bowl Festival, Indy 500 Festival, Kentucky Derby Festival, etc.)

It’s a highly specialized business. Few local events will ever achieve their full potential without learning best practices at a conference like this.

We can make our own events across MPG more successful and more profitable by attending and learning from IFEA events.

Digital marketing savvy in the events business is still primitive. Most organizations lag far behind current best practices in digital and social marketing.

Regarding sponsorship revenue, it was clear that we have much to learn about maximizing sponsor revenue and sponsor results.

We attended a packed session on digital marketing for events. My three big takeaways for MPG:

For our own events, this presentation offered a lot of best practices that could improve our reach, impact and profitability. It seemed clear that our digital know-how could enable us to sell digital event-marketing services to events organizations in our communities.

Our CitySpin brand, currently selling a ticketing platform to local events, could become a digital marketing agency providing a range of digital services to events organizations.

More about sponsorships — the biggest factor in producing profitable events:
The events industry is becoming more sophisticated about sponsorship pricing and fulfillment.

There is a growing focus on finding ways for the sponsors’ participation to be active and engaging for event attendees. The industry term for this is “activation.”

Events offer a payback for sponsors that conventional advertising can’t – the opportunity for 1-on-1 engagements with consumers.

One speaker showed a formula for calculating sponsorship fees, based on tangible and intangible benefits in the package. This often leads to significantly higher fees — and a clear ROI that can be laid out for the sponsor in advance.

We need to get more training on pricing, selling and fulfilling sponsorships for the events people on the local staffs in our markets.

The best opportunities

To summarize, I came away convinced that there’s good money to be made in the events business by:

Applying specialized digital marketing tactics to our own events to increase yield.

Selling these services on a fee basis to other organizations for their events.

Calculating — and improving — sponsorship ROI’s on our own events to support higher fees.

Maybe — just maybe — selling sponsorships on a fee basis for events we don’t own.

We have more to learn at MPG before we can execute, but 1, 2 and 3 look easily doable. Number 4 is more of a long-range possibility.

Okay, but what about launching a lot more events ourselves? I’m much less excited about that.

Producing events is a high-effort, high-cost, high-risk business, and it’s easy to lose money. But if we can find a few formula-based events to reproduce in our markets, using the marketing and sponsorship know-how we expect to acquire, that could be interesting.

Why events matter

I came away with another key takeaway that wasn’t about business, but rather about the emotional — almost spiritual — importance of events.

It came from keynote speaker Peter Kageyama, author of For the Love of Cities and Love Where You Live.

He gave a soul-stirring kickoff address on the power of events to increase people’s pride and their sense of fun about the places where they live. He showed creative and exciting examples from dozens of cities to prove the point. You could feel energy, enthusiasm and pride swelling among the crowd of events people in the room.

For me, this reinforced the reasons why local media companies should be involved in local events.

We have a tremendous amount invested in our cities. As a local business, we are critically dependent on the sense of health, enjoyment and fun that people feel about living in our cities.

It’s a twofler. By helping our own and others’ local events to be more successful, we can strengthen our own businesses, and we can make our cities better places to live.

https://mediaretset.com/2016/11/01/is-the-events-business-right-for-media-companies/