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# Breaking Bad Digital Sales Performance

How to empower sales with the insight they need to succeed

# EXECUTIVE SUMMARY

**O**n February 5, 2018 the Local Media Association (LMA) released a report revealing, 'a big disconnect in local media.' The report was a result of the LMA's yearlong effort to pinpoint the top pain points and challenges impacting the local media industry. To compile their report, the LMA surveyed 200 local media leaders. Their research included phone interviews with dozens of CEOs, in-person focus groups with 19 VP's of Digital, and online surveys completed by the R&D community and 130 publishers, station managers, and leaders from 20 progressive local media companies.

The effort revealed a major disconnect between CEOs, VPs of Digital, and the local leaders out in the field on the topic of selling digital today. A disconnect the LMA claims is so great that it "threatens the industry's ability to truly transform and evolve."

News like this gets our attention. As an organization committed to empowering media companies to stay ahead of the curve, we like to get to the bottom of any issues that threaten the industry's progress. We dove deep into the LMA's report to gain an understanding of what the participants believed were the root causes of the disconnect. What we found surprised us.

All three groups cited a human capital problem – recruitment, retention, and training of digital talent – as a huge pain point. And while we agree that having top sales talent is critical to successfully pivoting into digital selling, we don't agree that local media companies will succeed by effective staffing alone. What they need in addition to talent are tools that deliver 'digital insight' – insight that fuels new sales strategies and tactics.

Bad information (or a lack of information) breeds bad leads and bad leads are just as dangerous as no leads – both result in poor sales. The key to crossing the digital divide is timely and accurate information – intelligence that provides the digital insight today's media sales reps need to succeed.

**While we agree that top talent is important to successfully pivoting into digital selling, we don't agree that local media companies will succeed by effective staffing alone.**

**\*An important note:**  
LMA's research cited in "The Big Disconnect in Local Media: How Can We Fix It?" report involved predominantly owner operated and managed media companies with fully-owned content and titles. This is an extremely important market segment, but it doesn't represent the bulk of digital/programmatic-led companies, which are typically larger publishers with larger portfolios and higher digital sales volumes. It's our view, that these entities may not share the same challenges. However, both require accurate information to be successful in today's market.

# CHALLENGES FOR TODAY'S MEDIA COMPANIES

The term digital marketing was first coined in the 1990s. The first clickable ad went live in 1993, and from there the digital marketing space has continued to evolve at a rapid pace. The proliferation of mobile devices in the 2000s and 2010s meant more people began consuming media via tablets and phones, and thus digital marketing emerged as the way to reach a larger audience in a shorter period of time. The media industry, as many of us knew it, was forever changed.

This shift requires a whole new mindset. Advertisers no longer come to publishers looking to buy a half page ad. They now say, "I have \$5,000 to spend, tell me how I can improve my brand image with that investment." Advertisers want to buy results, not products. Media companies with the ability to 'reinvent themselves' and create the rich, multi-channel advertising experiences their customers are seeking are gaining market share, those who can't, are losing ground.

The change has not been easy on companies with a history of selling print advertising. Selling digital advertising presents a slew of new challenges. Some of the 'big headlines' from the LMA's report: *The Big Disconnect in Local Media - How Can We Fix It?* reveal the following:

**1** Only 1% of local leaders (publishers/station managers/GMs) strongly agree that their sales reps do a good job when it comes to selling digital. That's 1 person out of 130. The sample group represented the most progressive and digitally-savvy media companies in the industry, not the outliers. 69% flat out disagreed or were neutral.

**2** Only 24% of local leaders agree that they are adequately staffed to meet their digital revenue goals (that's 31 out of 130 local leaders).

**3** VP's of Digital across the board think that the CEO and senior team don't understand digital and the profit margins associated with this line of business. They are constantly pressured to deliver margins similar to the core business, which is unrealistic in their opinion. Most of these VP's were C-suite level.

**4** CEOs are frustrated that no pathway to the future on the digital side has been identified. They have invested in new businesses that have not met their expectations.

**5** 53% of the local leaders did not agree that their staff is adequately trained to reach digital revenue goals.

**6** Talent recruitment/retention was the #1 challenge cited by CEOs, VP's of Digital and local leaders across the board.

**7** If budgets were doubled, top areas of investment would be: hire more people, invest more in training, start new business units to help diversify revenue, and invest in technology.

**8** The R&D community is fighting poor sales execution and dealing with sales reps that aren't properly trained when they work with local media companies. It's a huge area of frustration for them.

**9** The VP's of Digital wish that CEOs/investors would stick to long-term goals and not give up on projects that haven't had time to develop.

**10** Newspaper CEOs are concerned about further erosion of the business; broadcast CEOs see disruption on the horizon but are generally more optimistic.

As you can see, the majority of the professionals involved in the LMA's research believe that a human capital problem – recruitment, retention, and training of digital talent – is to blame for lackluster digital sales. It's our belief, however, that the failure to pivot to digital selling is not only about not having the right talent in place, it's also about not having access to the right insight required to fuel digital selling.

Digital selling requires a completely new way of doing business, not simply a 'new kind of talent.' Even the best sales representatives will fail if you fail to give them the information they need to do their jobs. Information like:

- *Who is likely to transition to digital advertising from my existing customer base?*
- *Which customers are spending on digital advertising with my competitors and why?*
- *Which digital channels are my most profitable?*
- *Who is my most valuable (and possibly scarce) audience on my digital products?*
- *Which of my audience segments outperform my competitors?*
- *What are my alternative targets to reach the same valuable audience?*
- *What kind of targeting costs us more to deliver?*

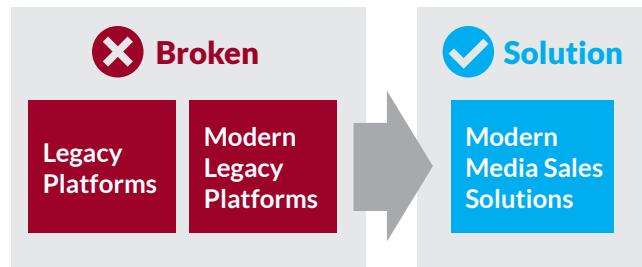
All of this information should be processed by your advertising sales solution, and presented as LEADS to your sales team, not as raw data, or even "insightful" reports. These leads should be focused, actionable, measurable, and ultimately deliver new closed business.

Today's most successful publishers provide their advertising sales professionals with actionable business intelligence from a single, multi-channel customer perspective. With a click of a button, these sales reps are able to gain insights into all kinds of scenarios that can help them expand their sales approaches. Not having this kind of information will cause even the best sales resource to stumble.

**Digital selling requires a completely new way of doing business, not simply a 'new kind of talent'.**

# WHAT'S BROKEN

At this point you're probably wondering, "Why is it so hard to get the insight I need?" The answer lies in technology shortcomings – not in the lack of information available. Most of the solutions being used by or sold to media companies today fall into two categories, both focused on booking, not selling, and both with severe limitations that are crippling the modern media business:



## CATEGORY #1 LEGACY PLATFORMS

A legacy platform is any media sales solution built on outdated technology around outdated sales concepts. Legacy platforms are:

- Architected around 'on-premise technology'
- Designed to primarily manage print advertising and feature 'bolted on' capabilities to manage digital advertising
- Missing CRM and lead generation capabilities or provide poorly integrated CRM and lead generation
- Lacking analytical capabilities and require third-party reporting tools, which cause delays in timely analytics for sales
- Custom-built and require expensive consultants to maintain or upgrade
- Driving your IT costs up because they are difficult to manage on a day-to-day basis
- Not offered as a true SaaS model (i.e., legacy software positioned as a hosted service)
- Out of date by the time they go live

Legacy platforms are not going to keep pace with the market and be able to support your multi-channel selling needs.

## CATEGORY #2 MODERN LEGACY PLATFORMS

A 'modern' legacy platform is any media sales solution built on current technology around legacy sales concepts. Modern legacy platforms are:

- 'Point' solutions designed to manage one or two aspects of advertising sales such as booking orders or managing customer relationships, finance, or business intelligence
- 'Point' solutions designed to manage a single advertising sales channel like print, digital, events, or broadcast
- More focused on the logistics of booking an ad than being a sales enablement tool
- Focused on only booking and trafficking ads, thus assuming other systems will enable sales with lead generation tools
- Not able to manage billing and invoicing

A modern legacy platform will not offer the solution you need to manage your entire advertising sales process leaving you with one system for digital, another for print, another for CRM, etc. These systems will infuse unnecessary complexities into your business, create data silos, cause inaccuracies, and increase your costs – ultimately limiting your ability to leverage your entire product portfolio with your advertisers.

# SOLUTIONS THAT WORK

If you want to break the cycle of bad information, bad leads, and poor sales performance, there is a third option: a modern media sales solution. A modern media sales solution is defined as a media sales system built on current technology around the latest sales concepts. Modern media solutions provide benefits across a media organization, not just to the sales department, by:

- Providing deep customer insights that enable you to close deals faster
- Automatically generating warm leads based on your product, advertiser, and competitor data
- Leveraging a pricing engine that knows pricing floors for your products and services
- Allowing automatic approvals, proposal generation, customer approval and payment portals
- Simplifying your IT infrastructure and reducing costs
- Optimizing business performance, empowering you to do more with less
- Streamlining the payment process, enabling you to book and bill everything you sell in a single order
- Mobilizing sales, allowing reps to access the system from any device
- Enhancing decision making with real-time performance insights

## MODERN MEDIA SALES SOLUTIONS

Modern media sales systems are:

- Cloud-based, SaaS solutions, which means they don't require a complex IT infrastructure to deploy and maintain
- Accessible from any device, including computers, tablets, and smartphones, to keep sales reps in front of potential advertisers
- Built from inception to simplify and manage multi-channel selling
- Future-proofed, which means the solution is continually being enhanced and is architected around an agile infrastructure that allows users to quickly adopt new functionality that will keep them ahead of market trends

A modern media sales system will provide a framework that will help make heroes out of all of your sales talent – newbies and seasoned talent alike.



# TIPS FOR IDENTIFYING A BEST-FIT SOLUTION

Media solutions built on outdated technology and/or legacy thinking will put you out of business. As you reassess your current solution or begin a search for a new one, here are nine questions to ask the solution providers you are evaluating:

## 1 Was digital a core element of your system's original development plan or an afterthought?

Many of today's well-known systems have "bolted-on" features to support digital and other channels of advertising. How much has your solution provider really invested in innovative digital system development?

## 2 Is your system capable of managing more than my digital orders and ad operations? If not, what impact will your solution have on the other aspects of my business?

Media companies with diverse product portfolios require multi-channel advertising sales systems to maximize revenue opportunities and optimize performance. If your solution provider is only capable of addressing the digital aspects of your business, what about your print, broadcast, and marketing services revenue streams? Remember 'point solutions' create data silos, redundant processes, inaccuracies, and a ton of other problems.

## 3 Is your system capable of managing advertising sales for any type of media business, including newspapers, magazines, broadcast, and digital marketing businesses?

Today, money follows eyeballs. In attempt to grow bigger audiences, media companies are frequently being merged or acquired. One day you might be a newspaper business, the next you might own a magazine and provide your advertisers with digital marketing services. You need to be sure your media solution is scalable enough to enable you to sell across the titles you own today and the ones you might own tomorrow.

## 4 Is your system 100% cloud-based?

Many providers claim to be cloud-based, but often their claims are only partially true. If anything other than a modern web browser is necessary to get full functionality on a user's computer, the system is not 100% cloud-based and may not be effective for your mobile workforce.

## 5 How will your system help me sell more?

Be on the lookout for a solution that will help you sell – not just book – advertising. Ask your solution provider if their system includes CRM and lead-generation tools that mine customer and competitor information to deliver qualified sales opportunities to your sales reps. A true end-to-end advertising sales solution will help you maximize the sales process from lead generation to cash collections.

## 6 How often do your release upgrades and how easy are they to implement?

Media companies are ready for change; unfortunately, many legacy suppliers have not innovated at a rate to enable them to do so. Probe deep into R&D efforts and budgets, and make sure your solution provider regularly delivers new functionality that positions you ahead of the market. Adapting upgrades and enhancements should not require large investments of time or money, as true cloud-based applications can be updated in just a few minutes with minimal updates to your server software.

## 7 How do you determine what's in the next release of your software?

The media industry is a complex, fast-paced industry. When it comes to your software provider, you don't want a vendor – you want a partner. You need an expert that speaks your language and understands your challenges and what you are trying to achieve without having to be told. The right partner talks about, listens to, and lives your struggles and will bring fresh ideas to the table to tackle them.

## 8 Are you financially stable and growing?

Given the investment and time needed to successfully implement a media solution, it's important to choose a solution provider that will be around for the long haul. New customer acquisitions and overall company growth is a good indication of a vendor's vitality. Ask your provider how many new customers they've acquired over the past 12 months and who they are. Also, find out how much is being invested in expanding the business and staff.

## 9 Do you have your finger on the pulse of the global media market?

To remain competitive in today's global marketplace, you need to be aware of trends on 'both sides of the pond.' Be sure your solution provider has global experience. Today, customers drive many system enhancements, and history shows us that international markets may experience trends before they've hit the U.S. Solution providers with a global footprint are often better prepared to take advantage of emerging trends.

# CONCLUSIONS AND YOUR NEXT STEP

No one would argue that selling advertising today isn't easy. Despite the challenges, leading publishers are proving they can succeed by putting information to work for them. As the advertising industry continues to evolve at a rapid pace, media companies must deploy technology that delivers the strategic business and customer insights they need to keep up.

Don't be paralyzed by fear, uncertainty and doubt. The time to push for the intelligence you need to succeed is now. Ask the hard questions, and push your solution provider to innovate to meet your needs or take your business elsewhere.

The time for breaking bad is now. Stop settling for bad tech.

## About Lineup Systems

Lineup Systems provides the world's #1 media sales solution, Adpoint, which empowers media businesses to maximize revenue opportunities and optimize business performance. The cloud-based, multi-channel solution supports 1,600 media brands across print, digital, events and broadcast in 33 countries, setting the industry standard in media sales management. Founded in 2009, with North American headquarters in Broomfield, Colorado, Lineup Systems is the preferred technology partner of leading media companies, including Gannett, Time Inc., Bonnier Corporation, Paddock Publications, Toronto Star, Metro and the Telegraph Media Group.

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