

HOW COMPLETE IS YOUR LOCAL MEDIA GROWTH ENGINE?

A complete growth engine provides a seamless, end-to-end experience for advertisers, from your first sales call to the next campaign.

**Companies with a Complete
Growth Engine can boost
advertising order values
50-100%.**

LEARN:

- The right strategy for your stage of evolution (Beginning, Evolving, Maturing or Leading)
- Tips for building a smart business case
- How to handle common issues at every advertiser touchpoint
- Growth implications whether building solutions yourself, using an automated solution, or leveraging a white-label partner

TABLE OF CONTENTS

Overview

3

What Stage Are You at Now?

4

Knowing What To Do at Each Stage

5

Building The Business Case for Your Digital Business

6

Organizing for Success: Key Questions to Ask

8

Optimizing Every Advertiser Touchpoint in the
Advertiser Experience Model

9

How Local Media Companies Have Built
Their Complete Growth Engines

10

Next Steps

11

In the early days, digital was an experiment. Advertisers didn't expect much, especially from a test buy.

In 2019, it's entirely different. According to the recently released *State of Digital* report, 50% of all ad spend will go to digital by 2022, amounting to \$465 billion.

According to Borrell, "advertisers want things delivered in a package that integrates different forms of advertising. They want a complete thing that not only integrates digital and traditional media, but also digital services."

But "complete" means a lot more than a cobbled-together set of solutions that require your sales team to do the integration work themselves.

OVERWHELMED

Ad sales calls have almost doubled year-on-year

PRESSURED

94% of customers want an easy experience

UNSATISFIED

56% decreased media investments due to poor results

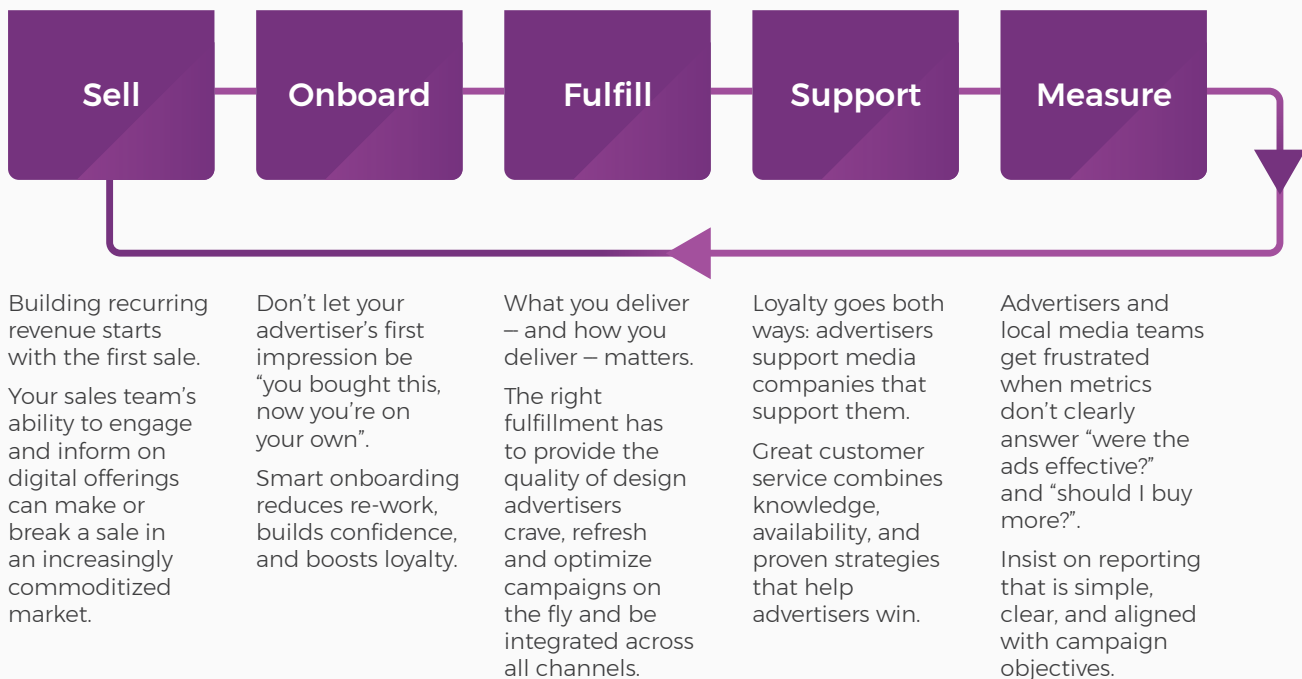
A complete growth engine provides a seamless, end-to-end experience, from the first sales call right through metrics that prove success and set the stage for the next campaign.

Advertisers have more options than ever before. Digital is increasingly important to their business: if you can't deliver, you're out.

But for the local media companies willing to invest the effort to build a complete growth engine, the potential is worth it. According to Borrell, the local media companies who can integrate everything their advertisers need may find they can win an advertisers' entire budget.

Advertiser Experience Model

Local media companies must find a way to excel at every stage of the advertisers' experience.



Source: www.cablesports.net, June 28, 2019. Borrell: Thinning of local media pack begins.

BUILDING A COMPLETE GROWTH ENGINE IS A JOURNEY: THE FIRST STEP IS KNOWING WHAT STAGE YOU'RE AT NOW.

Companies typically progress through four stages. Each has unique challenges and opportunities related to strategy, organization, fulfillment, technologies, and budget. Find the stage that most closely matches where you are now. The rest of this e-book is organized with advice for each stage.

**STAGE I
BEGINNING**

STRATEGY:
Playing catch-up (often with minimal CEO buy-in).

ORGANIZATION:
Traditional media mindset. Digital seen as threat vs opportunity.

FULFILLMENT:
Multiple viewpoints on how to go to market.

TECHNOLOGIES:
Some sales support CRM and spreadsheets.

BUDGET:
Limited budget allocated to create a digital marketing services business.

**STAGE II
EVOLVING**

STRATEGY:
Reactive. Focused on protecting advertiser revenue.

ORGANIZATION:
Some solid early wins, but lack of consensus on best way forward.

FULFILLMENT:
Researching processes and workflows.

TECHNOLOGIES:
Sales-support focused. Legacy systems.

BUDGET:
Exploring investment required, typical ROI, cost/benefit analyses.

**STAGE III
MATURE**

STRATEGY:
Sharper focus on differentiation, and reducing advertiser churn.

ORGANIZATION:
Working to educate sales team, integrate new offerings.

FULFILLMENT:
Process mapping underway. Automation of low level tasks.

TECHNOLOGIES:
Targeted use of SaaS, white-label partner services. Some legacy systems.

BUDGET:
Funding may be inconsistent. Frustration about ROI expectations.

**STAGE IV
LEADING**

STRATEGY:
Proactive. Growing recurring revenue streams.

ORGANIZATION:
Focused to deliver the right offerings. A seamless customer experience.

FULFILLMENT:
Integrated workflows, minimized re-work, beating KPIs.

TECHNOLOGIES:
Enable superior delivery from initial sales call, through order management, fulfillment, measurement and more.

BUDGET:
Consistently and fully funded. Clear expectations set and met.

KNOWING WHAT TO DO AT EACH STAGE

BEGINNING

You've seen the opportunity, but still need to sell upper management on taking real action. If you invest in what your company's leadership doesn't believe in, you won't hit your immediate numbers. But if you don't, erosion or disruption of your existing core business — whether print or broadcast — is probably inevitable. Progress is imperative.

You need to present a business case that gives your company's leadership the confidence to move forward.

See “how to build a business case” on page 6, then see pages 7-8 to understand the vision your company can have once you've progressed to the next highest stage.

Don't get frustrated. Every company has been at this stage, and made the leap to recurring digital revenue. You can, too.

To get to the next stage, forget scare tactics about the core business. Instead, show management a clear path to opportunity. Your business case should include an operational plan with options and recommendations for how you want to pilot, resources you'll leverage, success measures, investment required and realistic ROI.

EVOLVING

At this stage, even if business is pretty good it's more about perceptions than reality.

A digital pessimist CEO might find ROI weaker than expected, and (rightly) worry about sales staff performance, recruitment, retention, training and more. A digital optimist CEO might want you to push the business too hard or too fast. This can strain strategies and workflows and risk advertiser churn.

In any case, you'll need to build the confidence of your sales team — especially legacy reps who feel uncomfortable or overwhelmed by digital. Show them how you'll enable them to win. **See pages 7-8 for a preview of the issues you'll face in the year ahead.**

To get to the next stage you'll need to set management expectations appropriately, train sales to win bigger business, and ensure that you can deliver what advertisers need.

MATURING

This is one of the most challenging stages of all. For the first time, you'll face issues of scaling, volume, and differentiation. Internally you'll encounter short-term thinking, incrementalism, and an ongoing battle for budget.

Finding the right balance of good advertiser experience, effective ads, and recurring revenue will be the key to long-term growth.

Now is a good time to take a fresh look at how you're going to market, and consider partners who can help you get to the next level. **See page 7 to understand your options, and the questions you'll want to ask.**

To get to the next stage, your leadership is critical. If you try to shift the entire organization single-handedly, you will fail. Instead, you must gain internal consensus and support to continuously optimize selling, onboarding, fulfillment, support, and measurement.

LEADING

First, congratulations! You're the kind of company the best advertisers want to work with.

What you've already built is working well. But as a leader, you need to constantly reimagine how you are going to raise the game at every stage of the advertisers' experience.

In particular, you need to think about how you'll continue to grow, since everybody from Facebook, Google, Amazon, and beyond is now also selling local advertising. These are all world-class, heavyweight competitors capable of long-term, aggressive investment.

See page 7 for options to continuously optimize your complete growth engine, and page 8 to understand what's critical to provide a great advertiser experience.

You're already a leader. Now is the time to build a differentiated and complete offering that leaves everybody else in the dust.

BUILDING THE BUSINESS CASE FOR DIGITAL ADVERTISING AND MARKETING SERVICES

Your management is already painfully aware of the erosion of the core business. What they probably don't know is how to build a strong digital business, with a clear plan to guide the company to success.

Put yourself in their shoes: they're hoping you're the right person to get them there, but they can't rely on hope alone.

They need to see a business case that proves you know the way.

KEY STATS TO HELP YOU MAKE THE CASE

BUILD EXCITEMENT

Help management understand the market size and the opportunity.

According to *BIA Advisory Services*, local media will spend approximately \$148.8 billion in 2019. Traditional media will account for \$89.2B, with digital ad revenue at 40% with \$59.5B.

Nearly all small businesses (91%) plan to increase their advertising spending in 2019, indicating that small businesses prioritize advertising and see it as a beneficial marketing strategy.

According to AffinityX, local media companies that offer a complete growth engine can increase order values as much as 50 - 100%.

Local media companies have doubled revenue in as few as six months.

SHOW THE IMPACT

Help management visualize the revenue potential



If 25% of our current loyal advertisers decided to spend with a competitor instead, how would that impact our revenue?



If each sales person could sell one more digital campaign a month, how would that impact our revenue?



If we could boost our margins by 5% on digital, what would that be worth to us?



If we could increase campaign renewals by 25%, how would that impact our revenue?



If we could extend our advertisers' current digital campaigns by one extra month, what would that be worth to us? What if it we extended it by 6 months?

SHOW HOW YOU'LL PLAN FOR SUCCESS

How to frame competitive issues

Competition is fierce: not just local media companies but national media companies selling local, local agencies, and even tech companies like Facebook, Google, Amazon, and more. Amazon is estimated to have captured \$3 billion in ad revenue last year, and Borrell projects that number will reach \$38 billion by 2022.¹

Make the case for winning through creative differentiation

Creative drives results: 49% of a brand's sales lift from advertising is due to the creative quality and messaging.

45% of B2C marketers believe visual content is their most important type of content.

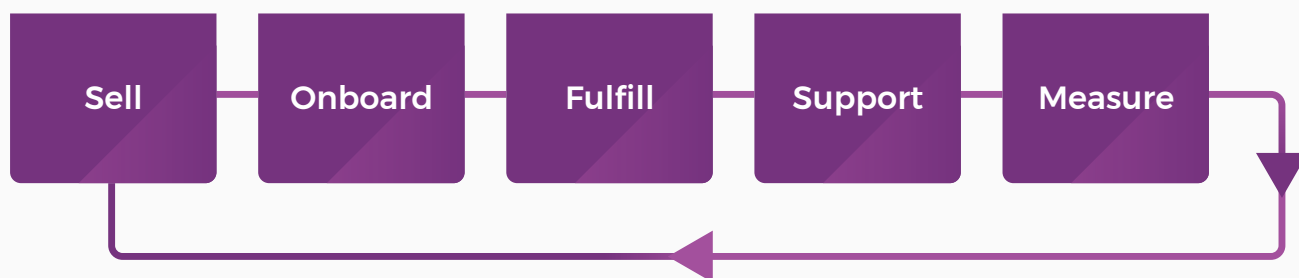
Explain how you'll arm the salesforce to sell with confidence

According to industry experts, without proper onboarding, fulfillment, support, and measurement sales people spend only 30% of their time selling.

56% of advertisers say they trust sales reps that are able to clearly describe audience data/market reach/capabilities of his or her media product; 55% say they trust reps that know the advertiser's business or industry.²

57% of advertisers aren't sure they're spending the right amount. There's a big opportunity to deliver marketing expertise at the local level.²

Your business case should address the risks and opportunities at each stage of the **Advertiser Experience Model**.



DON'T GO IT ALONE

A business case always benefits from outside perspectives. Especially if you're at the Beginning or Evolving stage it's critical to talk to peers, attend industry conferences, and ask what others have done well when planning and what mistakes you should avoid. You'll find most people have great insight and are willing to help you think through the issues.

Also, feel free to contact us at growth@affinityx.com. We can help you frame the issues for management, more accurately estimate the investment needed and potential revenue opportunity, and more.

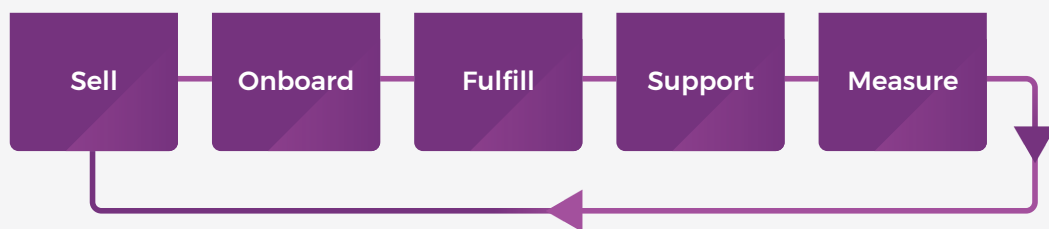
ORGANIZING FOR SUCCESS: KEY QUESTIONS TO ASK

Whether you build it yourself, use multiple vendors, leverage automation, use a white-label partner – or any combination of these – here are a few critical questions you’ll need to ask to ensure a great advertiser experience at each touchpoint.

	SELL	ONBOARD	FULFILL	SUPPORT	MEASURE	WHAT YOU NEED TO KNOW
BUILD IT YOURSELF <i>Build your own digital marketing services revenue streams using internal resources.</i>	How much are we willing to invest in training? Who will create and manage sales materials? How will we differentiate our offering vs. others in the market? Who will create the proposals – sales or another team? How will we manage sales management reporting? How do we sell renewals?	Do we have sufficient expertise in client onboarding to do this effectively? How will we know if we’re doing it well? Will our current onboarding scale as we add new products and services?	Will we be able to find and retain the right talent, with the right skills? How much are we willing to invest in training on the latest set of technologies? What is the ROI on building and training an in-house creative team and media team for all channels? Who gathers all the information needed from the advertiser to fulfill the campaign – sales or another team?	Can we offer the level of support our advertisers will demand? Will the support function we build at the beginning be robust enough to scale? How will we manage seasonal volume spikes?	Do we have a sufficiently deep understanding of what metrics advertisers will require now and tomorrow to build flexible dashboards? Are we able to create measurement that helps advertisers (and our own sales team) understand what to do next?	The quality of your advertiser experience depends on you alone. You’ll need to invest a lot to stay current. Relentlessly map processes to seek efficiencies. You may save a significant amount if you build a seamless experience. Also consider stronger training for sales teams for more differentiated proposals.
MULTIPLE VENDORS <i>Use multiple vendors, often different ones in different markets.</i>	Will our sales team be trained with in-market and virtual sales call support; objection handling; reporting review? How will these differ by vendor, and how will we resolve those differences? How much effort is needed to create a proposal? How do we manage sales management reporting to include all the different vendor products? How do we sell renewals?	How will we make the campaign experience seamless from launch, through run, to extension – especially when no two outputs from the vendors are entirely alike? Will we have a central point of contact for advertisers, and if so who or what will that be?	How will we ensure consistent design across channels for each local business campaign? Will each vendor provide creative or do we need to source that separately? How will campaign spend be managed during the campaign if one channel is doing better than the others? How will optimization be managed? How many systems will sales need to use to order all the different elements of a campaign? Who gathers all the information needed from the advertiser to fulfill the campaign – sales or each vendor separately?	Who do we talk to when things go wrong? How will we resolve workflow conflicts between one or more vendors?	How will we aggregate and seamlessly report metrics delivered through multiple spreadsheets and/or dashboards from multiple vendors? Who provides the reporting to advertisers and helps them understand the impact?	Your biggest challenge will be creating a seamless advertiser experience. Map out the potential gaps along each of the touchpoints, and remember that these gaps will grow with every new offering. Don’t ignore the hard and soft costs of integrating and managing all your disparate offerings and vendors.
AUTOMATION <i>Use automated solutions either as stand-alone or with a build-it-yourself or multiple vendor solution.</i>	How will we differentiate vs. others in the market offering the same automated solution as ours? Will we have sufficient pricing power to drive growth if most of the proposals our clients see are the same as ours? How much effort is needed to create a proposal? What sales management reporting is available to manage the pipeline? How do we sell renewals?	How will we make the campaign experience seamless from launch, through run, to renewal?	How will we source creative for all channels in the campaigns? If the platform does some automated creative, will that be of high enough quality to be acceptable? Can media be shifted across channels during a campaign based on performance? How do they handle optimization? Who gathers all the information needed from the advertiser to fulfill the campaign – sales or another team?	Who do we talk to when things go wrong? How will we resolve workflow conflicts between one or more vendors?	What will we do if advertisers demand new or different metrics that are not easily available in the automated offerings we choose? Who provides the reporting to advertisers and helps them understand the impact?	Your biggest challenge is that automation makes work easy but differentiation hard. Think strategically about when to leverage automation and when you will need to buy, build, or partner to ensure you have a complete growth engine.
WHITE-LABEL PARTNER <i>Work with a white-label partner.</i>	Do they have robust sales training including classroom training, ride-alongs? Can they provide custom proposals? How much effort is needed to create a proposal? What sales management reporting is available to manage the pipeline? How do they support renewals?	Do they have an intuitive order management system? Will they train our team how to use it? Does their onboarding and workflow fit the way we work, or will they require us to fit the way they work?	Do they have designers who specialize in key advertiser verticals like auto dealers and healthcare? Are creative workflows well-defined and seamless for our team? Can they include all the right channels in one proposal and campaign? Can media be shifted across channels during a campaign based on performance? How do they handle optimization? Who gathers all the information needed from the advertiser to fulfill the campaign – sales or the partner?	Who do we talk to when things go wrong? Do they offer follow-the-sun support, 24/7? Is the support team trained in all of the details of local media and able to troubleshoot problems immediately?	Do they provide pre-packaged measurement, or will they work with you to deliver the custom metrics that high-spending advertisers will demand? Does their campaign measurement define success in advance, and help advertisers and our sales team understand what to do next?	Your biggest challenge will be finding a WLP partner you can’t outgrow. Look for a partner with sufficient scale, volume, technology, people, and workflow IP to offer the complete range of products advertisers demand, and optimize every advertiser touchpoint in every market you serve.

OPTIMIZING EVERY TOUCHPOINT ON THE ADVERTISER EXPERIENCE MODEL

As you build your complete growth engine, you'll want to optimize every advertiser touchpoint. In our experience, these are the key things you'll need to get right.



SELL

TRAINING: Selling and renewing new digital offerings is hard for sales teams trained in traditional media. You need to train your sales team and arm them with tools to help them win.

Look for a partner with a proactive approach. Viewing videos isn't enough. Sales needs real classroom and field sales training including objection handling, reporting review, role playing and more.

PROPOSAL QUALITY: Self-serve systems can spit out proposals instantly, but quality counts more than speed. There's nothing "custom" about pasting your advertiser's logo on a cookie-cutter proposal.

Look for a partner who knows the value of a proposal is not speed, but real insights and truly custom media plans that close sales and build loyalty.

ONBOARD

CREATIVE BRIEF: You can't start a successful campaign with a bad creative brief – or none at all. It just leads to confusion, scrambling to gather information, and costly re-work.

Look for a partner with proven creative information intake systems such as creative briefs and marketing consultants to free your sales team to focus on selling.

ORDER TRACKING: Knowing where work stands in the process from order-taking through to delivery builds advertisers' confidence.

Look for a partner with an order-intake and tracking system that makes it easy to communicate progress to advertisers, and easy for them to buy more.

FULFILL

CREATIVE SPECIALISTS: If advertisers aren't sure your creative teams understand their business, their goals, and what works, they'll be less likely to approve initial designs.

Look for a partner with creative teams who understand what works and what doesn't and how to differentiate your advertiser.

CAMPAIGN INTEGRATION: Advertisers need the right media products, integrated, updated, and optimized seamlessly across channels.

Look for a partner with proven processes and technologies for delivering cross-channel campaigns – and don't forget about the expertise to know when and how to refresh campaigns in-flight.

SUPPORT

CAMPAIGN MANAGEMENT: Digital campaigns need someone to obtain a wide range of items needed for creative, pixel placement, Facebook access, and more.

Look for a partner with proven workflows for managing campaigns – including campaign renewals. Don't ignore keys to renewals, such as reminders to sales, pitch decks highlighting successes, and more.

NON-STOP SERVICE: No advertiser wants to feel they are "Doing-it-Alone." The right support is the difference between advertiser loyalty and churn.

Look for a partner with a 24/7/365 "follow-the-sun" platform that's ready, willing and able to step in and guide both your team and your advertisers when they need help.

MEASURE

KNOW WHAT'S DRIVING RESULTS FOR YOUR ADVERTISERS: Collecting and standardizing data across multiple vendors or systems is a headache –but without it, advertisers can't make sense of what happened.

Look for a partner that provides integrated campaign dashboard reports that are easy to download and share.

KNOW WHAT'S DRIVING RESULTS FOR YOU: Are you winning the kinds of advertisers you want most, and building strong, recurring revenue?

Look for a partner that provides In-depth sales activity and pipeline reports to help inform strategic planning and resource management, right down to the individual salesperson.

COMPLETE GROWTH ENGINES: LESSONS LEARNED

Talk to peers at local media companies who are succeeding, and ask what is working for them.

DRIVE SCALE THROUGH EFFICIENCY

A major local broadcasting company told us that as they grew, managing multiple vendors and multiple systems became chaotic. Always look for opportunities to streamline and organize. In this case, leadership identified the following as key areas for improvement:

- Sales management
- Campaign reporting
- Attention and care for ad campaigns on the back end
- Transparency on how campaigns are optimized to ensure best performance for accounts, including a clear dashboard

This is only possible with a system that works end-to-end. It's easier to augment off a solid base platform than trying to cobble disparate solutions together into a coherent whole.



MAKE SURE YOU CAN PROVE SUCCESS

An important education advertiser wanted to focus on actual enrollment in their schools, rather than social media buzz or the number of impressions. The local media company might have lost the client's advertising budget, but because they had strong end-to-end data they could prove the ad campaigns were directly responsible for driving phone calls to the school's campus. Having the right data – even before the advertiser asked for it – saved the relationship. This is what having a complete growth engine can do.

TRANSPARENCY MATTERS

You can't manage what you can't see. Local media companies demand "accountability across all services, with campaign performance reports. Ultimately there has to be a good dashboard and layers of support", including human staff who can intervene when needed. A unified order management system helps. A complete growth engine delivers insights across the entire advertiser experience from sales through fulfillment and repeat campaigns.

IF YOU GET IT RIGHT, YOU'LL GAIN ACCESS TO NEW CUSTOMERS AND BUDGETS

A publishing company had struggled to win certain advertisers because they were seen as too print-centric. By building a complete growth engine they extended reach and targeting beyond limited, high-churn O&O inventory and drove revenue growth of 15% Y-O-Y in digital services. This enabled them to "target customers we had no ability to work with previously" and open the door to "budgets that we were not exposed to before".

“With AffinityX, we get a whole hierarchy of support, including access to the people doing the optimization and operating the dashboard and the IDEA Titan™ system for a complete, turnkey solution.”

Former Director of Digital Sales and Operations
Cumulus | C-Suite Digital Solutions

“This relationship has enabled us to target customers we had no ability to work with previously, as we were viewed as a typical-print-centric company. Additionally, this opened the door to a different set of budgets that we were not exposed to before — the companies that we work with typically keep their digital budgets separate from any other kind of advertising. This has positioned our company to better compete and grow.”

Director, Digital Revenue
Sound Publishing Inc.

TAKE THE NEXT STEP

Start small — with a single market pilot or sales enablement — or use our end-to-end platform. We integrate with your business model and systems to drive recurring revenue.

The race for digital revenue is happening now.

Advertisers have more options than ever before. To learn more about how other local media companies are succeeding with their complete growth engines, contact us at growth@affinityx.com and let's talk. We'll review what stage your company is in, share our experience about what to do next, and help you figure out how to drive the success your company deserves.



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