



A Tale of Two Cities: A Look at a Novel Approach to Successful Convergent Sales

By Mike Blinder

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All over the United States, publishers are crying for help. In markets large and small, there is an urgent need to change the culture of traditional newspaper advertising departments so they embrace multimedia sales — specifically, the sale of web site products and services.

Local economic conditions vary and management styles differ, but the cultural issues that thwart this effort at newspapers are surprisingly similar: The majority of newspapers developed their online ventures as separate entities, shielded from the newspaper's print culture. Many of the web sites created as an extension of the newspaper are branded differently than the core product.

Divisions between traditional and online departments have created some internal issues — even rivalries — between staffs and managements, especially when there is a separate web sales force that competes with the traditional sales reps for local ad revenues.

The Blinder Group is in the business of helping newspapers remove internal obstacles as they try to gain new revenues jointly from both print and online advertising. We help newspapers identify their internal problems, outline methods of overcoming them, and teach them how to create sales convergence centers within their organisations. Interestingly, the most overlooked obstacles limiting sales convergence are the online managers themselves.

I have noticed in numerous markets that online managers tend to possess a keen understanding of technical concepts but lack some empathy for the sales side of the business. They also hire technically savvy sales representatives and managers who focus more on selling technology-based products (such as web sites and banner links) than advertising-driven solutions for local businesses. Managers also use technical language and jargon that can alienate sales representatives and others.

Another obstacle to the convergence of print and online sales efforts has to do with the basic online training performed by the newspapers for the traditional sales departments. Training sessions that are more technologically oriented than sales-based seem to do more harm than good. Technology topics might advance an advertising representative's understanding of interactive concepts, but they do not show them how the web can augment — simply — their current product offerings in as simple of manner possible.

There is often a tension between the traditional sales teams and the online departments at newspapers, making it difficult for the two cultures to come together. But the desire for cooperation is there.

Conversely, what has been amazing to witness during the hundreds of market visits made over the past three years is that we have proven local advertisers are ready, willing, and able to spend sizable amounts of money for online advertising solutions from our client newspapers — regardless of the internal struggles the operations are experiencing.

Traditional advertising sales representatives, meanwhile, are becoming motivated to embrace online sales.

To demonstrate how these shifts in culture are being achieved at newspapers of all sizes, we explored the development of two completely different markets in which it recently worked. Both newspapers achieved sizable new multimedia revenues sold by their traditional advertising representatives. Both are currently experiencing a larger-than-normal economic downturn. Both newspapers to date have been packaging their online products separately from the print products.

The examples of the Times-News based in Erie, Pennsylvania, and the San Francisco Chronicle demonstrate that the problems facing newspapers that want to incorporate traditional sales with online sales are indiscriminate of size, location, or economy.

Erie, Pennsylvania: Times-News

With a daily circulation of more than 65,000, the Times-News is a family-owned newspaper in a market that is experiencing major economic challenges due to losses of local industry. Newspaper management developed their web site

department five years ago as a separate entity with offices located outside of the newspaper.

“We decided to brand the web site separately from the newspaper,” says Chris Mead, president of Cyberlink, the division of Times-News that publishes GoErie.com. “We felt a line extension leveraging the Erie Times-News brand wouldn’t differentiate the web product enough to achieve our demographic goal of a complementary audience. Another part of our community-portal strategy was to build and maintain web sites for the local Chamber of Commerce and other high-profile organisations.”

Leveraging stories from the Times-News plus additional content areas and breaking-news updates, Go.Erie.com serves nearly 200,000 monthly unique viewers more than nine million pages of information.

Recently, Times-News’ owners mandated that more of the revenue responsibilities for GoErie.com were to fall on the traditional newspaper sales department. The newspaper’s advertising director, Gail Prather, met the challenge by appointing a small team of local advertising representatives to investigate the best ways to integrate GoErie.com’s web products into its traditional daily offerings. This is where we came in.

“The newspaper sales staff were lethargic in embracing online sales in the past,” Mead says. “We cajoled, trained, and begged, but we just couldn’t get the reps excited about taking the web to market. All of our sales were done by our single online sales person.”

Here are some of our suggestions:

A training programme was created that would focus on positioning GoErie.com as an advertising solution, not a technology provider. Initially, advertising representatives spent two hours in a classroom learning that they did not have to “speak geek” or have an extensive technological understanding of web sites to sell the web to advertisers.

They learned that GoErie.com could provide their advertisers a new, younger audience that could be impacted by the same messages that were in the newspaper — more times and more often. Also, they learned that they did not have to understand how the web worked to sell it as an extension of newspaper advertising. By the end of the session, the representatives reported that they felt much more empowered to be able to sell GoErie.com.

Next, recommendations were made for the development of simple, easy-to-present online programmes for sale to the local market. Two programmes were developed during a four-hour meeting of senior print and web managers.

The first programme was geared for larger newspaper advertisers who were spending money on competing media such as radio and local broadcast TV. The mission was to show these advertisers a method by which they could increase reach and frequency of their newspaper advertising by extending campaigns to GoErie.com.

The programme centered on the sale of a new “in-story” advertising position appearing on all pages of theGoErie.com web site. These positions would be offered to a limited number of newspaper advertisers. This online graphic advertisement would be designed to reinforce the message displayed within the advertiser’s current weekly print ad and would have the ability to be changed each time the print ad changed. The online ad could also click to a web version of the advertiser’s weekly print ad. A certain number of impressions were guaranteed on a monthly basis with a full year’s commitment required for participation in the programme (see graphic 1).



The second programme was designed to attract new service-related businesses to the newspaper, going after those companies that spent most of their advertising budgets on local yellow page directories. Six separate service-related business categories were targeted. Each advertiser received a weekly 1-inch-by-3-inch advertisement that appeared within a print version of a new daily “Premier Business Directory.” The same ad that appeared weekly in the newspaper also appeared online every day within a web-based “Business Directory.” Each

weekly directory was limited to 10 advertisers, and each was required to make a 52-week commitment for participation (see graphic 2).

The image shows a simulated newspaper page layout with a color calibration bar at the top (Black, Cyan, Magenta) and a 'FROM CITY AND REGION' header. The page is divided into several sections:

- HOME IMPROVEMENT:** A vertical advertisement on the left side featuring a man on a ladder and the text '12-POINT FURNACE SAFETY LEAN & CHECK' for \$39.00, repeated in a grid.
- Blight: Demolition much faster:** An article in the top right with a photo of a woman and text discussing demolition efforts.
- Key: Great Key Hunt 'gets serious':** An article in the middle right with a photo of a man and text about a hunt for keys.
- Just Ask Vicki:** A column in the bottom middle with a circular logo and text.
- MR. BIG VOLUME:** A car advertisement in the bottom right for a 2003 Suburban LT444 with a 'BLOWOUT' price of \$32,997.

Easy-to-present graphic marketing materials were created for both programmes to allow the sales representatives to easily show advertisers how the web portion of their ad buys worked. These graphic “sales sheets” looked like a computer screen, allowing representatives to present the web without actually having to go online to do so. (See Graphic 3.)

CyberInk **Erie Times-News**

GoErie.com living here

Tuesday, August 12, 2003 www.erie.com

Home News Lifestyle Sports Entertainment Opinions Business People **Business Directory** Special Sections

Auto Care
Professional Services
Specialty Shopping
Senior Services
Health & Wellness
Home Improvement
Yellow Pages

Philly - You Just Can't Do It In A D...

Today's News

Hometown fans root for USA competitor
Taylor Baker and Lexi Richards teamed up together on televisions were little girls. Read more >

Ridge Center to get theater
The drive-in movie screens will come down, but a large-screen theater with tiered seating will go up at the former Pennsauken Drive-In. Read more >

HOME IMPROVEMENT

Features and Benefits

- It's active advertising. When a visitor is ready to shop for your product/service, s/he visits the appropriate directory
- GoErie.com's Yellow Pages directory delivered 46,000 page views on 26,000 searches in June 2003.
- Reach 1.2 million young, affluent shoppers using GoErie.com each month
- Craft your message once for the newspaper and it automatically appears on the Web. No extra work!
- Web site addresses in your ad are automatically linked on the Web

Visitors click on a category and are taken directly to the most recent printed directory from the newspaper

Disclaimer of confidentiality: This proposal has been specifically prepared for client, business at the Client above. This document contains material that is confidential, proprietary, and not for use by anyone other than the person or office named. The dissemination of this document without the prior written consent of the advertiser is strictly prohibited. This document is the property of CyberInk and will be destroyed upon the completion of the project. Thank you.

We then returned to Erie to briefly retrain the sales staff and accompany them on “four-legged” sales calls to show them how to effectively present products to advertisers. The rationale of this portion of the training is simple. The best way to get a salesperson to change their attitude is to show them how it will bring in money.

To date, both programmes have generated hundreds of thousands of dollars in new business for the Times-News. “The traditional ad reps are finally excited about selling the web,” Mead says. “Our newspaper reps finally understand it’s

not about web sites, links, and the Internet. It's about a new place for advertising, plain and simple."

Advertising Director Prather adds: "We had to make the commitment to set up the right calls to make the programme work. We even had a 'kick-off' party with a skit to psyche up the reps. Now that the results are in, I couldn't be happier."

San Francisco Chronicle With a daily circulation of more than 500,000, the Hearst-owned Chronicle is one of the most read and respected newspapers in the world. The Chronicle's companion web site, SFGate.com, is also one of the most respected, now ranking as the fourth most-visited newspaper web site in the world. The reasons for branding "The Gate" separately from the Chronicle stemmed more from necessity than from culture.

"Until recently, we provided the web platforms for two newspapers and a TV station," says Bob Cauthorn, vice president of digital media for the Chronicle. "Since the end of our JOA (joint operating agreement) with the (San Francisco) Examiner, we now serve the Chronicle only. However, the SFGate.com brand is so well-established in the marketplace, we continue to use it."

Today, SFGate.com maintains a local and national sales force with separate retail and classified online managers. Recently, these two positions were incorporated within the existing sales departments with more revenue responsibilities falling on the shoulders of Chronicle sales managers.

Gordon (Gordy) Prouty, director of classified advertising for the Chronicle, says that selling The Gate and the Chronicle together presents a challenge since the sales staff and customers were conditioned to view these as separate products and separate buys. Presenting them as a multimedia package has helped make them more sellable in the marketplace.

Sales representatives began to understand that "rather than having this interactive boat anchor that they need to haul to meeting and hoist onto the table, the Internet actually aids the sale," says Ian Murdock, digital media director of the Hearst Corp. "Those that recognise this power exceed their goals and have another extremely powerful sales tool at their disposal."

Cauthorn agrees: "Anyone spending money on outdoor (advertising) is making a huge mistake in this market. Our web sites can deliver the same message to more people for vastly less money."

Recent Media Stat reports confirm that an advertiser would have to purchase more than five Bay-area radio stations to acquire the reach of a single buy on SFGate.com. And the online buy can be done for one-tenth of the cost.

“Ninety-three percent of Bay area businesses have less than 50 full-time employees,” Cauthorn says. “These smaller, entrepreneurial advertisers need innovative, cost-effective solutions like we can deliver on our web sites. All we need to do is get the local ad reps excited about selling it.”

To that end, we performed initial training programmes and facilitated product-development meetings with senior sales management. It was decided that a cost-effective online banner campaign that would offer newspaper advertisers an “animated billboard,” reflecting the same message they were placing in their normal weekly print campaigns. Advertisers were guaranteed a minimum number of monthly exposures on web pages at an extremely efficient price, as long as they committed to a full year’s participation.

Web designers of SFGate.com trained the print ad designers at the Chronicle on how to build these banners for traditional advertisers. A target list of more than 250 prospects was generated from existing newspaper advertisers, as well as likely candidates that were not advertising. The Chronicle’s ad designers assisted in the sales effort by designing hundreds of printed “spec sheets” that the sales representatives could use in presenting the programme. Compensation plans were designed to award not only the traditional advertising representatives but the designers as well (see graphic 4).



Reach your customers, gain new customers on SF Gate.com.

With over 4.9 million unique monthly visitors, SFGate.com is the largest regional content site and 5th largest newspaper site in the country.

The screenshot shows the SFGate.com website interface. At the top, there is a navigation bar with 'SFGate.com' and 'LIVE IN THE HEART OF SAN FRANCISCO' banner. Below the banner, there is a main article titled 'Bittersweet journey Founders struggle to keep Just Desserts from crumbling'. To the right of the article, there is a 'CONCERT TICKET PRESALE' advertisement. The ad features a blue background with a guitar and text: 'CONCERT TICKET PRESALE', 'Register and get tickets a full day before the public.', and 'EXTRA ACCESS'. Below the ad, there is a section for 'SFGate Personal Shopper' featuring a photo of a trolley and another 'LIVE IN THE HEART OF SAN FRANCISCO' banner. At the bottom left of the screenshot, there is a text box with the following information:

650,000 impressions
\$2999/month

Your banner ad (ROS) can link to your Web site OR Your Chronicle Print Ad in Personal Shopper.

We again returned to the market to retrain the sales reps and to make assisted sales training/closing calls. At the end of the first week, the Chronicle's traditional sales team had generated almost US\$400,000 of new online revenues from existing advertisers — and had used the new programme to convince some non-print advertisers to buy the print/online programme as a total marketing solution.

“Final revenue projections for the programme could conceivably double by the time it is sold out,” Cauthorn says. “We accomplished more in one week in getting the salespeople on board than we have in years of training. Having the

outside voice played a big part in getting the same message through that we have been trying to say to our sales reps for years. We will continue to reinforce the message with weekly meetings and continued sales call assistance.”

Prouty says the salespeople were energised and motivated to close more business: “We accomplished incremental revenue growth and a culture change all within a single week. Now it is our mission to continue the charge and keep the momentum going.”

Both newspapers have marked differences in size of populations and operations, but there are many similarities as far as what it takes to change the ways of traditional advertising representatives — getting them to shift their paradigm on how they perceive online sales.

It can be done. We have seen it happen in hundreds of markets, large and small, at newspapers with varying history and cultures. Newspaper sales people can sell the web. No matter how big or small the market, we have heard the same objections when the topic of adding web sales to the newspaper’s sales department is introduced:

- * “We have too much on our plate right now to sell anything else.”
- * “My salespeople don’t understand the Internet and can’t sell it.”
- * “Selling the web is too hard and takes too long to explain.”
- * “Our customers already have web sites, getting them no results.”

The process of adding web components to existing daily sales must be simplified. The value propositions the web brings to advertisers must be made clear and easy to understand. More importantly, the sales force needs to understand how much more they can benefit their advertisers by adopting a multimedia approach to their sales effort.

Consider these tips:

Train the sales representatives properly.

Do not have the online managers perform technology classes for the sales department. I have witnessed sessions that simply make the sales representatives’ eyes glaze over and turns them off even more to the web. Sessions like this are like bringing the press manager into a meeting to explain how the entire printing system works.

Train the representatives to see the web as an extension of their core products. Teach them to see the web as another advertising medium and nothing more. And more importantly, make them understand that it is OK to say, “I don’t know” during sales call. Even representatives that have never once touched a mouse

can sell web products to their advertisers — if trained properly and are made to feel empowered to do it.

Also offer easy-to-understand marketing materials that support the effort. Large graphic “sales sheets” enable each rep to present the web-value propositions comfortably and effectively. Technical jargon and lengthy explanations and descriptions need to be absent from these. The graphics that show the web components need to be large and easy to see. Simple arrows can show how a web ad links to a print ad. Less is more in the design.

Develop and deploy a simple sales programme.

If it takes more than 60 seconds to explain what you want to sell during a development meeting, it may not be the product of choice. Of course, you can maintain a small web-only sales force to sell more advanced technical solutions. But if the product is not simple to explain, the sales people will not embrace it.

When it is all said and done, you are simply leveraging your online audience to extend the reach and frequency of an advertiser’s marketing needs. Think in those terms when building web solutions for sale by traditional ad reps.

Show them how it is profitable.

Lengthy meetings with sales representatives have their place in introducing new concepts and procedures. But the only way to truly get sales representatives to change their way of doing things is to prove it to them on the street. That fits with our motto: “Train in the car, not the classroom.”

About the Author

Mike Blinder is founder of The Blinder Group, Multimedia Sales Specialists, a Tampa, Florida, USA-based firm that assists media companies in maximising revenues through effective sales of their multimedia assets. Some of the world’s most respected media companies employ Blinder and his associates to design multimedia programmes and provide sales training, resulting in new revenues. He can be reached by e-mail at mike@BlinderGroup.com, by telephone at +1 727 847-2464, or through his web site at www.BlinderGroup.com.

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