

With Susan Ziller-Brazell
The Ziller-Brazell Company

I thought it would be very interesting to take a look at a typical marketing communications budget. Frankly, I was surprised at these figures, and I would be interested to see what you think about them.

This was a survey done in 2004, and this is a marketing budget from a corporation. The survey was done with 100 top CEOs at small, medium and large corporations. And what it says is that 31 percent of the dollars are earmarked for advertising. What that says to me is that over 60 percent of the dollars are probably never at an advertising agency. So if you are not involved with clients, you are missing opportunities, because anybody who has control of this budget can move figures around. If you come up with an idea that makes sense for the client, they can find the resources to spend money.

Needless to say, in anything we are talking about today, planning is essential in terms of long-term business development. You are looking at 6 to 9 months if you are talking about any sizeable package, promotion or new business development plan. I'm really talking about long-term business development today. But just to take a quick look at this, I can see "Events" may mean to them (the corporation), trade shows. That wouldn't necessarily be all event marketing or consumer expos. That could very easily be something that was a trade show. So I didn't want to mislead you about that. And 10 percent is public relations and analyst relations. I know that when I was selling a women's marketing product I had very big success in getting "public relations" dollars, minority dollars and community dollars. That is something to consider, because they are there and they are totally separate from the rest of the world.

As best I can tell from all the figures I've seen, Radio is going to be up nearly 2% from last year. I think that it's essential that I just acknowledge that you are going to be in a huge learning curve and have a great opportunity to do things differently than how you've done them in the past, because you are going to have to. You know that and that's why you are obviously here. I hope that I will be able to share with you some ideas that will be really productive for you and you can get started with right away.

"A substantial majority of marketers are looking for new and innovative ways to connect with their customers." That's a quote from Brandweek and I think the real key is that, especially from your agencies, they are being tremendously challenged by their clients to be more creative and do more things. And then what the agencies are doing are coming to you and saying, "I want value-added! Give me more. Just throw something at me. Give me something because my client is saying I've got to do more." Well, it's sort of a self-defeating "mess," if you will, because a lot of times I've found that even when you give the agency something that they call value-added, it doesn't even get to the client. If it has to do with the client having to maybe make an appearance on-site at an event, a lot of times they aren't even there. They don't know about it! At one point in my business, we would get a sheet from our stations saying these are the clients that are going to be at the event and we would call them (the clients) and the agencies had not even told them that they were involved. It's the pressure on them to deliver, but somewhere along the way, it drops in the middle of it all. I believe very strongly that no agency buyer controls Radio, the Internet, promotions, and television. How many do you know where one person at an agency controls



all of those different entities? I don't know of any so I think one of the big opportunities for you when we are talking about getting around agencies is cross-platform media, because if you are doing things that are different than just traditional Radio, you have a real big opportunity to get away from the agency. And I know sometimes that's hard to do if they are controlling a huge portion of your money.

So what I am going to talk about at this point is some specific ideas that will focus on 4 areas of business development.

Event Marketing

Relationship Marketing- and why I think Radio has a huge competitive advantage over any other media in this particular area. (Many advertisers are talking about Relationship Marketing.)

Cross Media programs- features designed for a targeted market underwritten by a corporation. (I will give you an example of that to make it a little bit more clear.)

Internet Opportunities- I'm not just talking about selling a banner on your website, although you may need for me to talk about that and you'll tell me. I'm talking about a little more sophisticated way to use the Internet to really generate big dollars with your Radio station.

EVENT MARKETING

I consider anything is an event if it involves a community project, whether it's a concert or a festival or whatever; anything that you are going to do outside of the Radio station is an event in my definition. It is very important, and I am sure that those of you who are selling it know this, but (event marketing) is a tremendously successful business in its own right, separate and apart from Radio. One of the things that I have seen happen over and over again is that since you have spent your entire career being trained in selling Radio, that's what you know and you know well. But all of sudden you are on this huge learning curve and you are being expected by your management to immediately be the expert on it. And it's a different mindset. It's a different business. There are different selling points and there are different ways to approach the client. There are different benefits. And if you don't know those, what's happening is they are getting buried into a package that's considered an "NTR Bottom Line Bring It In" package which it may not even have value being assigned to it. It's certainly not going to have the kind of value assigned to it that you can generate because it is a huge business in its own right.

Just to give you an idea, in Phoenix, Arizona in 2002, we generated \$1,800,000 in two days with a women's expo. Two days. NTR with that television station group was 11% of their total billing. Now that may not be a lot for you guys because I think some of you are probably there too, but for a television station that's unheard of. And it all started with event marketing and then they took it into other areas of community service and doing things that made a difference in the community that they could sell to people who were trying to, do image branding. I mean, people who buy these things are not looking for an instant ROI. Because if they are, they are going to be disappointed. Although, one time, I was lucky enough to have somebody sell a \$20,000 boat that was on the show floor. But you know what, that doesn't happen every day. Now we used that in our pitch for the next 10 years but it doesn't happen every day. I mean, it was unbelievable. So, in order to really maximize your revenue, you need to learn how to position and sell events to get premium dollars instead of including it as a value added.

I'm going to give you some resources. There are places that you can go with glossaries that you can get the definitions and the terminologies in these other businesses.

If you go to www.sponsorship.com on the Internet, it is the website for International Events Group, which is the trade show organization for events. Sponsorship in their definition would be anything from sponsoring a stadium, to a festival title sponsor to an expo like mine; it's anything that is outside of the traditional media that is sponsored. And if I showed you the last ten years, it has gone sky high. Now, relative to our billing, it's not there yet, but it's still a huge amount of money. If you go to that website, there is a link called LEARN. Click on LEARN and go to GLOSSARY, and it will tell you every term that is used in selling events. So that should be very helpful for you.

I just wanted to focus on the fact that there's a huge amount of money there so don't devalue your concert and your events when you are packaging Radio with them because it is a stand-alone business. And you'll get some real good information off that site.

So in terms of Events, they differ from traditional advertising and the way they are defined in that advertising is considered a quantitative media and sponsorship is considered qualitative. It's harder to measure sponsorship. Believe me, advertisers are trying to get there. They are really asking and pushing for ROI.



1320 Greenway Dr., Suite 500
Irving, TX 75038

www.RAB.com
1-800-232-3131