

Broadcast and Cable Selling

Updated
Second
Edition

Charles Warner
Joseph Buchman



Updated Coverage of
• Ratings Industry
• HDTV

Broadcast and Cable Selling

Updated Second Edition

Charles Warner

University of Missouri, Columbia

Joseph Buchman

University of Tennessee, Knoxville

Wadsworth Publishing Company

Belmont, California

A Division of Wadsworth, Inc.

Senior Editor: Rebecca Hayden
Editorial Assistants: Nancy Spellman, Sharon Yablon
Production Editors: Gary McDonald, Jerilyn Emori
Managing Designer: Carolyn Deacy
Print Buyers: Karen Hunt, Randy Hurst
Art Editor: Donna Kalal
Permissions Editor: Robert Kauser
Interior and Cover Designer: Harry Voigt
Copy Editor: Denice Anderson
Compositor: Thompson Type
Cover Photograph: The Image Bank/Jeff Hunter

© 1993, 1991, 1986 by Wadsworth, Inc. All rights reserved. No part of this book may be reproduced, stored in a retrieval system, or transcribed, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of the publisher, Wadsworth Publishing Company, Belmont, California 94002; a division of Wadsworth, Inc.

Printed in the United States of America 85
1 2 3 4 5 6 7 8 9 10 — 97 96 95 94 93

Library of Congress Cataloging-in-Publication Data
Warner, Charles, 1932—

Broadcast and cable selling / Charles Warner, Joseph Buchman. — Updated
2nd ed.

p. cm.

Includes bibliographical references and index.

ISBN 0-534-19770-1

1. Selling — Broadcast advertising. I. Buchman, Joseph.

II. Title.

HF5439.B67W37 1992

659.14'3'0688 — dc20

92-19509

Broadcast and Cable Selling

**From the
Wadsworth Series
In Mass
Communication**

General

Media/Impact: An Introduction to Mass Media, Updated 1st, by Shirley Biagi
Media/Reader by Shirley Biagi
Mediamerica: Form, Content, and Consequence of Mass Communication, 4th, by Edward Jay Whetmore
The Interplay of Influence: Mass Media & Their Publics in News, Advertising, Politics, 2nd, by Kathleen Hall Jamieson and Karlyn Kohrs Campbell
Technology and Communication Behavior by Frederick Williams
When Words Collide: A Journalist's Guide to Grammar and Style, 2nd, by Lauren Kessler and Duncan McDonald
Interviews That Work: A Practical Guide for Journalists by Shirley Biagi
Mass Media Research: An Introduction, 3rd, by Roger D. Wimmer and Joseph R. Dominick
Computer Graphics Applications: An Introduction to Desktop Publishing & Design, Presentation Graphics, Animation by E. Kenneth Hoffman with Jon Teeple

Radio/Television/Cable/Film

Stay Tuned: A Concise History of American Broadcasting, 2nd, by Christopher H. Sterling and John M. Kittross
Movie History: A Survey by Douglas Gomery
Working Cinema: Learning from the Masters by Roy Paul Madsen
World Broadcasting Systems: A Comparative Analysis by Sydney W. Head
Broadcast/Cable Programming: Strategies and Practices, 3rd, by Susan Tyler Eastman, Sydney W. Head, and Lewis Klein
Immediate Seating: A Look at Movie Audiences by Bruce A. Austin
Radio Station Operations: Management and Employee Perspectives by Lewis B. O'Donnell, Carl Hausman, and Philip Benoit
Broadcast and Cable Selling, Updated 2nd, by Charles Warner and Joseph Buchman
Advertising in the Broadcast and Cable Media, 2nd, by Elizabeth J. Heighton and Don R. Cunningham
Copywriting for the Electronic Media: A Practical Guide by Milan D. Meeske and R. C. Norris
Announcing: Broadcast Communicating Today by Lewis B. O'Donnell, Carl Hausman, and Philip Benoit
Modern Radio Production, 2nd, by Lewis B. O'Donnell, Philip Benoit, and Carl Hausman
Writing for Television and Radio, 2nd, by Robert L. Hilliard
Writing the Screenplay: TV and Film by Alan A. Armer
Institutional Video: Planning, Budgeting, Production, and Evaluation by Carl Hausman
Video Communication: Structuring Content for Maximum Program Effectiveness by David L. Smith
Television Production Handbook, 4th, by Herbert Zettl
Electronic Moviemaking by Lynne S. Gross and Larry W. Ward
Audio in Media, 3rd, by Stanley R. Alten
Directing Television and Film, 2nd, by Alan A. Armer
Sight-Sound-Motion: Applied Media Aesthetics, 2nd, by Herbert Zettl
Electronic Cinematography: Achieving Photographic Control over the Video Image by Harry Mathias and Richard Patterson

To Chas, Sean, and Will

About the Authors

Charles Warner attended Dartmouth College and graduated from Columbia University with a degree in radio and television. He received an M.A. in journalism from Southern Illinois University and is currently finishing his Ph.D. in mass communication management from SIU.

Professor Warner is the Goldenson Endowed Professor of Local Broadcasting at the University of Missouri School of Journalism. He is also the principal instructor for the annual RTNDA/University of Missouri School of Journalism's Management Seminar for News Directors.

He is actively involved in consulting and management and sales training for such companies as CBS, MTV, ESPN, Viacom, TCI, Greater Media, Nationwide Communications, Clear Channel Communications, Jacor, and many others; he has also been a featured speaker on panels for the Radio Advertising Bureau, the Cabletelevision Advertising Bureau, and the National Association of Broadcasters.

Professor Warner has taught in the Radio-Television Department of Southern Illinois University at Carbondale and has taught marketing courses in the Graduate School of Business at San Francisco State University. He has lectured at the Stanford Business School and was chairman of the Mass Communication Department at Menlo College.

Prior to pursuing his academic and consulting career, he was vice president and general manager of WNBC Radio in New York City, WMAQ and WKQK in Chicago, and WWSW in Pittsburgh, where he supervised changing the stations' formats. He was also vice president and general manager of CBS Radio Spot Sales, where he had a remarkably successful record of hiring and training people, many of whom have gone on to leadership positions in radio, television, and cable.

Joseph Buchman is an Assistant Professor of Broadcasting at the University of Tennessee, where he teaches courses in broadcast sales, promotion, and management. He has a B.S. in marketing from Indiana University, an M.S. in finance from Purdue University, and a Ph.D. in mass communication from Indiana University. He has held numerous positions at commercial radio and television stations, including serving as the manager of the student sales staff for WUTK-AM, a 50,000-watt commercial, all-news radio station operated by broadcasting students at the University of Tennessee.

Preface

During the seven years between the writing of the first and revised second editions of this book, the broadcasting industry has gone through incredible change: the explosion of VCRs, the blossoming of cable, the growth of independent television stations, the birth of a fourth network (Fox), new audience-measurement techniques, the consolidation of rep firms and ratings companies, the growth of satellite-delivered program material, deregulation, and the change of ownership of each of the three major networks. This revision of the second edition updates the radio ratings material in Chapters 6, 14, and 15 to account for the demise of Birch, which had provided radio estimates, in December 1991. We have added new material about digital high-definition television (HDTV) and digital audio broadcasting (DAB). Fortunately, the basic techniques of selling have not changed significantly, so those parts of this book dealing with sales fundamentals have remained much the same.

Joseph Buchman of the University of Tennessee, who helped update the second edition, had used the first edition in a sales course. We thought *Broadcast and Cable Selling* would be stronger with input from a top-notch classroom teacher (and Joe is certainly that) who knew how the book worked in the classroom.

In response to changes in the broadcasting industry and to suggestions from professors who used the first edition in classes, and sales managers who used it for sales training, our changes in the second edition still stand:

- Chapter 3, “The Needs-Satisfaction Approach to Selling,” has been simplified considerably. It focuses on understanding personal needs and positioning a station or system according to those needs.
- Chapter 5, “Presenting and Servicing: The Last Steps,” has been simplified by eliminating the section on the five mental states of selling. In addition, it now places more emphasis on understanding a client’s marketing needs and on negotiating. A new section outlines how to write an advertising success case study.
- Chapter 6, “Understanding and Using Ratings,” has been updated to include new rating technologies, including people meters.
- Chapter 8, “Maximizing Revenue, Rate Structures, and Packaging,” now reflects the increasing elimination of rate cards by stations in larger markets.
- Chapter 11, “Network, Syndicated, Rep, and Local Cable Selling,” has been updated to reflect changes in all of the areas, and the section on local cable selling has been expanded to reflect the growth of cable sales.

- Chapter 12, “Specialized Selling: Promotions, Sports, and Political,” contains a description of legal issues in broadcasting (cable is largely unregulated except for political advertising). This replaces the first edition’s Appendix C, “FCC Regulation Checklist,” which was largely outmoded by deregulation.
- Chapter 13, “Attitude and Ethics in Selling,” has been expanded to include a new section on ethics for salespeople. This section addresses an important topic that is not covered in other texts and one that is of growing interest to the business community in general.
- Chapter 15, “The Future of Broadcast and Cable Selling,” continues to be relatively cloudy in its view of the future, but such topics as the possible entry of the telcos into the broadcast and cable future is covered, as is the possibility of DBS’s growth.
- Appendix A, “Sample Presentations and Letters,” has been expanded to include a television and a sports, as well as a radio, sales presentation; a sales success letter; and a confidence-to-say-no letter demonstrating how to turn down low-rate business in a nice way.

Focus of the Book

Broadcast and Cable Selling focuses on several basic concepts:

- The marketing concept — the customer-as-focus approach as opposed to the product-as-focus approach.
- Selling as a needs-satisfying, problem-solving process that does not stop with getting an order.
- The goal of selling as a creation of a customer and the establishment of a solid, long-term business relationship — a close-to-the-customer approach.
- A managerial approach. This book is oriented as much toward managers as toward students and salespeople. For self-training, it may be used to learn how to manage a sales approach rather than merely how to make a sale.
- The concept that it is best to begin with a theoretical base in order to give the practical techniques a strong foundation in psychology, sociology, and communications.
- A psychological approach to selling. Selling in broadcasting and cable usually comes down to one salesperson trying to understand and then satisfy the personal and business needs of another person in a face-to-face situation.
- The concept that people who want a career in broadcast and cable sales no longer have to start in small-town stations. Major-market radio and television stations and cable systems will often hire people who have little or no previous sales experience if they do have self-confidence, intelligence, and knowledge. We believe this book will give readers the knowledge they need to obtain a sales job in any city in the country.

Organization of the Book

This book's organization is based on the SKOAPP system of selling: Skills, Knowledge, Opportunities, Attitude, Preparation, and Persistence. All of these are requisites for success in sales.

Part 1, "Selling and the Marketing Concept," introduces readers to the concepts of selling and marketing. It lays the foundation for the sections that follow.

Part 2, "Skills," includes Chapter 3, which provides the necessary background for the psychology of selling and introduces the core approach of this book: need satisfaction as the goal of selling. Chapters 4 and 5 describe a five-step approach to the process of selling, including specific, practical methods for making presentations, negotiating, and closing sales. Such skills are vital (although few books in this field include them). Because of their importance, readers and instructors might want to spend proportionately more time on these chapters.

Part 3, "Knowledge," centers on the knowledge salespeople must have of ratings and their use (Chapter 6); of the advertising media and how they work, including media that compete with broadcast and cable (Chapter 7); and of how broadcasting stations or cable systems should create rate structures and packages of spots (Chapter 8).

Part 4, "Opportunities," discusses, in Chapters 9 through 12, opportunities in selling: to retail businesses; for networks, syndicators, national sales representative companies, and local cable; to advertising agencies; and in specialized settings, such as sports, promotions, and political advertising.

Part 5, "Attitude, Preparation, and Persistence," presents new information on ethics for salespeople in Chapter 13. Chapter 14 contains a complete organization system and tips on time management. Chapter 15 deals with the future of sales and tells how to enter this exciting, rewarding career.

The two appendixes reproduce actual sales presentations, forms, contract conditions, and other helpful information. A glossary makes it easy to find the meanings of all terms.

Unique Features

- A fully integrated and organized selling system — *SKOAPP* — that enables salespeople and sales managers to organize and evaluate their efforts.
- A strategic approach that emphasizes *maximizing revenue*, a critical concept in broadcasting and cable because of their enormous profit potential.
- A new step in selling: *researching and targeting*. Researching stresses the importance of gaining thorough customer knowledge. Targeting is an important part of strategic planning in order to maximize revenue.
- A discussion on *negotiating*. Most books on selling assume a salesperson sells a product with a fixed price and that once objections are overcome, an order will follow a successful close; but today in large- and medium-market radio, television, and cable selling, negotiating over rates is common, and negotiating skills are an essential weapon in a salesperson's arsenal of skills.

- A chapter on *attitude* based on sports psychology techniques used by successful athletes and coaches. Most books on selling emphasize the importance of enthusiasm and self-confidence, but they do not give pragmatic, performance-tested advice on how to achieve these desirable attitudes within oneself. This book does. Also in this chapter are ethical guidelines for broadcast and cable salespeople to follow — another unique feature.
- A section on *time management* — information that salespeople tell us they desperately need.

Style of the Book

This book is written in an informal, personal style. We have called on our own experiences and used interesting anecdotes whenever practical to illustrate sales concepts and techniques. Most importantly, we give examples in the context of current broadcasting and cable practices and situations.

Incidentally, we have used the term *salesperson* throughout this book instead of sales representative or account executive. The three terms are interchangeable.

Thanks and Acknowledgments

The author of the first edition, Charles Warner, would like to thank Joe Buchman for his hard work, dedication to accuracy, grace under pressure, and for meeting deadlines.

The coauthor of the second edition, Joseph Buchman, would like to express his heartfelt gratitude to Charles Warner for his personal and professional generosity, his patient guidance, and his keen insights into the field of broadcast/cable sales and management.

We would also like to thank Becky Hayden, our editor at Wadsworth, once again for her gentle, kind prodding and the Wadsworth production and design people for making the updated second edition even better than the first.

We thank the following reviewers for their thoughtful comments — some based on using the first edition and some from reading the manuscript for this updated edition: David Bradford, Southern Connecticut State University; Donald Davis, Brenau College; Robert E. Eubanks, Sam Houston State University; Robert Habermas, Liberty University; James R. Smith, SUNY College at New Paltz; Robert D. West, Kent State University; and Ray Wilke, Villanova University.

Contents

Preface vii

Part One Selling and the Marketing Concept 1

Chapter 1 Selling: Perspectives, Function, and the SKOAPP System 2

What is selling, what does a salesperson do, what qualities make a salesperson successful, where does a sales department fit into the structure of a radio or television station or a cable system, and how does a salesperson begin the selling process?

Chapter 2 The Marketing Concept and Positioning 20

What is marketing, some brief economic history, consumer orientation and the elements of marketing (product, price, promotion, distribution, and service), marketing strategy, brand image and implications for salespeople, how the broadcast and cable industries fit into the economy, what is positioning, and how to do a positioning analysis for a station or system.

Part Two Skills 35

Chapter 3 The Needs-Satisfaction Approach to Selling 36

Types of selling (service and developmental), approaches to selling, the needs-motives-behavior chain and Maslow's theory of needs, matching prospect needs with selling tactics, personal and business needs, features versus benefits, communication, listening, and perception in selling, good listening techniques, nonverbal communications, persuasion theory, and determining sales roles.

Chapter 4 Prospecting, Qualifying, and Researching and Targeting: The First Steps 66

Goal setting, methods for finding prospects, qualifying (finding the right prospects), and researching and targeting (the process of preparation).

Chapter 5 Presenting and Servicing: The Last Steps 91

Utilizing written presentations, presenting, tips for the approach, guidelines for discussion, negotiating tips, methods for effective closing, and tips for servicing accounts, including how to write an advertising success case study.

Part Three Knowledge 141

Chapter 6 Understanding and Using Ratings 142

Definitions of rating terms, rating techniques, ratings companies and their methods, sampling, rates and ratings: using ratings in selling (cost and noncost comparisons).

Chapter 7 The Advertising Media 183

How the various media are delivered to consumers and the advertising strengths and weaknesses of the broadcast and cable media and the competing media: newspapers, shoppers, magazines, outdoor, direct mail, and the yellow pages.

Chapter 8 Maximizing Revenue, Rate Structures, and Packaging 220

The problem with the concept of supply and demand in broadcasting and cable economic theory, rate card evolution and disappearance, rate card structure, combination rates, contract conditions, maximizing revenue: pricing, packaging, inventory control, strategic selling, and getting the right order.

Part Four Opportunities 253

Chapter 9 Retail/Development Selling 254

The retail business, the role of advertising and its limitations, the results orientation of retailers, selling ideas, writing copy, and co-op advertising.

Chapter 10 Agency/Service Selling 275

How agencies operate, trade deals and buying services, agency-media relationships, qualifying agency buyers, presenting to agencies, switch-pitching, and servicing agencies.

Chapter 11 Network, Syndicated, Rep, and Local Cable Selling 293

Selling for television networks, affiliation agreements and clearances, radio networks, cable networks, PI advertising, selling syndicated programs and barter syndication, national sales reps, unwired networks, and local cable.

- Chapter 12 Specialized Selling: Promotions, Sports, and Political** 313
Selling promotions, merchandising, selling sports, pricing and packaging sports, selling to politicians, and legal issues in broadcast sales.

Part Five Attitude, Preparation, and Persistence 333

- Chapter 13 Attitude and Ethics in Selling** 334
Techniques to improve your attitude, handling pressure, deep acting versus surface acting, ethics for salespeople, motivation, and the winning attitude.
- Chapter 14 Organizing Individual Sales Effort** 356
Turning intentions into achievements through goal setting and planning, organizing your office and accounts, controlling your money and time, time management, “to do” lists, and evaluating your efforts.
- Chapter 15 The Future of Broadcast and Cable Selling** 379
Trends and predictions, new media, women and minorities, and getting a job.

Appendixes

- Appendix A Sample Presentations and Letters** 394
(1) Example of a radio station presentation; (2) Example of a television station presentation; (3) Example of a sports presentation for a radio station; (4) Example of a generic retail presentation for cable; (5) The Frequency Grid; (6) Prototype of a vendor co-op package; (7) Example of a success letter; (8) Example of a confidence-to-say-no letter.
- Appendix B Contract Conditions** 421
(1) Standard AAAA radio contract conditions; (2) Standard terms and conditions: KCBS Radio.
- Glossary** 429
- Index** 440

Part One

Selling and the Marketing Concept

Marketing is the distinguishing, the unique function of the business. A business is set apart from all other human organizations by the fact that it markets a product or a service.

Peter Drucker

The Practice of Management

1 Selling: Perspectives, Function, and the SKOAPP System

The first sale Charles Warner ever made was for a television station in South Carolina in 1957. The owner of the station had called up a local florist and suggested to the proprietor, Mr. Parrott, that his shop purchase a spot next to a popular CBS network program. The owner of the television station explained that the Florists Delivery Service was a regular sponsor of the highly rated program and that a lot of people would be watching. The flower shop owner could buy a commercial linking him to the prestigious network program and its national sponsor.

The owner called in his greenhorn sales representative and told him to run down the street and sign up Mr. Parrott. Warner did precisely as he was told. He ran down to the florist shop with a sales contract in his hand and had the following conversation with the hot prospect:

"Hi, Mr. Parrott. I'm Charlie Warner. Mr. Brown sent me down here to pick up an order for an adjacency next to 'Person to Person.'"

"A what?"

"An adjacency — a commercial next to Edward R. Murrow's program 'Person to Person.'"

"Oh, yes. Well, I told him I'd try it. How much is one?"

"Here's our rate card. Would you like an ID or a chain-break?"

"A what?"

"A ten-second or a twenty-second spot?"

"Oh. Let's see, the ten-second one is cheaper. I'll take it."

"Would you like to buy more than just one?"

"No, not now. I'll try it this first time out. How much?"

"That will be \$28.44."

"OK."

"Great. Let me fill in this contract here for you to sign. Oh, by the way, there's a charge of \$10 for us to make a slide for you."

"A what?"

"A slide. You know, a picture to go up on the TV screen."

"Oh, yes. A picture is extra?"

"Of course. We have to charge for production."

"Oh, a picture is production?"

"Yes. I'll have our promotion man design one and get back to you with the artwork." (Long pause while filling out the contract.)

"Sign here, Mr. Parrott."

“Well, OK, I guess. . . . I never watch television myself. I hope it works.”
 “Thanks. I’ll be back in a few days with your slide.”

The slide was made, the client approved it, and the spot ran next to the famous newsman’s Friday evening program. Warner returned to see the florist the following Monday afternoon and had this conversation:

“Hi, Mr. Parrott. Did you see your spot?”
 “No.”
 “Oh, er . . . well, would you like to buy it on a regular basis? I can give you a discount if you sign up for thirteen weeks.”
 “I don’t believe so.”
 “Why?”
 “I didn’t get any results. Nobody has called today.”
 “Well, that’s . . .”
 “No. I can’t afford it anyway. TV is too expensive.”
 “OK. Well, thanks anyway.”

What went wrong with this sale? If you answered “everything,” you would be correct.

First, the owner of the station was concerned with selling his product, not with satisfying customer needs; he was product-oriented, not customer-oriented. He apparently did not inquire about what the customer wanted, or if he did, he did not communicate it to the salesperson. The instructions were to “get an order,” not to “find out what Mr. Parrott wants and needs.” Second, the owner took a very short-range point of view; he was not interested in creating a repeat customer or in developing a long-range relationship.

If the owner was initially at fault, the rookie salesperson compounded the errors tenfold. First, he made no attempt to prepare for the call or to consider a strategic approach. Second, he used jargon; he failed to put things in the prospect’s language. Next, he didn’t try to create a package of spots or to maximize revenue; he just handed the florist a price sheet (rate card) right away. He didn’t attempt to qualify the prospect’s needs or to sell the station’s and program’s benefits before discussing price. He didn’t control the interview by using probing questions, and the questions he asked were the wrong ones — ones that easily could be answered in the negative. He didn’t pick up cues about the prospect’s expectations (“I’ll try it this first time out”).

Instead of explaining the production charges earlier, the salesperson presented them as an add-on after a price had been shown. The client was not only told to sign a contract for just a small amount but was also asked to wait while it was filled out in front of him. In addition, the client had to ask what a slide was and perhaps was made to feel ignorant. Because the salesperson was not listening attentively, he did not catch the prospect’s doubts (“I hope it works”). He failed to focus on building a relationship. The salesperson had no skills in understanding objections and then answering them. Finally, the prospect was *told* to sign (“Sign here . . .”), and no attempt was made to make him feel good about his purchase.