



IMPROVING AD SALES PERFORMANCE:

The lessons to be learnt from the best digital players

The top digital players in publishing have enjoyed such great success over the past decade because of their particular approach to sales and marketing. Now other publishers can emulate them and enjoy similar benefits – if they learn the right lessons.

Facebook advertising revenues



Revealed: why some digital players have been so much more successful than the rest.

Many social media and electronic publishers offer rich content or great platforms and are managed by extremely talented CEOs. Yet, only a few of them, regardless of the quality of their platform, have enjoyed such sustained growth over the decade. How has this small group of players achieved this?

The secret of the top digital players' success is simple. It's sales excellence. They've built a better advertising sales and marketing operation than the others and it's this innovation that has made all the difference.

It's really about sales excellence

There's now an opportunity for digital and legacy players alike to learn from the most successful digital platforms. The simple fact is that what defines the leaders in this sector is their greater ambition and more vigorous sales and marketing techniques.

In practical terms these top players operate in a more ambitious and robust way. Their main techniques include:

- recruitment and sourcing of talents,
- resources and role of the Marketing function,
- middle management style and roles,
- pitching process and approach,
- sales mindset and ambition,
- market analytics / business intelligence,
- individual and collective objective setting,
- key account development

Example: focus on better pitching

An essential element of top digital players' sales excellence is that they put a significant amount of time into understanding what drives CMOs. They acknowledge, for instance, that these decision makers are challenged by regional brand heads who question the need for local decision making or by other members of executive committees who believe that these budgets warrant greater scrutiny. Meanwhile, CMOs have fewer staff and a narrower bandwidth.

CMOs are also increasingly finding it difficult to choose among the vast and expanding array of advertising options before them and so they're starting to doubt the relevance and even the integrity of the advice provided by media agencies.



In the past, people thought it was about being friends with key influencers at media agencies; then they thought it was about audience, ROI and data. But really all this time it was and still is about helping the CMO perform



That's why, when they present to CMOs the sales people from the top digital players focus not on their offerings but on the advertiser and its specific needs – or at least their best assumptions about these needs

The top digital players adopt an approach to CMOs that says: "This is what your market presently looks like, what we think you need, and what we can do for you." In short, they push solution selling and client centrality to the maximum.

As the top digital brands know from their hungry, start-up phases, the pitch to advertisers has to be more sophisticated, compelling and attractive than ever before. Sometimes we would spend more than 20 hours working on a single presentation.

More ambitious targets

A salesperson is driven, among other things, by what they're given as an objective for the year. The key to success now is to set stretching goals but then to provide all the resources that the sales team needs in order to meet them. Top digital players set themselves more challenging targets. While most players would set objectives at 95% to 105% of last years' numbers for a given advertiser, they set the bar at 150% (or 50-100 points above the digital market growth trend for the year). After all, the surest way not to reach 150% is to aim for a lower target.

Hiring from outside the small world of advertising

Top digital players take the view that if you only recruit talent from the advertising sector you'll only get a perspective from communications professionals. Those who hire people from a wide variety of backgrounds be that food, transport, technology or the public sector get a useful perspective when it comes to showing the CMO that they understand where they are coming from - especially if these experiences reflect those of the advertisers. Of course, that implies training the new hires to help them become great ad sales professionals.

All players, legacy and digital alike, can follow these strategies for success

We believe that the battle isn't lost for other digital players and legacy publishers – far from it. Before we consider what they should do to win this battle, what should they avoid?

Misdirected efforts

Some ad sales teams have engaged in time consuming, costly overhauls of their CRM systems. Instead of achieving tangible results these changes have simply upset their sales teams. Others have introduced major reorganisations, perhaps by allocating salespeople in terms of industry sector versus geography or by changing the mix of key accounts. Again the result has often been to demoralise salespeople and to distract them from their key business.

In too many cases CEOs have sought to implement major structural changes that might be eye-catching but which have ended up taken a superficial overview of the organisation rather than drilling down to the practicalities and the day-to-day challenges faced by the salespeople who work for them.

Hiring a star player from the digital world has sometimes looked like a more exciting and glamorous solution. It has indeed helped some. More often than not, though, these new recruits have become frustrated and disillusioned by the working style and practice of the legacy player that has recruited them while their teams have frequently felt irritated about having a boss who takes a very different approach to their business.



The successful legacy publishers are those that compare themselves with successful digital players to create a realistic view of their performance and their targets. Either this, or they simply don't make comparisons at all.



In other cases legacy players have invested so much money and time in what are generally useful ad tech features such as real time bidding and programmatic that they've neglected most other action points.

A difficult landscape to navigate

Too many players have allowed their teams to spiral into a negative mindset that holds them back - like a football club that's waiting for relegation.

Rather than engaging in "negative benchmarking" as they compare themselves against the decline of other players, the successful legacy publishers are those that compare themselves with successful digital players to create a realistic view of their performance and their targets. Either this, or they simply don't make comparisons at all.

What has worked for the top digital players can also work for the rest of the sector

Across Europe and the Americas, a very small, select number of sales teams from various sectors including TV, publishing, radio, sports marketing, digital and out-of-home have already emulated some of the features of their top digital peers and enjoyed considerable success as a result.

As FTI Consulting clients, they have for instance, between 2014 and 2016, adopted:

- a more robust and thorough approach to building smart proposals and then reviewing them and enriching them with sector-specific insight and performing dry runs of the presentation meeting. We've seen this with magazine publishers among others.
- a continued effort to better showcasing their successes, adjusting the presentation material on a weekly basis and engaging CMOs, allowing for the sharing of experience. Regional and social media have adopted this approach, we've noticed.
- more dynamic HR management and talent sourcing to better address low performers, middle managers and top performers. We've identified some out-of-home players who have performed well here.

- a complete overhaul of the marketing function with a significant investment in high quality talent, better processes and ensuring better team work to bring together sales and marketing. We've observed this among some TV companies.

Naturally, these shrewd, successful companies have been careful not to advertise their success in these areas to any great extent in order to avoid helping their rivals.

It's encouraging to see how well some changes in very practical aspects of the business can bear fruit relatively quickly provided they're designed and executed properly.

Now is the time to put these ideas into practice

Brand content

Legacy players are in the best position to generate the brand content that advertisers in all sectors find very appealing. They can also offer the whole editorial context into which it fits so beautifully. Some of them are already earning impressive revenues from this content.

Facebook and Google: a tipping point

We believe that Google and Facebook's market share may well be reaching a "tipping point".

Primarily, this is because their combined 70% of the digital market is quite understandably perceived as absurd and detrimental to the interest of advertisers.

More competition and a greater choice would, of course, be beneficial to them. And it seems advertisers' associations like the World Federation of Advertisers (WFA), the Association of National Advertisers (ANA) and the Union des Annonceurs (UDA) may well come under greater pressure by their members to find ways to enhance competition.

Another reason for legacy players to be cheerful is that as they've grown and matured, some of the top digital publishers have become complacent at least that's the feeling among some advertisers.

The growth of ad fraud

Given the rise of ad fraud to more than \$50 billion by 2025, according to the WFA, there's a need for more transparency and control from advertisers over where their money is going to and whether the data they receive is relevant.

Agencies: out ?

The upheaval in the advertising sector means that in some cases media agencies are increasingly struggling to justify their value added and to find their new value proposition in this market. The challenges faced by agencies present opportunities for publishers - they can approach the advertisers directly more often and more easily.

Conclusion

Sales excellence that's constantly evolving and improving is key to the strong and sustained growth that the new digital players have enjoyed. In many ways they have not created something particularly new – they've essentially gone back to basics when it comes to excellent sales operations. Their differentiator here is, simply: more ambition, more robust sales and marketing techniques, more engagement and more investment in skills.

The world of advertising has undergone radical change over the last decade or so. The idea that the top digital publishers cannot be challenged seems to be yet another widely held belief that is being disputed – at least by those publishers who are ready and willing to make the most of these new opportunities.



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Prior to joining FTI, Aurélien held sales management positions at Google, Facebook and Twitter in France. Aurélien's experience is an asset for clients in need to strengthen their digital strategy or to make a step change in their sales effectiveness.



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