

# Revenue Improvement & Growth

Pricing Assessment | **Rate360**



October 12, 2016

# FTI Consulting

## Publishing Overview | TMT Practice

# FTI's Telecom, Media & Technology Industry Practice Overview | Publishing

## About FTI

**81**

Offices in 28 countries around the globe

**48**

48 of Global100 corporations are clients

**ALM Intelligence**

**2016 ALM Vanguard Status**

Leading Provider in Transaction Advisory Services

**94**

Advisor to 94 of the world's top 100 law firms

**10/10**

Advisor to world's top 10 bank holding companies

**\$1.7 BLN**

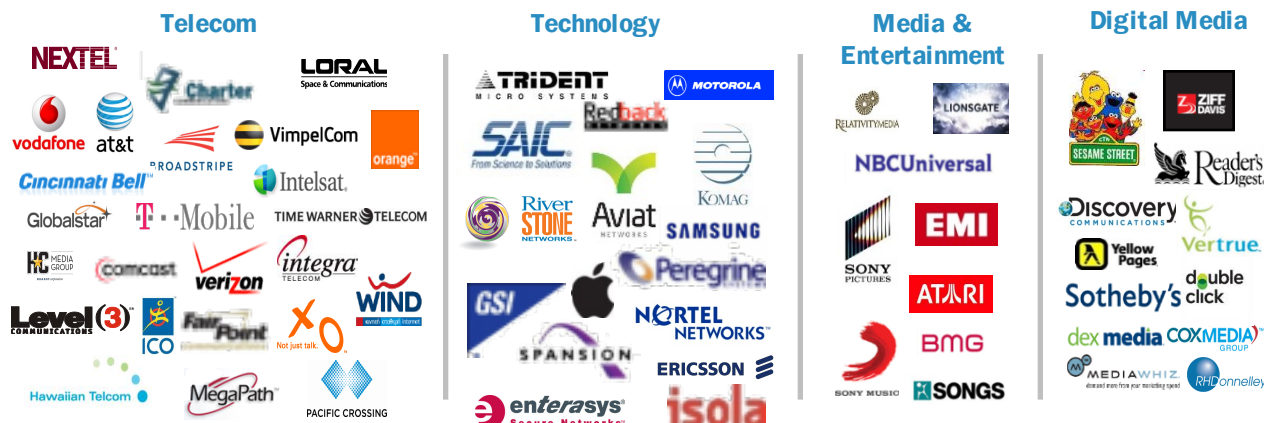
NYSE listed enterprise value (FCN)

## Select Publishing Clients



- Direct involvement in more than **250 publishing engagements.**
- **Margin improvement identified** and implemented over the last five years **exceeds \$300MM.**

## Select TMT Clients



# Publishing Leadership Team

## Pricing | Revenue Enhancement



**Ken Harding**

Senior Managing Director

Denver  
+1-303-689-8875  
Ken.harding@fticonsulting.com

- Leads the FTI Publishing Practice.
- Over 30 years experience of direct involvement in 200+ publishing projects for newspaper and media companies of varying size.
- Works at the corporate and business-unit level to lead performance improvement, merger integrations, business strategy, due diligence, leadership, operational and revenue-oriented engagements.
- Harding's projects have delivered value-based performance improvement plans for Advertising & News Operations, Production and Circulation | Delivery, as well as analysis and recommendations for consolidation, centralization and outsourcing.



**Bruce Benson**

Senior Managing Director

New York  
+1-646-453-1289  
Bruce.benson@fticonsulting.com

- Lead of the FTI Digital Practice.
- Over 25 years of experience in media and technology, with consulting experience in strategy and market planning, economic analysis, operational effectiveness, intellectual property management and IT preparedness.
- Publishing experience includes engagements with Pearson, McGraw Hill, Oxford University Press, Random House, Simon & Shuster and Harper Collins.
- Additional engagements include Sotheby's, Sony Music, Sesame Street, Microsoft, Bertelsmann, Viacom, Young & Rubicam, Ogilvy, NBC, Disney, T-Mobile, New York Times and Boston Globe.



**Prayag Patel**

Senior Director

New York  
+1-212-841-9312  
Prayag.patel@fticonsulting.com

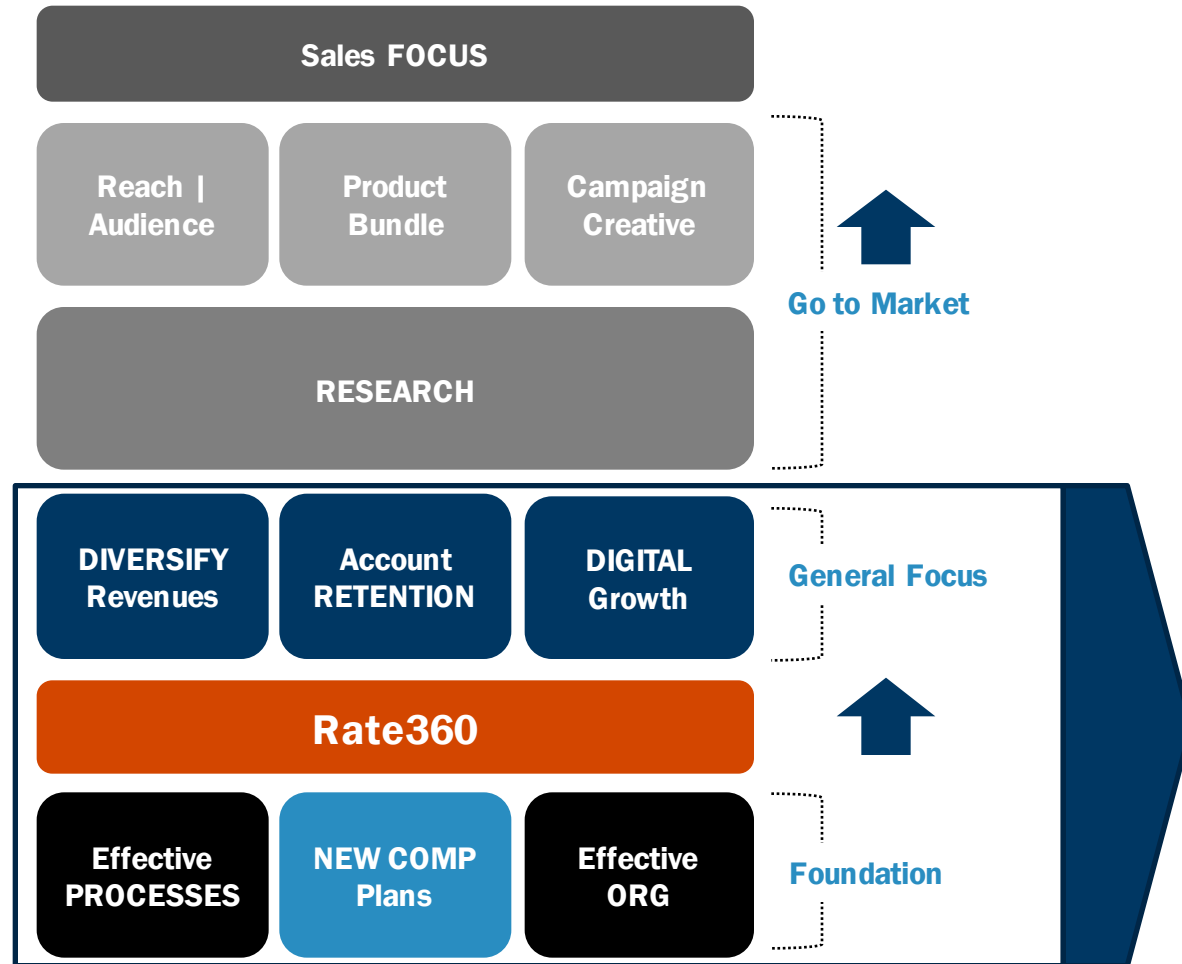
- Over 14 years of experience in multi-channel Digital Strategy development with a focus on user acquisition and engagement.
- Engagements include project management, product development, digital process optimization, integration, and due diligence.
- Specializes in Digital Technology transformations and Advertising Technology related to RTB and Programmatic Ad buying for Digital and other Media platforms.
- Prior to joining FTI, Mr. Patel led the development of award winning Digital programs for brands in various industries to strategically connect with target audience demography.

# Sales Effectiveness | Pricing Assessment

# Sales Effectiveness

## Enabling Revenue Performance

### Establish the Sales Fundamentals

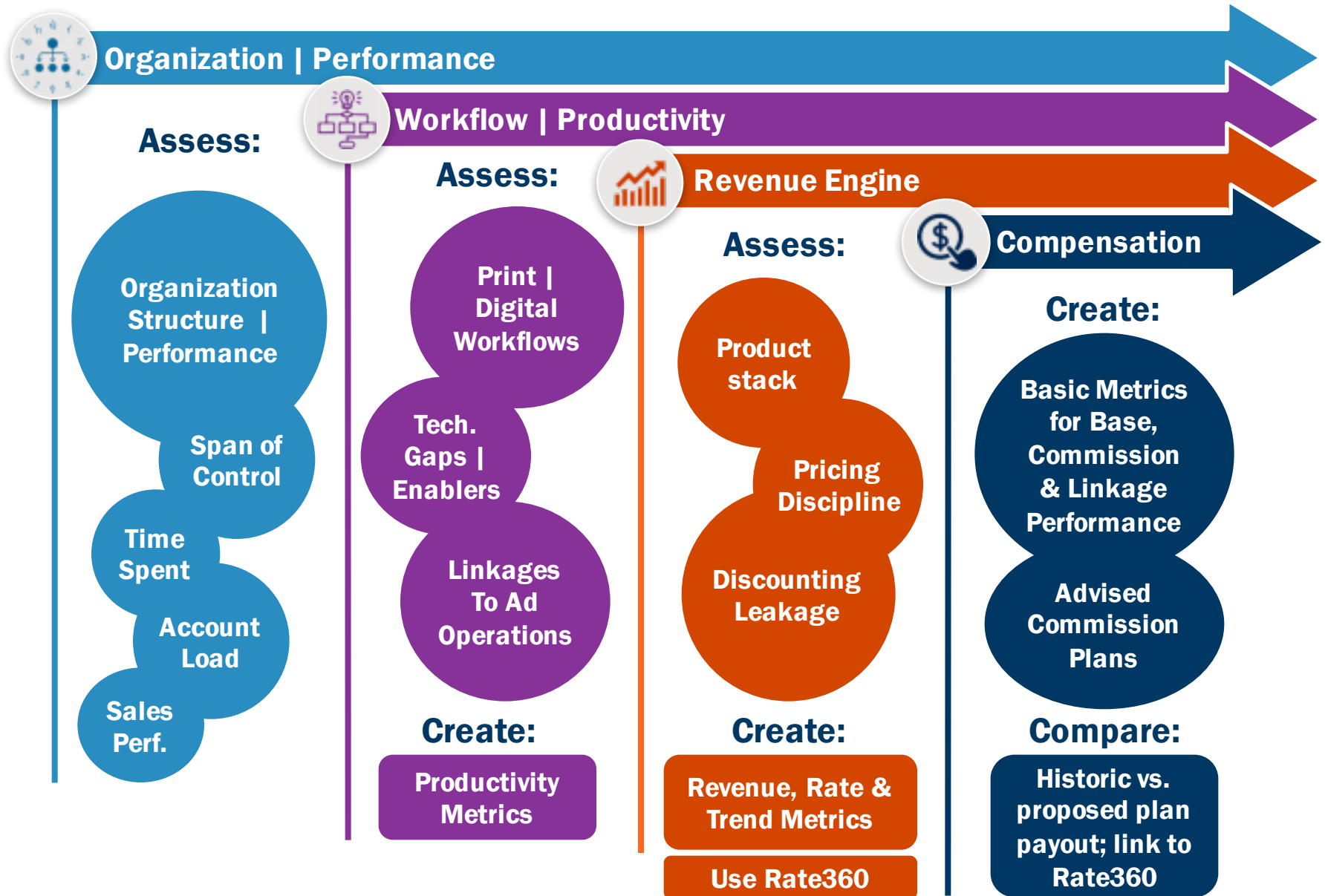


### FTI Services Build the Foundation



# Sales Effectiveness

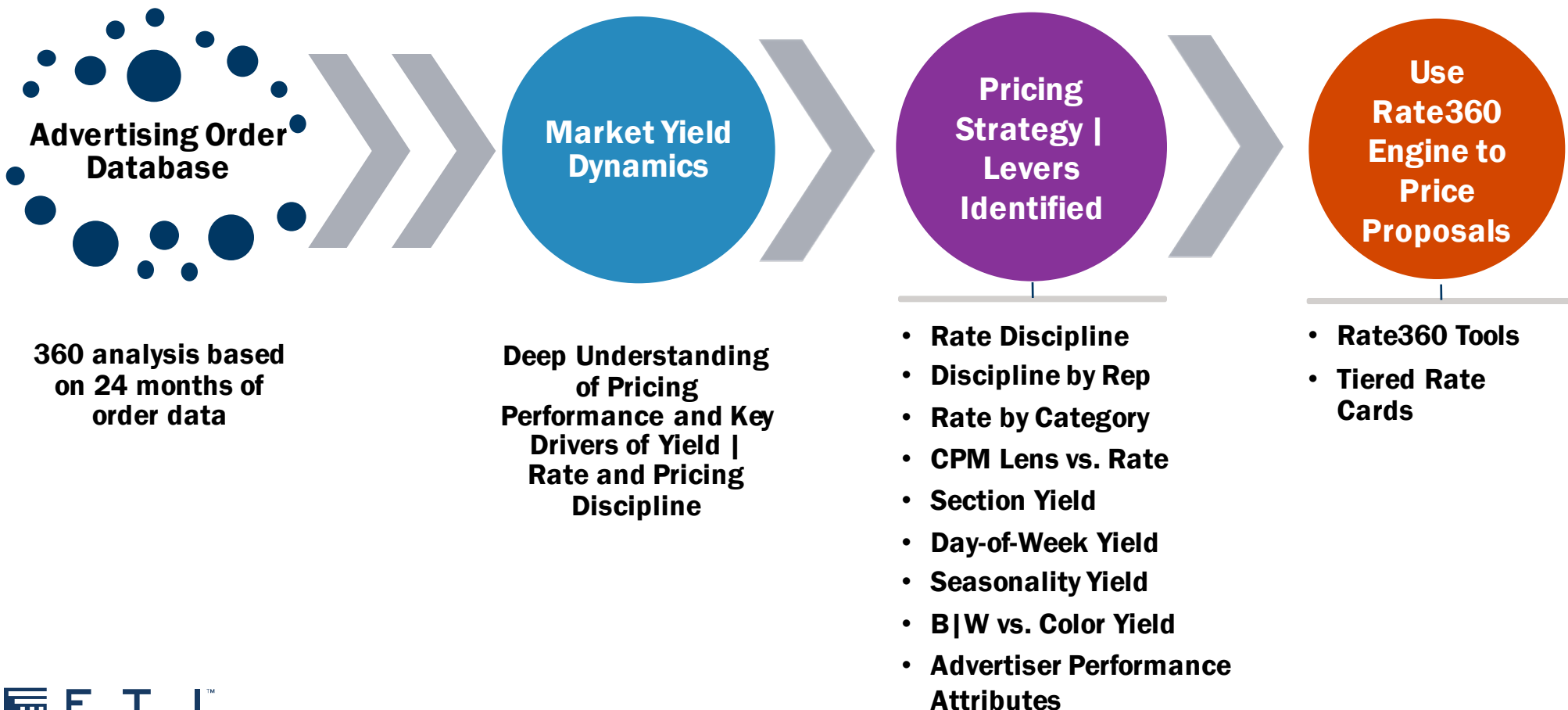
## Key Engagement Components



# Pricing Assessment

## Drives Rate350 Pricing Foundation

Based on trailing 12-24 months data assess actual revenue, volume and rate data for advertising full-run, zoned and digital products | Frame pricing discipline and discount and premium practices | Assess buying attributes for better performing advertisers | Develop a pricing curve by product and channel by determined category | Finalize discounts and premiums



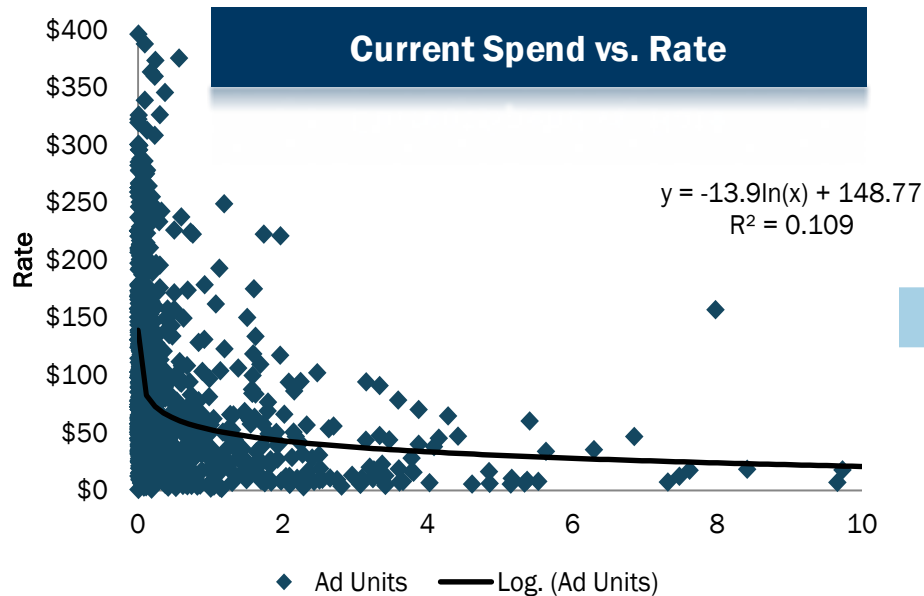


# Reducing Randomness in Pricing

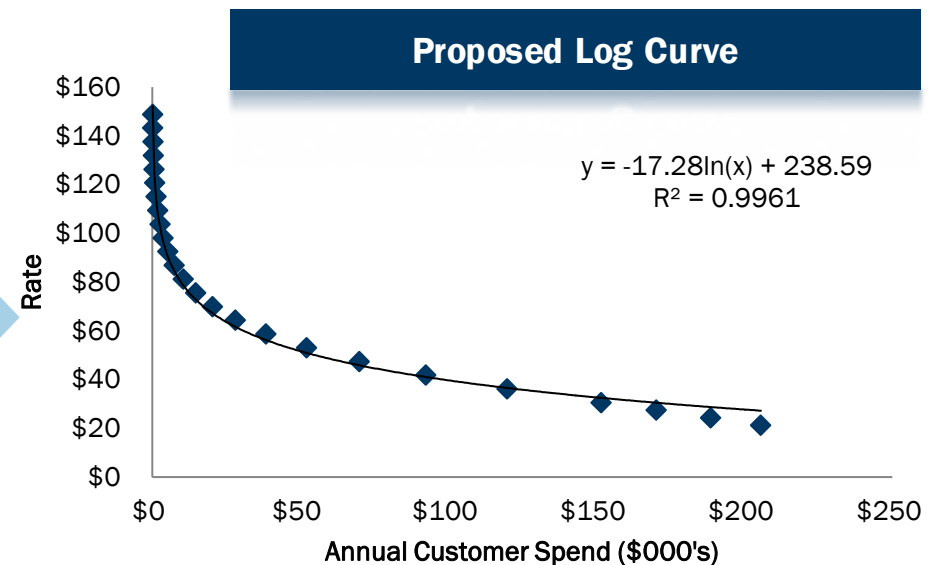
## Use an Analytical Approach to Augment Negotiations

Companies that increase their level of analytical rigor and practical know-how have seen increases on yield of two to seven percentage points....recent published study

### SITUATION



### SOLUTION



Companies lack a standard process to manage advertising prices, & the rate card has become irrelevant

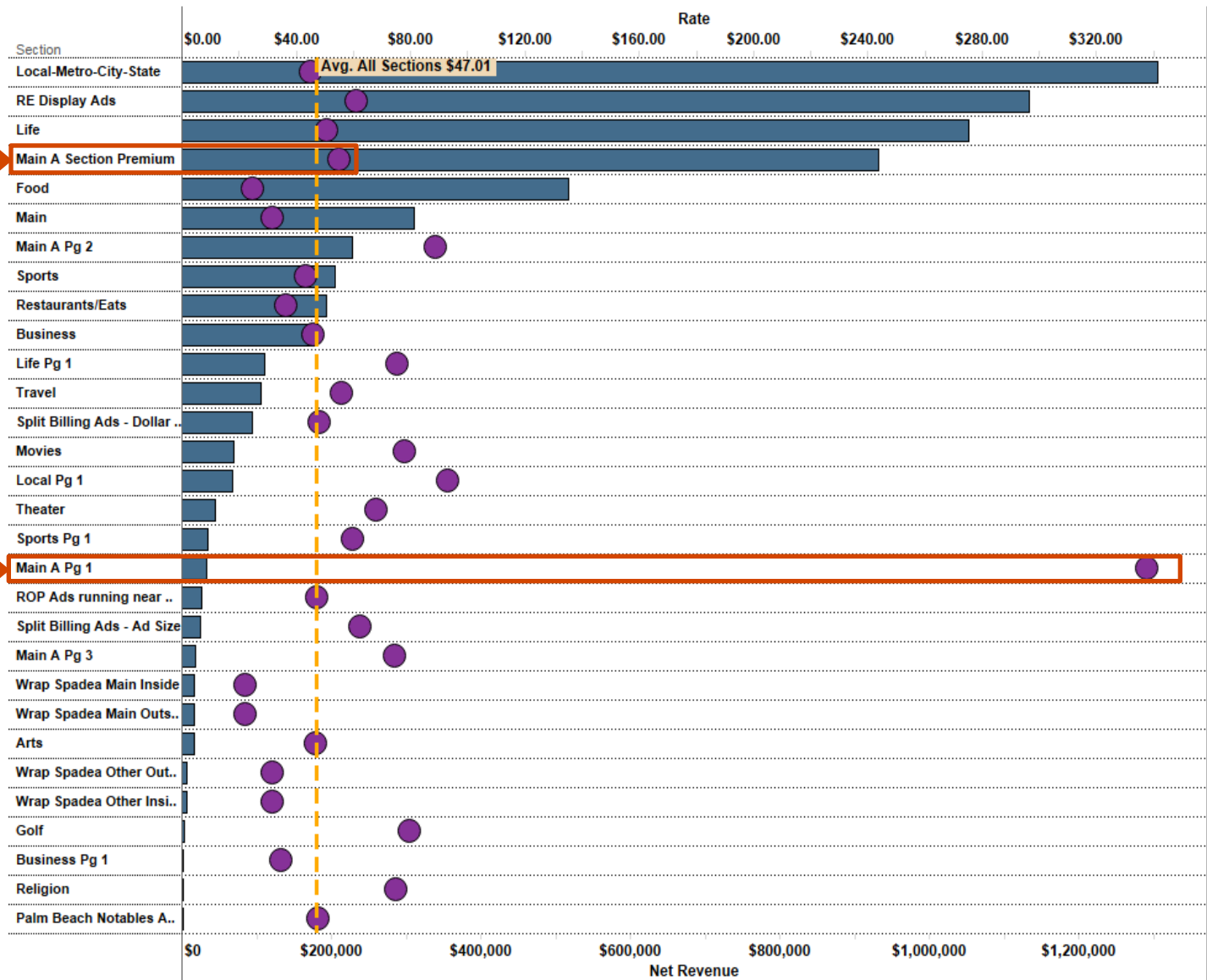
FTI has successfully developed a “Log Curve” model using advertiser annual spend & effective rate

# Sample Analytics

## Section | Location

### Full Run Edition: Revenue and Rate by Section

Rate Too Low or Too High?

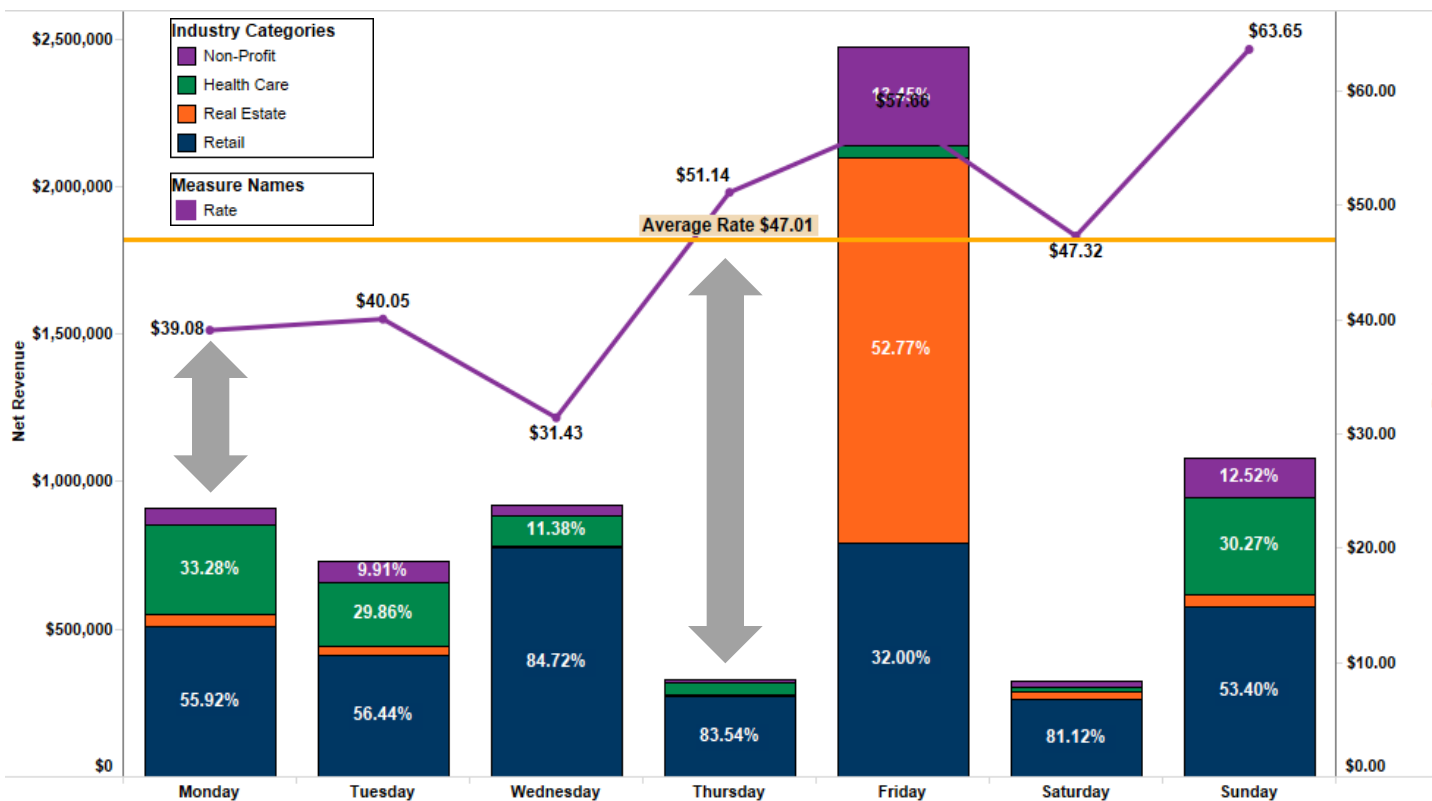


# Sample Analytics

## Day-of-Week by Category

*Are you effectively pricing across the week to maximize rate and volume?*

### Full Run Edition 1: Revenue and Rate by Day of Week



### Full Run Edition 1: Rate by Day of Week

Weekday of..	Rate	Rate vs. Average
Monday	\$39.08	(16.9%)
Tuesday	\$40.05	(14.8%)
Wednesday	\$31.43	(33.2%)
Thursday	\$51.14	8.8%
Friday	\$57.66	22.7%
Saturday	\$47.32	0.7%
Sunday	\$63.65	35.4%
Grand Total	\$47.01	0.0%

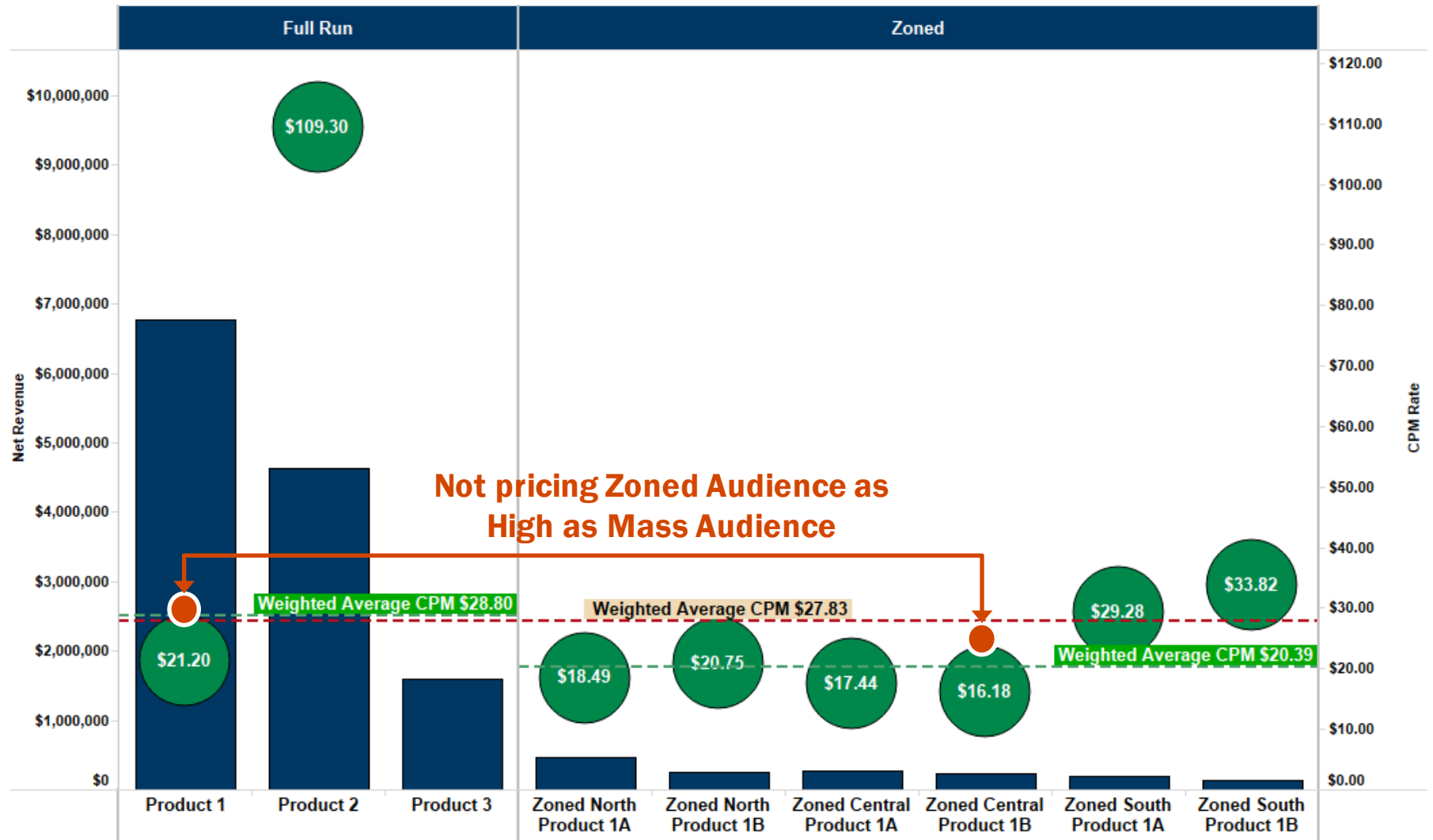
### Full Run Edition RESTAURANTS EXCLUDED

Weekday of..	Rate	Rate vs. Average
Monday	\$39.33	(22.9%)
Tuesday	\$40.26	(21.1%)
Wednesday	\$43.70	(14.4%)
Thursday	\$51.20	0.3%
Friday	\$60.80	19.1%
Saturday	\$47.72	(6.5%)
Sunday	\$64.06	25.5%
Grand Total	\$51.04	0.0%

# Sample Analytics

## Rate vs. CPM

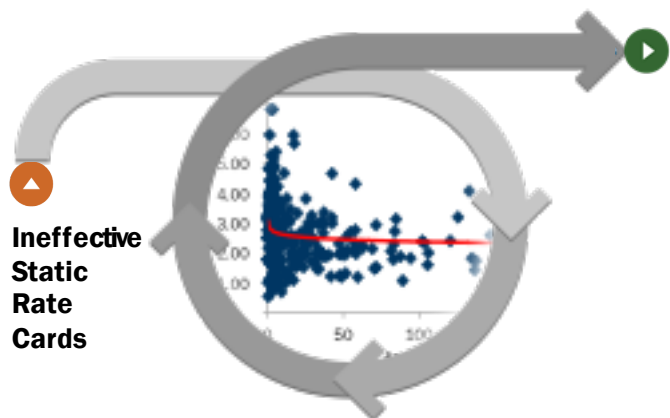
### Review Revenue vs. CPM by Product









# Rate360 | Dynamic & Disciplined Pricing

 a *web based, multi-device application* to price **Print and Digital ads**

### Add Value and Discipline around Ad Pricing



-  **Improved Yield** • Replace static rate cards with dynamic and intelligent pricing
-  **Selling Audience** • Shift conversation to selling audience and demography through analytics integration
-  **Improved Commitments** • Lower rates through spend commitments as opposed to discounts
-  **Improved Process** • Web based, customized, and efficient tool for account representatives | sales staff
-  **Real time data** • 3rd party integration with insertion and fulfillment systems and access to real time data
-  **Improved Pricing** • Digital Pricing based on inventory availability – apply premiums for inventory with high demand

# Workflow | System Interface

## Rate360

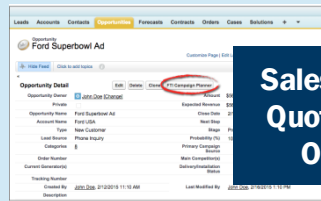
CRM

Rate 360

Ad Booking

Ad Tracking

Listener & DFP



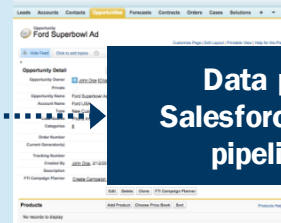
Salesperson initiates a Quote from Salesforce Opportunity Page



Print, Digital, Bundles, and demography data populated within Rate 360



Bundle or a Quote generated within Rate 360

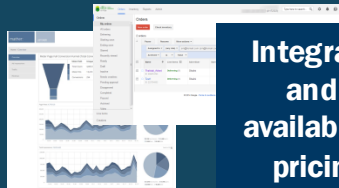


Data passed back to Salesforce and Revenue in pipeline with status

Quote Acceptance - an Insertion Order emailed to the Ad Booking

Details from the Insertion Order are manually entered within the Ad Booking System

Details from the Insertion Order are used in Fulfillment Process



Integrate Listener data and DFP inventory availability to determine pricing adjustments



## Rate360 Demo

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<https://demo.fti-cp.com/>



# Steps In Using Rate360

## Summary Use of the Engine

**Step 1:** Enter the client's commitment – establishes discount level

Commitment		
Commitment		Allocated % of Commitment
Print	\$200,000	
Print	\$75,000	37.50%
National Print	\$25,000	12.50%
Preprint	\$0	0.00%
Traditional Digital	\$100,000	50.00%
DMS	\$0	0.00%
Others: Print	\$0	0.00%
Others: Digital	\$0	0.00%
Commitment Non-Allocated	\$0	
% of Commitment Allocated	100%	

**Step 2:** Enter the client's current Campaign spend

Campaign			
<input type="checkbox"/> Same as Commitment			
Campaign	Allocated % of Campaign	Allocated % of Commitment to-date	Commitment Used-Commitment Balance
Campaign	\$50,000	25.00%	\$150,000
Print	\$25,000	50.00%	44.87%
National Print	\$0	0.00%	0.00%
Preprint	\$0	0.00%	0.00%
Traditional Digital	\$25,000	50.00%	35.00%
DMS	\$0	0.00%	0.00%
Campaign Balance	\$0		
% of Campaign Allocated	100%		

**Step 3:** Choose the product (Print, Digital (CPM based, or Digital Marketing Services), units, and related surcharges or discounts based on the criteria and enter the number of units the client wishes to purchase. Select the Run Dates for each unit. Can select the same unit with different placement and parameters for the same run date.

Print Pricing

Print Commitment

\$25,000

Print Commitment Remaining

\$18,112

Readership (000's)

905

PCI Base Rate

\$70.53

Effective PCI

\$36.44

Effective CPM @ Full Page Equivalent

\$16.94

Category of Advertiser

Default

+ Expand Ads

▼ - All

Unit Type	Day of Week	Section	Color Premium	Delivery Mode*	Potential Units	Price Per Unit	Units Proposed	Remaining Potential Units	Run Dates	Commitment Used	Readership (000's)	CPM	
1/2 Horizontal	Mon ▼	Metro (-10%) ▼	No Color ▼	Electronic ▼	14	\$1,777.45	2	10		\$3,554.90	603	\$5.89	+
1/2 Tower	Thu ▼	Business (-10%) ▼	Process Color ▼	Electronic ▼	7	\$3,332.72	1	5		\$3,332.72	302	\$11.05	+

**Step 4:** If needed, manually override the base rate for the products

Manually adjust base rates to reflect negotiated rates. These rates will override the calculated rates and will recalculate the corresponding table above. To reset the rate back to the calculated rate delete the field contents (do not set to 0).

Print PCI	National Print PCI	Preprint PCI	Traditional Digital CPM	DMS CPM
% Change from base	% Change from base	% Change from base	% Change from base	% Change from base
0.00%	0.00%	0.00%	0.00%	0.00%

Audience Report & I/O

Campaign Quote Fact Sheet									
<p>Client: [Name] Order: [Number] Date: [Date]</p> <p>Product: [Product]</p> <p>Order Totals: Revenue: \$95,476.99% 99% Percent of Budget Used: 3.015 Audience Reach (000's): 3,015 Blended CPM @ PPE: \$23.03</p> <p>Print Order</p> <p>Print Budget: Print Budget Remaining: Readership (000's): 3,015 CPM @ Full Page Equivalent: \$23.03</p> <p>Order Totals: Revenue: \$95,476.99% 99% Percent of Budget Used: 3.015 Audience Reach (000's): 3,015 Blended CPM @ PPE: \$23.03</p> <p>Digital Order</p> <p>Digital Budget: Budget Remaining: Impressions Proposed: &lt;1M</p> <p>Order Totals: Revenue: \$95,476.99% 99% Percent of Budget Used: 3.015 Audience Reach (000's): 3,015 Blended CPM @ PPE: \$23.03</p>									

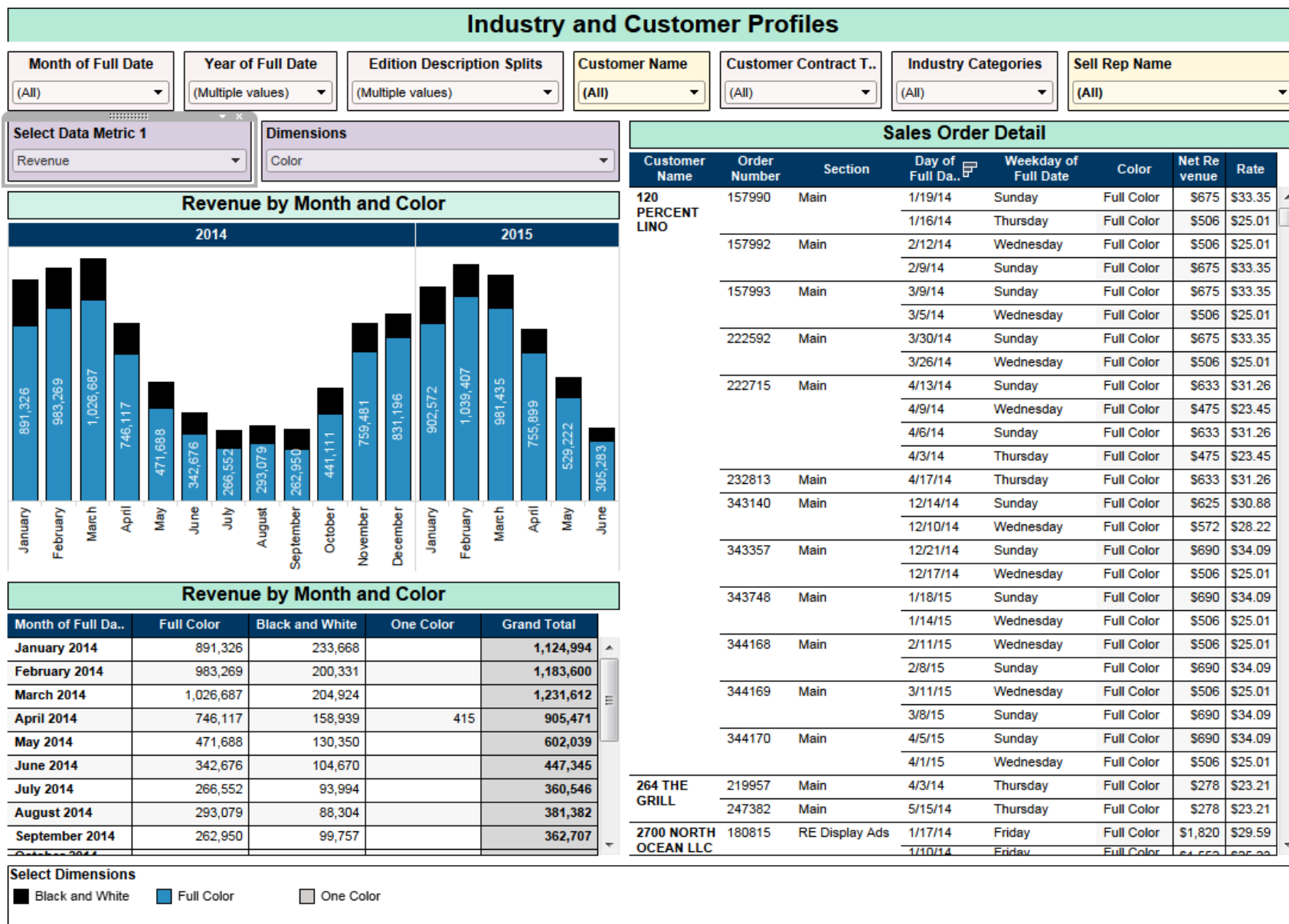
**Step 5:** Email the quote to the Client and generate Client Receipts and IO

# Rate360

## Example Tableau Dashboard

With data from either Rate360 or Order Fulfillment, specific and customized dashboards can provide insights into data and metrics related to customers and sales reps

Dashboards allow efficient monitoring of sales and performance



# Critical Thinking at the Critical Time <sup>TM</sup>