Buyers vs Sellers: Round 3

An updated look at Media Planning & Buying—the view from both sides of the table

Presented By:

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Background

The purpose of the market research study is to understand how media buyers and sellers interact during the sales process.

Objectives:

- Understand the habits of media buyers and sellers.
- Learn about the clients and plans buyers and sellers are working with.
- Document the value of resources used in the buying/selling process.
- Determine what factors have an impact on the sales process.

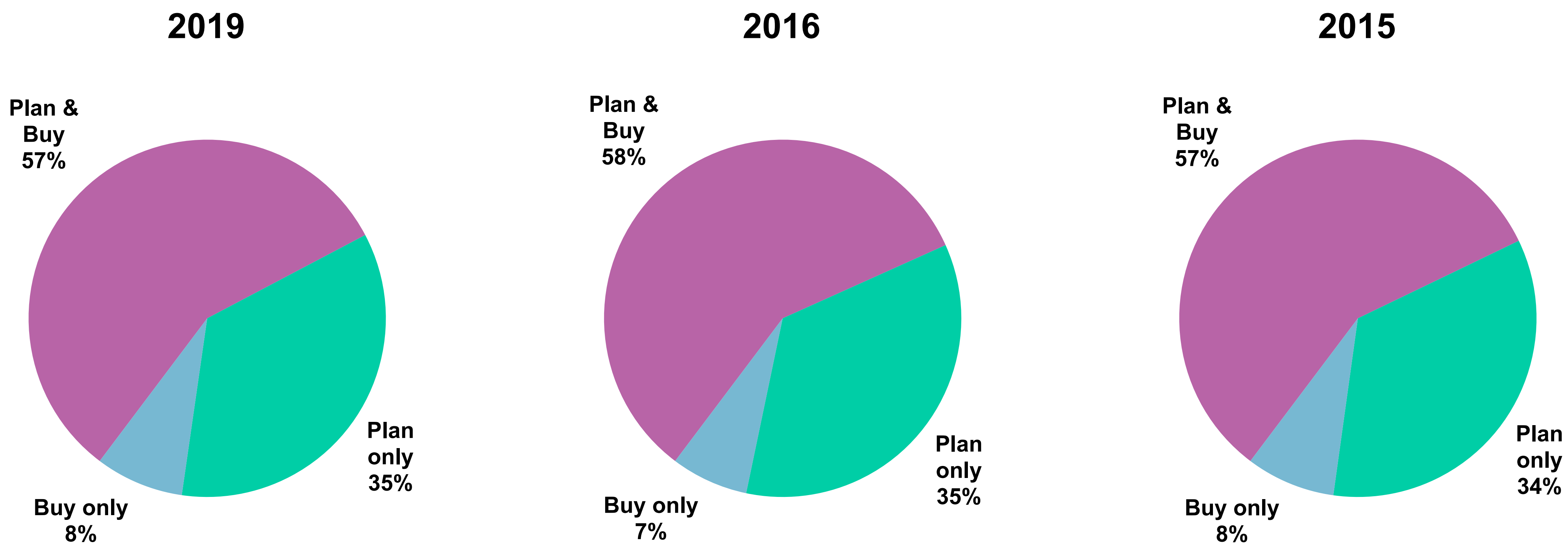
Methodology:

- Online survey, conducted Q3/Q4 2019.
- 207 agency respondents: media buyers and planners, with at least some involvement in magazine and digital media.
- 145 publisher respondents: ad sales, sales management and publishers, from B2B and consumer magazine media companies.
- Invitees were Kantar SRDS subscribers/users (agency) and publishers, who received an e-mail invitation to participate, and receive a monetary incentive.


Media buyers and planners are busy,
increasingly digital, and not easy to
get in to see.

92% of agency media team plan, or plan+buy

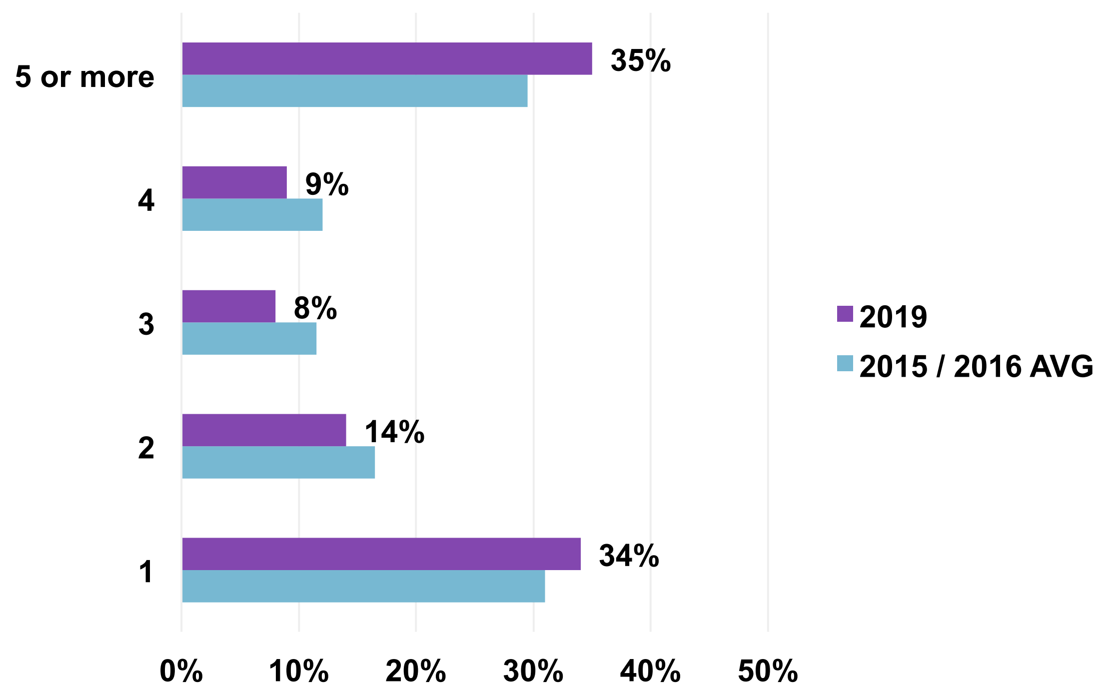
Current Job Functions:



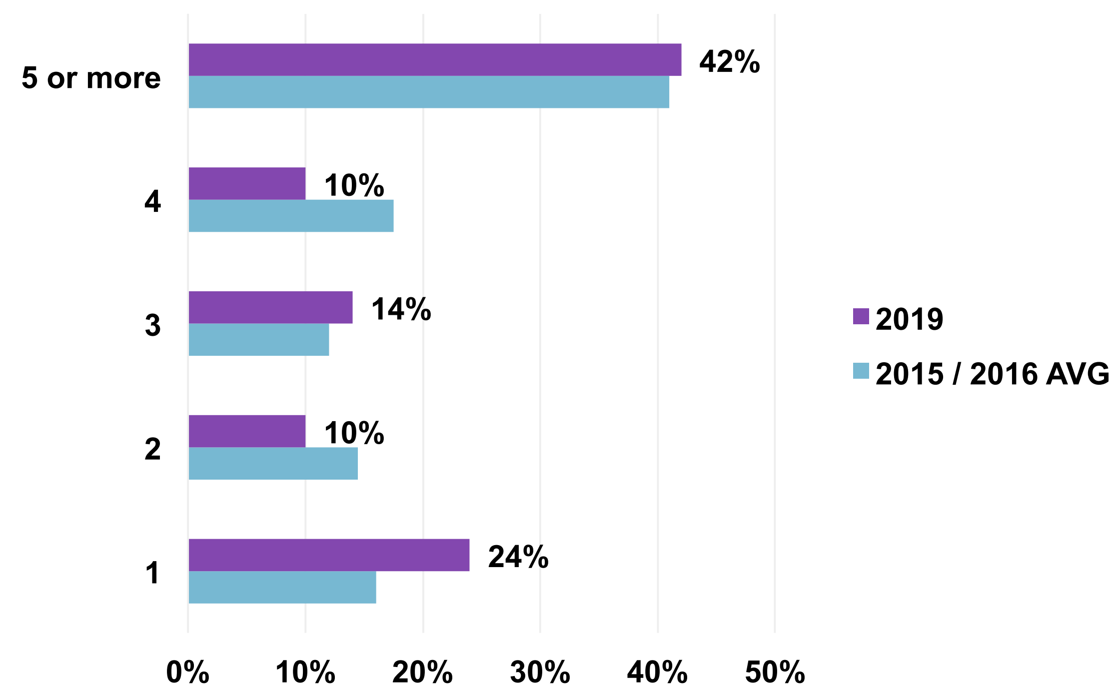
Media planners/buyers are busy—over half work on 3 or more clients or 4 or more brands

Hasn't changed much in recent years

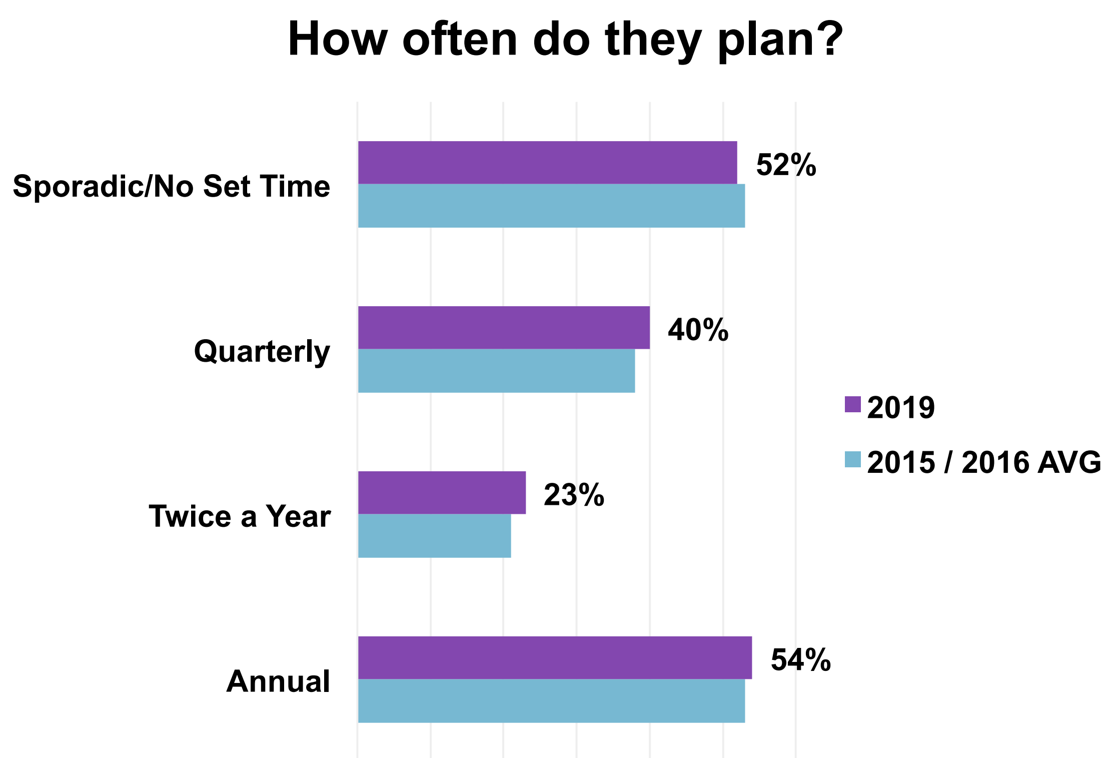
Clients worked on



Brands worked on

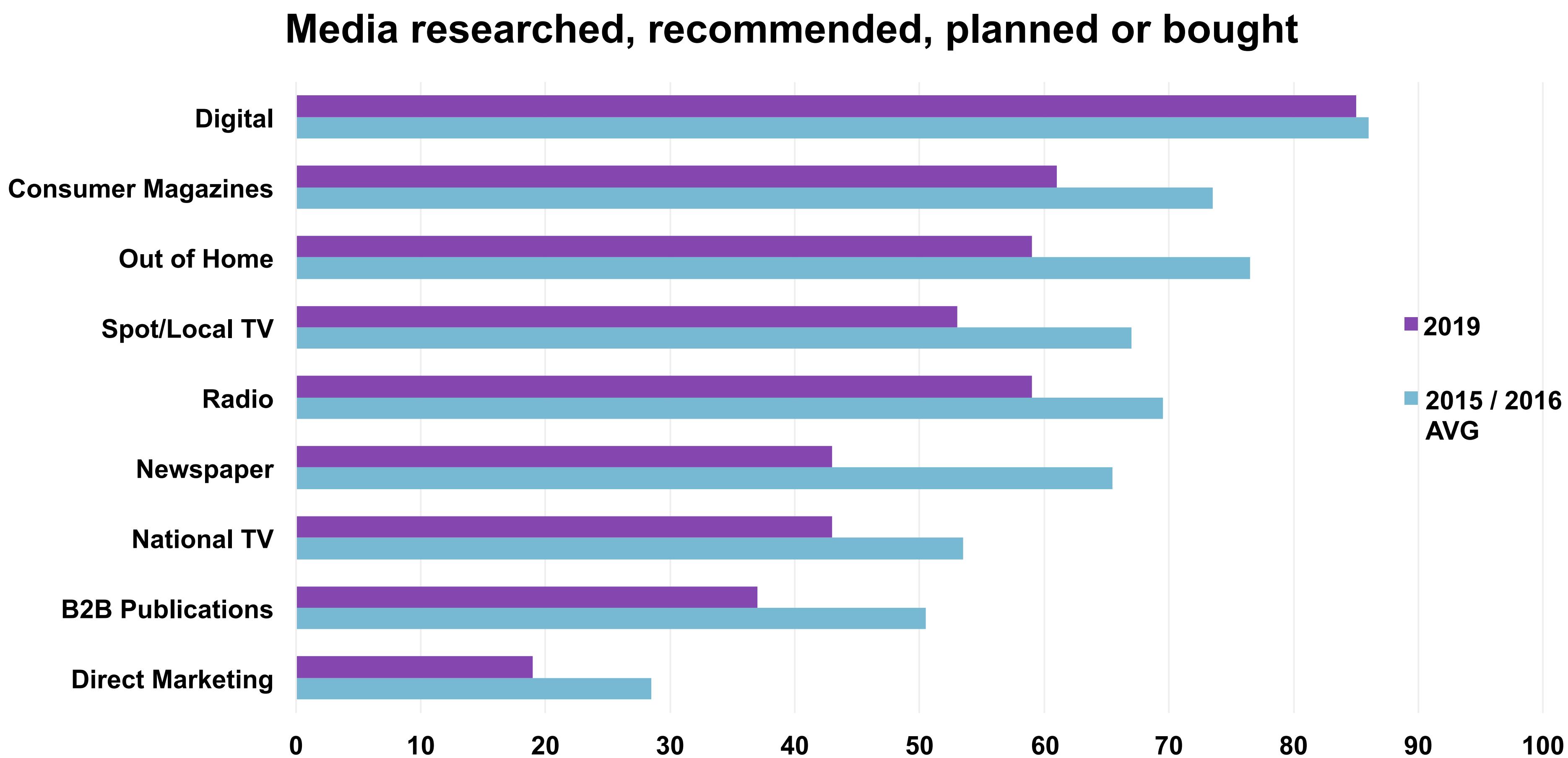


Media planners/buyers are busy—over half work on schedules with no specific planning period



Media planners/buyers are busy—working across media platforms and channels

As other media decreased, they're proportionately more focused on digital today than 3-4 years ago



Almost everyone—buyers and sellers—has a hand in digital today

Buyers:

85% **are planning/buying digital**

96% **are buying at least some programmatic for their digital buys**

93% **rely on trading desks or digital teams**

- 7% only buy it themselves
- 27% buy themselves and via trading desk/digital team
- 66% only via trading desk/digital team

76% **are involved in defining the targets/audiences for others to buy**

Sellers:

74% **have digital as part of their sales responsibility**

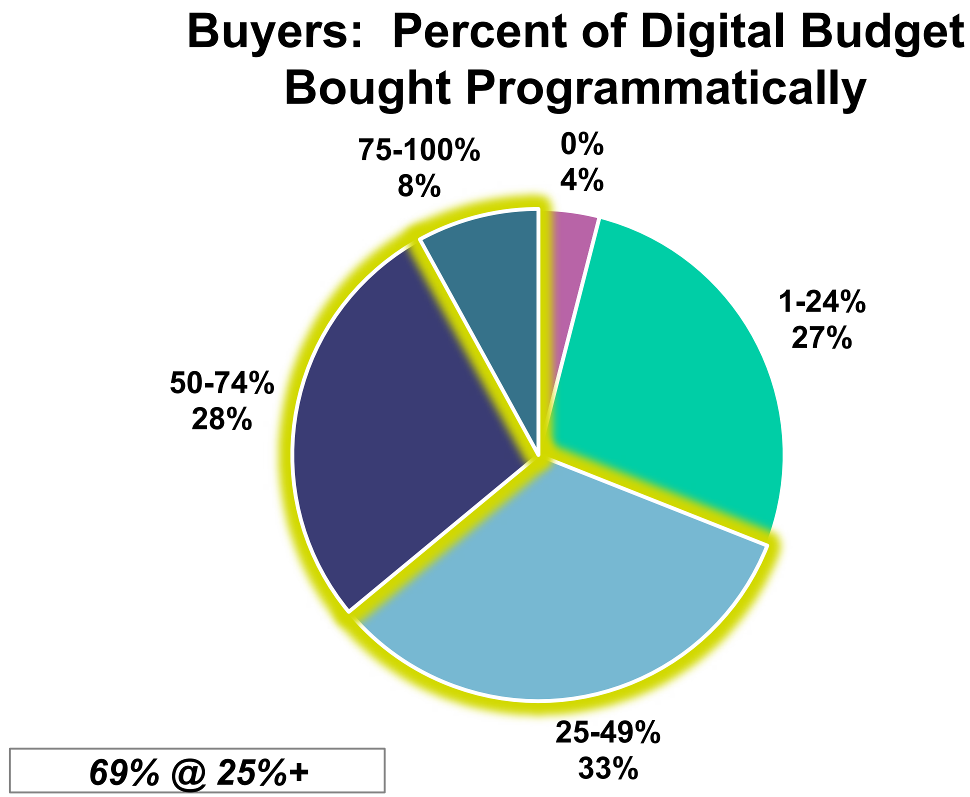
72% **of RFPs received include digital**

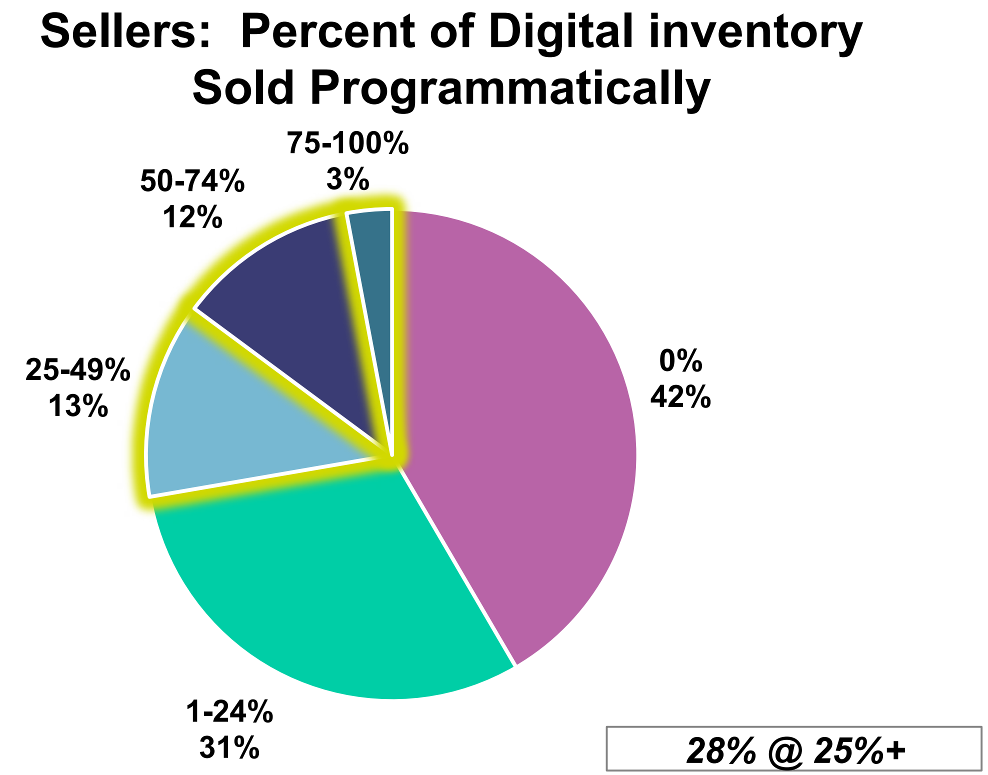
- 50% are multi-platform
- 28% are print only
- 22% are digital only

26% **of their revenue is digital (64% is print, 11% is other)**

Programmatic has become a central component of digital

And magazine publishers may be getting left behind…





Big differences between how agencies are buying programmatically and how publishers are making inventory available

	Buyers	Sellers
Programmatic Direct (Automated Guaranteed)	75%	22%
Private Marketplace (PMP)	54%	27%
Open Exchange (RTB)	39%	28%
Unreserved Fixed Rate (Preferred Deals)	23%	38%
Header Bidding	4%	10%
Other	2%	15%

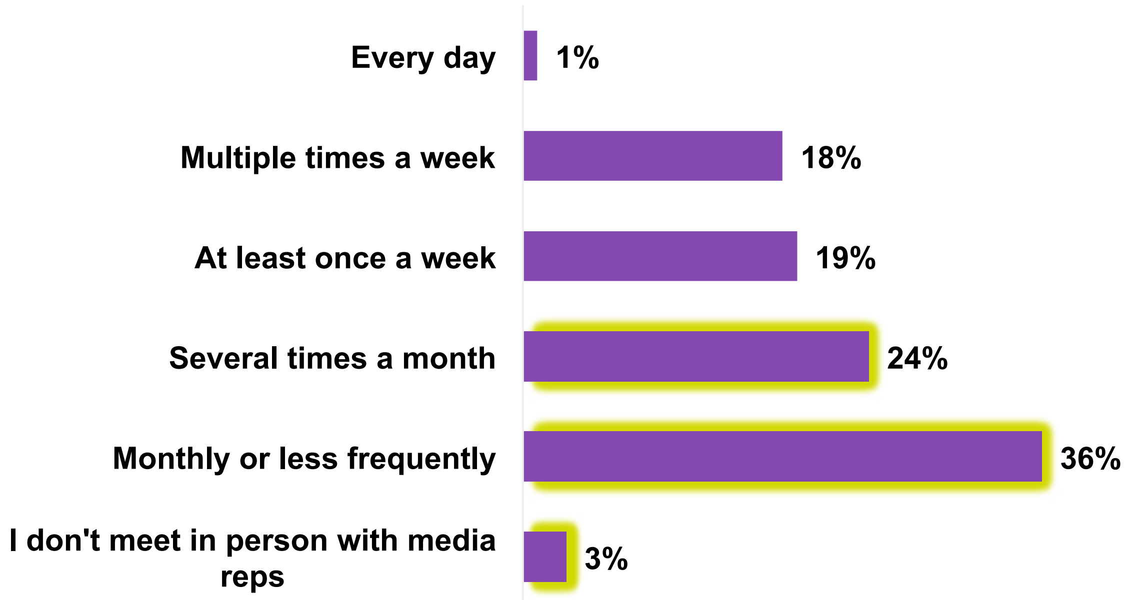
Programmatic Direct shows a steady rise:

2015: 33%
2016: 60%
2019: 75%

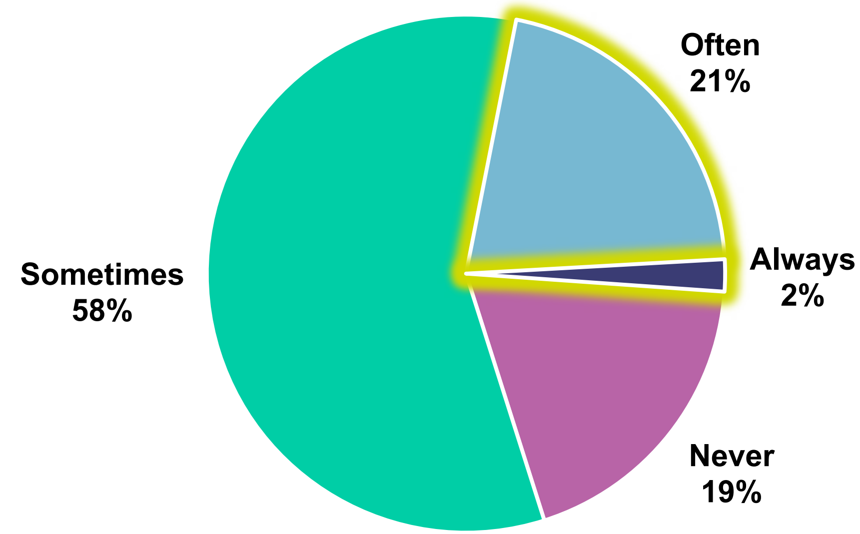
It’s not easy to get in front of planners and buyers

2/3 meet with reps several times a month or less; <1/4 of reps are regularly getting “yes” to meeting requests

<u>Buyers</u>: *How often buyers meet in person with sellers*



<u>Sellers</u>: *How often buyers accept requests for in-person meetings*



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But surprisingly, agencies may find these meetings more important than publishers do

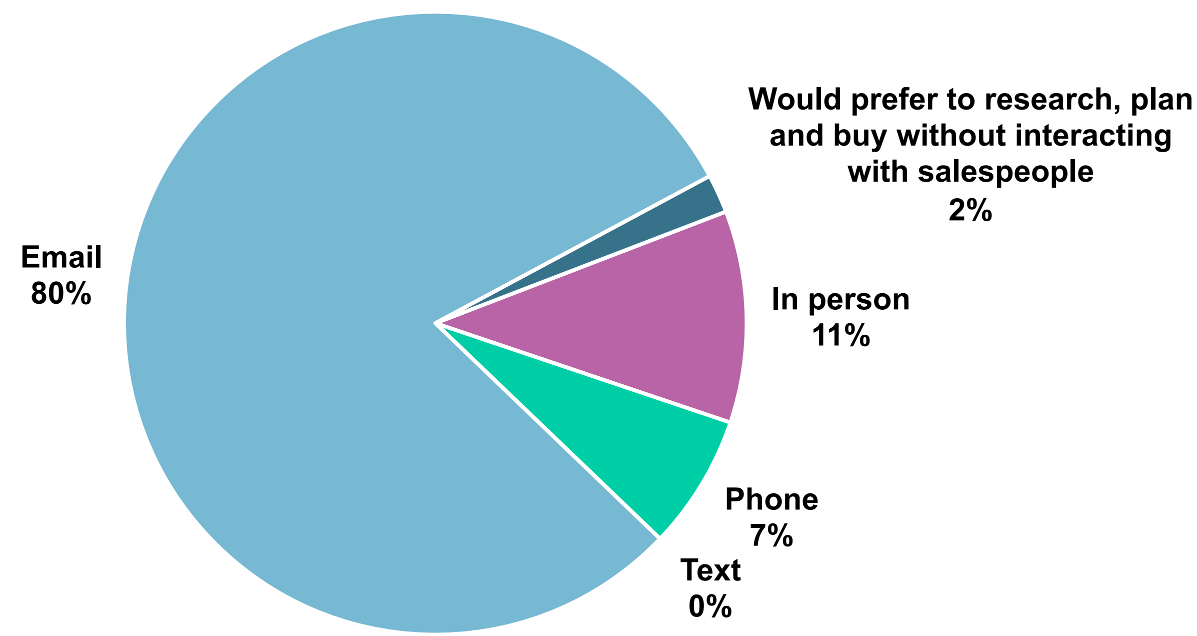
		Buyers	Sellers	
Extremely Important		9%	12%	
Very Important	72%	25%	19%	50%
Moderately Important		38%	19%	
Somewhat Important		19%	23%	
Not Important		9%	27%	

So what works? How do you get your media and programs considered, evaluated, and included in plans?

- ✓ Communication
- ✓ Discovery
- ✓ RFPs
- ✓ Evaluation
- ✓ Pricing strategies
- ✓ Other opportunities

Want to connect with planners and buyers? You'd better be good with E-mail….

Agencies' most preferred communication approach with reps



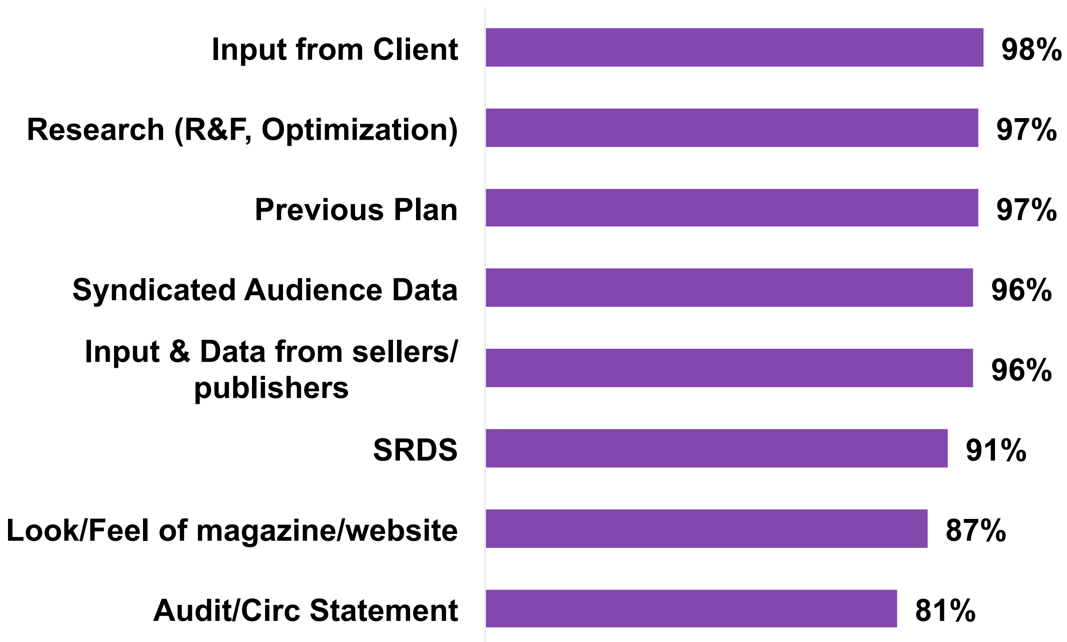
Buyers rely on a range of resources in the discovery process—determining which magazines and websites make their consideration list

	Always	Often/ Sometimes	Never
Input from Client	54%	44%	2%
Previous Plan	36%	60%	3%
Research (i.e. R&F/Optimizations)	47%	50%	3%
Syndicated data (comScore, MRI-Simmons, MARS, etc)	43%	53%	4%
Input and data from sellers/publishers	23%	73%	4%
SRDS	14%	76%	9%
Look & Feel of Magazine/Website	20%	68%	13%
Audit/Circulation Statements	16%	64%	19%

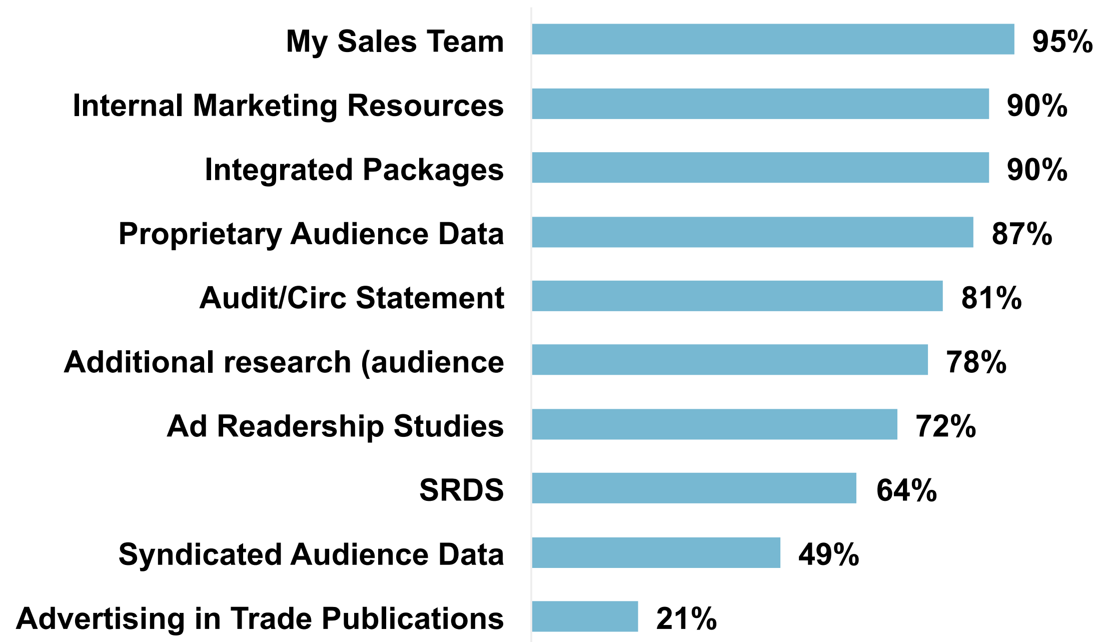
Two areas where sales/marketing can have impact

Agency and publisher perceptions of what's important in this discovery/exposure step are different

Agencies: How often use when preparing/selecting a list of media for consideration *(Always/Often/Sometimes)*



Sellers: Importance getting your media property in front of agencies & marketers *(Extremely/Very/Moderately/Somewhat)*



RFPs have become a core part of the media planning/buying process

How salespeople, managers and publishers are spending their time

20% Responding to RFPs/customer inquiries

49% Proactive (Seller initiated) sales activities (57% among salespeople)

31% Other (contracts and paperwork, other admin or management tasks) (23% among salespeople)

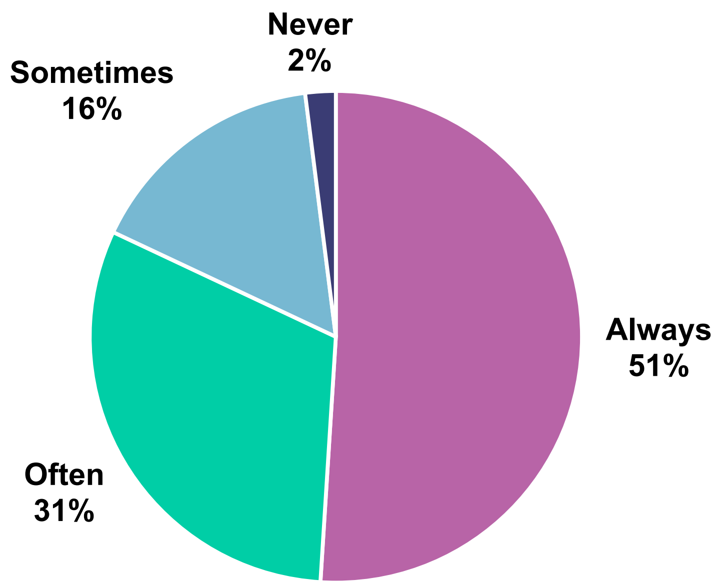
Number of RFPs received in 2019	
None	6%
1-4	21%
5-9	18%
10-14	12%
15-19	28%
20+	16%

Over half have received a dozen or more RFPs this year

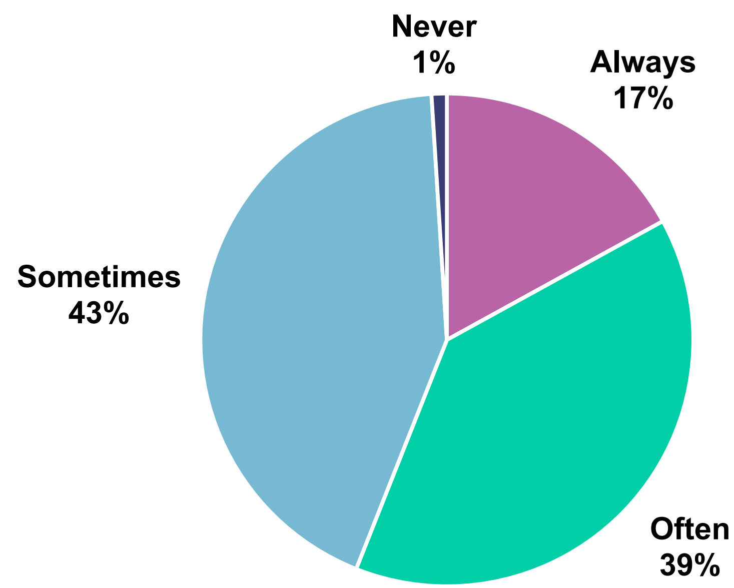
There's a disconnect between buyers and sellers when it comes to RFPs

Agencies often require RFPs, but sellers believe they're not always needed

<u>Buyers</u>: ***How often are RFPs used in planning/buying process?***



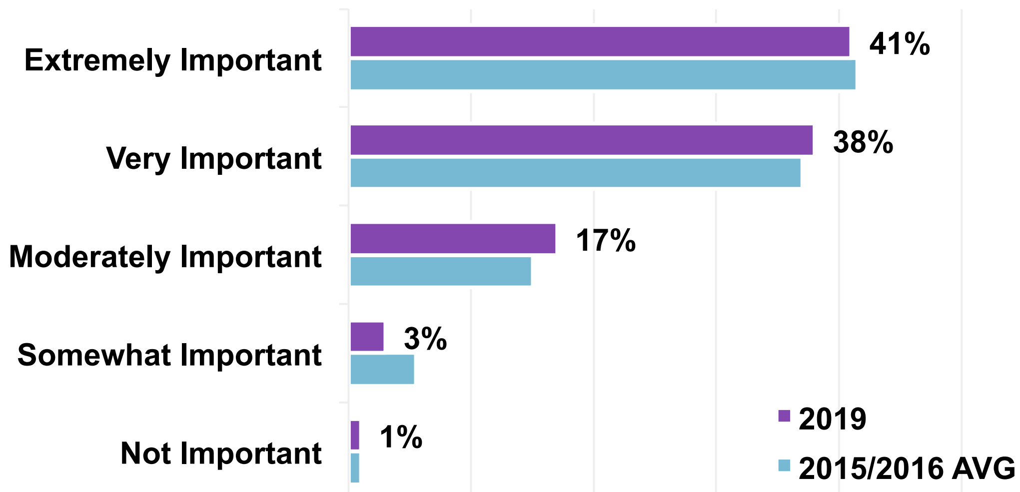
<u>Sellers</u>: ***How often do agencies require completed RFPs before considering your media?***



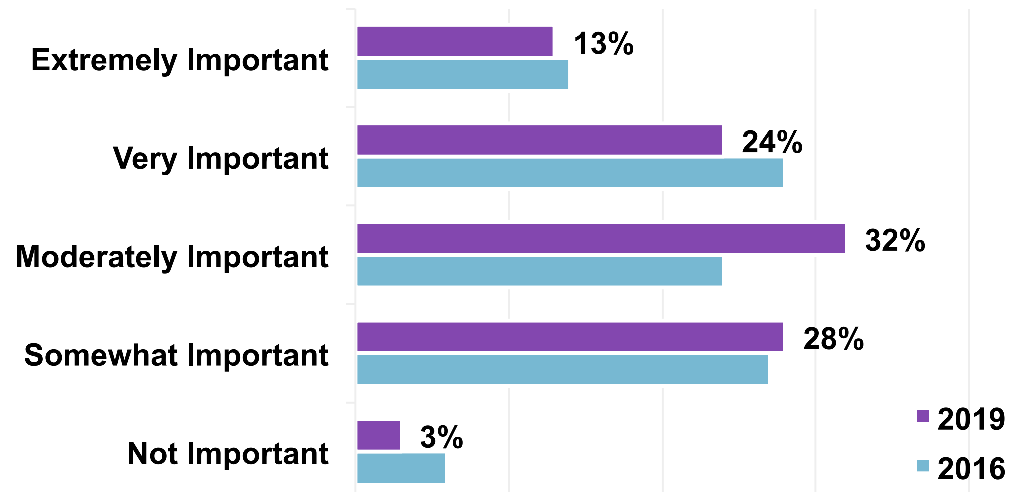
There's a big gap in perceived importance of RFPs between buyers and sellers

Would better alignment drive revenue? Do publishers have the right processes and resources to be appropriately responsive?

<u>Buyers</u>: ***How important are RFPs in planning / buying process?***



<u>Sellers</u>: ***How important are RFPs in your sales process?***



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As well as agencies' expected RFP turnaround time

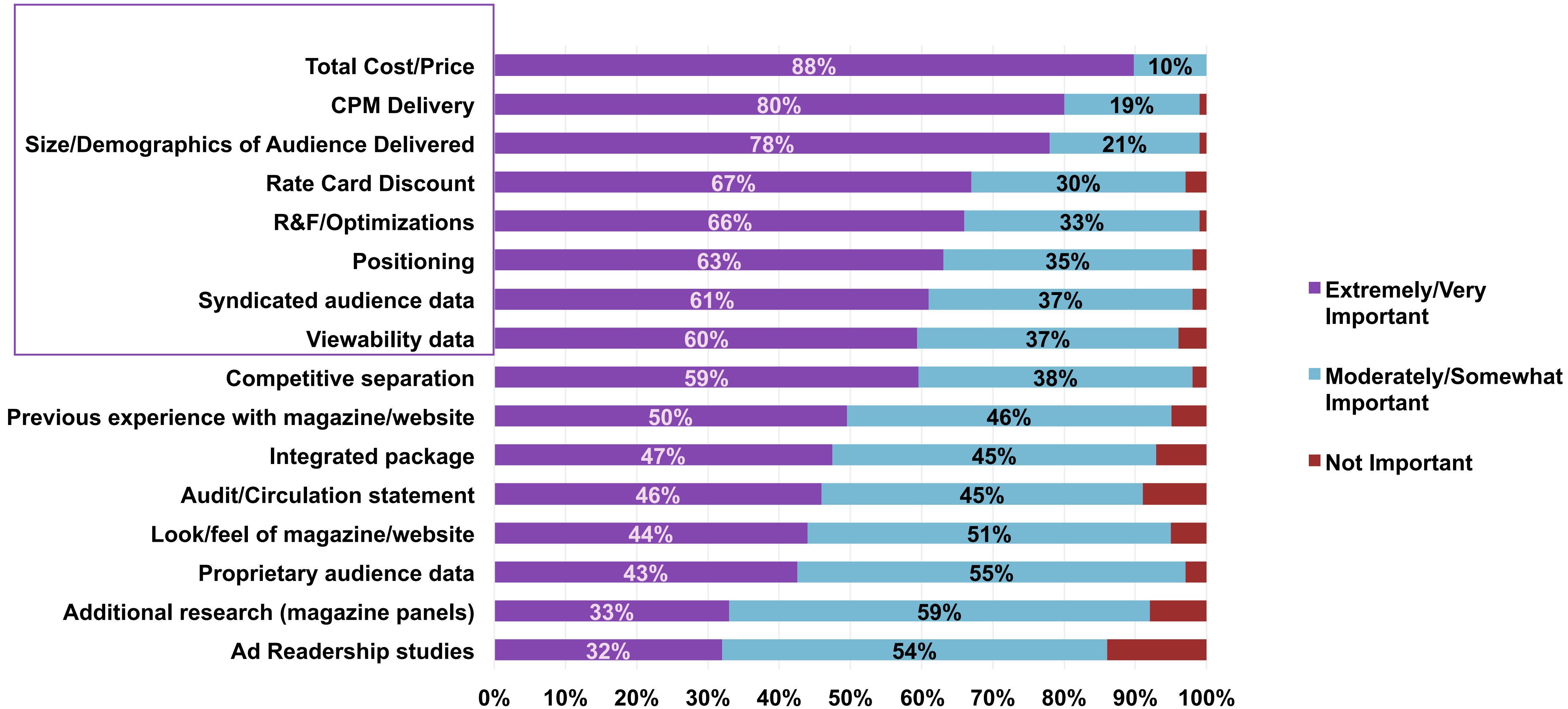
	Agency 2015/2016	Agency 2019	Publisher 2016	Publisher 2019
1-5 Work Days	42%	40%	75%	71%
6-10 Work Days	51%	52%	21%	26%
11-20 Work Days	8%	8%	3%	2%
More than 20 Work Days	1%	0%	1%	1%

Perception: "Really, we're not unreasonable" "Agencies are so demanding"

Reality: ?

Importance of criteria to final buying decision for buyers

It's mostly about price, audience, and the combination of those two



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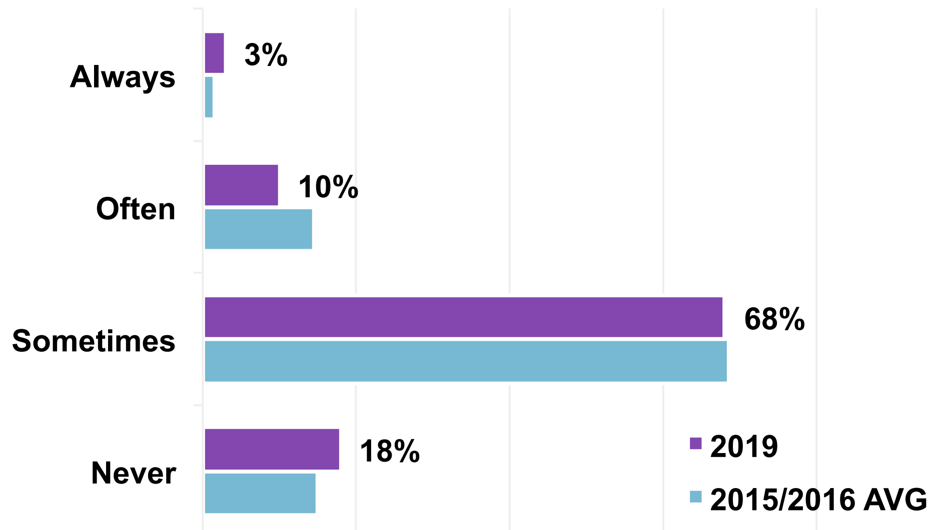
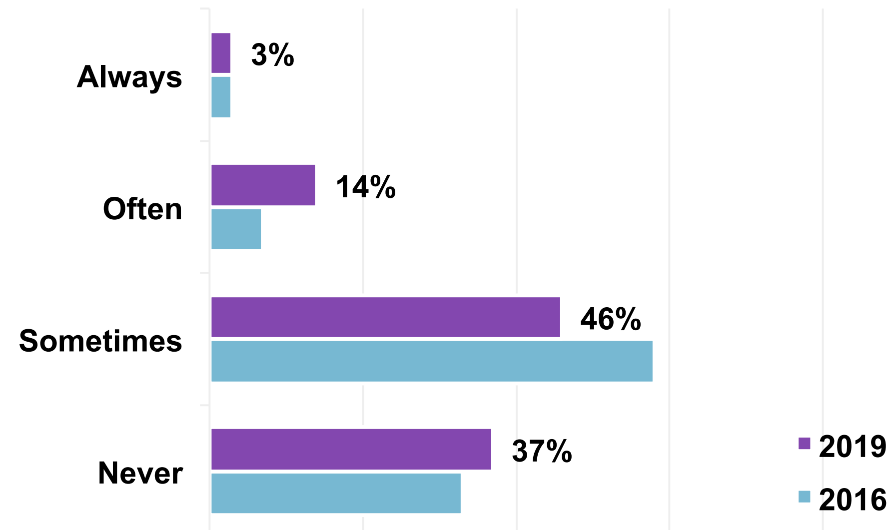
It's not easy getting onto a schedule after you've been excluded

But there's sometimes a chance…agencies may be more open to it than publishers give them credit for

Buyers: ***How often do excluded / denied media get a chance to change their proposal?***



Sellers: ***How often are you given a chance to change your proposal after being excluded / denied?***



How much of a discount off rate card is expected?

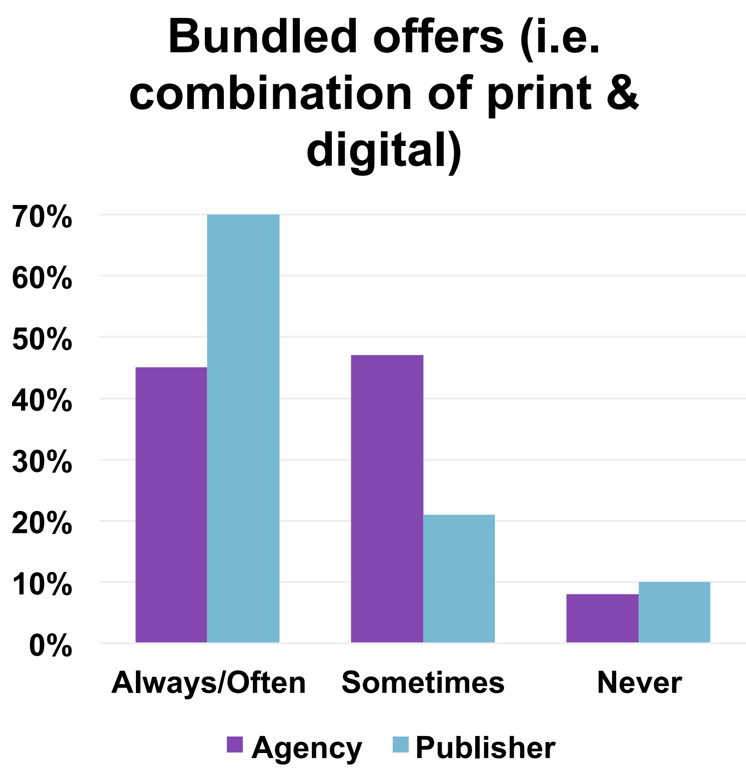
Not surprisingly, buyers want more than sellers feel they need to provide…and pretty much everyone assumes there will be some discounting

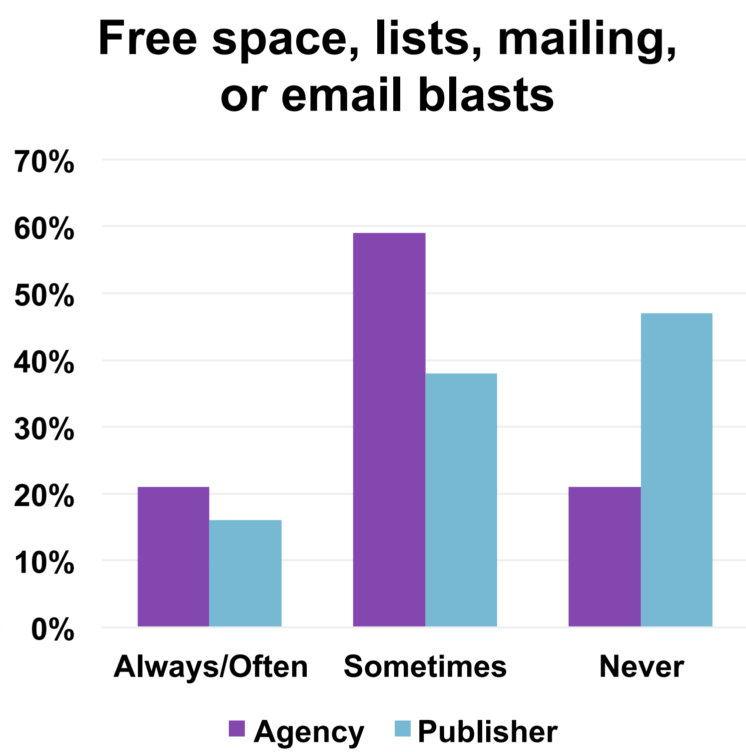
	Buyers	Sellers
None	2%	**13%**
1-14%	18%	**32%**
15-29%	**45%**	42%
30-44%	**21%**	6%
44-59%	**6%**	3%
60% or more	8%	5%

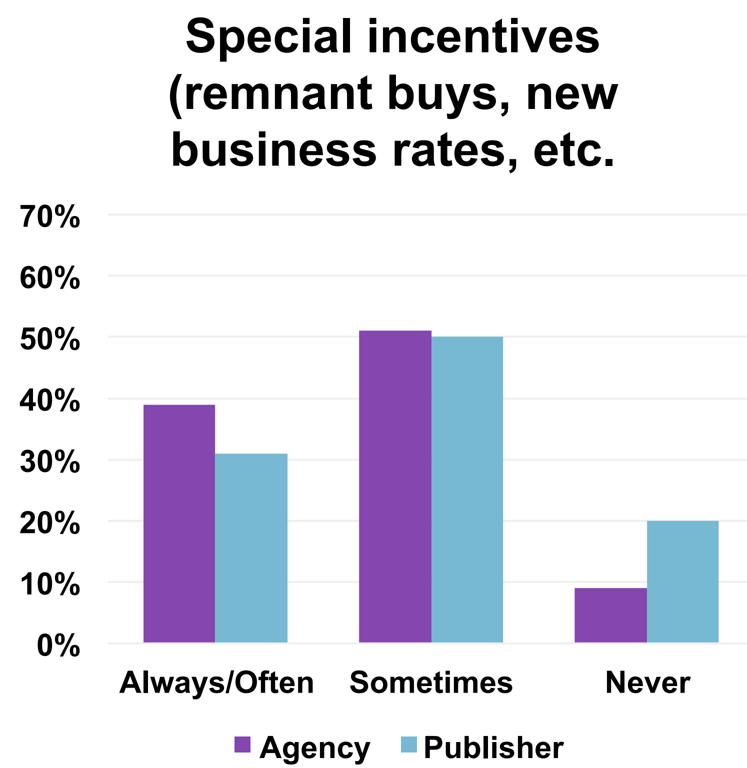
Good news? Steady decline in "big discount" (30% or more) expectations from agencies:

- ✓ **2015: 42%**
- ✓ **2016: 38%**
- ✓ **2019: 35%**

Buyers and sellers aren't always aligned around frequency of offering or being approached with various pricing practices

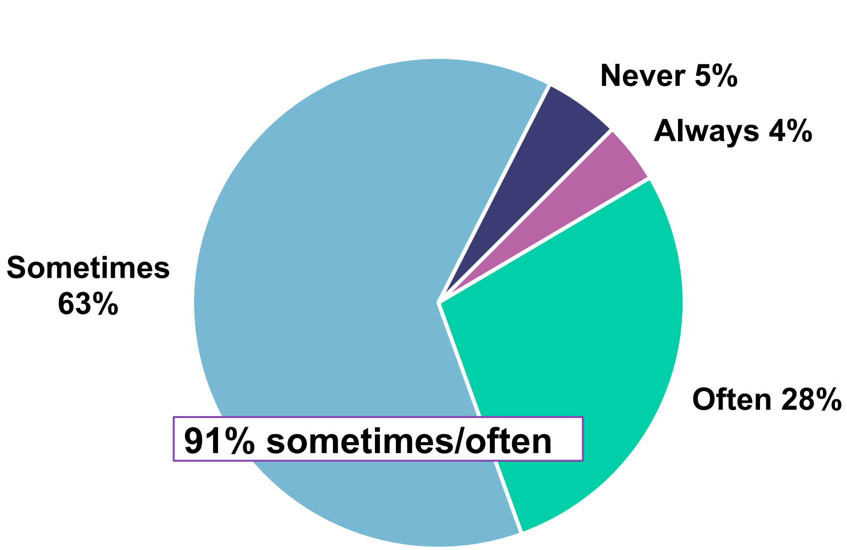




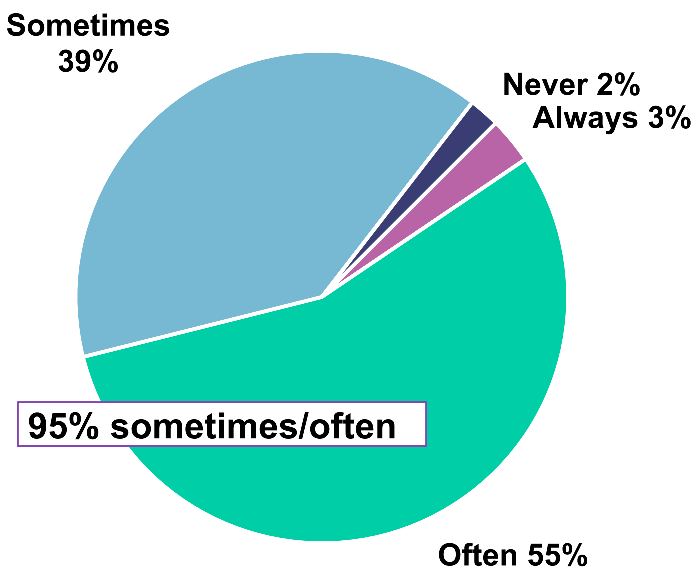


Both buyers and sellers agree that custom proposals are frequently used

<u>Buyers</u>: How often do your clients / brands use custom ideas or programs proposed by a seller / publisher?

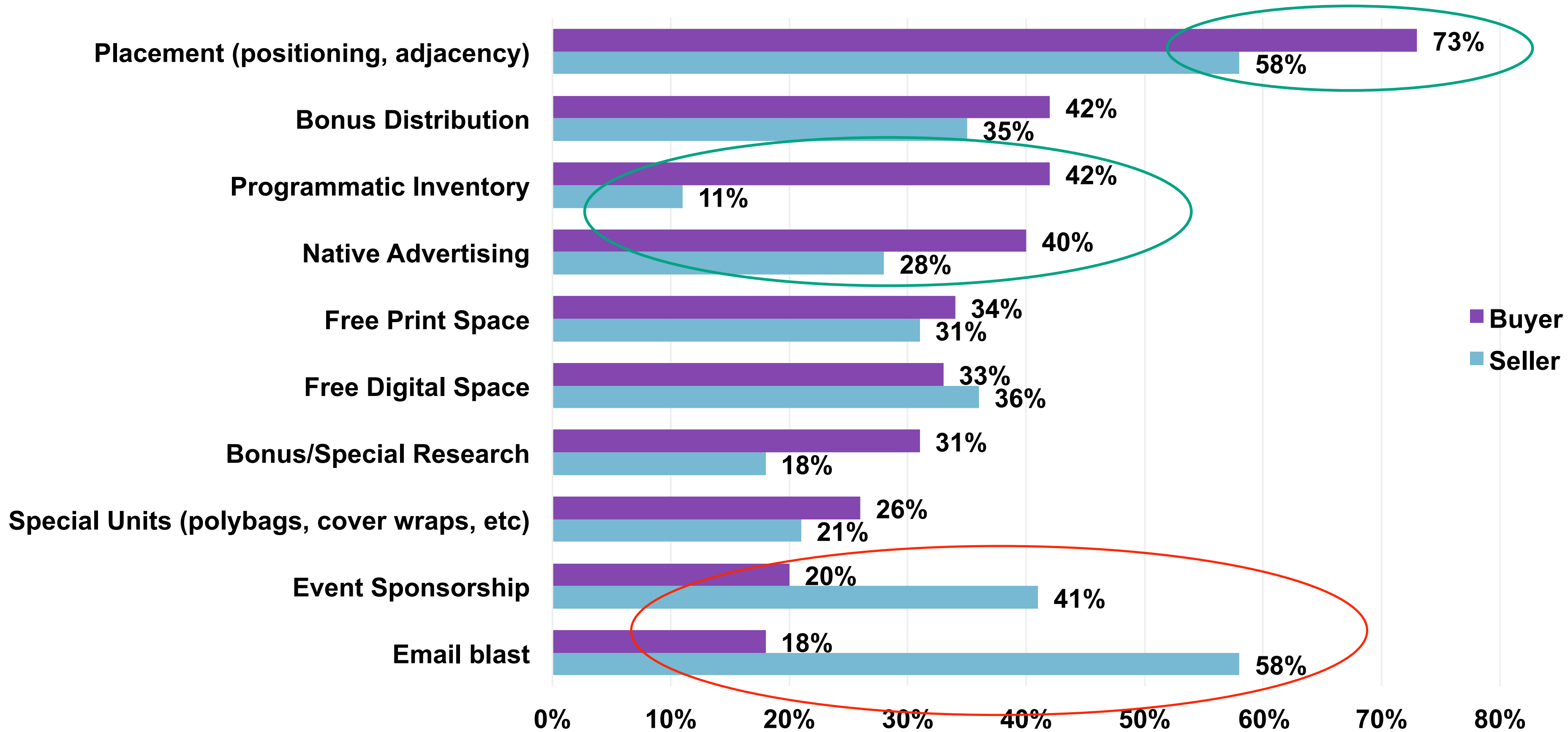


<u>Sellers</u>: How often clients use or buy custom ideas or programs you propose?



Importance of particular assets to planning/buying decision: Buyers vs Sellers

Missed opportunities with placement, programmatic inventory, native; and overestimating value (unless perhaps it's for proposals directly to advertisers?) of event sponsorship and email blasts



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Closing thoughts….

- A good product that delivers the right audience, fairly priced, will beat "value-added" any day.
- Price matters, but it's not the only factor. Discounts can be complicated.
- Efficiency and alignment are critical:
  - ✓ Interactive communication with planners and buyers (especially face-to-face) is going to be limited; talk bigger picture ideas vs. basics.
  - ✓ RFPs are important to the buying process. Are you set up to process them efficiently and timely?
  - ✓ Get aligned with how agencies are buying programmatically (whether digital display or other media types). Your digital-only competitors already are; it'll free up your sales team to focus on higher-value sales opportunities.
  - ✓ Are you telling your story effectively outside of formal meetings? (Are your emails great? Do you have the right data and message where your buyers are spending time in discovery, analysis, and planning platforms? Are your RFPs compelling?) Figuring this out helps lay a foundation salespeople can build on.

Thank you

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