

ADVERTISING “BEST PRACTICES” FOR DIVERSE BROADCASTERS
Broadcast Subgroup, Access to Capital Working Group
Advisory Committee on Diversity and Digital Inclusion
Federal Communications Commission
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"I launched, or just purchased a radio station or group, now what?" This question is often asked by minority and women owners seeking to break into a business dominated by major media companies and long-term owners who, in many cases, have owned their stations for decades. Once the deal is done, new African American, other minority and women owners often face imminent danger of having to sell their stations prematurely due to an inability to understand and navigate the rough waters of the advertising community upon which they depend for revenue. Experienced broadcasting industry executives forming the Broadcast subgroup of the Access to Capital Working Group of the FCC's Advisory Committee on Diversity and Digital Empowerment (ACDDE) compiled the information in this Advertising Best Practices guide. They spent many hours interviewing advertising industry experts and summarizing and editing their shared experience and wisdom to produce this informative and up-to-date guide to help diverse broadcasters understand the basic lessons and strategies needed to pitch and attract advertising investment. The goal of the Advertising Best Practices is to provide diverse potential and new broadcast station owners with ideas and a clear path to sustainable revenue.

**Opening Statement from Broadcast Subgroup member, Raúl Alarcón, Chairman, CEO
and President, Spanish Broadcasting System, Inc.**

In 1983, I was fortunate enough to participate in the Federal Communications Commission's (FCC's) Minority Tax Certificate program, a pioneering initiative created to promote minority ownership of the media, when acquiring my first radio outlet and one of the few Hispanic-owned and formatted broadcast stations at that time.

In the intervening years, we've been able to grow Spanish Broadcasting System to where today we are considered one of the leading radio operators in the nation, with multimarket stations and affiliates serving over 15 million listeners weekly, including America's most-listened-to station in ANY language, WSKQ-FM in New York City.

It is therefore without fear of contradiction that I provide for the Access to Capital Working Group's consideration a vital lesson that's as true today as it was all those years ago:

OWNERSHIP is EVERYTHING.

OWNERSHIP is the critical factor in assuring that the goals we have set for ourselves and for future generations will be met - and surpassed...

OWNERSHIP is the key to guaranteeing that diverse viewpoints are fully and fairly represented...

OWNERSHIP will make possible the employment of minorities at all levels and in all capacities of the media industry and...

OWNERSHIP affords diverse broadcasters the opportunity for economic empowerment and financial independence.

Yes, OWNERSHIP is truly EVERYTHING - and we would do well to learn from the past in order to build for ourselves a better and brighter future.

On behalf of the many hundreds of people with which we've had the honor of working, the thousands of small businesses and community organizations we've assisted and an audience of millions served, I offer my most appreciative thanks to all of the members of the ACDDE and the FCC for their untiring efforts in championing diversity and inclusion in the ownership of today's media.

Insights of Broadcast Subgroup Member Sherman Kizart, Managing Director and Founder, Kizart Media Partners, Based on Recent Engagement with CEOs and Senior Executives of Global Marketers and Media Buying Agencies

An increasing number of agencies and corporations are stepping up internal efforts to better support minority broadcasters who continue to seek a more level playing field in their quest for advertising revenue.

Simply, 2020 has been the most impactful and transformative year in the history of minority owned media.

I have been consumed and totally immersed in this transformation of the global advertising community.

Our report below reflects how this transformation and the emergence from this year of the advertising industry and minority-owned media creates an increased need for action from the FCC to grow the number of minority-owned media outlets.

Conversion of the Multibillion-Dollar Advertising Industry with Minority-Owned Media

- The world went from a global health emergency with the arrival of Covid-19 in January 2020 to a full pandemic - and then a focus on racial bias and social injustice with the murder of George Floyd in May 2020.
- Over the past year, corporate America has pivoted to address the economic injustices that African Americans and other minority communities have faced since the end of slavery over 156 years ago since the conclusion of the Civil War.

- Bank of America and Target Corporation are among the corporations that have announced multibillion-dollar investments in the African American community because of the economic disparities brought on by systemic racism.
 - Procter and Gamble was the first global marketer to engage African American owned media companies around a long-term commitment to significantly grow its investment in minority owned media. Marc Pritchard, Chief Brand Officer of Procter and Gamble, met with CEOs from the National Association of Black Owned Broadcasters (NABOB) community in mid-2020 and immediately made investment commitments to each of these CEOs, and agreed to use his and P&G’s influence with the global marketing and advertising communities to make P&G’s investment commitment a model for sustained investment in minority-owned media. In June 2021, Pritchard and his senior brand communications, media operations, and media agency team met with NABOB CEOs to recap the success of the initial investment and develop a foundation for continued and sustained investment with African American-owned media in fiscal year 2022.
- As global corporations have pivoted and made historic multibillion-dollar investments, the global advertising and marketing communities have also pivoted to address the inequities of subpar investment in minority-owned media.
- The global media agencies that have made major announcements to significantly increase investment in minority-owned media include:
 1. IPG Media Agencies committed to increase their investment in minority-owned media by 2023.
 2. Group M announced its commitment to invest as much as 2% of its advertising budget in Black-owned media in 2021.
 3. Dentsu announced the launch of “Project Booker,” a major initiative that focuses on African American-created content and utilizes African American-owned media (Black-owned radio) to exclusively distribute this unique content. General Motors, Procter and Gamble and Kroger are the founding advertising partners of Project Booker. Doug Ray, then CEO of Dentsu Media Americas, was the leader in the development and launch of Project Booker, which has helped transform the model of how global media agencies engage and invest in diverse-owned media.
 4. Publicis is launching The One Coalition initiative, which will bring together diverse owned and diverse targeted media companies with senior executives and national and global clients of Publicis. The One Coalition’s goal is to grow the customer base of each global marketer by intentionally adding diverse-owned and diverse-targeted media. Lisa Torres, President of Publicis Multicultural and Jason Smith, President of Publicis Diversified Portfolio Investment are leading The One Coalition.
- Global marketers also made historic commitments, including:

1. General Motors committed to a four-year plan to increase its investment with minority-owned media companies from 2021-2025. General Motors hosted a Diverse-Owned Media Summit on May 17, 2021 to roll-out its commitment to substantially increase its investment in diverse-owned media beginning in 2021 and for the next four years.
2. McDonald's committed to a four-year plan to increase its investment in minority owned media from 4% in 2021 to 10% by 2025.

These historic corporate and global media agency commitments to significantly increase their investments in minority-owned media companies will result immediately in millions of dollars of revenue for minority-owned media and create a level of investment sustainability for minority-owned media for years to come.

Below are the Chief Executive Officers (CEOs) and senior executives that are leading the charge with each of the aforementioned agencies and companies:

1. Deidre Smalls-Landau, Chief Marketing Officer, Universal McCann
2. Kirk Armstrong, CEO, Group M North America
3. Deborah Wahl, Chief Marketing Officer, General Motors
4. Doug Ray, Chief Product Officer, Dentsu
5. Marc Pritchard, Chief Brand Officer, Procter and Gamble
6. Matt Sweeney, Chief Investment Officer, Group M
7. Lisa Torres, President, Publicis Multicultural
8. Jason Smith, President, Diversified Media Investment, Publicis
9. Heather Stewart, Global Media and Marketing Director, General Motors

The transformative actions by the global marketers and the global advertising agency community provide incentives for the FCC to further act on growing minority and women owners.

Broadcast Subgroup Member Robert Brooks, WHUR-FM, Washington, DC, has years of experience working with agencies and direct advertisers in numerous service and product categories. After several candid conversations with advertising agency executives, he produced the following summary of tips and ideas for diverse broadcasters to increase their chances of securing advertising revenue.

The Eclectic Group, LLC

Persons/Role Interviewed: Kali Williams, Owner

• Industry Insights Shared:

- Saw first-hand the change from digital being 10% of an overall spend on an ad campaign to quickly becoming the majority of a campaign spend. The advertising industry continues to aggressively move into the digital space.
- Sees digital as being more efficient for buyers. Tactics such as programmatic (the use of software to purchase digital advertising campaigns) continue to be a driving force in the transition to digital advertising.
- Traditional media sellers are having challenges finding comparable jobs with salaries to which they had become accustomed because the companies offering those types of positions are wanting digital sellers/skill sets.

• Suggestions on How to Approach Agencies With Which You Want to Work

- Size of business is not as important as the businesses realizing that they still need to sell themselves. They need to put themselves out there to show what they're able to offer.
 - For example, businesses should show comprehension of certain concepts that can help solve certain solutions.
 - Even the big-name brands like *Wall Street Journal* and *Forbes* make it a priority to sell to their target audience who they are; therefore, businesses of all sizes need to take the same approach.
- If you are a small business, it's very important to recognize a niche in which you specialize.
- Even if you are approaching an agency that is not open with you about what they are doing, it's important to provide good material to them by doing your own advance research.

• Who to Reach Out to in an Agency If “Cold Calling” Does Not Work

- If you do a cold call to an agency, talk to the planners or assistant planners. They work with the day-to-day projects.
 - They're also the ones sending the Requests for Proposals (RFPs) and placing things together.
 - Directors tend to rely on planners' feedback and talk to them regularly to keep a pulse on what is going on with a plan.
 - Planners are good persons with whom to build relationships in order to get on an agency's radar.

• Information to Include When Providing a Proposal for Consideration

- Approach your presentation on the assumption that what you are pitching is going to help the agency make its own presentations to its respective clients.
- The agency has to sell your inclusion in the solution for its client, including making the client comfortable with using you. Your business is often one of

several included in the agency’s proposal, and the agency must get sign off from its client before using you.

- If you are a company with which the client has never worked before, the client will want information such as who you are, where you are, why they should put money there, how long you’ve been in business, and how you compare to another comparable business.
 - Your information may also need to include presenting your business opportunity to a client/audience that is not only unfamiliar with your business and its offerings, but also the metrics such as Key Performance Indicators (KPIs) or Cost per Thousand Impressions (CPMs) and other digital terminology used to measure the success of the campaign.
 - The more information you can provide to help convince a client to advertise with you, the better.
 - Consider asking yourself the following:
 - If you had 100K in your pocket that was your own personal money and could give 50K of that to a new or unknown business, what questions would you ask? What would make you comfortable enough to give that new, unknown business (i.e., a company like yours) a chance to earn your \$50,000?
- **Recommendations for Broadcasters/Media Businesses that Are Not Known as Digital First (i.e., Traditional Broadcasters) but Want to Become Serious Contenders for Digital Business with the Offerings They Can Provide**
 - Partnerships with strong digital players can help you push your traditional tactics better.
 - When partnering:
 - Work with the digital player to help push the strength of your digital offerings and your traditional digital tactics.
 - Plan down the line to create your own digital entity after establishing a reputation and traction.
 - If you do not have a digital partner, it’s worth offering a potential client a “trial run” to prove that you are worthy of a larger investment down the road.

MAGNA

(Parent company - IPG Mediabrands)

<https://magnaglobal.com/> <https://www.interpublic.com/our-companies/magna/>

Persons Interviewed: Kathy Doyle, Executive Vice President (EVP) Managing Director on Local Investment for Mediabrands, Diversity Equity and Inclusion (DEI) Lead for MAGNA; Joy A. Profet, EVP Head of Growth and Operations, MAGNA

- **Industry Insights Shared**
 - Black audiences over index in their affinity for social causes.
 - As a result, more social cause related messaging may be needed.
 - Partners may want to launch campaigns in part with Black-owned businesses or Black creator networks.
 - Leadership and some clients are becoming more interested in more emerging platforms vs. well-known platforms; they seek to find what is next.
 - The change to Cost Per Thousand (CPM) from Cost Per Point (CCP) is here to stay and companies should become comfortable with it. The change is not a dealbreaker for minority media businesses because advertisers are making a conscious effort to increase minority spending, including with businesses that may not yet be comfortable with the change.
 - If you are an audience-based platform, being able to touch that audience across every means and every channel is important.
 - You want to own as much of the relationship with that consumer as you possibly can to make you more valuable in delivering integrated marketing solutions to clients.
 - A “reach” story is important, but relationships also provide valuable reasons for sponsorship.
 - Ownership across multiple channels and being able to engage with those channels in an integrated marketing perspective is compelling. Such reach and access enables partners to provide very unique creative solutions to clients.

- **Information to Include When Providing a Proposal For Consideration**
 - Overall capabilities.
 - What sets you apart from the competition?
 - An “Elevator Pitch” – what is so great about your platform?
 - Tentpole events or things you do in particular to support a community or do above and beyond spots and dots.
 - Stories around cross-platform capabilities reach.
 - Any specific multicultural audience insights that distinguish your platform from more general market platforms.
 - Know the agency’s client roster and discuss how your platform can best solve their challenges and bring potential solutions.

- **Recommendations for Broadcasters/Media Businesses that Are Not Known as Digital First (i.e., Traditional Broadcasters) but Want to Become Serious Contenders for Digital Business with the Offerings They Can Provide**
 - Despite agencies often having their own digital solutions, it is worth pitching what you may have to offer.
 - Smaller partners may present more difficulties due to the amount of scale that may be needed. Nonetheless, smaller partners should reach out if they

are able to participate in a programmatic approach to digital because MAGNA's programmatic arm is working to increase collaboration with minority-owned platforms. For more information or assistance, email equitypartners@magnaglobal.com.

The Richards Group

<https://richards.com>

Persons Interviewed: Sarah Franks, Media Director; Blythe Hartley-Sivie, Group Media Director

- **Suggestions On How To Approach Agencies With Which You Want To Work**
 - Very important to reach out and let agencies know your business exists and that you have available inventory, especially if you are new.
 - Before any presentation, reach out to find out the best points of contact. Do not send bulk email blasts that are not personalized. Take the time to customize contact.
 - First, request a conversation before pitching anything. Explain who you are, what you offer and your unique position.
 - To stand out, research an agency's clients in advance. Find out whether the agency is trying to reach a unique audience or use a unique approach. Ask about the agency's objectives with particular clients and try to demonstrate how your platform can provide solutions to achieve those objectives.

- **Industry Insights Shared**
 - Potential partners must know you exist to send RFPs when they are ready.
 - The Richards Group follows a 70/20/10 model when determining how to compose a campaign when possible:
 - 70% invested in traditional tactics that potential partners know work.
 - 20% invested in what can be measured and has been tested.
 - 10% invested in what may not be measurable, is untested and/or innovative. The investment may be time and effort in addition to money. For new or untested businesses and solutions, this 10% provides an opportunity to get in the door.
 - Following up to learn what the agency thought about your presentation and ways to improve it is strongly encouraged. Maybe some info was not helpful or necessary?
 - Even if targeting a national client when you are a local or regional company, inquire about business opportunities that you can serve, because your local or regional reach may be necessary for a particular campaign.

- **Recommendations for Broadcasters/Media Businesses that Are Not Known as Digital First (i.e., Traditional Broadcasters) but Want to Become Serious Contenders for Digital Business with the Offerings They Can Provide**
 - The Richards Group will consider a potential partner’s digital offerings if they are needed for a client. The strategy team most often has the final say on the partners with which the agency works.

- **Who to Reach Out To in an Agency If Cold-Calling Does Not Work**
 - The Richards Group recommends that potential partners use its web portal for this type of inquiry: <https://richards.com/contact>. The Richards Group has an internal team that evaluates and manages potential partners through this portal. Kelly Jones oversees this team, which tries to respond with 48 hours.
 - The team can direct a potential partner, especially if a vendor fits into a particular niche that the team wants or needs to serve its clients.
 - Potential partners can complete an online survey, which will be reviewed to determine whether the vendor should be invited to a “Lunch and Learn” session, or if another direction should be taken. Lunch and Learn sessions allow vendors to introduce themselves without pitching toward a specific client, and the entire agency’s media group is encouraged to attend.
 - Reach out to the media administrator or coordinator if a cold call to an agency is unreturned.

- **Information to Include When Providing a Proposal for Consideration**
 - Potential partners should focus on direct discussions instead of general “sizzle reels.”
 - Focus on what makes you unique: who you are, your capabilities, type of listeners or viewers and any research on how they use your platform, and other interesting research they can share with their clients.
 - No need to stress that your business is number one from a ratings metric. Such metrics may not always improve your chances and cause you to forget to tell your unique story.
 - Work to demonstrate how your platform could make sense for a particular client at a particular moment.
 - Own your position -- what and where you are and what you are not -- can provide an advantage.
 - Questions that determine if the target will work with a partner:
 - Do you have the audience we need?
 - Do you have something that will make a positive influence on a final decision?
 - The size of your company will not matter so long as it is structured so you can service the brand in question.

PBailey Foundation

Persons/Role: Patricia Bailey, Owner

Note: PBaily Foundation is a minority business that has worked for over 18 years with agencies, Fortune 100 clients, ministries and small businesses. The subgroup held this interview to provide a different perspective from a successful minority media business that has been able to establish business relationships with agencies and direct clients.

Securing corporate clients or any company to retain your services begins and ends with a relationship bridge that offers access to corporate decision makers versus just facilitators for the entity.

Over the years, agencies have provided a positive and productive service for corporate clients. Some corporations have used them as gatekeepers while limiting the spend on Black consumer media platforms, though the Black consumer is the wealth springboard for corporations across urban America and dominant Black-populated cities.

Corporate contracts that PBailey has received were fostered through a referral to the key corporate decision maker from industry friends and trade associates rather than an agency or RFP. Contracts have always been signed with corporations, never agencies, though business workflow sometimes included agency engagement.

- Get on the vendor list, inquire about the companies with which you want to work.
 - Typically, to be considered, you must go through an application process.
 - Most RFPs come through diversity and inclusion initiatives.
 - Registering as a minority supplier can provide opportunities, but it is also helpful to have access to RFPs, marketing development and programming when not a minority-registered supplier.
- Get on the radar by:
 - Attaining access to decision makers.
 - Communication through business friends/peers, trade group memberships (i.e., local chambers of commerce, small business organizations, minority councils).
- **Information to Include when Providing A Proposal For Consideration**
 - Typically, corporations initiate RFPs and request a resume of business performance that includes:
 - Years in business
 - Founder resume
 - Core competencies
 - Businesses served
 - Success stories
 - Case studies
 - Executive management team experience.

Overall Takeaways

- Register with local, regional and national services and agencies that can help vet potential service providers and, specifically, minority businesses.
- Do not hesitate to reach out to advertising agencies prior to submissions to do business and learn more about the agency and its clients with which you want to work.
 - If possible, research the agency and its clients before reaching out.
- Size of your business does not matter.
 - Even if your media company is small or has limited reach, it does not mean the agencies will not work with you.
 - Agencies are more concerned about:
 - What makes your business stand out from others.
 - Alignment with goals they have for their clients.
 - Ability to deliver on what your business says it can do.
 - Consider: agencies strongly stress honesty vs. overselling.
- If your business does not have case studies because it is new, references, a backstory, or partnerships with businesses that have credible track records can help. Good faith efforts (i.e., providing targets with a demo at no or reduced cost) can be a work around for lack of case studies.
- Stay in communication and follow up, but do not go overboard. Establishing and maintaining the relationship is vital.
- Give priority to understanding the needs of the agency and its clients and how your business can provide a solution. Address this point first, rather than pitching what you think a client needs or why they should work with you.
- Agencies are strongly emphasizing treating and defining businesses not as vendors, but as partners, and determining what a partnership with your business means.
- As KPIs and other measurements shift, your business becoming as platform or channel agnostic as possible, using resources as one entity focused on achieving a defined goal, will be an advantage.
- Your story is very important! Do not minimize the story of your business.
- Agencies like working with partners whose culture or intent aligns with theirs. Always be honest.
- Putting yourself and your business out there is the most important first step to getting on the radar for consideration.
- While promoting a particular product or feature is important, it becomes even more important to ask the agency what it is working on to ensure that what you are promoting can make a difference. Make sure that what you present is relevant to what the agency is addressing at the moment,
- For small companies, it is important to demonstrate that you know what you are offering and understand what is needed.
 - Try to maintain the relationship even if your business is not selected on the initial project.

- Timing is critical. Even if what you are offering is not relevant at the moment, leave a slide deck or case study for future reference.
- Use the term “partners” rather than “vendors,” define what the term means, and establish protocols, services, and practices to reinforce this definition.
- Success is not all about scale, it is most often about knowing what makes you unique, knowing with whom you want to work, establishing and maintaining a relationship, and being receptive to feedback.

Based on Interviews, Best Practices for Establishing a Relationship with Advertising Agencies

- When reaching out to an agency for the first time, it is not always best to go to the top of the totem pole; a Media Planner, Media Administrator, or Media Coordinator are recommended. Use portals/emails established by agencies for managing initial outreach.
- Have a clear understanding of what makes you different and how that difference can help solve the challenges on which an agency or client is focused.
- Follow up after providing your proposal/presentation for updates. Ask for suggestions and feedback on how to improve the proposal/presentation if needed.
- To further the relationship, ask:
 - On what is the agency currently working and what is its current planning schedule?
 - For a particular client, what is the planning cycle and where is the agency in that cycle?
 - How often does the client change objectives?
 - How comfortable is the client with shifts (i.e., changing their media buying mix)?
 - Does the agency use a certain type of budget/planning model such as the 70/20/10 approach?
 - What client channels or platforms does the agency cover? All or only certain ones?
 - Is there a particular point of contact that the agency would like you to use?

Closing Statement from Subgroup Member James Winston, President, National Association of Black Owned Broadcasters

The Advertising Best Practices provided here will be invaluable to many minority-owned broadcast stations. The advertising industry has undergone some very positive changes over the course of the last year. The worldwide protests sparked by the murder of George Floyd caused many national advertisers and advertising agencies to recognize that institutions must take serious measures to promote diversity, equity and inclusion. These companies realized that the wealth disparities in America are a major impediment to building a society in which we are all truly equal.

NABOB has been fortunate to be able to work with many of these advertisers and ad agencies, including Procter & Gamble, Dentsu, General Motors and Kroger, to create new audio content aired exclusively on NABOB member radio stations. This new content was a first step in ongoing dialogues and collaborations that are forwarding the goal of significantly increasing

advertising investments in Black-owned media companies. These companies and other advertisers and ad agencies have recognized that Black-owned broadcast stations survive and thrive because they are trusted voices in their communities. Black-owned broadcast stations provide advertisers with the ability to engage with these communities.

Moreover, this trusted relationship is not unique to Black-owned media companies, but to all minority- and women-owned media companies. As a result, these advertisers are expanding their outreach beyond Black-owned media to all minority- and women-owned media. This development offers great potential for addressing the wealth disparities among the various communities in our country. And it can also build connections and understanding among the many diverse communities that make up our Nation.

The mission of the Federal Communications Commission includes the obligation to promote the public interest. The Advertising Best Practices provided here will be very helpful in aiding minority-owned broadcasters to connect with the advertising agencies and advertisers that are interested in engaging with minority communities. The public interest has been well-served by the ACDDE with the creation of these Advertising Best Practices. The FCC is to be commended for creating the ACDDE and allowing it to use the expertise of its highly qualified members in this important endeavor, which will hopefully be continued.