

“Increasing Television Advertising Sales for a Small Market Broadcaster”

Kelli Donelle Moorhead

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Abstract

The purpose of this project is to identify why, fewer businesses in Prince George, use local TV as their primary advertising vehicle when compared to other broadcast media. It will also explore the reasons why these local businesses choose the marketing methods that they do. Through this research I will determine firms' opinions of TV and identify their openness to using TV advertising. I will also determine the level of satisfaction of current TV advertisers. The analysis is going to provide suggestions to improve clients' perception of local TV advertising and propose sales and human resource strategies that will, ideally, increase market share and revenue for the TV sales department of the Jim Pattison Broadcast Group Prince George Division (JPBG).

While researching this project, literature was found that focused on the future of TV advertising, selling local TV advertising, sales training, relationship marketing, marketing to small/medium sized businesses and optimal sales force sizes. Research specific to Prince George that addresses TV advertising sales, general advertising or professional outside sales within the market has not, to my knowledge, been published. Because this project is more company, medium and market specific, two additional research methods were used to identify the challenges and provide suggestions for improvement. Thirty anonymous firms were interviewed and surveys were submitted by three TV Account Managers who are employed by the JPBG.

Reviewing literature, I found that TV is not a dying medium for entertainment and information; people are in fact watching more TV than ever before and TV continues to be a viable and effective medium for advertising. Numerous studies discussed the importance of professional sales training, sales systems that are industry specific and the sales force sizing.

While interviewing the advertisers, relationship with their account managers was the number one and two reasons why they choose to use the advertising mediums that they do. In a community the size of Prince George where many people know each other, relationships and reputation are very important and this was proven by the interviewees.

Further data collection proved that another reason for the shortage of TV ad revenues was the perceived complexity and high costs of TV advertising. The misinformation and general lack of knowledge about the medium was apparent when interviewing non-TV advertisers.

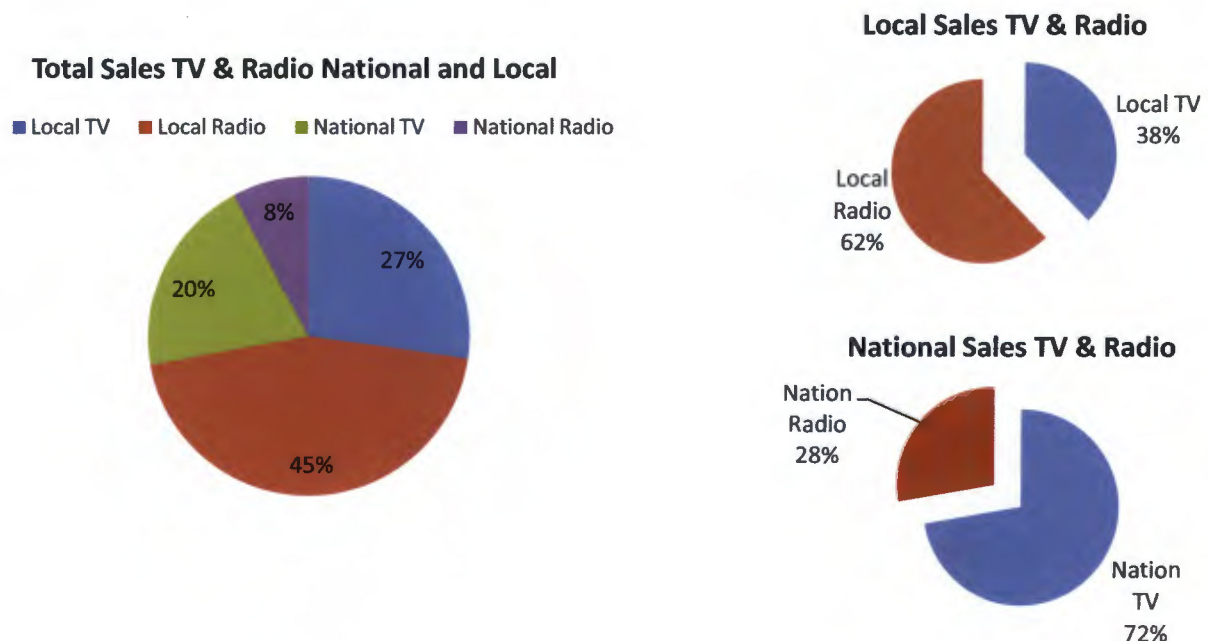
The objective of this project is to offer suggestions on methods to increase local TV sales revenue for JPBG. Basic suggestions are to design a TV specific sales model/system that includes effective information transfer and customer relationship management. Provide graduated sales training for both new and existing TV account managers and once in place, formulate a hiring system that will increase success for future TV account managers and reduce turnover. All of these suggestions are realistic, affordable and attainable.

Keywords: Local Television, TV Advertising, Signal Substitution, Sales Training, Relationship Sales, Commercial Campaign, TV Sales Process.

1. Introduction

In the Prince George Extended Market (referred to as Prince George EM hereafter) local radio advertising earns the lion's share of local broadcast media advertising dollars. This is a common occurrence among the Jim Pattison Broadcast Group (JPBG) properties that offer both TV and Radio advertising in their respective cities, Prince George, Kamloops and Medicine Hat. *Figure 1.0* illustrates that, within the JPBG, local radio advertising revenues have been greater than TV, despite national advertising revenues being the opposite. TV's profit margins are lower than radio's because the operating costs of TV is much greater and less local advertising dollars are generated.

Figure 1.0 JPBG PG Average Annual TV/Radio Sales Revenue National & Local¹



¹ Ken Killcullen, General Manager Jim Pattison Broadcast Group, Prince George Division. JPBG Prince George TV/Radio Average Annual Sales National & Local Reported by February 25, 2010

The purpose of this project is to determine why, in Prince George, fewer local advertisers use TV as their primary advertising medium when compared to other available broadcast media. It will also explore the reasons why local firms choose the marketing methods that they do. Through this research I will determine firms' opinions of TV and identify their openness to using TV advertising. I will also determine the level of satisfaction of current TV advertisers. The analysis is going to provide suggestions to improve clients' perception of local TV advertising and propose sales and human resource strategies that will, ideally, increase market share and revenue for the TV sales department of the Jim Pattison Broadcast Group Prince George Division (JPBG).

Despite offering advertising on three different TV stations, all of which broadcast top rated programs and maintain competitive pricing, the local advertising revenue from the TV department of JPBG falls significantly below that of local radio ad revenue.

While researching this project, literature was found that focused on the future of TV advertising, selling local TV advertising, the difference between TV and radio, marketing to small and medium sized businesses, optimal sizing for sales forces, sales training and relationship marketing. To my knowledge, research on selling TV advertising or advertising in general to Prince George firms has not been conducted. This project is media, market and company specific, in order for me to address the purpose of this study, independent research was required.

To address the above mentioned questions, thirty different firms within the Prince George region were interviewed. These firms were asked general advertising and TV specific questions, qualitative and quantitative data was gathered as well as suggestions for improvement. For

further insight into the professional challenges of local TV advertising sales, two TV account managers and one former account manager who moved into radio sales were surveyed. The survey was qualitative, asking methods, opinions and suggested solutions.

I begin by providing background information of the research question, local TV and broadcast industry in Prince George. I then review the literature of related research. After that, I discuss the survey and interview methods that I used to collect data from advertising clients and account managers. Next, I present results of data analysis. The paper is concluded with proposed recommendations to increase TV advertising in the local market.

2. Background

Prince George has seven locally broadcasted radio stations, one is non-advertising CBC, two are community “non-profit” stations, CFIS & CFUR, and four are commercially driven, traditional radio CKKN, CKDV, CIRX & CJCI. Satellite radio, XM and SIRIUS also have a presence in the Prince George EM, however, is cost prohibitive for local businesses to use these forums to advertise.

The JPBG represents 2 of the above mentioned radio stations, CKKN and CKDV, as well as 3 television stations. CKPG TV is the locally produced and JPBG owned TV station, “Northern BC’s Very Own”, JPBG controls the programming, format, imaging, commercial content, news, talent, etc of CKPG TV. The JPBG is also an agent for CTV-V and Global BC, neither owned, programmed or the inventory controlled by JPBG. These stations broadcast out of Vancouver but are fed through the JPBG server and a portion of commercial airtime is sold to local businesses. On CTV and Global, local commercials “cover over” outside market commercials that are not permitted to advertise in the Prince George EM.

JPBG also participates in signal substitution for programs on CKPG TV, approximately 32 hours per week. (varies based on American network schedules) According to the Canadian Radio-television and Telecommunications Commission (CRTC), “Signal substitution is when a distributor temporarily replaces the signal of one TV channel with another channel that’s showing the same program at the same time. Usually, an American signal is replaced with a Canadian signal. Sometimes, a Canadian signal from outside an area is replaced with a local signal....The Canadian broadcaster airs Canadian ads but the program is the same. When program substitution occurs, the only difference is that Canadian commercials are seen on American channels.”²

2.1 Local Television Commercial Reach and Content

In Prince George EM, TV stations and commercial content varies, depending on the viewer’s chosen service provider. *Table 2.0* identifies that, in Prince George, and other Canadian markets, not everyone sees the same commercials on the same programs and networks.

Table 2.0 Channel and local content by service provider.

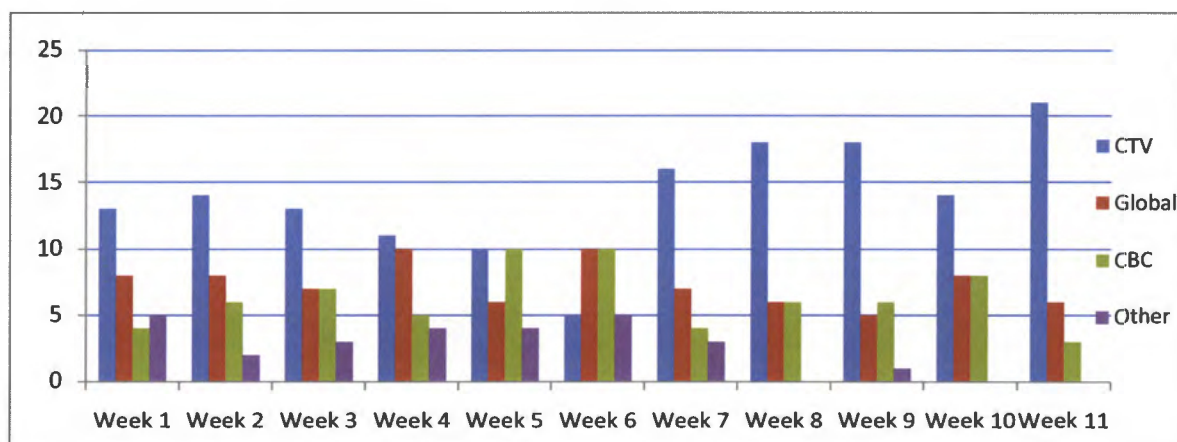
	Shaw Cable	Over the Air (antenna)	Bell Express Vu Satellite	Star Choice Satellite
CKPG TV	Channel 3 Local ads	Channel 2 Local ads	Channel 260 Local ads	Channel 325 Local ads
Global BC	Channel 11 Local ads	Channel 12 Local ads	Channel 252 No local ads	Channel 336 No local ads
CTV-V	Channel 4 Local ads	Not available	Channel 250 No local ads	Channel 321 No local ads

² Canadian Radio-television and Telecommunications Commission (CRTC), “Signal Substitution...Same Program, Different commercials” www.crtc.gc.ca

According to the fall 2009 BBM ratings report, CKPG TV, CTV & Global combined, boast a weekly viewership of over 72,000 people. Of these viewers, 31% have satellite dishes and 69% do not.³

The TV programs that are available to advertisers in North Central BC are among the highest rated programs in Canada. *Figure 2.0* below shows the highest viewed TV networks in Canada over an 11 week period, based on the Bureau of Broadcast Measurement (BBM), Canada's top 30 TV programs aired each week reports.⁴

***Figure 2.0 Top Watched Canadian TV Networks November 23, 2009 – February 7, 2010
(prior to the Olympic Broadcasts)***



On average, over the 11 week timeframe, programs that aired on CTV and Global were the most popular nationwide, dominating the airwaves with a 71% market share. The JPBG

³ Jim Pattison Broadcast Group, Prince George Division, "TV Viewer Profile, Three Station Combo 2+", February 1st, 2010. BBM Fall 2009, Fraser-Fort George, Prince George Central Area, Bulkley-Nechako West measured markets.

⁴ Bureau of Broadcast Measurement, "Top Programs Total Canada English" Based on confirmed program schedules and preliminary audience data, Demographic: All Persons 2+, Compilation of 11 reports total, Survey Dates: November 23, 2009 – February 7th, 2010

exercises the rights to sell TV advertising in North Central BC on these two stations.
(AppendixA)

The JPBG Prince George sales department consists of three TV account managers, six radio account managers, an executive sales administrator and the general sales manager (TV & Radio). All of the account managers are outside sales professionals who, in addition to procuring TV or radio advertising, offer clients the opportunity to advertise on the websites of CKPG TV, 101.3 The River and 99.3 The Drive. The three current TV account managers are long term employees, with 7 – 25 yrs of service. Despite the long term success with the current TV account managers, turnover has been a challenge when recruiting new members of the TV team, six new hires in seven years, two of these moved in to radio sales and four left the company.

On average, each TV account manager contributes 12.67% of the overall annual local ad revenue with approximately 27 active clients each. Each radio account manager contributes, on average, 10.33% of the company's overall annual local ad revenue with 23 active clients each. As of March 2010, 81 different local firms are advertising on TV and 138 local firms are advertising on radio with many overlapping, using both of the JPBG mediums. Due to the seasonality and industry specific business cycles, these numbers vary throughout the year.

The "Connection Selling" training model is taught to both the sales teams. This model is designed and focused towards radio sales creating short term, immediate sales results, with up to a 90 day forecast. Annual advertising programs are available to radio customers, however traditionally; radio is reactive with quick turn-around creative, two station choices, four day parts per station and generic packages. TV sales requires detailed, collaborative presentations, multi

sensory creative processes with both video and audio production, sophisticated scheduling with over 140 different shows to choose from and high levels of client/industry specific information required when targeting a specific demographic.

2.2 The Sales Process

A simplified summary of the sales processes from new customer prospect to the commercial airing is presented in *Figure 2.1* and *Figure 2.2*. These steps may vary depending on the nature of the business, needs of the client, timelines and expectations. For both radio and TV, the account manager is the only contact with the client in the first series, once initial creative has been gathered, the creative department becomes involved, writer/producers become the primary contact throughout the production process, up until audition where the account managers usually present the commercial to the client for approval:

Figure 2.1 Television Sales Process, detailed description in Appendix B

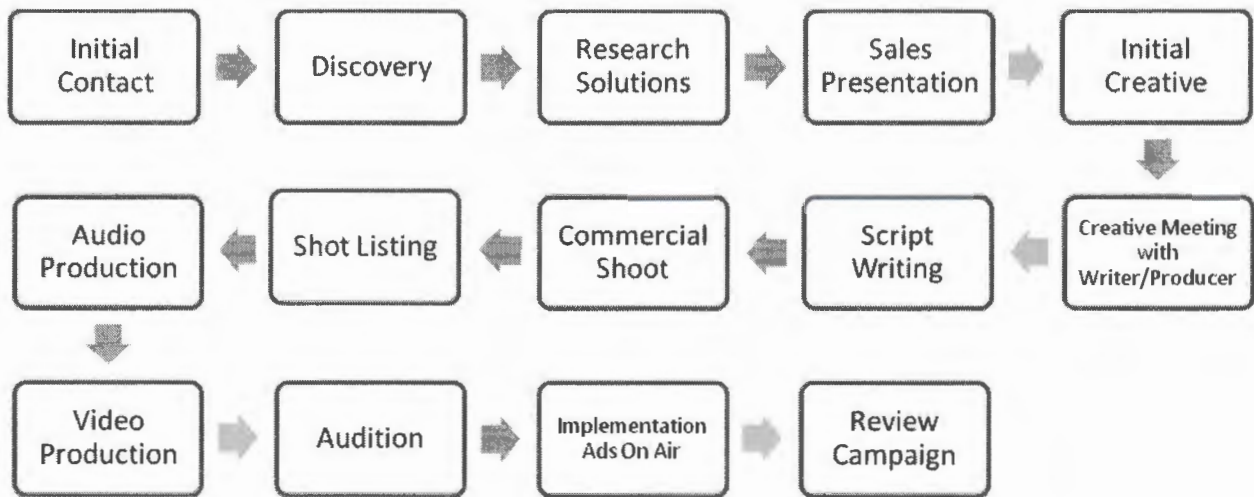


Figure 2.2 Radio Sales Process



Once a relationship had been built between the client, account manager and writer/producer, the time from conception to commercial shortens because the trust of the client has been earned. Happy clients usually grow into larger clients where long term contracts are solidified.

During the sales process, there are situations where the client may become confused or uncomfortable, this is where the account manager must reaffirm their decision to choose advertising and assure them that the reaction is normal for a first time user. Keeping the lines of communication open is the key to a positive commercial production experience, when a client is wondering where in the process the commercial is, they become uneasy.

Television advertising is a multi sensory medium when compared to radio, print or billboard. According to the Television Bureau of Canada (TVB), "...using the qualities of television (sight, sound and motion), advertisers can generate trust, emotion and excitement that cannot be created as well through any other medium. This can help to create a long lasting and memorable brand and corporate image."⁵

⁵ Kirk Robertson, Senior Research Analyst: Television Bureau of Canada <http://www.tvb.ca/pages/ChooseTV.htm>, Accessed January 16, 2010

In summary, section offers information and background to the broadcasting market of Prince George with a detailed summary of TV specifically. It explained the high quality of TV programs that are available to advertisers in Prince George as well as different TV delivery methods to the general population. This section provides proof that people in Prince George are watching TV and that it's an excellent advertising vehicle. The organization structure of the JPBG sales department and the advertising sales process, from initial client contact to commercials running is also covered. This information is relevant to the questions posed in this project because it identifies the differences in sales process of radio and TV plus the challenges faced when addressing the issue of turnover in the TV sales department. It is also important, to understand how TV advertising works on a local level so that when we review the results of the data, a benchmark will be established.

3. Literature Review

A review of relevant literature was conducted. Topics are covered that range from media specific information to general sales techniques. Industry wide literature was identified, however, nothing was found that was specific to the Prince George EM. Research sources included journals, industry statistics, publications, electronic magazine articles and case studies. The goal of the literature review is to provide background into why businesses in general, advertise on TV, how to sell local TV to small/medium sized enterprises, relationship selling, the importance of effective industry specific sales training, and sales force right sizing. The review will offer hypothesis into what might be found in the Prince George research data collected and provide input to design part of the independent, market specific research.

3.1 Why Advertisers Choose Television as their Medium of Choice?

A significant amount of information was found on why advertisers choose TV as their medium of choice. TV reaches virtually every home in Canada. It is set apart from competing media by its ability to offer sight, sound and motion to generate an emotional response. Advertisers can differentiate themselves from competition and develop a unique persona that implies credibility, quality, service and trust. By using sight, sound and motion, advertisers can generate excitement that cannot be created as well through any other medium, creating a long lasting and memorable brand and corporate image. (Robertson, 2009)⁶ The average Canadian adult spends almost 24 hours per week watching TV. (Nielsen, 1997)⁷ No other medium holds the attention of the consumer longer than TV.

Some advertisers believe that TV commercial production is cost prohibitive. While commercials can be expensive, smaller advertisers with limited budgets can also undertake successful productions. A big idea, wit, focus and clarity of message can make the advertiser a winner in consumers' minds. (Robertson, 2009) When done correctly, TV advertising works for any size business.

Because of the proven success, flexibility and affordability of TV advertising, costs or lack of effectiveness should not be a reason why advertisers do not use the medium.

Hypothesis 1 Fewer firms in Prince George advertise on TV as opposed to other broadcast media because they do not have a clear understanding of how TV works. Misinformation includes pricing, process, the viewership and benefits, is deterring potential customers.

⁶ Kirk Robertson, Senior Research Analyst: "TV Basics" Television Bureau of Canada: 2009

⁷ Nielsen, March 1997

3.2 Local TV Sales & Small/Medium Sized Enterprises

Additional literature concludes that perhaps it's not the medium, but the method from which local TV is being marketed. In local TV sales, relationship building is the foundation skill needed for account managers. The quickest way to grow local share is by encouraging advertisers to switch local newspaper and yellow pages advertising to TV. (Sternberg 2009)⁸ Because both print and yellow pages advertising require little account manager interaction, the relationship between the customer and their rep is usually permeable. Just by the collaborative process of discussing commercial ideas, the TV account manager gains valuable insight to "super-serve" the customer and build a healthy new relationship.

Hypothesis 2 Local firms choose the mediums that they do based on familiarity, trust and results. Firms will continue to utilize the medium that they are familiar with until they become dissatisfied with their current campaign/account manager or excited about a new idea or media.

Because local advertising customers in smaller markets are usually small and medium sized enterprises⁹ (SME) studies on selling to SMEs were researched. The small business owner who seeks advice in the face of complexity is, in reality, attempting to reduce uncertainty (Dyer/Ross 2009)¹⁰. When uncertainty is reduced, owners can be more confident when making decisions. Furthermore, complex decisions tend to be important for the enterprise and they usually have an impact on business success. Advice seeking reduces the margin of error in decision making, which results in increasing success. The paper supports the earlier statement

⁸ Charlie Sternberg, "In TV Sales, Don't Forget A Bag Of Donuts" TV News Check; September 22, 2009

⁹ Industry Canada definition- SME (for small and medium-sized enterprise) is used to refer to all businesses with fewer than 500 employees.

¹⁰ Linda M Dyer, Christopher A Ross, "SEEKING ADVICE IN A DYNAMIC AND COMPLEX BUSINESS ENVIRONMENT: IMPACT ON THE SUCCESS OF SMALL FIRMS," Journal of Developmental Entrepreneurship Vol. 13, No. 2 (2008) 133-149

about advanced sales techniques required when selling TV. To many SME decision makers, TV is a more complicated medium to purchase than radio. Many times these businesses, out of lack of knowledge, choose the perceived easier route. The above mentioned article states that the more information and understanding a firm has when making marketing decisions, the more effective advertising methods will be utilized. Educating the decision makers will give them the confidence and reduce uncertainty when making buying decisions.

3.3 Relationship Selling & Training

“Relationship selling” is a strategic approach developed by a supplier willing to establish long-term and mutually profitable relationships with its customers. (Paperoiadamis/Guenzi 2009)¹¹ Sales people typically contribute to improving relationship quality by performing value-added activities such as customer problem solving and customization. Compared to traditional, short sighted selling strategy, a relationship-oriented approach requires management and salespeople to change or adopt special behaviour. When adopting a relational strategy, for example, salespeople should abandon transactional (hard) selling approaches and behaviours, which are short-sighted and aimed at maximizing immediate sales volume, often at the expense of long term results.

It has been empirically demonstrated that using hard sell closing techniques or some ingratiation behaviours leads to lower levels of customer satisfaction, trust and loyalty.”(Marshall 2010)¹²

¹¹ Nicholas G Paperoiadamis, Paolo Guenzi, “Empirical Investigation into the Impact of Relationship Selling and LMX on Salespeople’s Behaviours and Sales Effectiveness,” *European Journal of Marketing*, Vol:43 no:7/8pg 1053 – 1075, Sept, 1, 2009

¹² Francis Marshall, “Francis Marshall Recommends Going Experiential with Sales Training” *UK Training Journal*: January 2010 Pg 13

Recognition and motivation increase the salesperson's efforts and success. Continued training and support, both within the office and on the street, is necessary to enable salespeople to accomplish their goals. A comprehensive system will generate a capable, motivated and successful sales force, rewarding both the individual sales people and the company. (Doyle, Shapiro 1980)¹³

Skills training can help improve a rapidly advancing set of new sales competencies such as creativity in the sales process, problem solving, ethical decision making and effective listening skills. Product knowledge can help sales team members understand the features, benefits and value of the product or solution they are selling. The industry knowledge can help them stay ahead of the competition and keep up with important trends. (Lambert 2009)¹⁴

Hypothesis 3 The current sales system in place is not the ideal method for TV sales and despite the account managers being higher per capita producers than radio, a structured TV specific system would increase sales.

3.4 Sales Turnover and Training

Recruiting, selecting and training salespeople is incredibly costly, both in time and money, the majority leave, are terminated or turn out to be mediocre producers. High turnover is accepted as a necessary cost of managing a sales force. (Greenberg, Weinstein, Sweeney 2001)¹⁵

¹³ Stephen X. Doyle and Benson P Shapiro, "What Counts Most in Motivating your Sales Force", Harvard Business Review: May – June 1980, copyright 2000

¹⁴ Brian Lambert, "Sales Training Takes Center Stage" Training and Development, Vol 63, Issue 8 pg 62-63: August 2009.

¹⁵ Herbert M. Greenberg, Harold Weinstein and Patrick Sweeney, "How to Hire and Develop Your Next Top Performer: The Five Qualities That Make Salespeople Great" McGraw-Hill © 2001 Citation

This is an accurate account of the situation within the JPBG TV Sales department, high turnover with the remaining three account managers pushing to keep up with demand.

Keeping too many sales people is inefficient because of the unwarranted high selling costs, however too few sales people result in high opportunity costs. According to one journal, few sales managers are confident that their sales force has the right number of people and are properly deployed. The difficulty is assessing how much additional revenue would be brought in by adding one salesperson to the sales force. (Darmon 2005)¹⁶ Managers frequently use their gut feelings or rely on crude decision rules to make sales force sizing and allocation decisions. (Fogg, Rokus 1973)¹⁷

An October 2009 survey by Aaron Wallis Sales Recruitment found that one of the biggest motivators for sales staff staying with a company is progression and career development. In this survey of 800 sales professionals, 58 per cent felt they did not receive enough training in their role.” (Marshall 2010)¹⁸ Lack of ground level training is one reason for high turnover in sales, eager sales people hit the ground running but unfortunately do not have the basic tools to knowledge to succeed. They can get by on enthusiasm for a while but will eventually be expected to answer tough questions. Evidence shows that ineffective or lack of sales training is common among companies who employ sales professionals.

¹⁶ Rene Darmon, “Joint Assessment of Optimal Sales Force Sizes and Sales Call Guidelines: A Management Oriented Tool” Canadian Journal of Administrative Sciences; PG 206-219: 2005

¹⁷ C.D. Fogg and J.W. Rokus, “ A Quantitative Method for Structuring a Profitable Sales Force” Journal of Marketing Vol 32, (2) Pg 8 – 17 1973

¹⁸ Francis Marshall, “Francis Marshall Recommends Going Experiential with Sales Training” UK Training Journal January 2010 pg 13

Hypothesis 4 More businesses advertise on radio because the radio sales force is double the size of T, resulting in fewer advertisers being approached to use TV. Perhaps the TV sales force is already servicing to their capacity and in order for revenue to increase, additional account managers are required.

4 Method

Because this project is market and company specific, independent research was required to determine the reasons why fewer businesses in Prince George use local TV as their primary advertising vehicle when compared to other electronic media. It will also explore the reasons why these local firms choose the marketing methods that they do. Through this research, I will determine firms' opinions of TV and identify their openness to using TV advertising. Questions will also determine the level of satisfaction of current TV advertisers. A survey of JPBG TV account managers was also conducted to understand what they believe to be the reasons TV advertising is not the first choice for a significant number of advertisers.

4.1 Advertiser Interviews

To determine the motivation behind local advertiser's electronic media choices, thirty anonymous subjects were individually interviewed within a two month period. The information gathered from the personally administered questionnaire was both qualitative and quantitative. The participants were separated into three groups, 10 who have not used TV advertising in the past three years (group A), 10 who are periodic or occasional advertisers (group B) (less than 5 campaigns per year or \$6000) and 10 who advertise on TV regularly (group C). The participants were owners, managers or marketing directors of businesses that are located in Prince George.

Various industry categories were represented, auto dealers both domestic and import, independent and chain retailers, restaurants, fast food, personal services, legal, non-profit, government and educational institutes were included. A balance of male to female participants was not found, 18 men and 12 women, the ethnicity of participants was not considered. The list of participating advertisers was determined through cross referencing the JPBG customer database, listening to other radio stations and reviewing local newspapers. Permission to use the database was granted by the General Manager of JPBG Prince George, Ken Kilcullen, as per the UNBC Research Ethics Board. Thirty eight businesses were contacted via telephone and invited to participate in a face to face interview, at their convenience, eight declined. Because the researcher is an employee of the JPBG, all of the subjects were assured that the interview was research based, not a solicitation and that their responses will remain anonymous.

At the beginning of each face to face interview, the participant was explained for the second time, the purpose of the research and that the researcher was an employee of the JPBG. At that point, the interviewer asked for permission to proceed, allowing the participant opportunity to withdraw, none did. All of the participants received a Research Project Consent Form as per the UNBC Research Ethics Board requirements, which was read out loud while they read along. Each subject then signed one consent form and kept a second for their records. To maintain anonymity, each subject was assigned a letter and number which was recorded on the top of the consent form and stapled to the interview questionnaire.

The mood of the interview was friendly yet professional, maintaining conversational momentum, I participated in engaged body language and took notes, leaning forward, slight smile with casual eye contact, similar to a discovery sales interview¹⁹.

The structured interview consisted of three parts. The first section was long answer, dialogue questions, 6 general, with follow up 16 in total. The second section was a scaled 1 to 5, numerical answer with five questions. The last section was simply asking suggestions for improvement. The duration of each interview was approximately 20 minutes, with time at the end for the participants to ask additional questions. (Appendix C & D)

Questions for the interview were developed for the purpose of this research based on several sources, the "Connection Selling Sales System"²⁰, the "FIRST Sales Training Course"¹⁷, additional literature exploring the concept of general advertising as well as TV specifically and basic curiosity on the part of the researcher.

The first set of questions are directly related to my goals of this project, to determine where firms' in Prince George advertise and how they choose the mediums that they do. The next two sets of questions are general advertising questions, designed to gather information on their current advertising usage, past experiences and methods of measurement.

¹⁹ Wray Betts Norret "FIRST Sales, advertising sales training."

²⁰ Bruce Davis "Connection Selling Sales System" facilitated by Jim Pattison Broadcast Group

In order to test hypothesis 1; Fewer firms in Prince George advertise on TV as opposed to other broadcast media because they do not have a clear understanding of how TV works. Misinformation is regards to TV advertising including pricing, the process, viewership and benefits, is deterring potential customers.” I asked the following questions:

- What is the best TV campaign you have ever seen?
- What made this campaign stick out in your memory?
- Do you personally or professionally know anyone who advertises on TV?
- What have they said about it?
- Has anyone ever discussed TV advertising with you? Who, When?
- Did you receive the information you were looking for?
- What was your opinion of the meeting?
- What was the result of the meeting?

In order to test hypothesis 2; “Local firms choose the advertising mediums that they do based on familiarity, trust and results. Firms will continue to utilize the media that they are familiar with until they either become dissatisfied with their current campaign/account manager or excited about a new idea or media.” I asked the following questions:

- Do you advertise using electronic media?
- Which mediums and stations do you use regularly?
- Why do you choose these stations/mediums?
- What is the most effective ad campaign that you have ever run?
- Where did you advertise?
- What was the offer?
- How do you measure results?
- What was the budget for this campaign?

In order to test hypothesis 3; “The current sales system in place is not the ideal method for TV sales and despite the account managers being higher per capita producers than radio, a structured TV specific system would increase sales.” I asked the following questions:

- Has anyone ever discussed TV advertising with you?
- Who? When?
- Did you receive the information you were looking for?
- What was your opinion of the meeting?
- How likely are you to consider or continue advertising your business on local TV?
- If you do not currently use TV, how open are you to meeting with a TV advertising representative?
- If you are a current user, how satisfied are you with the results of your campaigns?
- How satisfied are you with your TV representative?

In order to test hypothesis 4; “More businesses are advertising on radio because the radio sales force is double the size of TV, resulting in fewer advertisers being approached to use TV. Perhaps the TV sales force is already servicing to their capacity and in order for revenue to increase, additional account managers are required.” I asked the following questions:

- Has anyone ever discussed TV advertising with you?
- Who, When?
- Did you receive the information you were looking for?
- What was your opinion of the meeting?
- What was the result of the meeting?
- In your opinion, what do you think the TV division of Jim Pattison Broadcast Group can do better?
- How satisfied are you with your account manager?

4.2 Account Manager Survey

The second set of research was gathered using an independent written survey. All of the survey questions were long answer, providing qualitative information. Two current and one former TV Account Manager were asked to participate in the questionnaire. Each was asked to participate, individually with a clear understanding of how the research was going to be utilized. Each participant was also informed verbally that due to the small sample size their participation will not be anonymous; however, their names will not be directly attached to their answers. Each Account Manager was given a survey to fill out and asked to seal and deposit the completed survey in the administrator's office mail box. None of the Account Managers followed these instructions; they either personally handed the envelope to administrator or left it on her office desk, this is conducive to the casual, familiar culture of the office. All of the participants received a Research Project Consent Form as per the UNBC Research Ethics Board requirements, which clearly stated the lack of anonymity and that management of the JPBG would have access to the completed project but not access to the surveys or individual responses. Each subject signed one consent form that was attached to the questionnaire and kept a second. The questions were surrounding their opinions of customer service, client relations and retention, sales strategies, training, self management, programming and leadership. (Appendix E)

5 Results of Advertisers Interviews

5.1 Qualitative Data

Group A – Have not used TV advertising in the past three years.

General Advertising Questions

- All ten of the participants use electronic media, either radio or web based.
- The mediums that are most commonly used include their own websites (9), additional web ads on other sites i.e. facebook, on line news paper, etc (8) and radio (6).
- The reasons why these firms choose to use these mediums are varied. Participants who use web based ads on sites other than their own say that the advertising is affordable and measureable. (8) Relationship with their sales reps or the business was the second highest reason.(6) Other answers were vague, saying the advertising reaches their target customers but did not elaborate.(3)
- When asked about their most successful advertising campaign, all participants said that the message was a call to action, sale or special event. All 10 used a combination of 2 or more of the following media. 7 x print, 6 x facebook, 4 x fliers, 3 x posters, 3 x radio.
- Advertising results are measured by all of the participants; the most common was sales increase and customers asking specifically for the special offer. Page views from linked web ads is also a popular method of

measuring results for this group, however, page views measure the number of people who see the ad, not the number of people who act upon the offer.

- The dollars that were spent on these, “most successful campaigns” varies significantly from \$600 - \$9000.
- Annual advertising budgets are usually predetermined within this group of participants, 8 out of 10. How they determine this budget is surprising, 6 use percentage of previous year’s sales or previous year’s budget, 4 wing it. (estimate without predetermined method)
- When allocating their annual advertising budgets, this group identified print as being their largest expense, with web being the second largest; one business depends heavily on catalogue sales and 2 out of 10 do not formally plan where they spend their ad dollars.

Television Specific Questions

- When asked about their TV viewing habits and feelings, all members of this group admitted to watching TV, 8 of the participants are average TV users, watching 14 or more hours per week. Two mentioned that they “love” TV. Only one participant watches TV programs online as well as on regular TV.
- Local/cable TV channels with both local and national commercials is the dominant viewing choice, two mentioned that they did not pay attention to which channels they were watching because they use their PVR, one

participant said that the local news and specialty channels are the favourite.

- Among the non-TV advertising group, all had an opinion of what kinds of commercials they prefer and described them as smart, savvy, relatable, unique, make you think, evoke emotion, simple, funny, good music.
- More than half of the group, 60% know a firm, either personally or professionally who advertises on TV. Only one of the group has discussed the medium with the current advertiser and said that the conversation lead to the conclusion that TV was hard to measure.
- 80% of this group has not been approached or contacted by a TV Account Manager in the past year.

Group B – Occasional TV advertiser <\$6000 per year or 5 - event campaigns.

General Advertising Questions

- All 10 of the participants use electronic media to advertise, radio was the dominant most regularly used medium, followed by their individual websites/web ads and TV. One is using mobile phone marketing as well.
- Relationship is the #1 reason why these firms choose their advertising vehicle, over half were because of price. 8 of these advertisers said that they choose these mediums because they reach their target customer.
- When asked about their most successful advertising campaign, all but one participant said that the message was a call to action, sale or special event. All 10 used a combination of 2 or more of the following media. 10 x

radio, 8 x print, 6 x fliers/direct mail, 5 x TV, 2 used face book, 2 did referral reward, 1 x Costco,

- Advertising results are measured by an increase in sales, traffic and phone calls, customer surveys and page views from web ads.
- There was a large discrepancy within this group in regards to dollars spent on their most successful campaign \$2000 - \$15,000
- 80% of these participants have a set advertising budget, 7 use percentages of sales, head office determines one firm's budget based on perceived need, and one is determined by the percentage of advertising co-op available from suppliers. One participant "wings it"
- Radio and Print consume the majority of the advertising dollars in the group with a combined 80% of participants, and 20% claimed the Yellow Pages as their largest advertising expense

Television Specific Questions

- When asked about their TV viewing habits and feelings, all but 1 members of this group admitted to watching TV, 8 of the participants are average TV users, watching 14 or more hours per week 2 said that they "love" TV and one watches less than 10 hours per week.
- Half of this group watch local/cable TV channels with both local and national commercials and half said that they almost never watch the lower channels, preferring HD and specialty channels.

- When discussing advertising campaigns that they have seen on TV, the commercials that they enjoy watching have the following attributes, humour, element of surprise or oddity, witty, smart and catchy music.
- Only 4 members of this group said that they know firm, either personally or professionally who advertises on TV. Only one of the group has discussed the medium and said that their friend “is not head over heels in love with TV” the rest have not discussed it.
- 60% of this group have had communication with their TV Account Manager in the past 6 months, 4 participants haven’t been contacted in more than 6 months and 3 said that they only see their Account Manager when they (customer) calls to book ads. When they discuss advertising with their Account Manager, information is not always communicated as effectively as desired, with 4 saying that they do not receive all the information that they were seeking. These same 4 also said that they were not overly impressed with their Account Manager, the remaining 6 had positive comments about the Account Managers.
- When these firms meet with the account managers, sometimes they purchase advertising and other times they do not, however, half of these firms say that they currently purchase “packages” but would prefer having a predetermined annual plan in place.

Group C – Regular TV advertiser >\$6000 per year or 6+ campaigns

General Advertising Questions

- All of these firms use electronic media to advertise. 10 x TV, 7 x Radio, 10 have websites, 5 use additional web ads on other sites.
- 80% of these firms use the mediums that they do because of their relationship with their Account Manager and the advertising seems to be working, 6 said that they personally like the stations, 3 said because of the targeted demographics of the 1 said because it is available and local.
- The most successful campaigns that these participants have aired have been TV dominant with 9 x TV, 7 x radio, 3 x coupons, 7 x print, 3 used facebook, 3 fliers/direct mail, 10 used a combination of 2 or more media. Of these most successful campaigns, 4 were top of mind, image campaigns, 6 were call to actions/ event campaigns.
- Advertising results are measured by these regular users by feedback from community, new clients are asked directly, sales/traffic increased, phone calls increased. # of page views from facebook link
- Budgets for these campaigns were varied \$3500 - \$45,000. This is due to the difference in size and advertising of each business.
- 6 of these 10 participants have a predetermined annual advertising budget. 5 of these base their budgets on percentage of sales, 4 wing it and 1 “does what was done in previous years plus an increase if things are working”.

- Allocation of the advertising budgets are as follows: TV had largest % with 4 clients, Radio had largest % with 3 clients, yellow pages had largest % with 3 clients

Television Specific Questions

- All 10 subjects personally like TV, 8 are regular users, watching 14 or more hours/week, 2 watch occasionally less than 14 hours per week.
- The preferred viewing channels in this group are, 6 prefer to watch local TV with local commercials. 8 watch local news, 2 say the almost never watch the lower channels, only specialty and high definition channels.
- When discussing advertising campaigns that they have seen on TV, the commercials that they enjoy watching have the following attributes, 8 said humour, 2 said emotion, 3 said witty/smart
- 90% of the surveyed group know someone either personally or professionally who advertises on TV, 6 said that they have not discussed TV and 3 were complimenting on their TV commercials.
- All participants enjoy regular communication with their TV Account Manager and usually receive the information that they were seeking, 3 said that on occasion they do not.
- 8 of the participants likes their Account Manager and 2 not overly impressed, 3 said that the meetings are rushed and 4 said the rep talks too much. The purpose of these meetings are usually a creative change or to purchase additional airtime.

5.2 Quantitative Data

The results of the quantitative portion of the advertiser interview are found on Appendix F. Correlation analysis was used to examine the relationship between different variables. Pearson's r correlation reflects the degree of linear association between two variables. It takes a value between -1 and +1, with +1 meaning two variables are perfectly correlated with each other, or the two variables vary in the same direction and to the same degree.

There is a very strong correlation between three pairs of variables. These variables are: (1) client's degree of satisfaction with the account manager (measured on a 5-point scale, where 1 = "not at all satisfactory", and 5 = "highly satisfactory"), (2) client's level of satisfaction with the campaign results (measured on a 5-point scale, where 1 = "not at all satisfactory", and 5 = "highly satisfactory"), and (3) Client's willingness to continue TV advertising (measured on a 5-point scale, where 1 = "not at all likely to continue", and 5 = "highly likely to continue"). The analysis is restricted to occasional users and regular users. It does not take into consideration non-users. The results are as follows.

1. Clients' degree of satisfaction with their account manager is highly related to client's willingness to continue to advertise on TV. $r = 0.90$
2. Clients' degree of satisfaction with the results of campaign is strongly related to client's willingness to continue TV advertising. $r = 0.64$
3. Clients' degree of satisfaction with the account manager is highly related to client's level of satisfaction with the results of the campaign. $r = 0.59$

The results of the quantitative and qualitative analysis are consistent. A client's relationship with an account manager is the most important reason why a firm chooses to use the advertising mediums that they do. Relationship is also an important determinant of whether the client is satisfied with the results of the campaign. The satisfaction with the account manager is also strongly related to whether the client will choose to continue to advertise. This data is consistent with both the quantitative and qualitative analysis and concludes that relationship management is the key to successful advertising sales.

5.3 Results of Account Manager Survey

1. Since being employed as an Account Manager with the JPBG, all of the participants have received some form of sales training; however, only one has received TV specific sales training.
2. The account managers have been working for JPBG for 25, 7 and 2 years.
3. None of the account managers follow a specific selling system; different techniques are used with different clients. All of the reps did say that they try to fulfill the advertising needs of the client.
4. Two subjects had very strong rates of closing the sale, with 70% and the third estimated about 50%.
5. According to the 3 Account Managers, Prince George business's largest TV advertising misconceptions are high cost of the campaigns and size of viewership. They believe that TV is too expensive and too few people are watching the three stations.

6. When a sale does not affirm, the sales reps usually find out why, however, many times the reasons the perspective clients give are vague. Perspective clients seem to try to hide their true reasons.
7. The most common objections given are fragmentation and cost.
8. The second most common heard objections are the authenticity of the ratings and that people who do watch are using their PVRs and fast forwarding through commercials.
9. From an Account Manager perspective, the reasons why potential clients choose not to advertise on TV are:
 - Lack of a clear understanding of how TV works and the medium as a whole.
 - TV is more complicated to create a schedule and commercial
 - The clients visually struggle because it is “safer” for their image to use radio and print. Not having to put a significant amount of energy into how the business will be perceived.
10. The changes that the Account Managers would make in regards to TV advertising in Prince George are:
 - Increase the amount of strong sports programming broadcast on the three stations
 - Upgrade the stations to broadcast in High Definition
 - Increase the amount of live, community relevant programs
11. Improving the creative quality of in house produced commercials is the number one thing that the Account Managers would change about the TV department at JPBG. Improved

News reporting and shooting is also an important change that the Account Managers would like.

12. To increase the closing rate of the Account Managers, they feel that the company could provide better, TV specific ideas & campaigns for clients, including spec spots for the more challenging customers. They would also like to have TV sales specific training.
13. Maintaining current programs that are relevant to local viewer's lives, more sports broadcasts and a fresher, regularly updated station image. Having the creative department continually create new station id promos . Get rid of the old, stale public service ads. These are the suggestions for improvement for programming and creative.
14. To improve their sales, the Account Managers stated that they could increase the number of face to face meetings they conduct as well as keep practicing their sales skills and learn more.
15. When clients cancel, two out of the three Account Managers find out the reasons but none of them document or report the reasons. There is no cancellation tracking system.
16. The most common reasons why clients cancel, as remembered by Account Managers is:
 - The client is taking their advertising in a different direction
 - The client feels that the campaign is not working as well as expected
 - The client says that they are cutting back on their overall ad budgets.
17. In an average week the Account Managers estimate they communicate with anywhere between 10 – 30 clients. This includes face to face as well as telephone and e-mail.
18. All three participants offered an enthusiastic YES when asked if they enjoyed selling TV advertising for JPBG. They feel that is fun and challenging.

5.4 Suggestions for Improvement From Firms and Account Managers

All of the interview groups were asked to share their opinion of what the JPBG, TV division could do better. This question pertained to anything the subject choose to discuss, the image of JPBG, the CKPG TV channel specifically or the TV sales process. Suggestions from all three groups are below, compiled together and organized into different suggestion categories, duplicate answers were reported only once.

As a viewer of CKPG TV

- Fewer weather checks during the news programming
- Improve programming with NHL hockey and other popular sports programs
- Stronger, less pop culture/entertainment news programming
- Air popular shows that have high ratings and mass family appeal and air the shows at appropriate times
- Point the live camera at interesting and beautiful things, not the dingy 3rd avenue, like the UNBC, Carnie Hill, Cut banks, ect
- Make the station a reflection of the community in a positive way, showing beautiful areas, interesting architecture and happy people. Help make people proud of living in PG.
- Stale looking station, too much of the same station ids running over and over, no imagination in the station's image on TV.

As a customer/potential customer of CKPG TV

- Prove to the client that their customers are watching TV.
- Spend more time with customers, researching their needs then building long term advertising campaigns. Making it easier for a client to purchase advertising, custom suiting the campaigns to their needs and goals, not try to fit the client into the TV station's "Pre packaged ad box".
- As a provider of advertising, clearer communication with the client and more often, informing them what is available.
- Improved quality & originality of commercial production to increase effectiveness of the ads, not embarrassing the customer.

5.5 Result Summary

When comparing results of the interviewed firms and the surveyed account managers I find that all parties would like to see an increase of new, unique creative ideas being presented to the clients. There is a communication challenge; many of the firms do not have a clear understanding of the costs, processes and benefits of advertising on TV. The account managers also stated that they believe that misinformation is one of the many reasons why firms choose not to advertise. Both parties believe that the relationship with the other party is very important, however, taking the time to effectively communicate and build the relationship is the challenge. Increasing face to face meetings with clients was identified as one way to increase sales, clients identified that many times they feel like their meetings are rushed. This

tells me that communication training and customer relationship management should be looked at. Also, finding a way to increase the amount of time an account manager spends with their clients should also be considered.

6 Discussion

The initial purpose of this project was to find out why, specifically in North Central BC, less advertising dollars are spent on local TV. Why businesses choose to or not to advertise on local TV and what the JPBG Prince George division can do to increase TV advertising revenue.

The research and data collected offers several possible answers to the above mentioned questions. This analysis is to provide suggestions to improve the external perception of local TV advertising and propose internal strategies that will increase advertising market share and revenue for the TV side of JPBG.

7 Internal Analysis

7.1 Sales Turnover and Training

The most apparent and defining internal challenge facing the JPBG is the disparity in size of the TV and radio sales departments. It is obvious that more local radio advertising would be sold, due to the fact that the radio sales department has twice the sales force. Simply, due the increased size of the radio department, twice the number of firms could logically be approached and sold. Also, the training provided to the radio sales force is media specific, and a proven, successful method by which local radio is being sold. In contrast, only one of the three current TV account managers has TV specific sales training, the other two have extensive sales training

in other media/industries and have learned TV through their own independent studies and unstructured mentorship from the veteran (25yr) salesman.

Of the non-advertisers, who were interviewed in Group A, 80% had not been approached by a TV account manager in the past year. Of the occasional TV advertisers (group B) only 60% have had communication with their TV account manager in the past six months, and three said that they initiate the sales process by contacting the account manager when they are looking for advertising. These statistics prove that three TV account managers are not enough to effectively serve the Prince George market. There are opportunities to increase sales, but not enough resources. Of the regular advertisers (group C) all enjoy regular communication with their account manager, proving that relationship and service are paramount in maintaining long term customers. The account managers reported that they visited with 10 – 30 customers per week; this is a very broad range. They also stated that they could improve their sales by increasing the number of face to face meetings they conducted. The number of clients seen in person, number of discoveries, cold calls or new proposals given was not asked.

History shows that attempts to increase the TV sales force has proven unsuccessful. Lack of industry specific training and general knowledge has left the new hires floundering, without the proper tools and information to be successful. In order for the TV sales department to successfully grow, medium specific procedures and training systems should be implemented. In literature covered, it states that a comprehensive sales system will generate a capable motivated and successful sales force, rewarding both the individual sales people and the company.

Currently, none of the account managers surveyed said that they follow a specific selling model; their methods were fluid, adjusting their techniques to suite the style of each individual

customer. Building a trusting relationship with the customer leads to better communication and long term advertising success. Fulfilling the advertising needs of the client was the first priority of all of the account managers. This explains the continued success of the current account managers. However, according to the surveys and interviews, inaccurate or lack of information is the main reason why potential customers do not advertise in TV. Many have not been educated clearly as to how the medium works or the different options and price points available. An assumption is made that local TV is an expensive medium to advertise with.

7.2 Relationship Sales

All of the clients and potential clients reported that their advertising choices are heavily influenced by their relationship with the account manager. Both the regular and occasional users place relationship as the number 1 reason why they choose their advertising mediums. The non advertisers placed relationship as the number 2 reason. This is consistent with the literature that was reviewed; sales people improve relationships with clients by acting as a consultant by problem solving and customization, these actions build trust. The more information and understanding a firm has when making marketing decisions, the more effective advertising methods will be utilized. The ongoing advertisers enjoy regular communication with their account managers, building and maintaining the strong relationship. Proving that an effective relationship sales training model should be researched, designed and provided to the TV account managers both existing and any new hires.

7.3 Why Advertisers Choose TV as their Media of Choice?

Further evidence of the importance of the client /account manager relationship, its perceived effects on the success of a campaign and the future allocation of the client's advertising budget

were identified in the quantitative advertising interview results. The quantitative evidence shows a very strong correlation between the client's level of satisfaction with their account manager and their desire to continue to use TV as an advertising medium. It also showed evidence that the clients degree of satisfaction with the account manager is highly related to the clients level of satisfaction with the results of their campaign. This information shows that the communication and relationship between the client and the account manager is imperative in growing sales. Building and growing relationships is time intensive, not only in the amount of time spent face to face with each client but the time spent preparing for each meeting is just as important. Having only three account managers maintaining or growing relationships with the 81 current clients and working to build new relationships with potential clients is a stretch.

7.4 Local TV & Small/Medium Enterprises

As been identified, successful SME's demand significant consulting when making businesses decisions outside of their realm of expertise. With TV being a more complicated medium to advertise with, effective communication with the advertiser is imperative. Complexity involves uncertainty and, to a certain extent, is directly related to the importance of the decision. The small business owner who seeks advice in the face of complexity is, in reality, attempting to reduce uncertainty. When uncertainty is reduced, owners can be more confident when making decisions. Furthermore, complex decisions tend to be important for the enterprise and they usually have an impact on business success. Advice seeking reduces the margin of error in decision making, which results in increasing success." (Dyer, Ross)²¹ The feedback gathered

²¹ Linda M Dyer, Christopher A Ross, "SEEKING ADVICE IN A DYNAMIC AND COMPLEX BUSINESS ENVIRONMENT: IMPACT ON THE SUCCESS OF SMALL FIRMS," Journal of Developmental Entrepreneurship Vol. 13, No. 2 (2008) 133-149

from advertisers reflects this information. The advertisers who were confident and happy with their TV advertising were, in general, also happy with the communication and relationship they have with their account manager. They had a clear understanding of the TV creative and campaign building processes.

Of the occasional (group B) and regular (group C) advertisers, they said that they generally like their account managers. Six of the twenty in these groups stated that they were not overly impressed with their account managers, the reasons being that the meetings seem rushed, the account manager talks too much and information is not always communicated as effectively as desired. Half of the occasional advertisers currently purchase packages, promotions or special deals but would prefer having a predetermined annual TV advertising plan in place. All the groups were asked how the CKPG TV account managers could improve, it was suggested that the account managers spend more time with the customer, researching their needs and then present long term advertising campaigns. They also suggested making it easier for a client to purchase advertising by designing custom campaigns to meet their needs and goals not trying fit the customer into the TV stations “pre-packaged ad box”. This information reaffirms the previous statements regarding the importance of spending time building relationships, the challenges involved with building ad campaigns and communicating effectively.

8 External Analysis

All but one of the thirty interviewees said that they frequently enjoy watching TV, only one said that he watches TV shows online and one said that they only watch TV using their PVR²². Quality of the actual TV station was a concern for the advertisers and the account managers, the

²² PVR - Personal Video Recording Device

content, technical difficulties and signal. The types of programs aired and the overall image of CKPG TV brought out many suggestions. The overall theme of the feedback was that they want a fresh, community focused station that airs top quality family programs. Increasing the sports content was mentioned, however, without broadcasting in HD²³ the viewership would still be heavily fragmented. Having the station reflect the community in a positive way, showing beautiful areas, interesting architecture, healthy lifestyles and happy people will instil pride in the residents. Changing the station ids regularly, make the station more technologically relevant by broadcasting in HD and eliminating the technical errors that occur regularly were among the suggested improvements. (black screen, same id's running in same break, commercial cut offs)

Quality of the commercials being produced through JPBG was mentioned several times. According to the account managers, improving the creative quality of in house produced commercials is an ongoing concern for advertisers. It was noted by some of the advertisers that the quality of commercials running on CKPG TV has improved in the past couple of years but some are still "cheesy". Advertisers want originality in their commercials to increase effectiveness; however they visually struggle with the concept of a TV commercial and are risk adverse. They feel it is "safer" for their image to use print or radio and not put a significant amount of energy into creating a TV commercial that effectively represents their business. The account manager can address these issues and alleviate anxiety by showing examples or spec spots to the potential advertiser and encourage the potential to participate in a brainstorming/creative meeting with a writer/producer. This will continue to build a relationship with the client and incorporate another member of the JPBG family into the circle of influence.

²³ HD – High Definition

9 Recommendations for Increasing TV Sales

It is apparent by the feedback gathered that many avenues may be pursued to increase TV sales. My focused suggestions to increase TV sales are realistic, affordable and attainable. Appointing an employee to champion the implementation will be the responsibility of the General Manager.

The first step that the JPBG should pursue is researching and designing TV specific sales models that focus on relationship selling and customer relationship management. The models should be flexible, with adjustments to suite the trainees as well as seasoned veterans. According to the UK Training Journal, "Don't assume you know what is best for the sales team. Sales training needs to have a diagnostic- rather than prescriptive-focused approach, which has too often been the case in the past. Do your homework, find out who the target customers are, break down each sales person's role into specific skills areas, then ask how he and the team can perform more effectively and communicate more value."(Marshall 2010)²⁴ By designing a graduated sales training program, both new recruits and experienced account managers will benefit without experiencing information overload or boredom. Andrew S. Hubbard addresses this issue perfectly "...new salespeople should learn whatever sales processes you use one small, logical step at a time, they should practice, practice, practice in the safety of the classroom with instant professional feedback." the more seasoned account managers also require training, "if you want to build a culture with a firm sales orientation, it is critical that your salespeople sell consistently with the same techniques, the same processes and the same values. You can only

²⁴Frances Marshall, "Frances Marshall Recommends Going Experiential with Sales Training" UK Training Journal Pg 13: January 2010

achieve that through with serious commitment to training.`` (Hubbard 2009)²⁵ Ensuring that all participants clearly understand the value of their participation.

Once a new recruit training model is in place, look to hire another TV account manager. Take a significant amount of time, searching for talented individuals. In an article appearing in the GALLUP Management Journal it is suggested to create short list the potential candidates, and then utilize selection instruments to identify the strengths and talents of the candidates. Asking the questions, "Is the candidate I am thinking about hiring likely to be as good as my very best people? If I hire this person, how can I get the most out of his or her talents?" (Smith, Rutigliano)²⁶

By effectively increasing the TV Sales department, ad revenue should increase and the pressure on the current account managers should be reduced, giving them more time to spend with their clients, building and growing their customer relationships and in turn revenue.

This process should be exclusively designed and utilized by the TV sales department, to maintain the integrity and momentum of the cultural shift and avoid negative feedback. In order for this to be successful, total team buy in is required, encourage feedback when designing the training models and ask for recommendations for sales improvement. Implementing an effective and disciplined TV sales system will keep the sales force focused and their goals aligned with JPBG.

To address the issues of commercial production, continue to hire talented and forward thinking, technologically savvy writers, producers and editors. Offer them the tools that they

²⁵ Andrew S. Hubbard, ``A Blueprint for Sales Training`` Mortgage Banking Journal Pg 94: September 2009,

²⁶ Benson Smith and Tony Rutigliano "Hiring and Developing Talent: Key Differences, Selecting great salespeople, and developing them, require distinct tools." Gallup Management Journal: December 11, 2003.

require to build beautiful commercials and stretch their creativity for our clients, keeping communication open with all parties involved. Offer value added incentives and/or bonus's to the creative department.

The overall image of the station was mentioned as being stale, airing the same stations ids for too long a time frame. The easiest way to freshen CKPG TV is to change the station ids, program promos and reduce the number of PSA's²⁷ airing.

10 Conclusion

The initial purpose of this project was to identify why, specifically in North Central BC, less advertising dollars are spent on local TV. It also explored the reasons why local businesses choose the marketing methods that they do. Through this I researched I determined firms' opinions of TV and identify their openness to using TV advertising.

Local Television advertising has a strong future in Prince George. The reviewed literature proved that new media is constantly growing and evolving, however, the future of television is optimistic; as previously stated, industry experts are expecting television to remain and continue to be a viable and effective medium for advertising, despite the new media entrants diluting advertising revenue. People are not simply shutting off their TV's and watching their lap tops and mobile devices, they are increasing their exposure to media and information by incorporating new media into their lives in addition to traditional media.

In the Prince George EM, businesses, much like the people, are very community minded and relationship based. They are involved with all aspects of the small city and prefer to do

²⁷ PSA – Public Service Announcement

business with firms who have the same values. As account managers selling TV advertising, values and relationship are one of the keys to success. Advertisers need to build relationships with their business partners, they need to trust their account manager and know that their best interest is always the priority. TV advertising has room for error with the potential to embarrass a firm, this is why it is so important to take the time to know the needs of the client and communicate effectively. Some businesses choose not to advertise on TV because they are afraid of how their company will be presented in a TV commercial. Basically, the trusting relationship has not been built and the account manager has not yet earned the right to proceed.

It was clearly stated by many of the interviewed businesses who do not regularly advertise that they did not clearly understand how to use TV advertising to their advantage. On the positive, most of them were open to learning more about the medium and meeting with an account manager. The improved quality of commercial production and programs available has piqued the interest of these firms. The challenge now is to effectively manage the TV account manager's time and resources until further steps can be taken to grow the sales team.

A shortage of TV account managers and lack of TV sales training & management systems are the main reasons why more businesses in Prince George are not advertising on TV. A freshening of CKPG TV is suggested, however, CTV and Global are both popular networks. The ratings are strong, commercial production consistently improving, and costs directly comparable to other mediums in the region. By building an effective TV Sales training model, making the right choices in hiring new account managers and practicing a disciplined sales system, TV sales will increase in North Central BC.

The research paper is limited because the advertising revenue numbers reported by JPBG are averages, specific to the JPBG Prince George and do not include other broadcast media companies in the market. Also, this research is market specific, only businesses and account managers in Prince George were interviewed and surveyed.

Researching the ideal size of the sales force to maximize revenue without over saturating the market or cannibalizing the current, successful account managers would be valuable. Another area for further research would be to investigate and compare the actual advertising budgets of specific groups of local businesses, how the dollars are allocated and the perceived results. (auto dealerships, restaurants, home improvement, non-profit organizations, etc) Within a smaller market like Prince George, are firms' advertising decisions influenced by competitors, friends or business associates? Further valuable research would be to study the successful sales techniques used by current TV account managers, designing and implementing TV specific training and management systems and measuring the long term results. This project would require several years of work to complete.

Appendix A. National Market Share of CTV & Global, 11 week sample

On average, over the 11 week timeframe, the programs that aired on CTV and Global were the most popular nationwide, dominating the airwaves with a 71% market share.

2009	-2010					Total	Top
weeks		CTV	Global	CBC	Other	Programs	
Nov 23-29		13	8	4	5	30	
Nov 30-Dec 6		14	8	6	2	30	
Dec 7 - 13		13	7	7	3	30	
Dec 14-20		11	10	5	4	30	
Dec 21 -27		10	6	10	4	30	
Dec 28 - Jan 3		5	10	10	5	30	
Jan 4-10		16	7	4	3	30	
Jan 11-17		18	6	6	0	30	
Jan 18-24		18	5	6	1	30	
Jan 25-31		14	8	8	0	30	
Feb 1-7		21	6	3	0	30	
Totals		153	81	69	27	330	
Averages		<u>CTV + Global</u>		153+81	71%		
		Total Programs		330			

Source of Data : Bureau of Broadcast Measurement, "Top Programs Total Canada English"
Based on confirmed program schedules and preliminary audience data, Demographic: All
Persons 2+, Compilation of 11 reports total, Survey Dates: November 23, 2009 – February 7th,
2010

Appendix B Detailed Description of TV Sales Process

1. **Initial Contact** – account manager approaches a potential customer makes an appointment to speak with the advertising decision maker of a firm, either via telephone or cold call.
2. **Discovery** – account manager meets with the advertising decision maker of the firm and discusses their needs. Usually through an informal SWOT²⁸ analysis and asks specific questions to determine target demographics, budget, available co-op support, previous and current advertising usage and any additional relevant information.
3. **Research Solutions** – once the account manager has gathered the information from the client, he/she returns to the office and researches the best possible campaign to suit the client's needs and budget.
4. **Sales Presentation** – the account manager returns to the customer and makes a formal presentation, using statistics, testimonials and industry research. The presentation will include the campaign schedule, number of ads, dates, programs and times that ads will appear and on which stations. At this time, the transaction could either affirm or the account manager addresses objections. Once the sale affirms the creative process begins.
5. **Initial Creative** – account manager takes the time to clearly explain the commercial production process, research the client's taste in commercials, the offer or message wanted to be included in the commercial and timelines. This is basic, ground floor information that will be transferred to a writer/producer.
6. **Creative Meeting** – usually the account manager and a writer/producer meet with the new client at their location to further discuss the commercial content. This is where the brainstorming occurs, the writer/producer may have some ideas to present, the clients input is invaluable as this commercial is a direct reflection of their business. By the end of this meeting, we should have a good idea of how the commercial will look, sound and feel.
7. **Script Writing** – the writer/producer the builds a script based on the client meeting, the script includes the audio and video. Sometimes this is where the process begins to slow down, the script approval process can be time consuming, it is a back and forth, collaborative exercise between the writer/producer and client. Once the script is approved, a shoot date will be solidified.

²⁸ SWOT Analysis, Strengths, Weaknesses, Opportunities, Threats. Text "Corporate Strategy, A resource-based approach", Collins Montgomery Pgs 56,58

8. **Commercial Shoot**– this can vary depending on the nature of the commercial required. Sometimes a commercial can be shot in a day, others may take several days over a few weeks. The writer/producer, camera man and occasionally a grip or the account manager will gather all the digital footage required, based on the previously approved script. On occasion, a completely graphic or still photo commercial will be requested; in that case, no shooting will occur.
9. **Shot Listing** – the writer/producer watches all of the digital footage and “shot lists”. This is where they build the framework of commercial, selecting which footage they would like where in the commercial, transitions, keys, sound effects and audio (music). This information is then passed on to the commercial editor after the audio is produced.
10. **Audio Production** – the preapproved script is then sent to the audio production department where the chosen music, sound effects and voice over will be recorded. Sometimes the producer will give a few different versions for the writer/producer to choose from. The audio must be complete prior to video editing to ensure that the visual flow matches the music, sound effects and voice.
11. **Video Editing** – a commercial editor will then, using commercial production software, builds the commercial according to the framework put together by the writer/producer, bringing all the elements together. The commercial then gets digitally sent back to the writer/producer for internal approval.
12. **Audition** – once the commercial has been approved internally it is then sent to the client for review. The commercial will either be burned to a DVD and hand delivered to the client by the account manager or it will be sent via e-mail to the client and the account manager will telephone to discuss. Sometimes the commercials are approved right away; other times some minor changes need to be made, on the rare occurrence, a completely different commercial will need to be produced.
13. **Implementation** - account manager will then book the campaign in to the traffic management system and the commercials will begin running on the specified days agreed upon in the presentation.
14. **Review** – once the campaign has been running a while, how long depends on the nature of the campaign, the account manager again meets with the client to assess the results. Many times the client is so impressed with their results that they extend the campaign using the same commercial or books another campaign with new creative. The process then begins all over again with a needs assessment.

Appendix C: Qualitative Interview Questions for Business Owners and Managers.

Sample Size : 30 participants

1. Do you advertise using electronic media?
 - a) Which mediums and stations do you use regularly?
 - b) Why do you choose these stations/mediums?
2. What is the most effective ad campaign that you have ever run?
 - a) Where did you advertise?
 - b) What was the offer?
 - c) How do you measure results?
 - d) What was the budget for that campaign?
3. Do you have a set annual advertising budget?
 - a) How do you determine your budget? % sales, wing it?
 - b) What is the approximate allocation of this budget?
4. How do you personally feel about TV?
 - a) Do you watch TV?
 - b) How do you feel about local TV, CKPG TV, CTV, and Global BC?
5. What is the best TV campaign you have ever seen?
 - a) What made this campaign stick out in your memory?
6. Do you personally or professionally know anyone who advertises on TV?
 - a) What have they said about it?

Has anyone ever discussed TV advertising with you?

- a) Who, when?
- b) Did you receive the information you were looking for?
- c) What was your opinion of the meeting?
- d) What was the result of the meeting?

In your opinion, what do you think the TV division of Jim Pattison Broadcast Group can do better?

Appendix D: Quantitative Interview Questions for Business Owners and Managers.
Sample Size : 30 participants

On a scale of 1 to 5, 1 being not at all and 5 being very likely.

How satisfied are you with the quality of local TV programming?

1 2 3 4 5

How likely are you to consider or continue advertising your business on local TV?

1 2 3 4 5

If you do not currently use TV, how open are you to meeting with a TV advertising representative?

1 2 3 4 5

If you are a current user, how satisfied are you with the results of your campaign?

1 2 3 4 5

How satisfied are you with your TV representative?

1 2 3 4 5

Appendix E Account Manager Questionnaire

Sample Size 3 TV Account Managers

1. Since you began selling TV for Jim Pattison Broadcast group, how many different sales training courses have you participated in?
2. How many years have you been selling TV advertising in Prince George?
3. Do you follow a specific selling system with your clients? What is it?
4. What is your average closing rate? # closed out of 10 pitched?
5. What do you feel, is the largest misconception businesses in Prince George have about TV advertising?
6. If a sale does not affirm, do you find out why?
7. What has been the most often heard objection?
8. What is the second most heard objection?
9. Why do you think customers choose not to advertise on TV?
10. What about local TV advertising would you change if you could?
11. What would you change about the stations you represent?
12. What do feel the company could do to increase your closing rate?
13. What do you feel creative and programming could do to increase your closing rate?
14. What do you feel you could personally do to increase your rate of closing?
15. When a client cancels, do you document the reasons?
16. What is the reason most often given when a client cancels?
17. On an average week, how many clients do you see?
18. Do you enjoy selling TV advertising for JPBG?

Appendix F Customer Feedback Quantitative Data Results

Customer Feedback Survey, Scaled Portion

A Non user

B Occasional user >\$6000 yr

C Regular user <\$6000

How Likely 1 not at all - 5 very likely

Sub	Cat	Prg Sat	Con TV	Contn TV	Open	Rslt Satis	Rep Satis
1	A	3	1	0	1	0	0
2	A	3	1	0	2	0	0
3	A	3	2	0	2	0	0
4	A	3	2	0	3	0	0
5	A	3	2	0	4	0	0
6	A	3	2	0	4	0	0
7	A	4	2	0	5	0	0
8	A	4	2	0	5	0	0
9	A	5	3	0	5	0	0
10	A	5	3	0	5	0	0
11	B	2	0	2	0	3	2
12	B	2	0	2	0	3	2
13	B	2	0	3	0	3	3
14	B	3	0	4	0	4	5
15	B	3	0	4	0	4	5
16	B	3	0	4	0	4	5
17	B	3	0	5	0	4	5
18	B	3	0	5	0	4	5
19	B	0	0	5	0	5	5
20	B	0	0	5	0	5	5
21	C	3	0	5	0	4	5
22	C	3	0	5	0	4	5
23	C	4	0	5	0	4	5
24	C	4	0	5	0	4	5
25	C	4	0	5	0	4	5
26	C	4	0	5	0	4	5
27	C	4	0	5	0	4	5
28	C	4	0	4	0	5	5
29	C	4	0	4	0	5	3
30	C	4	0	3	0	3	3
		95	20	85	36	80	88
	Averages	3.0	2.0	4.0	3.0	4.0	4.0

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Glossary

Cold Call – the process of approaching prospective customers or clients, who were not expecting such an interaction. The word cold is used because the approach was not invited by the prospect.

Key – in television production, keys are the written words or numbers that appear on a commercials. I.e. Phone number, address, web site, etc.

HD – High Definition refers to video having resolution substantially higher than traditional television systems (standard-definition TV, or SDTV, or SD). HD has one or two million pixels per frame, roughly five times that of SD.

PSA – Public Service Announcement is an advertisement broadcast on radio or television, for the public interest. PSAs are intended to modify public attitudes by raising awareness about specific issues.

PVR - Personal Video Recording Device is a device that records video in a digital format to a disk drive, USB key drive, sd memory card or other memory medium within a device. The term includes stand-alone set-top boxes, portable media players (PMP) and software for personal computers which enables video capture and playback to and from disk.

SFX - Sound Effects – artificially created or enhanced sounds, or sound processes used to emphasize artistic or other content of films, television shows, commercials, live performance, animation, video games, music, or other media. In motion picture and television production, a sound effect is a sound recorded and presented to make specific storytelling or creative point without the use of dialogue or music.

SME - for small and medium-sized enterprise, used to refer to all businesses with fewer than 500 employees. Industry Canada

Traffic Management System – computer software system that manages the placement and scheduling of commercials to air on a station, either radio or TV. Also the system for billing, inventory management, sales tracking and budget management.

Transition - is a technique by which scenes or shots are juxtaposed. Most commonly this is through a normal cut to the next scene. Most films will also include selective use of other transitions, usually to convey a tone or mood, suggest the passage of time, or separate parts of the story.

