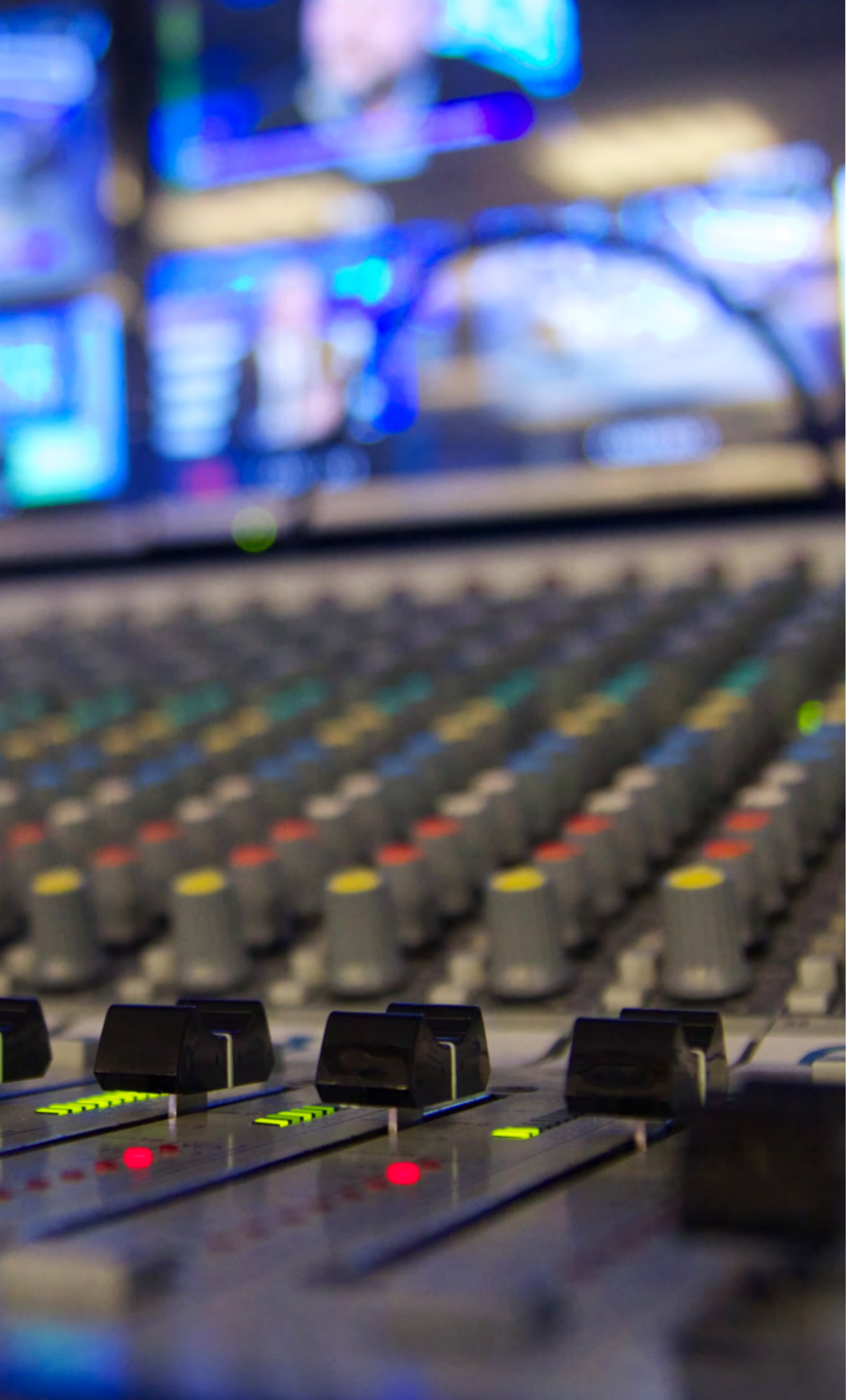
Sales Managers Get Their Valuable Time Back at Top Radio Broadcaster

revenue analytics

1.7%
Ad Revenue Uplift

>10x
ROI

100s
Hours Per Week Saved by Sales



Who Are They?

(This company's name has been redacted, at their request, to protect the market advantage they enjoy by using Revenue Analytics software).

This Revenue Analytics customer is a billion-dollar radio broadcaster.

They operate in every major U.S. market and manage hundreds of stations.

With live and on-demand content available on every device, this company's audio and entertainment assets reach an audience of nearly 200 million each month.

What Kept Them Awake at Night?

This top U.S. radio broadcaster was doing a lot of things right. Growing its on-air radio presence. Investing in a rapidly expanding digital platform.

And yet, the CEO knew it wasn't enough.

The company's competitors were innovating, too.
The battle for market share was intensifying.

For the company's combined over-the-air and digital strategy to succeed, the sales organization needed to shine. Sales simply had to maximize ad revenue from every single channel.

5 Key Challenges

Five key challenges stood in their way...

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#1

Sales management spent too much time pricing, leaving money on the table.

The centralized Revenue Management team focused on key markets and national deals, so the bulk of pricing responsibility fell on the shoulders of sales management.

And the work was painfully manual. Sales managers had to populate a pricing spreadsheet with current inventory and sellout levels for every station and daypart…for the coming 13 weeks…by hand…every week.

This frustrating busywork got in the way of selling and making budget, so sometimes they skipped the pricing work entirely and just made an educated guess on price. But the SWAG method left a lot of money on the table.

#2

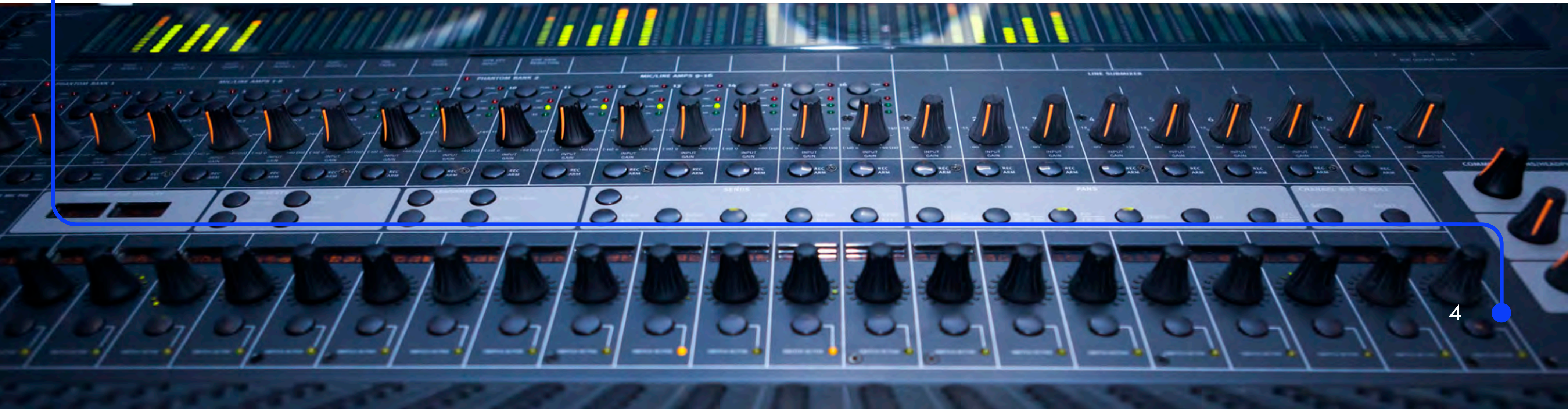
AEs often sold inventory at the wrong prices, since rates were out of date as soon as they were released.

When they did the pricing work, rates couldn't be updated quickly enough to factor in important late-breaking developments.

For example, rates didn't reflect new clients, cancellations, new deals won, or pipeline updates.

As a result, AEs often sold too low when demand had increased or too high when recent cancellations meant there was a need to move unsold spots. So AEs missed their shot at customers and revenue they should have brought in.

Learn more about RateOptics **Request a Demo**



#3

Sales managers waited too long to raise rates on high-demand inventory.

The company priced based on current sellout levels and recalculated rates only as orders came in and current sellout levels rose.

They didn't have a system for setting optimal prices early for inventory that would ultimately be in high demand.

For example, even though Mother's Day is always a big event, the company waited until the month before the holiday to raise rates, when 70% of the inventory was already sold.

By not raising rates earlier, they priced the first 70% too low and the final 30% too high.

#4

AEs often didn't follow rate guidance set by sales managers.

Sales leadership had no way of answering the key question, "How do I know if AEs are complying with recommended rates?"

In theory, managers could measure compliance by comparing previously issued rate cards to orders. In practice, however, it was impossible to do.

First, the manager had to select a specific order to compare against a rate card. Then, the manager had to locate the correct multi-page PDF rate card, find the applicable rate (among dozens or hundreds), and compare it to the order.

Without an effective compliance mechanism in place, AEs often failed to comply with rate guidance.

#5

Setting rates beyond 13 weeks was an intense manual process riddled with errors.

The company sold a lot of annual deals, but coming up with optimal, accurate 52-week pricing was a huge challenge.

To price deals longer than 13 weeks, managers had to combine four reports from the company's traffic system into a single Excel spreadsheet. It was an error-prone, complex operation that required multiple instances of copying and pasting, amendments, and updates to rates and calculations.

What's worse, managers didn't always trust the rates generated from this complex process, so they often overrode them, preferring to shoot from the hip instead

Selection & Implementation

The President of Ad Sales Operations, the VP of Revenue Management, and sales leadership were aligned in wanting to improve pricing processes, give the sales team more time to sell, and increase revenue.

The company issued an RFP for a new pricing solution and rigorously evaluated three finalists.

Why Revenue Analytics?

The company chose Revenue Analytics and its pricing solution for Media for 3 key reasons:

1. A proven record of helping media companies improve pricing.
2. A history of delivering impressive returns on investment to clients.
3. The ability to tailor the pricing software to the needs of each unique client.

Step 1: Consulting with sales leaders

To begin, Revenue Analytics consulted extensively with the company's sales leaders across markets.

Understanding current pricing processes and growth objectives gave Revenue Analytics the knowledge it needed to tailor its pricing software to fit the company like a glove.

Step 2: Data prep and model testing

After cleaning and normalizing the company's data, the Revenue Analytics team tested 1,500+ unique predictive models.

Step 3: Selecting predictive models

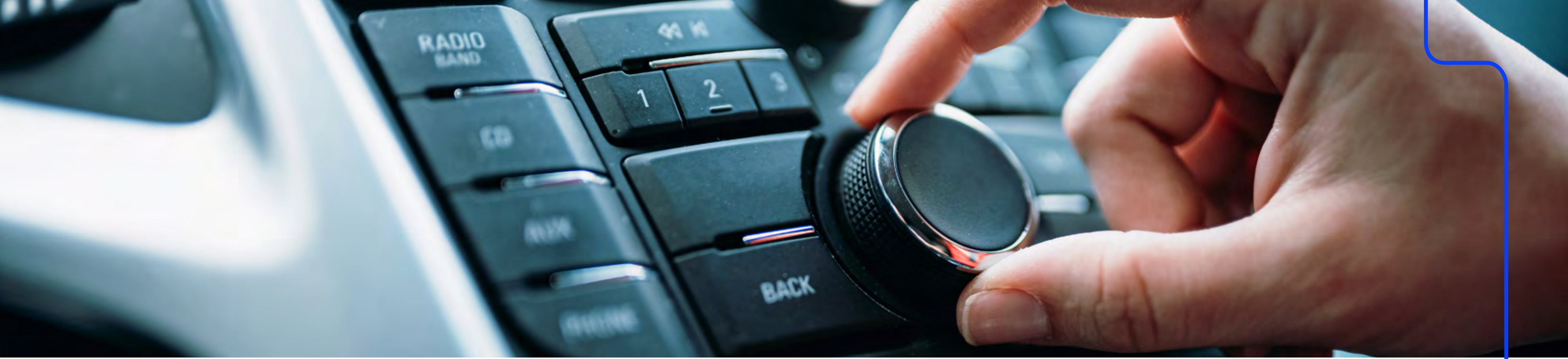
Based on the analysis, the software selected the best-fit model for each and every station and demand segment.

Step 4: Training for day-to-day use

Revenue Analytics coached the the company's staff on how to use the software in their day-to-day operations.

Step 5: Adoption and change management

Revenue Analytics also provided in-depth training to power users and gave change management guidance to leadership to help ensure a smooth transition and widespread adoption.



The Results

1) Sales managers drop laborious manual processes and reclaim their valuable time.

When the company rolled out the Revenue Analytics pricing software, sales managers no longer had to set prices manually.

Sales managers now have the time they need to lead their teams, build relationships with prospects and customers, and make sales.

In a fraction of the time it used to take, sales managers now give their AEs rate guidance that's updated daily for every market, segment, and spot type.

The benefits go beyond time-savings. The quality of the pricing recommendations has also greatly improved. AEs now access the smartest, most up-to-date rates based on continuously changing data, including price sensitivity and predicted sellout.

2) Up-to-the-minute rate recommendations mean AEs always have the right pricing guidance.

With the Revenue Analytics pricing software, the accuracy of rate recommendations has improved dramatically. Pricing now reflects fast-changing dynamics at the market level, including new clients, cancellations, new deals won, and pipeline.

For AEs, the ease of access to rates is a night-and-day improvement. In the previous process, AEs had to review long PDF price sheets and apply them to their deals. Now they use a rate generator to quickly and easily request rate guidance up to 15 months in advance.

AEs simply enter criteria such as market, station, date, and daypart. Rates are instantly returned and change dynamically if the AE modifies the criteria.

National AEs now enjoy enormous time savings by accessing approved rates for hundreds of stations instantaneously in one place, across all markets.

3) High-demand inventory is now priced to maximize revenue.

With the Revenue Analytics pricing software, prices are now based on predicted sellout and not current sellout levels.

Sales managers now have the pricing intelligence they need to set higher rates for high-demand inventory earlier in the ordering window.

As a result, the company is now pricing according to predicted demand, from 1% of sellout all the way to final sellout.

Rather than waiting until 60%, 70%, or 80% of inventory is sold before raising prices, the company is maximizing revenue on high-demand inventory.

4) Revenue surges with improved AE compliance with rate guidance.

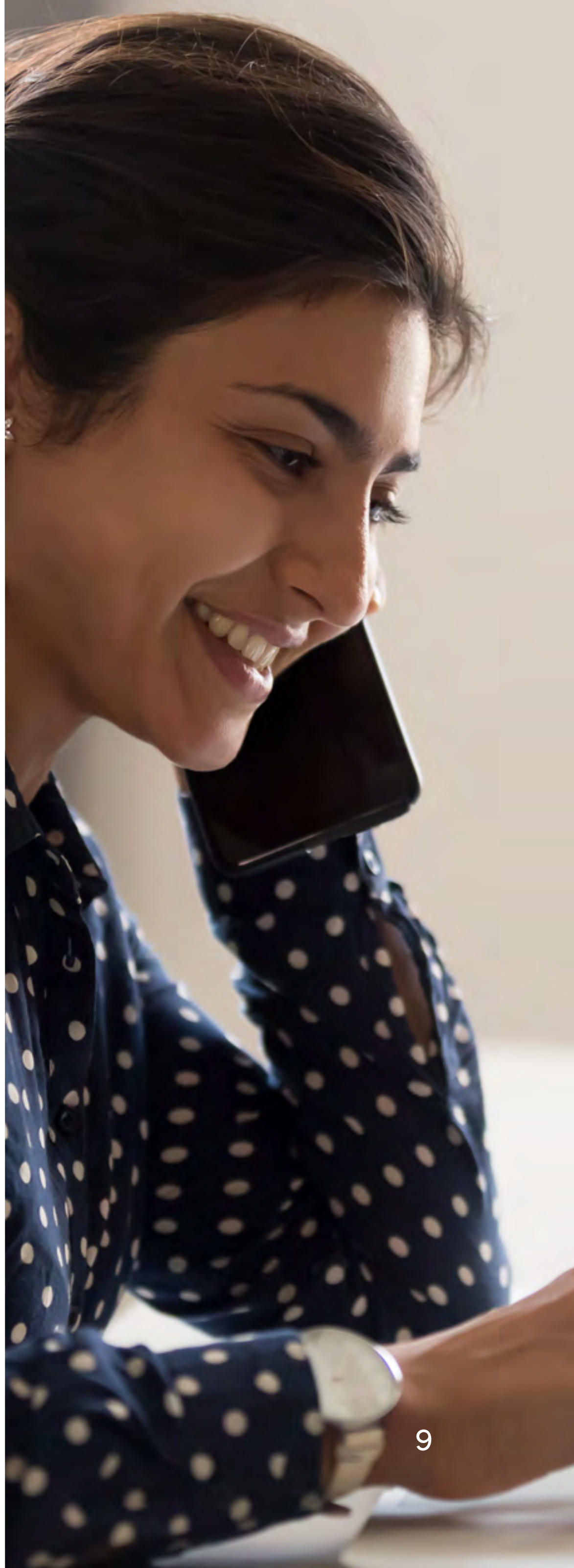
Sales managers and senior leadership now have complete, automated, at-a-touch visibility into whether AEs are selling below, at, or above the target rates they've been given.

Improved oversight tools have helped to produce notable gains in AE compliance with rate guidance, but sales leaders are quick to note that monitoring in and of itself can only go so far: because they have confidence in the automated, intelligent price guidance they receive, AEs need less coaxing to abide by rate recommendations.

Improved rate compliance also enables the company to better evaluate the effectiveness of strategic pricing decisions.

For example, the company decided to cut ad capacity for all its stations in a major market from 12 minutes an hour to 6 minutes an hour. The goal was to raise listenership and thus be positioned to raise rates.

With the Revenue Analytics solution, the company had the data it needed to decide how to roll out the strategy in additional markets.



5) With laborious manual processes eliminated, data-entry errors and overrides based on "gut" are now a thing of the past.

The Revenue Analytics pricing software provides rate guidance up to 15 months in advance, so sales managers no longer need to combine multiple 13-week reports into a single spreadsheet when they want to price extended deals.

With the previous process now obsolete and data-entry errors eliminated, accuracy of rate recommendations is no longer a concern when pricing extended deals.

More important from a revenue perspective, sales managers now no longer override extended-deal pricing based on lack of confidence in the accuracy of the recommendation.

Results, by the numbers:

- By automating what were once laborious manual processes and letting the software do the pricing, the sales organization realized **time savings each week measured in the hundreds of hours,** returning to AEs and sales managers the valuable time they needed to focus on building relationships and selling.
- With new efficiency and an automated, intelligent pricing strategy, this billion-dollar company measured a **1.7% revenue increase.**
- The company achieved revenue uplift very cost-effectively, registering **a return on investment of more than 10 times the cost of the solution.**

Getting Better Everyday

Today, the company receives ongoing support from Revenue Analytics through biweekly calls with a dedicated team of pricing experts the company knows and trusts.

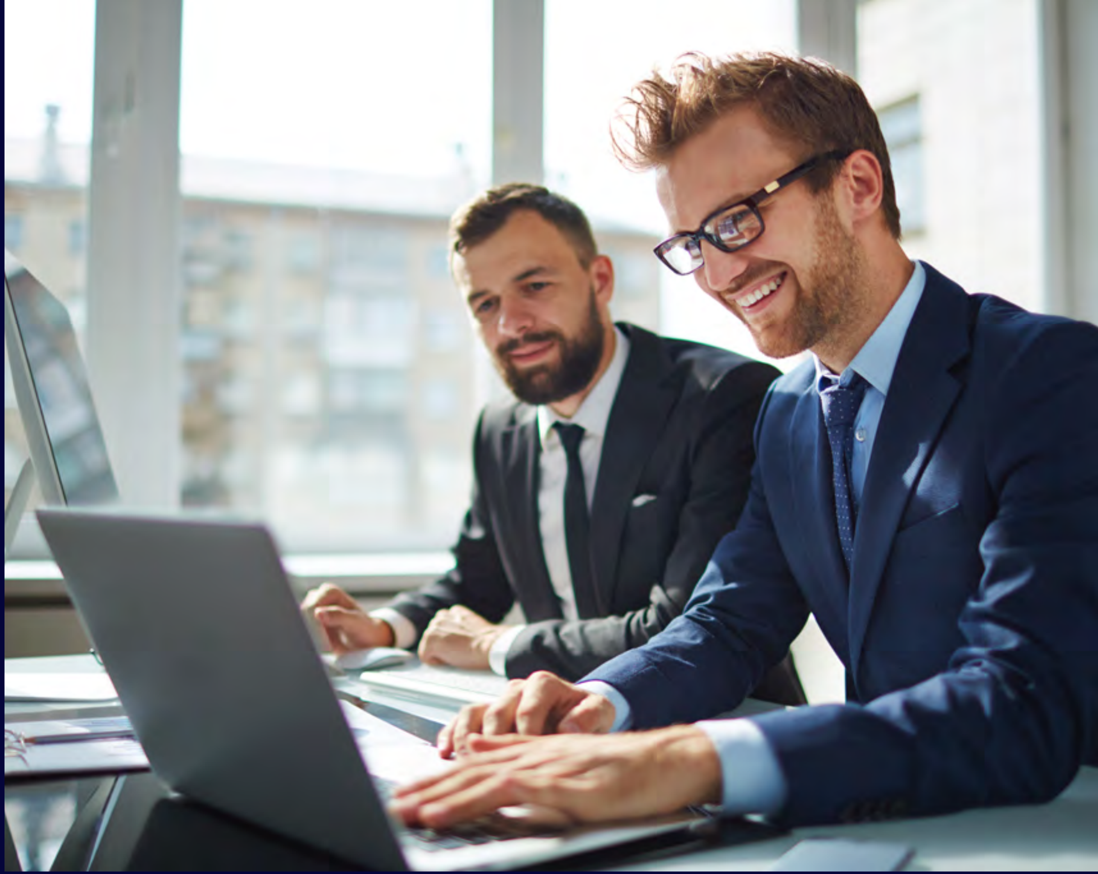
The company also uses the premium modules including Political LUR (Lowest Unit Rate) and the Rate Monitoring Dashboard, an advanced tool to monitor pricing compliance across teams and to identify where it needs to spend time reviewing pricing in specific markets or stations.

What's more, predictive models are re-evaluated alongside dozens of new models each quarter, ensuring the sales team's pricing guidance is always finely tuned and delivering peak performance.

Turn Screen Time into Sales Time.

It takes more than Excel and sales intuition to win deals and make budget in this digital age. Request a demo and learn how next-gen pricing software can help you eliminate wasted time and boost revenue.

Request a Demo



About Revenue Analytics

We know Revenue Management. In fact, we wrote the book on it in 1997. Today, we make software to solve your complex pricing challenges. Learn more at revenueanalytics.com.

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