

May 2007

## Discovering Hidden Assets in Media Properties

A newly acquired media property is more than just cash flow, ratings, price per pop, coverage maps, and technical equipment. In fact, as many buyers "look under the hood" they are sometimes surprised at what they find: some good, and some less so, but the real value of the asset – and the true upside of the investment – seems often to be well beyond the spreadsheet. More importantly, the answer is well within the buyer's reach – and yet, buyers sometimes overlook the easy to reach places discussed below.

Audience members hold ALL the keys to success and/or failure.

If you are a potential buyer, a key place to start is with the audience. Audience members hold ALL the keys to success and/or failure. These are the people your advertisers are trying to reach, who function as the media currency in terms of advertising rates as determined by ratings and circulation figures, and who have attitudes and perceptions about the product you offer, and the product that is offered by your competition. The audience is, ultimately, the basis on which the quality of your product is defined.

Regardless of product quality, the second place to look is within the advertiser community. This is where revenues are generated and any opportunities as well as potential pitfalls can be flagged most effectively by the people to whom you will try to sell. A quality product does not necessarily equate to revenues, and it is important to identify market realities as early as possible in the acquisition process.

### Listening to Your Audience

A simple audience survey can lead you to all kinds of riches. For example you may find you have dominant on-air personalities who already work for you. You may find other personalities who are working for the competition who need to be lured away. Or you may find that a serious on-air reconstruction is needed to achieve your goals. Why spend valuable marketing and programming money if you don't have the right players on your team? The audience you serve will provide the truth, the whole truth, and nothing but the truth.

The audience you serve will provide the truth, the whole truth, and nothing but the truth.

Take a look at your product while you are at it. What are the satisfaction levels among your target audience compared to the satisfaction levels with competitive products? Is there a "hole" in the market for new content that will address unmet audience needs? Are there certain audience groups who are being ignored? You may find a new product in your investigation of the market that comes directly from audience suggestions... and this may be the very roadmap for success.

### Listening to Your Advertisers



The people who control the advertising dollars are a critically important part of the media asset you just acquired. Their perceptions of your product and the sales people who represent your product are what matter most. Once again, media buyers and planners can be surveyed. Local and national accounts can be surveyed. Have them compare your product offering to the competition. Have them evaluate your sales team, and let them identify the best players in the market. You may find rewarding results, but you may also find there is an almost insurmountable problem ahead. It certainly is better to know now, then to find out you have a problem three years into the acquisition.

Another interesting approach is to ask the buying community what they think would be a supportable product in print, radio, or TV. Ask them to describe the unmet audience targets, and what might be suitable for the advertisers they represent. If there is a match between unmet audience needs from your audience survey, and the unmet needs that come from the advertiser survey, you have a homerun opportunity! And the rest is execution.

#### Look Before You Leap

A vast amount of money is being spent these days on media properties as well as the talent, products, salespeople, and brands that accompany such acquisitions. But unless the buyer looks “inside” to the core, which is to say, unless the buyer strives to uncover the property’s audience and advertiser dynamic, the true value opportunity may be overlooked. From an “outside” perspective, the buyer may well have secured a property with solid historical performance, but survey research will tell if history is indeed likely to continue, or if the buyer has invested in a house of cards. Extensive discussion with advertisers will tell if the revenue potential is being maximized, and how this can be accomplished.

As an investment, media acquisitions are sexy. But remember who pays the bills... the audience, and the media buyers. They hold all the cards. They dictate the future. The best news is they will show their hands if you just take the time and effort to ask them. There are no secrets out there. You just need to ask the questions.

... unless the buyer strives to uncover the property’s audience and advertiser dynamic, the true value opportunity may be overlooked...

By Ted Bolton, PhD  
Bolton Research Corporation

Ted Bolton, PhD, is president of Bolton Research Corporation. He has advised media outlets, owners and financial institutions for over 20 years. Dr. Bolton has also owned, operated and sold 30 media properties across the United States.

If you are interested in his marketing seminars on Ratings, Ownership and Audience Marketing Strategies, he can be reached at [brcted@aol.com](mailto:brcted@aol.com) or at 305-343-9999.