

WBEZ global

Chicago's Passport to the World

Business Strategy

Medill School of Journalism, Media,
Integrated Marketing Communications

Northwestern University
Innovation Project
Spring 2012

PART VI: BUSINESS STRATEGY

Executive Summary

Our product goals are to provide relevant, timely and informative content with The Breakdown, to give the WBEZ audience different media (online and in print) and devices (personal computer, tablet and smartphone) to learn about global issues, and to help WBEZ connect listeners and organizations at the Global Activism Expo through ExpoDigi.

To generate more revenue and increase membership, we are focusing our strategy in four areas:

- Magazine: WBEZ Global Spotlight
- Responsive design website: The Breakdown
- Digital experience: Global Activism Expo
- Membership benefits: Global Membership Package

Our Audience

We recognize the diversity of international listeners in Chicago. We want to:

- Provide relevant information about their cultures and issues important to them
- Relay information in a relatable way
- Provide the best content in a variety of media while still being a credible local source

Credibility is crucial to brand and business success. WBEZ is known, trusted, stable and credible, and we aim to strengthen it and capture additional revenue by furthering its connection to the people.

Expo Strategy

In the months leading up to the expo, we believe WBEZ should air Global Minute advertising spots during "Worldview." The Global Minute can be sponsored by a company — which gets a 13-second open and close — with a 34-second sound byte from an organization that will be attending the Expo and has been featured on the program. Here, we see multiple benefits: exposure for the organization, promotion for the expo event and recognition for the underwriter.

Expo Attendees

- Educated
- Engaged
- Curious
- Conscious of social issues

Global Activism Expo Sponsor Package

The sponsor package can provide exposure on air, on site at the event, online and in the magazine.

Total package cost: \$8,000

Estimated sponsors: 10
Expo revenue: \$80,000

On-air

"Global Minute," broadcast live on WBEZ 91.5 FM's "Worldview"; name of sponsor included on a minimum of five 30-second promos to run the week before the expo; Jerome McDonnell could lend his voice to these promos

On-site

10-foot by 4-foot table in "Global Agora" vendor space, first-come first-served on location; signs on both main and music stages; logo included on DVD welcome video and education slide rotation; playing on all venue monitors noon to 6 p.m.; material giveaway to attendees

Online

Logo with url link on events listing: wbez.org/expo; logo on ExpoDigi event site; ad spot on The Breakdown page, dailybreakdown.org, the week before event

Print

Logo on floor map (3,000 copies); logo on 2" by 3" postcard (minimum 1,000 copies); full-page color ad in expo magazine (6,000 copies)

WBEZ Global Spotlight Strategy

Spotlight is a service-oriented magazine with value to the sponsors and attendees.

When securing underwriters for Global Spotlight, WBEZ should cite these statistics to show the value of the magazine to potential underwriters:

- According to the 2011-12 Association of Magazine Media study, magazine advertisements are valuable. Forty-nine percent of readers older than 18 said that these advertisements provide useful information.
- Magazine advertising gets readers to act: In a Hearst by Russell Research survey published in 2010, 77 percent of respondents said they purchased a product after seeing or reading something in a magazine.
- Magazines rank No. 1 in driving purchase intent: Magazines increased purchase intent five times as much as television or the Internet when looking at how each medium alone affected purchase intent.
- Readers respond to magazine advertisements regardless of how they acquired the product: 52 percent of respondents who received a free magazine responded to an advertisement in ways such as visiting a website.
- Magazines drive consumer online: Forty-eight percent of magazine readers go online to find out more information about the advertising in a printed product.

Distribution

We recommend that WBEZ print 6,000 copies of Global Spotlight with expo attendees receiving the annual publication upon arriving. According to WBEZ's Breeze Richardson, more than 3,000 people attended the 2012 expo. If those numbers hold true for 2013, at least 3,000 people will leave with a copy of our magazine, with 3,000 copies left for WBEZ to distribute. We recommend dividing the remaining copies up between the organizations, sponsors and food vendors.

On average, public-place readership generates an average of 19 readers per copy, according to the Association of Magazine Media. The same study also found 80 percent of all adults have read magazines in a public place in the past month. We would rely on the organizations, sponsors and vendors to display the magazine in their places of business, increasing the reach of Global Spotlight beyond the expo.

Magazine Specs

- Print: 6,000 copies, 8.5" x 11"
- Total pages: 112
- Cover paper finish: matte
- Inside pages paper finish: matte

We anticipate reaching 21,000 people, with three viewing each printed copy of Spotlight. The conservative estimate demonstrates that it doesn't take much to reach a great deal of people and proves the magazine's value.

WBEZ Global Spotlight Revenue

	RATE	NUMBER OF ADS	REVENUE FROM ADS
Back Cover/Color	\$5,000	1	\$5,000
Inside Front Cover/Color	\$4,000	1	\$4,000
Inside Back Cover/Color	\$4,000	1	\$4,000
Full Page/Color	\$3,000	18	\$54,000
1/2 Page/Color	\$2,250	20	\$45,000
1/3 Page/Color	\$1,750	18	\$31,500
1/3 Spread/Color - Expo Map	\$4,000	1	\$4,000
		Total Ad Revenue	\$147,500

After viewing the rates of other magazines with similar topics and similar scope, such as Permaculture Activist, E-The Environmental Magazine, Newsweek, The Economist, Aspen Magazine and American Forest, we present these suggested rates. We also consulted with Medill professor and business strategist Owen Youngman.

Responsive Design Website: The Breakdown

With exposure through Worldview, WBEZ.org and social media, we are projecting 5,000 regular visitors to the site, at least two times per week within the first six months. This would account for at least 40,000 new page views per month. Beyond regular visitors, we expect to attract 30,000 unique visits from social media referrals. This would mean an increase of 35,000 unique visits per month and a minimum of 70,000 page views.

Based on recent WBEZ metrics, streaming requests are around 25 percent, 500,000 unique visits a month, or 125,000 listens per month. The Breakdown should generate streaming audio requests at roughly the same ratio. This would result in around 17,500 additional streaming requests at an increase of 14 percent per month.

The Breakdown Revenue

After viewing the current advertising rates for WBEZ.org, we recommend a new strategy below, which is substantially less expensive than WBEZ's present model. We also consulted with Medill professor and business strategist Owen Youngman.

	RATE	TOTAL WEEKS TO SELL	REVENUE FROM ADS
Exclusive The Breakdown Weekly Static Image	\$1,200	52	\$62,400
Exclusive The Breakdown Weekly 13-second Online Radio Message	\$1,000	52	\$52,000
		Total Ad Revenue	\$114,400

Membership Initiatives: Exclusive Global Membership Package

About 42 percent of WBEZ's \$20,000,000-plus revenue comes from its 60,000 members. 650,000 listen to WBEZ each week, and one-third of these give more than \$300 per year.

Based on our research, it's clear that younger Chicago residents are looking for community involvement opportunities, especially at the expo. With membership options that fit their needs, they could active members.

Various packages are outlined below, ranging from a \$75 yearly bundle to small increases for existing \$10-per-month members. In addition to email updates and WBEZ member cards, global class members can be invited to lunch with Jerome McDonnell, get an exclusive VIP pass for reserved seating at the expo's speaking forums, a global expo T-shirt and a \$10 food voucher the day of the event.

Global class members can also receive a reduced-rate one-year subscription to a globally focused publication such as Time Out Chicago, an expo sponsor that we want to reward. Another possible partnership is with The Economist, which may suit WBEZ's audience better than Time Out Chicago.

Global Membership Plan

- Exclusive Global Class Member
- Member update
- WBEZ member card
- VIP global expo pass - Free T-shirt, front row VIP seating for speakers
- Lunch with Jerome McDonnell, host of WBEZ's "Worldview"
- PDF Version of Spotlight Magazine
- One-year subscription to Time Out Chicago Magazine for \$9.95 - 44 issues + iPad version; 22 cents per issue
- Global events update
- \$10 food voucher at expo

Below is estimated revenue for this new membership plan. More than 10 percent of WBEZ listeners are members. If 4,000 people attend the 2013 expo, and we reach 10 percent of those attendees with this plan, then we would bring in 400 new members for WBEZ. The potential donations of those members are reflected below as well as an estimation of the upgrading members. Medill professor and business strategist Owen Youngman vetted all projections:

SIGN UP — TIERS	New Members/ Upgraders	Donation Revenue
One-time \$75 payment for the year w/rollover	400	\$30,000
Monthly plan - \$9 per month (\$108 for year)	400	\$43,200
GLOBAL + Member (for existing \$10 per month members) \$2 per month	1800	\$43,200
	EST. DONATION REVENUE	\$79,800

Note: Donations on the day of the expo are to be expected, but are not factored into P&L. We are estimating \$1,000 to \$1,350 on the day of the event.
Formula for Est. Donations: $(\$30,000 + \$43,200)/2 + \$43,200$

Expo Magazine Expenses

We consulted with Medill adjunct professor and editor of Chicago Home + Garden, Jan Parr, to determine the staffing and cost requirements of Global Spotlight.

POSITION	COST	
Editor (3 months)	\$20,000	
Art Director (2 months)	\$20,000	
Copy Editor/Proofreader (3 months)	\$0	(Intern - College Credit)
Editorial Intern	\$0	(Intern - College Credit)
Design Intern	\$0	(Intern - College Credit)
Freelance Photographer (2 months)	\$10,000	
Freelance Writers	\$20,000	
Cost of Printing Magazine	\$11,300	

Note: Estimated magazine production quote is from InnerWorkings, a global print management company in Chicago.

The Breakdown Expenses

POSITION		
Technical Site Maintenance Assistant	\$6,000	
Online Specialist (40 hours per week)	\$35,000	
Online Producer (5 hours per week)	\$0	(Already on staff)

ExpoDigi Expenses

SERVICES		
Web Developer (2 weeks)	\$3,000	
Social Media Manager Events Intern	\$0	(Intern - College Credit)
Text to Donate Service (mgive.com) Year Round Service	\$4,700	
	Total Expenses (Expo and Digital Products)	\$130,000

P&L

Revenue

Underwriting

WBEZ Global Spotlight Magazine	\$147,500
The Breakdown	\$114,400
Expo Global Sponsor Package	\$80,000
Advertising Commission	-\$68,380
Net Revenue	\$273,520

Membership

Global Membership Plan	\$79,800
Total Revenue	\$353,320

Expenses

WBEZ Global Spotlight magazine	\$81,300
The Breakdown	\$41,000
ExpoDigi	\$7,700
Total Expenses	\$130,000
Cashflow to WBEZ	\$223,320

Based on our projections, our products (WBEZ Global Spotlight magazine, The Breakdown, ExpoDigi and the Global Membership Package) can be expected to generate total revenue of \$353,320. With expenses of \$130,000, and cashflow to WBEZ would be \$223,320. Even if our revenue projections end up being off by one-third, WBEZ would still see a positive cash flow of \$105,546.67.

Potential Advertisers, Sponsors, Underwriters and Foundations

- Block Museum of Art
- Brinson Foundation
- The Chicago Council on Global Affairs
- Chicago Fair Trade
- Chicago History Museum
- Chicago Public Library
- Chicago Symphony Orchestra
- City Club of Chicago

Discover Card
Endless Acts
Illinois Arts Council
Intelligentsia Coffee
Julius N. Frankel Foundation
Terra Foundation for American Art
UIC Social Justice Initiative
United Airlines
United Mileage Plus Visa
World Chicago

Intern Base

American Academy of Art
College of Arts and Sciences, National-Louis University
College of Arts and Sciences (computer science), Northeastern Illinois University
College of Arts and Sciences (computer science), Saint Xavier University
College of Computing and Digital Media, DePaul University
College of Liberal Arts and Sciences, University of Illinois at Chicago
Computer and Information Science department, East-West University
Computer Science department, Lake Forest College
Evelyn T. Stone College of Professional Studies, Roosevelt University
Humanities division, University of Chicago
Institute of Design, Illinois Institute of Technology
Medill School of Journalism, Northwestern University
The School of the Art Institute of Chicago
School of Business and Nonprofit Management, North Park University
School of Communication, Loyola University Chicago
School of Media Arts, Columbia College Chicago

Job Descriptions

Editor (3 months)

- Manages staff
- Leads all editorial meetings
- Manages magazine vision, tone and feel
- Manages editorial schedule and content
- Works with art director to create magazine's vision
- Involved in layout & design process
- Works with writers to develop stories and art packages

Art director (2 months)

- Leads design staff
- Manages photos, spreads, features
- Creates concepts for pages
- Handles placement of advertising
- Works closely with editor
- Delegates task to interns

Copy editor (3 months)

- Edits all copy
- Fact checks
- Researches

Editorial intern (3 months)

- Assists copy editor and editor with all editorial tasks
- Edits stories
- Proofreads
- Fact checks
- Creates content

Design intern (2 months)

- Assists art director with design, page layout
- Uses Adobe InDesign, Photoshop
- Photographs, assist with developing art for stories

Freelance writer (2-3 months)

- Writes content

Freelance photographer (2 months)

- Shoots art for magazine
- Works 20 hours per week for two months
- Works with design team

Online specialist (40 hours per week/full time)

- Produces audio clips, news stories, integrate for radio
- Curates content
- Selects daily story
- Posts content

Online producer (5 hours per week/integrated)

- Works with aggregation
- Creates ideas

Technical site maintenance assistant

- Updates website
- Troubleshoots
- Manages bandwidth

Social media manager event intern (3 months/20 hours per week)

- Manages ExpoDigi website
- Aggregates content
- Manages social media
- Day of expo social media manager

Underwriter sales assistant (Full time)

- Sells ads for magazine, website and on-air spots
- Salary is fully contingent on commission (would make 20 percent on all underwriting and sponsorship sales)

P & L

EXPO MAGAZINE - REVENUE

	ADVERTISING	RATES	NUMBER OF ADS	REVENUE FROM ADS
Back Cover/Color		\$5000	1	\$5000
Inside Front Cover/Color		\$4000	1	\$4000
Inside Back Cover/Color		\$4000	1	\$4000
Full Page/Color		\$3000	18	\$54000
1/2 Page/Color		\$2250	20	\$45000
1/3 Page/Color		\$1750	18	\$31500
1/3 Spread/Color - EXPO MAP		\$4000	1	\$4000
				<u>TOTAL AD REVENUE</u>
				\$147500

BREAKDOWN - REVENUE

	ADVERTISING	RATES	TOTAL WEEKS TO SELL	REVENUE FROM ADS
Exclusive Breakdown Weekly Ad - Static Image		\$1200	52	\$62400
Exclusive 13 second Online Radio Breakdown Ad		\$1000	52	\$52000
				<u>TOTAL AD REVENUE</u>
				\$114400

NEW - GLOBAL EXPO SPONSOR PACKAGE

ONAIR

3x (one) named mention of sponsorship - Global Minute; Broadcast live on WBEZ 91.5FM and Vocolo

Name inclusion on a minimum of 5 promos to run the week prior to the yearly Expo

ONSITE

10ft x 4ft tabling area in "Global Agora" vendor space, first come first serve" on location

Signage on both Main and Music Stages

Logo included on DVD "welcome video" and educational slide rotation, playing on all venue monitors 12pm-6pm

Material giveaway to attendees

ONLINE

Logo with URL link on Events listing: wbez.org/expo

Logo on Expo Digi Event Site

Ad spot on Global Breakdown page; dailybreakdown.org/week leading to the event

PRINT

Logo on floor map - 3,000 copies

Logo on 2x3 postcard - min. 1,000 copies

Full-page color ad in Expo Magazine - 6,000 copies

TOTAL PACKAGE COST	ESTIMATED SPONSORS	EXPO REVENUE
\$8000	10	\$80000

NEW - GLOBAL MEMBERSHIP PLAN - REVENUE

PLAN

Exclusive GLOBAL CLASS Member

E-Update

Member Update

WBEZ Member Card

**VIP Global Expo Pass - Free Global Expo T-shirt, front row
VIP seating for speakers**

**Invited to lunch with Jerome McDonnell, host of WBEZ's
Worldview**

PDF Version of Spotlight Magazine

**1 -Yr subscription to Time Out Chicago Magazine for \$9.95 -
44 issues + iPad version; 22 cents per issue (Example)**

Global Events Update

\$10 Food Voucher at Expo

	SIGN UP - TIERS	New Members/Upgraders	Donation Revenue	
One-time \$75 payment for the year w/rollover		400	\$30000.00	
Monthly plan - \$9 per month (\$108 for year)		400	\$43200.00	
GLOBAL + Member (for existing \$10 per month members) \$2 per month		1800	\$43200.00	
				Est. Donation Revenue
			(30,000+43,200)/2+43,200	\$79800.00

EXPO MAGAZINE - EXPENSES

	POSITION	COST
Editor (3 months)		\$20000
Art Director (2 months)		\$20000
Copy Editor/Proofreader (3 months)		\$0.00 (Intern - College Credit)*
Editorial Intern		\$0.00 (Intern - College Credit)*
Design Intern		\$0.00 (Intern - College Credit)*
Freelance Photographer (2 months)		\$10000.00
Freelance Writers		\$20000
Cost of Printing Magazine		\$11300.00

BREAKDOWN - EXPENSES

	POSITION	COST
Technical Site Maintenance Assistant		\$6000
Online Specialist (40 hours per week)		\$35000
Online Producer (5 hours per week)		\$0.00 (Already on staff)

EXPO DIGI - EXPENSES

SERVICES

Web Developer (2 weeks)	\$3000
Social Media Manager Events Intern	\$0.00 (Intern - College Credit)*
Text to Donate Service (mgive.com) Year Round Service	\$4700.00

TOTAL EXPENSES

\$130000.00

	<u>Total Ad Revenue</u>	<u>Total Expenses</u>	<u>Profit</u>
	\$341900	\$130000.00	\$223320.00
Commission Based Advertising Salesperson (20%)	0.2		
	\$68380		
	\$273520		

Total Est. Membership

Revenue

\$79800.00

Total Revenue

\$353320.00

Day of Expo Donations - Estimate	Attendees	Est. Donors	Est. Donation Rev
	3000+	270	\$1350.00
		\$5 per donation average	

Revenue

Underwriters

Expo Magazine	\$147500.00
Breakdown	\$114400.00
Expo Global Sponsor Package	\$80000.00
Commission	-\$68380.00
Net ad revenue	\$273520

Membership

Global Membership Plan	\$79800.00
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Total Revenue

\$353320.00

Expenses

Magazine	\$81300.00
Breakdown	\$41000.00
Expo Digi	\$7700.00

Total Expenses

\$130000.00

Profit

\$223320.00