



CASE STUDY: ABU DHABI MEDIA: ADPOINT DATA ANALYSIS

“ADM WAS INTERESTED IN MAKING IMPROVED BUSINESS DECISIONS ON HOW TO GROW SALES, TARGET NEW AND EXISTING CUSTOMERS, IMPROVE AGENCY MANAGEMENT, AND REDUCE COST.”

Abu Dhabi Media is one of the fastest growing, multi-platform media and entertainment organizations in the Middle East, operating across the broadcast, publishing, and digital media sectors.

The company manages 22 market-leading brands in two categories: brands that serve the UAE through a defined public service role; and brands that target the wider Arab world with clear commercial objectives.

As the only media company in the UAE with brands across the entire spectrum of the industry, Abu Dhabi Media performs an important public service by providing media that entertains, informs and educates their local community.

ANALYSIS OF ADPOINT IN OPERATION AT ADM

One of the fundamental benefits AdPoint provides to Abu Dhabi Media is visibility into the commercial side of their business. Using the AdPoint data-analysis tools makes it easier to drive management decision making because the decision choices are made clear.

PHASE I – ADPOINT PROVIDES TRANSPARENCY

The aim of Phase I was to improve visibility, increase booking accuracy, and provide overall system stability. The AdPoint system was installed and the historical data was cleaned up to allow for streamlined booking, customer tracking, reporting, and basic finance integration (cash management, collections, etc.) ADM required visibility into and across their entire publishing operation. Using this improved visibility, ADM was interested in making improved business decisions on how to grow sales, target new and existing customers, improve agency management, and reduce cost.

PHASE II – IMPROVED FINANCIAL RESULTS

Phase II built upon the infrastructure laid down in Phase I. The major focus of Phase II was improved business processes and improved information management coupled with the ability to leverage that information to permit better strategic decisions, which would yield improved financial results. Prior to AdPoint, ADM had limited visibility into the sales division of the publishing business. The prior system did not provide timely or accurate data to management and therefore management had difficulty making proactive business decisions. AdPoint is now providing ADM's management team with relevant and timely information in a clear, consistent format.

The following examples highlight the difference between the previous system and the AdPoint system for sales performance, data collection, accuracy, and analysis. Both data sets were shown using the tools provided in AdPoint, but to be fair; the prior system could not collect or display data in this same way. AdPoint provides this historical window for analyzing the data. It is important to note that both Phase I and Phase II of this AdPoint deployment were accomplished in less than 3 months and AdPoint was placed in full service in January 2010.

DATA ANALYSIS

Key financial aspects of the ADM operation are briefly highlighted by using the native reports available in AdPoint. This report and analysis required 8 hours to compose using ADM's existing AdPoint tools.

15% DECREASE IN DISCOUNTS

The total discounts granted by ADM for the 6-month period of January 2010 – June 2010 are a 15% reduction over the same period in 2009. ADM management took advantage of AdPoint features to gain visibility from the booking/discount information and then used that visibility to achieve the following:

Applying the discount percentage offered in the prior year to the current year gross sales amount, results in a significant decrease in the current year's gross sales through H1 2010.

This comparison provides an obvious view of the negative consequences had ADM Management chosen not to deploy AdPoint. AdPoint was vital for ADM management to be able to drive updated policies and procedures to monitor, track, and adjust the discounts granted and to objectively measure the financial result.

INCREASE IN NET SALES

Net sales also increased year-on-year in the first six months while gross sales decreased. Discount control was the major contributing factor for the increase in net sales.

ADM had a decrease in gross sales while increasing net sales. The discounts were reduced an average of 15% for this period. Discount control is a fundamental feature in AdPoint; the Traffic Manager is presented with the exact discount at the time of booking. These features helped ADM management to place tight controls on discounts during the booking process. These process changes, confirmed by this automatically generated report from AdPoint, had driven this impressive improvement.

15 MARKET SEGMENTS GENERATE 90% OF NET SALES

AdPoint delivers information that drives business decisions. The top 15 Market Segments provided ADM with 90% of net sales. The costs associated with marketing to these top 15 segments and the costs associated with marketing to the bottom 87 segments will provide insights as to marketing and contact management efficiencies.

Now that ADM has the market segment sales data from AdPoint, it may compare this with the industry analysis reports to look for opportunities to improve any weaker performing segment. For example, if Telecommunications net sales contribution is lower than the market average for Telecommunications, then ADM should focus on Telecommunications as a sales target.

SECTION ANALYSIS

80% of net sales for The National are related to one section. 4 of the top 5 sections are premium placements in that section. This one section continues to be a core revenue generator for The National. This information is vital to determine how to best market the newspaper's sections to further increase volume while limiting discounts on these premium placements / sections. ADM has now started to use the tools in AdPoint to tighten discounts in specified sections to ensure ADM receives the most value from these assets.

Correspondingly, the bottom 5 sections deserve a review of their associated costs as a percentage of net sales. The Management team could utilize this information to modify the sales team commission and/or provide targeted incentives to sell more advertising in the sections that are historically underperforming.

From a cost perspective, experienced Editorial and Production staff from the bottom five sections might be shifted to higher revenue generating sections. Perhaps other costs such as freelance editorial used in these lower generating sections might be reduced or eliminated.

Alternatively, ADM may see an opportunity to market more aggressively to the relevant customers that would target these sections to increase revenue without cannibalizing the advertising revenue of stronger sections.

The same simple ranking of the net sales generated by section for the each publication reveals the same type of insights. Net sales data coupled with Ad Counts and Ad Pages provides further insight into the value of the advertising by section. Decisions can be based on YoY and/or MoM reporting. Incentive programs can be implemented with a simple (one-click) way to track results.

Regardless of the way ADM chooses to use this new information, the fact remains that AdPoint now provides ADM with simple-to-use tools to consistently collect objective and accurate data and analyze that data to make modifications to improve financial performance.

ADPOINT REPORTS

The above data analysis is a brief example of AdPoint's powerful direct benefits when utilized by the management team to drive positive financial results in a media company. While the initial aim of this AdPoint deployment was operations focused (improved visibility, increase booking accuracy, improved process/controls, and system stability), historical data captured by AdPoint was exploited and converted into powerful business intelligence to guide strategic management decisions. This information is now available to continue to deliver increasing value to this business. Please see the purple 'Reports' tab of your AdPoint system to build additional ROI analysis documents.

CONCLUSION

Lineup was pleased to present this report to ADM management. Lineup is available to coach any existing and potential customers in how to capture the type of data desired and to convert that data into financially beneficial business intelligence tools.