



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8k

ACTION ITEM

Date of Meeting February 8, 2022

DATE : January 20, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Kathy Roeder, Director, External Relations Communications and Marketing

SUBJECT: **Contract for Media Buying Services**

Amount of this request: \$750,000

Total estimated project cost: \$750,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute an indefinite delivery, indefinite quantity (IDIQ) media buying services contract for a maximum value of \$750,000, with a contract duration of three years. No funding is associated with this authorization.

EXECUTIVE SUMMARY

Contracting with a professional media buyer will improve the value of our purchased advertising. Professional media buyers negotiate better rates than the Port and make more specialized, up to the minute recommendations about the most effective way to reach audiences in a fast changing media environment. Working through a buyer improves our efficiency as well.

JUSTIFICATION

Advertising plays a critical role in helping the public understand opportunities and services at the Port. Increasing public engagement and awareness significantly contributes to multiple Century Objectives, including to support the customer experience at SEA Airport, to foster an environment of transparency, accountability, leadership, and respect, and to ensure that all programs, structures, and practices provide equitable opportunities to all.

The Port currently buys its own advertisements directly from the media outlet, which requires individual agreements with each media outlet that we hope to use. This is a laborious administrative workflow, but is at least doable for buying ads on fewer than 10 broadcast television, print, and a handful of radio stations.

This process becomes impossible if you want to reach audiences getting their news or entertainment from smaller or more targeted outlets. Expanding purchases on digital media,

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cable, non-English TV and radio, and streaming services allows us to reach more audiences and to better target by interest in Port services.

Not only is the current buying process an administrative burden that cannot reach the full extent of our audience, the one-off nature of our purchases weakens the Port's negotiating position to improve the value of our buy. Media buyers specialize in negotiating deals with media outlets. They are more familiar with the value media outlets are willing to offer advertisers and ultimately deliver a better return customer to the media outlets.

Many media buyers work in small shops or as independent consultants. There is a good likelihood that we would have many available opportunities to contract with a women- and minority-owned business enterprise.

Diversity in Contracting

There is strong market participation by WMBE firms in media buying. We set a WMBE aspirational goal for 25 percent when we consider only the fee paid to the consultant. Additionally, one of our criteria for procurement will be that the firm demonstrate expertise in reaching non-English speaking households or bid with a subcontractor who can accomplish that objective.

There is a second consideration about how much of the overall payment to media firms addresses the Port's WMBE goals. Our objective is to spend 10 percent of our media buying with WMBE owned media outlets.

DETAILS

Scope of Work

Provide full media buying services for the Port. Services include a proposal on which types of assets to purchase, the duration of the purchase, and the format of the advertisements. Services will include negotiating rates with the media outlets, providing the Port with a timeline to submit creative, and stay coordinated on media transfer. Following the campaign, the media buyer will provide a detailed report on the success of the campaign, indicating not only the number of impressions viewed but also demographic data available about viewers or those who engaged with paid media.

The media buyer will meet with Port marketing leaders to hear a creative brief on an upcoming marketing need. The media buyer will respond with a media purchase plan based on the Port's available budget and desired audience and strategic outcomes. The media buyer will negotiate rates to ensure a high value for the Port, assist with all aspects of inserting the ad to media space, and provide the Port with a post-campaign analytical report.

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1. Recommend media plan

1. Analyze Port business objective and respond with media placement recommendations that consider media climate, availability of digital platforms, social media trends, and modern marketing strategies as well as Port budget and objective.

Deliverables

- A. A plan outlining how long ads should run and when Due: Within two weeks after creative brief.
- B. A plan outlining how we will measure success Due: With the aforementioned media plan.
- C. Example: Weekly meeting updates on project progress. Due: Date/Frequency

2. Negotiate Rates and Detail Costs to Port

- 2.1. Work with media outlets and digital platforms to negotiate high value purchase price.
- 2.2. Transparently indicate to the Port how much of the cost goes to procuring media versus how much of the cost goes to consultant fee.

Deliverables

- A. Final budget, broken down by media cost by type and consultant cost Due: New budget for every project, due within two weeks after creative brief.

3. Measurement and Final Report

- 3.1. Following the campaign provide metrics demonstrating how we met or did not meet our objective. The measurement report should identify not just the number of impressions served, but also the demographics of audiences reached and actions that audiences took (clicked, signed up, watched until the end, etc.).
- 3.2. The final report will also document how the budget was spent. How many dollars went to each kind of an advertising platform (Television, cable, Video on Demand, Apps, social, radio, etc.).

Deliverables

- A. Measurement Report due after each campaign due two weeks after the final ad.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

This request does not come with additional funding. The media buyer is paid out of the Port’s planned advertising budget. All media buys will be funded by the annual planned budgets for the Port.

Alternative 1 – No action. Continue to purchase advertisements individually through the Port’s External Relations team.

Cost Implications: \$750,000

Pros:

- (1) Reduces the amount of fees paid to a media buyer.

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- (2) Increases the direct payment to local media outlets.

Cons:

- (1) Limits the reach of our advertising.
- (2) Limits the sophistication of our negotiating tactics.
- (3) Maintains a high burden of administrative activity (multiple payments and agreements versus one payment to a consultant).

This is not the recommended alternative.

Alternative 2 – Hybrid model

Cost Implications: \$750,000, divided evenly between media bought by the Port and media bought by a consultant buyer.

Pros:

- (1) Reduces fees paid to a consultant.
- (2) More payments direct to media outlet.

Cons:

- (1) Increases administrative burden.
- (2) Reduces the reach of our advertising.

This is not the recommended alternative.

Alternative 3 – Contract with a professional media buyer.

Cost Implications: \$750,000

Pros:

- (1) Reduces administrative burden within the Port. One payment and one contract to the media buyer versus multiple payments, multiple agreements, and multiple reports back from media outlets.
- (2) Improves the value of our buy through specialist negotiations and bulk purchases.

Cons:

- (1) Less of a direct financial relationship between the Port and media outlets.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

The media buyer fee structure will be decided during the contracting process. Typically, a media buyer will charge a fee that equal to approximately 15 percent of the overall buy. We will negotiate rates during our contract evaluation and decision process. The media buyer fee will be paid from the annual budget set aside for advertising.

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Annual Budget Status and Source of Funds

In 2022, the External Relations advertising budget totals \$189,000. External Relations often partners with other departments and divisions to co-fund advertising. Recent examples include a holiday travel campaign for the airport co-funded with the SEA Airport Customer Experience and Brand Strategy team, and recent billboards near Fishermen’s Terminal co-funded with the Maritime Marketing team. Typical advertising spends vary widely based on available budget and need.

ATTACHMENTS

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None