Dow Jones & Company (C): Dow Jones Integrated Solutions

The first Wall Street Journal advertisements for Jaguar’s newly relaunched XKR convertible, a fast, sleek, beautiful machine priced at nearly $100,000, appeared in print in 2006, weeks before the car was available in dealerships. In its early stages, the Jaguar campaign designers hoped to raise awareness of the new automobile and convey its primary brand attributes.

Meanwhile, the online Journal team mined usage data from wsj.com and identified tens of thousands of their readers who appeared to be in the market for an expensive car—individuals, for example, who had read reviews about new cars or used a lease calculator. Once the cars were available in dealerships, the designers of the Jaguar campaign aimed to stimulate sales more directly. They targeted the identified luxury-car shoppers with additional messages.

The campaign was a straightforward illustration of the most important trend in marketing communications: greater coordination and sequencing across multiple media. In 2006, the media landscape was more complicated and more fragmented than ever before. The commonly held wisdom in the advertising industry was that only campaigns that engaged audiences across several media—television, print, online, direct mail, outdoor, and so forth—had a chance for high impact. Brian Quinn, head of online sales, elaborated:

> The tremendously creative and catchy 30-second television spot just isn’t that powerful anymore. Integrated media is the new creative.

However, for advertising agencies and media companies alike, designing and delivering integrated, cross-media campaigns was a decidedly unnatural act. The problem was not that integrated campaigns required exceptional creative talent; nor was it excessive complexity. In fact, while executing an integrated campaign took diligence and attention to detail, it could be handled, with supervision, by advertising professionals with just a few years’ experience.

The difficulty was organizational. For decades, advertising agencies had been organized by media specialties, and media companies had been organized by media channel and product. Well-integrated marketing campaigns required coordination across groups that had no significant history of collaboration.

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This case was written by Professor Chris Trimble of the Tuck School of Business at Dartmouth. The case was based on research sponsored by the William F. Achtmeyer Center for Global Leadership. It was written for class discussion and not to illustrate effective or ineffective management practices.

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As always, challenge was opportunity. The advertising agencies and media companies that took the lead in routinely and smoothly executing integrated marketing campaigns stood to grow, and grow rapidly.

The Initial Opportunity

Three years earlier, in 2003, CIGNA Corporation, well known for health insurance, began designing a marketing campaign to raise awareness of its many financial services offerings. Rather than completely delegating to an ad agency the task of evaluating media companies, CIGNA involved an ad agency but engaged Dow Jones and several other media companies directly in conversations about how best to accomplish this goal.

One of CIGNA’s primary objectives was to engage its audience across multiple media. Dow Jones won the account on the strength of the perceived fit between its audience across multiple channels and CIGNA’s likely customers.

There was just one problem. Dow Jones did not have anyone in its many ad sales groups who was in a natural position to lead the campaign development and execution. Sales force compensation schemes rewarded individuals who focused on a single product and moved quickly from one sale to the next. Ad salespeople wanted simply to sell ad space and move on, but satisfying CIGNA would require a dose of both creative development and cross-media coordination.

The head of sales turned to Matt Goldberg. An entrepreneurial spirit, Mr. Goldberg was new to Dow Jones’s print Journal marketing team. He had been hired into a loosely defined role with a mandate to identify, explore, and pursue a variety of incremental revenue opportunities. To Mr. Goldberg, the most obvious opportunity was integrated media campaigns; he had experience managing cross-media campaigns in his previous position at media giant Bertelsmann AG. In Mr. Goldberg’s view, Dow Jones was in a particularly strong position to build an integrated media offering because the company’s audiences were so compatible across all its media properties.

Mr. Goldberg was excited by the opportunity but knew that delivering an outstanding result for CIGNA would require a great deal of persuasion and personal willpower. He had few resources and even less authority. There were no processes in place for executing something like the CIGNA campaign, and because the CIGNA project represented less than 1 percent of expected ad sales for the year, senior managers scarcely noticed it. Mr. Goldberg coordinated volunteer efforts from several sales groups and convinced Dow Jones’s marketing teams to get involved in creative development.

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1 Salespeople who worked for Dow Jones’s smaller publications could see an integrated sales effort as in line with their self-interest if they believed the alternative was no sale. SmartMoney’s sales force initiated the conversation with CIGNA. They may have sold little or nothing without bringing the entire arsenal of Dow Jones products into the mix. Instead, CIGNA became one of SmartMoney’s biggest advertisers for the year.
Executing the CIGNA campaign quickly became nearly a full-time job—one that spanned several months—for Mr. Goldberg. When completed, the CIGNA campaign included much more than just print and online display advertisements. It included customized content (sometimes called “advertorials”) in several Dow Jones publications, special features in Barron's and SmartMoney, a custom website co-branded CIGNA and Dow Jones, vignettes on CNBC and on the radio, a PR campaign, special events, and a direct marketing campaign.

The campaign eventually did catch the attention of many at Dow Jones. Although the revenue from the project was modest, it was mostly new revenue, and the possibility of additional growth through integrated sales was intriguing.

The financial model for integrated ad packages was straightforward. Dow Jones did not charge for creative input or coordination of a complex campaign. Its reward was winning a much bigger share of a client’s spending than it otherwise could have earned. The model made sense for Dow Jones’s largest clients.

Mr. Goldberg decided to make building an integrated media capability his full-time ambition. Of all the incremental revenue opportunities he had examined, this was the one that appeared most powerful.

Demand on the Rise
It was not long before more clients looked to Dow Jones for support on integrated campaigns. After two more integrated packages sold in 2004, the job became too big for Mr. Goldberg to handle alone. Because resources were scarce and the company had a hiring freeze in place at the time, Mr. Goldberg hired an independent contractor. He described the choice:

If the resources were available, I would have hired an experienced advertising executive with creative strengths. Instead, I found somebody I knew well, who I knew I could work well with. He was young, reasonably inexpensive, and willing to work extremely hard. It takes structure and process discipline for an integrated campaign to go smoothly. We could deliver that together, and I felt that if we did well, I could get additional resources down the road.

Another early client was Cisco Systems, a leader in internetworking products, whose ambition was to clearly convey to senior executives that technology was driving strategy like never before and that savvy CEOs knew their technology strategy in detail. At the heart of that campaign was a custom-developed website known as the Boardroom Connection, through which Dow Jones and Cisco presented numerous interviews with C-level executives from well-known companies who could articulate the importance of technology in their business strategies. Michael Henry, a senior sales executive involved in the project, elaborated:
Integrated media campaigns very often have an online component at their heart and soul. That is where we can be most flexible and most interactive. We also developed great content for Cisco’s website—not Journal edited but very high quality.

Mr. Henry perceived that the integrated media approach increased Cisco’s spending with Dow Jones dramatically at the expense of Dow Jones’s rivals.

Meanwhile, Mr. Goldberg contemplated his next steps. From his conversations with clients, he believed that demand for integrated campaigns would continue and that 10–12 campaigns per year worth $50–$60 million was well within reach. Dow Jones only needed to invest the resources to build the capability to deliver. After studying what some competitors were doing, Mr. Goldberg chose to begin agitating for resources in earnest.

He wrote a formal proposal for a seven-figure investment—a substantial sum that reflected real risk, though quite low compared with the company’s periodic major gambles on innovation, such as adding new editions or new sections or color to the paper. Plus, the risk of not acting was greater, in Mr. Goldberg’s view, because the competition was moving. Still, with a hiring freeze in place, Mr. Goldberg’s immediate superiors were reluctant to support him. He recalled,

I was frustrated. I insisted I would take the risk personally; just give me permission to present the proposal to Rich Zannino. I perceived Mr. Zannino as rational—someone who would always invest for a clear ROI. We had a simple plan for creating a group called Dow Jones Integrated Solutions, and I was confident it would work.

When he made his pitch to Mr. Zannino, COO at the time, Mr. Goldberg committed to hard targets for revenues and number of deals. Mr. Zannino funded the proposal. Dow Jones Integrated Solutions (DJIS) commenced operations in September 2004.

**Building a New Capability**

Mr. Goldberg began hiring, adding a dozen people to his staff within the first year. Familiar from past experience with all the tasks associated with creating and executing an integrated campaign, he knew what kind of people he was looking for and how to frame their jobs. He sought people who were already well versed in the value of an integrated marketing campaign and well able to articulate it. More specifically, Mr. Goldberg sought people in each of three categories:

- “solutions” sales development people, who could collaborate with clients to design campaigns and could offer creative input without drawing on the Journal’s marketing staff
- traditional salespeople, who could negotiate terms and close deals
Mr. Goldberg looked outside Dow Jones for the solutions salespeople. He looked for individuals who could engage clients in problem-solving conversations that were creative, collaborative, and open-ended. That was a different skill set than the existing sales teams at Dow Jones had mastered. Those teams were under constant pressure to close deals, and they were very good at it. However, at the front end of an effort to sell an integrated campaign, it was crucial to have a team skilled at the lengthier process of consultative selling.

The solution sales job also required managing a delicate relationship with advertising agencies. Mr. Goldberg had learned quickly that it was not in DJIS’s interest to compete with these agencies. He wanted the solutions salespeople to draw the agencies into a three-way partnership with clients. Nonetheless, ad agencies could instinctively view DJIS as competition.

As he built the team, Mr. Goldberg worried about the always unpredictable timing of sales. He did not want to hire too far ahead of demand or have insufficient capacity to execute on all sales. Although he was comfortable at launch that he understood roughly the balance of staff he needed in each of the three categories, he adjusted the balance to favor additional “hard-nosed” salespeople towards the end of year one.

In the first year, Mr. Goldberg also worked on cementing relationships with Dow Jones groups with whom he needed to partner. For example, the marketing group that focused on branding and positioning in the advertising market was an important ally. The group frequently made pre-sales presentations to clients, and Mr. Goldberg wanted those presentations to point to DJIS’s capabilities.

DJIS’s relationships with existing ad-sales teams, particularly that of the print Journal, also were crucial. Mr. Goldberg explained,

> We had to partner with existing sales forces from the beginning. We never called on key accounts without the existing client leads. They had the relationships, and we worked through them. The Journal sales force is powerful. When they call on clients, they meet with chief marketing officers, even CEOs. We had to make them our ally. If they rejected us, we were done.

Mr. Goldberg located DJIS on the same floor as the print Journal sales staff and hired a former Journal sales development person to work on his team. Many Journal salespeople embraced DJIS as a natural partner. Mr. Goldberg elaborated:

> The enlightened salespeople recognized that the market was moving and that we could help them keep up. We also worked to minimize their post-sale role. They stayed in the loop, but once the sale was made, we handled execution ourselves.
The mind-set was not universal, however. Some individual salespeople and some marketers were slow to partner with DJIS. Mr. Henry contrasted the intellectual argument for integrated sales with the practical realities of sales force compensation:

Advertisers, at least the smart ones, now want solutions to marketing objectives, not just pages or pixels. The best salespeople, therefore, solve problems for their clients. They go in asking questions, not describing products. Nonetheless, salespeople are compensated for selling products.

Naturally, some salespeople thought DJIS threatened their control of client relationships they had steadily invested in over long periods of time.

Mr. Goldberg built momentum by celebrating successes, aided by Mr. Zannino’s frequent recognition of sales victories by the DJIS team in broad Dow Jones communications. With Mr. Zannino’s help, Mr. Goldberg also created an Integrated Solutions Council that included heads of sales and marketing for every property plus senior executives from headquarters.

To ensure the existing sales groups were motivated to collaborate with DJIS, the company awarded full commissions plus a bonus, potentially a few thousand dollars, for each integrated sale.

Mr. Zannino and the Journal’s head of sales evaluated Mr. Goldberg’s progress on the basis of a “shadow P&L.” DJIS’s top line was credited with the incremental revenues that the company earned as a result of the integrated approach. That figure was based on estimates, made by the salespeople who knew each client best, of what the company otherwise would have sold. Mr. Goldberg believed DJIS was most successful in generating incremental revenues when its collaboration with clients began early, in the planning stage of a major campaign. That way, DJIS captured a lion’s share of the client’s ad dollars before the competition even had a chance to get involved.

By early 2006, DJIS was serving 12 clients, with gross revenues approaching the target of $50 million. Incremental revenues were nearly half the total. Mr. Goldberg felt satisfied with this progress. His hope was that DJIS would become a permanent part of the Dow Jones organization, an integral piece of the “key account strategy” within Dow Jones. Mr. Quinn, new to the Dow Jones organization in 2005, when it acquired MarketWatch, reflected on what DJIS had accomplished:

After the acquisition, when people asked me what it was like to work for Dow Jones, my first reaction was always to comment on how impressed I was with DJIS. I have never had a bad meeting with them. I appreciate how they go to market. Clients never feel like they are having media stuffed down their throats. And post-sale, DJIS keeps the trains running on time.

In early 2006, Mr. Zannino rose to the position of CEO and initiated the reorganization aimed at greater print-online integration throughout the organization. The implications
for DJIS were unclear. Soon after the reorganization, Mr. Goldberg accepted a new position with Dow Jones, heading franchise development and partnerships within the Consumer Media Group, and Mr. Henry succeeded him as the head of DJIS.

**Integrating Print and Online Sales Forces**

Following Mr. Zannino’s reorganization, all functions began examining possibilities for finding new value in integrating the print and online businesses within the company. That included integrating the print and online sales forces, each much larger entities than DJIS.

Just as online media had become a stable and significant piece of the pattern of media consumption, online advertisements had become a stable and significant part of overall ad market spending. The online channel was growing quickly, and online advertisements were becoming increasingly effective. Mr. Crovitz elaborated:

> There is the old saying that half of all advertising is wasted—you just never know which half. Online technology is finally achieving its promise of eliminating the wasted half. We are getting better and better at targeting the audiences that will respond to a given ad, and it is making online ad space more valuable. Online ad prices are rising.

Advertisers were using the online channel differently than they had in the early days of the Internet, when the goal of most online advertising was direct response (e.g., “Click here to open a new brokerage account.”) By 2007, it was far more common for companies to use the online channel as part of broad branding campaigns.

Data and analysis supported further integration of print and online sales efforts. An internal company calculation showed that clients who purchased advertisements in both media spent 20 percent more year-on-year than those who focused on just one medium. Mr. Crovitz elaborated:

> Only about one-third of our customers spend on both media. If we can push that number much higher, we’ll continue to take market share and benefit the franchise.

Still, danger lurked in the integrated sale. Combined sales had to be posed to clients in such a way that they recognized added value in the purchase. Clients who perceived a combined purchase as simply a bulk purchase tended to expect a bulk discount.

Further, Mr. Crovitz, head of the Consumer Media Group, was wary of pushing the reorganization deeper into the sales function too quickly—so quickly that the sales force was ahead of the customer. Many corporations still employed separate buyers of print and online advertising, and the buying processes were distinct.

To achieve some of the benefit of combination selling without breaking the ability to serve clients with distinct processes for print and online purchases, Dow Jones formed a coordinating body, known as the Print-Online Advertising Council. The council was
composed of senior leaders from the print *Journal* and Dow Jones Online (an internal entity that included wsj.com and *MarketWatch*). Its function was to develop formal collaboration mechanisms between the sales forces of both groups.

The council took on many tasks, among them simply ensuring that there were routine mechanisms for sharing information, best practices, insights into what clients wanted, techniques to encourage clients to make combination purchases sooner, and so forth. They used surveys of their own salespeople to understand the results of integrated sales efforts as well as possible.

One important coordinating task was the sharing of tactical information about ongoing sales conversations. That could be complicated. With very large, multidivisional clients, Dow Jones might be engaged in upwards of a dozen distinct sales conversations at once. By 2007, the company was developing an internal software application that would make sales force activities more transparent throughout the organization, enabling any salesperson to easily access robust information about all sales conversations in progress.

Some salespeople, of course, did not see sharing information as in their self-interest. If a print salesperson was talking to a client with a $5 million budget and anticipated getting all $5 million, why bring others into the conversation? Mr. Quinn countered the notion:

> Our salespeople are learning that when you engage people in conversations about both media, you learn more, you help clients solve problems, and you ultimately sell more. That is just smart selling.

The council also developed training programs for salespeople to build their capability to talk about both media with equal comfort and familiarity. To ensure salespeople were properly motivated, the council periodically reviewed incentives programs. By 2006, 15 percent of each salesperson’s incentive targets were tied to combination sales.

The council also addressed HR issues. For example, the group looked for more opportunities to shift salespeople between teams to build a stronger dual-media experience base. Doing so was not straightforward because the sales forces were organized differently, with distinct career paths, and thus the roles and responsibilities at various levels did not match. For example, sales assistants within the online sales force required more technological sophistication and had more post-sale work to do than did print sales assistants, including managing supply and demand of advertising inventory for various targeted sets of readers within the online audience.

A few salespeople had made the shift from print to online with good results. Mr. Quinn described the lessons they learned:

> They had great contacts and they understood the *Journal* brand. They were not tremendously knowledgeable about online, but that is not necessarily the most important sales skill.
Print salespeople still outnumbered their online colleagues by about three to one in 2007, but the online force was growing more quickly. Mr. Quinn described how the council was directing hiring efforts:

> We need people who understand online and understand brands—people who can address client problems broadly. We’re talking to some people with advertising agency experience, especially business development professionals and account directors who know both print and online well.

**Future Considerations**

As success stories for both DJIS and the Print-Online Advertising Council grew, so did the overlap between the two. DJIS tended to focus on the company’s largest clients, those with seven-figure budgets. The council engaged in opportunities with clients of all sizes but limited its focus to just combining print *Journal* ads with Dow Jones Online. Thus, DJIS naturally became involved when the total number of media properties involved was three or more. In practice, DJIS also routinely handled projects that only involved print and online. Mr. Goldberg offered his perspective:

> The ideal client for DJIS is sophisticated and understands how the fragmentation of media makes it harder and harder to reach people with a consistent message.

Mr. Henry offered additional thoughts:

> There are no black-and-white criteria, but DJIS is best suited for clients where we are working with a senior-level executive with an upward trending budget, who wants some creative input.

Mr. Quinn elaborated:

> DJIS is about much bigger ideas than we can handle through the print-online council. They handle multi seven-figure opportunities, generally with a big creative idea at the core. They often involve a lot of content development and coordination across more media properties than just the *Journal* and Dow Jones Online.

And Mr. Larsen said,

> DJIS serves large profiled accounts. It goes after big dollars in a very integrated way. The print-online council is a communication process to make sure that everybody responds in a coordinated fashion.

There were no formal rules for deciding which group handled incoming client leads. Mr. Henry explained,

> As soon as you make rules like that, they get broken. There are many models for client engagement. As we consider ways to coordinate the print-online council with DJIS, we want to remember to approach the client the way they want to be
approached. For example, some clients, more than anything, want a single point of contact. Others only want a single point of contact when it comes time to negotiate. Still others are most interested in creative collaboration.

Mr. Henry described his ambition for DJIS:

One year from now, I'd simply like to have twice as many success stories. But farther down the line, I actually hope DJIS is obsolete because we've institutionalized the good things that we do as a normal aspect of the way the sales force operates. To get there, we will have to continue hiring salespeople with consultative sales skills. That does not mean that it is the only way we sell; we have to be flexible. In the early going, DJIS had to be very clear about what types of deals we would work on. As time goes on, I anticipate that the distinction will become grayer and grayer.

Mr. Larsen commented further on possible directions for sales force integration:

Ad sales is the area where it is hard to be sure of the right level of integration. Different companies in the industry have taken different routes. Media companies that have started integrating early have had mixed results. We are being a bit more careful. We will keep moving at the right speed towards greater integration.

In mid-2007, Dow Jones took one step towards greater integration by hiring a new chief revenue officer, putting print and online ad sales under single leadership for the first time.