

GUEST OPINION



Stop the Broker Bashing

Media brokers provide liquidity for a commodity

By Frank Cannella

The mere mention of the word broker in the direct response television industry sends some people into a frenzy. In a recent article in ResponseTV, several media insiders who were quoted were very critical of brokers. I find this resistance quite surprising -- and confusing. Let's make an analogy. Motorola's stock is a widely held stock that has had a tough year, some days dropping five or more points. Can I presume these same cynics pick up the telephone and start calling everyone they know to sell their sinking shares of Motorola stock? I don't think so. They call a stock broker. Like all brokers, media brokers provide liquidity for a commodity. We match buyers and sellers. We specialize in satisfying the needs of our clients, whether it's to sell something they no longer want or find something they now require. We capitalize on our years of industry contacts and networking. That is what you are paying for.

Why infomercial brokers exist

The infomercial industry did not create the concept of brokering. However, the manner in which infomercial media is purchased certainly has a lot to do with its creation. Agencies, buying services and infomercial marketers purchase huge media packages (particularly cable avails) to control future placements, whether or not they have the clients or shows to fill the time. What happens when their client base cannot absorb the time? They sell it off to others! The same people chastising brokers are in reality selling to and buying from brokers regularly. More importantly, if they are not selling the time off, what clients are they rotating into the unwanted media package? And how are these time periods paying out for the client? This popular tactic is used by some agencies to maintain control of their media packages, at the expense of the clients, rather than return the time period to the station. I also find it a contradiction that many people who criticize the act of brokering are themselves brokers. They purchase media packages and can't use all of the time for in-house clients, so they sell it to other agencies or hire someone else to liquidate the time. For every transaction, someone needs to make a profit.

How can freelance buyers help?

Everyone forgets the key benefit of brokers. Without brokers the large media agencies would own it all. There would be no entrepreneurial buying agencies, only a few large ones, which is why I find it so disheartening that smaller buying services are always criticizing the brokers. We get them media they can't normally get their hands on and help them sell it when they have purchased too much. This is why I prefer to call brokers freelance media buyers. We help buy when you need to expand and sell when you need

to sell. This benefits clients on the way up and benefits them even more on the way down. Brokers also benefit the agencies. When infomercials start to fall apart and results tumble, these freelance buyers assist in selling off time periods to maintain your incumbencies. This also controls your staffing, since there is no need to add buyers during a hit show and then lay off buyers when responses plummet. And you don't need to break confidences by calling your competition directly to ask for help.

Time to change attitudes

When you buy time from me as a freelance buyer, you are paying for my contacts and for me being in the right place at the right time. Someone else could have scooped up the media. You only pay us when we access media time that is in great demand or at a special rate. And we know people looking for the media that you need to unload quickly. As an agency, if you're sincere and really want to do what is best for your client, then buy brokered media and accept a smaller commission. Otherwise, your client has no access to that time. And when necessary, get rid of it without a commission so you won't need to force it on your clients. We all need to charge fairly for our services and contacts. We're also here to work together. Next time you're asked about brokers, tell them how we've helped your clients and you become more profitable.

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a media buying and brokering agency based in Burlington, WI.*