THE NEW SCHOOL

School of Media Studies  September, 2018

**JANET NEGOTIATES[[1]](#endnote-1)**

Preparation for Negotiating and Closing

Janet Holcombe, a salesperson for TheDailyNews.com, returned to the office to report to her ad director Sy Abell’s response to her creating-value presentation for Hess Jewelry.,

1. “Sy Abell agreed, somewhat reluctantly, that Godowski Jewelry was not a major competitor and that they had different target audiences.”
2. “Abell wants to dominate TheDailyNews.com website pages that are appropriate to his audiences and does not want Godowski to appear on those pages when he’s on them.”
3. “He wants a guaranteed Leaderboard banner on all the pages on which he runs.”
4. “Abell will still give TheDailyNews.com an equal amount of business, on a dollar basis, in all four quarters of the year if we will give Abell a 33 percent discount off the rate Godowski is paying.
5. “He really liked my positioning idea for Hess to promote it being ‘Bling Central’ during weeks of Hip Hop concerts and events, which TheDailyNews.com would co-promote with the Urban Contemporary radio station.”
6. “If he doesn’t get a 33 percent discount off what Godowski is paying, and if he doesn’t get the guaranteed banner positions he wants, he claims he won’t buy us.”

Janet’s ad manager said skeptically, “Well, what do you think we ought to do, Janet?”

Janet replied, “I still think he’s bluffing. He has to buy TheDailyNews.com for several reasons:

1. Our CPMs are lower than the top radio stations.
2. Our audience is four or five times what their audience levels are.
3. Hess can’t target individuals on radio or TV like they can on TheDailyNews.com.
4. Our content gives him credibility, especially in our Music and Pop Culture sections.
5. He can’t buy TV effectively with the budget he’s got.

“He likes the positioning for creative and wants to buy us, so the 33 percent is his low-ball opening offer. I’ll eventually give him jewelry-store exclusivity on the pages he wants as a final concession. I’ll give him a guarantee for Leaderboard ad units on the pages formatted for them, but I’ll make him work for that concession. I’ll give him a 15 percent discount off rate card (not off Godowski’s rate, which I won’t disclose) if he gives me the spread he mentioned in all four quarters, but he’ll really have to work for that 15 percent.”

Janet’s ad director smiled and nodded, “Very good. I agree. What are your next steps?”

“I’m going to fill out a negotiating and closing planner that our sales consultant gave us,” Janet replied. “Then, I’ll fill out one for Harry Godowski and approach him and negotiate a higher investment from him, without revealing the details of Hess’s deal.” “I’ll get results for both of them.”

ASSIGNMENT

1. Go to the Downloads section http://www.mediaselling.us and download a Negotiating and Closing Outline and Negotiating and Closing Planner, and print out one copy of the outline and two copies of the planner.
2. Complete a Negotiating and Closing Planner for Sy Abell of Hess Jewelry. Use the Benefit Matrix you constructed for the [“Janet Creates Value”](http://www.charleswarner.us/cseindex.html) case to assess how you will frame your anchor, offers and concessions to Sy.
3. Complete a Negotiating and Closing Planner for Harry Godowski of Godowski Jewelery. Use the Benefit Matrix you constructed for the “Janet Creates Value” case to assess how you will frame your anchor, offers and concessions to Harry.

1. This case was prepared by Charles Warner. [↑](#endnote-ref-1)