

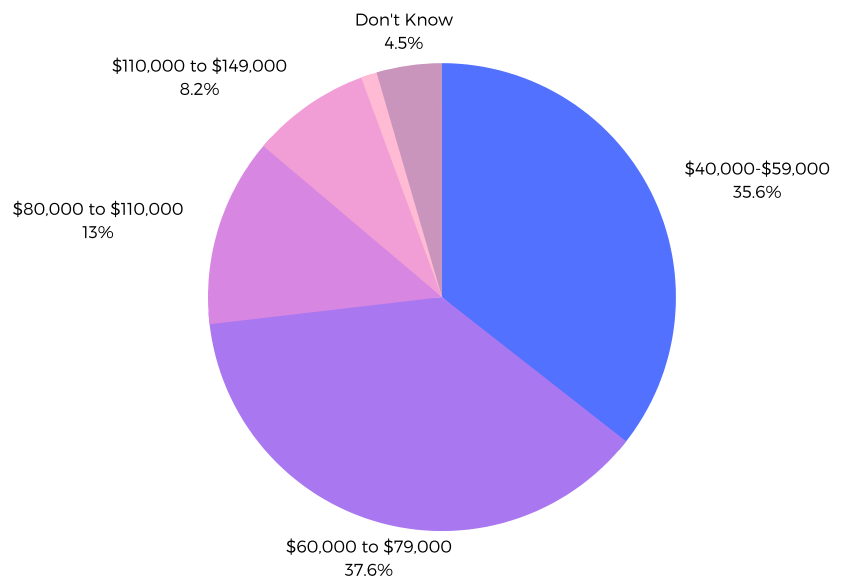
# 2020 RADIO SALES COMPENSATION STUDY

We are proud to release our 2nd annual **Radio Sales Compensation Study**. As we continue to add more years of data, we can track trends and provide radio station owners and managers with valuable insights so they can budget accordingly. This year brought a new area to investigate. Our survey was done in the summer, when we were well into the COVID-19 pandemic, which created many changes to how we employ and compensate people. We added more questions, and as situations arise in the future, we will continue to adjust accordingly by including questions that are relevant to current market conditions. We make it a point to probe for information that is critical to decision-making, and we accommodate as many requests for new questions as possible.

## SURVEY RESULTS

**What is the current income of your average seller at your station?**

**THE AVERAGE RADIO SELLER EARNS \$60,000 TO \$79,000**

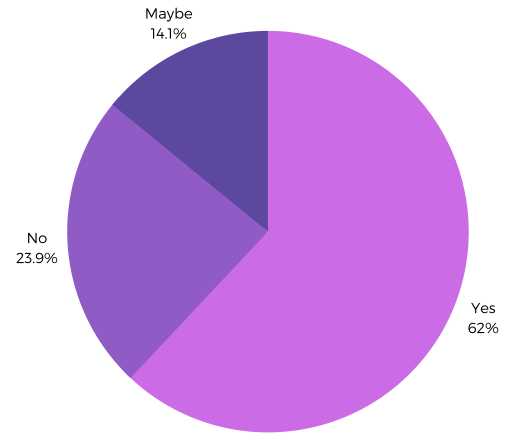


**MSN INSIGHT:** Not a surprise after getting hit so badly with lost media dollars, the average income of the radio seller has shifted this year. We saw an increase in the \$60,000 to \$79,000 income range from 24.3% last year to 37.6% this year. This increase appears to have come from a decline in two compensation ranges: the \$40,000 to \$59,000 range, which dropped from first place to second, moving from 43.4% to 35.5%; and the \$80,000 to \$109,000 range, which declined from 17.4% to 13%.

**Is there a different compensation plan for new hires vs. established sellers?**

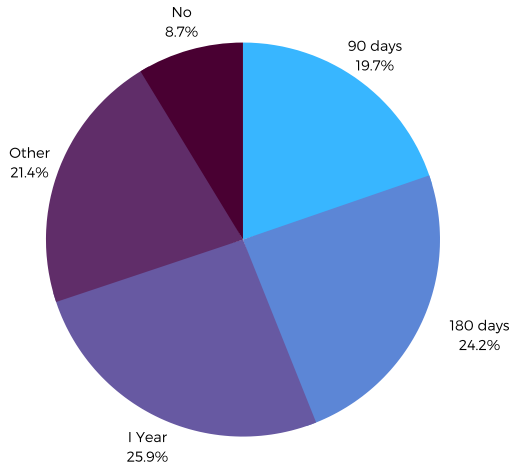
**62%**

**COMPENSATE DIFFERENTLY**



**MSN INSIGHT:** Radio operators are realizing the importance of investing in new hires, while they ramp up or build a list. Covering income during this time is critical for recruitment.

**Are new hires paid a guarantee for an initial period?**



**25.9%**

**OFFER 1-YEAR COMPENSATION TO HELP NEW HIRES**

**MSN INSIGHT:** There appears to be a shift in how many companies are now extending secure periods or guarantees. Last year versus this year in offering only 90 days fell from 22.5% to 19.7%, while six-month guarantees grew from 16.8% to 24.2%. This is a critical factor when bringing on new hires as the more time they have to be trained, onboarded, and able to build their list will attract not only more interest but a higher quality of candidate, as well.

**Are new hires paid a guarantee plus commission or against earned commission during their initial guarantee period?**

**61.4%**

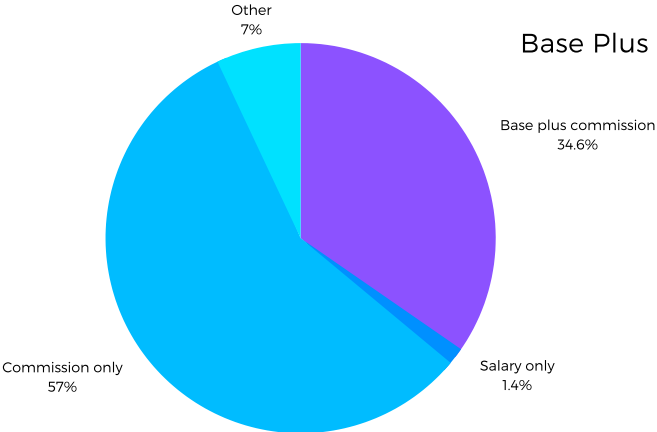
**OF NEW HIRES CAN EARN OVER AND ABOVE THEIR GUARANTEE**

- **61.4%** can earn commission on top of guarantee
- **20%** can earn commission against a draw
- **18.6%** do not have the ability to earn commission

**MSN INSIGHT:** It appears that many more companies are willing to offer sellers the ability to earn over and above their guarantee, with the 45.5% from last year growing to 61.4% this year. Interestingly the same question posed as a 'draw' vs. guarantee saw a drop from 36.2% to 20%. Offering incentives for goals that are met is becoming more popular. Taking that a step further, when asked if 'non-revenue goals' were tied to new hires, we saw a large increase. Last year 30.8% reported that they considered non-revenue goals, while this year 42.8% stated that was part of the compensation plan. This is important so that a manager can see that a new hire is completing tasks and moving towards best practices for success.

**For established sellers do you pay:**

Base Plus Commission \* Salary Only \* Commission Only \* Other



**56.9%**

**OF ESTABLISHED SELLERS ARE PAID 100% COMMISSION**

**MSN INSIGHT:** Most probably linked to COVID-19, we saw a slight shift this year in more sellers being paid a base plus commission, moving from 33.5% to 34.6%, with 100% salary going up from 0.6 to 1.4%, and those on 100% commission dropping slightly from 57.8% to 56.9%. This will be a figure to watch in the future.

**Does your company pay on collections or billing?**



**58%**

**OF COMPANIES PAY ON COLLECTIONS**

**Are non-revenue accomplishments/goals part of the compensation plan for established sellers?**

**69.9%**

**OF RESPONDENTS SAID THEY DON'T LOOK AT NON-REVENUE ACCOMPLISHMENTS AS PART OF COMPENSATION PLAN**

**MSN INSIGHT:** When asked for established sellers, answers remained pretty much the same, only 30.1% look at other goals or accomplishments when compensating an established seller, while 69.9% don't look at them. This may be something to consider while revenues are down due to lost business.

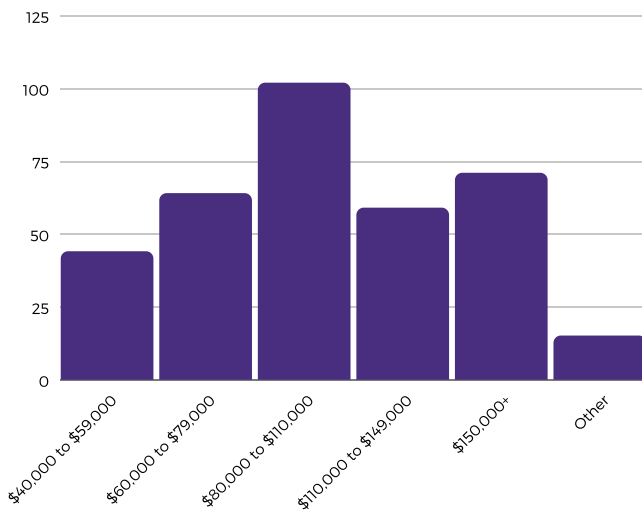
**Are non-revenue accomplishments/goals parts of the compensation plan for new hires?**

**42.8%**

**OF RESPONDENTS DO CONSIDER NON-REVENUE ACCOMPLISHMENTS**

**MSN INSIGHT:** Yes, for 42.8% of the respondents. That is a good increase from 2019 when only 28.4% offered goals not tied to revenue. This is a great way to monitor the activities to follow that they are putting best practices to use.

**Select the amount closest to the current annual income of your top seller:**

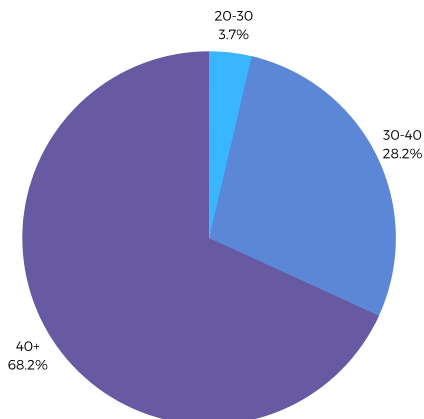
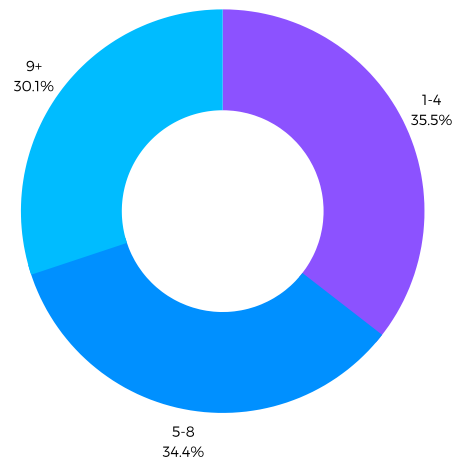


**28.7%**

**% OF TOP RADIO SELLERS EARNING ON AVERAGE \$80K TO \$110K A YEAR**

**Average number of sellers on a team: 1-4**

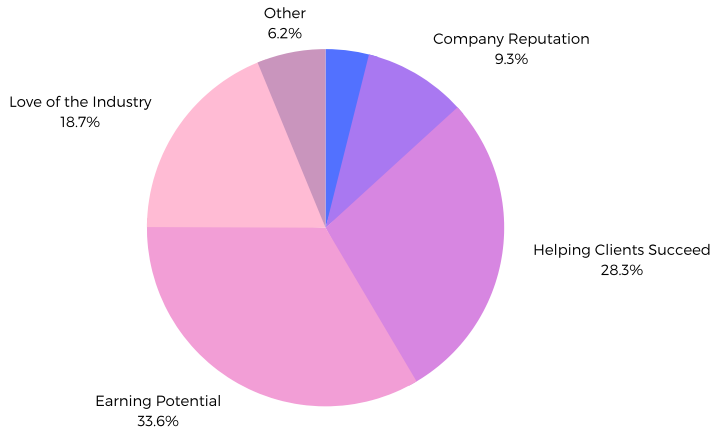
**MSN INSIGHT:** Many companies are now adding sales support or team-selling approaches, which may account for fewer actual sellers.



**Average age of sales team: 40+ years old**

**MSN INSIGHT:** A rather alarming average rate of 68.2% are 40 plus, while only 3.7% are 20-30. The radio industry has recently struggled to hire and retain younger talent, and this proves the case.

**What do your sellers feel is their motivation for working in radio? Select the answer that best describes your overall team:**



**33.6%**

**ARE MOTIVATED BY EARNING POTENTIAL**

**29.9%**

**DIDN'T UNDERSTAND WHAT THEY WERE GETTING INTO**

### **Top Reasons for Turnover**

**MSN INSIGHT:** When asked what turnover, if any, was attributed to, the top response at 29.9% was that the new hire did not understand what they were getting into. The job was not explained well enough in advance. Next at 26.2% was that turnover occurred due to the opportunity to earn more elsewhere, and third, at 22.3%, accredited a poor fit with the culture. Much of this leads to inaccurate hiring processes which are easily corrected.

## **SURVEY DETAILS**

The 2020 Radio Sales Compensation study consisted of 19 questions and promised confidentiality to all who participated.

From our 331 unique responses, 78% were in a managerial role. The study was conducted over a three week period between late June and mid-July via email to Radio Ink subscribers and to Media Staffing Networks confidential database, as well as on social media pages for both partners. All participants received an advance copy of the study and a chance to win one of three licenses to the MSN Local Sales Recruitment Online Learning Portal that helps managers recruit and hire more effectively.

MSN is now partnering and offering similar studies in television and newspaper, all results can be found on [www.mediastaffingnetwork.com](http://www.mediastaffingnetwork.com). This data can help owners and operators have a better understanding of compensation across media platforms.

### **FOR MORE INFORMATION**

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