



capradio

**Strategic Plan  
2020-2025**

## INTRODUCTION

# CapRadio's Opportunity

**An explosion of digital and mobile technology has radically transformed the media consumption habits of today's audiences.** Thirty-four percent of daily media today is consumed via smartphone, versus just 16 percent via radio.<sup>1</sup> Moreover, during the past five years, young adults have moved away from radio—decreasing their consumption by an average of 12 daily minutes.<sup>2</sup> As habits evolve, audiences are less beholden to traditional channels and legacy media outlets. At any moment, on any device, CapRadio's audiences can explore content from a range of local, regional, national, and even international media brands. Advertisers have likewise been swift to adapt, shifting their attention and advertising dollars toward digital and on-demand channels and away from print and other legacy formats. Like all other storied media outlets, CapRadio strives today to weather these disruptive changes.

**In this competitive environment, all media brands must ask themselves: "What are our audiences hungry for, and why are we best positioned to serve these needs?"** In essence, publishers must define what they can offer audiences better than anybody else and in ways no one else can. Those who fail to clarify their niche and priorities and bring them to life across a variety of platforms will struggle to earn audience loyalty and support, which in turn, limits revenue potential and growth. This is true for CapRadio as it competes for audience attention with local, regional, and national publishers – and across news, music, and cultural offerings alike.

**CapRadio approaches these opportunities today from a distinct position.** Relocating its headquarters downtown, the organization is moving into the physical heart of the community, where it can easily convene and be more closely connected to its audiences. CapRadio is currently pursuing a Capital Campaign to help secure resources to continue evolving and serving its audiences. Moreover, the broader decline in local media presents new opportunities in the landscape for CapRadio to boost market share. CapRadio has dedicated time and effort to keep apace in a competitive market and build upon its already strong foundation. A concerted effort will enable CapRadio to push ahead as an organization and serve its audiences and the region better through the process.

**Now is the time for CapRadio to make critical investments to set a strategic path forward.** To best secure long-term sustainability and fuel growth, CapRadio must evolve content offerings, maintain and extend its brand presence, and diversify revenue streams. Developed through six discrete phases of work, this strategic plan highlights goals and opportunities, pinpoints needs and interests of current and aspirational audiences, clarifies CapRadio's market position, identifies critical investment opportunities, and introduces new tools and resources to help staff plan content accordingly.

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<sup>1</sup>[The Nielsen Total Audience Report: Q3 2018](#). March 19, 2019. <sup>2</sup>

## OUR VISION

# Brand Compass

As CapRadio seeks to expand its reach and community impact and develop a more sustainable revenue portfolio, it must be guided by the distinct value that it can offer to its various, diverse audiences. These audiences are united by a need for:

- Stories that inspire and sustain **community connections**
- Content that aligns with **pre-established habits**
- **A refined, uniquely local lens** to content creation

Going forward, CapRadio should use the following internal-facing brand statement as a critical filter when evaluating all investment and content decisions:

*We empower our community to navigate life with deeper **connection** and **understanding**.*

Importantly, this brand statement is supported by a series of four key tenets, which correspond to shared audience needs and help make the statement actionable. To deliver on this brand statement, CapRadio must provide:

- **Community-focused stories and journalism that create empathy, build trust, and empower people** to explore the region, its potential, and how they can play a part.
- **An inclusive, accessible space for thoughtful conversations** on issues that impact our region, California, and the world.
- **An insider's guide to living in the region** and fully exploring what makes it unique.
- **Content that not only answers casual questions**, but also sparks deeper interest in the region and its local communities.

As a regional institution and local news source, CapRadio leads with three defining attributes: we are **inclusive**, we are **resolute**, and we are **accessible**.

## Five-Year Goals

Over the next five years, CapRadio will continue to evolve its content offerings, strengthen its multi-platform presence, and grow and diversify its revenue streams. These efforts will enable CapRadio to increase its relevance as a community partner, reach new listeners in an inclusive, accessible way, and fuel a sustainable future.

The following goals and their corresponding opportunity portfolio were developed collaboratively with CapRadio staff and leadership. The numbers provided below come from a benchmarking exercise, which compared CapRadio to select public media competitors and peers to forecast audience and revenue. The competitive set includes organizations that, like CapRadio, are located in their state's capital, have a university/educational licensee type, and provides both news and music content. It further gives preference to those that have similarly sized markets or are located on the west coast.

## EVOLVE CONTENT AND PLATFORM OFFERINGS

Aligning content offerings with CapRadio's new brand statement and continuing mission can help the organization remain a community partner for its varied audiences. Specifically, CapRadio should seek to:

- **Deliver content aligned with audience needs by shifting from a “format-first” approach to a “story-first” approach.** A story-first approach means starting with an editorial idea and then deciding on the platforms best suited to telling that particular story. It requires collaboration across broadcast, digital, and marketing from the start. This can be measured through an ongoing assessment of published content and staff interviews.
- **Serve as the region's top source for inclusive, resolute, and accessible content.** Stories should inspire and sustain community connections, align with pre-established audience habits, and offer a refined, uniquely local lens to reporting. Success in embodying these attributes may be measured through periodical audience studies, press coverage, and sentiment analysis.

## INVEST IN CULTIVATING COMMUNITY AND DIVERSE PERSPECTIVES

Though many peer and competitive organizations are facing similar challenges toward remaining resonant, relevant, and sustainable in today's media climate, CapRadio has the opportunity to broaden its reach and engage new audiences across channels. Specifically, CapRadio should seek to:

- **Maintain broadcast reach** to net a weekly cume rating of at least 9.1 percent on KXJZ and 3.4 percent on KXPR by 2023, based on moderate growth.<sup>3</sup>
- **Extend presence across key social channels.** Specifically, CapRadio can grow its Facebook following from approximately 24,000 to upwards of 41,500, based on moderate growth. CapRadio can grow its Twitter following from approximately 13,000 to upwards of 41,000, based on moderate (10-15%) growth.<sup>4</sup>
- **Grow website audiences.** CapRadio can increase its annual unique website visitors to upwards of 3.9 million by 2023, based on moderate (10-15%) growth. Market penetration for this same period increases from 111% to 175%.

<sup>3</sup> Analysis of Winter 2016 - Spring 2019 weekly cume and cume rating growth rates for KQED, KPCC, KUOW, KUT, WBUR, WBEZ, and WABE (“CapRadio's competitive set”).

<sup>4</sup> Analysis of 2013-2019 Facebook page followers growth rates and Twitter page followers growth rates for CapRadio's competitive set.

## EXPAND AND DIVERSIFY REVENUE STREAMS

In addition to the reach implications detailed above, CapRadio can take steps toward achieving strong financial standing—incorporating elements that engage members, major donors, grantmaking organizations, and sponsors. Specifically, CapRadio should seek to:

- **Secure CapRadio’s financial future.** Over time, CapRadio can potentially more than double its FY 2019 estimated revenue, depending on whether it hits its conservative, moderate, or ambitious benchmarks.<sup>5</sup> The following goals can support CapRadio's revenue ambitions:
  - **More consistently convert listeners into members and brand advocates.**
  - **Develop a major giving program that increases large, individual donations.**
  - **Strengthen CapRadio’s ability to prioritize and pursue the right grants.**
  - **Offer brand-related packages, services, and experiences for sponsors across CapRadio channels.**

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<sup>5</sup> Benchmarks are based on an analysis of 2013-2018 financial data for CapRadio and its competitive set.

## OUR PATH FORWARD: THE WHAT

# Investment Priorities

**To drive sustainable momentum, CapRadio has gone through a comprehensive strategic planning process.** This included internal stakeholder interviews, an extensive audit of discovery documents, qualitative and quantitative research conducted among member and non-member audiences, a market positioning exercise, and a rigorous exploration of potential investments. This work culminated in a set of investments that ladder up to CapRadio's five-year goals.

### **EVOLVE CONTENT AND PLATFORM OFFERINGS**

*Increase brand relevance through content that reflects our identity and audiences' needs.*

- **Focus Editorial Priorities.** Develop a shared understanding of the attributes that distinguish CapRadio and satisfy audience needs and empower staff to pursue supporting topics, issues, and content areas.
- **Adopt a Story-First Approach.** Orient CapRadio's content creation process to create and distribute a mix of accessible, compelling content across the platforms audiences rely on most.
- **Pursue Anchor Packages.** Collaborate across teams to develop standout editorial packages designed for audience, brand, and revenue success.
- **Develop a Newsletter Strategy.** Build on the success of existing email communications, reach new audiences without alienating current ones, and generate revenue over time through focused newsletter products.
- **Strengthen Internal Systems.** Articulate measurable organizational goals and align internal efforts to collect and act upon data so that day-to-day efforts map to bigger-picture ambitions.

### **INVEST IN CULTIVATING COMMUNITY AND DIVERSE PERSPECTIVES**

*Build relationships with existing, new, and more diverse audiences through the channels they prefer.*

- **Emphasize Digital Community Management.** Employ active listening and create meaningful two-way interactions between CapRadio and its digital audiences that can lead to deeper, more sustained engagement.
- **Bolster Events Strategy.** Develop a formalized strategy for live programming that will convene new and existing audiences, community leaders, influencers, potential partners, funders, and sponsors.
- **Build and Strengthen Strategic Partnerships.** Develop a framework for evaluating partnership and scaling those that can expand and diversify audience reach and CapRadio's capacity to deliver original, enterprise journalism.
- **Build the Brand.** Distinguish CapRadio as the essential voice of the region and elevate its brand among aspirational and existing audiences using diverse marketing tactics and brand ambassadors.

- **Make Music More Accessible.** Experiment with new ways to bring CapRadio’s music to life by integrating it more fully within news and cultural offerings and convening communities through events and partnerships.
- **Develop a Geographic Strategy.** Implement iterative programming to ensure that CapRadio has relevance and resonance in all of the communities it serves, positioning it as the preeminent source of public service journalism.

## EXPAND AND DIVERSIFY REVENUE STREAMS

*Grow and diversify revenue to fuel a sustainable future.*

- **Enhance Membership Offering.** Evolve the membership program to invite opportunities for deeper audience engagement and connections and to drive increased financial support and audience loyalty over time.
- **Grow Major Gifts.** Build upon the current major giving program to cultivate continually greater individual donations from new and existing audiences.
- **Expand Portfolio of Grants.** Strengthen CapRadio’s strategy for making its content appealing to grantors that align best with Capradio’s values.
- **Evolve Development and Sponsorship (Underwriting).** Bolster brand-related packages, services, and experiences for sponsors across CapRadio channels, and empower CapRadio staff with the tools, training, and cross-team support to sell them.

## OUR PATH FORWARD: 25 by 25

CapRadio’s unrestricted revenue has grown from \$5.2 Million in 2007 to \$11.6 Million in 2019. By evolving content offerings, maintaining and extending its brand presence, and diversifying revenue streams, CapRadio has the potential to hit \$25Million in unrestricted revenue by 2025. This assumes the adoption of a fully operational Events Strategy, the successful incorporation of NSPR and KHSU into its operations, and faithfully adhering to the 15 investment opportunities articulated above.

			Annual Revenue ( in millions)				
	<u>Growth</u>	<u>Baseline</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
Membership	8%	\$5.20	\$5.60	\$6.10	\$6.60	\$7.10	\$7.70
Major Donors	40%	\$0.90	\$1.30	\$1.80	\$2.50	\$3.50	\$4.80
Corp Support	12%	\$3.10	\$3.50	\$3.90	\$4.30	\$4.90	\$5.50
Grants	15%	\$1.60	\$1.80	\$2.10	\$2.30	\$2.70	\$3.10
Other Fundraising	40%	\$0.80	\$1.10	\$1.60	\$2.20	\$3.01	\$4.30
Totals		\$11.60	\$13.30	\$15.50	\$17.90	\$21.21	\$25.40

## OUR PATH FORWARD: THE HOW

# Objectives & Key Results (FY20-21)

Now that we've defined where we want to go organizationally through our 15 investment opportunities, we need to articulate how we intend to get there. This OKR framework helps us focus on where we want to go and how we pace ourselves to get to our final destination by setting milestones or key results. These OKRs are intended to be ambitious targets that stretch beyond the 5-Year goals articulated in this plan. And although the key results identified here are intended to encompass one fiscal year, the Strategic Planning Committee shall review and, if necessary, adjust or amend key result objectives every quarter.

## Improve internal operations

- Define (before the next quarter begins) and analyze (within a week of the end of the last quarter) OKRs for all four (4) quarters of FY21.
- 75% of all editorial content produced uses editorial lenses / official pitch process / content creation guides
- Deliver four (4) anchor packages per year.
- Continue to deliver an effective awareness campaign as defined by 50% growth in landing page unique visitors and engagement.
- Audit all existing strategic partnerships and use the official partnership process for 100% of new partnerships
- Establish and implement operating systems and procedures for NorCal Collaboration.

## Grow audiences

- Increase social media following (on Facebook, Twitter, and Instagram) by 100% (from 43k to 86k)
- Implement event strategy and grow event contact list by 50%.
- Increase music programming market penetration by 20% (from a 3.1 to a 3.7 CUME rating) and AQH Persons by 25% (from 1,600 to 2,000)
- Deliver twelve (12) projects for "CapRadio communities", increasing Awareness score in those communities by 100%.

## Deepen engagement

- Increase social media engagement (on Facebook, Twitter, and Instagram) by 200%.
- Increase Web Loyal Users to Total Users Ratio per month by 35% (from 7.6% to 10.3%).
- Grow total email subscribers by 35% and increase open rates by 35% per newsletter.
- Increase New Leads to New Member Conversion Rate by 35%.

## Grow revenue

- Grow Membership revenue by 8% (Donors <\$1k)
- Grow Major Gifts revenue by 30% (Donors >\$1k)
- Grow Grants revenue by 15%
- Grow Corporate Support revenue by 12%