

The View from Main Street 2024

The Local Advertisers POV

Presentation with OAAA, June 12



About this presentation

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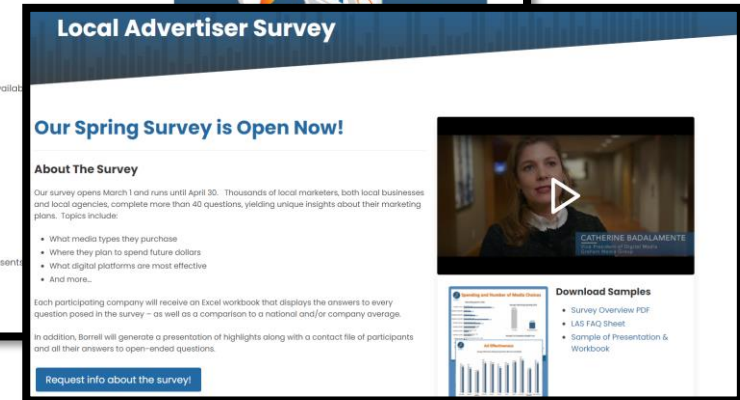
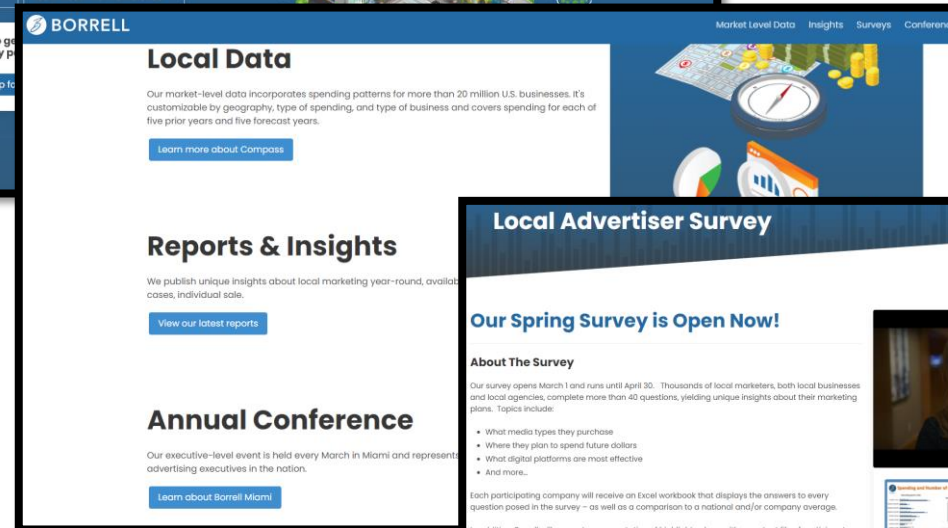
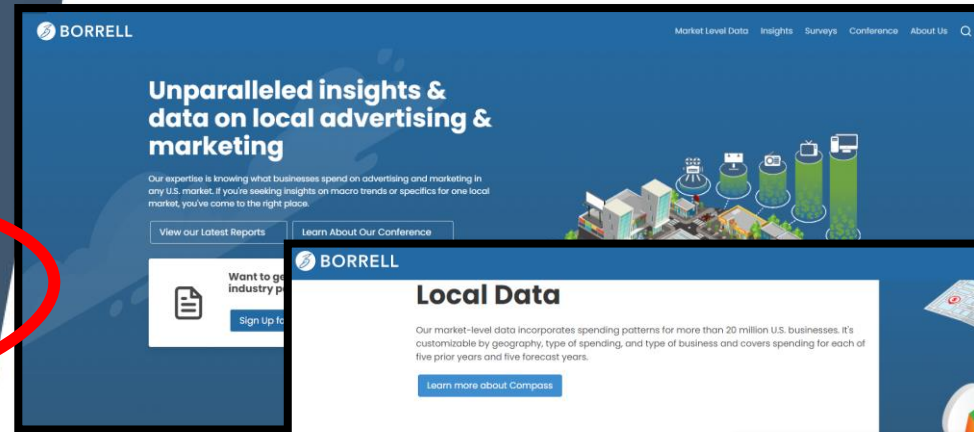


Local Insights on Marketing Expenditures

- Maintain Database of Expenditures
- Administer Local Advertiser Surveys
- Maintain SMB Panel
- Write Papers
- Consult
- Identify Trends
- Establish Marketshare

Collect, Analyze, Model, and Project

- Ad spending
- Promotions spending
- Digital Services spending



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We're going to discuss...

Local Media Trends

Retail Sales Trends

Perceptions by Local Advertisers

Local OOH Buyers in Late 2023

Sneak Peek at 2024 Results

What Local Advertisers Want You to Know

Local Media Trends

2024 Forecast Change in Local Advertising Expenditures



TOTAL Local Advertising

+ 3.2%

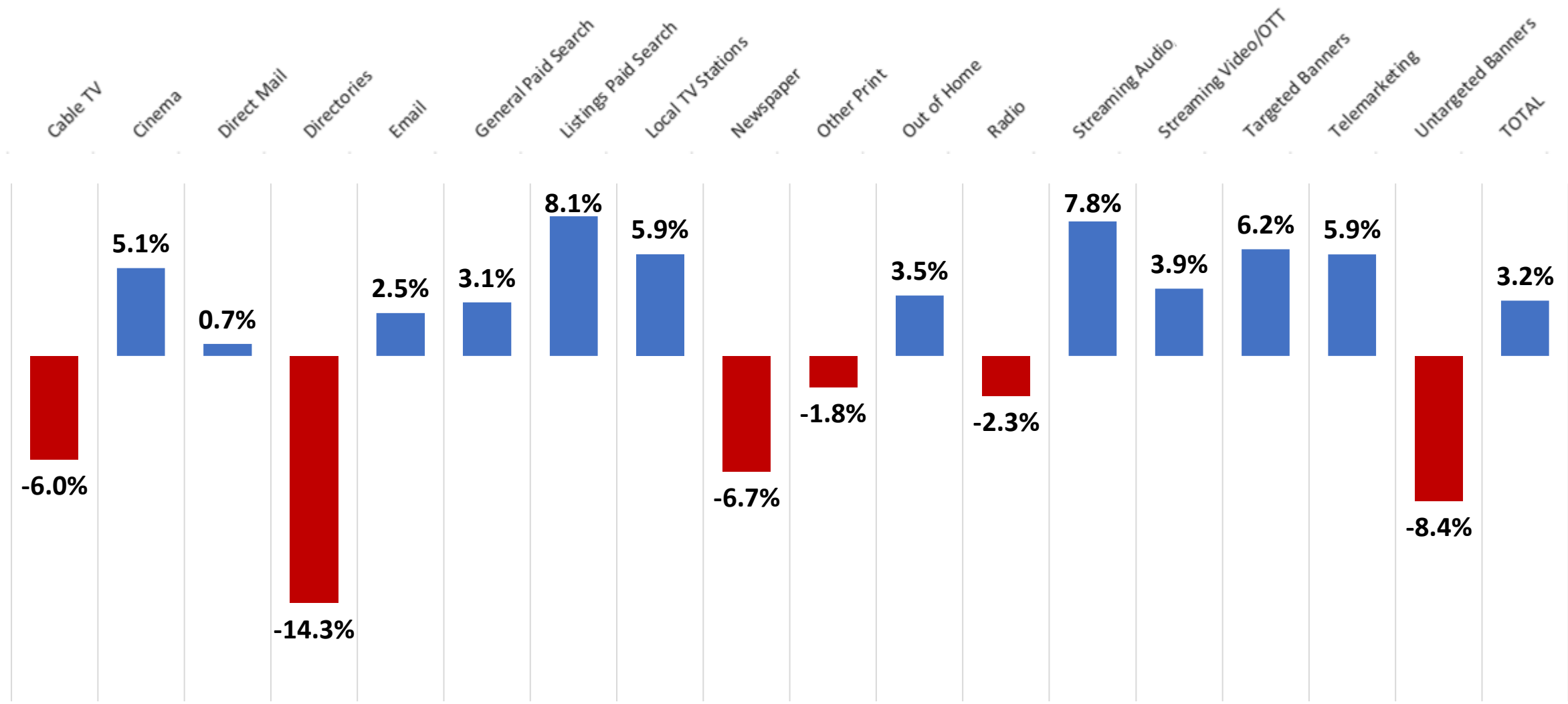
TOTAL Local Digital Advertising

+ 4.9%

TOTAL Local Non-Digital Advertising

- 0.5%

2024 over 2023 Variance in Local Advertising Expenditures



2025 Forecast Change in Local Advertising Expenditures



TOTAL Local Advertising

+ 1.8%

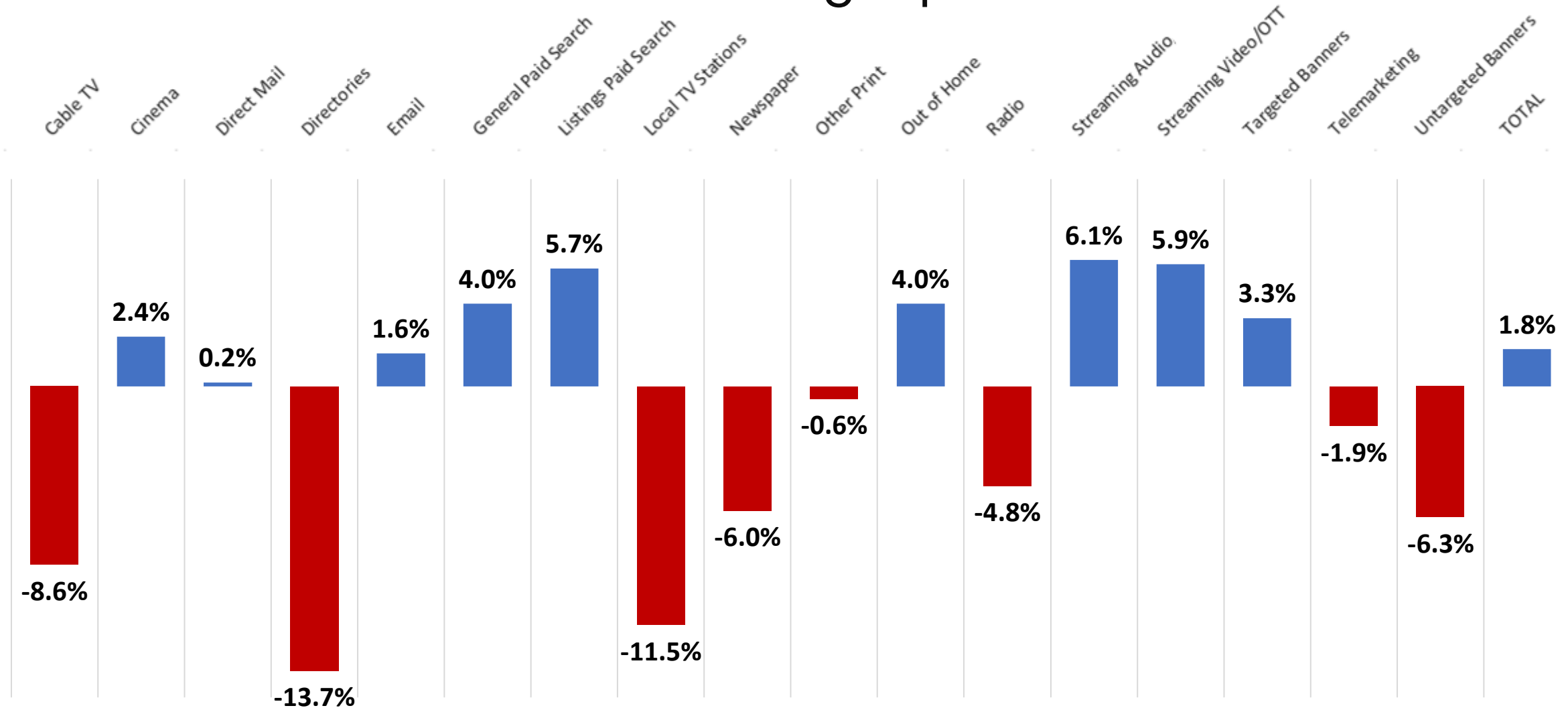
TOTAL Local Digital Advertising

+ 4.4%

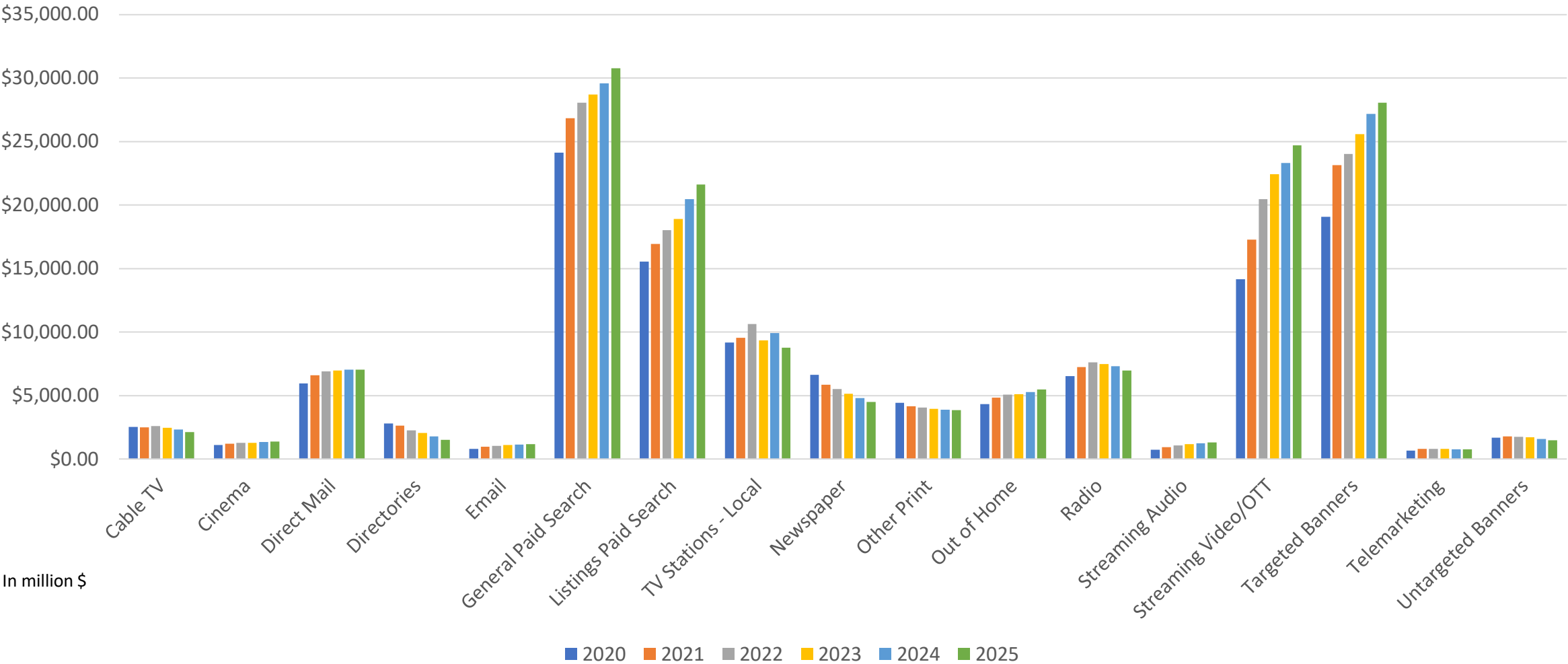
TOTAL Local Non-Digital Advertising

- 4.5%

2025 over 2024 in Local Advertising Expenditures



U.S. Local Advertising Expenditures, 2020 – 2025



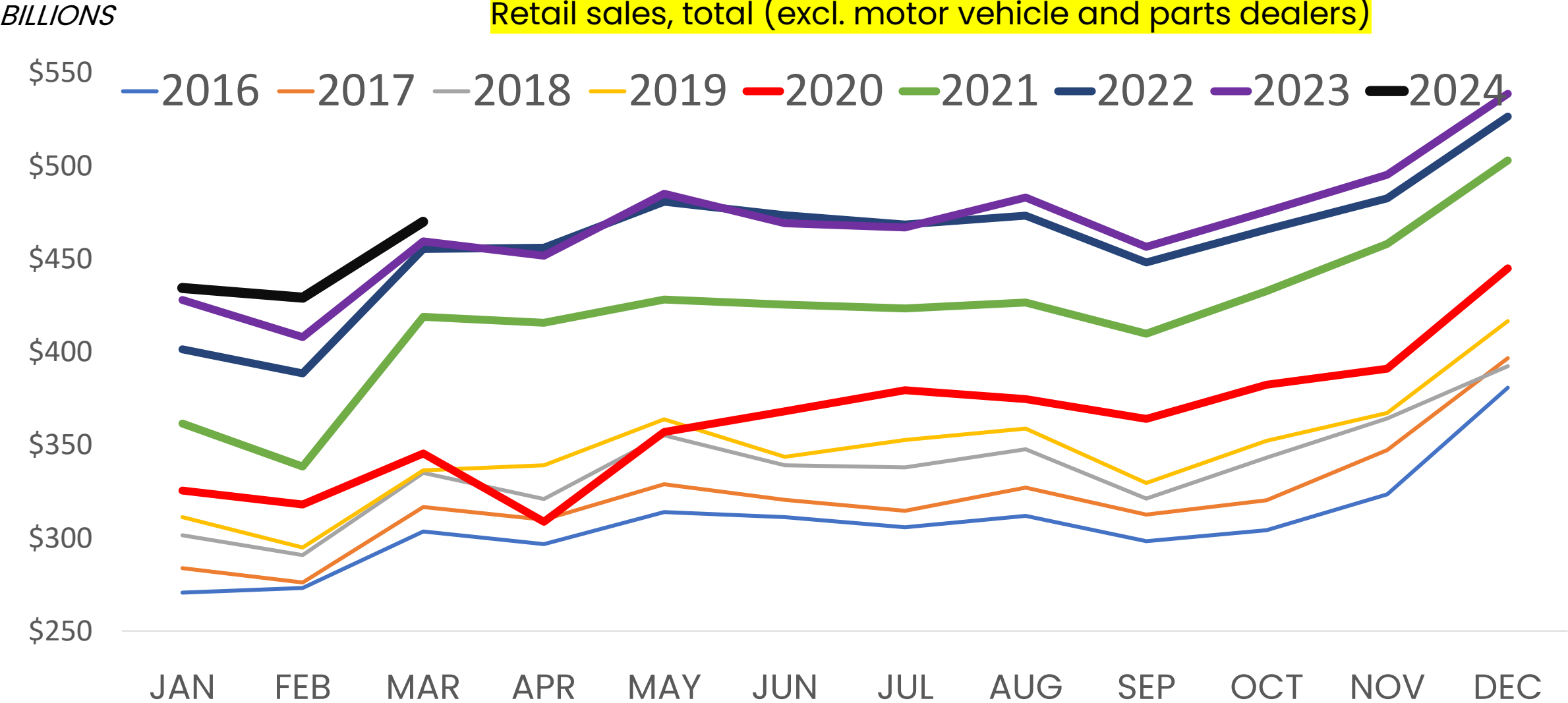
Retail Sales Trends



Monthly Retail Sales



Retail sales, total (excl. motor vehicle and parts dealers)



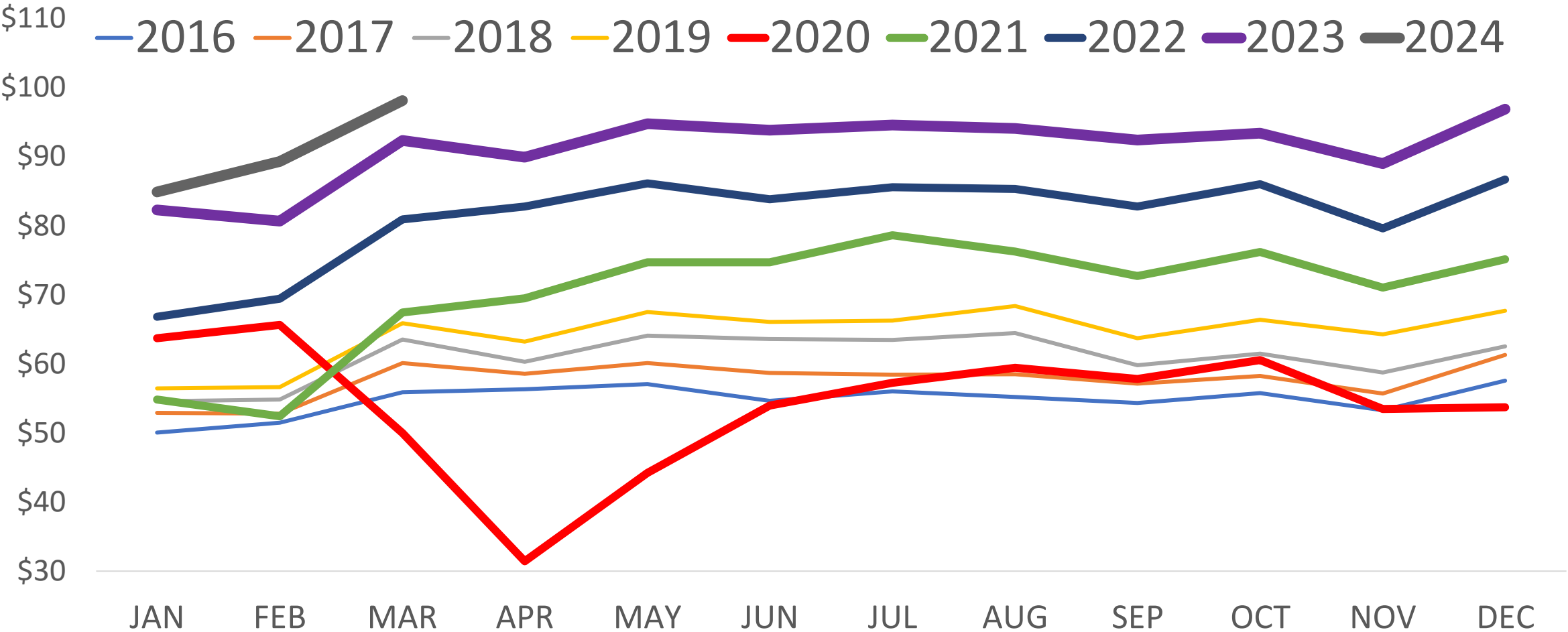
SOURCE: U.S. Census Bureau

Monthly Retail Sales



Food Services and Drinking Places

BILLIONS



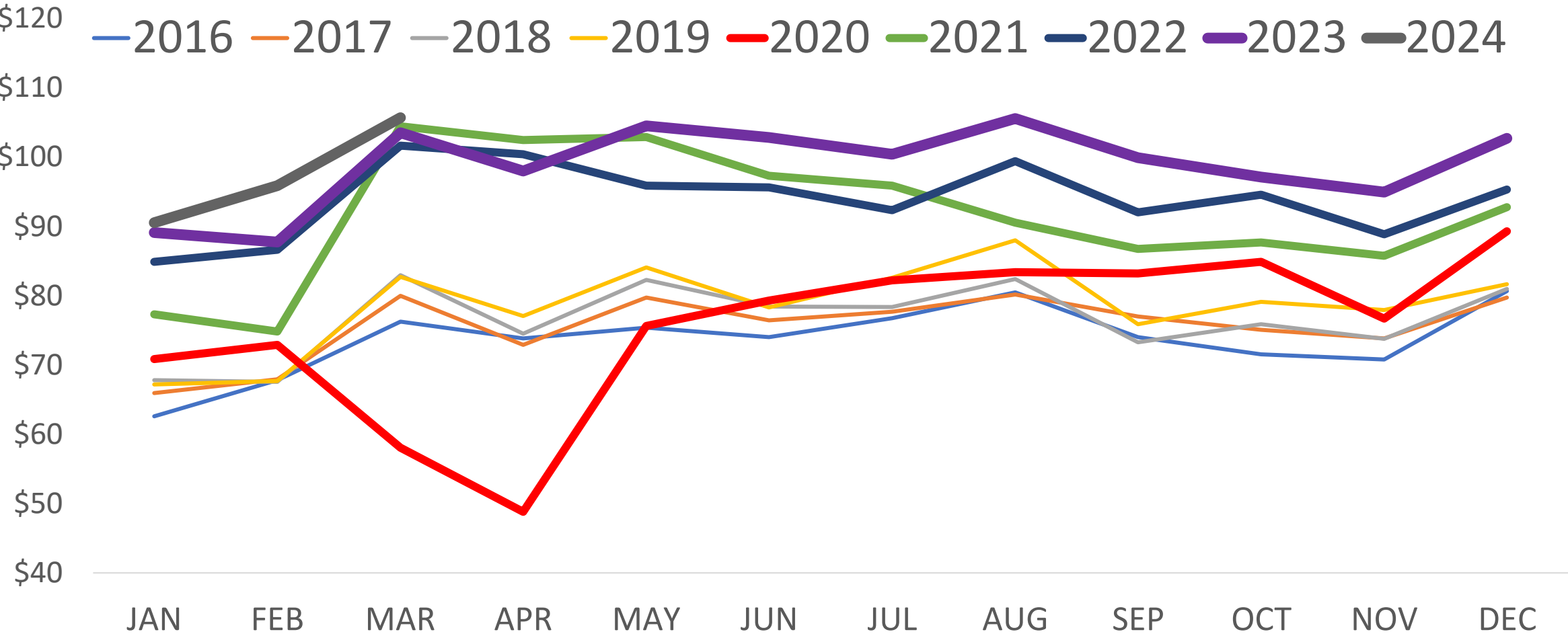
SOURCE: U.S. Census Bureau

Monthly Retail Sales



New Car Dealers

BILLIONS

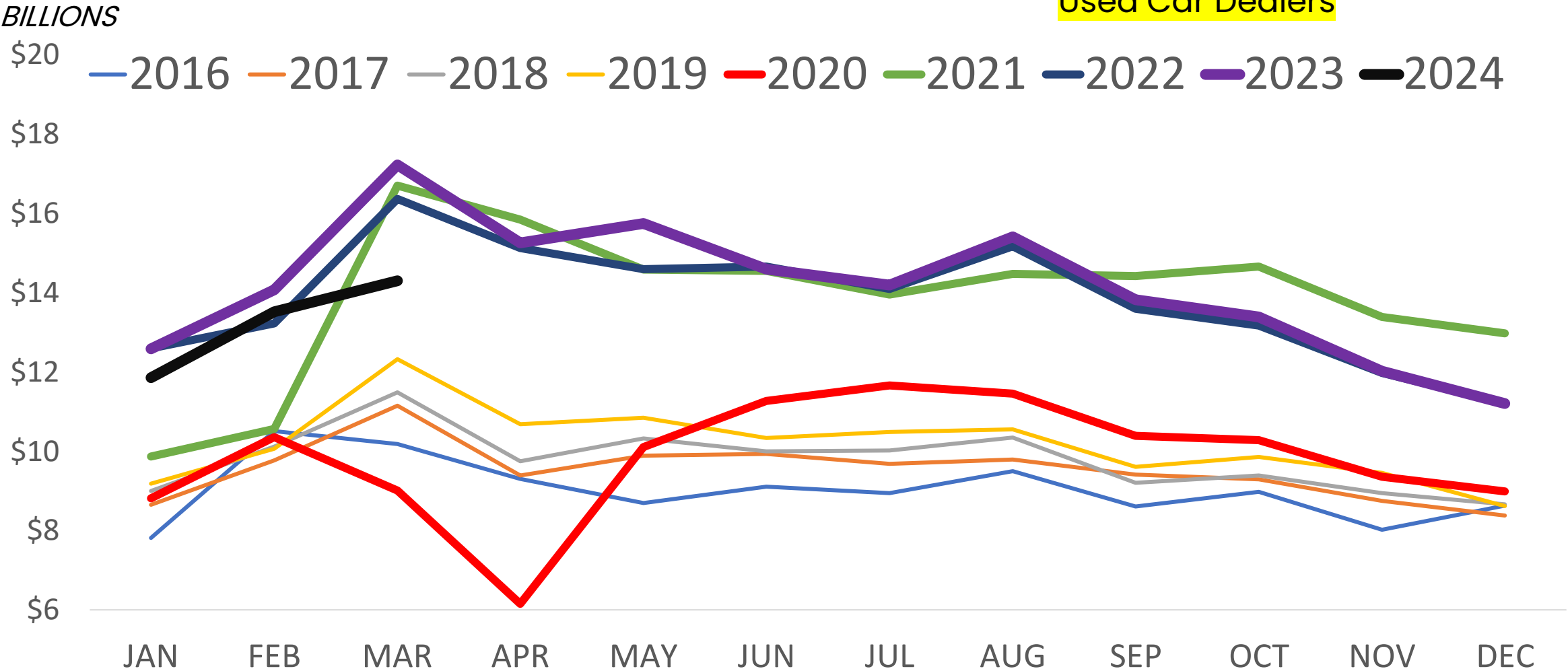


SOURCE: U.S. Census Bureau

Monthly Retail Sales



Used Car Dealers

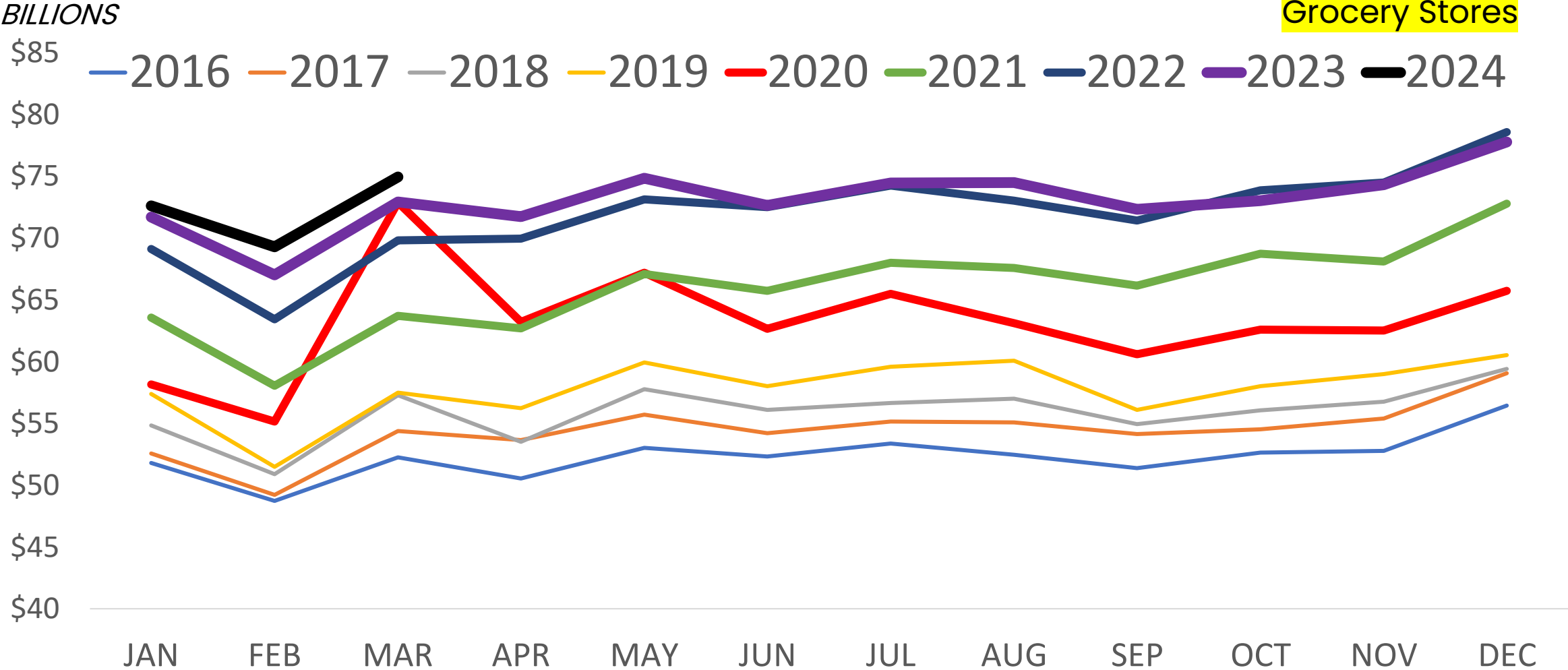


SOURCE: U.S. Census Bureau

Monthly Retail Sales

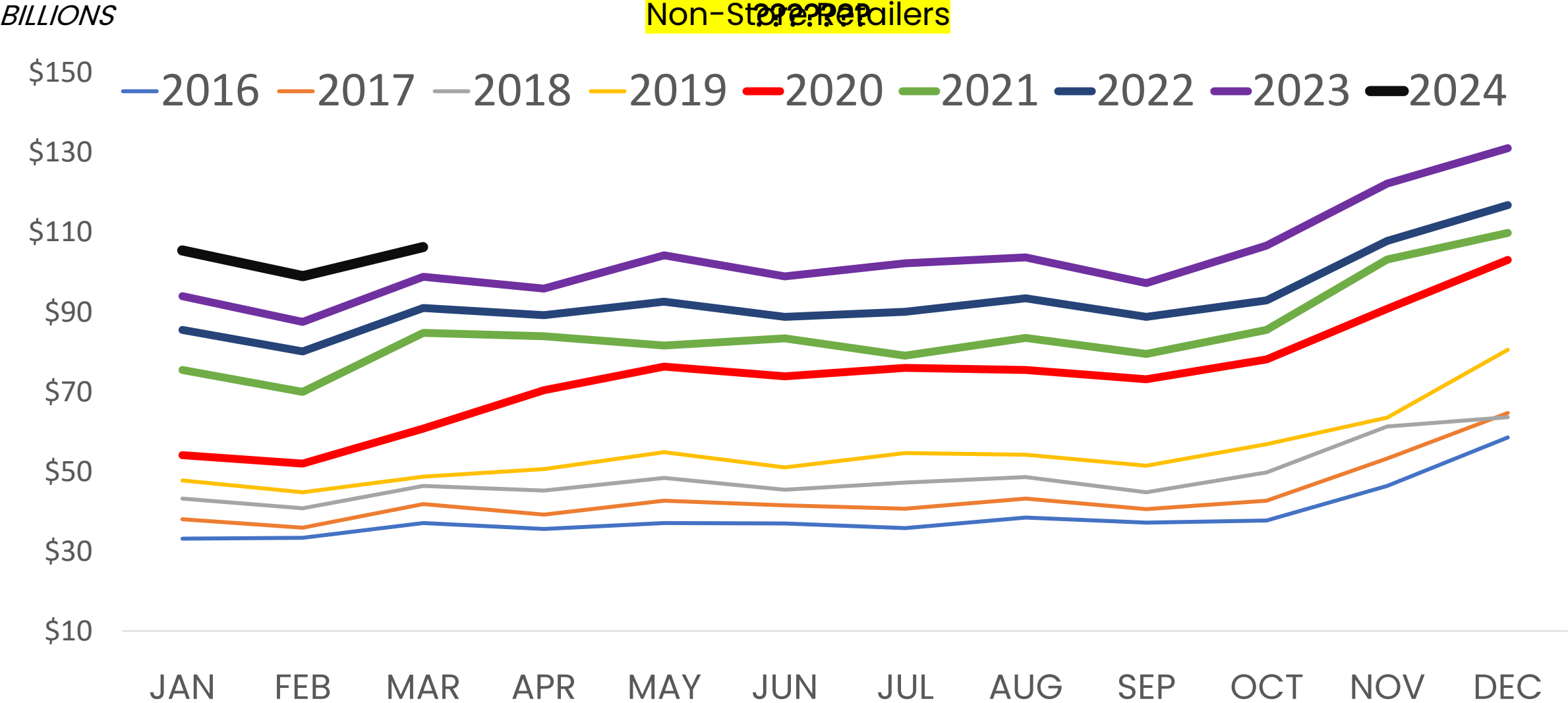


Grocery Stores



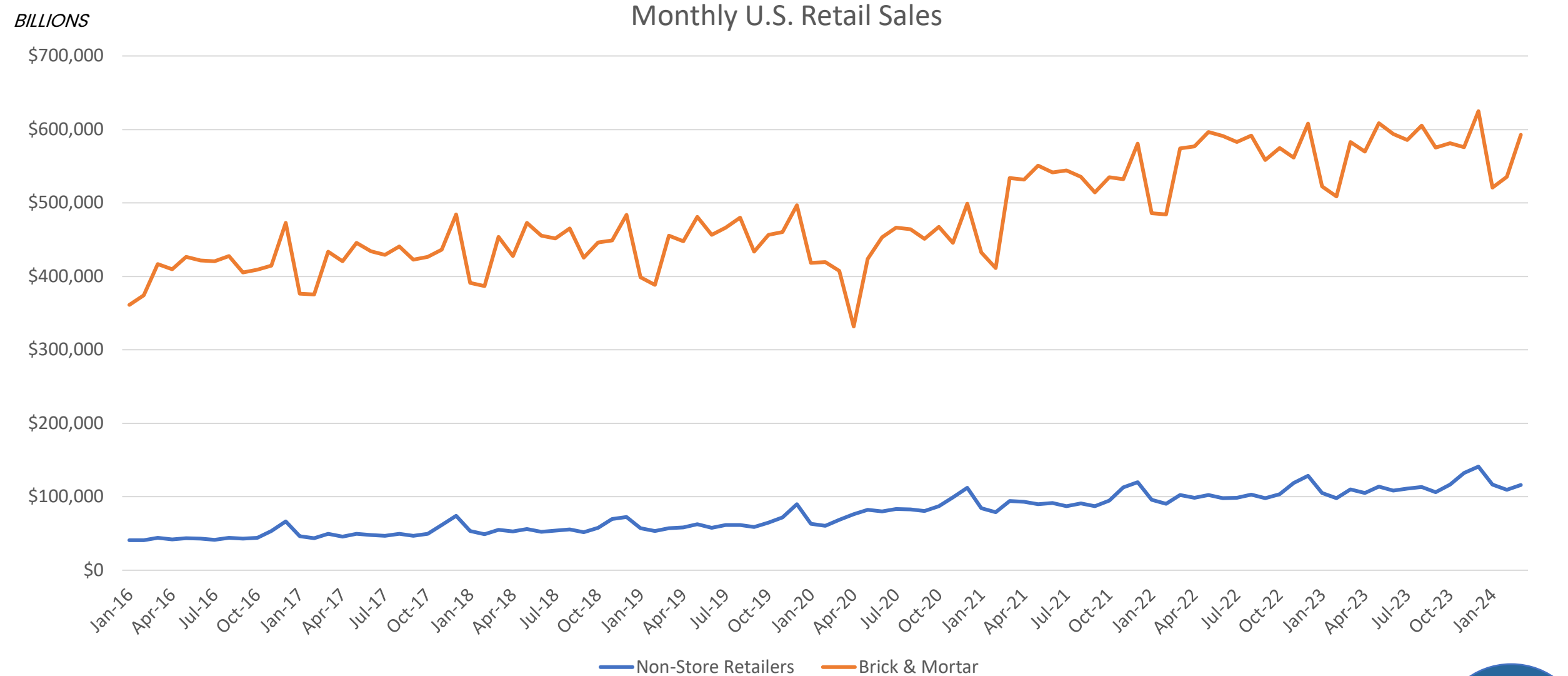
SOURCE: U.S. Census Bureau

Monthly Retail Sales



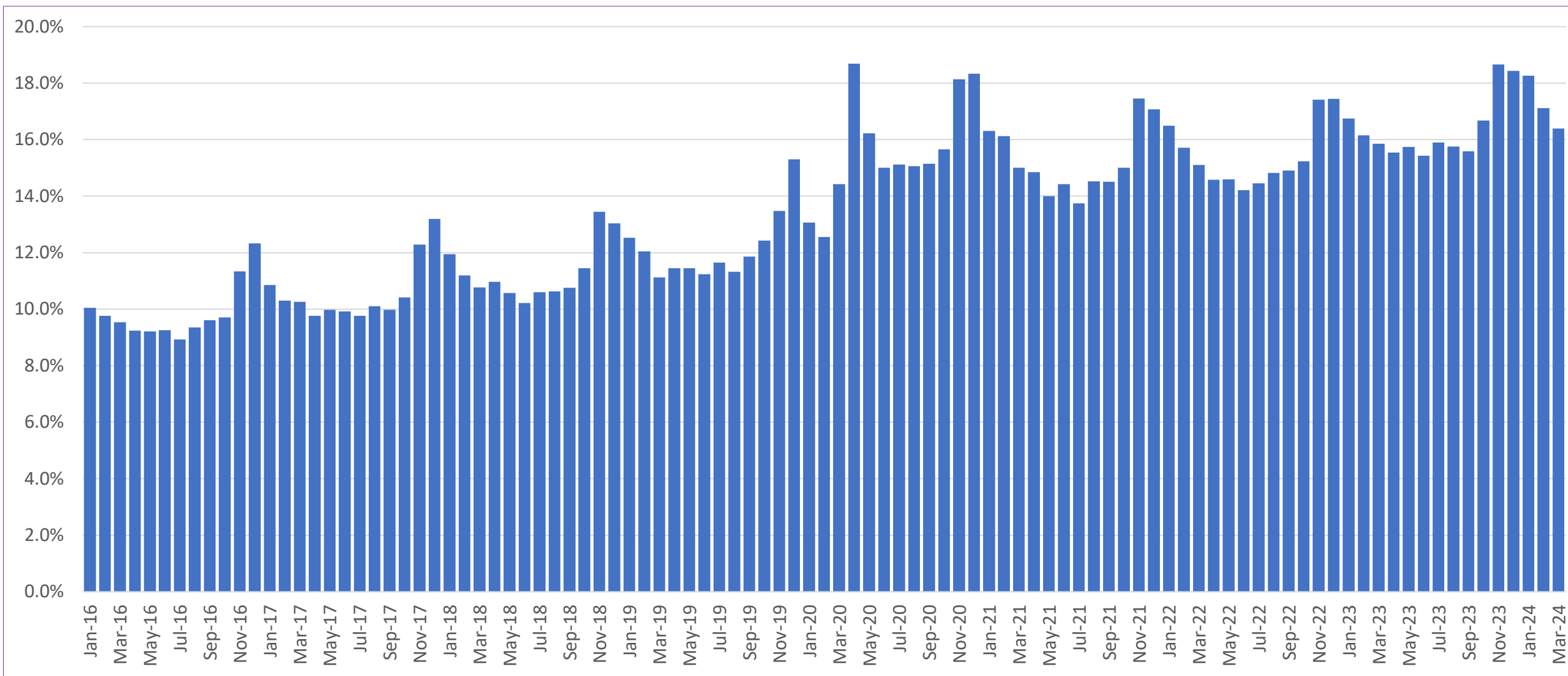
SOURCE: U.S. Census Bureau

Retail Sales – Climbing....and Shifting



SOURCE: U.S. Census Bureau

Non-Store Retail Sales Share



SOURCE: U.S. Census Bureau

Main Street Perceptions

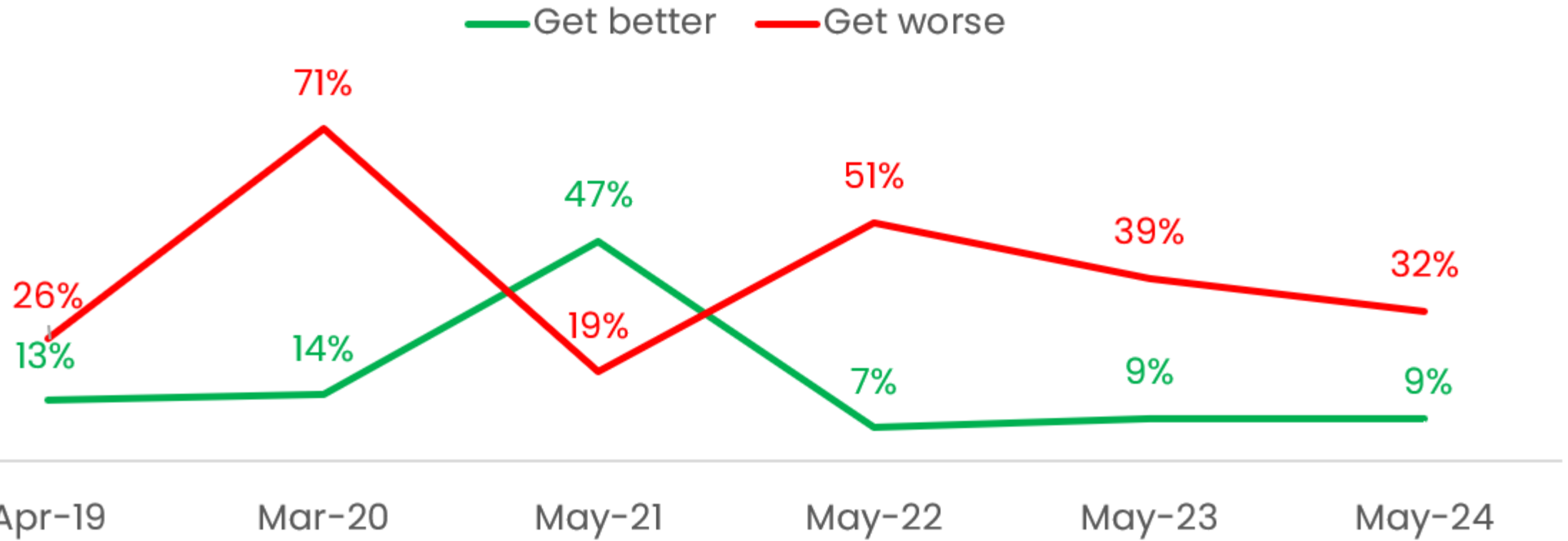


Looking YOY, while optimism stayed steady, pessimism fell



During the next six months, do you think economic conditions for sustaining a small business in the U.S. will get better, get worse or remain about the same as they are now?
(Get better, Remain the same, Get worse, No opinion)

ECONOMIC OUTLOOK

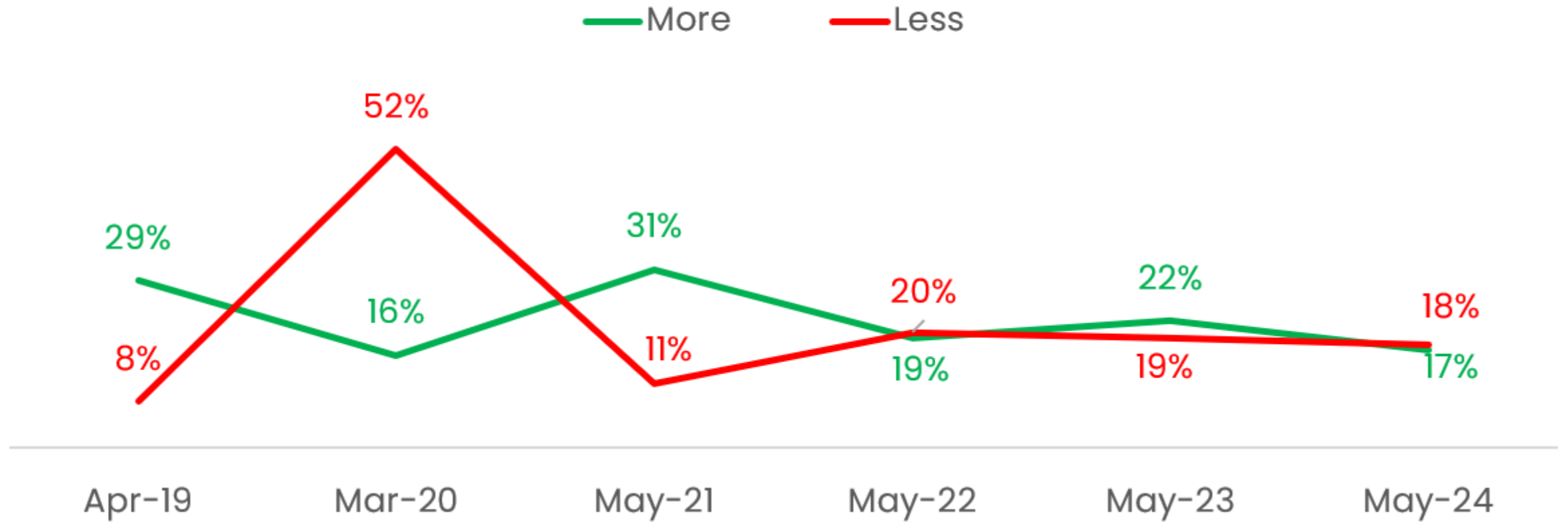


The outlook on future ad spending remains the same



Over the next six calendar months, do you expect your business will spend more or less money on advertising and marketing efforts than it did over the past six months?
(More, About the same, Less, Don't Know)

ADVERTISING SPENDING



Top Insights from Spring 2024 Local Advertiser Survey

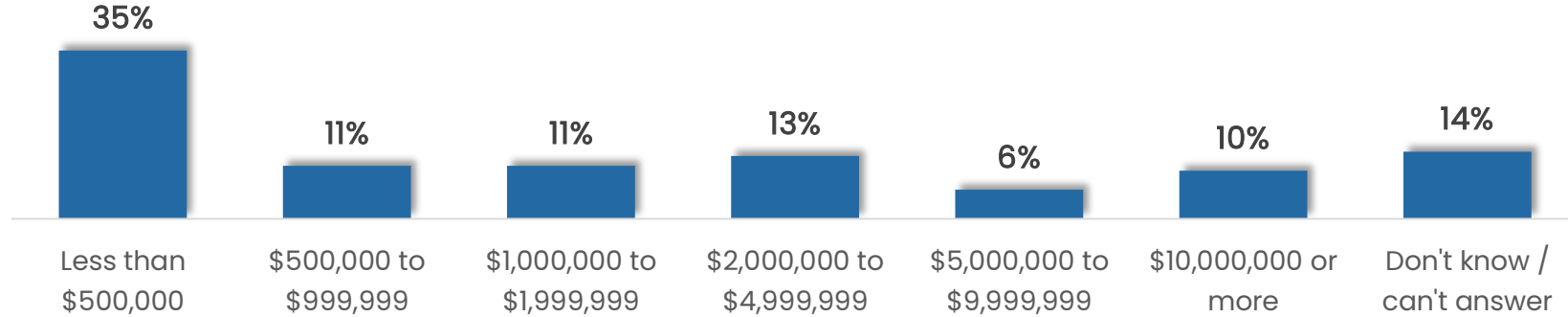


COMPANY REVENUE PROFILE

About half of participants have ad budgets above or below \$15K.
On average, 5% of gross revenues is spent on advertising.

Gross Annual Revenue

Under \$1MM	46%
\$1MM to <\$5MM	23%
\$5MM+	16%

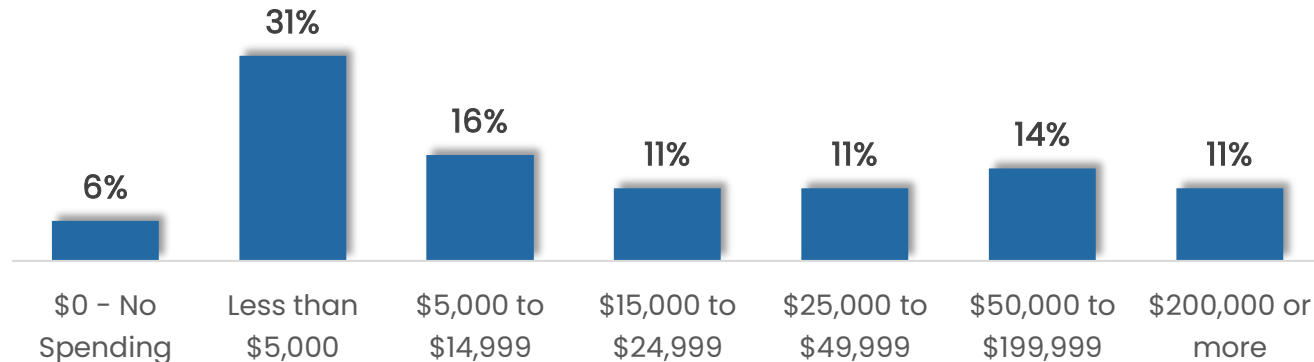


2023 Estimated Ad Spending

Under \$15k	52%
\$15k to \$49k	23%
\$50k+	26%

AVG % of Gross Revenue
Spent on Advertising

5%



Survey Questions

Q. What is the range of gross annual revenues for your business?

Q. About how much money (US \$) did your company spend IN TOTAL on advertising last year - in 2023?

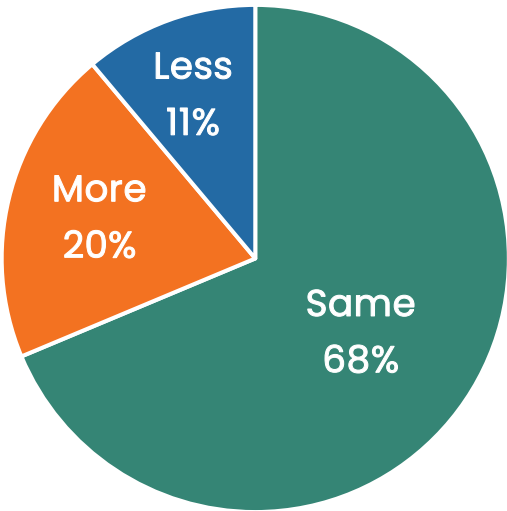
Total responses for advertiser survey
n=594



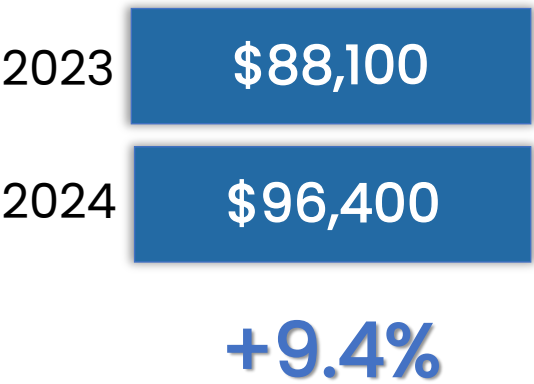
2024 AD BUDGET OUTLOOK

While most plan to keep their overall ad spending about the same, one in five report notable increases, bringing the average spending estimate up nearly 10% year over year.

Expected 2024 Ad Budget vs. 2023



Respondents' Estimated Total Ad Spending



*average change in annual ad spending
for respondents in 2023*

Survey Questions

Q. About how much money (US \$) did your company spend IN TOTAL on advertising last year -- in 2023? Q. Earlier, you estimated you will spend [X] on advertising in 2023. Earlier, you estimated you spent [X] on advertising in 2023 What do you expect your company will spend on advertising this year (in 2024)?
Total responses for advertiser survey n=594

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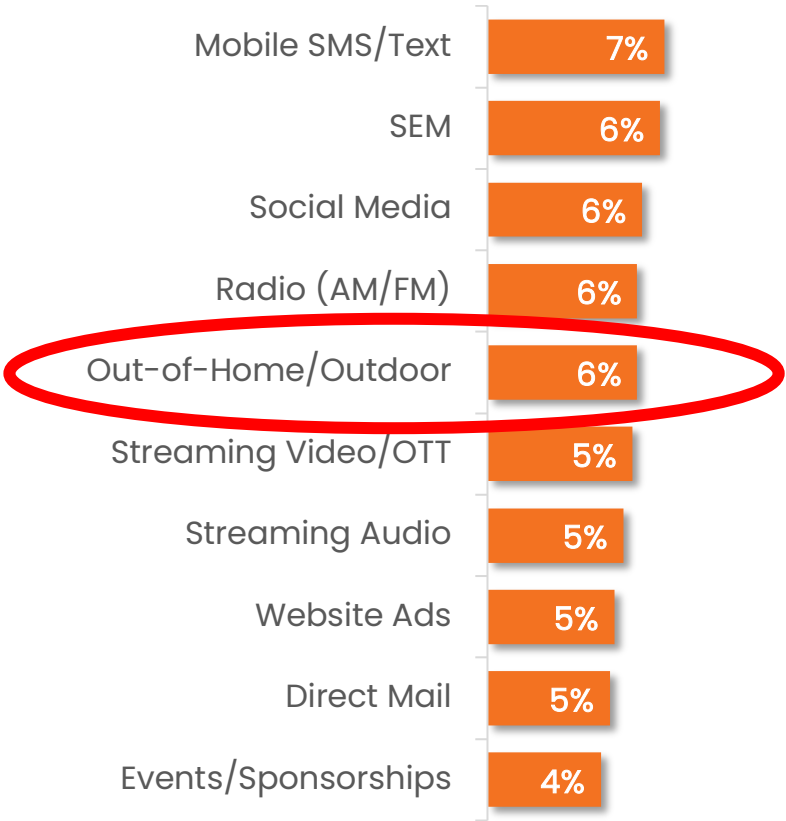
Local Advertiser Survey | Fielded Apr-May 2024



2024 AD BUDGET OUTLOOK

Four in ten advertisers plan to try a new media type in 2024 that they haven't used before.
Mobile SMS/Text and SEM lead the way.

Top 10 Media Expected to Buy in 2024, Not Purchased in 2023



41%
Plan to try
something
new

Survey Questions

Q: Do you plan to buy any NEW types of media in 2023 that you did not buy last year? Select all that apply. All advertisers n=594



MEDIA METRICS



Streaming video and Mobile SMS/Text stand out as media being used by smaller numbers of advertisers but coming up above average for interest in adding to or increasing their budgets in 2024

	Bought in 2023	Expect to Add or Increase in 2024	Expect to Decrease or Cut in 2024	Net Interest 2024 (Increase - Cut)
Social Media	59%	28%	7%	+21
Events/Sponsorships	49%	16%	5%	+11
Website Ads	46%	18%	5%	+13
SEM	42%	22%	3%	+19
Newspapers	41%	7%	12%	-5
Radio (AM/FM)	37%	10%	9%	+1
Magazines	32%	6%	10%	-4
Direct Mail	31%	11%	8%	+3
Other Printed Publications	25%	5%	7%	-2
Out-of-Home/Outdoor	22%	10%	6%	+4
Online Directory Listings	20%	5%	6%	-1
Broadcast TV	16%	7%	4%	+3
Content Marketing	16%	8%	3%	+5
Streaming Video/OTT	14%	11%	3%	+8
Mobile SMS/Text	13%	11%	2%	+9
Email Sponsorships	12%	6%	3%	+3
Printed Directories	10%	2%	5%	-3
Mobile In-App Ads	9%	6%	2%	+4
Streaming Audio	9%	7%	2%	+5
Cable TV	9%	3%	3%	-1
Average	26%	10%	5%	+5

How to read:

- 59% of advertisers surveyed bought social media advertising in 2023.
- 28% of all advertisers expect to add or increase their social media spending, while 7% expect to cut or reduce their spending in 2024.
- This is a net interest for social media +21, which is well above the +5 average

Survey Questions

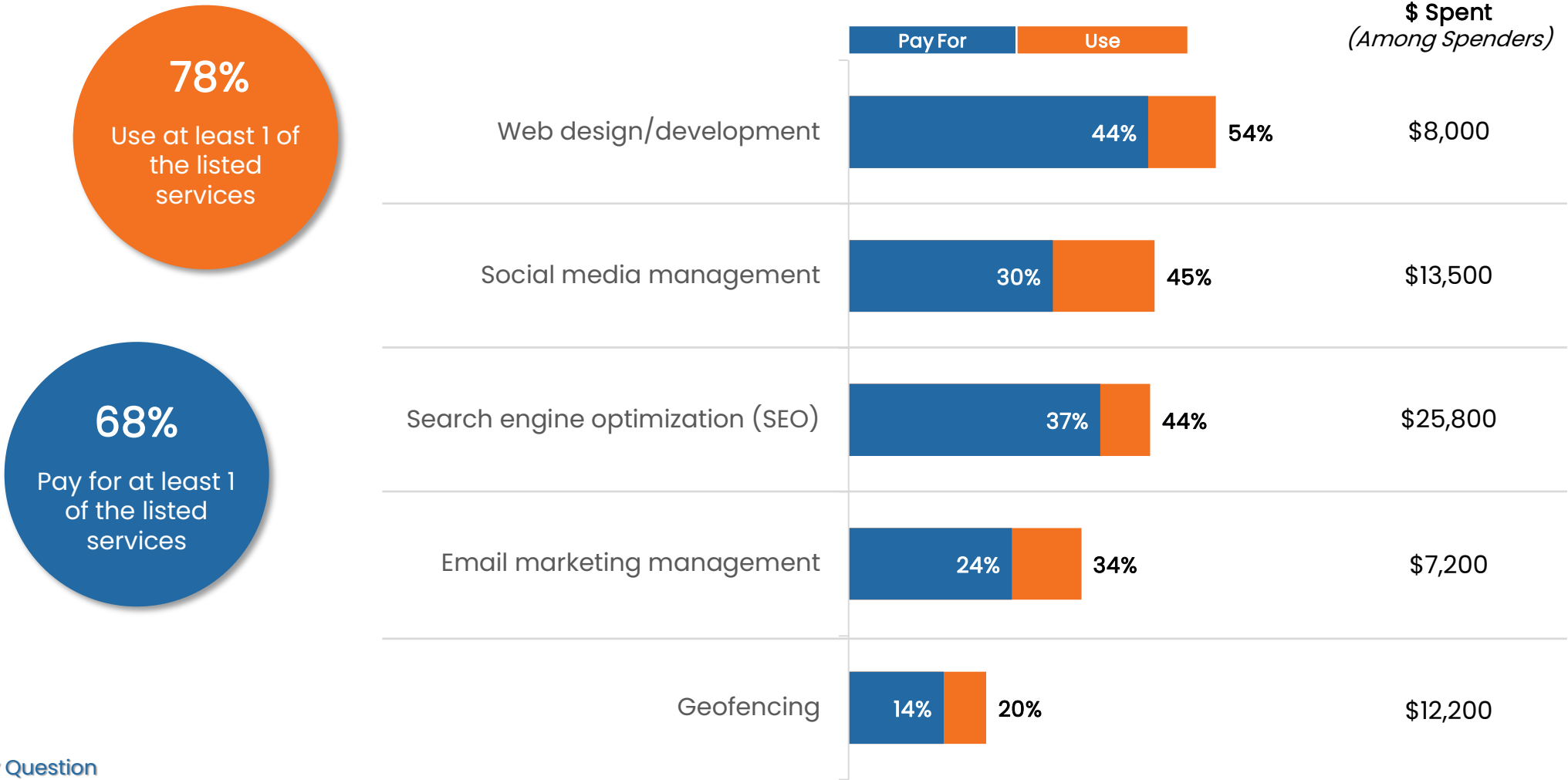
Q. Which of the following media types did your company BUY last year (2023)? Select all that apply. Please tell us if you will continue to use each of these media types MORE, about the same, LESS, or not at all in 2024. Q: Do you plan to buy any NEW types of media in 2024 that you did not buy last year? Select all that apply.

All advertisers n=594

DIGITAL SERVICES USE OR PAY FOR

Web design/development is used by over half of advertisers.
The majority of those using web design/dev are paying for the service – an average of \$8k a year.

Digital Service Use or Pay For



Survey Question

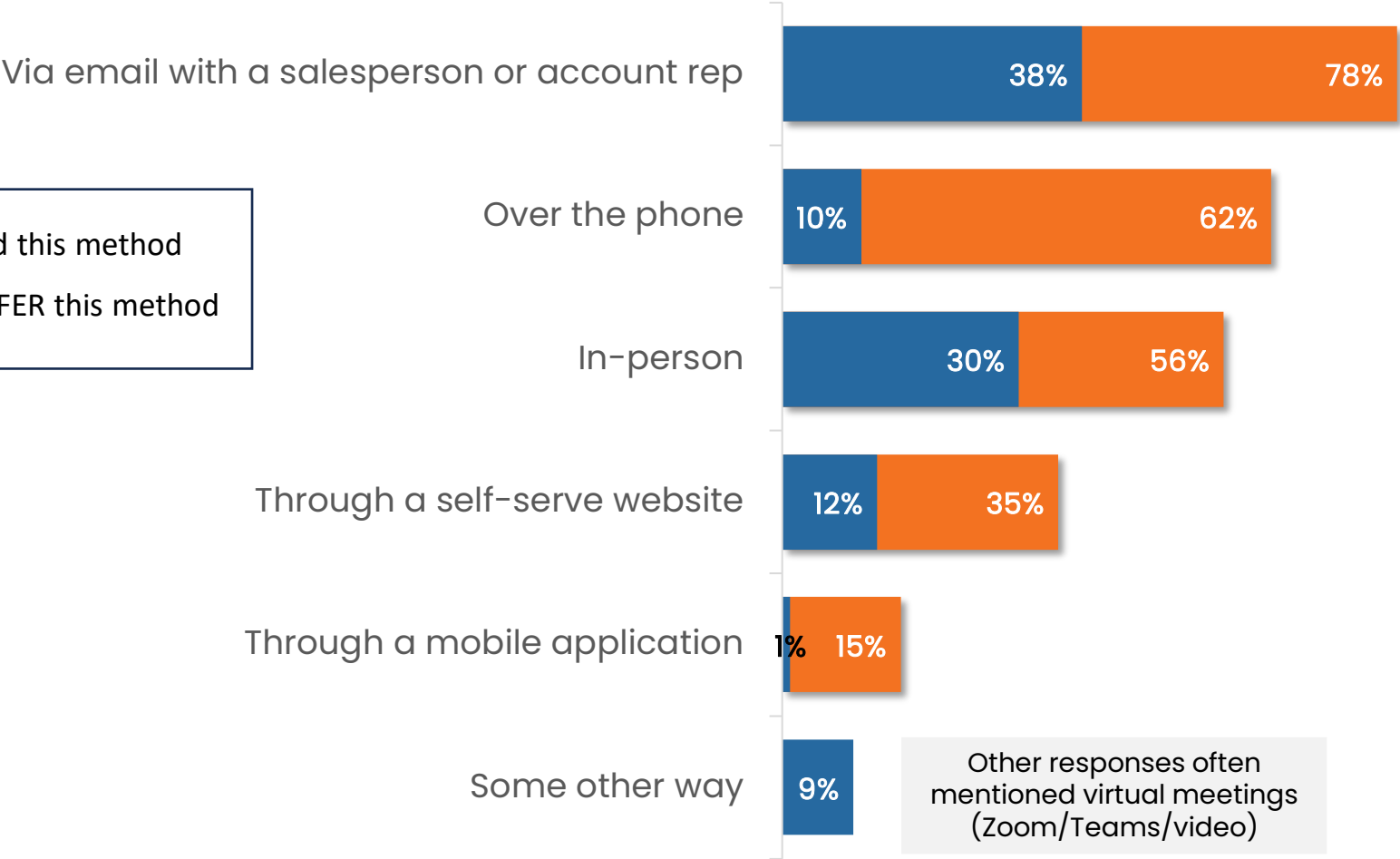
Q. Which of the following digital services does your company currently use? Q. About how much does your company spend on [X]?
Total responses for advertiser survey n=594; Web design spenders n=263; SEO spenders n=218; Email marketing spenders n=145; Social media mgmt. spenders n=178; Geofencing spenders n=86
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METHODS OF BUYING ADVERTISING

The #1 way advertising is purchased and preferred to be purchased is via email

How Advertising is Purchased (and Preferred to be Purchased)



Survey Questions

Q. In 2023, did you purchase advertising using any of these methods?
Q. How do you PREFER to buy advertising? Select one
Advertisers buying from 1+ company n=549



2023 SOCIAL MEDIA SPENDING

More Facebook users report spending money on the platform – an average of \$5,800. 42% of those buying ads on Facebook report high levels of effectiveness – 7 points higher than the effectiveness reported by those advertising on the platform for free

2023 Digital Platform Users Spending Money

		% of users who spent money	Avg. \$ Spent	Buyers n=	% of Buyers say Very/Extremely Effective	Non- Buyers n=	% of Non-Buyers say Very/Extremely Effective
Facebook		69%	\$5,800	345	42%	157	35%
Instagram		51%	\$4,100	171	34%	167	25%
YouTube		45%	\$8,300	75	28%	93	23%
LinkedIn		41%	\$5,300	65	28%	95	14%
TikTok		35%	\$3,100	32	25%	60	15%
FB Messenger		32%	\$1,300	31	32%	67	39%

63% of
advertisers
spent money
with at least
one social
media
platform in
2023

Survey Questions

Q. Which of the following digital platforms did your company use for advertising/marketing purposes in 2023? Select all that apply. Q. About how much would you say your company spent in 2023 for advertising/marketing on each of the digital platforms you've used? Q. Please rate the overall effectiveness of those digital platforms you've used (Options: Not at all, slightly, moderately, very, extremely, or don't know) Bases vary by platform as shown in table



OOH Buyers in Late 2023

Findings from the Q3-4 2023 Borrell Local Advertiser Survey



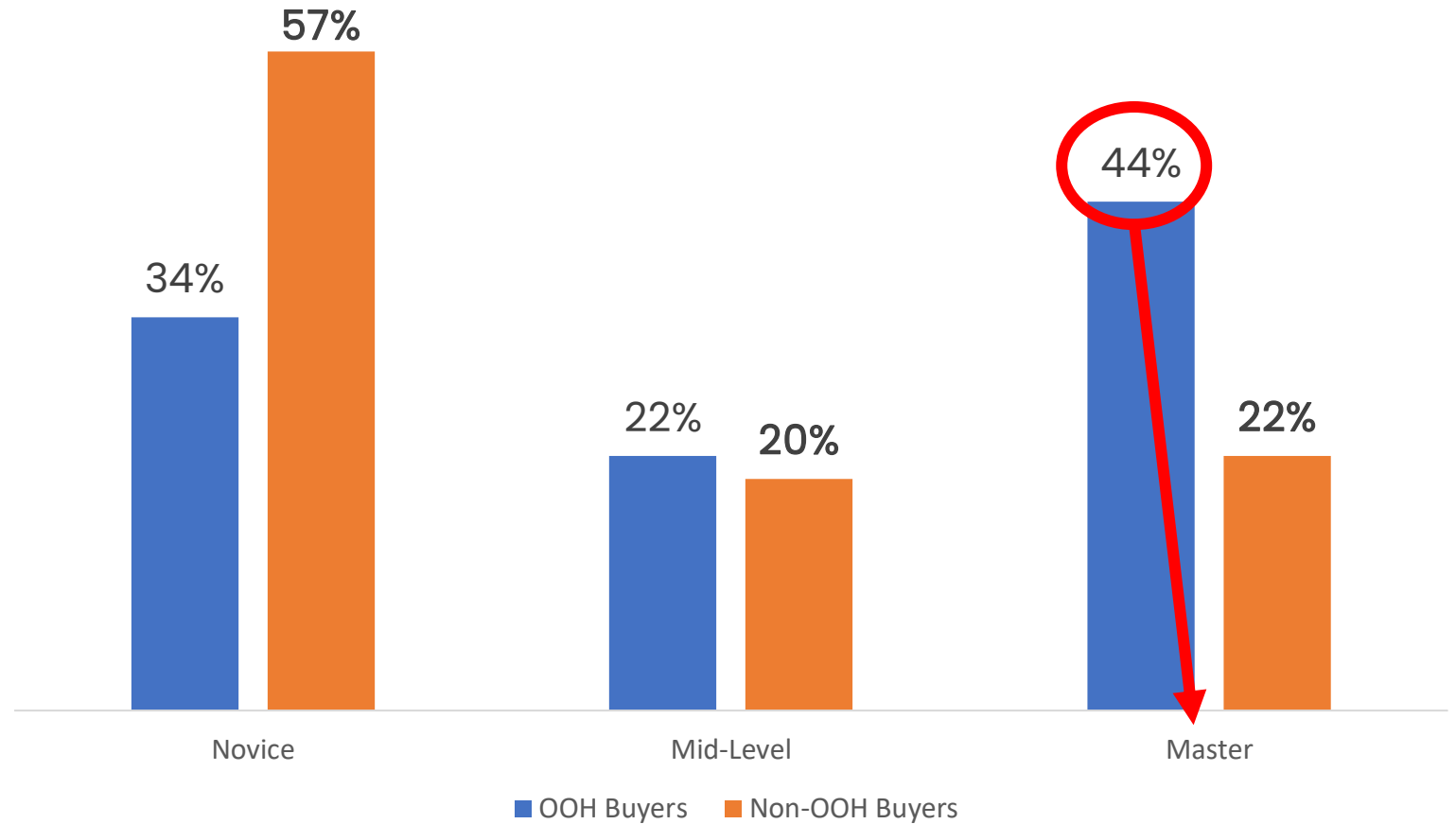
1,866 Local Advertisers Completed the Survey

22% Bought OOH Advertising in 2023

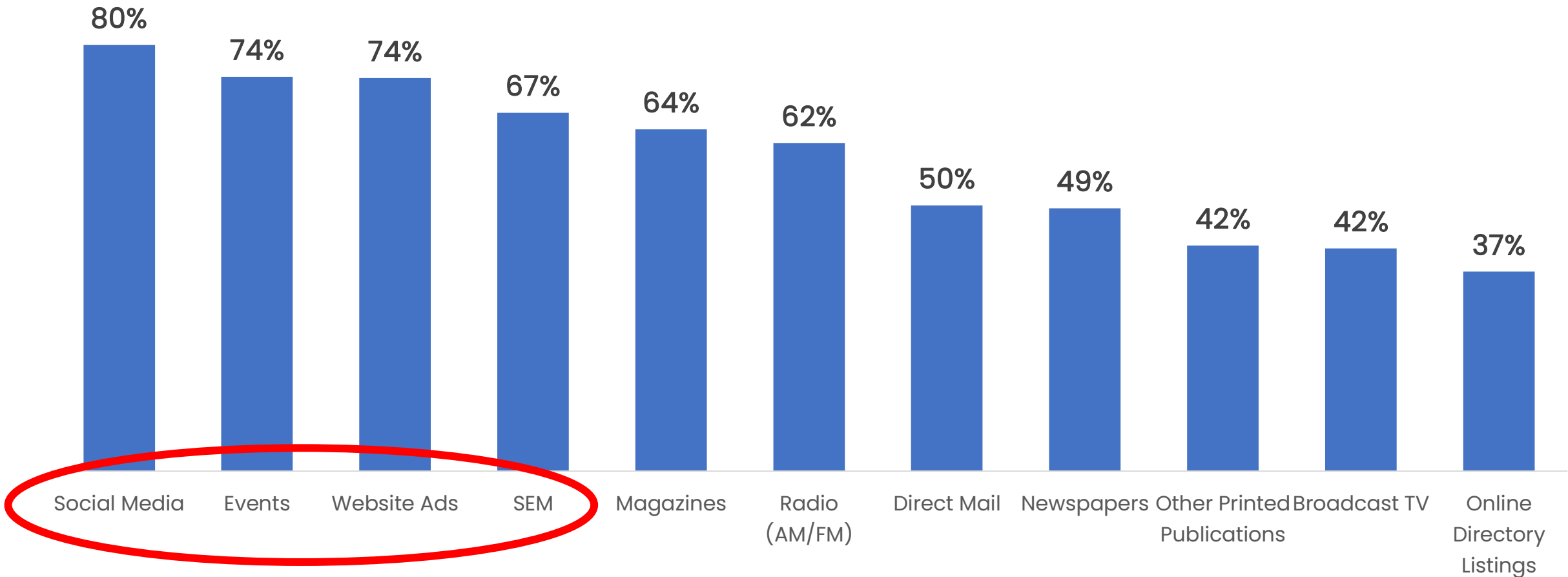
- 65% have been in business for 30+ years
 - *48% of non-OOH buyers*
- 42% have over 100 employees
 - *15% of non-OOH buyers*
- 32% have \$10 million+ gross revenue
 - *14% of non-OOH buyers*

Marketing Savvy of OOH Buyers

If You are Buying OOH, Chances are Your Level of Marketing Savvy is Higher

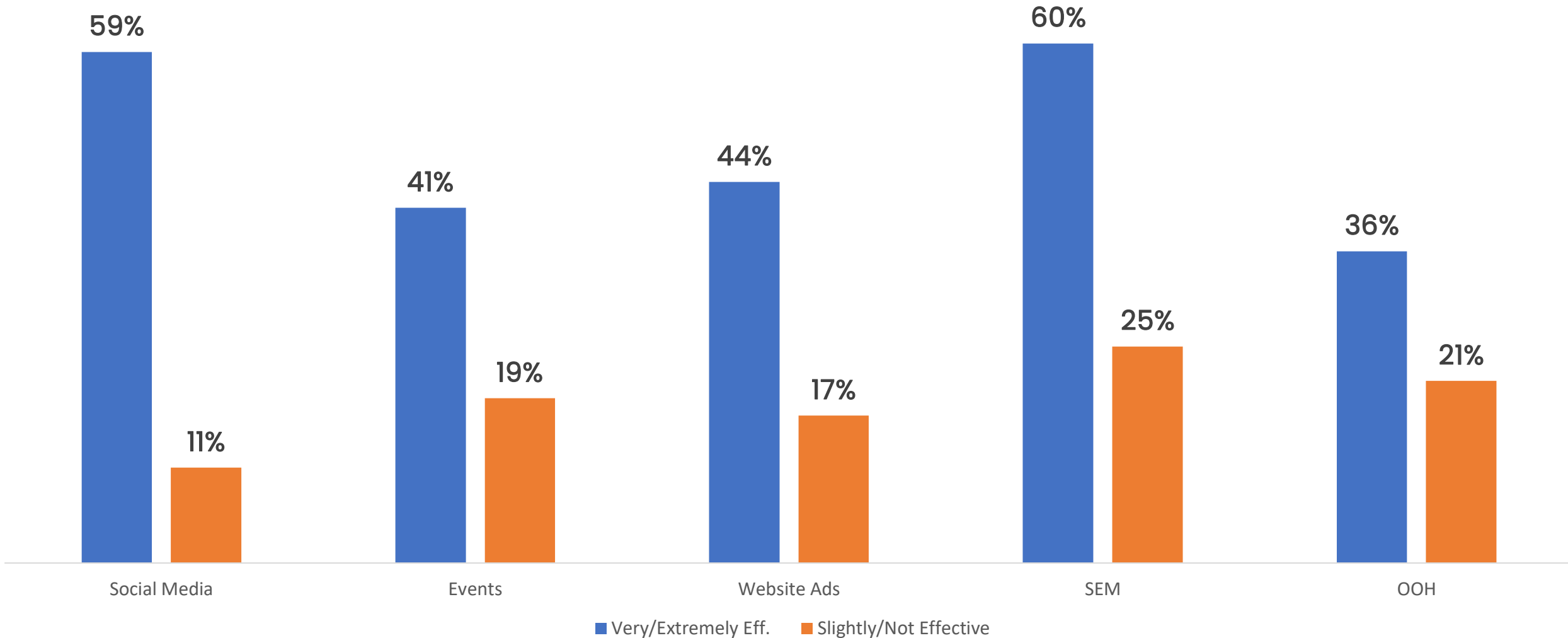


Other Things OOH Buyers Purchased in 2023



Different Media, Different Effectiveness Levels

Among OOH Buyers



2024 Plans for Online Advertising by OOH Buyers



	% who said they would INCREASE over 2023	% who said they would DECREASE over 2023
Social Media	38%	8%
SEM	36%	5%
Events	20%	9%
Website Ads	28%	9%

Advice from Local Advertisers



Point #1: BE AFFORDABLE



Smaller Budgets

"Have affordable plans for new businesses that don't have a big budget for marketing."

Offer "different pricing platform levels, to address many types of budgets."

Lower 'Start' Fees

Provide us with "affordable small business pricing, seasonal pricing."

We need "affordable marketing avenues that really deliver proven results ...with higher fees after delivery."

No 'One-Shot' Plans

We want "affordability and (to be) able to spread out effectiveness over a longer period of time. One-shot fixes are not worth it."

Unbundle deals

"Give local businesses less-expensive packages with options to choose from and the ability to individualize."

Offer "more low-cost options for small businesses."

What Advertisers Want You To Know

We asked respondents to let us know how media companies could improve.

This is what they said.

Point #2: LISTEN/LEARN

Understand Us

We'd like to see a media company "taking the time to understand who the company is and the goals that already exist instead of assuming the agency knows best."

Know My Industry

We want you to "understand and research our company and industry before offering support."

Possessing "in-depth knowledge of a specific industry is key."

My Agenda, Not Yours

"LISTEN to the needs (don't have an agenda). Be a resource."

"Listen to what the client is asking for. I get tired of companies trying to sell me what they want me to buy rather than listening to my needs."

Learn, Then Act

"Take time to learn my business and needs so that you can operate with little to no guidance. I am hiring you because I do not have time to do it which means I don't have time to hold your hand."

What Advertisers Want You To Know

We asked respondents to let us know how media companies could improve.

This is what they said.

Point #3: PROVIDE MEASUREMENT



Better Attribution

*We need you to
"develop better
attribution models."*

*"A clear proposal with
metrics is greatly
valued when pitching
to (a) partner with our
organization."*

Customize Reporting

*We'd like to see
"improvements in
reporting &
dashboards, including
the ability to customize
how/what is being
tracked unique to our
business operations
and goals."*

Outcome, Not Audience

*"Document outcomes,
not just audience
delivery."*

*"Be effective. The ROI
has been poor for
most channels."*

Proof of ROI

*"Providing proof of ROI
through numbers,
testimonials, etc. also
making it a win-win."*

*We want "faster and
more relevant data."*

*"Let your clients know
how the ROI can be
measured."*

What Advertisers Want You To Know

We asked respondents to let us know how media companies could improve.

This is what they said.

Point #4: BRING CREATIVITY

Be Fresh

"Being fresh, vibrant, and engaging is the most attractive thing for a media company to draw my attention."

Apply New Trends

Bring us "more knowledge for social media trends and advertising (like) Tik Tok."

Think Outside the Box

"Think outside of the box in ways to help companies that have small budgets."

Come With Ideas

"Come with ideas about our business at the very first meeting."

What Advertisers Want You To Know

We asked respondents to let us know how media companies could improve.

This is what they said.

Summary



Retail Sales are High, but....

SMBs Outlook is Less Pessimistic, but Still Guarded

Local Advertising Increases in 2024 & 2025

OOH Buyers are Larger, Experienced, & Savvy

Interest in All Things Digital

Desperate for Marketing Help

Be Affordable, Creative, a Good
Listener and Provide Measurement

More Ways to Connect



podcast



Latest Episode:
Episode 71: Newspapers' Digital Stumble ... Could Podcasting Be A Cure?

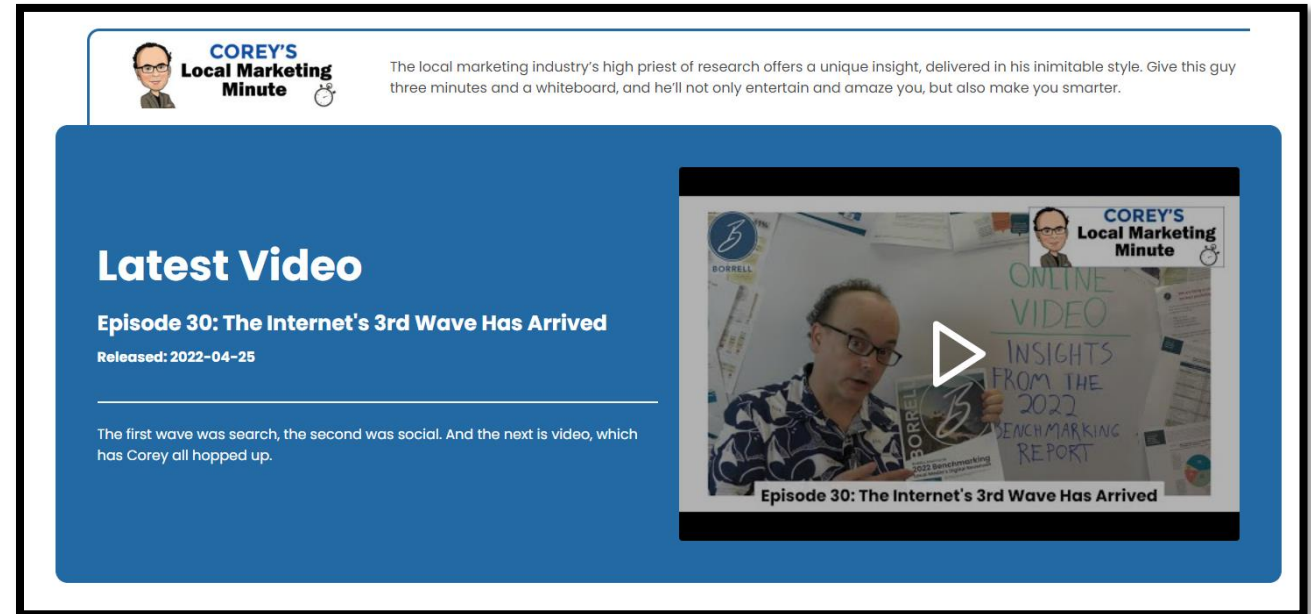
Share: [in](#) [t](#) [f](#)

Released: Mon, 2 May 2022

The Local Marketing Trends Podcast | EP71
Episode 71: Newspapers' Digital Stu...

The pandemic didn't put much wind in newspapers' digital wings. In fact, many saw digital sales go backwards. In this episode, Gordon & Corey talk about how newspaper companies once led the way with digital revenue, and why things have gotten so tough. The podcast features an interview with Darien Southerland, who's trying to get local newspapers into the fast-growing podcast business.

video



COREY'S Local Marketing Minute

The local marketing industry's high priest of research offers a unique insight, delivered in his inimitable style. Give this guy three minutes and a whiteboard, and he'll not only entertain and amaze you, but also make you smarter.

Latest Video

Episode 30: The Internet's 3rd Wave Has Arrived

Released: 2022-04-25

The first wave was search, the second was social. And the next is video, which has Corey all hopped up.

Episode 30: The Internet's 3rd Wave Has Arrived

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Thank You!