What Advertisers Are Planning For the Last Half of 2023

Special Webinar for RAB Members
August 9, 2023

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ABOUT THIS PRESENTATION

The following slides were presented on Aug. 9, 2023, by Gordon Borrell, CEO of Borrell Associates, during a webinar for RAB members.

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TODAY'S AGENDA

What We'll Be Covering

- Survey Methodology
- What Direct Buyers Are Doing
- What Local Ad Agencies Are Doing
- Different Views on 'What's Hot' This Year
- 10 Minutes for Your Questions

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Survey Methodology

Want to know what YOUR advertisers are planning?

Our fall survey starts Sept. 6

To join, email taryn@borrellassociates.com

- Fielded March-May 2023
- Solicited through client/prospect lists of media cos.
- 4,184 starts
  - 1,779 partials (we use only fully completed surveys)
  - 204 disqualified
- Two surveys:
  - Ad Agencies, 359 respondents
  - Direct Buyers, 1,983 respondents

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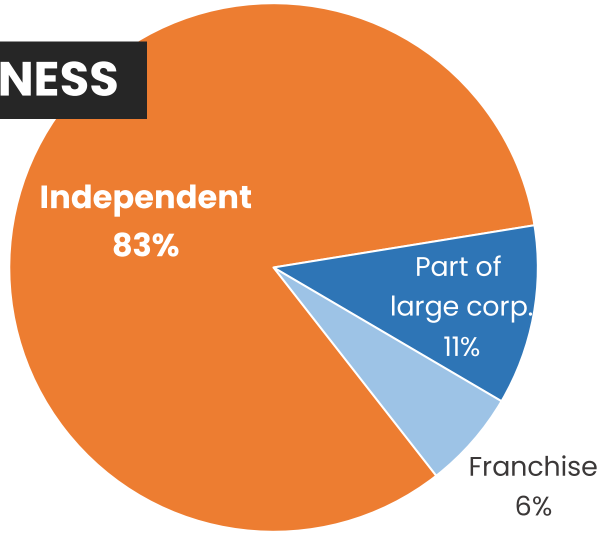
Respondent Profile: DIRECT BUYERS

TYPE OF BUSINESS



AVERAGE AGE

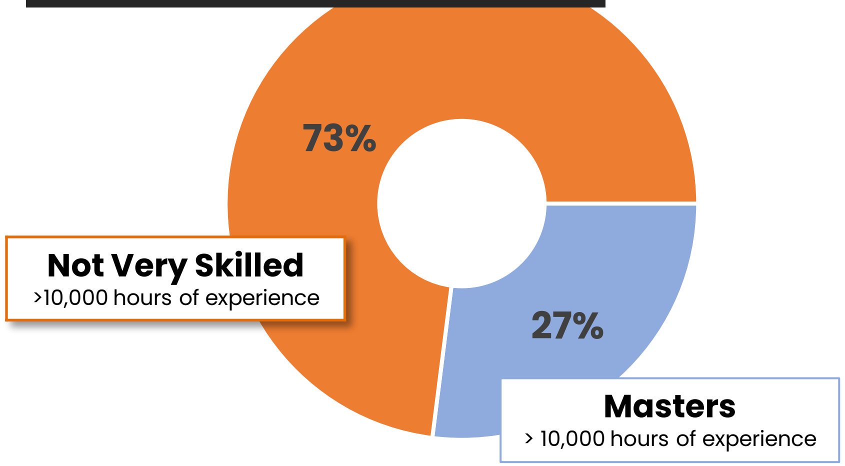
51

GROSS REVENUE

$3.1 million
Avg. gross revenue

$5 million +	20%
$1-<$5 million	25%
Under $1 million	39%
Don't know	16%

MARKETING EXPERTISE



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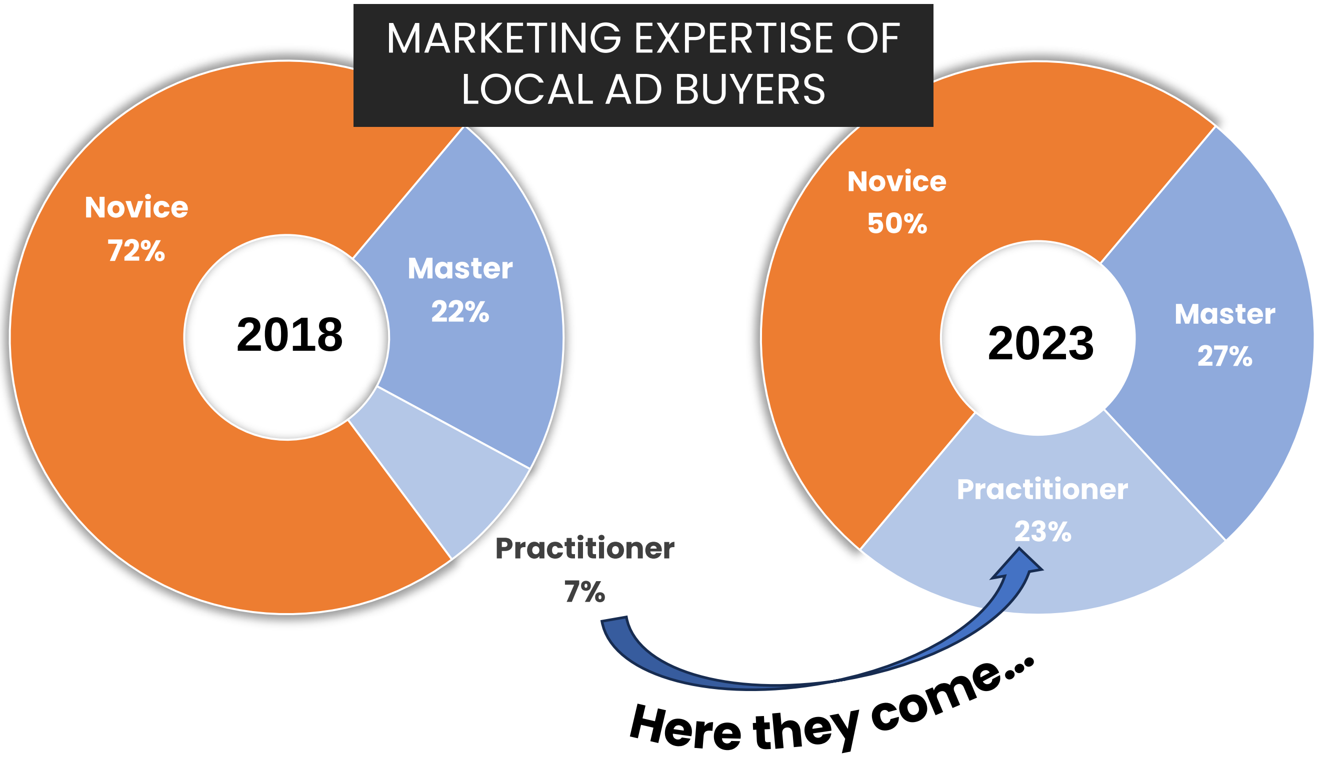
Respondent Profile: DIRECT BUYERS

The March of The Novice Marketers



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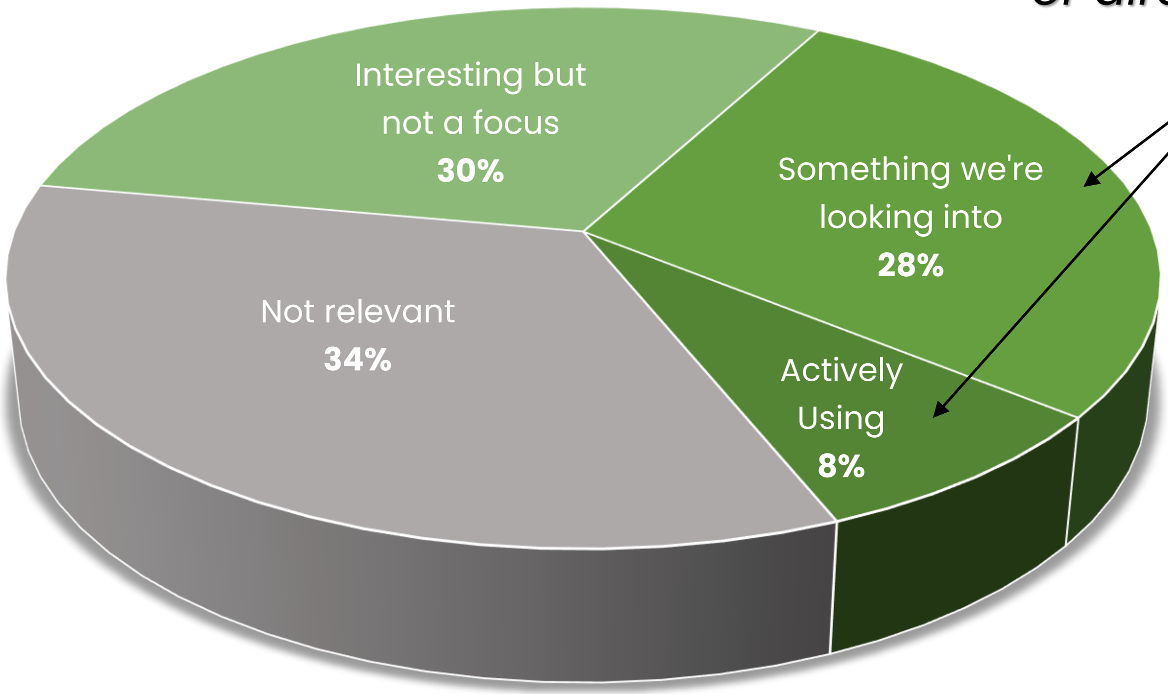
SOURCE: Borrell's 2018 survey of Local Ad Buyers, N=3,039 responses; 2023 survey, N=1,938 responses

LATEST MONTHLY PANEL

Is A.I. on Your Advertisers' Minds?

36%

Are looking into A.I. or already using it.



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SOURCE: Borrell's July 2023 monthly SMB panel; N=138 respondents

Latest Report

How they're using it . . .

"We've used it for new ideas/email subject lines, etc…"

"The ability to create marketing collateral within minutes utilizing catchy slogans and phrases…"

"It's been helpful and has increased the efficiency of creative to a degree, but it isn't necessarily transforming how we do things or how we allocate resources, yet."

"Greatly reduced the time to create content since it gives us a jumping off point."

"A.I. has cut time spent in certain areas by more than half."

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SOURCE: Borrell's July 2023 monthly SMB panel; N=138 respondents

Latest Report

How they hope to use it . . .

"Helping us to better know our customer and targeting them where they live."

"Increase effectiveness in attracting audiences."

"Audience target for increasing business."

"Provide good analysis on marketing."

"Help create catchy articles and cure writer's block."

"Save time for our content creators."

"Predictive analytics may help us get a better understanding on the potential customers we are not reaching."

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SOURCE: Borrell's July 2023 monthly SMB panel; N=138 respondents

DIRECT BUYERS

Usage And Rates of Spending

Type of Advertising	% Buying This	Avg. Annual Spending On It
Broadcast TV	25%	$ 98,022
SEM	46%	$ 71,393
Cable TV	12%	$ 50,239
Streaming Video/ OTT	21%	$ 38,835
Out-of-Home	26%	$ 37,497
Radio (AM/FM)	49%	$ 34,167
Event/sponsorships	54%	$ 22,203
Social Media	65%	$ 22,112
Direct Mail	49%	$ 20,533
Banner Ads	35%	$ 20,260
Streaming Audio	15%	$ 18,307
Newspapers	40%	$ 11,938
Magazines	37%	$ 9,144
Mobile SMS/Text	17%	$ 7,906
Email Sponsorships	15%	$ 7,856
Mobile In-app ads	14%	$ 5,926
Content Marketing	18%	$ 5,394
Printed Directories	25%	$ 3,826
Online Listings Sites	9%	$ 2,943

Broadcast TV retains the #1 spot for average annual spending, but SEM spending continues to climb.

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SOURCE: Borrell's Spring 2023 Survey of Local Ad Buyers, N=1,938 respondents

RADIO BUYERS

Usage And Rates of Spending

Competitors

Products

	% USING EACH MEDIA		ANNUAL Spending	
	Those not buying radio	Those who buy radio	Avg. spent by radio buyers on …	
Broadcast TV	12%	37%	$	111,170
SEM	35%	45%	$	81,415
Cable TV	5%	17%	$	52,011
Out-of-Home/ Outdoor	12%	33%	$	44,047
Streaming Video/ OTT	8%	27%	$	43,522
Radio (AM/FM)	0%	100%	$	34,167
Events/sponsorships	40%	59%	$	30,425
Social Media	53%	69%	$	28,098
Direct Mail	24%	39%	$	26,106
Website Ads	35%	58%	$	24,680
Streaming Audio	4%	19%	$	21,610
Newspapers	29%	51%	$	15,256
Magazines	28%	40%	$	10,208
Email Sponsorships	9%	15%	$	8,650
Mobile SMS/Text	9%	15%	$	8,249
Mobile In-app Ads	7%	14%	$	6,681
Other Printed Publications	18%	30%	$	4,456
Content Marketing	12%	15%	$	4,350
Printed Directories	8%	12%	$	3,411
Online Directory Listings	16%	20%	$	3,340

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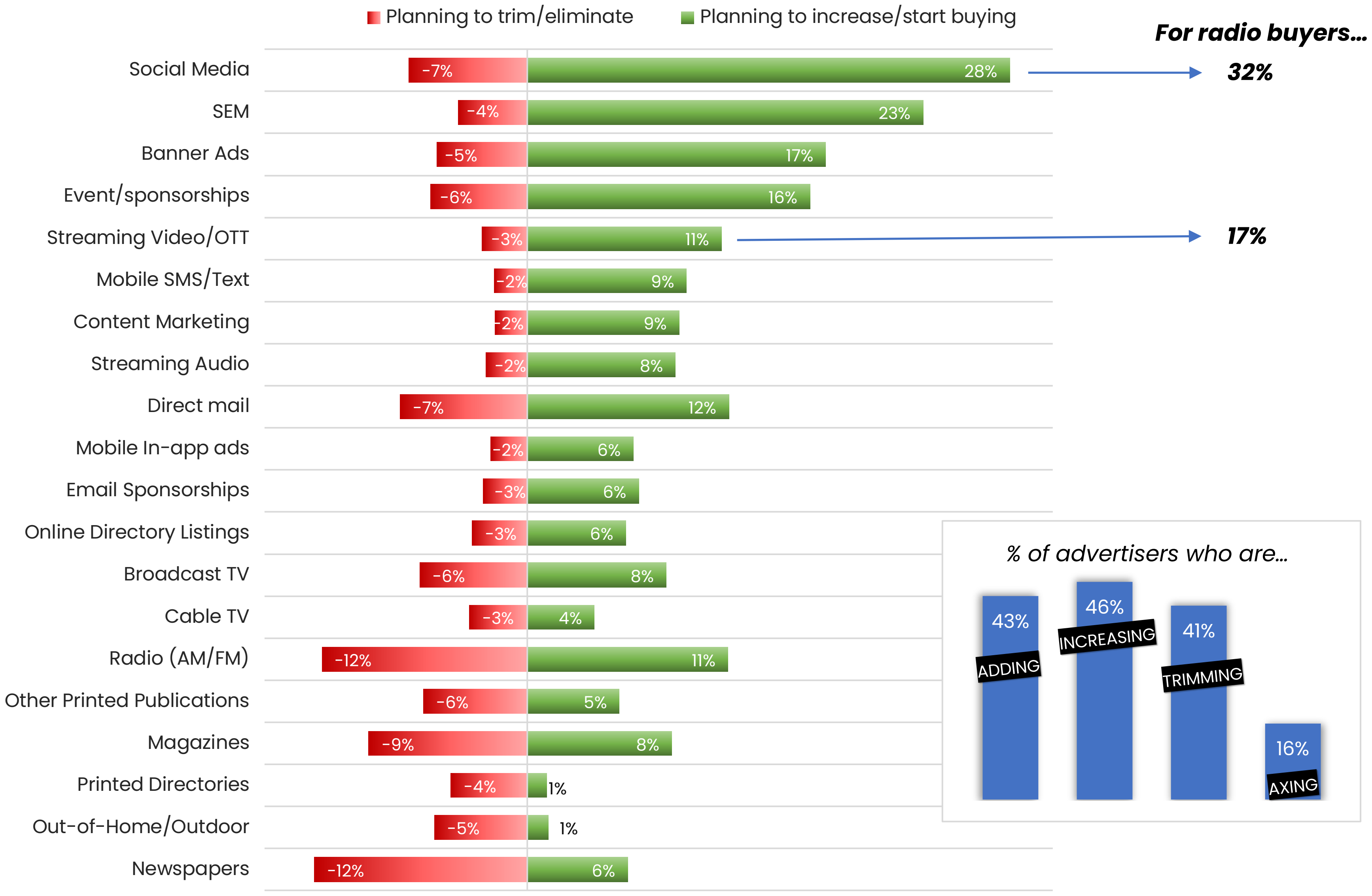
SOURCE: Borrell's Spring 2023 Survey of Local Ad Buyers, N=912 radio buyers and 1,026 non-buyers of radio

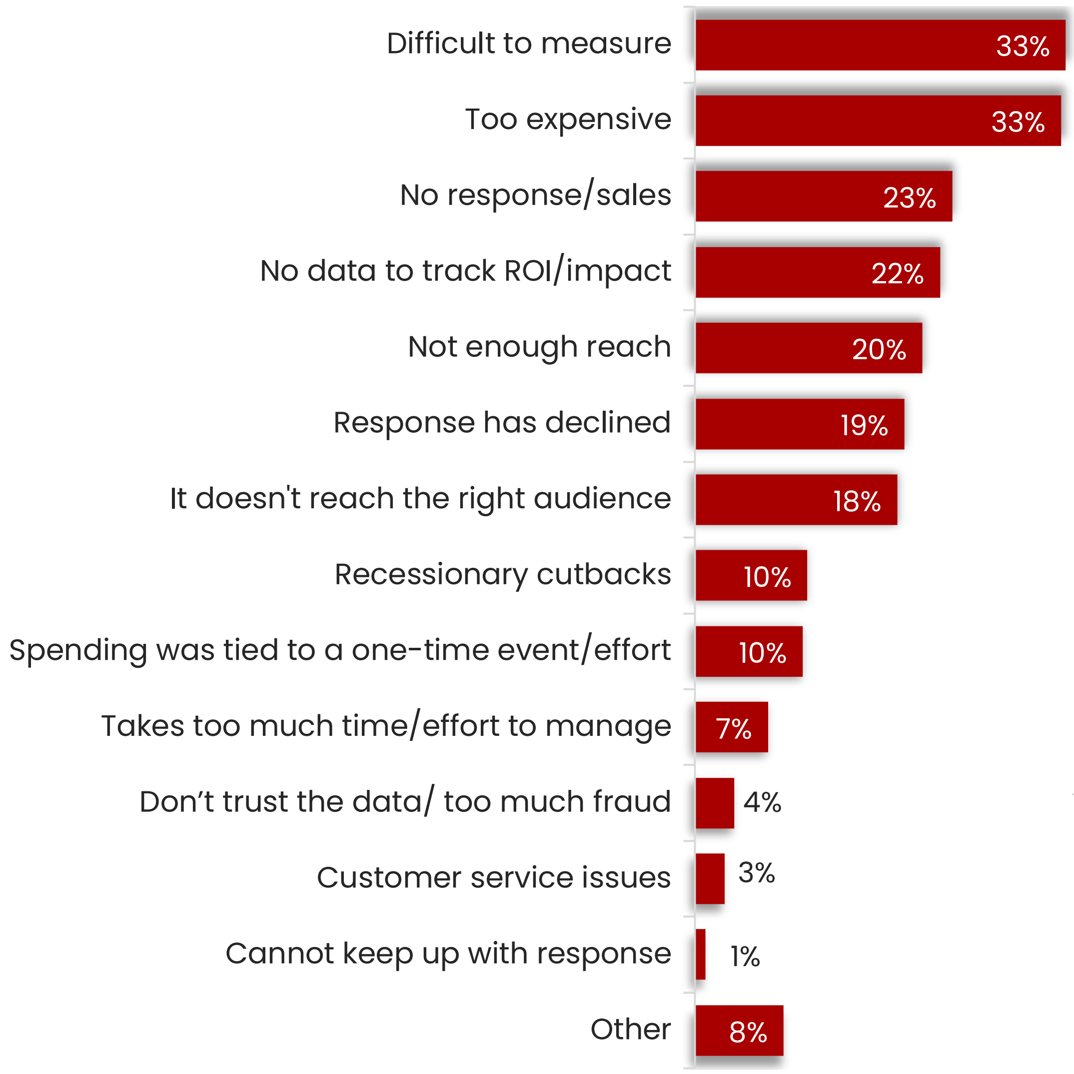
What's Hot (and Not) for Ad Buyers

DIRECT BUYERS

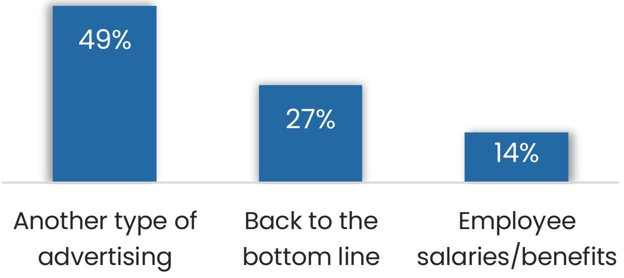


SOURCE: Borrell's Spring 2023 Survey of Local Ad Buyers, N=1,938

What Prompts Them to Cut Something



Where the Money Will Go

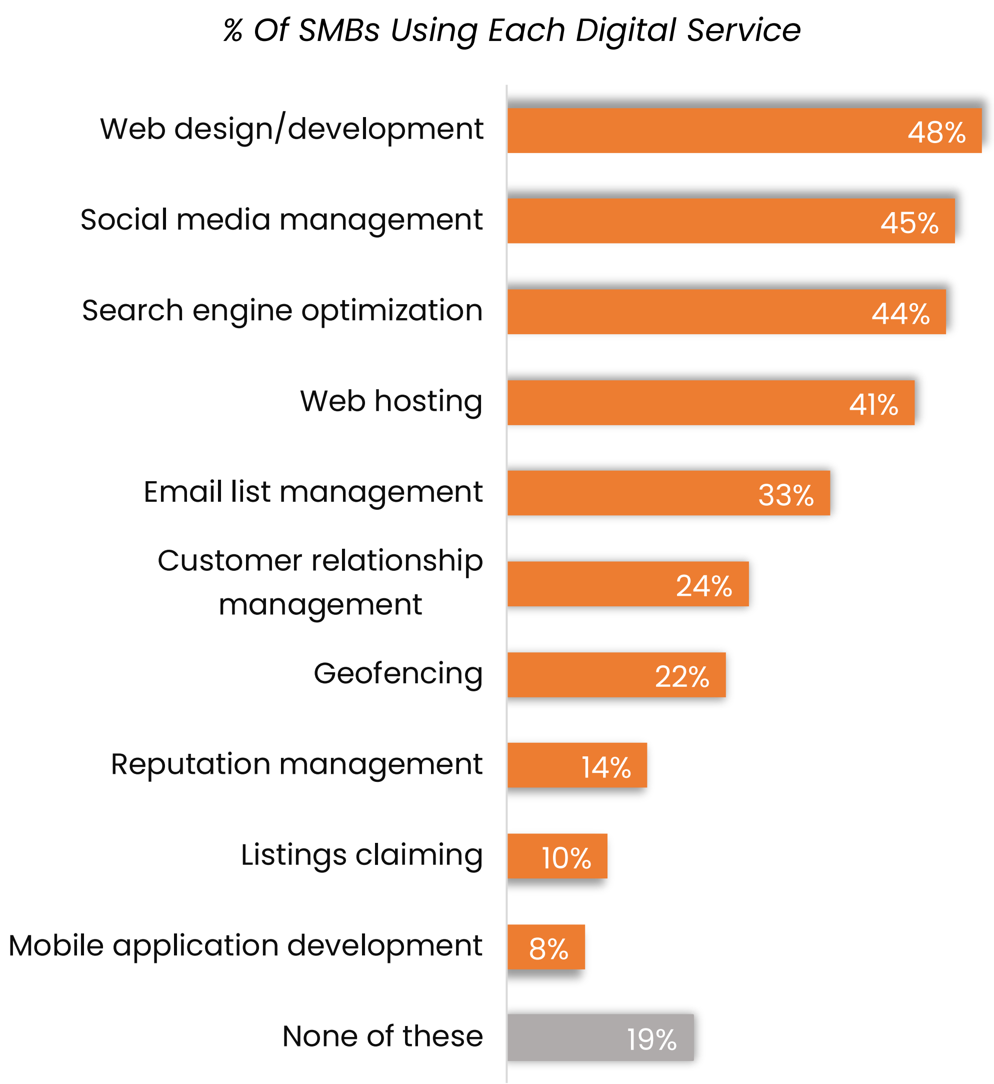


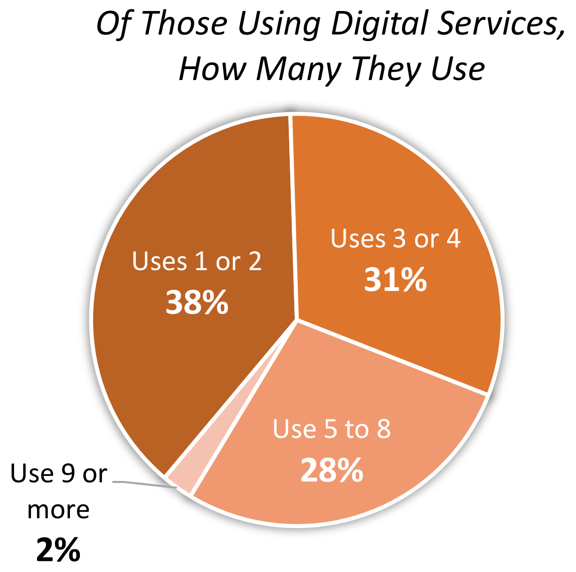
DIRECT BUYERS

SOURCE: Borrell's Spring 2023 Survey of Local Ad Buyers, N=1,938

Most-Used Digital Services by Local Businesses

DIRECT BUYERS





SOURCE: Borrell's Spring 2023 Survey of Local Ad Buyers, N=1,938

How They Get Help on Marketing Tasks

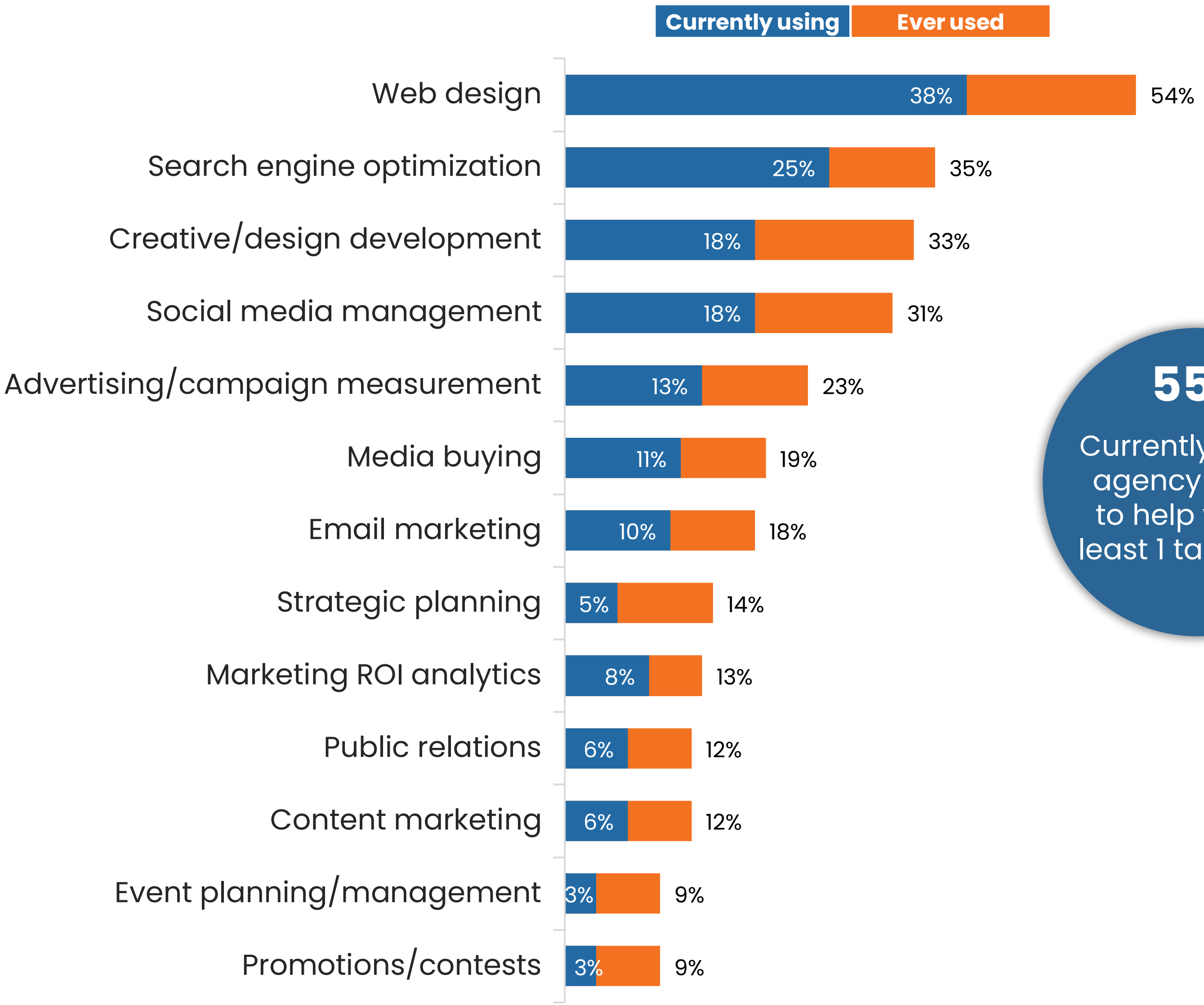
30%

Seek help from a local media company or agency

DIRECT BUYERS

SOURCE: Borrell's Spring 2023 Survey of Local Ad Buyers, N=1,938

Tasks Delegated to Outside Firms/Agencies



55%

Currently use an agency or firm to help with at least 1 task listed

DIRECT BUYERS

SOURCE: Borrell's Spring 2023 Survey of Local Ad Buyers, N=1,938

What Direct Buyers Value in Agencies

#1

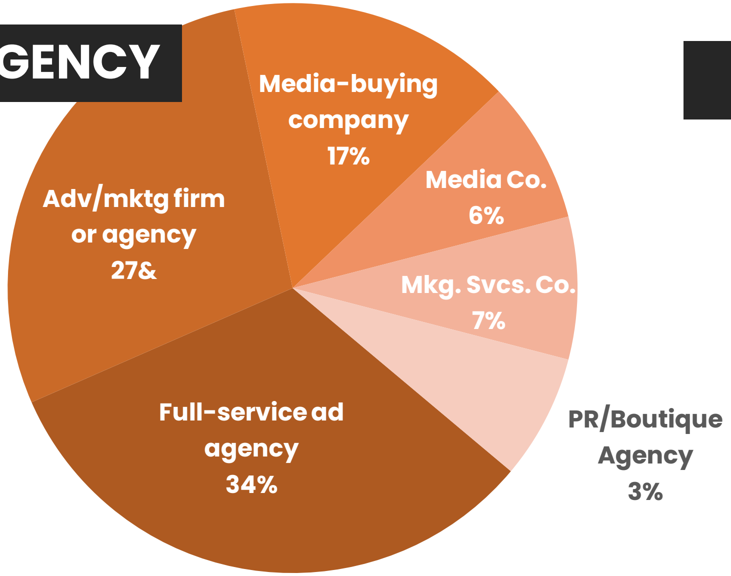
Top reason to use an agency: generate more traffic/leads

DIRECT BUYERS

SOURCE: Borrell's Spring 2023 Survey of Local Ad Buyers, N=1,938

Respondent Profile: AGENCIES

TYPE OF AGENCY



AVERAGE AGE

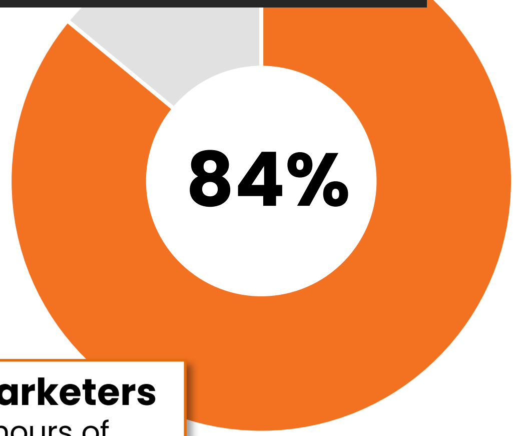
51

NUMBER OF CLIENTS

32
Average number of clients work with per year

Fewer than 10	25%
10 to 24	34%
25 or more	41%

MARKETING EXPERTISE



Master Marketers
(>10,000 hours of experience with marketing/advertising)

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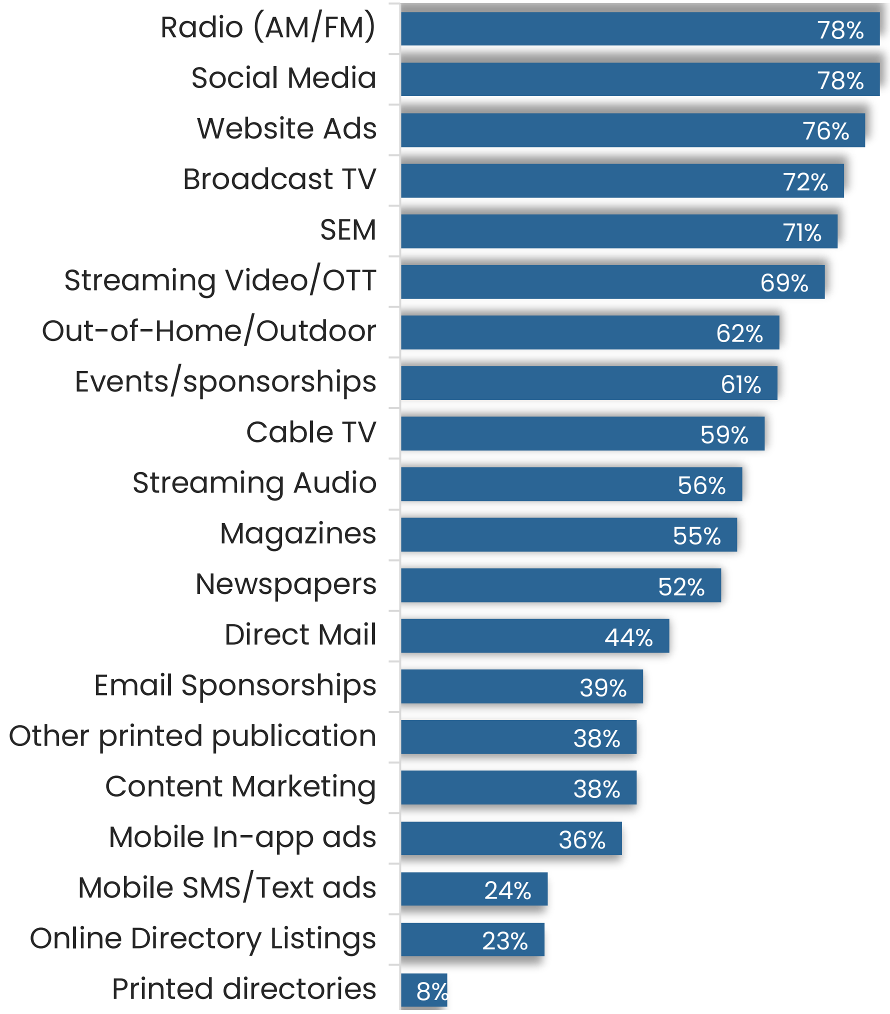
LOCAL AD AGENCIES

What Agencies Are Buying



11
Average number of media types purchased/ managed

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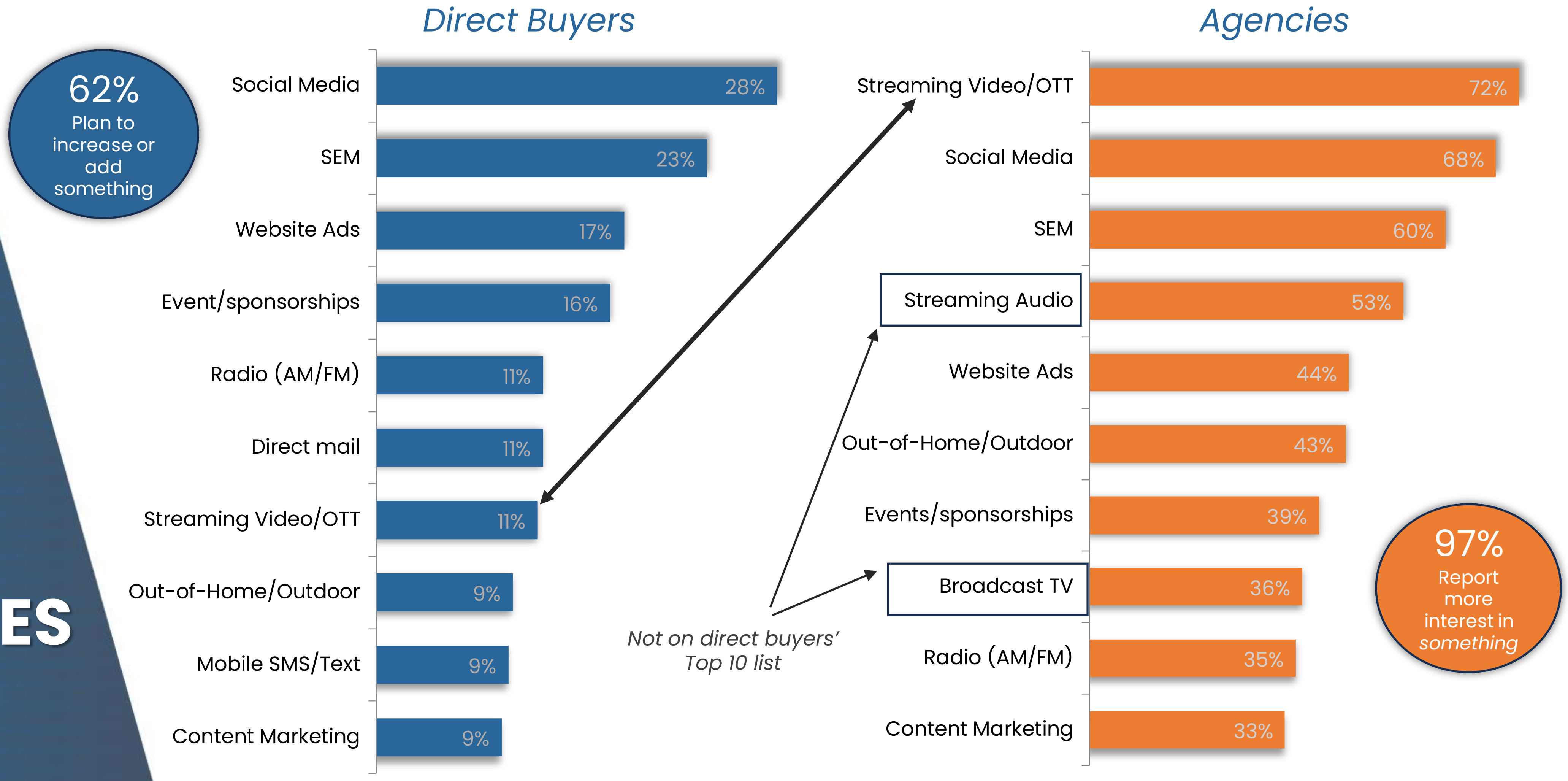
SOURCE: Borrell's Spring 2023 Survey of Local Advertising Agencies, N=380 agencies

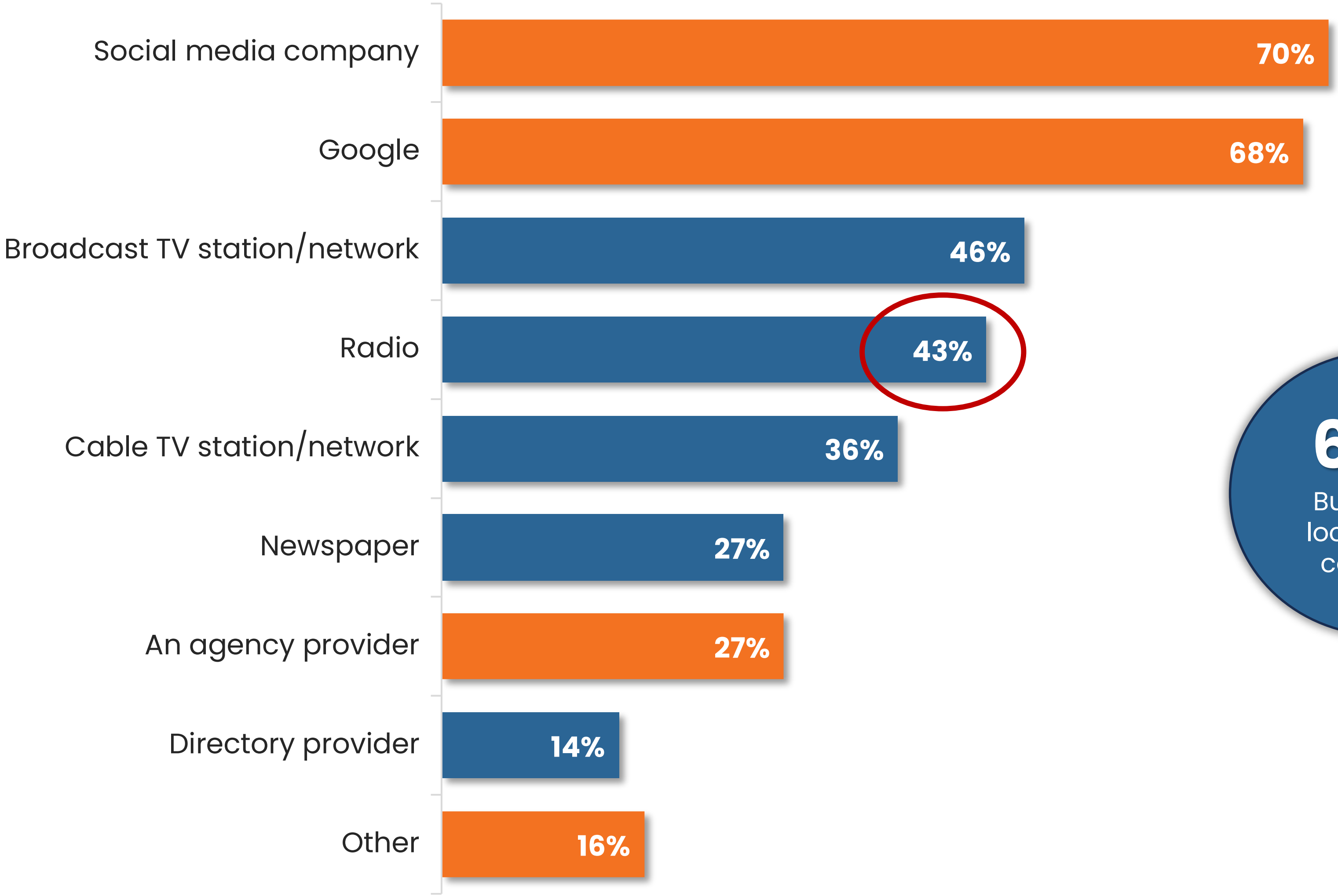
Direct Buyers & Agencies Differ on What's 'Hot'



DIRECT BUYERS & AGENCIES

SOURCE: Borrell's Spring 2023 Survey; N=2,138 direct buyers and N=380 agencies

Where Agencies Are Buying Digital



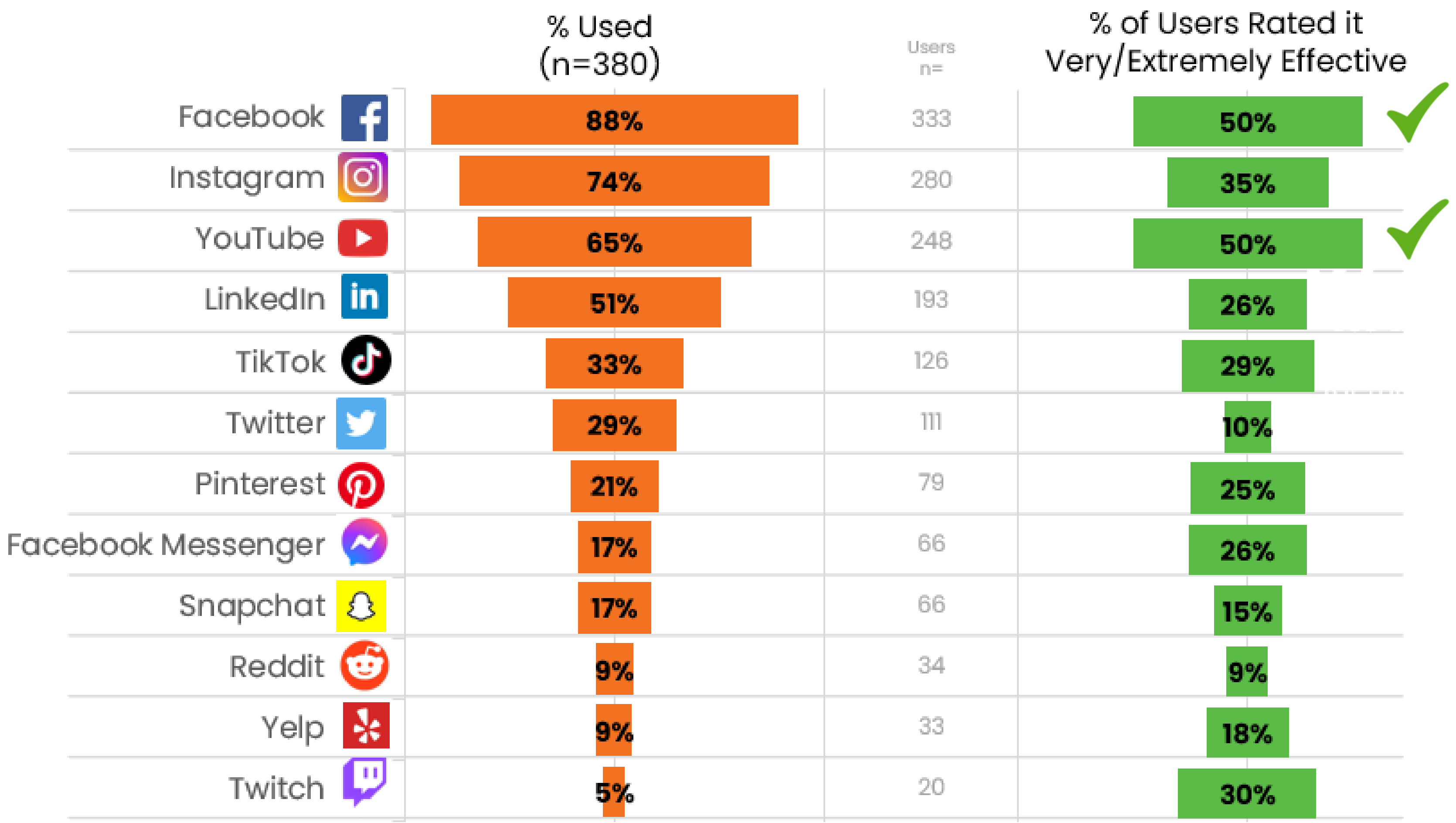
68%
Buy from a local media company

LOCAL AD AGENCIES

SOURCE: Borrell's Spring 2023 Survey of Local Advertising Agencies, N=380 agencies

Agencies Usage/Opinion of Social Media

LOCAL AD AGENCIES



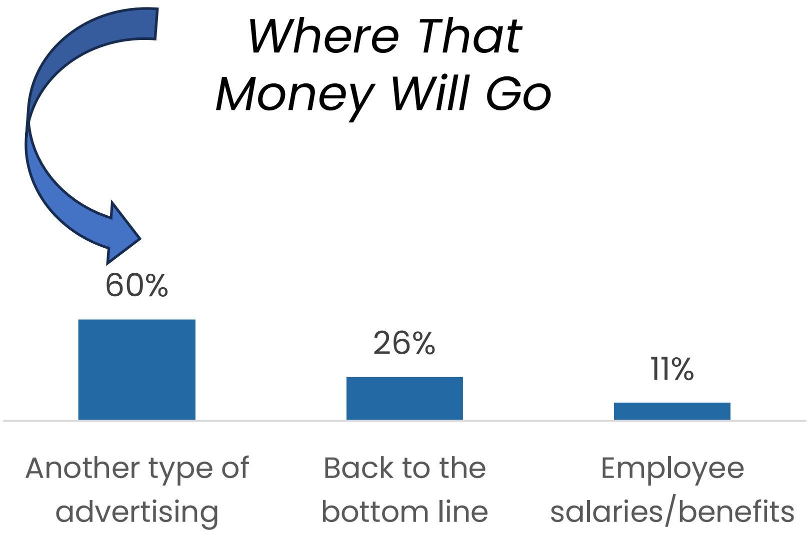
SOURCE: Borrell's Spring 2023 Survey of Local Advertising Agencies, N=380 agencies

2023 Risk Forecast

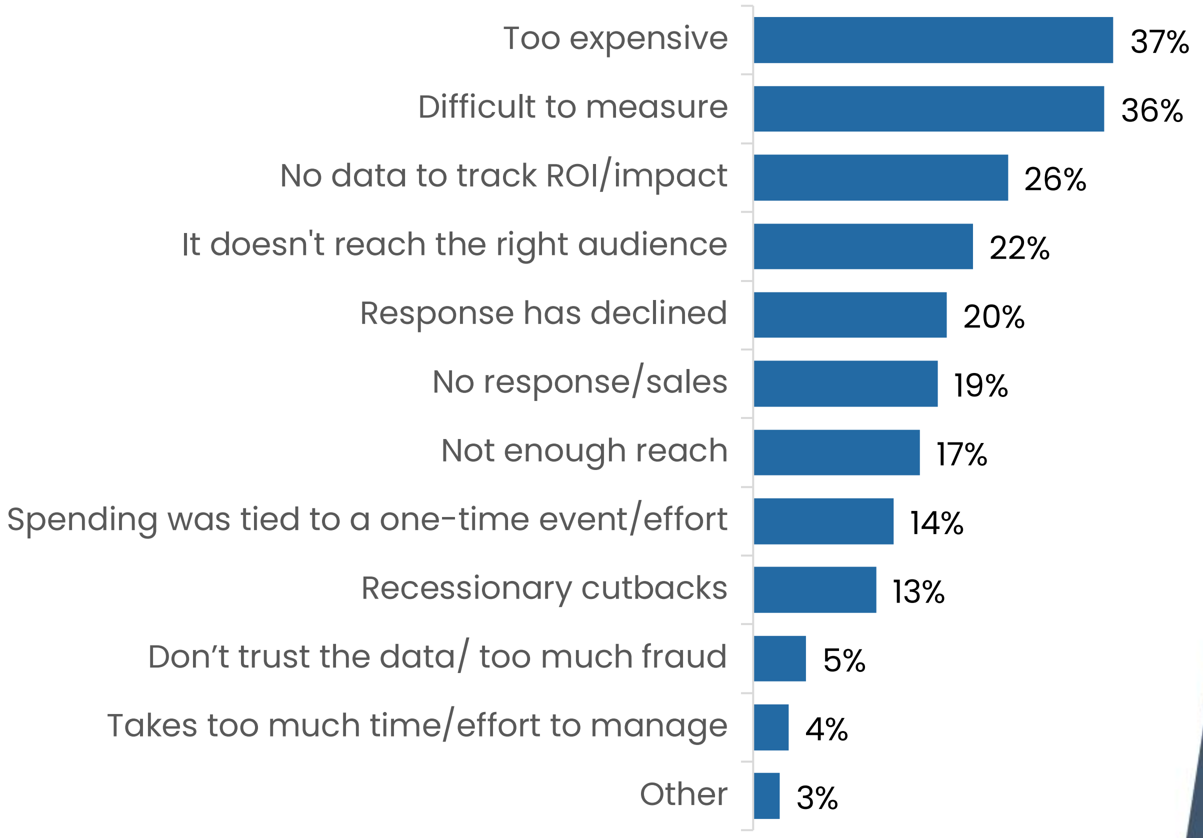
63%

Plan to decrease or cut at least one media type in 2023

Where That Money Will Go



Reasons for Cutting Any Media



2023 OUTLOOK

Average Ad Spending

	Radio Buyers	All Others
2022	$183,621	$71,848
2023	$186,421	$69,535
	+1.5%	-3.2%

This is good.

estimated change in annual ad spending for 2023

SOURCE: Borrell's Spring 2023 Survey of Local Advertising Agencies, N=912 radio buyers and 1,026 non-buyers of radio

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STEPPING WAY BACK . . .

- The thinning of the media pack continues . . . they're now buying from only 3 local media cos.
- Print media remains #1 target for cuts
- Broadcast media holding its own
- Agencies still embrace traditional media
- Social & SEM have ad buyers' attention & money
- 'Events' popularity has risen to match that of Social
- Ad buyers' marketing savvy is growing
- Usage of generative A.I. will ***transform*** advertising

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EPISODE #101

Is A.I. 'More Profound than Fire'?

SCAN TO LISTEN