



# Main Street Goes Interactive

November 17, 2011

Suburban Newspapers of America

## Confused People Don't Buy

www.borrellassociates.com





www.borrellassociates.com

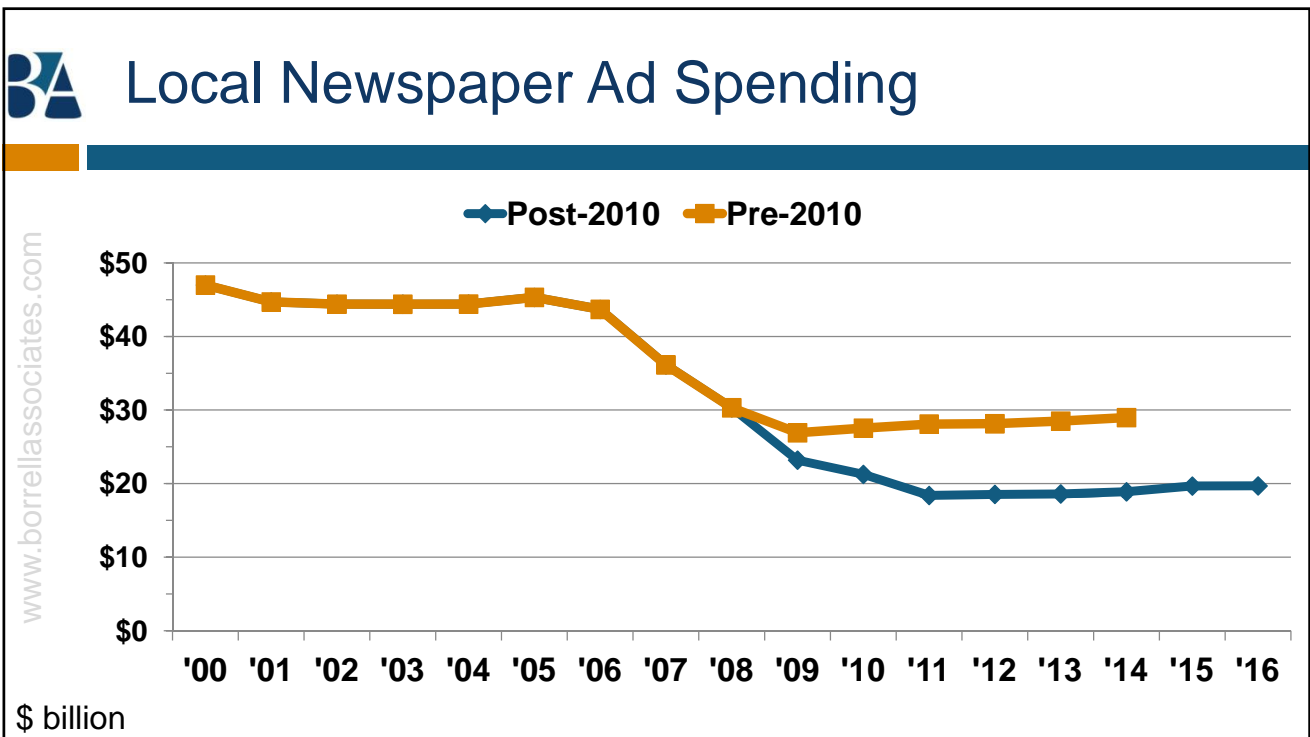
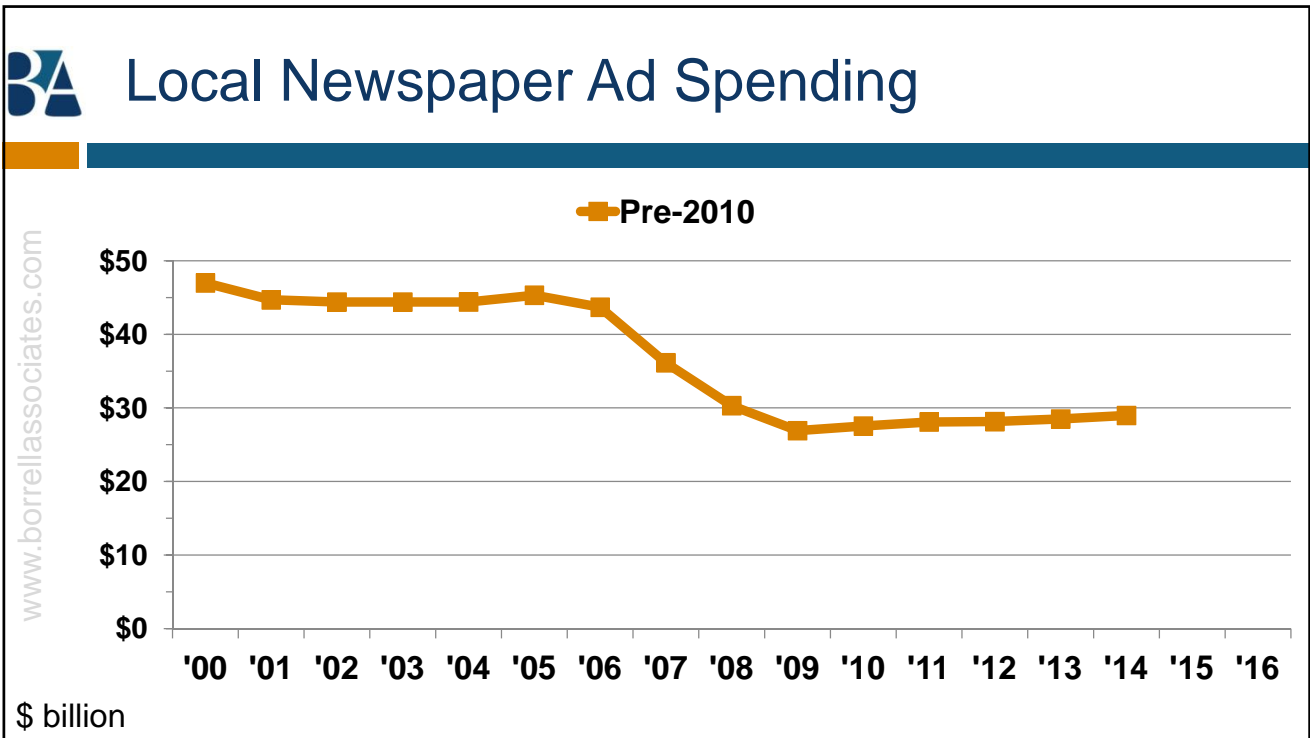
How can the local community newspaper best support its SMB advertisers in this tumultuous time of stagnant economy and disruptive media technology?



## Sources

www.borrellassociates.com

- Borrell's model of marketing spending
  - Many government & private inputs
    - IRS, BLS, D&B, 10Ks, trade associations
  - Developing for 20+ years
- Ongoing surveys of local advertisers
- Ongoing surveys of local media company sites





## Local Ad Spending

www.borrellassociates.com

	2010	2011	2012	2016
Online	\$13.5	\$15.3	\$18.3	\$27.2
Newspaper	\$21.3	\$18.4	\$18.5	\$19.7
Radio	\$12.6	\$12.1	\$11.4	\$12.5
Broadcast TV	\$10.5	\$10.5	\$11.4	\$10.2
Direct Mail	\$9.5	\$8.2	\$8.3	\$7.3
Other Print	\$8.4	\$8.1	\$7.9	\$6.1
Directories	\$6.6	\$5.0	\$5.3	\$4.3
Cable	\$3.3	\$3.2	\$3.6	\$3.9
Cinema	\$0.7	\$1.0	\$1.4	\$2.1
Out-of-Home	\$1.2	\$1.1	\$1.2	\$1.3
Telemarketing	\$1.0	\$0.8	\$0.9	\$0.9
<b>Total</b>	<b>\$88.6</b>	<b>\$83.7</b>	<b>\$88.0</b>	<b>\$95.5</b>

\$ billion

'11 – '16  
 + 14%



## Local Ad Spending Share Shifts

www.borrellassociates.com

	'10	'11	'12	'13	'14	'15	'16
Online	15.2%	18.3%	20.8%				28.5%
Newspaper	24.0%	22.0%	21.1%				20.6%
Radio	14.2%	14.5%	13.0%				13.1%
Broadcast TV	11.9%	12.5%	12.9%				10.7%
Direct Mail	10.7%	9.8%	9.4%				7.7%
Other Print	9.5%	9.6%	9.0%				6.3%
Directories	7.5%	6.0%	6.0%				4.5%
Cable	3.7%	3.9%	4.0%				4.1%
Cinema	0.8%	1.1%	1.5%				2.2%
Out-of-Home	1.4%	1.3%	1.3%				1.3%
Telemarketing	1.1%	1.0%	1.0%				1.0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>				<b>100%</b>



## Non-Advertising Marketing

www.borrellassociates.com

	2010	2011	2012		2016	
Promotions	\$114.3	\$169.8	\$177.5		\$273.7	'11 – '16 + 321%
Online Promos	\$0.8	\$1.4	\$1.7		\$5.9	
Ad Production	\$20.5	\$17.6	\$19.9		\$25.1	
Sales Materials	\$0.9	\$0.8	\$0.9		\$0.9	
P.R.	\$0.3	\$0.3	\$0.3		\$0.4	
Online PR	\$1.2	\$1.2	\$1.3		\$1.4	
Research	\$0.2	\$0.1	\$0.1		\$0.1	'11 – '16 + 61%
	<b>\$138.3</b>	<b>\$191.2</b>	<b>\$201.7</b>		<b>\$307.6</b>	

\$ billion



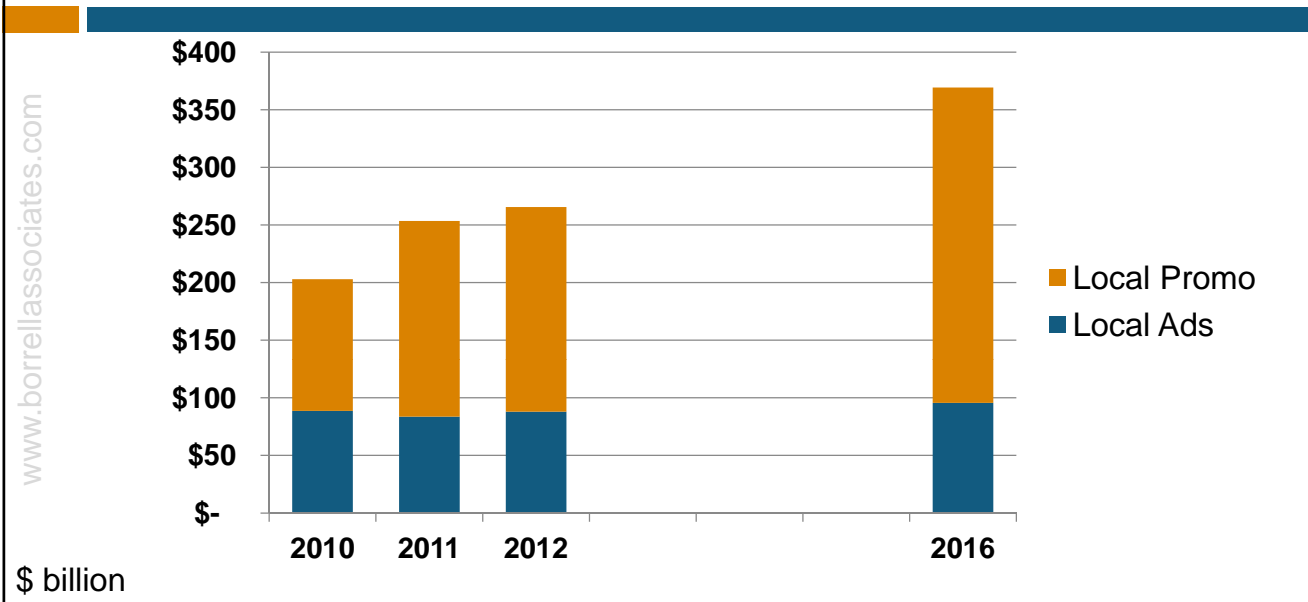
## Promotions

www.borrellassociates.com

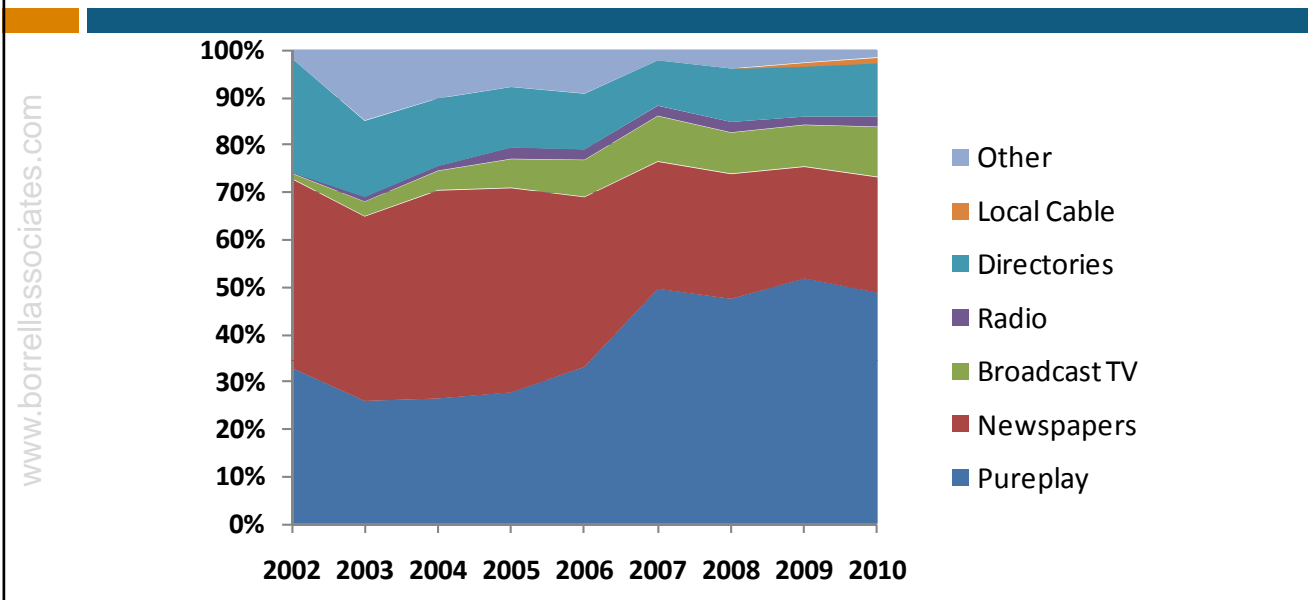
- Cash value of discounts given
- Value of (redeemed) coupons
- Rebates
- Samples, PoP
- Games, Sweepstakes
- Etc.

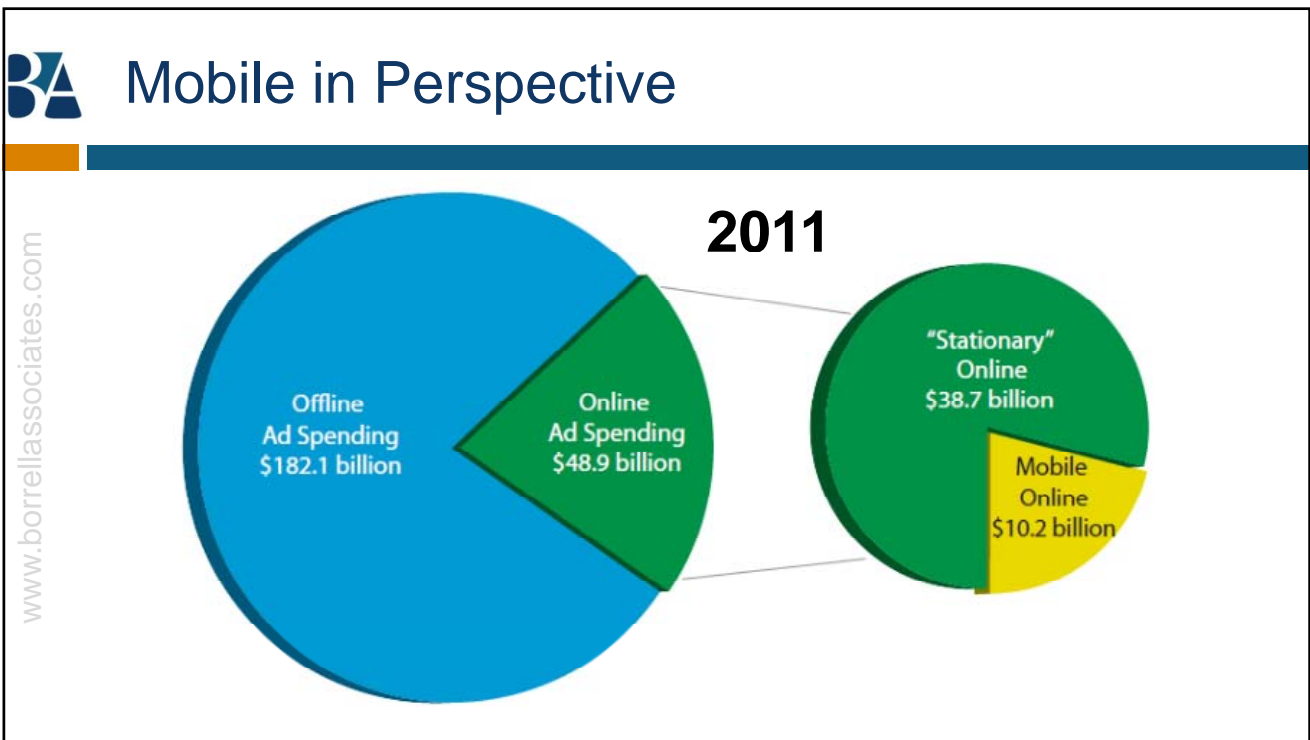
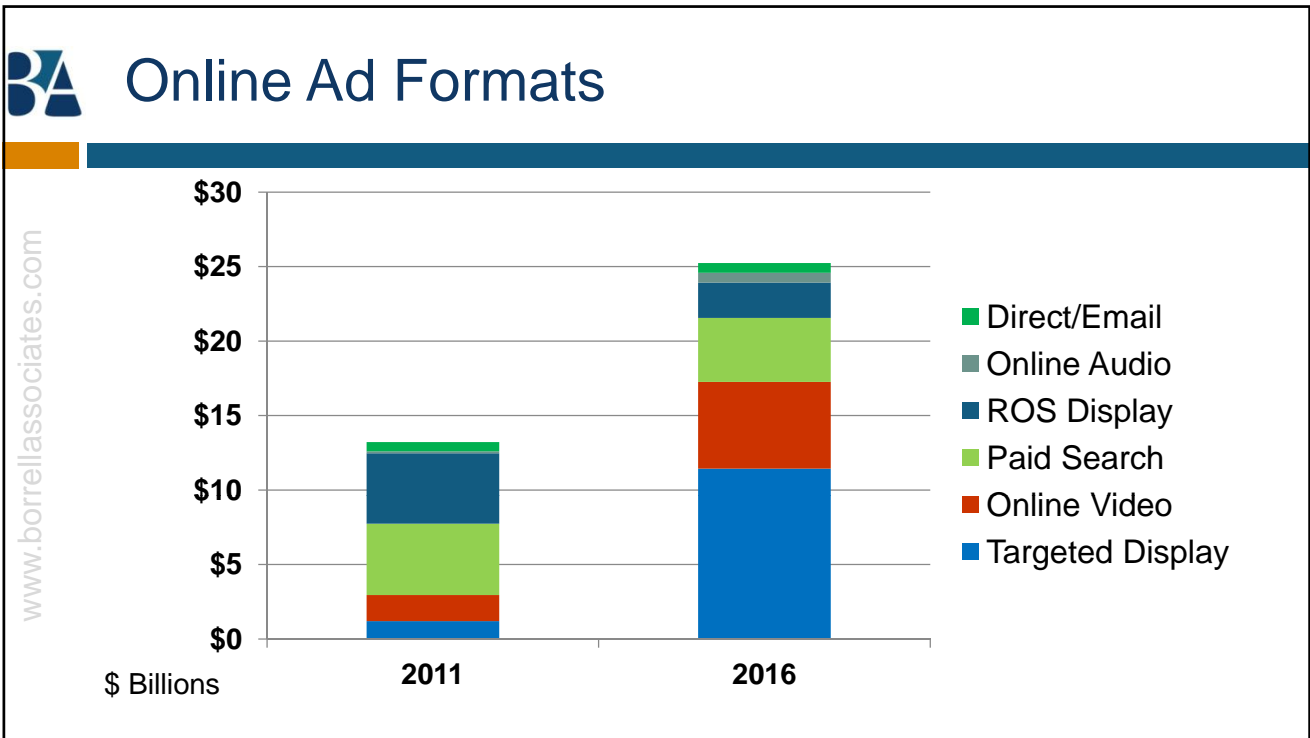


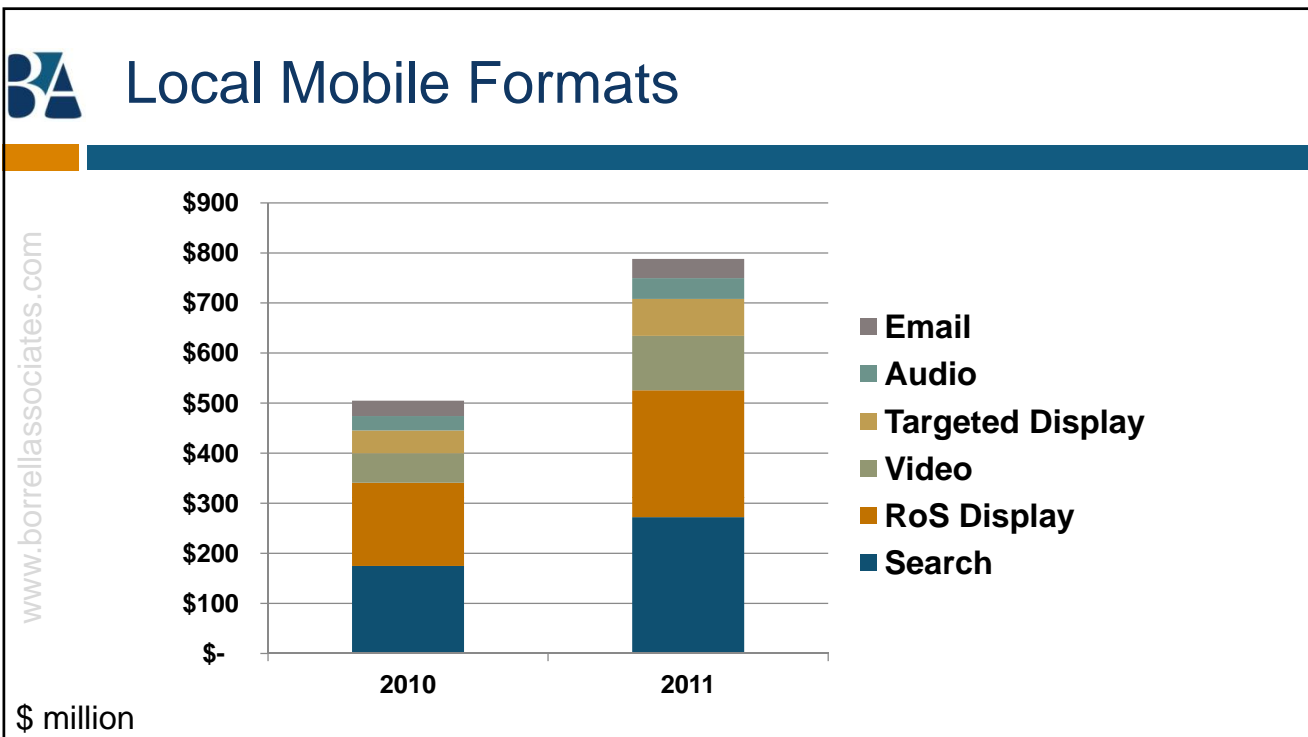
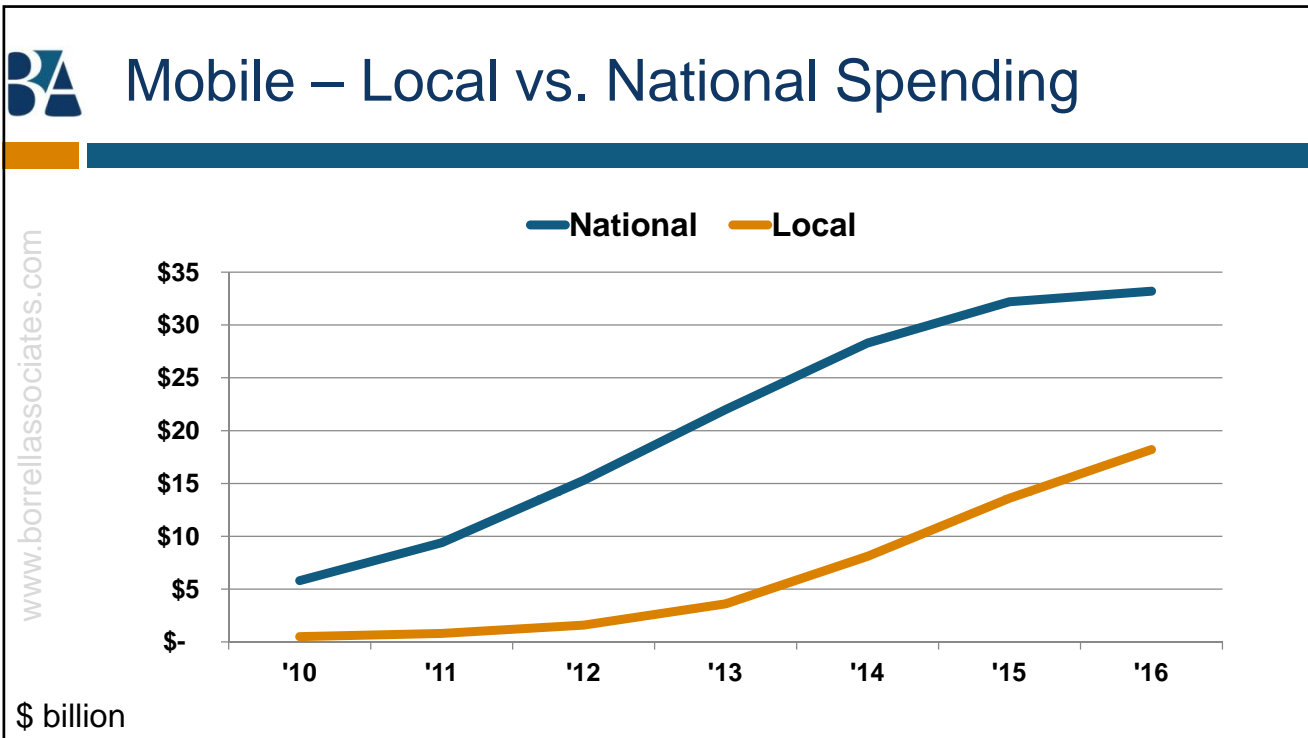
## The Growth is in Promotions



## Local Online Advertising – Historic Shares

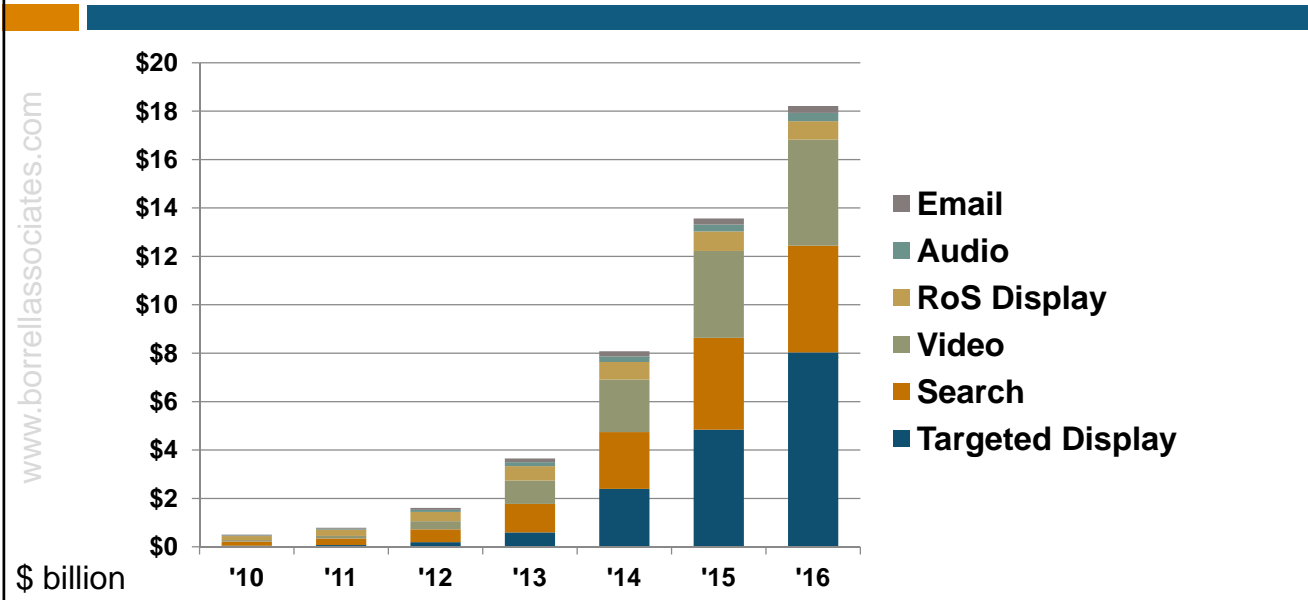








## Local Mobile Formats



What are local newspaper advertisers saying?

 Under Siege from Ad Sellers

www.borrellassociates.com

	Q4 2010	Q1 2011	Q2 2011
Sales approaches per month	<b>23</b>	<b>25</b>	<b>20</b>
Sales pitches taken per month	<b>7</b>	<b>7</b>	<b>8</b>

© Borrell Associates, Inc. SMB Survey Q1 2011


 Where do you advertise?

www.borrellassociates.com

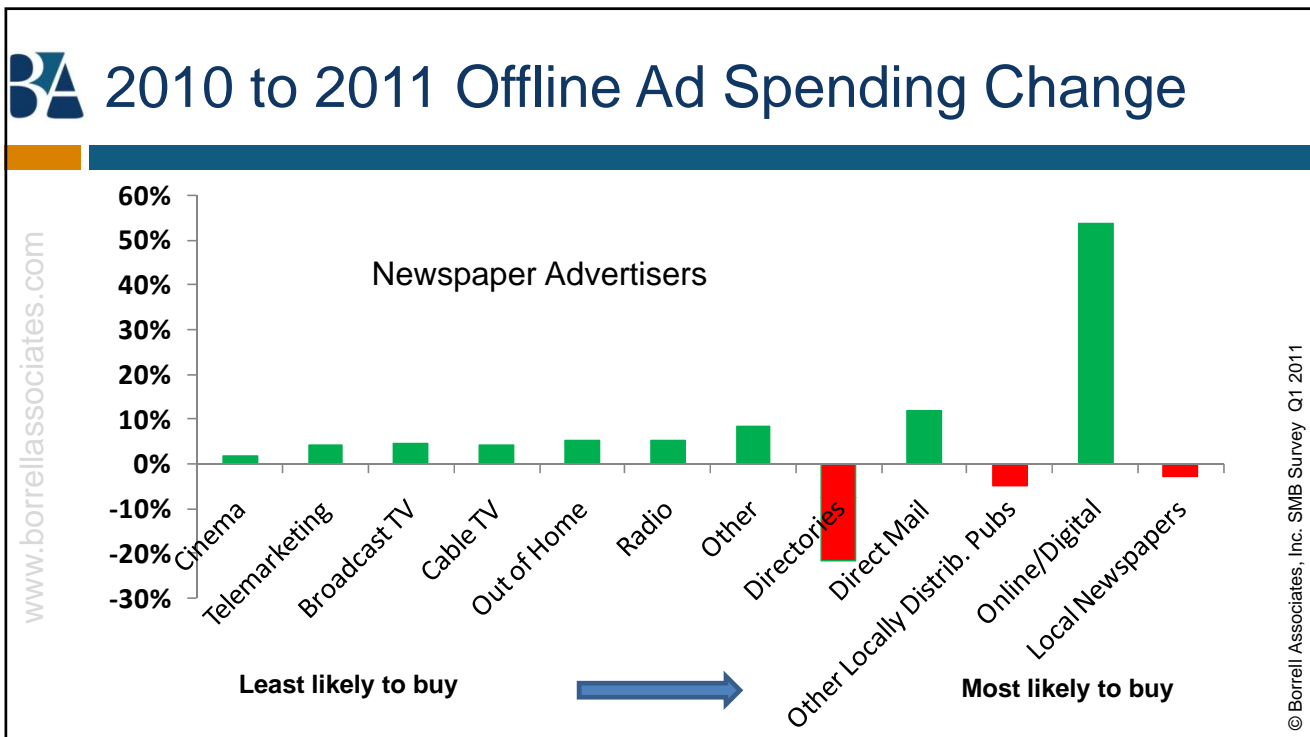
In which of these paid advertising media categories have you advertised in 2010 or do you expect to advertise in 2011?

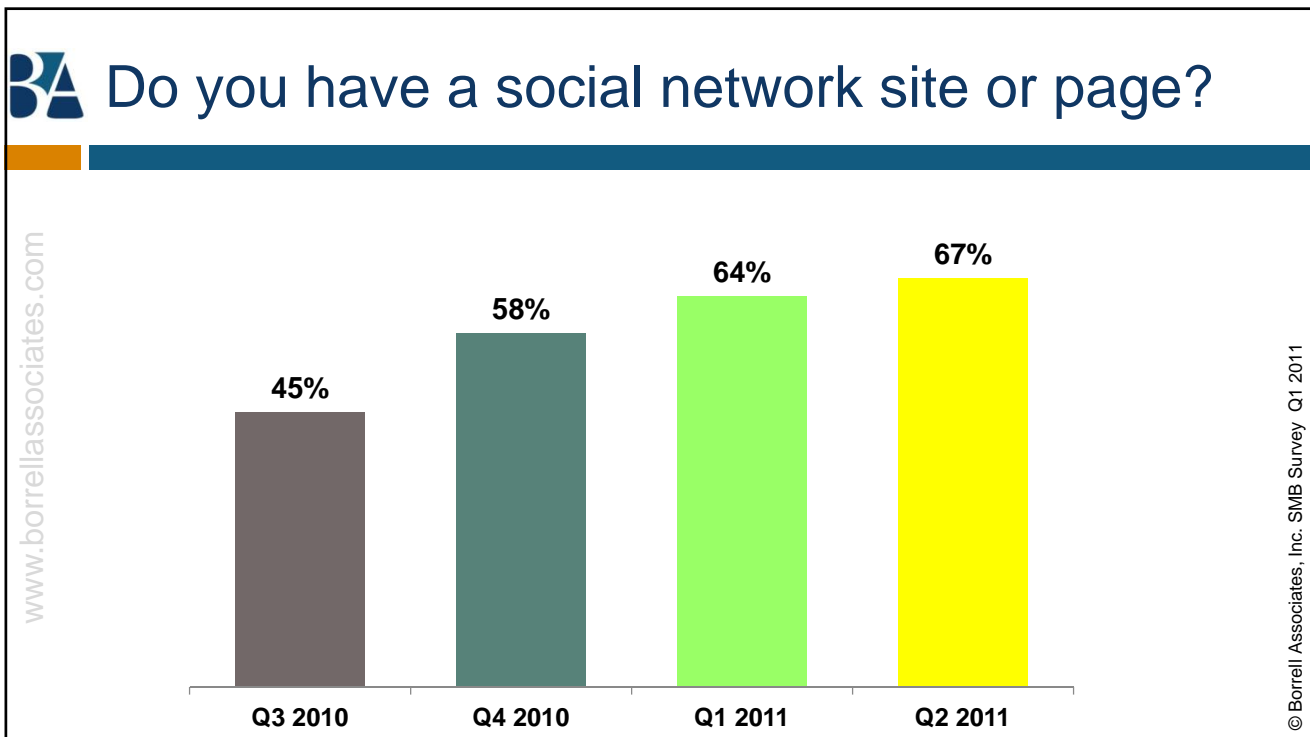
© Borrell Associates, Inc. SMB Survey Q1 2011

# Suburban & Community Newspapers Online Outlook – Main Street Interactive

 <a href="http://www.borrellassociates.com">www.borrellassociates.com</a>	Newspaper	81%	4,787
	Online/Digital	61%	3,628
	Other Pubs	48%	2,870
	Direct Mail	47%	2,759
	Directories	40%	2,378
	Radio	37%	2,169
	Out-of-Home	21%	1,228
	Cable TV	19%	1,122
	Broadcast TV	15%	875
	Telemarketing	5%	295
	Cinema	5%	268

© Borrell Associates, Inc. SMB Survey Q1 2011





**BA** Likely to include mobile in 2011?

www.borrellassociates.com

	Percent	n
<b>Very likely</b>	<b>12.4%</b>	<b>604</b>
<b>Somewhat likely</b>	<b>23.5%</b>	<b>1,142</b>
<b>Not very likely</b>	<b>30.0%</b>	<b>1,457</b>
<b>Not at all likely</b>	<b>22.4%</b>	<b>1,086</b>
<b>Don't know</b>	<b>11.6%</b>	<b>563</b>
Total	100.0%	4,852


**BA** New Business

www.borrellassociates.com

Which of the following sources best provide you with new customers?

That is, how do people most often hear about your services and products who have not shopped with you or visited your business before?


© Borrell Associates, Inc. SMB Survey Q1 2011



www.borrellassociates.com

<u>Referrals from other customers</u>	62%	2,764
Company website	61%	2,717
<u>Referrals from friends &amp; family</u>	52%	2,318
Print newspaper ads	42%	1,897
Events	36%	1,599
Professional <u>referrals</u>	31%	1,387
Direct mail	26%	1,158
Email marketing	24%	1,058
<u>Social media</u>	23%	1,029
Radio Ads	18%	802
Yellow Pages	16%	730
Other Print media ads	16%	715
Industry organizations	11%	490
Online ads	11%	477

© Borrell Associates, Inc. SMB Survey Q1 2011




## Marketing Advisors

www.borrellassociates.com

Which of these types of information sources do you use to find out about new advertising and marketing opportunities?

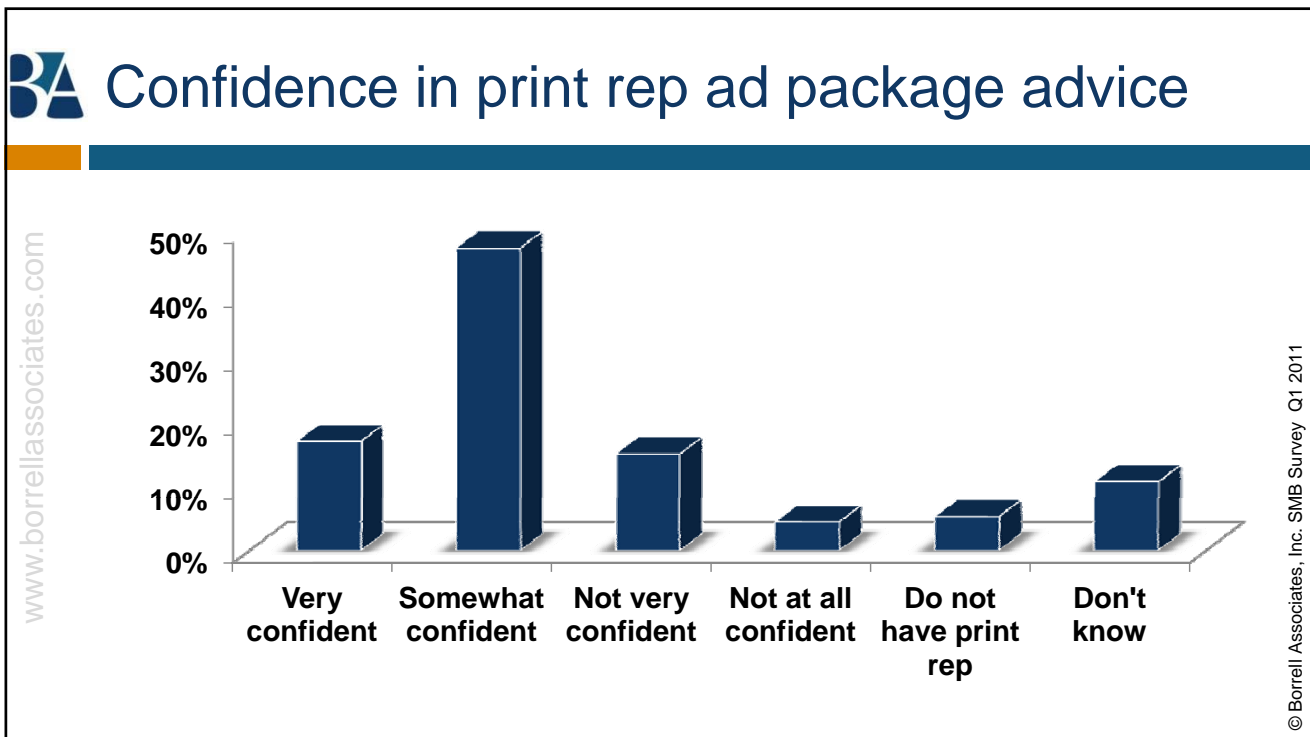
© Borrell Associates, Inc. SMB Survey Q1 2011



www.borrellassociates.com

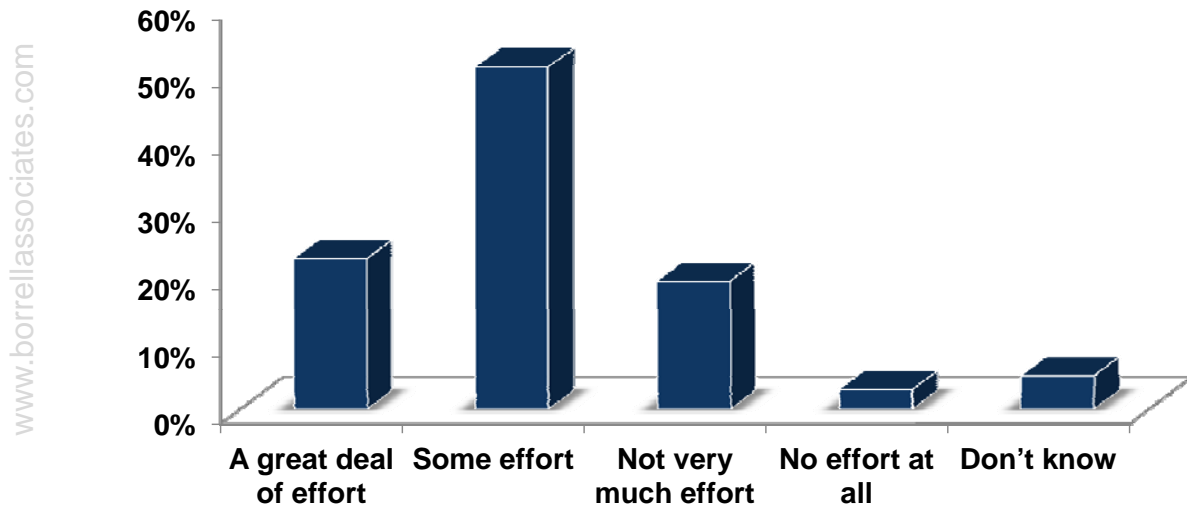
<u>Business associates</u>	66%	3,347
Newspaper reps	51%	2,588
<u>Customers &amp; clients</u>	39%	1,971
<u>Local business orgs.</u>	37%	1,848
<u>Friends &amp; family</u>	33%	1,689
Other print reps	25%	1,258
Radio reps	24%	1,205
Online reps	21%	1,081
Vendors	21%	1,050
Conventions	20%	1,025
<u>Trade Associations</u>	20%	1,012
TV reps	14%	702
Ad agencies	11%	577

© Borrell Associates, Inc. SMB Survey Q1 2011





## Effort seen in reps to listen & understand



www.borrellassociates.com

© Borrell Associates, Inc. SMB Survey Q1 2011

## What can newspapers do?

- Be consultants, educators
- Develop ad-centric sites
- Participate in promotions
- Go after non-newspaper advertisers

© 2011 Borrell Associates Inc.

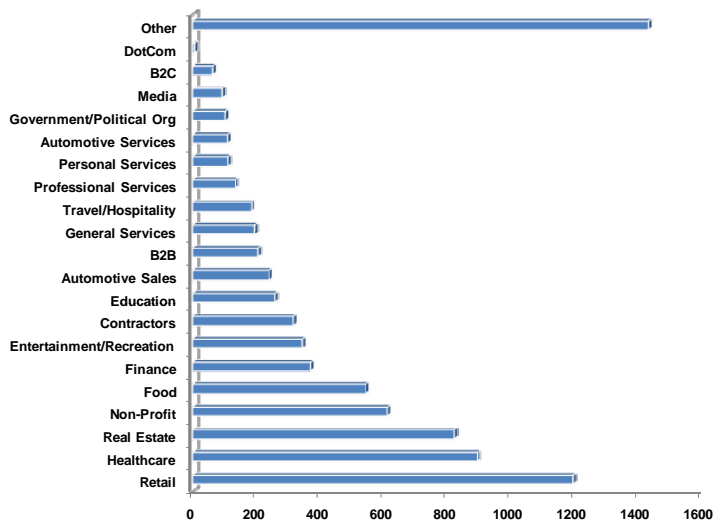
# Thank You

**Colby Atwood, president**  
**Borrell Associates Inc.**  
[catwood@borrellassociates.com](mailto:catwood@borrellassociates.com)  
**Phone: 206-463-3181**

© 2011 Borrell Associates Inc. All Rights Reserved



www.borrellassociates.com



© Borrell Associates, Inc. SMB Survey Q1 2011