

Audio Transcript
Episode 195 of "[E&P Reports](#)" Vodcast Series
with Mike Blinder

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The banner features the E&P Reports Vodcast logo on the left, which includes a Wi-Fi symbol and the text 'E&P REPORTS VODCAST'. To the right of the logo is the URL 'EditorandPublisher.com/Vodcasts'. Further right are images of a camera lens and a professional microphone. Below the URL, there are two video thumbnails. The left thumbnail shows Corey Elliott, EVP of Local Market Intelligence at Borrell Associates, wearing a blue patterned shirt and glasses. The right thumbnail shows Mike Blinder, Publisher of E&P Magazine, wearing a light-colored suit jacket. To the right of the thumbnails is the E&P logo with the tagline 'NEWSPAPERS | BROADCAST | DIGITAL'. Below the thumbnails, Corey Elliott's name and title are listed, followed by Mike Blinder's name and title. In the bottom right corner, the text 'Episode Sponsor' is displayed above the BLOX DIGITAL logo.

[Borrell's latest survey: Ad spend to rise with newspapers hanging in there](#)

In this episode of "E&P Reports," we unpack the latest data from the Borrell Associates 2023 Local Advertising Survey with Borrell EVP Corey Elliott. We get a first look and analysis at the reported types of media being purchased and how local advertisers decide on and perceive the effectiveness of the many advertising solutions available in today's multimedia landscape.



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0:00:03.8 Announcer: This is E&P Reports, a vodcast from Editor and Publisher Magazine, the authoritative voice of news media since 1884, serving newspapers, broadcast, digital and all forms of publishing.

0:00:19.7 Mike Blinder: Greetings once again, Mike Blinder, publisher of E&P Magazine. As always, I bore you by asking you to follow us. If you're listening on a podcast platform of flavor of choice and what have you, hit that follow button. Watching this thing on YouTube, there is a subscribe button below me. There is a bell to the right, if you smash and hit them, click them whatever, you'll get an update each and every time we upload a new episode of this weekly vodcast series E&P Reports. I did not say below my face and Corey's face, because I'm the star, and I don't wanna give Corey any... No, no, Corey's here. So we have... Corey Elliott, this is your third appearance on the program...

0:00:58.4 Corey Elliott: Hey.

0:00:58.4 MB: That makes you part of a smaller group, 'cause we got a couple of four-timers now, where we have special jackets and a special green room...

0:01:05.6 CE: Right, right. Kinda like Saturday Night Live does with the five-timers.

0:01:09.4 MB: Welcome to the show, Corey Elliott...

0:01:11.8 CE: Thank you.

0:01:12.2 MB: Of course, unless you live under a rock, is executive VP of Local Market Intelligence at Borrell Associates, the leading firm for research in the advertising world. I wanna say it that way, 'cause...

0:01:24.7 CE: Wow.

0:01:25.1 MB: What I like to say what Gordon does, whatever, what's Borrell doing? It's simple, you ask two questions of advertisers, "What are you buying? What do you plan to buy?" I know that kinda breaks it down maybe two minutes ago, but through all that and all the different questions go with that, you kinda forecast where the advertising dollars are going. You're not...

0:01:43.1 CE: Absolutely.

0:01:43.6 MB: To help everybody steer that, those murky waters. Is that too many metaphors for you this morning?

0:01:49.6 CE: Yeah. I gotta catch up. I gotta get my dictionary out. No, that's essentially it. What we do is we are focused on local advertising spend. So there are plenty of firms out there who look at the national trends and what's going on with the big players, that we want to know what's going on on Main Street. And so we talk to local media companies, we talk to local advertisers and we get



an idea of where their... Where the money's headed in advertising in a local market, across the nation, every county in the US.

0:02:22.6 MB: Now, obviously Borrell works with all forms of media, all shapes and stripes, digital only, lot of broadcasts, national, local, what have you. And even God forbid, people that come from a legacy newspaper background. But by the way you, Corey, have ink in your veins. You, appears at The Arizona Republic doing research and strategy, then director of ad research at the Dallas Morning News, not a small operation. Then complete director of market intelligence, God forbid for Gannett, those are three actual heritage newspaper companies. So God forbid, do you ever announce that anymore when you're in front of all those famous television and newspaper people?

0:03:02.0 CE: Yeah, it depends on the... You gotta read the room, Mike. Man, you gotta read the room and see. But what was fun about that is regardless of being a print newspaper is, it was during the time when newspapers, especially at the Arizona Republic were like, "Hey, there might be something to this whole digital/internet thing.

0:03:21.5 MB: What's this @ sign I have to use now in my name?

0:03:23.7 CE: Yeah, exactly. And how do you brand? And it's just the dawning of, "Wait, we're way more than a newspaper cover. We're a media company and what does that mean?" So it's during all of that being able to see how these different places, the Arizona Republic, Dallas Morning News and Gannett all did it differently, and all tried to get ahead of the curve. And so now I think they're all firmly in the, "We're a media company, if not, marketing company space."

0:03:51.5 MB: There you go. Or God forbid, a brand? It's how I look at it. Well, anyway, we're going to dissect your latest and greatest data. I always like to get ahead of the curve, 'cause this is a big deal. You've finished a study of local trending in advertising spend, and we're going to unpack that, especially with a focus on that legacy media that we both are serving right now. We're going to do that on the backside of this message.

0:04:18.3 Announcer: This episode of E&P reports is exclusively sponsored by BLOX Digital, formerly TownNews. Even though the name has changed, their commitment to the media industry is as strong as ever. BLOX Digital is now even better positioned to deliver integrated solutions like content management, audience development, advertising revenue, video management and more. Join the over 2,000 news publishers worldwide that power their ongoing digital transformation with BLOX Digital, serving over 141 million monthly users who view over 6.5 billion pages of content each year. You can trust BLOX Digital to empower you, to connect you at scale with the community you need to reach. BLOX Digital, formerly TownNews now reimagined to help meet the news publishing challenges of tomorrow and beyond. Learn more at bloxdigital.com.

0:05:22.8 MB: Alright, so the study is out, it's fresh. It's, what, 2,300 different agencies, spenders? Are these big, small, little, big, all kinds of markets? What do you got?

0:05:36.8 CE: Yeah. It's across the US. We've got something from almost every state, except I just looked, nothing from West Virginia.



0:05:42.7 MB: God forbid.

0:05:43.5 CE: Yeah. [laughter]

0:05:43.7 MB: Make a phone call now. Call someone there, ask them a question. Go ahead.

0:05:47.9 CE: What the hell is going on? Nobody's advertising in West Virginia, I guess.

0:05:52.3 MB: I guess not.

0:05:52.7 CE: No, but no. What we do is we partner with media companies and we send a survey out to their advertisers and their agencies, and we get back, like you said, over 2,000 responses. We got back exactly 1,938 responses from direct buyers, from advertisers, the rest were agencies. We're going to focus on the advertiser portion of this during this call. But yeah, 1,938 range of sizes, mainly skew more medium and small because again, we're talking to local media companies who are talking to their advertisers.

0:06:29.3 MB: Alright. So I watched Fox News all morning before this interview, just so I can say...

0:06:32.9 CE: I'm sorry. I'm sorry.

0:06:34.1 MB: The world is dying. Everybody's going... The economy is blown to the shreds, gas prices are too high, inflation. We're going into a war. So let me guess, everything is dead. We should all just pack up our little things and stop selling advertising, 'cause no one's spending money. Did I get the headline?

0:06:52.1 CE: Yep, that's pretty much it. Okay, bye.

0:06:53.6 MB: Bye, everyone. No, I'm kidding.

0:06:56.8 CE: No, actually, what...

0:06:58.6 MB: What's the bullets? Let me hear it now. What does the future look like? How are we going to attack these critical, local dollars?

0:07:04.8 CE: Sure, sure. It doesn't look bad. At least this... Again, this is not me, this is what we're gathering from the data from what local advertisers are telling us. And when they look at the economy and they look at running a small business, a small/medium business in a local market, yeah, there's some trepidation, but that's been the way since the pandemic, nothing's really changed. So, that awful thing that you've heard about, about, "Oh, it's going to hell in a handbasket," isn't coming true. They're looking at... In fact, I'm going to look down... For the people who are looking at the video. I'm going to look down a lot, 'cause I have notes down here. So, you'll see me look down. In fact, 62% of local advertisers who took this survey, 62% plan to spend more on something in 2023 than they did in 2022. And they're kind of... They're more optimistic about the economy. I'm not saying they're all optimistic, but it's not... When they look at 2023 and out at least 6 months, it's not that bad. So, they're...



0:08:07.9 MB: The world is not going to hell in a handbasket. Everybody's not...

0:08:11.5 CE: Not according to these guys.

0:08:11.6 MB: Even with no more PPP money coming in, there are actual people out there in the retail world or whatever service-related world, I should say, or any form of world, that are saying, "I'm going to invest more in growing my business. And I hope someone can help me do it." That's it.

0:08:26.1 CE: Yeah. In fact, here's another one, 89% of advertisers said they were either holding their overall ad budget steady or were increasing them in 2023, 89%. So that ain't bad.

0:08:38.0 MB: We ain't going backwards then? There's more money to be had, if someone wants to, God forbid, go out and find it. It's there.

0:08:45.1 CE: Yeah.

0:08:45.2 MB: Alright.

0:08:45.9 CE: Now... [chuckle]

0:08:47.0 MB: Where is it?

0:08:48.0 CE: But... Yeah, exactly. What do they want to spend it on? So what we saw was, of course, it's validating some things you guys already know, is there's a great interest in pouring more money into SEM, into social media, and into events. Those are the three biggies right there. And we're starting to realize... When we look at this data, we're like, "Oh my God, we just realised something." We're catching up to speed that social media is kind of the... [chuckle] Events is kind of the social media of the real world, I guess is what I'm trying to say, because it's that interaction. It's that one-to-one interaction. And that's... And I think another one is a holdout from the pandemic where we couldn't... So there's a great interest in events and being part of something and part of a community, at least that's what local advertisers are telling us.

0:09:47.0 MB: We're limited for time. And I'm looking at some of the bullets you sent in your press release. You had the unmitigated goal to list radio as growing. Everybody's streaming, they're doing Apple Play. How dare you say that broadcast radio has grown? I'm setting you up. What's going on there? Why is this media... And you can't even segment radio. It just goes everywhere. It's regional. You can't get the local pizza guy to get Five Blocks in radio. Why is radio growing?

0:10:15.0 CE: You know what? I'm even going to... I'm going to pour it on myself and tell you that what we've seen is a great amount of churn in radio. So why he mentioned radio is a great percentage of the people who took the survey said, "Oh, yeah, I think I'm going to either increase or buy radio this year." I think it was... Radio was at... 12% round said they either plan to increase or start buying radio, okay?

0:10:45.5 MB: Okay.

0:10:45.7 CE: But at the same... Hold on. But at the same time, you got 6% saying, "I'm out. I'm done."

0:10:52.6 MB: Actually... Let me give you... You interact a lot with these executives. And when I go to Borrell every year, and I've gone religiously for the last few years, there's a lot of radio people. It's almost the dominant meet. Know what? There's broadcasters, and there's some [0:11:04.7] _____, but there's a lot radio people there. And I learned sales through radio. I saw PM Radio in 1984 and everyone said it was dead. I had a 50. And I say this, I think the best sales executives are the radio guys. I can just...

0:11:19.7 CE: Now you're touching on that because what we think when we look at the data, in fact, I'm going to say, I'm going to read this to you. And it's going to make it sound like I'm really intelligent. "Buoyancy in radio might be due to digital, because more respondents in our survey said they bought digital advertising from a radio station than bought it from any other type of media company."

0:11:43.0 MB: See, when I was managing my radio sales teams, I was getting crumbs off the table. The newspaper back in those days was taking [0:11:50.5] _____ millions in dollars printing pages as we are meeting up, pass the budget. Broadcast TV was sexy, and here I am just getting crumbs. So you have an aggressive, well-honed salesforce. Could this be the reason that radio keeps just chugging away, [chuckle] that we have to learn to sell better?

0:12:07.7 CE: It's the other... That and the fact that if you think about how over 30 years now, good Lord, how, digital has changed all these media companies. The first ones to be hit were Yellow Pages, right? Remember Yellow Pages?

0:12:23.3 MB: Yeah, Google killed them. You're right.

0:12:24.6 CE: Yeah, that was first. Then came newspapers. Then came TV. The last up was radio, because there was no... Until digital audio and podcasting and things like that became...

0:12:36.8 MB: Spackley. Streaming and...

0:12:38.3 CE: Yeah, and all that became popular, smart radio people got to watch what the hell happened to all of these other guys and got prepared... A lot of them got prepared to get in front of it, when it came, like, "Man, we need to get our digital game on." More importantly, Mike, you know I get on this soapbox all the time, I swear to God, it's less about the media and more about the marketing. If you can provide me with a transparent, complete marketing plan, I'll follow you off a cliff. What we did, in our survey, we asked about all the traditional medias. And let's pick on newspaper here for a little bit, and we asked, "How many of you guys are even using it? How many of you guys are decreasing it, keeping your budget the same for '23, or increasing it?" And in our survey, 58% of our survey respondents aren't using printed newspaper. So they're off the board, they're done.



0:13:40.7 MB: Okay, printed newspaper.

0:13:42.7 CE: Yeah, print, print newspaper, because I'm going somewhere with this. 24% said, "I'm going to keep it the same. I'm going to keep my print newspaper budget the same." 12% said, "I'm out." 6% said, "I'm going to increase,"

0:13:57.4 MB: Or...

0:13:57.4 CE: Or I'm a new buyer, so I took a little look at those people just to see if there's something different about them. So why? 'Cause we all know that, oh, but talking about at the beginning of this conversation, you were talking about the world coming to an end. So the world's coming to an end for print newspaper, but why the hell are these people still buying it? Who are they and what are they looking for? And here's what I found. There's no real difference in the kind of business there. So there's nothing there except if you had to put a gun to my head and say, "What kind of business over-indexes in increasing their newspaper print budget?" You know who it came out to be? Performing arts, that's the one. I'm not saying they're dominant or anything like that, I'm just saying when you look at all of them, they kind of over-index.

0:14:47.0 CE: But you know who under-indexes? Now this is going to blow your mind, and it goes back to the beginning of our conversation, event managers, people who are putting on events that are really important for local advertisers, they're the ones saying, "Nah, I'm done with newspapers." We had a whole section in the local advertiser survey this time about local advertisers attitudes towards agencies, towards local agencies. We always have a special section in our survey.

0:15:15.0 MB: What'd you learn?

0:15:16.2 CE: Oh, this is what's cool. First of all, local agencies I think are looked on as yet another vending machine. What do I mean? When we ask, I'm looking up here now, "If your company was looking for help with marketing tasks, what would you do?" Number one response, "Learn how to do it myself", number two, "Ask my network for referrals", number three, "Ask a current employee team to take the task on", number four, "Approach a local media company". Now before you say anything, when we asked the people who were going to increase their print budget that same question, the order was different, still number one was "Learn how to do it myself" but tied with that was "Approach a local media company". And when you looked at the rest of the answers of this specific group around how or what they would use a local agency or media company for, you can see, you can read between the lines, the begging for marketing help. You can see it. The last thing I'll say, 'cause I know we're running outta time, "Which of the following..." So this is a question to everybody, "Which of the following best describes why your company doesn't currently use an agency or firm?" So you're not using one, overall in the total survey, 17% said, "We don't use one, 'cause we're not sure what we need." But, okay, fair. You know what it was for the people who buy print newspapers?

0:16:51.5 MB: What?

0:16:52.2 CE: 29% said, "We don't know what we need."

0:16:54.7 MB: So the big takeaways here are are, duh, it goes back to good blocking and tackling. You'd no longer wanna go in and pedal inches and impressions. You wanna go in, God forbid he said sarcastically, "Establish a strong relationship with the marketer, learn their goals, needs and desires and have a very viable toolkit so you can meet those goals, needs and desires, whether it's social media, whether it's events, whether it's content marketing, God forbid, whether it's an ad on a website or a print ad." The trick is that most of our opportunity, let me see if I'm summing this up right, is steal small businesses who don't know what the hell they're doing, and they need it.

0:17:35.6 CE: Right. And before you think, "Well, that's an agency's job." Here's the thing, for years Borrell has been talking about, "Look, they are treating you..." If you come in as a vending machine, "What ad do you want this week?" You're going to be treated as a vending machine. And we thought that, "Oh, you know who's supplying the marketing strategy? It's the local agencies."

0:17:58.7 S?: Guess what?

0:18:00.8 CE: It ain't. Because when we asked I really... It tells me all of these are okay. So, they are there, they are being engaged to perform very certain task, build my website, that's it. That was the number one thing local businesses use an agency for, building a website. You know what percentage said they use an agency for planning strategy? 5%. That's it. So there's a whole...

0:18:28.8 MB: You said a cotton-picking mouthful, there's a whole world there of good marketing strategists.

0:18:34.4 CE: Nobody is providing it to these guys. No one. And so...

0:18:37.8 MB: The agencies are also off in their own la-la land, and they're not doing their...

0:18:42.5 CE: Yeah.

0:18:42.9 MB: Corey Elliott, executive vice president of Local Market Intelligence. If anyone wants to learn more about how they can tap into this amazing, unbelievable, really cool knowledge that you guys have. It's borrellassociates.com, correct?

0:18:57.9 CE: Yep. And if you are interested in this very survey, we're talking about, there's up in the top rail, there's surveys, click on that, it'll tell you everything, you can register for webinars or get executive summaries, information like that.

0:19:10.9 MB: And you guys are starting the charts again. Thank you. I love those.

0:19:13.7 CE: Yeah.

0:19:14.0 MB: I missed those. You used to do these weekly charts, right?

0:19:17.2 CE: Yeah, we, what we do is we pick out 10 of the biggest headlines, we see in a survey and then over 10-week period, we kind of churn those out.



0:19:25.0 MB: Because no one has any intention to spend anymore and all they're wanting to see is a graphic.

0:19:28.4 CE: Yeah, exactly, man, it's all about, as Gordon says, "You have seven seconds to get your message across." It's his seven second rule.

0:19:40.0 MB: There you go. And your email address, I think is something easy, Corey@...

0:19:43.5 CE: Borrellassociates. Yep.

0:19:46.2 MB: There you go. C-O-R-E-Y. Corey, thanks for your valuable time. We appreciate you dressing up for this interview and we'll...

0:19:51.1 CE: [laughter] Thank you. It is...

0:19:53.5 MB: With the Hawaiian shirt.

0:19:54.2 CE: It is summer, so.

0:19:56.0 MB: I even put on my jacket, which I never laundered. And we'll be talking soon, sir.

0:20:00.4 CE: Alright, sir. Thanks.

[music]