

Audio Transcript
 Episode 208 of "[E&P Reports](#)" Vodcast Series
 with *Mike Blinder*

Publication date: Monday October 9, 2023

BORRELL ASSOCIATES

Types of Media Used

Media Type	%	#
Radio (AM/FM)	78%	296
Social Media	78%	286
Website Ads	72%	274
Broadcast TV	71%	270
SEM	69%	234
Streaming Video/OTT	62%	233
Out-of-Home/Outdoor	61%	225
Events/sponsorships	59%	211
Cable TV	56%	208
Streaming Audio	55%	198
Out-of-Home/Outdoor	54%	166

WHAT THEY'RE BUYING

Type of Advertising	% Buying This	Avg Annual Spending	% Planning to Increase or Start Buying	% Planning to Trim or Eliminate
Social Media	64.8%	\$ 22,112	27.5%	4.0%
Website ads	45.8%	\$ 7,383	22.7%	8.5%
Event/sponsorships	35.3%	\$ 20,280	17.0%	4.0%
Streaming Video/OTT	53.6%	\$ 22,203	17.0%	4.0%
Mobile SMS/text	21.1%	\$ 38,835	16.0%	5.4%
Content Marketing	17.0%	\$ 7,806	11.1%	5.7%
Streaming Audio	17.7%	\$ 5,394	9.1%	2.6%
Out-of-Home	15.5%	\$ 18,307	8.6%	1.9%
Direct Mail	25.8%	\$ 37,487	8.4%	2.4%
Mobile in-app ads	49.0%	\$ 20,533	8.4%	2.4%
Email sponsorships	14.4%	\$ 5,937	7.3%	2.1%
Online Listings Sites	14.6%	\$ 5,937	6.1%	3.3%
Broadcast TV	14.6%	\$ 5,937	6.1%	3.3%
Out-of-Home/Outdoor	14.6%	\$ 5,937	6.1%	3.3%
Streaming Video/OTT	14.6%	\$ 5,937	6.1%	3.3%
Mobile in-app ads	14.6%	\$ 5,937	6.1%	3.3%
Direct Mail	14.6%	\$ 5,937	6.1%	3.3%
Event/sponsorships	14.6%	\$ 5,937	6.1%	3.3%
Streaming Audio	14.6%	\$ 5,937	6.1%	3.3%
Content Marketing	14.6%	\$ 5,937	6.1%	3.3%
Website ads	14.6%	\$ 5,937	6.1%	3.3%
Social Media	14.6%	\$ 5,937	6.1%	3.3%

Jim Brown
President
Borrell Associates

Mike Blinder
Publisher
E&P Magazine

[Branding is back: The latest Borrell study un-packed.](#)

In this episode of "E&P Reports," we break down the data recently released by Borrell Associates in their latest survey, conducted April through June in 2023, entitled: "[New Insights About Today's Local Ad Buyers.](#)" Appearing in this vodcast is Borrell Associates' President Jim Brown, who will discuss the latest trends they have uncovered in local advertiser spending, which media types are showing the most demand and how legacy media such as newspapers, radio and TV can capture the predicted 4% increase of overall marketing dollars being invested by local businesses.



[music]

0:00:03.6 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 news publishing.

0:00:19.7 Mike Blinder: And greetings once again, Mike Blinder, publisher, E&P Magazine. Housekeeping first: If you are listening to this program on a podcast channel, we urge you to follow us. Watching on YouTube, please hit the subscribe button below, smash the bell to the right, you'll get an update each and every time we upload this weekly vodcast series, E&P Reports. Jim, do you think the word vodcast can be played in Scrabble legally?

0:00:49.0 Jim Brown: [laughter] I don't know, Mike. I've never been a big fan of that word, but yeah, I guess all things are fair.

0:00:55.5 MB: I used to call it a podcast with video and someone corrected me and said it was a vodcast. And I think that word shows up on the internet. I don't think it's legally yet, but I don't know why... Jim Brown, an old friend, president of Borrell Associates is joining our program today. Jim, you and I go way back. Jim, your background is in the newspaper industry. You spent years at the Virginia-Pilot in Norfolk on the sales side, am I correct, sir?

0:01:21.0 JB: I did. Yeah. 21 years or so, yep, started my career in the local sales department, calling on local retailers, eventually moved into the real estate department. And then in the late '90s, when this new internet thing came along, I had an opportunity to get involved with that. So that's been a very formative part of my career.

0:01:39.7 MB: You and I have known each other through many of those years, but today you are running Borrell Associates as president. For those of you that live under a rock, just being sarcastic and kidding, Borrell Associates is the leading research company in the media industry, in my humble opinion, that follows advertising dollars. One of the only. Many research companies follow audience, you guys actually assess the local business community all over the United States and try to figure out... I always say it's like two things, but you break it down so well. What are you currently buying media and what do you plan to buy in media? Pretty much breaks down to that so we can see the current lay of the land and try to project what they want in the future. Am I summing that up?

0:02:24.0 JB: You are, Mike, and I'm glad you said it that way. What we like to do is look at how much those businesses, those local businesses, are spending on different types of media. Some research companies look at it from the other side, how much are the media companies making? And instead, we look at it from a local level, how much are they spending on different types of media? And how that's changing and how we expect that to change over the coming years.

0:02:47.8 MB: And this is the 14th year you've done what's called the local advertising survey and



we're honored to have you on board because you just issued the Q2 update, correct? Quarter two of this year. And that's what we're going to break down, if I have that right?

0:03:02.5 JB: Yeah. In fact, we're now doing these surveys twice a year and, as you said, we've been doing for quite some time. And I call these local advertiser surveys, not small business surveys because the nature of how we do this. Mike, we send the survey out through Borrell's media partners. So, TV stations, radio groups, newspapers, direct mail companies, around the country, send this survey to their clients who are advertisers. These are people who actually spend money on advertising and marketing. And we get amazing insights. We ask them lots of questions about what they plan to do, where they're spending their money, where they're getting results and so forth. So it is just one of many different sources we use to look at how much is being spent in a local market. And it's important to understand when we talk local, we're looking at all the businesses in the market, how many businesses there are of each type, of each size? And that survey serves to augment the research that we do and understand what are they saying from the local ground level.

0:04:06.4 MB: Well, if you're curious about where local dollars are heading, at least those ad dollars, stick around. We'll get to the breakdown on the backside of this message.

0:04:14.1 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 reimaged to help meet the news publishing challenges of tomorrow and beyond. Learn more at bloxdigital.com.

0:05:18.3 MB: Hi, Jim. I am always fascinated when I go over the first number, which is types of media used. Now, I'm an old radio guy. You remember my background? I have a degree in marine biology from GW and I always wanted to be a DJ and I begged and screamed at a local radio station, an AM in Washington, DC, WEEM. I was on the WEEM team as swing shift and overnights while I was in my senior year of college. And I would never got that talented, so I could never make big money and I eventually went into sales. And before I knew it, I was managing radio stations. But radio is the number one type of media used. I find that fascinating because I don't believe it. You basically show 78% of the respondents across the country are still using AM and FM broadcast radio. Is that correct?

0:06:06.1 JB: Yeah. The thing is, number one; they constitute one of the largest local sales forces out there, Mike. It used to be newspapers that dominated it. In any market, there are probably more radio sales reps than any other media out there. So that alone drives a lot of it. The second thing is; it's affordable. Many of those advertisers who would love to be on TV, who would love to do other types of advertising, they can afford to buy radio. The other thing I'd say about it is radio folks are really creative, they've got events, they've got all kinds of things that drive that. So I think it's no surprise when you look at it from that lens that, yeah, it's pretty popular.



0:06:48.4 MB: I feel like I set you up there to swing the letter. I was waiting for you to say that. I was a radio sales rep, we fought for every dollar, we... And you gotta be creative in radio, you're not selling a commercial, you're selling a campaign, and you're building things around it, and you're always specking, which I could go on and on. So you're right, there are more feet on the street that can sometimes equal... Look more money. Period!

0:07:14.3 JB: It is and I'll say this, one of the things I see about the folks in radio that I really admire with that creativity, is their ability to sort of play that endorsement card. They understand those players who are out there when they've got a local personality who can speak to, "Hey, this is the eye surgery center I used..." I think that really... It's very local. It feels very local to people, they know this person, they connect with them, and that connection, I think, really plays well with local advertisers.

0:07:50.1 MB: Okay, so let's take it to the next level. Radio is your number one legacy media that comes in at 78%. I'm just gonna break down legacy media first, you got broadcast TV at 72%, newspapers are still holding their own at one out of two. 52% of your respondents are still buying print newspapers. Did that surprise you?

0:08:11.1 JB: It doesn't surprise me when you think about some of those categories where having a print ad still is a mainstay to them. The permanence of it, a coupon, that type of thing. But this doesn't speak to the amount of money they spend. So they're there, they may be buying it, but it doesn't mean they're in the paper on a regular basis. Many times it's sales events and it's an event-driven advertising medium for them now.

0:08:42.9 MB: All right. So basically then you got social media, which is still strong. People are still buying ads on websites, search engine marketing, but OTT is what stuck out to me. For those of you that you don't understand, OTT are those commercials you see on Hulu or whatever streaming you're currently doing. When you're holding that little fire stick in your hand and you're seeing broadcast commercials between your programming that is now a sophisticated type of sales that many legacy media companies are selling. That growth is huge. Am I correct, sir?

0:09:13.5 JB: It is growth. It is big. In fact, we're still seeing, as big as it is, continued growth as much as 9% next year. And you nailed it, Mike, because it's not just television folks selling it, radio reps are selling it, newspaper folks are selling it. So I think what's happened as a format as opposed to thinking of it as a media type, it's a great way to tell a story. And now that the cost of production has come down, then lots of advertisers attracted to that.

0:09:44.7 MB: But deep in your research, there's an oxymoron. Radio is selling it at their own expense because the number one media that seems to be shaved by OTT, at least legacy media, seems to be radio. Am I right?

0:09:58.9 JB: You got it. That's right. Look, advertisers who advertise in radio, as we discussed earlier, don't necessarily have the largest budgets. Many of them would love to be on television, can't afford it. So the fact that they're buying it and will buy it from somebody, I think radio folks who are smart are jumping on that and they're offering that. Is it coming at the expense of radio? It may, but if it comes at the expense of radio, it might as well be coming from that radio seller.

0:10:28.4 MB: You guys were the ones that kind of turned the industry into content marketing. There's a lot of people that have been pushing for it, but you did a groundbreaking report a couple of years ago that claimed that small businesses needed to tell their stories, all businesses, let me take that back. 'cause you haven't found that big manufacturers in towns that don't care about local audience need content now and content marketing is strong. Is that still growing? I see that's still high on your list as a spending category, and you define that as building stories. The business is paying someone to write content for them. Is that what... Do I have that right?

0:11:02.9 JB: Yeah, oftentimes it is. And look, we know this... Newspaper, the industry knows it, we in media know it. You gotta feed that beast. It's a costly thing, and it can take a lot of time to create that content. So, look, I think that continues to be an opportunity, and I think for local media sellers, it's all about telling that story and where that content comes from might be you, you might generate it on their behalf or they may be supplying that to you. Yeah, a lot of them are hiring freelancers. There are a lot of, let's face it, unemployed newspaper folks who are out there doing stories. I see it all the time. One of my former colleagues at the newspaper who was a sports writer for many years, went to work for a local hospital group and he kept up writing lots of content for them. So yeah.

0:11:58.7 MB: We're gonna show some of these slides embedded... If you're listening to this on a podcast platform, please head back to editorandpublisher.com/vodcast and Jim's gonna give me the permission to show some of this data. But here's what I saw, and I think this is fascinating. Five years ago when I was looking at the study, 72% of your respondents called themselves novices. This is when Gordon, I'd been at your conventions for years, Gordon Borrell, the CEO or the founder of Borrell Associates used to always talk about Darrell in the garage.

0:12:30.6 JB: Right.

0:12:33.6 MB: He always said, "And Darrell's out there." Darrell's a wonderful name if you named your kid Darrell. He always picked on that name as the geek or the nerd was the person that was just, had no idea, was just advising. But now this is five years later, only half of your respondents call themselves novices. Now, they actually think, or they know they're smarter at marketing and they've... You have an increased knowledge base now in the local advertising community. Do I have that right?

0:13:01.8 JB: Well, yeah, Mike, it's driven our indication of whether they're an expert or a novice or an apprentice, really has to do with how long they've been doing the activity of advertising and marketing, and how much that time they spend doing it, and how long they've been doing it. Well, they've been doing it longer. They're spending more and more time on it. And I think it's another thing too, some of those respondents in the survey, there are companies who have hired experts, they've hired... It's gotten so complicated now. It's not as simple as it used to be. I'll give you a good example. A good friend of mine who's an attorney in Norfolk, bright guy. I met him for the first time, Mike, at an American Marketing Association meeting and I was like, "That's interesting to have an attorney show up at these meetings." But he loved marketing, and he came to those meetings all the time, but he has since hired a woman who's in her probably early 40s, really bright, understands media and can dedicate the time to it. So in some cases, the companies, the people



who've been doing this, they brought them in-house, and so you've got these very smart, much more sophisticated, not really so much novices, and you're probably gonna mention this, but I might steal the thunder. Here's what's interesting about those folks. Everything's moved digital, right?

0:14:25.2 MB: Right.

0:14:27.1 JB: The more sophisticated marketers are leaning more into some of the traditional media types. There's a place for radio, there's a place for newspaper. The more time they spend on marketing, the more likely they are to buy traditional media.

0:14:55.3 MB: And this is fascinating 'cause you started to show this trend a few years ago, and some thought it was a blip. Let me get this straight, as people were buying digital, I remember this coming out a couple of years ago, they were blending it more with legacy. So if anyone out there thinks they should not be fluent in the multimedia world and selling some digital services, you need to package them. Am I right? You need to have all the tools in your toolbox, correct?

0:15:24.5 JB: Yeah. And I would say one of the reasons for that, Mike, is another phenomenon, which is there are more and more choices. The capacity that a local business owner has to work with multiple companies on their advertising, it's diminishing, it's...

0:15:40.0 MB: Of course.

0:15:40.5 JB: They're using fewer and fewer media partners out there. What that also means is those that they're using are serving more of their needs. They're offering more robust product lines. So I think if you're a local media seller today, you've gotta have multiple products in your arsenal. And you have to know how they work together.

0:16:01.8 MB: And I love when you guys go beyond just asking, "What media you're buying, how much you spending?" You start asking, "And what do you think? What do you think of the reps? What would you like a rep to do to be better?"

0:16:11.9 JB: Right. Right.

0:16:13.7 MB: And what came out at me, and I've been seeing it over the years and it's getting stronger and stronger, is creativity. So here's what I'm seeing. 'cause I love... See, I always try to look at these things at 20,000 feet. I don't like to get in the weeds. 'cause sales is sales. What I'm seeing, it's getting back to the fact that... Okay, 2008, we had a major recession hit everybody. And that's when Groupon grew. Everything was bribing, bribing, bribing, the only way you were gonna get a new customer was bribe, deal, deal, deal. Now it looks like TOMA is back, for those who don't know that acronym, top-of-mind awareness branding is back. We're moving from bribing to including branding again, which means there's nothing wrong with selling an advertiser an ongoing campaign that raises their top-of-mind awareness. Am I correct sir?

0:17:03.6 JB: Yeah, I think that's true, Mike. And look, I guess when I think about it from that perspective, it really has to do with helping that business be more. If there's one thing that a local sales rep should be doing is talking about that competitive landscape and how are you going to win?

"I'm gonna help you win." When somebody is in the market for a new vet, their new puppy is sick and they need to bring it in or needs to get... Who are they gonna turn to? Is it somebody they're already aware of? Somebody who's local? Somebody who's already top-of-mind who they see getting good reviews out there? Or is it somebody they've never heard of? So yes, that creativity and being able to bring that into the conversation with a local business, I think, is really important. So it's nothing new, it really isn't. It's nothing new at all.

0:17:57.5 MB: And the final takeaway, we're running out of time and I could chat for hours with you sir. 'cause I love talking sales and I love talking how this is part of the sales process. Final takeaway is, and I'm feeling it, have we hit bottom? Is legacy media now like newspapers? Can we take a breath and know that maybe we're where we're gonna be for a while and we can just work on growing the business. The big declines, the big, huge hockey sticks aren't... I'm not seeing those anymore.

0:18:26.4 JB: Yeah, I think so. Look, with newspapers and print in particular, I would say newspapers and magazines probably have. We used to... We were seeing those huge double-digit declines. We're now in the single-digit declines. In fact, I think what we're predicting for newspapers for 2024 is down about 4%. Not great but it's not down 14%. So, that also, by the way, Mike, I think is driven by the fact there are fewer newspapers. So in some cases they're just... They're not there.

0:19:00.8 MB: They're not there.

0:19:01.8 JB: [0:19:01.9] ____ money with. So if you're a local publisher you very well might be seeing, and we're seeing this with some of them, it's flattened or even some increases, some modest increases. So, yeah, I think there is that rebound. I think the pendulum is swinging back a bit the other way, particularly as these folks get more sophisticated as marketers and understanding that, "Yeah, I need the power of some of the things that traditional media can do for me that's different than digital."

0:19:29.5 MB: Jim Brown, president of Borrell Associates. Jim, if anyone has interest in getting these reports or learning more about being part of your local ad survey, they can reach out to you or the company. Correct? How do they get ahold of you?

0:19:41.8 JB: Yeah. Info@borrellassociates.com, we'd love to hear from you. Come to our website, borrellassociates.com. Mike, we do have detailed forecast, we didn't talk a lot about that, but overall, we're seeing increases expanding for next year for local, so it's not even across the board, so your market might be different than others, but if you'd like that information, reach out to us, love to help you out.

0:20:06.4 MB: But there's still a growth next year. The big take away was 4%, overall?

0:20:12.0 JB: Actually, we're seeing overall local at 4.4% growth.

0:20:16.3 MB: 4.4%.



0:20:16.5 JB: Yeah, absolutely. Yeah.

0:20:18.4 MB: Jim, thanks for your valuable time. Really appreciate this. We'll bring you back in a few months when you bring out the next one and keep up the good fight.

0:20:25.5 JB: Right. Mike, it's an honor to be here. Thank you so much, thank you for all you're doing for the industry as well.