



Most Local Ad Agencies Offer Digital Marketing, But Trust TV the Most



Top 10 Media Local Ad Agencies Bought/Managed for Their Clients, April–June 2021

Media	Percent
Social media	77%
Online banner/display ads	71%
SEM	71%
Radio	69%
Streaming video/OTT	64%
Out-of-home	64%
Broadcast TV	60%
Newspapers	58%
Cable TV	54%
Magazines	54%

Marketing Charts (Borrell Associates), September 2021

A deeper understanding of what marketing services local ad agencies offer and what media they are buying is a strategic advantage for the savvy local TV salesperson.

According to an April–June 2021 survey of local ad agencies from Borrell Associates, agencies know their clients need assistance with the use of digital media to maximize the effectiveness of their overall ad spending. It's why 88% of the surveyed agencies said they include at least one digital marketing service among their palette of services – and the top three media they bought and managed for their clients were digital: social media, online banner/display ads and SEM.

Of the major social media platforms, Facebook is where their clients generate the most customer engagement, and based on their experience, 58% of these agencies said Facebook is the most effective platform.

As much as digital media is currently the hot trend, trust in a medium to deliver the right audience at the right time remains extremely important to local agencies and clients. The Borrell Associates survey found broadcast and cable TV are the most trusted.

A March 2021 survey from YouGuv supports the trust primacy of TV as the responding US adults said three traditional ad media were those they trusted the most. Television was tied with print at 46%, with radio at 45%. Among the digital media listed in the results, search engines were trusted by 38% of respondents, Internet Websites 30% and social media was last at 19%.

Digital media is receiving a substantial share of local ad dollars, but advertisers are more likely to achieve their sales goals when they combine digital media with TV to benefit from TV's greater level of trust among consumers.

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Digital Media Is Not Immune to the Laws of Economics



Digital media has performed so well for so many brands and advertisers, establishing new avenues of consumer engagement, and was deemed competitively priced compared to other media. Digital media, however, is not “SuperMedia,” a new, invincible Marvel character. It must operate according to the same laws of economics as all other business and media sectors.

According to an October 2021 article from Axios, an American news Website, the dramatic changes to ad buys during the early pandemic period have resulted in a 33% increase in CPM to advertise on Facebook, compared to Q3 2019. Instagram’s CPM and Google’s CPC have also increased substantially at 23% each.

During Q2 2020, national and local brands and retailers reduced their ad spending by very large percentages as consumer shopping and spending pivoted swiftly to e-commerce. This trend dragged large amounts of digital ad dollars with it, which, of course, created more demand and higher prices: another law of economics.

During the same period, Apple updated its operating system to be more protective of private data, so all those digital advertisers weren’t able to target consumers on social media as accurately as before the Apple update.

Many advertisers heavily invested in digital media are suddenly faced with diminishing performance from social media, mobile marketing and other forms of digital media. Experienced marketers don’t sit on their ad dollars, however. They send those dollars chasing their target audiences – if the price is right to deliver those audiences.

Interestingly, the beneficiaries of this erosion of digital media’s cost-effectiveness are traditional TV, streaming TV and direct mail. The Axios article does concede the advertising costs of these media are also increasing, but according to the historical trend line.

You might find it valuable to poll your local advertisers to determine if they are experiencing the same significant increases in the cost of digital media and having more difficulty targeting social media audiences effectively. What you learn could be an excellent selling point to divert more of those digital ad dollars to TV.

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