

Online Lures Local Ad Dollars

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US local businesses look to search marketing, social media as they shift ad spending from offline to online

As the number of US internet users and mobile device owners continues to increase, so too does the amount of online advertising channels available to local marketers looking to capitalize on this growing audience.

By 2015, eMarketer estimates about 80% of the US population will be online and more than half will have mobile web access, providing local marketers with an unmatched opportunity to influence potential customers before they even reach their storefronts.

And local marketers are taking advantage of this opportunity. BIA/Kelsey projects US local online ad spending will comprise 16.2% of all local ad spending this year—a number expected to jump to 24% of all local ad spending by 2015.

Within local online and interactive advertising, Borrell Associates estimates that by 2015, two-thirds will come from mobile ads on tablets, smartphones and GPS-enabled laptops.

But at present, local marketers are more commonly turning to more tenured ad channels like search engine marketing.

Over the past few years, search engines have become efficient advertising channels for local businesses through enhanced geotargeting, and location-based offerings like Google Places and Yahoo! Local, Yahoo!â€™s online directory, and are attracting local marketers.

According to MerchantCircle, more than half of US local small businesses currently use Google Places, and 45% advertise on Yahoo! Local.

Local small businesses are also claiming their company profiles and pages on social networking sites. The majority are already using Facebook (70.3%) and LinkedIn (58.2%) to promote their business, and a handful are using Twitter (39.8%), Facebook Places (32.2%) and Yelp (32.2%).

And, although local marketers have no shortage of options when it comes to online advertising, research indicates some channels are more effective than others.

Data from MerchantCircle highlighted the top three ad channels rated most effective for US local small business advertisers: search marketing (40.2%), profiles on social networks (36.7%) and email marketing (35.8%).

But local small businesses arenâ€™t ready to give up traditional advertising just yet. Respondents rated print yellow pages and print newspaper advertising more effective than their online counterparts.

These channels were also rated more effective than newer ad formats like video and mobile, further indicating local advertisers may prefer more mainstream online marketing tactics like social, search and email.

Without a doubt, local marketers hoping to continue to market to their target audience will need to maintain a presence among the growing number of customers moving online and to mobile devices.

The seemingly endless buffet of online marketing channels will continue to lure local ad budgets as marketers take advantage of the cost-efficiency and overall variety digital advertising has to offer.

1 April 2011