

National Brands Look To Local Online Efforts

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Online accounting for more local ad spending as local makes up a greater share of digital total

In the past, a combination of mass media and traditional local advertising was enough to draw consumers toward a national brand's local store or service. But as the internet and mobile devices whet consumers' appetites for immediate and relevant local information, national advertisers are also looking to local online advertising to reinforce their local brand presence.

"Local search, mobile devices, hyperlocal communities and daily deals are gaining popularity with consumers," said Lauren Fisher, eMarketer writer/analyst and author of the new report, "Local Online Advertising: Digital Trends, Challenges and Opportunities." "As the go-to digital sources for local information, each offers on-demand access to community news and information and provides brands a distinct way to engage with US consumers on a local level."

Research firms agree investment in US local online advertising is growing. Some even project it will outpace total online ad spending growth in 2012 and beyond. But just how much advertisers are investing is hard to say as research firms remain at odds on how to define and measure local online advertising.

BIA/Kelsey, for example, defines local online advertising as "any form of advertising that targets a specific, localized audience or location." This includes search and display ad spend from all advertisers, including small and medium-sized businesses (SMBs) and national brands spending locally.

MAGNAGLOBAL, however, takes a more narrow approach to classifying local online ad spending, including only dollars spent on local TV, newspaper and radio sites in its estimates. Local paid search and display ad dollars spent elsewhere are not included.

Borrell Associates' approach is similar to BIA/Kelsey's in that it includes local ad spending across pure-play sites, TV, radio, cable, newspaper, magazines and internet yellow pages (YYPs). But unlike BIA/Kelsey, Borrell's estimates do not include national ad dollars spent on local online ad placements.

"With definitions and methodologies so distinct, a true estimate of local online ad spending remains elusive," said Fisher. "For now, similarities in projected local online ad spending growth and consumer interests remain the best indicators of current and future advertiser investment."

And what are the primary local online channels consumers are indicating their interest in?

The adoption of local search, mobile devices, hyperlocal sites and daily deals is real and growing as each of these digital sources provide consumers with on-demand access to relevant community information. Their resulting popularity is already drawing the attention and ad dollars of national brands seeking meaningful ways to connect with the growing mass of consumers who have made the move to digital.

The full report, "Local Online Advertising: Digital Trends, Challenges and Opportunities," also answers these key questions:

- What is driving national brands to local online advertising?
- Where are brands spending local online ad dollars?
- How are brands using local search, mobile, hyperlocal sites and daily deals to connect with local consumers?

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