

**BIA**

ADVISORY  
SERVICES

**SalesFuel**<sup>®</sup>

# Navigating the Local Ad Marketplace During the Pandemic

April 7, 2020



# Welcome Everyone

## Our Plan for Today's Discussion

- COVID-19 and the U.S. Economy – Strategic Assessment
- Effect on the Current State of Local Advertising
- Vertical Analysis and Local Sales Strategies
  - Financial and Insurance
  - Legal
  - Home Services
- Next Best Steps for Allocating Your Time and Resources
- Surviving Down Markets – Business Tips
- Getting More Local Advertising Sales Help
- Q&A



**Tom Buono, CEO & Founder  
BIA Advisory Services**



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SalesFuel**



**Rick Ducey, Managing Director  
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**Jeffrey Hayzlett, Chairman  
& CEO C-Suite Network,  
Primetime TV & Podcast  
Host, Keynote Speaker,  
Best-Selling Author and  
Global Business Celebrity**

# Actionable Insights from BIA and SalesFuel



Strategic advisory firm focused on the local advertising marketplace. Our BIA ADVantage™ platform delivers nationwide and local market advertising revenue estimates along with insights & analysis for major media and business verticals.



Recognized as one of the top 10 sales enablement solutions providers by Selling Power magazine. Creators of AdMall® – Tactical revenue generation tools and local business intelligence used by most media companies in America.

**BIA and SalesFuel are combining their unique insights to provide both guidance for media companies during the pandemic and upon recovery.**

**This webinar is the 1<sup>st</sup> in a series we're planning.**

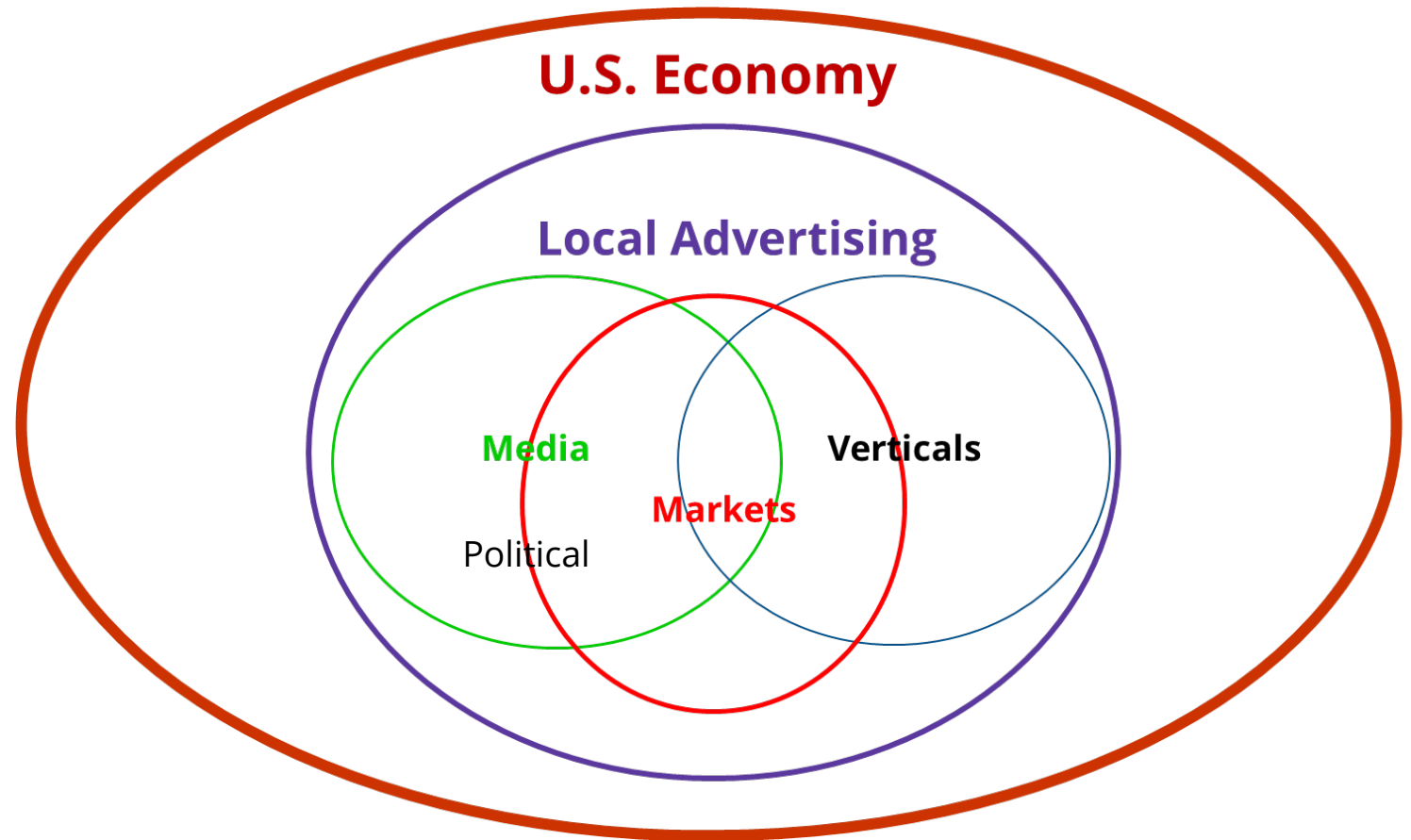
## Services, Data & Insights

- Nationwide and Local Market Ad Forecasts
- Local Vertical Analysis
  - Automotive, Education, Financial/Insurance, General Services, Gov't/Pol/Rel'g, Health, Leisure/Recreation, Media, Real Estate, Restaurants/Food, Retail, Technology
- Competitive Profiles
- Market Assessments
- Category Insights
- Management Reports
- Sales Tactics
- Strategic, Custom Briefings

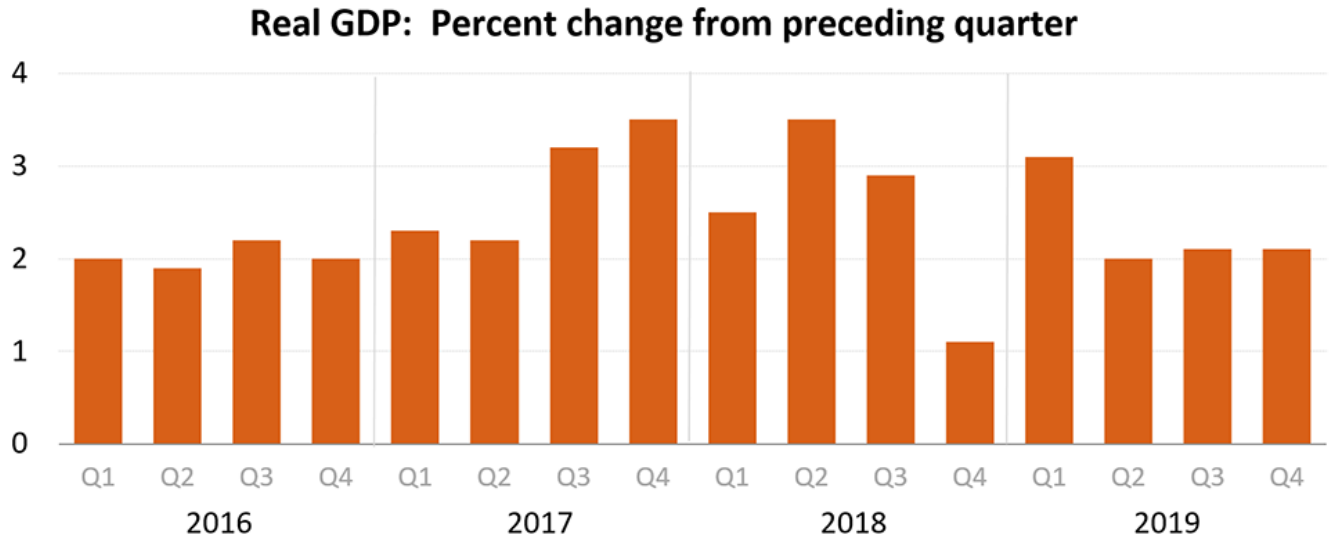
# BIA's Forecasting Incorporates Various Considerations

COVID-19 has completely changed the economic environment. Considerations BIA is weaving into our revised forecast include:

1. Economic signals showing a recession with U-shaped recovery or depression with lingering impact
2. Economic impact on local advertising nationwide
3. 2020 political advertising and its impact
4. Varying effect on different media
5. Varying influence based on a local market's underlying economy
6. Varying impact (negative and positive) on different verticals



# Entered March with a 5 Star Economy



U.S. Bureau of Economic Analysis

Seasonally adjusted at annual

- ★
  - ★
  - ★
  - ★
  - ★
  - ★
- 3.5% Unemployment
  - Stock Market Highs
  - Solid GDP Trends
  - Strong Manufacturing
  - Oil Independence

**Our Early 2020 Forecast for Local Advertising Reflected this Economic Environment**

# BIA's Current Assessment of the Economic Outlook

- The U.S. economic impact could evolve in a few different ways.

**Quick rebound**    **Slower Rebound**    **Depression**

Given the significant steps taken to minimize the spread of the virus and what has happened in other countries, we believe we are currently looking at a **two to three-month period to stabilize the epidemic**. Economic rebound thereafter.

**Will you be positioned to succeed when the sun comes out tomorrow?**



## U-Shaped Recovery

### 2020 Potential Real GDP Change

Q1 -2% to -3%

Q2 -15% to -20%

Q3 +1 to +2%

Q4 +4% to +5%

It could stretch out into 4<sup>th</sup> Qtr

# How is Media Consumption Changing?

## Television & OTT

- Nielsen analyses of prior situations indicates that TV media consumption (Linear and CTV/OTT) could increase 60% during this crisis.
- Significant increases in viewing for all age groups.
- According to the Advertiser Perceptions survey, 8 in 10 advertisers planned to increase their time spent with streaming services.

## MVPDs

- According to Comscore, all day viewing is up 73% over the same period last year on Cable News Networks.
- Daytime viewing of Cable News up over 100%.

## Radio

- According to Nielsen, Radio listening is up 29% at home, 19% on mobile devices, 12% on computers and 10% on smart speakers.
- Radio listening in cars is down 32%

## Newspaper

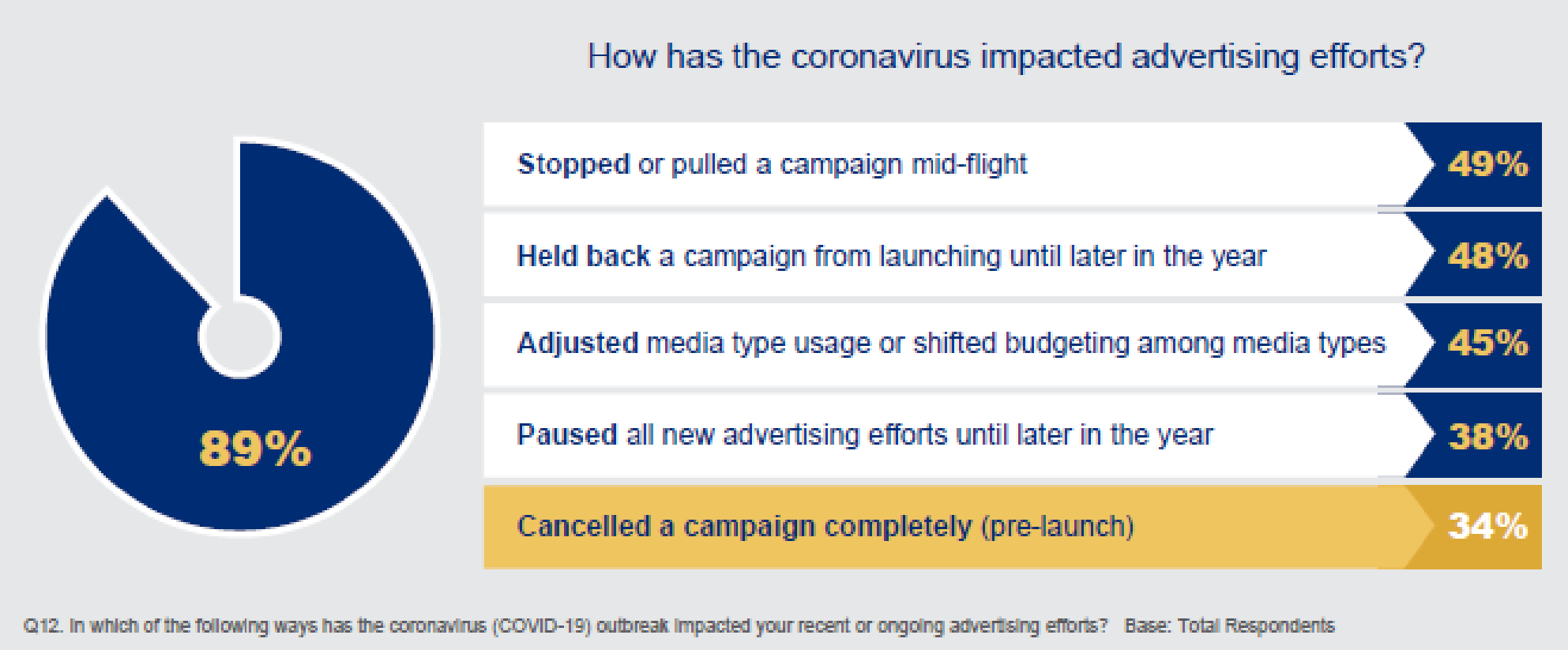
- According to Pew Research, Americans are immersed in COVID-19 News.
- Vox reported that News readership spikes Amid COVID-19 Crisis.
- Online news consumption up.
- Some concerned about paper delivery.

## OOH

- With thousands of people staying indoors to avoid COVID-19, those relatively few still on local freeways discover they can speed during what would be normal work commute times.

# How are Advertisers Reacting Today

New survey from **Advertiser Perceptions** shows us





# Digital Advertising is Not Insulated from the Downturn

**In the Advertiser Perceptions Survey, when advertisers were asked to choose up to four media brands that they would be increasing spending with as a result of the coronavirus effects, Facebook, Google, Instagram and YouTube overwhelmingly topped the list.**

However:

- Digital spend for the March-to-June period will be down 33%, according to the IAB survey.
- Small business failure could have a significant impact on Facebook and Google since more than 40% of their revenue comes from such businesses
- Both Facebook and Twitter have already warned that they will take a hit from the downturn. Alphabet's Google no doubt is seeing the same effects, but so far hasn't discussed the matter.



# State of Media Sales

*SalesFuel* Exclusive Research

**Now in the Field!** Take the 10<sup>th</sup> annual survey at:  
<https://www.research.net/r/SOMS2020>

Results available to respondents, AdMall and BIA Advantage users in May 2020

**SalesFuel**



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/in/cleesmith

# What BIA's Revised Local Advertising Forecast will Look Like



Like the COVID-19 models, our forecasts are subject to constant analysis and revision.

**BIA is now estimating an overall double digit decline nationwide across all U.S. local advertising from our previous 2020 forecast.**

*Worth noting that an advertising rebound typically trails a recession, counterbalanced by 40% of advertising in later part of year and political advertising spending.*



# Political Advertising will Lessen the Downturn

## POLITICAL AD FORECAST UPDATE 2020

OVERALL SPEND UP FROM  
\$6.6B TO \$7.1B



We revised our  
Political Forecast  
Upwards in February.

Top 5 Markets by Political Ad Spend	
Los Angeles, CA	398,510
Phoenix, AZ	285,140
Philadelphia, PA	263,490
New York, NY	251,330
Denver, CO	208,410

Top 5 Markets by Political Digital Ad Spend	
Los Angeles, CA	86,680
Phoenix, AZ	63,530
New York, NY	62,480
Philadelphia, PA	60,050
Boston, MA	43,110

Top 5 markets by Political Radio OTA Spend	
Los Angeles, CA	18,190
New York, NY	15,880
Chicago, IL	10,170
Houston, TX	10,090
Dallas-Ft. Worth, TX	9,170

Top 5 Markets by Political TV OTA Spend	
Los Angeles, CA	180,000
Phoenix, AZ	156,500
Philadelphia, PA	135,100
Denver, CO	125,000
Boston, MA	94,000

# Market-Specific Factors will Lead to Wide Variances

## Oil Markets

Texas  
North Dakota  
New Mexico  
Oklahoma  
Colorado  
Alaska  
...

## Coronavirus Markets

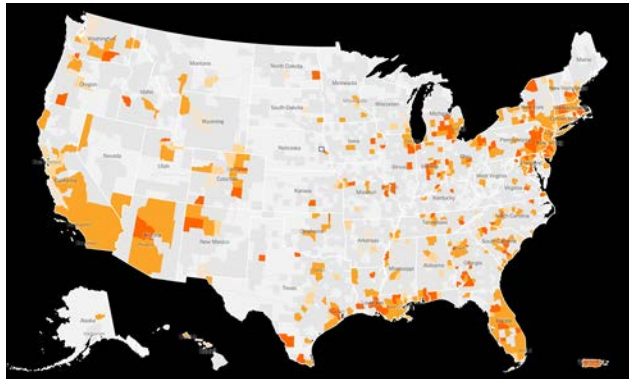
New York City +  
State of California  
State of Washington  
State of Florida  
New Orleans  
Detroit  
...

## Tourism Markets

New York  
Chicago  
Nashville  
Savannah  
Charleston  
Orlando  
San Francisco  
Phoenix  
New Orleans  
Los Angeles  
...

## Political Markets

Houston  
Los Angeles  
Washington, DC  
Dallas-Ft. Worth  
New York  
Boston  
San Francisco-Oakland  
Austin  
Salt Lake City  
San Antonio



An American flag is positioned in the top-left corner of the image, partially overlapping a dark grey chalkboard. The flag's stars and stripes are clearly visible.

**Let's look at 3  
different  
verticals where  
activity is  
occurring.**

WHAT'S  
NEXT?

A hand is visible in the bottom right corner, holding a piece of white chalk and appearing to be in the process of writing on the chalkboard.

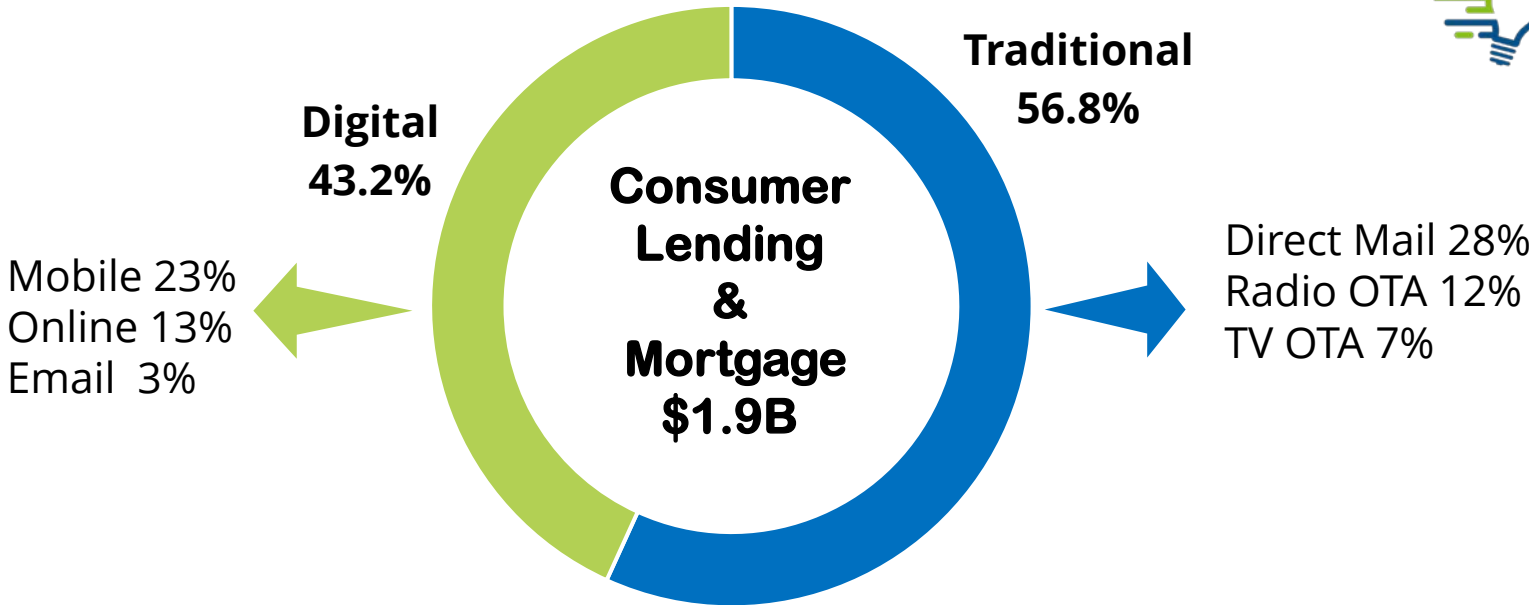
# Financial Services



- **Banks, Credit Unions** – SBA loans, low interest refi, suspended late fees or deferred payments on loans
- **Investment Brokers** – AdMall AudienceSCAN: Plans to buy/sell stocks up 25% in March 2020 over 2019. Plans to invest in gold and silver up 18%.
- **Mortgage Companies** – AdMall AudienceSCAN: Plans for refi up **92%** in March 2020 over 2019!
- **Financial Advisors** – Consumers pulling back from risky investments or pulling out of market altogether; may need access to 401k, IRA funds
- **Check Cashing Services, Payday Loans** – Demand increases as economy worsens

# Sub-Vertical View: Consumer Lending & Mortgage

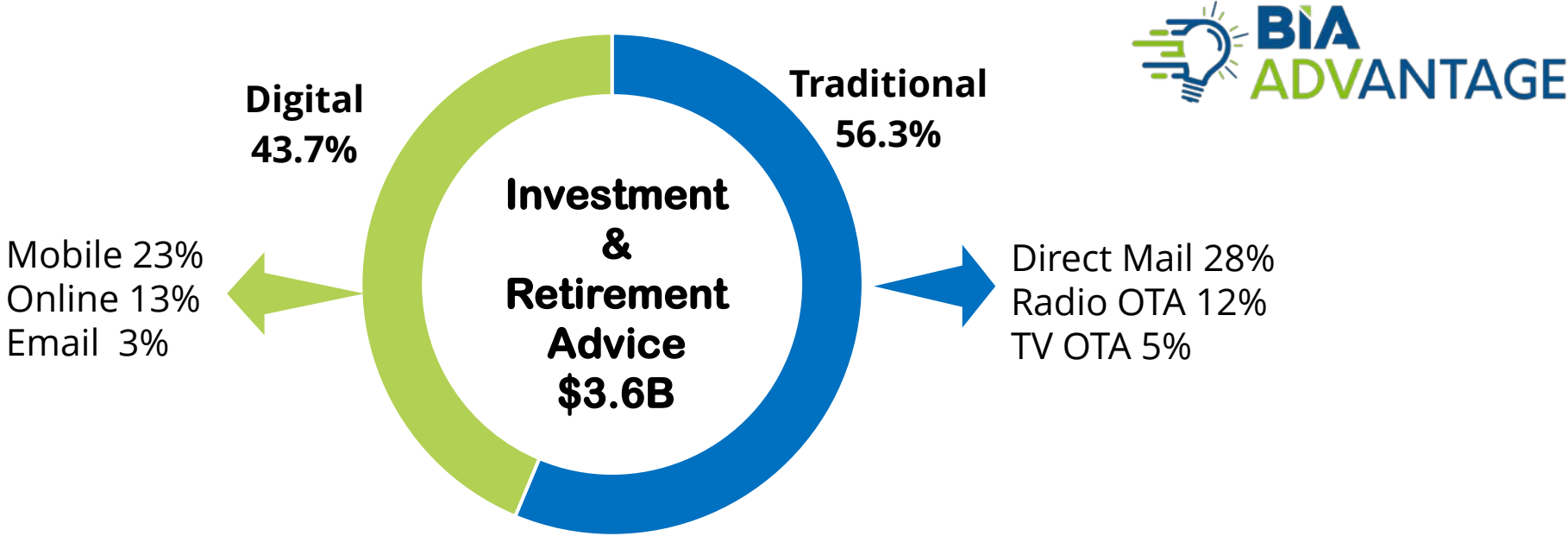
1.0 - 2.0% revenue is spent on advertising. These services are in high demand due to low interest rates, as well as people needing cash due to being laid off or furloughed.





# Sub-Vertical View: Investment & Retirement Advice

2.0% revenue is spent on advertising. These services are in high demand due to personal market losses and current market volatility. People will want help to rebuild their savings, college funds and retirement accounts.



# Advertiser + Seller Opportunities

## *Financial Businesses Need To:*



**Communicate with customers during the COVID-19 crisis**



**Help people adjust their plans based on the new economic outlook. Great opportunity with current customers**



**Stay top of mind and compete for new customers for products and services.**

## **How Local Sellers Can Help**

Financial advertisers use digital's advance targeting to reach, engage and close prospects. Sellers need to be part of the solution.

Show them how to get their message out with a multi-platform approach on TV, Radio and digital because people are actively looking for help about these concerns.

As media leaders in your local market, you are best equipped to offer multi-platform solutions over other digital aggregators.

# Financial Services: \$18.8B Ad Spend

## FINANCIAL SERVICES ADVERTISING AD PIE

*Percent of 2020 Ad Budget Going to Select Media (BIA)*

## FINANCIAL ADVISORY SERVICE CLIENTS

*When have you last seen/heard an advertisement of this type that led you to take action? (AdMall)*

MEDIA	PERCENT OF BUDGET	RESPONDED LAST 30 DAYS	RESPONDED PAST 12 MOS
Search	26.3%	32.5%	55.1%
Direct Mail	27.6%	38.8%	65.9%
TV (OTA and Digital)	6.8%	34.9%	61.9%
Mobile	23.0%	29.8%	47.3%
Email	3.3%	32.0%	56.6%
Newspaper (Print and Digital)	4.1%	27.2%	50.9%
Online Display	12.1%	23.5%	45.0%
Radio (OTA and Digital)	13.2%	24.0%	48.6%
Magazine (Print and Digital)	0.5%	22.3%	49.5%
Video	27.3%	16.9%	32.2%
Outdoors	4.7%	16.3%	37.1%
Directory (Print and Digital)	0.4%	15.5%	33.2%

SOURCE: 2019 AudienceSCAN® and 2020 BIA ADVantage™

\* % total may not equal 100% because audience could select more than one answer to this question.

# Audiences: Financial Services



**30% more likely**  
than all US adults (18+) to visit the website of a local tv station.



**102% more likely**  
than all US adults (18+) to watch video from a local television station via their website or app.



**22% more likely**  
than all US adults (18+) to watch a live televised/streamed sporting event.



**25% more likely**  
than all US adults (18+) to watch a live televised/streamed sporting event.



**5% more likely**  
than all US adults (18+) to forward past the commercials when I watch a tv show on my DVR.



**33% more likely**  
than all US adults (18+) to purchase a product advertised in an infomercial or tv shopping channel.

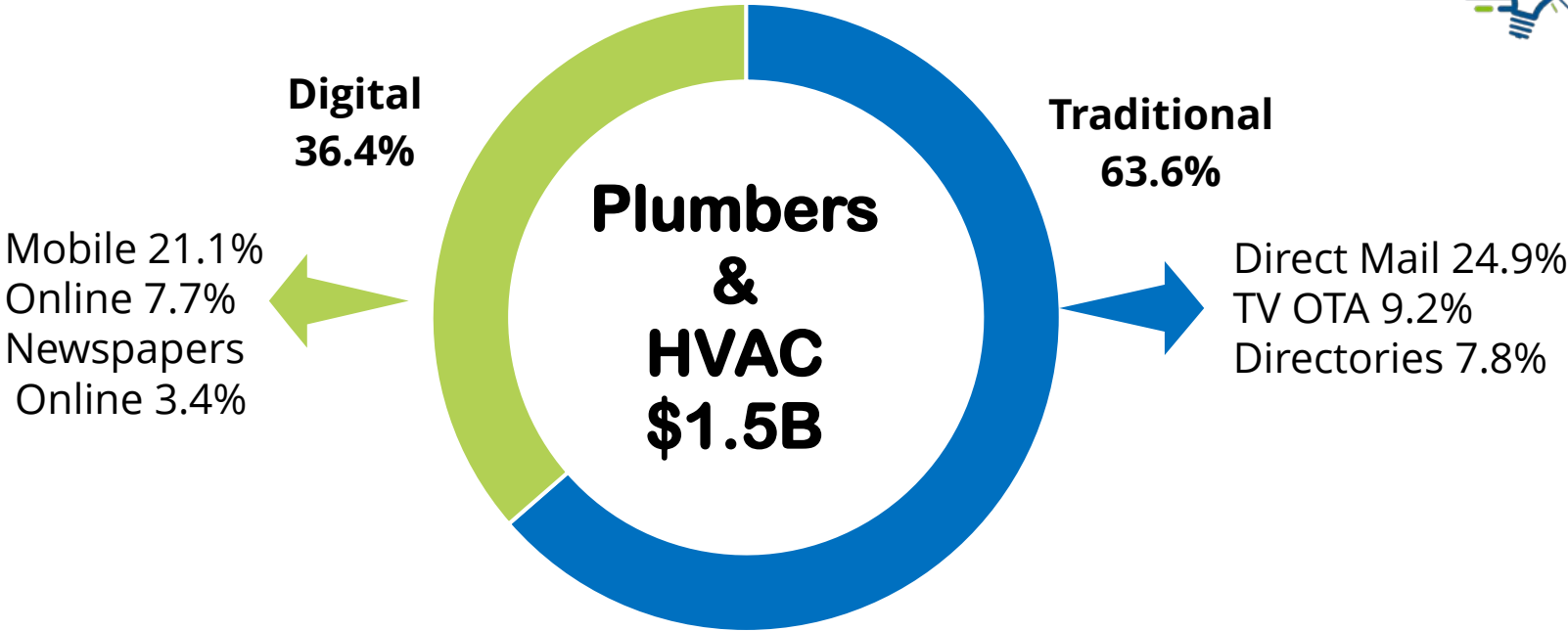
# Home Improvement



- **High-speed Broadband and 5G Wireless**
- **Home Security Services** – AdMall AudienceSCAN: Plans to buy home security/alarm service up 6% in March 2020 over 2019
- **Fence Contractors** – AdMall AudienceSCAN: Plans to install new fencing or gates up 12% in March 2020 over 2019
- **Replacement Windows** – AdMall AudienceSCAN: Plans for installing new windows up 20% in March 2020 over 2019
- **Appliance Service and Repair**

# Sub-Vertical View: Plumbers & HVAC

Less than 1.0% of revenue is spent on advertising. These services are in high demand, as many are essential, and summer is coming.



# Sub-Vertical View: Lawn & Garden Supply Store

1.0 -2.0% of Revenue is spent on advertising. Spring is here and homebound consumers have time to work in their yards and gardens.



# Advertiser + Seller Opportunities

## *Home Improvement Businesses Need To:*



**Communicate with customers during the COVID-19 crisis that they are operating and serving their communities safely**



**Respond to the increase in demand for supplies and services. Some services like plumbing, electrical, roofing and HVAC are essential and busier due to the weather and consumers at home.**



**Stay top of mind and compete for new customers for products and services.**

## **Local Sellers Can:**

Help these businesses communicate to customers through digital and traditional channels their operational hours, services and supplies.

If they are coming out to provide service, help businesses communicate their ability to provide services while maintaining social distancing precautions. Some may have limited operational times based on state and government guidelines that will need to part of their message to customers.

Help local retail and home improvement services to use digital channels to communicate that they are open and can offer products and delivery of purchases can be helpful.



# Home Improvement: \$7.8B Ad Spend

## HOME IMPROVEMENT ADVERTISING AD PIE

*Percent of 2020 Ad Budget Going to Select Media (BIA)*

## HANDYMAN SERVICE CLIENTS

*When have you last seen/heard an advertisement of this type that led you to take action? (AdMall)*

MEDIA	PERCENT OF BUDGET	RESPONDED LAST 30 DAYS	RESPONDED PAST 12 MOS
Search	26.3%	33.4%	57.6%
Direct Mail	36.5%	39.2%	68.7%
TV (OTA and Digital)	10.0%	33.0%	57.6%
Mobile	15.0%	49.1%	59.3%
Email	1.7%	33.2%	58.8%
Newspaper (Print and Digital)	9.9%	26.5%	52.2%
Online Display	12.1%	24.9%	46.1%
Radio (OTA and Digital)	7.7%	25.3%	49.9%
Magazine (Print and Digital)	0.9%	21.7%	50.9%
Video	27.3%	17.3%	33.9%
Outdoors	4.2%	17.3%	38.5%
Directory (Print and Digital)	2.7%	17.1%	37.3%

SOURCE: 2019 [AudienceSCAN®](#) and [2020 BIA ADVantage™](#)

\* % total may not equal 100% because audience could select more than one answer to this question.

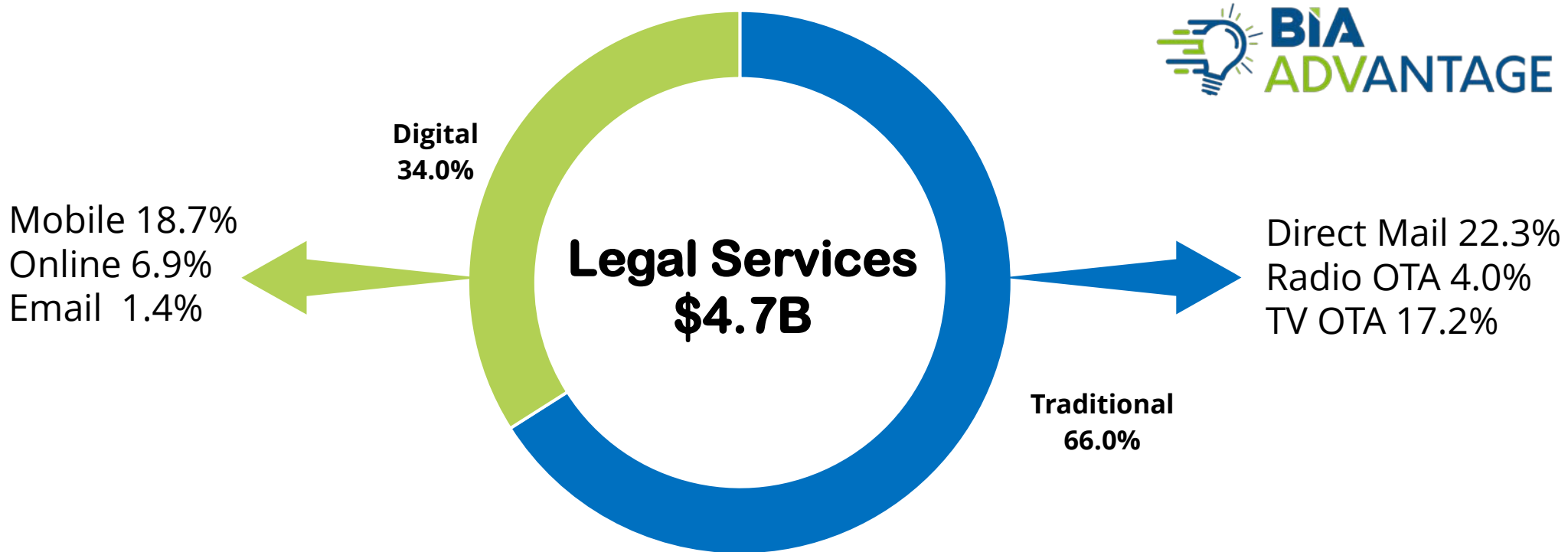
# Legal Services



- **Contractual Disputes** (ABA: especially business disruption insurance)
- **Employment Law** (remote work policy updates, safe workplace, FMLA)
- **Bankruptcy** (both business and personal)
- **Succession Planning** (business)
- **Estate Planning**
- **Divorce**

# Local Ad Pie for Legal Services

2.0% revenue is spent on advertising. These services are in high demand right now as people feel concern over not having their affairs in order.



# Legal Services: \$4.7B Ad Spend

## LEGAL SERVICE ADVERTISING AD PIE

*Percent of 2020 Ad Budget Going to Select Media (BIA)*

## LEGAL SERVICE CLIENTS

*When have you last seen/heard an advertisement of this type that led you to take action? (AdMall)*

MEDIA	PERCENT OF BUDGET	RESPONDED LAST 30 DAYS	RESPONDED PAST 12 MOS
Search	22.2%	39.5%	62.4%
Direct Mail	22.3%	38.2%	67.7%
TV (OTA and Digital)	18.6%	37.0%	66.2%
Mobile	18.7%	36.0%	59.3%
Email	1.4%	34.9%	61.1%
Newspaper (Print and Digital)	9.0%	30.4%	56.0%
Online Display	12.1%	28.3%	51.8%
Radio (OTA and Digital)	4.4%	27.6%	53.1%
Magazine (Print and Digital)	1.5%	27.4%	55.7%
Video	34.2%	24.8%	43.3%
Outdoors	5.6%	21.9%	45.9%
Directory (Print and Digital)	6.9%	21.4%	43.4%

SOURCE: 2019 [AudienceSCAN®](#) and [2020 BIA ADVantage™](#)

\* % total may not equal 100% because audience could select more than one answer to this question.

# Audiences – Legal



Crime TV



Podcast Listeners



**21% more likely**  
than all US adults (18+) to visit the website of a local tv station.



**39% more likely**  
than all US adults (18+) to watch video from a local television station via their website or app.



**25% more likely**  
than all US adults (18+) to watch a live televised/streamed sporting event.



**118% more likely**  
than all US adults (18+) to listen to a local radio station online.



**130% more likely**  
than all US adults (18+) to listen to a local radio station via their website or app.

# View from the Front Lines

*Ad Agency Executive Shares His Thoughts with Rick Ducey*

“  
My clients for the most part are doing well. One client is in sports and he shut down because he sells billboards and signage and there are no live events. The others are going to be able to survive with some of the stimulus money. Some clients are essential, so they are doing fine. Personally, I'm very busy because some of them have more time on their hands to allocate towards strategy and planning.  
”

# We'd like to share our local sales presentation for the Home Improvement Vertical:



MARCH 2020

## 2020 Home Improvement Vertical Insights

Using ADVantage for Local Sellers



# Get selling insights for the Home Improvement Vertical:

[bit.ly/HomeServices-LocalSalesOpps](https://bit.ly/HomeServices-LocalSalesOpps)

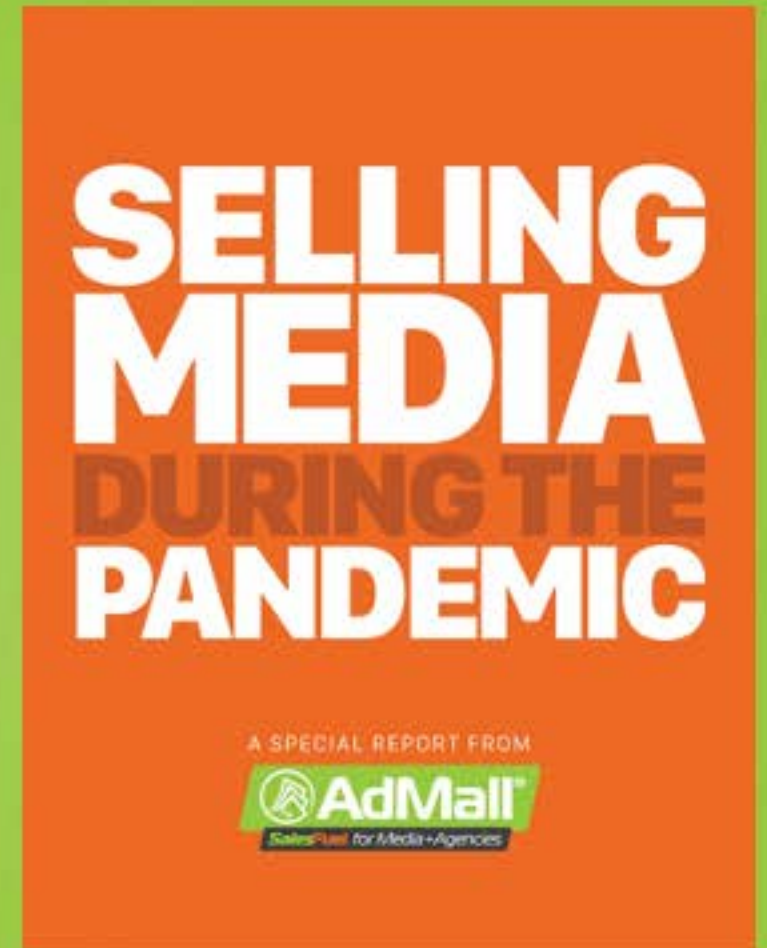
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# 4 Media Sales Tactics

- 1. Protect What You Have**
  - 2. Become Easier to Do Business With**
  - 3. Diversify Your Account List**
  - 4. Be Ready for the Recovery**
- 4+1. Mind Your Mindset**

Download Report Here:  
<http://salesfuel.com/pandemic>





# The Five Keeps

*Keep Your Customers Engaged*  
*Keep Your Focus*  
*Keep Cash Flowing*  
*Keep Continuity*  
*Keep Your Spirit*




**JEFFREY HAYZLETT**

*Chairman & CEO,  
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Questions?  
Q&A Time



Thank you for joining us today.  
How can we help? Email us:  
[advantage@bia.com](mailto:advantage@bia.com) | [admall@salesfuel.com](mailto:admall@salesfuel.com)