

GotU

RISING ABOVE ADVERTISING CLUTTER

Digital Strategies for Small Local
Businesses to Beat the Big Guys

a BIA/Kelsey Vantage Point Paper



Rising Above Advertising Clutter

Digital Strategies for Small Local Businesses to Beat the Big Guys

Going digital and getting noticed

"How do we get more customers?" is the timeless question local businesses continue to try to find the answer to, especially in our digitally focused age of advertising.

As far as advertising is concerned, it's important to consider how you and your customers have changed their habits due to technology today. It's obvious that the usual ad outlets are not gaining the same attention as before. In the search of the most efficient marketing method, even the late adopter advertisers and small local business owners are making the move towards digital marketing, as mobile and online advertising offer unprecedented targeting possibilities out-performing any traditional methods available.



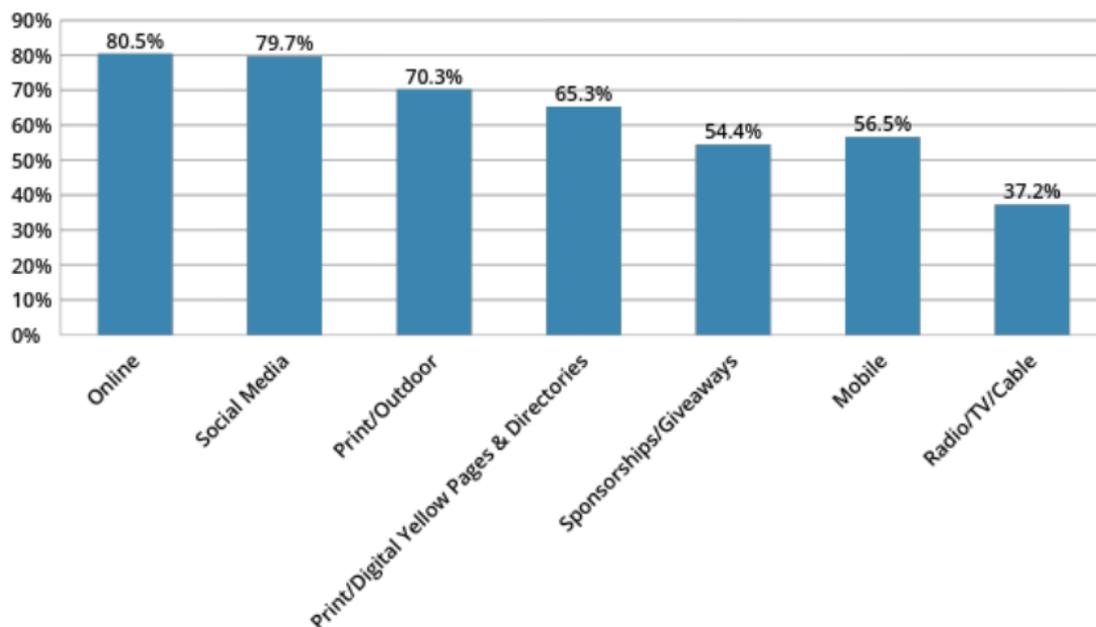
According to BIA/Kelsey, almost 80% of small and medium-sized businesses (SMBs) are already using social media and 80.5% use some kind of digital advertising (video, SEO, website, email or social advertising), with the figures growing as we speak. In fact, some 90% of SMBs believe that having an online presence has become a necessity.

But as the digital marketing usage grows, so does the competition. Consequently, the main question most small businesses are trying to find the answer to these days goes: **"How can I make sure my ads are noticed?"** The local business has to find a way to make sure its ads

are seen amongst the neverending digital 'ad clutter'. The same question applies to business directories, as well as local agencies and marketing partners. When even the big national companies with big budgets are using the same digital channels and targeting the same, if not bigger, audiences, *the small players need to find a way to stand out.*

And luckily there is a way to stand out - an easy one. This paper will explain the **simple steps for local businesses to find success and beat the big companies in digital advertising.**

Media Used For Advertising or Promotion



Source: BIA/Kelsey Local Commerce Monitor™ (LCM) Wave 20, Q3/2016 (and prior waves, if relevant). Methodology: Online panels.
Q511 Which of the following media or platforms do you use to advertise or promote your business?
Sample Size = 1,000



© 2017 BIA/Kelsey. All Rights Reserved. | 2

Back to basics

Imagine the national companies with big advertising budgets - while they can target large groups of people and run their campaigns on different channels simultaneously, local businesses struggle to scale to that level. But SMBs don't actually need the same amount of channels, the same sized audiences or the same big budgets as the big guys.

When the business is local, the advertising should also be local. That's why the secret to success on a local level is simple: back to basics. One clear offer, one specific target audience and one precise location - that's the recipe to an effective and successful local digital campaign.



Let's break it down to simple steps:
Reach the right people through the right channel

The most important thing is to put your message where people spend the most time.

Facebook is the number one social network in terms of the number of users and the time people spent browsing the platform daily is an impressive average of 35-50 minutes.

The platform can reach more people in the U.S. than the top U.S. newspapers combined. 214 million people in the U.S. are active social media users, and all of them (214 million people), are also active monthly Facebook users¹.

Also the level of detail that Facebook offers in terms of targeting is unprecedented: there is no other platform with a similar reach or with such in-depth knowledge of its users.

With Facebook, businesses can target people based on their location, age, education, profession, favorite tv show, type of phone they use, or an important life event, such as 'recently engaged,' which is a fantastic opportunity for companies in the wedding industry for instance - just to name a few.

Additionally, Facebook's advanced targeting options through 3rd party data, provided in collaboration through companies like Epsilon and Experian, allow even more detailed targeting. Facebook matches these companies' databases with Facebook profiles, creating specific audiences such as: Users whose car lease contract is about to expire, Users who donate to charity or; Users who frequently dine at fine dining restaurants.

Facebook also allows you to leverage your own customer and website data by finding your own databases' users on Facebook, or by suggesting similar "lookalike audiences," which allows you to increase your reach among people who are similar to your current customer base.

Many of Facebook's advertising options are specifically created for small businesses and have most variety when compared to other digital ad outlets available.

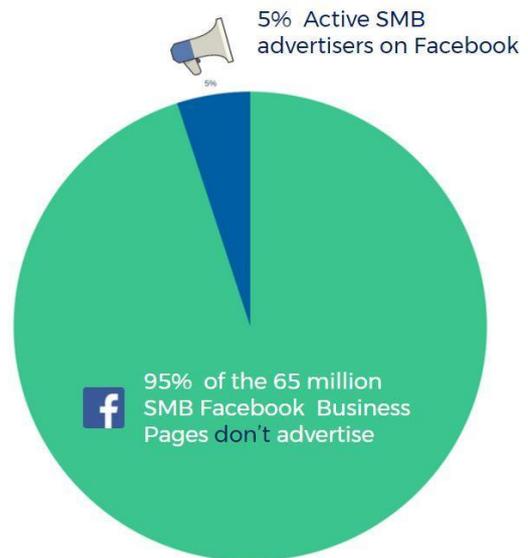


¹ We Are Social: Digital in 2017, Northern America: <https://www.slideshare.net/wearesocialsg/digital-in-2017-northern-america>

Facebook reports to continually see growth in engagement within the age segment of over 35 across the world. This is significant because this age group typically holds the position as the main decision makers in their households when it comes to purchases.

No wonder Facebook is already the preferred social media of local businesses, according to BIA/Kelsey's research.

Still, while over 65 million SMBs already have a Business page on Facebook, only 5% of them use the platform for advertising. That's a huge gap and an untapped opportunity - both for the small and medium businesses, as well as the business directories, agencies and marketing partners helping local businesses grow.



"More than 70% of people on Facebook around the world are connected to a small or local business," Facebook's global VP of SMB Dan Levy has said in an interview.²

Facebook has acknowledged this gap between the connected SMBs and their customers, and the lack of advertising, and has placed SMBs as the platform's main focus for its future business development.

Now is the time for business owners and SMB marketing partners to step in and gain a share of the unused potential Facebook has to offer in local advertising.

Go specific: Just one, well-defined target audience

The most important thing to ensure that the ads are seen on the channel of your choice is to define a small, specific target for the business or for the promoted offer, and then target that - *and only that* - locally.

Businesses often choose a wide target audience with the misperception that it will maximize the results and guarantee that at least someone who sees the ad would be interested. But to make sure the ad is seen, and that the people who see it pay attention and act on it, requires the exact opposite approach.

² Forbes, June 13th 2017: "Sheryl Sandberg Leads Facebook's Global Courtship Of Small Businesses"

Small businesses have the advantage of knowing their customers very well. And they should target that specific type of audience also with their ads.

Choose one very specific audience that you know to be interested in and to react to the ad. For example, you may have a business selling sporting goods. It seems logical to maximize profits and promote to all ages and genders in the city. However, the most effective option for a local business is to create a unique offer or promotion for different segment audiences such as teenage athletes, soccer moms, barbeque enthusiasts.

By considering the audience first, the promotion is clear and unique and ad message will be directly relevant to the audience.



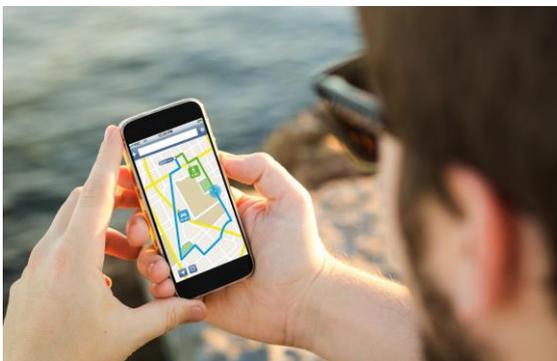
the
to

When only the right people see the precious ad budget isn't wasted and effectiveness of the campaign is maximized. By delivering a targeted, relevant message to audience segments, an ad has a much higher opportunity of being noticed and acted upon.

ads,
the

What's the takeaway? *Instead of going big, the local company wins by going small, staying local and staying relevant.*

Stay local: Just one specific location



It goes without saying that a local business should promote its ads locally. Having a whole city or a region see an ad might seem convenient to maximize results, but again, the people most likely to become new customers of a local business are the ones in the immediate surroundings of the business.

Going hyperlocal with targeting is effective, budget-friendly and guarantees the ease for immediate action after the ads are seen, even in digital. The barrier to purchase, or for a store-visit, becomes much lower when the advertised business is right around the corner.

Spending money on big national media, like TV and radio, to reach wide audiences on a large geographical area is not as effective for a small business as a local high-frequency campaign. When the business is local, its clients are also local, and the ad targeting should

also be local - that's why choosing a hyperlocal audience instead of a national reach is the right strategy to increase ROI in terms of engagement and conversion.

When it comes to hyperlocal targeting, Facebook outperforms most of its competitors by offering a great level of detail. With Facebook, you can target a 1 mile, or bigger, radius around any specific address and the geo-targeting is based on real time GPS location, instead of typically used IP addresses or other less specific targeting options many digital service providers use.

Facebook is mostly used via mobile so the platform literally walks around with its users. Thus, not only does Facebook identify users, but it also identifies where they are located throughout the day. When it comes to detail in targeting, both in the user profile and geo-location, going hyperlocal through Facebook is easily the most effective option for any business.

Stay relevant with just one simple offer

It's just as important to have the right offer to promote as it is to define the right channel and targeting for it.

BIA/Kelsey's survey of advertisers reveals that 55% of SMBs use giveaways and 37% use daily deals, discounts and coupons in both their digital and traditional marketing. It's a strategy that works, and should be maintained also when going digital.

A general ad informing about a company's existence can raise awareness, but it doesn't give the audience a reason to act or to even pay attention.



Back to basics: When performing local marketing, an ad should always include an incentive. It should be eye-catching and offer a one-of-a-kind deal that should be taken advantage of now and not later.

You must deliver an actual reason for a person to stop and look at an ad and provide incentive for them to make a purchase or a booking. Examples include a special offer available for a limited amount of time and a possibility to save money at a local business that is conveniently situated nearby.

The takeaway is that advertising the mere fact that the business exists isn't enough to drive action. You must include an offer that encourages either or both a physical or online visit for purchase intentions.

Grab attention with the right copy and creative

Once the right targets have been determined and the offer has been formulated, the design of the ad is critical. The ad must communicate all the right information in a visual way so that it catches the eye, an obvious point that applies to both big and small advertisers.

While a big national company already has a strong brand image to work with, a small local business needs to put an extra effort to stand out from the crowded ad space, especially on Facebook.

On Google Search, people look for specific products or services and then find demand-based ads related to their search. But when users scroll through Facebook, however, they are not looking for a specific product or an ad - that's why the ad must be visually impactful and be attention-grabbing so it stands out among the competition. The goal is to get the target user to stop scrolling and focus on the ad.



While on Google Search it's important to use the right keywords related to the search, on Facebook the focus is on the eye-catching creative and an engaging text to complete the image.

The right copy and the right creative are just as important as the right offer and the right targeting - the image of the ad should draw attention, be pleasant to see and support the rest of the message, while aligning with the colors and graphic elements of the business.

When people scroll around the internet, they don't stop to read through an uninteresting article, let alone an uninteresting ad with a long description. More than ever, the "back to basics" strategy is crucial. Focusing on a few key elements will help get the message through better.

Make a real impact with the right frequency



When the right ad is ready and it's targeted to the right people, there's one last aspect that can make the

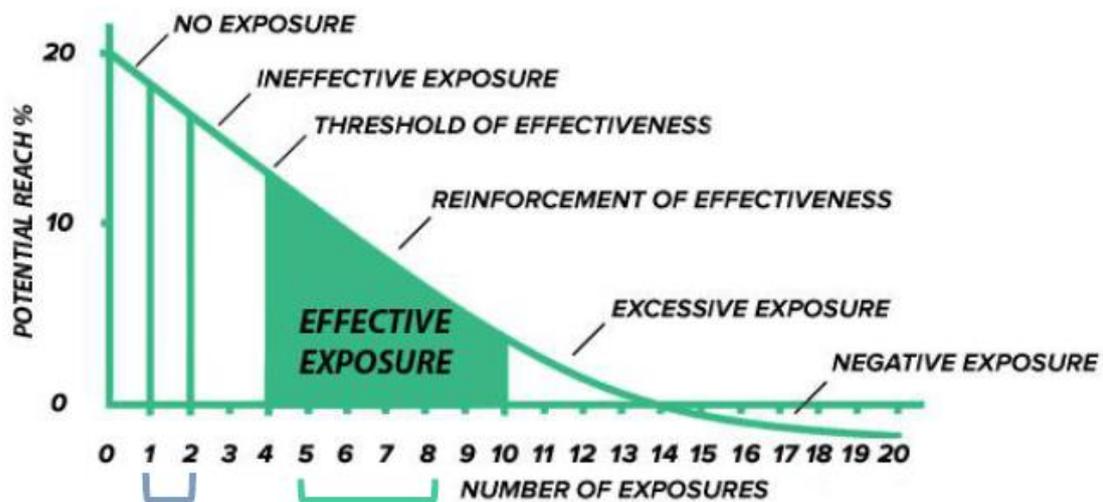
difference when it comes to making sure the ad is seen amongst the competition, big or small: *the frequency* by which the ads are shown and seen.

According to Comscore, an average internet user sees 1,707 banners every day. No wonder the concept “banner blindness” exists - it’s a simple self-defence reaction to avoid the majority of the ads that distract the user from the actual online content they are looking for. Because of this, it’s important that the digital ad is shown to the targeted audience more than once - frequency matters in making sure the ad is seen and remembered.

If an ad is shown just once or twice, it’s easily forgotten or just ignored, and on the other hand, if a person sees it too many times, it becomes irritating and can have a negative outcome. Finding the right frequency for the ads is important and guarantees the ads are seen the right number of times within the campaign period, to make a difference, to be seen and noticed and to drive real offline action.

One way to obtain this is with a campaign technique called Reach & Frequency. The basic concept of Reach & Frequency as a strategy to optimize digital advertising campaigns, especially on Facebook, is simple. It’s a matter of making sure the selected target audience (reach) sees the ads for a specific number of times (frequency), during a specific time period - just enough to make an impact, to be remembered and to maximize intent to purchase, but not too often that it becomes irritating.

EFFECTIVE REACH

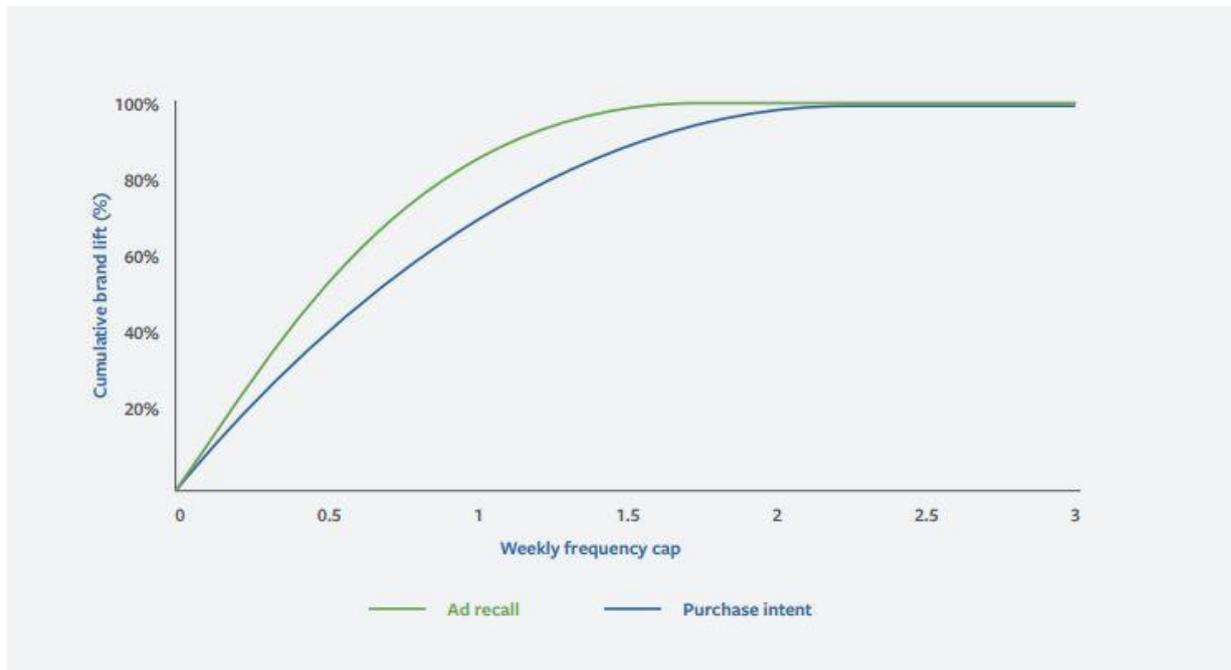


*Average Facebook campaign

*Local reach & frequency campaign optimized by GotU

Research conducted by Facebook Marketing Science to understand the impact of frequency of exposure on ad recall and purchase behavior reveals that the amount of brand lift was positively related to the weekly campaign frequency cap, with relatively higher frequency required to shift purchase behavior. With a frequency cap of 2 per week (8 views per month), up to 95% of the total potential brand lift in purchase intent is captured. That’s why planning

frequency levels should be part of the campaign planning process no matter the campaign objective.



Reach & Frequency also offers a kind of control that is otherwise hard to reach in the online advertising industry. **With this technique, the advertiser has control over the guaranteed amount of people to reach, as well as the guaranteed number of times the targeted people see the ads.** It's a clear concept for local business owners to understand and offers trust when knowing exactly how the budget is spent - and it's more likely to deliver real offline results. The media planning and buying process is extremely transparent, the delivery of the ads is predictable, follows the desired plan and the budget stays under control - with no surprises regarding the results. Compared to more traditional bidding strategies, such as pay per click (CPC) or pay per mille (CPM) where the only controllable aspect is the cost of the click, or the cost of the view of the ad, with Reach & Frequency the advertiser knows in beforehand how many people will see the ads, how many times, as well as the required budget.

Take the first contact by collecting leads

Driving action and getting real physical results, customers and store visits is the goal of many local businesses. However, some service businesses also want to know who in their target audience are actually interested in their offer and could really become potential new customers.

According to BIA/Kelsey, 44.9% of businesses name *Future Customer Awareness* as the most important advertising result. While the same "back to basics" rules apply in this case as well, instead of reach & frequency optimization to drive action, the best solution for a

campaign with a similar goal is to drive leads with a Facebook advertising option called *lead ads* that allow the targeted person to sign up with a few clicks directly within the ad - whether it's for a newsletter, a test drive, or a "please call me back" form.

A Reach & Leads campaign is the right choice for a business that doesn't want direct offline results, but wants to identify interested potential new customers and be in contact with them themselves to move forward with the sales process personally. This method enables a larger geographical area in terms of targeting and a defined number of people who will see the ads. But to be seen and noticed amongst the big guys, maintaining a specific audience and a specific offer is crucial.

Lead ad is also a great option when the final purchase is an important one, like a car or a house. Paying a visit to a car dealership may be a big step to take, but signing up to a test drive online is not. And that's all the business owner needs to move along the sales funnel and to identify the lead.



Advice for the local business

A few simple, basic steps and you'll have set up a digital campaign that is guaranteed to beat the big guys and deliver real results offline. It can be easy for someone, but certainly not for every business owner out there. Deciding to launch a digital advertising campaign is a great step towards a more efficient marketing strategy, but selecting the channel, targeting and the audience, and creating the ads, managing the budget and finally understanding the results can be a daunting task all together - not to mention the fear of competition with the big companies advertising on the same channels. But launching a digital ad campaign

doesn't need to be complicated, and a local business can easily find their share of voice and ad space - one way or another.



The outcome of a digital campaign isn't as obvious as giving out flyers and that's why digital campaigns may seem suspicious to some SMBs. Often you might not even see the ads yourself, as you're not part of the target group, and might even doubt if the ad ever aired. No wonder many business owners have doubts about the effectiveness of digital advertising when they feel they don't know where the money goes, how it's

spent and if there are any tangible results.

This is the biggest difference, and benefit, of going digital, but doing it following the “back to basics” method. With the right ads and targeting, combined with the right reach & frequency or reach & leads method, you will know exactly how the money is being spent, how many people will see the ads, guaranteed, and how many times, guaranteed. And, as a proven method, the campaign really is more likely to bring in a good number of offline results; leads, bookings, sales or in-store foot traffic. It’s a safe solution from the advertiser’s point of view, and much easier to comprehend than vague click-through-rates and numbers of clicks, which often represent traditional online ad results. Especially for SMBs, who usually run shorter campaigns with smaller budgets, an optimized frequency can deliver the best results with a limited budget.

If managing all of this alone seems like an overwhelming task, there is always help available. Many business directories, local marketing partners or agencies offer simple digital advertising solutions to local businesses. Getting a professionally managed campaign with a great creative and the right targeting for a small fee can easily be the best solution, when it means saving time for the actual day-to-day business and skipping the phase of trial and error, so common to beginners on any field. Reaching out to a local business directory or an agency who support small businesses with their digital advertising efforts can be all that is needed to get the campaign going.

Advice for the reseller, agency or business directory

Whether you’re an agency, a business directory, a marketing partner or a media, when selling advertising and supporting local businesses with their marketing efforts the key to success is keeping it simple. Offering complicated digital solutions or campaign options may seem like you’re taking the first step ahead of the industry - but to really respond to the needs of the local businesses, keeping your services easy and effective is the only way forward.

If you’re doubting whether to stay within your traditional offering or moving on to digital marketing services as well, you’re looking at the matter from the wrong point of view. The truth is, as stated before, SMBs are already doing social media and digital advertising - so if you don’t offer your support and digital services to them, someone else will. The good news is, 58% of SMBs say they need third-party support with their social media presence. That’s your market, and it’s yours to get. Just make sure that what you offer is simple enough to drive real results and to explain, sell and report over. The long-term relationship you’ve already established with your clients will be even stronger if you guide them through the digital “jungle”.

Basic, locally effective advertising combined to reach & frequency or reach & leads



optimization, explained earlier, can be the game-changers in the way marketing partners sell and explain digital campaigns to local businesses. The simple campaign model and the guaranteed results make it easy to explain and sell - and resell. It's also a great onboarding product for the hesitant businesses who haven't tried digital yet, or have been disappointed with their earlier results. Selling a guaranteed number of people reached and a guaranteed number of times the ads are seen is much easier, than selling clicks and online engagement - it's a new way to sell digital campaigns completely, reflecting the way local SMBs understand advertising investments and results.

If you are not sure how to get started yourself, the right marketing technology partner can help you set up and manage multiple and successful customized digital advertising campaigns at scale in no time.

A local success story



An Atlanta-based plumber, offering a wide range of services, found success with Facebook's location targeting and using the Reach&Leads campaign model to promote a specific Septic Tank Pumping offer. Working in such a niche business their main struggle was to find the right target, as only the people who had a septic tank needed such services. Together with their trusted agency, who was supported by GotU, they could

identify the specific zip code areas around Atlanta, where septic tanks were used, and use Facebook's detailed targeting to target only homeowners in these specific areas with their ad that included an attractive offer for a discounted price on Septic Tank Pumping.

The campaign turned out to be a success. The right offer was seen by the right people, and the campaign led to new sales, several new leads and the increase of awareness of the business in the relevant areas, with an overall ROI of 900%. A similar specific targeting for such a specific service would be impossible to obtain with traditional advertising methods. And with the right creative, offer, and targeting, the "big companies" competing for the same clients weren't even competition, because when you stay local and relevant, a local business can easily make the biggest impact.

Let's do this!

In today's digital world where an average person sees thousands of online ads every day, joining the competition and trying to outperform the big national and global companies can easily seem like an impossible challenge for a local business. But a local SMB can easily win their share of voice and ad space - the key is to stay specific and to keep things local. When

the business is local, there's no need to go big with the advertising either. Choosing the most efficient channel, a simple target audience, a specific location, a clear offer and showing the ads for a right number of times are the easy way to guarantee the advertiser's ads are noticed and remembered, and will actually drive offline actions and results.

Running digital campaigns on Facebook can be the best business decision a local SMB can make. No other channel can be as efficient and budget friendly, while targeting a specific group of people in a specific location, optimising the ads for specific results.

And, the best part is, small local business can easily beat the big guys. It's not a matter of "How can I make sure my ads are seen" anymore, but "How come I didn't try this before!" By following the simple steps in this article, your ads will be running and delivering results in no time.



The fact that most SMBs are already doing digital, but need help with efficiently managing their social media presence is a golden opportunity for agencies, business directories and marketing partners helping local businesses grow. Now is the time to leverage on the long trust-based relationship, and bring it to the next level by offering effective Facebook advertising solutions to your customers.

To learn more about effective Facebook advertising for SMBs, as well as reach & frequency and reach & leads campaigns, visit www.gotu.io or write to info@gotu.io.

About GotU

GotU is a Los Angeles -based advertising technology solutions provider for SMB Marketing Partners and business directories like Yellow Pages, as well as large retail and restaurant chains. GotU's end-to-end technology consists of a sales tool, a campaign management platform and a fulfillment platform. GotU uses reach & frequency as well as reach & leads optimization to guarantee real offline results and leads to local businesses worldwide, helping agencies and business directories sell and launch effective Facebook advertising campaigns at scale. GotU's advertising solution was awarded the Facebook Innovation Spotlight award for Real Results in July 2016 and is currently available in over 18 countries globally. www.gotu.io

About the author

Emma Koitola is the marketing manager of GotU, the end-to-end white-label Facebook marketing technology using reach & frequency and reach & leads optimization to deliver real results to local businesses worldwide.