Demystifying Digital Marketing

Jeff Stein | Reach Local
Part of the USA Today Network

Gary Corbett | Warm Thoughts Communications
Agenda

✓ Introduction
✓ Evolution of change
✓ Landscape
✓ Consumer Intent - Data
✓ How to view your marketing
Jeff Stein

✓ Internet Marketing Consultant @ ReachLocal | 10 years
✓ Loves all things digital
✓ Enjoys health and fitness
Gary Corbett
✓ Regional Sales Representative @ Warm Thoughts Communications
✓ Digital brand ambassador
✓ Golf fanatic
Power of a National Company, Locally
Insights on over 125MM Consumers a month on the USA TODAY NETWORK¹

Learnings from delivering over 285MM local leads.²

Local marketing best practices proven in 109 communities
What Informs My Advice

Our experience with hundreds of leading propane and oil companies in 34 states across the country over the last 25 years.
Warm Thoughts and ReachLocal/LOCALiQ Partners since 2012

- Impressions served: 19,423,280
- Clicks: 510,879
- Leads generated: 340,552

*2 year time range 2017-2018
THEN
Taxi

NOW
Ride Sharing
The Google-Amazon Effect

✓ Consumer need for **immediacy**
✓ "I want what I want, when I want it!"
✓ **2005:** Amazon Prime
✓ **2015:** Amazon same-day shipping for Prime members
  ✓ Now within **2 hours**
Evolution of content discovery
Martech Evolution

- 2011: ~150 technologies
- 2012: ~350 technologies
- 2014: ~1,000 technologies
- 2015: ~2,000 technologies
- 2016: ~3,500 technologies
- 2017: ~5,000 technologies
- 2018: ~6,800 technologies
- 2019: 7,040 technologies
Happy Birthday Google!

- Founded in 1998
  - 20 years ago
- Think about how much your business has changed over the last 20 years
April 3, 1973
The first call on a cell phone is made

2004
Facebook launches

2019
185 million social users in North America daily
2.5 billion people using Facebook, Instagram or WhatsApp every month
Where does the money go?

**Search Ad Spending**
US, 2019-2023

- 2019: $53.73 (22.5%)
- 2020: $63.90 (24.7%)
- 2021: $73.31 (26.5%)
- 2022: $80.43 (27.8%)
- 2023: $87.15 (28.8%)

**Traditional Media Ad Spending**
US, 2019-2023

- 2019: $109.48 (45.8%)
- 2020: $107.13 (41.5%)
- 2021: $104.32 (37.7%)
- 2022: $102.07 (35.2%)
- 2023: $100.48 (33.2%)

Source: eMarketer, February 2019
Digital Ad Spending in the US, 2018-2023

Billions, % change and % of total media ad spending

Note: Includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms: includes SMS, MMS and P2P messaging-based advertising

Source: eMarketer, February 2019
Opportunity is in display...but don’t forget about search!

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Display</strong></td>
<td>$70.06</td>
<td>$81.38</td>
<td>$92.53</td>
<td>$100.71</td>
<td>$107.91</td>
</tr>
<tr>
<td>—Video</td>
<td>$36.01</td>
<td>$42.58</td>
<td>$49.02</td>
<td>$53.99</td>
<td>$58.39</td>
</tr>
<tr>
<td>—Banners and other*</td>
<td>$25.94</td>
<td>$30.20</td>
<td>$34.23</td>
<td>$37.12</td>
<td>$39.70</td>
</tr>
<tr>
<td>—Rich media</td>
<td>$5.28</td>
<td>$5.44</td>
<td>$5.85</td>
<td>$6.00</td>
<td>$6.10</td>
</tr>
<tr>
<td>—Sponsorships</td>
<td>$2.84</td>
<td>$3.16</td>
<td>$3.44</td>
<td>$3.60</td>
<td>$3.72</td>
</tr>
<tr>
<td><strong>Search</strong></td>
<td>$53.73</td>
<td>$63.90</td>
<td>$73.31</td>
<td>$80.43</td>
<td>$87.15</td>
</tr>
<tr>
<td><strong>Lead generation</strong></td>
<td>$2.59</td>
<td>$2.84</td>
<td>$3.05</td>
<td>$3.15</td>
<td>$3.24</td>
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<tr>
<td><strong>Classifieds and directories</strong></td>
<td>$2.19</td>
<td>$2.34</td>
<td>$2.49</td>
<td>$2.53</td>
<td>$2.56</td>
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<tr>
<td><strong>Email</strong></td>
<td>$0.49</td>
<td>$0.55</td>
<td>$0.61</td>
<td>$0.65</td>
<td>$0.68</td>
</tr>
<tr>
<td><strong>Mobile messaging</strong></td>
<td>$0.28</td>
<td>$0.28</td>
<td>$0.29</td>
<td>$0.29</td>
<td>$0.29</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$129.34</td>
<td>$151.29</td>
<td>$172.29</td>
<td>$187.77</td>
<td>$201.83</td>
</tr>
</tbody>
</table>

Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices on all formats mentioned; *includes ads such as Facebook’s News Feed Ads and Twitter’s Promoted Tweets

Source: eMarketer, February 2019
Rethinking your Ad Spend

<table>
<thead>
<tr>
<th>Media</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Digital</strong></td>
<td>$129.34</td>
<td>$151.29</td>
<td>$172.29</td>
<td>$187.77</td>
<td>$201.83</td>
</tr>
<tr>
<td>Mobile</td>
<td>$87.06</td>
<td>$105.63</td>
<td>$121.48</td>
<td>$134.21</td>
<td>$146.26</td>
</tr>
<tr>
<td>Desktop/laptop</td>
<td>$42.28</td>
<td>$45.65</td>
<td>$50.81</td>
<td>$53.56</td>
<td>$55.57</td>
</tr>
<tr>
<td><strong>TV</strong></td>
<td>$70.83</td>
<td>$71.18</td>
<td>$70.47</td>
<td>$69.76</td>
<td>$69.07</td>
</tr>
<tr>
<td><strong>Print</strong></td>
<td>$15.41</td>
<td>$12.92</td>
<td>$11.02</td>
<td>$9.63</td>
<td>$8.86</td>
</tr>
<tr>
<td>Newspapers**</td>
<td>$7.96</td>
<td>$6.44</td>
<td>$5.29</td>
<td>$4.44</td>
<td>$4.08</td>
</tr>
<tr>
<td>Magazines**</td>
<td>$7.45</td>
<td>$6.48</td>
<td>$5.74</td>
<td>$5.19</td>
<td>$4.78</td>
</tr>
<tr>
<td>Out-of-home</td>
<td>$8.16</td>
<td>$8.28</td>
<td>$8.36</td>
<td>$8.45</td>
<td>$8.53</td>
</tr>
<tr>
<td><strong>Directories</strong>**</td>
<td>$1.19</td>
<td>$0.99</td>
<td>$0.84</td>
<td>$0.74</td>
<td>$0.66</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$238.83</td>
<td>$258.42</td>
<td>$276.60</td>
<td>$289.83</td>
<td>$302.30</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Media</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Digital</strong></td>
<td>19.1%</td>
<td>17.0%</td>
<td>13.9%</td>
<td>9.0%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Mobile</td>
<td>22.3%</td>
<td>21.3%</td>
<td>15.0%</td>
<td>10.5%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Desktop/laptop</td>
<td>12.8%</td>
<td>8.0%</td>
<td>11.3%</td>
<td>5.4%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Out-of-home</td>
<td>1.0%</td>
<td>1.5%</td>
<td>1.0%</td>
<td>1.0%</td>
<td>1.0%</td>
</tr>
<tr>
<td><strong>Radio</strong>*</td>
<td>-1.8%</td>
<td>-1.0%</td>
<td>-1.0%</td>
<td>-1.0%</td>
<td>-1.0%</td>
</tr>
<tr>
<td><strong>TV</strong></td>
<td>-2.2%</td>
<td>0.5%</td>
<td>-1.0%</td>
<td>-1.0%</td>
<td>-1.0%</td>
</tr>
<tr>
<td><strong>Print</strong></td>
<td>-17.8%</td>
<td>-16.2%</td>
<td>-14.7%</td>
<td>-12.6%</td>
<td>-8.0%</td>
</tr>
<tr>
<td>Magazines**</td>
<td>-17.0%</td>
<td>-13.0%</td>
<td>-11.5%</td>
<td>-9.5%</td>
<td>-8.0%</td>
</tr>
<tr>
<td>Newspapers**</td>
<td>-18.5%</td>
<td>-19.1%</td>
<td>-17.9%</td>
<td>-16.0%</td>
<td>-8.0%</td>
</tr>
<tr>
<td><strong>Directories</strong>**</td>
<td>-19.0%</td>
<td>-17.0%</td>
<td>-15.0%</td>
<td>-12.0%</td>
<td>-10.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6.9%</td>
<td>8.2%</td>
<td>7.0%</td>
<td>4.8%</td>
<td>4.3%</td>
</tr>
</tbody>
</table>

Note: numbers may not add up to total due to rounding; *excludes digital; ** print only; *** excludes off-air radio and digital
Source: eMarketer, February 2019
Digital Video Ad Spending in the US, 2018-2023

Billions, % change and % of total digital ad spending

✓ Opportunity in video – TV commercials on steroids!
✓ Imagine buying TV commercials before the heavy price tag!
✓ What if the commercials you saw and the person on the couch next to you saw were different – that’s targeted video – TV can’t accomplish this.
How Much Are Your Peers Spending?

<table>
<thead>
<tr>
<th>Marketing $ per Active Customer</th>
<th>Less than 4,000</th>
<th>4,000-12,000</th>
<th>12,000+</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30</td>
<td>$25</td>
<td>$28</td>
<td></td>
</tr>
<tr>
<td>Marketing $ As A % of Gross Profit</td>
<td>4.8%</td>
<td>3.9%</td>
<td>4.8%</td>
</tr>
</tbody>
</table>
# Tactics - Marketing Mix

Benchmarking of 60 Companies

<table>
<thead>
<tr>
<th></th>
<th>Less than 4,000 Customers</th>
<th>4,000-12,000 Customers</th>
<th>12,000+ Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet and Social</td>
<td>37%</td>
<td>24%</td>
<td>22%</td>
</tr>
<tr>
<td>Marketing Personnel</td>
<td>18%</td>
<td>23%</td>
<td>24%</td>
</tr>
<tr>
<td>Direct Mail to Prospects</td>
<td>9%</td>
<td>11%</td>
<td>10%</td>
</tr>
<tr>
<td>Radio</td>
<td>7%</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>Customer Communications</td>
<td>6%</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>Yellow Pages</td>
<td>5%</td>
<td>6%</td>
<td>1%</td>
</tr>
<tr>
<td>Print Advertising</td>
<td>4%</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Donations/Sponsorships</td>
<td>4%</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Guerilla Marketing</td>
<td>3%</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>Logos, Signage, Vehicle Wraps</td>
<td>3%</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>Television</td>
<td>1%</td>
<td>2%</td>
<td>10%</td>
</tr>
<tr>
<td>Trade Shows</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>
How Propane Consumers Research Appliance Purchases

- Read consumer reviews: 62%
- Online research: 59%
- Recommendation from family, friends, co-workers, and neighbors: 52%
- Employees at stores such as Home Depot, Lowe’s and ACE: 47%
- Recommendation from installer or contractor: 41%
- Paid review and screening services such as Angie’s List: 17%

From our 2017 Proprietary Research of Propane Customers
Cover All Your Digital Bases
2017 Study of Relative Impact on Lead Generation

- 41.0% SEO
- 24.8% Social Media Marketing
- 34.2% Pay-Per-Click
What are the Right Metrics to Track?

✓ “It is strategies, not channels, that have associated best practices and deliver results.”

✓ “There is no digital marketing and traditional marketing, there is only marketing.”
Profit Driven Marketing

Be the answer to your consumers' question
Company and Channel-Level KPIs

**Company-level KPIs** are metrics used to measure the health of the larger business objectives:

- ✓ Customer lifetime value (LTV)
- ✓ Revenues
- ✓ Brand health/affinity metrics

**Channel-level KPIs** are metrics that measure the performance of each marketing medium or touchpoint:

- ✓ Clicks and clickthrough rates (CTRs)
- ✓ Opens
- ✓ Impressions or GRPs
✓ Marketers must progress measurement hierarchy toward holistic attribution – they can’t just make the switch

✓ As part of that progression, marketers must blend channel-level with company-level KPIs

Marketing Measurement: a Four-Level Hierarchy

- **Holistic View**
  (understand path to purchase and the customer journey)

- **Multichannel Attribution**
  (assign credit and optimize marketing spend)

- **Campaign ROI**
  (brand lift, sales, etc.)

- **Audience Reach**
  (who did I hit?)

Source: eMarketer, Feb 2019
Stop looking at last clicks!

Nearly 90% of marketers say that understanding user journeys across all channels and devices is critical to their success.

Think with Google

Source: Econsultancy/Google, "Customer Experience Is Written in Data," U.S., n=677 marketing and measurement executives at companies with over $250M in revenues, primarily in North America, n=199 leading marketers who reported marketing significantly exceeded top business goal in 2016, n=478 mainstream marketers (remainder of the sample), May 2017.
Where do SMBs need the most help?

<table>
<thead>
<tr>
<th>What Are the Top Business Areas US SMBs* Need Help with?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>% of respondents, Dec 2018</strong></td>
</tr>
<tr>
<td>Facebook and/or social media marketing</td>
</tr>
<tr>
<td>Company website development/Ecommerce platforms</td>
</tr>
<tr>
<td>Cloud-based technology or services</td>
</tr>
<tr>
<td>Mobile marketing</td>
</tr>
<tr>
<td>Paid search advertising</td>
</tr>
<tr>
<td>Search engine optimization</td>
</tr>
<tr>
<td>Location-based/Geo-targeted marketing</td>
</tr>
<tr>
<td>Customer analytics</td>
</tr>
<tr>
<td>Customer relationship management (CRM) systems</td>
</tr>
<tr>
<td>Online display/banner advertising</td>
</tr>
<tr>
<td>Loyalty marketing</td>
</tr>
<tr>
<td>Reputation monitoring and review generation</td>
</tr>
<tr>
<td>Listings management</td>
</tr>
<tr>
<td>Online content creation/marketing</td>
</tr>
<tr>
<td>Online scheduling systems</td>
</tr>
<tr>
<td>Traditional media</td>
</tr>
<tr>
<td>Marketing automation systems</td>
</tr>
<tr>
<td>Deals/promotions/coupons</td>
</tr>
<tr>
<td>Other</td>
</tr>
</tbody>
</table>

Note: *86% of SMBs have 25 employees or less and all have less than 500 employees
What is the purpose of your website?

#1 Impress potential customers

✓ You feel like the kind of company I’m looking for
✓ You have what I want and are in my service area
✓ You are impressive/different

---

**DON’T**

- Photos of trucks/tanks only
- Old company photos
- Outdated design
- Hide where you serve

**DO**

- Feature customer reviews
- Pictures of real people
- Fail to differentiate
- Easy to navigate
- Current design
- Add live chat
What is the purpose of your website?

#2 Attract potential customers organically - SEO

✓ Google is the boss
✓ What you don’t see can kill you

<table>
<thead>
<tr>
<th>DON’T</th>
<th>DO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neglect to update after launch</td>
<td>Use keyword based copy</td>
</tr>
<tr>
<td>Weak on-page SEO</td>
<td>Include location pages</td>
</tr>
<tr>
<td>Slow page load speed</td>
<td>Regular ranking adjustments</td>
</tr>
<tr>
<td>Wrong keyword optimization</td>
<td>Focus on quality score</td>
</tr>
<tr>
<td></td>
<td>Add new copy regularly</td>
</tr>
<tr>
<td></td>
<td>Have newsletter articles</td>
</tr>
<tr>
<td></td>
<td>Link to your other sites</td>
</tr>
<tr>
<td></td>
<td>Google My Business</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
What is the purpose of your website?

#3 Get existing customers to buy more from you

✓ Win the battle to sell equipment/appliances and diverse selections
✓ Don’t just link back to manufacturers info

Do:

- Robust section about appliances/equipment (whether or not you install them)
- Calls to action
- Blogs
What is the purpose of your website?

#4 Enable convenient functionality

**Do:**
- Online payments
- Order fuel
- Contact us
- Schedule service calls
- Look up account information
What is the purpose of your website?

#5 Provide other useful information

**Do:**

- Safety information
- Payment program explanation
- Tank sizes/descriptions
- How stuff works including video
- Forms
- FAQs
- Weather crisis updates

![Website Screenshot](https://example.com/website_screenshot)
84% Say They Consider Reviews
It’s not about ranking for best, it’s about being the best according to your reviews.

Mobile searches for “best” have grown over 80% over the past two years.

Socialize

✓ Facebook would be the largest company in the world
✓ Facebook Ad revenue is skyrocketing
✓ Prospects come to see who you are, what you’re like
✓ You can push out messages to engage them, build relationships, manage reputation and attract new business

<table>
<thead>
<tr>
<th>DON’T</th>
<th>DO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assign it to just anyone who knows Facebook</td>
<td>Use as a communication line during crises</td>
</tr>
<tr>
<td>Post only business or only social</td>
<td>Get creative</td>
</tr>
<tr>
<td>Fail to respond quickly to negative reviews</td>
<td>Take conflicts offline</td>
</tr>
<tr>
<td>Buy likes from wholesalers</td>
<td>Advertise</td>
</tr>
<tr>
<td>Post too little</td>
<td></td>
</tr>
<tr>
<td>Get into a fight online</td>
<td></td>
</tr>
</tbody>
</table>
Search Engine Marketing - SEM

✓ Paid search – Pay Per Click, Display, Retargeting, Geofencing, etc.
✓ Expect Cost Per Click - $4-6*
✓ Potential Cost Per Call - $15-30*

DON’T:
- Review results and adjust
- Purchase wrong keywords
- Forget that Quality Score affects cost per click
- Underbudget/overbudget
- Avoid buying your own name
- Stop and start
- Focus only on clicks
- Not listen to your calls
- Misunderstand the customer journey
Don’t assume your target demographics
Always be relevant to:

Device  Time of Day  Location  Individuals

40% of all baby product purchases live in households without children.

Source: Mobile Purchasers & Influencers Report. Google / Ipsos MediaCT, Ipsos Online Omnibus, August 2015, N=5025 Online smartphone users 18+, baby product purchasers in past 6 months
Voice Search

✓ 8 billion voice assistants by 2023
✓ Marketers need to have a voice strategy that recognizes the different use cases of hardware devices and channels.

https://searchengineland.com/analyst-8-billion-voice-assistants-by-2023-312035
There are over 200 major search signals and 10,000 minor ones.
Targeting tactics and types of data
Using software automation solves for all of this - it’s too complex to do it yourself.

<table>
<thead>
<tr>
<th>Priority</th>
<th>% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase efficiency</td>
<td>53.3%</td>
</tr>
<tr>
<td>Demonstrating that marketing strategy aligns with business objectives</td>
<td>42.0%</td>
</tr>
<tr>
<td>Effective allocations of resources</td>
<td>40.8%</td>
</tr>
<tr>
<td>Improving ad viewability levels</td>
<td>34.7%</td>
</tr>
<tr>
<td>Establishing effective benchmarks in measuring campaign success</td>
<td>31.1%</td>
</tr>
<tr>
<td>Gaining full transparency of campaign performance</td>
<td>23.6%</td>
</tr>
<tr>
<td>Ensuring that all ad campaigns run in brand-safe environments</td>
<td>16.6%</td>
</tr>
<tr>
<td>Linking digital media with offline activity</td>
<td>16.1%</td>
</tr>
<tr>
<td>Other</td>
<td>0.2%</td>
</tr>
<tr>
<td>No top priorities</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

Note: Top 3 responses of senior digital marketing manager respondents
Source: Xaxis, “2018 Outcomes-Driven Media Survey,” Nov 8, 2018

www.emarketer.com
Automated Bidding Software

✓ Drives money toward keywords and publishers (Google, Bing, and Yahoo)
✓ Increases calls, emails or form submission
  ✓ Data point system which is automating over a million data points a month
✓ No human being can do this. What a human can do is analyze around the software to make sure you are optimizing even more for conversions
✓ Automated Bidding Software:
  ✓ Increases conversion rates
  ✓ Decrease wasted spend
Mobile first?
Or maybe not...

✓ Rise of mobile means that each consumer likely has multiple devices – of which are computers
✓ Data indicates that at the top of the funnel, it typically makes sense to optimize content for viewing on multiple formats and devices
✓ Once a lead is handed off to sales and becomes an opportunity, an overwhelming majority of prospects view sales content on desktop devices, not mobile
Addressing the Challenges

✓ Need to grow your customer base? Convert leads better? Reduce negative reviews?

✓ The insights and solutions are within the data

✓ Take a data first mindset to solve the business problems not just the marketing silos
Pitfalls to Avoid

✓ Measure Beyond the Conversion
  ✓ Are you capturing converted deliveries as a result of your digital efforts?
  ✓ Are we accounting for the lifetime value of new customers?
  ✓ Are we accounting for the customer’s journey across screens and media types?

✓ Bid for Profit
  ✓ The fact that your online marketing program is generating profit for your business is what matters.
  ✓ Marketing is not a sunk cost!

✓ Develop budget based off of how many new customers you want to get

✓ Capture Demand in the Moment

✓ Be Agile
Key Takeaways

✓ Consumer buying behavior has changed
✓ It’s a mobile first world
✓ **Know your numbers** – cost per lead, life time customer value
✓ Develop budget based off of ROI
✓ Capture Demand in the Moment
✓ Cross Platform – Google, Facebook, others
✓ **Use Data** – Don’t assume anything!
Questions?

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