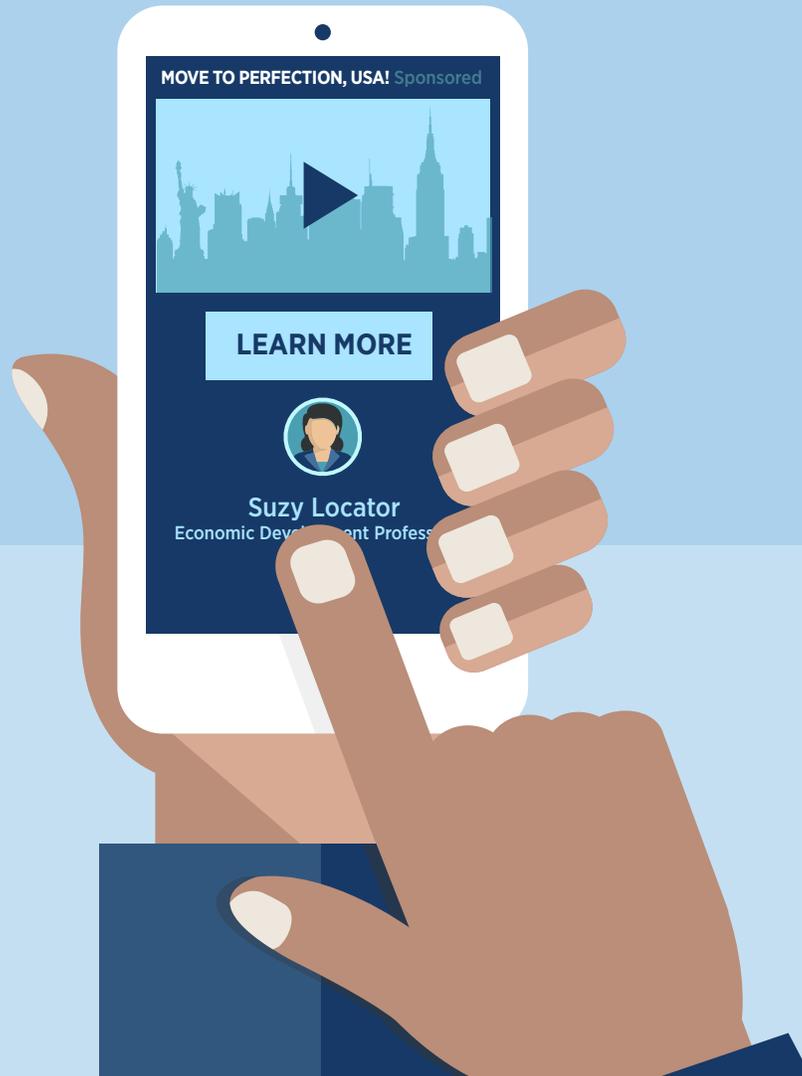


WORKING HARD OR HARDLY WORKING?

The State of Digital Advertising in Economic Development



..... dci **Q** REPORT

QUARTERLY RESEARCH TO RAISE
YOUR ECONOMIC DEVELOPMENT IQ

2019: Q1

OVERVIEW

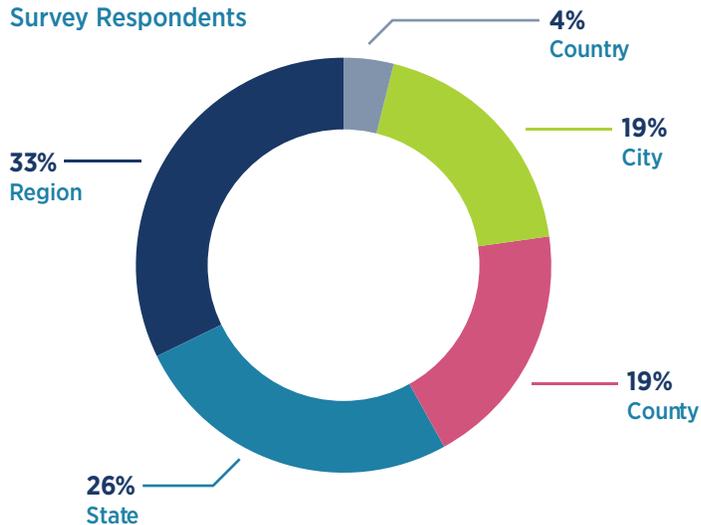


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Forecasts in 2018 predicted that digital advertising sales would account for nearly half of all advertising in the U.S. (official numbers are not yet out). The advanced analytics, hyper-targeting capabilities and immediate actions it can inspire on a landing page are the tip of the iceberg in terms of advantages that digital advertising holds over more traditional mediums.

So how is the economic development industry responding, especially as many communities increasingly look to attract talented professionals and/or the technology industry? In late 2018, Development Counsellors International (DCI) surveyed a select group of economic development organizations (EDOs) currently engaged in digital advertising initiatives to find out. The results were both encouraging and indicative of the sophistication yet to come.

Survey Respondents



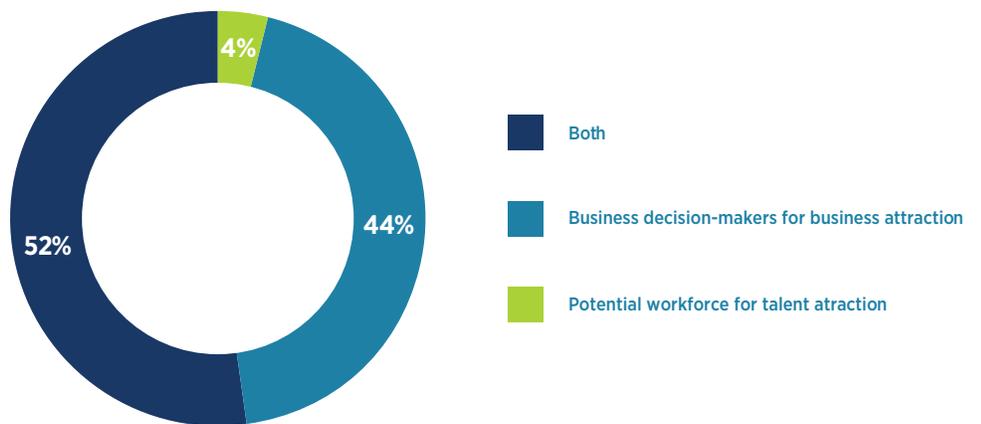
The key questions we set out to answer were:

1. How are EDOs measuring the impact of digital advertising, and are they able to show an ROI or connect results with their business objectives?
2. What channels are EDOs using the most, and who are they trying to reach with their messaging?
3. How much budget are EDOs allocating to paid media?

A TALE OF TWO AUDIENCES: TALENT & BUSINESS EXECUTIVES

While business attraction is a focus of nearly all EDOs, talent attraction is a more recent priority for many organizations during the past few years. From a digital advertising perspective, the resources allocated to skilled professionals have caught up quickly, with more than half of respondents targeting both talent and business executives through digital ads. Still, the apple of EDOs' eyes remains corporate executives, with nearly 44% dedicating their digital budgets solely toward businesses.

Which audiences do you advertise to digitally?



TALKING 'BOUT MY GENERATION: AWARENESS VS. LEADS

Of the EDOs targeting business executives, we pressed respondents to identify the primary purpose of their paid digital campaigns. Was it to create awareness for their city, state, region or country, or was it to generate direct leads? The objectives are split almost equally, with the slight edge going to lead generation.

What is the primary purpose of your digital advertising efforts for business development?

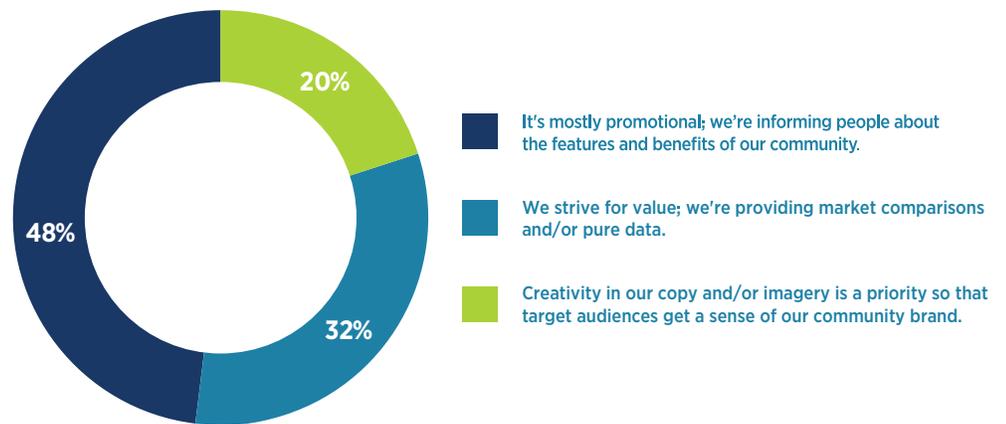




32% of the respondents aren't measuring an ROI on digital advertising”

How organizations go about driving these two outcomes, however, is a bit more fragmented. When asked about the nature of their digital ad messaging—a direct manifestation of digital strategy—nearly half of EDOs responded that they prioritized promotional messaging that focused on the features and benefits of their location. Despite the lead-heavy response to the previous question, only one-third of respondents reported that value-driven content (i.e. market comparisons and/or pure data) was a priority, while another 20% prioritized creativity to capture the attention of audiences.

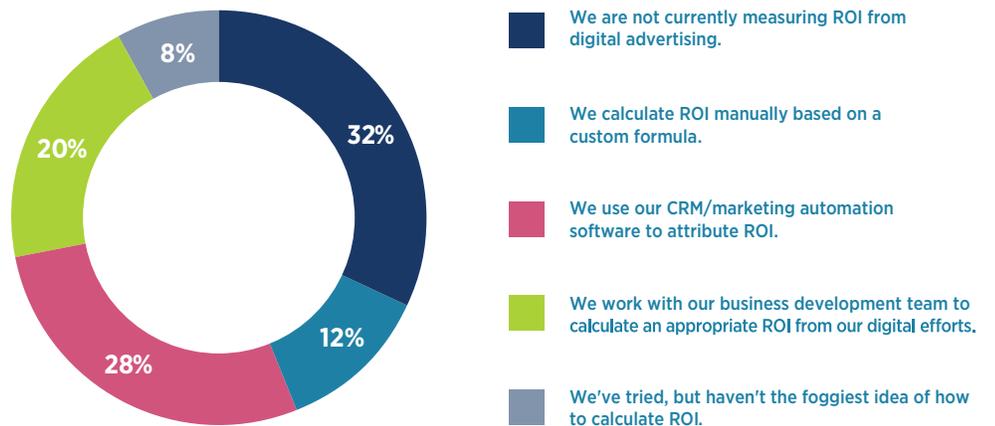
Which of the following best describes the nature of your advertising content?



Regardless of awareness or lead generation, or the type of content used toward those ends, most marketing initiatives generally try to produce a favorable return on investment. But given the length of the site selection decision-making process, measuring ROI on economic development marketing (well beyond digital) can be a challenge for many EDOs. Unsurprisingly, that was reflected in our survey as well, where 32% of the respondents aren't measuring an ROI on digital advertising at all. Another 8% have tried, but are unsure how to do so reliably.

Only 28% have effectively mapped their digital marketing to their CRM or marketing automation software to tie back successes and calculate a suitable metric, with another 20% working closely with business development teams for an appropriate calculation.

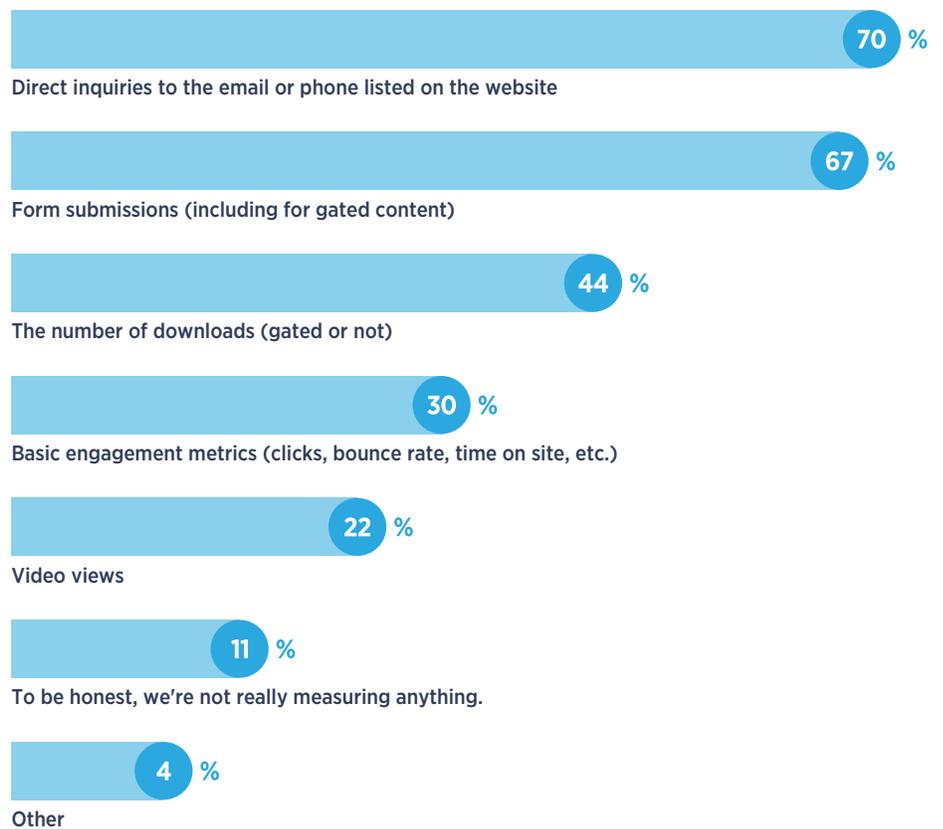
Which of the following statements best summarizes your ROI attribution methods from your digital advertising efforts?



SHOW ME THE NUMBERS

Identifying specific key performance indicators (KPIs)—and measuring how many users completed these actions—is a reliable way to indicate how the campaigns are performing. But not all EDOs are at that point, with 11% indicating that they don't measure anything. On the flip side, 70% of respondents are tracking direct inquiries to a website with another 67% tracking form submissions to indicate success. Nearly one-third of audiences relies heavily on engagement metrics like clicks, bounce-rates and time on site.

Which of the following statements best summarizes your ROI attribution methods from your digital advertising efforts?



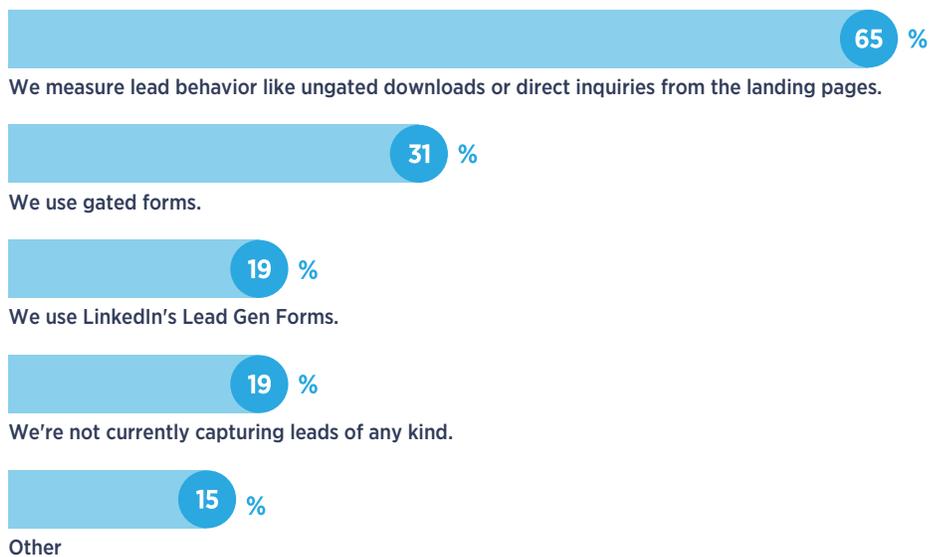
With more than two-thirds of respondents listing two lead-related actions as KPIs, it's clearly an important outcome of any marketing program, let alone a digital advertising one. But we wanted to know what constitutes a digitally-generated "lead" exactly, so we asked.



19% of EDOs are not capturing digital leads of any kind.”

According to the survey, 65% of respondents listed that “lead behavior” such as downloads or direct inquiry triggers through their website were being tracked. A smaller segment, 31%, noted that gated forms are a primary lead metric, while 19% noted they use LinkedIn’s Lead Gen Forms, which prompts users to provide their information in exchange for access to a resource. Pulling this LinkedIn data later on results in a downloadable list of potential leads and contact information for an EDO. Other lead tracking services cited by respondents included fee-based software like Lead Forensics and integrations with their CRMs like Salesforce.

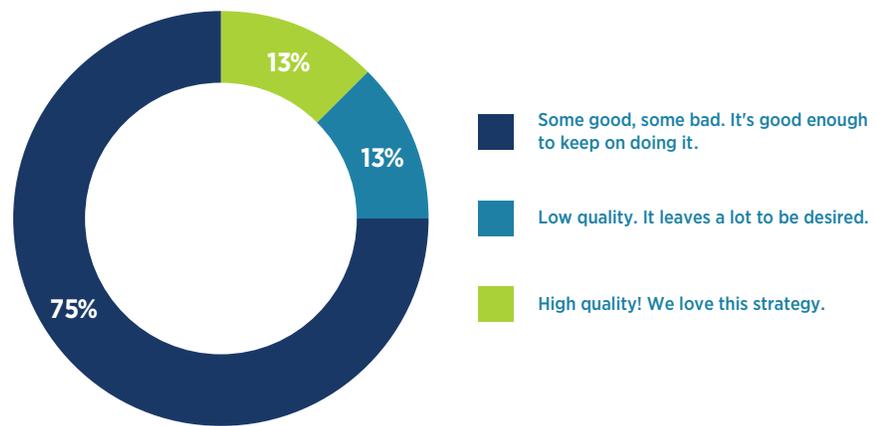
How are you specifically capturing leads from digital advertising efforts (select all that apply)?



Gated forms are an interesting subject across the marketing landscape, but especially in economic development marketing. Is it worth requiring someone to leave their contact information in exchange for a resource of some sort, such as a market overview, doing business guide or other content piece? This is an especially important question when considering the highly confidential nature of site searches.

When we asked EDOs about the quality of such a strategy, the response was somewhere between mixed and positive. Equal numbers of respondents indicated the lead forms generated high-quality and low-quality opportunities, while the majority said it's a mixed bag, but the returns justify the means.

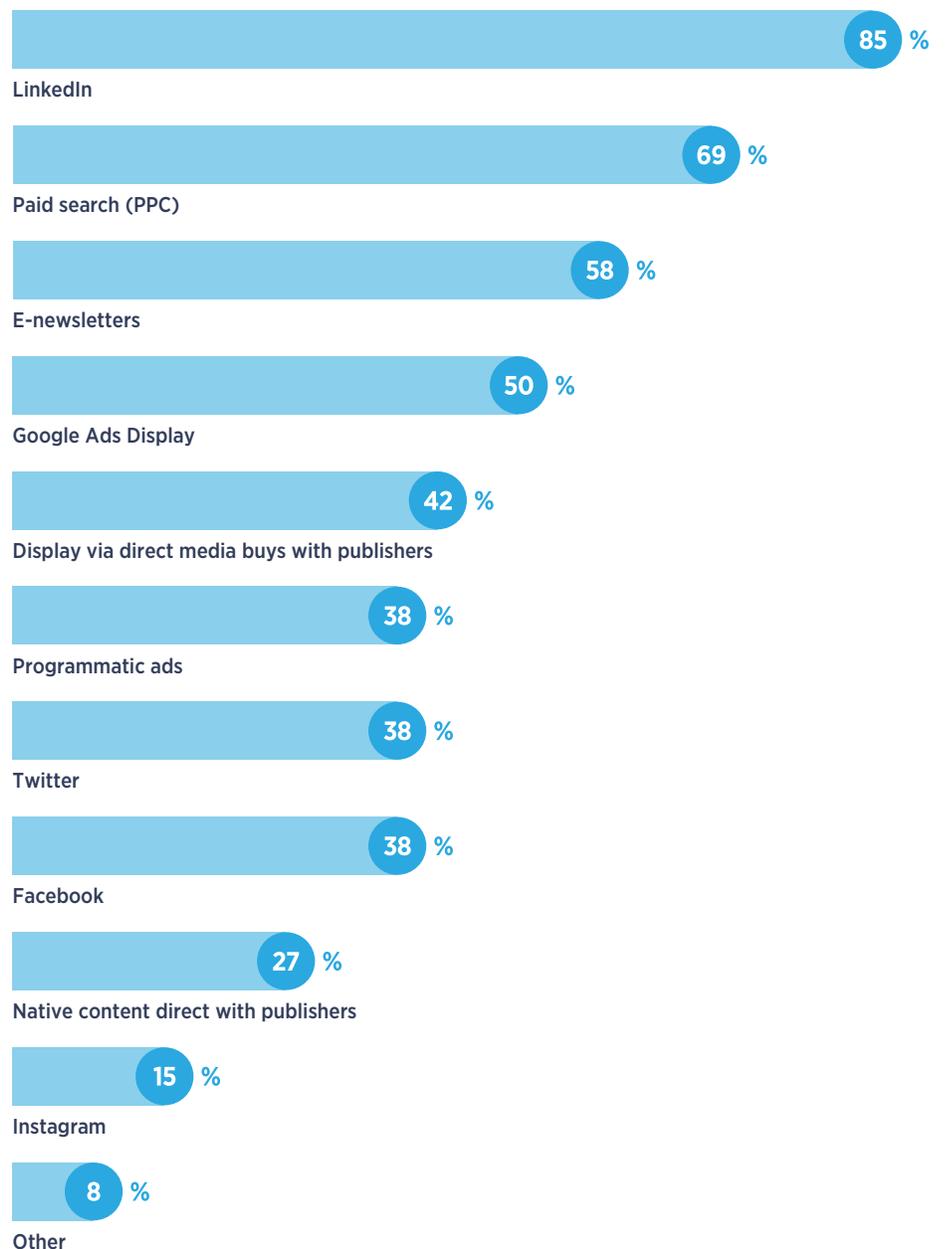
What is the quality of the leads captured from gated forms?



PAID SOCIAL & DISPLAY LEAD THE WAY

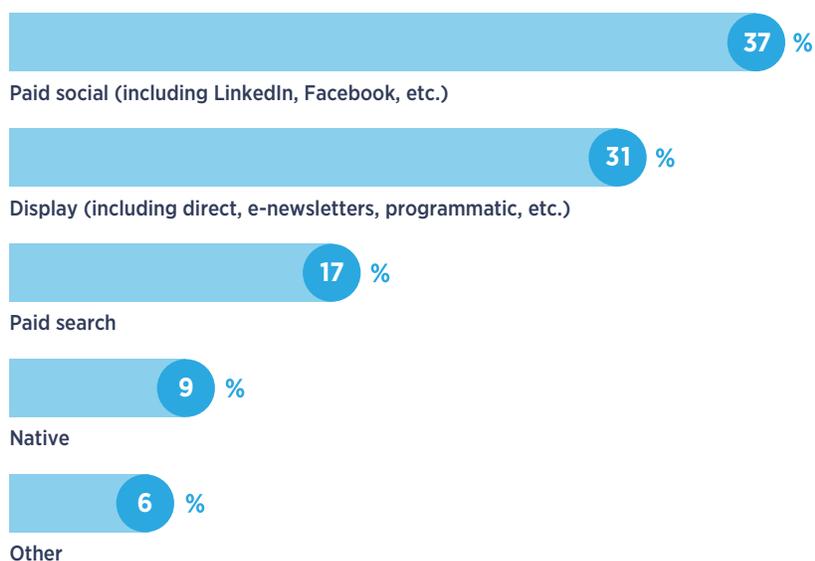
With such a large variety of channels available to marketers, we asked which ones EDOs were utilizing most with their paid efforts. LinkedIn was, by far, the most popular with 85% of respondents advertising on the professional-oriented social network. Combined with Facebook, Twitter and Instagram, paid search was quite popular overall from a channel distribution standpoint. Display platforms were also highly popular, with Google Ads Display, e-newsletters, direct media buys and programmatic channels all marked by at least a third of the audience.

Which digital advertising channels are you using most (select all that apply)?



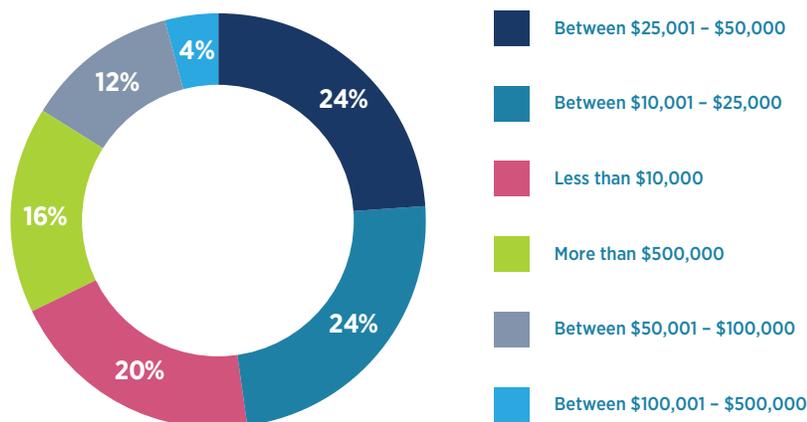
In terms of budget allocation, paid social has the slight edge over display with 37% of budgets versus 31%, on average. Native channels, which often involve higher spending limits, custom content and advanced storytelling, trail all other forms of content at only 9% of digital ad budgets.

Please indicate what percentage of your media spend is devoted to each of the following social platform categories?



So how much is really being spent in this area? With EDOs of all sizes responding to the survey, it is no surprise that marketing budgets were quite diverse. Nearly 50% of EDOs reported having a digital advertising budget in the range between \$10,000 and \$50,000, with just 20% of groups spending more than \$100,000 annually.

Approximately how large was your digital advertising budget in 2018?



LIGHTENING THE LOAD: EDOS OUTSOURCING MOST PAID DIGITAL



64% of respondents use an agency to manage their digital advertising spend.”

The life of an EDO marketer is often spent satisfying many stakeholders and moving in many different directions. So how does that impact who they select to run paid channels? Roughly 64% of respondents use an agency to manage their digital advertising spend in some capacity, compared to 36% opting to handle everything in-house. One-fifth of EDOs have diversified-enough needs to partner with multiple agencies that handle different facets of their digital advertising.

Who manages your digital advertising spend?

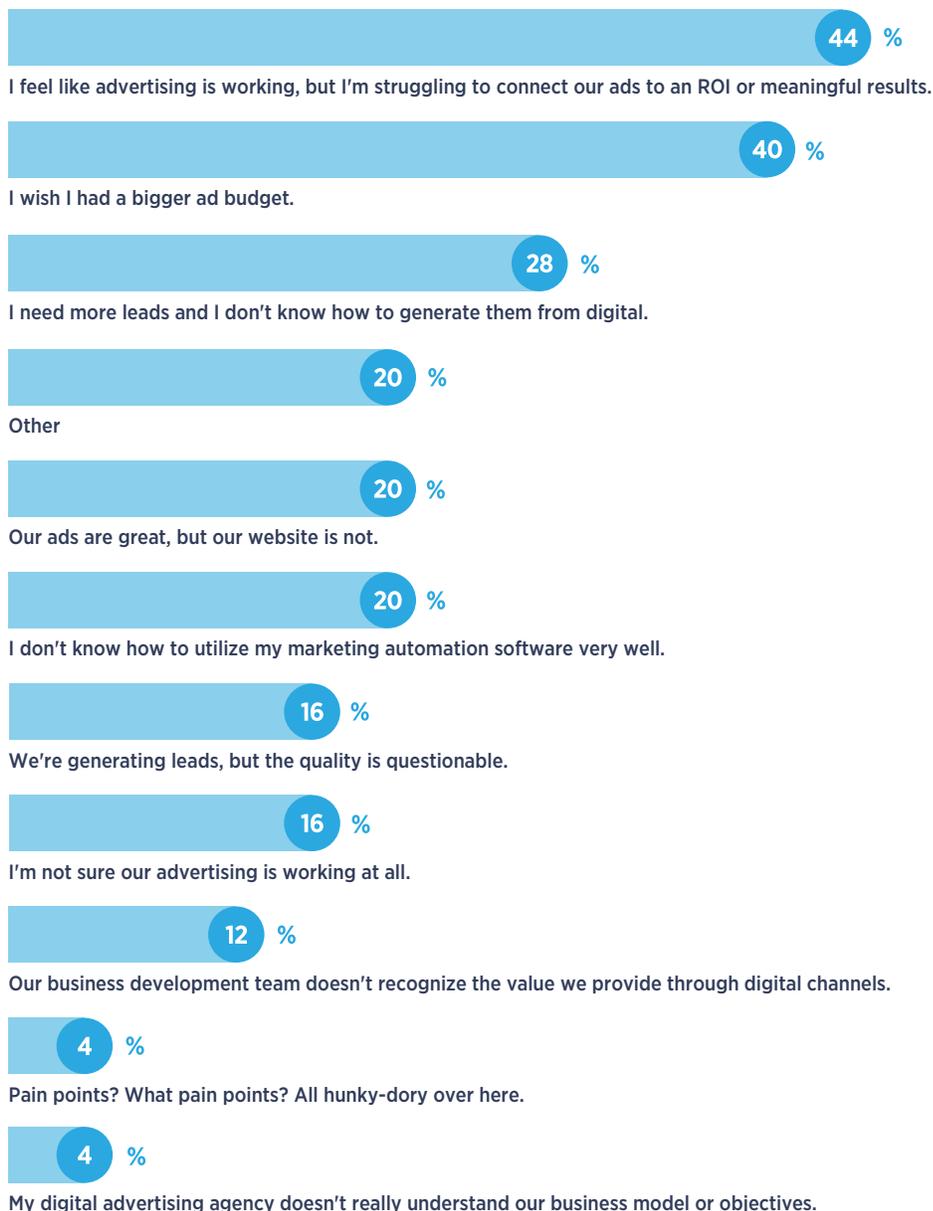


A PAIN IN THE ADS: WHAT IS TROUBLING EDOS?

Digital advertising requires deep expertise, can be time consuming and—despite great tools to track performance—can still leave EDOs with a sense of ambiguity in terms of its lead-generating capacity, be that with business or talent audiences.

So we asked respondents what was keeping them up at night from a digital advertising perspective. The top three troubles selected were a limited budget, connecting ads to meaningful results and generating leads. The quality of an EDO website was also a frequent response.

What is your biggest pain point in digital advertising? (Please select up to 3)



“Other” netted one-fifth of the responses, with the following open-ended commentary:

- “Don’t have time to focus on it.”
- “Economic development life cycle. Time from form submission to lead can be very lengthy.”
- “Getting viewership outside of our region. We’re preaching to the choir.”
- “Time. There’s not enough of it to fully explore all capabilities. I’m happy with our results and value digital, but with all of our campaigns, it’s a struggle to keep the balls in the air.”
- “We lack capacity when it comes to creating value-added content.”

A WORD ABOUT DCI



Development Counsellors International (DCI) specializes in economic development marketing and talent attraction marketing. Our tailored approach raises a community's image, increases project inquiries and generates investment opportunity. We achieve this through a deep understanding of your target audience—a niche segment that includes corporate executives, their key influencers and skilled professionals—and the overall location selection process.

Our areas of expertise include:

- Editorial Placement/Media Relations
- Digital Media
- Website Design
- Special Events
- Marketing Blueprints
- Research/Perception Studies
- Destination Branding
- Lead Generation/Investment Attraction
- Tourism Development
- Business Events Marketing

Headquartered in New York City and with regional offices in Los Angeles, Denver and Toronto, DCI has worked with more economic development groups and destination marketing organizations than all other marketing agencies combined. The firm also has frequently formed alliances with local advertising, public relations and marketing agencies to provide specialized input.

Interested in learning more? We'd love to explore how we might assist your community.



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