



Surveys All Say: Hyperlocal's Taking Over Ad Spending. Duh.

21 June 2011 by [Laura Rich](#)



A new survey released this week by hyperlocal network Topix says what is increasingly clear in every new data that emerges: ad dollars are shifting to local, and of that, most are going online. The Topix survey of ad agencies found 90% said they are buying more local ads (“geographically-targeted”) than they ever have.

In its “State of Local Online Advertising” survey, 60 percent of those polled said that local delivers better return on investment. Self-serving questions from Topix returned responses saying that platforms with a hyperlocal context, such as its own, for example, delivered far better results than location-based tech platforms. (Of course, we expect a survey from, say, Foursquare, would report similar findings about their own platform.)

But what Topix is generally hearing from agencies squares with other data published in the last few months and points up a convergence of two trends we’ve been tracking at Street Fight – local merchants shifting their ad dollars to online options such as daily deals, location-based services and hyperlocal media, as well as national advertisers recognizing the power of local to deliver higher levels of engagement (see report by JiWire).

In the last month alone, two reports implied spending is headed toward local digital platforms. First, local advertising association Borrell Associates, with the unveiling of its Compass service, which focuses on trends in local ad markets, reported that yellow pages and local direct mail are precipitously losing revenue, at a rate of 14 percent for local yellow pages advertising and 11 percent for local direct mail advertising over the next five years.

Looking at the overall pie from another angle, eMarketer said that online ad dollars will hit \$50 billion by 2015. eMarketer doesn’t break out the spending by geographical scope, although it does note that search will continue to take the lion’s share of all online ad dollars.

Take eMarketer’s figure next to data from BIA/Kelsey, which forecasts \$42.5 billion for local online advertising by 2015, and this compendium of data makes it look like most ad dollars are shifting to hyperlocal in the next five years. On a market by market level, Borrell reports that the average annual increase for local online advertising across all markets is 17 percent.

Each source has its own means of gathering and crunching the numbers, of course, so it’s difficult to make any direct apples to apples comparison. But as we continue to track hyperlocals’ drive toward sustainable business models, it’s clear that the ad world has its eye on this target.