



brandmuscle®

The State of Local Marketing Report 2019

—

What Does It Take to Become the Leading Brand in Local Communities?

Dear Valued Reader,

For five years, we have delivered the single most comprehensive study on local marketing, with a rich tradition of analyzing key trends and serving as a yearly barometer of best practices and opportunities in local marketing. This year, we upped our game.

The 2019 BrandMuscle State of Local Marketing Report highlights the trends and opportunities you've come to expect, and surpasses previous versions by **revealing the success formula that has enabled some local business partners to achieve 2x the level of growth that most local businesses achieve.** In this report, we introduce The BrandMuscle Local Marketing Maturity Matrix™, a comprehensive framework that identifies six marketing program dimensions and 15 associated competencies impacting business performance. Read on to learn more about the matrix and how you can measure your own level of local marketing maturity with our free online assessment tool.

Throughout the report, we offer “MuscleBuilders,” which are point-blank questions about the implications of each section to your brand, forcing you to re-think your strengths, weaknesses, and assumptions. We ask that our readers keep in mind one overarching question as they absorb the information: **What will it take to make you the leading brand in local communities?**

At BrandMuscle, we have one goal: to provide marketers with the solutions they need to acquire customers, ensure consistent brand messaging, and maximize return on investment through local marketing channels. To that end, the intent of this report is to provide you with the data, research, and insights into marketing best practices that you can employ and scale to drive growth in the ever-important local markets.

Sincerely,

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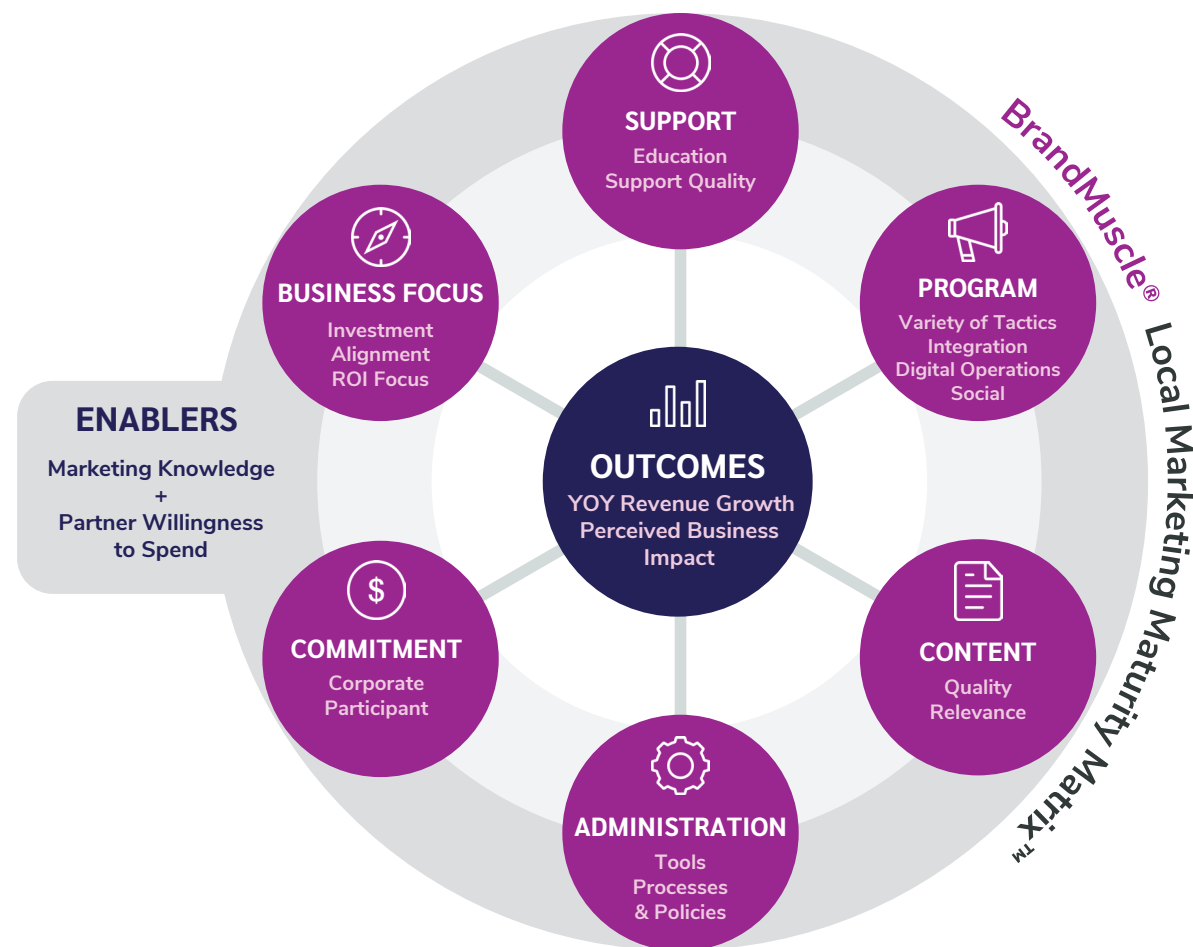
Introducing the

BrandMuscle Local Marketing Maturity Matrix™

This chapter provides a brief introduction to the BrandMuscle Local Marketing Maturity Matrix, to help you gain a basic understanding of the competency dimensions, competencies, and the relationship between marketing maturity and business outcomes.

We know that corporate-sponsored local marketing programs help partners get results that they couldn't achieve on their own, but marketers and partners alike lack specific guidance to maximize the impact of their marketing investment. We also know that organizations perform at different levels of capability and expertise when it comes to local marketing competency.

The BrandMuscle Local Marketing Maturity Matrix was constructed to help brands understand their current local marketing competency, and how they can improve it to deliver the greatest local marketing impact at both the corporate and partner level.



PROGRAM DIMENSION:

Without a modern program, you impede your partner's ability to achieve the impact you desire. The key elements to a successful program are variety, the level of integration, and a specific commitment to digital and social media.

Competencies: Variety of tactics, Integration, Digital Options/Support, Social Media

COMMITMENT DIMENSION:

Local marketing success requires an alliance between marketers and their partners. Both of you need to have skin in the game in order to prosper. The level of your partners personal investment in the program and the sweat equity they put into learning and understanding marketing are key factors impacting success. This dimension reveals how to get the most out of your investment in each of your partners.

Competencies: Corporate, Participant

SUPPORT DIMENSION:

You expect your partners to have a commitment to marketing and a base level of expertise. Likewise, you must remember they have a business to run. As part of your commitment, you need to provide easy avenues for support and education. Don't assume your time-strapped partners will find them on their own.

Competencies: Education, Support Quality

CONTENT DIMENSION:

The content you provide needs to achieve a base level of quality, but above that, content should be relevant and personal. You have a diverse network of partners who operate in different environments. From rural to suburban to urban, from highly-competitive to lone rangers, from new businesses to those that have been around for years, part of a successful program requires content options that are relevant to all local demographics. Additionally, partners want the ability to personalize their messaging and the ways they engage with their customers.

Competencies: Quality, Relevance

BUSINESS FOCUS DIMENSION:

The most successful partners focus on and understand ROI. Business alignment and program investment competencies affirm the perception that the investment you make in your partners' programs can make a difference for them. Your partners should appreciate that the money you invest supports their goals and multiplies their ability to have impact.

Competencies: Investment, Alignment, ROI Measurement

ADMINISTRATION DIMENSION:

This dimension covers the experience your partners have participating in your program. Complex policies and antiqued tools can quickly become a barrier to entry for program participants. Inferior technology and overly complicated guidelines can frustrate partners and stunt engagement. Creating an experience that leverages easy-to-use technology and simplified policies will encourage engagement and use of the tools you've provided. Partners who feel empowered and equipped are more likely to embrace your brand.

Competencies: Tools, Processes, Policies

ENABLERS:

Partner Marketing Knowledge

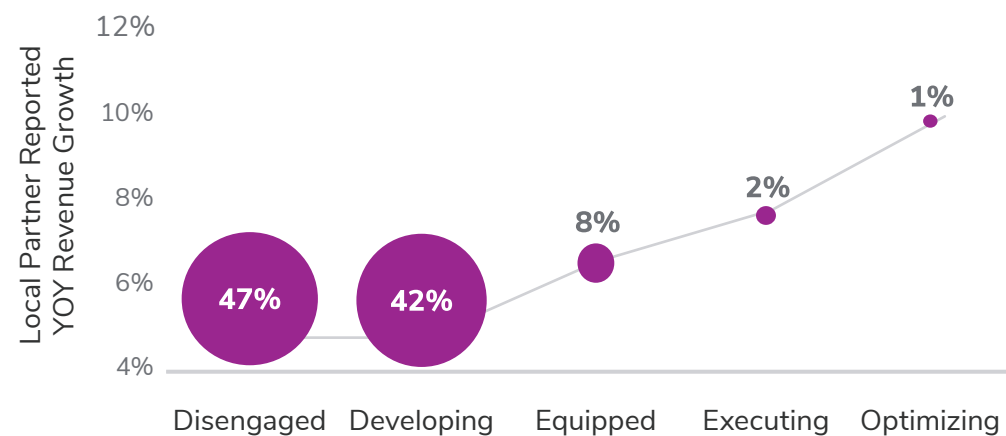
Partner Willingness to Spend Their Own Funds on Marketing

The Formula for Assessing Local Marketing Maturity

The chart to the right showcases the mapping between marketing competency maturity levels to the overall maturity categories. Think about each dimension and your level of competency as building blocks in your pursuit of local marketing maturity.

The current data around maturity levels in some competencies (eg. Support Quality) are not strong enough indicators of overall maturity in terms of impact to revenue. Where this is the case, those competency maturity levels have been grouped together.

Percentage of Local Business Partners Within Each Stage



We see a large number of disengaged local business partners due to a lack of corporate commitment to a local marketing program. The vast majority of participants are at levels 1 and 2 with very few reaching levels 4 and 5.

Dimensions	Competencies	Disengaged	Developing	Equipped	Executing	Optimizing
ENABLERS	Partner Mktg Spend	Negligible Limited		Reasonable	Robust	
	Marketing Knowledge	Not a focus	Learning Knowledgeable			
COMMITMENT \$	Corp Commitment	Ceremonial	Nominal	Tactical	Strategic	
	Partner Commitment	Unenticing	Helpful	Supportive Stimulative		
CONTENT 📄	Content Quality	Unacceptable	Imperfect Attractive		Differentiating	
	Content Relevance	Inappropriate	Generic		Resonant	Personalized
PROGRAM 📢	Variety	Limited		Functional Status Quo Dynamic		
	Integration	Disparate			Clustered	Simulated Configurable
	Digital	Absent	Searchable	Informational	Omnipresent	
	Social	Anti-Social Directional Catered Guided				
ADMINISTRATION ⚙️	Processes/ Policies	Onerous Difficult		Inefficient Frictionless		
	Tools	Crude			Serviceable	Ubiquitous Empowering
SUPPORT 🛡️	Training	Unprepared Basic Educational Practical				
	Support Quality	Unsupported Check-the-Box Elementary Professional				
BUSINESS FOCUS 📍	Program Investment	Unfunded Marginal Booster Growth Partner				
	Business Alignment	Fixed Misaligned Unproductive Multiplying				
	Measuring ROI	Unchecked Opaque Instructive Decisive				

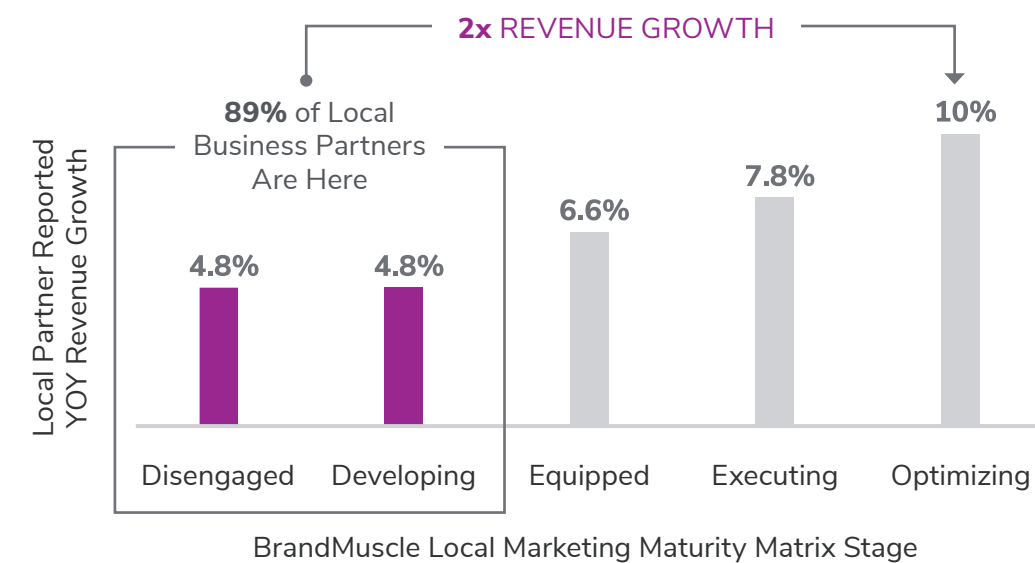


Higher Partner Marketing Maturity Leads to Higher Revenue Growth

Our research of over 1,000 local marketing partners clearly indicates a relationship between marketing maturity and business outcomes. The chart below plots year-over-year revenue growth by BrandMuscle Local Marketing Maturity Matrix levels. Those partners at the highest level of maturity (optimizing) demonstrate two times higher YOY revenue growth compared to those in the bottom two levels of maturity.

Your easiest opportunity is helping partners to move from disengaged or developing levels to the equipped level.

Local Partner Reported YOY Revenue Growth within Each Stage



Partner Marketing Knowledge Has a Significant Impact on Revenue Growth

This past year marked one of the best periods of economic growth in recent history. It is of no surprise, then, that a large portion of partners reported revenue growth this year, including those who did not focus on marketing. Yet in any given year, the marketing knowledge gap, and your partners' ability to put that knowledge to work, could be the difference between making money and losing it. The research is clear: marketing-savvy partners get the most positive business results. **Eight in 10 partners say they are investing significant time to learn more about marketing**, and those who felt better educated and made the commitment to learning more, showed increased business growth.

While we know from participant responses to our study that 11% aren't interested in marketing and don't make it a priority, we believe the number to be much higher. Considering participation bias or non-response bias, we can safely assume that those who chose not to participate in the marketing study are likely to fall into the same category.



MuscleBuilder

- Do you know where your community of partners stands when it comes to their degree of marketing knowledge?
- Are they interested, or could they be incentivized to take interest?
- Are you effectively helping them learn, and are you rewarding those actively engaged in continuing marketing education?
- Is your money better served spread across your partners or concentrated with those who've made their own investment as well as commitment to understand how to best use those dollars?
- How much is that worth to your business' growth?

How Does Partner Marketing Knowledge Impact YOY Growth?

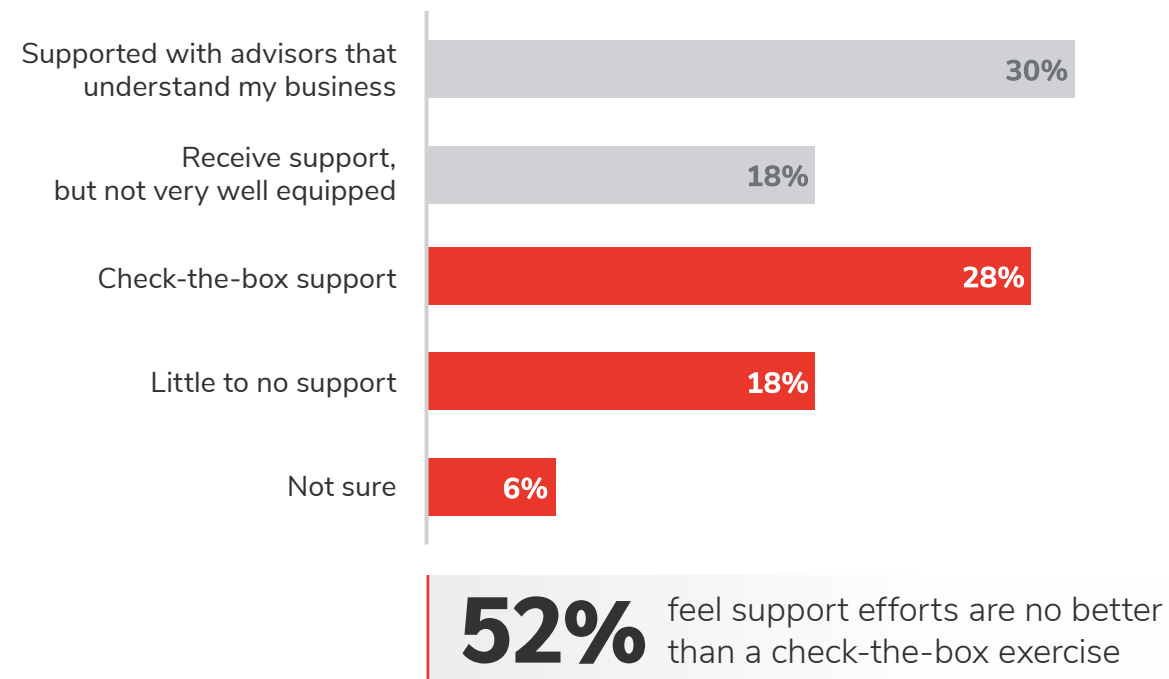


Sharpening Your Partners' Marketing Reflexes

Local marketing is the scrappiest of fights. Your partners aren't trained fighters, yet they are thrown into the ring and you can only hope you've given them decent enough equipment and instruction to knock out your competition at the local level. Boxing, like marketing, requires complex strategy and reflex control, and that guidance, in both respects, comes from a supportive trainer.

While 42% of partners spend time learning marketing and say they know a lot, keep in mind the fact that this is a relative statement when compared to full-time marketing professionals on your staff. **What's important is that partners are hungry for marketing knowledge and look to marketers to position them for success.** We recommend that you consider several approaches to overcome this perception of insufficient training and support.

How Partners Perceive Marketing Program Support



MuscleBuilder

- How do you help your partners and provide them with just the right amount of training so that they gain the necessary expertise versus overwhelm them with training that is designed for a full-time marketer?
- What would it take to develop a training series as part of your program that includes an element of investment in learning by the partner to determine co-op levels in the future?
- How can you create incentives that are trackable to ensure that partners are investing their time in learning?
- Would you see a trickle-down effect if you implemented a marketing training academy for your regional marketing or sales managers?

How Partners Perceive Marketing Program Training



Top Ten Marketing Topics Partners Want to Learn More About



We asked partners: If you had a chance to meet with one of the top marketing experts in the world, what would you want to ask that person? Here's what they said:

1. What works, and how do I evaluate my own marketing efforts?
2. What tactics and strategies generate the best ROI?
3. How and what should I think about when putting together a complete marketing strategy.
4. How can I get smarter and be more successful with SEO?
5. How can I keep up with the ever-changing digital and social aspects of marketing?
6. How can I use marketing to drive repeat business and loyalty?
7. How should I market differently in a small or rural market?
8. How do I best address negative impressions or reviews of my business?
9. How do I track success of my digital and social advertising?
10. How do I execute an effective marketing plan while trying to manage the day-to-day aspects of running my business?

Visit www.BrandMuscle.com/TopTenLocalMarketingTopics to watch our BrandMuscle Local Marketing Trainers answer these pressing questions.

Commitment Dimension: Corporate + Participant

Everyone Needs to Have Skin in the Game

Want to watch your business grow? Cooperative marketing programs allow partners to pair their dollars with provided funds and programs to have a more robust marketing strategy and increase impact. Partners get more structure, which helps them understand the value of each tactic and ultimately guides them to the right solutions.

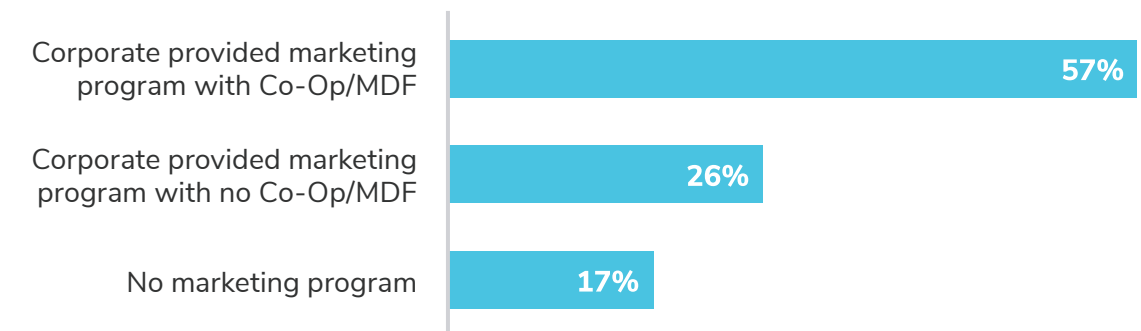
Just having a program isn't enough. Research tells us you get what you give. The numbers show that partners with the highest growth invest their own dollars on advertising at a level that is on par with the small business industry standard spend, and have access to a corporate program that provides co-op. Partners that have a corporate provided marketing program but no co-op, regardless of what they are spending on their own, achieve a lot less. Skin in the game is everything. That goes for corporate too. Marketers should think about creating programs that not only give partners funding, but qualifying the investment with requirements for continuing marketing education for real impact.

Partners should accept corporate support only if they bring a willingness to learn and share in the cost. This, friends, is the corporate-local formula that will put your company on an upward trajectory.

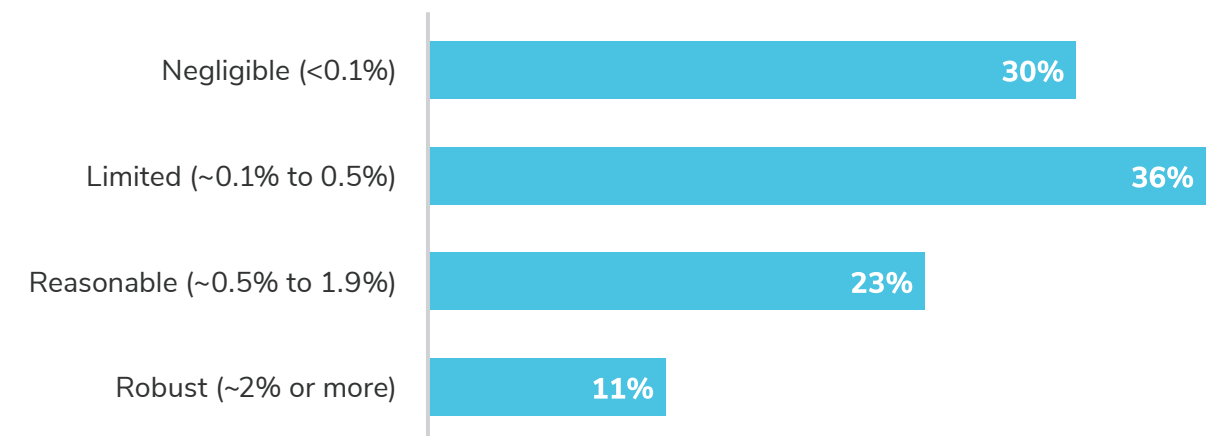
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- If you don't have a co-op program, how do you determine if now is the right time for your brand to begin?
- How do you get your partners to recognize the importance of spending their own money?
- How can you incentivize your partners to make a personal investment of time and money in marketing and education?

Do You Have Access To A Corporate Marketing Program?



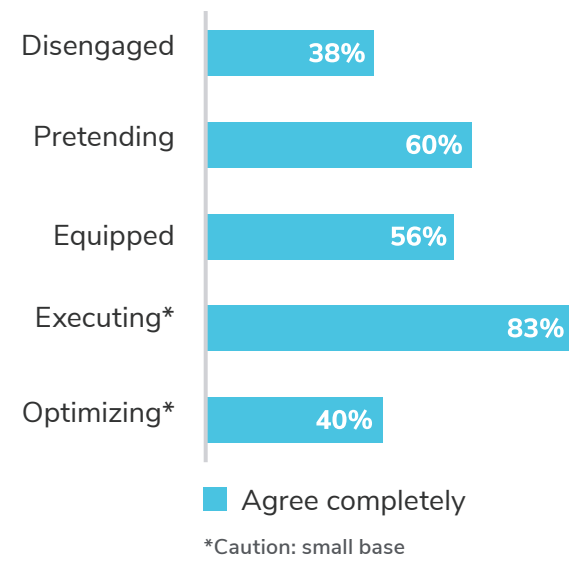
How Much Of Your Own Money Do You Invest Into The Corporate Marketing Program?



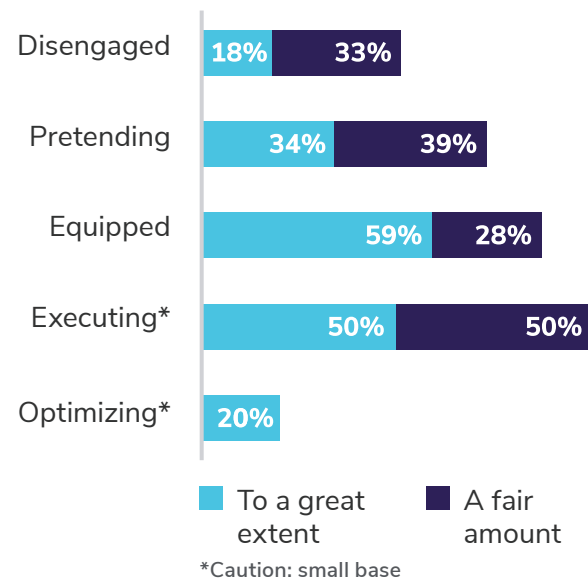
Helping Partners Get the Most Power Out of Every Marketing Dollar

In a good year, even the weakest businesses can see modest gains, but in an average or difficult year, you're going to need to understand the program mechanisms required to achieve a higher level of growth. Marketing programs provide services and outcomes partners couldn't achieve on their own. The research shows that well optimized programs, where the local partner also makes a financial contribution, results in significant improvement in business outcomes.

Program is Important Contributor to Growth of the Business



How Much Program Enables Outcomes Not Achievable on Their Own



Partner YOY Business Growth Based on Personal Investment

	Robust/Reasonable Spend	Limited/Negligible Spend
Corporate provided marketing program with Co-op/MDF	6.0%	4.1%
Corporate provided marketing program with no Co-op/MDF	4.2%	4.7%

How much do local businesses actually spend on marketing? Average spent as a percent of income is shown below.

Advertising to Sales	Industry Code
4.44%	4421 - Furniture Stores
4.16%	4483 - Jewelry, Luggage, and Leather Goods Stores
3.84%	5312 - Offices of Real Estate Agents and Brokers
2.87%	6116 - Other Schools and Instruction
2.73%	3121 - Beverage Manufacturing
2.18%	7139 - Other Amusement and Recreation Industries
2.16%	4422 - Home Furnishings Stores
1.99%	8121 - Personal Care Services
1.93%	7225 - Restaurants and Other Eating Places
1.88%	4452 - Specialty Food Stores
1.85%	5242 - Agencies, Brokerages, and other Insurance Related Activities
1.83%	8122 - Death Care Services
1.08%	All Industries

Source: smallbiztrends.com

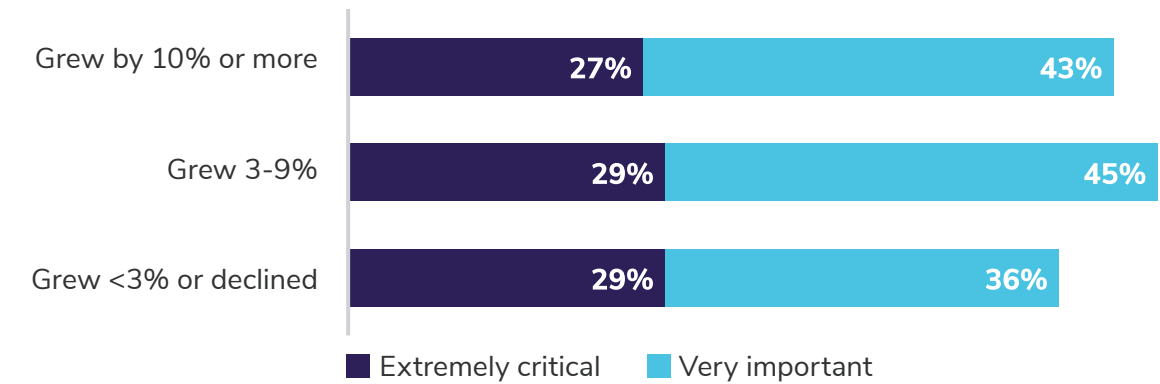
Shared Investments Lead to Shared Rewards

Partners whose businesses grew 10% or more attribute co-op as critical to the success of their business. The best practice is to have a corporate program with an investment in concert on the part of the partner to achieve a higher growth rate. Our study shows **shared-spend co-op programs between the marketer and partner attain 20% better growth** than those with an MDF (non-shared-spend), a marketing program (no-shared spend) or no program at all.

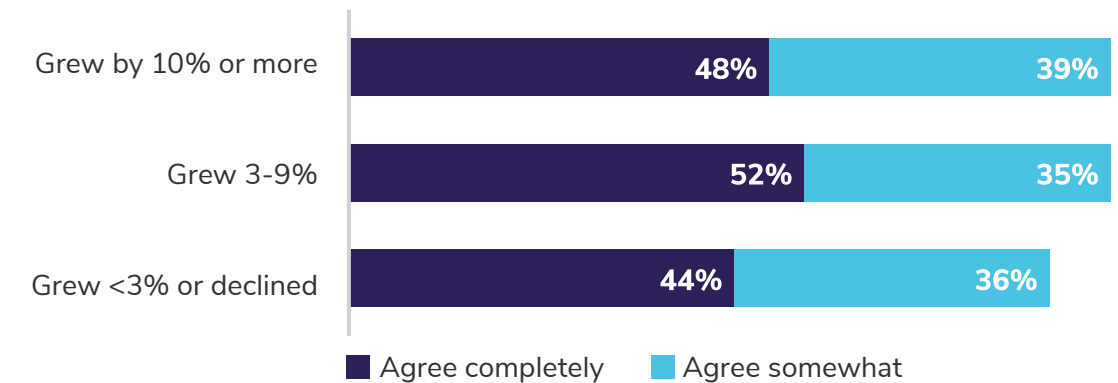
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- How much is a 20% bump in your growth worth to you?
- How are you looking at your reimbursement data, by length of time that the partner has been with the brand or by level of effort?
- What data are you using to create benchmarks that help motivate the partners?
- Are you sharing best practices in an open forum among your partners, giving the laggards a model to become leaders?

The Importance of Co-op/MDF Funds to Your Business



Partners Who Attribute Growth to Their Marketing Program



The Provided Marketing Program Enables Me to Achieve Outcomes I Couldn't Achieve on My Own



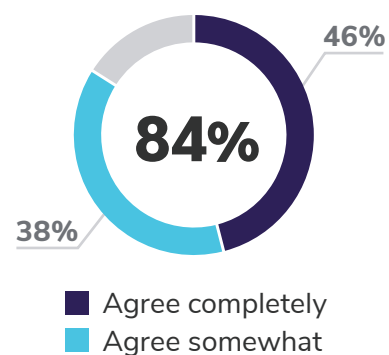
Pay Closer Attention to Partners Who Are Willing to Invest

You don't want your partners to feel like they're melting ice in the ocean to raise the water level. When they add dollars to the marketing program, they want to feel like they are making a difference.

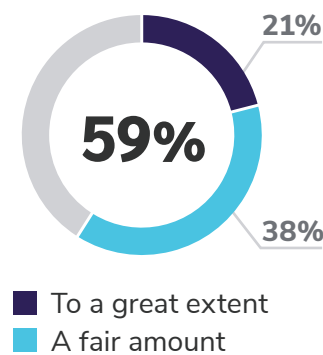
Most partners who are making the commitment with their own funds say the provided funding level is sufficient, and they recognize they must spend on their own in order to achieve their growth goals. **We've seen that there is opportunity to magnify the impact when partner funds are combined with marketer resources to a 1 + 1 = 4 effect.** Only a small portion, about one in three, claim that the funding they receive is not enough to achieve their goals. So you don't really have a major funding problem.

Yet, less than 30% of partners say they can increase their marketing impact by adding their own funds to the program. Some partners just want to be left alone, so don't look at the bottom tier who aren't interested in spending their own money. **Look to the more than 30% of those who have committed to spending their own money** that say, "I can add funds, but I have a greater impact on my own," and ask why. This group is your opportunity. This group wants to spend your money, but not follow your rules. What's wrong with your rules to turn these partners off so much that they would rather spend money out of pocket and go it alone?

Marketing Funding Contributes to Growth*



How Much Marketing Leverage Does Your Program Create?*

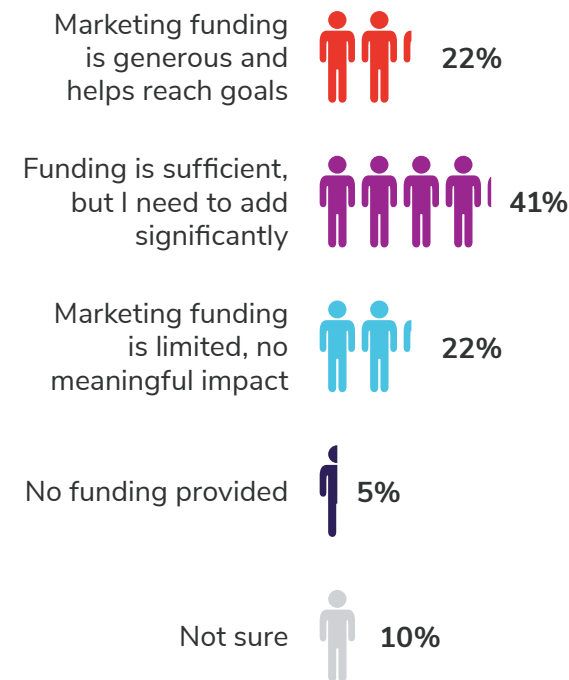


*Data shown only for those who spent a reasonable amount of their own money on marketing.

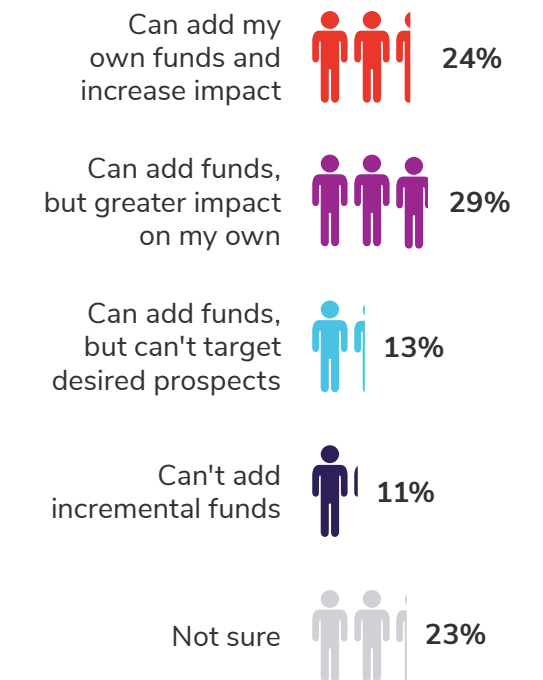
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- Are your program guidelines too complex?
- Are you working to minimize claim denials?
- Are your guidelines too stringent, preventing partners from using the tactics they need or covering the territory they serve?
- Can you design your program more effectively so that more people will participate in the program because they can get a lot more out of their dollars by doing it that way?

How Partners Perceive Level of Funding*



How Partners Perceive Their Ability to Add Their Own Funds to the Program*



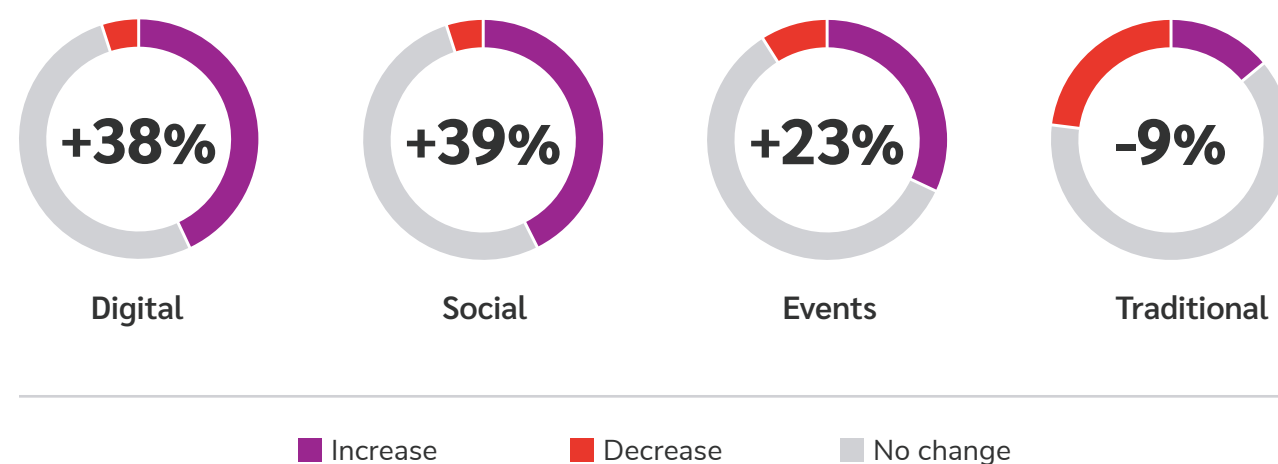
Program Dimension:
Tactic Variety + Integration + Digital + Social

Traditional Media May Have Taken a Backseat But It's Still Driving Local

Nearly half of the partners who participated in this study said they will increase their spending on digital marketing and social media in 2019, while a scant few intend to decrease spending on these tactics. While most don't expect to reduce their spending on traditional marketing, it is clearly taking a backseat.

Marketers should reexamine their strategy when investing co-op dollars in traditional media. Historically, one-off traditional advertising methods endeavored to reach as many people as possible, but today personalization is expected. Integrated marketing, working through both digital and physical (traditional + events) channels in concert, will help your partners reach and convert the best customers for your brand.

How Partners Plan to Adjust Spending



MuscleBuilder

- How do you know if your traditional media spend is working or not?
- What plans do you have for using integrated marketing at the local level?
- How are you training your partners to use digital and social media in concert with traditional tactics to better measure the effects of their traditional marketing?
- Are you building a database of event best practices that can be shared with all of your partners?
- What incentives could you provide for those who are willing to share success stories and best practices with their peers?



“ We know through countless strategy sessions with our clients that they recognize the value and up-and-coming imperative of digital marketing; however, many hesitate to incorporate it into their programs. We believe it stems from a perception that traditional advertising is just more tangible. Even though no real data is available when running a newspaper ad, clients and their friends can see it. There are two significant advantages to digital that should dispel the concerns:

- 1) Targeting and personalization based on specific audience behaviors or actions
- 2) Access to performance data to improve performance over time

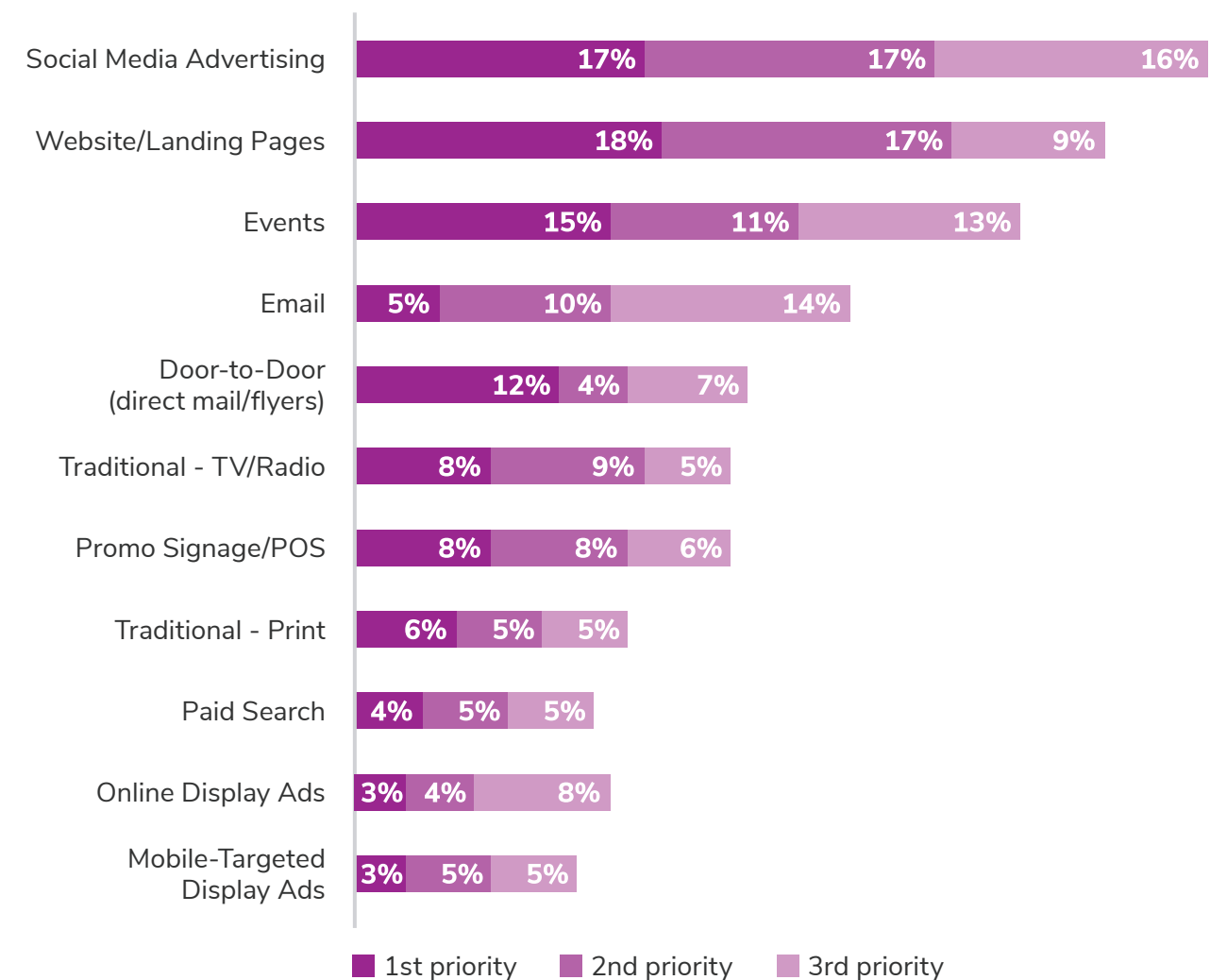
This trend is so important. Those who continue to ignore it will do so at their own peril. ”

– Jason Tabeling, EVP Product Marketing, BrandMuscle

We also see a trend of increased spending on events, but it is less pronounced than what was reported for social and digital. The personalized nature of events makes them difficult to duplicate from one business to the next, at least without a dedicated repository of best practices to follow.

While not a top priority for most, more than one in four local partners chose email as a second or third option. This likely reflects email’s importance as a way to engage with current customers.

Top Marketing Priorities for 2019

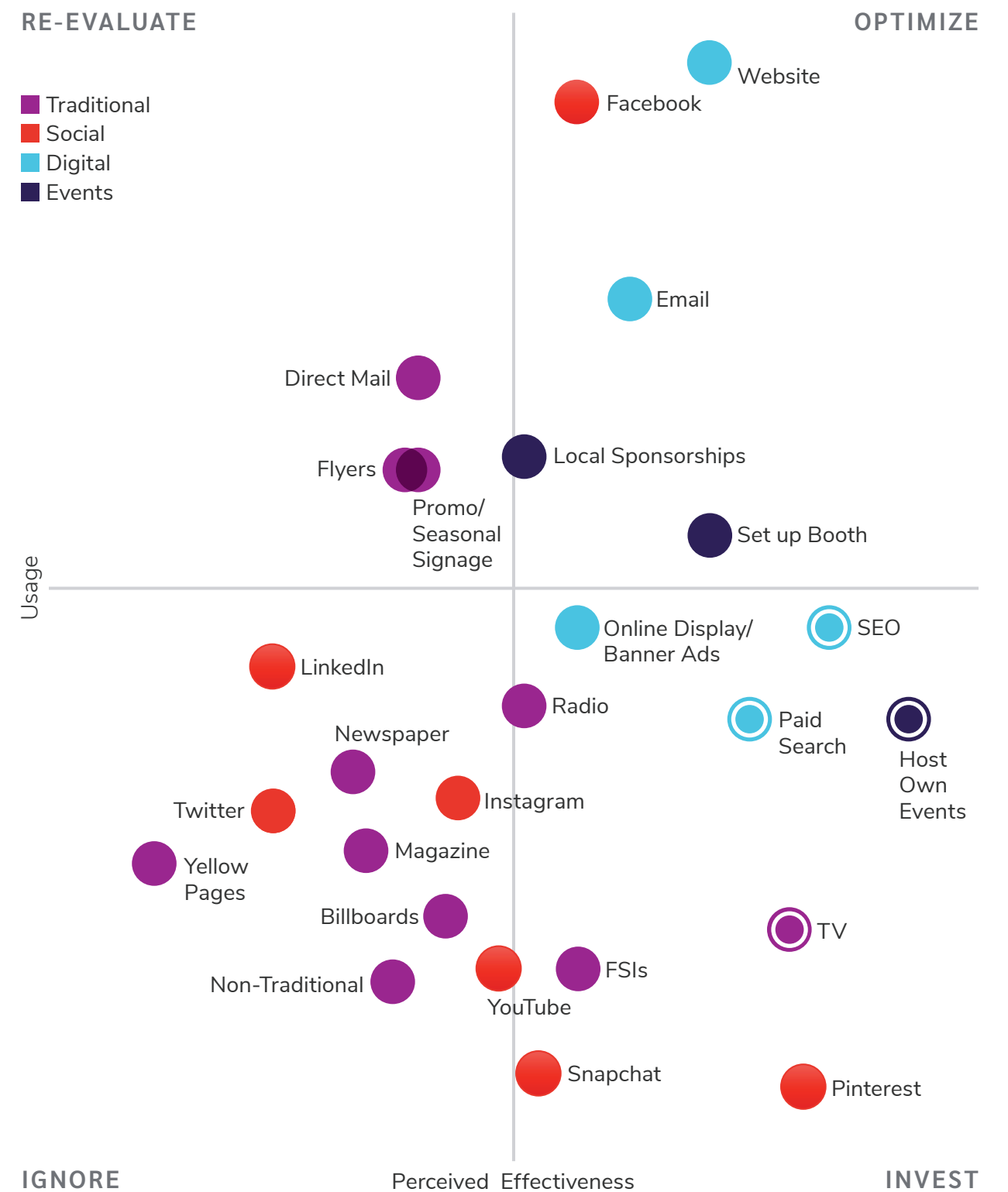


What's Working, What's Not, What's Next in Local Marketing

Partners clearly perceive digital executions as the clear front runners for effectiveness, with website and email as most successful. SEO, paid search and programmatic display are gaining traction, but require additional partnership, education, and/or funding at the local level to improve utilization.

Social media maintains its position as a top priority for many partners, yet the wide gap in both usage and effectiveness between Facebook and every other social channel magnifies a general lack of knowledge concerning differentiation of audience. The platforms that fall into the Ignore quadrant, and rank on the low range for Effectiveness and Invest shouldn't be viewed as a total loss. Each of these social platforms has an application that provides value to a particular audience. Partners may not understand this value at the niche level, or that a particular platform may apply to a niche they serve. Some partners use Snapchat. They may be identifying this platform as the important channel for Millennials and Generation Z. In addition to having appeal to that demographic, Snapchat has features relevant to local businesses, like location filters, which are low-cost and effort, yet highly measurable.

Tactic Usage and Effectiveness



○ Effective tactics that require additional partnership, education, and/or funding at the local level to improve utilization

While partners perceive most traditional tactics as being less effective, direct mail and signage remain productive components of local marketing programs. TV is seen as the most effective, but for most local partners, it's unaffordable. Partners have a harder time measuring the ROI of traditional advertising when it is executed on its own. Pairing traditional with a digital tactic, i.e. Billboards + Geofencing, allows partners to measure foot traffic. Analyzing foot traffic allows those with a physical location to measure the effectiveness of their advertising, but offers a new metric on the reach of their campaigns.

Success Story // Integrating Digital + Physical Marketing Driving physical location engagement with direct mail and addressable mobile display

- +50% Lift in Display Click-through-rate When Direct Mail is Included
- +65% Reach of New Consumers
- ~2,500 Consumers Driven to Participating Locations
- +150% Over Performance of Industry Response Rate

MuscleBuilder

- Can you find ways to aggregate funds so partners can get TV at affordable pricing?
- Can you provide better education, more funding, or find a solid vendor to assist your partners with digital to drive use across all tactics?
- What methods can you use to help your partners integrate digital with physical tactics (events/traditional) to increase ROI and better measure results, i.e. Direct Mail + Paid Search, Geofencing + Billboards?
- What support can you provide to your local partners to challenge them to look beyond the broad appeal of Facebook when executing their social media by adding a niche social channel that appeals to their target audience?



“ BrandMuscle continues to be a critical element of our marketing mix. We are in a very competitive environment, and we’re a national brand that competes on a local level. We have to continue to be in tune with the customer’s needs and wants. ”

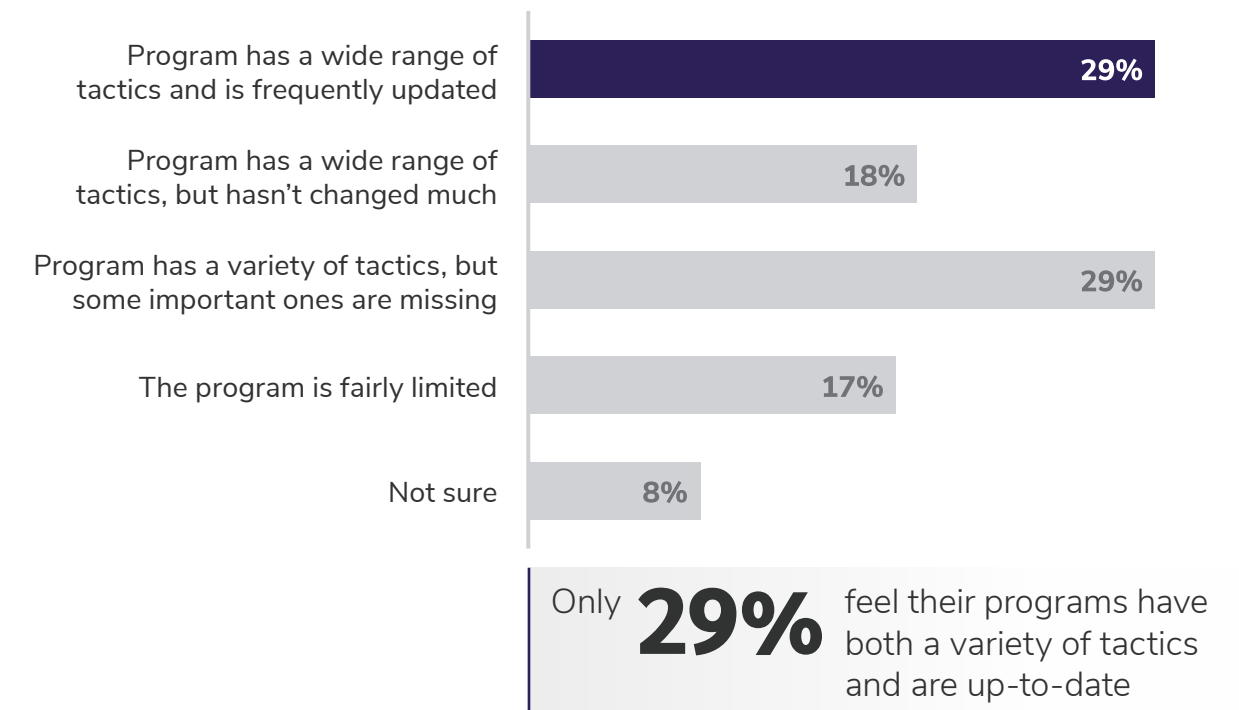
- E.V.P. Strategy and Business Development,
Fortune 100 Telecommunications Company

Come Together, Right Now

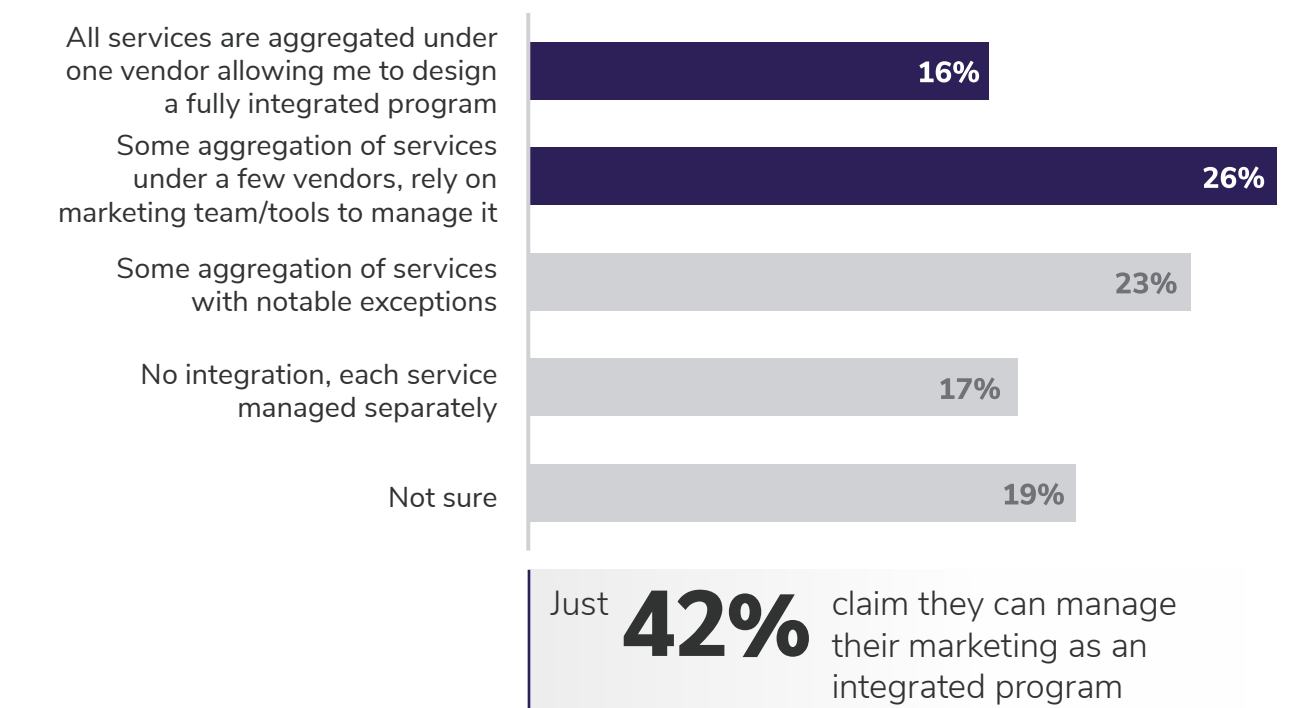
Your partners are witnessing tactics evolve in the digital and social space. If you're not actively updating your program to include these offerings, they're wondering why, especially those partners who are more knowledgeable and willing to spend their own money. Your partners are either saying that important tactics are missing from your program or they feel limited. That's a significant concern. If you have clear and glaring gaps in your program, your best partners, those willing to ante up, will go it alone and not use your program because it doesn't include the tactics they need. What's left are the freeloaders, who happily take your money, but won't spend to fill in the gaps and have no idea how to get the most out of your investment. If your goal is to create alignment with the people who can produce the most, increasing variety is one of the easiest ways to engage them.

Variety makes integrated local marketing programs work, and with today's mobile-first mentality, integrated marketing is more important than ever at the local level. You can no longer fund a shotgun approach with traditional media and expect meaningful success. You want a rifle approach where you touch the right prospects with events, social, digital, and traditional tactics that run as an integrated campaign where your messaging is clear, your targeting is designed to be complimentary, and your timing is in concert. Less than half of your partners feel like they can run some type of integrated program. The rest either don't know or don't feel like they can have one.

Perceived Variety of Program Tactics



Perceived Level of Integration Within the Program




Success Story // Integrated Local Marketing

Bringing simplicity, versatility, and power to insurance marketing

- 10,000 Local Agent Media Buys Annually
- \$13M+ Local Marketing Funds Managed Annually
- 65%+ Reach of New Consumers
- 14X Jump in Quote Traffic with Microsites, Landing Pages and SEO

MuscleBuilder

- When was the last time you updated your program?
- Are you training your partners to integrate their marketing tactics, or are you just supplying the assets and the funds with little or no direction as to what works?
- Which of the 5-10% of your partners can you take from good to great by investing a little more help with the program you gave them?
- Where do you think you should begin investing incentive funds for those who want to participate in training on integrated marketing?



“ What I admire, respect and love about the BrandMuscle team is that everything is done with passion and heart. That type of consistent attitude amongst a company’s employees only comes when that’s the tone of the company. Because it must transcend everything you do; which is the case at BrandMuscle. It has to come down from leadership, and it has to rise up from every team. Hold dear this passion. From a client perspective, it’s truly your competitive advantage. It’s hard to replicate and can’t be commoditized. ”

- Marketing Manager, Fortune 100 Insurance Company

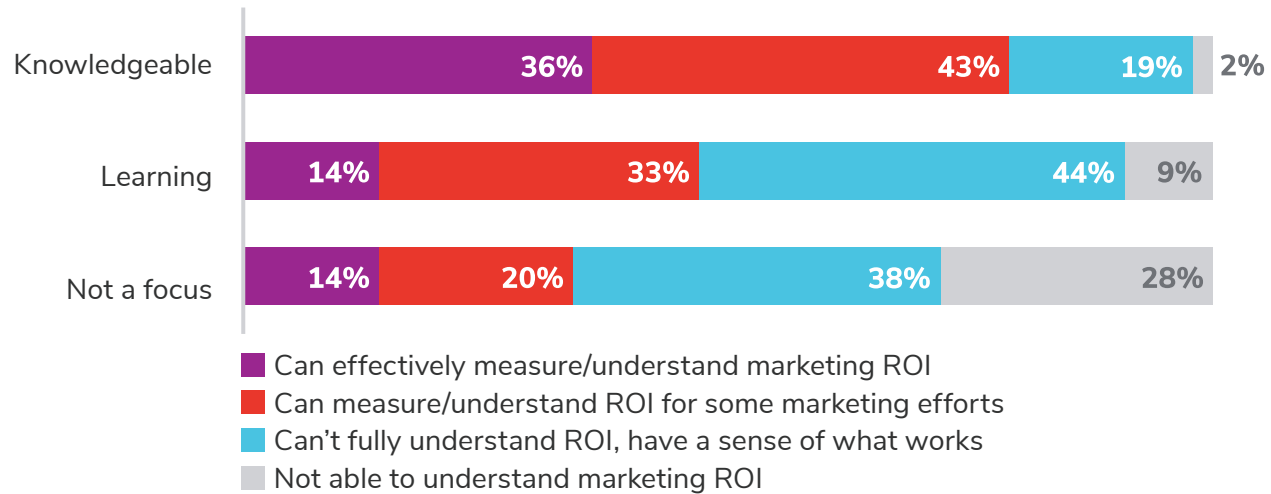
**Business Focus Dimension:
Investment + Alignment + ROI Measurement**

You Can't Manage What You Can't Measure

You and your partners have a far better chance of growing your businesses if your partners understand the ROI of their marketing efforts. Your partners may have a gut-instinct about what they think is working, but it's hard data that will separate fact from fiction. Unfortunately, understanding and measuring marketing ROI remains a problem for most partners. **Even amongst partners who believe they are knowledgeable about marketing, just one in three feel they have visibility into the data insights to understand what they're achieving.** While the majority of knowledgeable partners can calculate ROI for at least some of the tactics they use, many are still making gut decisions on the success of techniques. Your partners want better tools to help them understand smarter targeting and better results analysis. Help them find ways to measure their success.

Perceived Ability to Measure and Understand ROI of Marketing Efforts

Based on Stated Marketing Knowledge

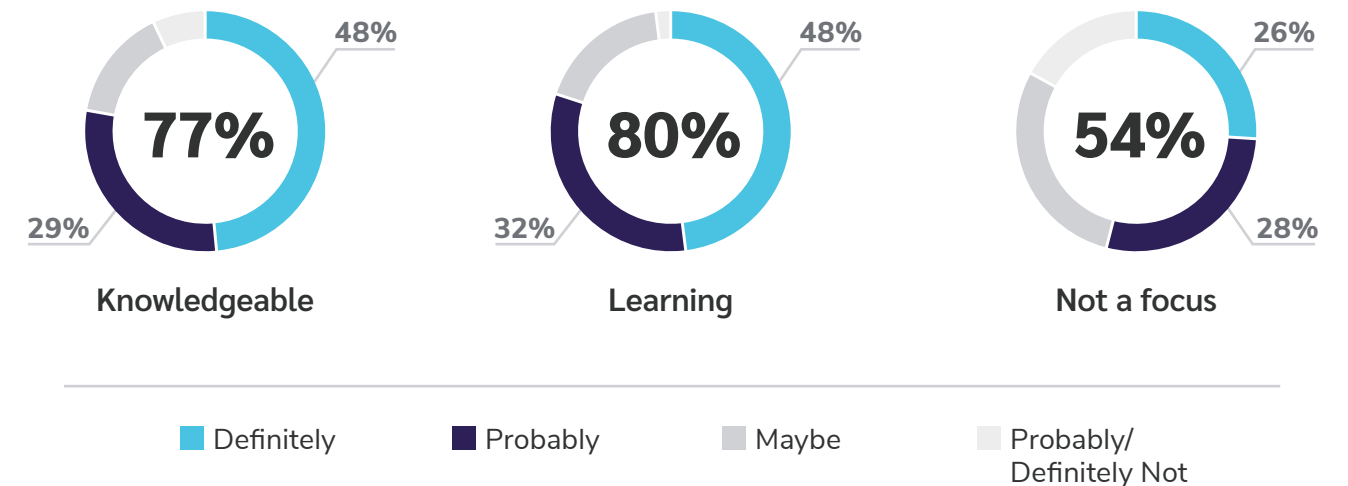


MuscleBuilder

- How do you evaluate the success of marketing efforts?
- What types of insights does your local marketing platform offer?
- How do you share that information with your partners?
- Do you have a method of sharing best practices amongst your partners?
- Do you have an annual conference?
- Do you offer rewards based on success?
- How do you identify your highest achievers and are they willing to mentor or coach other partners by sharing advice?
- How do you reward your highest achievers for their success and for sharing their stories with others?

Partner Interest in Tools to Better Understand ROI

Based on Stated Marketing Knowledge



Decisions. Decisions. What's Informing Your Partners?

Partners overwhelmingly choose to stick with what they know when it comes to formulating their marketing strategy. It's no surprise to see that ROI plays an important role for those who are knowledgeable and comfortable with understanding the data. Partners also value learning about best practices from their peers. The question is, how do you equip more of your partners with the knowledge they need to make more informed decisions about their marketing strategy?

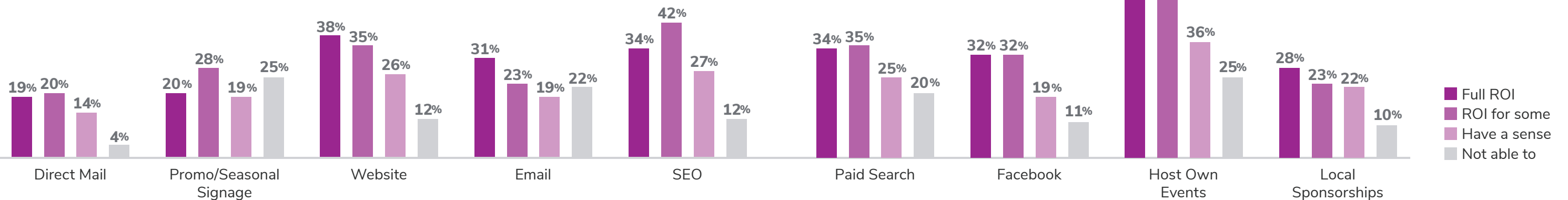
For the fifth year running, events take the top spot as most effective in driving measurable ROI. The in-person nature of this tactic suggests that regardless of your marketing savvy, the face-to-face effect makes the results more tangible. Partners clearly show confidence in digital and social tactics due to their more readily available feedback and tracking data.

MuscleBuilder

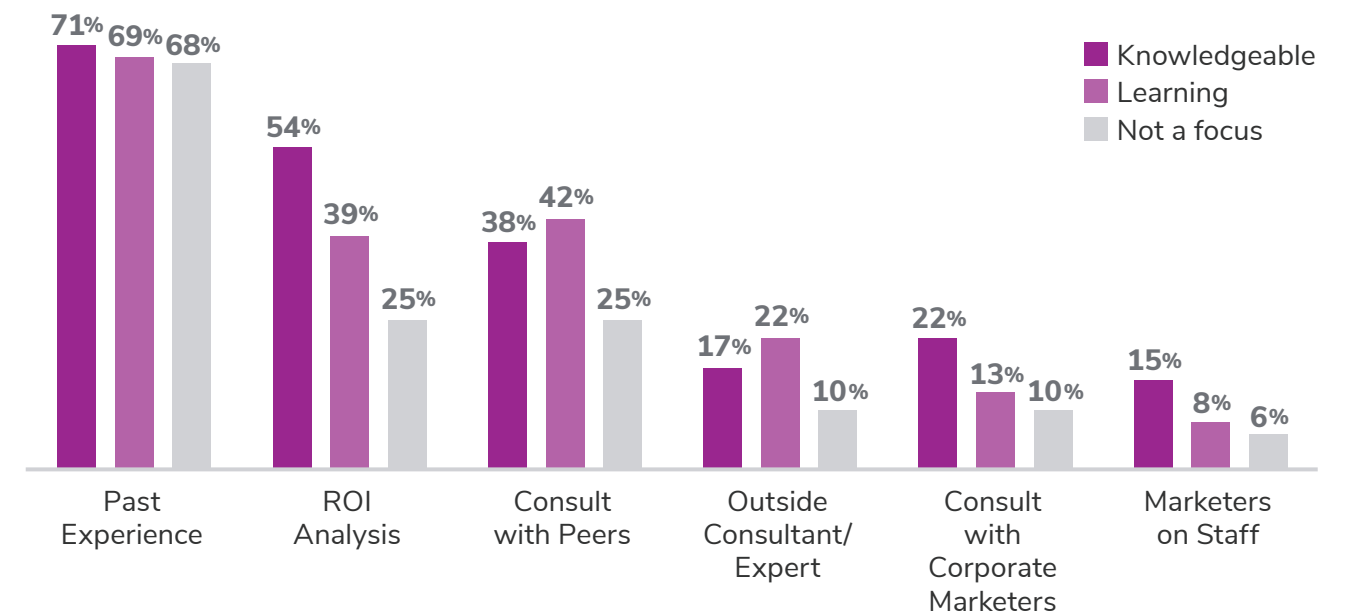
- What is your funding strategy for local events?
- Have you considered integrating digital into event pre- and post-engagement campaigns?
- How can you branch out on social media to engage with more people at local events?
- How can you bring your partners together to share experiences, both good and bad, from which they can learn and grow?

Correlation Between ROI Understanding and Perceived Tactic Effectiveness

% Extremely/Very Effective – Top Tactics



How Partners Decide on Marketing Strategy



Digital

Awareness + Education = Success

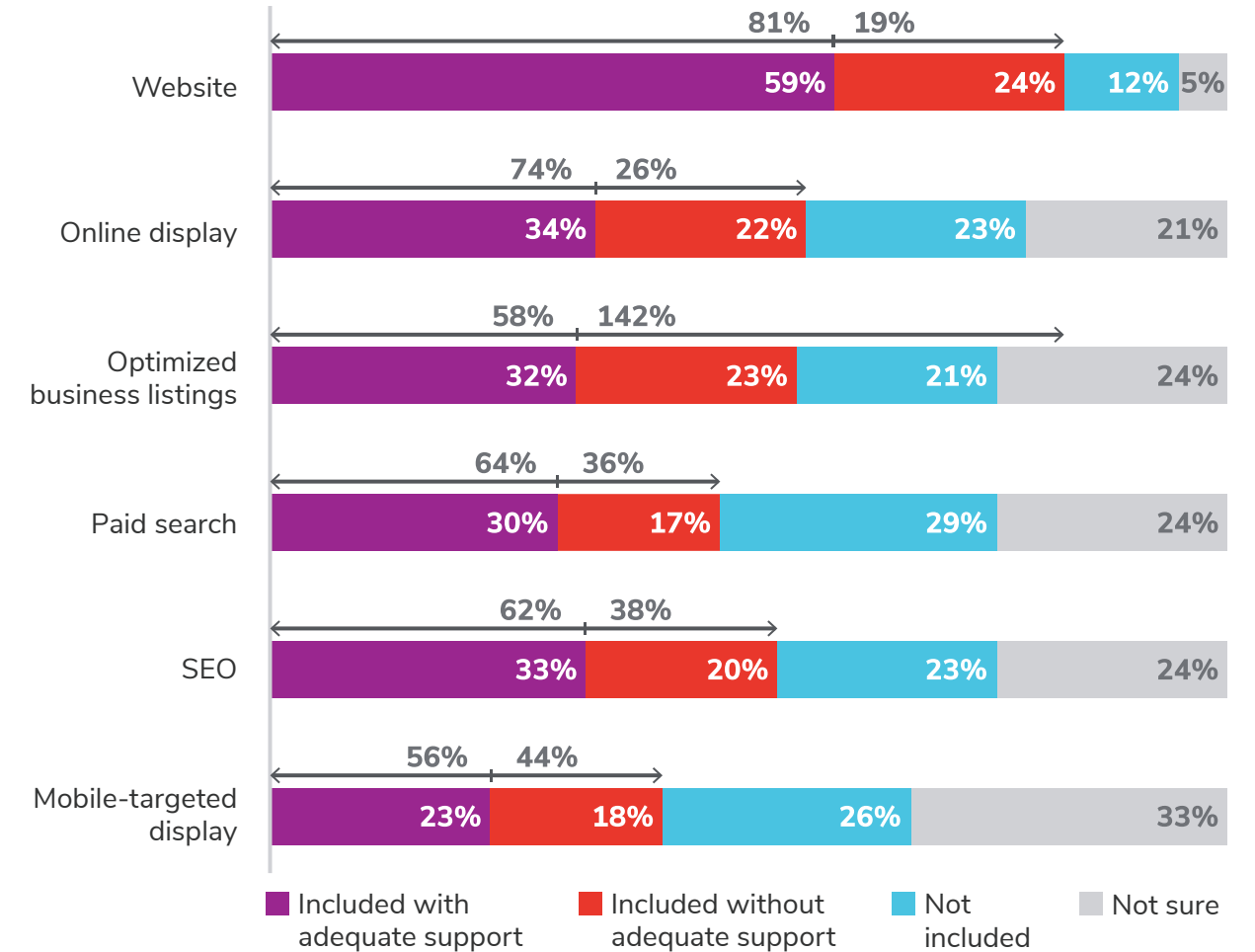
Aside from websites, a large portion of partners don't know which digital tactics are even available to them in the program. They shouldn't have to work so hard to find out what type of support you provide for digital marketing, especially when partners who actively use digital media perceive it as being amongst the most effective. This is low-hanging fruit. Inform your partners of what's available in your program and educate them on how to use it and why they should care.

Roughly three out of five partners believe the tactics they rely on are sufficiently supported, but a good third of these partners say parts of the program do not set them up for success. The vast majority who have websites feel it is adequately supported. Of those who receive funding for other digital tactics, nearly 40% said that money isn't enough; they need educational support. There's another way to look at this. Your partners have surfed the web and shopped online. They know how it works. When it comes to paid search, programmatic display, geofencing, and other digital tactics, they've got a pinky-finger grip on what works and what doesn't. Your opportunity isn't just about letting partners know digital exists within your program, it's also about teaching them how it works.

MuscleBuilder

- How will you identify and educate partners who are missing out on digital opportunities?
- How will you generate a "fear of missing out" and demonstrate the full value of your investment in their digital marketing success?
- How will you incorporate best practices for digital marketing into your program training?

Digital Marketing Program – Perceived Components



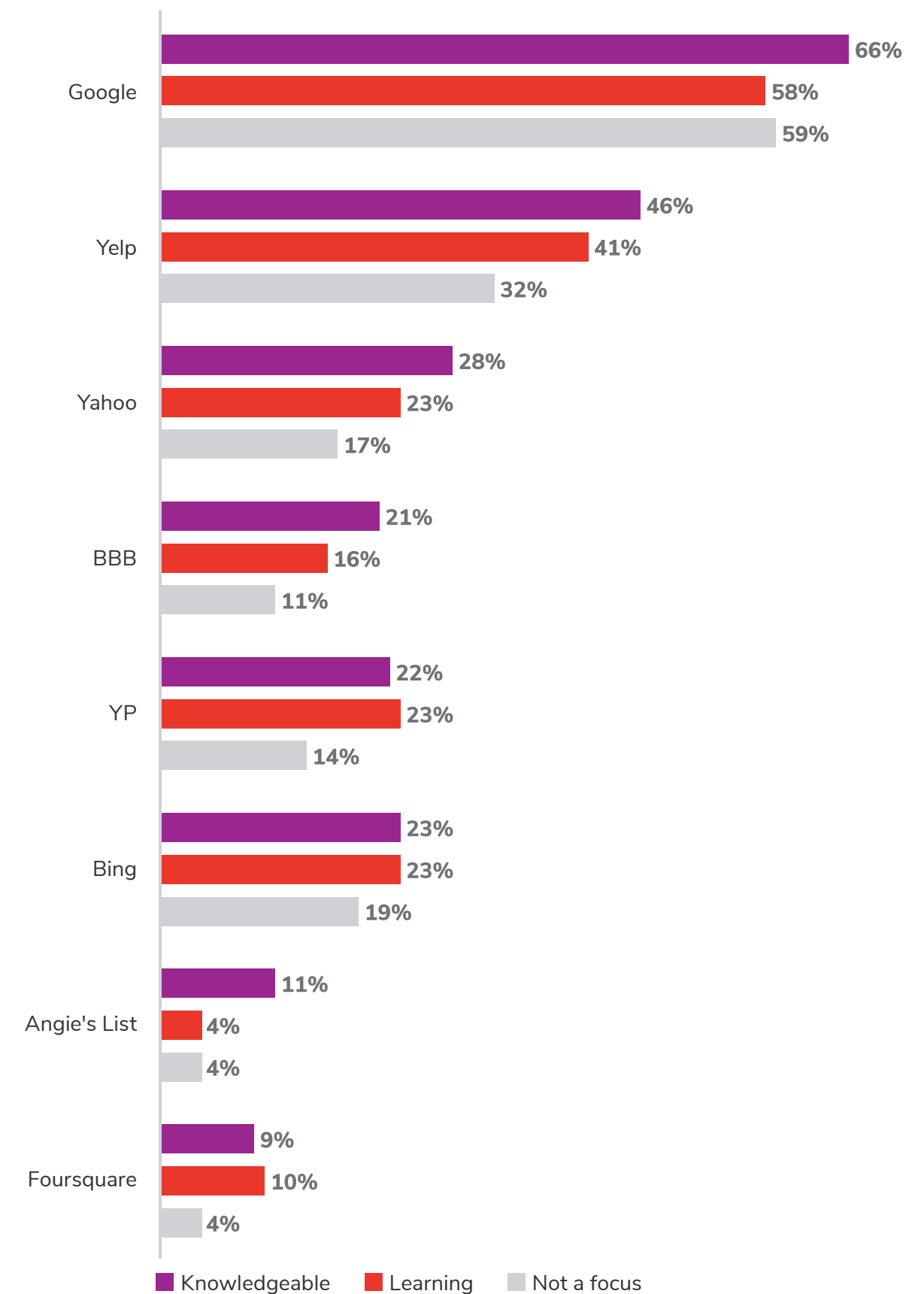
Reap the Rewards for Having a Local (Online) Presence

Performance in local search involves defining everything that's specific to your partners' business locations across a wide variety of listings across the Internet. The following items must be consistent and correct:

- **NAP Data:** Consists of data elements core to a business location, including business name, address, and phone number
- **Latitude/Longitude:** Latitudinal and longitudinal coordinates comprise your pin data, making it possible for your business location to appear accurately on mapping apps
- **Business Category:** This describes what type of business you are
- **Business Description:** This is a brief description of what you do
- **Hours of Operation:** These are your regular hours and any seasonally-affected changes, i.e. holiday hours
- **Attributes:** Includes offerings like "Has Wi-Fi" and "Offers outdoor seating," which tell customers more about your business

Claiming your local Google My Business listing is both easy and essential, but you need to go beyond that and make sure that your partners' Yelp, Yahoo, Foursquare, YellowPages, Bing, and other geo-, industry-, and region/city-specific sites and directories are up to date and consistent. In addition to NAP data, these pages include links to your local website, text/photo/video content, and ratings and reviews that are all part of the holistic presence of your local business online.

Online Business Listings Claimed by Partners





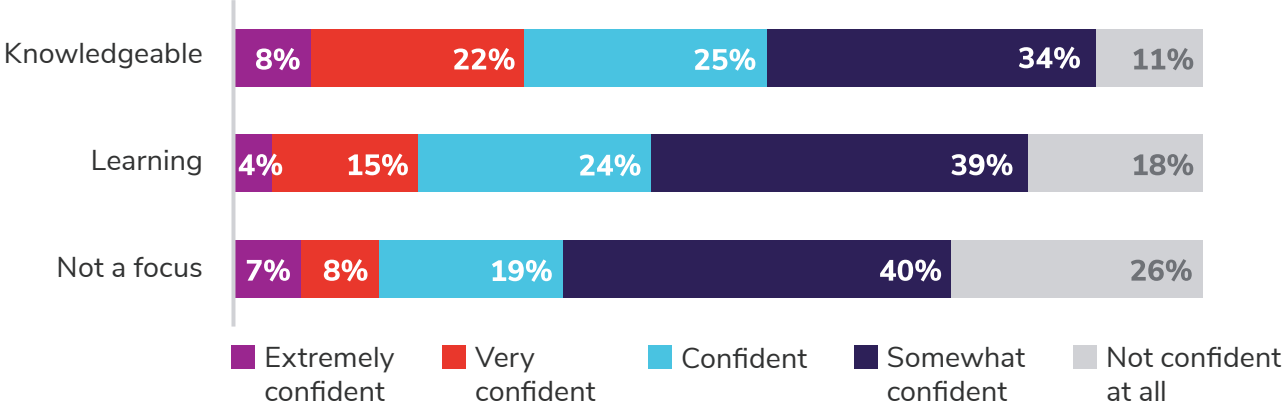
Google pulls information about local businesses from these platforms to answer immediate search queries that may influence a decision in favor of your brand. From voice search to type search, if your information isn't present, your location isn't either. If your data isn't accurate, your customers are either frustrated or may not even realize you are available as a local option.

Even among the most knowledgeable partners, there is low confidence that local business listings are up-to-date. These listing are another piece of low hanging fruit, just waiting to be picked.

MuscleBuilder

- What is your action plan to ensure local listings are accurate and up-to-date?
- How will you educate your partners on how to complete these tasks or will you take it upon yourself?
- If you decide that your partners are responsible for their own listings, what incentives can you provide to ensure these tasks are successfully completed?
- Would engaging a vendor to complete and monitor your local SEO be a better course of action?

Confidence Business Listings are Consistent, Accurate, and Up-to-date



Like Me, Love Me. Uh-oh, They Want More of Me!

Partners view Facebook as the most effective social tactic, but success at this party requires more than showing up with a bag of BBQ chips. Like any great social function, Facebook demands you wear the party hat, greet the guests, and tell them how the family's doing. **Partners who are fully engaged with their community, by claiming their page, posting regularly, and advertising find it twice as effective as those who claim their page or post regularly.** On the growth trajectory, partners showed an average 33% increase in performance by engaging with their community than not, either through advertising, direct engagement or both. Participation pays off at Facebook's party.

Success Story // Local Social Media Management Powering digital executions for more social marketing ROI

- 260% Increase in User Engagement
- 207% Increase in Average Monthly Interactions
- 70% Opted-in to the Automated Content Delivery Solution

MuscleBuilder

- With Facebook having the majority of partner attention, how can you design and fund your co-op program to achieve mutual success?
- Do you have content or educational programs about social media best practices that you can share with your partners?
- How will you educate your partners on claiming pages and the appropriate actions to take when fans/foes submit share reviews/responses?
- Are there partners who can help you not only manage, but maximize the potential in this area?

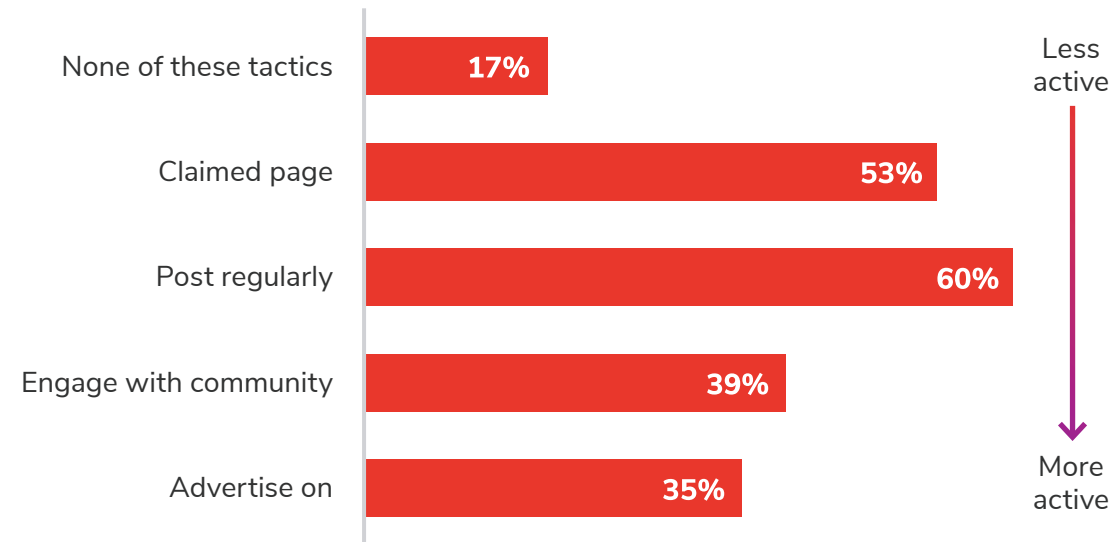


“ There's a reason we have one of the most loyal customer bases in America. Our dealers have the BrandMuscle tools to engage locally on social channels, with featured entertainment, anniversary rewards, courtesy plan checks, 'just because' perks, and new friends and family plans. ”

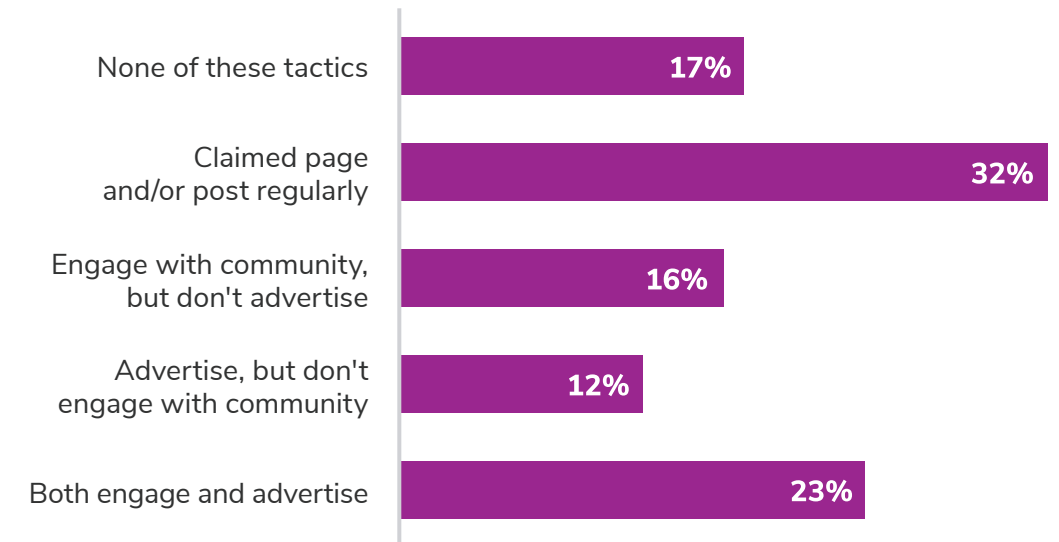
- VP of Brand, Advertising & Social,
Fortune 500 Telecommunications Company



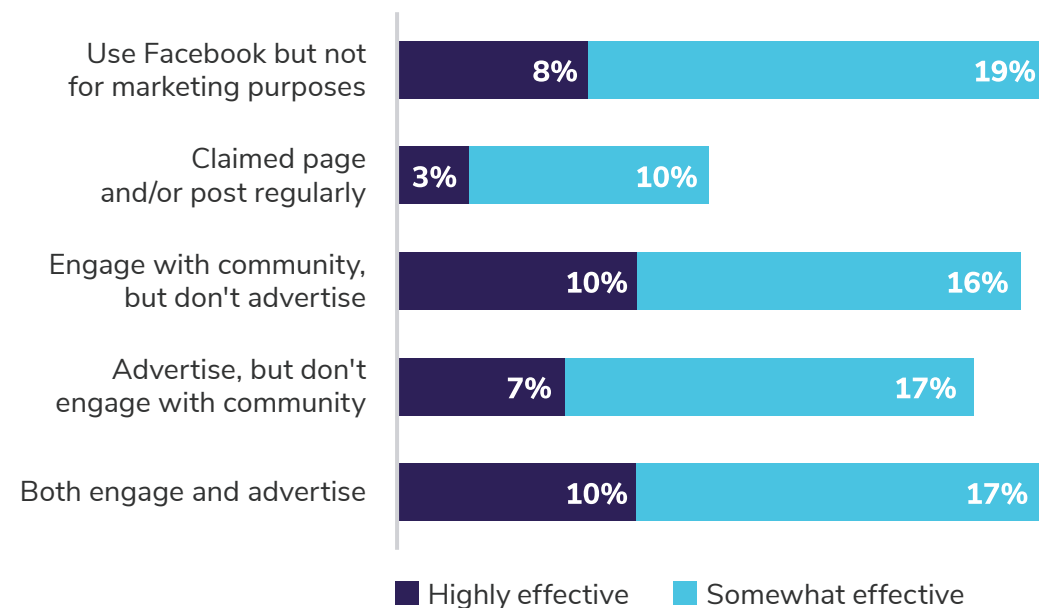
Percentage of Partners Using Facebook Tactics



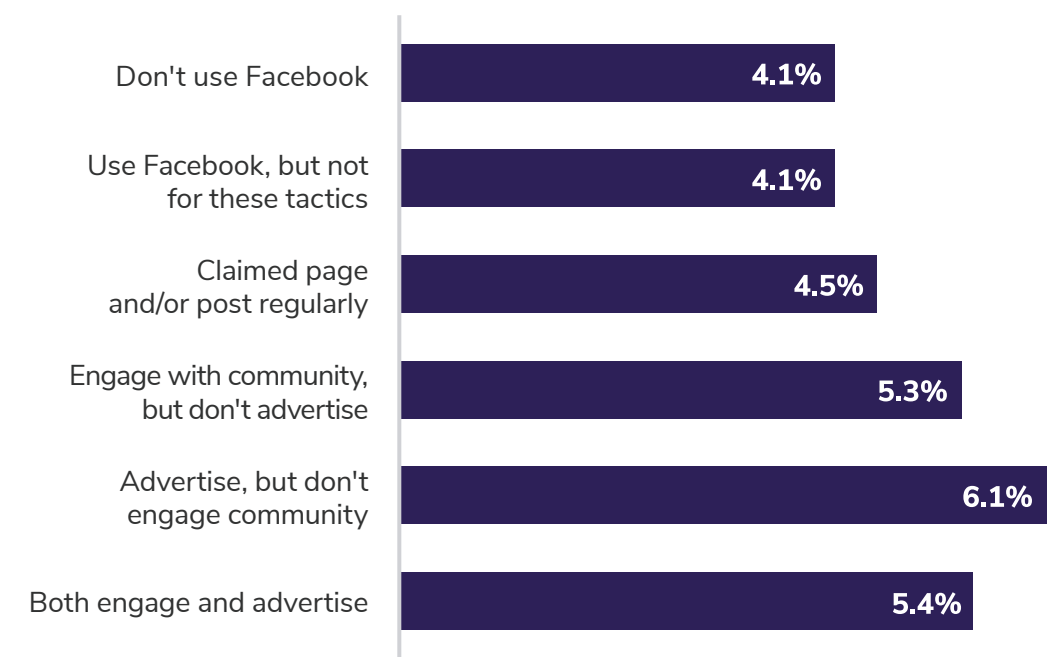
Creating Usage Buckets Based on Level of Active Engagement



Perceived Effectiveness of Facebook Based on How Using Facebook



Past Year Partner Business Growth



Content Dimension: Quality + Relevance

It's Time to Get Personal

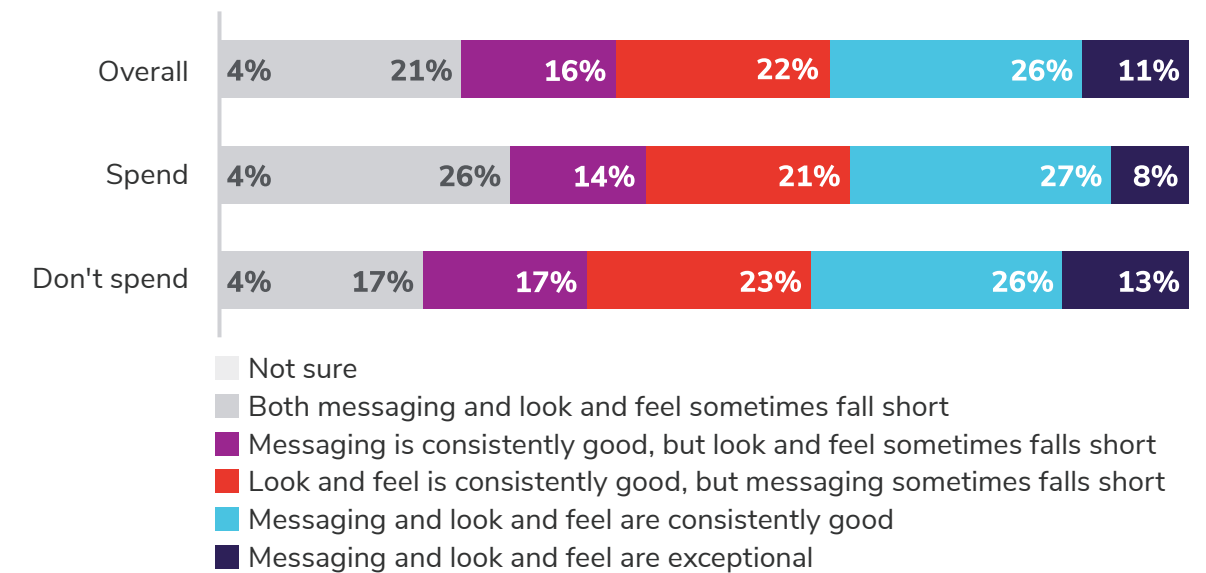
A fifth of your partners aren't satisfied with the content you're providing, but the number that should alarm you is the quarter who continue to invest their own money to amplify your program. These are the performers who contribute to your growth. Now, let's add in the categories that don't differentiate by spend – those partners who perceive either look and feel, or messaging falls short at times. When you combine them, **58% believe that one or both of the quality of the messaging, and/or the look and feel, don't meet expectations.** Your partners watch as technology makes customization and personalization increasingly possible. They want these capabilities too at the local level.

Your partners also say your content doesn't speak to their local audience. Nearly half of your partners perceive the content as being too generic, and 12% find the static corporate-created content you provide is irrelevant to their local markets. This perception does not differentiate between those who spend in the program and those who do not. **It's a strong overarching feeling that they've been provided blanket content.** Consider this a call for help and an opportunity to increase the number of creative options you provide or variable template areas, particularly in the areas of images, where rural areas may identify with different creative than urban, and southern different with northern.

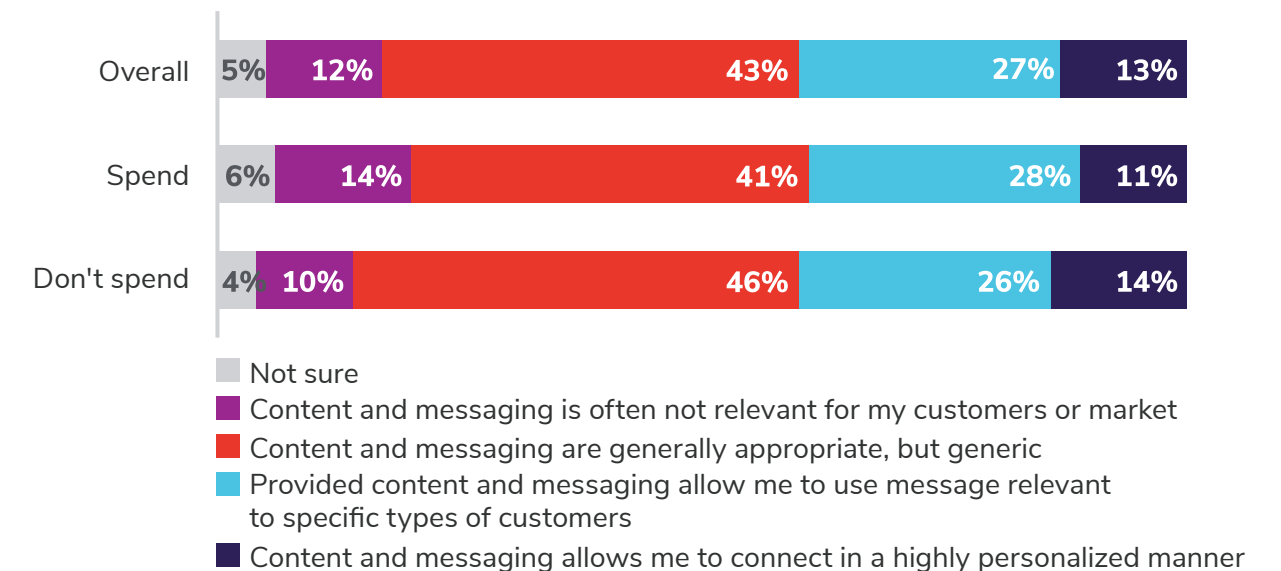
MuscleBuilder

- Do the look and feel, and messaging of your advertisements resonate with all intended audiences?
- How strict are your template guidelines? Do you have room to allow for more variable areas?
- Are your campaign images created with the breadth of your audience in mind?
- How can you create guidelines and fields that allow for further personalization, while maintaining corporate branding?

Perceived Content Quality



Perceived Content Relevance



Nearly **2 in 3** partners who invest their own money have some level of dissatisfaction with content

**Administration Dimension:
Tools + Processes & Policies**

Just So There's No Confusion: Keep It Simple

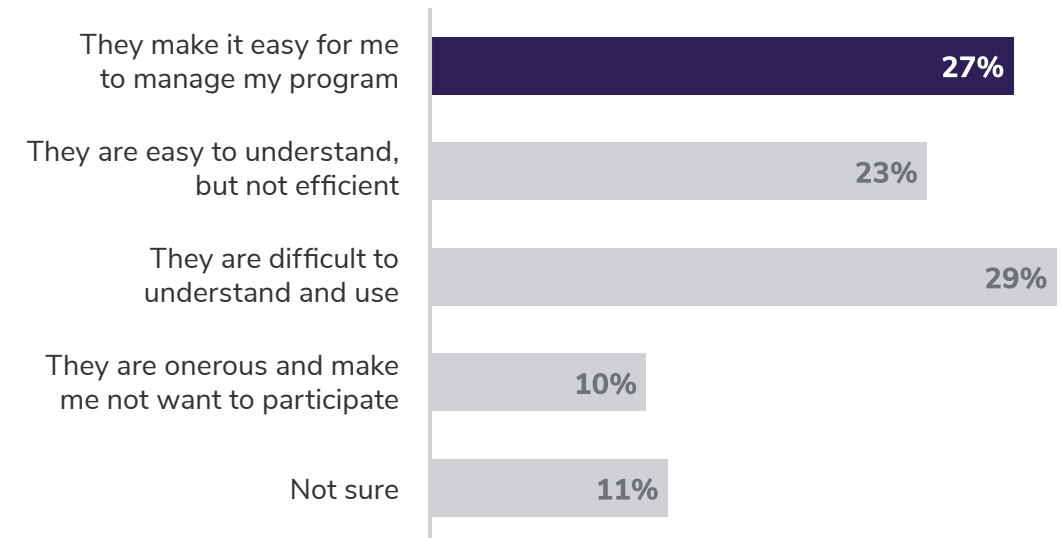
Complex policies and technology invite abandonment. Whether we're talking rules or tools, your partners are generalists whose income depends on the day-to-day function of their business, and you cannot expect them to expend extraordinary effort deciphering the elements that make your program tick.

Partners reacted so widely to our questions on ease of policy, that we can't tell if a problem of perception exists, or if there are actual complications in their workflows. What is clear, is that there is a knowledge gap for some portion of every marketer's partners.

Improved communication, improved efficiencies, and, certainly, improved training could help clear up the complex and improve operational efficiencies. By simplifying your structure and providing necessary guidance, you'll make marketing objectives more accessible and achievable for your partners.

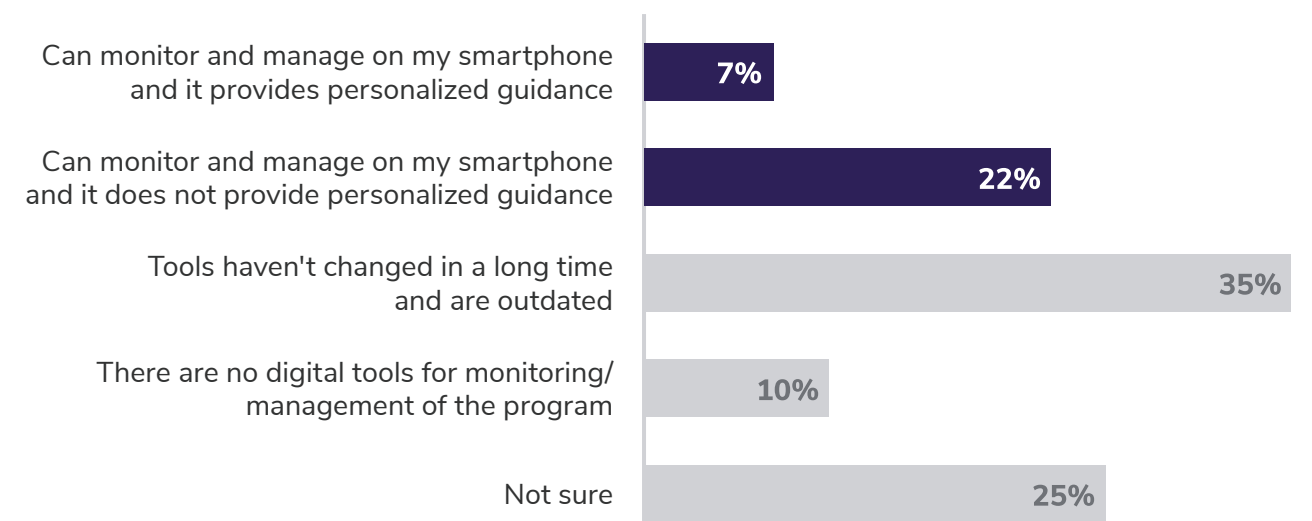
While technology doesn't necessarily make or break a program, you want to create a greater alignment among your partners and increase program participation, and we know that one of the things holding them back is time. By providing technology with a friendly user-experience, you'll make your program easy for the local partner, which leads to increased participation and spends with your program.

Perceptions of Policies and Procedures



Just **27%** feel policies and procedures make it easy to manage their program

Perceptions of Tools for Managing the Marketing Program



Just **29%** feel their tools are up-to-date

Success Story // Brand Management Tools

Simplifying brand management increases adoption and measurable ROI

- 200% Lift in Franchisee Usage in the First Two Months of Implementation
- 74% of Franchisees Used the System Within Six Months
- 300% Lift in Total Number of Campaigns Downloaded or Created

MuscleBuilder

- Are your templates programmed to auto-populate across chosen tactics to save your partners the time of updating each individually?
- Are your templates consistent for look, integrated messaging, feel, and functionality?
- Can partners go back and edit commonly created materials, or do they have to start from scratch every time?
- When is the last time you calculated the risk of your approval process?
- How many dollars do complex, hierarchal approval processes cost your brand?
- Have you ever thought about monitoring the perceived level of "effort" it takes to use the funding and resources you provide?

“ BrandMuscle gave us what we wanted, but in many cases it was better than what we had initially envisioned. ”

- Field Marketing Manager, Fortune 100 Home Services Provider

What Will It Take To Make You The Leading Brand In Local Communities?



Focus on Those Partners who Value Marketing

Amplify your investment by helping those partners who want to be helped. Partners value co-op dollars; you value the partners' commitment to marketing. Partners see a helping hand from you and free money, so put that money to work for you both. Ask your partners to put skin in the game. By adjusting your co-op guidelines to include a marketing knowledge qualifier to the allocation of funds, you will get more power from your investment.

Set Your Goals on Raising the Performance of the Middle Tier

Your budget will be best spent helping elevate those partners who are performing good to performing great. Do they need to learn why it is important to invest their own time and money, or do they need to learn more about marketing? Either way, invest in getting them on the proper educational track as part of your program and watch the broad impact it will have not just for them, but also for your business. Your marketing funds alone will not improve the results of the lowest performing partners. They have to help themselves first. A one size fits all program doesn't work. Start thinking about configurable co-op programs. Implement incentives into your formula for determining the funds partners receive, and align those incentives to both the time and financial resources that partners invest on their own.

Attack the Digital & Social Low-Hanging Fruit

Partners recognize that using digital and social media makes it easier to track ROI, which these tactics a huge area of opportunity. Investing in digital and social tactics, plus training your partners on how to effectively execute, monitor, and optimize campaigns on these platforms, can make a positive impact in the short term.

Assess Your Own Level of Local Marketing Maturity

By assessing your own level of local marketing maturity you'll be able to understand and pinpoint the areas where you can achieve the greatest impact. Visit <https://www.brandmuscle.com/local-marketing-maturity-assessment> to complete our free, online assessment. We'll share your results with you as well as reconsiderations for making improvements.

In its fifth edition, BrandMuscle's State of Local Marketing Report provides the single, most comprehensive study on local marketing practices and outcomes. This multi-year research analyzes key trends impacting marketing leaders and identifies opportunities for growth. This year's report identifies the six program dimensions and 15 related competencies needed to deliver the greatest local marketing impact.



BrandMuscle Is The Leader In Integrated Local & Channel Marketing.

BrandMuscle is the leader in integrated local and channel marketing, serving over 300 of the world's top brands, with 1,000 professionals in five offices globally. The BrandMuscle Integrated Local Marketing Platform enables brands and their local marketing partners to deliver the greatest marketing impact to each individual customer. BrandMuscle simplifies and scales digital and physical marketing execution, enabling brands to acquire and retain the best customers, build loyalty, enhance lifetime customer value, and maximize ROI. To learn more, call (866) 464-4342, visit BrandMuscle.com or follow on Twitter, Facebook or LinkedIn.

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