

Outdoor Advertising Opportunities in Micropolitan Regions

John C. Kozup and Charles R. Taylor

Villanova University

Jimmy McAndrew

CEO, Magic Media, Inc.

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Overview

Micropolitan regions have been traditionally been an underserved market segment. Those living in areas traditionally thought of as rural, but that have been characterized by growth represent an important target audience (Taylor 2000). Many businesses have caught on to the increasing importance of micropolitan areas. Consequently, more attention needs to be paid to how to effectively advertise to consumers in these areas. Outdoor advertising is especially well suited to reaching consumers in a micropolis given the geographically dispersed nature of the target audience and the opportunity for billboards to deliver high reach and frequency in these markets. Additionally, given that increasing media fragmentation extends to the micropolis, outdoor provides an opportunity for the ad to be easily noticed by a large number of consumers. For many businesses, outdoor advertising represents the best alternative for reaching consumers in these markets in a cost-effective manner.

Introduction

The growth in recent years of non-metropolitan areas has led the Office of Management and Budget (OMB) to redefine a rural area that meets certain criteria as a micropolis (OMB 2003). A micropolitan statistical area (MicroSA) is typically defined as an urban cluster with 10,000 to 50,000 people (Frey et. al 2004). There are currently 573 micros, encompassing nearly a fifth of all U.S. counties (690 counties). Micropolitan and metropolitan areas combined now account for 93% of the U.S. population and 46% of the land area. Over 28 million people now reside in micropolitan areas (Lang and Dhavale 2004) comprising 60% of the total non-metropolitan U.S. population. Many of these areas are experiencing population growth. Six of the nations 25 fastest growing counties lie in micropolitan areas (Belsie 2003). Many of the formerly rural areas are gaining prominence by their Census designation leading to increased economic development (Belsie 2003). The growth and economic development of micropolitan regions provides opportunities for the outdoor industry.

One major advantage of micropolitan areas is the composition of a typical micro. Most micropolitan areas lack the large central city required by OMB as a standard for a metro area. Commuting criteria is a key basis for an area to receive a micropolitan designation (Frey et al. 2004). Micros have a small central city that compares with many modest sized towns. An extensive periphery surrounds most micros with only 31.6 percent of micro residents living in their core (Lang and Dhavale 2004). This periphery presents an opportunity for outdoor advertising through increased traffic flows. Thus, both individuals traveling through the micropolis looking for services as well as those living in the micropolis can be effectively reached by billboards.

Consumers living in a micropolitan region are highly dependent on the automobile in order to obtain the goods and services they consume. These consumers generally must travel longer distances to get to the retail and service businesses they patronize. As a result, outdoor advertising, which appears in an uncluttered environment in these areas, provides a tremendous opportunity to reach consumers in a business' trade area. Moreover, consumers can be exposed to the message frequently, providing an advantage that cannot be duplicated by most other media. In an increasingly fragmented media environment in which the consumer may have access to satellite radio, cable or satellite television, the internet and numerous print media outlets, the visibility of outdoor advertising allows the advertisers message to stand out.

As academic research has shown, outdoor advertising can be used both to provide directional information to a place of business and/or to provide a wide variety of types of information about a business, including information relating to product/services offered, prices, quality, variety, supply limitations, method of payment and many others (Taylor 1997). Both of these functions are particularly important for reaching consumers in extended trade areas. Consumers very frequently become aware of the existence of a business due to signs (Taylor, Claus and Claus 2005) and repeated exposure reinforces this awareness. Consumers also may learn about what the business has to offer at both the point in time they are considering a purchase as well as in geographic proximity to the business when exposed to a billboard.

The growth of the micropolis throughout the U.S. also provides opportunities for producers of manufactured products. With a market that is rapidly approaching 30

million consumers, advertisers can get their message out to a growing group that has been traditionally underserved by marketers for a very reasonable cost.

Geographic Placement of Micropolitans

The Eastern half of the U.S. is now substantially filled by metro and micro areas. Few open areas remain in the east without micros. These regions are the upper great lakes, northern Maine, and the central Appalachian Mountains. Micropolitan areas blend with metropolitan areas to a great extent in the Midwest and Southern U.S. Most micropolitan regions lie in the South (43%) and Midwest (34%). Interstate highways that pass through the Rockies and Great Plains often lined with multiple micropolitan areas while remaining at an extended distance from a major metro area. The average distance between a micropolitan area and a large metro is 127 miles with the 25 most remote micro regions are situated at least 275 miles from a large metropolitan area (see Table 1) (U.S. Census 2004). This remoteness factor presents a growing opportunity for outdoor placement and reach. For example, U.S. 377, located on the outskirts of Granbury, Texas, now has 33,000 cars traveling it daily; up 38 percent from ten years ago (McCarthy 2004).

Growth in Micropolitan Regions

As previously mentioned, micropolitan statistical areas typically range in population from 10,000 to 50,000 people. However, micros can exceed over 100,000 residents and the average micro reached 51,179 in 2000, up from 46,596 in 1990 (Lang and Dhavale 2004). For example, the largest micro is Torrington, Connecticut with over 180,000 residents, which places it above 103 U.S. metropolitan statistical areas (Frey et

al. 2004). Three quarters of micropolitan areas gained population between the years 1990 and 2000. Certain pockets exceeded greater than 50% population growth (see Table 2) (McCarthy 2004). Many micropolitan and metropolitan areas substantially overlap. The fastest growing micros are termed minimetros (Lang and Dhavale 2004) and are situated near large, fast-growing metropolitan areas. This leads to a large commuting culture that may work in a metropolitan area but still resides in a micropolitan area. The opportunity for increased travel time and traffic flows in these areas leads to substantial opportunities for the outdoor industry and businesses overall. Businesses are expanding in many of these formerly rural areas. Wal-Mart, Starbucks and Holiday Inn Express are some of the chains that target micropolian regions for growth. For example, Sedalia, MO (population 24,300) is home to national chains such as Lowe's Warehouse, Wal-Mart and Applebee's in addition to a new art museum. Outdoor advertising provides a highly efficient mechanism for reaching consumers within the trade areas of these businesses, particularly on a cost per thousand exposures basis.

Economic development is key to the growth of micropolitan regions. *Site Selection* magazine awarded the Statesville-Mooresville, N.C. micropolitan region as the Top Micropolitan of the Year for 2004 based on corporate development. The Statesville-Mooresville-region had 24 corporate development projects in 2004 (Starner 2005). Sample industries investing in the region include the NASCAR motorsports and the furniture industry. Micropolitan regions situated in the South and Midwest are quite attractive from a corporate development standpoint, bringing jobs and related service industries to those regions. Nine of the top 10 regions for corporate expansion are situated in the Southeast and Midwest regions of the U.S. (Conway Data Inc. 2005) (see

Table 3). This presents lucrative opportunities for outdoor placement in these growing micropolitan regions.

Characteristics of Micropolitan Residents

Ex-metropolitan commuters make up a significant component of micropolitan residents (McCarthy 2004). A greater percentage of micropolitan residents are older than their metropolitan counterparts. A greater percentage of micro residents are married versus metropolitan residents. Micropolitan consumers have been described as having disposable income and lower mortgage balances (McCarthy 2004). Median income in many micro areas is rising which correlates with increased travel times to employment and increased exposure to outdoor advertising.

These attractive demographics: a growing market characterized by many families with relatively high disposable incomes that are growing, provide clear opportunities for marketers. Outdoor advertising provides an excellent means of reaching the consumer in the micropolis. This is true both for businesses that operate nationally, who can target consumers across different micropolis areas, as well as those businesses who operate in a single micropolis. Indeed, because of the low cost per thousand exposures in comparison characteristic of outdoor advertising, the medium offers good value to many advertisers targeting consumers in the micropolis.

Conclusion

Micropolitan regions present opportunities for outdoor advertising. Growth rates in selected regions are leading to a large market characterized by attractive demographics. The ability of outdoor advertising to effectively reach consumers at a reasonable cost both within a given micropolis and across multiple areas represents a

substantial opportunity for marketers. Greater geographic dispersion coupled with increased mobility of the micropolitan consumer make outdoor advertising attractive to advertisers. Additionally, in contrast to other media, outdoor advertising appears in an uncluttered environment that allows for very high levels of reach and frequency. Given recent media trends, advertisers targeting consumers in the micropolis are well advised to use outdoor advertising.

Table 1: Top Ten Least Remote Micropolitan Regions

Town	Population 1990	Population 2000	% Change	Region	Closest Metro	Distance (miles)
Willimantic, CT	102,525	109,091	6.40	NE	Providence	24.41
Albemarle, NC	51,765	58,100	12.24	S	Charlotte	25.19
Lancaster, SC	54,516	61,351	12.54	S	Charlotte	27.72
Batavia, NY	60,060	60,370	0.52	NE	Rochester	31.07
Beaver Dam, WI	76,559	85,897	12.20	MW	Milwaukee	31.31
Mount Vernon, OH	47,473	54,500	14.80	MW	Columbus	32.62
Watertown, WI	67,783	74,021	9.20	MW	Milwaukee	33.30
Torrington, CT	174,092	182,193	4.65	NE	Hartford	34.04
Indiana, PA	89,994	89,605	-0.43	NE	Pittsburgh	35.26
Marion, OH	64,274	66,217	3.02	MW	Columbus	35.64

Table 2: Top Ten Fastest Growing Micropolitan Regions

Town	Population 1990	Population 2000	% Change	Region	Closest Metro	Distance (miles)
Silverthorne, CO	12,881	23,548	82.81	W	Denver	65.29
Pahrump, NV	17,781	32,845	82.70	W	Las Vegas	145.58
Edwards, CO	27,935	49,471	77.09	W	Denver	90.07
Palm Coast, FL	28,701	49,832	73.62	S	Jacksonville	62.11
The Villages, FL	31,577	53,345	68.94	S	Tampa	37.94
Jackson, WY- ID	14,611	24,250	65.97	W	Salt Lake City	242.21
Lake Havasu, AZ	93,497	155,032	65.81	W	Las Vegas	78.18
Cedar City, UT	20,789	33,779	62.48	W	Las Vegas	160.21
Branson, MO	44,639	68,361	53.14	MW	Kansas City	165.39
Heber, UT	10,089	15,215	50.81	W	Salt Lake City	45.36

Table 3: Top Micropolitan Regions for Corporate Facility Projects

Micropolitan Area	Rank	Number of Corporate Development Projects
Statesville-Mooresville, N.C	1	24
Traverse City, Michigan	2	20
Cullman, Alabama	3	18
Plattsburgh, N.Y.	4	15
Hutchinson, Kansas	4	15
Tupelo, Mississippi	6	14
Batavia, N.Y.	7	12
Lexington-Thomasville, N.C.	8	11
Paducah, KY-Ill.	9	10
Zanesville, Ohio	9	10
Albert-Lea, Minnesota	9	10

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