

Yellow Pages Users Spend More than Average Consumers



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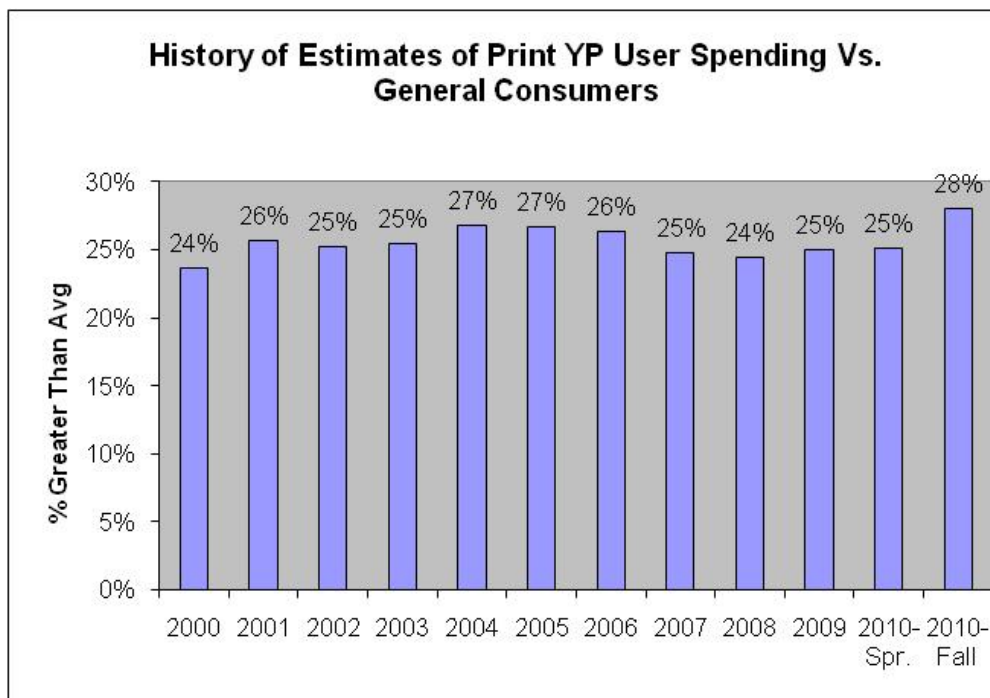
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An analysis of the most recent Simmons consumer spending behavior study once again confirms two major observations about Yellow Pages users:

1. **Users of Print directories spend about 28% more than the general consumer.**
2. **Users of the Internet Yellow Pages spend about 32% more than the general consumer.**

In a nutshell, Yellow Pages' products – both print and online – help businesses reach their most valuable customers and prospects!!

For more than a decade, data from the Simmons National Consumer Survey have consistently shown that users of Print Yellow Pages headings spend about 25% more than average consumers. Data from the 2010 Fall Simmons release reaffirm that conclusion. The data also show that users of Internet Yellow Pages headings spend about 30% more than average consumers – about the same as observed a year ago. The figure below shows the history of estimates for print for the past 10 years. Data have only been available for IYP at the heading level for the past 3 years.



Source: CRM Associates analysis of Simmons & MRI data for each year.

Higher levels of spending are observed by Yellow Pages users for about 75 out of 90 top headings. Specific differences in spending levels vary by heading.

The table below reports the spending level for both Print (PYP) and Internet Yellow Pages (IYP) users compared with all customers for each of 91 categories based on analysis of the most recent Simmons database.

The reason that Yellow Pages users spend more varies by heading. Users of the Pizza heading (PYP), for example, spend about 50% more per year than average Pizza customers due to higher frequency purchases. Users of the Mattresses heading spend about 10% more per year (28% for IYP users) than average due to purchase of more expensive mattresses. Users of the Furniture heading spend about 71% more (27% for IYP users) than the average furniture customer due to both purchase of more furniture items and purchase of more expensive items.

Overall, consumers appear to be spending about the same or less per purchase due to the weak economy, but the Yellow Pages users continue to spend more per category compared with all consumers.

Yellow Page User Expenditures vs. Average Customer Expenditures

Sources: Simmons Fall 2010

Heading	PYP Users	IYP	Sources & Notes
	% G.T. Avg.	Users % GT Avg	
Air Conditioning	10%	31%	(\$ spent A/C, Cleaning, Humidifiers'; max=2500)
Airlines	40%	46%	(amt spent last trip, max=1500); users take 16% more trips; spent 21%,26%more)
Amusement Parks	37%	8%	(based on # days in theme parks// Theaters-Amusements heading)
Auto Dealers - New	12%	18%	(\$ spent)
Auto Rental	-14%	20%	(based on # rentals)
Bakeries	39%	35%	(based on # visits to Bakeries (Au Bon Pain, Dunkin Donuts, Krispy Kreme, Panera Break; & Break purchases)
Banks	40%	2%	(US Sav Bonds + money market)
Bedding, Bath & Linens	14%	51%	(\$ spent)
Bicycles	19%		(MRI - \$ Spent)
Blinds	114%	63%	(\$ spent; limit 1250)
Books	14%	10%	(# books purchased)
Building Contractors	86%	173%	(\$ spent - home improvements, max=10000)
Building Materials	46%	114%	(\$ spent - home improvements, max=10000)
Camping Equipment	20%		(MRI - \$ Spent)
Carpet Dealers	75%	29%	(\$ spent; max=1500)
CDs and Tapes	56%	30%	(avg monthly bill)
Cellular	6%	14%	(avg monthly bill)
Church Contribution	4%	5%	
Computer Dealers	-17%	-8%	(\$ spent; max=3500)
Computer Software	19%	21%	(\$ spent-purchasers; max=750)
Contractors-general	86%	173%	(\$ spent - home improvements, max=10000)
Countertops	2%	27%	(\$ spent; max=2000)
Cruises	21%	-8%	(based on # of cruises * \$ spent per person; max=2500)
Decks, Patios, Porches	3%		(\$ spent - gen contractors; max=2000)
Department Stores	7%	10%	(based on frequency of visits)
Doors	-13%		(\$ spent - garage doors (max 1500) & openers)
Draperies & Window Coverings	102%	110%	(\$ spent; max=1500)
Electric Contractors	57%	37%	(\$ spent - lighting fixtures)
Fence	36%		(MRI - \$ Spent)
Financial Services	99%	15%	(value of investment portfolio vs. average; max = 125k)
Floor Materials	39%	42%	(\$ spent; max=1500)
Florists	9%		(MRI - \$ Spent)
Furniture	71%	27%	(\$ spent-detail; some to max=1500)
Games & Toys	97%	124%	(Games & Toys - purchasers; detail)

Heading	PYP Users % G.T. Avg.	IYP Users % GT Avg	Sources & Notes
Garage Doors & Openers	5%		(\$ spent)
Garden/Lawn			
Supplies/Nurseries	10%		(MRI - \$ Spent)
Grocery/Supermarkets	6%	18%	(based on shop freq index * \$spend index)
Gutters & Downspouts	11%	38%	MRI \$ spent (Gen Contractors)
Hardware Stores	3%	34%	(\$ spent - home improvement)
Heating Contractors/Furnaces	27%	-21%	(\$ spent-purchasers; max=2500)
Home Improvement	86%	173%	(\$ spent - home improvements, max=10000)
Insulation			
Contractors/Materials	115%		(\$ spent Insulation; max=2000)
Insurance-Life	-24%	17%	Value of policy
Insurance-Homeowner	-11%	1%	Value of policy
Insurance-Auto	-8%	-1%	Value of policy
Jewelry	25%		(MRI - \$ Spent)
Kitchen Cabinets	16%	18%	(\$ spent, max=2500)
Lawn & Garden Maintenance	13%		(MRI - \$ Spent)
Lighting Fixtures	29%	46%	(\$ spent)
Locks & Locksmiths	-29%	-22%	(\$ spent)
Lumber	25%	6%	(\$ spent; max=1500)
Mattresses & Boxsprings	10%	28%	(\$ spent; no bedframes; limit=1250)
Motels/Hotels	-3%	25%	(based on total nights over a year; limit=15)
Musical Instruments	26%		MRI - \$ on piano purchase (based on frequency of visits -avg of Off. Supp stores+Home Furnishing stores)
Office Furniture & Equip.	31%	36%	(based on frequency of visits)
Office Supplies	33%	30%	
Optometrists/Optical Goods	5%		MRI \$ avg of eyeglasses & contact lenses
Paint	33%		MRI # gal purchased
Painting Contractors	38%		MRI \$ spent
Pharmacies	22%	35%	(based on higher shopping frequency)
Photographic Equip.	37%	37%	(based on avg. still camera cost; also, heading users own 45% more still cameras)
Physicians	50%		(MRI # visits)
Picture Frames	218%		(based on \$ spent)
Pizza	53%	7%	(based on # visits)
Plumbing			
Contractors/Supplies	2%	49%	(bsaed on \$ spent)
Plumbing Fixtures	1%	39%	(\$ spent)
Restaurants	20%	20%	(# family visits)
Restaurants - takeout	66%	36%	(# of fast food visits)
Roofing contractors	15%	18%	(\$ spent, max=2500)
Sheds	65%		(\$ spent, max=1500)
Shopping Centers	8%	11%	(based on frequency of visits)

Heading	PYP Users % G.T. Avg.	IYP Users % GT Avg	Sources & Notes
Siding Contractors/Materials	10%		(\$ spent; max=2500)
Signs	-2%	25%	(based on # of visits)
Sporting Goods	8%		(MRI \$ spent)
Stereo & Hi-Fi Equip	16%	22%	(based on avg. \$spent MP3/digital devices + index \$visits)
Telephone Companies	24%	21%	(avg. monthly phone LD+reg bill)
Telecommunications Equip.	42%	0%	(based on avg \$ spent - retail, speakerphone, cordless)
Theaters	0%	5%	(based on # seen last 90 days)
Tile-Ceramic	40%	-4%	(\$ spent; max=1500)
Tires	1%	17%	(\$ spent total Tire Dlr's, Auto Drl's, Auto Repr avg;)
Toys	97%	124%	(\$ spent)
Travel Agencies	16%	16%	(amt spent on last trip-avg domestic & foreign)
Tree Service	22%		(\$ spent; Spr 03)
TV	-28%	21%	(\$ spent-purchasers)
Video Games	10%	26%	(\$ spent - purchasers)
Video Recorders	-1%	-5%	(\$ spent)
Video Tapes/DVD rent/own	39%	24%	(based on # DVD rented last 3 mo)
Wallpaper	-8%	14%	(% spent)
Watches	10%	17%	(\$ spent)
Water Heaters	27%	8%	(\$ spent)
Windows	31%	15%	(\$ spent; max=2000)
Average:	28.8%	32.0%	

Source: Simmons National Consumer Survey, Fall 2010

Data Sources

The conclusion that Yellow Pages users spend more than average customers is based on analysis primarily of Experian/Simmons data but supported with past analyses of MRI data. Both sources are nationally recognized research firms that collect in-depth information about consumer purchasing and shopping patterns. Both sources separately interview over 25,000 consumers each year. The analysis of Simmons data has been conducted in each of the past 10 years with consistent results each year. MRI data were examined for the three years from 2004 to 2006, and showed similar results to the Simmons data in each of those years. While some variations exist for individual headings, both sources lead to the same conclusion that Yellow Pages users – both print and online - are valuable customers.

Methodology

Both Simmons and MRI ask consumers about their spending levels for a broad number of product and service categories. Simmons queries consumers about their use of over 130 headings for both paper and Internet Yellow Pages directories. Spending levels of consumers that use a given heading are compared with spending of all consumers for the products and services related to that heading.

Do These Results Make Sense?

Many advertisers perceive that users of the Yellow Pages are low-end price shoppers. The data indicate that while they may ask the price question, Yellow Pages users are willing to spend their money when they are convinced of the value. They ask the “price question,” but users are really asking “where can I get the most value for my money?” **Yellow Pages users are, in reality, some of advertisers’ most valuable customers.** The challenge for advertisers is to communicate the value of their businesses so that price becomes a secondary issue.

Yellow Pages users spend more because their purchases tend to be need driven – not advertising or promotion or discount driven. Over three-quarters of Yellow Pages uses are by people experiencing changes or events in their lives. People shop more and spend more during these events and times of change. Because the event or change is driving the need for the purchase, these customers are more willing than others to pay full price. Of course, being smart and thorough shoppers, these same consumers will never walk away from the chance to get the same product or service at a lower price.

The shopper using the Yellow Pages’ Bicycle heading, for example, is more likely to buy a \$500 bike from a bike dealer than an \$120 bike from Wal-Mart. Similarly, users of the Restaurant heading are more likely to be looking for a nice restaurant to celebrate an anniversary or entertain visitors than a fast-food chain restaurant.

Bottom Line

Yellow Pages may be singularly the most targeted advertising medium available to businesses. Eight out of ten people that seek out Yellow Pages plan to make a purchase. These customers are the most valuable customers of many businesses – because of the need-driven nature of their purchases and the customer’s willingness to spend more once they are convinced of the value delivered by the business.