

The Impact of Color on Yellow Pages Ad Performance



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Color is a powerful tool. Its value results not from whether it is used in an ad, but from how it is used in the ad. Color can make key information in ads stand out; color can attract attention to an ad; color can help organize information and make the ad easier to read; and color can enhance the ad content by imparting and reinforcing messages difficult to convey simply through words. Color can help a business appeal to a specific targeted audience. Color can capture and communicate the "personality" and character of a business when used effectively.

The Metered Ad database allows us to address the question of whether use of color increases the calls that can be expected from an ad in the Yellow Pages. The 2011 Yellow Pages Metered Ad Study has results for over 147,000 local display ads from the past 2 years. Approximately 108,000 of these ads use color, giving a rich database for determining the overall impact of color.

Two approaches are used to access the impact of color: a) a high-level statistical comparison of the call performance of black and white vs. color ads, and b) detailed heading-specific comparison of pairs of same-size ads in the same heading where one is no-color and the other uses color. Both approaches give similar results, which are discussed below.

The results show that effective use of color can significantly increase calls to an ad while poor use of color can hurt an ad. While only about 53% of current ads with color reap the benefits, the call volume increases from the use of color are significantly higher (more than twice) than the call losses from less effective color use. Thus, there is greater upside potential from the use of color than downside risk.

As might be expected, the results show that the value of color varies by heading.

Approach 1: Aggregate

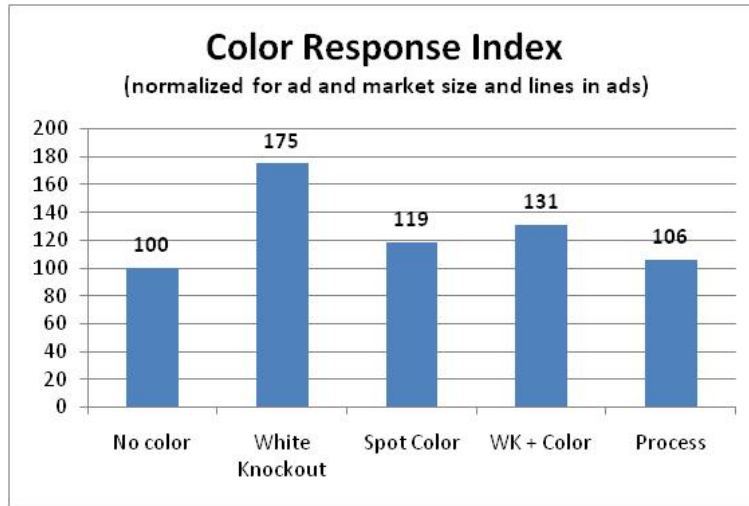
The table below summarizes the results for display ads by use of color.

	Local B&W	Local WK	Local Spot Color	Local WK+Color	Local Process
Years	09-10	09-10	09-10	09-10	09-10
Studies	34,403	16076	9,442	5,391	77,281
Lines	41,714	18442	11,106	6,964	103,625
Annual Calls - Median	144	135	144	152	145
Min Calls	3	12	12	6	6
Max Calls	26,052	8661	18,695	16,734	23,558
Cost/Call-Median (@50% rate)	\$ 27	\$ 26	\$ 30	\$ 33	\$ 40
SROI Median (@ 50% rate)	17.9	17.9	16.0	14.7	12.7
% Breakeven	93%	96%	96%	94%	92%
Actual to Breakeven calls ratio	7.9	10.8	9.6	8.3	6.9
Units - Median	3.0	2.0	3.0	4.0	4.0
Distributions (000) - Median	218	173	205	172	180
Calls/unit/distr/line	0.16	0.28	0.19	0.21	0.17

Source: 2011 Yellow Pages Metered Ad Study

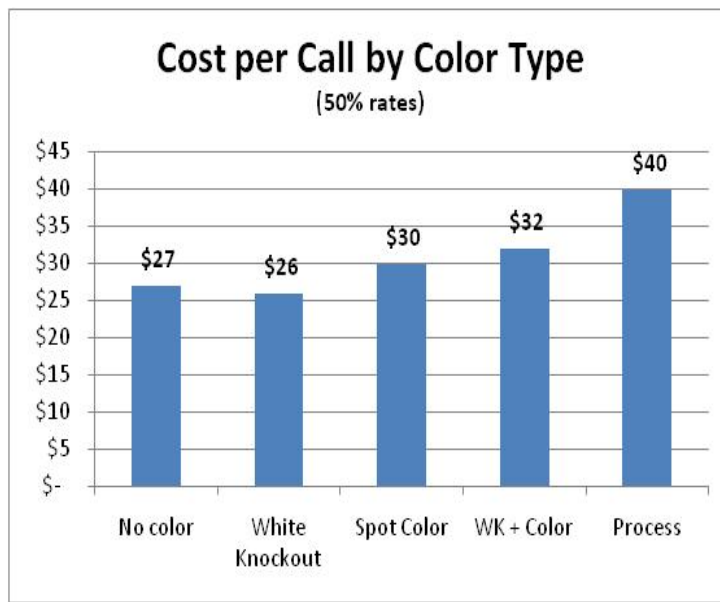
Differences in ad sizes and distribution sizes necessitate comparing “normalized” call responses to ads to understand the impact of color. The figure below shows the indexed differences in relative call volume (normalized for ad size, distributions, and number of lines in ads), where the standard no-color ad¹ calls are indexed at 100. White Knockout averages a **75% higher** response than no color. Spot color averages a **19% higher** response than no color. White Knockout with color averages a **31% higher** response. Surprisingly, Process color ads have basically the same response as no-color ads.

¹ No color ads are sometimes referred to as “black and white” ads in this paper.



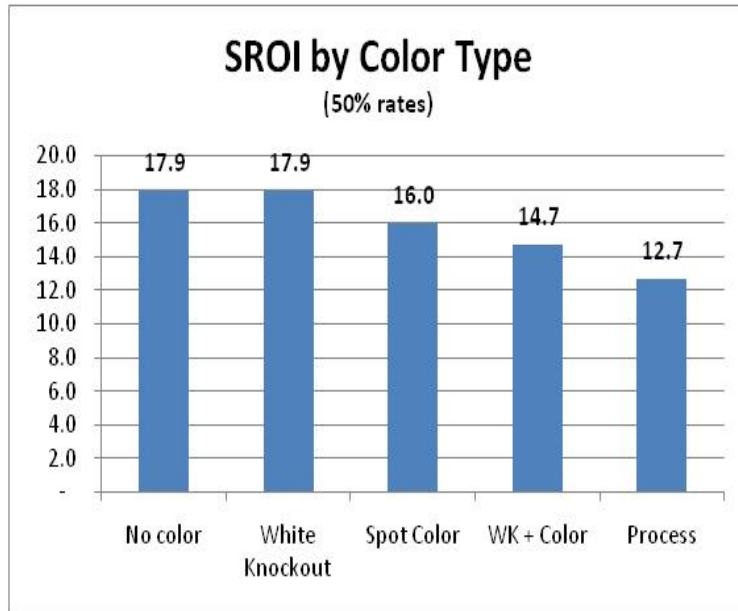
Source: Over 147,000 local display ads in 2009 and 2010; 2011 YP Metered Ad Study

Color ads generally have a rate premium. The call increase for white knockout ads exceeds the rate premium, leading to a cost per call a little lower than for no-color ads. For spot color and white knockout + color ads, the average rate premium is a bit more than the average call increase, leaving the cost per call somewhat higher (10% and 18%, respectively). Process color has a cost per call 48% higher than no-color since it has a steep rate premium but a minimal impact on call volumes.



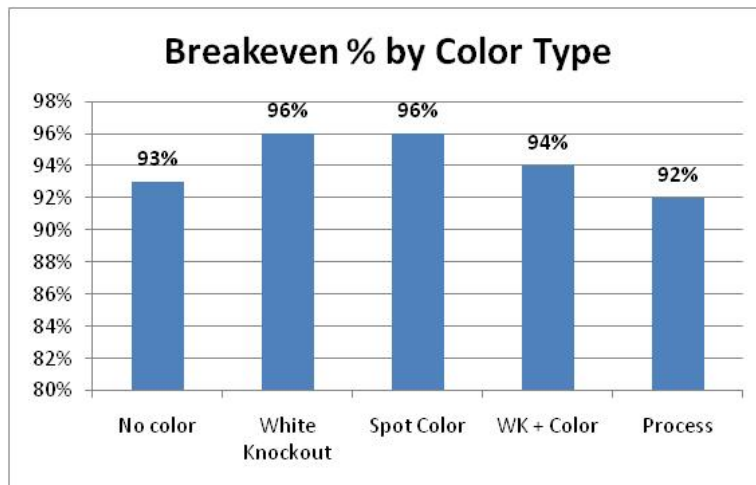
Source: Over 147,000 local display ads in 2009 and 2010; 2011 YP Metered Ad Study

The SROI is impacted similarly. SROI values are highest for no-color ads and White Knockout ads. It drops to 16 to 1 for Spot Color ads, 15 to 1 for White Knockout plus color ads, and 12.7 to 1 for process color ads.



Source: Over 147,000 local display ads in 2009 and 2010; 2011 YP Metered Ad Study

White Knockout and Spot Color ads have the highest breakeven percentage, at 96%. with the others at 92% to 94%.



Source: Over 147,000 local display ads in 2009 and 2010; 2011 YP Metered Ad Study

Approach 2: Pair Comparisons

2,137 pairs of ads were isolated from the 2011 Metered Ad Database where two same-size ads appeared in the same heading in the past 2 years (2009 and 2010); one was no-color and the other was color.

The color ad received the most calls for 53% of the pairs. Color ads had a lower cost per call and a higher SROI than the corresponding no-color ads in 38% of cases.

For the 53% of ads where color received more calls than the no-color ad, the color ad typically received 95% more calls than the no-color ad. For the 47% of ads where color received fewer calls, the color ad typically received 45% less calls than the no-color ad. Thus, the magnitude of the increase was more than twice the magnitude of the decrease. While there is clearly not a guarantee that color will improve an ad, from a pure probabilistic perspective color ads average 29% more calls than no-color ads.

Note the similarity in results from the two approaches. The pair-wise comparisons conclude that only about half of color ads deliver benefits in terms of greater call volumes, but that when color makes a positive difference, the increase in calls is twice as large as the loss of calls from poorer use of color. The key to success with color is to make sure that color makes a clear contribution to the message delivered by the business to the user. Color should be thought of as a “content tool.”

Heading Dynamics:

There were enough pair comparisons to analyze the impact of color ads at the heading level for 76 top headings. The results are listed in Table 1.

Table 1: Impact of Color for Top Headings*

Category	Studies	% Color Ads > B&W Ads (Calls)	If Color Ad More, % More Calls	If Color Ad Less, % Less Calls
Total	2137	53%	95%	-45%
Accountants Certified Public	7	43%	72%	-65%
Air Conditioning Contractors & Systems	5	40%	409%	-47%
Air Conditioning Equipment & Systems Repair	67	55%	157%	-52%
Airport Transportation Service	4	50%	75%	-21%
Appliances Household Major Dealers	24	46%	113%	-29%
Attorneys	163	53%	106%	-47%
Attorneys Bankruptcy	6	83%	89%	-45%

Category	Studies	% Color Ads > B&W Ads (Calls)	If Color Ad More, % More Calls	If Color Ad Less, % Less Calls
Attorneys Criminal Law	12	75%	134%	-60%
Attorneys Divorce Adoption & Family Law	5	80%	56%	-22%
Auto Body Repairing & Paint	29	62%	104%	-36%
Auto Dealers New	8	75%	319%	-17%
Auto Dealers Used	5	80%	96%	-20%
Auto Parts & Supplies Used & Rebuilt	7	57%	43%	-41%
Auto Repair & Service	237	50%	88%	-42%
Bail Bonds	5	20%	23%	-43%
Beauty Salons	36	53%	73%	-37%
Bicycle Dealers	5	80%	96%	-5%
Boat Dealers	6	67%	14%	-42%
Carpet & Rug Cleaners	29	48%	77%	-29%
Carpet & Rug Dealers	12	17%	156%	-42%
Caterers	9	33%	650%	-78%
Child Care	5	40%	67%	-57%
Chimney & Fireplace Cleaning & Repair	6	50%	406%	-18%
Chiropractors	27	59%	83%	-39%
Cleaning House Office	8	13%	204%	-27%
Computer & Equip Repair & Service	16	38%	154%	-54%
Computer & Equipment Dealers New	8	88%	124%	-9%
Concrete Contractors	11	45%	79%	-46%
Contractors General	25	48%	80%	-31%
Dentists	38	66%	119%	-45%
Dentists Information Bureaus	48	50%	133%	-48%
Doors	5	20%	448%	-50%
Electric Contractors	52	56%	82%	-38%
Fence	22	59%	141%	-32%
Fire & Water Damage Restoration	6	67%	91%	-55%
Floor Laying Refinishing & Resurfacing	15	67%	116%	-47%
Florist Retail	8	63%	124%	-55%
Furniture	7	29%	186%	-82%
Garage Doors	11	27%	101%	-54%
Glass Auto Plate Window Etc	51	53%	88%	-67%
Gutters & Downspouts	15	73%	78%	-57%
Heating Contractors	21	57%	144%	-44%
Home Health Services	8	75%	126%	-43%
Home Improvement	38	58%	43%	-29%
Hotels	11	64%	98%	-50%
Insurance	122	44%	121%	-53%
Janitor Service	7	57%	146%	-29%

Category	Studies	% Color Ads > B&W Ads (Calls)	If Color Ad More, % More Calls	If Color Ad Less, % Less Calls
Kitchen Cabinets & Equip	7	29%	202%	-29%
Landscape Contractors	69	55%	58%	-46%
Limousine Service	9	56%	95%	-33%
Loans	5	60%	111%	-55%
Locks & Locksmiths	25	76%	156%	-32%
Motorcycles & Motor Scooters	5	60%	425%	-8%
Movers	42	60%	59%	-59%
Optometrists	5	40%	40%	-36%
Painting Contractors	20	65%	74%	-35%
Paving Contractors	5	60%	380%	-41%
Pest Control Services	54	48%	81%	-46%
Pet Grooming	5	60%	671%	-42%
Physicians & Surgeons	11	45%	737%	-54%
Plumbing Contractors	89	46%	125%	-46%
Printers	7	29%	137%	-19%
Real Estate	11	36%	299%	-69%
Restaurants	26	42%	112%	-59%
Roofing Contractors	76	53%	95%	-33%
Rubbish & Garbage Removal	11	64%	95%	-54%
Screen Enclosures	8	100%	101%	
Septic Tanks & Systems Cleaning & Repairing	5	80%	42%	-25%
Signs	11	45%	17%	-37%
Storage Household & Comm	35	51%	112%	-60%
Tire Dealers	11	45%	81%	-45%
Towing Auto	17	35%	90%	-45%
Transmission Auto	12	58%	40%	-43%
Tree Service	32	69%	35%	-34%
Veterinarians	12	67%	69%	-35%
Window Treatments	6	67%	175%	-12%

**Blue indicates that color can play a strong positive role for ads in the heading. Red indicates that color has not been used as successfully in that heading. Black indicates a neutral role.*

The impact of color varies by heading. For example, 66% of Dentists ads benefited from the use of color; and, when they did benefit, the ads received an average of 119% more calls than the comparable no-color ads (Thus, if the no-color ad received 100 calls, the color ad that worked received 219 calls). On the other hand, only 38% of Computer & Equipment Dealers New ads benefited from the use of color, but the upside (+124%) was much stronger than the risk (-9%).

People shop differently in different headings. Different factors affect their decisions. Color's role varies depending on the audience, the situation, and the shopping behaviors.

For the top headings above, color appears to have a strong positive potential for 86% of the headings (seven out of eight); color use was neutral for 13% of the headings; and color was used unsuccessfully for only 1% of the headings.

Conclusion:

Color is a powerful tool. Its value comes not in whether it is used in an ad, but in how it is used in the ad. Effective use of color can significantly increase calls to an ad, while poor use of color can hurt the ad. While only about 53% of current ads with color reap the benefits, the call volume increases from color are twice as high as the call loss from less effective color use. **Thus, there is greater upside potential from the use of color than risk.**

What makes for effective use of color? Ultimately, ad content is the most powerful driver of calls to an ad. Color is effective when it enhances and contributes to ad content. Color can do this in one of two ways:

- a) Color can be used to organize and prioritize ad content to make the ad easier to read and understand quickly; and,
- b) Color can add to the content by communicating messages such as high quality, professionalism, or customer service or benefits. Color can add to the content by bringing in the benefits of brand-imaging created in other media advertising.

The ultimate test of whether color adds value to an ad is whether its use “makes it easier for the user to picture him-or-herself being a satisfied customer of the business.”