



2010 Yellow Pages Metered Ad Study

(General Version)

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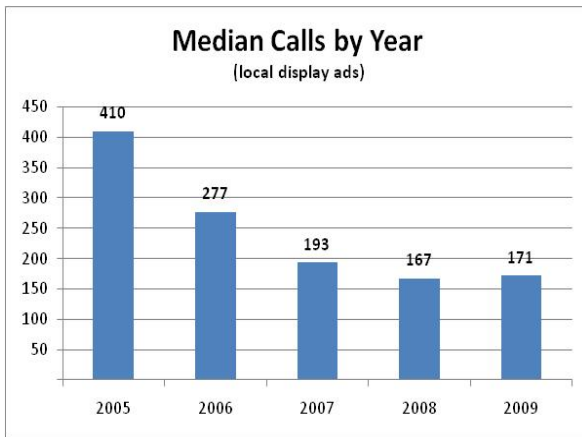
Executive Summary

What does the 2010 Metered Ad Study teach us?

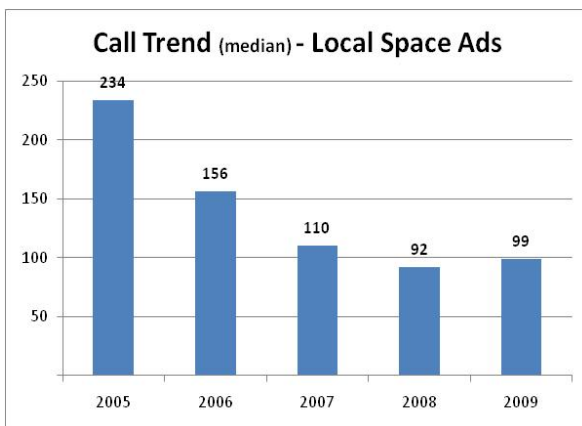
- Calls to most Yellow Pages ad types - both print and internet - increased in 2009 by a few percent.
- At current amounts paid by advertisers for ads, all ad types deliver strong value in terms of sales and return-on-investment.
- Additional local lines in ads are the most consistent drivers of additional calls.
- Local lines receive about twice as many calls as 800 lines when used singly in the ad.
- National ads receive more calls than local ads due to having more lines per ad. There is no discernable "brand effect" on call volumes, however.
- Calls typically increase 35-40% when ad size is doubled. Content is the biggest single driver of calls.
- Calls per ad by heading are unrelated to heading usage.
- Calls increase about 20% for every doubling of market size / distributions.
- Color is a tool, not a value element. Properly used, color can significantly increase calls. White knockout plus color delivers the highest call volumes.
- Ads in the Midwest and Southeast receive the highest average calls and SROI.
- About 85% of display ads receive enough calls to at least breakeven at 50% rates.
- Companion/plus directory ads receive about 40% as many calls as core directories.
- Space ads deliver about half as many calls as display ads, but at a third the cost per call. They reach a different audience than display ads (existing customers and referrals), and so are not a substitute for display ads.
- Going from a 4HS space ad to an 8HS space ad doubles calls.
- IYP ads deliver about half as many calls as display ads, but at a quarter of the cost per call as display ads.
- Awareness ads deliver reasonable call volumes, but typically at a cost per call 50-100% higher than in-heading display ads.

After several years of decline in calls due to the recession and spending cutbacks by consumers, most Yellow Pages products and headings saw an increase in calls in 2009 compared with 2008.

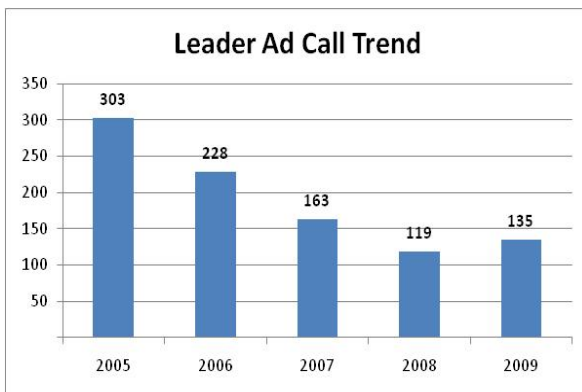
Local Display ad calls grew by about 2.4%:



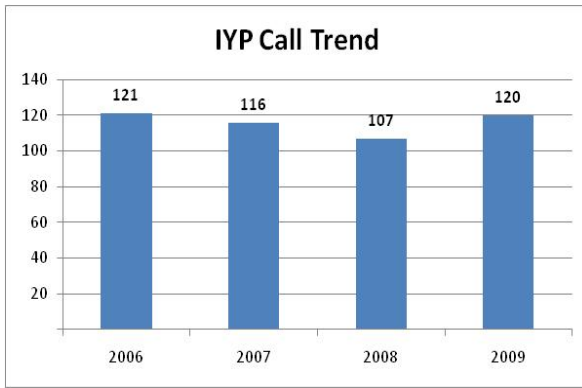
Calls to Local Space ads grew by about 7%:



Calls to Leader Ads grew by about 13%:



And calls to IYP ads increased by about 12%:



The increase across each of these products is strong evidence that the decline in past years was mostly due to the recession, and that the recovery of the economy is leading to increased use and response to Yellow Pages ads. Those advertisers that have remained with the medium stand to gain as the economy continues to recover and consumers start to spend again.

Summary View

The table below provides a quick summary of the results of each of the key product types.

	# Ads	Annual Calls	\$/call (50% rates)	SROI (50% rates)	Norm SROI	% Breakeven
Local Display Ads (08-09)	34,484	169	\$ 35.0	12.6	12.6	83%
Single-line ads	29,513	157	\$ 35.2	12.5	12.3	83%
Multi-line ads	4,971	284	\$ 30.8	13.2	13.2	85%
National Display (08-09)	2,029	252	\$ 31.0	8.8	17.6	80%
Local Trade (07-09)	45	130	\$ 7.0	108	60.5	100%
National Trade (07-09)	790	121	\$ 6.7	28.6	56.9	95%
Local Space (07-09)	2,722	96	\$ 11.4	33	33	95%
National Space (07-09)	596	109	\$ 9.9	21.2	50.6	91%
Companion/Plus Space (07-09)	474	42	\$ 4.1	108.8	134.4	99%
Local Leader Ad (07-09)	2,963	128	\$ 24.0	17.2	17.4	86%
National Leader Ad (07-09)	83	136	\$ 46.0	11.9	10.6	80%
Local Listings (06-09)	161	96	\$ 1.9	139	213.6	100%
Companion Local Display (08-09)	3,682	78	\$ 12.0	34.4	34.4	96%
Companion National Display (08-09)	98	151	\$ 9.0	33.3	66.8	94%
BTB Display (06-09)	149	79	\$ 147.0	2.1	2.6	49%
Hispanic Display (07-09)	838	69	\$ 23.0	15.3	15.3	85%
IYP (08-09)	5,641	115	\$ 7.2	116.3	117.5	98%
Awareness Ads (06-09)	# Ads	Annual Calls	\$/call (50% rates)	SROI (50% rates)	Norm SROI	% Breakeven
Coupons	139	153	\$ 15.4	19.4	23.9	93%
Tabs	582	248	\$ 41.7	12.4	11	84%
Edge	362	127	\$ 33.1	14.8	29.3	87%
Tip On Magnetic	110	416	\$ 48.6	15.4	7.3	94%
Tip On Paper	123	213	\$ 44.4	17.2	6.8	97%
Outside Back Cover	292	198	\$ 65.0	16.4	6.7	95%
Inside Front Cover	123	97	\$ 63.0	8.4	4.7	80%
Inside Back Cover	82	88	\$ 38.0	19.1	9.2	91%
Spine	84	121	\$ 152.0	3.9	2.4	59%
Front Cover Banner/Billboard	185	231	\$ 55.0	10.2	4.4	85%
White Pages	297	150	\$ 8.5			

2010 Metered Ad Study Scope and Conventions

The 2010 Metered Ad study incorporates studies conducted with advertisers both locally by publishers (AT&T, Supermedia, DexOne, and Local Insight Media)¹ and nationally in cooperative efforts between CMRs, YPA, and publishers.

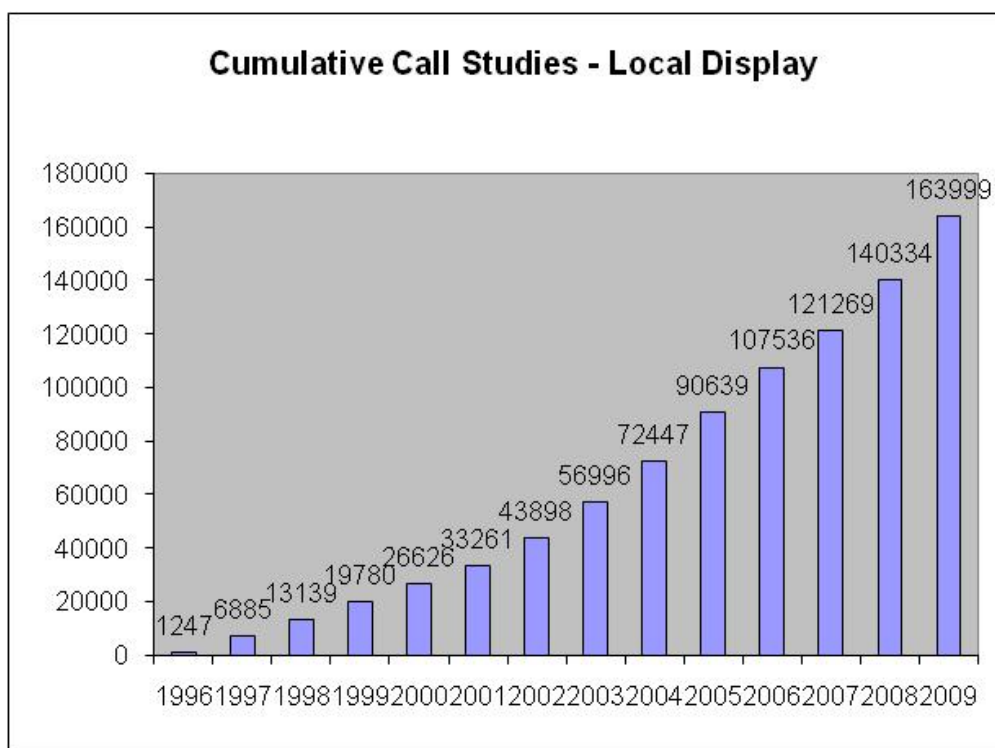
The 2010 Metered Ad database contains over 200,000 separate advertiser studies conducted in the past 10 years. To insure relevancy to current markets, the 2010 Study uses only ads that appeared in the past 2 to 4 years for all ad types. Approximately 2.5% of studies were removed as outliers, which left **roughly 88,000 ads and 115,000 measured lines** as the basis for this year's results. The distribution of measured lines by product types is as follows:

Local Display	73,361	National Display	7,699
Local Space	3,755	National Space	1,174
Local Leader Ads	3,869	National Leader Ads	183
Local Listings	170	National Listings	50
Local Trade	64	National Trade	2,001
Companion Display	7,910	Internet Yellow Pgs	7,096
Companion Space	541	Hispanic Directories	1,225
Companion Leader Ads	447	Independent Directories	1,908
Companion Listings	38	BTB Directories	268
Companion Awareness	301		
	Guides	227	
	Tabs	867	
	Covers	1,025	
	Coupons	183	
	Edge	400	
	Tip-ons	272	
	White Pages	357	

Differences in results are observed between local and national ads and between display, space, trade, and listing ads. Consequently, each type of ad is grouped and analyzed separately. Results are available for 1,500 headings that have been grouped into 629 broader categories.

The industry has significantly increased the number of call tracking studies over time. The distribution of local display ad studies by year is as follows:

¹ Because data for this study are taken only from the major, primarily incumbent publishers, there is no basis for extrapolation to other publishers or directories. Results from this study can only be appropriately used to describe results for these major incumbent directories and publishers.



Study results are summarized in this document. Results from this study will be incorporated with additional heading and industry information to provide a more comprehensive usage and value story for the top 200 headings in the “Yellow Pages Top Headings – 2010” reports due to be published by YPA and CRM Associates in late fall 2010.

Study Conventions

Results are reported for all product types that have at least a few dozen studies. Several conventions are followed throughout the study in the reporting of results:

- a) Reporting of ad rate, cost per call, and SROI uses a standard for rates of 50% of listed rates from the January 2010 YPA Rates and Data database. (Past year studies are reported at current rates.)
- b) The first row of data in each table indicates the year range used for the estimates in the table. All estimates provided in this report use two to four year of data (i.e., results from 2006 through 2009). Local display results and a few other products use only 2 years of data (2008 and 2009).
- c) Comparison of SROI results (Sales Return on Investment - \$s of revenue per dollar spent on the ad) can be strongly influenced by the mix of headings and the consumer expenditure amounts for those headings. To account for differences in this mix, two estimates of SROI are reported. The first reflects the actual mix of headings for the tests used. The second normalizes results to the overall median consumer expenditure of \$888 across all tests.

Changes from Previous Years' Reports

This year's report continues the changes made in 2008 in how results are reported versus reports prior to 2008. These changes include:

- Reporting and focusing on “median” rather than “average” results. The reason for this is that median results are closer to the experiences of more advertisers than average results.
- Using a rate-standard of 50% of posted rates (in YPA's Rates & Data system) for local ads national ads. Discounts, promotions, bundling, and loyalty programs have become an increasingly common way of doing business within the industry. Because of this, 50% of posted rate is a better approximation of actual rates paid by advertisers, although it still errors on the “conservative” side (the harsh economic conditions have mostly likely resulted in increased “deal-making”). The standard of 50% of posted rates is used for all estimates of cost per call and SROI throughout the report.
- While the detailed heading results for local display are based on the past 4 years of data, the aggregate analyses discussed in this report use data from only the past 2 years. This allows a current and accurate reflection of what is happening in “today's” market.
- In past years, 7.5% of studies were removed as “outliers” due to their distortion of the “mean”. Because the median is a more stable measure, only 2.5% of studies are removed as outliers in this study.
- Data have been added in the past 2 years to allow estimation of Sales Return on Investment (SROI) and breakeven calls for individual studies for the majority of headings. This allows a deeper and more insightful analysis of the data than has been possible in past years.

Results and Key Insights

A. DISPLAY Ads

The table shows the results for display ads – local and national “core” directory ads, Companion directory ads, BTB directory ads, and Hispanic directory ads.

	Core Directories		Companion		BTB	Hispanic	
	Local	National	Local	National		Local	National
Years	08-09	08-09	08-09	08-09	06-09	07-09	07-09
Studies	34,484	2,029	3,682	98	149	838	20
Lines	42,730	5,364	5,080	308	183	1,081	58
<i>Avg. Lines per ad</i>	1.2	2.6	1.4	3.1	1.2	1.3	2.9
Annual Calls - Median	169	252	78	151	79	69	108
Min Calls	5	3	2	6	13	5	5
Max Calls	32,698	52,380	44,507	4,891	838	5,712	2,657
Cost/Call-Median (@50% rate)	\$ 35	\$ 31	\$ 12	\$ 9	\$ 147	\$ 23	\$ 38
SROI Median (@ 50% rate)	12.6	8.8	34.4	33.3	2.1	15.3	10.8
SROI Normalized	12.6	17.6	34.4	66.8	2.6	15.3	84.9
Customer \$ Spend	888	443	888	443	721	888	113
% Breakeven	83%	80%	96%	94%	49%	85%	65%
BE Call Ratio	4.1	3.1	11.7	11.9	0.9	5.0	3.3
Units (QC) - Median	6.0	6.0	6.0	11.0	4.0	4.0	10.0
Distributions (000) - Median	245	295	290	345	435	203	261
Rate (50%) - Median	\$ 5,652	\$ 7,296	\$ 919	\$ 2,057	\$10,030	\$ 2,249	\$ 2,544
Calls per 1000 Distributions	0.7	0.9	0.3	0.6	0.2	0.3	0.5
Calls per Line	152	125	63	55	69	59	24
Calls per (QC) Unit	31	38	13	18	19	14	11
Calls/unit/000 distributions	0.12	0.14	0.04	0.06	0.06	0.07	0.04
Calls/unit/distr/line	0.11	0.07	0.03	0.02	0.06	0.06	0.01

1a. Local Display Ads

Local display ads in incumbent Yellow Pages directories in 2008 and 2009 generated **about 169 calls per year (14 calls per month)** – **about four times more** than needed to reach “breakeven” for most advertisers. **83%** of advertisers received more calls than breakeven (at 50% rates).

The median ad size among the 34,000 local display studies was a THC (6 QCs) ad. The median cost per call was **\$35 per call** at 50% rate.

Call volumes to local display ads ranged from as few as 5 calls per year to over 32,000. Individual results vary widely on a heading-by-heading basis. Call costs range from less than a dollar to \$350 or more.

The typical SROI (Sales Return on Investment) at 50% rate is **12.6 to 1**. Returns are slightly higher for the top headings.

1b. National Display Ads

National display ads in 2008 and 2009 typically delivered about 252 **calls per year** – **about three times more** than needed for “breakeven”. 80% (four out of five) of the advertisers received enough calls to at least break even on their investment.

National ads generally contained more lines per ad (2.6 on average) than local ads (1.2 on average), a fact that accounts for most of the higher call response compared with local ads. Call volumes for National display ads range from 3 to over 52,000 calls per year.

The cost of national display ads is **\$31 per call** at 50% rate. The median SROI for the national ad was 8.8, but if we normalize national and local ads for differences in customer spending, the SROI would be **17.6 to 1²**.

1c. Companion/Plus Directory Local Display Ads

The average **Companion/Plus directory local display ad** in 2008 and 2009 delivered **78 calls per year** at a cost per call of **\$12**. The call volume was **46%** of that of the “core” directories, which represents a significant opportunity for advertisers to increase their overall call volumes in a market.

Most Companion/Plus directories are priced at 10-15% of the core directory rates, which accounts for their low cost per call. Calls to Companion/Plus directory local display ads range from 2 to over 44,000 per year.

The typical SROI (Sales Return on Investment) is **34 to 1**. Companion/Plus ads receive about **11 times more calls** than needed to “break even,” and **96%** of advertisers received more calls than their breakeven point.

1d. Companion/Plus Directory National Display Ads

The average **Companion/Plus directory national display ad** in 2008 and 2009 delivered **151 calls per year** at a cost per call of **\$9**. National ads received almost twice as many calls per year as local due to the fact that national ads averaged more than twice as many lines per ad as local

² In the past two years, publishers have significantly increased the number of studies conducted and have offered the studies to a much wider range of advertisers. This has led to a drop in average lines per ad and in the estimates SROI. The median consumer \$ spent for the local display ads was \$888 compared with \$443 for the national display ads. The difference is due to the mix of headings. Since SROI estimates are directly proportional to the average expenditures by consumers, normalized estimates of SROI are provided at a consumer spend level of \$888. This allows a better comparison of the effectiveness of each type of ad and each segment.

directories. Calls to Companion/Plus directory national display ads range from 9 to 4,800 per year.

The normalized SROI (Sales Return on Investment) for national Companion/Plus display ads is **66 to 1**. Companion/Plus ads receive about **11 times more calls** than needed to ‘break even,’ and **94%** of advertisers received more calls than their breakeven point.

1e. BTB Directory Display Ads

Local Display ads in BTB directories deliver about **79 calls per year**, with calls ranging from 13 per year to over 800.

The median cost per call is **\$147** at 50% rates. While the cost per call is higher than for the main directories, business purchase amounts are generally much higher. Only 49% of B to B advertisers reached their breakeven point, however.

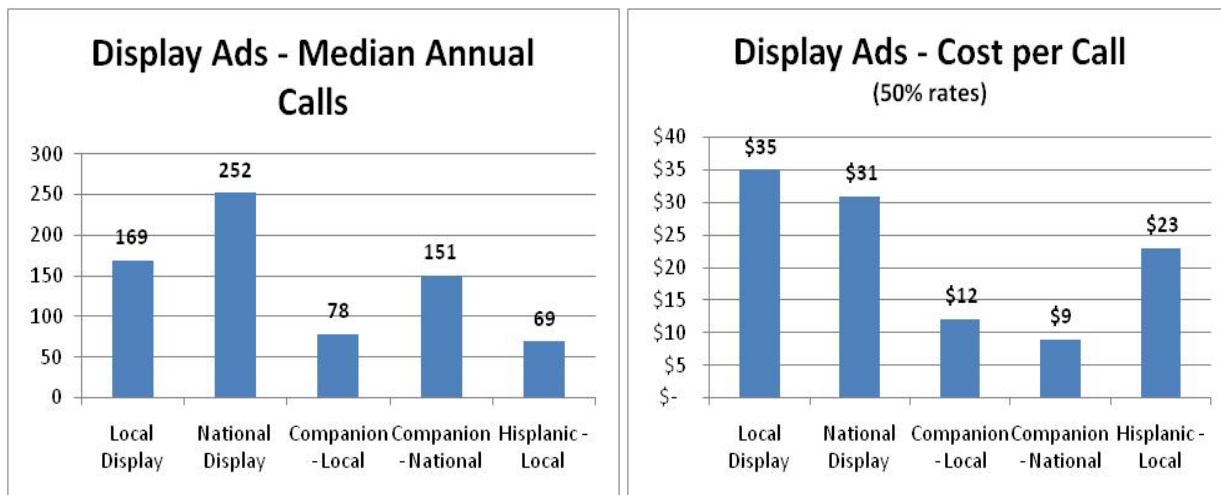
The median normalized SROI at 50% rate is **2.6** to 1.

1f. Hispanic Directory Local Display Ads

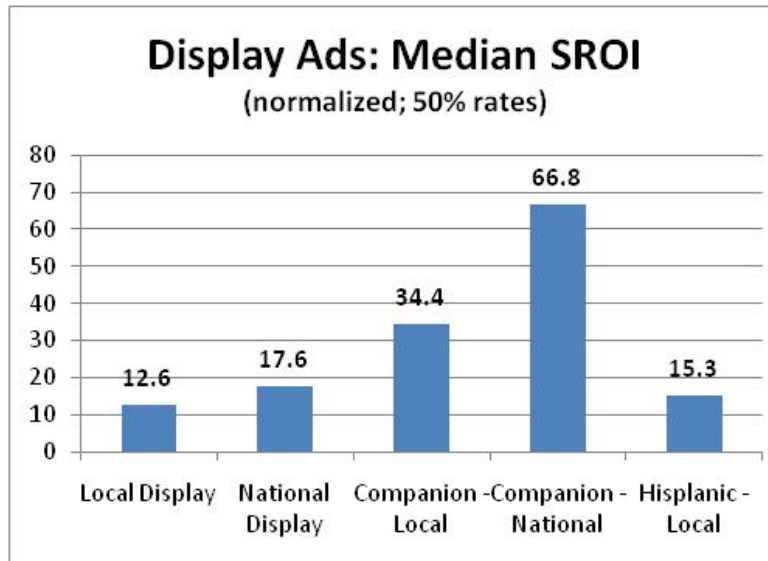
Local display ads in Hispanic directories deliver about **69 calls per year** at a cost of **\$23 per call** at 50% rate. Call volumes range from 5 to 5,700 per year.

The typical SROI is **15 to 1**. The average local display ad receives about 5 times more calls than needed to breakeven. 85% of advertisers received enough calls to at least break even on their ads.

The charts below show the relative calls, cost per call, and SROI performance of the different types of display ads.



Based on 34,484 local display, 2,029 National display, 3,682 local companion, 98 national companion, and 838 Hispanic ads



Based on 34,484 local display, 2,029 National display, 3,682 local companion, 98 national companion, and 838 Hispanic ads

1g. Outliers

For a variety of reasons, a small percentage of advertisers experienced extremely high costs per call for each type of ad considered in this study. Outliers in this study are defined as the highest 2.5% of studies, as measured by cost per call (all of these ads are removed from the 2010 study). Display outliers are more likely to come from larger ads: the median ad size for the outliers is 16 QCs compared with 6 for the full study.

2. Importance of Multiple Lines / Locations

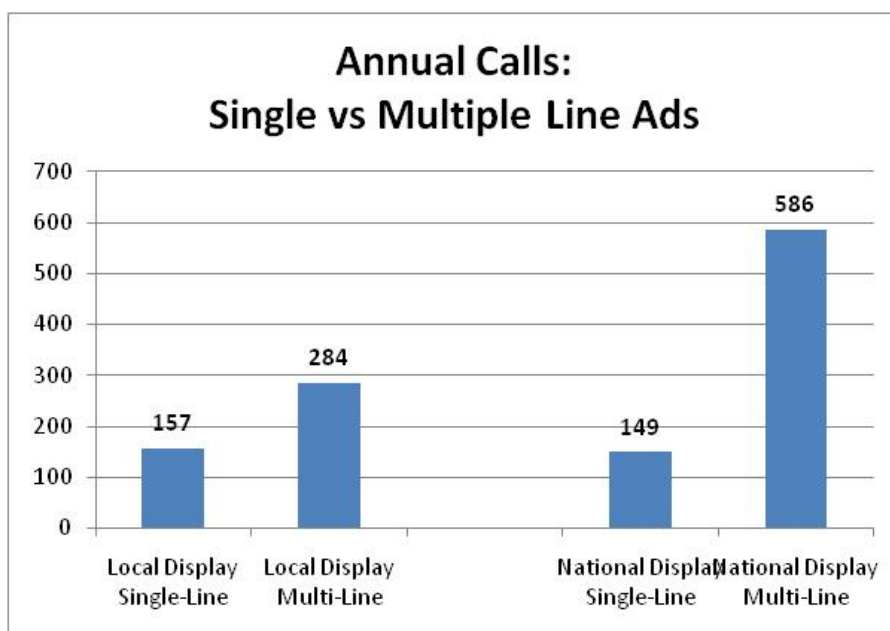
The most important factor that affects calls is the number of local phone lines listed in the ad. The table below shows the dramatic influence of multiple lines on results.

	Local Display Single	Local Display Multi-Line	National Display Single Line	National Display Multi-Line
Years	08-09	08-09	08-09	08-09
Studies	29,513	4,971	1,146	883
Lines	29,513	13,217	1,146	4,218
<i>Avg. Lines per ad</i>	1.0	2.7	1.0	4.8
Annual Calls - Median	157	284	149	586
Min Calls	5	6	3	8
Max Calls	26,052	32,698	52,380	39,547
Cost/Call-Median (@50% rate)	\$ 35.2	\$ 30.8	\$ 48.8	\$ 14.4
SROI Median (@ 50% rate)	12.5	13.2	5.9	17.1
SROI Normalized	12.3	13.2	11.7	39.4
Customer \$ Spend	903	888	448	385
% Breakeven	83%	85%	73%	89%
Actual to Breakeven calls ratio	4.0	4.4	2.1	5.5
Units (QCs) - Median	4.0	8.0	6.0	8.0
Distributions (000) - Median	237	337	250	376
Rate (50%) - Median	\$ 5,340	\$ 8,358	\$ 6,045	\$ 9,553
Calls per 1000 Distributions	0.7	0.8	0.6	1.8
Calls per Line	158	118	142	1109
Calls per (QC) Unit	31	38	24	91
Calls/unit/000 distributions	0.13	0.11	0.09	0.24
Calls/unit/distr/line	0.13	0.04	0.09	0.04

Ads containing **multiple lines** receive significantly more calls than ads with single lines (see the figure on the next page).

Local multi-line ads generate **80% more** calls than single-line ads. Multi-line ads tend to be larger than single line ads. The resulting cost per call for multi-line ads is about **12% less** than for single-line ads. The typical local ad with multiple lines contains 2.7 lines.

Multi-line national display ads draw **4 times more calls** than single-line national ads and have a cost per call that is about one-third of the cost of single location ads. 44% of national ad studies had multiple lines compared with 14% of local ad studies. National ads with multiple lines average 10.6 lines (of which 4.8 are measured) while local ads with multiple lines average 2.6 lines.



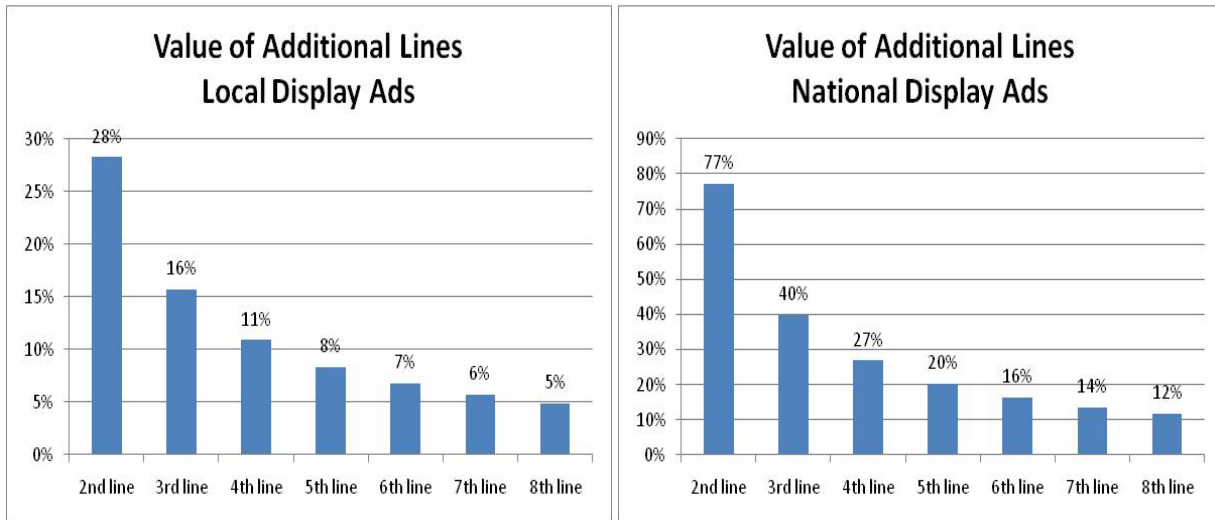
Based on 29,513 local single-line and 4,971 multi-line ads; 1146 national single-line and 883 multi-line ads

When both local and national ad types are normalized for ad size, directory size, and number of lines, the ads draw calls at almost identical rates. Thus, the differences between national and local ad performance are explained mostly by the number of lines in the ad; there is no measurable “national brand” benefit (at least at the aggregate level) for display ads³. This observation is strongly consistent with the usage data that suggest that “shoppers” use the display ads, and the “content study” data that suggest that the content of the ads are critically important to influencing consumer decisions.

A statistical analysis of the data shows that each additional line contributes a declining percentage increase in calls. The two charts below show the percentage increase in calls expected for additional lines for local display ads and for national display ads.

- For local ads, adding an additional line increases calls by 28%. Adding a third line increases calls an additional 16%, and a fourth line increases calls by 11%.
- For national ads, adding an additional line increases calls by 77%. Adding a third line increases calls an additional 40%, and a fourth line increases calls by 27%.

³ Because these are aggregate results, this observation does not rule out a brand impact within individual headings. Each heading has a different “shopping” dynamic.



Based on 29,513 local single line and 4,971 multi-line ads; 1146 national single-line and 883 multi-line ads
 Percentages are relative to call volumes for an ad with one single line.

Multiple-line ads draw significantly more calls because: a) consumers generally shop close to home, and, b) consumers prefer to do business with companies that show interest in their local region or neighborhood. A business that has more than one location will have locations closer to a greater number of consumers. A business that has different phone numbers for different regions of the market indicates to consumers that they want the local business; this makes the consumer feel that he or she will receive more personalized service.

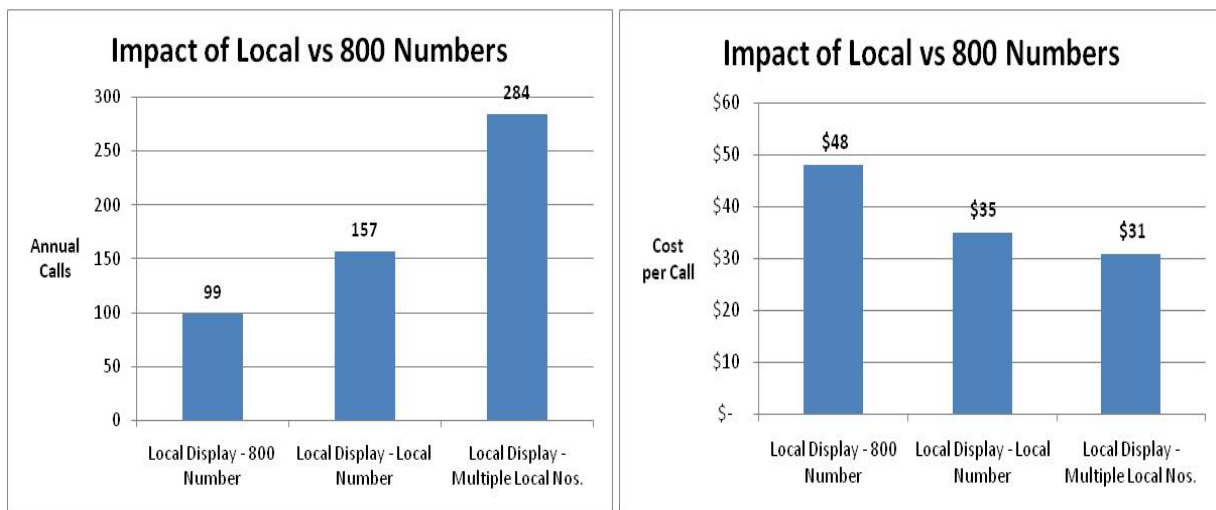
National businesses appear to benefit more from multiple lines than local businesses.

3. Importance of Local vs. 800 Number Lines

Local display ads with local numbers received roughly 60% more calls typically than local display ads with just an 800 number listed - see the figure below. Ads with multiple local numbers received the most calls.

The cost per call for ads with 800 numbers only was 37% higher than for ads with local numbers and 54% higher than for ads with multiple local numbers.

The message is clear – consumers respond to businesses that communicate their “local/personal” business focus through local phone numbers. To most consumers, 800 numbers suggest "not-local", "call center", "less caring", "less personal attention", “computerized answering service”, "competing with lots of other customers".



Based on 34,384 display ads in 2008-2009

4. Heading Rankings

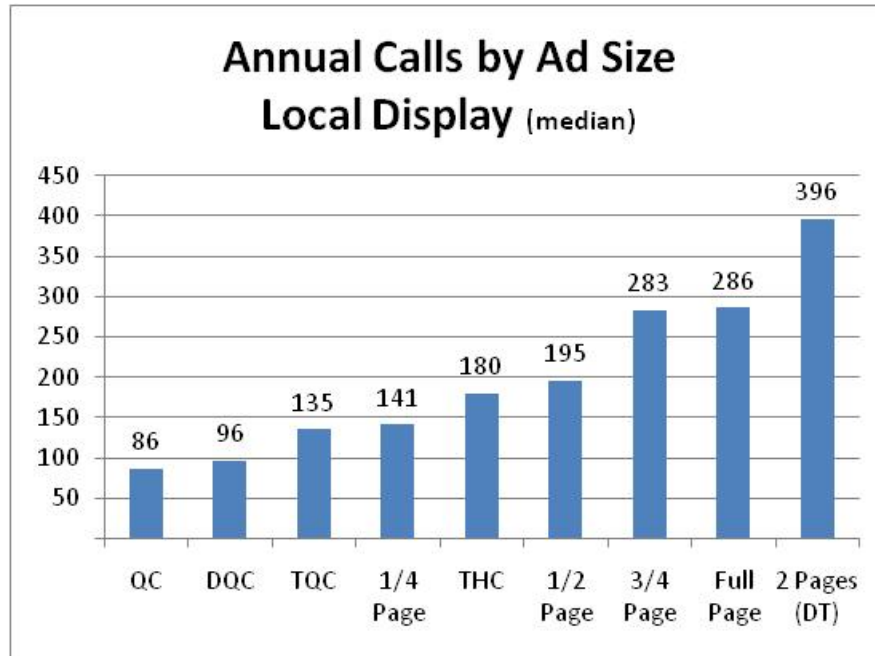
The top 15 headings for local and national calls are listed below along with their median annual call volumes:

Rank	Top Headings for Local Calls	Annual Calls per Advertiser	Top Headings for National Calls	Annual Calls per Advertiser
1	Auto Parts & Supplies Used & Rebuilt	2183	Cellular & Wireless Phones & Service	3630
2	Plastics	1949	Tire Dealers	3513
3	Appliances Major Supplies Parts	1717	Pet Shops	3063
4	Casinos	1383	Banks	2558
5	Auto Wrecking & Used Parts	1327	Auto Renting & Leasing	1741
6	Glass Block Structural	899	Moving Equipment Rental	1611
7	Auto Renting & Leasing	860	Optical Goods	1551
8	Pizza	838	Paint	1507
9	Taxicabs	817	Internet Services	1470
10	Bakers	768	Auto Repair & Service	1315
11	Tire Dealers	758	Truck Renting & Leasing	1290
12	Health & Diet Food Products	739	Check Cashing Service	1225
13	Batteries	737	Loans	1182
14	Beauty Schools	701	Furniture	1025
15	Escorts	672	Health & Diet Food Products	962

Note that headings whose ads receive the most calls have little in common with headings that receive the most references. In fact, the correlation between call volumes and references across the top headings is only 0.14 – basically indicating no connection between the two measures. Also, neither calls nor references has any correlation with value received (the correlation with SROI is zero in both cases).

5. Impact of Ad Size

Larger ads in general receive more calls than smaller ads. The figure below shows how call volume changes as ad size increases. Based on statistical regressions of the data, **calls increase by about 37% for every doubling in ad size⁴**.



Source: Over 34,000 local display ads in 2008 and 2009; 2010 YP Metered Ad Study

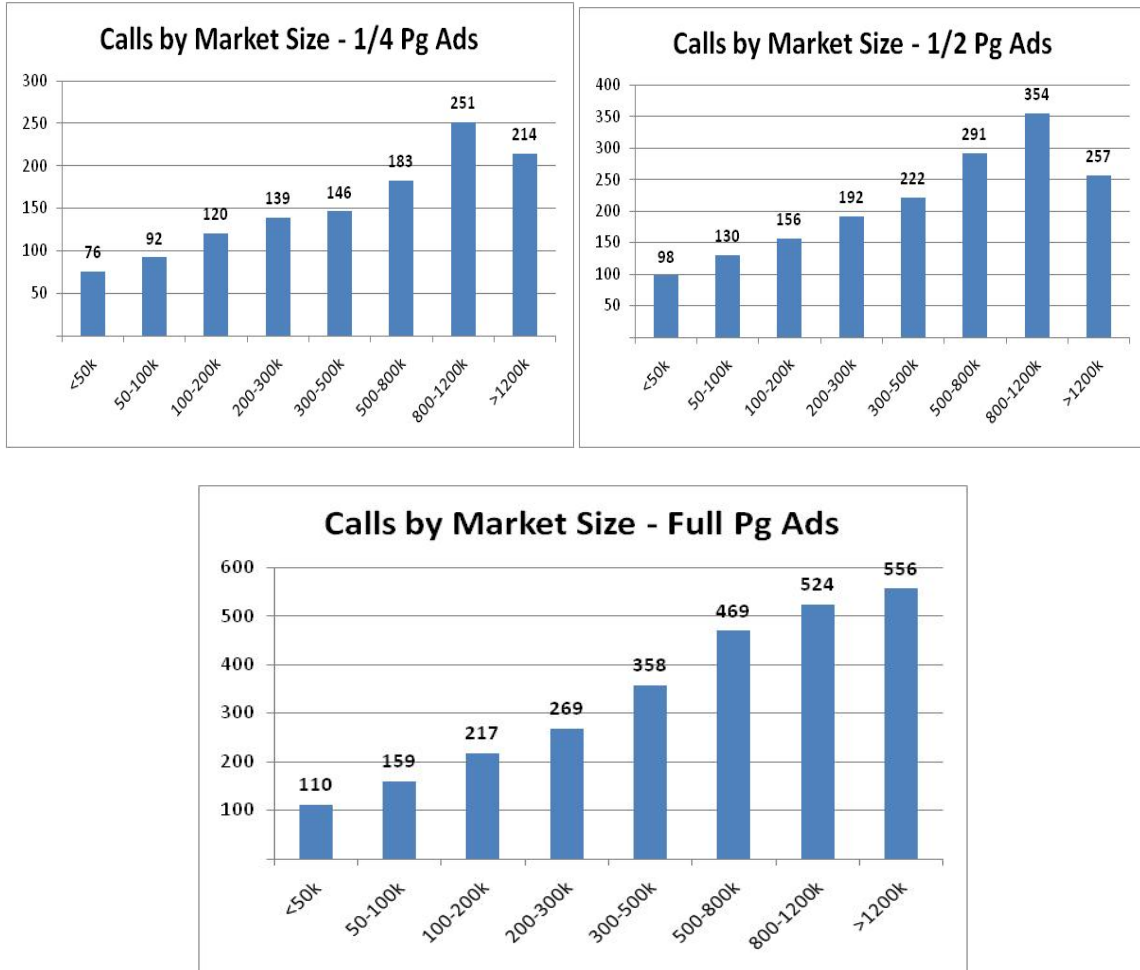
Calls increase with ad size for two primary reasons: a) larger ads have room for more content, and content is the primary driver of calls, and b) larger ads tend to be noticed more frequently, particularly when someone randomly opens the directory to the heading pages. Larger ads occupy a higher share of heading ad pages.

The figure above is averaged across all headings. While most headings show a similar “pattern” as in the figure, the overall volume of calls can vary significantly by heading.

⁴ National and local display ads show a similar dynamic. A doubling of ad size for local display increases calls about 37%; for national ads it is about 31%. Split run tests show a stronger impact of 43%, suggesting the value is in the same ballpark as for the local ads.

6. Impact of Market Size

The figures below show how call volumes vary by market/directory size (distributions are used as the measure of market size). The first figure shows the comparison for ¼ page ads, the second shows the comparison for ½ page ads, and the third for Full Page ads⁵.



Source: Over 34,000 local display ads in 2008 and 2009; 2010 YP Metered Ad Study

The call pattern varies by ad size. For both quarter page and half page ads, calls increase up to about a million distributions, then drop off over 15% for the largest markets. Full Page ads increase continually with market size, although the largest markets receive only 6% more calls than the 800k-1200, markets. Based on statistical regressions, **calls increase about 25% for every doubling** of distributions.

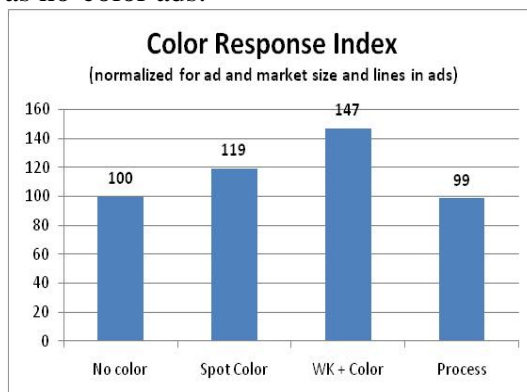
⁵ Note: this comparison is across directories of different sizes in different markets, it is not a comparison of call changes by distributions in the same market.

7. Impact of Color

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

	B&W	Spot Color	WK+Color	Process
Years	08-09	08-09	08-09	08-09
Studies	21,114	696	654	11,762
Lines	26,145	817	781	14,675
<i>Avg. Lines per ad</i>	1.2	1.2	1.2	1.25
Annual Calls - Median	185	155	164	148
Min Calls	5	6	10	5
Max Calls	26,052	5,733	10,419	32,698
Cost/Call-Median (@50% rate)	\$ 28	\$ 32	\$ 37	\$ 53
SROI Median (@ 50% rate)	15.2	14.6	11.3	8.7
SROI Normalized	15.2	14.7	11.1	8.2
Customer \$ Spend	888	879	903	945
% Breakeven	87%	81%	81%	77%
Actual to Breakeven calls ratio	5.0	4.8	3.6	2.9
Units (QCs) - Median	4.0	3.0	6.0	6.0
Distributions (000) - Median	300	218	160	178
Rate (50%) - Median	\$ 4,800	\$ 3,909	\$ 5,680	\$ 7,470
Calls per 1000 Distributions	0.6	0.6	1.1	0.8
Calls per Line	165	264	147	132
Calls per (QC) Unit	36	35	28	23
Calls/unit/000 distributions	0.12	0.14	0.17	0.12
Calls/unit/distr/line	0.11	0.13	0.16	0.11

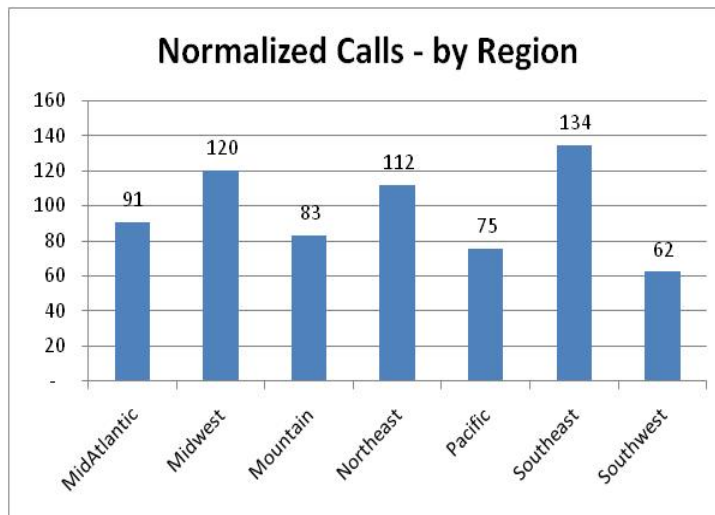
Differences in ad sizes and distribution sizes necessitate comparing “normalized” call responses to ads to understand the impact of color. The figure below shows “calls per “QC unit” per 1000 distributions” for no-color, spot color, White Knockout with color, and Process Color ads. Spot color averages a **19% higher** response than no color. White Knockout with color averages a **47% higher** response. Process color has basically the same response as no-color ads.



Source: Over 34,000 local display ads in 2008 and 2009; 2010 YP Metered Ad Study

8. Impact of Geographic Region of the Country⁶

Call volumes and value from Yellow Pages vary by region of the country. The chart below shows a comparison of call indexes by region – normalized for differences in ad sizes and market sizes (100 is the index for industry median). The Southeast and the Midwest perform best, while the Southwest and Pacific (including Alaska/Hawaii) show the weakest response.



Source: Over 34,000 local display ads in 2008 and 2009; 2010 YP Metered Ad Study

The next chart shows the cost per call by region. The MidAtlantic region has the highest cost per call. The Southeast and the Midwest have the lowest cost per call – about 20-30% below the average for the nation.

⁶ States by region are as follows: **Northeast** (Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, Vermont); **MidAtlantic**: (Delaware, Maryland, New Jersey, Pennsylvania, Virginia, Washington DC, West Virginia); **Midwest** (Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin); **Mountain** (Colorado, Idaho, Montana, Nevada, Utah, Wyoming); **Southeast** (Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee); **Southwest** (Arizona, New Mexico, Texas); **Pacific** (Alaska, California, Hawaii, Oregon, Washington).

Trends in Call Volume

Calls to Yellow Pages ads increased in 2009.

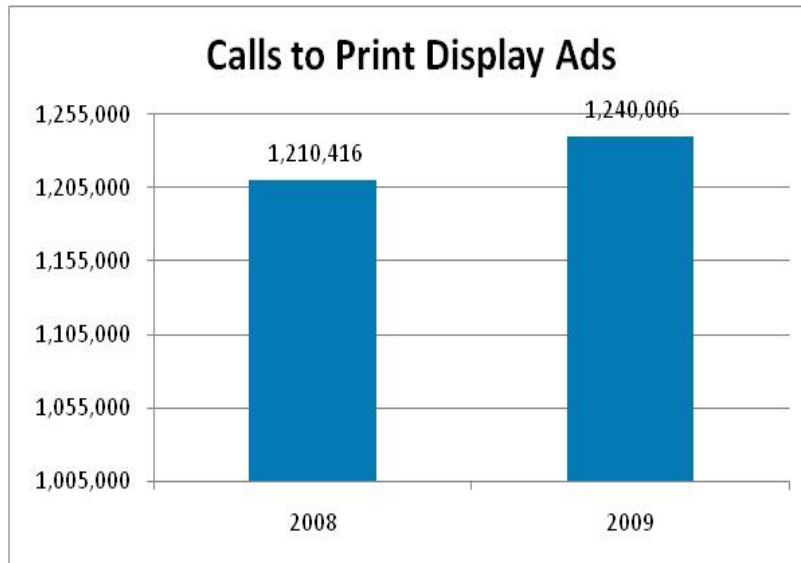
Three approaches are taken to fully understand trends in calls to Yellow Pages ads: aggregate analysis and statistical regressions, study of individual advertiser experiences over multiple years, and analysis of the pattern of results at the heading level. Each analysis is discussed below.

Individual Advertiser Experiences

The most “scientific” measure of trends in call volumes is to track the experience of individual advertisers with same size ads in the same heading over multiple years.

The 2010 Metered Ad Study had 3,553 advertisers with the same size print display ad (and same UDAC) in the same heading tracked for both 2008 and 2009. These ads included 4,880 tracked lines.

Across the entire set of ads, calls increased by **2.4%** between 2008 and 2009, from 1,210,415 calls in 2008 to 1,240,006 calls in 2009.



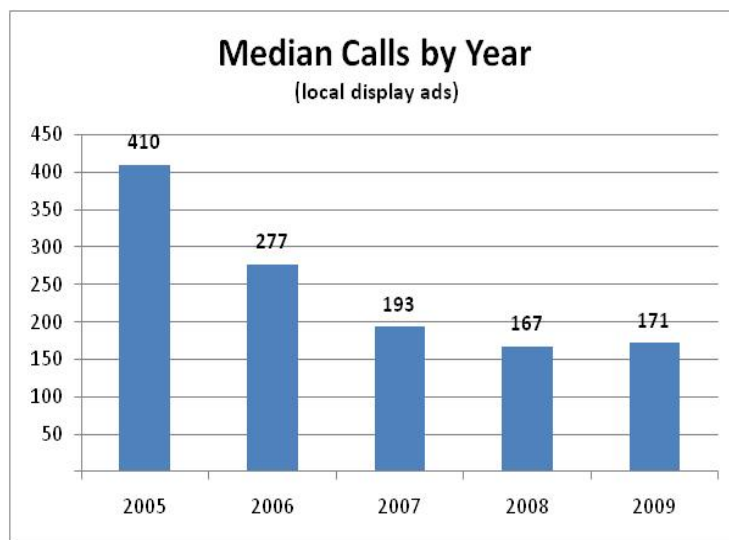
While total calls increased, not all advertisers received the benefit of the increase. Forty-four percent (44%) of the display ads saw an increase, with an average increase of 74%, while 56% saw a decrease, with an average decrease of 40%. This highlights the importance of focusing on the content of the ad to insure the business benefits from an overall increase in calls to the medium. Those who have better content, or who improve their content year-over-year, can win at the expense of their competitors

Trends – Full Database

Statistical regressions on local display ad data suggest that calls held steady between 2008 and 2009.

Trend based on median calls per ad.

The figure below shows the median annual calls for local display ads for the past five years. The data show a 2.4% increase in calls between 2008 and 2009 - exactly the same as observed in the same-ad study. This is a dramatic turnaround from previous years: calls dropped 32% between 2005 and 2006; 30% between 2006 and 2007; and 13% between 2007 and 2008.

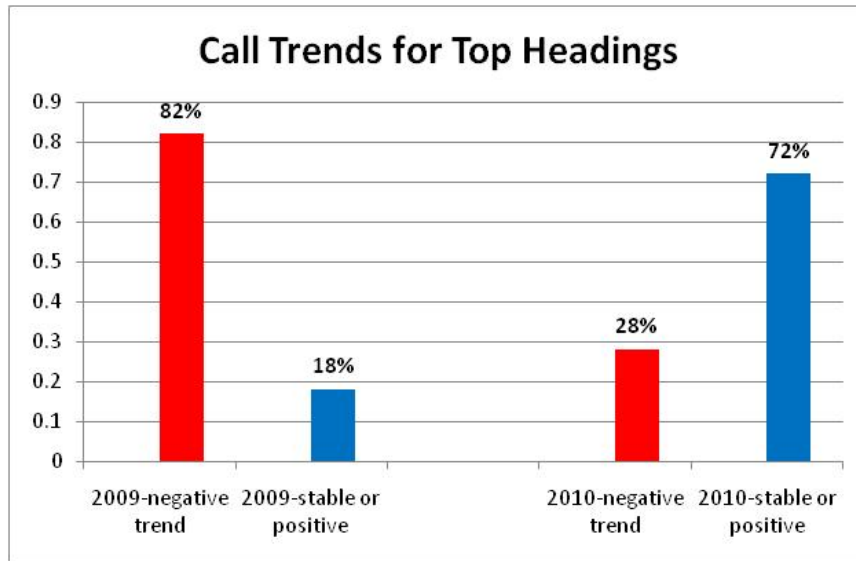


Source: 2010 Metered Ad Study, based on over 70,000 local display ads

The turnaround in calls to ads points to the linkage between Yellow Pages usage and value and the economy. Yellow Pages are a shopping aid to consumers. When consumers stop shopping, Yellow Pages usage drops. When the economy recovers and consumers start purchasing again, Yellow Pages usage increases. This is exactly the message that the call data support.

Individual Heading Results: Calls Stabilized or Increased for Most Headings

Statistical regressions were run for 141 top headings. In 2008, calls for 82% of the headings were trending downward. In 2009, **72%** of the headings either stabilized or grew - a dramatic turnaround.



Source: 2010 Metered Ad Study, based on over 70,000 local display ads

Thus, the heading-specific results confirm the aggregate view of a turnaround in usage and ad performance corresponding to the turnaround in the overall economy and shopping patterns of consumers.

Discussion:

Each analysis of the call tracking data tells the same story - call response had dropped in response to the recession, but is now on the increase as the economy begins to recover. Not all advertisers are experiencing this increase - the benefits are going to about half of the advertisers - those with the strongest content and value offering.

Yellow Pages' products are shopping aides to consumers. When consumers stop shopping, Yellow Pages usage drops. When the economy recovers and consumers start purchasing again, Yellow Pages usage increases. This is exactly what the call data show.

These results fly directly in the face of common rumors about the medium going "extinct". Advertisers that have remained with the medium stand to gain as the economy continues to recover and consumers start to spend again.

B. Space Ads

The table shows the results for space ads – local and national “core” directory ads, Companion directory ads, BTB directory ads, and Hispanic directory ads.

	<u>Local</u>	<u>National</u>	<u>Companion</u>	<u>BTB</u>	<u>Hispanic</u>
Years	07-09	07-09	07-09	06-09	07-09
Studies	2,722	596	474	68	40
Lines	3,169	1,054	541	85	56
<i>Avg. Lines per ad</i>	1.2	1.8	1.1	1.3	1.4
Annual Calls - Median	96	109	42	49	32
Min Calls	3	2	2	8	2
Max Calls	11,176	11,784	3,450	724	275
Cost/Call-Median (@50% rate)	\$ 11.4	\$ 9.9	\$ 4.1	\$ 91.1	\$ 14.3
SROI Median (@ 50% rate)	33.0	21.2	108.8	2.9	13.5
SROI Normalized	33.0	50.6	134.0	3.2	26.9
Customer \$ Spend	\$ 888	\$ 372	721	808	445
% Breakeven	95%	91%	99%	50%	81%
Actual to Breakeven calls ratio	11.1	7.9	31.7	1.0	5.9
Units (HS) - Median	3.0	4.0	4.0	4.0	4.0
Distributions (000) - Median	297	273	218	435	178
Rate (50%) - Median	\$ 1,074	\$ 1,072	\$ 164	\$ 5,694	\$ 428
Calls per 1000 Distributions	0.3	0.4	0.2	0.3	0.2
Calls per Line	89	65	37	45	18
Calls per HS Unit	32	30	14	12	8
Calls/unit/000 distributions	0.11	0.11	0.05	0.08	0.05
Calls/unit/distr/line	0.10	0.07	0.05	0.07	0.02

Local space ads typically deliver **96** calls per year – about half the volume of calls delivered by display ads. The average size for a space ad is a 3HS. Call volumes for local space ads range from 3 to over 11,000 calls per year.

The cost per call for **local space ads** is \$11 per call at 50% rate, about one third of the cost for local display ads. The SROI for space ads at 50% rate is 33:1.

National space ads typically deliver 109 calls per year. The cost per call for national space ads (\$10 at 50% rate) is a third of the cost for national display ads. The SROI for national space ads is 21 to 1; normalized for differences in customer \$ spent to compare with local space ads, the SROI would be 50 to 1.

The average **Companion directory space ad** delivers 42 calls per year, 44% of the calls that space ads receive in the “core” directories. The cost per call for space ads in the

Companion directory is only \$4, 64% lower than the \$11 for “Core” directories. The SROI for Companion space ads is over 100 to 1.

Space ads in Hispanic directories deliver an average of 32 calls per year at a cost of \$14 per call at 50% rate. Calls to local space ads in Hispanic directories range from 2 to 275 per year. The SROI for Hispanic space ads is 13 to 1; normalized to consumer average spend of \$888, it is \$27 to 1.

Space ads in **BTB directories** average about 49 calls per year at a cost per call of \$91 (50% rate). The SROI is 3:1.

Space ads reach a different audience and serve a different function than display ads, which explains the differences in call volumes and cost per call between the two ad types. The cost per call for space ads is significantly lower than for display ads, but the call volumes are higher for display ads.

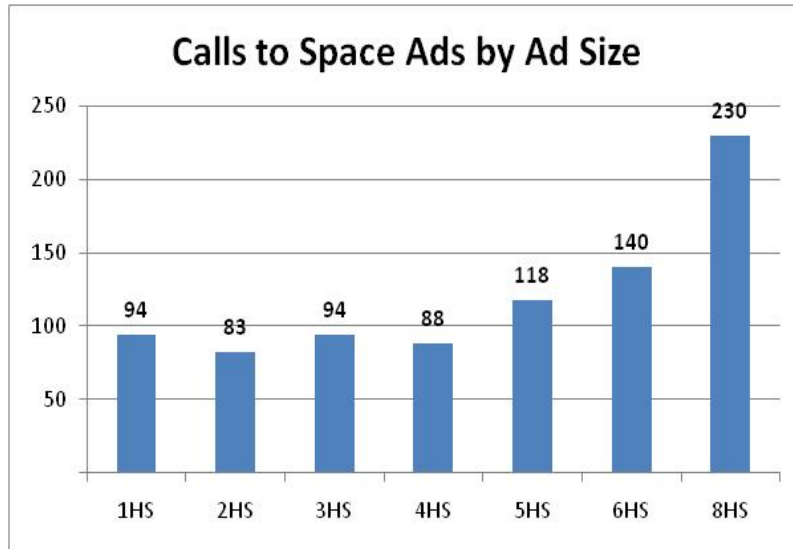
*Space ads are the “original search engine.” Space ads benefit from the alphabetical structure of incolumn ads and are mostly used when consumers have specific names in mind. Display ads are used for shopping and decision-making. **Space ads are a tool to serve and retain existing or “predisposed” customers while display ads are a tool to bring in new business.** The display ad serves the role of being a “remote sales rep.”*

In general, businesses spend up to five times more to attract new customers than to retain existing customers. The differences in cost efficiency between display and space ads are reflective of the differences in the cost of acquiring new customers versus the cost of retaining existing customers.

National space ads receive more calls because they list more phone lines than local space ads on average. National space ads also benefit from brand recognition resulting from advertising in other media.

Impact of Ad Size and Market Size for Space Ads

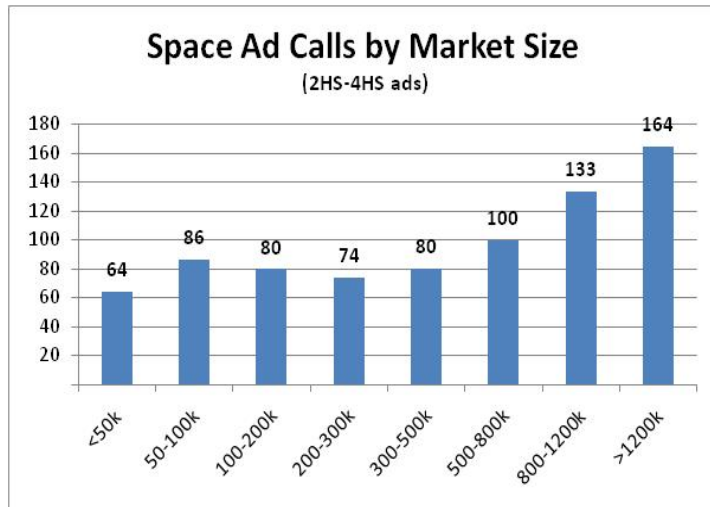
The figure below shows how Space ad call volumes vary by ad size. Based on statistical regression results, calls increase 15% for every doubling in space ad size. Calls are flat from the 1HS to 4HS size, increase about 30-40% for the 5 and 6HS ads, and then increase significantly (over 60%) for the 8HS ads. The 8HS ads are large enough to have sales content in the ad, and so go beyond the simple “informative” role that the smaller HS ad sizes allow.



Based on 2,722 local space ads from 2007 to 2009.

The next figures show the impact of market size on calls to Space ads. For these figures, only 2HS, 3HS, and 4HS ads were used. As noted earlier, each of these ads draws about the same level of calls, so grouping the three ad sizes provides a larger sample of studies to show the impact of market size.

Call volumes for space ads are relatively independent of market size. Call volumes are lower for directories under 50,000 distributions, constant between 50,000 and 500,000 distributions, and then increase for directories over 500,000 distributions. Based on statistical regression results, calls increase 14% for every doubling in market size (measured by distributions).

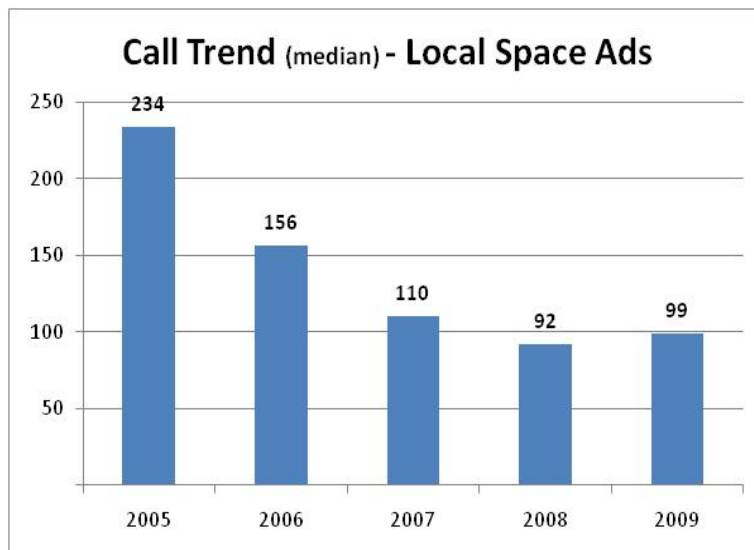


Based on 949 local space ads from 2007-2009

Call Trends for Space Ads

Based on 320 advertisers with the same space and leader ads measured over two years, incolumn ads increased 5.8% between 2008 and 2009, from 82,692 calls to 87,450 calls. Fifty-two percent (52%) of these ads saw an increase, with an average increase of 70%, compared with 48% that saw a decrease, with an average decrease of 31%.

The figure below shows the median annual calls by publication year for space ads. Calls dropped-off with a similar magnitude (about 30% per year) to display ads in 2005 through 2007. Call continued to drop in 2008, but at a lower rate (16%). Then, in 2009 median calls increased by 7.6%. - similar to the 5.8% observed in the same ad study noted just above.



Based on 4,374 local space ads from 2005 to 2009.

C. *Leader Ads*

The table shows the results for Leader ads – “core” and Companion directory ads and Hispanic directory ads.

	<u>Local</u>	<u>National</u>	<u>Companion</u>	<u>Hispanic</u>
Years	07-09	07-09	07-09	06-09
Studies	2,963	83	384	27
Lines	3,339	183	447	30
Avg. Lines per ad	1.1	2.2	1.2	1.1
Annual Calls - Median	128	136	50	28
Min Calls	6	2	6	13
Max Calls	14,404	3,311	1,172	298
Cost/Call-Median (@50% rate)	\$ 24	\$ 46	\$ 11	\$ 18
SROI Median (@ 50% rate)	17.2	11.9	40.3	14.6
SROI Normalized	17.4	10.6	40.7	28.9
Customer \$ Spend	\$ 879	\$ 999	879	448
% Breakeven	86%	80%	94%	91%
Actual to Breakeven calls ratio	5.6	4.1	12.7	5.0
Units (HS) - Median	8.0	8.0	8.0	8.0
Distributions (000) - Median	341	306	359	175
Rate (50%) - Median	\$ 3,133	\$ 3,234	\$ 513	\$ 557
Calls per 1000 Distributions	0.4	0.4	0.1	0.2
Calls per Line	120	85	45	26
Calls per HS Unit	15	13	6	4
Calls/unit/000 distributions	0.04	0.03	0.02	0.03
Calls/unit/distr/line	0.04	0.02	0.02	0.01

Leader ads deliver about 120 calls per year at a cost of \$24 per call at 50% rate. Leader ads do not perform as well as 8HS ads (the same size as the Leader Ad), which deliver about 230 calls per year at a cost per call of \$18.

When normalized for size differences, Leader ads are less than half as effective at drawing calls (per HS unit) as regular space ads. Call volumes for Leader Ads range from 6 to over 14,000 calls per year.

The SROI for Leader Ads is about 17 to 1 at 50% rate. Approximately 86% of Leader Ad advertisers receive enough calls to breakeven.

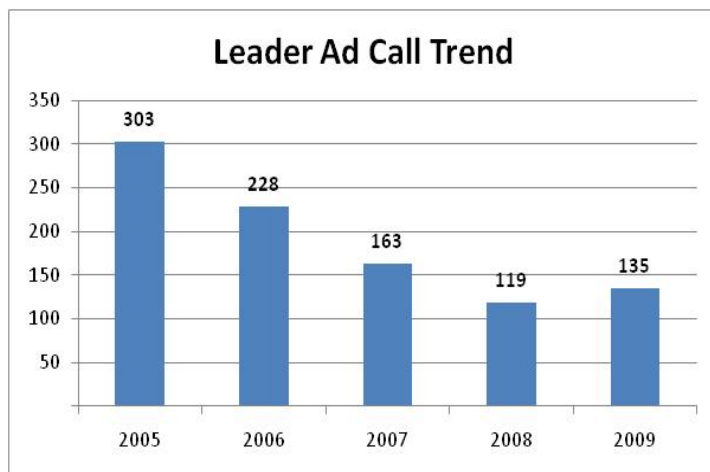
National Leader Ads deliver about 136 calls per year at a cost per call (50% rate) of \$46. The SROI is about 12 to 1.

Companion/Plus directory Leader Ads deliver about 50 calls per year, 39% of that in the “core” directories. The cost per call of \$11 is 54% lower than the \$24 for “Core” directories. The SROI is roughly 40:1.

Hispanic directory Leader Ads deliver about 28 calls per year at a cost per call of \$18. The SROI at 50% rate is 29 to 1.

Call Trends for Leader Ads

Calls to Leader ads dropped about 60% between 2005 and 2008 – but bounced back in 2009 with a 13% increase.



Based on 4,207 Leader Ads between 2005 and 2009.

D. Internet Yellow Pages Ads

The table shows the results for IYP ads.

	<u>IYP Ads</u>
Years	08-09
Studies	5,641
Lines	5,717
<i>Avg. Lines per ad</i>	1.0
Annual Calls - Median	115
Min Calls	1
Max Calls	73,361
Cost/Call-Median (actual rate)	\$ 7.2
SROI Median (actual rate)	116.3
SROI Normalized	117.5
Customer \$ Spend	879
% Breakeven	98%
Actual to Breakeven calls ratio	36.0
Distributions (000) - Median	323
Rate (50%) - Median	\$ 972
Calls per 1000 Distributions	0.3
Calls per Line	114

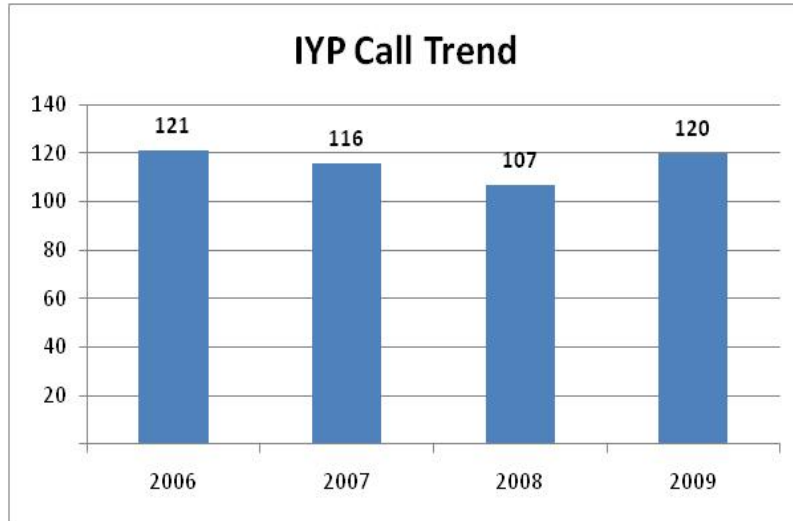
The average **IYP ad** generates 115 calls at a cost of \$7.2 per call. Call volumes ranged from a low of 1 call per year to a high of over 73,000 calls. The advertiser SROI is 116 to 1 at actual rates charged.

The average IYP ad also generates about 316 clicks. The ratio of clicks to calls is about 2.9 to 1. The industry usage study reports that 79% of IYP users make contact by phone and 12% make contact online. Some of those that contact by phone will also have clicked on parts of the ad. At most, clicks account for 12% of the ad response (on average). Thus, while there are a greater number of clicks, they have a much lower “conversion” to sales and so cannot be simply added with calls as a total response measure.

IYP Trends

The responses to 167 IYP ads were tracked for two years - 2008 and 2009. Total calls to these ads increased **14%** between 2008, from 38,672 calls in 2008 to 43,916 calls in 2009. Similar to the overall trend, there were winners and losers. Forty-seven percent (47%) of advertisers saw an increase in 2009 while 53% saw a decrease. Winners on average doubled their calls, while losers saw an average of a 28% decrease.

The figure below shows the median calls to IYP ads for 2006 through 2009. Calls per ad dropped about 12% between 2006 and 2008, but bounced back in 2009 with an increase of 12% - about the same increase as observed with the same ad tracking study noted above.



Based on 7,014 IYP ads between 2006 and 2009

E. Trade and Trademark Ads

The table shows the results for local and national Trade family ads.

	<u>National</u>	<u>Local</u>	<u>National Multi-loc</u>	<u>National Single Loc</u>
Years	07-09	07-09	07-09	07-09
Studies	790	45	240	540
Lines	1,211	64	671	540
<i>Avg. Lines per ad</i>	1.5	1.4	2.8	1.0
Annual Calls - Median	121	130	335	89
Min Calls	3	11	13	2
Max Calls	27,059	3,496	27,059	11,468
Cost/Call-Median (50% rate)	\$ 6.7	\$ 7.0	\$ 3.8	\$ 8.4
SROI Median (50% rate)	28.6	108.0	85.9	18.4
SROI Normalized	56.9	60.5	171.0	53.7
Customer \$ Spend	\$ 446	\$ 1,585	\$ 446	\$ 304
% Breakeven	95%	100%	100%	94%
Actual to Breakeven calls ratio	9.0	35.2	28.1	6.2
Distributions (000) - Median	258	622	519	207
Rate (50%) - Median	\$ 891	\$ 1,585	\$ 1,217	\$ 722
Calls per 1000 Distributions	0.5	0.20	0.8	0.4
Calls per Line	84	92	95	83

Trade and Trademark ads offer one of the strongest value propositions in Yellow Pages.

Local Trade ads receive about 130 calls per year at a cost per call of \$7.0 (50% rate). This results in a normalized SROI of 60:1.

National Trade ads receive 121 calls per year at a cost per call of \$6.7 (50% rate). National Trademark ad call volumes range from 3 to over 27,000 calls per year, and have a normalized SROI of 56 to 1.

Multiple-line Trademark/Tradename ads generate 3.8 times as many calls (335 vs. 89) as single-line trade ads and have a cost per call (\$3.8 at 50% rate) that is less than half of the cost of single-line ads (\$8.4 at 50% rate).

The high value of Trade ads clearly proves the synergy of combining a Yellow Pages program with other media advertising. Other advertising builds brand awareness and preference; Yellow Pages allow an advertiser to capitalize on that brand preference when the consumer is shopping and ready to make a purchase.

F. Covers

The table summarizes the results for Cover products.

				Companion	Companion
	Outside Back Cover	Inside Front Cover	Inside Back Cover	Inside Covers	Outside Back Cover
Years	06-09	06-09	06-09	06-09	06-09
Studies	292	123	82	34	68
Lines	414	148	89	45	86
<i>Avg. Lines per ad</i>	1.4	1.2	1.1	1.3	1.3
Annual Calls - Median	198	97	88	80	120
Min Calls	17	2	8	7	9
Max Calls	8,156	1,991	5,499	633	1,524
Cost/Call-Median (50% rate)	\$ 65	\$ 63	\$ 38	\$ 21.1	\$ 80.0
SROI Median (50% rate)	16.4	8.4	19.1	12.4	24.1
SROI Normalized	6.7	4.7	9.2	12.2	9.8
Customer \$ Spend	\$ 2,185	\$ 1,601	\$ 1,845	903	2,187
% Breakeven	95%	80%	91%	62%	100%
Actual to Breakeven calls ratio	8.1	3.7	9.1	2.4	8.3
Distributions (000) - Median	112	117	120	177	178
Rate (50%) - Median	\$11,450	\$ 7,450	\$ 3,780	\$ 1,623	\$10,123
Calls per 1000 Distributions	1.8	0.78	0.75	0.4	0.7
Calls per Line	152	90	85	80	106

- **Outside Back Covers** deliver about 198 calls per year. Calls cost the advertisers about \$65 (at 50% rate), about 80% more than the typical cost per call for display ads. The typical SROI is about 16:1 at 50% rate; however the normalized SROI is lower at 6.7 to 1. The categories that are most likely to use the outside back cover involve higher than average customer \$ expenditures. Calls to Outside Back Covers range from 17 to over 8,000 per year.
- **Inside Front Cover** ads deliver about 97 calls per year at \$63 per call at 50% rate. Typical SROI returns are 8:1.
- **Inside Back Cover** ads deliver about 88 calls per year at an average cost per call of \$38 at 50% rate - about the same as a typical display ad. The SROI is 9:1.
- **Companion/Plus directory Inside Cover ads** (front and back) deliver about 80 calls per year at a cost per call of \$21. Typical SROI returns are 12 to 1.

- **Companion/Plus directory Outside Back Cover ads** deliver about 120 calls per year at a cost per call of \$80. Typical SROI returns are 24 to 1.

Cover ads are not for every advertiser. The ads clearly deliver customers, but generally at a higher cost than in-heading display ads. The cover ads are a great way for businesses that are aggressive about growing their business to reach and win over more customers.

Other Cover Awareness Products

The table summarizes the results for other cover awareness products.

	Spine	Front Cover Banners	Front Cover Spot	Companion Banner	Edge	Gatefold
Years	06-09	04-08	06-09	06-09	06-09	06-09
Studies	84	185	48	37	362	21
Lines	92	206	51	38	400	25
<i>Avg. Lines per ad</i>	1.1	1.1	1.1	1.0	1.1	1.2
Annual Calls - Median	121	231	58	122	127	72
Min Calls	14	\$ 10	\$ 12	20	9	\$ 16
Max Calls	1,873	\$ 5,189	\$ 2,076	523	3,554	\$ 1,536
Cost/Call-Median (50% rate)	\$ 152	\$ 55	\$ 107	\$ 45.1	\$ 33.1	\$ 147
SROI Median (50% rate)	3.9	10.2	11.4	8.1	14.8	2.7
SROI Normalized	2.4	4.4	5.8	1.9	29.3	1.7
Customer \$ Spend	\$ 1,463	\$ 2,041	\$ 1,739	3,778	\$ 448	\$ 1,437
% Breakeven	59%	85%	92%		87%	50%
Actual to Breakeven calls ratio	1.8	4.2	4.5	4.2	3.9	1.0
Distributions (000) - Median	234	157	128	351	274	133
Rate (50%) - Median	\$12,998	\$ 9,894	\$ 8,442	\$ 18,178	\$ 4,128	\$ 4,984
Calls per 1000 Distributions	0.49	1.2	0.5	0.4	0.43	0.27
Calls per Line	61	210	55	122	126	686

Spine ads attract roughly 121 calls per year at a cost per call of \$152 (50% rate). The typical SROI for Spine ads is 3.9 to 1. 59% of the ads breakeven at 50% rates.

Front Cover Banners attract an average of 231 calls per year at \$55 per call (50% rate). The ads deliver an SROI of 10:1.

Front Cover Companion/Plus Banners attract an average of 122 calls per year at \$45 per call (50% rate). The ads deliver an SROI of 8:1.

Front Cover Spot Ads attract over 58 calls per year at a cost per call of \$107 (50% rate) and have an SROI of 11 to 1.

Edge ads attract 127 calls per year at a cost per call of \$33 (50% rate). The typical SROI for Edge ads is 15:1.

Gatefold ads attract 72 calls per year at a cost per call of \$147 (50% rate). The typical SROI for Gatefold ads is 2.7 to 1.

Tip-on ads

The table summarizes the results for tip-on products.

	Tip-On / Magnetic	Tip-On / Paper	Companion Tip On
Years	06-09	06-09	06-09
Studies	110	123	51
Lines	130	142	35
Avg. Lines per ad	1.2	1.2	1.25
Call-Median	416	213	431
Min	24	18	34
Max	12,635	1,684	3,930
Cost/Call-Median (@50% rate)	\$ 48.6	\$ 44.4	\$ 31.0
SROI Median 50%	15.4	17.2	68.1
SROI Normalized	7.3	6.8	30.5
Spend\$	\$ 1,864	\$ 2,250	1,984
%Brkeven 50%	94%	97%	100%
BEratio median	6.9	6.1	35.2
Distr Median	113	140	273
Price median 50%	\$ 15,018	\$ 8,956	\$ 6,560
Calls/1000 Median	2.8	1.5	1.3
Call/location Median	325	196	329.5

Magnetic Tip-on ads attract over 410 calls per year at a cost per call of \$48 (50% rate). They deliver an SROI of over 15:1.

Paper Tip-on ads attract over 210 calls per year at a cost per call of \$44 (50% rate). They deliver an SROI of 17 to 1.

Companion Tip-on ads attract about 430 calls per year at a cost per call of \$31 at 50% rate and an SROI of over 60 to 1.

G. Tabs and Coupons and Brandspot Ads

The table summarizes the results for coupon and tab and brandspot products.

	Coupons	Tabs	Brandspot	Companion Tab
Years	06-09	06-09	06-09	06-09
Studies	139	582	51	33
Lines	183	867	74	55
Avg. Lines per ad	1.3	1.5	1.5	1.7
Call-Median	153	248	136	189
Min	6	8	14	26
Max	6,535	20,194	850	918
Cost/Call-Median (@50% rate)	\$ 15.4	\$ 41.7	\$ 38.7	\$ 12.9
SROI Median 50%	19.4	12.4	21.8	21.8
SROI Normalized	23.9	11.0	15.8	26.8
Spend\$	\$ 721	\$ 999	\$ 1,229	721
%Breakeven 50%	93%	84%	78%	92%
BEratio median	6.6	4.3	6.2	8.2
Distr Median	226	190	280	222
Price median 50%	\$ 2,058	\$ 9,756	\$ 6,520	\$ 3,358
Calls/1000 Median	0.479	1.2	0.53	0.7
Call/location Median	137	194	125	148

Coupons attract about 150 calls per year at a cost of \$15 per call (at 50% rate). Calls to coupon ads range from 6 to over 6,500 per year. The SROI for coupons is 19:1.

Tabs attract about 248 calls per year at a cost per call of \$42 (50% rate). Calls to Tab ads range from 8 to over 20,000 per year. The SROI for Tabs is 12 to 1. Roughly 84% (7 out of 8) of Tab advertisers breakeven on the ads.

Tabs are similar to three-quarter or full page in-heading display ads in call volume and cost per call.

Companion/Plus Tabs attract about 190 calls per year at a cost per call of \$13. They have a typical SROI of 21 to 1.

Brandspot ads attract about 136 calls per year at a cost per call of \$38. They have a typical SROI of 21 to 1.

H. White Pages

The table summarizes the results for White Pages products.

White Pages	WP Ads - All
Years	07-09
Studies	297
Lines	357
Avg. Lines per ad	1.2
Call-Median	150
Min	7
Max	6,162
Cost/Call-Median (@50% rate)	\$ 8.5
Distr Median	252
Price median 50%	\$ 1,111
Calls/1000 Median	0.6
Call/location Median	136

White Pages ads typically deliver about 150 calls per year at a cost per call of \$8.5 (at 50% rate). Call response ranges from 7 calls per year to over 6,000 calls per year.

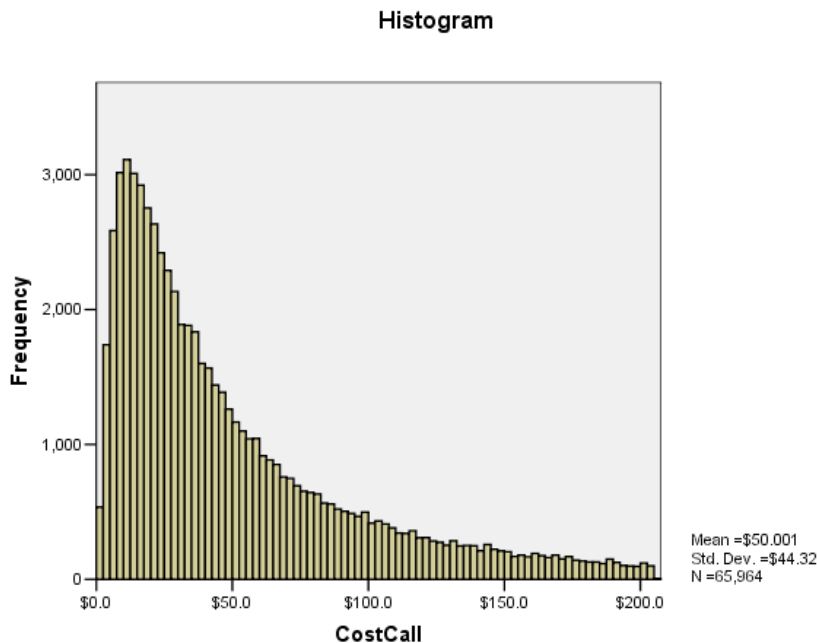
Appendix

A Note about the Data

The distribution of data for several key factors (cost per call, calls, SROI), however, is highly “skewed”⁷. For each variable, a small percentage of advertisers experience extremely high results, while the majority of results cluster around much lower values. Consequently, the “mean” (average) is much larger than the “median” (midpoint). In the past, to compensate for this, the top 7.5% of the curve was dropped. But even the resulting “adjusted mean” tended to have a much higher value than the median.

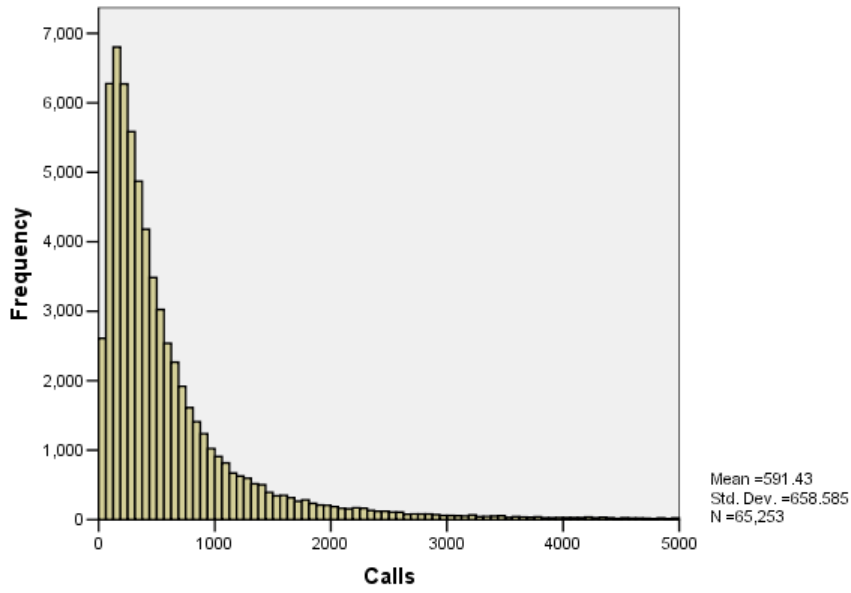
The reason for reporting the median is that the median is closer to the value experienced by a majority of advertisers (the “mean” values were higher than what the majority of advertisers experienced).

The 3 figures below show the distribution of results for calls, cost per call, and SROI (each of these have been “truncated” at the high end for the sake of “scaling” to allow clear interpretation of the data.)

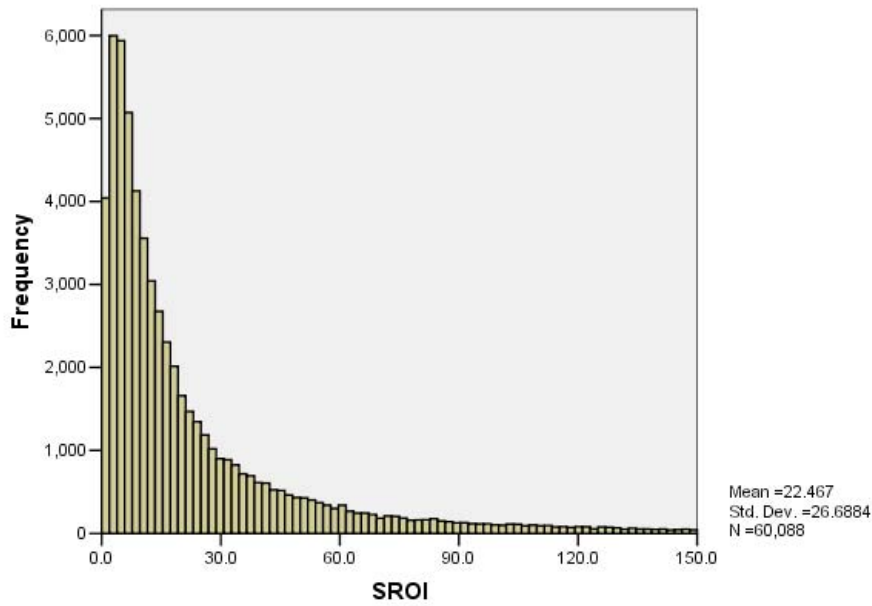


⁷ Actually, the variables are “normal” in loglinear space. That is, $\ln(\text{calls})$, $\ln(\text{cost per call})$, $\ln(\text{SROI})$ have “normal” distributions.

Histogram



Histogram



Data “Scrubbing” and Preparation Procedures

The front-end data “preparation and standardization” process is key to the successful analysis of the metered ad data. All studies received from publishers were subject to the following procedures to insure data quality:

1. Drop studies that are anything other than one ad, one directory, one heading studies.
2. All studies have first been subject to individual publisher quality procedures.
 - a. Publishers monitor lines for a few months before starting tests.
 - b. Publishers drop lines known to be “dirty”.
3. Inspect individual monthly data and do additional “filtering”:
 - a. Drop first month when it is significantly less than all following months because of the distribution “ramp-up” effect. Similarly, drop the last month when numbers differ significantly from other months (due to overlaps with the delivery of the next directory issue).
 - b. Drop months with zero data when it is clear the zeros are not a seasonal effect and when other months’ levels differ significantly from zero.
 - c. Drop first month when it is significantly greater than all following months (and couldn’t be explained as a seasonal effect) – (noise adjustment).
 - d. Drop clear outliers (typos, etc.)
 - e. Identify “patterns” of problems and correct for those problems.
 - f. Identify multiple line ads, aggregate calls for total ad, and identify number of lines measured for the ad.
 - g. Drop studies with minimal reporting time durations.
4. Eliminate “significant outliers” (generally about 2.5%).
5. Drop data from studies more than 4 years old.

Rates: Append current rates to all ads, regardless of study year. The goal is to represent the economics of each ad at current rate levels. For the 2010 Metered Ad Study, YPA’s January 2010 Rates and Data is used as the source. Thus, the analysis of cost per call and return on investment is done for all ads assuming that the rates from the beginning of 2010 are in effect.

Many advertisers receive reductions in effective rates as a result of loyalty programs, purchase volume bonuses, or of a variety of purchase incentives. These incentives lower the average effective cost per call by up to 50%. Throughout this document, a standard of 50% of posted rates is used to reflect typical advertiser experiences. Heading-specific results reported in the detailed files that accompany this report also use the convention of 50% of current posted rates as the benchmark for reporting results. This is viewed to be a more realistic representation of actual advertiser experience than full-posted rates.

Distribution: Append directory distribution for each study.

Ad units: Identify ad size for each study in numbers of QC equivalents for display ads and HS equivalents for Space ads.

Headings: Cluster headings into categories where too few studies are available at the heading level to provide meaningful insights. Maintain original headings for later analyses.

Directory Year: Keep year of study and directory to allow for tracking of results by year. Note: Directories published in October, November, or December of a given year are included with studies for the next year since the majority of usage for these directories comes in the months of the following year.

Color Indicator: Append indicator of ad type (B&W, White Knockout, Color, Process Color)

Position Indicator: Publishers provided position information for some display ads (i.e., 2nd display ad out of 13). This information is included whenever supplied.