

Section 5: Consumer Dynamics

Every advertising medium has its own unique set of consumer dynamics. Individual media vary with regard to the type of audience attracted and delivered to advertisers, and the reasons why individuals use that medium. This section addresses these issues for the yellow pages.

Demographics

"The term "demographics" ... derives from demography, "the study of the characteristics of human populations." Professional demographers, such as those who work at the United States Census Bureau, are concerned primarily with population size and density, birth and death rates, and in- and out-migration. But the practice of describing human groups according to distributions of sex, age, ethnicity, educational level, income, or other such has become a commonplace in many domains. These categories are called demographics." (Source: Eric Rothenbuhler, "[Demographics](#)")

Yellow Pages User Demographics - Print

The demographics of yellow pages audience delivery can be viewed two ways. First, we can look at the demographics of overall directory usage, that is, who in general uses print yellow pages directories. Second, we can see how this overall media profile varies across individual yellow pages headings.

All Yellow Pages Users

Overall, yellow pages print directories tend to attract an upscale, well educated group of consumers. Compared to the nation as a whole, directory users are more likely to be both men and women who:

- are younger, aged 25-49,
- are college educated, and
- have an annual household income of \$60,000 or more.

Specific Heading Users

Within this broad demographic it is not surprising that there are variations across the users of different directory headings. The table below shows the demographic profiles of individuals who use some of the most referenced individual print directory headings.

Heading	Key Heading User Demographics
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Restaurants	47% male, 53% female; all age and income groups.
Physicians & Surgeons	44% male, 56% female; 61% are 45 years of age or older, in particular 55 and older. All income groups.
Auto Parts - New	60% male, 40% female; 78% are between the ages of 25 and 64; all income groups. Higher than average number of purchasers among those employed in blue collar professions.
Attorney	46% male, 54% female; 79% are aged 35 or older; all income groups. Higher than average number of purchasers among those divorced, widowed or separated, and households operating a home business.
Florists	40% male, 60% female; 58% are aged 35 or older; 62% are in households with an annual income of \$50,000 or more (especially \$75,000 and over). Higher than average number of purchasers among those with a college education and in white collar professions.

As you can see, some headings, such as "Restaurants," have broad demographic appeal while others tend to differentially attract specific age, income or other demographic segments.

Implications for Advertisers

Advertisers recognize that their return on advertising investment is heightened and their media buying is more efficient when the audience demographics delivered by a particular media vehicle closely matches the demographics of their target audience. This is why television and radio program demographics and magazine audience analyses are such an important part of the media selection and buying process.

The print yellow pages directory is in nearly everyone's home and, as a result, many think that the directory is therefore only appropriate for reaching a very broad, undifferentiated group of consumers. The demographic variation across headings suggests, however, that this is not the case. Similar to other media, different demographic profiles across directory headings allows advertisers to match media delivery to target audience characteristics. Just as different television programs deliver different audiences, different directory headings also deliver different audiences. The focused audience delivery by heading lets advertisers determine how and to what extent a yellow pages heading delivers their desired demographic audience.

Yellow Pages User Demographics - Internet

The demographics of Internet yellow pages users are very similar to the demographics of print directory users. Internet yellow pages users are more likely than the population as a whole to be:

- aged 25 to 49,
- college educated, and
- in households with an annual income of \$60,000 or more.

Psychographics

"Psychographics is the art of determining the perceptions, attitudes, drives, feelings and preferences of customers. It's understanding what they think, what motivates them, and what determines their

behavior in their purchase decision process." (Source: [Holt Business Solutions](#))

Just as the demographics of yellow pages users in general and by heading differ from the population as a whole, the psychographics - the attitudes, outlook and beliefs - of yellow pages print directory users also differ. Heavy users of the yellow pages print directories display three important psychographic traits:

- They consider themselves to be smart, spontaneous shoppers who enjoy shopping.
- They are more "adventurous" shoppers. Heavy users are more likely to visit multiple stores; are willing to travel longer to reach a favorite store; and like to be the first among their friends to find and shop at a new store.
- They are "risk takers." Heavy users are more likely to agree that they are experimenters who change brands often; enjoy taking risks; and like to spend money without thinking.

(Source: CRM Associates using data collected by Simmons Market Research Bureau)

Purchase Behaviors

Section 2 discussed how different media, including the yellow pages, conduct research to demonstrate the unique value of their specific medium. Value was discussed in terms of audience delivery, audience influence and return on investment.

An additional way to discuss media value is in the context of "quality" of audience delivered. This approach takes the perspective that while two different media may reach and deliver the advertising to the same **number** of individuals for the same cost, differences in the behaviors of the delivered audience may make one medium a better advertising vehicle than the other.

One key behavior typically examined in "quality of audience" analyses is amount spent once exposed to the advertising. Imagine, for example, that members of Coke's target audience are exposed to ads for the cola. Some see the ads exclusively on television while others see the ads exclusively in magazines. In the month after ad exposure, those who saw the ads on television buy an average of six cans of Coke per week while those who saw the ads in magazines buy an average of twelve cans per week. Clearly, in this example, magazines are delivering a better "quality" audience for Coke.

The [Yellow Pages Association](#) has taken this approach to determine the quality of the audience delivered by print yellow pages directories, where "quality" is defined in terms of dollars spent on the purchase of products or services.

The analysis performed by CRM Associates (using data collected by Simmons Market Research Bureau) first identified individuals who made a purchase in a particular product category (such as furniture). Then category buyers were divided into those who used the yellow pages and those who did not, and the average amount spent by both groups was compared.

The analysis found that, on average, yellow pages users spend 25% more than the average customer for a given heading category. More specifically, out of 65 heading categories:

- Yellow pages customers exceeded the average customer expenditure in 94% of the categories.
- Yellow pages customers exceeded the average customer expenditure by 10% or more in 71% of the categories.

Data for specific categories is shown in the table on the right. As can be seen, the tendency for Yellow Pages customers to spend more

Heading	Percent Greater Than Average
Furniture	73
Financial Services	70
Watches	66
Contractors	62
Draperies	59
Building Materials	57
Jewelry	48

than the average customer applies to both products and services. The data suggest that the reason for the higher level of spending is either that the users buy more items or they buy more expensive items.

The tendency for yellow pages users to spend more than the average consumer brings into question the stereotype of yellow pages users being "price driven shoppers," that is, individuals who call around to find the absolute lowest price. Rather, yellow pages users' higher incomes coupled with their psychographics, indicate that these individuals are not adverse to spending money, but that they demand high "value" for their purchase.

Attitudinal Reasons for Yellow Pages Usage

Usage and Gratifications

Blumler and Katz's **uses and gratification theory** suggests that individuals take an active role in choosing and using different media. A specific medium, from among a range of options, is chosen at a particular time because it best responds to and fulfills an individual's unique needs. Uses and gratification theory has been used to explain why individuals select different genres of entertainment, different media types and different media forms (see [Angleman](#); [Luo](#); [Sadow](#); and [Rahman](#)). This, and other uses and gratifications research, shows that while media selection is guided by the needs and gratifications sought, specific needs and gratifications vary across media and media types. An individual might, for example, watch a soap opera because the content provides a basis for conversing with others (the need for social interaction) or for identification and involvement with characters (need for positive self-image). An individual might watch a quiz show due to the need to feel smart (need for self-esteem).

While specific needs and gratifications vary across media and media types, the prior examples illustrate an important commonality across media: needs and gratifications typically relate to media **content**.

An important implication of the relationship between media content and media selection is that advertising exposure is typically a by-product of media selection. Individuals select a media vehicle such as a television program for its content and during exposure to the program they are also exposed to advertising. But the program content (and the gratifications received from that content) and not the advertising is what motivates the person to select the medium or media vehicle. (One exception to this might be the Super Bowl, which many watch just for the advertising.)

In this respect, the yellow pages are distinctly different than other media that carry advertising because the medium *is* advertising. And, information is the key to yellow pages advertising. Luo notes that "the informativeness construct of uses and gratifications theory can be defined as the extent to which [a medium] provides users with resourceful and helpful information." Information is the key to how the yellow pages responds to individuals' needs and gratifications sought.

Why is information so important?

Individuals come to the yellow pages with a specific need, a problem to solve. Information is important because it is the source that provides the gratifications sought, i.e., a successful resolution of the problem. The use of the yellow pages to solve a problem explains why greater than 83% of those who use the yellow pages make contact with a relevant business or service after turning to the yellow pages.

Permission Marketing

Permission marketing occurs when consumers provide marketers with permission to send them promotional messages. In this approach to marketing and advertising, consumers control what advertising they see and the circumstances in which that advertising is sent and received. (For one of the earliest and best discussions of Permission Marketing see Seth Godin, [Permission Marketing](#).) The yellow pages may be the ultimate permission marketing advertising medium because consumers come to the yellow pages with the intention of being exposed to and reading the advertising. They know that the medium and the advertising it presents are one and the same and, as a result, they give the medium "permission" to communicate the advertising. Consumers' granting of permission results in a very positive mindset as they read through the ads. Permission Marketing is typically discussed in the context of the Internet and e-mail campaigns. Atad et. al. ([What is Permission Marketing?](#)) points out these advantages of e-mail permission marketing:

- Delivers Receptive Audiences - The offer reaches an audience that has already expressed an interest in the topic.
- Low Cost - Compared to other forms of direct marketing, e-mail marketing is significantly less expensive.
- Easy to Test, Track and Evaluate - E-mail is an ideal testing medium, offering a range of trackable events. E-mail enables marketers to test different list sources, combinations of interest categories, various creative approaches, and even elements of timing.
- High Response - Typically, permission e-mail campaigns result in better response rates than traditional direct marketing or other types of online advertising.

What is interesting about this list is that beyond the Internet, of all major advertising media, only the yellow pages satisfy the criteria enumerated by Atad, further demonstrating the strengths of this medium when evaluated within the context of permission marketing. Below we've revised Atad's focus, moving from e-mail to the yellow pages. (Our revisions and additions are shown in green.)

- Delivers Receptive Audiences - The offer reaches an audience that has already expressed an interest in the topic. **There is no wasted yellow pages audience exposure. All who come to a heading have a need or a problem to solve, and are attempting to solve the need or problem through use of the heading's advertising. This may be why more than 75% of consumers believe that the yellow pages are "a helpful source of information" that "helps them learn more about products and services."**
- Low Cost - Compared to other forms of direct marketing, e-mail marketing is significantly less expensive. **As is the yellow pages. CRM Associates estimates that the cost per influenced consumer is lower in the yellow pages (\$9.10) versus newspaper (\$18.43), magazines (\$26.30), radio (\$31.72) and television (\$56.75).**
- Easy to Test, Track and Evaluate - E-mail is an ideal testing medium, offering a range of trackable events. E-mail enables marketers to test different list sources, combinations of interest categories, various creative approaches, and even elements of timing. **As discussed in Section 2, instead of an advertiser's regular business telephone number, a special telephone number can be placed in a yellow pages ad. When a customer dials this number, it passes through a meter that records the call placed, and then forwards the call to the advertised business. This process takes only seconds and the caller is unaware that it ever happened. As a result, yellow pages advertisers can track the number of calls generated by an ad and then, through the use of a ROI calculator, determine the ROI on their yellow pages advertising.**
- High Response - Typically, permission e-mail campaigns result in better response rates than traditional direct marketing or other types of online advertising. **Yellow pages also provide high levels of response. Across all categories 83% of consumers make contact after viewing the yellow pages.**

Lifestyle Reasons for Yellow Pages Usage

Two types of lifestyle-related events appear to underlay yellow pages usage. These are needs and problems that are related to commonly occurring events and those associated with infrequently occurring life events.

Commonly Occurring Events

Commonly occurring events fall into two groups: anticipated and unanticipated.

- Anticipated events are those that occur without surprise in the normal course of daily activities. These events may occur frequently, such as having a car's oil changed or ordering office supplies, or they may occur less frequently, such as the decision to build a fence or order flowers.
- Unanticipated events are those that take one by surprise, for example, the need to repair a roof or respond to flood damage.

Percent of

The relationship between the need to solve a commonly occurring problem and yellow pages selection can be seen in the usage of the top heading segments (see table). The majority of these heading segments provide information that responds to commonly occurring anticipated and unanticipated events.

Heading Segment	References
Health Care	13.4
Automotive	12.8
Restaurants/Pizza/Caterers	11.9
Contractors	5.5
Insurance/Banks/Real Estate/Financial	4.4
Hardware/Building Materials	4.0
Travel/Travel Related	3.9
Entertainment/Recreation	2.7
Beauty Salons/Barbers/Cosmetics	2.3
Attorneys/Accountants/Architects/Engineers	2.2

Clearly, anticipated and unanticipated common events motivate individuals to use both print and Internet yellow pages. Further, because directory users are "value" shoppers, they tend (on average) to read about five ads before making contact.

Infrequently Occurring Events

In any given year, many individuals and families undergo a major life event, such as marriage, birth of children or change in jobs. Regardless of the nature of the event, the presence of the event itself causes a need for assistance or information, and the yellow pages are one source of information individuals turn to in an attempt to satisfy problems that arise as a result of a life-related event. In the context of uses and gratifications theory, the presence of the life event causes a unique set of needs (problems to be solved) to arise, and the yellow pages provides the information that can be used to address this need (by providing the gratification of a successfully solved problem).

The table below shows the percentage increase in yellow pages usage for different types of actual or anticipated life events. Note that in all cases, yellow pages usage increases in the presence of a life event.

Type of Event	Percent of Population	Percent Increase in Yellow Pages Usage
Family-Related		
Oldest child enters school	3	85
Got/is getting married	5	83
Child was/will be born	3	65
Youngest child graduates college	1	63
Separates/divorces	3	61
Youngest daughter getting married	2	61
Job-Related		
Change job - lower pay	4	80
Change job - higher pay	17	44
Retired	6	51
Home-Related		
Bought first home	6	66
Sold or changed home	11	49
Finance-Related		
Made last mortgage payment	2	76
Collects from pension/savings/stock plan	4	73

Given that these events occur only once (or a few times) in an individual's life, the yellow pages provide an opportunity to reach consumers who have an immediate need to satisfy, but who have not yet developed strong loyalty to businesses or services that can be used to satisfy their need.

This trend in usage helps to explain why (as discussed in [Section 3](#) and [Section 4](#)) certain types and content of yellow pages ads tend to work better than others. Directory users are looking for information about what to buy, which brand to buy, or where to buy so that they can best satisfy the specific need rising out of a rarely occurring life event.

(Source for Life Events section: CRM Associates using data collected by Simmons Market Research Bureau)

Sources

Many sources are noted in the text. Sources for referenced journal articles are shown below.

Blumler J.G. & Katz, E. (1974). The uses of mass communications: Current perspectives on gratifications research. Beverly Hills, CA: Sage.

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