

**THE NEED FOR THIRD-PARTY
TELEPHONE DIRECTORY USAGE RESEARCH
Position Paper**



Prepared jointly by:
**Association of National Advertisers
Telephone Directory Committee**
and

**American Association of Advertising Agencies
Directory Advertising Committee**



Now more than ever, every advertising dollar is accountable and is scrutinized for return-on-investment. Advertisers and their agencies use data mining to identify the most profitable target audiences, and then use specific media vehicles to reach them. The client focus is on cost / value.

National advertisers rely on third-party audience research to make investment decisions for media including television, radio, print, Internet and out-of-home. These media fund research covering all major U.S. markets, which is used in the planning of advertising expenditures. Third-party audience research is available across all markets for television (Nielsen's 210 markets) and radio (Arbitron's 283 markets), while newspaper audience research is available for the top 100 markets. This research is critical in making media decisions. Meanwhile, unmeasured media risk losing dollar share.

For Yellow Pages advertising, the equivalent research is NFO's NYPM (National Yellow Pages Monitor) directory usage data. This research provides important ratings and demographic data, as well as information on actions readers have taken (contacts, purchases, references). A look at recent history shows that NFO NYPM market coverage has declined dramatically.

Release Year	# Markets	# Directories	% U.S. Pop 18+
1997	53	470	33%
1998	49	444	32%
1999	67	630	37%
2000	38	380	22%
2001	29	245	18%
2002	27	211	17%
2003	0	0	0%

Source: NFO WorldGroup

In 1999, the NFO NYPM ratings research peaked at 67 markets covering 37% of the U.S. population. The 2002 release has been reduced to 27 markets and only 17% coverage of the U.S. population. And there are no plans to release any research data in 2003. Without third-party usage research, advertisers and agencies have less objective information on which to base Yellow Pages investment decisions. In such cases, other media can argue persuasively for a greater share of the advertising budget.

This is alarming given the amount of money spent on advertising in the Yellow Pages medium – \$13.6 billion in 2001 (Source: Universal McCann's Robert J. Coen). More is spent on Yellow Pages advertising than in consumer magazines, out-of-home, or Internet advertising. And Yellow Pages advertising spending is only slightly behind that of the primary four television networks (\$14.3 billion). It is unthinkable that investment decisions for television and magazines would ever be made without the benefit of audience research. Why should the Yellow Pages advertising medium be any different?

National advertisers and their agencies need credible third-party telephone directory usage research because it provides important ratings and demographic data, as well as information on actions readers have taken. A medium is at a competitive disadvantage without such data.

The ANA and AAAA Telephone Directory Advertising Committees strongly recommend that publishers increase third-party directory usage research and restore it to at least 1999 levels. Other resources such as Simmons, Media Impact and KN/SRI offer valuable category level data for the Yellow Pages medium, but do not supply directory usage information.

There are three other related issues that also need to be addressed.

First, CMRs and advertisers need to be more informed about the details of third-party telephone directory research. We request that the following important steps be taken, just as they are for the release of similar research in other media:

- Publication of all markets and directories being measured *before* the survey is begun
- Complete disclosure of survey methodology and questionnaires
- Simultaneous release of complete results so that advertisers / agencies / CMRs and publishers all see the same and accurate picture – the data should not be controlled by one sector.

Next, some markets are studied every year by NFO while others are ignored for years; smaller markets are researched while larger markets are passed over. For example, the 2000 release studied Indianapolis, but not Chicago. Markets should be selected and researched based on a strategic plan.

Finally, proprietary ratings studies need to be made available in their entirety to national advertisers and their agencies. Advertisers need to be certain that data has not been selectively chosen to tell a positive story. Releasing only portions of the research raises questions of credibility and data hygiene. But while full disclosure of proprietary research is valuable, it cannot be viewed as a replacement for third-party telephone directory research.

For the publishers, a key benefit of directory usage research is that it can help Yellow Pages get its fair share of the national advertiser's budget, especially from those that can grow or expand their expenditures. With the aid of usage research, advertisers, agencies and CMRs would no longer have to make arbitrary decisions about how to allocate their budgets between markets and directories. Usage research can also help maintain current business and sell new advertisers on the value of Yellow Pages advertising. Within the Yellow Pages advertising budget, usage data can guide spending decisions for unit sizes, and the number of categories and directories (including neighborhood books) bought.

The Yellow Pages advertising publishing community can be a relevant, viable partner in media planning for national advertisers. Credible, third-party usage research can make this partnership a reality.

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