



Nielsen Local Mobile Search Study, Part 2: The Advertisers

What advertisers need to know about how Local Mobile
Searchers interact with advertising

Conclusions from the AT&T Interactive–sponsored March 2011 Nielsen Local Mobile Search Study



Background

Mobile devices have changed the way consumers find what they need and have had a broad impact on the way advertisers reach them. The ability for consumers to search for goods and services in their immediate surroundings, while on-the-go with a mobile device, introduced a convenience they value. In turn, this connectedness has created new ways for advertisers to reach consumers.

To better understand this dynamic market, AT&T Interactive commissioned Nielsen to conduct a custom study.

In March 2011, Nielsen surveyed more than 1,500 smartphone, feature phone, and tablet owners who used a mobile device to search for a local business via the mobile web or an app (we call them Searchers in this report). Respondents were randomly selected and represent the broader mobile consumer population. The survey aimed to gain better insights into consumer mobile purchase decision-making and advertising consumption.

The survey investigated:

- **Mobile discovery and purchase behaviors:** How consumers research, compare and make purchase decisions
- **Use of location-based services:** How consumers use location-based services as they search
- **Mobile lifestyle/consumption behavior:** How consumers use mobile apps and the mobile web, how certain brands fare and which categories have significant presence

This report provides an overview of the survey's findings related to advertisers. A previous report provided an overview of the entire survey, and the final report in the series will focus on issues related to publishers.

The March 2011 Nielsen Local Mobile Search Study survey provides the raw data upon which AT&T Interactive based the analysis that is summarized herein. Unless otherwise noted, the conclusions and/or opinions expressed herein are strictly those of the author and/or AT&T Interactive, based solely upon their own views regarding the data from the Nielsen study.



Key findings

- Searchers are tech-savvy early adopters.
- Searchers carry multiple devices.
- Searchers use mobile apps almost as often as they use email and the mobile web.
- Searchers who use tablets are likely to allow location detection.
- Searchers visit businesses and make purchases as a result of local mobile searches.
- Tablets play an important role in local mobile search.
- Searchers click on local mobile advertising, and Searchers who use AT&T Interactive's products, such as the YPmobile® suite of products, are much more likely to click on an ad.
- Searchers are more likely to recall the ads they see on YPmobile® products than on other sites or apps.
- Searchers who use YPmobile® products are much more satisfied with the experience than with other yellow pages products.



Who Are Searchers?

An on-the-go tech-savvy group

Searchers are never far away from technology; they're on-the-go, with mobile devices (usually a smartphone) that are always with them and always on.

Ninety percent of male Searchers and 86% of female Searchers have smartphones. Ninety-four percent of male and female Searchers have a personal computer; 62% of men and 65% of women have an MP3 player.

The Searchers' smartphones complement, rather than replace, their personal computers for local search.

They use mobile apps...

Searchers use apps on their smartphones every day. In fact, they use apps as regularly as email and texting. Searchers are so at home with apps that apps have overtaken the mobile web as the most popular way they access information.

...and they use a lot of them

The popularity of apps among Searchers is underscored by the wide variety of apps they have on their smartphones. In addition to search, in the three months leading up to the survey, 64% of Searchers used apps for mapping and navigation, 63% for weather, 59% for search/directory/business listings, 57% for social networking, 52% for games and 46% for reading news.

Searcher demographics

Compared with all smartphone users, Searchers are more likely to fall in the 25 to 34 age demographic.

However, it is also interesting to note that more than one in five fall into the 55+ age group, which is a much higher concentration compared to all smartphone owners.

How Searchers Find Your Business

Consumer searching, of course, is not the ultimate goal for an advertiser. It's the actions a Searcher takes after making a search that are important barometers of the success of mobile advertising.

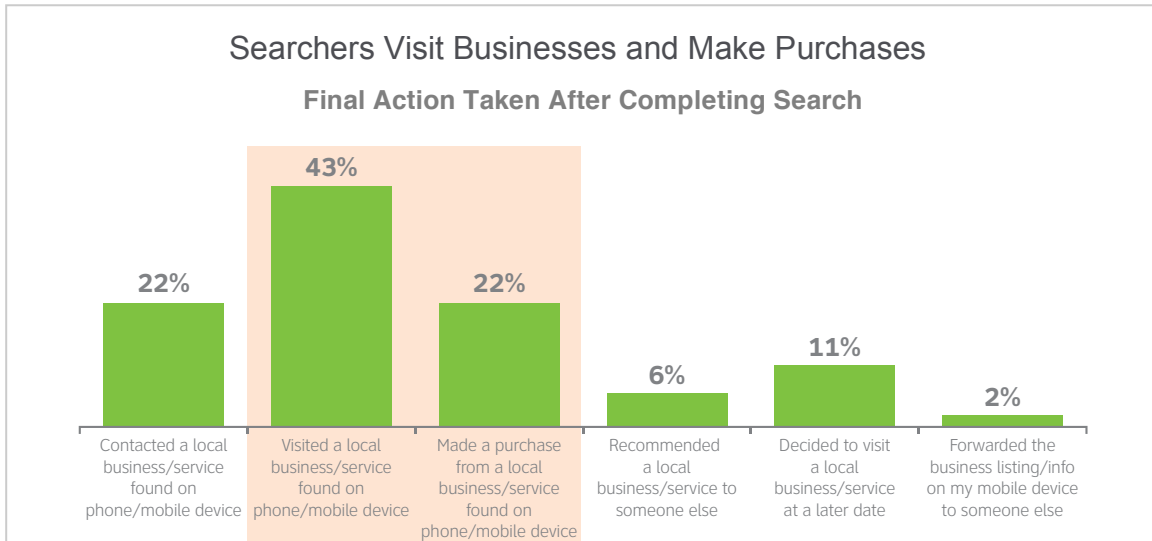
The clickthrough rate (a common metric for gauging the effectiveness of online advertising) remains important, but it's only one measure of the success of a mobile search. The survey investigated how likely it is that a Searcher would visit a local business and then buy a product from that business.

The story gets even more interesting when we examine the store visits and contacts (emails and phone calls) within the various search categories.

Fifty-three percent of Searchers visited a Restaurant/Dining establishment and 52% visited a Retailer/Grocery store after conducting a search in those two categories. In the Professional Services and Contractor categories, where advertisers are less likely to have a brick-and-mortar location, Searchers were more likely to contact the business (presumably by phone) than they were in the Restaurant/Dining and Retail/Grocery categories. Both actions are very positive for the advertiser.

Searchers visit businesses

In stark contrast to online display advertising, the survey revealed that 43% of Searchers visit a local business and 22% make a purchase. These figures far exceed the response rates to online display ads and they underscore the value of targeted, local mobile advertising.



It's also interesting to see how likely it is that Searchers will "check-in" or redeem an offer after a search. Thirteen percent of Searchers checked in at a business, while 10% redeemed a coupon.

Tablet use is on the rise

The mobile phone, and specifically the smartphone, clearly remains a key element in local search.

Tablets such as Apple's iPad are quickly gaining ground. Tablet users are now responsible for a larger proportion of local searches across various categories. Forty-eight percent of Searchers who own tablets have searched for Entertainment, 47% have searched for Retail/Grocery, and 36% for Travel.

Some of the searches that people tend to conduct from home (e.g., Travel, Contractors and Professional Services) are also ones that tablet owners conduct far more often than smartphone owners. This may have to do with the fact that, in many cases, tablet searches happen at home.

Unlike a search from a smartphone, which is often done on-the-go with the purpose of finding a business and paying a visit, these kinds of tablet searches are for businesses that generally lack a physical location that a customer would need to visit.

On the other hand, there are some popular tablet search categories, such as Retail/Grocery, that Searchers tend to look for while in the car. This indicates that the tablet is not completely homebound. It's easy to relax with a tablet on the couch at home, where searches for Travel, Contractors and Professional Services take place. But, in categories like Restaurant/Dining, Searchers also find it pretty easy to bring a tablet along when they leave home.

Tablet owners more likely to click on ads, share location

Tablet owners are twice as likely to click on an ad while using an app or surfing the mobile web.

Identifying a user's location is a valuable part of the local search experience. According to the survey, there is a significant difference in behavior between smartphone owners and tablet owners.

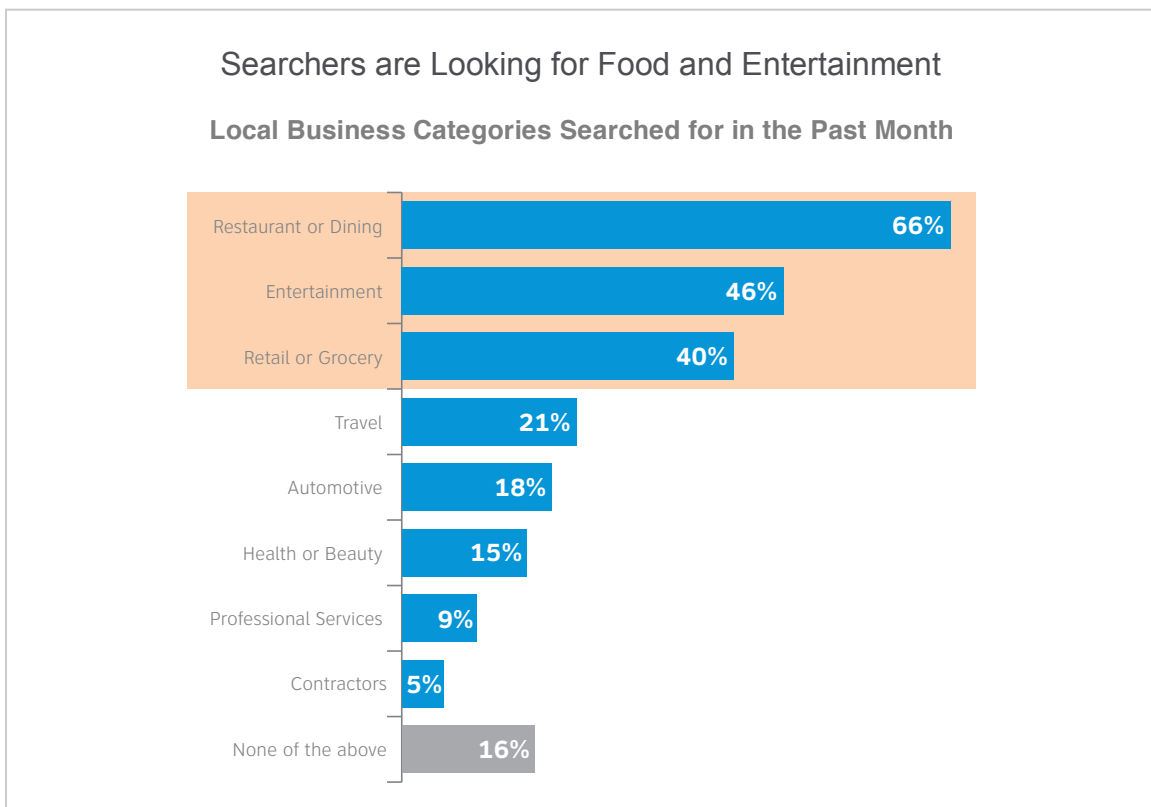
For example, 64% of tablet owners have allowed an app to detect their location to suggest nearby businesses, compared with 52% of smartphone users.



What Are Searchers Looking For?

They're looking for food and entertainment

Searchers are interested in a wide variety of categories. They often seek Travel, Automotive and Health or Beauty choices. But most frequently, Searchers are on the hunt for Restaurant/Dining, Entertainment and Retail/Grocery options. According to the survey, 66% of all Searchers were looking for Restaurant/Dining options, while 46% percent looked for Entertainment and 40% were seeking Retail/Grocery stores.



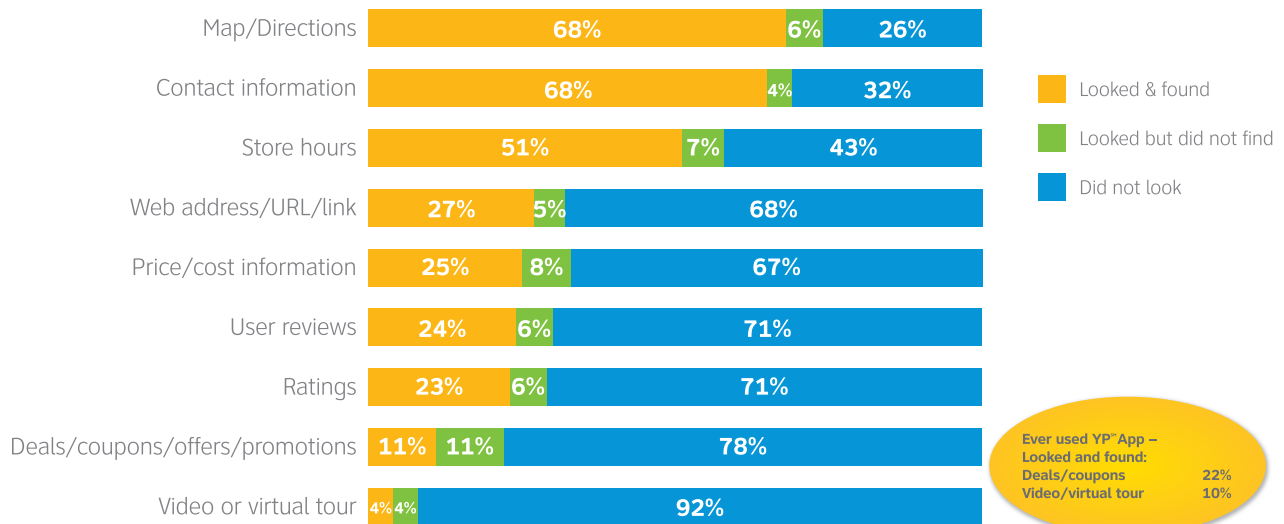
They want to know where they're going and how to get there

Predictably, Searchers are typically looking for basic information. For example, in the Restaurant/Dining category, Searchers want to know location, contact information and store hours. For the most part, they succeed in finding what they want. Clear, simple ads that convey this essential information are advisable for advertisers in this category.



Searchers are Looking for Where They're Going and How To Get There

Type of Information Searched for on Mobile Device



Base: All that have searched for Restaurant/Dining information and category selected (n=545)

What's the Best Way to Reach Searchers?

Be relevant in the right place

Knowing what Searchers want is the first step; knowing how to reach them with an ad is the second. In short, effective advertising requires relevance and placement. That might seem to be obvious—almost a no-brainer—but there are some ad segments that are especially well received by Searchers and deserve emphasis.

Targeting verticals with ads that are relevant to search results will lead to clicks from Searchers. For example, in the Professional Services and Contractors segments, a local mobile ad can be highly effective. Twenty-two percent of Searchers looking for Professional Services and 20% of Searchers looking for Contractors clicked on mobile ads.

Early adopters click often

Many of the Searchers surveyed consider themselves to be early adopters. In the Retail/Grocery, Automotive and Restaurant/Dining categories, early adopters are much more likely to click on ads than Searchers who don't consider themselves early adopters.

Beware of clutter

To reach Searchers, advertisers should be concerned about clutter. It's a turnoff for Searchers. Their complaints run the gamut from an ad blocking part of the screen to an ad making it too easy to accidentally click on it.



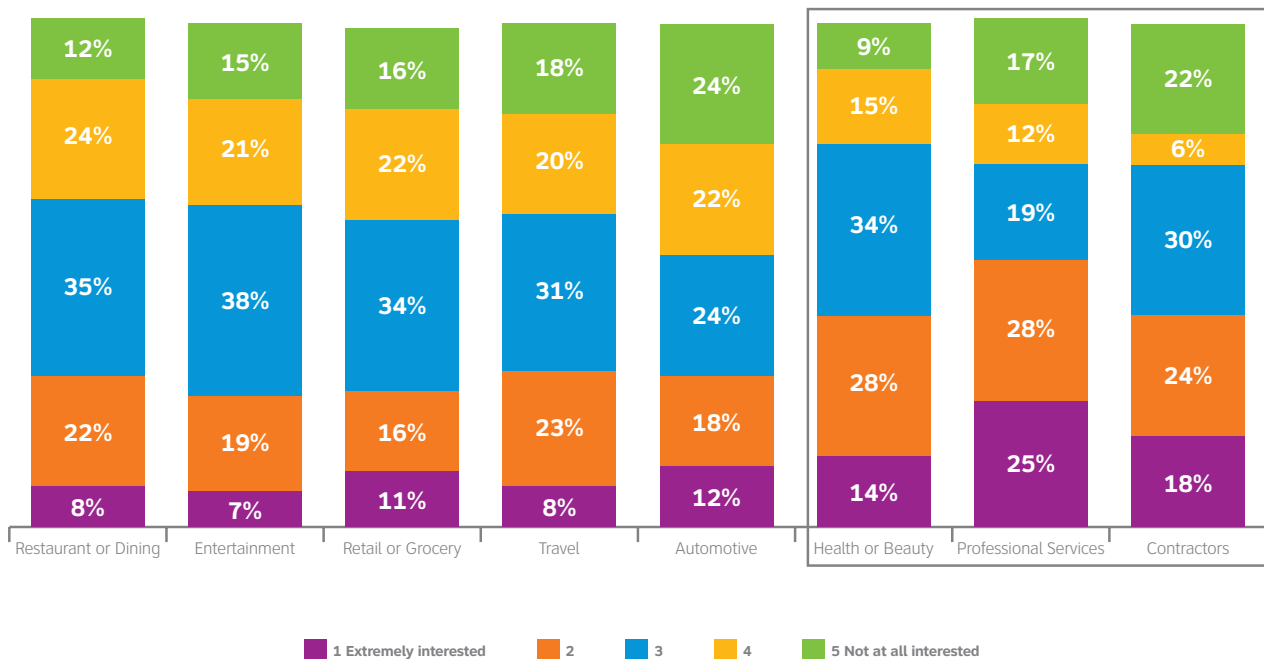
What's the deal?

Deal programs are a hot area these days. But is the hype deserved?

A surprisingly low 26% of Searchers belong to a deal program. However, interest in deals is strong across all search categories. Within these categories, Searchers looking for Health/Beauty, Contractors and Professional Services are more likely to be interested in receiving special deals on their mobile phones than Searchers interested in other categories.

Searchers are Open to Receiving Deals

Interest in Receiving Customized Promotions Based on Location





YPSM Users Are Unique

In the survey, we asked all Searchers about the YPmobile[®] suite of products, including YPSM app and YPmobile[®] web, to learn about how they use and interact with these properties. We found that Searchers who use YPmobile[®] products are distinct in their behaviors and present a better opportunity for advertisers to effectively reach their consumers.

They're power users

In many ways, Searchers are the best possible group of consumers for advertisers to target. They know what they want and they are eager to find it. Then, once they find it, they are likely to visit businesses and make purchases.

Nothing could be better for an advertiser. That's where Searchers who use YPmobile[®] products come in. They're power users—and they are even more likely than Searchers as a whole to visit a business and make purchases.

They're more likely to remember a mobile ad and to click on it

Searchers who use YPmobile[®] products have a greater propensity to recall an ad than other Searchers. For example, 20% of all Searchers recall seeing a mobile ad, while 37% of those using YPmobile[®] products recall seeing ads. Users of YPmobile[®] products also click within all search categories more frequently than other Searchers.

Location, location, location (and engagement)

When it comes to allowing an app to detect location, Searchers who are also YPSM app users are more likely than other Searchers to allow location detection. Specifically, 55% of YPSM app users allowed an app to detect their location in the three months leading up to the survey. This contrasts with 48% of Searchers who don't use the YPSM app, and 49% of all Searchers.

In addition, YPSM app users are more engaged in mobile content and ads. Thirty-nine percent of YPSM app users click on an ad while using app or the mobile web, compared with only 17% of all Searchers and 15% of those who don't use the YPSM app.

YPSM brand users are more engaged

Searchers who have used the YPSM app are interested in offers in all categories, most prominently in Automotive, Health/Beauty and Professional Services.

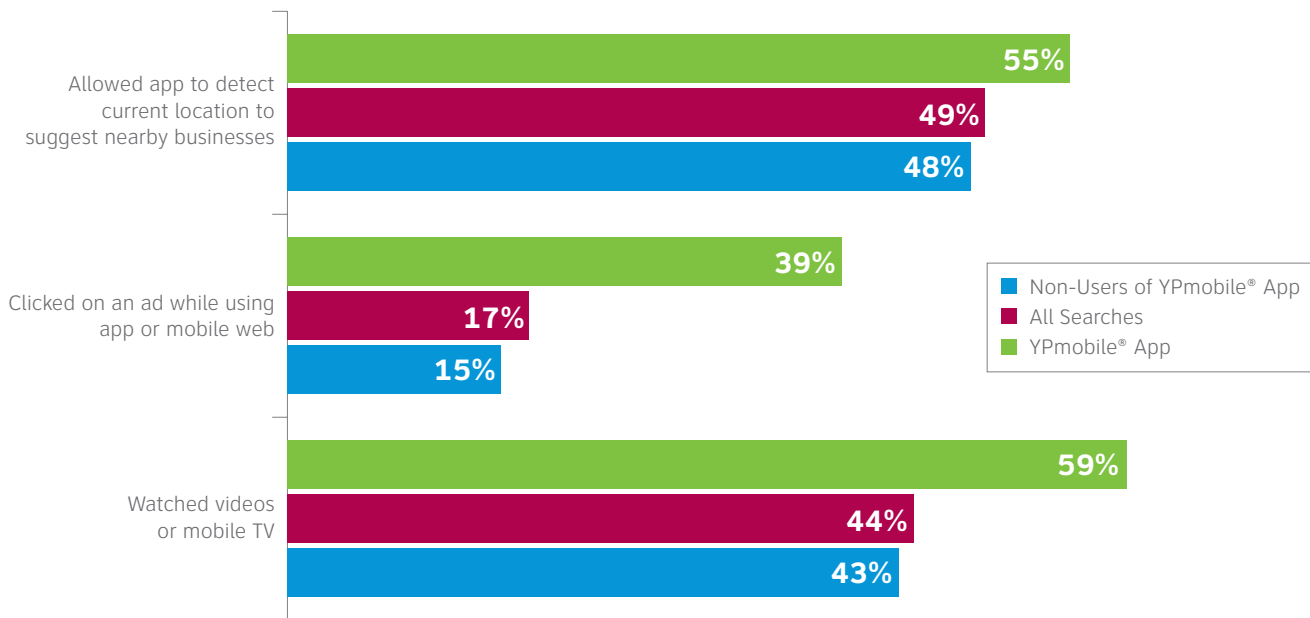
Of those surveyed, 22% of Searchers using YPmobile[®] products have looked for and found a deal, compared with the 11% who looked for and found deals on local search sites.

Ten percent of Searchers who have used YPmobile[®] products looked for videos and virtual tours, compared to 4% on other local search venues.



YPSM App Users are Open to Location Detection and are More Engaged

Activities of Searchers in Past Three Months



YPSM users are great ad targets

Searchers who use YPmobile[®] products are more likely than other Searchers to visit websites on their mobile phones; they are also more frequently on a mobile phone or device and are expected to use mobile websites more in the future.

In addition, Searchers who use YPmobile[®] products are more likely to use mobile apps, and they spend more time on their mobile phones, than other Searchers. Their search frequency is also much higher than that of overall Searchers.

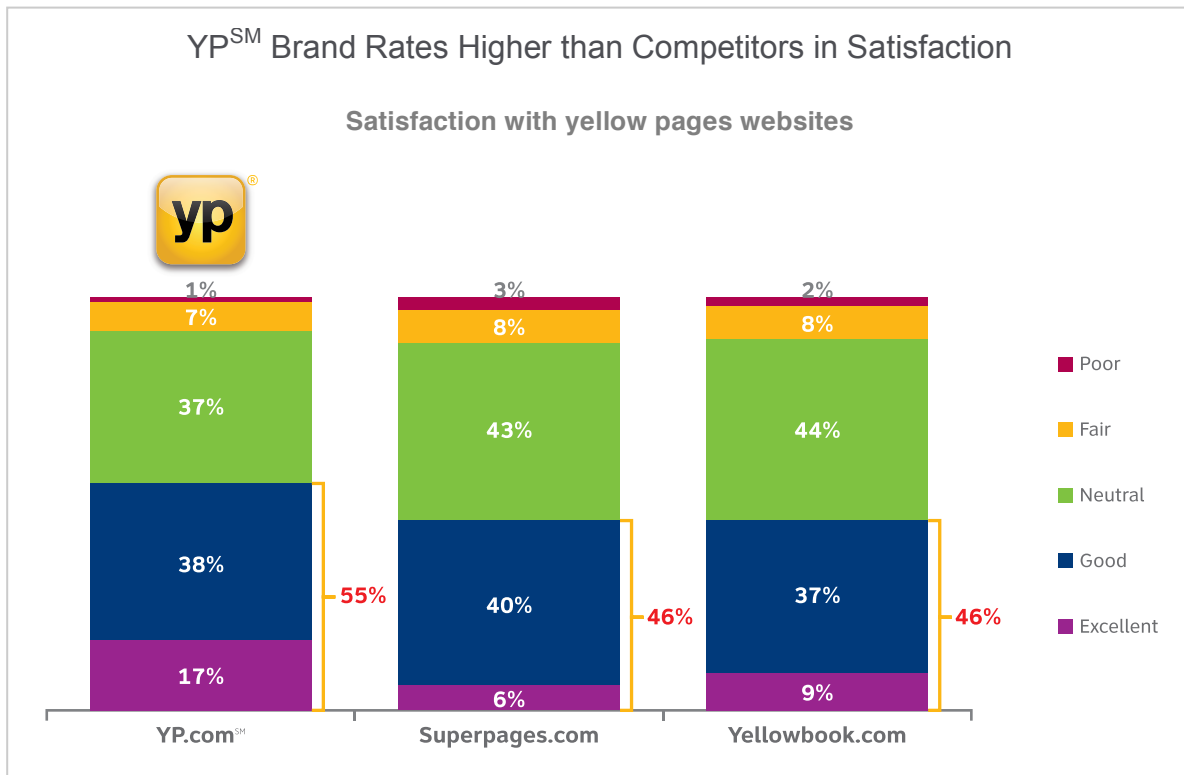
With a higher frequency of searches and a higher propensity to click on ads, Searchers who use YPmobile[®] products are ideal targets for advertisers.



It all comes down to satisfaction

What makes users of YPmobile® products unique may come down to a simple metric: satisfaction. A look at the competitive landscape shows that YPmobile® products receive much higher satisfaction ratings than the other players in the market.

Fifty-five percent of surveyed rated their satisfaction with YPSM brand as either Good or Excellent, which is almost 10 points higher than the two closest ranked competitors.



Looking at YPSM brand satisfaction numbers more closely, Searchers in the Restaurant/Dining category who are early adopters and those who live in small towns were among the most highly satisfied with their search experience.



Takeaways

The research from Nielsen offers several key takeaways for local mobile advertisers.

Searchers share a number of attributes that make them attractive to advertisers, including:

- **They are a tech-savvy, on-the-go group:** Advertisers looking to reach Searchers should employ a multiple-device strategy that includes ads on smartphones and tablets, and that focuses on apps.
- **They contact and visit businesses:** Advertisers should buy placements that are relevant to the page content and prominently feature business contact information.
- **YPSM brand users are unique:** Advertisers looking to reach consumers who click on and respond to ads, share location and are satisfied local search users, should look closely at YPSM properties.

There's a revolution going on in local mobile search. Sophisticated, tech-savvy Searchers are open to relevant advertising that accompanies helpful content and includes compelling deals. Advertisers who use such an approach will attract these valuable Searchers and gain ongoing and highly coveted revenue streams.

About AT&T Interactive

[AT&T Interactive](#), a subsidiary of AT&T Inc., is an industry leader in creating local search products that encourage consumers to discover and engage with local businesses across three screens - online, mobile, and IPTV. As an industry leader in local advertising, with billions of searches across its fast-growing YPSM Local Ad Network, AT&T Interactive is uniquely positioned to provide valuable insights on key components of the local advertising landscape. For more information on AT&T Interactive, visit www.attinteractive.com.