

AT&T Interactive

# Local Insights

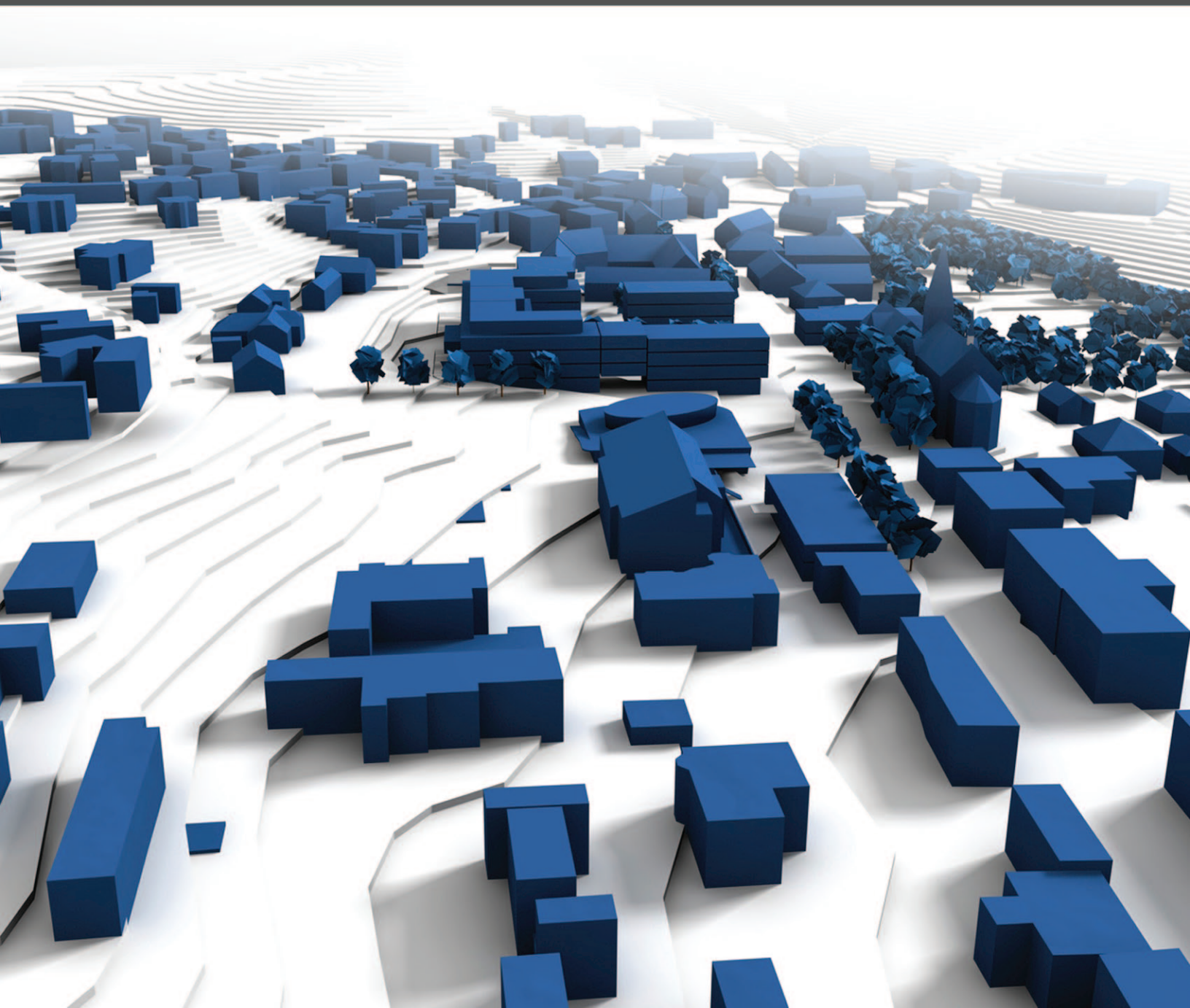
## REPORT

Q1 2012

The Local Insights Report focuses on issues affecting the rapidly evolving local advertising ecosystem. It is based on data from the YP<sup>SM</sup> Local Ad Network.



at&t | Interactive





**The AT&T Interactive Local Insights Report** is focused on uncovering trends across the rapidly evolving local advertising ecosystem. This Local Insights Report is based on data from 528 million searches and 10 billion impressions across the YP<sup>SM</sup> Local Ad Network's 300+ online, mobile, IPTV and directory assistance publishers.

## The YP<sup>SM</sup> Local Ad Network: The Numbers

Search and display advertising across  
Online, Mobile and IPTV:



**38 billion**  
*Impressions Annually*

**2+ billion**  
*Searches Annually*

**76 million**  
*Unique Visitors Monthly*

**18 million**  
*Listings*

**500,000+**  
*Advertisers<sup>4</sup>*





















**5,000+**  
*Sales Force<sup>5</sup>*

**300+**  
*Publishers*

Sources: 1. comScore Media Metrix, AT&T Interactive Network (Online Search), December 2011 2. Nielsen, custom user-defined report, December 2011; 3. Total U-verse TV subscribers according to AT&T Q4 2011 Quarterly Earnings Report; These three measurements of unique visitors represent potential reach across respective platforms on the YP<sup>SM</sup> Local Ad Network; 4. includes advertisers from cross-distribution relationships; 5. AT&T Interactive products are supported by a 5,000+ sales force from AT&T Advertising Solutions and other resellers. All data from AT&T Interactive Internal Sources, July – December, 2011, unless noted.



# What Searchers Search For

Top Search Categories	Top Growing Search Categories
 1. Restaurants	 1. Pharmacies ▲ <b>58%</b>
 2. Auto Repair & Service	 2. Toy Stores ▲ <b>57%</b>
 3. Financial Services	 3. Department Stores ▲ <b>51%</b>
 4. Real Estate	 4. Travel Agencies ▲ <b>36%</b>
 5. Physicians & Surgeons	 5. Shoe Stores ▲ <b>29%</b>
 6. Beauty Services	 6. Florists ▲ <b>27%</b>
 7. Legal Services	 7. Clothing Stores ▲ <b>26%</b>
 8. Building Contractors	 8. Utilities ▲ <b>26%</b>
 9. Auto Parts & Supplies	 9. General Merchandise ▲ <b>25%</b>
 10. Lodging	 10. Auto Repair & Service ▲ <b>25%</b>

AT&T Interactive internal data, based on number of category searches, Q4 2011

AT&T Interactive internal data, based on number of category searches, Q3 vs. Q4 2011



## Holiday Shopping

- Half of the top 10 quarterly search growth categories were shopping related. Additional shopping categories with notable increases were Gift Shops (22%) and Jewelry Stores (18%).
- When the eCommerce sites can't deliver in time, consumers go local. The flagship properties of the YP<sup>SM</sup> Local Ad Network—the YP.com<sup>SM</sup> site and YPmobile<sup>®</sup> suite of products—saw 3x more searches in shopping categories in the week leading up to Christmas Eve than on Black Friday<sup>1</sup>. ➤

<sup>1</sup> Based on data from YPcom<sup>SM</sup> site and YPmobile<sup>®</sup> products, November 24-December 25, 2011





## Automotive

- Auto Repair saw a 25% jump in searches from the prior quarter and also received the second most searches across the YP<sup>SM</sup> Local Ad Network in Q4.
- Some consider the end of the year to be the best time to purchase a car, as many dealers offer steep discounts. These consumers drove the Auto Sales category to a 6% quarterly increase in searches.



## Extreme Weather

- The winter season saw extreme snow on the East Coast and unusually high winds on the West Coast. Perhaps this is why Utilities, which include electric and gas companies, landed at #6 among top growing search categories for the quarter. Over 12% of searches for Utilities came from mobile devices, as landlines were likely down during many of these storms.



## Travel and Leisure

- With Thanksgiving and the December break, Q4 is travel season. As a result, the Travel Agents category saw 36% growth in search during the quarter. Other Travel and Leisure related categories such as Bus Lines grew 11%, as did Health Resorts/Spas, which rose 8%.



## Closing Out the Year

- At year end, many people take advantage of the remaining balance in their pre-tax health plans. This could be why the largest quarterly increase of searches on the YP<sup>SM</sup> Local Ad Network came from Pharmacies (up 58%). Additionally, Physicians and Surgeons saw a 14% increase while Optometrists, another popular pre-tax benefit, saw a 7% increase.
- Searches for Financial Services saw a 12% increase in Q4. This could be a result of consumers taking stock of their finances to strategize their deductions before the end of the year.



## New Year's Revelry

- Consumers who were aiming to get their resolutions in early increased searches for Physical Fitness Consultants & Trainers by 24% in Q4.
- Responsible party-goers on New Year's Eve drove a huge 234% increase in searches for Taxi & Limousine services on New Year's Eve, compared to the previous day<sup>1</sup>.

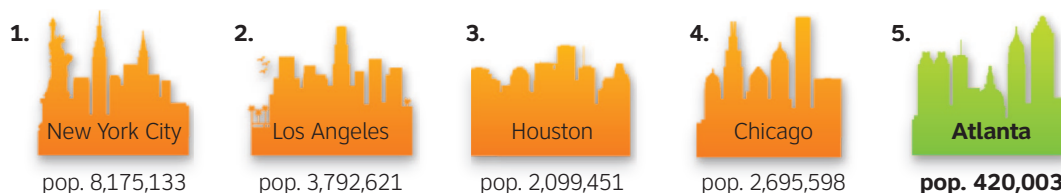
1. Based on data from YP.com<sup>SM</sup> site and YPmobile<sup>®</sup> products, December 30-31, 2011



# Where Local Searchers Search

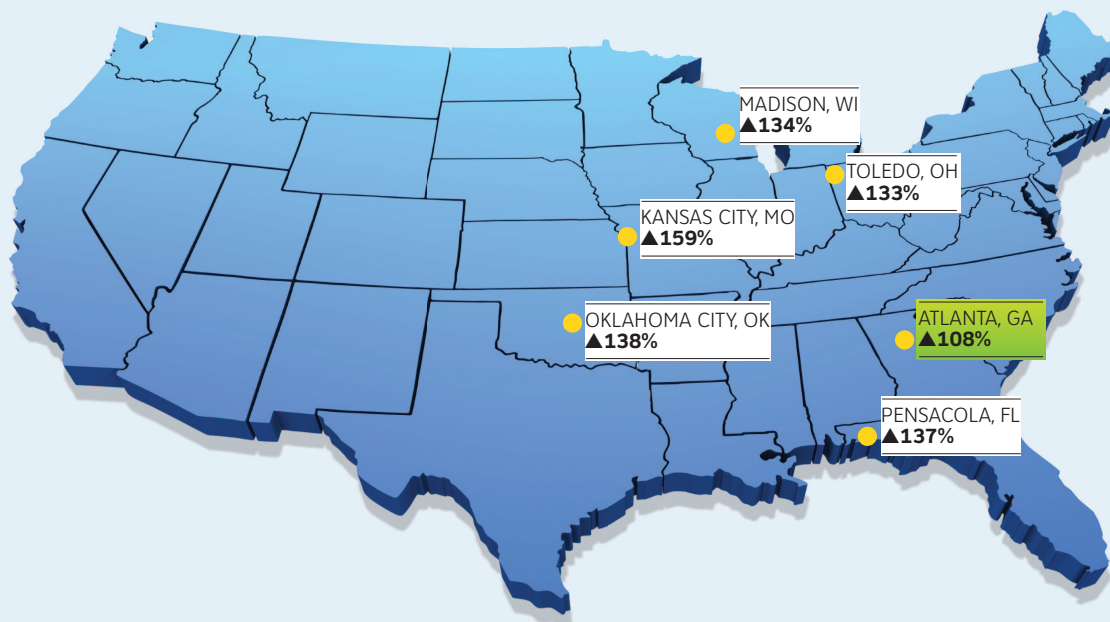
Atlanta, the fortieth most populous city in the U.S., ranks as the fifth largest search city (online and mobile) on the YP<sup>SM</sup> Local Ad Network, thanks to 108% year-over-year mobile local search growth. Not surprisingly, the rest of the top five local search cities on the Network are those with the largest U.S. populations.

## Top Local Search Cities (Online and Mobile) by Search Volume



AT&T Interactive internal data, based on total mobile and online searches by city, Q4 2011

## Cities with Top Year-Over-Year Mobile Search Growth



AT&T Interactive internal data, Based on total mobile searches by city, Q4 2010 vs. Q4 2011

- Most cities grew in mobile local searches compared to the prior year, following the nationwide growth in smartphone adoption. Some cities with notable year-over-year mobile local search increases were Kansas City, MO (159%); Oklahoma City, OK (138%); Pensacola, FL (137%); Madison, WI (134%); and Toledo, OH (133%).



# Local Search Behavior: Mobile and Online

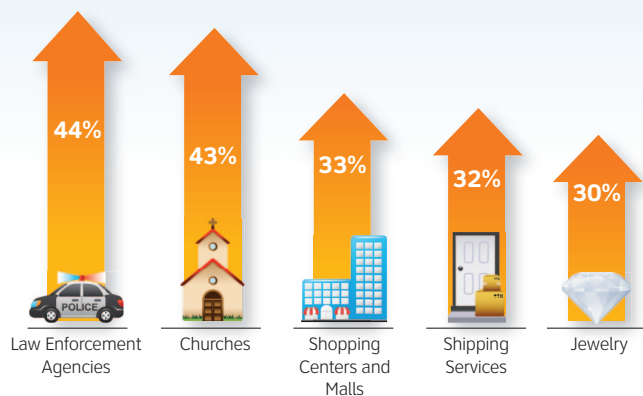
Mobile searches now represent more than 30% of all searches across the YP<sup>SM</sup> Local Ad Network. The mobile search share will continue to grow as more consumers upgrade to smartphones, gaining access to on-the-go search. Data from these searches reveal interesting insights into how local search trends on mobile devices differ from those on PCs.



AT&T Interactive internal data, based on category searches, Q4, 2011

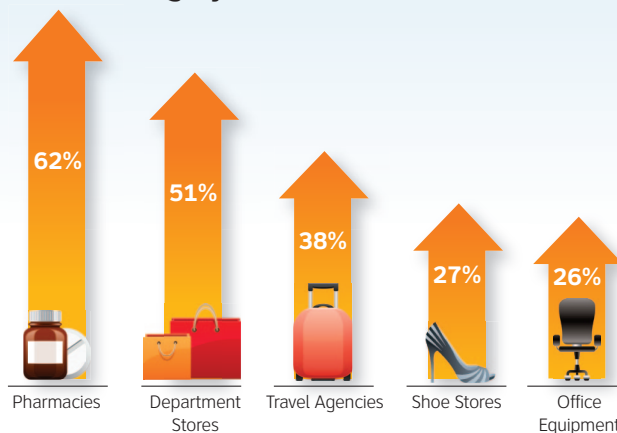
- Restaurants and Automotive categories were ranked #1 and #2, respectively, in both online and mobile searches. However, the rest of the top five searched categories reveal differences in how consumers use these platforms to search locally. It's logical to conclude that online searchers look for services that require more extensive research—Finance, Real Estate, and Legal—and that mobile searchers are seeking more urgent destinations that are nearby—Movie Theaters, Beauty Services, and Hotels.

## Mobile Category Search Growth



AT&T Interactive internal data, based on category searches, Q3 vs. Q4 2011

## Online Category Search Growth

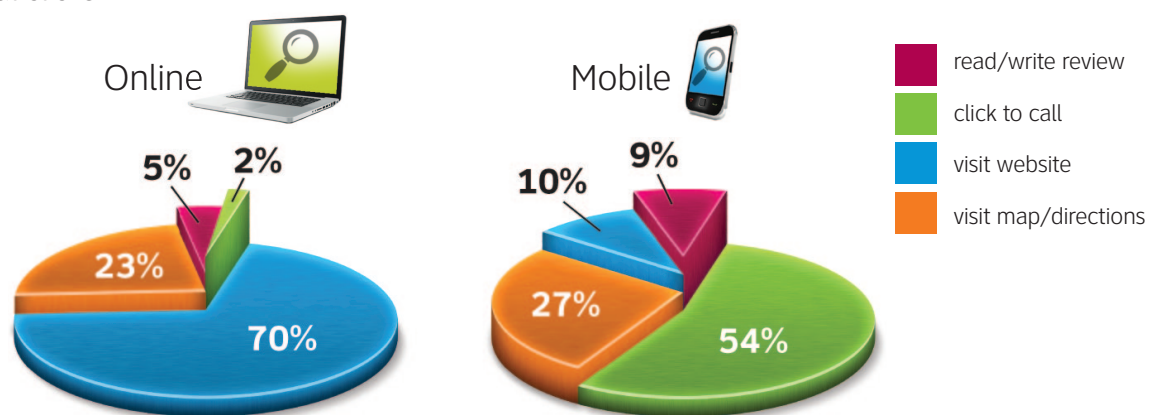


## How Searchers Access Information: Online vs. Mobile

- Every local destination on the YP<sup>SM</sup> Local Ad Network has a More Information Page that lists the business address, phone number, and hours of operation. Additionally, consumers may click to call, view a map, get directions, read and write reviews, visit the business website and more. An evaluation of click behavior from these pages reveals how consumers access business information differently on their mobile devices versus their computers.

### Click Actions from More Information Page

% of total clicks



- Within the YP<sup>SM</sup> Local Ad Network mobile searchers predominantly use 'click to call' to get more information, likely because it is more convenient than visiting a website while on-the-go. The opposite is true for online, where 'visit website' is overwhelmingly the most popular click action. 'View maps and directions' receive a similar percentage of clicks from both mobile and online searchers.

Note: Characterization of clicks is based on AT&T Interactive internal data aggregating clicks based on the perceived underlying intent associated with actions measured by AT&T Interactive or reported by distributors, Q4 2011.

## Want to Learn More About Local Mobile Search Behavior?

AT&T Interactive commissioned research firm Nielsen to conduct a study on how mobile devices are changing the way consumers search. The study also examined how local mobile consumer behavior has impacted advertisers.

### The research found that:

- More than 1 in 5 local mobile searchers fall in the 55+ age group.
- After a local mobile search, 43% of searchers visit a store and 22% make a purchase.
- The majority of local mobile searches are made at home and in the car.
- Searchers are more likely to allow an app to detect their location when searching dining, restaurants, and health and beauty categories.

**Visit [attinteractive.com](http://attinteractive.com) to download white papers with additional insights from this study.**



# Advertisers on the YP<sup>SM</sup> Local Ad Network

The YP<sup>SM</sup> Local Ad Network has over a half-million advertisers across 200 industries in over 4,600 categories.

## Top 10 Local Advertiser Verticals Based on Ad Spend

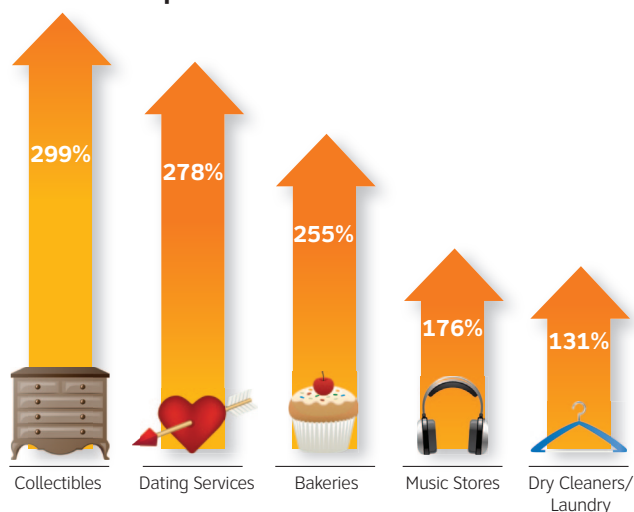
1. Building Contractors
2. Legal
3. Medical<sup>1</sup>
4. Automotive<sup>2</sup>
5. Financial Services
6. Home Maintenance Services<sup>3</sup>
7. Pet and Animal
8. Moving and Storage
9. Real Estate
10. Insurance

AT&T Interactive internal data, based on category ad spend, Q4 2011

## Quarterly Local Advertiser Category Growth Based on Ad Spend



## Year-Over-Year Local Advertiser Category Growth Based on Ad Spend



- Reinforcing the explosive growth in local advertising, 27 categories in the Network experienced over 50% year-over-year growth in local advertising spend. Of these, 10 categories grew over 100%.
- Restaurants, Theaters, Beauty Services and Lodging were all top searched categories (see page 3) that were not represented in the top advertiser categories. There are opportunities for advertisers in these categories to gain significant awareness and traffic within the YP<sup>SM</sup> Local Ad Network.

- Building Contractors and Legal Services categories dominated the local advertising ecosystem in Q4. Local advertising in these highly competitive verticals pays dividends; these categories were the #5 and #6 top clicked categories on the Network.
- Big brands with a large local footprint like State Farm, Domino's Pizza, and Home Depot continue to increase their investment in local advertising. The YP<sup>SM</sup> Local Ad Network saw a 35% increase in National Advertisers in Q4 vs. the prior quarter.

1. Medical vertical includes Dental, Physician, Surgeons; 2. Automotive vertical includes Auto Repair & Services, Auto Parts & Supplies; 3. Home Maintenance Services includes Landscaping, HVAC, Maintenance and Cleaning Services.





## About AT&T Interactive

AT&T Interactive, a subsidiary of AT&T Inc., is an industry leader in creating products that help consumers discover and engage with local businesses across three screens—online, mobile, and IPTV. AT&T Interactive's wide range of local ad products such as premium listings, performance-based advertising, and search engine marketing provide advertisers an opportunity to increase their presence among consumers who are searching for a local business. The YP<sup>SM</sup> Local Ad Network helps advertisers grow their business and distributes ads to a distinguished list of top publishers whose presence spans online, mobile and IPTV. Through the YP<sup>SM</sup> Local Ad Network, AT&T Interactive offers potential reach of over 76 million monthly unique visitors and 9 million unique visitors across its mobile search network. AT&T Interactive products are supported by over 5,000 sales and media consultants from AT&T Advertising Solutions, AT&T AdWorks, and other resellers. To learn more visit: [adsolutions.att.com](http://adsolutions.att.com).

### About AT&T Interactive Local Insights Reports

As an industry leader in local advertising with billions of searches across the fast-growing YP<sup>SM</sup> Local Ad Network, AT&T Interactive is uniquely positioned to provide valuable and comprehensive insights on key components of the local advertising landscape. The A&T Interactive Local Insights Report provides detailed assessments of the rapidly evolving local advertising ecosystem. For more information on AT&T Interactive, visit [attinteractive.com](http://attinteractive.com).

