How Consumers Are Using Local Search

- Results from a National Survey

Whitepaper sponsored by *YP*

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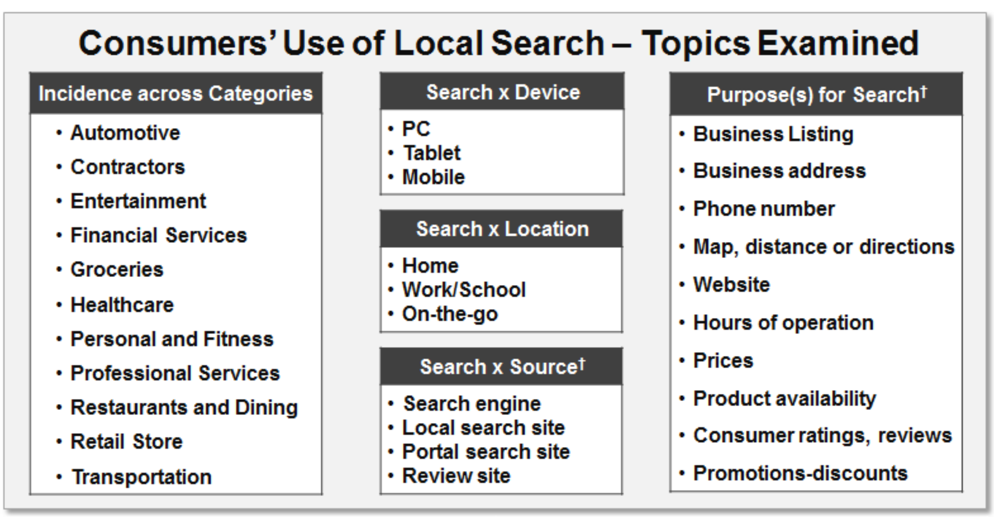
Introduction

Within the broader category of search, searching via the web for local businesses (“local search”) is a pervasive, critical activity for consumers, merchants, brands and of course the search industry:

- For consumers, local search is a near-daily ritual – 4 in 10 individuals use local search once a day, while two-thirds use local search at least 3-4 times per week.
- For local businesses and brands, local search represents a vital supply line for attracting new customers as well as an important channel for responding to existing customers. For example, when searching for “retail stores,” 4 in 10 are looking for “hours of business.”
- For local search providers, consultants and agencies, local search represents an enormous market, valued by local media analyst firm BIA/Kelsey at $5.7B in 2011 and projected to nearly double in size to $10.2B by 2016.

Local search is not only pervasive and growing, but also changing in ways that are important for consumers, businesses and the search industry. With smartphones and tablets in hand, consumers are using mobile devices to search at work and school, on the go, and even while watching TV. As an example, individuals who own both a smartphone and a tablet search locally much more often (40% more than those without both devices) – while income and other factors account for part of the difference, having mobile devices that are always accessible and connected to the Internet expands search as well.

In light of the size, growth and importance of the market, immr conducted a national survey examining how consumers use local search. With a sample of more than 1,100 respondents (details in the Appendix), the study examines how individuals search, where they search and what they search for, as shown in the categories shown below. We also identify and profile ***Avid Local Searchers***, a segment that accounts for a disproportionate share and is a harbinger of the future for local search. This whitepaper summarizes key findings and implications for businesses, brands and the search industry.



†By Business Category, among Searchers

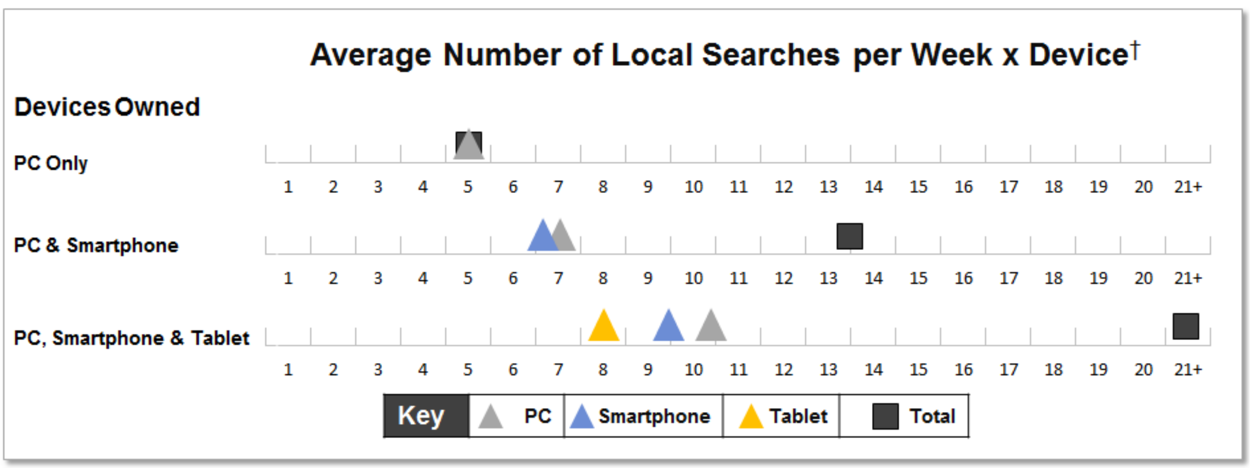
How Devices Owned Affect Local Search Frequency

Individuals use local search for many different reasons, including simple (“where is the nearest ATM?”) and complex (“are any nearby restaurants offering a special today?”). Those with smartphones and tablets can search not only on PCs at home or work but also “on the go.” Together with accessibility, a growing corpus of local content made searchable by providers is driving enormous local search activity.

The survey measured a number of characteristics useful in “sizing” local search. Based on device(s) owned, three key segments can be distinguished: (1) consumers with PCs and feature phones; (2) consumers with PCs and smartphones; and (3) consumers with PCs, smartphones and tablets. The frequency of local search varies markedly across these three segments, as shown below:

- On average, the first segment, with “PC’s only,” averages about five local searches a week.
- With the addition of smartphones, the volume of local search nearly triples, to 13.5 local searches per week.
- Consumers with all three devices – PCs, smartphones and tablets – do more than 21 local searches per week, or an average of three a day.

Note that local search on smartphones and tablets does not cannibalize local search on PCs – individuals with smartphones and PCs search more not only in total, but also more on their PCs.

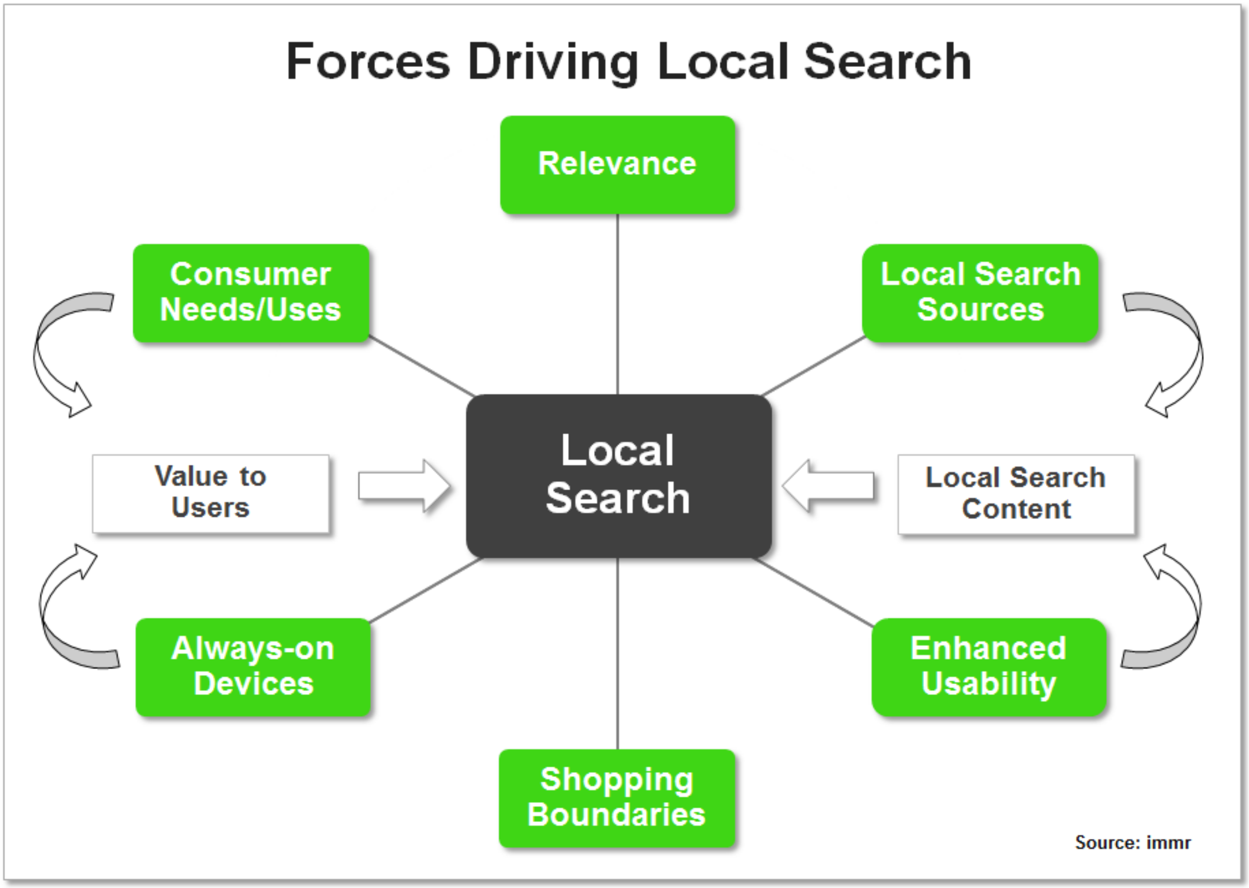


†Average number of searches per week, across locations (home, work/school, on-the-go) Source: immr Local Search Study, July 2012

Implications	
	• As penetration of smartphones and tablets increases, the volume of local search will increase, across devices and overall. This significant finding confirms that (i) the local search market will expand in parallel and (ii) a growing proportion of searches will occur on mobile devices. • As “always-on” devices proliferate, individuals are likely to search in different ways and for additional reasons, e.g., to look up a business advertised on TV or in the newspaper, to check out a business advertised via a QR code, etc.

Why Local Search is so Pervasive

In addition to mobile device ownership and usage, a number of other forces drive local search.



Relevance	▪ As shown in the next section, in each of the product/service categories examined at least half of all purchasers have used local search when shopping in that category – in categories with the highest incidence of search, 8-9 out of 10 have used local search. Clearly, local search is a useful tool for consumers for most, if not all, of the products and services they buy.
Consumer Needs/Uses	▪ Consumers are using local search not just for listings and traditional NAP (name, address and phone number), but also to get directions, confirm hours of operation, check prices and availability, and many other purposes. ▪ Given consumers' information needs and the growing volume and richness of relevant content, local search is increasingly a useful, often indispensable resource for consumers.

Local Search Sources and Content	▪ The number of sources for local search is expanding, with traditional providers like the YP.com℠ site, Superpages and Yahoo! Local as well as newer, more specialized sources such as Yelp, Angie's List and others. ▪ In addition to traditional, relatively static structured content, local search providers are including more dynamic as well as unstructured local data. This gives consumers access to a much wider and useful array of information, including menus, reviews, deals/specials, trending businesses and others.
Always-On Devices	▪ The availability of smartphones and tablets makes it much easier for consumers to search, not just at home but also on the go. ▪ By removing barriers and friction, always-on devices increase the incidence and frequency of local search. ▪ With smartphones, especially, consumers can access local search when and where needed – timely, relevant results delivered at the time and point of need increase likelihood of immediate action by consumers, making local search an especially effective vehicle for businesses.
Enhanced Usability	▪ By improving the user interface (UI) and adding features, local search sites, search engines and innovative new developers are enhancing users' experience. ▪ Touch screens, improved UIs for mobile, and map-based displays of results dramatically enhance the user experience on smartphones and tablets, boosting their use for local search.
Shopping Boundaries	▪ While most shopping is done near home or work, consumers often travel beyond their usual boundaries, sometimes considerably further. ▪ Daily deals, mobile advertising and other tools – especially when combined with geo-targeting – present consumers with appealing options that "stretch" the areas they usually shop in. ▪ Consumers use local search to find, decide on and plan their shopping and activities, especially when travelling beyond their familiar environs.
Value to Users	▪ The forces above – especially always-on devices and richer types of content – are expanding the scope and usefulness of local search, making it increasingly indispensable for consumers and businesses.

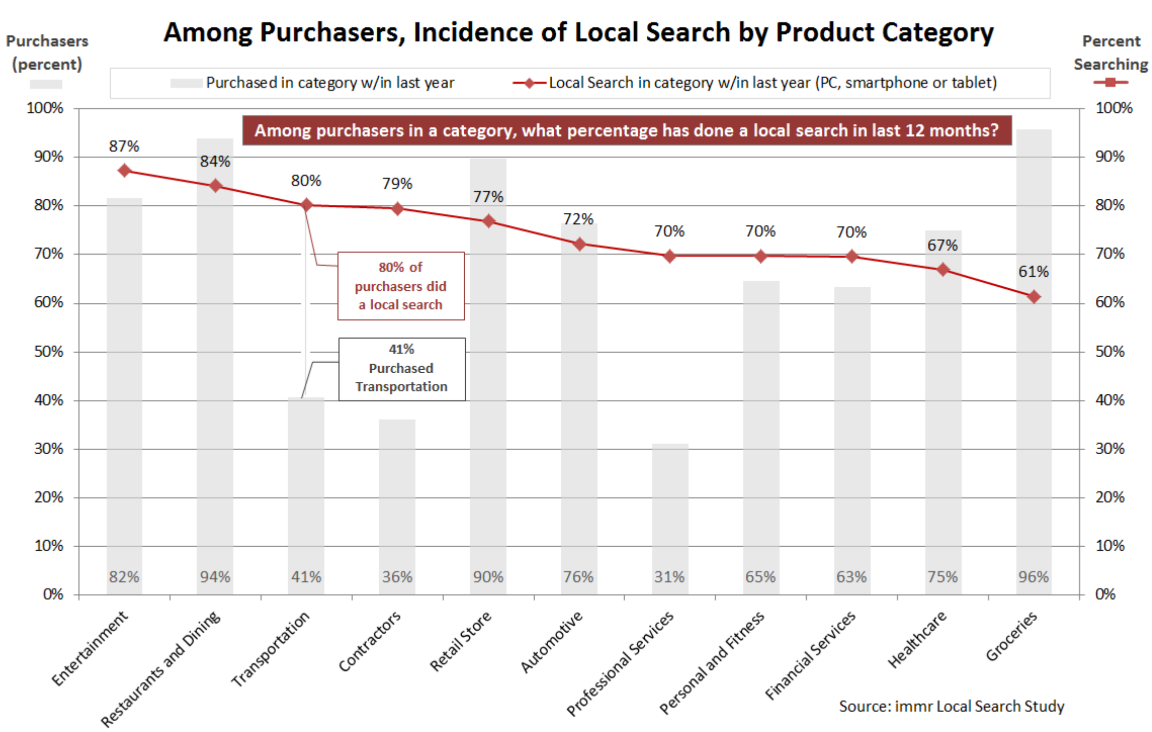
Implications	• Innovations in local search will accelerate as providers and businesses adapt to and capitalize on the forces above – new search interfaces well suited for touch-screen devices and unstructured content are likely to emerge. • Given the elastic nature of consumers' shopping boundaries, hyperlocal targeting (based on proximity, lat/long or ZIP code) is an important capability that will be integrated more fully into local search and used more effectively by all businesses.

The Incidence of Local Search Varies Across Product Categories

In the survey, respondents provided details on their local search activity across the 11 product and service categories shown below. Category-specific measures include (i) whether in the previous 12 months they had purchased in the category; (ii) for categories in which they had made a purchase, whether they had done a local search in the last year; and (iii) for those who had searched for a local business, the device(s) used – PC, smartphone (among owners) and/or tablet (among tablet owners).

The chart below shows (a) the percent purchasing within each category and (b) of those, the percent who did a local search in the category on any device (PC, mobile phone or tablet) in the last year. In the report this measure is referred to as the ***incidence of local search*** within a category. For example, of the 41% who purchased "Transportation" in the last year, 80% of those had done a local search for transportation. The incidence figures in the chart below reveal the importance of local search:

- Across all 11 categories, local search incidence is high, ranging from 6 to nearly 9 out of 10.
- In the four most frequently searched categories, 8-9 out of 10 purchasers have done a local search. Even in categories where the incidence of local search is lower – Groceries, Healthcare and Financial Services – a majority of consumers (60-70%) still do local search.
- Local search is prevalent in frequently purchased categories, such as Entertainment, Restaurants and Dining, and Retail, as well as in less frequently purchased categories, such as Transportation, Contractors and Professional Services.



What accounts for the pervasive use of Local Search? As shown above, the availability of mobile devices – especially smartphones but also tablets – makes it much easier to search, not just at home but also on the go. Always-on devices remove the barriers to search, thereby increasing incidence and frequency of use.

Search content is also now richer and more complete, giving consumers more reasons to search. In the survey individuals who searched in a category were asked "what information were you seeking?" As shown in the data below for "Restaurants and Dining," not only can consumers look up listings and NAP (names, address and phone number), but they can also get directions, read reviews, view menus and even check to see whether restaurants of interest have specials or discounts. Interestingly, for Restaurants each one of these reasons was checked by at least 30% of respondents. With more "content" from more sources available on all of the aspects below, local search allows consumer to discover, evaluate and more easily make choices and purchases across categories.

When searching for (business), what information were you seeking?

Type of Info Sought	Restaurants and Dining
Map, distance or directions	47%
Hours of operation	46%
Listings	41%
Address	40%
Prices	38%
Website	36%
Phone number	34%
Consumer ratings, reviews	33%
Promotions-discounts	28%
Product availability	14%
Other information	5%

Source: immr Local Search study, 2012

Implications

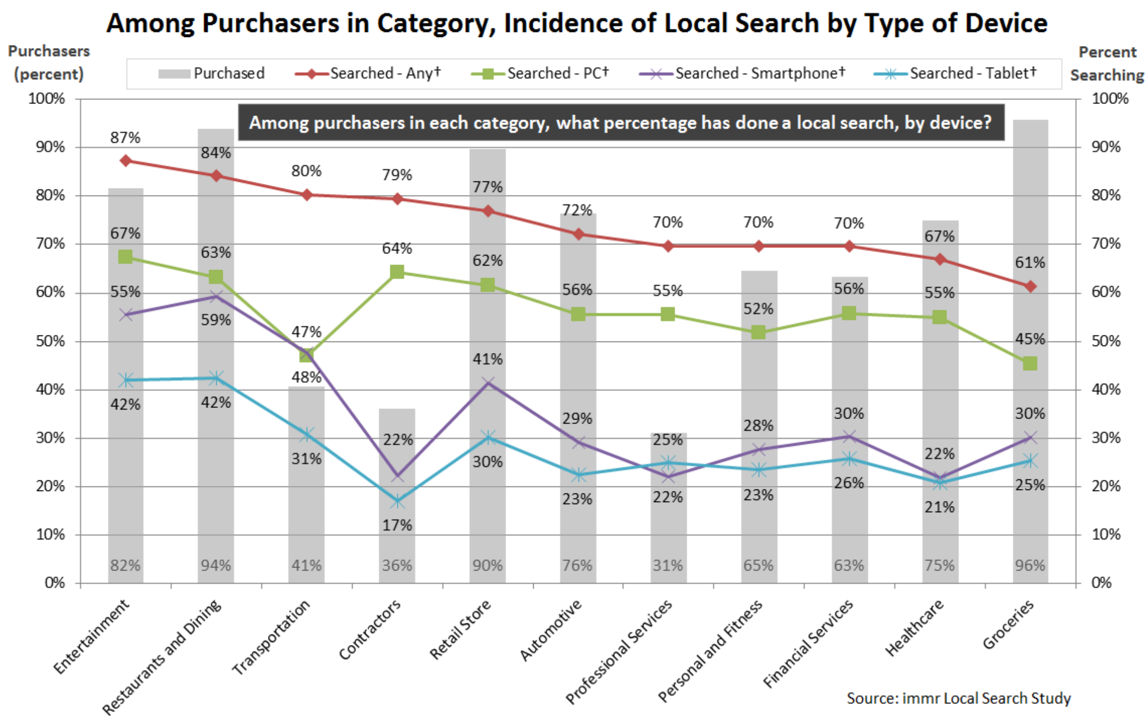
- In virtually every product/service category, local search represents an essential tool for businesses, not just to attract new customers but also to serve existing customers.
- Given consumers' extensive reliance on local search, businesses must continually review and tweak their "presence" on local search platforms. Confirming that search results satisfy searchers' needs and position the business effectively is vital.

Devices Used for Local Search across Categories

We also examined the incidence of local search by device, e.g., among purchasers in a category, the percentage who have done a local search in the category within the last year on each device (PC, smartphone and tablet). The latter two are based just on those who own the devices, of course.

The table below shows the incidence of local search by device, including PCs, smartphones and tablets. For example, among the 94% purchasing "Restaurants and Dining" in the last year: of those, 63% did a local search for Restaurants on their PC; 59% of smartphone owners did a local search for Restaurants on their smartphone; and 42% of tablet owners did a local search for Restaurants on their tablets. Clearly, Restaurants and Dining is a popular category for local search.

In all but one of the 11 categories, the incidence of local search (e.g., searched within the last year) is highest on PCs, followed by smartphones and then tablets. Incidence of local search on smartphones ties that of PCs in one category (Transportation) and approaches that of PCs in two other categories (Entertainment, Restaurants and Dining). While somewhat lower in other categories, the incidence of local search on smartphones and tablets is still significant, ranging between 20-30%.



†Incidence is the percent of purchasers in a category who have done a local search in that category within the last year.

The incidence of search on smartphones is particularly impressive and testament to the value of having an always-on, easy to use device for search that, increasingly, consumers always have with them. In several categories – Restaurants, Entertainment and Transportation – 50-60% of consumers are using their smartphones to do local searches. In retail, the numbers are also impressive, with 41% using their smartphone for local search. In these categories, especially, smartphones play an important role, enabling consumers to plan, make decisions and coordinate with others in real-time while "on the go."

The chart above shows the incidence of local search. From other questions in the survey (summarized previously on p. 4), we also measured the frequency of local search, across categories, by device – PCs, smartphones and tablets. More than 8 out of 10 (83%) smartphone owners do a local search on their smartphone at least once a week and a sizable number (42%) do local searches on their smartphones at least 3-4 times a week. Although we did not measure frequency of local search by category, we suspect that a large percentage of searches on smartphones – especially when out-of-home – are for planning and coordinating with friends around dining, entertainment and other social activities.

The incidence of local search on tablets, among tablet owners, is quite similar to that of smartphones. With their small form factor and instant-on capability, tablets remove much of the friction from searching. In addition, as tablet adoption grows, local search providers and developers will most likely tailor the UI to make searching easier and even more enjoyable, particularly when the user is browsing or doing an "exploratory search" just to discover what's available (think Pinterest for local attractions, events, etc.). In Retail, where exploratory search is likely common, the combined incidence of search on smartphones and tablets already exceeds that of PCs. Although the jury is still out, advertisers may also incorporate QR codes into print media, billboards, posters and even TV, which could trigger more local search (e.g., for directions, reviews, price comparisons, etc.), especially when consumers are out and about.

Implications	• Due to the convenience, ease of use and growing number of opportunities to use mobile devices, local search on smartphones and tablets will continue to grow. • As consumers' needs and expectations for local search vary across devices, providers and businesses will need to adapt search solutions accordingly. • With tablets and smartphones, consumers may use local search in new and different ways – for example, while in "search and explore" mode on Pinterest, to find a product of interest locally. Search providers and businesses will need to adapt accordingly.

What Types of Information Are Local Searchers Seeking?

Until just recently, local search data contained primarily NAP (name, address and phone number) and perhaps hours, directions, and (possibly) brief descriptions of businesses – to obtain additional information, consumers needed to call or visit. Now, a much wider range of information is available, including static (hours, location, etc.), personalized (directions from the consumer's location), and dynamic information that can change by the hour, such as product availability, prices, specials, etc.

With richer, "fresher" data available for a growing number of businesses, local search is becoming even more useful, allowing consumers to not just find businesses, but evaluate and decide on next steps.

From the list in the table below, respondents also checked the reason(s) for which they were doing a local search, again, by type of business. The top reasons for searching – listings, NAP (name, address and phone number) and directions – are consistent across each of the types of business examined. However, sizable numbers of consumers are searching for additional information. For example, hours and prices are especially important reasons in Restaurants, Entertainment and Retail; finding links to a business' website is another common reason.

Local Search - Information Sought by Consumers

Type of Info Sought	Restaurants/ Dining	Enter-tainment	Automotive	Healthcare	Personal and Fitness	Transp.	Groceries	Retail	Contractors	Prof. Services	Financial Services
Listings	41%	30%	32%	29%	27%	14%	35%	35%	18%	15%	24%
Hours of operation	46%	34%	26%	22%	24%	11%	34%	38%	6%	8%	16%
Map, distance or directions	47%	27%	25%	28%	19%	13%	32%	35%	5%	10%	16%
Address	40%	23%	28%	31%	21%	8%	30%	33%	12%	12%	20%
Phone number	34%	22%	28%	37%	25%	14%	23%	26%	18%	15%	21%
Website	36%	30%	27%	24%	20%	12%	28%	36%	12%	13%	27%
Prices	38%	31%	28%	13%	21%	14%	28%	32%	11%	10%	12%
Promotions-discounts	28%	20%	16%	7%	14%	6%	30%	28%	5%	5%	8%
Consumer ratings, reviews	33%	19%	19%	19%	15%	5%	11%	15%	15%	10%	10%
Product availability	14%	18%	15%	7%	9%	6%	21%	28%	4%	5%	9%
Other information	5%	8%	3%	6%	2%	3%	3%	3%	2%	1%	5%

Note: Percentages = # who checked type of information sought/# who searched for business in that category

Key: Top Reason; 40%+; 30%+

Source: immr Local Search study, 2012

The category of Restaurants suggests several insights – as shown earlier, Restaurants represent one of the most popular categories for local search. The results above provide a partial explanation. Of the 10 possible reasons, 8 were cited by at least 30% as "reasons for searching" – directions, prices, ratings and website address (most likely to view menus, parking, etc.) stand out. Given the frequency, cost and potential disappointment associated with eating out, consumers rely heavily on local search to make sure their experience is a good one. The extensive use of local search for restaurants is attributable to the availability of richer, more complete content as well. As providers acquire and make accessible richer content in other categories, we expect to see more consumers searching, for more reasons, in those categories.

Which Sources Do Consumers Use for Local Search?

For categories in which a local search had been done, respondents also indicated which source(s) they used. Sources and examples listed in the survey include (i) search engines, like Google or Bing; (ii) local search sites, like the YP.com℠ site, Superpages, CitySearch and Yahoo! Local; (iii) a portal search site, like AOL, MSN, and Ask.com; (iv) review sites, like Yelp and Angie's List; and (v) other sources. Results are summarized in the table below.

Local Search - Sources Used

Source(s) Used when searching for ➲	Restaurants/ Dining	Enter-tainment	Automotive	Healthcare	Personal and Fitness	Transp.	Groceries	Retail	Contractors	Prof. Services	Financial Services
Search engine	75%	66%	62%	60%	52%	31%	74%	76%	26%	25%	50%
All Others (net)	67%	49%	42%	41%	40%	25%	50%	44%	28%	25%	33%
Local search site	24%	18%	17%	15%	15%	10%	18%	19%	11%	9%	11%
Portal search site	12%	12%	11%	10%	9%	7%	15%	12%	5%	7%	9%
Review site	24%	13%	11%	11%	13%	6%	11%	9%	11%	7%	9%
Other source	6%	7%	3%	5%	3%	3%	7%	4%	1%	2%	4%

Note: Percentages = # who checked source/# who searched for business in that category

Source: immr Local Search study, 2012

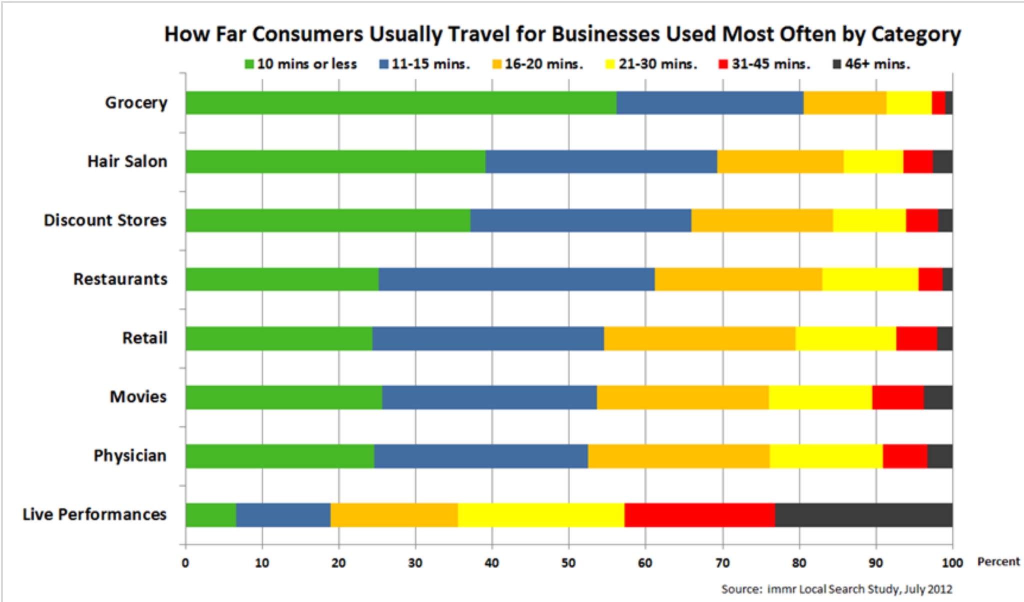
Given the ubiquity and ease of use, it is not too surprising that search engines are the most widely used source for local search in each of the product/service categories. Despite the popularity of search engines, "all other (non-search engine) sources" are also widely used – while split across local search sites, portals and review sites, for Restaurants as many as two-thirds use a source other than a search engine; in six other categories, at least four out of ten use a source other than (or in addition to) search engines. In two categories – Contractors and Professional Service – the percentage using "all other sources (net)" exceeds or matches that of search engines.

While search engines have become the most popular source for local search, these findings and other data suggest that there is still considerable room for innovation and even new sources. The following offer clues on where opportunities lie:

- As other studies have shown, social networking is an integral part of consumers' lives. In our survey, 6 out of 10 visit a social networking site at least daily, and 1 in 3 visit multiple times a day. Determining how best to incorporate individuals' "social graphs" in local search is a promising direction for providers.
- Use of location-aware apps, especially navigation, by smartphone users is significant and growing. In our survey, 7 out of 10 smartphone owners use location-aware mobile apps. Integrating location – not just for maps and directions, but increasingly hyperlocal search results – will be important.
- Given the importance of unstructured data (such as menus, reviews, etc.) to consumers, incorporating such information will also enhance the usefulness of local search results. As the findings above for Contractors and Professional Services might suggest, consumers value such information.

How Consumers Define Local

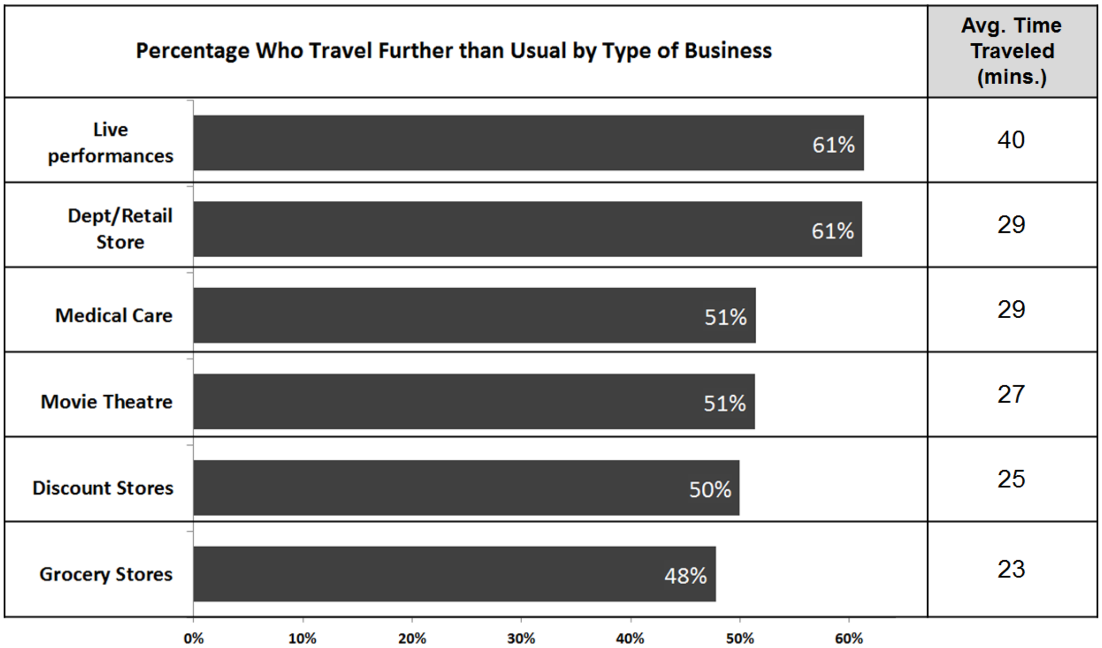
The term "local" is often used without a precise definition. In each of the eight categories shown below, we asked respondents how far they usually travel to shop at the business they use most often. The results show that a majority of consumers shop with businesses within 15 minutes of their home or work, and nearly all within 20 minutes. Naturally, in product and service categories purchased more frequently – Groceries, Hair Salons, Restaurants, etc. – consumers tend to shop at businesses closer to their home or office. Conversely, boundaries are wider for product and service categories purchased less often.



Of course, for all types of businesses individuals sometimes travel “further than usual” – as discussed below, reasons include better selection, better prices, for brands they prefer, and others. Thus, consumers’ definitions of local are somewhat elastic, with the boundaries shown above extended to some degree on occasion. With the advent of Groupon, Living Social and others offering daily deals, consumers also have a wider range of offers from local businesses to consider.

To better understand these “stretched” boundaries, for six business categories we asked respondents (i) whether they sometimes travel to a location or store that is further away than the one they usually go to, and if so (ii) how long it took to travel to the other location.

As shown in the table on the next page, in each of the categories a substantial percentage of consumers – 50-60% – travel beyond their usual shopping area. And when they do, they travel 30, even 40 minutes to reach their destination. For example, for live performances 61% of respondents sometimes travel further than usual, and on those occasions they travel on average 40 minutes.



Source: immr Local Search Study, July 2012

Not surprisingly, for Retail, Discount and Grocery Stores the reasons most often cited by respondents are selection and price. In each of these three categories more than half cited one or both of these reasons. Among retail shoppers, one in three also cited "Brands carried" as a reason they travel further to shop. In the other three categories examined – Movie Theatres, Live Performances and Medical Care – the reasons cited were more varied, with quality, service and "other" mentioned by at least one in four.

While consumers shop "closer to home" most of the time, these findings confirm that (i) sizable numbers are willing to travel outside their usual habitat and (ii) selection, price, and quality are powerful draws. Given this elasticity, businesses should continually "test" expanded markets area for search and advertising – otherwise, they are likely miss out on consumers who are willing to travel the extra mile.

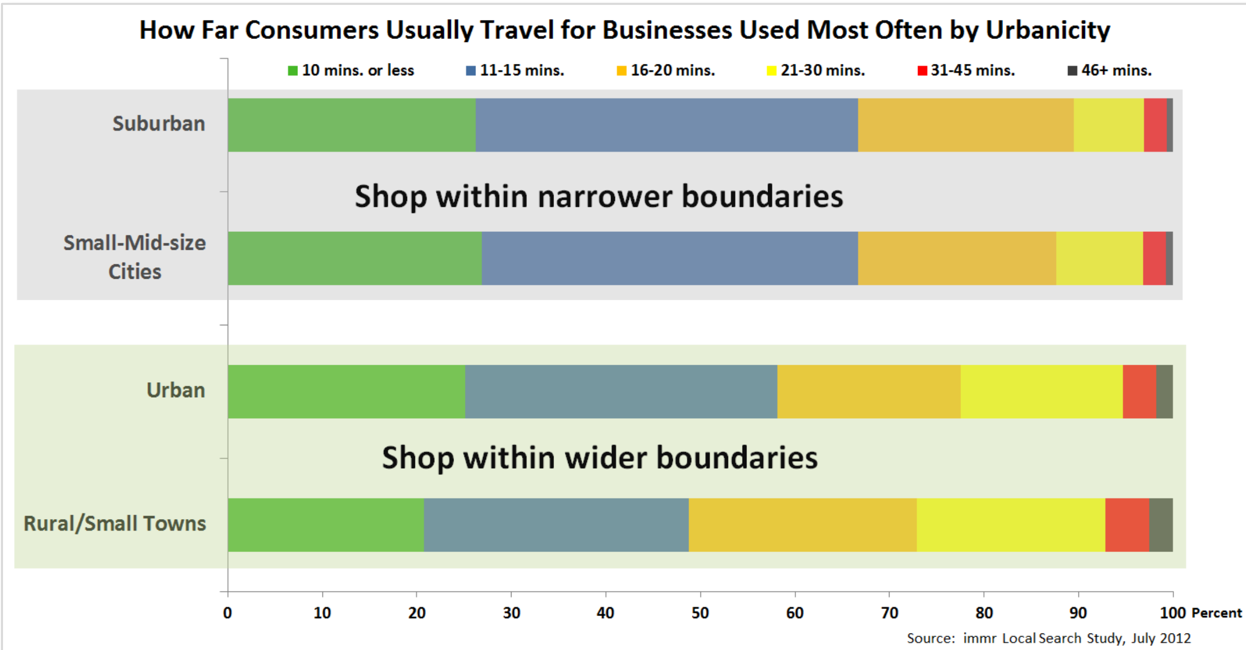
Reasons Why Consumers Travel Beyond Usual Shopping Areas

	Percent Citing Reason x Category					
Reasons:	**Retail or Dept. Store**	**Discount Store**	**Grocery Store**	**Movie Theatre**	**Live Performances**	**Medical Care**
Bigger selection	51%	59%	42%	31%	21%	10%
Better prices-sale	50%	51%	60%	24%	14%	14%
Brands they carry	37%	26%	33%	13%	13%	10%
Higher quality	26%	16%	25%	28%	23%	33%
Service	13%	11%	13%	21%	15%	47%
Amenities (parking, dining, etc.)	8%	9%	7%	17%	16%	10%
Other reasons	10%	13%	9%	23%	39%	27%

Q: What would you say are the main reasons you traveled further than usual to the business in the category? (Check all that apply)

Source: immr Local Search Study

Of course, consumers' shopping patterns and distances traveled are also influenced by a number of other factors. Boundaries, for example, vary by population density – as shown below, those in urban areas as well as more rural areas travel further, while those in suburban and small to mid-sized cities shop within narrower boundaries.



Implications	
	• Consumers' definitions of "local" vary by type of product and service. • The boundaries of "local" as defined by consumers are also somewhat elastic – individuals often travel beyond their usual shopping areas for a variety of reasons, including price, selection, experience and others. • In using local search to reach consumers, businesses should (i) test varying boundaries and geographies, as "one (market) size does not fit all," and (ii) try a variety of appeals and offers to attract those consumers willing to travel.

Segmenting Local Search Users

Results presented above confirm that a large percentage of consumers use local search on a regular basis. Within the population there is a subset of that uses local search even more extensively – the segment relies on local search (i) daily (on average), and (ii) across a range of product and service categories (at least six out of the eleven examined).

This segment, which we call "Avid Local Search Users," is important for a number of reasons. Although just 24% of the sample, Avid Users account for over half of all local search volume – as "heavy users" this group is clearly vital to the success of local search providers, advertisers and merchants. Equally important, this segment provides a glimpse into the future of local search – as shown below, while Avid Users are more likely to own both smartphones and tablets (1.2 – 2x), they are much more likely (4-6x) to use those devices for local search. As more consumers adopt and use smartphones and tablets, the average user is likely to gravitate toward the usage patterns of Avid Users, not just on search but on other dimensions as well.

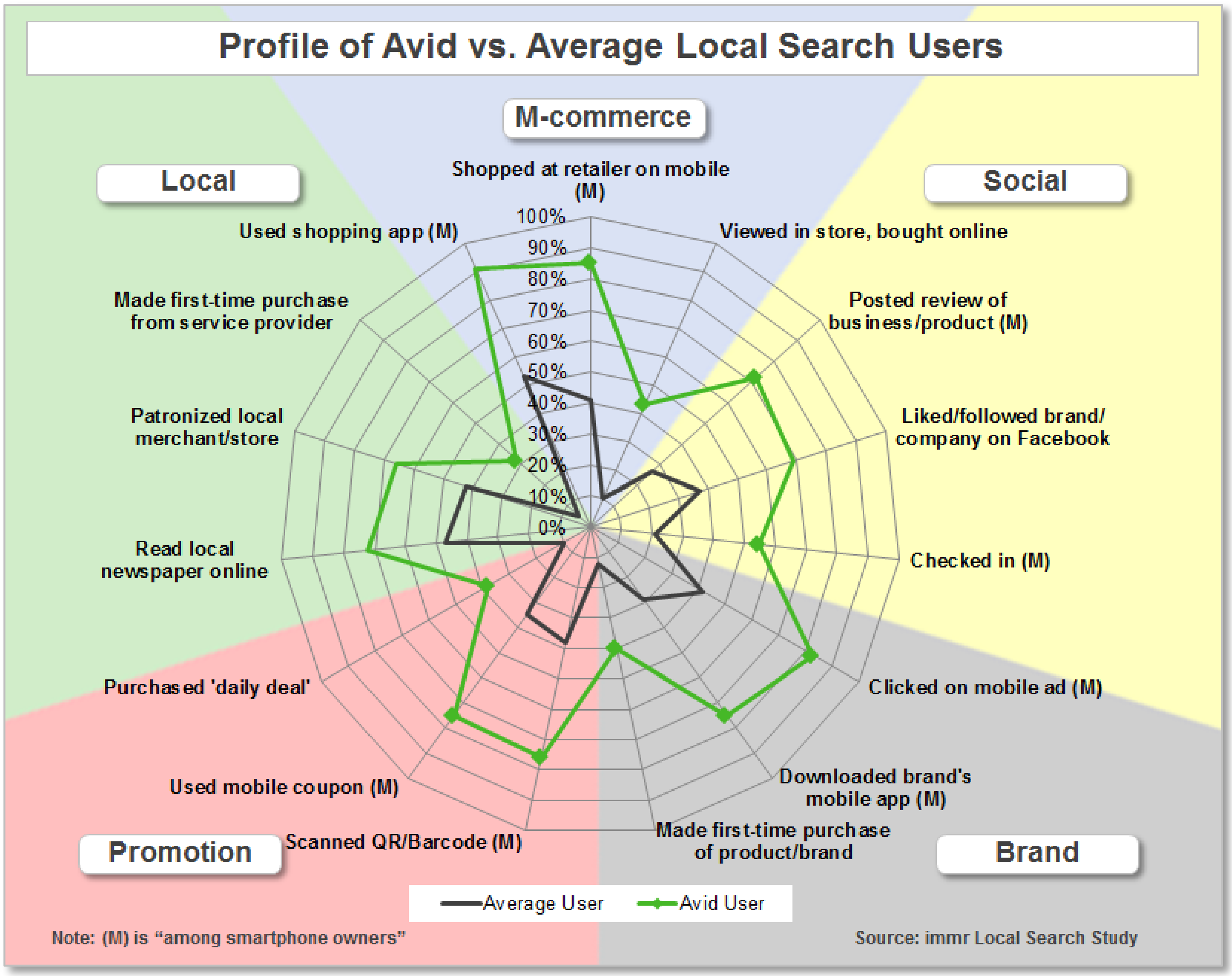
The next section profiles Avid Local Search Users on a number of dimensions – their use of mobile for shopping, participation in social commerce, use of local media and others – and highlights differences between this important segment and Average Users.

	Average Local Search User	Avid Local Search Users
Percent of Sample	76%	24%
Local Search at least daily	52%	100%*
Categories Searched (avg.)	5/11	8/11*
Gender – Male	49%	52%
Age – 21-35	32%	51%*
Employed full-time	49%	72%*
College Graduates	47%	57%*
HH Income – $75k+	35%	47%*
Search on PC at least daily†	27%	92%*
Own Smart phone	72%	97%*
Search on Smart phone at least daily†	19%	86%*
Own Tablet	30%	65%*
Search on Tablet at least daily†	15%	85%*

†Local Search *Significantly different

Profiling the Avid Local Search User

The "spider chart" on the next page shows the profile of Avid and Average Local Search users on some 15 dimensions, each explained below. 8 of the 15 dimensions (marked with an (M)) refer to behaviors on smartphones and were asked, of course, only of smartphone owners. On each axis of the chart, the percentage for the corresponding dimension is shown for both Avid and Average Users – for example, within the last 30 days 91% of Avid Users (who own smartphones) have used a mobile shopping app, compared to 53% among Average Users (who own a smartphone) for the same period; similarly, 38% of Avid Users have purchased a daily deal in the last 30 days, compared to just 10% among Average Users.



As discussed on the next page, local search is one of a number of interconnected behaviors that span mobile, social and local. On all of the dimensions above, Avid Users score significantly higher than average users, by as much as 2x – 4x.

In the following profile of Avid Local Searchers, all of the data reflect behaviors in "the last 30 days." Also, shown in parentheses (e.g., 2x) are indexes comparing Avid Users to Average Users.

Mobile Commerce	Avid Local Search users have embraced M-commerce: ▪ Of those who own a smartphone, 9 out of 10 have used a mobile shopping app in the last 30 days. Avid Users are much more likely than Average users to use mobile shopping apps (91% vs. 53%, or 1.7x). ▪ Nearly the same number (85%) have used their smartphone to shop at a retail store (via the retailer's website or mobile app) (2.1x) ▪ With the mobile Internet and price comparison sites available at their fingertips, Avid searchers are not hesitant to "showroom" (view a product in a store, only to purchase the product online), since 4 out of 10 have done so. By comparison, this practice is uncommon among Average Users – only 10% have engaged in showrooming. (4.2x)
Social Commerce	Avid Local Search Users are also active participants in social media and commerce: ▪ 3 out of 4 have posted a review of a business or product on a review site (2.6x) ▪ 7 out of 10 have liked or followed a brand or company on Facebook (1.9x) ▪ Over half have checked in at a location using Foursquare or similar service (2.7x)
Brands	Avid Local Searchers engage with brands frequently and in a variety of ways: ▪ 8 out of 10 clicked on a mobile ad for a product, service or business (2x) ▪ 3 out of 4 downloaded a mobile app published by a brand (2.6x) ▪ 4 out of 10 purchased a new product or brand for the first time (3.4x)
Promotion	Avid Local Searchers are also using digital promotions and technology at point-of-sale: ▪ 3 out of 4 have scanned a QR or barcode ▪ 4 out of 10 have purchased a "daily deal" ▪ 3 out of 4 have used a coupon stored on their mobile phone
Local	Not surprisingly, Avid Local Searchers also actively shop and interact with local businesses: ▪ 3 out of 4 read their local newspaper (online) (1.5x) ▪ 2 out of 3 have shopped at a local merchant (e.g., not a chain store) (1.6x) ▪ 1 in 3 have purchased a service from a business for the first time (5x)

Implications	• Given the "share" of market they represent, Avid Local Search Users represent an important segment for advertisers and businesses. • Avid Users are also a harbinger of the future that providers can learn from.

Conclusion

The Local Search study provides a comprehensive view of how consumers use local search, both now and in the future. To recap, key findings and conclusions are summarized below:

- A near-daily ritual for many consumers, an enormous volume of local search activity is being driven by the utility, accessibility and a growing body of searchable local content.
- A significant portion of local search is being done on smartphones and tablets. By removing barriers and friction, always-on devices increase the incidence and frequency of local search, at home as well as on the go.
- As the penetration of mobile devices increases, the overall volume of local search is likely to increase in parallel.
- With their small form factor, instant-on capability, and fluid, touchscreen UI, tablets are a popular device for local searches.
- As QR codes, NFC (near-field communications) and other proximity-based digital connections become more prevalent, consumers are likely to search on tablets in new and different ways.
- While listings and NAP (name, address and phone number) remain important, consumers are often searching for additional information that is helpful in planning and making decisions. When additional information is available – as with Restaurants – it is readily used by consumers.
- The boundaries of "local" vary and are elastic – individuals often travel beyond their usual shopping areas for a variety of reasons, including price, selection, experience and others.
- While search engines have become the dominant source in local search, the number of consumers using all other sources (search sites, review sites and portals) is comparable.
- Accounting for over half of local search volume, heavy users – or “Avid Users”, as we've called them – are a crucial segment for businesses and the industry as well as a harbinger of the future.
- As penetration and use of smartphones and tablets grow, the average user is likely to look more and more like Avid Users, not just on search but on M-commerce, social commerce and other dimensions.

For local search providers, agencies and consultants, local search represents an enormous market. Not only is the market large and growing, but also changing in ways that are important for businesses and the search industry. Innovation in local search is likely to continue unabated, with the most significant opportunities including:

- Refining the UI, especially for touch-screen devices and dynamic, unstructured content
- Incorporating individuals' "social graphs" into search results, especially for those in "explore and discover" mode
- More fully and effectively integrating location, not just for maps and directions, but in ways that capitalize on hyperlocal capabilities in mobile
- Extracting and making more locally relevant, unstructured data available to local searchers
- Incorporating in real-time more dynamic data into local search results

While local search has its roots in printed directories delivered to our doorsteps, the industry is far from mature. As providers and businesses adapt to and capitalize on the forces outlined above, the future promises to be very exciting.

Appendix

About the Author

Dr. Phil Hendrix is the founder and Director of immr, a research and consulting firm that helps clients bring innovative new products and services to market. Phil helps clients uncover customer needs, optimize product/service features, achieve competitive differentiation and accelerate market acceptance. He is also an analyst in GigaOM Pro, focusing on mobile, location and m-commerce, in particular. Recent reports include Tuning into Consumers' Digital Signals (Oct. 2011), SoLoMo – Empowering Consumers and Transforming Shopping (Sept. 2011), Market Outlook for Tablets (April 2011) and Location - the Epicenter of Mobile Innovation (Feb. 2010).

Before founding immr, Phil was a partner with DiamondCluster (now PwC Advisory) and a principal with Mercer Management Consulting (now Oliver Wyman). Previously, he was a professor at Emory University and the University of Michigan, where he taught courses in research, buyer behavior and marketing strategy. Phil received his PhD in Marketing from the Graduate School of Business, University of Michigan.

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About Street Fight

Street Fight is a media, events, and research company focused on the business of hyperlocal marketing and technology. Launched in April 2011, the Street Fight website and Street Fight Daily newsletter provide daily essential news, commentary, case studies and how-to articles for businesses to succeed in hyperlocal. The Street Fight Summit conferences are must-attend events in New York and San Francisco, bringing together top minds to discuss the leading topics of the day and make important new business connections.

Street Fight Insights conducts research and analysis on industry trends within hyperlocal marketing. Drawing on the direct experiences of participants in this dynamic ecosystem combined with powerful data from original and existing sources, Street Fight Insights publications feature the knowledge and best practices required to succeed.

About *YP*

YP is North America's largest local search, media and advertising company. Its mission is to develop innovative solutions that connect consumers and businesses. Millions of searches occur daily using YP℠ products to find, compare and select local merchants. The company's flagship consumer brands include the YP.com℠ site, a top 40 U.S. Web domain, the highly rated YP℠ app and the YP Real Yellow Pages℠ directory, the largest Yellow Pages directory in the world by revenue.

The company's wide range of print and digital advertising products is designed to address the evolving local search needs of consumers and help advertisers grow their business. The YP℠ Local Ad Network provides advertisers with an opportunity to reach more than 180 million monthly users across over 300 affiliated online and mobile publishers. Through customized campaigns designed by expert advisors, *YP* provides local businesses with one of the most cost effective sources for consumer leads.

YP products and service are backed by thousands of media consultants and customer service professionals in local markets across the US with relationships spanning over 700,000 businesses.

About the Study

The data reported in the whitepaper are based on an online survey conducted by immr in June 2012. The survey, conducted with an online sample of 1,145 respondents, took an average of 12-13 minutes. The national sample, selected by screening respondents recruited via an online sample provider, is balanced on gender (50/50), age (approximately equal numbers between 21-34; 35-44; and 45+) and region of the country. Given the importance and rapid growth of smartphones, smartphone owners are oversampled in the study relative to their incidence in the population (representing 80% in the sample vs. 60% in the online population).

Note: Results reported in the whitepaper are all based on survey data – no user data from *YP* or any of the other companies cited was used.