

# **A STUDY OF THE, CHRISTIAN YELLOW PAGES AS AN ADVERTISING TOOL FOR SMALL BUSINESS**

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## **ABSTRACT**

The yellow pages is the fastest growing advertising medium in the country. It has the fourth-largest share of consumer advertising expenditures. It is also the major advertising vehicle for small business. Deregulation of the telephone industry has brought about fierce competition in this medium. One of the major competitive changes has come in the growth of targeted yellow pages. These special-market yellow pages are positioned to specific demographic markets. This study examined the role of this medium as an advertising tool for small businesspeople. It also examined the Christian Yellow Pages, one of the most targeted of these offerings. The Christian Yellow Pages is targeted primarily to Christian advertisers and consumers in the South and on the West Coast. The findings indicate that the CYP is not as effective as the local telephone company yellow pages, however, the vast majority of those who advertise in this medium feel it meets their expectations. The article concludes that the CYP is a relatively effective small business niche advertising medium for a narrow segment of the market and suggests that this may be the case with other targeted yellow pages.

## **INTRODUCTION**

The yellow pages is the fastest growing advertising medium in the country with revenues of \$11 billion in 1987. While the yellow pages accounts for only 3 percent of the total share of consumer advertising expenditures, it is the fourth-largest advertising medium. It is the major advertising medium for small business. [10;6;1]

The small businesses most, often sought in the yellow pages are: 1) restaurants, 2) automobile related, and 3) entertainment businesses. Those least often sought are: 1) luxury item businesses, 2) personal care businesses, and 3) home improvement businesses.[9]

The yellow pages are used by almost all consumers. According to industry studies, 98.5% of all adults are familiar with yellow pages; on average, U.S. adults refer to the yellow pages 17.7 billion times each year; 76.7% refer to the yellow pages each month; and in an average week, 56.8% use the yellow pages. It has been found that 28.8% of all purchasers refer to the yellow pages before making a purchase; and 65.3% of these people actually make a purchase at a business seen in the directory.[1]

Studies indicate that yellow pages effectiveness (reach) increases when it is combined with other media. Overall advertising reach from yellow pages media combinations are: 45.5% yellow pages /25.1% newspapers for a total of 70.1% of extended reach; 36.5% yellow pages/12.1% television for a total extended reach of 48.6%; and 32.7% yellow pages/7.1% radio for a total of 39.8% extended reach. [1]

The Competitive Environment For almost its entire history, the yellow pages were dominated by the Bell system. However, deregulation has brought fierce competition. Since the AT&T divestiture, the yellow pages industry has become a complex structure of over 6,000 directories. In the early 1980's, 30 new directories were being introduced monthly by local telephone companies, publishers, and new entrants. [5] Competition for the "baby Bell" companies comes from new competitors as well as former AT&T companies. For instance,

Southwestern Bell is now publishing yellow pages in the "baby Bell" territories of New York, Washington, D.C., and Florida. Directory companies now define their territories in terms of shopping patterns rather than community boundaries or telephone exchanges. Neither the name "yellow pages" nor the "Walking fingers" is proprietary. This has led some Bell companies to license new names such as "The Real Yellow Pages" in an attempt to differentiate the product. [18]

And, the competitive battle is not always friendly. There have been law suits over copyright infringement, use of logos, First Amendment rights, and electronic publishing access rights.

While the proliferation of yellow pages can be confusing or inconvenient, the benefits to advertisers and consumers can be considerable. Increased competition benefits advertisers in four ways: 1) national advertisers now have a choice of yellow pages vehicles, 2) publishing creativity, the product of competition, is changing the entire personality of the yellow pages directory, 3) yellow pages pricing is stabilizing, and 4) syndicated, impartial research of multiple directories is emerging. [15]

In addition, the rates to advertisers are lower when there is more competition among yellow pages directories in a market. [11]

However, some caution advertisers about using the new yellow pages because of the lack of circulation audits, the differing costs between publications, and the lack of a rating's systems. [10] It is also speculated that many of these new yellow pages may not survive in the market place.

### **Targeted Yellow Pages**

One of the major changes has come in the growth of targeted yellow pages. This offering is geared to specific demographic markets. Most of the targeted yellow pages have been developed by entrepreneurial small businesses, however, larger companies are also involved. Southwestern Bell was the first of the major publishers to produce a targeted yellow pages. It was called The Silver Pages Directory. It was directed to seniors. Donnelly Information Publishing Company has purchased a series of targeted yellow pages. [17]

There are business-to-business yellow pages, women's yellow pages, kids' yellow pages, parents' yellow pages, yellow pages for black's, Hispanics, homosexuals, Vietnamese, other ethnic yellow pages, and the Christian Yellow Pages. [3]

The new targeted yellow pages have added fuel to the competitive fire. Yet, very little is known about their effectiveness as an advertising medium. Very few are audited, and most have small circulations. However, it is known that, like other yellow pages, the majority of their advertisers are small business.

### **The Christian Yellow Pages**

This study focused on one of the most targeted of the yellow pages: the Christian Yellow Pages (CYP). It is directed to Christian advertisers and consumers. According to the American Association of Yellow Pages Publishers, the Christian yellow pages has been distributed in the South and on the West Coast by several different companies. [16] This study examined various regional editions of the Christian yellow pages in California. They have been published annually by Christian Yellow Pages, Incorporated since 1973. According to its

publisher, the directory "... is designed to aid the Christian in locating a Brother or Sister in the Lord if he should desire to do business with a Christian." The publisher suggests that this is a family relationship, and in no way implies that Christians should not do business with non-Christians. [4]

Until recently, the publication contained the statement that a business must be owned by a born again Christian to be included in the directory. However, it was successfully sued by the California Jewish League and now must accept ads from anyone. However, they do not actively solicit ads from non-Christians, Mormons, Jehovah's Witnesses, or businesses that operate in an unethical manner.[13]

Like most other targeted yellow pages, the editions of the CYP are small. The directories typically contain less than 50 pages. They are distributed primarily through Christian book stores, advertisers' places of business, and churches. The current distribution is approximately 35,000 per regional district issue. This is considerably less than most local telephone company yellow pages but typical of many targeted yellow pages. However, advertising rates are considerably less than telephone company yellow pages. Like most other targeted yellow pages, there are no circulation audits. The CYP has not done any demographic studies of users, no detailed studies of merchants, and no effectiveness studies. However, it is known that the advertisers are all small businesspeople, that there are no national advertisers, nor are there any large, local organizations represented. [13]

## **THE STUDY**

### **Purpose of the Study**

One of the major concerns about the new targeted yellow pages is that little research has been done on their effectiveness. There has been little or no research on who advertises in these directories, why companies advertise in this medium, why former advertisers stopped using the medium, and what other media small businesses use in conjunction with the targeted yellow pages.

This study examined each of these areas in order to provide small businesspeople with an objective gauge of this new advertising medium. This research provides small businesspeople with some information to assist them in determining if the Christian Yellow Pages or other targeted yellow pages are an effective use of their scarce promotional dollars. While the study concentrated on the CYP, the findings can be used as a pilot study to make hypothesis about other targeted yellow pages.

### **Methodology**

A listing of all current advertisers was obtained from the 1987 and 1988 editions of the California Christian Yellow Pages. The names and phone numbers of former advertisers were obtained from previous editions. A telephone questionnaire was conducted during a one-month period in the Summer of 1988. An attempt was made to call all businesses listed in each of the regional editions using a four call-back method. One hundred and two (102) current and seventeen (17) former advertisers responded to the full questionnaire.

Two separate questionnaires were used, one for current advertisers and one for former advertisers. The questions were primarily forced multiple-choice. Each questionnaire contained at least one open-ended question that allowed for additional comments.

The CYP was chosen primarily because of its size, its limited geographic distribution, and its longevity. Because its circulation is small it was possible to call all advertisers from several of its directories. However, because of the small size of the population, the number of respondents, was too small to be statistically significant. It is for this reason that none of the standard statistical tests were performed, and the findings are presented in percentage form only. However, the responses were often quite consistent and so the results of the study could be viewed as a pilot study. The study provides some initial information on targeted yellow pages in general and on the CYP specifically. There still needs to be a great deal of additional research to clearly understand the effectiveness of this medium as an advertising tool for small businesses.

## **RESULTS OF THE STUDY**

### **Religious Orientation**

The owners of the small businesses that advertise in the CYP profess to be Christians (100% of both groups), and most are born again Christians (94% of current; 86% of former). Most profess to actively practice their faith. The vast majority attend church functions more than once a week (82% of current; 69% of former). All of the current and most (91%) of the former advertisers attend church functions at least once a week. The majority of the advertisers in targeted yellow pages are not members of the targeted group. For instance, four-fifths of the advertisers in the Hispanic yellow pages are not Hispanic, and 72 percent of the Vietnamese yellow pages advertisers are not Asian. The same holds true for woman's yellow pages, kids' yellow pages, and seniors yellow pages. [3]

When asked if they had to prove that they were Christians when they first ordered their ads, a slim majority of the former users said yes (53%), while a slim majority of the current users said no (51%). When asked how they proved they were Christians, 89 percent of both the current and former users who said they had to "prove" they were Christians said that the salesperson took their word for it. The rest did not remember how they had to prove it. None indicated that they were asked for a letter from their church (a standard way to establish church affiliation).

### **Use of Other Yellow Pages**

Almost three-quarters (74% of current; 71% of former) also use(d) the local telephone company yellow pages in addition to the CYP. However, very few used other targeted yellow pages (7% of current; 12% of former). Those that did indicated that they used ethnic yellow pages (2% of current); senior citizens yellow pages (2% of current); and trade or association yellow pages (3% of current; 12% of former). Most did not know how much of their business was generated from these other specialty yellow pages (96% of current; 88% of former), however, of those who knew, 100 percent of both current and former CYP users felt that the amount was under 10%, (See Table I).

### **Other Advertising Media Used**

The other media used by these businesses is rather typical of the small-business promotional mix. The most frequently used of these media were newspapers and radio (See Table 11). Most felt that under 10 percent of their business was generated by these other media sources (See Table T).

### **Perceived Effectiveness**

The vast majority of both current and former users did not feel that the CYP brought them much business (See Table I). Most felt that it provided less than 10% of their business (68% of current; 77% of former). However, they did perceive it as being as effective as other media. Only local telephone company yellow pages provided more than 10% of these companies' business. The extended reach for media combinations rarely exceeds 20 percent. This is much lower than small businesspeople typically experience with the local telephone company yellow pages.

It is significant that a large number of these small business- people did not know what percent of their business was being generated by the various advertising media that they use. This supports other studies that have found that many small businesses do not manage marketing well. However, both current and former users did seem to have a clearer understanding of the effective- ness of the CYP than other media.

### **Reasons for Choosing the CYP**

There are motivations for using this medium. Very few made their choice because they felt it was an effective medium (6% of current; 0% of former (See Table III). Most placed their ads because they wanted to reach Christians (51% of current; 29% of former); because they were Christians (34% of current; 29% of former); or because they wanted to support a Christian Business (10% of current; 18% of former). It appears that the decision to advertise in the CYP is an emotional decision, not a business decision. It might even be compared to a donation to the church.

### **Reasons for Discontinuing Use**

The major reasons cited by these small businesspeople for discon- tinuing use of this medium were: poor results (63%), or the desire to use the money for other media (22%). This reflects a businesslike decision pattern. Several former advertisers (4%) dropped their ads because they found that people and organizations (usually charitable ones) used the CYP to generate names of prospective donors. When the businessperson would decline to donate, the callers would berate them for not being "Christian" claiming that "true" Christians would give their money to all worthy causes. Thus, while the decision to advertise in this medium was often an emotion one, the decision to drop advertisements was not.

## **CONCLUSIONS AND RECOMMENDATIONS**

The Christian Yellow Pages is an advertising vehicle for a limited number of Christian small businesspeople. Most small businesspeople who use this medium supplement their advertising with other media, primarily the local telephone company yellow pages, newspapers, and radio. The CYP is not as effective as the telephone yellow pages, nor does it match the combined reach of the telephone yellow pages when combined with other media. However, the vast majority of the people who use this medium feel that it meets their expectations. However, it is hypothesized that this is because the expectations are low. Very few of the

advertisers felt that it was an effective medium. It is quite possible that many view their advertisements as donations rather than a business use of funds. It is clear that the lower response rates do not bother these advertisers because many use the CYP for reasons that do not relate to the generation of business.

The CYP is a niche advertising medium reserved for a narrow segment of the market. This is in keeping with other targeted yellow pages. There is a need to develop cost-per-lead information so that the CYP and other targeted yellow pages can be compared to other media buys. In the meantime, the CYP might best be compared to advertising in church bulletins. It does not offend those outside the target market because of lack of access, it makes a statement of faith to the target market, and it does generate some business.

## **RESOURCES**

[1]American Association of Yellow Pages Publishers, YELLOW PAGES USAGE, 1987.

[2]BURRELLE'S DATABANK SERVICE, Selected newspaper articles, 1988.

[3]CHRISTIAN YELLOW PAGES, SONOMA & MARIN COUNTY , 1987- 1988.

[4]Flax, Stephen, "Whirlwinds Hit the Yellow Pages," FORTUNE, Vol.110, No.7, pp.113-114, October 1, 1987.

[5]Fletcher, Alan D., YELLOW PAGES ADVERTISING, Chesterfield, MO: American Association of Yellow Pages Publishers, 1986.

[6]Jackson, Ralph & Parasuraman, A., "The Yellow Pages as an Advertising Tool for Small Business," THE AMERICAN JOURNAL OF SMALL BUSINESS, Vol.10, No.4, pp.29-35, Spring, 1986.

[7]Johnson, Kenneth, "The Yellow Pages Walk Into a New Marketing Age," TELEPHONE ENGINEER & MGMT, Vol. 91, No.12, pp.108-113, June 15, 1987.

[8]"Marketing Briefs," MARKETING NEWS, pg.4, June 20, 1988.

[9]Mc Gowen, Linda, Manager, Christian Yellow Pages, Inc., telephone interview, June, 1988.

[10]Olsen, Joan D., "Yellow Pages' Proliferation's Plus Signs," MARKETING AND MEDIA DECISIONS, Vol.10, No.10, pp.118-122, October, 1987.

[11]Small, Larry, telephone interview, American Association of Yellow Pages Publishers, November, 1987.

[12]Stern, Aimee, "The Battle of the Yellow Pages," DUN'S BUSINESS MONTH, Vol.127, No-4, pp.62-64, April, 1987.

[13]Taylor, Nick, "The Walking Fingers March to War," MADISON AVENUE, Vol.27, No.5, pp.38-43, May, 1985.

## **TABLES**

**TABLE I**

**PERCENT OF BUSINESS GENERATED BY TYPE OF MEDIA**

LOCAL CHRISTIAN OTHER OTHER TARGETED TELEPHONE YELLOW MEDIA  
 YELLOW PAGES COMPANY PAGES YELLOW PAGES

C F C F C F C F ----- 0-10% - 18% 6% -  
 68% 77% - 25% 18% - 4% 12% 10-20% - 18% 12% - 8% 0% - 5% 6% - 0 0 21-30% - 5%  
 0% - 4% 0% - 3% 0% - 0 0 31-40% - 3% 0% - 3% 0% - 0% 6% - 0 0 41-50% - 9% 12% - 0%  
 0% - 6% 0% - 0 0 51-60% - 0% 0% - 0% 0% - 3% 0% - 0 0 61-70% - 4% 0% - 0% 0% - 0%  
 0% - 0 0 71-80% - 0% 0% - 0% 0% - 3% 0% - 0 0 81-90% - 0% 0% - 0% 0% - 3% 0% - 0 0  
 91-100%- 0% 0% - 0% 0% - 0% 0% - 0 0 DO NOT - - - KNOW - 43% 70% - 0% 23% - 52%  
 70% - 96% 88% ----- C = Current  
 Advertisers; F = Former Advertisers

**TABLE II**

**USE OF OTHER MEDIA**

| CURRENT                 | FORMER  |
|-------------------------|---------|
| Newspapers.....         | 37% 65% |
| Radio.....              | 20% 12% |
| Church Newsletters..... | 12% 6%  |
| Television.....         | 2% 0%   |

**TABLE III**

**MAIN REASON FOR CHOOSING THE CHRISTIAN YELLOW PAGES**

| CURRENT                                    | FORMER  |
|--|---------|
| Want(ed) to attract Christians.....        | 51% 29% |
| We are Christians.....                     | 34% 29% |
| Wanted to support a Christian business.... | 10% 18% |
| Salesperson talked me into it...           | 4% 6%   |
| Just to try it.....                        | 0% 6%   |
| To show that I am honest.....              | 0% 6%   |
| Other.....                                 | 0% 6%   |

**TABLE IV**

**REASON FOR DISCONTINUING USE OF THE CHRISTIAN YELLOW PAGES**

|   |     |
|---|-----|
| Poor Results.....   | 63% |
| Use the money for other media.....                                  | 22% |
| Organizations/individuals kept calling us and asking for money..... | 4%  |
| Save money.....   | 4%  |
| Attorney's should not advertise.....                                | 4%  |
| Selling business.....   | 4%  |
| Too expensive.....  | 0%  |

