

## **6th Annual 15miles/Neustar Localeze Local Search Usage Study Conducted by comScore**

Consumers are adopting mobile devices of all types at a blistering pace. The demand for information “on the go” is higher than ever. Social, local and mobile behavior that was revolutionary just one year ago is now embedded in our culture. As the number of visitors to sites via mobile devices continues to grow, local search plays an even more significant role. This report contains key findings that allow businesses of all types to understand and leverage the local search market.



**Neustar® Localeze®**

March 28th, 2013

## Social, Local, Mobile Trends Transform Search for Businesses

The 15miles/Neustar Localeze Sixth Annual Local Search Study finds that consumers' search behavior continues to change with the increased adoption of mobile devices, and that their use of these devices, expectations for content, and subsequent actions vary in meaningful ways.

The results revealed that consumers' number one activity on mobile devices is search. The study revealed that over half of all mobile browser users access search content through their browser. In fact, in the past ten months, the total number of visitors to search sites via mobile devices has jumped by more than 26%, with local searches playing a particularly important role – nearly 86 million people now seek local business information on their mobile phone in the U.S. alone.

The study also found differences between mobile device use, with tablet owners becoming more home-based, less mobile, and less concerned with the ease of use of their device. Maps play an important role in local search, especially map-based applications. The study also revealed a decline in satisfaction with Portal Search Sites and in the use of Social Networking Sites for local business information.

There are meaningful implications for companies doing business online as the results indicated that successful local business searches conducted via mobile phones were more likely to end with an in-store visit than PC/laptop and tablet searches. Local business searchers who used a mobile phone or tablet were also more likely to make a purchase as a result of their search.

Consumers employ significant differences in search methodology based on the category they are searching. Local business searchers looking for pharmacies, doctors or financial services are more likely to have a specific business in mind but have the lowest use of consumer ratings and reviews.

These key findings show that as the mobile market continues to grow, businesses of all types need to fundamentally rethink how they engage with local customers. Consumers now expect accurate, easy-to-absorb information on local businesses on a variety of computing platforms, and companies that can adapt to this new world have the most to gain.

### Key Findings Summary

1. The number of mobile and tablet searchers continues to skyrocket.
  - PC/laptop searches decreased over the past year as has the number of local searches conducted on them.
  - This is met with an increased number of mobile phone and tablet owners using their devices to conduct local searches.
2. Search behavior of PC/laptop, tablet and mobile phone users differs.
  - PC/laptops are primarily used in the beginning stages of a local business search.
  - Mobile phones and tablets are more likely to be used in the middle or at the end of the process.

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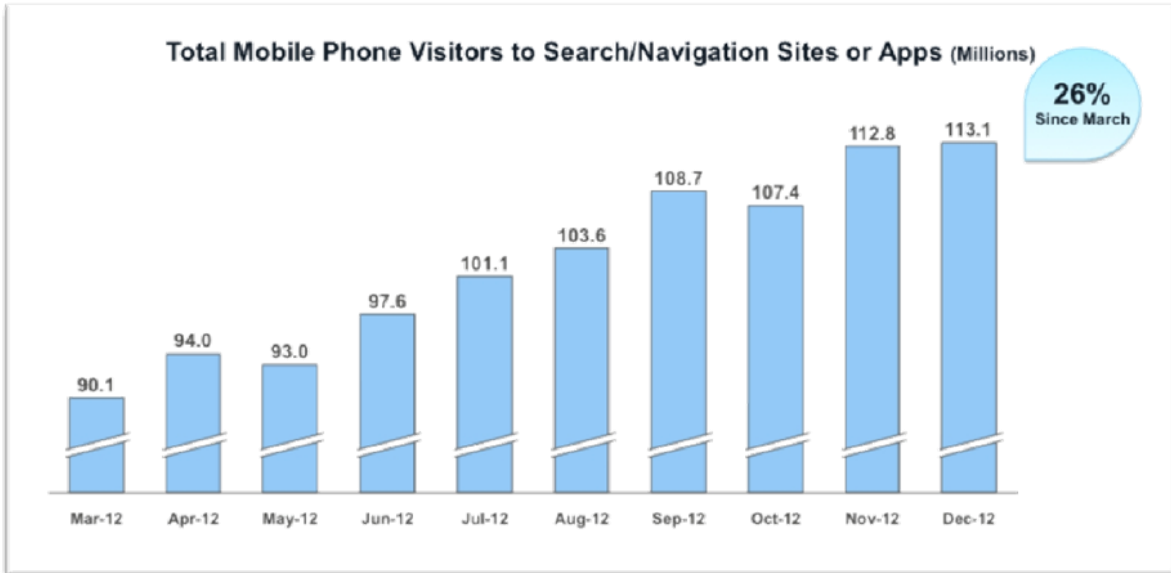


- Searches on tablets increased but tablet users decreased their frequency of searching for local businesses.
3. Search via apps is on the rise; Google Maps dominates.
    - Compared to tablets, those that use mobile phone apps to search for local business information rely more heavily on map-based applications.
    - Mobile phone searchers over-index in saying they utilize maps, driving directions, and distance to the business as a helpful feature on mobile sites.
    - There is an increased portion of local business searchers with navigation systems, and “Points of Interest” remain as important as ever.
  4. Satisfaction with Portal Search Sites declines.
    - Portal Sites are most frequently used to decide what products/services fulfill searcher needs.
    - Searchers became less likely to return to Portal Sites to obtain local business information and more likely to return to IYP sites.
    - Fewer Portal searchers are using consumer rating/reviews. Similarly, fewer cite finding helpful consumer rating/reviews.
  5. Use of Social Networking Sites for local search declines but brand influence remains high.
    - While fewer local business searchers actively use Social Networking Sites as a source of business information, many are still exposed to brand messaging on this platform.
  6. Mobile phone searches more likely to end in purchase.
    - Successful local business searches conducted via mobile phones were more likely to end with an in-store visit than PC/Laptop and tablet searches.
    - Local business searchers who used a mobile phone or tablet were more likely to make a purchase as a result of their search.
  7. Search methodology varies by category.
    - Local business searchers looking for pharmacies, doctors or financial services are more likely to have a specific business in mind but have the lowest use of consumer ratings and reviews.

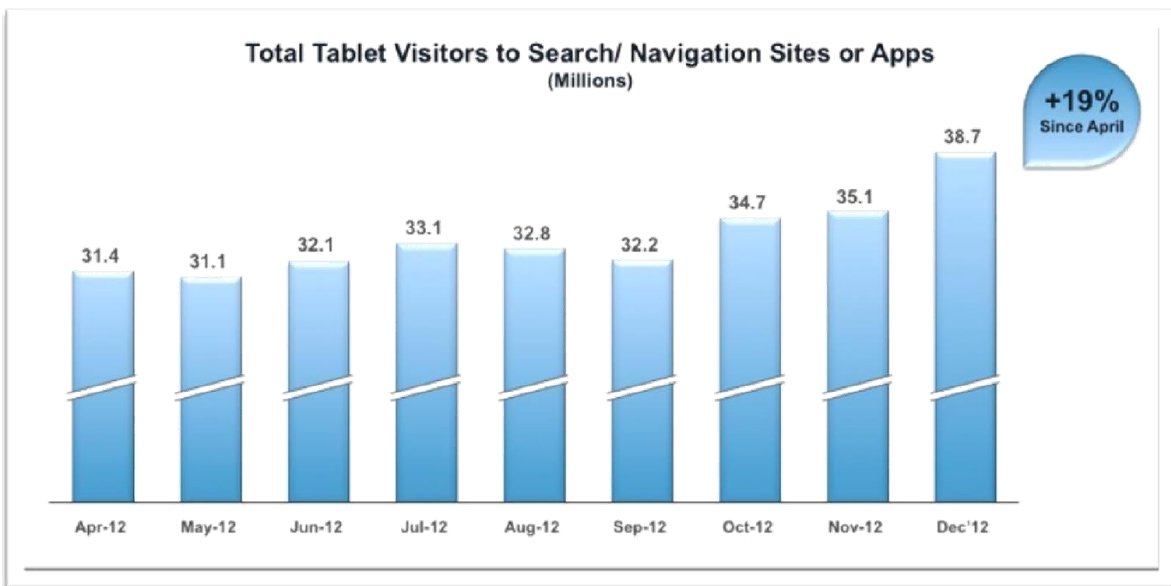
## Key Findings

### 1. The number of mobile and tablet searchers continues to skyrocket.

The study demonstrates that the total number of U.S. searchers on mobile phones grew steadily last year, from 90.1 million mobile phone visitors to search/navigation sites or apps in March to 113.1 million in December, a 26% increase.

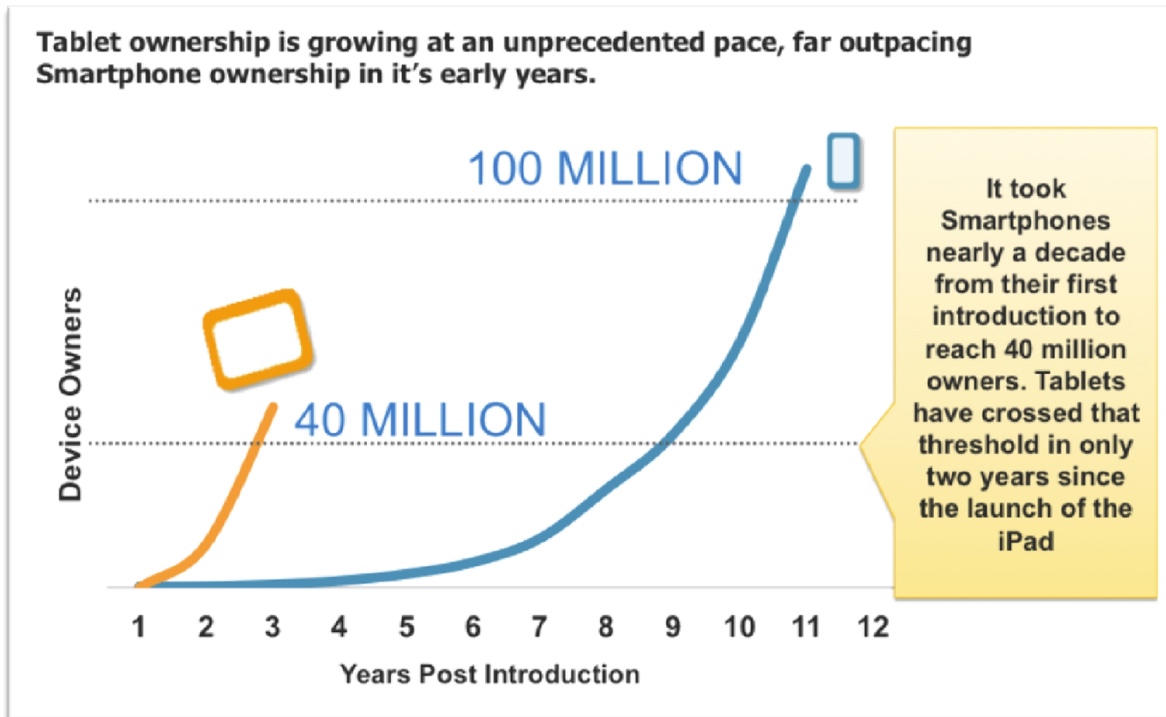


Tablets also grew as a source for online searchers, with 19% growth between April and December. More than half of all users, 56%, say they use mobile phones for searching because they are on the move and 28% need information quickly. At the same time, PC/laptop searches decreased over the past year, as has the number of local searches. Total U.S. searches on the PC dropped 6% year-over-year from 29.5 billion to 27.8 billion in December 2012. Over that same time period, local searches on the PC declined 17% and non-local searches declined 5%.

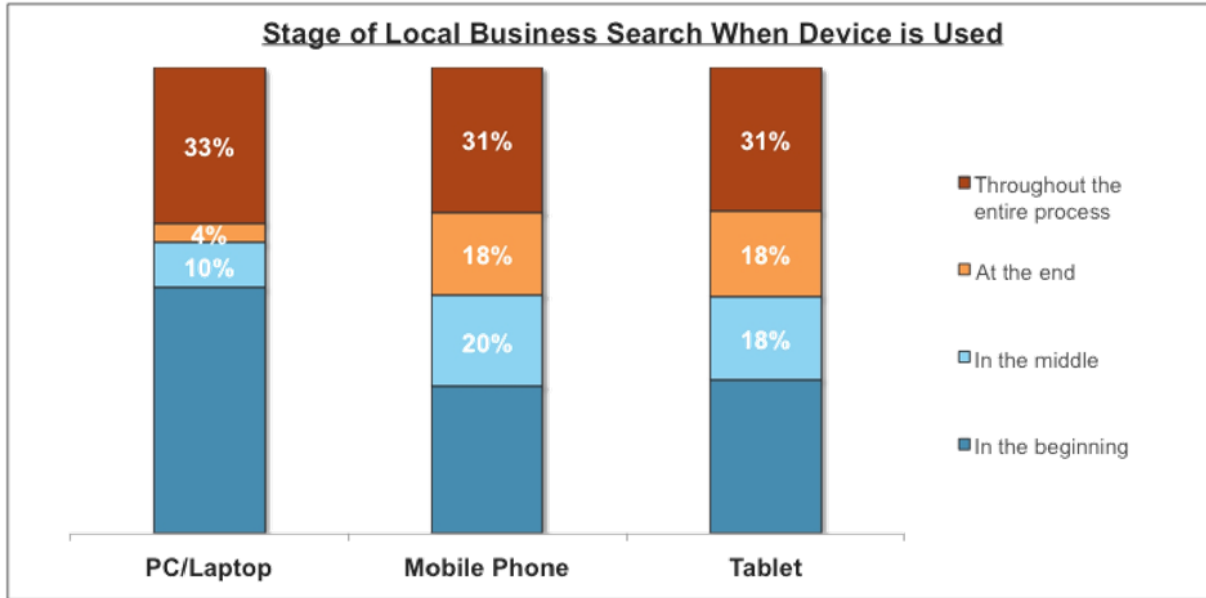


## 2. Search behavior of PC/laptop, tablet and phone users differs.

Tablet ownership is growing at an unprecedented pace, far outpacing smartphone ownership. In only two years since the launch of the iPad, tablet owners reached 40 million, a milestone it took smartphones ten years to reach.



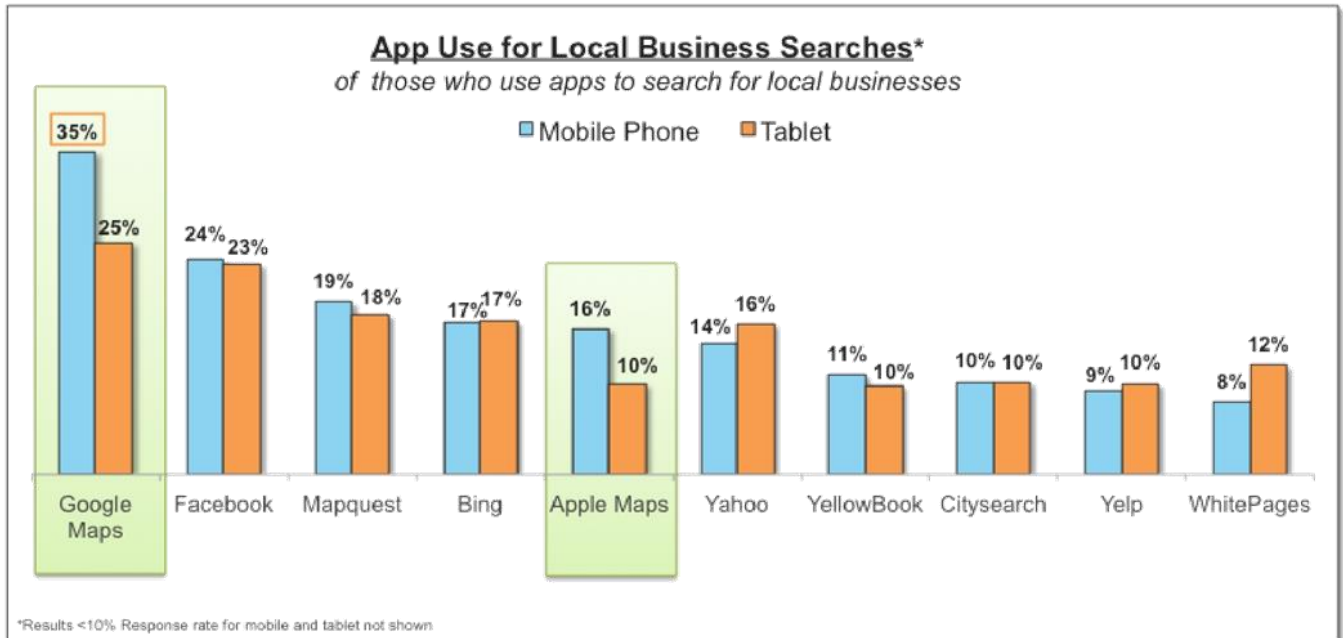
While the frequency of local business searches on mobile phones remains constant, those with tablets use the device for local search less frequently than last year. Local search use dropped from 64% to 48% in 2012. In addition, PC/Laptops are primarily used in the beginning stages of a local business search. In comparison, mobile phones and tablets are more likely to be used in the middle or at the end of the process.



Mobile phone, tablet and PC/laptop users all rated accuracy of information as more important than depth of content. Mobile phone users have become more demanding of accuracy over time, while becoming less demanding of depth of content. Tablet and PC/laptop users rate depth of content as being slightly more important than last year. At the same time that tablet owners have become less mobile they are also becoming less concerned with the ease of use of the device.

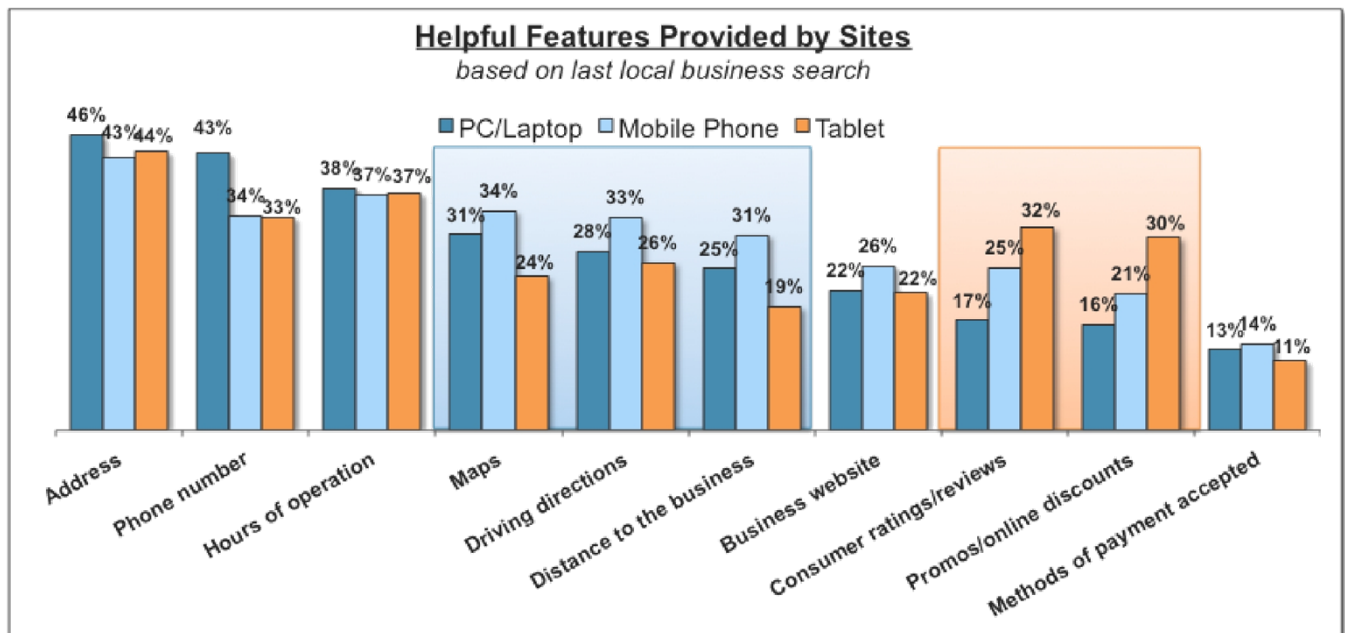
### 3. Search via apps is on the rise; Google Maps dominates.

Maps play an important role in local search, particularly from a mobile perspective. Application-based local search nearly doubled in the past two years, outpacing the SMS and browser markets. More specifically, of the mobile phone searchers who say they use applications to search for local businesses, 35% use Google Maps. Map-based applications are heavily used on mobile phones.



Mobile phone searchers over-index in saying they found maps, driving directions, and distance to the business helpful features on mobile sites.

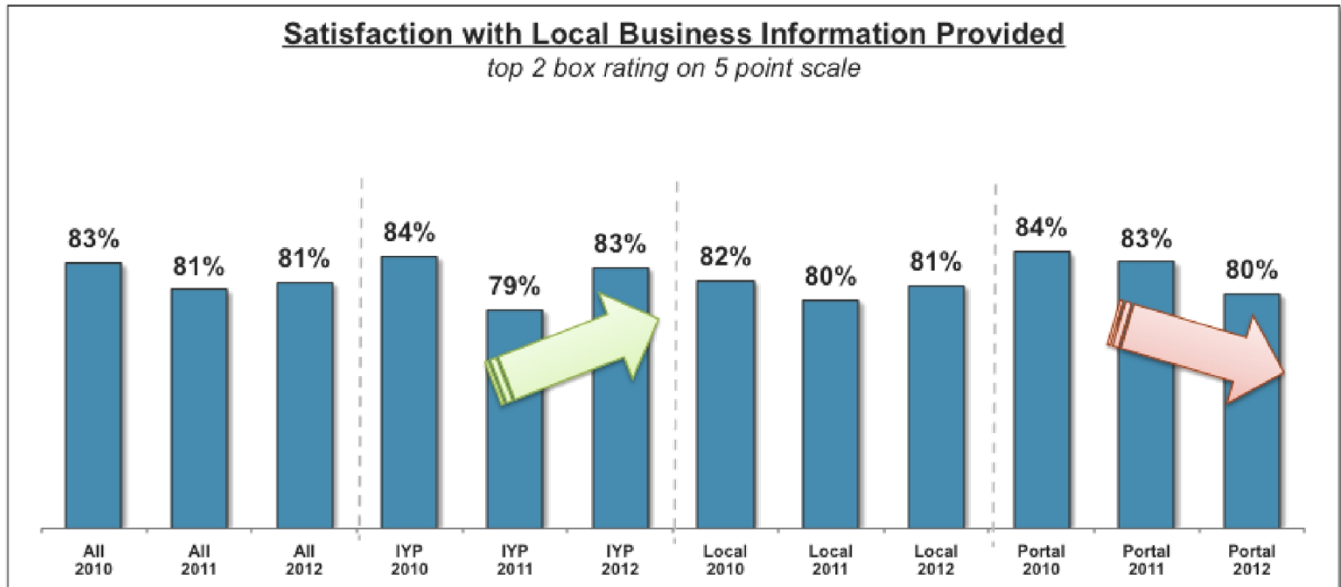
**-Mobile Phone users over-index in finding maps, directions, and distance to be helpful.**



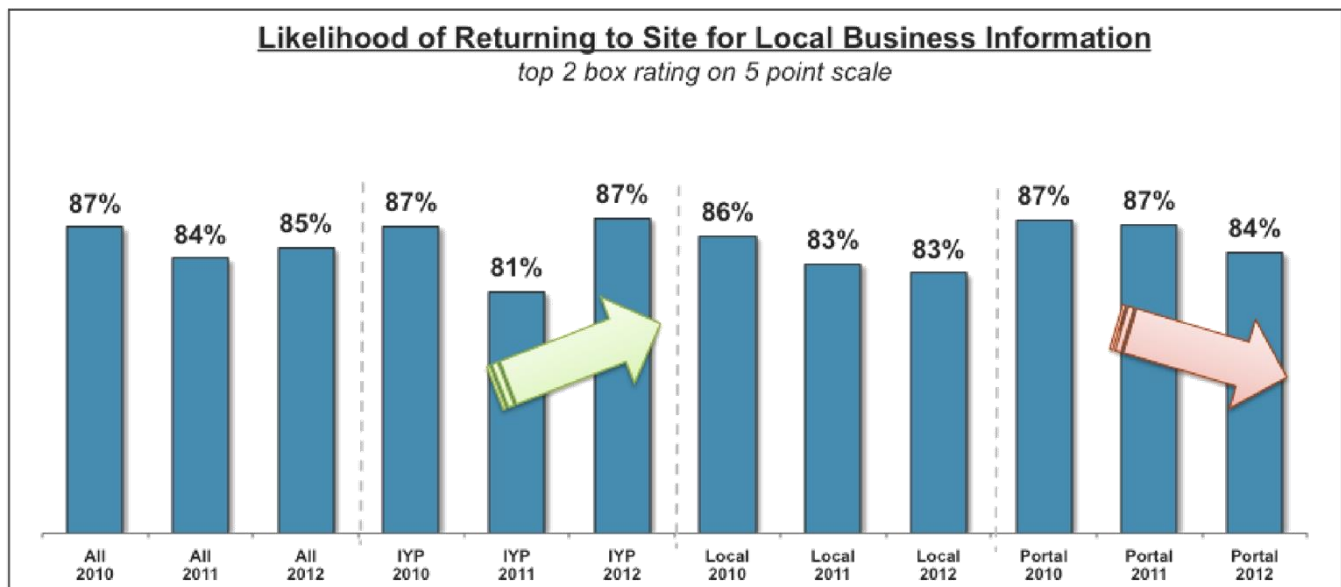
In addition to searching for map results online, many are finding local businesses based on proximity through a navigation system. There is an increased portion of local business searchers with navigation systems and "Points of Interest" remain as important as ever.

#### 4. Satisfaction with Portal Search Sites declines.

Portal Sites are the most common source for local business information and most local business searchers are satisfied with the business information they found online regardless of search category. However satisfaction among Portal Site searchers declined from 84% in 2010 to 80% in 2012.

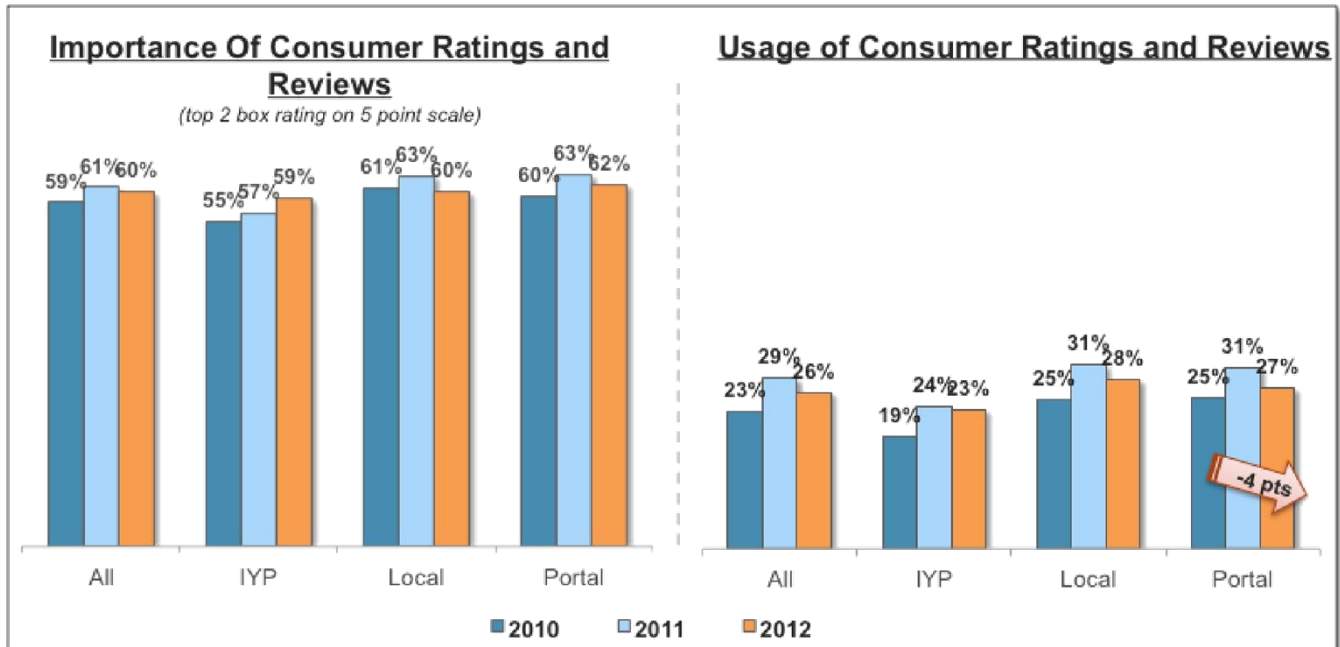


Searchers became less likely to return to Portal Sites to obtain local business information and more likely to return to IYP sites.





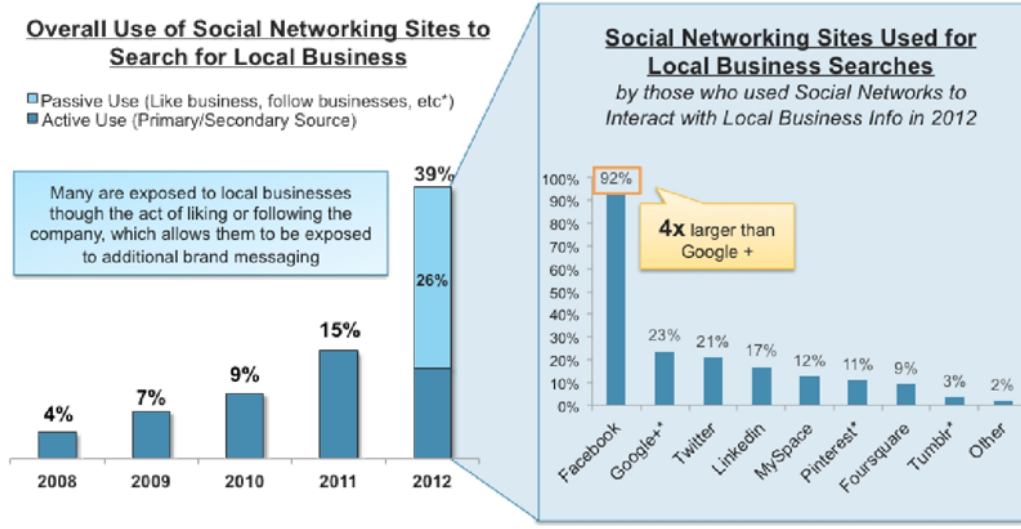
While Portal users still find consumer rating/reviews to be important, there was a 4% percentage point drop in the use of ratings/reviews during Portal searches between 2011 and 2012.



Portal searchers have lower expectations of finding consumer rating/reviews during their online search. They are also less likely to find helpful rating/reviews. The gap between expectations of finding consumer ratings/reviews and actually finding helpful ratings/reviews is higher among Google domains and there is confusion over what type of rating scale Google uses.

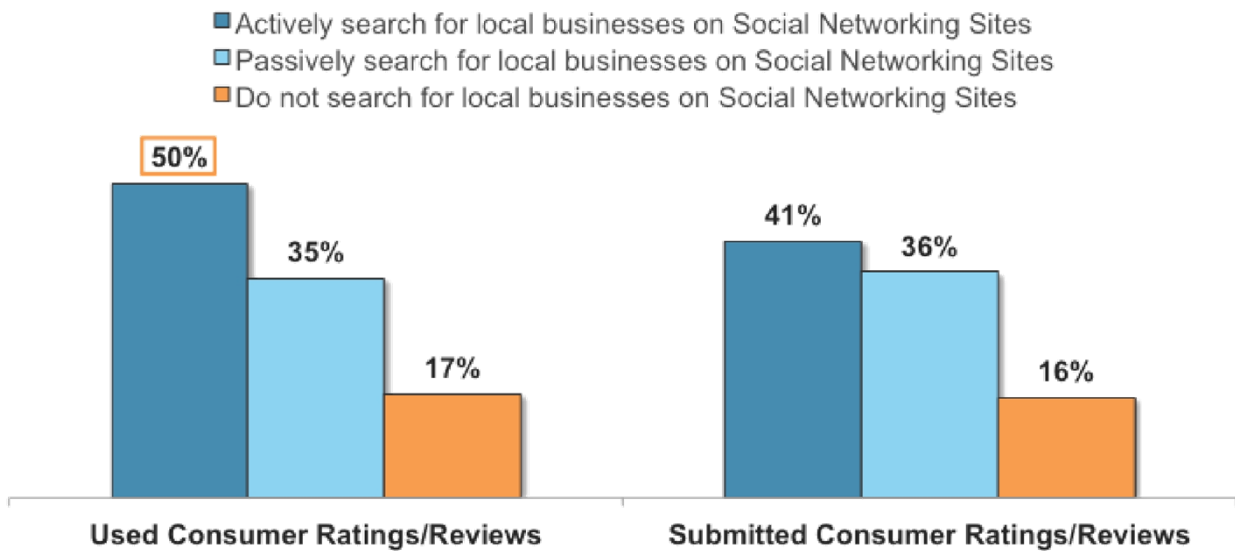
**5. Use of Social Networking Sites for local search declines but brand influence remains high.**

While there has been a slight decline in active searches for local businesses among those who use on Social Networking Sites to search for local business since 2011, from 15% to 13%, the overall reach of this media remains high.



Local business searchers that interact with brands on Social Networking Sites are more likely to use and submit consumer reviews. 50% of people who actively search for local businesses on Social Networking Sites used consumer reviews.

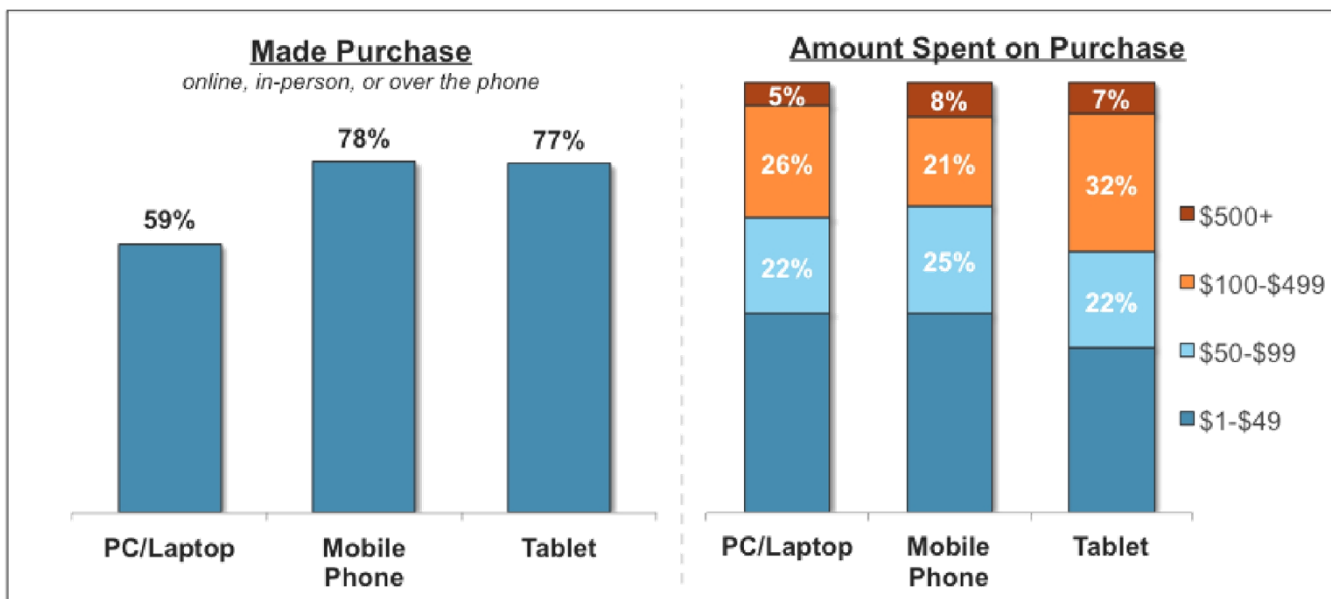
### Use of Consumer Reviews by Engagement with Local Business Info on Social Networking Sites



Additionally, those that actively use Social Networking Sites are influenced by brand marketing more than passive users. 92% of those who searched for local business information on social networking sites on PC/Laptops, mobile phones, or tablets used Facebook for that purpose in 2012.

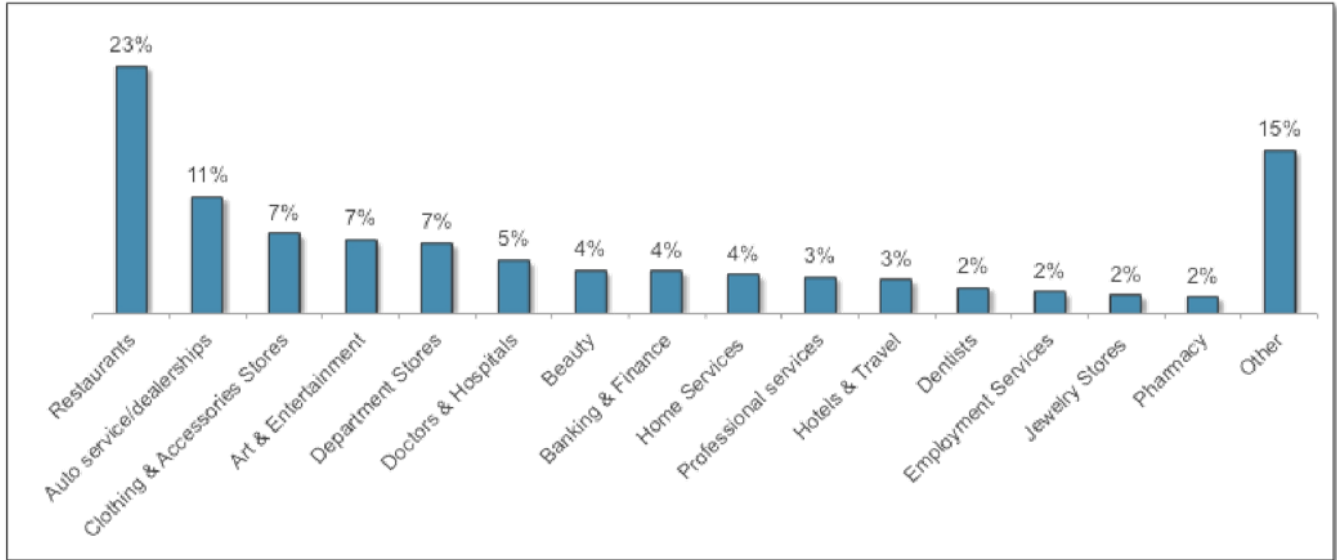
### 6. Mobile searches more likely than PC/laptop to end in purchase.

Of local business searchers' last reported local business search, successful searches conducted via mobile phones were more likely to end with an in-store visit than PC/laptop and tablet searches. Successful mobile and tablet searches were also more likely to result in continued online searches than PC/laptop searches. Even more significantly, local business searchers who used a mobile phone or tablet were more likely to make a purchase as a result of their search. While only 59% of PC searches resulted in a purchase, 78% of mobile phone searches and 77% of tablet searches resulted in a purchase. Tablet searchers also skew toward more expensive purchases.

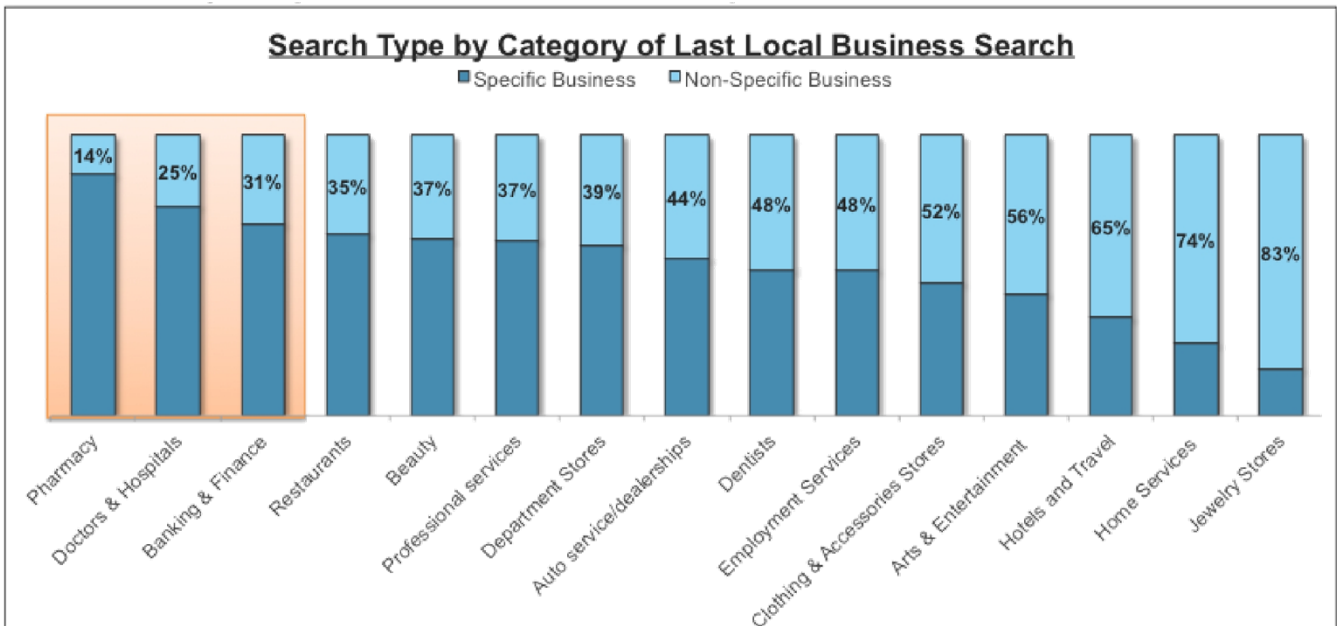


### 7. Search methodology varies by category.

While most online searches are for services (40%) rather than products (23%), 23% of those surveyed said the last local business they searched for was a restaurant.

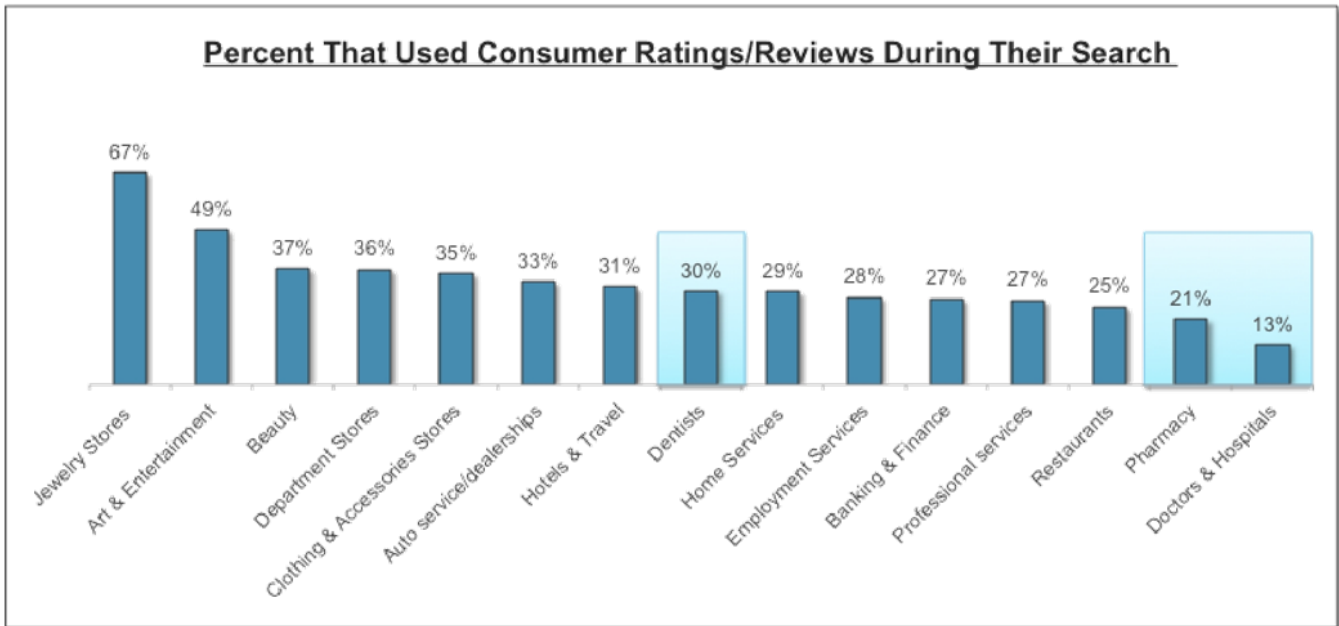


The two most important factors in choosing a business were location (32%) and familiarity (31%). However, there are clear differences in the portion of searches that are conducted with a specific business in mind. Local business searchers looking for pharmacies, doctors or financial services are more likely to have a specific business in mind. Pharmacies lead the pack with 86% of consumers looking for a specific pharmacy, while doctors and hospitals rank second with 75%. Banking and finance are not far behind (65%), followed by restaurants (65%).



Jewelry store searchers have the lowest portion (17%) of specific searches. Conversely, these searchers had the highest use of consumer ratings and reviews (67%) vs. those looking for pharmacies (21%) and healthcare providers (13%).

### Percent That Used Consumer Ratings/Reviews During Their Search



### Other Important Findings

#### Growth of Mobile Search

Search continues to grow as the most popular online activity for mobile browsers used on both phones and tablets. Total U.S. visitors to search sites and apps grew 26% on mobile phones and 19% on tablets in 2012.

#### Decline of PC Search

Total U.S. searches on the PC dropped 6% year-over-year from 29.5 billion to 27.8 billion in December 2012. Over that same time period, local searches on the PC declined 17% and non-local searches declined 5%.

#### Smartphone Ownership and Use

Smartphone ownership continues to increase, with market share among U.S. mobile phone owners increasing 12%. The top five activities for mobile browsing are search (56%), social networking (40%), news (39%), weather (31%), and entertainment news (30%).

#### Growth of Portal Sites

Portal sites such as Google.com, Yahoo.com, MSN.com/Bing.com, AOL.com and Ask.com are increasingly the most popular primary source of local business information, rising from 30% to 36% in the past five years. Primary use of Local Search Sites remains stable at 13%.

### **Greater Variety of Online Sources**

39% of people cite Local Search Sites as their primary or secondary source for local business information. Local business searchers are using a greater variety of secondary online sources including Portal Sites, IYP Sites, Local Search Sites, Social Networking Sites, and Consumer Review/Rating Sites. The average searcher uses 2.5 different types of sources.

### **Growth of Mobile Local Search**

Local search on mobile phones continues to grow with nearly 86 million accessing local business information on their mobile phone, a 63% increase since 2010.

### **Growth of Mobile App Use**

Compared to tablet, those that use mobile phone apps to search for local business information rely more heavily on map-based applications. Of mobile phone searchers who cite using applications to search for local businesses, 35% use Google Maps.

### **Mobile Search and In-Store Visits**

Relative to other devices, successful local business searches done on mobile phones are the most likely to end with an in-store visit. 48% of phone users, 36% of PC/laptop users and 32% of tablet users visited a business after a search. Tablet searchers are more likely to continue to research; PC/laptop users are not likely to continue research.

### **Mobile Search and Purchase**

Local business searchers using a mobile phone (78%) or tablet (77%) are more likely to make a purchase as a result of their search than PC/laptop users (59%). Tablet searchers skew towards more expensive purchases.

### **Healthcare, Financial Searchers Look for Specific Providers**

Local business searchers looking for pharmacies, doctors, or financial services are more likely to have a specific business in mind while conducting their search, while home services and jewelry stores searchers do not.

### **Portal Search Site Satisfaction Declines**

Most local business searchers are satisfied with the business information they found online regardless of search category. However satisfaction among Portal Site searchers declined from 84% in 2010 to 80% in 2012. Searchers became less likely to return to Portal Sites to obtain local business information and more likely to return to IYP sites.

### **Social Media Reach Remains High**

While there has been a slight decline in active searches for local businesses on Social Networking Sites since 2011, from 15% to 13%, the overall reach of this media remains high. 58% of searchers that use Social Networking Sites describe themselves as more likely to use a local business if a connection recommends it.

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## Key Takeaways

**Search continues to grow** as the most popular online activity for mobile browsers used on both phones and tablets. Total U.S. visitors to search sites and apps grew 26% on mobile phones and 19% on tablets in 2012.

**Local search on mobile phones continues to grow** with nearly **86 million accessing local business information** on their mobile phone, a 63% increase since 2010.

Mobile and tablet searchers continue to skyrocket but there are important differences between these two groups of users. **Mobile phones are more likely to be used because information is needed on the go** than tablets. Tablet users are becoming less mobile, less concerned with the ease of use of the device, and require greater depth of information.

**Mobile phone searchers are more likely than tablet users to cite maps, driving directions, and distance to the business as helpful pieces of information** to be found during their search. Tablet searchers are more likely to cite consumer reviews and online promotions to be more helpful.

Trends show that **those who primarily search on Local Search Sites are becoming more reliant on mobile devices**. Year over year, the portion of these searchers who state that PC/laptops are the primary way they access Local Search Sites have declined by 7%. They are increasingly relying on mobile applications.

**Sites that have a larger portion of mobile searchers are being used more frequently** than they were a year ago. Local Search Sites and Social Networking Sites have the largest portion of primary users who typically turn to mobile devices in order to research local businesses. Primary users increased weekly searches on Local Search Sites and Social Networking Sites by 3% over the past year.

**Search via apps is on the rise**. Just two years ago, more people were accessing local content on their phones using mobile browsers. Over the past two years, application use has grown, making it the most popular way to obtain local business information on mobile phones.

Facebook and Google Maps dominate. **Of the mobile phone searchers** who say they use applications to search for local businesses, **35% use Google Maps**. 92% of those who searched for local business information on social networking sites on PC/laptops, mobile phones, or tablets used Facebook.

Compared to Local Search Sites, IYP Sites, Portal Sites, and Consumer Rating and Review Sites, **those who primarily use Social Networking Sites are the most likely to cite mobile phone apps as their main access method**.

There are significant **differences in search methodology based on category**. Pharmacies, doctors, and banking/financial services are the most likely to have searchers looking for a specific business. These search subjects, which have a large portion of searchers looking for a specific business, are more likely to have searchers who are dissatisfied or do not make a purchase as a result of their search. They are also less likely to use ratings and reviews than searchers in other categories.

### **Objectives and Methodology**

comScore, in conjunction with 15miles and Neustar Localeze, designed an online survey instrument that focused on understanding the use and value of Internet Yellow Pages, Print Yellow Pages, Search, and monitor shifts in consumer behavior and opinions.

### **Respondents**

The target respondents were individuals who have conducted a local business search in the last twelve months.

### **Research Design**

comScore surveyed panel members and the general population via email and POP invitations. Over 3,000 completed responses were collected. Respondents were categorized based on the site they used for their last online business search, and weighted on age, gender, and last site used to conduct a local business search.

### **Study Design**

The Neustar Localeze/15miles Sixth Annual Local Search Usage Study consists of both a quantitative survey and behavioral data from comScore's U.S. consumer panel.

### **Quantitative Survey Design**

The survey study consisted of a targeted sample of over 3,000 users of local business Internet searches conducted in three search categories: Internet Yellow Pages, Local Search Sites, and Portal Search Sites

Internet Yellow Page Sites (IYP) included 394 sites including SuperPages.com, Yellowpages.com, DexKnows.com, Yellowbook.com, and Local.com.

Local Search Sites included 875 sites including Google Local/Maps, Yahoo! Local, Bing Local, Citysearch.com, City.Ask.com/Maps.Ask.com, Mapquest.com and Yelp.com.

Portal Search Sites included 1,614 sites including Google.com, Yahoo.com, MSN.com/Bing.com, AOL.com and Ask.com.

Behavioral Data: comScore provided additional analysis of total web search activity, local web search activity, and local mobile content consumption.

### **Timing**

The survey was fielded December 4, 2012 to December 14, 2012.

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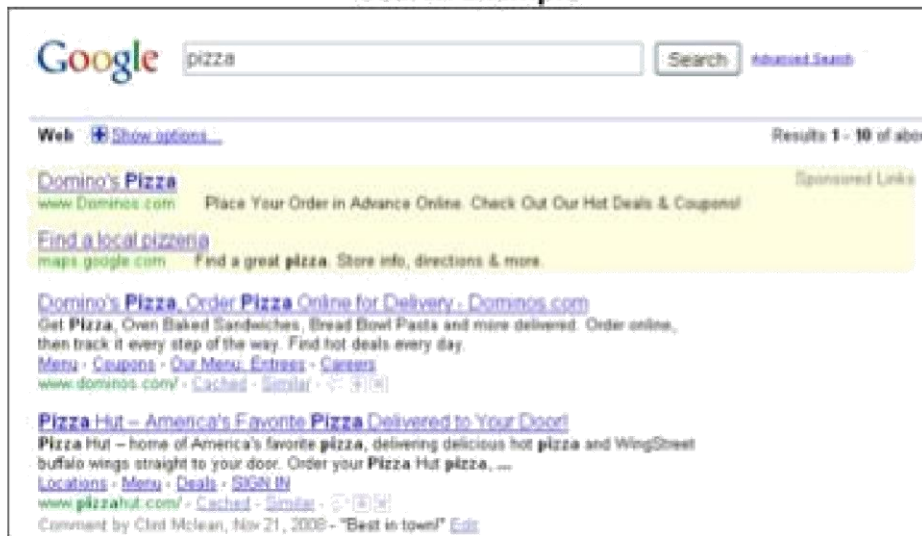




## Definitions

Search: Online user interaction where the user is presented with a search result page and the search result page allows the user to refine or change search parameters.

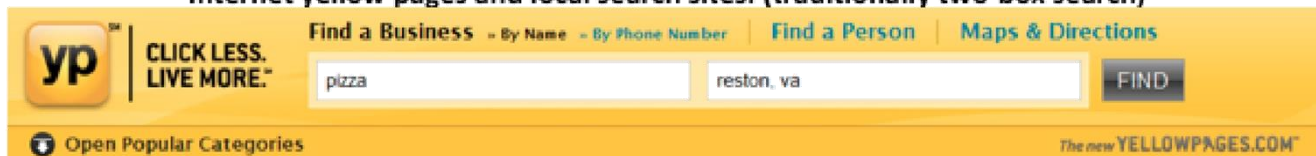
### Search Example



Local Business Search: A search that retrieves information including a local business name, phone number, address, hours of operation, specials, promotions, products carried, payment types accepted, etc.

Internet Yellow Pages/Local Search: Business directory searches on Internet Yellow Pages and local search sites (traditionally two-box search).

### Internet yellow pages and local search sites. (traditionally two-box search)



Portal Search with Local Intent: Search with local intent on a portal site (traditionally one-box search). comScore looks for the presence of certain keywords on the top portion of the search result page as a local identifier to determine if the search engine presented local business listings.

### Local Portal Search (one-box search) with local intent



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**About 15miles**

15miles, the local search division of Geary LSF Group, is a leader in local, mobile and social marketing solutions for national and regional brands. Applying the management team's proven expertise and rich history in local search marketing to its services, 15miles offers a variety of solutions that includes social marketing, search engine optimization, pay-per-click advertising, website design and development, Internet yellow pages, local business listing management and mobile solutions. For more information, please visit <http://www.15miles.com/> or <http://www.gearylsf.com>.

**About Neustar**

Neustar, Inc. (NYSE: NSR) is a trusted, neutral provider of real-time information and analysis to the Internet, telecommunications, information services, financial services, retail, media and advertising sectors. Neustar applies its advanced, secure technologies in location, identification, and evaluation to help its customers promote and protect their businesses. More information is available at <http://www.neustar.biz> and [www.neustarlocaleze.biz](http://www.neustarlocaleze.biz).

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