



Local Commerce Monitor U.K. Wave 1

BIA/Kelsey

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Introduction

- This document presents the findings from Wave 1 of the new U.K. Local Commerce Monitor survey from BIA/Kelsey.
- Because this is the first wave of this survey, we don't have historical data for comparison, so we can't comment yet on trends. However, the Wave 1 data provide an unusually granular snapshot of current media usage, behaviors and conditions. We also expect these data to provide a baseline against which to measure trends and developments going forward.
- This survey is closely based on the LCM survey series we have conducted in the United States for more than 10 years. However, numerous questions (as well as response options) have been customized to reflect U.K. companies, practices, geography and currency.

Introduction

- The survey was conducted in February 2011. The sample consisted of 308 small businesses in the United Kingdom. These businesses were drawn from seasoned, pre-existing online panels of U.K. businesses operated by SSI and eRewards. Participants did not receive specific incentives (beyond those for being in the panels).
- The participating businesses were drawn from a cross-section of the U.K., so as not to be dominated by the greater London area. The sample also included a substantial number of “solo” businesses, with 43% of respondents reporting just one full-time employee in their business (including themselves).
- Additional information on the survey sample composition and characteristics is found in the Appendix.

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Executive Summary

In our LCM surveys, we ask respondents about their spending for more than 30 different media, both print and digital. We use several different metrics to look at the results:

1. **Media Penetration:** This is the percentage of SMBs that use each particular medium (irrespective of their level of spending).
2. **Overall Ad Spend Allocation:** In this calculation, we look at total SMB ad spend, and report how the total was allocated to each of the different media. (Of course, since individual SMBs generally use only a handful of media, the spending of an SMB is zero for most of the various media on the list. So this is a collective measure of how the total ad spend pool was spent by all SMBs.)
3. **Spending Intensity:** When an SMB uses a given medium, we ask how much of its total ad budget went to that particular medium. Given that SMBs use only a handful of media (about four on average) if they split their ad budget equally across all four, they'd be spending 25% of their budget on each one. This is a measure of how committed SMBs are to each of the media they actually use.

Executive Summary Highlights

- Measured by penetration, U.K. SMBs use a wide variety of media, both traditional and digital, for advertising and marketing:
- Mobile advertising is still in its infancy, with no single mobile ad format registering greater than a 5% usage level.
- Pay-per-click (PPC) is used by 13% of respondents, which demonstrates that this cornerstone ad medium, often referred to as SEM (search engine marketing), has not gained nearly the traction with SMBs that it has with larger businesses.
- U.K. SMBs are fairly “webified,” with 68% reporting they already have websites. In addition, 8% (most of which probably overlaps with the 68%) report having a mobile website (i.e., website optimized for viewing on mobile devices).

Executive Summary Highlights

- Spending in print classified directories appears to be relatively stable, with 58% of respondents reporting they plan to “maintain” print classified spending in the next 12 months, and just 14% reporting they plan to “significantly decrease” this spending.
- SMBs report a tendency toward self-serve, with 43.1% saying they purchase online advertising themselves without operator assistance, and another 11.8% saying they purchase online advertising themselves with operator assistance.

Final Comments

- The LCM:UK Report details the biggest influencers on SMBs when they choose advertising media and the expected generation of new customers by type of media.
- The ROI is also examined for directional media, online media, mobile media, and broadcast media and community sponsorship.
- To purchase, please email sales@biakelsey.com or call (703) 818-2425.