

OPEN

Welcome!

# YODLE INSIGHTS

WHAT CONSUMERS  
WANT FROM  
LOCAL  
BUSINESSES

Insights from over 6,000  
American consumers

HOURS

Cafe  
Monday-Saturday 8:00-5:00

Spa  
Tuesday-Thursday 10:00-9:00  
Friday-Saturday 8:00-6:00  
Sunday 10:00-5:00

Yoga & Fitness  
Classes held daily

# EXECUTIVE SUMMARY

There are 28 million local businesses in the U.S. according to the U.S. Census Bureau. Local businesses are often cited as a job creation engine and backbone of the American economy.

However, are local businesses doing everything they can to maximize success with both existing and potential customers? *Yodle, a leading local online marketing company*, commissioned an independent online survey of 6,000+ U.S. consumers, including 200+ local respondents in 20 mid-market cities, via a third party research firm in April 2015 to answer this question.

The study is focused on consumer perspectives on local service businesses such as healthcare providers, auto repair shops, contractors, and professional services providers.

The survey – “**Yodle Insights: What Consumers Want from Local Businesses**” – addresses how consumers find, choose, use and interact with these local businesses, and what they would most like from them. The content analyzes consumer behavior and preferences, and offers insights and advice for local businesses looking to improve interaction with both existing and potential customers.

The key findings include:

- **Local business revenue is expected to grow.** 82% of consumers currently use local businesses. During the next year, 48% plan to increase their use of local businesses vs. less than 1% who expect to decrease it.
- **The majority of consumers find that local businesses outperform national chains on service and quality.** For example, 96% think that local businesses offer more personalized service.
- **Online reviews are expected and satisfied customers are happy to help out.** Three-quarters of consumers say that having reviews either gives the business a competitive advantage (36%) or is expected (40%). However, only 7% have been asked to write a review of a local business even though 89% are willing to do so if they had a positive experience and were asked.
- **Special offers for returning customers are the biggest differentiator for a local business.** 57% of consumers say it sets the business apart.
- **Consumers want more online communication from local businesses.** When asked about communications such as service/appointment reminders and advice/helpful tips, consumers identified a significant gap between what they are currently getting from local businesses and what they are open to receiving.

Please contact [press@yodle.com](mailto:press@yodle.com) for more information on “Yodle Insights: What Consumers Want from Local Businesses.” Additional data is available upon request.

# TABLE OF CONTENTS

RESPONDENT INFORMATION	4
SECTION 1: CHECKING IN ON MAIN STREET	5
SECTION 2: ONLINE EXPECTATIONS OF LOCAL BUSINESSES	10
SECTION 3: CONSUMER ENGAGEMENT WITH LOCAL BUSINESSES	16
ABOUT YODLE	20

# RESPONDENT INFORMATION

Yodle used an independent third party research firm to conduct an online survey with 6,000+ consumers across the U.S.

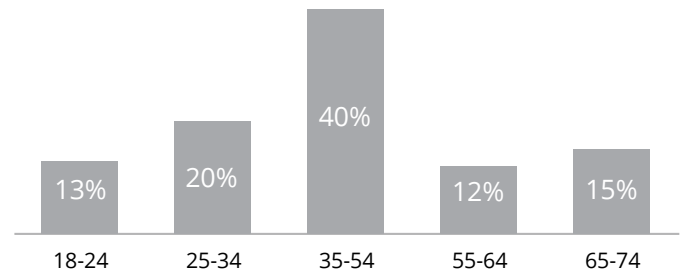


NUMBER OF  
RESPONDENTS

## GENDER



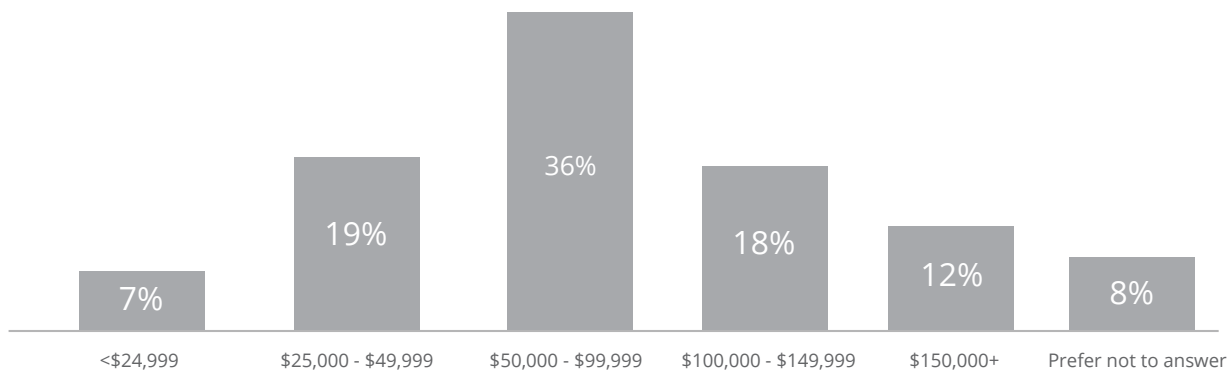
## AGE



## EDUCATION



## HOUSEHOLD INCOME





# SECTION 1

## CHECKING IN ON MAIN STREET

When it comes to choosing a business, are consumers staying local or going with national chains, and why?

### KEY CONSUMER INSIGHTS



Quality over price. While 77% believe that national chains offer more competitive prices 72% are willing to pay more to a local business for better quality work.



Continued growth. Almost half (48%) plan to use local businesses more over the next year and only 1% expect to use them less.



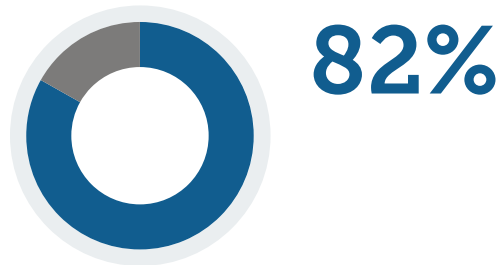
David beats Goliath. 96% believe local businesses beat national chains on personalizing service.



Cleveland is #1! Tops the list of 20 mid-market cities with the highest use of local businesses.

## THE STATE OF LOCAL BUSINESS

**Local business use is high.** The majority of U.S. consumers (82%) report that they have used a local business in the last year.



**Consumers use local businesses more than national chains.** Local businesses accounted for 56% of total business use over the last 12 months.



**LOCAL  
BUSINESSES  
56%**



**NATIONAL  
CHAINS  
44%**

### Ranking local business use in mid-market cities\*

In the last twelve months, approximately how much of your business was split between local businesses and national chains?

City		Local business use
1.	Cleveland	59.7%
2.	Pittsburgh	58.8%
3.	Sacramento	58.7%
4.	Portland	58.3%
5.	Detroit	57.7%
6.	Minneapolis-St. Paul	57.2%
7.	St. Louis	56.4%
8.	Miami- Ft. Lauderdale	55.5%
9.	Tampa	55.3%
10.	Phoenix	55.2%
11.	Houston	55%
11.	Charlotte	55%
13.	Baltimore	53.8%
14.	Hartford & New Haven	53.7%
15.	Denver	52.5%
16.	Orlando	51.7%
17.	San Diego	51.5%
18.	Raleigh-Durham	50.7%
19.	Indianapolis	50%
20.	Nashville	49%

We polled 200+ consumers in each "mid-market" city. We selected cities that ranked #10 - #30 on the Nielsen 2014-15 TV Household DMA Ranks.

## THE STATE OF LOCAL BUSINESS

**Consumer use of local businesses is growing year-over-year.** Last year, almost half of consumers (47%) increased their use of local businesses.

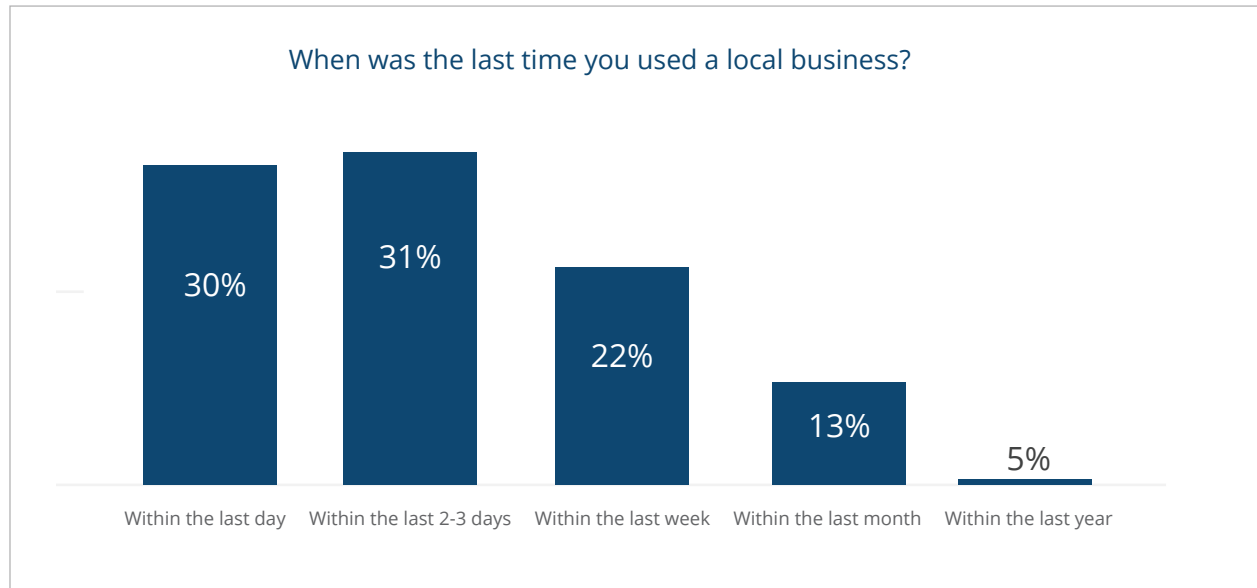


**Local business revenue is expected to grow over the next year.** Nearly half of consumers (48%) plan to use local businesses more over the next 12 months.



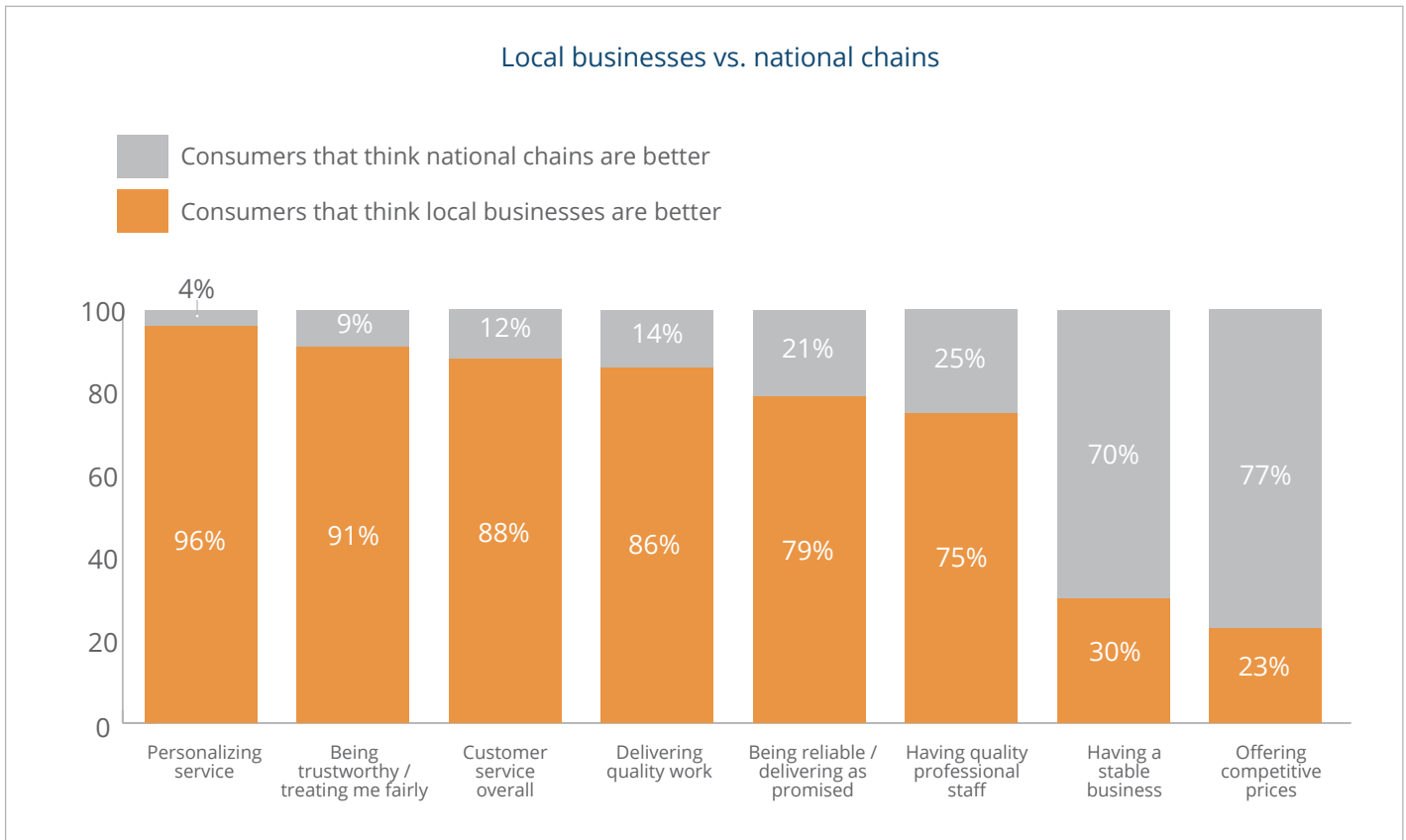
## THE STATE OF LOCAL BUSINESS

**Consumers who “buy local” do so frequently.** The vast majority of people (95%) who use local businesses have done so within the last month.



## WHERE DOES DAVID BEAT GOLIATH? SERVICE

**Local beats national in most areas.** The majority of consumers find that local businesses outperform national chains on service and quality.



**Compete on quality and service, not on price.** Although most consumers (77%) believe that national chains offer more competitive prices, many of them are still willing to pay more money to a local business.



## SECTION 2

# ONLINE EXPECTATIONS OF LOCAL BUSINESSES

It's no secret that the internet and mobile technology have changed the way we find and interact with companies, but are local businesses keeping up with what consumers expect?

### KEY CONSUMER INSIGHTS



Websites matter. Consumers rank website improvements as the top change they are interested in seeing over the next year.



Reviews are now expected. Three quarters (76%) want to see online reviews for local businesses.



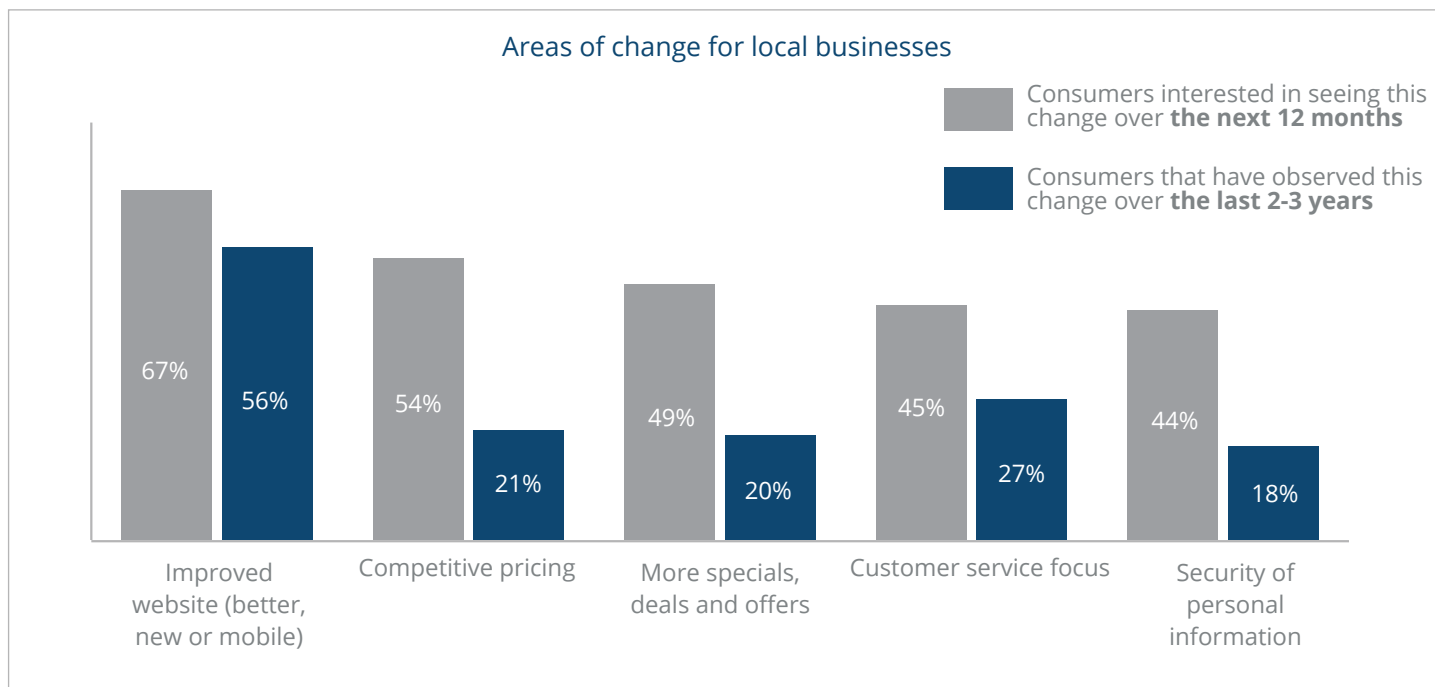
Offers stand out. Offers for returning customers are the best way for local businesses to differentiate from their competition.



What's next? More than a quarter want local businesses to provide the option of booking appointments and managing billing and payments online.

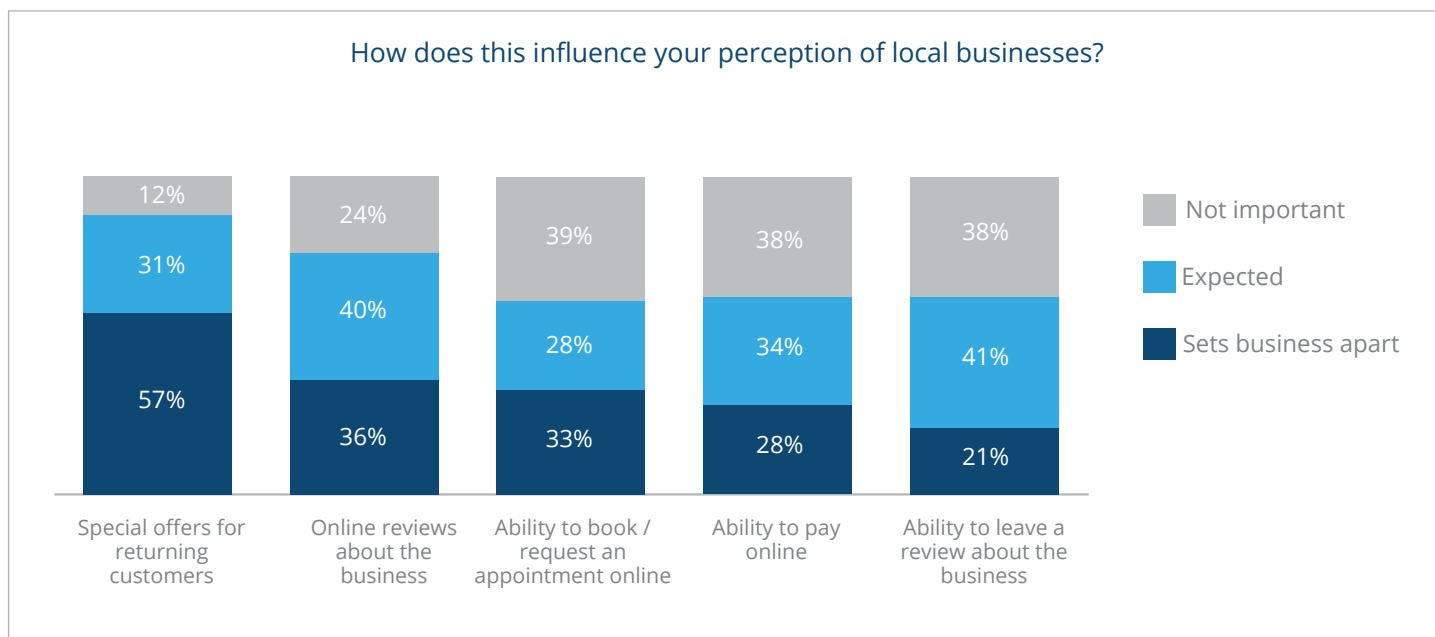
### THE LOCAL BUSINESS EVOLUTION: WHAT CONSUMERS WANT

**Consumers want more change.** Local businesses are making progress on websites and customer service, but have not yet met consumer demand. Not surprisingly, they want lower prices but the findings suggest that service is a better way for local businesses to compete.



### THE OPPORTUNITY GAP: HOW LOCAL BUSINESSES CAN MEET AND EXCEED CONSUMER EXPECTATIONS

**Certain features are expected and others really set businesses apart.**



### ONLINE REVIEWS: IMPORTANT AND EXPECTED



**Online reviews directly impact your business.** Three quarters of consumers say that having reviews either sets the business apart from its competitors (36%) or is expected of local businesses (40%).

**Consumers want somewhere to go to review your business.** 6 out of 10 consumers say that being able to leave an online review either sets the business apart from its competitors (21%) or is expected of local businesses (41%).

How does this influence your perception of a local business?

Ability to see a review...

24%

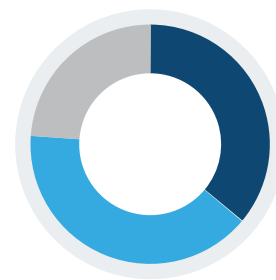
Not important

40%

Expected

36%

Sets business apart



Ability to leave a review...

38%

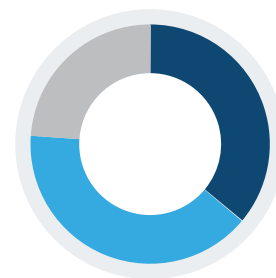
Not important

41%

Expected

21%

Sets business apart



#### YODLE INSIGHTS

#### How to Get More Positive Online Reviews

Don't miss out on the opportunity online reviews represents. Here are three tips on how to approach the "ask" in the most effective way possible.

##### 1. Ask when your customer is smiling

Make every interaction with customers positive by going above and beyond to help them. As soon as you see that knowing look of appreciation after a job is done, ask the customer to write and post a review.

##### 2. Get employees on board

Explain to your employees the importance of online reviews, and encourage them to request the reviews from every satisfied customer. Provide instructions on how to include the "ask" in their interactions with clients.

##### 3. Make it easy for customers

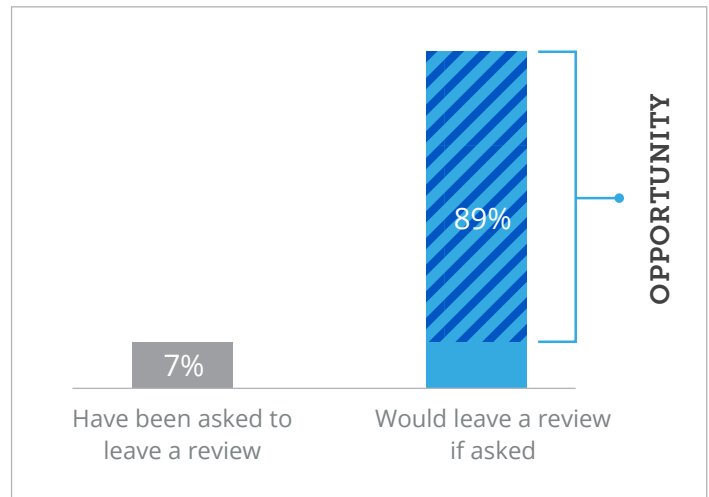
Provide clear links to where you want customers to write their review, or simply ask them to post the review in person on a mobile device.



### ONLINE REVIEWS: SATISFIED CUSTOMERS ARE AN UNTAPPED RESOURCE

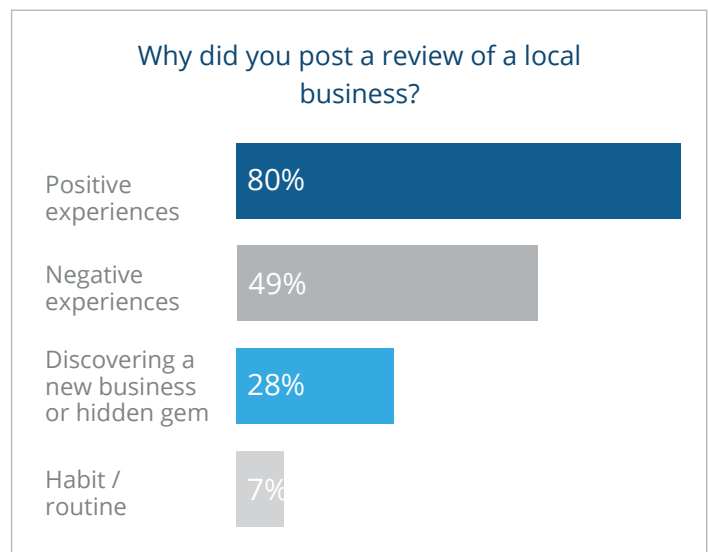
**They're willing to help.** If asked, 89% would post a review if they had a positive experience.

**But are not being asked.** Only 7% of consumers have been asked to write a review.



**It's likely good news.** Of those consumers who have posted an online review, 8 out of 10 (80%) were prompted by positive experiences.

**If it's bad, don't panic.** Only about 1 in 10 consumers (12%) said that a negative review would make them stop going to a business that they currently use.



#### YODLE INSIGHTS

#### How to Respond to a Negative Online Review

Are you tempted to shout back at the review that denounced your company? Don't do it! Instead, follow these guidelines on how to deal with negative criticism online.

##### 1. Decide whether to respond

Unless you're dealing with someone who is clearly unreasonable and spoiling for a fight, you should reply to most, if not all, negative reviews. It will show the person who posted and other consumers that you truly care about the customer experience.

##### 2. Decide what to say

Keep your response brief, apologize if necessary, and describe what you're doing to resolve the issue. It's important to be kind, eloquent, and helpful.

##### 3. Know when to get out

Offer to take the conversation offline if the person who posted the review continues to share legitimate gripes online. Publicly suggest discussing things further via private messaging, so other people can see you're not ignoring constructive feedback.

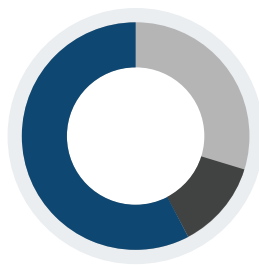
### OFFERS: SET YOUR BUSINESS APART



**Special offers for returning customers are the biggest differentiator for a local business.** More than half (57%) of consumers say it sets the business apart.

How do special offers for returning customers influence your perception of a local business?

**57%**  
**SETS THE  
BUSINESS APART**

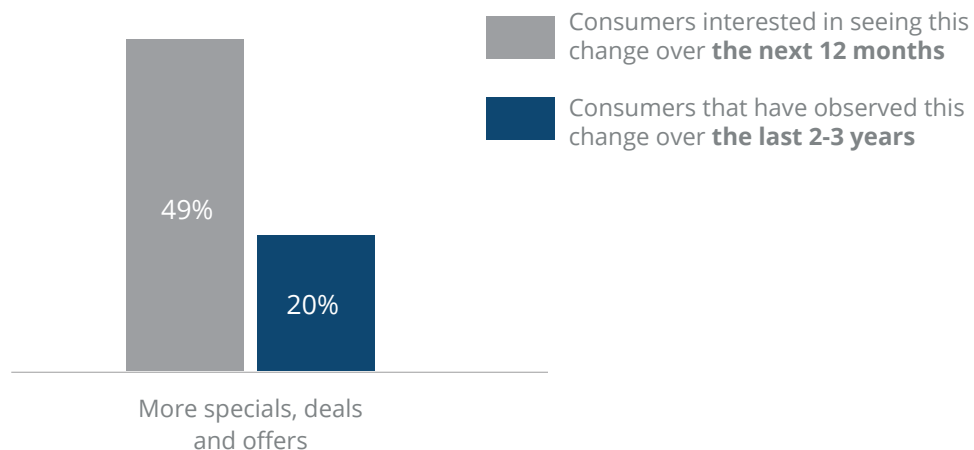


**31%**  
It is expected

**12%**  
It isn't important

**Consumers like discounts.** Half (49%) are looking to local businesses to provide more special offers.

Areas of change for local businesses



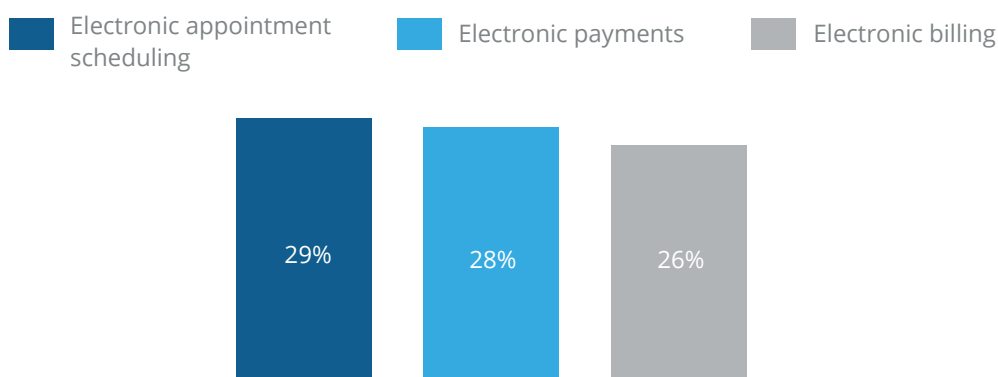
### ONLINE BOOKING AND PAYMENTS: GET AHEAD OF THE PACK

BOOK NOW



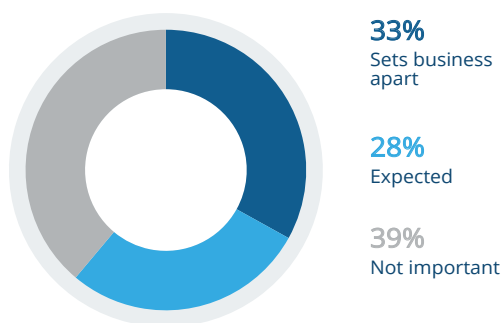
**Online booking and payments are an emerging trend.** More than a quarter of consumers want more local businesses to provide the option of booking appointments and managing billing and payments online.

Would you like to see this change at local businesses over the next year?

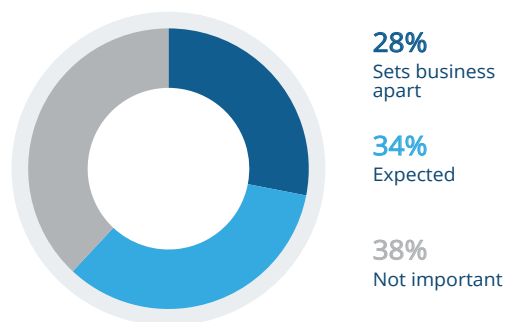


**Online bookings and payments can provide a competitive edge.** The majority of consumers say that it is either expected or sets the business apart.

How does the ability to book / request an appointment online influence your perception of a local business?



How does the ability to pay online influence your perception of a local business?



# | SECTION 3

## CONSUMER ENGAGEMENT WITH LOCAL BUSINESSES

Why do consumers choose to work with a local business? And what keeps them coming back?

### KEY CONSUMER INSIGHTS



More than search. Consumers are using review sites and social media to find local businesses, indicating the need for a comprehensive online presence.



Quality matters. Quality of work, reliability and trustworthiness are the biggest factors in determining whether to use a local business.



Communicate more online. Consumers said they want to hear more from their local businesses.

# HOW CONSUMERS ARE FINDING AND CHOOSING LOCAL BUSINESSES

75%

Three-quarters of consumers go online to find or research a business before they decide if it is the right choice to meet their needs.

42%

However, it's not all about search engines. 4 out of 10 consumers use online review sites or social media sites to look for a new business.

27%

Even if they hear about a local business offline, more than a quarter of consumers still visit the website to research the business.

## HOW TO WIN AND KEEP LOCAL BUSINESS CUSTOMERS

**Quality of work is key.** Consumers cited quality of work (57%), being reliable (52%) and being trustworthy (50%) as the top reasons they use a local business. At least half of consumers cited they would stop using a local business they currently work with if the quality of work declines (69%), pricing increases significantly (60%) or they were treated unfairly (51%).

### Top 10 reasons to use a local business

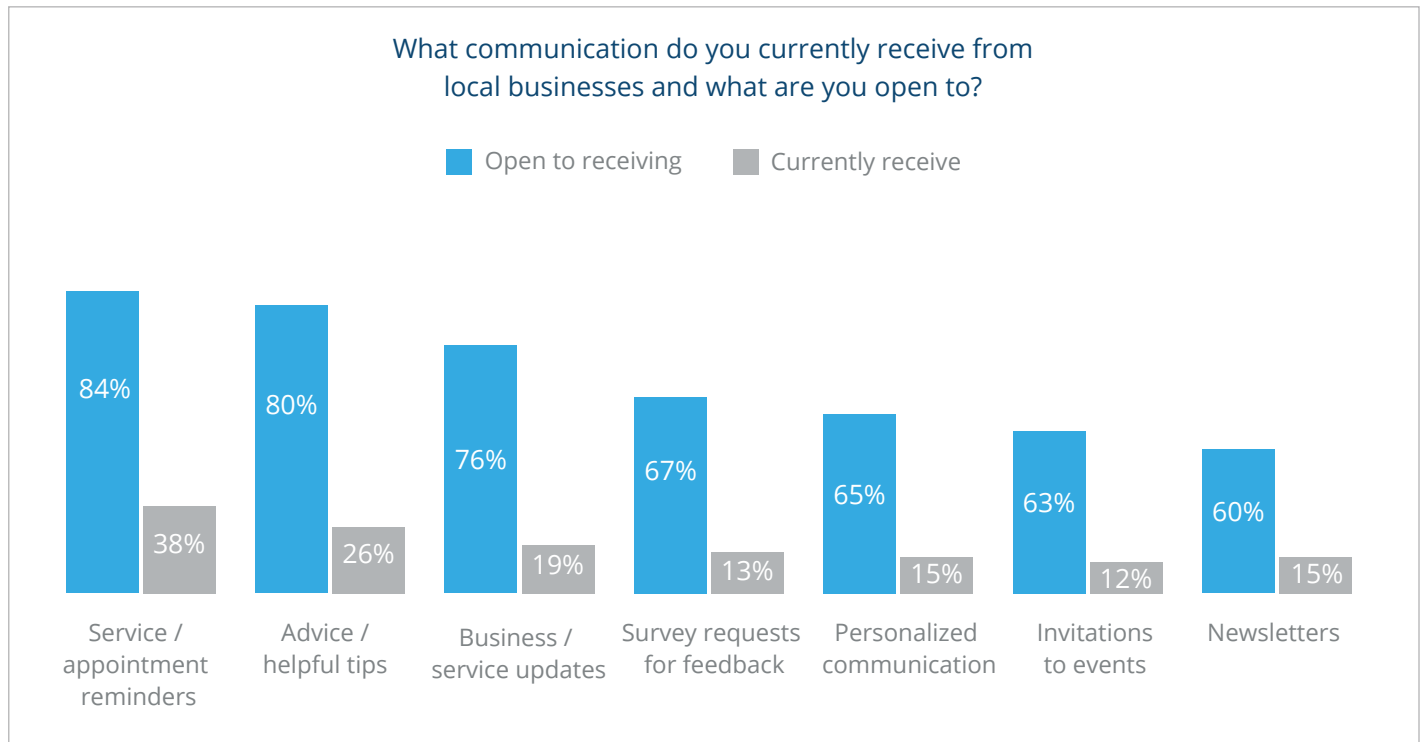
1. Quality of work	57%
2. Reliable	52%
3. Trustworthy	50%
4. Convenient to where I live / work	49%
5. Loyalty – I've used them a long time	47%
6. Recommended by friends / family	42%
7. Competitive pricing	40%
8. Personal relationship with owner / staff	37%
9. Customer service overall	37%
10. Reputable in my community	35%

### Top 10 reasons to stop using a local business

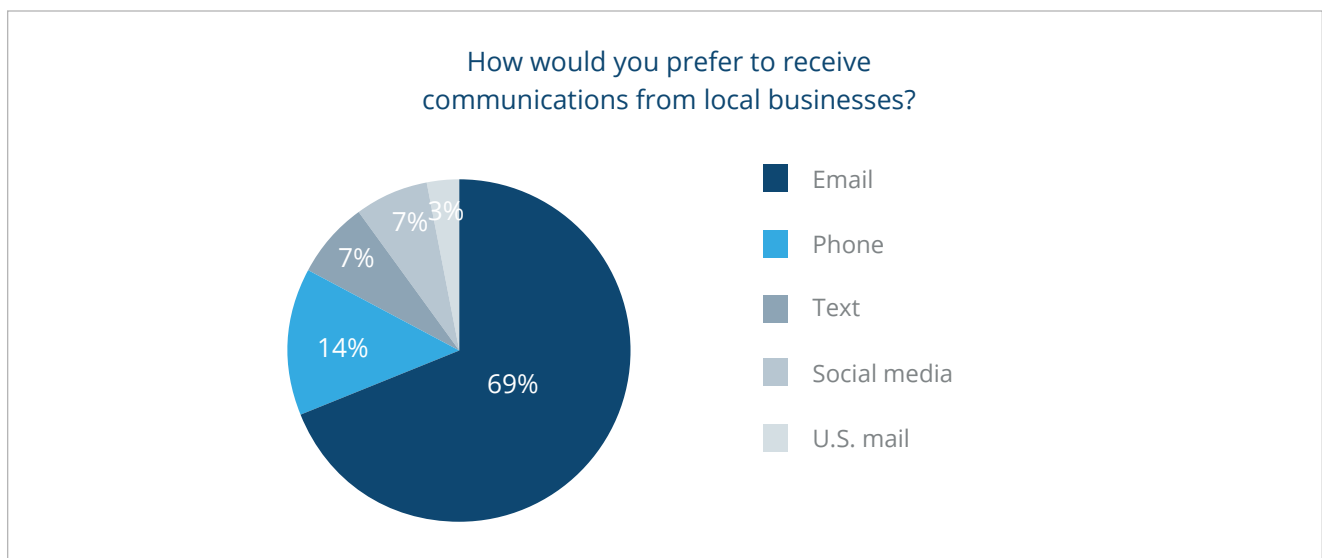
1. Quality of work declines	69%
2. Pricing increases significantly	60%
3. Not being treated fairly	51%
4. Customer service overall declines	46%
5. Location no longer convenient	39%
6. Owner / staff change	36%
7. Billing issues / dispute	31%
8. Appointments not available	31%
9. Deterioration in cleanliness / facilities	31%
10. Poor experiences by friends / family	28%

## BRIDGING THE COMMUNICATION GAP

**Customers will listen.** Local businesses are losing out on opportunities to effectively engage with their customers. There is a gap between the communications consumers are open to receiving and what local businesses are sharing.



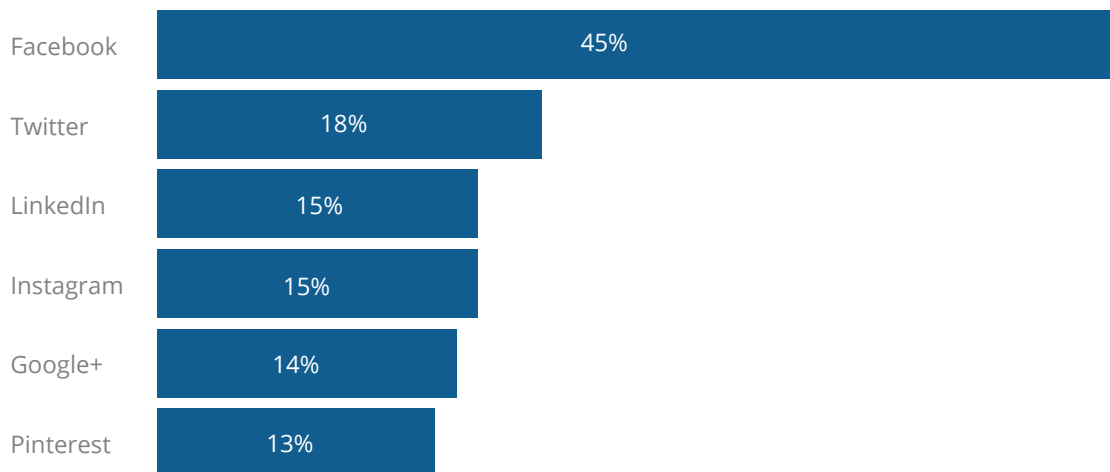
**Online dwarfs traditional.** 76% want communication either via email or social media.



# BRIDGING THE COMMUNICATION GAP

**Facebook over the rest.** Facebook is by far the most popular site for consumers looking to engage with local business owners on social media.

Do you follow local businesses on social media?



### YODLE INSIGHTS

## Closing the Gap: Email Marketing for Local Business Owners

Use email marketing to stay in touch with existing and potential customers. Here are a handful of quick tips to maximize success:

1. Make time to maintain your contact list. It will pay off when you want to send a special promotion or reach out to your best customers.
2. Consistently provide engaging and relevant content. For instance, send a regular newsletter that includes tips and industry news.

3. Write a great subject line. Either ask a question or tease the content.

4. Make sure your emails look good on mobile devices. You risk losing a large part of your audience if the text is too small or the graphics don't show up.

5. Follow legal guidelines for email marketing. For example, you need to allow people to easily unsubscribe from your messages.

# ABOUT YODLE

Yodle helps local businesses to find and keep their customers simply and profitably. Yodle delivers a comprehensive platform that makes online marketing easy, affordable, and transparent for its 50,000+ local business clients.

Yodle's flagship product, Marketing Essentials™, includes a comprehensive desktop, mobile, web and social presence, reviews and offer management, and email campaign automation. Marketing Essentials can be supplemented with Yodle Ads, Yodle's proprietary and optimized paid search technology. Also offered by Yodle is Lighthouse 360®, which automates daily consumer interactions or office routines such as appointment reminders, leading to improved operational efficiency and business results. Additionally, Yodle offers Centermark®, intended to meet the unique marketing challenges of networked businesses helping them to unify, scale, and optimize their local and national strategies.

Yodle has been included on the Forbes list of America's most promising companies for the last four years and has also won multiple awards for its business growth, job creation, technology innovation, and workplace and culture. For more information on Yodle, visit [www.yodle.com](http://www.yodle.com) or [www.yodleinsights.com](http://www.yodleinsights.com).

*Please contact [press@yodle.com](mailto:press@yodle.com) for more information on "Yodle Insights: What Consumers Want from Local Businesses." Additional data is available upon request.*

*For more information on Yodle's online marketing offerings, please contact [info@yodle.com](mailto:info@yodle.com) or 888-394-6364.*