THE Pierz GROUP

A New Report

November 15, 2008

The Pierz Group

asks the right questions!

THE 2008 NORTH AMERICAN STRATEGIC PLANNING TOOLKIT

We've spent all year asking the right questions of industry leaders as well as consumers and that information is now available to support your strategic planning efforts and business case development. In a break from our standard report format we have cut straight to the core data and key industry insights. To facilitate your planning processes we have placed this data in a PowerPoint deck that allows you and your team to make ready use of this data in your own documents.

This Innovative Deck Features:

106 PowerPoint Slides packed with charts and data for the U.S. *AND* Canadian markets

Definitions of strategic drivers and life cycle issues and how they impact your business

Detailed forecasts for all sectors of the market, including competitive sources of telephone number lookups, market share data and how voice automation will impact operations

Pricing data

This report also include key results from national consumer research study in the U.S. market *(n=1,500)* and the Canadian Market *(n=1,200)*

- Where do consumers look for information they need
- Who are the heaviest users of DA/DQ services?
- Which enhanced features are most important to which consumers?
- Who uses the new advertiser sponsored services and why?
- Where do consumers stand on the privacy of their mobile phone?

Who Needs This Report?

- All directory assistance/enquiry providers
- All providers of ad-sponsored DA/DQ products
- Yellow pages publishers
- Search engine companies
- Technology suppliers to the industry
- Venture capital firms and investors in the information services arena

Understand the market, understand the players, and leverage trends that will change how you do business.

The Pierz Group asks the right questions; you get the answers!

Price: **$3,250; EIDQ & YPA have a 15% discount** *(2009 Billing Available)*

Purchase This Report Today:

Call or Email us: 248-922-1501 or 615-553-2331, info@pierzgroup.com

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Table of Contents: Slide Titles

- The iPhone is a disruptive technology within the mix. It is more of an Internet access device than a “phone” per se. It dramatically changes how mobile devices are used to access information and what sources consumers will use.
- Voice-based Services Most Valuable to Mobile Consumers
- Consumers Use YP at Home!
- Complementary Information Sources
- Age Matters In Number Lookups
- Finding Individuals is Different
- Nearly half of consumers turn to print white pages first when they need the number of an individual
- Nearly 11 percent ask a friend first; suggesting they may be looking for a mobile number which is not available in any public source
- 23 Percent of 18 to 24 year olds ask a friend first for an individual’s number
- Consumers Have Defined Methods for Finding Telephone Numbers
- Age Matters In Number Lookups
- 19% of All DA Calls by 2013 (Volume)
- Younger Consumers Like Free DA!
- Competition from YP Players and New Companies
- Defining the 411 consumer

- **Section Three: Who uses directory assistance most and how do we find more like them?**

- Heavy DA Users Are Different
- They use their phones differently
- They have and use more mobile phone features
- They are the heaviest users of the Internet for telephone number lookups
- They have more numbers stored in their mobiles
- They work full time
- They have unique preferences in terms of enhanced features
- U.S. Self-Reported Usage Low Overall
- Canadian Usage Low
- Consumer Lookups Have Shifted To Internet
- Heavy DA Users Use More Features on Their Mobile Phone
- Heavy DA Users Store Many More Numbers on Their Mobile Phone
- Heaviest DA Users are Also the Heaviest Free DA Users
- Heaviest DA Users are IYP Searchers
- Heaviest DA Users Use New Media to Find People as Well
- Internet Directories and 411 are Key Tools for This Information-Intensive Segment
- Pricing Issues

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- **Section Four: What Do You Pay for a 411 Call?**
  - The Price of a DA Call
  - Pricing continues to defy standard economic laws
  - Relatively inelastic; price increases do not precipitate usage declines
  - U.S. Consumers have little idea of how much a DA call costs; this in spite of Jingle Network's best efforts
  - Average prices continue to increase
  - The number of required free calls per residence continues to decrease
  - The introduction of free to consumer services have spurred larger carriers to seek forbearance on required free call allowances
  - Consumers Do Not Know the Price
  - Average* Prices for Fixed Line DA Calls
    (**Averages shown are weighted by population and call mix, they are not actual prices)*
  - Prices for Wireless DA Calls
  - Prices Have Increased Significantly
  - Prices for Long Distance Carrier DA
  - Moving beyond a number lookup

- **Section Five: Which enhanced features matter most?**
  - Winning Enhanced Features Solve Problems
  - Features that provide significant efficiency (vs. getting information another way) are of most interest to consumers
  - Worldwide, location based services and directions are the most important to consumers and deliver the highest value
  - Mobile subscribers have few other sources of information; delivering high value solutions to people on the go matters
  - U.S. Consumers Want New Features
  - Canadian Consumers Want New Features
  - To list or not to list

- **Section Six: How Do Consumers Feel About Privacy and Mobile Numbers?**
  - Basic U.S. Market Structure
  - Erosion of the U.S. Database
  - Canadians Slightly More Willing to List
  - U.S. Consumers More Will List Mobile With Privacy Than Currently List Home Phone Number
  - Canadians Eager to List Mobiles With Privacy
  - Mobile Phones are More Private
  - Privacy and Connectivity
  - Communications are Increasingly Mobile
  - Cell Phones are More Personal
  - Mobile Phone Usage is Different

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- **Section Seven: How do U.S. Consumers use their mobile phones?**
  - Mobile Consumers
  - How consumers use their phones varies significantly
  - Approximately 27 million Americans are now “mobile only” ; they have no residential fixed line phone service
  - Mobile phones are considered more private than fixed line phones by the majority of consumers
  - iPhones and Android phones are game changers – Internet access device that also happens to be a phone
  - This group will use fewer voice-based services
  - Falling prices and broad use of larger plans with large numbers of minutes have changed how consumers use mobile phones
  - New phone features are available to most subscribers, but used by a relatively small group
  - How Consumers Use Mobile Impacts DA Usage
  - Canadian Mobile Usage Similar to U.S.
  - U.S. Consumers Don’t Use Many Features
  - Phone Features Seldom Used in Canada
  - U.S. Mobile Users & Handset Directories
  - The forecast

- **Section Eight: How will automatic impact the US directory assistance market over the next five years?**
  - Trends in Automation
  - Some automation is used on the majority of DA calls in the US and Canadian markets
  - Significant improvements in automation technologies have improved automation rates and capabilities
  - Automation can and should be used to add value as well as reducing costs; new features can be added with automation
  - Dial Directions
  - PhoneSpots
  - Introduction of ad-sponsored services driving growth in full automation
  - Some cannibalization
  - Growth in total call volumes
  - Strong Growth in Fully Automated Calls
  - Live Agent Requirements Declining
  - The forecast

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- **Section Nine: How will the US market develop over the next five years?**
  - The US Market is Changing Significantly
  - US market has reached maturity; traditional 411 is declining
  - Total number lookups continue to grow
  - New Media replacing 411 and print directories
  - Increasing focus on needs of mobile subscriber
  - Represents 'captive' audience for voice based services
  - Hands-free, eyes-free key for mobile services
  - iPhone will shift lookups away from voice to Internet; but initial growth will be slow; voice still matters
  - U.S. DA Call Volumes
  - Five Year Forecast: Call Volumes
  - U.S. DA Call Volumes by Source
  - Percentage Growth in U.S. DA Call Volumes 2008-2013
  - U.S. DA Revenues Continue to Grow
  - Ongoing price increases and the shift toward mobile DA calls will result in on-going growth in total DA revenues in spite of the decline in call volumes to traditional 411 services
  - Advertiser-sponsored services will result in an overall net-expansion of the market for telephone number lookups
  - New applications for iPhones and similar will change how consumers find numbers
  - U.S. DA Revenues
  - U.S. DA Revenues 5-Year View
  - U.S. DA Revenues by Source
  - Percentage Growth in U.S. DA Revenues 2008-2013
  - The forecast

- **Section Ten: How will the Canadian market develop over the next five years?**
  - The Canadian Market is Starting to Change
  - The Canadian market is under penetrated; Canadian subscribers make fewer DA calls than most other developed markets worldwide
  - Canadian market has not yet reached maturity; traditional 411 is still growing, particularly on the mobile side
  - Total number lookups continue to grow
  - New media is starting to replace some 411 calls as well as print directory lookups
  - Increasing focus on needs of mobile subscriber
  - Represents 'captive' audience for voice based services
  - Hands-free, eyes-free key for mobile services
  - iPhone will shift lookups away from voice to Internet; but initial growth will be slow; voice still matters
  - Canadian Call Volumes
  - Five Year Forecast: Canadian Call Volumes
  - Percentage Growth in Canadian DA Call Volumes 2008-2013
  - Canadian DA Revenues Continue to Grow; Particularly With WDN Initiative
  - Call volumes will increase by up to 10% once the

privacy initiative for mobile numbers is completed by Telus and YPG

- On going price increases and the shift toward mobile DA calls will result in on-going growth in total DA revenues more than off-setting the small decrease in fixed line calls by 2013
- Advertiser-sponsored services will grow in Canada and will expand the total market
- New applications for iPhones and similar will change how consumers find numbers
- Canadian DA Revenues
- Canadian DA Revenues 5-Year View
- Percentage Growth in Canadian DA Revenues 2008-2013
- U.S. Market Share Statistics

- **Section 11: Who are the Players?**
  - Fixed Line U.S. Operators
  - U.S. Wireless Operators
  - Estimated Share of U.S. 411 Market
  - Canadian Market Share Statistics

- **Section 12: Who are the Players?**
  - Canadian Fixed Line Operators
  - Canadian Wireless Operators
  - Estimated Share of Canadian 411 Market