

Consumer Recall Rates of Phone Numbers in Advertising

Vanity 800 Numbers vs. Numeric Toll-free Numbers

Research Report



Table of Contents

Abstract	3
Executive Summary	3
<i>Evolution of Toll-free Numbers</i>	3
<i>Consumer Use of Toll-free Numbers</i>	3
<i>Business Use of Toll-free Numbers</i>	3
<i>A Look at Vanity 800 & Toll-free Numbers in Consumer Advertising</i>	3
Findings.....	4
<i>Vanity 800 Numbers Improve Recall Rates in Visual and Audio Media Formats</i>	4
<i>800 is By Far the Most Recognized Toll-free Prefix in 2007</i>	4
<i>Majority of Consumers Prefer Dialing a Vanity 800 Number</i>	4
<i>Findings Summary</i>	4
Findings: Visual Advertisements	5
<i>84% Improvement in Recall Rates with Vanity 800 Numbers in Visual Media</i>	5
<i>Significantly Lower Recall Rates for Numeric Toll-free Numbers in Visual Media</i>	5
Findings: Audio Advertisements.....	6
<i>Consumers are 9x More Likely to Recall Vanity 800 Numbers in Audio Ads</i>	6
Findings: Recognition of Toll-free Prefixes: 800 vs. 888, 877, 866	7
<i>800 is the Most Widely Recognized Toll-free Prefix</i>	7
Findings: Consumers Prefer to Dial Toll-free Vanity 800 Numbers	7
<i>When Calling a Local Business, Consumers Prefer to Dial a Toll-free Vanity 800 Number</i>	7
Conclusion	8
Methodology.....	8-9
Appendixes.....	9
<i>Contact Information</i>	9
<i>Reprint Information</i>	9
<i>Details of Methodology</i>	10
<i>Master Surveys</i>	11-12
<i>Dates of Surveys</i>	13
<i>Endnotes</i>	13
<i>Other Studies by 800response</i>	13
<i>About 800response</i>	13

Table of Charts

Chart 1: <i>High Recall Rate of Vanity 800 Numbers</i>	5
Chart 2: <i>Low Recall Rate of Numeric Toll-free Numbers</i>	5
Chart 3, 4: <i>Recall Comparison in Audio: Vanity 800 vs. Numeric Toll-free</i>	6
Chart 5: <i>800 Prefix is Most Recognized by Consumers</i>	7
Chart 6: <i>Consumers Prefer Dialing Vanity 800 Numbers</i>	7

Abstract

Today, businesses of all sizes are using vanity 800 numbers to generate more qualified leads and improve their advertising return on investment. Numerous business success stories and research studies show that the effective use of vanity 800 numbers in advertising can substantially increase consumer response rates.

To measure consumer recall rates of visual and broadcast media advertisements, two electronic surveys were distributed to 1,500+ opted-in respondents. Both surveys were executed through an online market research firm and electronic survey provider, and all data was collected and delivered by the third parties.

This study examines the consumers' recall of vanity 800 numbers (mnemonic phone numbers that transpose into words on the telephone keypad, i.e. 1-800-GOT-JUNK?®) compared with recall rates of numeric toll-free phone numbers when used in visual and broadcast advertisements. The study findings prove that advertisers can expect up to an 84% improvement in consumer recall rates when they feature a vanity 800 number rather than a numeric toll-free number in visual advertising media (billboards, magazines). A second portion of the study focusing on audio advertisements (television, radio) shows that consumers are nine times more likely to recall a vanity 800 number compared to a numeric toll-free phone number.

The third part of the study looks at the consumer's recognition of the existing toll-free prefixes (800, 888, 877, 866), and the fourth part identifies consumer preferences when given the choice of using a local numeric number or a toll-free vanity 800 number to dial a local business. The results of the third part confirm that 800 is by far the most widely recognized toll-free prefix among consumers, with a 94% recognition rate. A Yellow Pages comparative in the study shows that when given a choice, the majority of consumers prefer to dial a toll-free vanity 800 number when calling a local business.

Executive Summary

Evolution of Toll-free Numbers: Approximately 7 million toll-free 800 numbers were introduced in 1967 as a convenient way for businesses to pay the tolls for customers who contacted them. Thirty years after being introduced, there were almost 13 million working toll-free numbers¹. As toll-free service became increasingly popular, toll-free subscribers began finding new and innovative uses for the service, such as transposing the digits into letters on the phone keypad and spelling out words to create vanity 800 numbers for use as response and branding tools in their advertising materials. Since 1997, an additional 10 million numbers have been added to the toll-free inventory to accommodate the demand from businesses ranging from small to large.

Consumer Use of Toll-free Numbers: Consumer polls show that 95% of today's households subscribe to telephone service², and that the telephone is still the favored purchasing channel for 45% of consumers³. In 2002 research uncovered that 90% of Americans use toll-free numbers⁴. Consumers use toll-free phone numbers for a variety of reasons – to contact customer service centers, make purchases, and research future purchases. With consumer reliance on vanity 800 and toll-free numbers to contact businesses, these consumer response tools will remain a key component in advertising campaigns to reach consumers and generate response.

Business Use of Toll-free Numbers: A survey of small businesses shows that 97% use landline phones to manage their operations – the highest usage rate of technology and devices measured in the survey⁵. And, with more than 70% of small-business advertisers preferring to receive phone calls by customers over any other form of contact⁶, it is expected that the use of toll-free numbers in advertising will continue to increase.

A Look at Vanity 800 & Toll-free Numbers in Consumer Advertising: This study focuses on consumers and measures their recall rates of vanity 800 numbers compared to their recall rates of numeric toll-free numbers when featured in advertisements. It also looks at the most widely recognized toll-free prefix by consumers, and identifies the phone number format that consumers prefer to dial when contacting a local business.

Findings

Vanity 800 Numbers Improve Recall Rates in both Visual and Audio Media Formats

The results of this study show that when vanity 800 numbers are used in visual media (i.e. TV, billboard, print) advertisers can expect to see an **84% improvement in recall rates** over numeric phone numbers. Sixty-five percent (65%) of survey respondents correctly recalled a vanity 800 number versus only 31% of respondents correctly recalling a numeric 800 number, in otherwise identical ads.

A second test of phone number recall was executed through an audio file, simulating a radio advertisement. The comparison shows that a radio ad featuring a **vanity 800 number yields a 9 times higher recall rate** compared to a radio ad featuring a numeric toll-free phone number. Of the survey respondents, 72% correctly recalled the vanity 800 number, with just 5% correctly recalling the numeric toll-free phone number in otherwise identical audio clips.

800 is By Far the Most Recognized Toll-free Prefix in 2007

After depleting the inventory of toll-free 800 numbers, the telecommunications industry introduced 888 as the next toll-free area code, introducing 8 million new 888 numbers to the toll-free pool in 1996. Two years later the inventory of toll-free 888 numbers had also dwindled and new toll-free prefixes 877 and 866 were introduced in 1998 and 1999, respectively.

This survey shows that 800 is still by far the most widely recognized prefix, with **94% of consumers identifying 800 as toll-free**, versus just 70%, 56% and 55% recognizing the 888, 877, and 866 toll-free prefixes, respectively.

Recognition of the 800 prefix is consistent from 2002 through 2007. However this study shows a decline from 2002 to 2007 in recognition rates of 888, 877, and 866 prefixes.

Prefix	2007 Recognition of Toll-free Prefixes	2002 Recognition of Toll-free Prefixes
800	94%	95%
888	70%	80%
877	56%	53%
866	55%	67%

Majority of Consumers Prefer to Dial a Vanity 800 Number to Reach a Local Business

After viewing an image that simulated a Yellow Pages™ advertisement, survey data shows that almost 58% of respondents chose a vanity 800 number as the preferred method to reach a local business. Respondents were shown two images of an identical ad, switching the local numeric phone number for a vanity 800 toll-free phone number.

Findings Summary

The results of this study confirm the overwhelming value of using vanity 800 numbers as consumer response tools over numeric toll-free numbers, particularly in visual and audio media, such as television, outdoor, print and radio advertising. Study data also demonstrates that the vast majority of consumers continue to associate the 800 prefix with toll-free, and their preferences for dialing an easy-to-remember vanity 800 number when reaching a local business in their market.

Findings for Visual Advertisements

84% Improvement in Recall Rates with Vanity 800 Numbers in Visual Media

Advertisers can expect an 84% improvement in consumer recall when they feature a vanity 800 number in visual media campaigns such as television, outdoor, and print advertising.

65% of survey respondents were able to **correctly recall the vanity 800 number** that was featured in a visual advertisement.

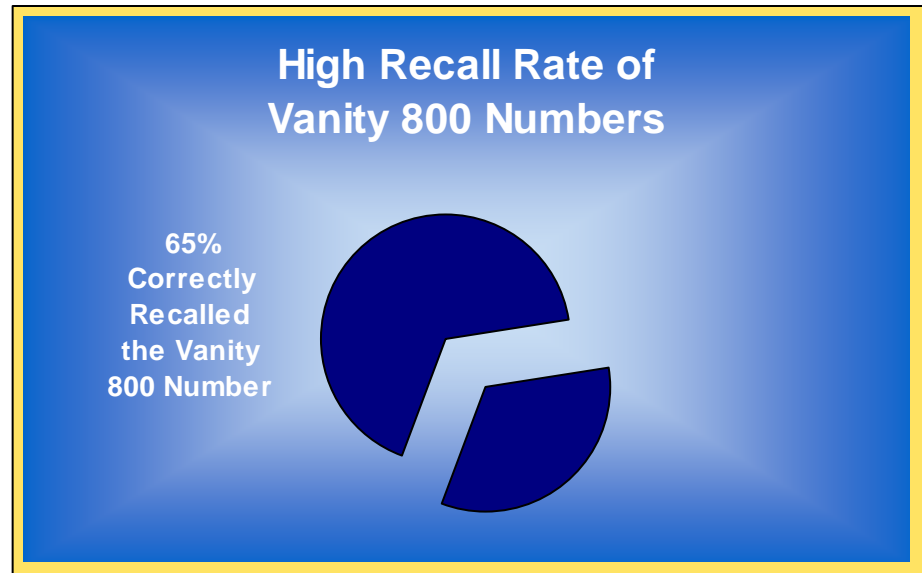


Chart 1

Significantly Lower Recall Rates for Numeric Toll-free Numbers in Visual Media

Advertisers will lose almost 50% of potential consumer responses when featuring a hard-to-remember numeric phone number in visual media campaigns.

Only 31% of the respondents could correctly recall the numeric toll-free number in a visual advertisement. The majority, 69%, could NOT correctly recall the numeric phone number.

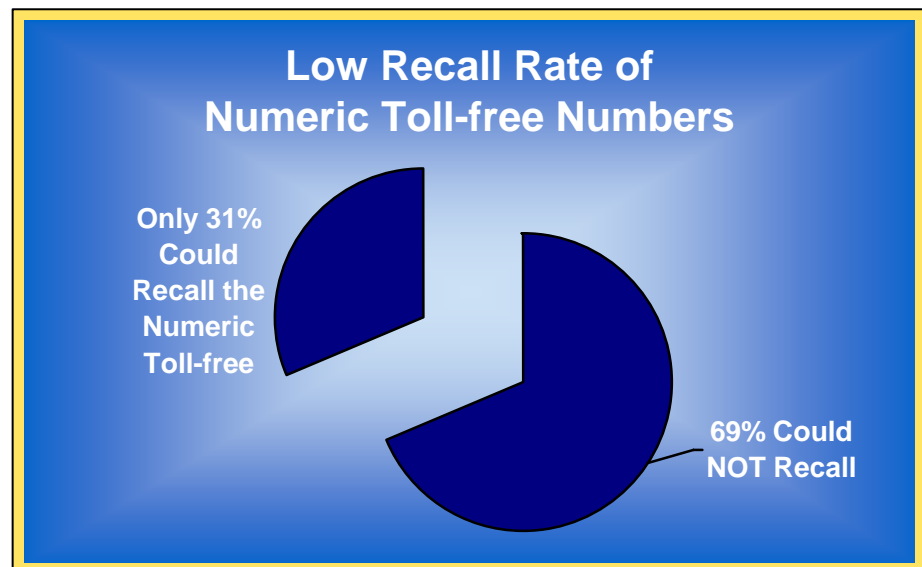


Chart 2

Findings for Audio Advertisements

Consumers Are 9 Times More Likely to Recall Vanity 800 Numbers in Audio Ads

Over 72% of consumers correctly recalled the vanity 800 number after hearing one 30-second simulated radio advertisement, compared to just 5% of consumers who correctly recalled the numeric toll-free number.

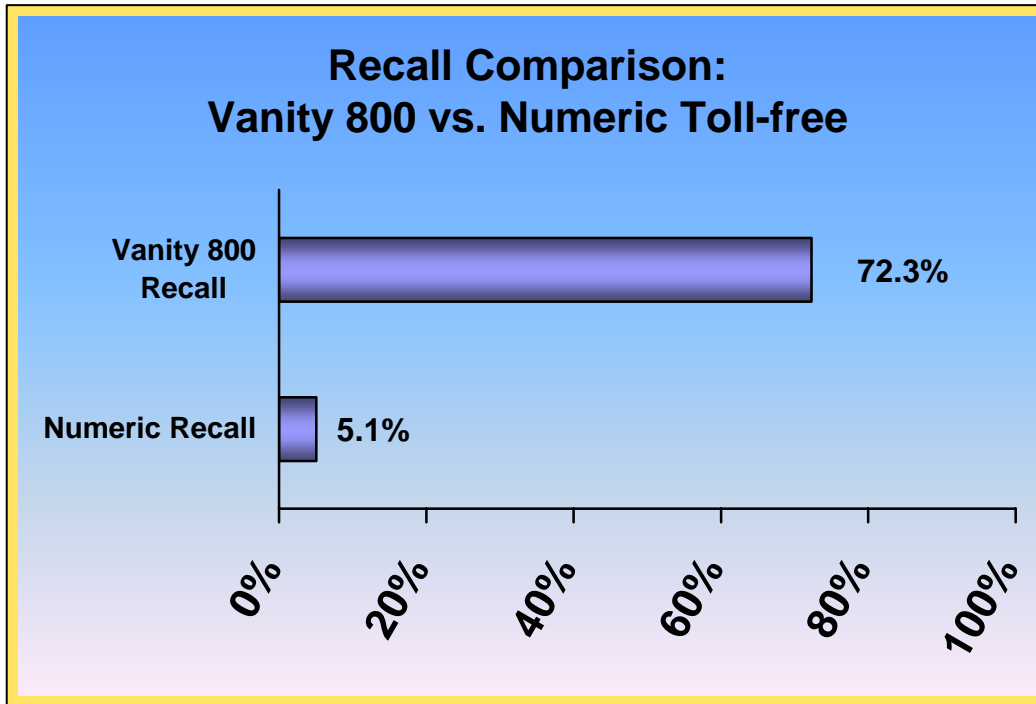


Chart 3

Recall Comparison: Vanity 800 vs. Numeric Toll-free		
	Toll-free Vanity 800 Number	Toll-free Numeric Number
Phone Number:	800-NEW-CARS	800-465-7463
Number of Correct Recalls:	1,094	77
Percent of Correct Recall:	72.3%	5.1%
Ratio of Correct Recalls of the Vanity 800 Number to the Numeric Toll-free Number:	9 to 1	1 to 9

Chart 4

Findings - Recognition of Toll-free Prefixes: 800 vs. 888, 877 and 866

'800' is the Most Widely Recognized Toll-free Prefix

94% of survey respondents identified the '800' prefix as toll-free, with 888 registering as the second most widely recognized toll-free prefix.

The 877 and 866 prefixes are only recognized by half of consumers.

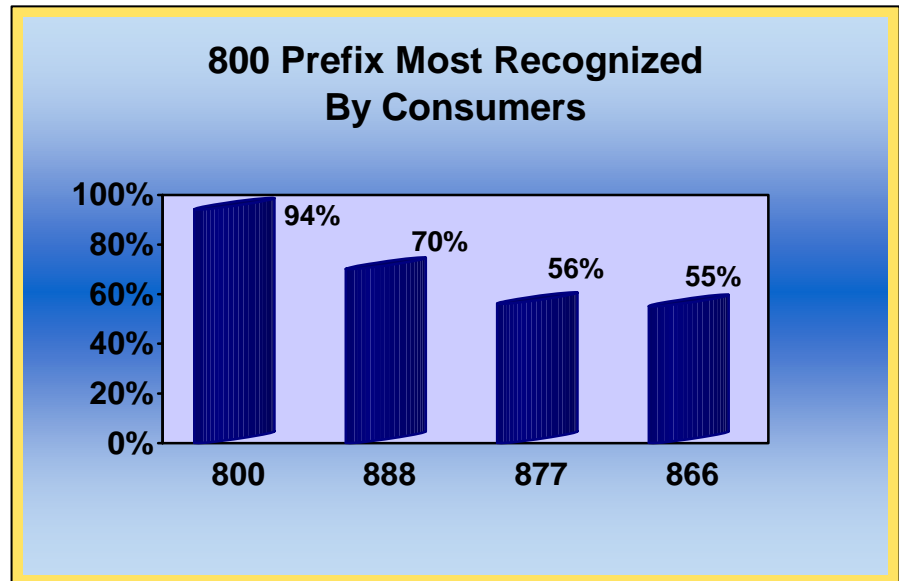
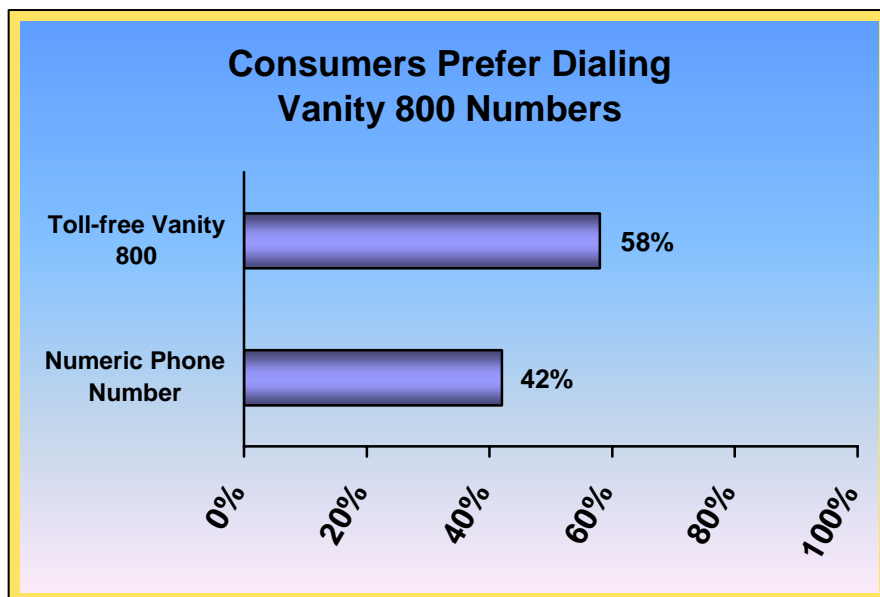


Chart 5

Findings - Consumers Prefer to Dial Toll-free Vanity 800 Numbers

When Given a Choice, Consumers Prefer to Dial a Toll-free Vanity 800 Number to Reach a Local Business



58% of survey respondents stated that they would prefer to dial a toll-free vanity 800 number over a local numeric phone number in order to reach a business.

Chart 6

Conclusion

Vanity 800 Numbers vs. Numeric Toll-free Numbers

This study presents findings relating to the general population's recognition and recall of toll-free numbers in advertising. Not surprisingly, consumers have higher recall rates of easy-to-remember vanity 800 numbers in both visual and audio media formats. When presented with advertisements featuring vanity 800 numbers, consumers showed an 84% improvement in recall rates for visual media, and a 9 times higher recall rate for audio media. Therefore, it can be expected that advertisers will continue to use vanity 800 numbers as branding tools in their advertising in order to resonate with consumers, increase leads, generate higher response rates, and stand out from their competition.

From 2005 to 2006 advertising spending in the U.S. grew from \$143.8 billion to \$149.6 billion⁷. As ad spending grows each year, the use of toll-free numbers is also predicted to rise as advertisers will continue to strive to increase response rates to their advertising, and will need to track their media spending and ad campaigns.

As of December 2006 there were 7.4 million working 800 numbers, 6.2 million working 866 numbers, 4.5 million 877 numbers, and 4.8 million working 888 numbers¹. Today, there are over 22.7 million working toll-free numbers¹. And, forecasts predict that toll-free revenues in 2007 will be approximately \$13 billion and climb to roughly \$14 billion by 2009⁸.

This study shows that 800 remains the most widely recognized toll-free prefix among survey respondents even though alternative prefixes have appeared in the marketplace since 1996. A similar study of toll-free prefix recognition conducted in 2002 showed that of the available toll-free prefixes, 800 was recognized most widely (95%), followed by 888 (80%) and 866 (67%). In 2002 the 877 prefix was the least recognized toll-free prefix with just 53% of respondents identifying it as toll-free. In this most recent study recognition of 877 has only increased slightly to 56%, and therefore continues to be the least recognizable toll-free prefix by consumers⁹.

Knowing that consumers more easily recall vanity 800 numbers in multiple media formats, that businesses prefer the telephone as a means of communicating with customers, and that 58% of consumers prefer to contact a local business by dialing a vanity 800 number, demonstrates that advertisers can gain a competitive advantage by obtaining a vanity 800 number, which is the strongest consumer response tool available according to recognition and recall rates.

Methodology

Two electronic surveys were distributed to opted-in respondents. Both surveys were executed through an online market research firm and electronic survey provider, and all survey data was compiled by the third parties.

Research Conducted By:

Infosurv, Inc.: Infosurv, Inc. is a market research firm based in Atlanta, Georgia. Since its inception in 1998, Infosurv has established itself as a recognized leader in the field of online survey research and has provided research and survey services to 200+ Fortune 500 corporations, government agencies, national associations, small businesses, and non-profit organizations.

e-Rewards, Inc.: e-Rewards, Inc. provides high quality means of conducting primary online market research and gauging consumer interest in marketing campaigns.

Analysis By:

Scott Stevens, Associate Professor, Mathematics Division of Information Technology & Sciences:

800response worked with Jim Whitney, Program Director, Faculty Associate Business Management Division of Business, and Scott Stevens, Associate Professor, Mathematics Division of Information Technology & Sciences at Champlain College to analyze the raw data files and make conclusions.

Analysis of the questions measuring recall in visual media for the first survey includes a margin of error of +/- 2.4. And, the analysis of the second survey, which focuses on the recall rates in audio media, factors in a +/- 2.5 margin of error.

Appendixes

Contact Information

The online survey, *US Consumer Recognition & Recall: Vanity Numbers and Numeric Toll-free Numbers*, was conducted by Infosurv, Inc, e-Rewards, Inc, and 800response. The technical elements of the study were developed, organized, and administered by Infosurv and e-Rewards with questions developed by Laura Noonan, Vice President of Marketing and Corporate Communications (lnoonan@800response.com), and Jeanne Landau, Public Relations Manager (jlandau@800response.com) at 800response.

All inquiries regarding this report may be directed to:

Jeanne Landau

Public Relations Manager

800response

200 Church Street, PO Box 1049

Burlington, VT 05401

802-383-0645

jlandau@800response.com

Reprint Information

Any person is hereby authorized to view, copy, print, and distribute this document subject to the following conditions:

1. This document may be used for information purposes only.
2. Any copy of this document must include copyright notice.
3. Any copy of a portion of this document must credit the source.
4. A copy of any materials citing this document must be forwarded to 800response.

Reprints of the study are available free of charge to members of the press, professional organizations, and clients of 800response. The study is available for online viewing and printing in PDF format at www.800response.com. Copies may also be obtained by contacting Jeanne Landau at 802-383-0645, or by email at jlandau@800response.com.

Details of Methodology

Two electronic surveys were distributed to 1,500+ opted-in respondents. Both surveys were executed through an online market research firm and electronic survey provider, and all data was collected and delivered by the third parties.

The online surveys consisted of approximately 50 questions each, both spanning a variety of topics outside of the toll-free arena. The first survey included two questions focusing on consumer's recognition of the existing toll-free prefixes, and two questions focusing on consumer's recall of vanity 800 and numeric toll-free numbers in relation to a visual presentation. The visual portion of the survey included questions with timed 5-second visual images to simulate outdoor or print advertisements.

The second survey included two questions focused on recall rates of vanity 800 and toll-free numbers in audio files simulating 30-second radio advertisements. A third general question was posed to identify consumers' preferences of dialing business by using a local numeric phone number, or by using a vanity toll-free phone number, after being presented with a visual image of both scenarios, simulating a Yellow Pages advertisement.

The survey focusing on recognition of toll-free prefixes and phone number recall rates in visual images garnered 1,512 responses. And, the second survey measuring recall rates in audio advertisements and consumer preferences received 1,514 responses.

The following data were collected between the two surveys:

- Toll-free prefix recognition (800, 866, 877, 888)
- Vanity 800 vs. toll-free numeric recall in a 5-second visual presentation
- Vanity 800 vs. toll-free numeric recall in a 30-second audio presentation
- Preferences of dialing a local numeric number, or a toll-free vanity 800 number

Master Surveys

Survey #1 – Recognition of Toll-free Prefixes & Recall in Visual Media

1. Which of the following telephone numbers are toll-free? Select all that apply.

- | | |
|-------------------|-------------------|
| a. 1-877-371-1871 | d. 1-870-922-5007 |
| b. 1-865-254-1415 | e. 1-800-859-1415 |
| c. 1-866-518-8794 | f. Don't know |

2. Which of the following telephone numbers are toll-free? Select all that apply.

- | | |
|-------------------|-------------------|
| a. 1-867-254-1415 | d. 1-860-287-2277 |
| b. 1-866-448-8974 | e. 1-800-639-0645 |
| c. 1-888-285-7658 | f. Don't know |

3. For the next question, you will see an advertisement for a restricted time period. After viewing the ad you will be directed to answer a question relating to the visual.



Which one of the phone numbers listed below was featured in the advertisement?

- | | |
|-------------------|-------------------|
| a. 1-866-369-2948 | d. 1-866-639-2948 |
| b. 1-869-639-8948 | e. 1-800-639-2984 |
| c. 1-877-396-2948 | f. Don't know |

4. For the next question, you will see an advertisement for a restricted time period. After viewing the ad you will be directed to answer a question relating to the visual.



Which one of the phone numbers listed below was featured in the advertisement?

- | | |
|---------------------|--------------------|
| a. 1-866-NEW-RIDE | d. 1-800-NEW-RIDE |
| b. 1-888-4-A-NU-CAR | e. 1-860-411-A-CAR |
| c. 1-868-GET-CARS | f. Don't know |

Master Surveys

Survey #2 – Recall in Audio Media & Consumer Preference

1. Please play the audio file by clicking on the “Start” button. After listening to the file you will be directed to answer a question relating to the audio.

Audio Script: *If you’re looking for a new car, don’t do anything until you visit Rick’s Auto Zone. Call 1-800-NEW-CARS today to find out about the dozens of new vehicles on our lot. We have the latest sedans, SUVs, pick-up trucks, and the newest hybrids available. We guarantee we’ll have your dream car – at a dream price. Take a test drive today. Call Rick’s Auto Zone at 1-800-NEW-CARS and make an appointment today!*

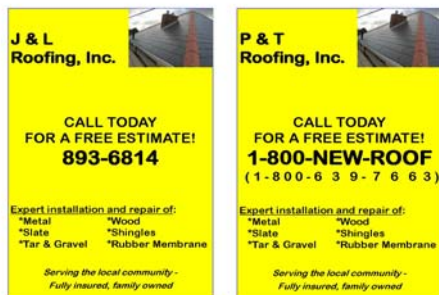
Please enter the 800 number you heard in the audio file in the space below. *Your response is required.*

2. Please play the audio file by clicking on the “Start” button. After listening to the file you will be directed to answer a question relating to the audio.

Audio Script: *If you’re between the ages of 50 and 65 it’s time to start planning for your retirement. Speak with a financial expert at Financial Futures – call 1-800-465-7463. Our financial advisors are highly skilled in retirement planning and you can trust them. We know it’s difficult to make these decisions alone and we’re here to help you. Call 1-800-465-7463 to schedule a consultation with Financial Futures today!*

Please enter the 800 number you heard in the audio file in the space below. *Your response is required.*

3. If you were looking for a local business in your Yellow Pages and saw these two ads side-by-side, which company would you call first?



- a. The local company with the numeric phone number
- b. The local company with the toll-free 800 phone number

Dates of Surveys

August 28, 2007 – August 31, 2007

November 13, 2007 – November 16, 2007

Endnotes

1. Federal Communications Commission, “*Numbering Resource Utilization in the United States*”, August 2007, pgs. 41-45
2. Federal Communications Commission, “*Telephone Subscribership in the United States*”, June 2007, pg. 6
3. American Teleservices Association, 2004
4. Frost & Sullivan, “*Market Overview*”, 2002
5. AT&T Small Business Group and AT&T Advertising and Publishing, “*Small Business Survey Report*”
6. The Kelsey Group
7. TNS Media Intelligence
8. The Insight Research Corporation, “*Call Center Operations & the 800 Services Market, 2004-2009*”, pg. 8
9. 800 Response Marketing, “*Telephone Number Recall in Radio Advertising, 2002*”, pgs. 8-9

Other Studies Conducted for 800response

1. *Toll-free Numbers in Radio Advertising, 2006*
2. *Toll-free Numbers in Television Advertising, 2005*
3. *Direct Response Mechanisms in Billboard Advertising, 2003*
4. *Telephone Number Recall in Radio Advertising, 2002*
5. *Toll-free Vanity Numbers in Radio Advertising, 2000*

About 800response

800response maintains the highest quality inventory of Custom 800 numbers available today and offers these critical lead generation and tracking tools to businesses nationwide. Principals at **800response** have over 30 years of experience in the telecommunications industry and have been featured in major industry publications including *DM News*, *Marketing News*, *DIRECT*, *Response*, *AutoSuccess*, *Dealer Marketing Magazine*, *Outdoor Advertising Magazine*, *Marketing Management*, and *Forbes* as authors and subjects of articles on direct marketing and innovative ways for businesses to improve their advertising response rates. Services provided **800response** include a sophisticated Call Routing platform, Web-based Call Tracking and Recording analysis in real-time, and Call Monitoring services like Missed Call Monitor. These powerful direct-marketing tools enable businesses to optimize advertising budgets, build a database of leads, access demographic information on callers, allocate sales staff based on call patterns, and analyze advertising results.

800response

200 Church Street, PO Box 1049

Burlington, VT 05401

Phone: 802-860-0378

Fax: 802-860-0395