

# How a Door Dealer Should Advertise in 2012

## A Closer Look at Yellow Pages Advertising

*Editor's Note: Whenever we conduct a readership survey for this magazine, we ask readers to identify topics they want covered. Advertising is consistently among the top topics requested, and it was again true in the 2011 readership survey (see our story on page 39).*

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**B**efore you read this story, you may want to know my background in local advertising. If you're not interested, you can skip the next few paragraphs.

*I worked in local radio for 10 years, spending a lot of time helping local businesses with their local advertising plans. Along the way, I passed the exams to become a CRMC (Certified Radio Marketing Consultant). This required extensive knowledge not only of radio advertising but also of all other major media, such as newspaper, television, Yellow Pages, billboards, etc.*

*Then I spent 10 years in the marketing department of a major garage door manufacturer. My job involved a variety of marketing tasks including working with garage door dealers, developing advertising and marketing tools for local dealers, and launching our company's presence on the Internet.*

*Since 1999, when I became the editor of this magazine, we have conducted several national surveys that ask door dealers about their advertising methods. The most recent survey was in 2011. These surveys have provided a wealth of knowledge on the changing tactics used by door dealers in their respective markets.*

### Yellow Pages Still Dominate

Our 2011 Door Dealer Advertising Methods survey\* revealed that the Yellow Pages remains the top advertising method used by door dealers, followed by the Internet. Newspaper advertising was a distant third. (See Advertising Methods chart below.)

Yellow Pages (YP) expenses also take up the largest percentage of the advertising budget of 65 percent of all door dealers. A distant second is Internet advertising, which takes up the largest percentage of the ad budget for 11 percent of dealers.

### Addicted to Yellow

The Yellow Pages are losing some ground among door dealers, but directory advertising clearly continues to dominate their ad expenses. In our 2003 advertising survey, we asked dealers about the importance of YP advertising. At that time, 33 percent of all door dealers checked the box that said, "It's absolutely essential. I'd be reluctant to reduce my spending on Yellow Pages ads."

Six years later, in our 2009 survey, that percentage plummeted to 11 percent, and it dropped further, down to only 8 percent, in 2011. Nonetheless, dealers seem to be continuing an expensive addiction to a medium that is clearly on the decline.

Our 2009 survey revealed that the average door dealer spent about \$55,000 per year on the Yellow Pages. In 2011, that number dropped to \$40,000. Yet 6 percent of all dealers spend more than \$100,000 per year for YP advertising. (In 2009, 10 percent of dealers spent \$100,000+ for YP ads.)

### The Death of Yellow

In our winter 2010 issue, we published an editorial titled, "The Death of the Yellow Pages." We cited several key trends that indicate that many people throughout North America are no longer using the Yellow Pages in favor of simply "Googling it" on their smartphones or computers.

In May 2011, San Francisco became the first city in the nation to ban the unsolicited distribution of Yellow Pages. The ban, which takes effect in 2012, was driven by a conviction that the piles of unused books blighted neighborhoods and degraded the environment.

Also in May, a federal judge upheld Seattle's ordinance that allows residents to opt out of receiving the big books. The city was

frustrated by the massive expense of recycling tons of huge unused phone books. These cities recognize that phone book usage has sharply declined, and discarding piles of unwanted books is costly for city budgets.

"Yellow Pages are expected to be obsolete within two years," said Tom Adams of Superior Garage Doors, Whitby, Ontario, Canada. "No one under 35 uses it. We are not renewing ANY of our Yellow Pages accounts, and we are currently in six different books."

### Too Many Books Spoil the Budget

Part of the problem is the proliferation of phone directories. When dealers begin the task of reducing their Yellow Pages expenses, which books do they cut?

"Our county has 13 books," said Darrell Hulvey of Hulvey's Garage Doors & Openers, Kingman, Ariz. "We have reduced our ads, but with so many books, it eats up our ad money."

"In order to cover our service area, we would need to be in 17 different books," added Tom Adams (greater Toronto area). "We have abandoned that and gone to small newspapers and community directories."

### "Overpriced Money Pit"

In spite of the obvious decline in Yellow Pages use, dealers are painfully aware that the cost of YP advertising has not declined proportionately. That means door dealers continue to pay huge bills for YP ads but are getting a lot less for their money.

An Indiana dealer told us that, since consumer use of Yellow Pages has greatly dropped, his "cost per call" has gone way up. YP advertising is "no longer cost competitive with other media," he wrote.

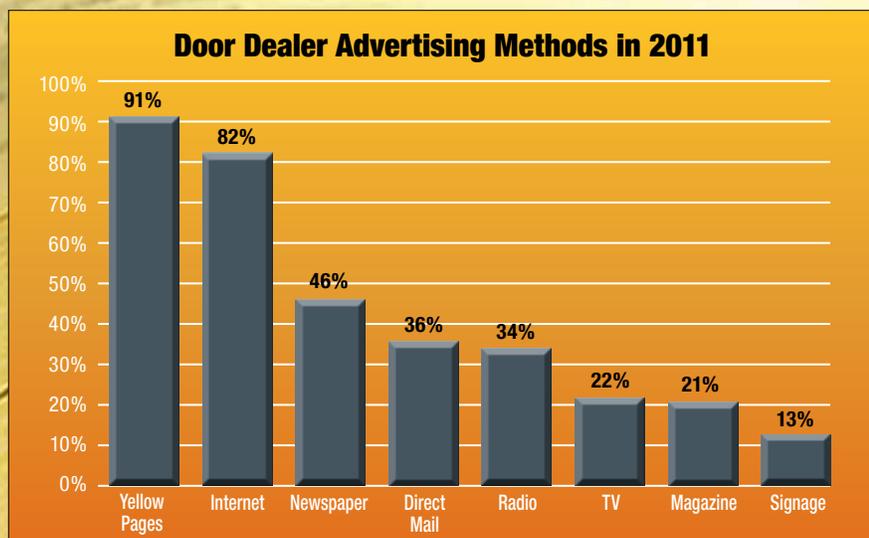
"It's an overpriced money pit," added Michael Steward of AMS Garage Doors of Round Rock, Texas.

"Yellow Pages ad rates are ridiculous," wrote an Alaska dealer, "and there are too many Yellow Pages producers."

"It is a total waste of money," added a Nebraska door dealer.

In our 2011 survey, at least 20 door dealers added an unsolicited comment that they have already reduced or completely eliminated their investment in YP ads. Many added that YP ads are simply "not helpful" or "not working anymore."

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\* See survey details at the bottom of page 38.

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### **“More Money in My Pocket”**

“Although currently the largest portion of our budget, we plan to drastically reduce our Yellow Pages next year as we ramp up our Internet and social media,” wrote a Kansas dealer.

Ever since our first door dealer advertising survey in 2003, many respondents have made similar statements about cutting their YP expenses. In the 2011 survey, many dealers testified that the bold decision has paid off.

“I cut my Yellow Pages ad budget by 50 percent last year, yet I did the same amount of business,” said Dan Crews of Crews Door, Manassas, Va. “More money in my pocket.”

“We now only have our name and address in the Yellow Pages,” wrote Rick Rinderle of Rinderle Doors, Big Bend, Wis. “When we removed our ad, our business never declined.”

An Atlanta dealer similarly added, “We dropped (YP ads) and have not seen a decrease in calls.”

“When we removed our ad, our business never declined.”

### **It Depends on Your Market**

Some dealers do a good job of tracking every customer call. Any dealer can learn which advertisements are the most effective by asking all callers, “How did you hear about us?” Some dealers keep a record book next to the phone where this information can be recorded throughout every day.

“Two-thirds of my customers use the Yellow Pages,” said Darrell Hulvey of his market area around Kingman, Ariz. Such information helps him make intelligent decisions about advertising.

“We are slowly weaning off the Yellow Pages, but it is still #2 in lead generation,” added Henry Tarnow of Tarnow Doors, Farmington Hills, Mich. “In our current market the customers seem to be a bit older, and they may not even have a PC in the home.”

### **A Generational Shift**

Tarnow’s statement demonstrates the importance of knowing your market and knowing your typical customer. If most of your key customers are in the 40 to 60 age bracket, it’s

imperative to know whether that group has stopped using phone books and started using the Internet to find local businesses.

Ed Giel of Thomas V. Giel Garage Doors, Pittsburgh, Pa., admitted that he’s 52 years old and not very computer literate, but the Yellow Pages are the last place he looks to find a phone number. Still, he knows that his older customers are different and that YP ads may be effectively reaching this demographic.

“We are stuck until the older 60-plus age group grows out of purchasing,” he said.

### **Five Recommendations for 2012**

Based on our door dealer surveys, my background in local advertising, the changing use of media in America, and testimony from dealers across the country, here’s my best advice to door dealers who are planning their advertising for 2012.

#### **1. Decrease Yellow. Increase Web.**

There’s no question that the Yellow Pages are dying. From my view, it’s quite possible that small businesses like garage door companies are actually keeping the Yellow Pages alive.

I sincerely doubt that phone books are alive because the majority of consumers are actually using them. They are alive because small businesses, ruled by the force of habit, continue to give millions of dollars every year to their YP sales reps.

At the same time, there’s no question that Internet use is rapidly growing and dominating the delivery of all kinds of information. And that includes finding the phone number, address, and website of a local garage door dealer.

In 2003, our dealer advertising survey revealed that few dealers were spending any serious money on Web-based advertising. But our 2009 survey indicated that Internet spending had suddenly leapfrogged over newspaper, television, radio, and direct mail advertising into the #2 spot in dealers’ ad budgets. In 2011, Internet ad expenses continued to rise.

Advertising on the Web gives you the ability to track traffic and change your ad message daily, which is something you can never do with a YP ad that stays set in stone for 365 days.

This article doesn’t have the space to explore how to best use the Web for your business. Read our winter 2010 article, “Web Site Advice for Door Dealers” by Brian Kraff. It’s available online. If you haven’t already done so, start learning everything you can about smart Web strategies for local businesses.

#### **2. Track Your Customers.**

The current Yellow Pages dilemma should teach us all a hard lesson: it’s imperative that you track your customers. For every phone call, every email, and every walk-in customer, ask them, “How did you find us?” And keep track of the results.

It’s simple. It’s quick. And it gives you valuable intelligence that will save you money and maximize your advertising dollars. It will tell you the advertising media and the advertising messages that are working.

I fear that many dealers who were spending \$50,000 a year in YP advertising in 2001 are still spending that much, or more, in 2011. The annual crazy competition to be the first ad and the biggest ad in the Yellow Pages may have been valid in 2001, but has left many dealers with a grossly distorted view of the importance of directory advertising in 2011.

If you are tracking your customers, you can bring some sanity and science to your advertising decisions. If YP ads are attracting only 10 percent of your customers, why are you spending 80 percent of your ad dollars in the big yellow book?

#### **3. Use Media That Reach Your Unique Market.**

The ad media that work in Hickory, N.C., will be different from the media that work in Denver. Every market is different.

Some markets are predominantly rural with an older population. Some are upscale suburban communities with a thriving population of 30- and 40-somethings. Some markets are very price-driven, while others are eager for quality and style. And some have a mixture of all of the above.

After you get an understanding of your market and your target customer, determine the media that excel at reaching your target market. Some markets have one dominant newspaper or radio station. Other markets have life patterns that make billboards, coupon books, home shows, or door-hangers a smart choice.

If you’re having a hard time determining the most effective media in your area, pay attention to the advertising strategies of similar local businesses that are thriving. Ask your HVAC dealer, your favorite local appliance store, or your local window dealer what works for them. They may be glad to share their advertising struggles with a fellow business person (who is not a competitor).

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\*National average in upscale projects category. Based on National Association of Realtors members included in Cost vs. Value study rather than actual sales data.



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#### 4. Beware of Desperate Yellow Pages Reps.

It's quite possible that hundreds of door dealers are being led astray by their longtime YP sales reps. Your enemy is not the Yellow Pages; it's the desperate YP rep who is feeding you bad or misleading information.

Your YP rep's annual (commission-based) income is probably evaporating rapidly. Consequently, many reps may be highly motivated to tell you anything to get you to continue that big contract you've had for years. It's quite likely that they are constantly being indoctrinated and pressured by their management to get you to maximize your next YP contract.

I recently heard a frustrated tire dealer say, "Phone book people think we're mushrooms. They feed us bull and keep us in the dark." Door dealers would do well to ponder that statement the next time their friendly YP rep stops in.

You've been a key engine in the gravy train that bought them their fully loaded Lexus and their big house in suburbia. I suggest that, right now, your YP rep is the most biased and most improperly motivated person in the world to give you advertising advice.

As we revealed in the investigative cover story on yellowpages.com in our fall 2009 issue, many YP reps are using unethical tactics to get you to convert from YP print to YP web. In my opinion, yellowpages.com, superpages.com, and other YP spinoffs are desperate attempts by the Yellow Pages industry to salvage massive lost revenue.

Real people use Google, Yahoo!, and Bing to find local businesses. I don't know *anyone* who uses yellowpages.com to find *anything*.

**“Phone book people think we're mushrooms. They feed us bull and keep us in the dark.”**

#### 5. Maintain Your Ad Budget.

Here's the biggest favor that your YP sales rep did for you. He or she taught you that you need to spend money to make money. And that rep likely helped you develop a healthy ad budget and an aggressive approach to advertising. Such an approach is generally a smart idea for a garage door business.

As you break your addiction to YP advertising, you will be tempted to cut your overall annual ad budget from, say, \$40,000 to \$20,000. That might be a good idea, but as long as you're accustomed to a big ad budget, use it to your advantage.

Take 20 grand of what you previously spent on YP ads to experiment and find other creative and effective ways to get your name in front of your target market. Yes, you will make some mistakes. But you'll learn some valuable lessons that will make you a smarter, more savvy, and more successful garage door professional for the 21st century. ■

*\*Our 2011 Door Dealer Advertising Methods survey was conducted online March 4-15, 2011. The survey was sent to 1,958 dealers in U.S. and Canada and was completed by 280 dealers from throughout North America.*

**To receive a free copy of the survey results, send an email request to [trw@tomwadsworth.com](mailto:trw@tomwadsworth.com).**