

***2005  
Toll-free Numbers  
In Television Advertising***

**Research Report**

**July 2005**

# *2005 Toll-free Numbers in Television Advertising*

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## *2005 Toll-free Numbers in Television Advertising*

### **Introduction**

The use of toll-free numbers continues to grow, and is predicted to exhibit strong growth through 2009, with toll-free services revenue increasing from \$10.9 billion in 2004 to almost \$14.5 billion in 2009<sup>1</sup>. Toll-free service has proven successful for businesses, particularly in the areas of customer service and telemarketing. Notwithstanding the growth of the Internet and online customer service operations, toll-free customer services are not being replaced. Rather, the online operations are actually increasing the demand for toll-free phone services<sup>2</sup>. This is because consumers who buy online also want to know that they can eventually reach a live person at a business if necessary. This consumer need continues to drive the toll-free service industry<sup>2</sup>.

Three major factors support growth in the toll-free and vanity toll-free services market, including<sup>3</sup>:

- Consumer demand for live customer service
- Economic advantages for businesses using toll-free customer service call centers
- Continuing development of new technical applications which increase the value proposition of toll-free service

An important part of the development of toll-free numbers was the creation of vanity toll-free numbers, where words are used instead of numbers to help customers remember the number, the product and/or service being advertised, such as 1-800-MATTRES<sup>4</sup>. Additionally, a primary reason for companies to use a vanity phone number is to increase brand awareness and loyalty<sup>5</sup>.

Vanity toll-free numbers offer many advantages to marketers. They are:

- Free for consumers;
- Elevate customer satisfaction through customer service centers;
- Increase brand awareness;
- Increase response rates when used in advertising;
- Reduce customer service costs with improved routing efficiency, and
- Increase information obtained from customers.

All of these benefits translate into stronger relationships built between companies and their customers.

In addition to the growth in the toll-free services market, television advertising also continues to grow, up to \$40.8 billion in 2004 between spot and national television spots, up from \$36.7 billion in 2003<sup>6</sup>. Thus, the use of toll-free and vanity numbers in television advertising is on a similar growth pattern.

As companies expand their use of toll-free numbers they continue to be a prominent response and tracking tool for advertisers. This study focuses on the use of toll-free numbers in television advertising in 2005.

## *2005 Toll-free Numbers in Television Advertising*

### **Objectives**

This study analyzes and documents the use of toll-free and vanity toll-free numbers in television commercials. The objective was to learn how prevalent their use has become in this advertising medium. Commercials were analyzed to determine the predominant toll-free prefix (800, 866, 877, and 888) featured in television ads today. Additionally, a comparison was conducted between toll-free vanity, mnemonic numbers that translate into words for easy recall (e.g., 800-NEW-RIDE), and toll-free numeric numbers (e.g., 800-555-1212) used in television advertising.

Other objectives were to determine:

- Percentages of national and local advertisements using toll-free numbers
- Types of programming during which toll-free numbers are used
- Industries using toll-free numbers
- Predominant length of television commercials using toll-free numbers
- Prevalence of Internet addresses in commercials

### **Methodology**

Over a four month period, television networks were taped for later viewing. For the purposes of this study, the following were viewed (208 hours total):

- 80 hours of morning news and programs: 7:00 am to Noon, Monday and Wednesdays
- 88 hours of evening news and prime-time: 6:00 pm to 11:30pm, Tuesdays and Thursdays
- 40 hours of sports programming: Noon to 5:00 pm, Sundays

One East coast and one West coast city were chosen for each television network, ABC, CBS, NBC and Fox. This yielded a total of 5,524 television commercials. Several independent contractors reviewed the tapes and collected the information required for the analysis.

The following data were collected for each commercial:

- Vanity or Numeric phone numbers
- Prefix of toll-free numbers
- Industry
- National or local advertiser
- Program type
- Method of display
- Length
- Internet address given

## *2005 Toll-free Numbers in Television Advertising*

### Summary of Findings

Over one-third (35%) of the 5,524 television commercials that were analyzed for this study feature a phone number as a response mechanism. Of the total number of commercials analyzed, 28% feature a toll-free phone number. This reflects approximately a 17% increase of toll-free number usage in television advertising from 1998 to 2005<sup>7</sup>.

Eighty-two percent (82%) of the phone numbers featured in television commercials, both national and local, are toll-free phone numbers. And, almost three-quarters (64%) of these toll-free numbers are **vanity** numbers. Furthermore, as expected, the leading toll-free prefix continues to be 800 (74%), with the newer prefixes, 866, 877 and 888 making up the remaining 26%.

Local advertisers are more likely to use toll-free numbers in commercials (35%) more so than national advertisers (26%), however national advertisers more often use a **vanity** toll-free number (73%) over local advertisers (44%).

Industries using **vanity** toll-free numbers most frequently in television advertising are lodging (100%), computer (90%), automotive (87%), and telecom (86%).

Movies are the favored programming vehicle for both toll-free and vanity toll-free numbers, 44% and 24% respectively.

One hundred percent (100%) of the analyzed television commercials that are 30 minutes (30:) in length feature toll-free numbers, although none of those toll-free numbers are vanity. However, the fifteen second (:15) television spot is the length more often used for commercials featuring a **vanity** toll-free number.

Internet addresses have also grown more prominent and are displayed in more television advertisements<sup>8</sup>. They are now used in 51% of all television commercials, up from just 19% of the commercials in 1998<sup>8</sup>.

Of the four markets analyzed for this study, Boston and San Francisco are the leaders in using toll-free phone numbers in television advertising, 95% and 92% respectively. However, the leading markets in using vanity toll-free numbers are San Francisco and Raleigh, 71% and 66% respectively.

Detailed findings of this study follow the Conclusions.

## *2005 Toll-free Numbers in Television Advertising*

### **Conclusions**

#### ***Television Advertising***

Studies have shown that consumers in the United States are exposed to almost 3,000 advertisements for products and services each day. Considering that the average American watches over two hours of television on a daily basis, it is safe to assume that many of the advertisements they are exposed to are television commercials<sup>9</sup>. Furthermore, television advertising is predicted to grow each year. Given that over three-quarters of television commercials that include a phone number, feature toll-free numbers, with 64% of those numbers being **vanity**, we can conclude that millions of consumers are exposed to toll-free and vanity phone numbers each day, and those figures will also continue to rise as television advertising increases in the coming years.

#### ***Use of Toll-free Numbers in Television Advertising***

In some of these advertisements there must be a memorable response mechanism. The toll-free number has proven to be the preferred direct response tool to feature in advertising, for both national and local advertisers. *Advertising Age* rates television advertising ROI at 4.5 out of a possible 5, compared to a rating of 3 for radio and 2 for outdoor advertising<sup>10</sup>. When a toll-free or vanity toll-free phone number is featured in a television advertisement it enables advertisers to track response rates and their return on investment (ROI).

The original toll-free prefix – 800 – is used most frequently by advertisers as it was the first of the toll-free numbers made available and the majority of consumers are aware that 800 means toll-free.

Furthermore, vanity numbers with the 800 prefix, such as 800-FLOWERS, are also increasingly popular direct response tools among television advertisers.

#### ***Use of Vanity Toll-free Numbers in Television Advertising***

Over the past seven years, the usage of **vanity 800** numbers has increased 11%, with usage at 61% in 2005.

National television advertisers use vanity toll-free numbers more frequently than local advertisers. This is most likely due to the fact that national advertisers have more financial resources necessary to obtain vanity phone numbers. Local television advertisers appear to use vanity toll-free numbers in markets where they are able to secure one that is appropriate for their business. For both national and local advertisers, toll-free and vanity toll-free numbers are mainstays in a company's arsenal of marketing tools, meaning the toll-free and vanity toll-free numbers are part of a longer term marketing plan for advertisers

The industries which use vanity 800 numbers most frequently in their advertising are lodging, computer, auto and telecom. These tend to be industries that offer information to their customers, such as making reservations, technical support, and product information.

## *2005 Toll-free Numbers in Television Advertising*

Given their attributes of being memorable and brand awareness boosters, vanity toll-free numbers are featured more prominently in :15 commercials because they are easy to remember and are more effective at increasing response.

Audiences watching movies with commercial breaks are more likely to respond to advertisements as their attention is more focused on the television, which is why movies are the most prominent programming vehicle for advertisers to use toll-free and vanity numbers as response mechanisms. People are a more captive audience when watching a movie, spending less time channel surfing and leaving the room during commercials than they may be while watching soap operas, sporting events, or game shows – the programming vehicles that feature toll-free numbers, or vanity toll-free numbers the least.

Due to the size of San Francisco and Boston – the population, number of businesses, and numerous area codes within the metro markets – advertisers are using toll-free and vanity toll-free phone numbers more frequently than in smaller markets to distinguish themselves from their competition, build brand awareness and break through the clutter.

Toll-free numbers are an integral part of marketing and advertising on a national and local level. While the Internet has many applications, consumers have come to expect toll-free numbers to be made available by companies so they may call for assistance and additional information.

Due to these expectations the use of toll-free and vanity toll-free phone numbers in television advertising is predicted to continue its current growth trend despite recent escalated use of the Internet.

The following pages detail the findings of this study.

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## 2005 Toll-free Numbers in Television Advertising

### Findings

#### Over one-third of Television Advertisements Feature a Phone Number

Thirty-five percent (35%) of all television commercials use phone numbers as the direct response mechanism (see Chart 1).

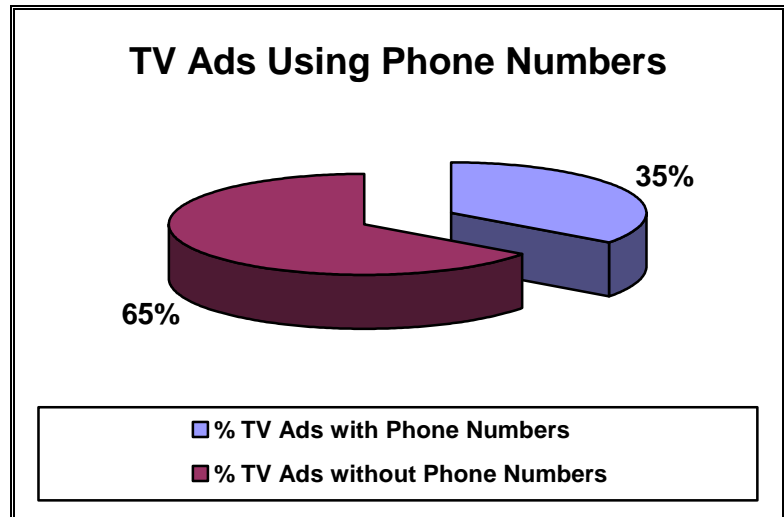


Chart 1

#### 82% of Phone Numbers in Television Commercials are Toll-free

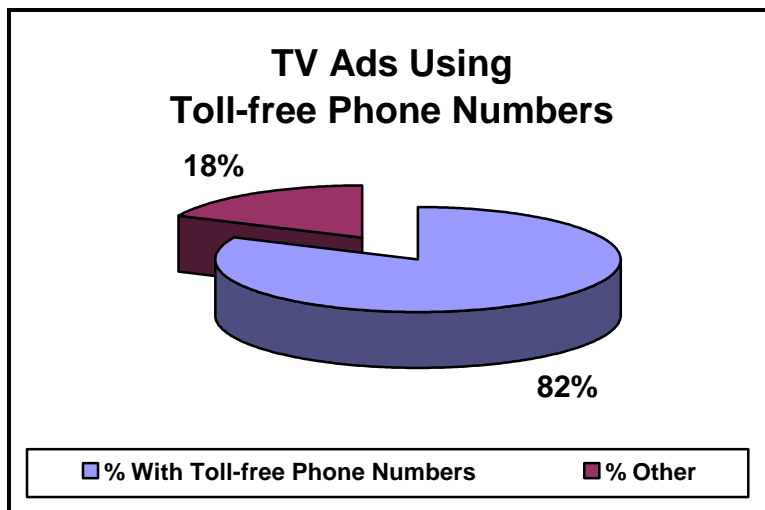


Chart 2

Over three quarters (82%) of the phone numbers featured in television advertising are toll-free phone numbers (see Chart 2).

## 2005 Toll-free Numbers in Television Advertising

### Findings

**Over Half of Television Advertisers Prefer Vanity Toll-free Phone Numbers as a Direct Response Mechanism**

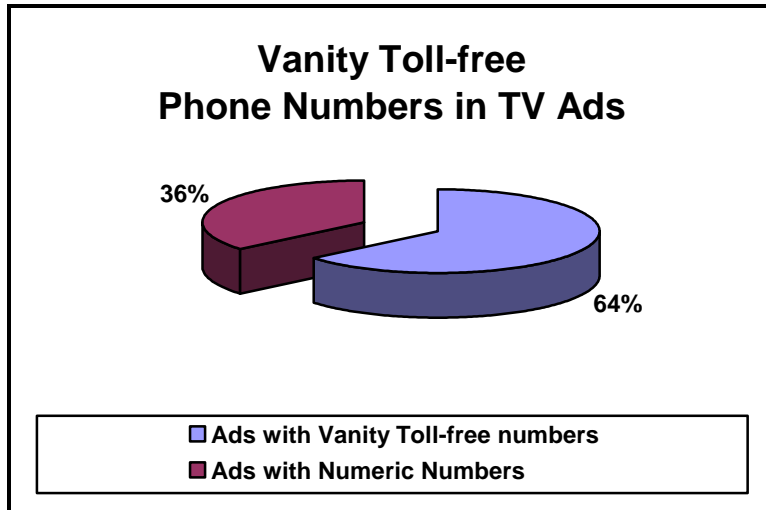


Chart 3

Sixty-four percent (64%) of toll-free phone numbers used in television advertising are vanity toll-free phone numbers, such as 1-800-EDUCATE (see Chart 3).

### 800 Toll-free Prefix is Preferred Over Alternatives

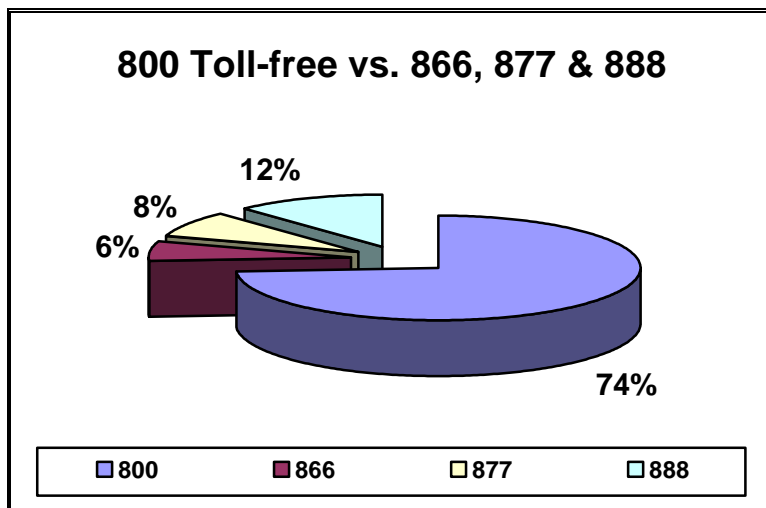


Chart 4

Almost three quarters (74%) of toll-free phone numbers in television ads begin with the original 800 toll-free prefix, over the 866, 877 and 888 alternate prefixes (see Chart 4).

## 2005 Toll-free Numbers in Television Advertising

### Findings

#### **Local Television Advertisements Feature Toll-free Phone Numbers More Frequently Than National TV Ads**

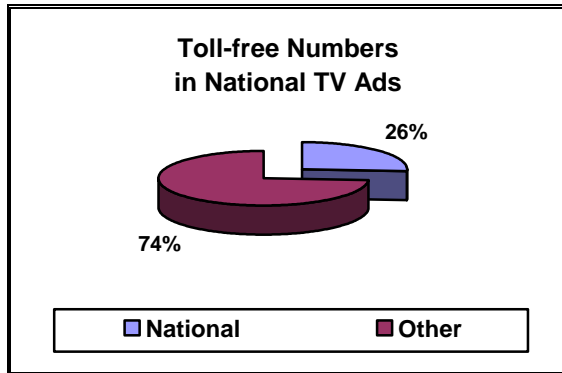


Chart 5  
Twenty-six percent (26%) of national television advertisements feature a toll-free phone number (see Chart 5).

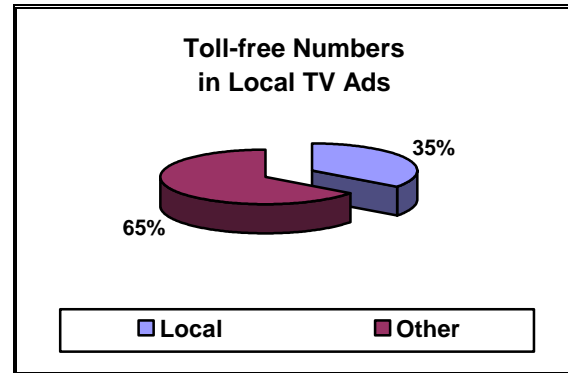


Chart 6  
Thirty-five percent (35%) of local television advertisements use a toll-free phone number (see Chart 6).

#### **73% of National Television Advertisers who Feature Phone Numbers Choose Vanity Phone Numbers**

National television advertisers favor using vanity toll-free phone numbers at 73%, compared to 44% of local advertisements that feature vanity toll-free phone numbers (see Chart 7 & 8).

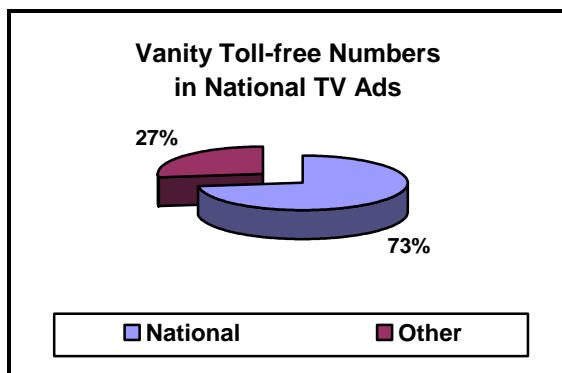


Chart 7

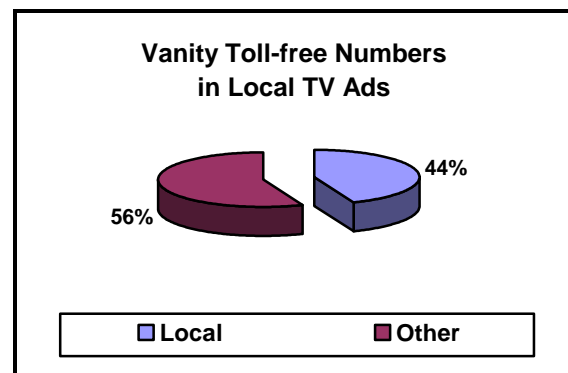


Chart 8

## 2005 Toll-free Numbers in Television Advertising

### Findings

#### **100% of Lodging and Clothing (retail) Advertisements Feature Vanity 800 Toll-free Numbers**

Household (furniture/cleaning), Computer, Hygiene and Automotive Industries also favor using vanity 800 toll-free numbers in their advertising, 89%, 85%, 83%, and 80% respectively (see Chart 9).

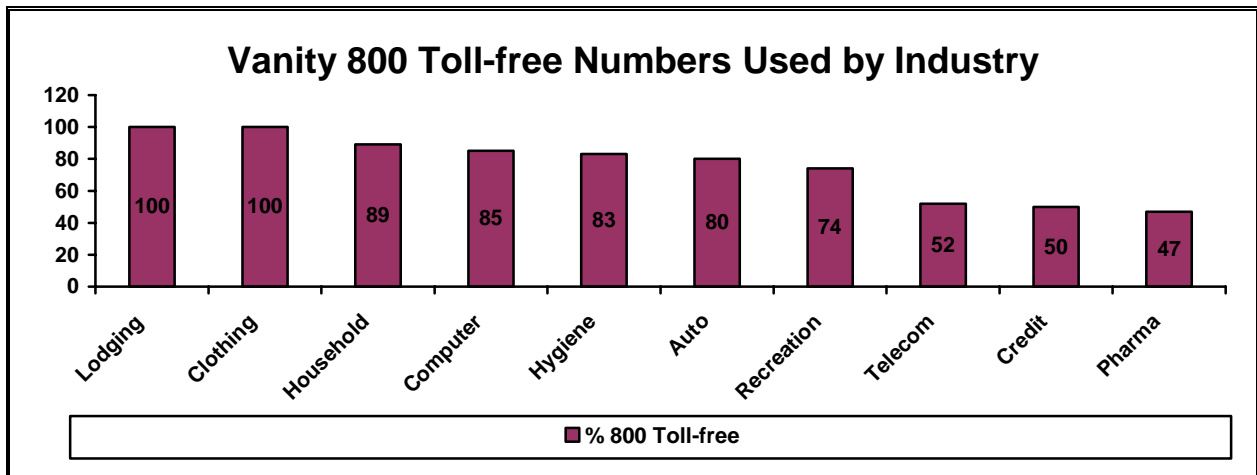


Chart 9

## 2005 Toll-free Numbers in Television Advertising

### Findings

#### **Movies are Favored Programming Spots to Feature Toll-free Numbers**

During movies, 44% of the advertisements feature a toll-free phone number, compared with 35% of ads that run with toll-free numbers during talk-shows, and 33% of ads that feature toll-free numbers during game shows (see Chart 10).

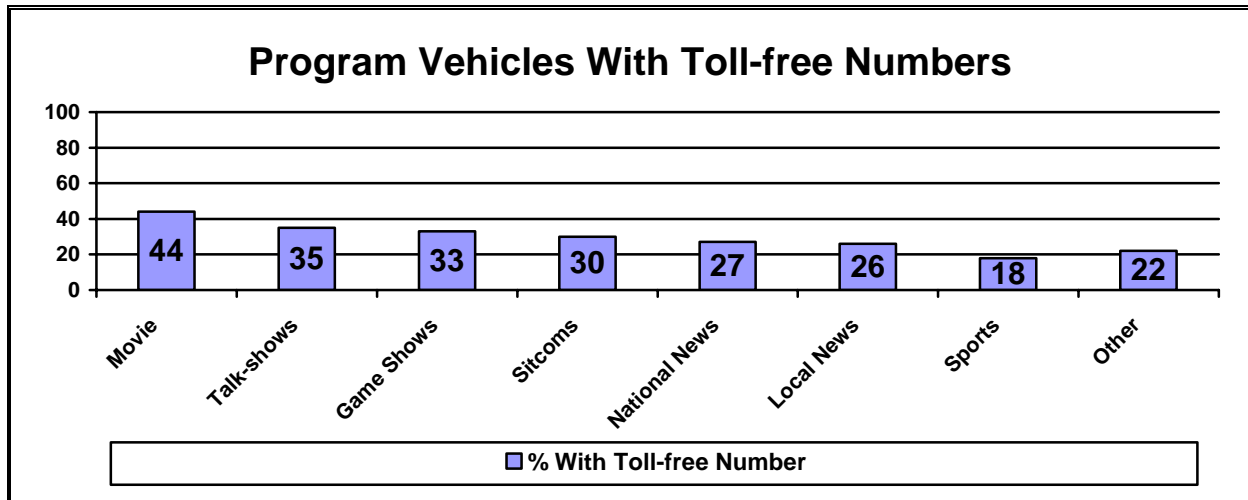


Chart 10

#### **Movies are also Preferred Program Vehicle to Feature Vanity Toll-free Numbers**

During movies, 24% of advertisements that aired featured a vanity toll-free number, compared with 21% of advertisements featuring a vanity toll-free number during national news, and 19% during sitcoms (see Chart 11).

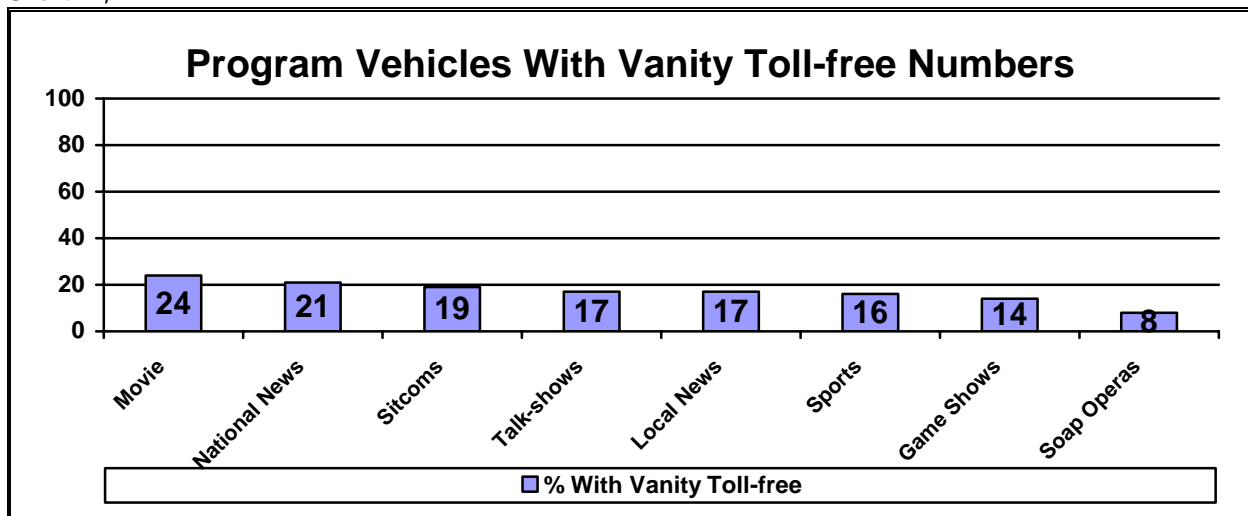


Chart 11

## 2005 Toll-free Numbers in Television Advertising

### Findings

#### **100% of Television Advertisements 30 Minutes in Length Feature a Toll-free Phone Number**

The longer television commercials use toll-free phone numbers more often than shorter commercials. One hundred percent (100%) of 30 minute television advertisements feature a toll-free phone number (see Chart 12).

One minute (:60) commercials are the second favored length (75%) (see Chart 13), and the :30 commercial is the third favored length to feature toll-free phone numbers, with the :15 commercial the least favored length to feature a toll-free phone number. (see Chart 14 & 15).

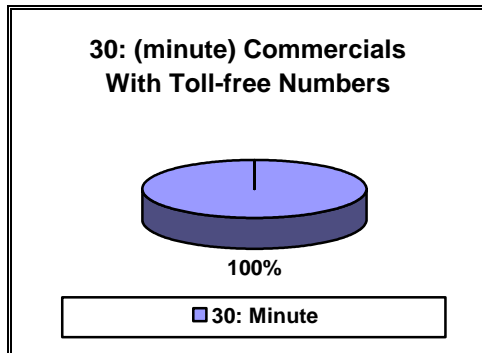


Chart 12

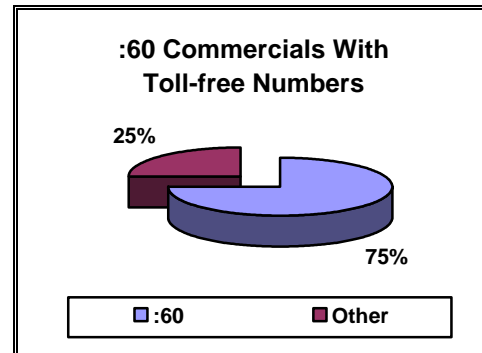


Chart 13

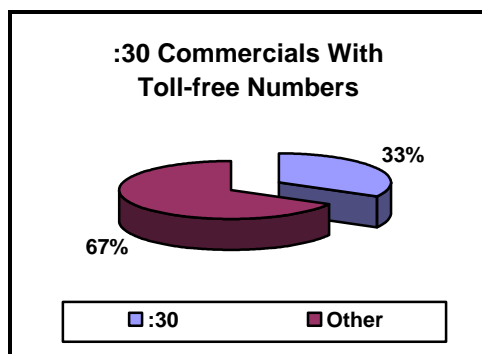


Chart 14

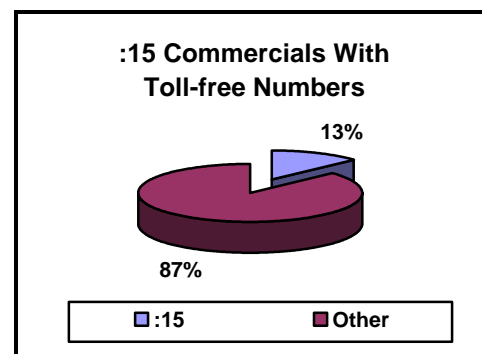


Chart 15

## 2005 Toll-free Numbers in Television Advertising

### Findings

#### **Vanity Toll-free Phone Numbers are Used Most in :15 Television Advertisements**

The :15 commercial is the favored length to feature a vanity toll-free phone number, 76% (see Chart 16).

Sixty-five percent (65%) of :30 commercials feature a vanity toll-free number, and only 37% of :60 commercials use a vanity number (see Charts 17 & 18).

None of the 30 minute commercials analyzed for the study used vanity toll-free numbers as a direct response mechanism.

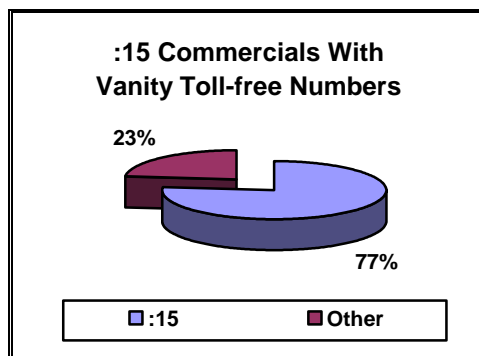


Chart 16

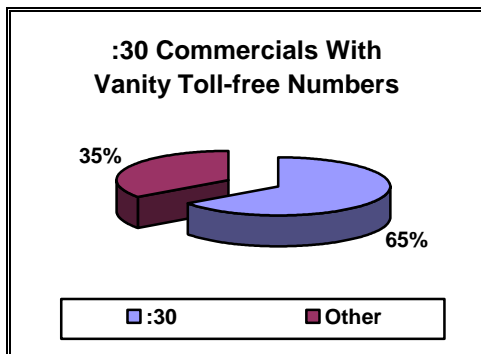


Chart 17

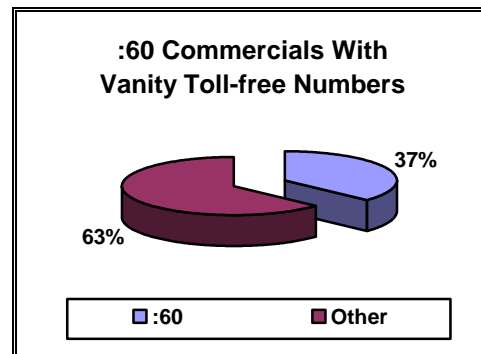


Chart 18

## 2005 Toll-free Numbers in Television Advertising

### Findings

#### **Internet Addresses are Used More and More Frequently in Television Advertising**

Of all television commercials reviewed, 51% now include a URL as a response mechanism (see Chart 19).

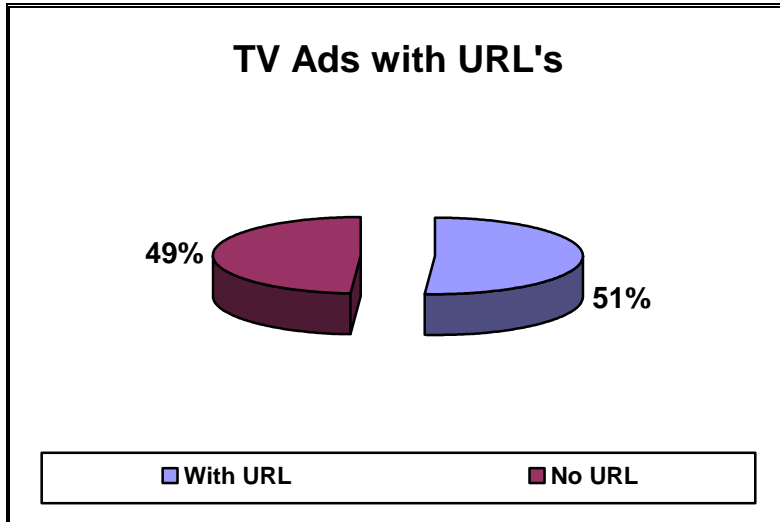


Chart 19

Seventy-five percent (75%) of television commercials that feature a toll-free phone number also feature an Internet address (see Chart 20).

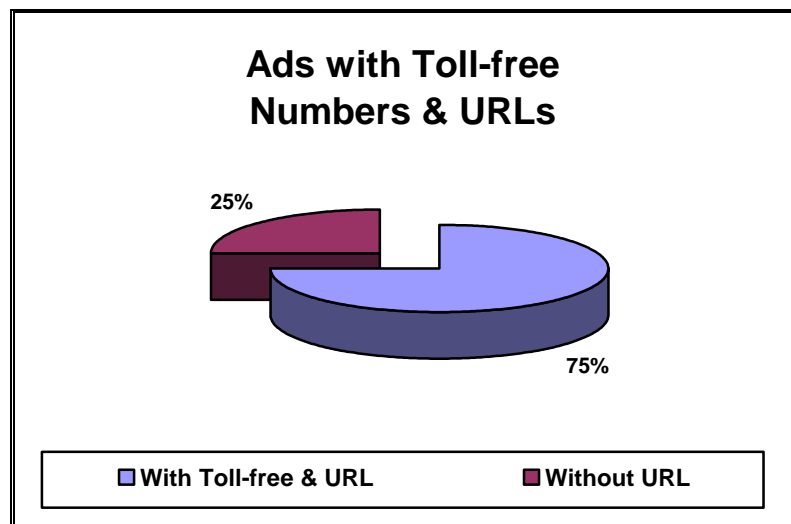


Chart 20

## 2005 Toll-free Numbers in Television Advertising

### Findings by Market

#### **San Francisco and Boston Markets use Toll-Free Numbers Most Frequently**

When measuring use of toll-free phone numbers in TV ads, Boston and San Francisco lead the four markets, with 95% and 92% (respectively) of ads with toll-free phone numbers (see Chart 21).

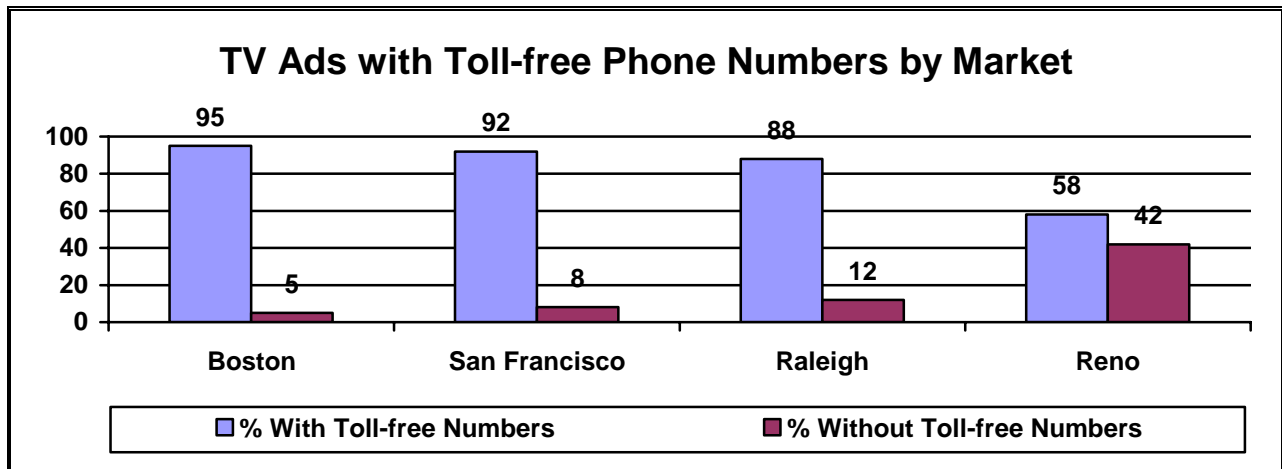


Chart 21

#### **Vanity Toll-free Numbers Are Preferred in All Markets**

Vanity toll-free phone numbers are used more frequently in all markets (59-71%), than numeric toll-free phone numbers (29-41%). San Francisco has the highest average of vanity numbers of all four markets (see Chart 22).

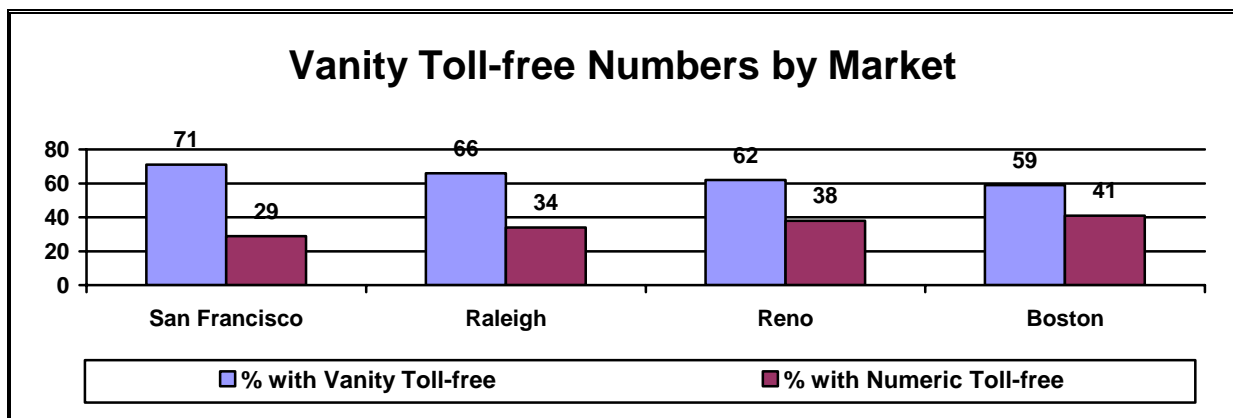


Chart 22

## *2005 Toll-free Numbers in Television Advertising*

### Appendixes

#### **Contact Information**

The study, *Toll-free Numbers in Television Advertising: 2005*, was conducted by 800response. The technical elements of the study were developed, organized, and administered by Laura Noonan, Vice President of Marketing ([lnoonan@800response.com](mailto:lnoonan@800response.com)), and Jeanne Landau, Public Relations Manager ([jlandau@800response.com](mailto:jlandau@800response.com)).

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## ***2005 Toll-free Numbers in Television Advertising***

### ***Details of Methodology***

#### **Sources**

WCVB – Boston, MA, ABC  
WFXT – Boston, MA, Fox  
WRAL – Raleigh/Durham, NC, CBS  
WNCN – Raleigh/Durham, NC, NBC  
KOLO – Reno, NV, ABC  
KRXI – Reno, NV, Fox  
KPIX – San Francisco, CA, CBS  
KNTV – San Francisco, CA, NBC

#### **Dates of Study**

February 28, 2005 – July 19, 2005

### ***Endnotes***

1. Insight Research Corporation (August 2004), "Call Center Operations and the 800 Services Market 2004-2009", p. 8.
2. Ibid, p. 1.
3. Ibid, p. 7.
4. Napoleon Barragan (1997) "How to Get Rich with a 1-800 Numbers", p. 257.
5. Ibid, p. 258.
6. BtoB (June 13, 2005), "Benchmarks", p. 52.
7. Response Marketing Group (September 1998) "Toll-free Numbers in Television Advertising", p. 1.
8. Ibid, p. 11.
9. American Time Use Survey, 2004
10. Advertising Age (June 20, 2005), "Media Scorecard: How ROI Adds Up", p. S-6.
11. Ibid, p. 18.

## ***2005 Toll-free Numbers in Television Advertising***

### ***About 800response***

**800response**, based in Burlington, VT, is the premier provider of Custom 800 service and offers the broadest selection of Custom 800 numbers available today. Principals at **800response** have over 30 years of experience in the telecommunications industry and have been featured in major industry publications including *Advertising Age*, *Forbes*, *Entrepreneur*, *Teleservices News*, *DMA* and *DM News* as authors and subjects of articles on direct marketing and innovative ways for businesses to market their products and services. Services provided by the company include Custom 800 numbers, a sophisticated Call Routing platform, Call Recording, and real-time online Call Tracking reports.

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