

"LET YOUR FINGERS DO THE WALKING!"
[AND GET A GRASP ON LOCAL MARKETING INSTITUTIONS]

ROBERT A. LOEWER
SAN JOSE STATE UNIVERSITY

Much information about marketing institutions presented in current marketing texts relates to summarized Census data from classifications defined by the Bureau of the Census. Frequently texts also use specific references to some of the large, old, or specialized institutions such as department stores.

Census data are often no longer significant by the time the student gets to read them in his textbook. Likewise, the composition, character, and ownership of institutions is changing with regularity. Because of this inherent textbook limitation, students frequently (1) miss out on the ability to identify with particular business firms, (2) fail to appreciate the "personification" of individual institutions, (3) miss the subtleties of constant change, (4) fail to see major market changes that are taking place around them, and, (5) are less well-prepared to pursue developing career areas than they might otherwise be.

One of the valuable resources available for studying localized institutions is the ubiquitous, though easily overlooked "phone book," and especially the Yellow Pages of that directory. Probably no other reference source provides a more adequate insight into the commercial make-up of a community. It also provides a most excellent measure of a "trading area" because by their choice to be included, sellers define the market for their products or services--as they perceive it to be.

Updated yearly, as they are, Yellow Pages provide a current resource listing those who have products and services to sell. By making comparisons between directories for different years one can observe historical change. The growth of new product categories should become more obvious with comparison. Declining marketing institutions might be more readily spotted. And, where established and well-known firms have diversified into new product lines--either in addition to, or as replacement for declining products--that may also be noted.

Examples of such changes are illustrated by an actual comparison between two directories for the same urban area for two different years. Initial investigation suggests that the changes are startling when illustrated--yet subtle to residents of the community. The community used is Los Altos, California, and the years were 1978 and 1981. The area is generally a high-income, highly-educated growth area. Sociologically, it might be said that growth is taken for granted; some change is expected; yet a certain stability is also assumed by the residents.

In the Los Altos comparison, growth and decline of certain marketing institutions was rather dramatically suggested. While the Los Altos Yellow Pages also include the cities of Palo Alto, Sunnyvale, Mountain View, and

"surrounding cities," there are listings from San Francisco to San Jose. Between the two years, the actual number of yellow pages went from 832 to 906, or an increase of approximately nine per cent for the Los Altos directory.

If one is to assume that a growth of nine per cent in the number of institutions in a category would be consistent with general growth, then increases of more than nine per cent might be construed to be worthy of attention. Similarly, actual declines, or percentage increases of less than nine per cent might also suggest change worthy of attention. (Caution must be taken not to impute statistical significance to these data, as other factors would need to be considered as well.)

In the case examined, some of the listings worthy of note were: "Auto rentals and Leasing," -11%; "Barbers," -13%; "Self-service Laundries," -50%; all of which appeared to be declining. The category of "Service Stations," appeared to reflect an expected stagnation reflecting an increase of only 2%. Among those categories having percentage increases greater than the expected, were: "Air Cargo," up 21%; "Alcoholism Information and Treatment," up 20%; "Automobile Dealers, New Cars," up a surprising 26%; "Furniture Rental and Leasing," up 43%; "Hot Tubs and Spas," up 55%; "Solar Energy Equipment and Systems Dealers," up 37%; and most fascinating of all, "Accupuncture," with an increase of 475%. In 1981 there were fifty-seven listings under a new category of "Computer Stores," fifteen dealers listed under "Mopeds," and six listings in the category of "Computer time Sharing." These categories did not exist in the earlier directory.

This information might provide the beginning of all sorts of reasearch. The possibilities for research into local marketing institutions are almost unlimited. Possibilities for using the Yellow Pages as a basis for student projects are bountiful. The two-year Los Altos exploratory comparison is but one of many. Comparisons could be done for specified industries--retail, wholesale, or service, for example. Measures of significance could be applied in more sophisticated applications. Trends might be tested by comparisons using three or more directories for the same locality. Comparisons could be made between similar or different trading areas, e.g. sun-belt vs. snow-belt, high-tech vs. low tech, industrially-based vs. agriculturally-based, sea coast vs. inland areas, or large population center vs. a small one.

Probably the greatest deterrent to doing research using Yellow Pages is finding them. While current directories are one of the most accessible of all research sources, previous year directories are often almost impossible to find. Even though many libraries and even phone companies may not keep older directories, that should not discourage one from using this means. Start collecting your own, now, in anticipation of working with them in the future. This may be much too rich a source of information to avoid exposing our students to it. "Letting their fingers do some walking" may help them to get a better grasp on the meaning of change in their local market. It may even help them to get some insight into the sociological and technological composition of their own community.