

**BEYOND ROI®**

[www.beyondroi.com](http://www.beyondroi.com)

## **Small Biz To Run Online Ads**

*April 2004*

The Kelsey Group and ConStat report that 78% of older small businesses — those that have been in existence for more than 20 years — rely on Yellow Pages advertising compared to 52% of those small businesses that have been around for less than 10 years.

Younger businesses, however, are more likely to include e-mail, search engine marketing and Internet Yellow Pages in their overall advertising mix.

The study, conducted among 289 online advertising decision-makers at small businesses, finds that younger businesses spend an average of \$4,753 per year on advertising whereas their older counterparts spend an average of \$9,300 on advertising annually. The study notes, however, that younger small businesses average \$756,000 in annual revenues whereas older small businesses average \$2.8 million in revenues, proving that newer small businesses spend more on advertising than their older counterparts.

As Neal Polachek, Senior Vice President of The Kelsey Group, is quoted in the release "What is interesting is that the newer businesses are spending twice as much on advertising as compared to the older businesses relative to their annual sales volume... This tells us that the newer businesses should be drawn to advertising and marketing solutions that can clearly demonstrate positive returns on investment." Resources for local online advertising are well advised to target newer small businesses.