

Analysis of the pricing of colour advertisements

1. Tables 1 and 2 show the various colour options that Yell and Thomson offer.

TABLE 1 **Yell colour options**

<i>Colour degree</i>	<i>Colour option</i>	<i>Colour premium (percentage over monochrome rate card) %</i>	<i>Average revenue per advertisement 2004/05 £</i>	<i>Average revenue per QC advertisement 2004/05 £</i>
0	Mono	0	()	✂
1	One colour	30		
2	White knock-out	40		
3	One colour on white knock-out	50		
4	2 or 3 colours	50		
5	2 or 3 colours on white knock-out	60		
6	Full process colour	75		

Source: Yell; CC calculations.

TABLE 2 **Thomson colour options**

<i>Colour degree</i>	<i>Colour option</i>	<i>Average revenue per advertisement 2005 £</i>	<i>Average revenue per QC advertisement 2005 £</i>
0	Mono	()	✂
1	Spot colour		
2	White knock-out		
3	Highlight		
4	Full colour		

Source: Thomson; CC calculations.

2. Tables 3 and 4 show the colour premiums that are charged by Yell and Thomson, based on average realized prices for quarter-column advertisements, in absolute and in percentage terms. We calculated the colour premiums charged by Yell and Thomson as the difference between the average realized prices for colour and the average realized prices for monochrome quarter-column advertisements. Note that the colour premiums calculated in this way differ from the colour premiums in Table 1 (which are expressed as a percentage of the rate card price) because average realized prices are affected by the levels of discounts obtained over the rate card prices.

TABLE 3 **Yell average colour premiums for QC advertisements**

Colour degree	Colour option	Average revenue per QC advertisement 2004/05 £	Colour premium for QC advertisements £	% colour premium over monochrome price for QC advertisements %
0	Mono	[✂]
1	White knock-out			
2	One colour on white knock-out			
3	One colour			
4	2 or 3 colours			
5	2 or 3 colours on white knock-out			
6	Full process colour			

Source: Yell; CC calculations.

TABLE 4 **Thomson average colour premiums for QC advertisements**

Colour degree	Colour option	Average revenue per QC advertisement 2005 £	Colour premium for QC advertisements £	% colour premium over monochrome price for QC advertisements %
0	Mono	[✂]
1	Spot colour			
2	White knock-out			
3	Highlight			
4	Full colour			

Source: Thomson; CC calculations.

Average realized prices: Yell and Thomson

- Figures 1 to 5 show the average realized prices (average revenue per advertisement) for Yell and Thomson for various monochrome and colour advertisement sizes.

FIGURE 1

Quarter-column advertisements

[✂]

Source: Yell; Thomson; CC calculations.

FIGURE 2

Half-column advertisements

[✂]

Source: Yell; Thomson; CC calculations.

FIGURE 3

Double quarter-column advertisements



Source: Yell; Thomson; CC calculations.

FIGURE 4

Half-page advertisements



Source: Yell; Thomson; CC calculations.

FIGURE 5

Full-page advertisements



Source: Yell; Thomson; CC calculations.

Average colour premium

4. Figures 6 to 10 show the average colour premium. This is calculated as the difference between the average full colour price and the average monochrome price.

FIGURE 6

Quarter-column advertisements, colour premium



Source: Yell; Thomson; CC calculations.

FIGURE 7

Double quarter-column advertisements, average colour premium



Source: Yell; Thomson; CC calculations.

FIGURE 8

Half-column advertisements, average colour premium



Source: Yell; Thomson; CC calculations.

FIGURE 9

Half-page advertisements, average colour premium



Source: Yell; Thomson; CC calculations.

FIGURE 10

Full-page advertisements, average colour premium



Source: Yell; Thomson; CC calculations.

Average colour premium expressed as a percentage of the monochrome price

5. Figures 11 to 15 show the average colour premium expressed as a percentage of the monochrome price.

FIGURE 11

Quarter-column advertisements, percentage colour premium



Source: Yell; Thomson; CC calculations.

FIGURE 12

Double quarter-column advertisements, percentage colour premium



Source: Yell; Thomson; CC calculations.

FIGURE 13

Half-column advertisements, percentage colour premium



Source: Yell; Thomson; CC calculations.

FIGURE 14

Half-page advertisements, percentage colour premium



Source: Yell; Thomson; CC calculations.

FIGURE 15

Full-page advertisements, percentage colour premium



Source: Yell; Thomson; CC calculations.

Degree of colour used in Yell's and Thomson's directories

6. Table 5 shows the degree of colour used by Yell and Thomson advertisers. Total colour units are calculated by multiplying the number of advertisements by the degree of colour (see Tables 1 and 2) for each advertisement colour type. Yell's maximum possible average colour per advertisement (ACPA) is six; this ACPA would be achieved if all advertisements were sold as full colour. Thomson's maximum ACPA is four.

TABLE 5 **ACPA**

<i>Publisher</i>	<i>Item</i>	1999	2000	2001	2002	2003	2004	2005
Yell	Total colour units							
Yell	Number of advertisements							
Yell	Average colour per advertisement*							
Thomson	Total colour units							
Thomson	Number of advertisements							
Thomson	Average colour per advertisement†							

Source: Yell; Thomson; CC calculations.

*Yell offers six colour options; the maximum average colour per advertisement for Yell is six.

†Thomson offers four colour options; the maximum average colour per advertisement for Thomson is four.

Further tables

TABLE 1 Yell revenues from colour

<i>Ad colour code</i>	<i>Colour description</i>	<i>Item</i>	1999	2000	2001	2002	2003	2004
0	Mono	No of ads))))))
2	White knock-out	No of ads						
3	One colour on white knock-out	No of ads						
4	One colour	No of ads						
5	2 or 3 colours	No of ads						
6	2 or 3 colours on white knock-out	No of ads						
7	Full process colour	No of ads						
0	Mono	Revenue (£)						
2	White knock-out	Revenue (£)						
3	One colour on white knock-out	Revenue (£)						
4	One colour	Revenue (£)						
5	2 or 3 colours	Revenue (£)						
6	2 or 3 colours on white knock-out	Revenue (£)						
7	Full process colour	Revenue (£)						
0	Mono	ARPA (£)						
2	White knock-out	ARPA (£)						
3	One colour on white knock-out	ARPA (£)						
4	One colour	ARPA (£)						
5	2 or 3 colours	ARPA (£)						
6	2 or 3 colours on white knock-out	ARPA (£)						
7	Full process colour	ARPA (£)						

Source: Yell; CC calculations.

TABLE 2 Thomson revenues from colour

<i>Colour</i>	<i>Item</i>	1999	2000	2001	2002	2003	2004	2005
Mono	No of ads)						
Spot colour	No of ads							
White knock-out	No of ads							
Highlight	No of ads							
Full colour	No of ads					✂		
Mono	Revenue (£)							
Spot colour	Revenue (£)							
White knock-out	Revenue (£)							
Highlight	Revenue (£)							
Full colour	Revenue (£)							

Source: Thomson; CC calculations.

TABLE 3 Thomson average colour prices

<i>Colour</i>	1999 £	2000 £	2001 £	2002 £	2003 £	2004 £	2005 £	% reduction 1999–2005
Mono)							
Spot colour								
White knock-out					✂			
Highlight								
Full colour								

Source: Thomson; CC calculations.