



Social-Local Media: Lessons Learned

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Local Matters has been providing leading technology and services solutions to online local media publishers for the last seven years. Along the way, we have introduced many innovations in local media technology, including side-by-side business comparisons, find along route and personal saved lists. Several years ago, we began experimenting with the intersection of social and local, first with the launch of Localguides.com in 2007, then with the launch of Guidespot.com in 2008.

We launched Localguides.com in May, 2007 as a proof-of-concept local-social site. The intent of the site was to allow users to create and share lists of local businesses and attractions. In the site's first few months, Local Matters identified some challenges with Localguides. Among them were:

- No distinctive branding – the site was very plain.
- No strategy for developing content or marketing the site – we expected that the functionality it offered would organically attract users, which it did not.
- Weak user experience: the process for creating guides was lengthy and guides relevant to a user's interest were difficult to find or not available.

To a large extent the goals of Localguides were maintained when it was replaced by Guidespot.com in March 2008, but the execution was very different.

Our experience with Localguides is common: most social publishers got it wrong on the first go. Notable examples include Yelp, outside.in and Squidoo, who all underwent complete overhauls before achieving significant growth. Our second effort, Guidespot.com, has been much more successful. While Guidespot also provides a framework for creating and browsing guides, it is more focused on the community of users. Following are some of the things we've learned along the way.

Building Content

Users won't spontaneously contribute to a content-oriented site if there's nothing there. We learned this the hard way with Localguides, then launched Guidespot with a strategy for seeding content and building a community of authors/contributors. Along the way, we have leveraged internal staff, hired writers, and offered incentives for users to contribute content. We've also tried automatically generating content (bad idea) and using syndicated content. Below are some of the things we've found:

- Pay for content to get things started, but do so with care. It makes sense to pay for content, but it needs to be done in the spirit of the site. Seeding a topic with content attracts other visitors, who then contribute to build out the topic. Where we have acquired the best quality guides is when we gave writers few guidelines and much freedom.
- Style matters more than syntax. Another interesting dynamic is the fact that user-generated content (UGC) doesn't necessarily need to be well written, at least from a syntax and grammar point of view. Authors with a distinctive or compelling voice tend to be the most followed, and often have a very casual writing style.
- Balance local with enticing. Local or niche content is useful, but won't generate much traffic, at least not at first. It's better not to force users or paid contributors to stick to locations or niches. One good Stumble or Digg to a funny or interesting guide can generate hundreds of thousands of visits – no niche guide will do that. It's a fine balance, however. We have found that funny, non-local guides draw visitors to the site, but users are much more likely to stick around if there is deep local content.
- Be careful with the temptation to use syndicated content and/or automatically generated content. There is a place for this, but apply this basic test when going that route: is it useful to the end user? If not, don't bother. Weak content will send users away, and won't fool search engines – at least not for long. We have had no real success with automatically generated guides. We have had success with syndicated content, as long as we were adding some value and not just duplicating the source.
- Engage with paid and unpaid contributors alike. The best way to get users to contribute more is to reinforce good behavior with feedback and encouragement. Keep interactions personal and genuine. If we are not passionate about the community we are trying to create, we shouldn't expect others to be.

Fostering Community

Contributions to UGC sites tend to be made by a small number of active users. The people who do contribute do so because they are passionate and/or they want others to hear their point of view. Making sure that active participants know they are being heard is an important part of building and maintaining a UGC site. Like other community-oriented sites, we created a designated role for a community manager, and made it a full-time, permanent position. The community manager is almost like a social director for the site. He or she is there to build excitement, reward strong contributors and police negative contributions. Apart from getting the technology right, this may be the most important factor to the success of a social site. If you are successful, the community will grow of its own accord over time, but early on there is great risk of silence, spammers, or obnoxious participants ruining the experience for others.

Another mistake we made was to pay for social marketing services boasting “we can get you to the top of Digg” and the like. It is possible to employ people to help you navigate other social tools to gain visibility, but if there is any perception that you are trying to buy yourself friends, you will do more harm than good. Once your reputation has been tarnished, it will take a lot of effort to gain it back. Paying for social marketing services is similar in some ways to hiring a political lobbyist. A good lobbyist succeeds on the basis of strong relationships, and maintains those relationships by not abusing trust. Unlike a political lobbyist, in social networks you can't wash bad behavior under the rug. It is difficult to gain influence and easy to lose.

It is also important to have mechanisms built into the site that encourage community. Some of ways to enable this are:

- Ways to follow or “favorite” other contributors
- Means of communicating with other users directly
- Methods to share pages & contributions in other networks
- The ability to bring your community to you rather than building it on the site. Tools like OpenSocial and Facebook Connect allow users to seek out and bring in their existing connections.

Generating Traffic

We have had almost no marketing budget with either Localguides or Guidespot, so we can't comment on the effectiveness of most forms of on- and offline marketing. Nor did we have other strong brands to build upon. This may have been a blessing in disguise, as it allowed us to focus on content as the catalyst for traffic growth. Thus our efforts have been on building organic traffic through search engines and other social sites. Over time, we have seen a virtuous cycle develop between SEO, bloggers and social bookmarking tools, described below.

From the beginning, we sought to incorporate a strong basis for natural search ranking in both sites. We made a few basic mistakes at first, but have iterated towards a solid foundation. We have spent some time getting SEO basics like URL's and HTML tags right, but more important is the fact that our solution enables people to share useful information that others are looking for. The result has been continuous, strong growth in SEO traffic. In Guidespot's first year, we have seen average monthly growth in unique search engine visitors of 42%. SEO traffic comes to both general guides and very local guides, and visitors from search engines are almost twice as likely to become authors compared to visitors from other sources.

Many of the visitors who become guide authors maintain their own blogs and contribute to other sites. A popular feature that has been very effective for us is the ability of an author to place a guide 'widget' on his or her blog. Through this and other means, authors and visitors are out there talking about Guidespot. This generates a lot of inbound links, which are good for SEO, and the socially-connected user is also likely to use social bookmarking sites such as Stumbleupon, Reddit and Digg.

While we have not found individual links coming from social bookmarking sites to have a lot of SEO value, bookmarks can generate a huge amount of traffic. Many of those visitors go off and link to the same pages on other sites, so even though the quality of each link may not be great, a sustained ranking on Digg or elsewhere can create a lot of inbound links and general buzz.

Each of these factors contributes to the others. SEO ranking generates traffic. Traffic converts to authors and fans. Authors create content and both authors and fans create links. And links improve SEO ranking. While we could drive more traffic growth with additional marketing and ties to other strong online brands, this virtuous cycle has been enough to make Guidespot one of the most successful social-local sites in terms of first-year aggregate traffic and growth.

Driving Revenue

We have experimented with a number of different ways of generating revenue from the site, some successful, some not. At a high-level, we continue to struggle with the fact that there is very little good local ad inventory available. Visitors to our site show an affinity for local content, and often have a commercial interest in local business. Nonetheless, much of our monetization comes from low-value CPM media. This is because there do not exist local ad products in our market that are commensurate with the value of driving leads to a local business.

Our situation would be very different if we had a relationship with the advertisers themselves, but we are reliant on partnerships with local directory publishers. Guidespot only supports business listings in the US market, and no directory publisher here has a functional system for allowing third parties to monetize business views and clicks. We are using the best such product available, and fewer than 10% of business clicks can be monetized. We are optimistic, however, as we are discussing opportunities with several partners for improving business view monetization. We have also had some success with incorporating syndicated content into guides, for which we get paid by the syndication partner. An example of this is Citysearch guides, which we create by combining Citysearch data with our own editorial content.

We serve CPM-based display media on the site, though we also suffer here for the fact that there is little good local inventory available. The best we've found at this point are travel-related ads, which provide an eCPM of around \$3, not bad for a social site, but not a great source of revenue either. We are in discussion with several ad networks who are building local inventory, so this is likely to change in the next year. We also place Google AdSense ads on the site, which perform roughly similar to display.

We are also looking at paid sponsorships based on the guide category or tags associated with the guide. In this case there will be some sponsor branding around the guide, but the sponsorship does not interfere with the content of the guide. Our intent is to find sponsors who have an active interest in guide topics, and seek to engage with the guide community. Brands that evoke passion and have relevance to location are an ideal fit. A sponsorship test is in the works.

Conclusion

Based on our experiences thus far, our plans for Guidespot for the year ahead include:

- More and easier methods for contributing content.
- Develop sponsorship relationships.
- More integration with social networks and more methods of social interaction on the site.
- More personalization around location.
- A location-based interface designed for mobile.

To summarize what we have learned:

- Content: paying to get things going is OK, but content needs to be relevant and useful to users.
- Community: hire a super-connected social maven, and be genuine.
- Traffic: takes time, but if you get the content and community right you are most of the way there.
- Revenue: market rates for online advertising won't be enough – relevant local business ads have the most potential if you can set pricing consistent with other media channels.

One of our goals with Localguides and Guidespot was to build towards a platform that could be leveraged by publishers in different markets around the world. We are in the process of developing such a solution, based on what we have learned and continue to learn. This solution is Destination Search Social Edition, a customizable social-local web property that builds upon the features of Guidespot as well as learnings from our local media clients. As part of this solution we offer the services to help our clients build a thriving community of loyal visitors and contributors.

¹Localguides.com was replaced by Guidespot.com in March 2008. There exists now a site using the domain name localguides.com which is operated by Local Matters, but it is similar in name only.

²Business Week, June, 2007



About Local Matters, Inc.

Local Matters, Inc., with more than 40 customers in 18 countries, provides specialized technology products and media services that enable Yellow Pages publishers and Directory Assistance service providers to capitalize on emerging opportunities in the local search market. Local Matters' products and services are designed to allow its clients to deliver improved online and voice-based local search services, creating expanded advertising and other revenue opportunities. Visit the company at www.localmatters.com

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