



Local Search: Effective Marketing Channel for Companies Big & Small

By Joe Laratro, Chief Technology Officer
www.MoreVisibility.com



Local Search is a type of search that displays Web results based on keyword queries relative to geographic locations. This is a broad type of search result that is not restricted to the traditional Search Engine or Portal. This Search Engine Marketing Channel is most important for service based businesses that serve distinct and limited regions.

Types of Local Search Results

Online Yellow Pages – This information is available from some of the major portals and direct yellow page Web sites. A search is performed for a business name or business category keyword. Result sets include company name, phone number, and address. Web sites may appear if that company's Web site is registered with the phone company. Examples of online yellow pages are: <http://yp.yahoo.com>, <http://www.superpages.com>, <http://www.yellowpages.com>, and <http://yellowpages.aol.com>

Search Engine's Local Section – The major Search Engines have realized the value of Local Search and have created new local destinations for the informed searcher. Examples include: <http://local.msn.com>, <http://local.google.com>, and <http://local.yahoo.com>. Each has the ability to register the searcher's location. Then searches will default to the registered local area. This option is better than the broader result a Search Engine might get when trying to map the user's location by their IP address. IP mapping and its challenges will be discussed later in this paper.

- MSN's local is a blend of MSN and Citysearch, forming a localized portal page. Search results are primarily in a Yellow Pages type of format.
- Google's local begins with a map page. Searches yield results that combine a Web site, a yellow page type listing, and a point on a map.
- Yahoo's local combines attributes of both MSN and Google. This section of Yahoo's Web site could easily serve as an Internet user's home page with quick access to local information. Their search results provide subsets of information to address the intent of many different local searches.

Local Search Engines – These are vertical Web sites with mainly Local search in mind. Web sites like <http://www.citysearch.com>, <http://www.truelocal.com>, and <http://www.local.com> fit this genre. Because

of their regional focus, these Web sites have the potential for a better user experience. Reviews and other interactive content add more information to educate the user about the local search results.

Online Classifieds – While online classifieds are the largest source of local search inventory and activity, they will be covered the least in this White Paper. Craigslist, Ebay, Amazon, Local Newspapers, and other online classifieds catalog the local content of the World Wide Web.

What Types of Companies Is Local Search Best Suited For?

Local Search opens a new online marketing channel to many companies because the engines do not require a Web site. This is one of the easiest ways to get involved with search. Though the traffic is highly targeted and relevant. In many instances a conversion would be a phone call or a store visit. Web sites would still be useful for local service based companies. They would serve as online brochures to further inform Web users about the company. Not all local businesses have fully embraced the Web and many do not have the resources to dedicate to maintaining a good Web site.

Business Categories that would benefit from Local Search include:

- Automotive - Dealers, Repair & Service, Trucks
- Computers & Electronics - Internet Services
- Entertainment & Arts - Bars, Pubs, & Clubs, Entertainers
- Food & Dining - Restaurants
- Government & Community - Family Services, Health & Beauty, Doctors & Clinics
- Home & Garden - Cleaning Services, Construction, Repair, Home Improvement, Lawn & Garden
- Legal & Financial Services - Financing, Insurance, Investment Services
- Professional Services - Employment, Animals & Pets, Storage
- Real Estate - Apartments, Real Estate Agents
- Recreation & Sporting Goods - Camping, Golf
- Retail Shopping - Clothing, Baby Accessories & Services, Florists
- Travel & Lodging - Hotels & Lodging

How does Local Search work?

There are several good sources that provide geographical data about companies on the Web. Search Engines can source Infospace (<http://www.infospace.com>, a leader in mobile entertainment, private-label search and online directory.), Phone Company data, IP mapping, and content on the Web sites. The first two have the most reliable sources of information. The Yellow Page listing type has all the information a Search Engine would need to assign a Web site or Company listing to a region. IP mapping is a method to identify a Web site or a user by their IP number. These numbers are assigned based on region and Internet provider. Every computer that is on the Internet has a unique IP number (example: 165.114.242.2). IP mapping is a newer technology that does not give precise enough results. For example, AOL users all share IP addresses from an IP bank in Virginia. Therefore all AOL searches appear to Search Engines that they are from Virginia. Web sites may not be hosted in the area or region they serve. The top hosting companies are located in areas less susceptible to natural disaster, insuring better up-times. Web sites usually contain their location information. The Search Industry has not defined set protocols for geographic data on Web sites. This data would be the least reliable to a Search Engine.

Local Search also has to define the searcher. This is less complicated. The searcher may be automatically recognized by their IP address, but still given the option to select the region they would like to search. Searchers may have to check the settings of the Local Search Engine, and add their location there. Geocentric searching does not have to be only for the searcher's local area. They may be researching destinations and looking for relevant information for that locale. Local Search queries can include city, state, or zip code information. A search on 90210 Pizza will display results for Pizza restaurants in the Beverly Hills, CA area.

Submitting to Local Search

Online Yellow Pages – A basic business telephone listing with a local telephone company should include a Yellow Page listing. Depending on the region, marketers should check the online version of their local Yellow Pages to see if a listing is showing up. This is the critical starting point for a local listing. This data is sourced by many other Web sites. Enhanced listings that include more information like the Web site URL can be purchased through a local Bell account representative. Verizon has a self-serve advertising program available for <http://www.superpages.com>. Advertisers can display paid listings based on keywords regionally or

nationally. Online Yellow Pages also have other creative ways to monetize their listings. Certain types of searches will display limited company info. The advertiser incurs a charge, when an enhanced version of that info (phone number, map, directions, etc) is displayed after a click.

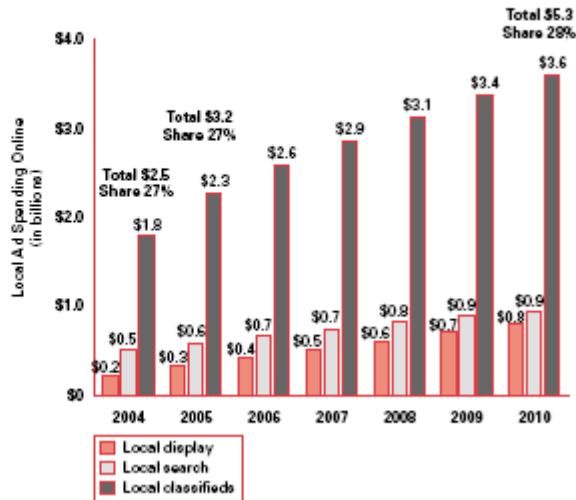
Search Engine's Local Section – Submissions to the major Search Engines for local is difficult to do directly. They are using algorithms and external data sources to provide their results. Corporate Web sites should include their full physical addresses. Local online Yellow Pages Web sites should be checked for corporate listings. These two criteria will assist the Search Engines in categorizing a Web site within a region.

Local Search Engines – These engines have the ability to take hand submissions / registrations or source outside data for their results. Because these Web sites are focused on verticals, they are too numerous and diverse to make specific recommendations on. Discovery of these Web sites may be from word of mouth or by searching on a region in the major Search Engines. Once a business has identified the Local Search Engines in their area, the site should be explored for free or paid listings opportunities.

Online Classifieds – According to Jupiter Research's US Local Online Advertising Forecast, 2005 to 2010, Online Classifieds make up 72% of total local online spending. This content is typically enhanced newspaper classified type ads. The black and white three lines in a newspaper do not compare to the graphical opportunities of the Web. Services or products can be submitted to online classified's Web sites with having a company Web site. An advertiser's listing is "their content" on that Web site. That content may be classified by location to drive local conversions.

Local Display Ad Spending Small but Fastest Growing Segment

Fig. 3 US Local Online Advertising Spending on Classifieds, Search, and Display



Source: JupiterResearch Internet Advertising Model, 7/05 (US only)
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Sponsored Listings (PPC or PFP) – The Pay Per Click Search Engines are continuously evolving. One of their specialized distribution channels is Local Search. It is possible to target keyword campaigns based on geographic constraints. This channel addresses the needs of their advertisers who want to appeal to small, targeted audiences based on their location. National and Local campaigns should be setup to complement each other. National targeted campaigns for local search should include geographic information as part of the keyword phrase. Locally targeted campaigns should include the broader, more competitive, or category type keyword phrases that will only be displayed to searchers in that area.

For example, a tax attorney in San Jose, CA has a Web site and wants to generate leads for new clients. The national campaign would include keyword phrases like San Jose tax attorney, Silicon Valley tax attorney, San Jose tax services. The local campaign would target tax attorney, and tax services, but only be displayed to Web searchers within the identifiable area of San Jose, CA. This type of advertising scenario covers both the local searcher and a searcher looking for information on another local area.

Local sponsored listings have widened the door to precise online marketing. Through local, demographic, and behavioral targeting, we will see the next generation of PPC search opportunities.

Pay-Per-Call Programs – Sponsored listings are about as efficient a marketing channel as could be desired. They were not designed for local businesses without a Web site. Pay-per-call programs are developing to meet several needs. One of these needs is to provide a paid channel for local businesses to market on the Web without a Web site. Pay-per-call systems can be used to have local listings and be charged every time someone calls the number in the listing. This technology can be integrated into any online yellow page type listing. The two major players in this industry right now are Ingenio.com and Jambo.com. The major Search Engines are also investing here and with VOIP (Voice over IP – basically free phone calls through the Web).

Pay-per-call programs will have higher costs per conversion when compared to a sponsored listing cost per click. The difference is that a step is being cut out. A click has to then convert which may be a call, form, or sale. A pay-per-call lead is a more qualified first conversion step than a click. Typical conversion rates from sponsored listings clicks can range from 5% to 10% depending on the industry.

Summary

In the past, Search Engine Marketers targeted local search through the use of geocentric keywords. The Local Search option increases keyword inventory and availability. Geocentric keywords can still be used, but now localized campaigns can be setup with broad keywords. New Search Engines designed for Local Search are gaining user ship. Local Search has an exciting future: bringing more people and businesses online, enhancing the online experience, and creating new targeted advertising opportunities.