

Intermediaries Can Fulfill Promise of Local Search

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This is part two of a two-part series.

Consumers are increasingly searching online for local businesses. How will local businesses take advantage of this shift in customer behavior?

Part one of this series gave an overview of the rapidly transforming online local search advertising marketplace. This part will present ideas on how best to overcome obstacles in reaching out to local merchants and to facilitate the realization of the online local search hype.

The intermediary's role. Part one described the dynamic and increasingly complex state of online local search advertising. This state creates a great opportunity for intermediaries to step in and be the ones to make the waters of online local search friendlier and more familiar. They can be the catalysts to drive local advertiser migration to online vehicles and bring balance relative to the level of customer migration to these vehicles. The ideal roles of such intermediaries include broker and bundler, facilitator and implementer, measurer and optimizer, and aggregator and negotiator.

With so many options, an honest broker may be crucial to explain the pros and cons of the various choices and to direct local merchants to the most effective vehicles for generating leads for their particular business. But probably the broker that offers local merchants a "best of bundle" combining a number of these advertising vehicles into one easily understandable, affordable and familiar package will be most successful. Such bundles could include Internet yellow pages and local guide listings, pay-per-click keyword campaigns, etc., all from different vendors, but repackaged into a single lead-generation program that is simple and measurable.

Such programs will require much effort by intermediaries to set up and manage the many client accounts with the various vendors, but over time these intermediaries are sure to develop the relationships and applications needed to streamline the processes.

With an ever-increasing client base, these intermediaries will be able to negotiate with the ad vehicles from the strength and size of their combined whole to acquire favorable terms and, in turn, offer more favorable rates to their clients, thus developing a self-reinforcing cycle.

Measuring success locally. The key to bringing local merchants to the online ad world and securing the position of intermediaries in the process will be the ability to provide concrete metrics of performance across the spectrum of vehicles.

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Much of keyword search PPC's success with Internet-based businesses can be attributed to the specificity and transparency of its value proposition measured individually with clarity in terms of actual click throughs. This is an obvious advantage over printed yellow pages, where no solid metric exists to evaluate the effectiveness of ad listings.

But what happens to the PPC advantage when, as is the case with the majority of local merchant advertisers, a business has no Web site to click to? And what happens when, as is usually the case, even local merchants who have a Web site (or an IYP, PPC or local search created "landing page") see little value in getting someone to click to their Web page since their goods or services are not *e-commerce-able* commodities?

The majority of local merchants are most interested in receiving a phone call. PYPs, without being able to measure specifically how many calls advertisers get from their printed yellow pages listings, nonetheless sell the ad listings based mainly on just such expected incoming telephone inquiries.

With the incoming phone call being the value metric of choice for local merchants, IYPs as well as PPCs and local guides — and therefore, intermediaries — also are essentially looking at the same problem: how to track and measure effectively the value of online local advertising in terms that the local merchant readily comprehends and relates to?

The most logical solution is to make the phone call the value metric for local search. This combines the most attractive aspect of PPC advertising with the visitor value action that the advertiser actually values.

Companies in the "click-for-talk" space such as ZiffTalk.com (previously Click-4Talk.com) and eStara offer systems that can provide such a solution. For example, an intermediary can use the ZiffTalk system for a local merchant client and, within any local search ad vehicle, replace any phone number listing or Web site hyperlink with the client's unique ZiffTalk phone-link icon.

The phone-link icon directs to an automatic, customizable landing page URL that, in turn, serves to connect the customer's phone line to the client's phone number. All customer calls (the value action of choice) from an IYP, local guide or PPC ad are fully tracked.

Intermediaries then can clearly track and measure the relative values of the different ad vehicles in terms of phone calls generated, and show clients the value to them in terms they are comfortable with.

The analytics made possible by the click-for-talk system naturally would lead to the intermediaries' ability to steadily improve and optimize their advertising bundles. And as intermediaries become comfortable with their product, it may be they who fulfill the promise of the PPC model in local search, when they begin pricing their bundles to clients on a "value-per-incoming call" basis.

More people are turning to the Web in their search for local merchants. More ad vehicles are being created for local merchants to reach these people. The promise of online local search advertising is huge. But the proliferation of the ad options for local merchants may hinder the ad spend transition from offline to online in the short term.

Intermediaries are necessary to simplify the process for local merchants. New technologies connecting the Internet and the phone that enable tracking and value measurement of local search advertising will be needed to appeal to local merchants' unique requirements. Intermediaries will drive the implementation and use of these

technologies, in turn driving the migration of local merchant ad dollars from print to digital.

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