

Search Engine Strategies New York

Local Search: Are Partnerships the Key to Success?



Bruce Crair President/COO Local.com Corporation



"Local search is a huge opportunity.

The local newspapers are in a great position to own it... but they don't.

The Yellow Pages could own it online... but they don't.

The big search engines could own it too... but they don't.

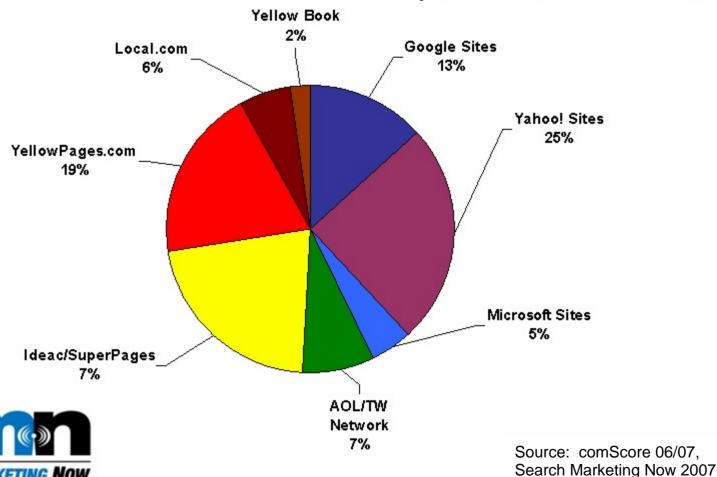
It is one of the last great online markets up for grabs."

Don Dodge, The Next Big Thing (January 2007)

There is huge fragmentation in Local Search today!

Huge fragmentation in Local Search

This doesn't include local searches performed on the main search sites



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1

Consumer search is 'LOCAL'

- About 80% of our income is spent within about 50 miles of our homes
- 38% of all searches today are commercial¹
- 24% of all searches today are local AND commercial

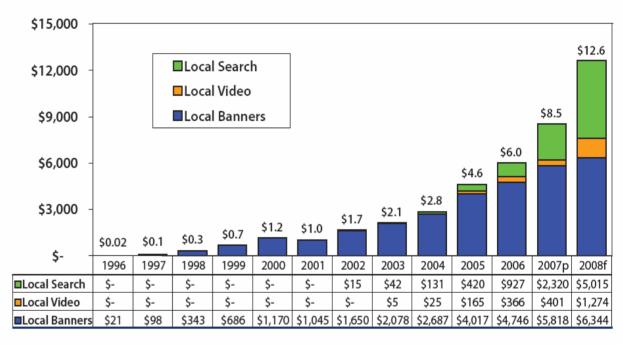
2

Local searchers **CONVERT** into buyers

Search advertising WORKS

- Only ~700k advertisers in paid search today
- 10MM+ US, 25MM intl bus. NOT in paid search²
- Adoption of search advertising by local businesses will drive rapid revenue growth

Local Online Grows to \$12.6 Billion in 2008 As Paid Search Rivals Banners



Source: Borrell Associates Inc., as per Q3 2007

- The future of search advertising is LOCAL
 - 95% of the potential local search advertising market today is untouched
 - Local search projected growth from \$1.5BB (2006) to \$6.2 billion (2010)³

¹ JupiterResearch, Paid Search Through 2009, August 2004

² The Kelsey Group, February 2006

³ The Kelsey Group, February 2006

The Network Effect...

"A Network effect is a characteristic that causes a good or service to have a value to a potential customer which depends on the number of other customers who own the good or are users of the service."

Source: Wikipedia

There is a network effect occurring for...

- Advertisers
- Customers
- Publishers

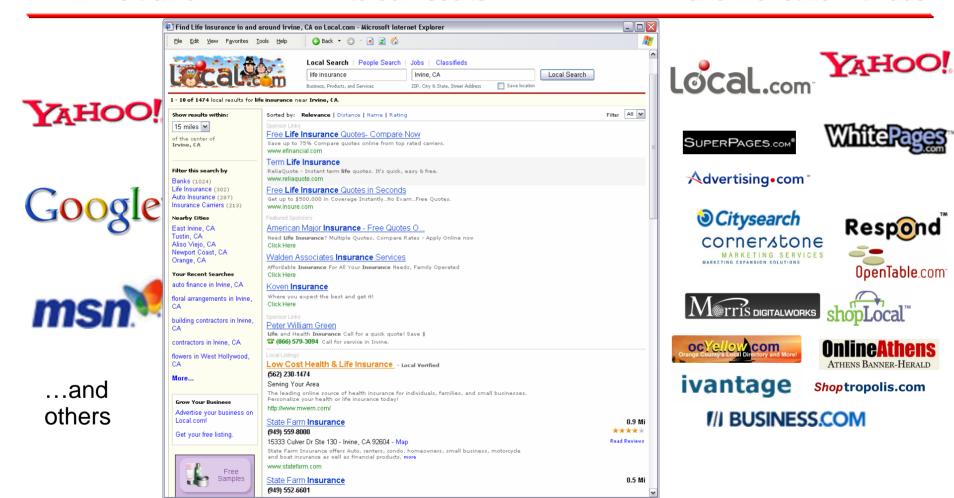


The Network Effect for Advertisers...

Drive traffic

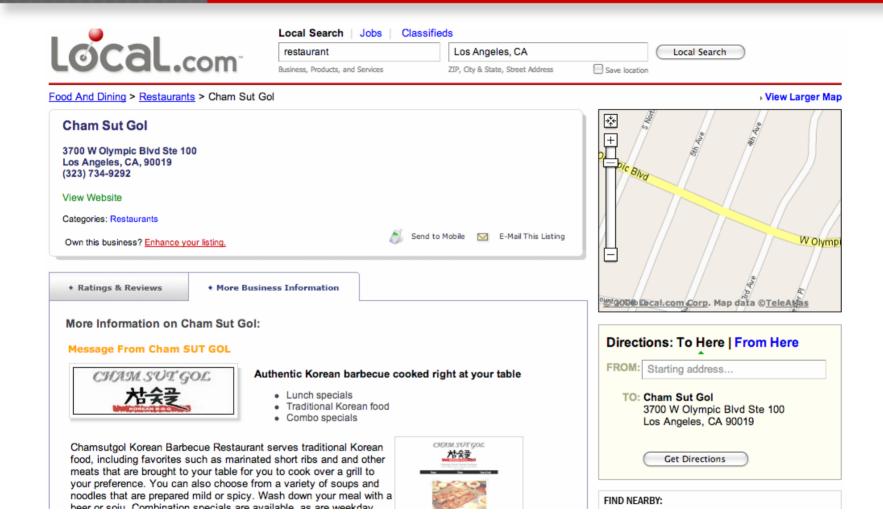
to our results

and monetize with ads



Advertisers win by more customers seeing their ads...



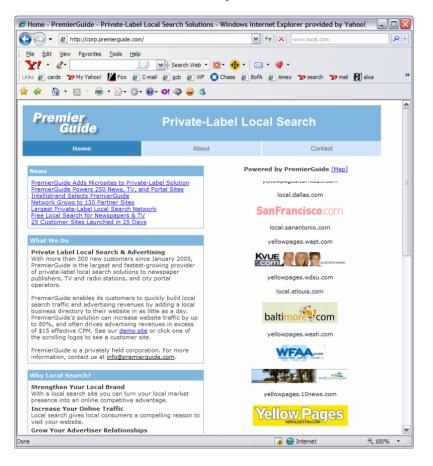


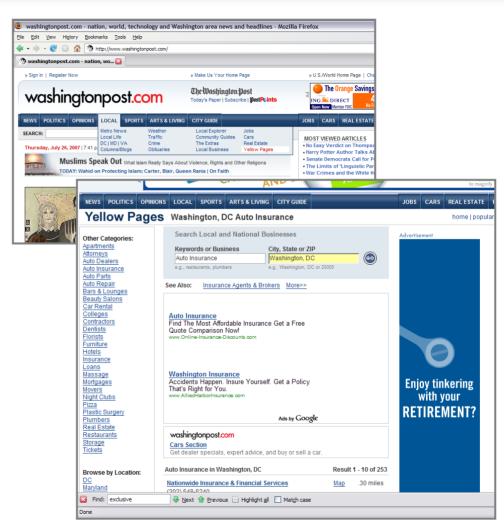
Customers Win by Getting More Detailed Information



...And the Network Effect for Publishers

- Local search network with private label business directories on 570 + regional media sites... "Powered by Local.com"
- 4,000,000+ visitors per month





And Because This is All Based on Performance Advertising...

Everyone Wins!



Local search for businesses, products and services!

Thank You

Bruce Crair - President/COO

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