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# Yelp’s Key Competitors

<table>
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<tr>
<th>Company</th>
<th>Description</th>
<th>Key Points</th>
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| Yellow Pages  |             | - Long industry history; publishing as early as 1885, entered digital market  
|               |             | - Primary focus is to provide business information to users, not recommendations |
| Michelin      |             | - Publication started in the 1900s  
|               |             | - Relied on reviews of Michelin’s anonymous inspectors hired by Michelin  
|               |             | - Highly rated but focused only on large cities and top tier markets |
| Chowhound     |             | - Founded in 1997 as an online message board  
|               |             | - Allowed users to interact with one another by posting inquiries and responses  
|               |             | - Users could also generally post about experiences  
|               |             | - Businesses did not have their own pages but rather cities had forms people posted to |
| Citysearch    |             | - Featured user reviews similar to Yelp!; however, Citysearch’s editorial was the focus  
|               |             | - Recovering from initial losses, they had become quite successful (via a sales force) |
| Google Local/Zagat |         | - Acquired by Google to be integrated in Google Maps  
|               |             | - Google local would later be incorporated with this data |
CURRENT EFFORTS
Currently relies on the online Ad Market worth $50 Billion, dominated by Facebook, Google, Yahoo!

Relies solely on business and external advertisers to monetize content:
• Featured ad space (could be placed on competitor’s page as well)
• Conversely, you could pay to have competitors’ ads blocked from your page
• Advertising package

POSSIBLE FUTURE IDEAS
Monetize data to business
• Yelp could provide at charge customer data (non-personal) to help businesses better understand their customers
• In addition, information could be utilized to build a CRM with purchasing functionality

Online Ordering
• By adding online ordering into the website, Yelp can capture revenue from the business’s actual sales (this would be charged service to business)

Integrate with Apple iOS
• Yelp currently drives 75% of traffic from Google. By integrating with Apple iOS they can drive unique visits that are not derived from their own competition.

Source: http://www.businessinsider.com/yelp-it-has-no-clear-path-to-profitability-2012-3
CONSUMER DECISION MAKING

- Needs Recognition
  - Markets itself through social initiatives
  - SEO optimization garners traffic
  - Culture developed where consumers now require input in their decision making process.

- Search for Information
  - Summarized information regarding businesses help consumers narrow searches down significantly (ex: dollar rating for cost, star rating for overall quality)
  - Reviews assist those looking for deeper insight.

- Evaluation of Alternatives
  - While Yelp does attempt to drive traffic towards businesses that pay for advertising as a featured business, it will still provide all options to the consumer.

- Purchase Decision
  - Customer is guide to purchase decision by defining each business on three key metrics:
    - Average star rating businesses derived from the overall quality of reviewers’ experiences
    - Average cost rating. Assigned by 1 to 5 dollar signs indicating the business’ pricing category.
    - Customers seeking insight into the experience of the business can read the reviews of prior

- Post-Purchase Evaluation
  - Yelp provides a venue for the customer to now voice their opinion over the purchase they have made and indicate their displeasure or satisfaction.
THE ELITE

- In their placement of reviews, those with Elite status are valued *above* others and while they bear the same weight in the average rating of a business, their reviews are positioned *higher* to drive the consumer decision.
- Status earned through high volume of high quality reviews.

BENEFITS OF THE ELITE MEMBER

- Yelp has developed a subculture of “Yelpers” or those who frequent yelp for their consumer decision making process. In this culture, the title Elite is worn as a badge of honor.
- As a bonus, Yelp partners with businesses in large metropolitan areas to hold Elite events for those baring the title in that region. The goal is to drive social interaction amongst Yelpers while rewarding them for their contributions.

BENEFIT TO YELP!

- Yelp utilizes Elite members as its premium reviewers.
- They are not bound to any particular class of business and provide quality reviews that Yelp needs to drive traffic.
CUSTOMER SATISFACTION: YELP’S ROLE

Accountability / Quality Control
Yelp holds businesses accountable to their quality. Anyone can be a yelper or even an Elite. Businesses need to control the quality they present to every customer as their negative review could hurt the business while positive reviews can lead to growth.

Resolution
Yelp allows registered businesses to respond to reviews. This allows the business the chance to correct mistakes publicly or discredit negative reviews as a one-off and not akin to the standard experience.

Continuous Improvement
Yelp reviews, especially those from Elites, can provide valuable insight for businesses to improve upon. Trends in reviews can be seen by the business as focus points and new goals can be set.