



Case Study: Local.com

THE CHALLENGE

The Interchange Corporation™ (NASDAQ: INCX) brought a new pioneering spirit within the early days of national Internet search. At a time when consumers were discovering the luxury of using search engines like Google™ and Yahoo™ as a starting point for navigating Internet information, Interchange developed a national business search engine, ePilot™, where consumers could find business information such as products and services.

As consumers became more aware of the Internet’s enhanced local directory functionality the switch from printed Yellow Pages™ to running an online search started to become more apparent. To capitalize on this opportunity, Interchange would have to adapt its national search capabilities for a “flower shop” and add in a local aspect “flower shop Los Angeles” while maintaining user experience and developing a new revenue model.

Local Search

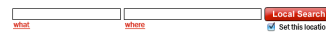
The executive team sought to capitalize on this very early stage opportunity by positioning itself as a leader in local search. With just over 18 Million

known business in the United States in 2006, providing a great user experience and relevancy scale would be no small task.

The executive staff at Interchange reached out to the principal of Visionary View™, Greg Bozigian, to bring their vision of transition from a national business search engine into a local business search engine, into product reality. Tasked with managing the product requirements, design and development, through initial beta launch, Greg ultimately help lead to not only a new product but to a new organization as well, Local.com™ (NASDAQ: LOCM).



Simplifying the home page theme added a stronger call to action and a more inviting user experience



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A challenge in managing any new media product is the user experience. There just isn’t a second chance to “WOW” a user.

KEY RESULTS

1.2MM page views September 2005

1MM unique visitors ; 4MM page views-October 2005

The Fastest Growing Website according to comScore™ -October 2005

5MM unique visitors ; 21MM page views-November 2005

6.9MM unique visitors ; 33MM page views-December 2005



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THE SOLUTION

Being tasked with an executive vision to completely develop an entirely new local search engine from scratch requires extreme flexibility with a carefully managed creative balance. Local.com™ strived to position itself as the first destination on the web where consumers looked for local products and services. To accomplish this, Greg started with a base data set that had the ability to provide an excellent user experience as well as several revenue generating opportunities.

Base Data

As with any new website or web application, first impression user experience is key. With the site's launch came a problem; no paying advertisers or paid directory listings yet. To overcome this challenge and not serve up 1-2 listings results pages, a strategic data partner with a large robust database of the United States business had to be constructed. This partner, Acxiom was also seeking quality destination sites to increase Internet distribution. Along with the 18+MM Points of Interest (POI) this relationship supplied an enhanced listing revenue model as well. Local.com™ was now able to provide multiple pages of search query results maintaining user experience and the a direct product offer, to business's who were listed, the ability to enhance their display data and provide deeper profile information.

Advertising

As Local.com™ would grow in popularity, monetization would be key. Keeping a product management focus and remaining dedicated to the target audience, the consumer, Local.com™ developed key search algorithms to help ensure relevant and accurate results were delivered upon each search query. Developing the product requirements to include a modular architecture that could not only accept numerous advertiser data sources and be intelligent enough to sort by relevancy and keyword bid amount became paramount. By accepting dynamic XML advertising feeds from partners such as Yahoo™ and Verizon Superpages™, Local.com™ had a scalable solution for monetization from inception.

The Click Path

Always developing “through the consumers eyes” the click path (the possible ways a visitor can find and interact with a website or application) became an ongoing area of focus. Product management became focused on two potential click paths; from a search engine and direct type in traffic.

Being found from a search engine result such as Google™ when a user submitted an example query for “flowers in Los Angeles” needed to generate a “3 clicks to gold” relevancy path:

1. The user submits the query [click]
2. Relevant results are displayed [click]
3. Business profile is shown [click]



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In order to achieve this, the product requirements had to ensure that Local.com™ directory listings were searchable and index-able by all major search engines and that each result had a detailed profile page containing business information valuable enough to provide a great user experience.

Direct type in traffic, (opening a web browser and typing in www.local.com) needed to have a similar “3 clicks to gold” relevancy path with an additional component, a simple and targeted home page call to action. Establishing the suggested user action immediately upon first view is key to driving higher conversion rates. After split testing from numerous focus groups, a simple, 2-query search box was implemented and detailed out in the product design specifications. The first box asked for a “what” as in what was being searched and the second box asked for a “where” as in the city, zip code or landmark to search for nearby results. Limited text and links were included on the home page to help ensure that users would take the suggested course of action and begin their experience.

THE RESULTS

It worked! After a five month product development cycle user adoption, partner interest, and website traffic were all successful. From the March 2005 purchase of the domain, Local.com™, to the August 2005 beta launch results were quick to follow. Local.com™ surpassed 1MM unique visitors and over 4MM page views in

October 2005, up from nearly 600K unique visitors and approximately 1.2MM page views for the entire month of September 2005 according to third party reporting systems.

In November of 2005, Ingenio™ launched Pay Per Call® Distribution and ShopLocal™, LLC, the leading provider of Web shopping services and local shopping information, became a partner providing enhanced data for more than 16MM business listings.

Local.com™ November 2005 traffic numbers reached 5MM unique visitors and over 21MM page views.

In December 2005 Local.com was recognized by industry-leading Internet audience measurement service, comScore™ Networks, as being the fastest growing property by percentage growth (251% increase) in unique visitors between October and November 2005.

Local.com™ December 2005 traffic numbers continued to increase reaching 6.9MM unique visitors and over 33MM page views.

Partner relationship success was achieved once again in January 2006 when Contractors.com™, the leading website for consumers to research and find a local contractor, announced an agreement for a content partnership of its proprietary contractor listings and user reviews database of more than 1.1MM nationwide contractors.



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About Visionary View

As performance product managers, we believe New Media provides an organization with an opportunity to develop applications that enhance people lives. We aren't one resource trying to do it all, but an entire team of world-class strategists, product developers, product managers, designers, and project managers.

Our mission is to help pioneering Internet and New Media organizations better fulfill their missions through improving user experience and expanding their audience reach. Visit us at: www.visionaryview.com
