



Local Data Hub: The Future of SMB Websites

Greg Sterling
Joe Morsello
Courtney Dobson

Local Search Association

Commissioned by





Local Data Hub: The Future of SMB Websites

Executive Summary	3
Introduction: Websites Still Matter	4
Websites Support Buying Decisions	5
Figure 1: Consumers rely on websites in purchase decision-making	5
Figure 2: Most helpful local media source	6
SMBs Want Better Websites	7
Figure 3: Small business website priorities in 2017	7
Consumers Want Deeper Information	8
Figure 4: Info consumers seek when making purchase decisions	8
Websites Complement Review Sites	9
Figure 5: What is the typical next step after you read a positive review?	9
Websites as 'Local Data Hubs'	10
Figure 6: The Local Data Hub	10
Expanding the Definition of Data	11
The Websites in the Value Chain	12
Figure 7: Demands Across Local Data Value Chain	12
Don't Miss the Opportunity	13
Websites Today – and Tomorrow	14
Conclusion: Data as the foundation of the local stack	15

Executive Summary

Websites are the original digital marketing platform for small businesses (SMBs). But today their relevance is being questioned amid the dominance of Google and Facebook and a few others.

This black and white, either-or thinking is flawed. Websites are ground truth for local data and support search engines, virtual assistants and third-party directories with authoritative content. Websites are also unique in their potential to capture customer data. And they're the only digital asset actually owned by the local business.

There's clear evidence consumers continue to rely on websites to help make purchase decisions. The LSA-sponsored Local Media Tracking Survey (2018) found that 71% of US consumers used a company website in the past month to obtain local business information. Additional survey data reveal websites continue to be the top marketing channel for SMBs.

“... 71% of US consumers used a company website in the past month to obtain local business information.”

But there's a problem: most SMB sites are superficial, slow or poorly designed. Rather than static brochure-ware, well-designed small business sites can become dynamic Local Data Hubs, enabling the flow of accurate local business information across the internet and aiding discovery among ready-to-buy consumers. Instead of being relegated to the margins, the Local Data Hub envisions websites at the foundation of the local stack.

But in order to realize the Local Data Hub promise, SMBs need the help of their digital services providers. Service providers can use aggregated customer data to improve the overall quality and utility of SMB sites and deliver more sophisticated digital marketing strategies for their SMB customers.

The Local Data Hub requires a shift in thinking about the function of SMB websites. But it's a critical shift that both local business owners and their digital service providers must make.

Introduction: Websites Still Matter

Websites have always been at the center of a successful online strategy. But as attention has shifted to mobile, some marketing experts are questioning the value of websites.

What matters instead, they argue, is getting business data into the big platforms: Facebook, Google, Apple Maps, Bing, Yelp and a few others. These are the online destinations and apps consumers will most likely use to access local business information, according to this logic.

Furthermore, the majority of small business (SMB) sites aren't mobile friendly enough for impatient smartphone owners. Mobile users are more inclined to get opening hours, location and contact details from a Google or Apple Maps or Facebook Pages than they are to click through to an SMB website.

“It’s a false choice to see websites on one side of a bright line and Google or Facebook on the other.”

There is certainly truth in these arguments. Google and Facebook dominate mobile user attention. They are adding tools (e.g., booking), content and other services to enable transactions on their platforms. Yet it's a false choice to see websites on one side of a bright line and Google or Facebook on the other. It's also critical to not rely exclusively on the big platforms, whose rules and algorithms often change without notice.

Websites represent “ground truth” for local business information. They're instrumental in getting accurate data to third-party sources and they can offer much more content depth than a snippet or a Knowledge Panel. They also function as critical collection points and repositories of customer data for sales and marketing purposes.

Well-designed SMB websites can operate as Local Data Hubs where valuable data flows in and out. And they're the only online asset—this point can't be emphasized enough—totally controlled by small business owners themselves.

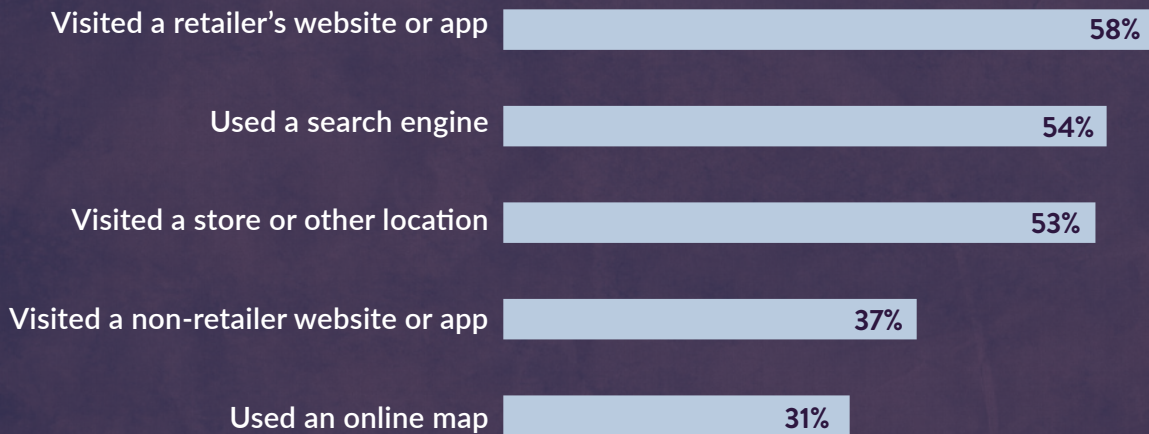
Websites Support Buying Decisions

With all the focus on social media, third-party apps, business listings and structured search, it's easy to forget that a website is the single online asset a business actually owns and controls. From content and messaging, to products and services, the site owner is in control. It's the one place online where SMBs are able to genuinely tell their story and present their identity and brand vision.

This is in marked contrast to search results, directory listings, mapping sites or social media pages, whose formats and content change based on the needs of the platform, rather than business owners. Several years ago, at a meeting of small business leaders in California, Facebook argued that a Facebook Page was the only mobile presence a small business needed. Yet relying entirely on third-party platforms holds considerable risk for local businesses.

There's clear evidence consumers continue to rely on websites, along with other resources, to make purchase decisions. For example, a 2016 Google/Purchased Digital Diary survey of 1,000 smartphone users found that 58% visited a retailer's website or app prior to making an in-store purchase.

Figure 1: Consumers rely on websites in purchase decision-making



Source: Google/Purchased Digital Diary, 2016, n=1,000 Smartphone Users

More recently, the LSA-sponsored Local Media Tracking Survey (2018) found that 71% of US consumers have used a company website in the past month to access local business information. One-quarter of consumers reported turning to websites when ready to buy, the highest percentage of the 13 media channels analyzed in the study. Websites were also second only to search as the “most helpful” local media resource.

Figure 2: Most helpful local media source



Source: Local Media Tracking Survey (2017) Burke for LSA, n=8,000 US adults

There are numerous other studies that show consumer reliance on websites as part of the purchase journey. According to the *The Why Before the Buy* study (2016) commissioned by YP and conducted by Thrive Analytics, 30% of more than 5,000 adults said they would not even consider using a business that had no website.

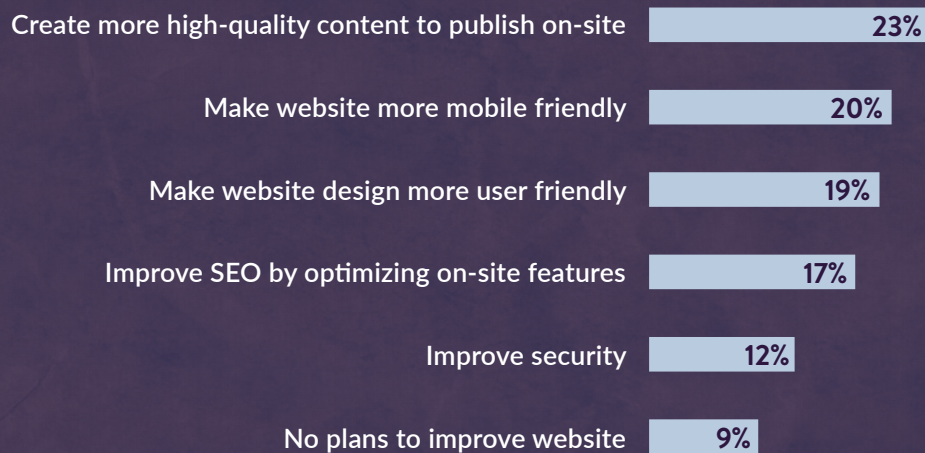
SMBs Want Better Websites

Local businesses have historically seen websites as a key component of their online marketing. A 2009 Vistaprint survey (300 SMBs) found that “building company website” outranked other choices in terms of where SMBs would invest more money or time if they had it. Almost a decade later, a 2018 survey from BrandMuscle reported “website” as the top marketing tactic used by both single location and multi-location small businesses.

While some SMBs may be motivated by vanity, the desire for more effective sites is practical and maps directly to the bottom line. Accordingly, SMBs have a list of upgrade priorities for their sites: high-quality content, mobile and UX improvements and better optimization for search (Figure 3).

Taken together, these findings demonstrate that business owners recognize the value of well-designed websites and, by extension, their role in consumer purchase process. Better websites with better content translate into higher consumer confidence and more sales—online and off.

Figure 3: Small business website priorities in 2017



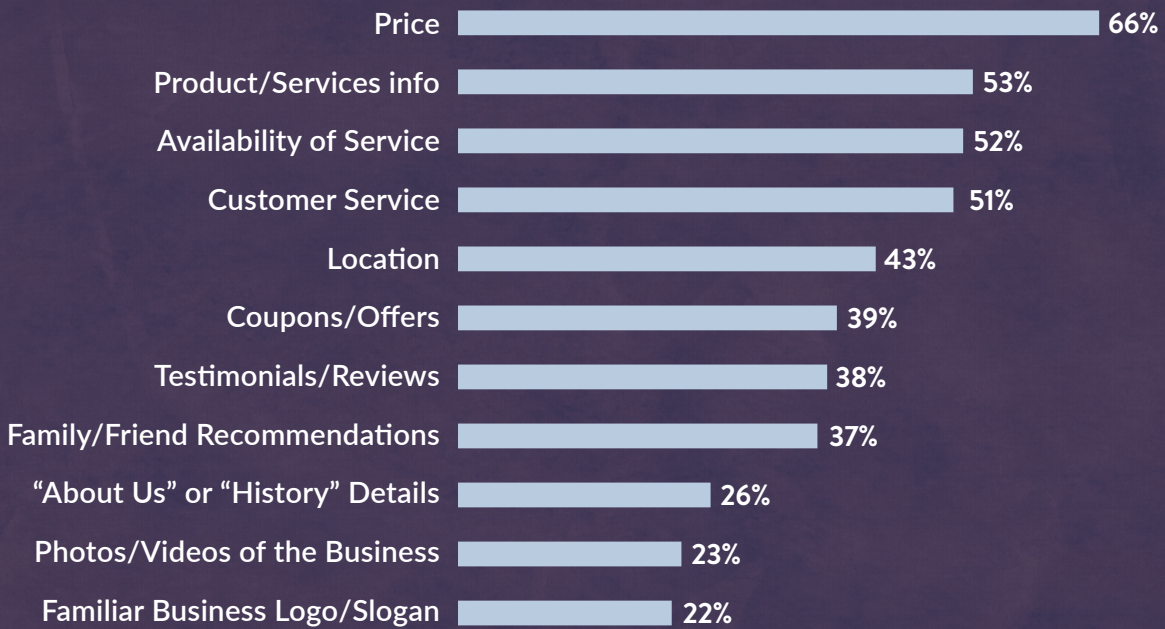
Source: Clutch Small Business Web Design Survey (2017), n=235 SMBs

Consumers Want Deeper Information

Search engines and social media offer general information, such as hours of operation, contact details and other top-level data. They also have reviews and, sometimes, scheduling capabilities or access to menus. They generally don't show deeper information, such as pricing, product inventory, services provided, examples of work performed, company history and so on. However, as consumers approach the bottom of the funnel, they seek out these more in-depth details and information.

According to the *Why Before the Buy* study, ready-to-buy consumers want pricing information (66%), product or service details (53%) and scheduling availability (52%). Many consumers (26%) also want to know background information about the business and its history.

Figure 4: Information consumers seek when making purchase decisions



Source: YP/LSA/Thrive Analytics, 2016, n=5,418 U.S. adults

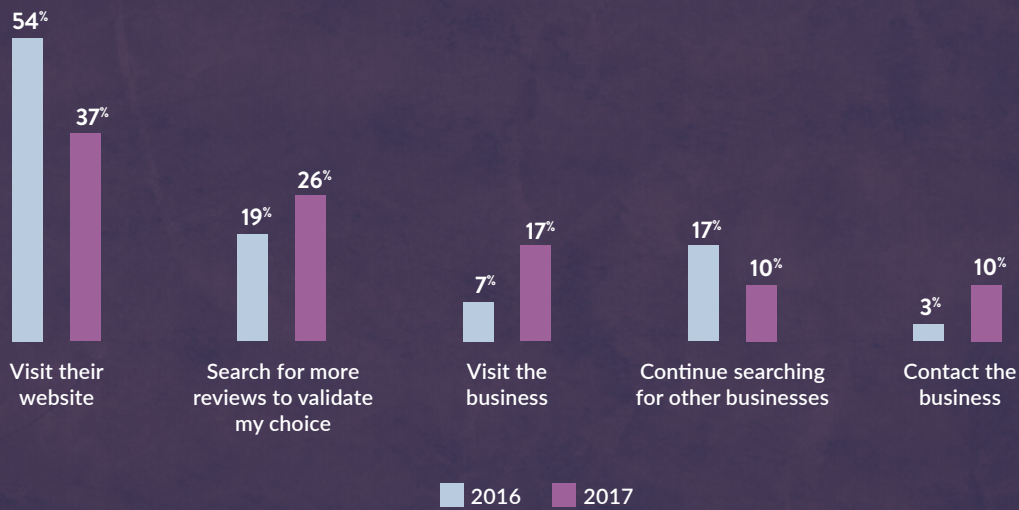
Consumers that click-through to SMB websites are looking for richer content and product or service information. The basic information they get from Facebook Pages or Google search results is useful but incomplete. And as search engines increasingly present richer local information to users (i.e., Knowledge Panel, featured snippets) most of it comes from websites.

Websites Complement Review Sites

Regardless of how a business is found (e.g., search, word of mouth, traditional media) most consumers will further investigate or validate the business with online reviews and by visiting that business' website. Supporting this, UK-based SEO firm BrightLocal found that 54% of consumers surveyed visited a website after reading a positive online review in 2016. The 2017 edition saw a decline in those who went to a website after reading a positive review (37%); however, it was still the most common next step in the process.

The survey authors speculated that the decline was a function of consumers visiting a store or calling the business directly without first going to its website. This is partly because basic information about phone, hours and directions are now being provided by search engines.

Figure 5: What is the typical next step after you read a positive review?



Source: BrightLocal Local Consumer Review Survey 2017

It's clear that websites support consumer decision-making after discovery on third-party sites or apps. They also supply most of the content that consumers are seeing in search results. So even if not directly accessed, website data and content are being consumed in search. Rather than begin an afterthought or marginal to consumer decision-making, the data residing on websites is central to a multi-channel consumer strategy.

Websites as ‘Local Data Hubs’

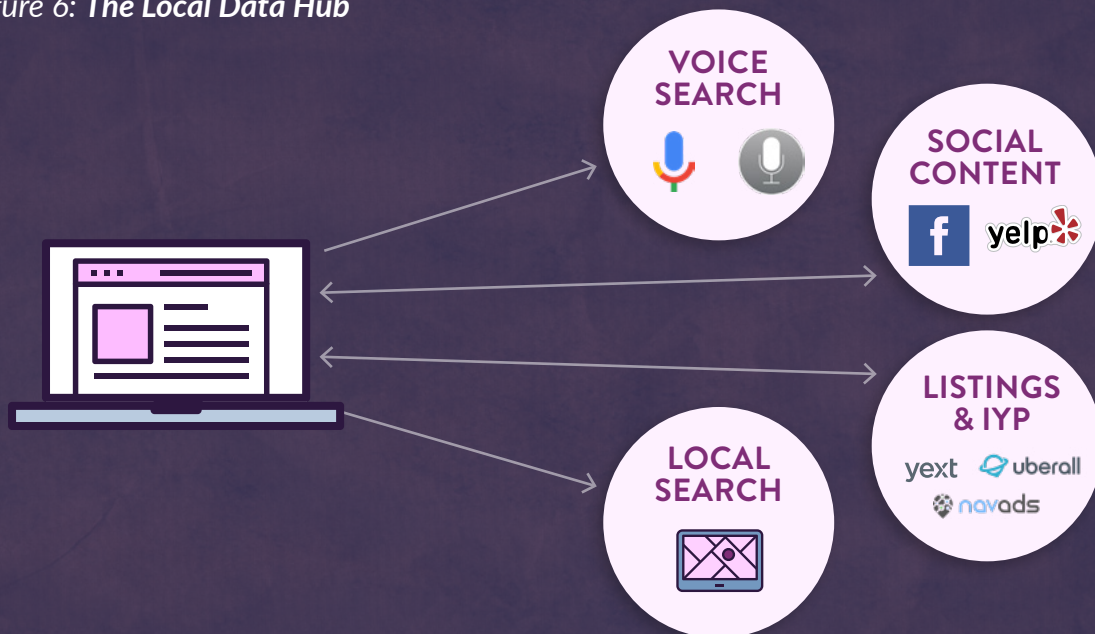
As indicated, one of the critical roles a website now plays is providing authoritative local content to search engines. Local business data historically meant name, address and phone number. But the definition of local data has expanded to include products and services, images and video, secondary business attributes and other types of content.

Websites are the container for all this information. More accurately, and properly configured, we should regard them as data hubs. First introduced by Mono, this concept envisions the website as a hub for the ebb and flow of local business content across the internet – not unlike a major transportation hub.

In addition to pushing data to search engines, websites also pull data from consumers to build lists or to inform product or marketing strategies. Website analytics and performance metrics such as purchases, calls, clicks, form-fills, map requests, newsletter subscriptions and engagement data can be analyzed for future marketing campaigns and to improve the overall customer experience and maximize conversions.

Websites backed by a CRM tool can help connect the dots between media channels, campaigns and consumer behaviors. With the help of the right tools and partner support, local businesses can capture the same kinds of insights and marketing opportunities as larger organizations. Almost every customer interaction is a piece of data to help build deeper understanding of customer needs and behaviors.

Figure 6: The Local Data Hub



Source: Websites as the Local Data Hub Mono Solutions 2018

Expanding the Definition of Data

Massive amounts of data are being created daily. That equally applies to the local market. However there are a number of data categories one must understand in the context of this discussion:

Site content: Business information and other website content are data, especially for search algorithms. Schema.org marked-up content covers a growing list of specific data categories, from basic business information (e.g., opening hours) to rich content, such as events or ethics policies. Structured data, beyond basic listings, is increasingly important as new technologies (i.e., virtual assistants) look for answers to user questions.

User-generated content: As the name suggests, this is content consumers create. It may happen directly on a business website (e.g., testimonials, blog comments) or social channels and review sites. Reviews, in particular, are a critical ranking factor, especially now in local search results. Most importantly, however, reviews influence customer decision-making.

Customer data: This is transactional data from the website (e.g., name, email), as well as purchases, downloads, sign-ups, etc. This data helps build customer lists. It also indicates popular content or products and can provide a better understanding of the customer journey. In some cases this data can be used for greater personalization (e.g., email segmentation).

Site analytics: Site analytics reveal where visitors come from, how they got to the site, what they do there and where they exit. This data is central to understanding whether the website is effective at generating leads and transactions, and where any problems may reside.

Cohort analytics: Publishers, platforms and agencies that work with numerous small businesses can look at their data horizontally to evaluate performance across the customer base. This data can also support strategy decisions (for the provider) and product or service improvements directed toward small business customers.

Together, these various data sources inform and improve performance across the entire value chain – for technology or digital services providers, business owners and end consumers.

Websites in the Value Chain

At one end of the value chain is the entity that built or manages the website—the digital services provider or SMB—at the other is the consumer seeking to fulfill a need.

Properly presenting and structuring data on the website ensures it will be recognized and distributed across the internet, making local discovery more likely. Insights gained from interactions on the site can help business owners better understand customer needs. And by making richer content available on the site, visitors or shoppers will have more reasons to call, schedule an appointment, come into the store or buy something online.

For the entire system to work well, it’s important to identify and understand the needs and interests of each of the parties, from digital services providers to end-customers.

Effective use of the data discussed above is central to creating more productive and effective websites and better end-customer experiences. Here’s how each segment can benefit:

Digital services providers: Combining data from multiple SMB customers, with intelligent website automation, allows for efficient and scalable website production. Cohort analytics can make services smarter overall, helping boost site performance and increasing SMB retention.

Small businesses: Structured and data-rich websites put these businesses ahead of the curve for local and voice search optimization. Intelligent use of analytics and CRM data empower them to more effectively convert site visitors to customers.

End-customers: Using consumer behavior and location data, business owners can create more personalized experiences. Once consumers have engaged with the site (e.g., provided an email address), future experiences and targeted offers will continue to keep the business top-of-mind for the potential customer.

Figure 7: Demands Across Local Data Value Chain

DIGITAL SERVICE PROVIDERS	SMBS	VISITORS/ END-CUSTOMERS
<ul style="list-style-type: none"> • Efficient and scalable production • Consistent quality delivery • Products they can monetize • Easy account management • Retain customers 	<ul style="list-style-type: none"> • Professional presence • Target the right audience • Convert audience to customers • Retain customers <p>Works on ALL devices</p>	<ul style="list-style-type: none"> • Personal • Unique • Relevant • Professional <p>Works on ALL devices</p>

Don't Miss the Opportunity

Data is complex. Both digital services providers and small business owners often struggle to make sense of it. Therefore, finding the right technology, tools and partners is essential to the successful use of data in local digital marketing. And while digital marketing is data-driven already, it's up to technology companies to guide digital service providers in how to use aggregated big data to improve SMB and consumer experiences.

“The Local Data Hub concept envisions the website a hub for the ebb and flow of local business content across the internet.”

Once made accessible and intelligible, aggregated data can be used to help digital service providers deliver innovative and sophisticated digital marketing strategies for their SMB customers.

When assessing the utility and performance of SMB websites the following are some questions to consider. If each answer isn't yes, you're missing opportunities to fully optimize SMB websites:

- Is the website's data informing third-party sites and search engines?
- Is the business in question represented consistently and accurately online?
- Do I have access to or know where I can access the data sets discussed above?
- Do I know what the data mean and can I tell a story using the data?
- Can I draw conclusions from the data and create marketing strategies?
- Is customer data being used to improve the customer experience?
- Are we improving our products/services, from aggregated SMB website data?

Websites Today – and Tomorrow

Most small business websites are still little more than static pages and not optimized for mobile users or voice search and virtual assistants. Many have limited content depth and very often basic business details take several clicks to find. These crude sites are often ignored by users in favor of more functional experiences on search engines or social media sites – especially in a mobile context. And while having a web presence is better than not having one, properly designed websites have much greater potential.

“Well designed websites with rich content and consumer-friendly tools ... will help prepare SMBs for an ‘AI-first’ world.”

An ideal small business website provides content and tools to engage customers and prospects, who are often impatient or fickle. This includes easy-to-use forms, click-to-call numbers (mobile), maps, chat, online scheduling and so on. Yet these features are just the foundation. Effective websites will do considerably more to help turn customer interest into action and sales.

Capturing and distributing data

Content management systems allow businesses to enable forms and collect data. CRM tools help capture and organize customer data, turning that information into insights or enabling personalized follow-up campaigns and messaging.

Beyond customer-data capture, local business data should be properly structured to maximize visibility in traditional search results and exposure through new distribution platforms such as virtual assistants.

Voice, virtual assistants and ‘AI’

Voice search, smart speakers and artificial intelligence are changing how consumers find and engage with local businesses. A frequently cited statistic is comScore’s prediction that by 2020 – in just two years – half of all search queries will be initiated by voice. This is perhaps aggressive but it illustrates the direction the industry is clearly going. Despite this momentum, a 2017 BrightEdge survey found that 62% of marketers were unlikely to include voice search in their marketing strategies.

A recent Capgemini report found that 51% of consumers said they use virtual assistants and a substantial number of them (35%) had made a purchase using voice. By some estimates, as many as one in five adult Americans (20%) now owns a smart speaker. And as smart device adoption and voice continue to grow, marketers will need to make content discoverable through these new channels.

This means using schema markup, XML sitemaps, mobile optimization and ongoing adherence to SEO best practices. Even as the future promises more convenience for consumers, it portends more complexity for businesses, their agencies and technology providers. Yet, well-designed websites with rich content and consumer-friendly tools remain critical and central to local discovery and will help prepare SMBs for an AI-first world.

Conclusion: Data as the foundation of the local stack

A well-designed small business website is now considerably more than a basic storefront. It's a place where customer information is captured and business content is created for distribution. It's also a place with in-depth information and decision support for ready-to-buy consumers.

Effective websites are professional and user-friendly. They're also mobile optimized – even designed primarily with the mobile user in mind. Beyond the old notion of a website as a brochure or display ad for a local business, effective websites today should:

- Be an easily crawlable data source for search engines with rich content properly marked up for discovery in new platforms (voice/virtual assistants)
- Be a source for trusted local listings and enhanced data to other categories of sites, and integrated with third party listing management services
- Capture consumer data from site interactions and transactions, as part of a feedback loop that results in a better (and more personalized) customer experience
- Provide content and tools to turn curious visitors into buyers

Given the growing importance of local business data to mobile consumers, well-executed websites are probably more important than ever. The conventional wisdom is that Google and Facebook have marginalized SMB websites. The opposite is true.

New technologies have made websites easier to create and manage at scale. CRM software tools have made them more sophisticated and powerful. Yet local digital service providers and agencies need to overcome old thinking about SMB websites as a build-it-and-forget-it source of recurring revenue. They must embrace the new model of websites as the foundation for a datadriven future, crucial to driving success across the entire local marketing stack: the local data hub.



Founded in 2007 as a DIY website builder, today Mono empowers over 70 digital service providers across 35 markets around the world with the most efficient and scalable website solution for SMBs.

Mono Solutions has won industry awards for innovation, presence management and best SMB service of the year. The company is headquartered in Copenhagen, Denmark, with offices in Denver, Colorado and London, UK.



The Local Search Association (LSA) is a not-for-profit industry association of media companies, agencies and technology providers who help businesses market to local consumers. LSA has about 300 members in 20 countries and the Association helps these members realize the power of local marketing and commerce through conferences, consulting, insights, advocacy and more.