

URL: <https://stvp.stanford.edu/clips/yelp-growth-strategies>

Yelp COO Geoff Donaker describes how the strength of the site lies in all the reviews by everyday people, and how even the small percentage of users who write reviews leads to increased engagement. He also discusses grassroots growth in new cities via recruitment of Yelp "community managers."



## Transcript

So the question is like how did we kind of grow from beginning and how did we originally attract both users and then advertisers or paying customers into the fold? The simple version of the question is on the user side, the way that Yelp works is and what we believe makes Yelp special is that the vast majority of reviews you will read on Yelp are written from regular reviewers.. That probably makes sense, but I'm going to just sort of clarify that for a moment because if you were to use other review sites of all different kinds of products.. If you go to Amazon, for instance, you'll see a lot of reviews for products and you look at that person's profile and they have written one product review.. There is nothing wrong with that, but it's a very different model than our model when you look at the profile of the users who write on Yelp, you'll tend to find people who have written dozens or hundreds of reviews.. And they are effectively using Yelp as a kind of lifestyle blog.. So how do we find those people? It actually sort of starts one person at a time.. We hire in every city that we're in somebody that we call the Community Manager for Yelp and they're effectively an ambassador for Yelp in their market, they become the face and voice of Yelp and they start by trying to recruit their mom and their friend and their kid sister to join the community and try Yelping.. Right? What does that mean to Yelp? Well, it means go explore all the different neighborhoods in your city and try out different businesses and go into different shops and restaurants and parks and then blog about it, tell people what you think.. And as it turns out, when they start that, your mom may not like it, but your kid sister does, and so on as you sort of reach out to more people on your contentious circles and then they bring in their friends and so on.. And it really becomes a grassroots on the street, people meeting each other and trying Yelping kind of a thing..

Now as you can imagine in time what that does is that content then brings in lots of traffic on the user side.. How many people in the room - we saw hands and it was almost everybody here has used Yelp probably to find a business.. How many people actually wrote reviews? That's a lot more than I would have thought, but that's great.. Thank you very much.. So still a pretty small percentage of this room.. Right? As a general statement, what I would tell you, is that it's low-single-digits percentages of all Yelp users are actually those who create content.. Right? Pretty common, but the good news is for everybody who writes reviews, you're going to bring in lots, like dozens or hundreds of people who read the review.. And for every one of those people who comes and reads the reviews, some small percentage of them are going to like, hey, that was cool, I try writing just like the people who just raise their hands.. And they then become Yelpers and begin to feed itself, but that offline piece of the equation has always been really important to us.. So as people start writing reviews - did any of the people who put up their hands for writing reviews, have you guys - any of you are Elite Members have been to a Yelp event? Awesome..

Thank you.. Thank you, thank you.. All right, so we've actually got some.. So some of those people who actually try contributing actually get into the sub community of people who are ongoing Yelp participants.. And the sort of the pinnacle of that is being a Yelp Elite Member.. And that's basically being invited into the fold of this community who then meets in, puts faces to names.. And among other things, it tends to actually keep everybody honest, because it's real people writing real reviews with real faces and all that kind of thing.. So that's the short version of the answer on the kind of consumer and community and writer side.. On the advertiser side or the customer side, that's different.. We have a sales force that we've built up over the years and it's mostly a phone-based sales force where we call in to local businesses and say something along the line of, hey, 100 people looked at your business on Yelp last month, would you like even more of them to look at your business? Right? We've got a suite of ad products that we could sell you and show you what they are and, if you're interested, we can help you get started..

And that's more or less what that conversation looks like and we have tried offline sales and some other approaches as well, we've found at this point that the phone-based sales force is most effective, but we continue to experiment with other things...