

How Localized Social Marketing Impacts Multi-Location Businesses

Q2 2019 STATE OF THE MARKET REPORT





Definition of Localized Social Marketing

Localized social marketing is defined as marketing efforts that focus on building a local presence for a multi-location business, leveraging locally-driven communication channels to reach the specific local communities it serves. These efforts may include social media marketing, review sites, social advertising, and other two-way engagement channels.

Consumers turn to social media, local search, and reviews to make buying decisions.

And the data shows that most consumer engagement is happening at the local level. Consider these facts:

- A local search is the first thing a consumer does to find or uncover more information about a business
 - 91 percent of consumers use search to find business information locally¹
- Ratings and reviews have become not only a top-ranking factor but the #1 factor in determining which company to do business with.
 - Reviews are an explicit local search ranking factor²
 - Reviews are the single biggest influence on consumer purchase decisions¹
- 3 out of 4 brand engagements are happening on local pages vs. national pages on platforms like Facebook and Google My Business³
 - 72 percent of user engagement and 66 percent of brand-related impressions happen on Facebook location pages and not on corporate pages³

Brands and their franchise affiliates can't simply rely on "top-down" brand marketing from a corporate presence to engage local consumers. They must have a localized social marketing strategy.

Why Localized Social Marketing Is So Important to Multi-Location Businesses:

In June, The Local Search Association in partnership with SOCi released the <u>LSM Benchmark report</u>, which examined the top franchise marketing brands on their performance in localized social marketing (LSM) including each brand's localized presence, customer care (in the form of local ratings and reviews) and local community engagement across the top localized social marketing platforms – Google My Business, Facebook and Yelp.

The research studied a total of 163 franchise brands – ranking each on a 100-point scale and concluded that there is a very powerful correlation between strong LSM performance and real-world business results.

Top 10 LSM leaders saw average sales growth of 12.8%, 3x their competitors.

Throughout the State of the Market report, we will be examining the multi-location business trends that we're seeing in the areas of localized social presence, care (in the form of ratings and reviews) and engagement, and how these might relate to the key findings that were uncovered in the LSM Benchmark Report.

In this report, we're diving into SOCi platform data between Q1 and Q2 2019 to identify patterns, trends, and best practices in building a localized social marketing strategy.

In this report, we'll explore...

- What happened in localized social marketing between Q1 and Q2 2019.
- Key vertical market trends including how social media and review data differs for brands and property management companies.
- Best practices for executing a localized social strategy.



WHO IS USING LSM?



The industries capitalizing on LSM are concentrated in two key areas: real estate / property management companies and franchise brands that cover a wide variety of service-related industries. Therefore, the quarterly trending data in this report will be segmented into these two key areas where available so marketers can get a sense for overall trends as well as how tactics may change by these two important areas.

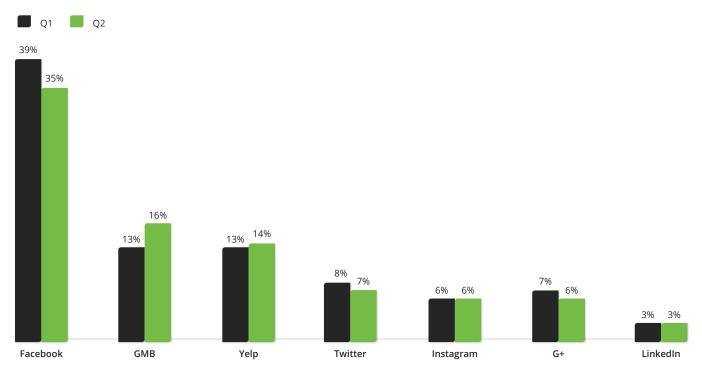
Localized Social Presence

The average person spends 2 hours and 23 minutes per day on social media platforms⁴.

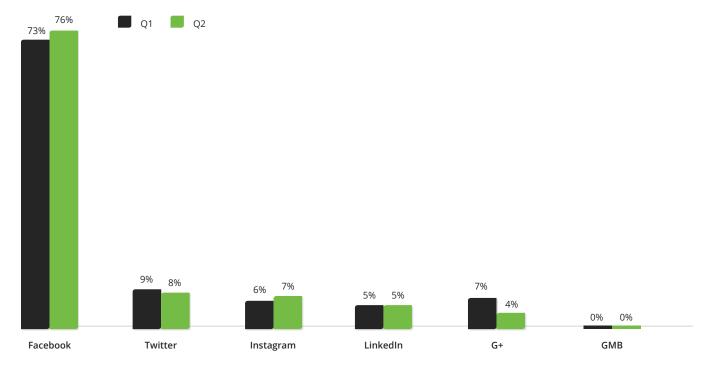
Increasingly, consumers are using these social platforms to seek out local businesses. Two out of three Facebook users visit the page of a local business at least once per week⁵. Multi-location marketers must ensure they can easily be found where consumers are looking.

With all this traffic coming through local pages, there is an opportunity to reach customers online using a strong localized presence. Multi-location marketers can do this by maintaining local pages and developing an active organic posting strategy that features engaging localized content.

Top Social Networks Based on the Number of Multi-Location Brands and Their Locations Connected



From Q1 to Q2 2019 Facebook remained the top platform for localized social marketing with more than double the location pages connected via its platform than its nearest competitor. And although Facebook's share of total location pages seems to have declined from Q1 to Q2 - it hasn't. In fact, total location pages connected remained relatively flat from Q1 to Q2 - however, the percentage shift is a result of more location pages being created on other platforms outside of Facebook - hence the drop in overall share of location pages connected. The biggest increase in location pages connected from Q1 to Q2 actually happened on Google My Business (GMB) - growing their count of location pages more than 50 percent from Q1 to Q2 2019 alone.



Top Social Networks by Social Posts - Overall

We are seeing a similar trend in social posting with Facebook dominating other social platforms in the volume of posts to local pages. Facebook received 7x the post volume compared to other localized social networks. A few factors that contribute to this trend that should be highlighted are as follows:

- The sheer volume of location pages created within Facebook vs. any other social platform is a big contributor to the increased post volume
- Although Google My Business (GMB) pages now allow businesses to post localized content and offers, there is a limitation for multi-location businesses that have been designated as a "Chain" by Google. In these instances, affected business are prohibited from creating posts for their GMB location pages through Google's API's - limiting the use of third party content creation and posting platforms like SOCi. Hence, limiting the number of posts to GMB that SOCi is able to see and track via our platform data.

Social platforms, outside of Facebook, are beginning to enable local locations. For example, LinkedIn enables businesses to add locations to their company page, and Instagram is testing in-app local pages for multi-location businesses⁶. As more social platforms enable the ability to create individual pages per location and the ability to post to these pages (like what is currently available within Facebook and GMB today) we expect posting volume to increase across other platforms.

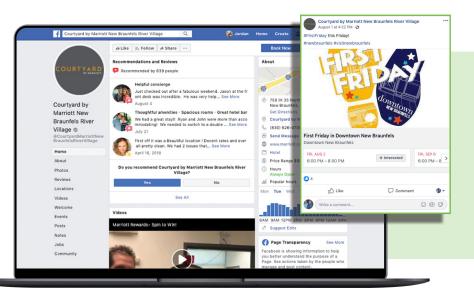
Although the volume of posts seem to be light across GMB due to Google's API limitations - when businesses are posting to GMB they are posting less frequently than we're seeing across other top localized social marketing sites. The average multi-location brand is taking full advantage of Facebook, Twitter, LinkedIn, and Instagram — posting 2-3 times per week on average. However, the same is not true for GMB. Across both the multilocation brand / franchise and property management categories, companies are only averaging two posts per month on GMB. The lack of GMB posts presents a major opportunity for multi-location marketers to stand out and engage customers earlier in the consumer journey. Local search results feature multiple businesses in the Google Local Pack, and Google Posts could be a major differentiator for local businesses.

Average Social Posts by Week Q2 2019

	Franchise Brand	Property Management
FACEBOOK	3.5	3.0
TWITTER	3.5	2.5
LINKEDIN	3.5	3.0
INSTAGRAM	3.3	2.5
GMB	0.6	0.8
G+	0.5	0.6

Top Brands Doing Localized Social Presence Well

The following brands ranked highest in our LSM Benchmark Report for their approach to localized social presence. Each franchise location within these brands was easy to find when conducting a relevant local search and had good content and brand visibility across the top localized social marketing platforms.



COURTYARD BY MARRIOTT

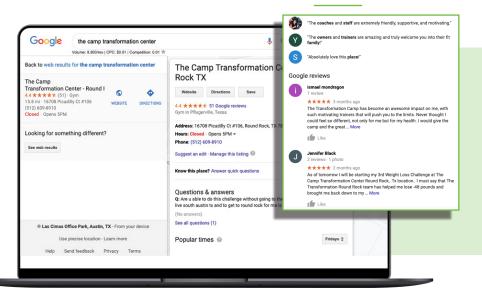
COURTYARD BY MARRIOTT V. HOTEL CATEGORY AVG

FACEBOOK LOCATION PAGES CLAIMED: 96% v 68.3%

GMB LISTINGS/ LOCATIONS CLAIMED: 97% v 89.7%

YELP LISTINGS/ LOCATIONS CLAIMED: 93% v 78.1%

THE CAMP TRANSFORMATION CENTER



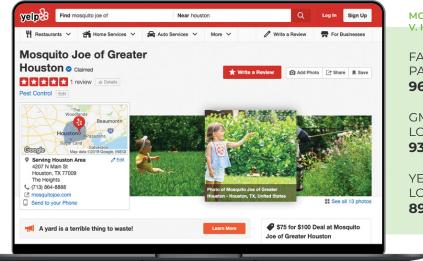
THE CAMP TRANSFORMATION CENTER V. PERSONAL CARE CATEGORY AVG

FACEBOOK LOCATION PAGES CLAIMED: 99% v 89.1%

GMB LISTINGS/ LOCATIONS CLAIMED: 99% v 93.9%

YELP LISTINGS/ LOCATIONS CLAIMED: 99% v 79.1%

MOSQUITO JOE



MOSQUITO JOE V. HOME SERVICES CATEGORY AVG

FACEBOOK LOCATION PAGES CLAIMED: 96% v 55%

GMB LISTINGS/ LOCATIONS CLAIMED: 93% v 72%

YELP LISTINGS/ LOCATIONS CLAIMED: 89% v 64%

To see other examples of brands that drive revenue growth with LSM, **visit** LSMBenchmark.com. In analyzing brands that performed best in Localized Social Marketing Presence for the LSM Benchmark, SOCi and the LSA discovered certain best practices that the top brands all followed:

- Over 90 percent of their location pages were claimed and visible
- Each local page was optimized with up-to-date local content, images and accurate business information
- Each brand had a local content strategy for the top localized social marketing sites including GMB as well as Facebook

Localized Social Care

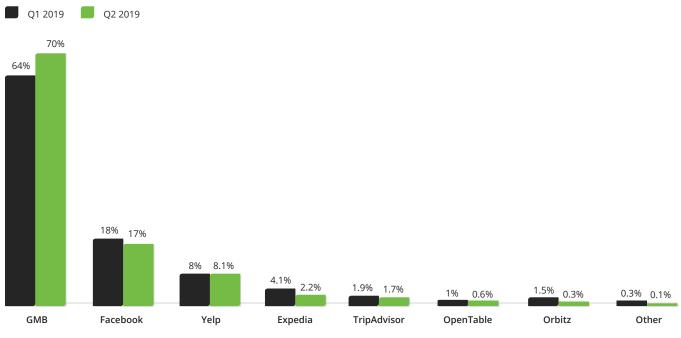
Ratings & Reviews

With ratings and reviews becoming a top-ranking factor for local listings and local pages like Google My Business (GMB), reputation management has become more than just a tool for customer care. It's now a critical component of any business' overall localized digital brand presence. In fact, in the property management industry, 70 percent⁷ of prospective residents say they've decided to visit a property based on it having a higher online reputation than a competitor.

Top Ratings & Review Platforms Overall

Based on new volume of reviews

*Note this trend is different than our past two reports as we were showing total volume of reviews vs. just new reviews.



Source: SOCi Platform Data, Q4 2018 - Q2 2019

When looking at ratings and reviews, 30 percent of consumers examine the most recent reviews first⁸. Recency matters, which is why we're examining the total volume of new reviews that were added between Q1 2019 - Q2 2019.

In Q2 2019, consumers posted more than 230,000 new reviews for multi-location brands and their individual locations. Ninety-five percent of these reviews appeared on just three platforms; Google My Business, Facebook, and Yelp. For the third consecutive quarter, Google earned more new reviews than any other platform; 70 percent of Q2 reviews appeared on GMB, followed by about 17 percent on Facebook and 8 percent on Yelp.

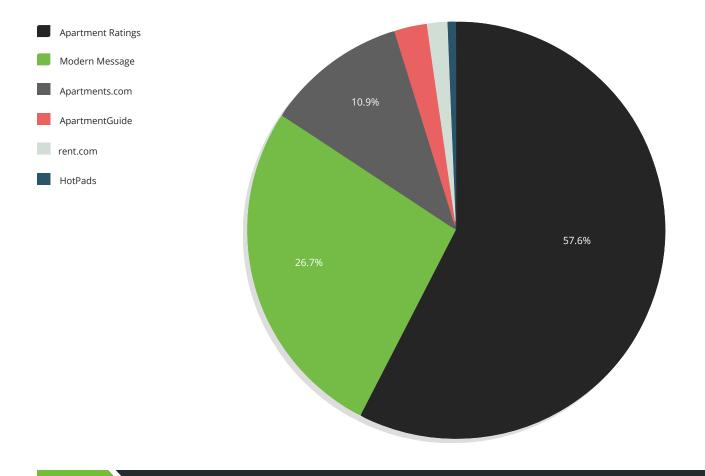


Top Property Management Review Sites

Based on new volume of reviews

Multifamily properties receive reviews from Facebook, Google, and Yelp as well, but some property-specific review sites also showed growth in review volume from Q1 to Q2 2019.

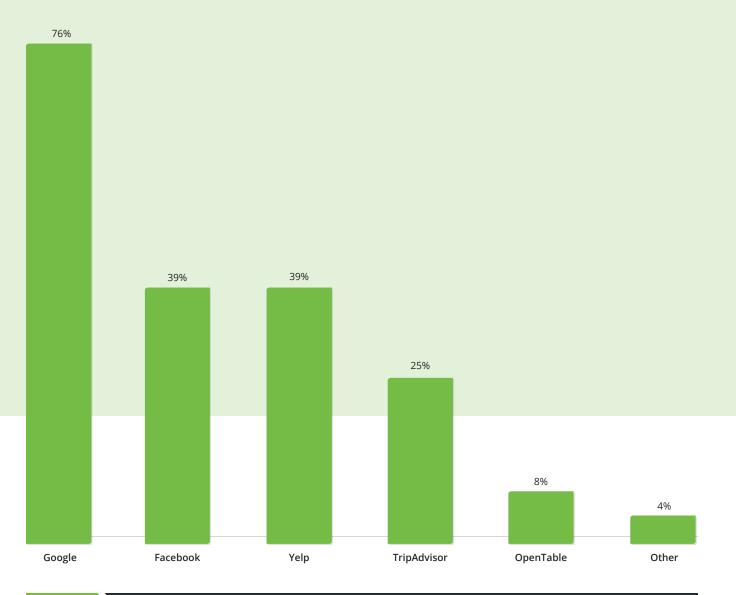
In Q2, the top property-specific ratings and review sites added over 7,000 new reviews. As was the case with the non-industry specific review platforms mentioned earlier, the top three property-specific review platforms earned 95 percent of all new reviews in Q2 2019. Apartment Ratings led the pack with 57 percent of all new reviews, followed by Modern Message with 26 percent and Apartments.com with 10 percent.



Top Review Sites Used Prior To Making Purchases

Positive online reviews are the number one factor influencing purchase decisions⁹, and consumers often check multiple review platforms to read these reviews before making a purchase. Although Google earned the most reviews in Q2, it is important to understand that other sites like Facebook and Yelp are still getting a tremendous amount of usage with 40 percent of consumers still referencing these sites regularly to inform their purchase decisions.

That's why multi-location marketers must monitor every review site where their consumers are interacting — not just the top platforms.





Average Star Rating by the Top Ratings & Review Networks

Based on a 5 Star Rating

With 68 percent of consumers saying they'll only consider a business if it has at least 3.5 stars¹⁰, it's imperative for multi-location businesses to monitor their average star-rating. From Q1 to Q2 2019, the overall average star-rating across the top review sites dropped 0.12 points from 4.29 stars to 4.17 stars. However, multi-location brands on average are still maintaining a healthy average star-rating well above the recommended minimum of 3.5 stars.

If we analyze the individual platforms, we see that multi-location brands on Facebook have maintained the highest average star rating at 4.42 average stars, while multi-location brands on GMB and Yelp averaged 4.3 stars and 3.78 stars, respectively, in Q2.

GENERAL		Q1 2019	Q2 2019	
	GMB	4.34	4.30	
	FACEBOOK	4.50	4.42	
		4.00	0.70	
	YELP	4.03	3.78	
QU	ARTERLY AVERAGE	4.29	4.17	

Property-specific ratings and review sites saw an even larger decline in average star rating from Q1 to Q2, with the average property rating dropping by 0.26 stars from 4.09 in Q1 to 3.83 in Q2.

Note that properties on Modern Message have continued to maintain the highest average star-rating across the top property-specific rating and review sites.

PROPERTY	Q1 2019	Q2 2019	
APARTMENT RATINGS	3.83	3.66	
MODERN MESSAGE	4.34	4.25	
APARTMENTS.COM	4.1	3.57	
QUARTERLY AVERAGE	4.09	3.83	

Average Review Response Rate by the Top Ratings & Review Networks

There were 230,000 new reviews posted in Q2 on the top general review sites. Of these reviews, nearly 50 percent received a response. While best practice dictates that businesses respond to all reviews, it is absolutely essential that businesses at least respond to their most critical reviews — where consumers mention a less than favorable experience. Critical reviews are, on average, those that include a star-rating of 3 or fewer.

In examining the top general review sites, we see that only 23 percent of reviews in Q2 2019 included a star-rating of 3 stars or fewer. Comparing this number to the 50 percent response rate, we can assume that multi-location marketers are not only responding to the 23 percent of reviews that are critical, but also responding to a large chunk of the 77 percent of the reviews that are positive (4 to 5 stars).

	GI	ENERAL REVIEW	RESPO	NSE RATES
		Q1	2019	Q2 2019
		GMB	56%	58%
		FACEBOOK	51%	50%
		YELP	41%	38%
	QUARTE	RLY AVERAGE	49%	49%
		Vol of Reviews 3 stars or less		of Reviews 4 rs or greater
	GMB	17%		83%
FEE	FACEBOOK	14%		86%
+FC	YELP	37%		63%
	QUARTERLY AVERAGE	23%		77%

3 out of 4 reviews in Q2 2019 were positive (4+ stars).

The number of reviews that property management marketers responded to increased by 8 percent from Q2 2019 compared to Q1, improving their review response rate to 65 percent. In keeping with the trends seen on the non-property-specific review platforms, just 21 percent of the property reviews in Q2 2019 had three stars or fewer. Again, by comparing the response rate to the number of critical reviews, we can assume that property marketers are responding to critical reviews in addition to a large chunk of the 79 percent of reviews that are positive (4 to 5 stars), but there is still room for improvement within the property vertical.

PR		EW RESPC	ONSE RATES
		Q1 2019	Q2 2019
APARTM	IENT RATINGS	79%	72%
MODE	ERN MESSAGE	46%	79%
APAR	TMENTS.COM	47%	43%
QUARTE	RLY AVERAGE	57%	65%
	Vol of Revie 3 stars or l		ol of Reviews 4 ars or greater
GMB	17%		83%
FACEBOOK	14%		86%
YELP	37%		63%

Average Review Response Time by Ratings & Review Networks

By number of days to respond to ratings & reviews

Across the top general review platforms, average review response times increased from Q1 to Q2 2019 from an average response time of 5 days to an average of 6 days. The increase in response time was due in large part to businesses on Yelp. Although marketers improved response time on GMB and Facebook in the past two quarters, the average response time on Yelp increased 140 percent from 5 days in Q1 to 12 days in Q2, thus raising the overall average.

	AVG R	ESPONSE TI	ME (DAYS)	
GENERAL		Q1 2019	Q2 2019	
	GMB	5	4	
	FACEBOOK	6	3	
	YELP	5	12	
	QUARTERLY AVERAGE	5	6	

Marketers were lagging behind on responses for property-specific review sites in Q1 2019, taking over 37 days to respond. In Q2 2019 this dropped to just 17 days. That's a decrease of 54.05 percent in average response time from Q1 2019 to Q2 2019! So while property management marketers are not meeting consumer expectations, they are trending in the right direction with regards to review response time on all vertically-relevant review platforms.

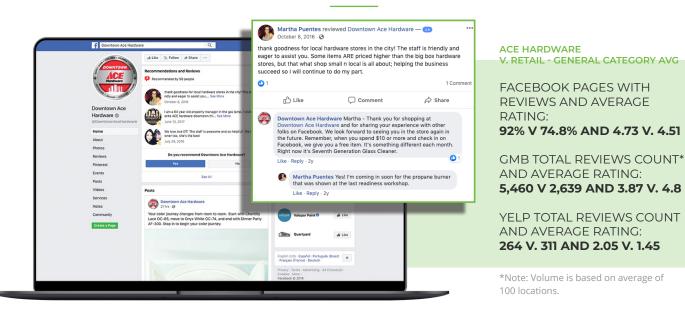
	AV	G RESPONSE TI	ME (DAYS)	
I	PROPERTY	Q1 2019	Q2 2019	
	APARTMENT RATIN	cs 23	7	
	MODERN MESSA	Ge 36	15	
	APARTMENTS.CC	м 51	27	
	QUARTERLY AVERA	Ge 37	17	

Despite the improvements in average response rates, multi-location brands are still not meeting consumer expectations for review response; Forty percent of consumers expect a business to respond to reviews within 24 hours and 64 percent expect a response within a few days¹¹. Marketers will need to continue decreasing response time in upcoming quarters to meet consumer standards for reputation management.

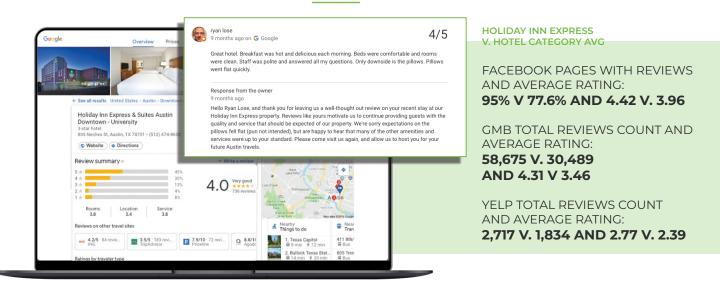
Top Brands Doing Localized Ratings & Reviews Well

The following brands ranked highest in our LSM Benchmark Report for their approach to localized ratings and reviews.

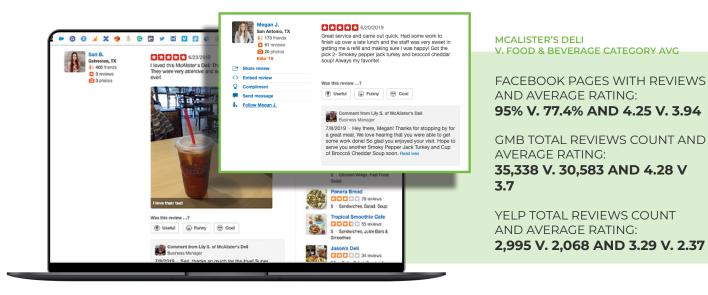
ACE HARDWARE



HOLIDAY INN EXPRESS



McALISTER'S DELI



To see other examples of brands that drive revenue growth with LSM, **visit** LSMBenchmark.com. In analyzing brands that performed best in ratings and reviews for the LSM Benchmark, SOCi and the LSA discovered certain best practices that the top brands all followed:

- Top brands were responding to critical/negative reviews within 24 hours
- Not providing cookie-cutter responses to their reviews
- Monitoring and responding to Google Q&A in addition to reviews
- Not neglecting reviews on Yelp

Localized Social Engagement

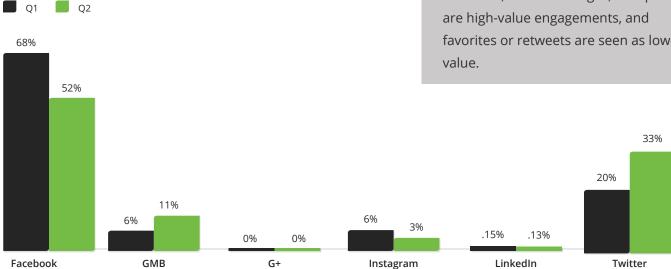
High-Value vs. Low-Value Engagements

An increase in high-value engagements with your local community leads to an increase in reach for your organic posts. Organic reach can be as low as < 1 percent of page followers with low-value engagement, but as high as 10 percent of your page followers if you are receiving high-value engagements from your local community. So, while low-value engagements look good on paper, they don't actually do anything for your brand.

Localized content is often more relevant to consumers than the general content on corporate Brand Pages. As a result, Facebook users are more likely to provide high-value engagements in the form of comments and shares, and you'll see that through the trending data below. Facebook receives nearly double the high-value engagement of other platforms, such as Twitter, GMB, and Instagram.

Facebook and Twitter remain the two top networks for highvalue engagement, but GMB is showing signs of progress from Q1 to Q2 2019.

Top Networks by Multi-Location Brand Engagement



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DEFINITION

Each social platform has different actions that constitute high-value and low-value engagements.

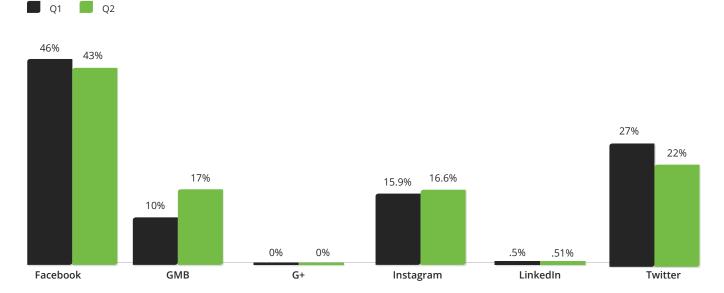
Facebook: comments, shares, and direct messages are high-value engagements, while likes and other reactions are considered low-value.

Instagram: comments are the only actions that count as high-value engagements.

Twitter: direct interactions such as mentions, direct messages, or replies favorites or retweets are seen as low-

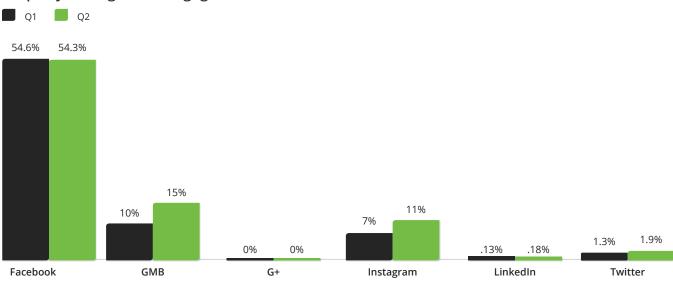
Note: the "Top Networks by Multi-Location Brand Engagement" chart was based on all "high-value" engagements and thus does not take into consideration likes, favorites, reactions, etc.

For franchise brands, Facebook remains the top platform for high-value engagement numbers; however, other platforms, Instagram and GMB, have increased their high-value engagements from Q1 to Q2 2019. Twitter is the second leading platform for high-value engagements, but there was a slight decline from 27 percent to 22 percent from Q1 to Q2.



Brand Franchise Engagements

For property management, Facebook continued to show strong high-value engagement numbers while other platforms are showing improved high-value engagement levels. Property management marketers are not engaging with potential residents on Twitter as much as the general and franchise brand categories. However, they are outperforming the general categories for high-value engagements on GMB and Instagram.



Property Management Engagements

High- vs. Low-Value Engagements by Percentage of Total Engagements on the SOCi Platform

Q2 2019 was the first quarter where we saw high-value engagements out number low-value engagements. Sixty-five percent of all engagements came in the form of comments, shares, and messages, while likes and reactions made up just 35 percent of engagements. The 11-point increase of high-value engagement from Q1 is a sign that localized social marketing is beginning to truly impact the engagement strategy of multilocation marketers.



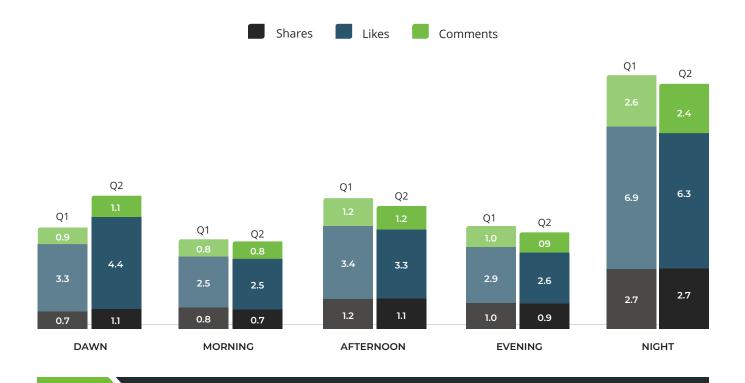


The Best Times to Post for Maximum Engagement

Facebook Average Volume of Engagement by Type and Time of Day

As was the case in Q1 2019, content posted at night continues to earn more likes, comments, and shares as compared to content posted at any other time of day. One explanation for this continued trend is that consumers have time to browse social feeds on multiple devices at night. From Q1 to Q2 2019, we did see engagement increase at dawn, which could be from consumers checking social profiles before they start their day.

At all times of day, users "like" posts far more often than they share or comment on posts.



Top Brands Doing Localized Social Engagement Well

The following brand ranked highest in our LSM Benchmark Report for its approach to social engagement. Crunch Fitness way over-indexed the average for social engagement, scoring 517 percent vs. 5.6 percent, which is 5x the engagement of their community.

Community Events Chunch Guess Pass Offens Locations Consta a Rige	Brotovývšeo 20 trg friends Cack in Con Posts Conch Filtres (Woodkridge) TorQ Conch Filtres (Woodkridge) StrQ S	Guiomar Pernia Love you Stephanie Zivanovic Like - Reply - 6w Sumita Banerjee Go Guiomar Pernia ! Like - Reply - 6w 3 Reples Write a comment	TO Q&A: 16% v 4.3% RESPONDING TO REVIEWS: FACEBOOK: 85% v. 66.4 9
Crunch Fitness (Woodbridge) @ @Crunchfitdesdindge Home Pots Pots Pots Videos Videos Abort Community		Most Relevant *	ENGAGEMENT: 517% v 5.6% GMB RESPONDING TO Q&A:
FI Dunch Pross		Crunch Fitness (Woodbridge) *** June 2 + 0 Simple State Giomar is covering Zumba for Lily tonight at 7pm! Come check her out ! Come for the state Come for the state Image: Come state Comment 2 Shares Image: Like Comment Comment Share	CRUNCH FITNESS V. PERSONAL CARE CATEGORY AV

CRUNCH FITNESS

To see other examples of brands that drive revenue growth with LSM, visit LSMBenchmark.com. In analyzing brands who performed best in Localized Social Marketing engagement for the LSM Benchmark, SOCi and the LSA discovered certain best practices that these brands followed:

- Each local page was sharing localized content, including local events, location-specific imagery, and re-sharing visitor posts
- Each page was leveraging entertaining or inspiring content, as they receive the highest engagement
- Each brand was highly engaged in the localized conversation surrounding their brand's locations on social

In Summary

Facebook continues to hold the lead on localized social marketing presence with more than double the location pages connected via its platform than its nearest competitor, but Google My Business (GMB) grew its count of location pages by more than 50 percent from last quarter.

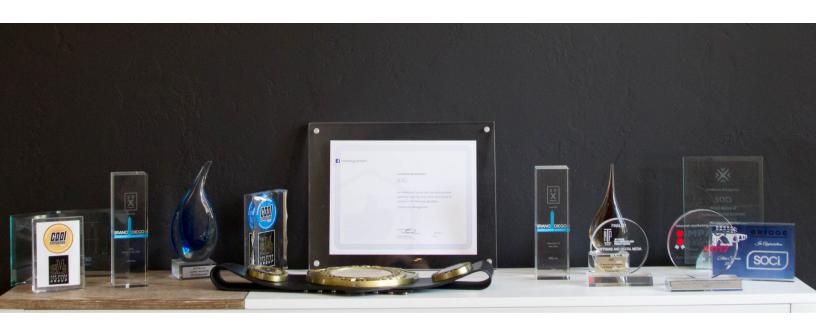
In this report, we found two key learnings in localized social marketing for multi-location businesses. First, GMB is not being leveraged as effectively as other local pages and social platforms, and second, marketers need to improve review response time to meet consumer expectations.

Google owns the early stages of the sales funnel, but there are certain offerings within Google that are not being leveraged by multi-location marketers for a holistic localized social marketing strategy. Google is currently the top platform on which to engage local consumers using ratings and reviews, but multi-location businesses still aren't using it as a social posting platform through the incorporation of Google Posts, or responding to crowd-sourced questions through Google Q&A. Although Google has the highest volume of reviews, companies are posting the least on this platform. Google presents the largest opportunity for multilocation marketers looking to make an impact in their localized social marketing strategy. In future reports, we hope to examine the impact of other GMB features such as Google Posts and Google Q&A.

For review response time, the average number of days it takes for businesses to respond to reviews increased from the previous quarter's report from 5 days to 6 days. Therefore, businesses are moving farther away from the consumer expectation for a business to respond to a review within 24 hours to a few days. To improve reputation management, businesses must actively monitor all relevant review platforms to decrease the time it takes to respond to reviews.

The LSM Benchmark Report drew clear connections between strong LSM and improved revenue, and if multi- location marketers want similar results they will need to incorporate a comprehensive localized social marketing strategy.





ABOUT SOCi

A two-time honoree on the Inc. 500 list of the fastest-growing companies in America, SOCi is the leading social media, reputation management and localized social advertising platform built to address the complex needs of highly visible multi-location businesses. An award-winning leader in the industry, SOCi has pioneered more than a dozen unique marketing tools to help multi-location brands oversee, maintain, and protect their brand at the national level, while simultaneously scaling presence across hundreds, sometimes thousands, of local pages. For more information on how SOCi can fuel the success of your social media channels while protecting what matters most--your online reputation--visit https://www.meetsoci.com.

About the Data

The SOCi platform data leveraged in this report was gathered from Q1 2019 through Q2 2019, based on client-connected accounts and activity seen therein. In this report we analyzed data from over 300 client accounts including 94,338 social profiles, 3,069,219 social posts, 506,227 reviews, 269,226 responses and over 10.9 million engagements.

Questions or Feedback on this Report?

Please email: <u>hello@meetsoci.com.</u>



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