

In the year following the acquisition, Google and Zagat worked together to allow Zagat reviews to appear alongside Google searches on various platforms. Google wanted to use Zagat's customer generated guide format and apply it to any place that can be searched for: restaurants, retail outlets, nightlife, hotels, resorts, spas, golf courses, and more. A growing percentage of Google searches are for information on nearby locations—20 percent of all searches, and 40 percent of that subset are made using mobile phones.

In May 2012, Google formally announced the inclusion of Zagat guides and online reviews in its new service, Google+ Local. With this service, Google hopes to more effectively compete with Yelp in local search. Because Google values eyeballs over all else, the company opted to remove the pay wall from Zagat content for the first time. Zagat had been charging \$25 per year or \$5 per month for access to its online reviews. Zagat will still charge \$10 a year to use its iPhone app, and after a free six-month trial, it will charge \$25 annually to see reviews on devices running Android. Still, normal Google searches on the Web will feature Zagat content for free, and Google is considering dropping the other subscription fees for mobile devices.

Google hopes to combine Zagat reviews with its mapping technology to better compete with Yelp. Trying out both services highlights some of the differences between them. Zagat.com's home page is streamlined, with a minimal number of search boxes and links immediately available. Restaurant reviews are organized by several major "hub" cities as well as popular lists of the top restaurants of a certain type. Clicking on a restaurant shows visitors a portion of the data Zagat maintains on that restaurant. For example, the site now shows the percentage of users that "like" the restaurant, and several featured reviews. Many more reviews of the restaurant are available if the user wants to keep scrolling.

Yelp's front page is much busier and less streamlined than Zagat's, but has a great deal more content available immediately. The front page has lists of the most popular restaurants, retail outlets, bars and clubs, and many other categories, all free to the user. Looking for a dentist in New York City? Yelp has reviews of doctors and dentists that include videos put together by the practices to give visitors more information. Like Zagat.com, Yelp's reviews are organized into a similar list of larger cities, but reviews exist for almost any location you can think of, including less prominent cities and towns. Google is also working towards the goal of ubiquity.

Yelp's strategy is to sell local advertisements wherever businesses exist and to provide free content funded by these sales. Yelp has also relied more on individual reviewers. Instead of distilling reviews into one coherent whole, as Zagat's does, Yelp allows its reviewers to post full, unaltered reviews, which allows top reviewers to gain followings and even receive invitations to special events. The drawback of this approach is that many reviews are far longer than necessary and individual reviews may contain distortions or false claims designed to damage reputations. Zagat reviews give a clearer and more concise impression of a restaurant than most Yelp reviews, and they are aggregated and given a score.

Investors believe that Yelp is on "a different trajectory" because of its unique business model. Zagat sold content to consumers and corporations; Yelp sells advertising to local businesses. Many analysts believe there is much more potential for growth with Yelp's business model than with Zagat's old model because it is a useful advertising vehicle for small businesses everywhere, not just major cities. Zagat may also have hurt itself with its slow response to the emergence of the mobile digital platform.

Most analysts agree that Zagat could have avoided this state of affairs by making a more aggressive effort to go digital. The choice to use a pay wall may be the biggest culprit. But did it necessarily hurt Zagat's bottom line? The company has always been profitable, according to Tim and Nina Zagat. Other successful Web sites have used a pay wall. Zagat book revenue is still strong—the New York survey is still on the New York nonfiction best-seller list, and its corporate custom guide unit is very profitable. Despite their acquisition by Google, the Zagats plan to continue to publish their physical books. Nevertheless, it's also possible that going with a pay wall before establishing a loyal online audience may not be the right time to make the move towards a paid model.

So far, the pairing of Google and Zagat has been successful, and will allow the two companies to better compete with Yelp in local search. But Google also hopes that incorporating Zagat's user-generated content model into Google+ will help its fledgling social network to better compete with Facebook by providing uniquely valuable services to its users. Google envisions Google+ users searching for "pizza", and being given a map with the closest pizzerias marked with Zagat reviews, some of which may be written by their friends on the network. For Google, acquiring Zagat was just one of a myriad of acquisitions they made in 2011; but from Zagat's