

Diggit does 'two degrees of separation' with hyperlocal site

BY BRIAN BLUM

“Six degrees of separation” is a popular party game where the goal is to connect any two people in the world in no more than half dozen relationships. It’s good for a friendly laugh, but the concept works for classified advertising, too, although on a much more intimate scale. When it comes to adding a strong social element to classified advertising in a way that actually drives revenues, only one or two degrees of separation makes sense.

That’s one of the driving principles behind a new hyperlocal classified site with deep hooks into social, mobile, payment technologies and even “[gamification](#),” that launched at the end of January in Canada.

Dubbed “Diggit” (the URL is [diggit.ca](#)), the site was founded by **Luticia (Tish) Hill** and **Jody Epp** who left UsedEverywhere last year to found Semadic, Diggit’s parent company (the name is an inexact mash-up of “semantic” and “advertising”), with the aim of building something radically new. Diggit is rolling out slowly over the next 90 days but the duo gave us a sneak preview. Our take: The hype in this case may have a reasonable chance of matching the vision. We were impressed by what we saw.

Hill and Epp are all about local. Their former employer focused on building classified sites for small communities, primarily in western Canada. Diggit is going after the same market, but has its sights set on being more than just a classified site. Rather, Diggit is trying to be it’s own mini-social network.

Everyone who posts or buys on Diggit is required to create a fairly detailed profile. The idea, Hill tells us, is to foster online the kind of trust and up-front knowledge two people would have if they already knew each other from a real-life community. That is, no more than one or two degrees of separation.

That works only in small to medium-sized communities of between 100,000 to 300,000 people, Hill continues. The bigger Canadian cities - Toronto, Montreal, Edmonton - are back in the five or six degrees zone. “We want to fit in between the Kijiji’s and the NextDoor’s of the world,” Hill explained, referring in the latter case to the Web service that creates private social networks on a neighborhood-by-neighborhood basis.

Why did Diggit’s founders feel the need to build their own social layer into the service? Why not just plug in to Facebook, for example, as Oodle has done? “The problem is that most of your Facebook friends are going to be outside your area of geographical influence,” explained Hill. That won’t help much if you’re trying to sell your car but your potential buyers are on the other side of the state – or country. Sure, you can create groups

within Facebook, but most people don't bother. At DiggIt, you're hyperlocal from the get-go.

Marc Prioleau, managing director at Prioleau Associates, a San Francisco consultancy that provides advice around local marketing, says that vertical social networks like DiggIt area already showing a lot of potential. He points to Waze, a social network built around traffic jams. "You don't have to be my real friend," he told us, "but if you're driving on the road with me, I can benefit from the valuable traffic information you have."

DiggIt, he says, operates similarly, in this case focused exclusively around shopping.

Prioleau is also encouraged by DiggIt's small-town focus. "If they tried to launch in New York, it would be very easy to get lost in the noise," he said.

Once you've created your profile, you can start listing stuff to sell. At its core, DiggIt operates as a general merchandise classified site a la Kijiji and others. Basic listings are free but there are plenty of upsell opportunities: the usual suspects of featured placement, highlighted ads and additional listing photos. The site also allows larger sellers and local businesses to purchase display ads. On the flip side, Hill envisions a possible subscription model for buyers that would allow multicity searching and display ad blocking.

DiggIt also adds a little gamification into the process. The more data you share about yourself, for example, the

The screenshot displays the DiggIt website interface. At the top, there is a navigation bar with links for CONTACT US, ABOUT US, CUSTOMER SUPPORT, SIGN IN, and a prominent 'Join Now' button. Below this is a secondary navigation bar with categories: EXPLORE, LATEST ADS, POST AN AD, CATEGORIES, FREE, and COMMUNITY. A search bar is located in the top right corner with the text 'Enter a search here' and a 'GO' button. A 'Like DiggIt on Facebook!' button with a thumbs-up icon is also present.

The main content area is divided into several sections:

- HOME**: A central banner area with the heading 'DO YOU DIGGIT?' featuring images of a bicycle, a laptop, and an orange chair. To the right is a green 'MERCHANDISE' button.
- Browse**: A sidebar menu with options for All Categories, Family, House & Home, Tech, Fashion, and Community.
- FIND US ON**: Social media icons for Twitter, Facebook, and Tumblr.
- TWITTER STREAM**: A list of tweets with user avatars and text, including one about a sleep schedule and another about a Friday Pro-D Day event.
- Category Tiles**: A grid of six category tiles: Autos & Vehicles, Electronics, Real Estate, Pets and Animals, and Events.
- POPULAR ADS**: A grid of six featured advertisements:
 - BARCELONA CHAIR**: Classic design in black leather, with chrome frame. \$500.00.
 - WOOL DRYER BALLS**: Why use wool dryer balls? \$7.00.
 - 52' CRUISERS 520 SPORTS COUPE**: See this great boat at the Vancouver Boat Show. \$699,000.00.
 - 2000 PORSCHE CARRERA 4**: For Sale. \$29,500.00.
 - 152CM SNOWBOARD**: 152cm Anthem snowboard for sale. \$28.00.
 - WEDDING ALBUM - LIBRARY BOUND RENAISSANCE ALBUM**: I have a brand-new library-bound Renaissance album. \$140.00.
- PAID Advertising**: A section for sponsored content, including an advertisement for 'VINTAGE MID CENTURY MODERN EKCO ETERNA JAPAN 42 PIECES' for \$125.00.

At the bottom of the page, there is a 'View More: Popular Ads:' button.

more “points” you get, some of which can be redeemed for upgraded ads or coffee cards. We’re not sure that’s necessary, but it may appeal to younger users (or coffee drinkers).

As DiggIt grows, the site will increasingly be able to assist sellers in pricing items. “Our technical team comes from a big data background,” Epp says. “We’ll be able to use the data we collect to provide insight on what price you should sell that iPhone for and how many days it should take to sell at that price.” This type of functionality exists in the e-commerce world, but it’s the first time we’ve heard it being employed inside a classified advertising site.

When it comes time to pay, DiggIt has built mobile payments into the system in a very clever way, so that buyers can start a credit-card transaction online at home when they click the “Buy” button, but not complete it until they get to the “driveway” with their mobile device to pick up that second-hand baby crib in person.

The process eliminates the need to bring cash, addressing Craigslist-style crime concerns. It also creates a fluid start-to-finish environment that may hook initially just-curious buyers and sellers into long-term relationships.

This is not the first time payment completion “at the curb” has been tried. Classified technology vendor AdPay had it ten years ago but, AdPay CEO **Mike Heene** said, it was probably “ahead of its time and, as such, very few knew about it.”

The company stopped selling it in 2007. “This was back in the days when BlackBerry was king [and before] the proliferation of smartphones and apps and HTML5,” he said.

The AdPay technology was based on IVR (interactive voice response), certainly not as convenient as tapping a button on an iPhone. Although Heene allowed that today “might be a better environment,” he added he’s still “not convinced it would be successful. I just don’t think that nifty technology tricks or social-media classifieds are going to move the consumer from Craigslist.”

The folks at DiggIt beg to disagree, of course. When and if that happens, women may be the prime movers, suggests **James Degreef**, CEO of ChatterBlock, a local website targeting moms and providing a plethora of information about camps, classes and local events. (Chatterblock, like DiggIt, also launched in Canada.) “We know from what we see on ChatterBlock that trust is a big issue for moms who are buying stuff for their children,” Degreef said. “Maybe Y might be a better deal but X is from someone you know. If I buy something and it doesn’t work, knowing who I bought it from, and having that social trail to ask follow up questions is very important. Plus there’s a ‘pay it forward’ community aspect: moms helping other moms in the community.” Craigslist, by contrast, he says, is too much of “a free-for-all.”

DiggIt shares some similarities with UsedEverywhere, but Hill and Epp take pains to stress that everything has been built entirely from scratch using no proprietary knowledge

or technology. “UsedEverywhere was hyperlocal through its URLs but it didn’t take a full-on social media approach to the business” like DiggIt, Hill stressed. “We don’t see ourselves as competitors,” she added.

There’s plenty to admire about DiggIt – and ultimately to partner with. Hill says that Semadic is definitely interested in white labeling DiggIt’s software. “To step into a complete hyperlocal redesign or rebuild can be financially difficult [for a publisher]. We can work with anyone in the world and say, here’s the site; we’ll just take a piece off the bottom.”

Prioleau, the local marketing consultant, concurs. “There are a lot of companies out there with an existing classified business, with content and audience, but they don’t have a compelling technology, so they’re watching their business slowly erode,” he said. “I think there’s a viable model here that says this could be a good complement to what an existing site is already doing: you bring the local market presence, we’ll bring the technology.”

Local person-to-person marketing is a huge industry, he added. “People are always selling stuff to people around them. But it’s time for a new approach. Maybe it’s the social aspect that will make for a more compelling experience.”

Our bottom line: An established classified player looking into going hyperlocal, social or both could do worse than picking up the phone and calling Hill and Epp to talk terms. But not yet. “Right now, our focus is to get our own brand up and running and to validate the business model with the market here in Canada,” Hill said, before they can consider expanding or partnering.

And DiggIt is still very early, soft launching only in January and only in Victoria (with 330,000 people, it’s “just right,” Epp chimed) with the URL Victoria.DiggIt.ca. Hill and Epp have been busy setting up similar sub-domains of the main DiggIt URL for every definable community “with populations of 20,000 and up” in western Canada.

DiggIt is rolling out in stages – we won’t see the mobile or payment pieces or the company’s interesting “silent auction” mode, until April. In the latter, bids can be submitted only every 20 minutes in order to minimize trigger-happy buyers with their fingers perpetually ready to up the latest offer. The delay is also intended to encourage browsing on the site while waiting.

DiggIt’s staff also manually curates listings into categories, which display on each community’s home page. For today, Valentine’s Day, there’s a special “love” section, which features a motley mix of listings: a puppy, a printer and a free futon frame.

We’re not sure whether we’d appreciate a printer instead of a puppy as a token of our loved one’s affection, but it’s all part of what looks to be a fascinating experiment in pushing the hyperlocal-social envelope.