netimperative

top-pile.com

June 2004

sector report
Online search

feature

voice

case studies

research

data

Introduction

Search has without doubt been the most talked about sector in the past year. The reasons for this are numerous, but chiefly it is because search engines have become the navigational tool for almost every web user, where once it was portals that provided the ‘hub’ for consumers’ web use, particularly newcomers.

Thus, the battle to become the search engine of choice is arguably the fiercest in the entire industry. It is a battle that over the past three years or so, Google has won hands down. But, as Google has grown, so its rivals have woken up. Yahoo has now placed search at the core of its efforts and this year launched its own search index after much speculation, dropping Google in the process.

Also, MSN is preparing its own index for launch before the end of the year, possibly before the end of the summer. The battle will then truly be on.

Interestingly, as these two internet giants begin to tackle Google seriously, so Google has turned the tables and entered their domains. Webmail, news search tools and various other services are giving Google an increasingly ‘portal’ flavour. Thus, the lines are blurring.

Search is expected to take a leap into the world of ‘personalisation’ in its next incarnations, with search results evolving to fit the user profiles of individual servers. The world of mobile will also eventually need effective search tools as 3G takes off.

But for now, there is a tri-company tournament likely to provide the most interesting viewing of the industry for many months to come.

Enjoy,

Philip Buxton
Editor
Netimperative

For the latest news and analysis on the online search sector, see
http://www.netimperative.com

Our sponsor

top-pile.com is delighted to have the opportunity to introduce Netimperative's Search report.

Since 1996, top-pile has been supplying search engine optimisation and marketing services to UK companies. Whilst the company is now a global one, the UK remains our largest market by number of customers and by traffic delivered.

Over the last 8 years we have seen enormous changes in the search engine world, from the beginnings of Altavista being the "only" search engine through to the dominance today of Google, Yahoo and MSN, from the days when search engine marketing meant buying an automated web site submission service for $49 to the situation today when budgets of £10,000 per month are standard.

The increasing popularity of search engines among users and of search engines' product offerings among businesses has resulted in a market that today offers a wide range of opportunities for driving traffic and sales to web sites.

But the most important development is the more recent one whereby it is now possible to monitor return on investment right down to individual campaigns and individual search terms. Whilst this is a very welcome devlopment and arguably makes the search engine marketing and optimisation industries the most accountable marketing media, we would stringly urge that attention to ROI does not distract from the more important longer term issue of brand building.

At top-pile we are focused on providing best of breed solutions and traffic to over 5,000 customers and 700 resellers. We look forward to continuing to be an integral part of, and contributor to, the development of the search engine marketing world in the future.

For more information on top-pile, visit http://www.top-pile.com

Contents

While Microsoft's shadow looms large over the high-flying search industry, its rivals' attempts to surge ahead have made for interesting viewing, says *Gareth Vorster*.

The search war warms up

Search Engines have become a major talking point in the online industry of late with major players Google, MSN and Yahoo pushing and shoving into one another's market areas, begging the question, who will be the biggest?

To question Google's dominance in the search marketplace would be naïve. In Europe alone, more than 55 million people use Google as their search engine of choice according to net measurement firm Nielsen/NetRatings.

Google far outstrips its closest rivals with a reach of more than 47% of internet users, with MSN Search claiming 27 million users (23.1%), while Yahoo claims just over 12 million (10.8%).

Certainly, the most publicly talked about news in the sector of late, has been Google's long awaited IPO. The company's plans to go public by way of an online auctioning of stock, may be seen as unusual but as co- founders Sergey Brin and Larry Page have said: "Google is not a conventional company".

The flotation, given a rather arbitrary cash target of about £1.5bn in cash, also forced Google to disclose basic financial details for the first time, unveiling a net profit of $105.6m (£60m) last year, on revenues of $962m (£544m), up from $347m (£196m) a year before. This has prompted valuations for the entire company spanning between $25bn and $50bn.

Jordan Rohan, an analyst with Schwab Soundview Capital Markets, calculated that in the year's first quarter, Google had pre-tax profit margins of 59%. "That is extraordinarily profitable," Mr. Rohan said. "Very few companies of any sort reach those levels."

Founder of UK search engine Freesearch, Shakil Kahn, believes the offering will be an emotional one. He said: "65-year old Miss. Marples will try to obtain shares, purely on the basis of hearsay of Google being a really good company, without having a clue of what/how they make money." In his opinion, the IPO will be overpriced, adding to the Brin and Page treasure chest.

Search wars

With the float expected to reveal just how big a company Google has become, Danny Sullivan, editor of SearchEngineWatch.com believes that a war has developed between three 'big boys' Yahoo, Google, and MSN, with the latter confirming its intention to launch into the search market, probably before the end of the year. Also believed to be waiting in the wings and perhaps not far behind, however, is Ask Jeeves, according to Mike Grehan, search columnist and CEO of Smart Interactive.

A pulling up of sleeves began in earnest in February when Yahoo dumped Google's index technology from its search results, replacing it with a brand new search engine based on the Inktomi Slurp crawler. Industry experts have been impressed with Yahoo's results with Grehan citing that 'Yahoo has 40 PhDs more than Google'.

Kahn feels that, with Yahoo's acquisition of Inktomi, Overture (AltaVista and Alltheweb) the company has got a very 'solid product offering'. He says: "They will always make money even if no-one else syndicated Overture results, purely because every advertiser wants to reach the B2C Yahoo user, they convert beautifully, always have done and always will." He added that 'some clever tools' such as anti-spyware, toolbar, messenger and content aggregation have given the company added mettle.

The Yahoo and Google split has seen a tit for tat backlash, for example, when Yahoo bought

European online shopping comparison service Kelkoo in March, the move was seen as 'purely tactical in preventing Google from snapping it up' says Grehan. It was made apparent by industry sources that Kelkoo had also been linked with both Ask and Google in previous months.

Google's enterprise in discussion group testing, blogging, shopping search and soon-to-be launched webmail service Gmail has made it clear that both companies have been preparing themselves for the ominous arrival of Microsoft into the search market, leaving both companies to frantically arm themselves so as to pull ahead of Microsoft, perhaps enough so as not to be caught.

For Danny Sullivan, it will only be towards the end of the year before we hear of any major developments by the computer giant, however, Mike Grehan says that Microsoft may have already let slip with the announcement of a change of interface. His feeling is that the new service will go live in July, before the Search Engine Strategies conference in Silicon Valley Capital, San Jose.

While some industry members may differ in timeframe, all are in agreement that Microsoft is pushing hard to compete in the search market, and in Kahn's opinion, it may be a case of wanting to milk it dry too soon.

While a triangular market domination rivalry between Google, Microsoft and Yahoo could soon be in full swing, a company which should not be left out according to Grehan, is Ask Jeeves, which, although still small in terms of earnings (the firm reported revenue increased by 73%, to £22.1m from £12.8m last year), is climbing up the ladder in terms of advertising revenue as well as adding to its Smart Search tools.

The company has recently been on a spending mission to increase its functionality tools and increase its search share, snapping up Excite owner Interactive Search Holdings (ISH) in a $343m cash and share deal that it claims will double its market share.

Grehan says that Ask Jeeves, with its algorithmic search and technology developed by Teomi, may well be 'superior' to technology delivered by Google. Interestingly, he adds that, when Ask Jeeves bought Excite, it included 'Myway.com' a full portal offering including an email service. He says that Jeeves may well 'model itself' on the 'big three' in eventually becoming a full-blown portal.

Branding Wars

Another area where Jeeves may feel capable of looking its bigger competitors in the eye, is branding. Recent research has revealed that branding still has a major part to play in the success of a company, a point that is reiterated by members in the industry like Barry Loyd, CEO of Makemetop who points out that 'the main issue for search engines to remember, is drawing traffic to its site'. A survey conducted by market research firm Vividence, revealed that, when measuring the success of 'search results' Google's were not far different from its competitors, however, due to its brand positioning and separated search methods, users perceived a higher rate of 'success and satisfaction'.

Surveying 2,000 users looking at the top search engines, Vividence found that customer experience still ranks Google top of the pile, with 89% of people having confirmed a positive experience with Google, due in great part to the engine's less cluttered interface, while Yahoo ranked second with 68%, followed by Ask Jeeves (50%), Lycos (48%) and MSN with 41%.

Ask Jeeves UK may well have its finger on the branding pulse after recently announcing a first time dropping of butler character Jeeves from its advertising. The company's new outdoor campaign focuses on the ability of the company's search technology to find the results users are looking for under a strapline 'Ask Jeeves - The Find Engine'. The UK arm also recently followed its US incumbent in dropping banner advertising from its site in a bid to improve user experience.

The same report also places Ask Jeeves top in the majority of Vividence's advertising measurements with the company generating the most 'click-throughs.' Ask's successful financial results have been attributed to its advertising revenue and from its acquisition of Teoma technology bolstering its traffic.

Search advertising

Given its uncluttered search interface, it comes as no surprise then that Google trips up on the Vividence 'ad activity index' with users more likely to click on sponsored links on Ask Jeeves and Lycos. MSN and Yahoo were ranked third and fourth respectively.

Google has hinted at a shift away from its text-based only ads by allowing image advertising for the first time to be placed on third party sites. The new image ads run with the company's AdWords feature, enabling advertisers to deliver contextually targeted advertising to users, along with their text-based adverts. With Google's uncluttered site appearance lending so much to its branding appeal, Sullivan believes it may have 'backed itself' into a corner in terms of adding new tools.

Mike Grehan takes it a step further by saying that, although Google has not yet begun to run image ads on its site, it is only a matter of time before it happens. He points out that one merely needs to click on the 'More' function on the homepage to reveal what looks uncannily like a portal already, with the clutter yet to come.

Portal Wars

Back in the crossfire, many a company might be intimidated by a Microsoft arrival into their area of business. Google, however, showing every bit of its heavyweight stature, announced the launching of its own webmail service Gmail on 1 April. Danny Sullivan says that early reports indicate that the service will be 'good', and as a further avenue to attracting more money 'it can only be good for them, provided they can survive the bad publicity of its launch.'

The glitch in the launch of Gmail has been the poor marketing surrounding it. Google confirmed plans to deliver text ads relevant to users' email discussions in its new email service causing many critics to voice privacy concerns. The web mail service adds further fuel to a speculation by Grehan that Google is becoming a full-blown portal.

Moving forward

If industry predictions are anything to go by, the search market is set to remain a media focal point. That is to say that we may well have to amuse ourselves with the schoolyard tussle of the big boys for a while yet. However, until Microsoft launches itself fully into the search arena, competitors and industry observers can only guess at the shape of things to come. What is for sure is that the Seattle gargantua will not fail for lack of effort, nor funds. The critical part of the vital search battle for dominance is on a nearing horizon.

Gareth Vorster is a reporter at Netimperative

The shape of search to come

Mike Grehan, CEO, Smart Interactive

When Jon Glick, senior manager of search at Yahoo! and I recently discussed next generation search, he gave me a wonderful quote which I use over and over again. It's such a simplistic analogy of the problem between man and those wonderful machines called search engines.

He said: "People tend to talk about a search engine as "the black box". Yet it's the same in reverse: to the search engine, the end user is the "black box".

In the search engine marketing community we seem to have so little actual data about what's happening in the electronic mind of Google or Yahoo! (not forgetting MSN, Jeeves and others). And Search engines have so little data about what's happening in the searcher's mind.

Imagine a situation where search engines actually knew something about their end user. The results you'd get would be very different to those which you see right now. And that's because the search engine would be getting some feedback. The results could actually be tailor-made just for the individual end user, based on a series of personal preferences, not just ranked by heuristic or genetic algorithms.

Personalisation is what will shape the future of search engines (and the search industry). It's no coincidence that, when Yahoo! launched the first salvo to knock Google off the top of the pile (with the purchase of Inktomi and Overture), it responded with Orkut and rapidly followed with Gmail.

And it's certainly no coincidence that, when Jeeves acquired Interactive Search Holdings to broaden its reach in the search space, the deal also included myway.com and its web-based email service.

If you take a look at the components that the major search engines are incorporating into their technologies in order to create a better user experience and develop new business models around personalisation, there are a lot of similarities.

Personalisation is very much a subjective thing itself of course. A search engine could provide you with better information if you provide it with information about yourself in the first instance. But what, and how much information is required on both sides before it really is "personally relevant" as opposed to just "more relevant"?

The new science of networks focuses a great deal of attention on the connectivity phenomenon of the Web. Many books have been written, much research is constantly undertaken, and the data is analysed by scientists and published in both academia and the commercial sector.

The application of graph theory and social network analysis in the algorithms used by search engines enables them to understand and map out connectivity data in a highly complex, yet more cohesive manner than just who links to whom. This is how communities are identified and the linkage data within those structures is prioritised.

And Google's intrusive toolbar fires back extremely useful data on search behaviour (for those who have the full version and allow Google to monitor them and the web pages they visit).

The data you can mine from an entire sector, or community, willing to provide feedback is very much "black gold" in the search engine equivalent to drilling for oil. Relevance feedback is food of the gods to search engines, not just in the mathematical/algorithmic sense, but in the real sense of: "Were those results good enough for you...Would you like us to try again with a little more input from yourself..."

But because people online are naturally wary of giving any information at all about themselves for privacy and security reasons, the best feedback a search engine can get at the moment is likely to be anonymous information about searchers.

This in itself is not new though. Way back in 1999, Gary Cullis, then CEO of Direct Hit was happy to come to the press with his latest innovation which would add even more power to their "click popularity" technology. (Direct Hit used a method of determining the popularity of a web site by the length of time people stayed on the pages following a search, before hitting the back button.)

His idea was to marry this new technology with partners such as Yahoo! which already had subscriber bases. By putting both sets of data together (click popularity and the demographic data captured from subscriptions) you'd be able to tell the sites preferred by men following a search for something like "golfing apparel" compared to that of women.

But that's still very much anonymous. It's getting closer to demographic segmentation which would be a huge blessing to advertisers. However, it's still not quite "personally relevant".

I had the pleasure of meeting Matt Round (director of personalisation and automation at Amazon.com) at the recent e-metrics summit where I was speaking. I gained a wonderful insight into the way that Amazon is tackling the whole "personalisation" approach. They have so much more data about their end users/customers than any search engine: right down to credit card details. Of course, they have to stay within their limits as far as privacy and security go. However, the Amazon brand has a "halo effect" much like that of Google, so when the two matched up for the launch of A9, that seemed like the perfect way to blend e-commerce data and search technology with the most permission/participation from the end user.

Amazon users have long been accustomed to the idea of being greeted personally and scanning their "recommendations" and being told that "other people who bought also bought..."

It's interesting that, within our industry, we're so fascinated about "big Bill's" move into search with MSN to see how "the majors" square up, when in the background, Jeff Bezoz may actually be much further down the line to providing "real" personalised search data.

There is very much a case of "watch this space" in the quest for true personalisation in search. For the search marketing community, it also means that we may need a rethink about how we take our services forward for the benefit of our clients in the future.

Let's go back to where we came in with Jon Glick, to see how he sums it up: "For me, the next phase will be where you're able to take into account information about the user. And of course local, because local search is a subset of personalisation. For local to really work, you need to know where the person is. So, the issue of: I'm number one for this keyword, may not exist at all in a few years.

"You'll be number one for that keyword depending on who types it in! And from where and on what day.

"It is going to get more complex than something that can simply be summed up in a ranking algorithm, let alone how many ticks somebody has a on a toolbar."

Until next time, keep rising to the top.

Will 'who pays most win'?

Barry Lloyd, CEO, Makemetop

If 2003 was the year when paid performance PPC vendors like Overture, Google and Espotting really started to impact search engine marketing in the UK, 2004 may well be the beginning of the end of relying on "free" listings on search portals for commercial sites.

The PPC model is simple. By being prepared to pay more for a click than your competitors you will appear higher in the results on search portals showing sponsored listings from the PPC provider. In the UK, that means Overture for AOL, MSN, Yahoo and several other large portals and Google AdWords for primarily Ask Jeeves and Google itself.

However, the very popularity of sponsored listings has forced prices up while surfers are prone to trust what are perceived as "natural" listings as more likely to be chosen on "merit" rather than who is willing to pay the most. Many companies have realised this fact and having found success with use of sponsored listing campaigns are looking to compliment this by also being seen prominently in the standard results.

The problem with this is that, unlike PPC campaigns, search engines rank web pages on the basis of the content of the specific page and the overall perceived "authority" of the site. The frequency with which they look at pages and update their databases can vary dramatically and appearing in the standard results can be very much a hit or miss affair!

Enter the concept of paid inclusion. Introduced by Inktomi in 2000, paid inclusion was a means where, by paying the search engine either on a fixed price cost per click model or a one-off yearly fee, the search engine would visit your page and re-index your data every 48 hours. If this was coupled with suitable on page or data optimisation, a search engine marketer could ensure that pages would appear prominently and also with the most current information available. Paid inclusion was taken up by several other engines in various forms over the next few years but the two biggest players, Google and Yahoo (who were then using the Google database) did not have any mechanism for paid inclusion.

This all changed earlier this year when Yahoo, who had earlier purchased Inktomi and (via their Overture purchase) AltaVista and AllTheWeb, dropped Google and launched their own search technology called Yahoo! Search and introduced their own paid inclusion programs called SiteMatch and SiteMatch Xchange replacing the programs previously provided by the search engines they had absorbed.

Administered by Overture, SiteMatch can be purchased via Overture USA directly or through a selection of partners including the majority of those who previously provided paid inclusion programs to the replaced programs.

Sites with more than 500 pages (typically large e-commerce sites) are able to submit pages through a different mechanism using XML feeds (rather like feeds to shopping portals) without having a per page charge but simply paying a negotiated flat rate for referrals with the rate depending on the industry.

Suddenly, this left Google as the only major search portal supplying results without having a mechanism by which commercial sites could pay for more rapid inclusion.

The problem with paid inclusion is, unlike PPC, you can not buy a position. Your ranking is based on the normal search engine ranking methodology. But a capable search engine marketer is able to design either a feed or pages that are well suited to the search engine and, through the frequent updates, can adjust content quickly to better suit the search engine needs.

For e-commerce sites, the ability to have only current products and services listed rather than having to wait for standard search engine update cycles to refresh their listings is another advantage.

Many large sites like Kelkoo and Dealtime already use this technology but it is slowly becoming a necessity for any commercial site that wishes to appear rapidly in the search portals that Yahoo now supply. Currently, in the UK, these include MSN, Wanadoo, Lycos, BBC and Yahoo itself. Combined, these cover a significant section of the UK search market.

Google have already stated that they think that paid inclusion can skew search engine results and Yahoo have strenuously denied that this is the case. Yahoo also defend their paid inclusion plans by stating that all submissions are evaluated by a Yahoo editor to ensure site integrity and to prevent the listings being subverted by paid “spam”. To date they have been very rigid in enforcing these rules, particularly in industries where affiliate marketing is rife and they state they are dedicated to ensuring that only sites who give the surfer a good experience are accepted.

Search engine marketers have been used to driving traffic to their websites by getting free listings in search engines, specifically Google. But even Google is trying to list sites they view as authorities on specific subjects rather than commercial listings tending to force smaller businesses to use AdWords in certain market areas.

With the ability for e-commerce sites to appear across a wide spectrum of search portals and (through geo-targeting) able to target consumers in specific countries or regions, paid inclusion may now have to be considered as an integral part of every marketers online spend.

MSN are likely to introduce their own paid inclusion program when their new search is launched either later this year or in the first half of 2005 and Google will still be the only major search engine without a paid inclusion program. But how long with that philosophy continue after their IPO?

Marketers may not like having to consider paying to get included in search engines in order to get rapid results - put we may have to get used to it. No-one thought that the idea of PPC would take off. Now we all use it as part of our marketing mix. Paid inclusion may well be the next stage for us all to consider.

Figleaves and Mirago

Figleaves.com is the world's largest branded online lingerie retailer. With over 170 top designer names it is committed to providing the widest selection available anywhere. The philosophy at Figleaves is clear - simplicity, service and satisfaction. The website is easy to navigate and is a one-stop shop for all underwear, hosiery and swimwear needs regardless of size, sense of style or budget - making each shopping experience as easy and enjoyable as possible.

Over the past five years the company has grown from four employees to a currently, 140-strong team. With approximately 1.6 million unique users per month, its consistently growing customer base has already taken the company into the Top 20 ranking of UK internet retailers. Success has been achieved through a combination of the latest innovations in online shopping such as free delivery worldwide, and a solid retail background.

The bottom line

The UK lingerie market has seen growth of over 21 per cent in the last five years. Estimated total sales for Figleaves this year is projected to be around £16 million. How has Figleaves gone from generating around ten orders per week to approximately 200 orders per week in the UK alone?

Online search manager, Richard Brooks, claims: "There is no mass-media marketing strategy, you rarely see Figleaves advertised through any other media apart from the Internet. It is solely an online operation and therefore almost all of the marketing budget is focused on web-based marketing and PR activity." This includes email campaigns, affiliated networks, trusted partners, and the largest amount of the budget is spent on pay-per-click (PPC) campaigns.

PPC campaigns have become one of the most widely used methods of driving traffic to a website. It enables a company to bid on hundreds of specific key words in order to be listed at or near the top of internet search engine results.

Brooks added: "PPC is a crucial element of our marketing plan and has been for several years. It allows us to drive targeted traffic to our website where visitors can browse and purchase at their leisure. Mirago amongst others, helps us to achieve this."

Targeting is key

Figleaves has run various PPC campaigns across all of the major search engines since its inception and in the UK that means across Mirago, Google, Overture and Espotting.

Mirago's source exclusion PPC campaign has been highlighted as a major advantage as it allows Figleaves to exclude specific sources of traffic that would be unlikely to provide sales, generating the very best targeted approach from its marketing spend. "The majority of leads are generated via the various PPC campaigns with great success, in fact, business is doubling year on year - certainly at a rate that any company would be proud of," continued Brooks.

"Using Mirago as part of our online marketing campaign has proved very beneficial to us." Brooks added. "The source exclusion service that Mirago offers is extremely valuable to us as the focus of traffic is from our target markets and it reduces our spend on unwanted click-throughs."

Unwanted visitors

The source exclusion service provided by Mirago also helps Figleaves to combat one of its main areas of concern - adult traffic. "The very nature of the lingerie business, means Figleaves cannot avoid attracting unwanted visitors to its website who simply want to view the models and their underwear with absolutely no intention of buying," said Brooks.

"Some visitors click through to our site simply to browse the web pages without any interest in making a purchase and each click through to our website costs us money. By excluding some of the more obvious sources of traffic where we believe we are attracting unlikely customers, we are able to save money and direct it towards the sources that are likely to provide much higher sales conversion rates."

The future

At the moment Figleaves has no direct competitors in the UK so it is currently focusing on developing its presence in the US market. Brooks said: "America is our next big target. We have a growing representation over there but there is a lot more competition. With the help of more PPC campaigns and targeted search engine marketing, we hope to build on this market in the near future."

Find.co.uk and WSPS

Find.co.uk is an internet directory for the financial industry - financial companies pay to be listed and linked on find.co.uk in order to take advantage of the high quality traffic that is driven to the site. find.co.uk started search engine marketing with WSPS in 2000. By August 2003 find.co.uk had 150,000 monthly users, 25 per cent of which are driven to the site by pay per click strategies on search engines run by WSPS.

Problems

find.co.uk's search engine marketing, like that of many other web sites, was based upon manually bidding for sponsored search engine keywords - known as pay-per-click marketing. However, an increasing number of companies were competing to bid for the generalised keywords that find.co.uk wanted to get high rankings for. Manually bidding for hundreds of keywords became too time-consuming, costly and complex to be effective. The result was over or under-bidding - either costing too much money for each bid, or losing find.co.uk's association with that keyword altogether.

find.co.uk needed a way to stay near the top of search engines and increase the amount of highly targeted quality traffic to the site, without the problems associated with manually bidding for keywords. This would increase the number of click throughs to clients' listings on the site. Click-through is find.co.uk's measure of success - the more people who click through to the company's clients, the more revenue find.co.uk will earn.

Solution

find.co.uk decided to work with WSPS because of the way in which it could run automated bidding strategies across many of the major UK search engines - and on thousands of keywords. The first step was to ensure that the right web surfers were being targeted, so WSPS developed a larger list in excess of 8,000 keywords for find.co.uk to bid on. These keywords are linked to more than 100 specific pages on the web site. John Perceval, managing director of find.co.uk, explains: “The really cost effective keyword bids are the highly targeted ones. There is a lot of competition to bid on generic terms such as ‘mortgage’ or ‘insurance’ so these are very expensive to bid for. Most companies don't have the time to bid manually for thousands of more specific and targeted keywords such as ‘car insurance for young woman driver.’ But it's these specific keywords that target the right people, and give the greatest return on investment. People making those queries and clicking on our search engine link will be highly likely to click through to our clients' listings on our site.”

find.co.uk decided to use WSPS's BidBuddy system, which runs automatic bidding strategies for thousands of keywords for find.co.uk over the major keyword providers - Overture, Espotting, Mirago and Webfinder. The keyword strategies can guarantee optimum listings on the UK's most popular search engines, such as Yahoo, Lycos, AOL, MSN, Freeserve, Ask and Altavista. BidBuddy monitors find.co.uk's competitors' bids automatically - and makes its own bids to ensure optimum positions at minimum cost. It uses set rules to ensure that find.co.uk's bids remain at the optimum positions on search engines for the most cost-effective price. This involves avoiding being the top ranking site for expensive keywords, and between third and fifth positions for cheaper, more highly-targeted keywords.

John Perceval adds: “It's comforting to know that if you want to be at a certain position in front of consumers on search engines but not spend over a certain price, BidBuddy will be doing it for you. It keeps a lid on prices, and does exactly what we want it to do. Its intelligent strategies mean that we don't need to worry about our online marketing budget being spent effectively - BidBuddy and WSPS do it all for us!”

Results and the way forward

Click-throughs on the site itself have risen 146 per cent from 180,000 a month in September 2001 to 263,000 in September 2003. This is all high quality traffic so as a result virtually every major UK financial services company is now a client of find.co.uk, whose revenue and profits have increased sharply over the last few years.

Between January 2000 and September 2003, traffic from search engines has risen from 5 per cent of the total to 35 per cent, showing the importance of paid placements to find.co.uk’s success. This targeted traffic is a very cost-effective way of delivering potential customers to the clients.

John Perceval concludes: “Above all, we need to provide our clients with the high quality traffic, to give them results which they have come to rely on. WSPS’ search engine marketing plays a critical part in that - it delivers us thousands of interested people each month. Without BidBuddy automatically bidding on the keywords for all of the search engines, we wouldn’t be able to target potential visitors efficiently - it saves us a small fortune. Automated pay-per-click marketing is the way to go.”

MG Rover and Ask

The Rover brand has always been at the heart of Britain's motor industry from 1904 until today. The products that bear the name Rover are quintessentially British - reliable and timeless designs flourishing on innovative engineering. Of the brand names in the current market place, Rover and MG have a clear identity and a set of strong brand values that build on the heritage and history of each of these marques while embracing the technology of the future.

Objectives:

Ask Jeeves' objective was to show that online advertising for MG Rover can work to raise brand metrics and as a direct response medium. A subsequent aim was to show that mindset-targeted advertising can be effective.

Strategy:

Ask Jeeves worked very closely with MG Rover to develop a cost-effective marketing campaign and identify the optimum search terms for displaying the MG ads. Ask Jeeves tested the branding effectiveness of the MG Rover advertising between October and November 2003. The advertising was delivered against automotive and sport searches, groups of users that had seen the advertising (test) were then interviewed and groups that hadn't (control), a total of 1,500 people.

Results:

Users that saw the advertising when searching for car information recalled the banners - 8% unprompted (compared with 1% of the control sample), and 22% prompted (vs 10% control). Those who had seen the advertising were much more likely to mention the brand when listing car companies. 18% of those users cited it, compared with 9% of the control group.

Almost half of users who saw the ads when searching for cars said they would react in some way, or had already done so. This ranged from visiting the MG Rover website, visiting a dealer, arranging a test drive.

Ask Jeeves also found that 55% of users searching for car information on Ask Jeeves were at a stage in the user purchase cycle of buying a car. Of these, more than 60% hadn't yet selected a brand and could therefore still be influenced through advertising.

Conclusion:

Ask Jeeves proved that people that had seen the advertising were more likely than non-viewers to mention MG amongst car companies. There was a brand mention uplift amongst users that saw ads within auto searches, and no similar uplift for viewers within the sports category.

Marco Bertozzi, Commercial Director, Zed Media says: "As a major player in the UK search engine market, we felt Ask Jeeves an ideal partner for us to measure how our brand awareness can be increased within our target audience through the use of search advertising. It is pleasing to find that as well as driving cost effective response we are supplementing that with delivering a shift in awareness metrics".

Chris Babayode, VP Sales & Business Development, Ask Jeeves UK says: "Our work with Rover MG is proof that advertising in search is an immensely powerful marketing tool that delivers proven cost effective results for marketers through displaying commercial messages in a relevant context, to users at all stages of their purchasing cycle (be they initially researching or be they ready and willing to make a purchase). At Ask Jeeves, we are able to do this by coupling our sophisticated technology with our portfolio of advertiser products which allows us to put the right message in front of the user when they at their most receptive."

Online research:

Several pieces of research for this report and related Netimperative articles are available for viewing online:

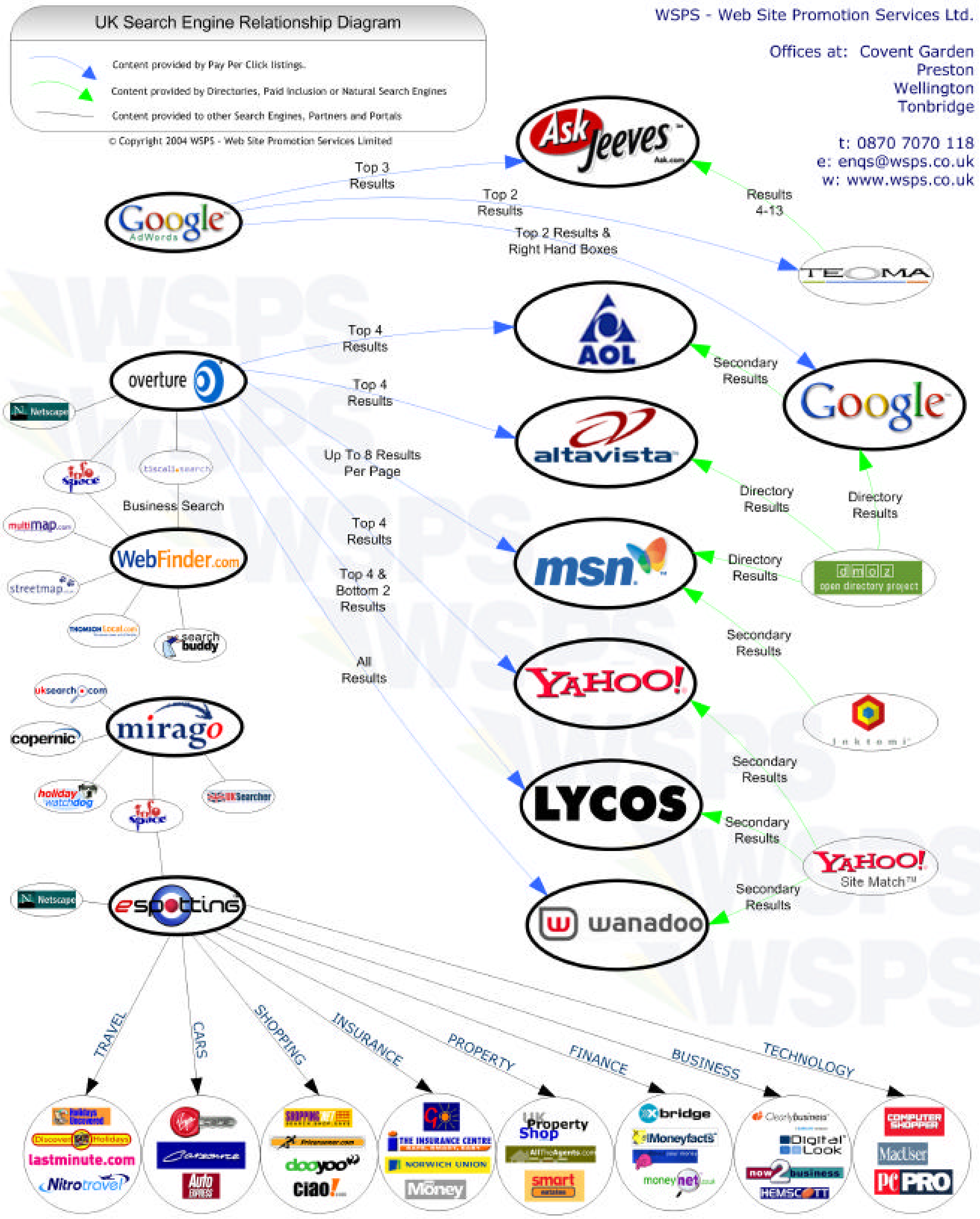
To see the Vividence Search Engine Industry Research Abstract, go to:
http://www.netimperative.com/pdf/Search_Study_Abstract.pdf

RESEARCH: Google's Euro-dominance
http://www.netimperative.com/cmn/viewdoc.jsp?cat=all&docid=BEP1_Feature_0000063432
(Netimperative members can gain free access to this piece of research)

Research..

WSPS

driving buyers not browsers



WSPS believe this information to be correct at the 24th May 2004. Please advise of any updates to andy.hunt@wsps.co.uk

Top 25 Search Engines and Directories Sites by market share of visits, April 2004

Rank	Name	Domain	Market Share
1	MSN UK	www.msn.co.uk	19.90%
2	Google	www.google.com	14.91%
3	Google UK	www.google.co.uk	12.47%
4	Wanadoo	www.wanadoo.co.uk	9.10%
5	MSN.co.uk Search	search.msn.co.uk	5.07%
6	Yahoo! UK & Ireland	uk.yahoo.com	4.98%
7	Yahoo!	www.yahoo.com	3.77%
8	Ask Jeeves UK	www.ask.co.uk	2.64%
9	MSN	www.msn.com	2.19%
10	Yahoo! UK & Ireland Search	uk.search.yahoo.com	1.92%
11	Google Image Search	images.google.com	1.58%
12	Yahoo! Search	search.yahoo.com	1.49%
13	MSN Search	search.msn.com	1.46%
14	Freeserve Search	search.freeserve.com	1.15%
15	Ask Jeeves	www.askjeeves.com	0.91%
16	Lycos UK	www.lycos.co.uk	0.89%
17	Google UK Image Search	images.google.co.uk	0.80%
18	Tiscali UK	www.tiscali.co.uk	0.69%
19	My Yahoo!	my.yahoo.com	0.68%
20	My Web Search	www.mywebsearch.com	0.48%
21	Yell.com	www.yell.com	0.38%
22	AltaVista	www.altavista.com	0.38%
23	Search Performance	www.ntsearch.com	0.36%
24	eXactSearch.net	www.exactsearch.net	0.28%
25	My Search	www.mysearch.com	0.27%

Top Search Engines in the UK by market share of visits, April 2004

Rank	Name	Domain	Market Share
1	Google	www.google.com	36.26%
2	Google UK	www.google.co.uk	30.33%
3	MSN.co.uk Search	search.msn.co.uk	12.32%
4	Ask Jeeves UK	www.ask.co.uk	6.43%
5	Yahoo! UK & Ireland Search	uk.search.yahoo.com	4.68%
6	Yahoo! Search	search.yahoo.com	3.63%
7	MSN Search	search.msn.com	3.54%
8	Freeserve Search	search.freeserve.com	2.81%

Provided by Hitwise