

Quality over quantity

Steve Hemsley

It was obvious Larry Page was a smart guy when he built an inkjet printer out of Lego bricks while at the University of Michigan. This son of a computer science professor went on to form Google with another clever chap called Sergey Brin, and the business has grown into a monster of the search world. Its rivals do not necessarily want to slay the beast, but they would love to clip its wings.

According to Web analyst Hitwise, Google ended 2007 with a record-breaking market share of search at 66 per cent. This was 2 percentage points higher than the company's average for the year and left its competitors trailing. Its nearest rival Yahoo! scored a respectable 21 per cent, with MSN on 7 per cent and Ask.com on 4 per cent. At the beginning of February Microsoft announced it wanted to buy Yahoo! in a £22.6bn deal to challenge Google. This bid may have been rejected but should marketers care who dominates the world of search?

Well, search engines remain the principal way Web users find what they want online, and advertisers must target them as best they can.

The generalist search engines such as Google remain incredibly popular with advertisers because of the sheer volume of people who access them. Yet there is a growing demand for vertical search engines that allow marketers to reach more niche audiences. In fact, if the search engine experts are to be believed, the more specialist engines could, collectively, take a large bite out of Google's market share this year if they get their act together.

According to a recent Vertical Search Engine report published by E-Consultancy and sponsored by Convera, vertical search offers significant advantages, particularly for business users. More than half of the 500 Internet and media executives it questioned wanted faster access to targeted information and contacts, and eight out of ten of them already use sector-specific RSS feeds. This is a trend expected to be followed in other industries.

The same report claims advertisers will increase their spending on pay-per-click (PPC) and online sponsorship at the expense of offline media which should be good news for vertical

Can vertical search engines challenge the dominance of the generalist giants like Google and Yahoo?



search engines. PPC lets advertisers bid on certain keywords, prompting a short description and URL for their site to appear in the paid listing section. The advertisers then pay every time someone clicks on their link.

There are already many successful vertical operators. The blog search engine Technorati has boomed as social networking and user-generated content has exploded. Its success even prompted Google to respond with its own version, Google blog Search.

LinkedIn is a vertical search engine that lets business people hunt for contacts, while there are many industry examples challenging the generalists. Kitchenandbathsearch.com is run by The Nielsen Company and taps into the knowledge of relevant experts, searchMedica is for health professionals and Institutional Investor launched searchhedgefunds.com for professional investors in that industry.

The downside that these search engines must address for advertisers is the lower volumes they generate and the lack of awareness which exists among media planners and buyers, as well as among direct marketers.

The E-Consultancy report reveals that less than half of respondents currently use a vertical engine at least once a week. Even if they do, the lack of awareness means many people will still use general engines such as Google or Yahoo! to actually find a vertical alternative.

Equi-Media search marketing director Matt Mills believes search should never be just about volumes, but rather about quality and

engagement. "It has never been a pure direct response medium and it is now clear that the channel has considerable potential for consumers to build a relationship with a brand."

He adds: "Advertisers must capitalise on this increased awareness and focus on consumers' attitude and stage of purchase as the most important factors in working towards conversion to purchase."

The key is to find a balance between volume of clicks and quality of audience. Grant Whiteside, technical director at search engine optimisation (SEO) agency Ambergreen, says this will only be achieved by combining paid search with visible offline activity, investment in SEO and strong affiliate marketing.

Another report by E-Consultancy claims affiliate marketing is now a £3bn industry. One network, buy.at, has added brands such as John Lewis, Marks & Spencer, Egg, Virgin Media and BT in the past year.

"There will always be a mix of advertisers targeting different audiences. Some can afford to look at volume as a valid key performance indicator, especially if they draw valuable advertising revenues from their Web properties," says Whiteside.

Advertisers need to know not only which search engines will work best for them but also which keywords their audience is using. In the early days, Internet users would type in one word when looking for something, but today they use multiple combinations of words.

This has led to Long Tail Optimisation ▶



where advertisers list millions of words, phrases and sentences. A search for 'holiday in USA' would bring up hundreds of websites but 'self-catering cabin holidays in Yosemite' would produce a more targeted answer.

Online advertising specialist Summit Media has launched a product called Portfolio Manager designed to increase the return from pay-per-click marketing campaigns. It means an advertiser can manage all its products with just one feed of more than 50 million keywords published across numerous search engines.

"Advertisers can see what is happening around individual products and devise specific marketing creatives around those products. You can even manage online campaigns based on different factors such as stock levels," says client services director Ben Latham.

Marketers must be clear about what their campaign objectives are before any decision can be made about which search engines to use. It is likely more quality sales leads for a B2B product will come through a vertical search engine, yet the volumes generated by a general engine would suit an advertiser aiming at a mass market.

Grant Keller, EMEA director at Acceleration, says businesses must analyse the bid management and reporting technology offered by each search engine.

"Some of the more vertical engines may offer no integration with your own bid management platform," he says. "If smaller search engines



Grant Whiteside

There will always be a mix of advertisers targeting different audiences. Some can afford to look at volume as a valid key performance indicator'

do deliver a better ROI then pounds will flow there, but the volumes generated must make any investment worthwhile."

Hannah Kimuyu, PPC media director EMEA at Greenlight, believes advertisers should look beyond vertical search engines. She says there is now more demand for contextual search – where ads on websites or mobile phones are relevant to the content the user is viewing.

Kimuyu cites the example of the small search engine Miwa which introduced its Precision Targeting Network last year so advertisers could be visible vertically on its partner sites. Google AdSense and Microsoft adCenter are two other contextual advertising programs.

"When it comes to spending money on search, advertisers are taking some of the power back because they are demanding more relevance. In response, the big search engines have all promised a much better contextual offering in 2008," says Kimuyu.

It's vital advertisers spend time devising a search strategy. "Marketers need to ask how search will enhance their business and decide how important paid search really is to them," adds Kimuyu. "They need to research how their customers explore the Internet and what their competitors are doing in this space."

Indeed, search marketing is becoming more strategic as advertisers appreciate the importance of online sales. According to research by Forrester, spending on search will soar 80 per cent to €8.1bn by 2012, up from €4.5bn today.

One company providing Web analytic solutions is Coremetrics. It has just moved into Europe having made its name in the US where over 1,000 online business sites – generating \$15bn-worth of transactions – use its software.

"Advertisers need a more informed understanding of what customers are looking for and how they search. This is not just about targeting via search engines but improving the conversion rate when people actually visit a website," says Coremetric vice-president and general manager of Europe Richard Sheppard.

Large search engines may deliver volume and vertical engines a niche audience, but the most important metric is how many new customers and extra sales do the clicks generate?

Of course, with advertisers concerned about clicks and rankings they can miss out on sales because their website is so difficult to use. Visitors must be able to find what they are looking for. If a person has to spend ages navigating a site they will leave without making a purchase.

Darren Jamieson, content editor at SEO agency Just Search, says getting visitors to a site is not the final step. "We come across many sites that spend a lot on SEO or PPC to get traffic, but they will not get the conversions they want just by throwing money at search," he says. "In fact, making a site user-friendly and easy to navigate is really the first thing people should be spending their money on."

Whether Google's very wealthy founders would agree with that one is up for debate. ●