

Summer 2005, Must be the Season of the Niche

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The summer of 2005 is going to be an interesting one. The world of search will be fundamentally different by Labour Day. From the recent changes at Google (the effects of which will be shown over time in the core algorithm), to the introduction of several unique types of search engines, dozens of fresh ideas and innovations are finding their way onto our monitors each day. The landscape of the search environment is going to alter its appearance before the leaves change colour in mid-autumn. These changes should serve to solidify the market for a number of new niches in the search-marketing sector.

The environment has already shifted in substantial ways. For the most part, these shifts seem natural and in most ways will be enormously beneficial for search engine users, advertisers and marketers. It is a bit overwhelming though. The introduction of so many new features, tools and types of search in such a short time period makes it difficult to phrase thoughts about the future of search, even three months down the road.

In the last year we have seen the introduction of new types of search tools such as local search, vertically themed engines, video search, and desktop search appliances. The four major search engines and about a dozen well placed competitors have spent the year collectively inventing, innovating, acquiring, and coping from each other. Not only are these new tools very different from the general search engines of previous years, the quantity and number of sources these tools draw references from has grown. As Andrew Goodman points out at [Traffick](#), the number of places a search-generated reference might appear has also grown with Google, Yahoo, Ask and MSN furiously creating new real estate to display them on.

For search engine users, the environment is evolving in what appears to be a beneficial way. Information continues to become more accessible as the mainstream search engines learn to better sort results with stricter relevancy standards. Local search offers users an experience combining the Yellow Pages, comparison-shopping and instant mapping. Vertical search engines cut a lot of static out from results by honing in on industry and interest specific search results. Personalization features like desktop search applications, toolbars and mega-storage search-friendly Email accounts can save hours of looking for information.

Search engine users appear to endorse the new tools and features by adopting their usage. A recent Harris Interactive survey commissioned by iCrossing shows that consumers are rapidly adapting to make use of the various new types of search.

According to the survey of 2139 US adults over April 19 – 21, 51% use the Internet for shopping with 80% of them using the 'net to compare prices. Local search is gaining a presence with nearly 50% of users looking for a local shop to purchase goods researched over the Internet. 54% of searchers use the Internet to find people and businesses instead of the phone book with most looking for personal contact information. By the end of the summer, it is reasonable to expect this trend to have a major effect on the services offered by search marketers and the expectations of their clients.

The search marketing industry is already a highly stratified environment with paid search marketing and organic search optimization defining the two basic search-systems influencing the environment.

Those focusing on paid search marketing have spent the last year learning to take full advantage of new places for ad placement created by the Big4 and their competitors. They are also learning how to best use the application programming interfaces offered by the major search engines to target their clients' advertising based on geography, time and season. There has been a rationalization in keyword prices over the past six months with a general lowering of keyword click-bids but concerns over click-fraud continue to grow.

Click-fraud in the pay-per-click market is said to be on the rise but a highly professional niche is growing to address the problem. Since last year, several firms have established [PPC Fraud analytics and detection services](#). Anyone with a high ad-spend should consider the advice offered by these firms

Another interesting paid-search niche is the growing Pay-per-call billing model in which advertisers pay a flat-fee per call as opposed to a bid-fee per click. Currently offered by AOL and MIVA (formerly FindWhat), [Greg Stirling](#) from the Kelsey Group predicts the pay-per-call model could grow from its infancy today to a \$4billion industry by 2009. According to Stirling's study of the industry, major online publishers MediaTracks and ZiffLeads are changing their business models to promote pay-per-call. Kelsey says the pay per call model will help drive live-leads to businesses that tend to be more valuable than electronic leads as there is immediate personal interaction between the potential buyer and the vendor. As it is easier to track telephone connections than it is to trace an individual over the Internet, pay-per-call is also promoted as a solution to click-fraud.

Serving the most obvious paid-search niche is the legion of smaller firms existing in, or jumping into, the search-advertising arena. From the major traditional media publishers such as the New York Times or TimeWarner through the AOL network to long-term players such as Kanoodle and MIVA, a significant number of Internet users are being delivered paid-advertising that matches the topic or context of the document the ad appears on, for fractions of the costs of Google and Yahoo Search Marketing advertising.

Over on the organic Search Engine Optimization side of the industry, several major changes that happened in the past twelve months are showing their effects today.

The first has been the introduction of new forms of search such as local search and vertical search tools. In both cases, unique databases are used to extract search results, even when the service is offered by one of the major search engines. Google local for instance draws its original results from the Yellow Pages based on zip codes instead of drawing results from its general database. The vertical search engine Become.com has its own spidered database and its own propitiatory ranking algorithm known as Affinity Index Ranking. By expanding the number of databases search results are drawn from, the search firms inadvertently create new niches and services for SEOs to specialize in.

A second trend over the past year is the flattening out of Google traffic numbers and the subsequent increases MSN and Yahoo have enjoyed. Today, the combined traffic driven by MSN and Yahoo exceeds that from Google. That might not sound like a huge shift. Two years ago however, Google drove almost 85% of organic search traffic by feeding results to practically everyone. For the past year, MSN and Yahoo have created their own spidered results. This has led to a relevancy challenge between the major search engines.

New and unique algorithms are starting to take hold across the search landscape with MSN, Google, Yahoo, Ask Jeeves, Become, and others using engine specific algos instead of drawing results from a competitor. This trend leads to specialization within SEO shops with different staff becoming expert in different engines. For example, Google just updated its core algorithm and is examining documents within websites with an ever-expanding view of a website's historic existence. This shift has led to a major shift in link-building strategies and has pushed many SEOs to review their techniques. Thing is, what works at Google won't necessarily work with MSN, Yahoo, or Ask Jeeves.

As search engine users become more adept at finding the best search service for their specific need, the range of options for search advertisers in both paid and organic search marketing systems is increasing. Users are starting to adopt more sophisticated means of search and in turn search engines and ad firms are becoming more sophisticated. As the knowledge necessary to conduct a full fledge search engine marketing campaign has increased exponentially, specialization of services is taking shape both in SEM shops and in the world of freelance tech-workers. Established SEO and SEM shops are hurrying to catch-up. Those entering the field might want to think about niche-market SEO and SEM services. The environment is ready to support them and for those with well-developed expertise, that environment is only getting more resource-full.