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## **Search Industry Maturing**

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This has been yet another week of tremendous change in the search sector. Several announcements competed for space with each other over the past seven days, each of which adds to the growing tapestry of services that comprise the search-marketing metaverse.

The search engine marketing industry has evolved as users began to take advantage of new features, tools and innovations offered by search engines. An example of previous evolutionary periods would be the emergence of pay-per-click advertising and the attendant rise of search-marketing firms specializing in AdWords and Overture. As long as there are methods for finding and retrieving information in digital databases by using keywords or similar identifiers, there will be a search-marketing industry. How that industry operates in the future depends on how the search engines operate and how consumer-tendencies evolve.

### **Will the Butler Go Big?**

The biggest story was the \$1.85-billion acquisition of Ask Jeeves by InterActiveCorp (IAC), the online vertical-sales empire built by Barry Diller. Ask Jeeves is considered the fourth most influential search firm however it remains firmly in the shadow of the Big-3 (Google, Yahoo and MSN). IAC owns many of the largest Internet properties including, Hotels.com, Expedia, Ticketmaster, CitySearch and Match.com. It also owns the Home Shopping Network and is finalizing the purchase of the massive US catalogue retailer Cornerstone Brands. The addition of an Ask Jeeves powered search box to every one of IAC's websites is expected to be the first obvious effect from the acquisition. Another almost instant effect is the sudden increase in the relevance of Ask Jeeves. The sheer size of IAC and the number of additional services that can be offered under the Ask Jeeves brand will almost certainly increase their user numbers, which have held steady around the 5% mark for almost two years. The addition of a fourth entity to the current "Big-3" would add more diversity for search engine users as Teoma (the actual engine that powers Ask Jeeves) uses a unique and very accurate ranking algorithm.

As Ask Jeeves becomes more relevant to search engine users, it will in turn become more relevant to search engine optimizers. This is encouraging because like MSN and Yahoo, Teoma places far more weight on site-content and relational linking than it does on the sheer number and relevance of links like Google does. With three of the largest four search engines more interested in what a site says than what its link partners do, the art of SEO copy-writing might replace the artful dodge of link-spamming as the "trick" consumers associate with SEO.

### **Expanding Real Estate Through Better Technology**

The activity of the first three months of this year has started to change how most users relate to search. The Internet is fundamentally a user-driven environment. While the possibility exists that a thousand geniuses hunched over their keyboards might produce something as powerful as a Shakespearian script, that something is useless if Internet users don't adopt it. When Internet users do choose to adopt a new technology or product, they tend to do so in droves, thus fundamentally changing the environment. A recent example would be the rise of the Bloggosphere. Three years ago, most journalists had never heard

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of bloggers. Today, so many bloggers consider themselves journalists the face of journalism has changed.

For search marketers, environmental changes borne by the mass adoption of new technologies can be both boon and bust. Historically, the rise of Google changed the practices of the search engine optimization sector by forcing link-building as an increasingly complicated component in most campaigns. The rise in popularity of Blogs gave search marketers a lot of new real estate to play with which, in turn, forced Google to lower the importance of Blogs as an information source in its index. Google is only one example of how a chain-reaction of change affecting the search sector can cause a chain of events effecting the larger Internet environment.

Another example is the pending emergence of audio and video files as components of search. Each of the Big-3, along with AOL and Ask Jeeves is interested in capitalizing on commercial video and/or audio content. This is a realm where two forces dictate the actions of the search engines. The first is trend - lines being drawn by Internet users including a rise of interest in "pod-casting", video-conferencing/education, and image/video sharing. The second force is the ability (and willingness) of advertisers to adapt their online-marketing channels to meet new technical challenges.

The days of a website being a picture that contained a thousand words are long over. Today's successful websites can be found using a multiple number of search-tools such as; image search, local search, video search, audio search and organic search. A successful search-campaign also involves making sure a reference to the site is virtually forced on users through contextual advertising programs such as Overture and AdWords. The establishment of a corporate blog for clients is the last step of a highly sophisticated search marketing campaign. By offering better technologies, search engines offer marketers much larger tracts of real estate to work from. User adoption of many of these technologies pushes search marketers to figure out how to best use them as well.

### **Moving to Mainstream**

Ultimately, the effect of user adoption of new technologies makes the Internet an increasingly important tool in most people's real-life experiences. Many grandparents who witnessed the birth of the automobile and air-travel adopted Email to stay in-touch with grandchildren who often live hundreds of miles away (another example of social change borne by the mass adoption of technology, several generations ago). Many suggest if the grandparent phenomena didn't manifest the way it did, AOL would never have grown, CD-duplication might not have evolved so quickly, and makers of real drink-coasters wouldn't have gone out of business. The point is a massive group of users made AOL important by becoming early adopters of the service. AOL became mainstream because a huge chunk of the market adopted AOL. A similar phenomenon is happening in the search engine marketing industry.

Over the past two years, the world of big business became very active participants in search marketing. Vague interest had existed in previous years however search was seen as a chaotic world that could rarely be quantified in a board meeting. It was the rise of Overture and AdWords that put "search" in the center of corporate radar screens. Pay-per-click advertising became a dominant business model simply because mainstream business managers saw a system they could fully understand. Even though PPC tends to cost more and produce poorer results than organic placements, corporate advertisers continue to buy-in to a system they can easily explain to others. The adoption of PPC by major advertisers has had a highly beneficial effect on the long-term business of search but a somewhat detrimental effect on the short-term business of search marketing. The amazing distribution of paid-search advertising through contextual delivery programs (such as Google's AdSense or Gmail and Overture's Content Match), made PPC advertising appear to be a multi-basket carrier for the eggs of corporate advertising. While corporate

advertisers might have adopted PPC advertising, Internet users, for the most part, have not. A culture-gap in the adoption of search-technologies now exists between advertisers and consumers. With large amounts of money poured into paid results users tend to click far less often than they do with organic results. It is also the reason many Fortune1000 companies are not found in the Top10 organic results under keywords relating to their products or services.

This culture-gap has led to a shift in the thinking and strategies of search engine marketers. When examining how search engine users work with search results, it has been noted that user's eyes follow an F pattern. Searchers look up and down to mentally rank results and then closely examine the Top5 organic results before their attention trails to those "below the fold" and the PPC results that tend to appear to the right hand side of the screen. This user behaviour, combined with a tendency to heavily research before purchasing, is the cornerstone of the emerging Search as Branding concept of marketing. This concept states that search is simply another form of advertising, taking advantage of one or more increasingly mainstream information channels to express a message on behalf of a client. While it might be a more sophisticated medium, it is still a mainstream medium where what works and what does not work is dictated entirely by the users. The key to the Search as Branding theory is repeated placement across as much real estate as possible.

As the technology behind search matures, so does the industry serving businesses using search as a means of advertising. Business is growing in the search sector as innovation spurs innovation and change begets change. Clearly, Internet users are about to be presented with a revolution of information and entertainment options, some of which will change the very nature of how our society relates to finding and retrieving information. The search marketing industry thrives on real estate and the ultimate effect of the evolution of search is a larger share of much more interesting real estate to work with.