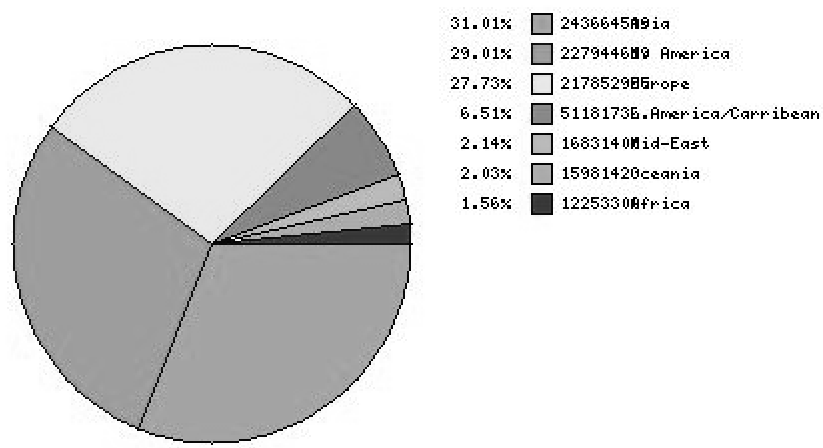
UNIVERSITY *of* HOUSTON
SMALL BUSINESS DEVELOPMENT CENTER

Search Engine Review

Review of articles and commentary about the state of the search engine optimization field.

Computer Productivity Consulting
Richard G. Myers

Where the Internet is Today



http://www.internetworldstats.com/stats.htm

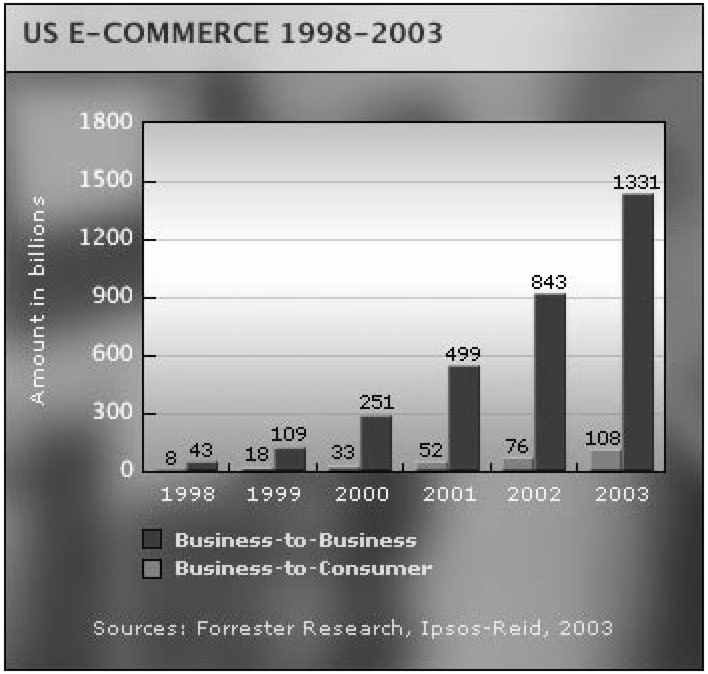
Internet Usage and Population

World Regions	Population (2004 Est.)	Internet Usage, (Year 2000)	Internet Usage, Latest Data	User Growth (2000-2004)	Penetration (% Population)	% of Table
Africa	905,954,600	4,514,400	**12,253,300**	171.40%	1.40%	1.60%
Asia	3,654,644,200	114,303,000	**243,664,549**	113.20%	6.70%	31.00%
Europe	728,857,380	100,993,093	**217,852,995**	115.70%	29.90%	27.70%
Middle East	259,166,000	5,272,300	**16,831,400**	219.20%	6.50%	2.10%
North America	326,695,500	108,096,800	**227,944,619**	110.90%	69.80%	29.00%
Latin America/Caribbean	546,100,900	18,068,919	**51,181,736**	183.30%	9.40%	6.50%
Oceania	31,892,487	7,619,500	**15,981,423**	109.70%	50.10%	2.00%
WORLD TOTAL	6,453,311,067	358,871,012	**785,710,022**	118.90%	12.20%	100.00%

http://www.internetworldstats.com/stats.htm

UNIVERSITY of HOUSTON
SMALL BUSINESS DEVELOPMENT CENTER

Internet Retail Sales

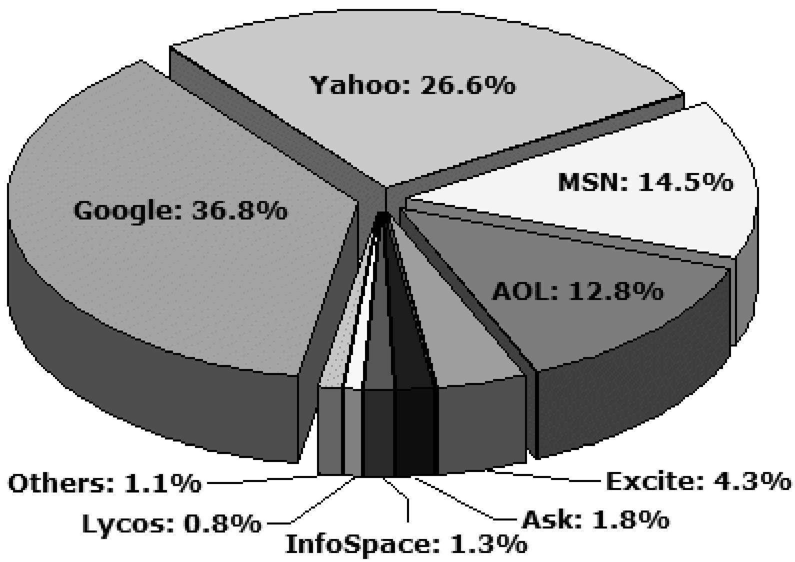


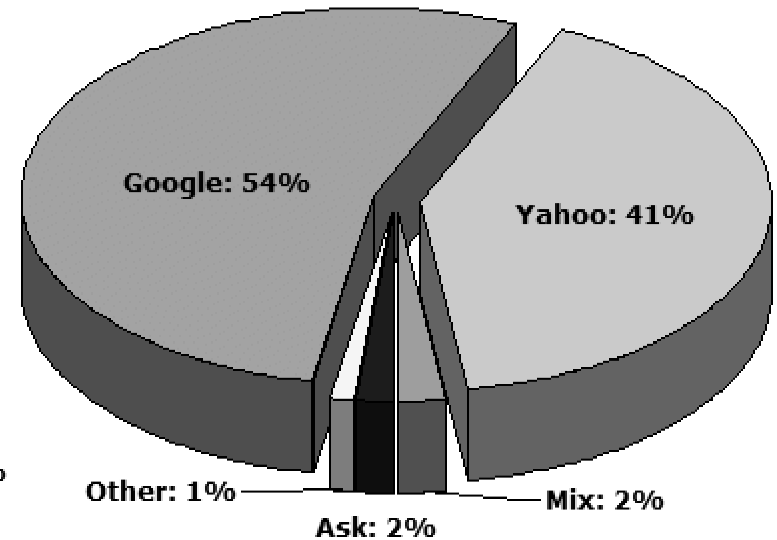
http://news.zdnet.com/html/bb/z/w/20041027verisign.html

UNIVERSITY of HOUSTON
SMALL BUSINESS DEVELOPMENT CENTER

Share Of Searches: May 2004

Searches “on site” vs. “by Provider”





comScore Media Metrix Search Engine Ratings, By Danny Sullivan, Editor, July 23, 2004 http://searchenginewatch.com/reports/article.php/2156431

Optimizing for Conversion - 1

- **Search engine demographics**
  - Of 270 million men, women, & children in US, 43% use search engines regularly.
  - Of the remaining 57%, engines have profiles:
    - Highly educated men interested in technology prefer Google.
    - Kids like Ask Jeeves.
    - Older teens turn to MyWay.com.
    - Moms prefer MSN.
  - Frequency of use varies:
    - Google – use almost daily.
    - MSN – in response to specific need (2-3/week?)

Search Engine Marketing metrics Guide, Marketing Sherpa newlsetter, from 11/02/2004, Testing Landing Pages for Search Ad vs Banner Clicks http://www.marketingsherpa.com/store/downloads/SMMexecsumm.pdf

Optimizing for Conversion - 2

- **SEO ("organic" or "natural") vs. Paid Search Ads**
  - Marketers will spend $3.3 billion on ads vs. $285 million on SEO this year.
  - Google & Yahoo! Users are more likely to click on natural vs. paid (for Google, 3x more!)
  - Organic conversions appear more effective, but data varies (MSN listings appear to be substantially opposite)
  - Prominence in organic listings aids performance in paid listings (brand awareness!)
  - Recommendation: focus on SEO first, zero in with paid.

Search Engine Marketing metrics Guide, Marketing Sherpa newlsetter, from 11/02/2004, Testing Landing Pages for Search Ad vs Banner Clicks http://www.marketingsherpa.com/store/downloads/SMMexecsumm.pdf

Optimizing for Conversion - 3

- **Multiple keywords overlooked**
  - 50% or more searchers use 3 or more keywords.
  - 75% of marketers buy 1-2 keyword ads feed.
  - Marketers are avoiding more segmented buys:
    - 3 word buys are generally cheaper and get better conversions!
      - 1 word term conversion rates are 0.5 – 1.0%
      - 4 word terms can vary from 6 – 15%

Search Engine Marketing metrics Guide, Marketing Sherpa newlsetter, from 11/02/2004, Testing Landing Pages for Search Ad vs Banner Clicks http://www.marketingsherpa.com/store/downloads/SMMexecsumm.pdf

Landing Page Design - 1

- **One-page version**
  - including both offer copy and a free registration form worked far better than a two-page version requiring users to click to a second page to complete the form.
- **Headlines precisely matching the banner or search ad the user came from worked the best,**
  - but if you had to rely on only one landing page to save resources, then the headline that came closest to matching the gist of the ads' copy worked the best.
- **Super-clean design worked the best.**
  - featuring a white background, brief bullet-pointed copy, at least 10 point type, no extraneous links or navigation, and no obvious graphics beyond the logo and submit button,

Testing Landing Pages for Search Ad vs Banner Clicks, **MarketingSherpa, 11/02/04,** http://www.marketingsherpa.com/sample.cfm?contentID=2851

Landing Page Design - 2

- **Page design (Banner vs. SEO source)**
  - Overall the search landing page was a bit more serious and factual than the banner ad page.
  - The search audience is looking for bare bones details about the program, the facts.
    - banner-driven visitors responded better to the word 'Free' in the headline and submit button. However,
    - "free" reduced conversions for search visitors. They preferred the headline, "Find Out in 60 Seconds if You're Eligible" with a similar button.

Testing Landing Pages for Search Ad vs Banner Clicks, **MarketingSherpa, 11/02/04,** http://www.marketingsherpa.com/sample.cfm?contentID=2851

Landing Page Design - 3

- **Other Design Issues (specific to study):**
  - Adding the photo of the happy graduates to the upper right corner
  - Adding a color block behind text midway through the page to help define areas
  - Keeping the bullet point body copy from the control
  - Shortening the privacy/SSN# security info **(warning, not a good idea for an older demographic)**
  - Pre-checking radial buttons to the most common answers
- **See result at:** http://www.nextstudent.com/

Testing Landing Pages for Search Ad vs Banner Clicks, **MarketingSherpa, 11/02/04,** http://www.marketingsherpa.com/sample.cfm?contentID=2851

Marketers “Unsophisticated”?

- **Only one-quarter of active search marketers can be classified as sophisticated**
  - approximately 150,000 of the 200,000 marketers utilizing paid search are not bidding, tracking, measuring, or expanding their keyword lists effectively, if at all.
- **"sophisticates" more likely to be large marketers.**
  - 33 percent have total marketing budgets that exceed $1 million.
  - also tend to buy more keywords and advertise on more search engines than those classified as "unsophisticates."
  - Thirty-nine percent buy 1,000 or more keywords per month, vs. 14 percent of unsophisticates,
  - sophisticates use an average of 3.8 search engines for their search engine marketing campaigns, compared to 2.7 for unsophisticates.
- **"There's no good reason not to track,"**
  - major search providers like Google and Yahoo! offer free tracking and measurement tools for their advertisers.
  - both search companies also offer keyword matching tools, which marketers can use to augment their keyword lists.

Report: Three out of Four Search Marketers 'Unsophisticated', Ross Fadner, October 27, 2004, http://www.mediapost.com/dtls_dsp_news.cfm?newsId=275605

Online Shoppers Survey - 1

- **More than 72 percent of online shoppers use general search engines nine or more times per month,**
  - growing portion of those searches are shopping-related or local in nature,
- **74 percent of respondents perform local searches,**
  - 37 percent of online consumers are very familiar with shopping search sites.
- **search continues to be the dominant way people find things on the Internet**
- **Respondents said 27 percent of their total search behavior was for local information.**
  - When the data is extrapolated to the general Internet population, it shows that 20 percent of all searches are local.

Local and Shopping Search Grow, ClickZ News, Kevin Newcomb, 10/29/2004, http://www.clickz.com/news/article.php/3428741

Online Shoppers Survey - 2

- **Nearly half of respondents, 43 percent, said that they preferred to research and shop online,**
  - roughly 28 percent displayed some combination of offline/online behavior.
- **"As consumers use the Internet more to find local information, specifically business information, that will impact advertising revenue,"**
  - as consumer activity moves online, advertisers will surely follow.
  - "That's the $14 billion question," he said, referring to the amount spent on yellow pages advertising by small businesses.

Local and Shopping Search Grow, ClickZ News, Kevin Newcomb, 10/29/2004, http://www.clickz.com/news/article.php/3428741

Online Shoppers Survey - 3

- **currently between 35 and 40 percent of small businesses have Web sites,**
  - only about 24 percent of small businesses advertise online.
- **Reaching those advertisers has been a challenge for Internet publishers and search engines.**
  - yellow pages, newspapers and radio each receive more than three-quarters of ad revenue from local advertising,
  - online advertising generates less than a third if its revenue from local ads.
  - That is not expected to change soon, the report found, indicating that short-term growth in local search online will be driven by national advertisers targeting locally.
- **local online advertising will grow 28 percent in 2004,**
  - from $1.9 billion in 2003 to $2.4 billion this year.
  - It is expected to reach $4.9 billion in 2009.
  - Local advertising's share of total online ad spend is not expected to rise much beyond its current 29 percent mark.

Local and Shopping Search Grow, ClickZ News, Kevin Newcomb, 10/29/2004, http://www.clickz.com/news/article.php/3428741

Online Shoppers Survey - 4

- **Search companies are trying to reach local businesses by pairing with established small business service providers,**
  - Google is with BellSouth, (http://www.reuters.com/newsArticle.jhtml?type=internetNews&storyID=6651098)
  - FindWhat with Canada's Yellow Pages Group.
  - Similarly, Web hosting providers Affinity Internet and Interland, teaming with yellow pages publisher Dex Media.
- **among the 3,887 online shoppers in the panel, Internet mapping sites rate as the top search activity, (e.g.,** http://www.all-internet.com/)
  - based on familiarity, frequency of use, and loyalty, followed by general search engines.
  - Only 35 percent indicated loyalty to one general search engine.
- **After mapping sites and general search,**
  - Internet yellow pages, online classifieds, shopping search sites and entertainment information sites round out the top five online search behaviors,
  - followed by online travel sites, local destination sites and vertical directories.

Local and Shopping Search Grow, ClickZ News, Kevin Newcomb, 10/29/2004, http://www.clickz.com/news/article.php/3428741

Inside the Searcher's Mind - 1

- **Most marketers mistakenly envision a linear search process**
  - prospects conduct a search, get their results, view a site, and immediately convert.
  - actual user experience is dramatically different.
- **"search funnel."**
  - Searching starts with a generic, inclusive keyword,
  - the search becomes increasingly specific.
  - "Over 70 percent of participants start with a generic keyphrase and narrow it down from there,

Delving Deep Inside the Searcher's Mind, Heather Lloyd-Martin, 10/14/2004, http://searchenginewatch.com/_subscribers/articles/article.php/3406901

Inside the Searcher's Mind - 2

- **actual search scenario**
  - searcher began her search using the word "cruise“
  - reviewing the initial results, the user refined her search for the phrase "Caribbean cruise.“
- **“awareness" phase.**
  - Characterized by searchers researching their options
  - narrowing their scope of interest,
  - chances of converting during this phase is highly unlikely (around one to two percent).

Delving Deep Inside the Searcher's Mind, Heather Lloyd-Martin, 10/14/2004, http://searchenginewatch.com/_subscribers/articles/article.php/3406901

Inside the Searcher's Mind - 3

- **"awareness" phase poses a certain challenge for marketers.**
  - introducing a company's brand early in the search process often dictates the direction of a search, having an effect on the eventual outcome.
  - However, those "awareness" key terms may not realize stellar ROI, as actual conversion rates are low.
  - Some marketers may be tempted to slice those terms from their key phrase list, figuring that they aren't effective.

Delving Deep Inside the Searcher's Mind, Heather Lloyd-Martin, 10/14/2004, http://searchenginewatch.com/_subscribers/articles/article.php/3406901

Inside the Searcher's Mind - 4

- **Following the "awareness" phase is the "convert" phase,**
  - characterized by users researching options and
  - reviewing third-party testimonials.
  - Users are also reintroduced to brands during the "convert" phase.
- **During this phase, the user narrowed her search,**
  - reading third party reviews on Panama Cruises.
  - was reintroduced to the Princess Cruise Lines brand and their Panama cruises.
  - After determining that she was interested in a Princess cruise, she conducted her final search for "Princess Panama Cruise."

Delving Deep Inside the Searcher's Mind, Heather Lloyd-Martin, 10/14/2004, http://searchenginewatch.com/_subscribers/articles/article.php/3406901

Inside the Searcher's Mind - 5

- **This final targeted search has a 30-40 percent chance of conversion for Princess.**
  - Additionally, if "Panama cruises" and the Princess brand weren't introduced early in the "awareness" stage, the searcher may never have refined her search in that direction.

Delving Deep Inside the Searcher's Mind, Heather Lloyd-Martin, 10/14/2004, http://searchenginewatch.com/_subscribers/articles/article.php/3406901

search engine behavior - 1

- **60.5 percent of respondents picked a natural search result as the one they found most relevant to a sample query.**
  - 60.8 percent of respondents who use Yahoo! picked a natural search result as "most relevant" to a sample query.
  - 72.3 percent of respondents who use Google picked a natural search result as "most relevant."

Delving Deep Inside the Searcher's Mind, Heather Lloyd-Martin, 10/14/2004, http://searchenginewatch.com/_subscribers/articles/article.php/3406901

search engine behavior - 2

- 22.6 percent of searchers will try another search after viewing the top listings.
- 18.6 percent will try another search after viewing the entire first page.
- 25.8 percent will abandon the query after checking the first two pages.
- 14.7 percent will relaunch a query after the first three pages.
- If a brand is not represented in the top three search results, that brand loses 80 percent of the online audience for that search query.
- "Rarely do searchers go past the third page,"

Delving Deep Inside the Searcher's Mind, Heather Lloyd-Martin, 10/14/2004, http://searchenginewatch.com/_subscribers/articles/article.php/3406901

online branding

- **more than just relying on either PPC advertising or organic SEO.**
  - Even if 60.5 percent of respondents considered a natural search result more relevant, PPC is still important.
  - "Unequivocally, you have to do paid search as well," "Otherwise, you miss 30-40 percent of your audience."
- **The study also provided search marketers tips for targeting specific demographic groups.**
  - 43.1 percent of women chose a paid result as "most relevant" to a sample query.
  - If a marketer is targeting women, running paid search listings may result in search conversions.

Delving Deep Inside the Searcher's Mind, Heather Lloyd-Martin, 10/14/2004, http://searchenginewatch.com/_subscribers/articles/article.php/3406901

Which engine?

- **Google was perceived as the leader in terms of both customer experience and satisfaction.**
  - actual search results returned by Yahoo!, Google, Ask Jeeves, Lycos and MSN were not dramatically different,
  - Google users had a higher perceived rate of success and satisfaction.
- **"Search engines are at performance parity when success is measured objectively,"**
  - "Despite performance, people prefer Google.“
  - Remember that results vary, even though equal objectively!
    - See http://ranking.thumbshots.com/

Delving Deep Inside the Searcher's Mind, Heather Lloyd-Martin, 10/14/2004, http://searchenginewatch.com/_subscribers/articles/article.php/3406901

Which engine?

- **The consumer preference, according to the report, could be due to how Google segregates sponsored from free listings.**
  - Google paid listings are clearly marked on the right side of the search results page.
  - However, Ask Jeeves and Lycos sponsored Web results appear before the free results.
  - "Users felt that they were 'trying to be fooled' to click on a sponsored link," said Mayer.

Delving Deep Inside the Searcher's Mind, Heather Lloyd-Martin, 10/14/2004, http://searchenginewatch.com/_subscribers/articles/article.php/3406901

Which engine?

- **These results may tempt site owners to go gaga for Google and ignore other engines in their search marketing campaign.**
  - But beware this Google-centric technique.
  - 76 percent of users had a primary search engine, but users are not monogamous to just one engine.
  - When search expectations are not met, 47 percent of users turn to another search engine, and
  - up to 16 percent regularly use a different search engine for some searches.
  - Therefore, even engines with a lower market share (such as Ask Jeeves) still give sites good exposure.
    - (but don't forget the chart showing engine shares!)

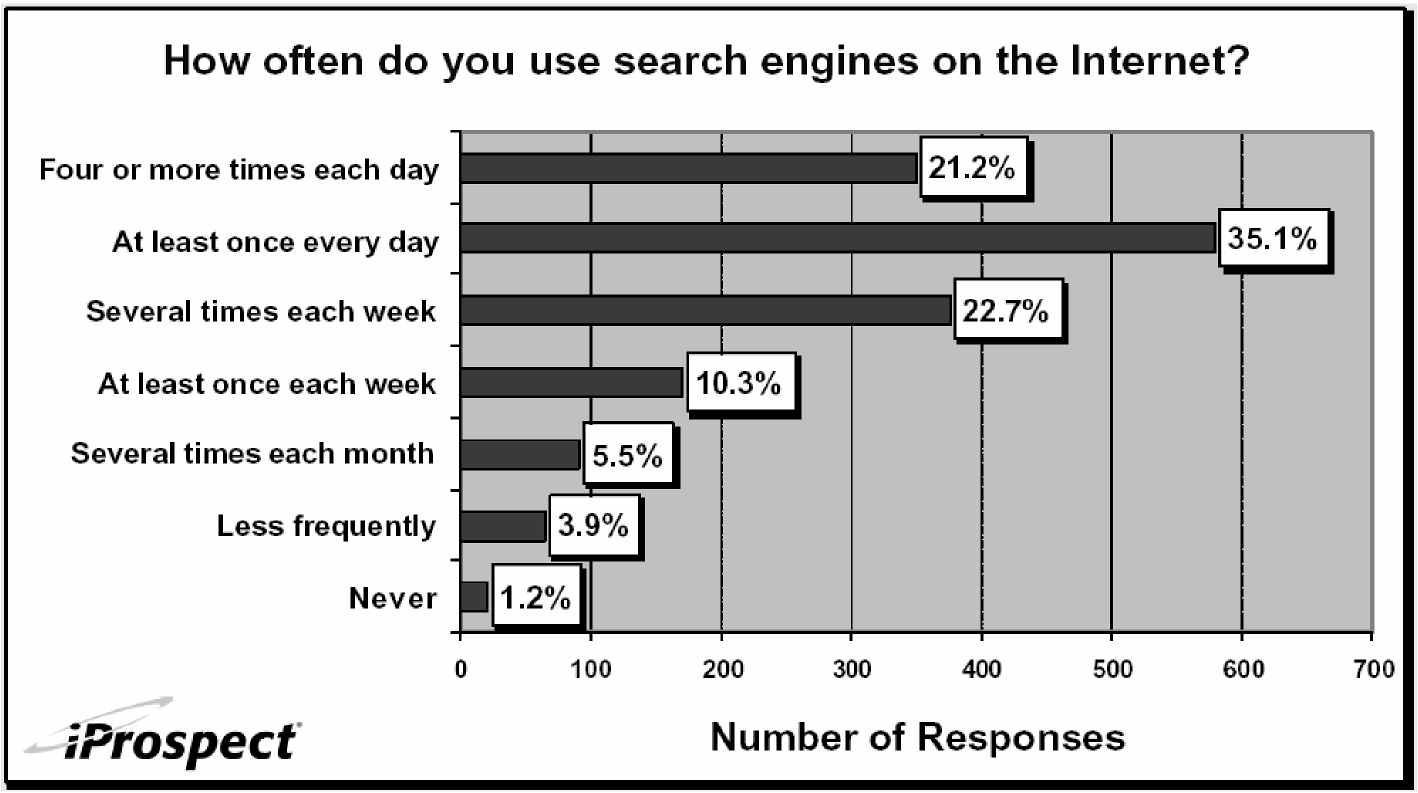
Delving Deep Inside the Searcher's Mind, Heather Lloyd-Martin, 10/14/2004, http://searchenginewatch.com/_subscribers/articles/article.php/3406901

What Counts About Your Links?

- Number of links to your site,
- what is written in those links,
- who is linking to the site that links to yours,
- what are the key phrases used in those links,
- what is the quality of the site that is linking to yours,
- how many other links does that site have,
- how many links out (and to what sites) does your site have,
- and other such criteria.

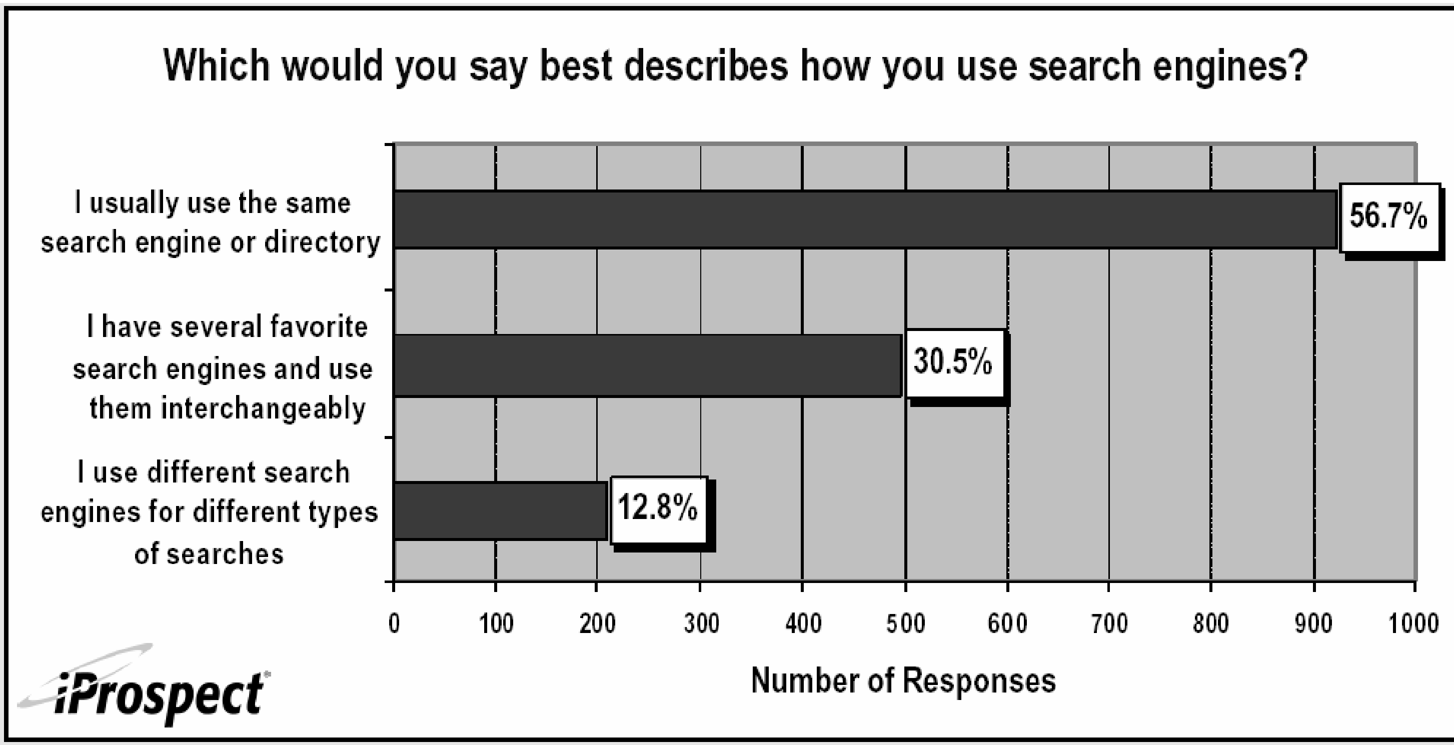
Linking is Queen, Search Engine Articles and Press Releases - October 27, 2004, http://www.searchengineguide.com/articles/2004/1027_rc1.html

Searcher Attitudes - 1



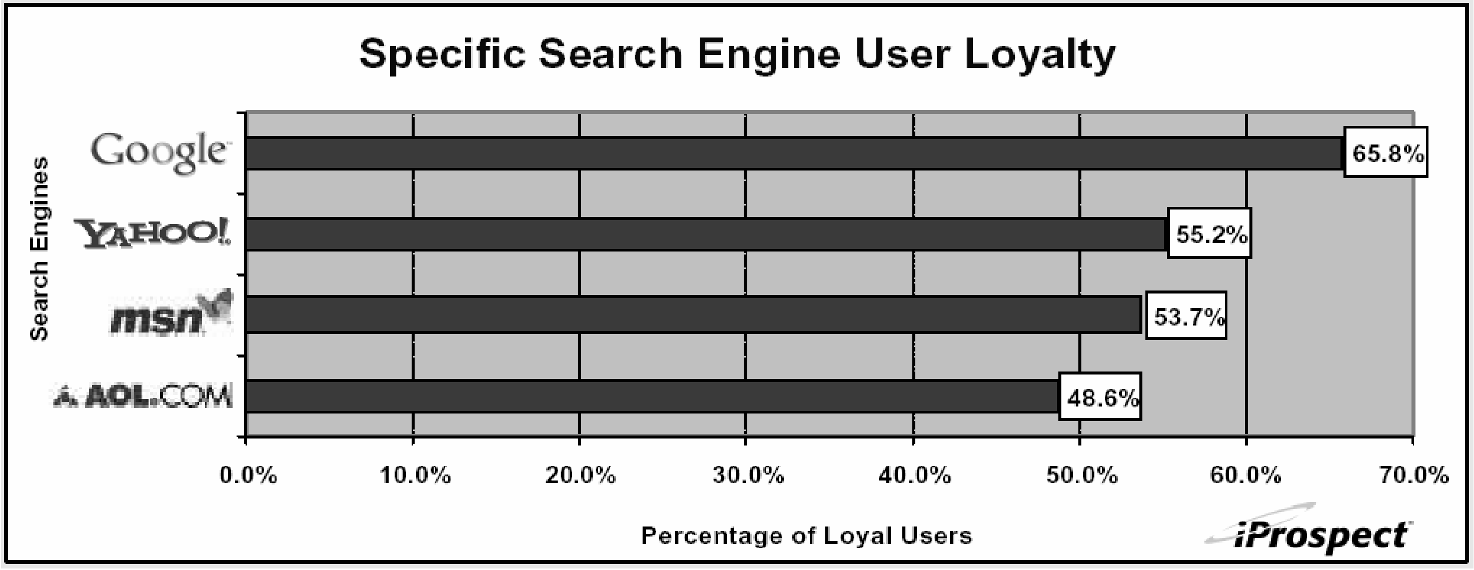
iProspect Search Engine User Attitude Survey, April-May 2004,
http://www.iprospect.com/premiumPDFs/iProspectSurveyComplete.pdf

Searcher Attitudes - 2



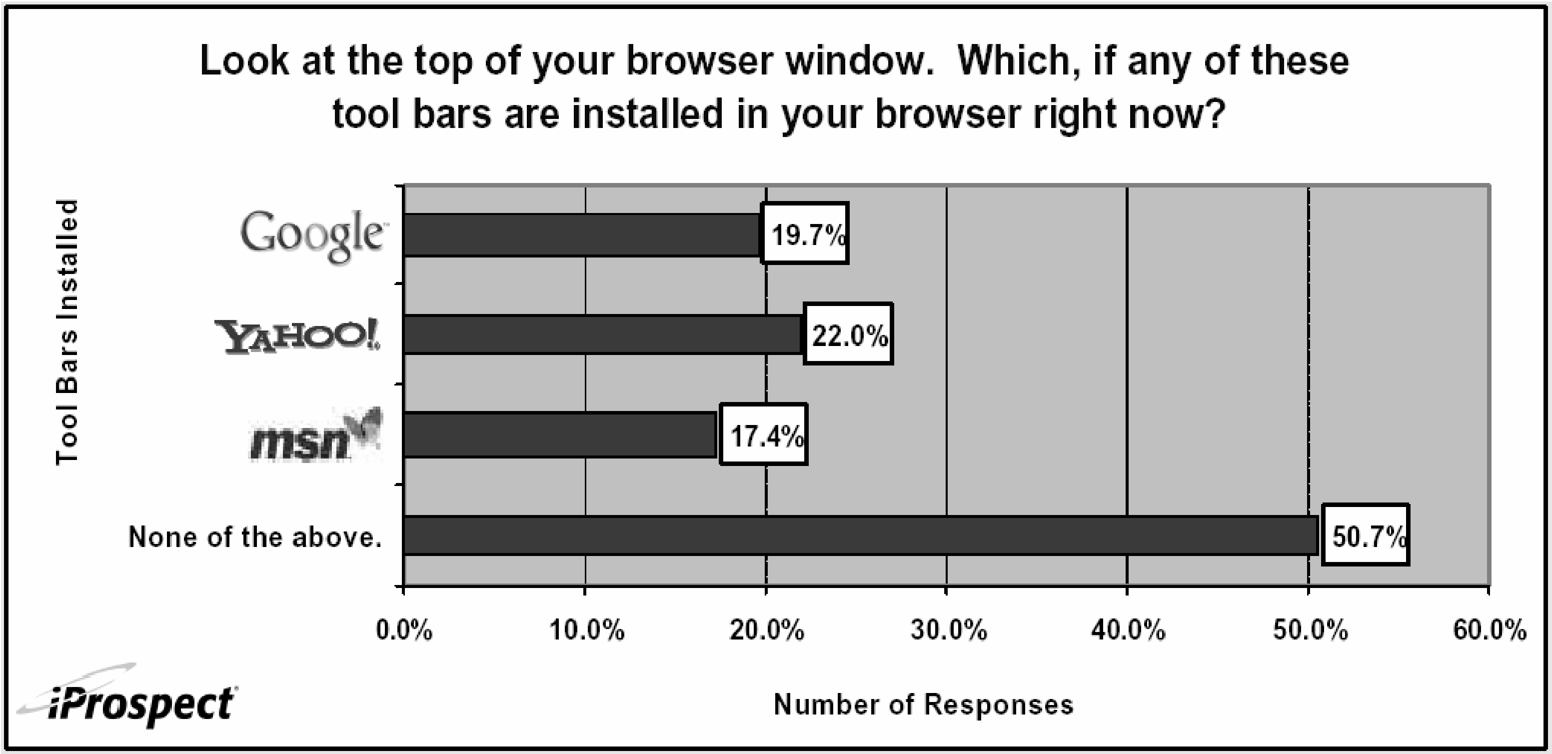
iProspect Search Engine User Attitude Survey, April-May 2004, http://www.iprospect.com/premiumPDFs/iProspectSurveyComplete.pdf

Searcher Attitudes - 3



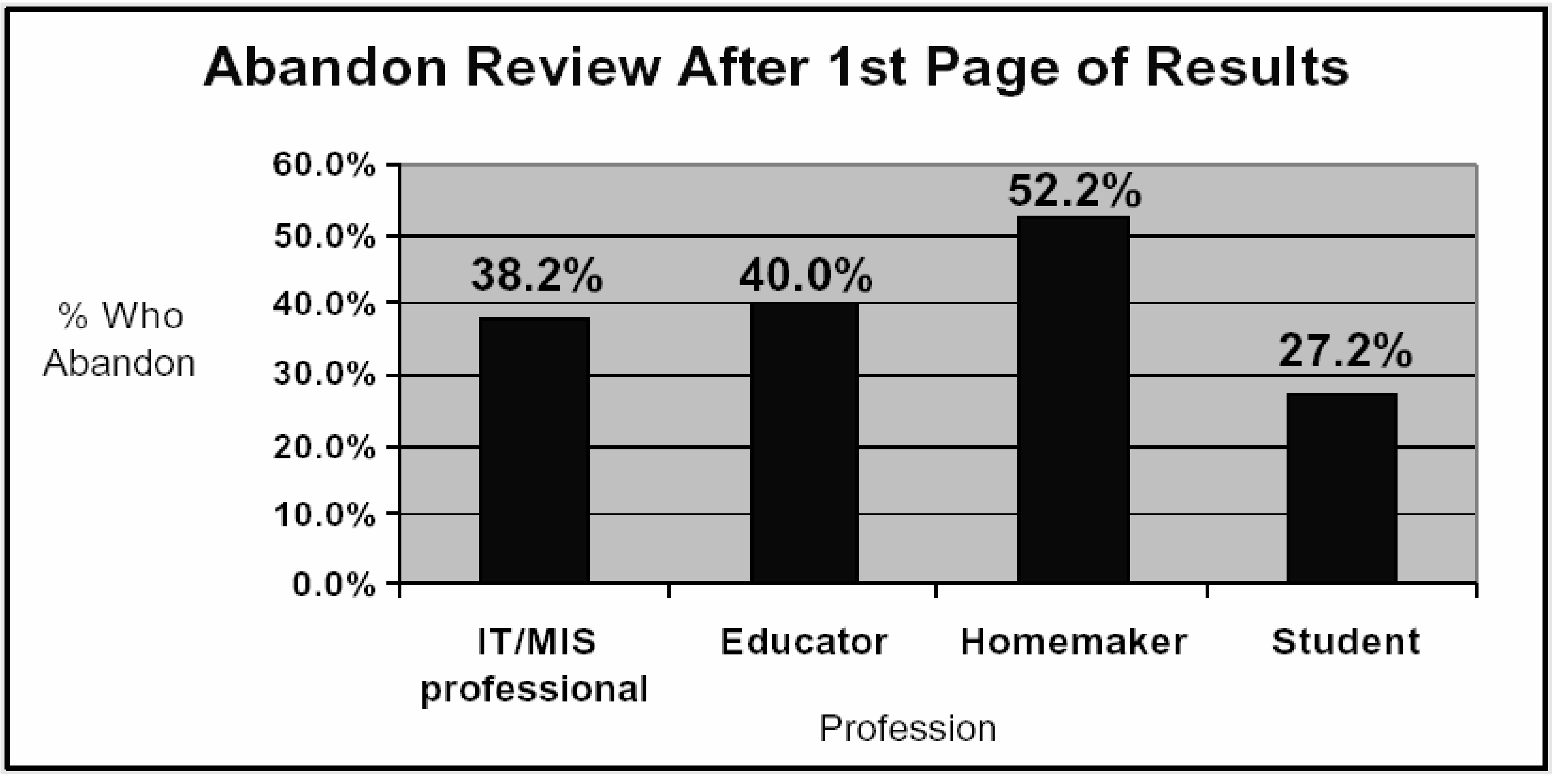
iProspect Search Engine User Attitude Survey, April-May 2004, http://www.iprospect.com/premiumPDFs/iProspectSurveyComplete.pdf

Searcher Attitudes - 4



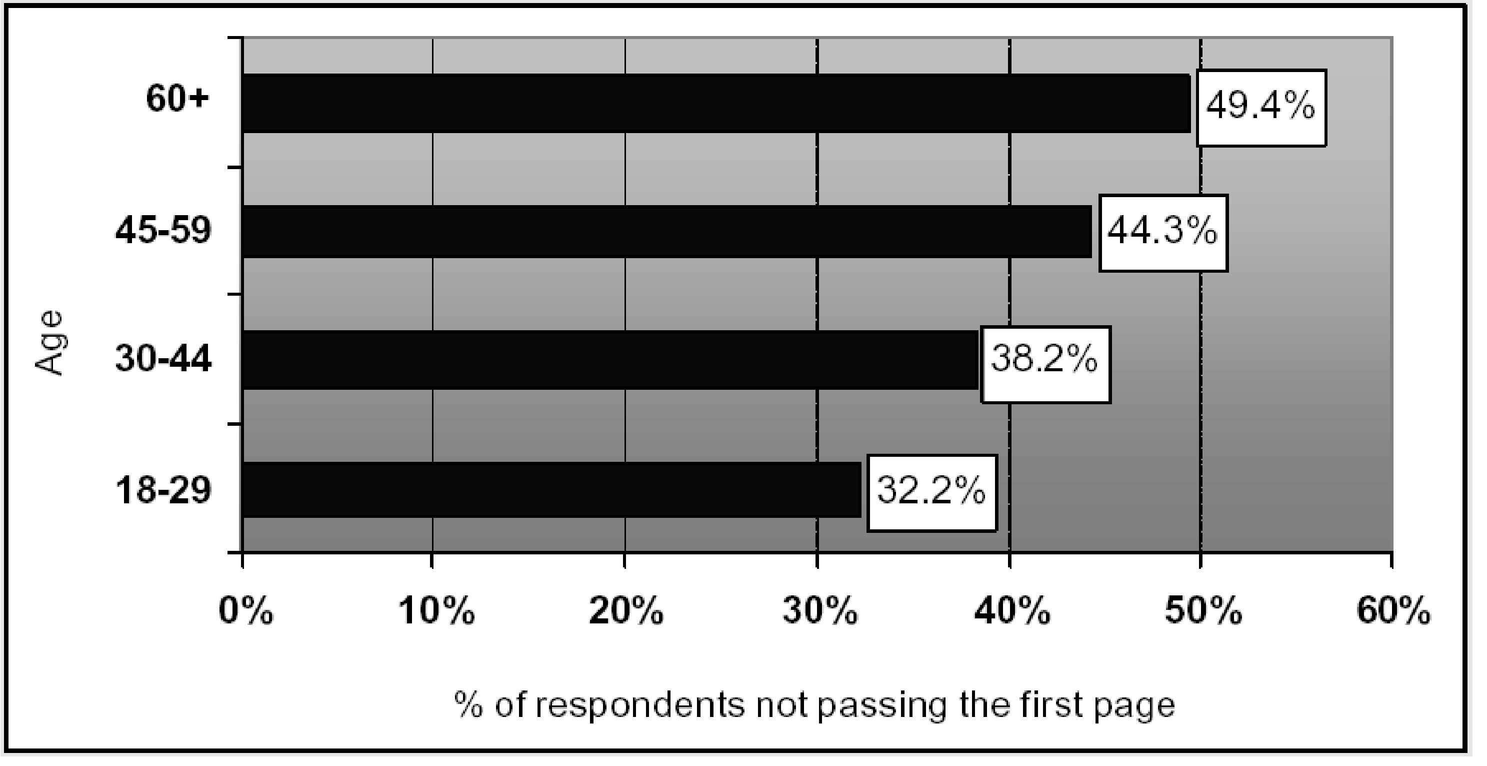
iProspect Search Engine User Attitude Survey, April-May 2004, http://www.iprospect.com/premiumPDFs/iProspectSurveyComplete.pdf

Searcher Attitudes - 5



iProspect Search Engine User Attitude Survey, April-May 2004,
http://www.iprospect.com/premiumPDFs/iProspectSurveyComplete.pdf

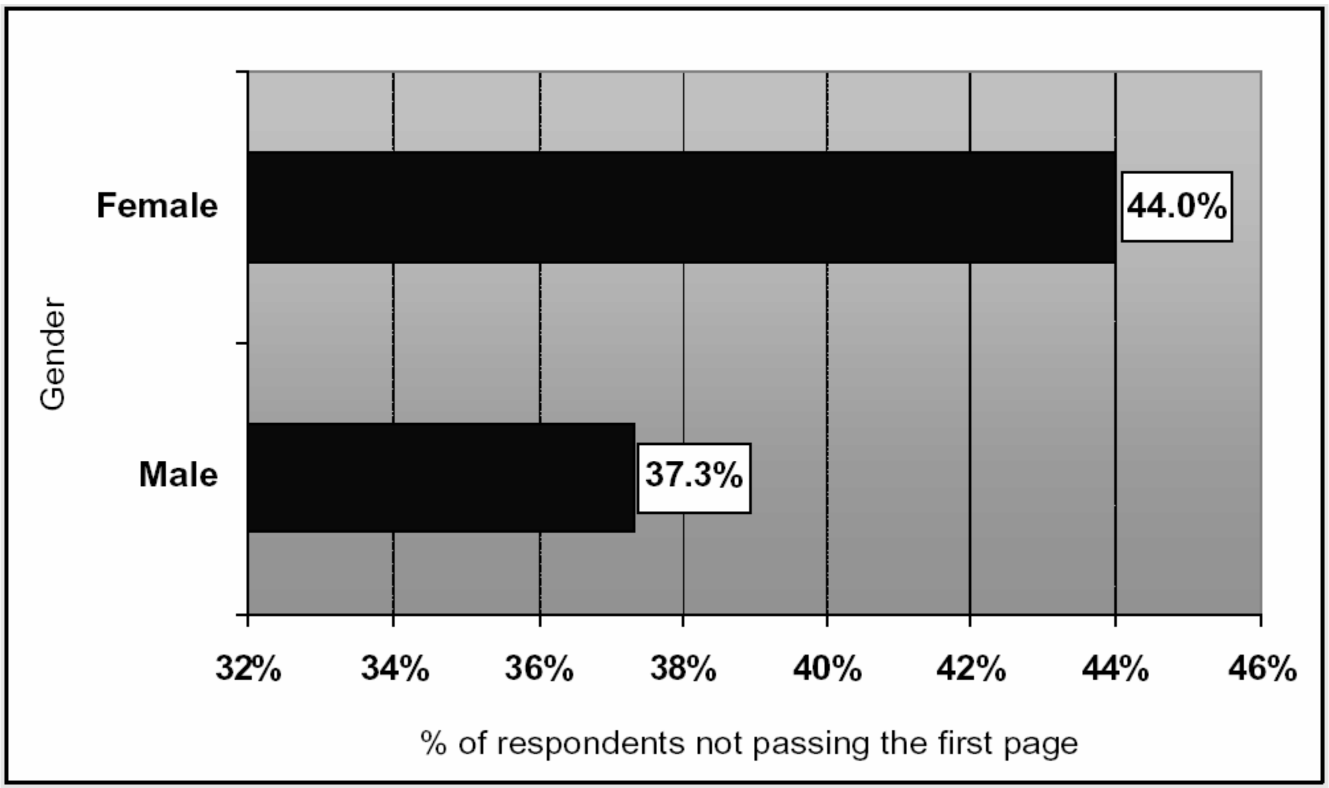
Searcher Attitudes - 6



iProspect Search Engine User Attitude Survey, April-May 2004, http://www.iprospect.com/premiumPDFs/iProspectSurveyComplete.pdf

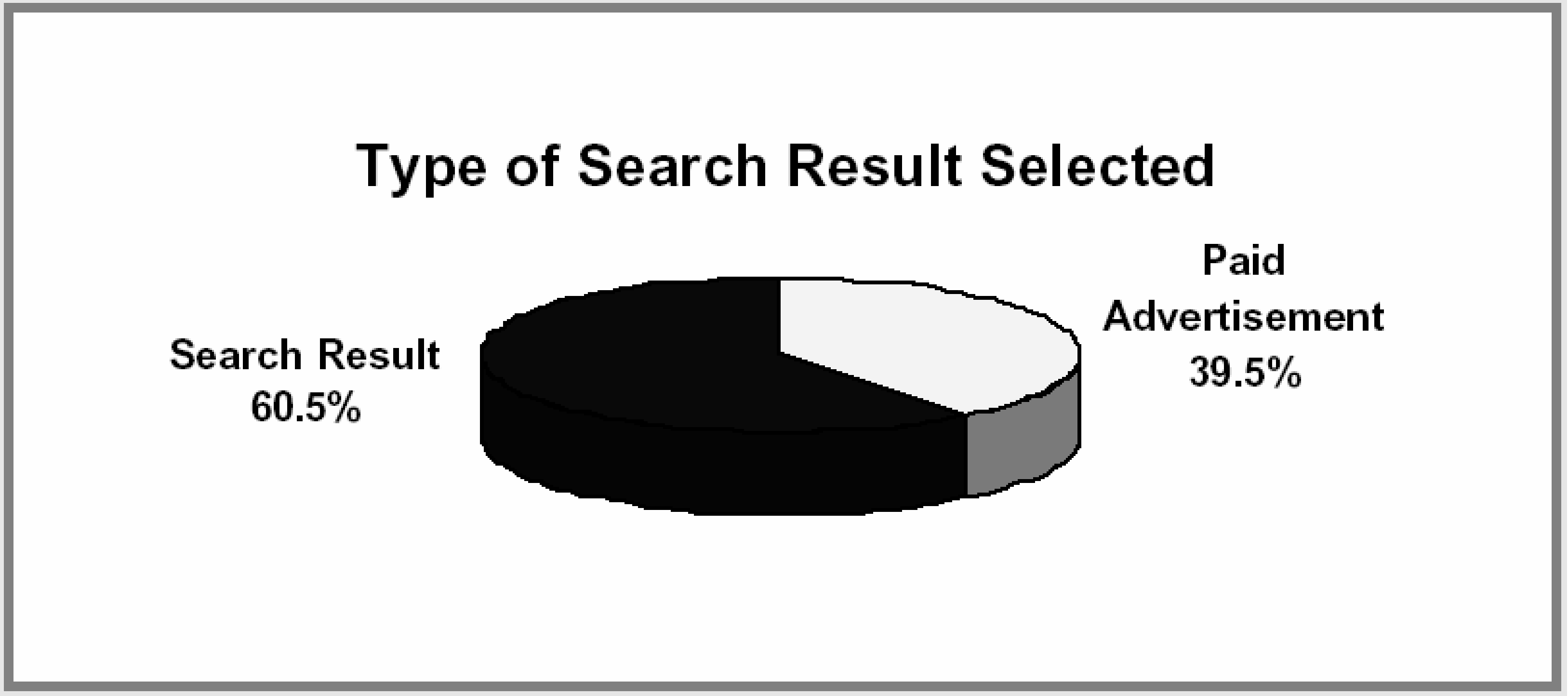
UNIVERSITY of HOUSTON
SMALL BUSINESS DEVELOPMENT CENTER

Searcher Attitudes - 7



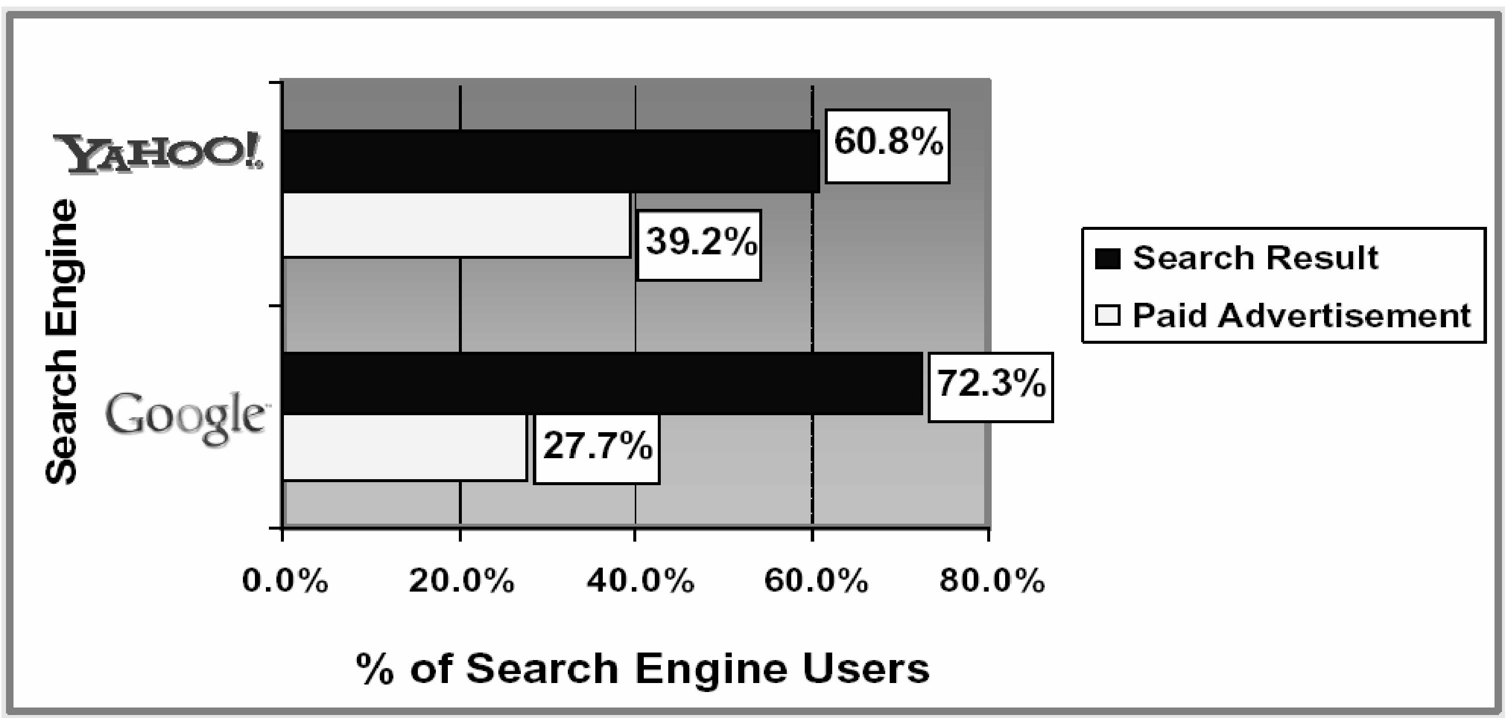
iProspect Search Engine User Attitude Survey, April-May 2004, http://www.iprospect.com/premiumPDFs/iProspectSurveyComplete.pdf

Searcher Attitudes - 8



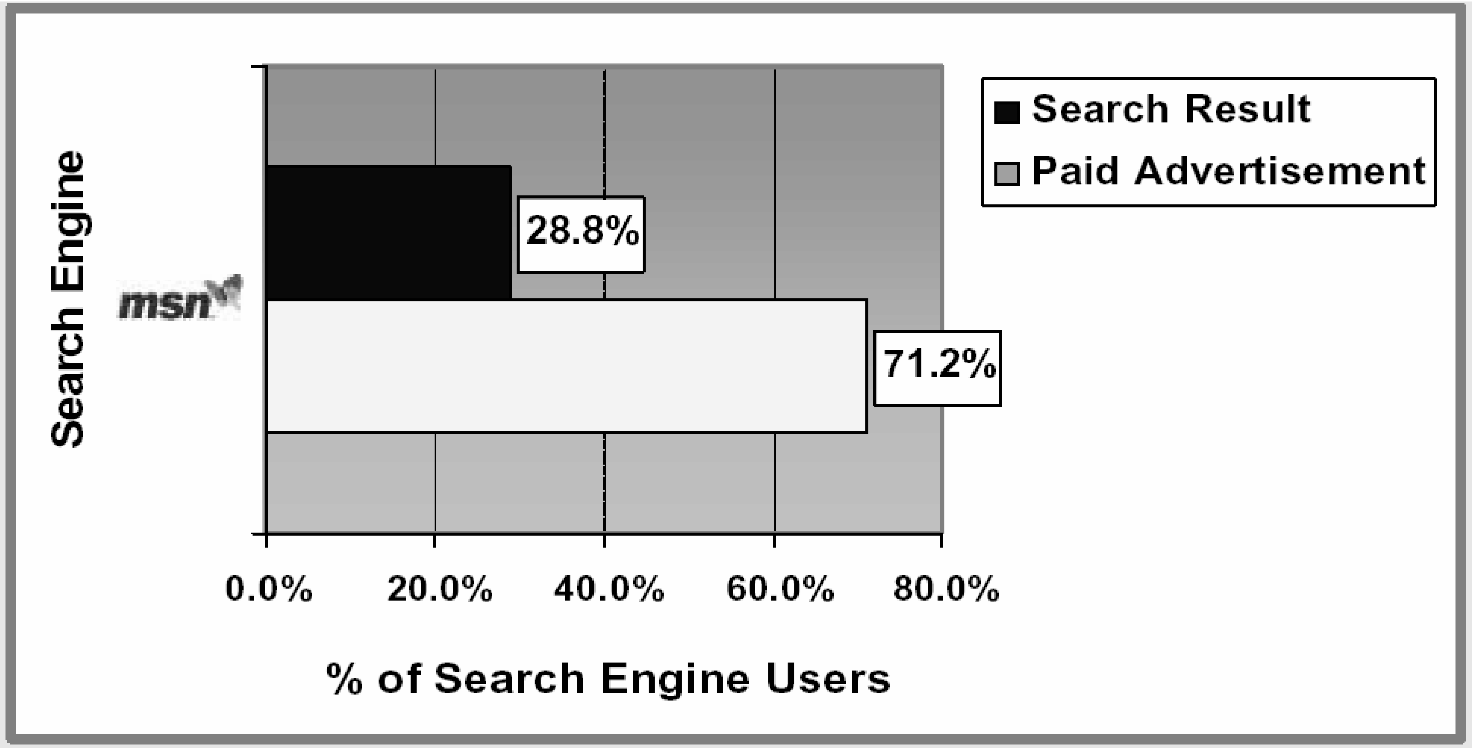
iProspect Search Engine User Attitude Survey, April-May 2004,
http://www.iprospect.com/premiumPDFs/iProspectSurveyComplete.pdf

Searcher Attitudes - 9



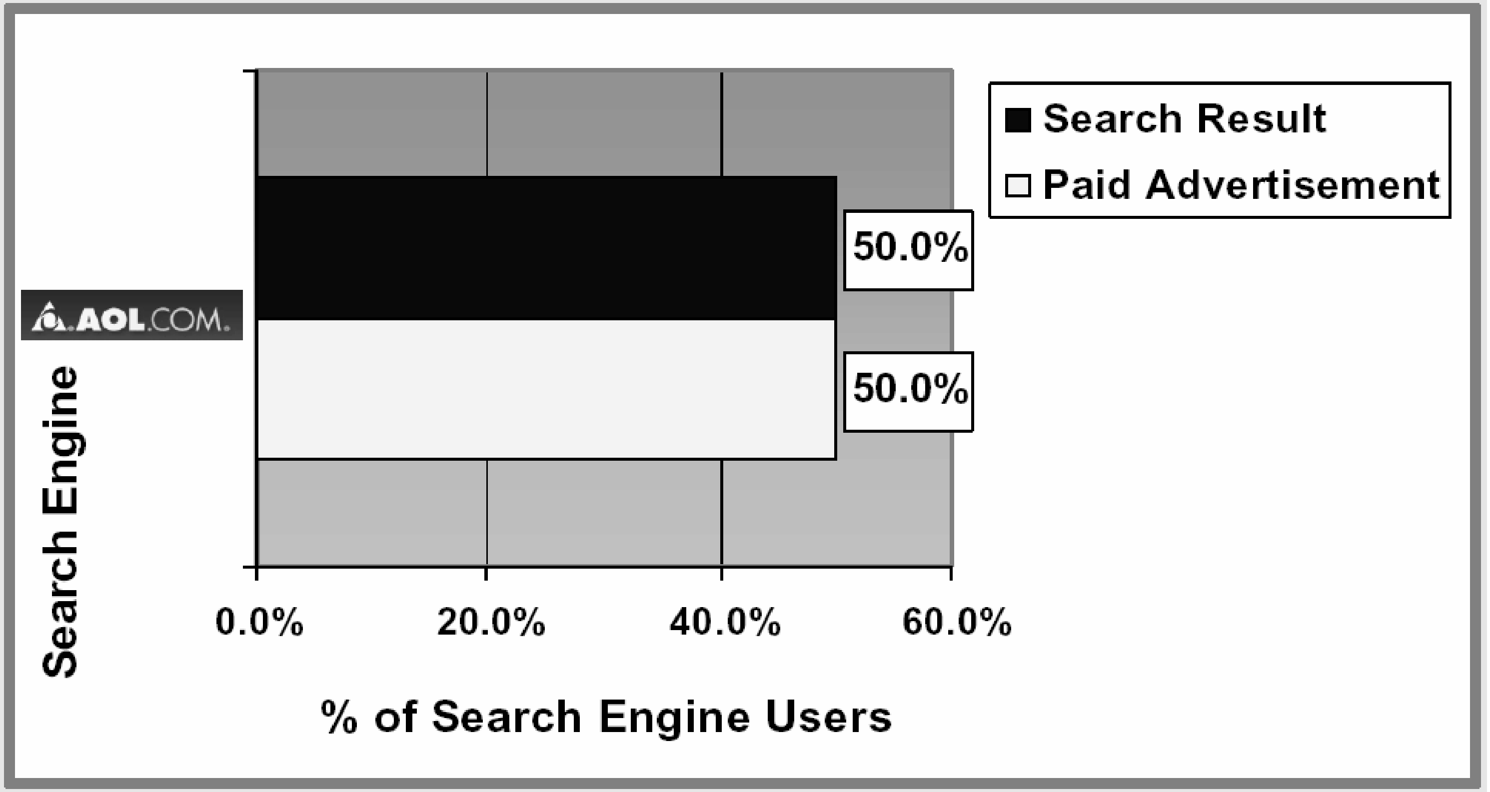
iProspect Search Engine User Attitude Survey, April-May 2004, http://www.iprospect.com/premiumPDFs/iProspectSurveyComplete.pdf

Searcher Attitudes - 10



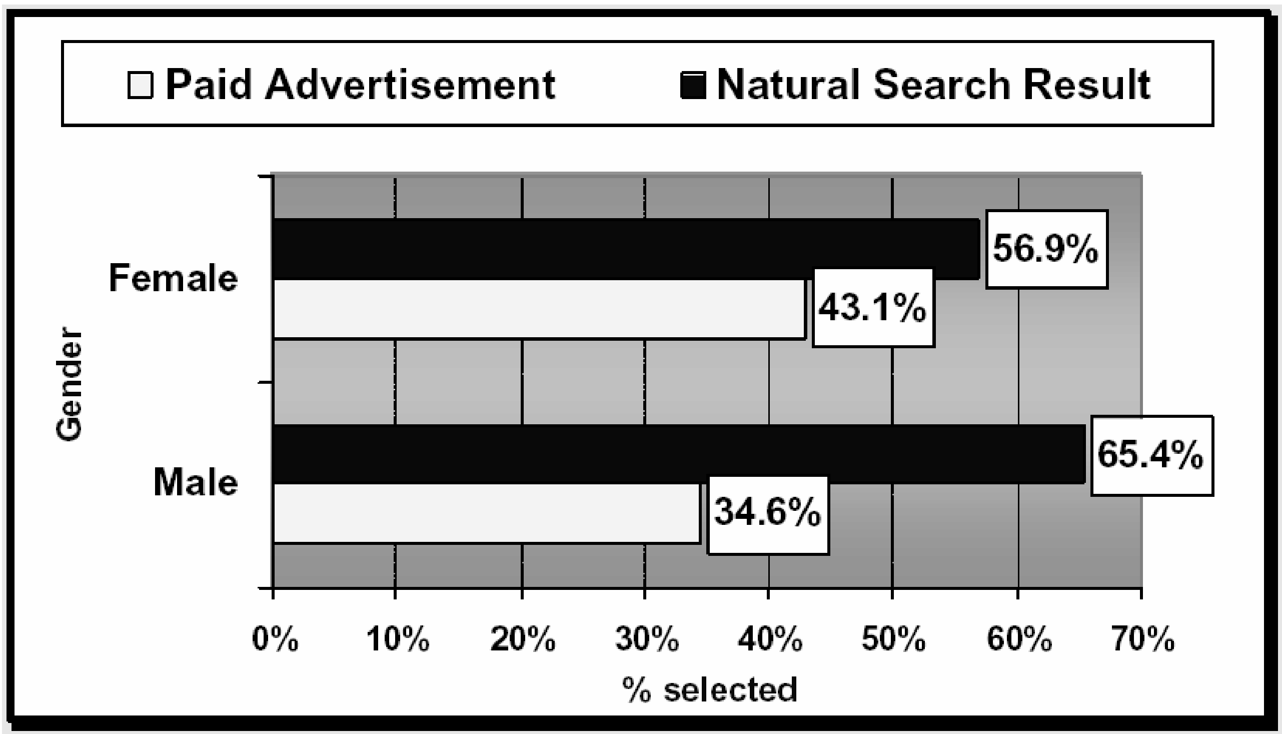
iProspect Search Engine User Attitude Survey, April-May 2004,
http://www.iprospect.com/premiumPDFs/iProspectSurveyComplete.pdf

Searcher Attitudes - 11

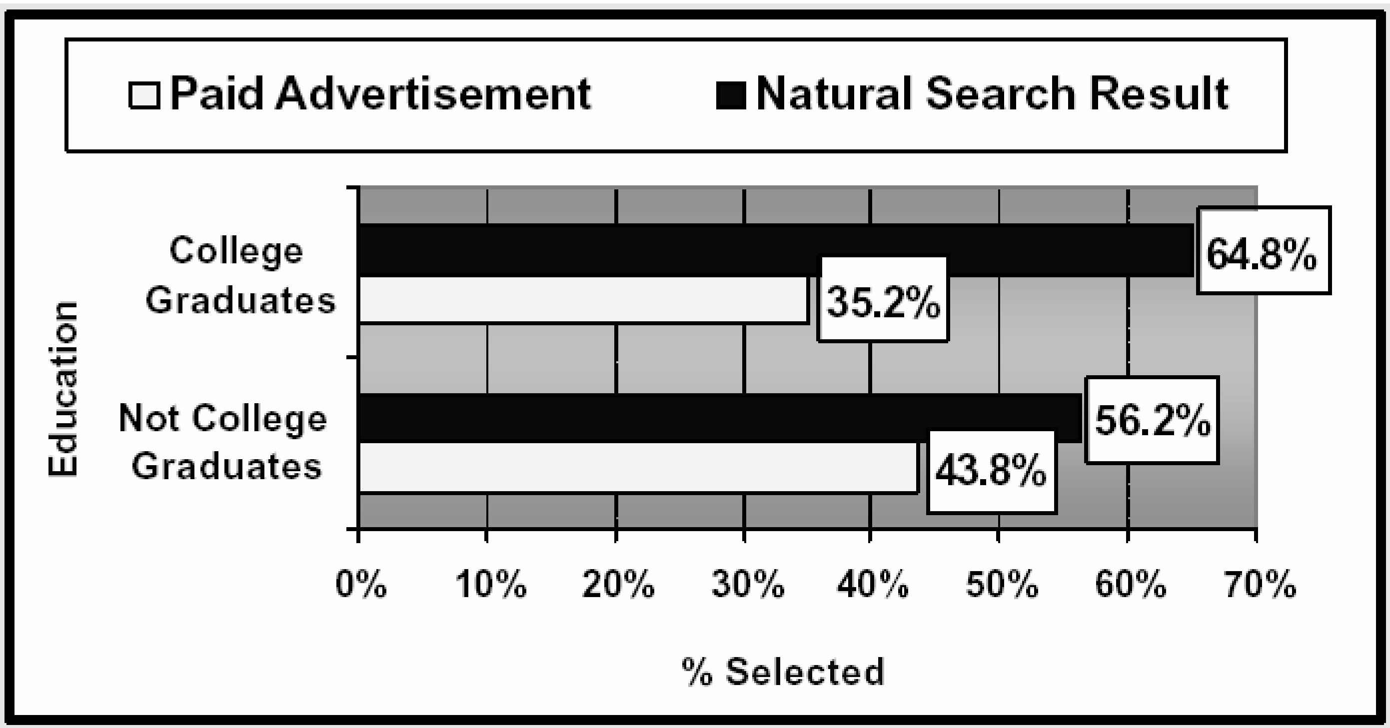


UNIVERSITY of HOUSTON
SMALL BUSINESS DEVELOPMENT CENTER

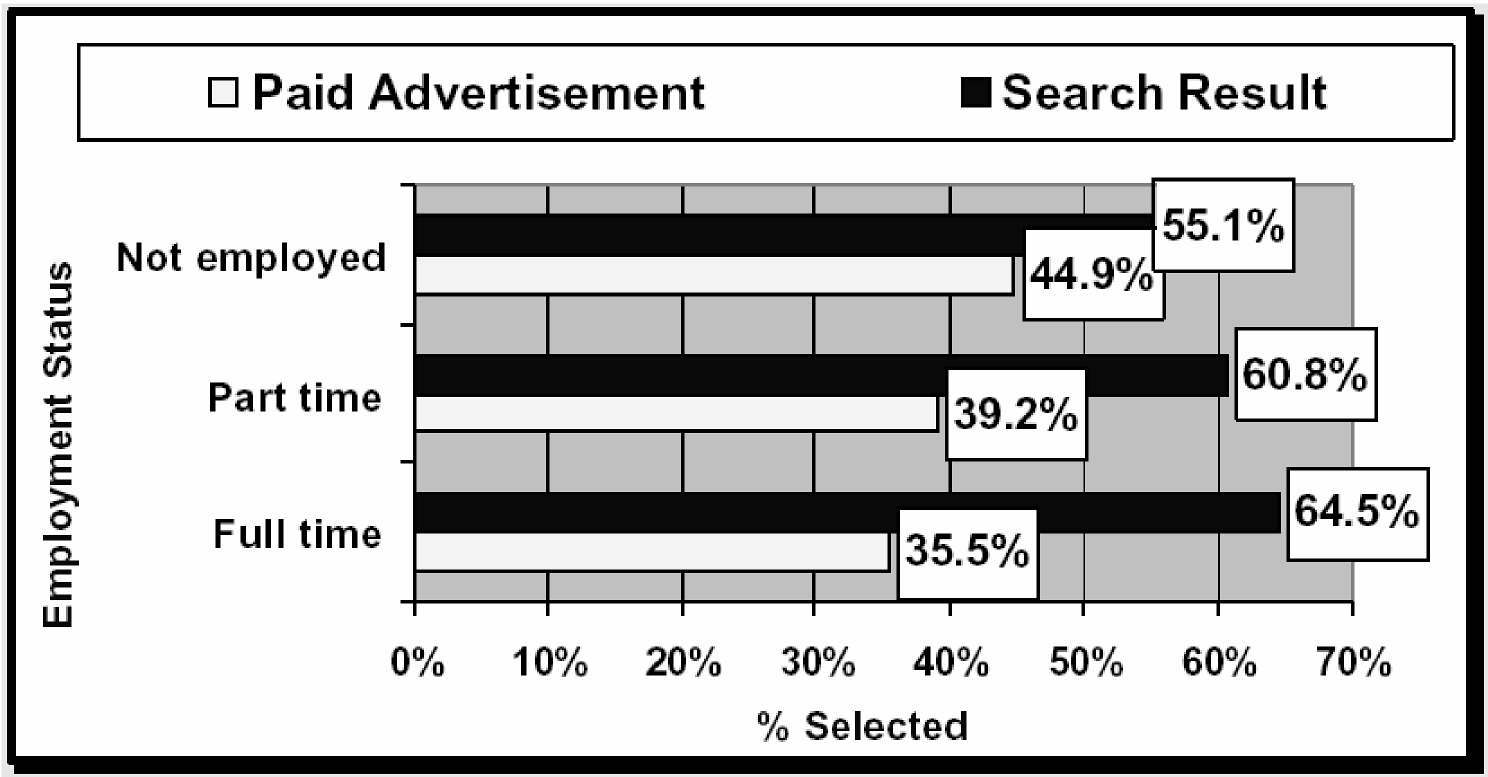
Searcher Attitudes - 12



Searcher Attitudes - 13

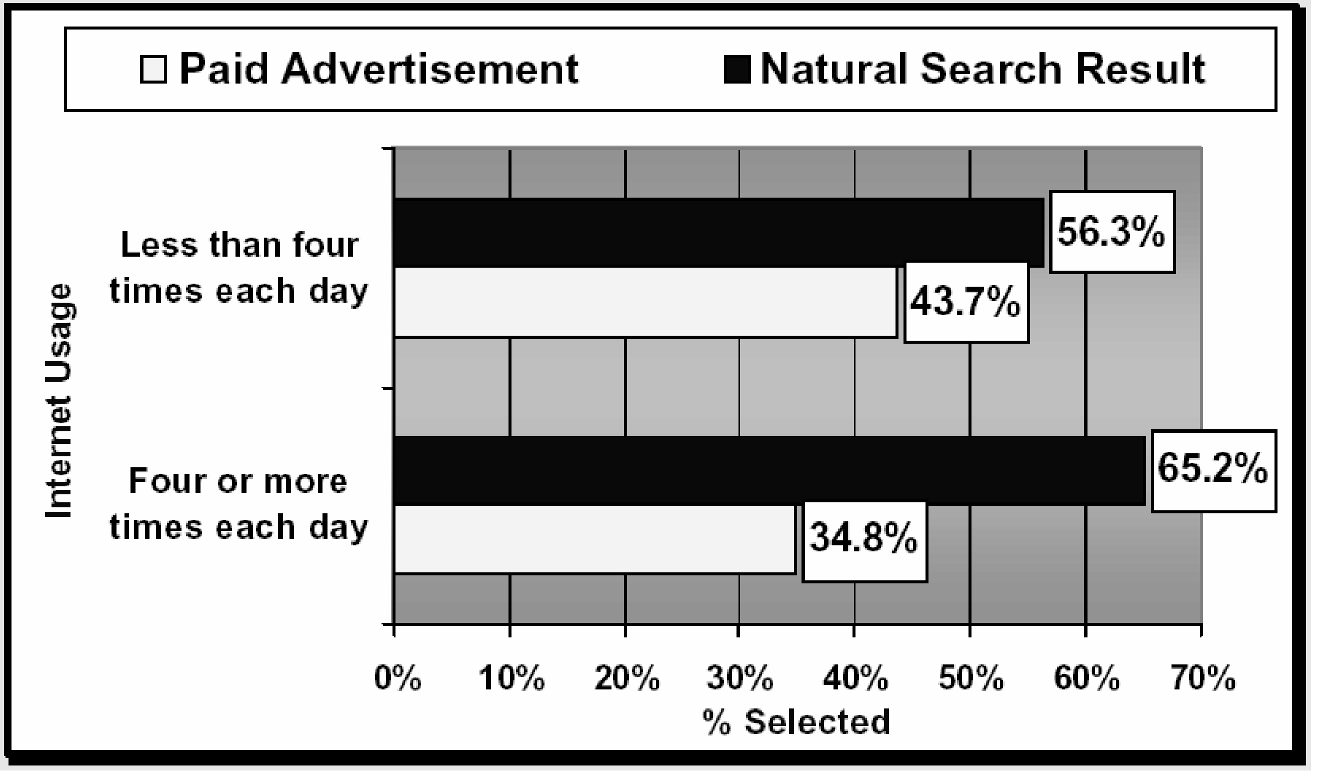


Searcher Attitudes - 14



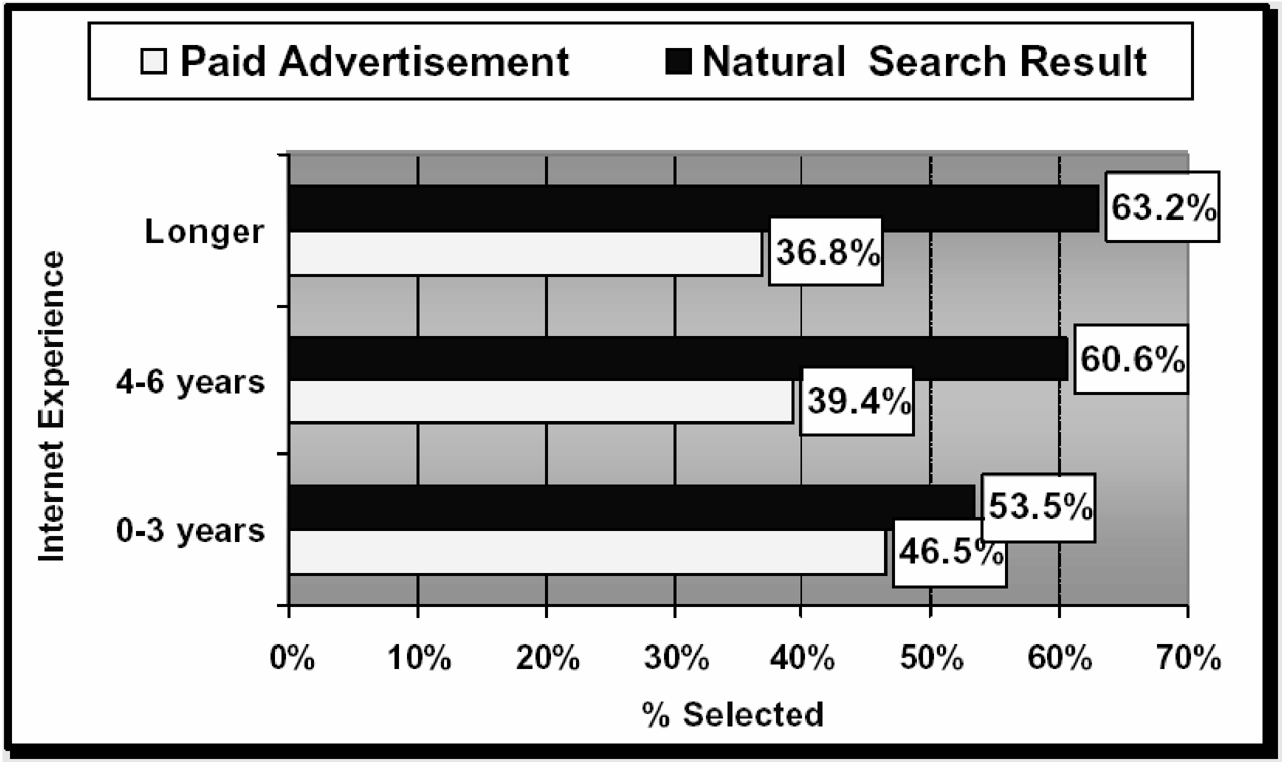
iProspect Search Engine User Attitude Survey, April-May 2004,
http://www.iprospect.com/premiumPDFs/iProspectSurveyComplete.pdf

Searcher Attitudes - 15



iProspect Search Engine User Attitude Survey, April-May 2004, http://www.iprospect.com/premiumPDFs/iProspectSurveyComplete.pdf

Searcher Attitudes - 16



Impact of Desktop Search?

- **Google's desktop search is so good it will change the way everyone uses his/her computer.**
  - Desktop search will quickly replace hard-drive directory navigation.
  - As search hours and search experience increase, more searchers will use longer search phrases when they use a major search engine.
    - 1 & 2-word searches still compose roughly half of all searches
    - higher conversion rates for SEM campaigns.
    - Pop-up and -under ads, even if not viewed, appear above search results under the desktop search tab in Google.

Google's Desktop Search Could Change SEM Forever, Fredrick Marckini, 11/1/2004, http://www.clickz.com/experts/search/results/article.php/3428781

Impact of Rank - 1

Google AdWords			
Rank[4]	Relative Impressions	Relative CTR	Click Potential
1	100.0%	100.0%	100.0%
2	77.2%	77.4%	59.8%
3	71.3%	66.6%	47.5%
4	67.9%	57.4%	39.0%
5	65.8%	52.9%	34.8%
6	62.3%	50.2%	31.3%
7	60.6%	39.7%	24.0%
8	58.3%	34.3%	20.0%
9	58.6%	26.0%	15.3%
10	52.6%	26.3%	13.9%

Figure B: Google AdWords data

Overture			
Rank[4]	Relative Impressions	Relative CTR	Click Potential
1	100.0%	100.0%	100.0%
2	97.2%	80.0%	77.7%
3	94.5%	62.2%	58.8%
4	91.2%	45.9%	41.8%
5	86.2%	35.0%	30.2%
6	74.3%	32.3%	24.0%
7	67.7%	26.6%	18.0%
8	59.5%	23.6%	14.1%
9	42.9%	21.0%	9.0%
10	36.8%	21.1%	7.8%

Figure C: Overture Precision Match data

How Search Engine Rank Impacts Traffic, Nico Brooks, Atlas One Point,, http://www.atlasdmt.com/media/pdfs/insights/RankReport.pdf

Impact of Rank - 2

- **Assume your CTR is 7% for 1st rank.**
- **Research shows 1,000 searches/month for a keyword.**
- **Purchasing 1st rank should earn 70 clicks.**
- **Purchasing 3rd rank should provide 41 clicks.**
  - 70 x 0.558 = 41
  - 3rd rank will be less expensive.
  - Cost effectiveness may be substantially greater.

How Search Engine Rank Impacts Traffic, Nico Brooks, Atlas One Point,, http://www.atlasdmt.com/media/pdfs/insights/RankReport.pdf

Impact of Rank - 3

- **Note the increase in conversion rates for low volume keywords as rank declines!!**
- **This illustrates the high value of lower ranking keyword terms to your business.**

Google AdWords		
	Relative Conversion Rate	
Rank	High Volume	Low Volume
1	100.00%	100.00%
2	85.93%	98.60%
3	71.51%	83.24%
4	68.96%	94.89%
5	71.50%	93.83%
6	70.40%	101.79%
7	64.40%	110.96%
8	65.91%	127.67%
9	67.31%	133.51%
10	90.89%	135.46%

Overture		
	Relative Conversion Rate	
Rank	High Volume	Low Volume
1	100.00%	100.00%
2	89.76%	105.22%
3	95.16%	104.78%
4	86.88%	110.72%
5	86.49%	104.91%
6	88.07%	108.91%
7	71.92%	105.29%
8	77.55%	96.17%
9	63.27%	97.74%
10	57.71%	101.19%

Figure C: Relative conversion rates for high volume versus low volume keyword ads

How Search Engine Rank Impacts Traffic, Nico Brooks, Atlas One Point,,
http://www.atlasdmt.com/media/pdfs/insights/RankReport.pdf

End of Presentation

Questions?

Don’t forget to complete your class evaluation form and turn it in at the back of the class!

We need to clear the room promptly at 9:00 p.m. so the staff can go home. Thanks for your cooperation.