

The Detail On Yahoo!'s New Paid-Inclusion Service

By Jim Hedger, SEO Manager, [StepForth Search Engine Placement Inc.](#)

The search engine marketplace has undergone significant changes over the past 18-months but yesterday's news from Yahoo! marks a turning point in the industry. Timed to coincide with the New York Search Engine Strategies conference, Yahoo announced a massive increase in paid inclusion fees and distribution of results. While Yahoo! and Overture issued press releases through their public relations firm, Fleishman-Hillard, their affiliates and resellers such as Position-Tech and Trellian issued press releases of their own, creating a confusing and at times messy mountain of uninformative information. Countless calls and articles later, we think we have deciphered meaning within the morass. The bottom line is, search engine advertising is about to become a lot more expensive. How these new expenses will impact the search engine marketplace in the long-run remains to be seen but the impact on websites with lower advertising budgets will be enormous.

Yahoo's distribution reach is massive. Since it began displaying results from its own search engine in place of Google results, Yahoo controls over 41% of search engine traffic either directly or through one of its six distinct search properties, Yahoo Search, Yahoo Directory, Overture, AlltheWeb, Inktomi and AltaVista. Inclusion at Yahoo is extremely important, and may become more important in the near future if AOL continues to consider Yahoo as an alternative listings provider to Google. Yahoo acquired its search engine empire over the past year through the acquisitions of Overture and Inktomi. While Yahoo's purchasing streak left it in the position of owning several powerful patents and some of the most innovative technologies, it was also left with six different (and sometimes competing) inclusion programs. It appears Yahoo is trying to consolidate these programs but the method they have chosen is eerily reminiscent of a fatally flawed fee structure LookSmart implemented in November 2002.

Yesterday's announcement centered around Yahoo's new Content Acquisition Program (CAP), which will be run by Yahoo's Overture division. CAP has two basic components, one for smaller websites, known as Site Match, and another, known as Site Match XChange for larger corporate sites. Inclusion in either component will be more expensive and will include a cost-per-click charge of \$0.15 or \$0.30, depending on the competitiveness of the sector the site is listed under.

Site Match

For small businesses, costs will rise considerably. Under the new fee structure, a smaller website will be required to pay the following fees:

- \$50 deposit (to cover cost-per-click charges)
- \$49 for review and indexing of the Index page from a URL
- \$29 for each of the next 2 - 10 pages
- \$10 for all subsequent pages from a unique domain

This means a minimum cost of \$99 for a minimal submission with the addition of a cost-per-click charge of either \$0.15 or \$0.30, depending on the competitiveness of the category. The hidden fees attached to per-click charges could quickly run into the hundreds or even thousands of dollars per month if your website marketing team has done their jobs well. For example one of our clients is a small business who's site sees approximately 100 visitors per day, a reasonable figure for her sector. Accepting the 41% of web traffic figure, and assuming she was being charged the lower figure of \$0.15 per click, her placement

would cost her approximately \$6.15 per day. Over the course of a 30-day month, that charge increases to \$184.50. After 12-months, our client will pay approximately \$2214.00 in click-through charges on top of the \$49 submission fee and \$50.00 deposit. That's a far cry from the \$299 cost of being in the directory, the \$39 cost of inclusion at Inktomi (placement at Yahoo until April 15), and the no-fee costs when Yahoo displayed results from Google. The only major benefit to the small advertiser is an increased frequency of visits from Yahoo's spiders which allows webmasters and SEOs to make minor tweaks and see results much faster.

Site XChange

For larger, corporate websites, the new fee structure is not as daunting or intimidating, and may provide benefits for the advertisers. Site XChange will accept all pages in a site from an XML feed detailing information about that site. Overture staff will manage these accounts and provide feedback to webmasters in order to help them improve the information they provide to help improve rankings under targeted keywords and phrases. Fees will be charged on a pay-per-click basis. Ask your webmaster or SEO for advice on establishing an XML feed, or follow [this link](#) for more information.

Costs Per Click

Washington DC based SEO [Heidi Hendricks](#) posted a breakdown of costs per category at the [IHelpYouServicesForums](#) today. She found the list at this [Overture](#) page.

<i>Tier 1 Categories: \$.15/click</i>	<i>Tier 2 Categories: \$.30/click</i>
<ul style="list-style-type: none"> • Adult • Automotive • Books • Computers & Software • Dating • Education & Career • Jewelry & Watches • Music & Video • Office • Other • Reference • Sports & Outdoors • Toys & Baby Equipment 	<ul style="list-style-type: none"> • Apparel • Electronics • Financial Services • Flowers, Gifts & Registry • Health, Beauty & Personal Care • Home & Garden • Professional Services • Real Estate • Telecom & Web Services • Travel

The Bottom Lines

The last time the search engine marketing world saw a fee-schedule like this one was in November 2002 when LookSmart introduced a cost-per-click charge on top of previously paid submission fees. Webmasters immediately rebelled against LookSmart and look what's happened since. That is where the comparison ends however as Yahoo is the second largest search tool in the world and placement at Yahoo is just about as essential as placement at Google. A webmaster rebellion is not likely to last very long or be successful. A better idea would be for everyone to tell Yahoo's customer service department what they think of this new pricing schedule by following this [convenient link](#). We expect the team at Yahoo to make some changes to the fee structure of Site Match as it is obviously unfair to smaller players and will likely improve Overture's revenues at the cost of Yahoo's.

Adding a cost-per-click charge on top of a fee for inclusion might also drive smaller businesses over to Google which continues to provide the only 100% free listings available from the major search engines. This change also abruptly ends the honeymoon the "new" Yahoo has enjoyed with search engine marketers. SEOs and webmasters seemed unanimous in their praise for Yahoo's recent Google-free listings. With a massive increase in fees, many small businesses will no longer be able to afford to list in Yahoo. Several of our clients view search engine marketing as an equalizer against their larger corporate competition. This assumes all things are equal on the Internet, which is obviously untrue as all advertising budgets are not created equally.

On a darker note, Danny Sullivan has predicted that the days of free-listings are numbered, citing this move from Yahoo as his main example. With Google being the only major player not charging fees for inclusion, it is assumed that it is only a matter of time before they are forced into jumping on the fee-for-service bandwagon. Luckily, Google co-founder Larry Page criticized Yahoo's new policy yesterday saying he felt paid-inclusion has the ability to compromise the credibility of search.

For now, it appears the future is about to get a lot more expensive. Thank goodness it is at least interesting.