

Time of the essence for online advertising

By Jim Hedger, StepForth News Editor, [StepForth Placement Inc.](#)

Online advertising is entering a fourth phase of innovation. Each of the previous waves of online marketing innovation has directly influenced or informed the development of successive waves. Starting with banner ads ten years ago, the online economy has revolved around advertising. While subscriber fees, government grants and private investment capital paid for the development of the backbone, advertisers paid for the development and sustenance of commercial websites. The same is true today but, just over a decade into the evolution of the public/commercial Internet, advertising has become much more precise, targeted and universally pervasive.

Advertising techniques are changing and a coordinated series of discussions and experimentation surrounding emerging forms of online advertising known as Web2.0 is taking place. To be more precise, the experimentation has been going on for about two years at a much less coordinated technical level. A virtual slew of online marketing gurus are catching on to a number of new ideas and concepts and struggling to put them together into a coherent marketing philosophy, hence the slew of hopeful hype surrounding Web2.0 last week.

There's often a seriousness to hype that shouldn't be dismissed just because the messenger sounds like a huckster. When mass-marketing ideas are exchanged by a lot of mass-marketers, (even far-fetched philosophical ones), the stuff we do in marketing is subtly changed.

As we've seen in the past, some ideas will work well and some will not. All hyperbole aside, a month worth of headlines in the search-media clearly shows a rapid evolution in the world of online marketing is taking place. It is happening for a number of reasons. Advertisers need to expand on Internet marketing models, more players are entering the field, and technology is allowing developers to do amazing new things.

While theoretical mountains are being moved around Madison Ave, the simple and practical business of organic search engine optimization and placement continues to operate under the radar of the mainstream business world. The irony is, the one thing about each of the previous (and most of the newer) online promotional trends that remains constant is a dependence on some form of organic search.

Organic search is the backbone of all other search-based advertising formats. Representing the fastest research and reference tool, various types of search are the most used applications on the Internet after email. Several user behaviour studies have confirmed that the majority of search engine users click on the Top organic placements before looking at the paid placements to the right and above. Organic search optimization also remains the least expensive form of online marketing.

Google continues to understand the importance of its organic search listings and if the conversations taking place over at [Digital Point](#) and [Search Engine Watch](#) are any indication, so do many webmasters making money through Google's AdSense program. It is a human tendency to neglect the simplest things and a business tendency to promote things that make the most money. Often those that tend to simple

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things are successful beyond those stuck in auras of complexity. In our complex world however, those that learn to use the simplest tools along with complex systems tend to do better than the rest.

An excellent example of this is the long-term StagedHomes.com online advertising campaign we've worked with for two years. The campaign features a real estate service developed and taught by our client. By targeting the most frequently search keywords and phrases for her specific niche of the massive US real estate industry, we have managed to achieve and maintain a wide range of Top5 organic placements over the past two years. I'm going to use this campaign as an example as I think the client is one of the savviest long-term thinkers when it comes to making practical use of new technologies to market and facilitate her business.

Being found on the search engine results pages wasn't enough for our client's ambitions or the capacity of her business. Not only did she want to grow quickly, the demand for her professional and teaching services is immense and continues to grow. About eighteen months ago, she started using AdWords and Overture (now Yahoo Search Marketing) to promote her business and expand her reach by having her ads appear in online versions of publications through content-distribution and AdSense subscribers.

Now, she has enjoyed the benefits of both worlds with amazing and persistent organic placements and prominent AdWords and YSM placements under a wide array of keywords and phrases. The organic placements continue to be the most clicked from the search engine results pages themselves but she has also gained a substantial number of clicks from ads appearing in online trade magazines, real estate sites and blogs displaying ads generated by Google or Yahoo.

She is always interested in expanding her markets and has done several television and radio pieces along with producing her own series of videos, products and educational services. It will be interesting to see what happens when she begins to focus on the expanding array of online advertising options from pod-casting commercials to targeting her messages through social networking applications.

While the cost of advertising will likely be calculated based on the familiar pay-per-click/call/action business model, the number of methods of expressing her message is about to expand, rapidly.

In the coming months, search advertisers and webmasters will be able to incorporate sound and video to keyword-specific landing pages. Pod-casting, blogs and social networking trees will become means of delivering messages and advertising. The search behaviours of members of social networks are going to be incorporated into algorithms of search results tailored to meet the individual needs of each search-consumer. Some marketers even speculate the rise of social networking and peer-recommendations will lead to the diminishment of traditional search engines.

The rapidity of the evolution is being propelled by a number of extraordinary events, the first and foremost of which is a sudden sense of urgency in an environment increasingly dominated by Google. With Google assuming the leadership role Microsoft held before 2000, every other online advertising provider large and small has a universal competitor to examine, copy and target.

Human life is reflected in human art. Today's business drama is sort of Shakespearian. In a world where there is one king who appears to dominate above all others, there is only one main character for rivals to study, emulate and undercut. When the king acts like a fink, as all corporate kings tend to do from time to time, pretenders beget plotters who in turn tend to stage an interesting second and third act. Yahoo, MSN, AOL and even LookSmart have all made subtle (and sometimes not so subtle) Google-bashing a pillar of their corporate PR strategies while working to copy and out-innovate Google in the background.

Next, advancements in technology over the past two years are now being accepted and used in the development and marketing communities. Ajax, a tool developed in the late 90's by Microsoft to run an online version of Outlook, is now being used to operate server-side applications such as Google Maps, and the subsequent explosion of using the Google Maps API to customize maps to specific interests.

Lastly, as new technologies come into mainstream usage, they tend to disrupt or change the way the mainstream does things. Think about the way instant messaging has replaced Email in many circumstances. As Internet marketers dream up new ways to present ideas and products, they advance thinking on how to merge the most useful aspects of new communications technologies. Users of the newest version of MSN IM will soon see contextual advertising based on their current conversation appearing where banner ads now appear.

For the past two years, interest in pay-per-click search advertising has dominated the search engine marketing environment. Easily explained and understood, PPC offers definite answers to advertisers and more control over ad-placements than any other form of mass-marketing, on or off-line. PPC offers tangible, reportable results gained from a predictable investment. It also offers a flexibility that no other form of mass marketing can facilitate.

PPC has also been a cash cow for the search engines themselves. Interest in PPC allowed Google to go public fifteen months ago and paid-advertising account for the vast majority of Google's revenues. Yahoo, MSN, AOL, and Ask have all modeled their businesses on the provision of contextually delivered paid advertising.

The paid-per-click/call/action business model is obviously successful and will almost certainly form one of the pillars of future paid advertising venues offered by the major search engines.

A decade ago, the websites were littered with banner ads of every shape, size and colour. Marketing costs were calculated based on how many times the banner would appear in rotation with other advertising banners on a site. As time moved on, these banners became more sophisticated, featuring animations and even sound. The biggest problem with the model was that even if people did click the banner ad, mainstream consumers had not yet adopted online commerce. In other words, the chances of making a sale were often dependent on the consumer using the traditional communications mediums of voice and telephone to place an order. By the time the dot-com bubble burst in 2000, banner ads had lost their luster and, as the dominant means of Internet advertising, were on a steady decline. A new form of advertising had taken form and for want of a pricing structure, it was totally free.

1999 was the year Google started to be known as the coolest thing since spliced cable. Those were the days when being a geek was entirely chic. The first stages of the SEO industry had already formed around Alta Vista, Yahoo and Lycos but the Internet itself was just starting to be used by most of the general public.

Google appeared at just the right time and in just the right format to please the people and via the new fangled miracle of email, viral marketing word-of-mouth testimonies drove millions to try it. It created a very big and very sudden buzz, becoming the poster-child homepage of the millions of new Internet users. In the mid to late 90's, nearly everybody was an Internet newbie and Google helped them find stuff fast.

Around the same time, consumers were starting to trust the Internet environment. A similar phenomenon has been happening since the Google IPO last year. The intense buzz created around Google has spurred interest in the rest of the sector. Search marketing is about to become a lot more interesting and, if previous trends hold true, much of the change will have a distinctly organic flavour.

As advertisers, webmasters and search marketers take advantage of the emerging possibilities, finding and sorting information through organic algorithms will remain a core consistency for the search service providers. In other words, while the rest of the search-advertising milieu evolves into more complex and targeted forms of paid-ad distribution, most consumers will still find those paid-ads (whatever format they take) and the documents they are embedded in via organic search results.