

Yahoo Panama – Pros and Cons

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Near the end of 2006 Yahoo officially unveiled the new back end for [Yahoo Marketing Solutions](#), widely referred to as the 'Panama' Update. Since then they have been slowly allowing the upgrading of accounts from the old into the new system. While not everyone has had a chance to have their accounts switched over, it is expected that all will be upgraded by the end of this quarter.

After several months of waiting, this new backend is a welcomed change as Yahoo finally moves into the future but as with any new system, it is not without its pros and cons.

New System Pros

The new system is certainly a great improvement over the old. While adjusting to a new interface and ranking algorithm may take a little time for advertisers, the end result will present more relevant ads to the searchers, which will ultimately mean a higher quality of visitor and should provide a better bang for one's buck.

- Previously you were stuck with only one live ad for any given phrase; now you can create multiple ads for a given ad group. With the ability to have multiple ads for each phrase opens the doors to easier testing of which ad copy is better suited for your ads and prospective clients.
- Ad approval is now instant for most ads and keywords. While there is still a "pending approval" process for some sets of phrases, in many cases your ad changes and keyword additions are now instant. No longer do advertisers have to wait a number of days for their ads to go live.
- With the old system, the level of geographic targeting was very limited. Under the new Yahoo Panama the options are much more sophisticated. For example, there is an option for blocking entire continents for your ad campaigns. Rather than selecting each continent/country you want to appear in, if you are only trying to avoid one specific region, you can easily block it from your campaign.
- The geo targeting options have also expanded to allow for more specific ad targeting. Advertisers now have the ability to target specific states and provinces – a feature previously unavailable. Canadian advertisers were forced to advertise to the US even though they wanted ads only to appear for the Canadian market. This update now provides the option to target Canada only – a big plus for any advertisers who are only able to sell in the Canadian marketplace.

New System Cons

There are a few negative aspects that have been widely noted in many forums and by Yahoo advertisers. As with any new design and back end, it is expected that there will be some wrinkles. Most of the problems are relatively minor, and for advertisers on top of their campaigns, these should not present any major issues.

- One of the downsides most discussed is the transfer of account stats from the old system to the new. Once your account has been transferred, the new system will not log any of the old system historical data. While this information is still accessible by logging into the old interface (which is made read only), it would certainly make more sense if stats were available under the new account login.



- Another issue campaign tracking. After the switch has been made, as long as you do not change any tracking settings everything should continue to work as normal; once you adjust the analytics or tracking options, you will need to replace your tracking code with a new piece of code provided by Yahoo. There have been reports where after the account is upgraded, the conversion stats no longer appear and the code needs to be immediately replaced. While not everyone seems to be having this problem, it is certainly a bug worth noting. If you have not yet upgraded, or upgraded but not checked your tracking codes, it would be best to tackle this issue right away to ensure everything will work correctly.
- There have been some reports that after the account transition some ad titles, descriptions, and even keywords, have been disrupted. Upon upgrading your account be sure to check all your ad copy and phrases to ensure that they are still correct or you could end up spending money on incorrect phrases, or damaged ad copy.

The system is certainly not without its flaws, but generally the interface is much cleaner and certainly more functional. While the ability to edit many more aspects of one's account are now in place, it can be a little daunting to find the right place to make the change. Some items such as campaign and ad group settings are more difficult to find than they need to be, and require more steps than is really necessary. As an example, below I compare the steps required for the simple task of renaming a campaign for Yahoo versus Google:

Yahoo

1. Log into your account. You will be presented with your account dashboard.
2. Click on the name of the campaign you wish to change
3. Click on "Edit Campaign" in the top right.
4. Click "Edit" at the top right of the "Campaign General Information" box.
5. Change the account name.
6. Click "Save Changes".
7. Then click "Dashboard" to return to where you were.

Google AdWords:

1. Log into your account. You will be presented with the "All campaigns" view.
2. Click the checkbox beside the campaign you wish to rename and click "Edit Campaign".
3. Enter a new campaign name.
4. Click "Save Changes" (also brings you back to where you were).

Why is it that Yahoo takes 7 steps to do something that Google can do in only 4? Not to mention multiple campaigns edits. If for some reason you wanted to rename all your Google campaigns at once, it would still take only 3 main steps plus 1 step for each campaign name changed. For Yahoo you would need to repeat all 7 steps for each campaign. These same basic steps are also required for other edits such as campaign budgets, start and end dates, and to turn a campaign on or off.

This example is not really a big deal in the large scheme of things, but is simply an indication that while Panama is a large improvement, there is still much room for refinement. As Yahoo moves forward into 2007 I am sure we will see more advancements and changes to the main navigation.

Click Through Rate Increased by New Ranking Algorithm

Along with an entirely new backend system loaded with new features, Yahoo has also adjusted the way in which they rank ads. The new ranking algorithm is very reminiscent of Google AdWords, and miles away from the old bid-for-position model previously used. Under the old algorithm an advertiser could dominate the top ranking simply by having deeper pockets. Now under the new Panama algorithm to guarantee top spot for a competitive phrase, not only may you still need deep pockets,



but you also need the right phrases, relevant ad text, and a quality website – giving an opportunity for top rankings to those with smaller budgets.

According to [comScore](#) there has been a significant increase in the overall click through rate of Yahoo paid ads since the introduction of the new ranking algorithm. Compared to the week ending February 4, the last day of the old system, the week ending February 11 saw a 5% increase in clicks. By February 18th the total increase in clicks was reportedly at the 9% mark; a sign that the new system is of significant value to advertisers, and of course Yahoo. Now these figures may have been skewed slightly with both Valentines Day and Presidents Day falling into that range, however, “Bank of America analyst Brian Pitz said in a research note that he expects click through rates to grow about 15 percent to 25 percent starting in the second half of the year.”

What has been specifically responsible for the increase in traffic? While it may be too early to know for sure, the most likely reasoning is ad quality. Under the old ranking schematic it didn't matter what your ad looked like or where you directed traffic, if you had the dollars, you had the rank. Now that there are other factors at work, the most relevant, high quality ads, take the rank, and searchers are obviously noticing the increased relevance and clicking through.

Scott's personal take on the new system

Generally I have to say I like the new system. It makes account management easier than using the archaic system we had all grown used to. The new system is much more streamlined and clean cut compared to the old. That said, when compared to the Google AdWords, it still falls short. It's a great first try, and within the next year or so I expect to see some more adjustments to make navigation and functionality improved. For a system with so much hype and such a long time coming, it seems less desirable than expected. Editing ad copy and URL's is still much more cumbersome than its competitor Google, requiring more steps. The account transition could have been made smoother and items such as historic stats should have been made more easily accessible and transferred over to the new account.

Since its early days the Google AdWords system has evolved a great deal, and the same can be expected from Yahoo. Now that they have implemented a more scalable and comprehensive system, it will certainly improve as advertiser feedback is received.

One irrelevant feature, if you can call it that, is that I am very grateful for the removal of the “security code” requirement when signing into the account. While I can appreciate the reasons for having it there in the first place, these security codes that were popping up everywhere really did drive me crazy, and it is nice to see this condition being removed. What does it mean to an advertisers account? Well, really nothing, but it does put a small smile on my face.

While it is not without its shortcomings, this new system is a large improvement and I for one welcome it with open arms.

