

9 Search Engines

9.1 Why are search engines so important?

<http://www.websuburb.com.au/HelpDesk/SearchEngines/Why/tabid/152/Default.aspx>

“United Kingdom Online adspend grows 62%



Online advertising has established itself as a major advertising medium with the publication of the industry’s tracking **research by the IAB and PriceWaterhouseCoopers**. In the **first half of 2005**, online advertising took a 5.8% share of all UK based

adspend ... And with a total adspend of **£490.8m**; online advertising has come of age as it continues to be the fastest growing advertising medium in history. ...eclipsing outdoor at 5.1% and radio at 3.6%

Display advertising: 33%

Paid search listings: 40.2%

Classifieds: 26.8%”

<http://www.iabuk.net/knowledgebank/introductionto/iabpwcadspendstudy-factsheet-h12005.doc>

“Google and Yahoo dominate the booming online search advertising business, which is expected to **grow to US \$5.6 billion in 2008, from US \$2.7 billion in 2004**. Profit from search advertising enabled Google to more than double its revenue in 2004, to \$3.1 billion ...” http://www.usatoday.com/tech/news/2005-03-10-google-ads-usat_x.htm



“..[In Australia Google] will control an estimated 70-80 per cent of this year's \$120 million paid search advertising market.” SMH 11 May 2006, [<http://www.smh.com.au/articles/2006/05/10/1146940617345.html>]

“**Search still most efficient by far at acquiring customers.**

At an average cost per acquisition:

Search	\$8.50
Yellow Pages	\$20.00
On-line display	\$50.00
Email	\$60.00
Direct Mail	\$70.00

[<http://www.internetretailer.com/dailyNews.asp?id=20330>] 26 October 2006

Lessons:

1. Paid search is growing because it is highly effective relative to the cost.
Small business owners need to take note of this.
2. Advertising revenue is no longer the exclusive preserve of the mass media. You don't need to own a newspaper, a TV station or radio network to participate. Google and Yahoo have brought participation in this market to the masses. A modest investment in a website is all that is required.
Great news for small business and clubs to use as fund raisers.
3. **Paid Search is important, but it is not the only on-line game in town.**
4. Paid search (PPC) can be cost effective for small business.
5. Google and Yahoo are currently the biggest players in global search but are not the only players in the market.

The next step in Search Engines is How does a Search Engine Work

<http://www.websuburb.com.au/HelpDesk/SearchEngines/How/tabid/153/Default.aspx>