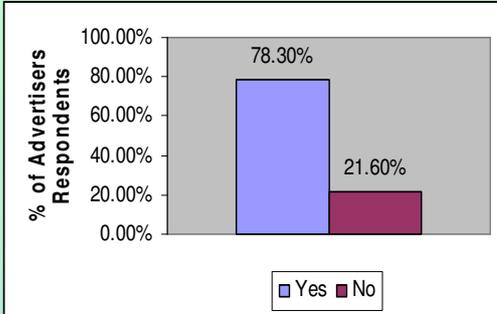


A pilot study on PPC schemes and their effect on search engine revenue



IT IS POPULAR

PURPOSE

- To assess the popularity and problems associated with pay-per-click (PPC) schemes (Sullivan 2005)
- Is there a link between income generated via PPC to the offering of free Internet searching?

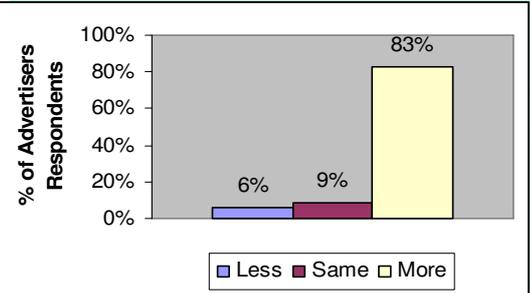
RESEARCH PROBLEM

- Negative perception around payment to better the ranking of a website, regardless of its contents (Weideman 2004)
- No empirical evidence to clarify - no guidance regarding available schemes

Search Engine	Min. Bid	In. Dep.	Placement	Traffic	Extras
miwa	Not Displayed	€50	Paid placement area listed as "cost to advertiser"	2 Billion internet Queries Monthly	Customer service: Mon-Fri 9am-6pm
Google	\$0.05	\$5.00	Ads appear alongside or above results on Google.com search results	Reaches about 80% of Internet users	You can select which countries your ads are displayed in.
overture	\$0.10	\$50.00	Search results that are sponsored are displayed at the top of the search results	Results go out on Yahoo!	Free \$25 credit
looksmart	\$0.15	\$45.00	In sponsored search results area	Reaches 77% of Internet users	Combine keyword targeting and inclusion targeting
search123	\$0.05	\$50	Results displayed as sponsored links, highest bid at top	Not Displayed	No editorial review process and no delay in getting listed
proClick.com	\$0.01	\$10.00	Paid listings are marked with "(cost to advertiser)" next to results.	Network handles over 350 million searches per month	Tools eliminate the monitoring of keyword bids and positions
KaNoopte	\$0.05	\$50	Search results shown as 'sponsored links', featured link on top of search results	410,000,000 searches per month	4 types of targeting to generate targeted traffic.

Paid Placement

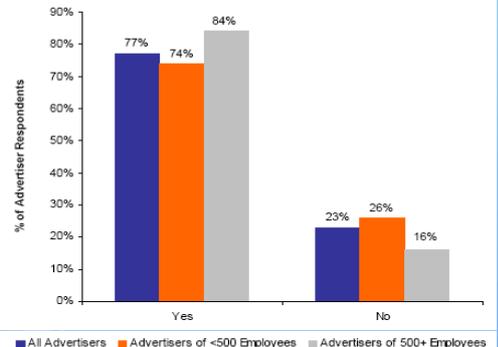
This service is also called pay-for-placement (PFP) or pay-per-click (PPC). It is used to describe a number of overlapping practices, but in essence means linking individual web sites to specific keywords for payment.



WEBMASTERS ARE THROWING MONEY AT IT

Engagement in "Paid Placement" Programs

"Do you currently engage in "Paid Placement" programs?"



EVERYBODY IS DOING IT

LITERATURE SUMMARY

- Google indexes up to 8.1 billion webpages
- This is not more than 16% of all the webpages on the Internet
- The service provided by search engines to users is priceless
- Search engines generate approximately 80% of web traffic



BENEFITS

- PPC enhances the relevance of results for commercial queries by the user
- Sites that have deep content, not normally accessed by crawlers, can now enjoy exposure
- Sites with often-changing pages (eg CNN, WeatherSA) are revised on a regular basis, providing the user with the most up to date information

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CONCLUSION

- Recent survey indicates that three quarters of all advertisers do participate in PPC
- 83% of participating advertisers plan on increasing their spending on PPC
- 62% of participants were happy with their PPC program.

It was concluded that users should be aware that most search results are influenced by PPC in some way or another. This however is not necessarily a negative element, as PPC can have a positive impact on search results. **Most importantly, PPC provide search engines with the revenue to supply users with a free search service.**