Search Marketing Benchmark Guide 2008

184 Charts & Tables
+ 10 Heatmaps

Note: This is an authorized excerpt from the full 275-page Search Marketing Benchmark Guide. To download the entire Guide, go to: http://www.SherpaStore.com or call 877-895-1717
Editor’s Note

Welcome to MarketingSherpa’s Search Marketing Benchmark Guide 2008!

This fourth annual edition has been completely and comprehensively re-researched and rewritten. If you have an older edition, put it away and start working from this new edition – the search industry has changed over the past 12 months. Inside, you’ll find a 360-degree comprehensive view of what works (and what doesn’t) in search marketing today.

In addition to all the basic search marketing statistics you would expect, including costs per click, conversion rates, SEO versus PPC, we have several major *new* studies in this year’s Guide:

**#1. MarketingSherpa Search Marketing Benchmark Survey**

2,475 marketers who conduct or supervise search marketing for their own companies answered our extensive survey in June and July 2007. Some even discussed their answers with us in follow-up calls. They revealed:

- What their real-life results, budgets and tests are, broken down by major search marketing goal
- Four-year trend data for many key points we’ve been tracking since we started this survey in 2003
- B-to-B versus marketing to consumers

In addition, 711 executives and staff members at search marketing agencies who conduct campaigns for clients took our survey. Discover how tactics, spending and results differ from experienced professionals who handle campaigns for dozens of ongoing clients at any one time. You’ll find their insights to be of huge practical use.

**#2. MarketingSherpa Special Report: Challenges to Bringing Search In-House**

Are marketers happy with the results they’re getting from their search agencies? If you’re thinking about bringing your search engine marketing in-house, how hard is it? We have the answers from 247 marketers who did just that in the past 24 months.
In this Special Report, we asked marketers who stopped outsourcing what successes (or failures) they’ve seen since. The process was more involved than many thought, and they told us how long it took before they were truly up and running, as well as what problems popped up along the way.

We also looked at why it’s so hard to find good search employees and how staffing ranks against other SEM concerns, why these jobs are so mobile and salary ranges in various parts of the country.

#3. MarketingSherpa Eyetracking Study: Search Ad Position & Relevance

Over the past three years, MarketingSherpa has conducted a number of eyetracking studies into different types of online marketing. Each provided insights into how consumers really look at Web-based content and advertising. This time, we focused on ad relevance, position and URL length.

How do a Web visitor’s behavior and attention change when exposed to a relevant ad versus one that isn’t on topic? Which matters more: relevance or position? One aspect of search listings that’s often overlooked is the URL string attached to it. We wanted to determine whether the length of a URL affects viewing and attention.

For the first time, we recruited business professionals instead of consumers for this study. As such, it’s one of the first eyetracking tests for business-to-business marketers, but the findings are just as relevant for consumer marketers, too.

Share our results, including colorful heatmaps, with your own design team. We hope you’ll be inspired to improve your PPC bidding tactics, SEO priorities and copywriting so you get maximum results.

#4. MarketingSherpa Goes Under the Hood of Ranking Toolbars

In another MarketingSherpa Special Report, we delve into the ins and outs of search ranking toolbars. There are currently three toolbars that measure traffic and other factors to determine a Web site’s popularity, standing or trustworthiness: Alexa by Amazon, Compete Toolbar by Compete Inc. and BrowserAccelerator by Emergency 24 Inc.
We reveal how their systems operate, how traffic is counted and how data may be affected, as well as their limitations and reliability. We also look at several toolbars that don’t offer site rankings as a primary attractor.

Another new addition to this year’s Guide is the first public look at a new way of benchmarketing click quality. The approach we feature uses a variety of click characteristics to assign a credit-like score to each individual click. In time, this model of click scoring and click fraud detection may lead to a pricing and payment model that better reflects reality and outwits the fraudsters.

As always, our goal with this latest Guide is to create the most comprehensive collection of *practical* numbers, stats and real-life factoids about search marketing for actual working marketers. All in all, this year’s edition of the Search Marketing Benchmark Guide features 194 charts, tables and heatmaps. Use the information contained in the next 267 pages to:

1. Gain the power to set your PPC and SEO budgets for the coming year that make sense for your search marketing.
2. Forecast results – including clicks, conversions and costs – more accurately. (Also includes practical tips on measurement.)
3. Select which SEM tests you should conduct to improve results for your current campaigns and which ones may not be worth the time or effort.
4. Defend your search marketing plans to your CEO (or to clients if you’re an agency.)
5. Train new staff more easily.

In the meantime, be sure to contact us with any questions about the charts, as well as your feedback and suggestions for next year’s Guide at Feedback@MarketingSherpa.com. We wish you the best of luck with your next 12 months of campaigns.

Tad Clarke
Editorial Director, MarketingSherpa Inc.
New Research Highlights:

2,475 Search Marketers and 711 Search Marketing Agency Executives Reveal Top 5 Insights for 2008

The search marketing industry is still expanding rapidly – as much as 31% in the United States and 39% globally for 2007. This year-over-year growth will slow in time. Still, search budgets are increasing by double-digit percentages for many marketers, although we’re hearing feedback that many of those increases are in anticipation of rising prices, not a desire to extend their SEM reach.

The allure to bring SEM in-house is growing stronger for many marketers, although the number of organizations getting outside help actually increased over the past 12 months. However, it’s becoming more common to use outsourced assistance as part, not all, of the overall SEM effort.

More emphasis on natural search has put pressure on many marketers to improve their own sites, while smaller companies are feeling the pinch in paid search/keyword price inflation. Click fraud is still a concern, but marketers don’t seem as worried about it this year. That’s probably more a function of media attention (or the lack thereof compared to last year) rather than any real change in the phenomenon itself.

We have selected four charts and a heatmap from this year’s Guide demonstrating some of the data that will be of practical use for marketers seeking to improve their search results and budgeting.

Continued on next page...
Chart #1: Expected Search Spending for 2008

In the chart above, we broke out Google from the rest of the top-tier search engines (Yahoo!, MSN, AOL and ASK) because of Google’s domination in the industry. Together, these five companies control more than 90% of all searches. As you can see, a third of the average search spenders we surveyed expect to increase their pay-per-click marketing budget 11% or more with Google, while 45% of the big spenders (those who spend at least $25,000 a month on search) plan to do so. With the other top-tier engines, nearly a quarter of the average spenders say they will increase their budgets more than 11% versus 38% of the big spenders.

Even second-tier sites should see double-digit increases next year. The second tier is any search site that doesn’t have at least 10% reach. These include Business.com, MIVA, Kanoodle and the like. 10% of average spenders expect to increase their budgets 11% on these sites, while 24% of the big spenders will, too.

SEO budgeting will see a huge kick in the pants, too, with 35% of the average spenders and 43% of the big spenders increasing their budgets 11% or more.
House email still edges out search among common marketing tactics for the best ROI, but search engine optimization and paid search marketing both get strong marks by more than half of our survey respondents. Those tactics are more than 10 percentage points higher than the next two on the list, public relations and direct mail, and far more than online advertising and print advertising.

It’s also interesting to note that SEO is one of the three tactics (along with PR and print advertising) receiving the largest number of responses for hard-to-gauge effectiveness. More than a fifth of our survey respondents are not sure how effective SEO really is. With the number of inexpensive and effective analytics tools readily available, we really don’t think that needs to be the case.
Chart #3: Difficulty in SEM Staffing Rated by Job Function

Source: MarketingSherpa, In-house SEM Survey, July 2007
Methodology: This survey was offered as an addendum to the regular Search Marketing Benchmark Survey, fielded on June 27, 2007, and closed on July 12, 2007. 247 respondents indicated that they had moved SEM in-house in the last 24 months and were given the add-on survey.

The debate to stop outsourcing your SEM and bring it in-house is a complex one, with pros and cons on both sides. Here, we feature one of several charts and tables from our Special Report on the challenges that marketers face.

More than a quarter of marketers we talked to were dissatisfied with their agencies’ performances, while 40% expressed ambiguous feelings. Still, others said they were very happy with their agencies and saw this as a potential waste of time and money. For those who decide to make the move, they’ll find filling SEM-related positions, especially SEO specialists, one of the biggest challenges: almost a third of our respondents say it is “very difficult” to attract these employees.

*Continued on next page...*
Charts are an enigma. As the industry works to formally define a ‘click,’ a new lens through which to view click quality has emerged, and MarketingSherpa has the exclusive first look.

Above, we see a chart of global click scoring based on billions of clicks and a complex set of quality variables. Instead of a black-and-white, good-versus-bad methodology, the scoring system takes the next step by adding a layer of probability. In other words, a 3 a.m. click from South Korea is probably fraudulent, but there’s no way of knowing it definitely except in rare circumstances.

In other industries, fraud models, such as this one are already in use. Credit card companies detect fraud using a similar system. For search engines, this new model of scoring and click fraud could mean a way of charging more for good clicks, while offering defined discounts for lower-quality traffic. For search marketers, it would offer protection against paying high prices for clicks that aren’t likely to generate sales.
Eyetracking Heatmap: Impact of Long URL Length on Ad Viewing

This year, we recruited business professionals instead of consumers for our latest eyetracking study, although the results are just as relevant for consumer marketers. One of the aspects we studied was length of URLs as they appear in search strings.

What we discovered was that long URLs actually work as a deterrent and stop viewers from doing what they’re supposed to do (click!). Instead, viewers spend time trying to decipher what’s in the URL itself. Those viewing the listing with the long URL actually ended up clicking on the listing immediately after it 2.5 times more than those viewing the listing with the short URL.

The page appears to add another break in it visually and push searchers to click on the listing under the one with a long URL. By keeping the URL shorter, the focus remains on the title of your listing where you are likely to have more success with those searching for your product or service.

In summary, we would like to thank everyone in the search community who took the time to share their own real-life results data to help create this Guide. It’s truly a community effort, with everyone helping to increase the working knowledge of proven tactics and results in search marketing.

As always, may your own results be even stronger for 2008.
# Table of Contents

**Editor's Note** .................................................................................................................. 7

**New Research Highlights** ............................................................................................... 11
  Chart #1: Expected Search Spending for 2008 ................................................................. 11
  Chart #2: How Search ROI Stacks Up Against Other Tactics ........................................ 12
  Chart #3: Difficulty in SEM Staffing Rated by Job Function ........................................... 13
  Chart #4: A New Way to Evaluate Clicks and Click Fraud .............................................. 14
  Eyetracking Heatmap: Impact of Long URL Length on Ad Viewing ................................ 15

**Search Marketing Glossary** ............................................................................................. 25

**Chapter 1: The Business of Search – Budgeting, Issues & Outsourcing Search** ............... 27
  Chart 1.1: 2006-2008 Search Spending .............................................................................. 27
  Table 1.2: Online Advertising - 2006 Spending Breakdown ............................................ 28
  Chart 1.3: Online Advertising Slowly Overtaking Traditional Tactics ............................. 29
  Chart 1.4: Tactical Spending Changes for 2008 – PPC on Google ................................. 30
  Chart 1.5: Tactical Spending Changes for 2008 – PPC on Top Tier (Yahoo!, MSN, AOL & Ask) .......................................................... 31
  Chart 1.6: Tactical Spending Changes for 2008 – PPC on 2nd Tier ............................... 32
  Chart 1.7: Tactical Spending Changes for 2008 – SEO .................................................. 33
  Chart 1.8: SEO Spending as % of Paid Search 2007 ....................................................... 34
  Chart 1.9: B-to-C SEM Budget Percentages – $50,000 Marketing Budget ................. 35
  Chart 1.10: B-to-C SEM Budget Percentages – $300,000 Marketing Budget .............. 36
  Chart 1.11: B-to-C SEM Budget Percentages – $1.3 Million Marketing Budget .......... 36
  Chart 1.12: B-to-C SEM Budget Percentages – All Budgets Over $1 Million ............... 37
  Chart 1.13: B-to-B SEM Budget Percentages – $75,000 Marketing Budget ................. 37
  Chart 1.14: B-to-B SEM Budget Percentages – $250,000 Marketing Budget ............... 38
  Chart 1.15: B-to-B SEM Budget Percentages – $1.2 Million Marketing Budget .......... 38
  Chart 1.16: B-to-B SEM Budget Percentages – Average of Budgets Over $1 Million .... 39

  **Challenges in SEM** ........................................................................................................ 40
  Chart 1.17: Agency Pros Rank SEM Challenges ............................................................. 40
  Chart 1.18: Marketers Rank SEM Challenges by Size of Business Targeted .................. 41
  Chart 1.19: High Volume and Large Budget Marketers Rank SEM Challenges ........... 42

  **Special Report: Challenges to In-House SEM** ............................................................. 43
  Chart 1.20: Reasons for Bringing SEM In-House ............................................................ 43
  Chart 1.21: Advertiser Happiness with Paid Placement Services’ Providers ................. 44
  Chart 1.22: How Long Before In-House SEM is Up and Running? ............................... 45
  Chart 1.23: Difficulty in SEM Staffing Rated by Job Function ....................................... 46
  Table 1.24: Issues in Staffing – Agencies’ View ............................................................... 47
  Chart 1.25: Staffing Challenges Compared to Other Issues in SEM ............................... 48
  Chart 1.26: Many Hats – the Roles of Search Marketers ................................................. 49
  Table 1.27: Why Search Marketers are Mobile (Salaries and Demand) ......................... 50
  Table 1.28: Why Search Marketers are Mobile 2: The Impact of Experience .............. 50

  **Search Marketing Agencies** .......................................................................................... 51
  Chart 1.29: Use of Paid Search Vendors 2006-2007 ....................................................... 51
  Chart 1.30: Use of SEO Vendors 2006-2007 ................................................................. 52
  Chart 1.31: Use of SEM Vendors 2006-2007 – Marketers Spending Less Than $10,000 .................................................................................. 53
  Chart 1.32: Use of SEM Vendors 2006-2007 – Marketers Spending More Than $25,000 .................................................................................. 53
  Table 1.33: Agency Pros Speak Out – Issues and Opportunities in SEM ...................... 54

  **Click Fraud** .................................................................................................................... 62
  Table 1.34: Trends in Click Fraud ..................................................................................... 62
  Chart 1.35: How Many Marketers Identify Click Fraud? ................................................. 63
  Chart 1.36: Reported Click Fraud Levels 2006 vs. 2007 ............................................... 64
  Chart 1.37: A New View of Click Fraud .......................................................................... 65

  **Definitions of some of the click fraud metrics used in the scoring of clicks** ............... 66
  Chart 1.38: Click Fraud Estimates 2006-2007 ................................................................. 67
  Chart 1.39: How Marketers Identify Click Fraud? .......................................................... 68
  Chart 1.40: How Will Click Fraud Be Resolved? 2006 vs. 2007 ................................. 69
  Chart 1.41: How Will Click Fraud Be Resolved? Big vs. Average Spenders ............... 70
Chapter 2: Topics in Search ........................................................................................................... 73

Special Report: Eyetracking Study of Search Ad Position and Relevance .................................. 73
Heatmaps Explained ....................................................................................................................... 74

Experiment One: Relevance in Listings ....................................................................................... 76
Relevance of text descriptions ......................................................................................................... 76
Heatmap 2.1: Scanning of Relevant and Non-Relevant Text Ads ............................................. 76
Heatmap 2.2: Example of Scanning on Relevant Listings ............................................................ 77
Heatmap 2.3: Example of Scanning on Non-Relevant Listing ..................................................... 77
Non – Relevant Listings and Their Effect on Scanning ................................................................. 77
Conclusions .................................................................................................................................... 77

Experiment Two: Side-listed Ads – Impact of Relevance and Position ........................................ 78
Heatmap 2.4: Side-Sponsored Ad in First Position ...................................................................... 78
Heatmap 2.5: Side-Sponsored Ad in Third Position ..................................................................... 79
Heatmap 2.6: Side-Sponsored Ad in Fifth Position ..................................................................... 80
Analysis ......................................................................................................................................... 81
Conclusions ..................................................................................................................................... 81

Experiment Three: Position Length of URL .................................................................................. 82
Length of URL strings as they appear in search listings ............................................................... 82
Heatmap 2.7: Test Listing with Short URL .................................................................................. 82
Heatmap 2.8: Test Listing with Long URL .................................................................................. 83
Heatmap 2.9: Click Patterns on Test Listings - Short vs. Long URL Strings ............................ 84
Table 2.10: Time Spent with Listings by URL Length ................................................................. 84
Heatmap 2.11: Impact of Long URL Length on Subsequent Ad Viewing .................................... 85

Related Findings: PPC Advertising — the Relevance of Relevance ............................................. 86
Case Study 1 ................................................................................................................................... 86
Case Study 2 ................................................................................................................................... 88

Business/Vertical Search .................................................................................................................. 92
Chart 2.12: Search Engines Used by Business Technology Buyers ............................................ 92
Chart 2.13: Search Engines ‘Used Most Frequently’ by Technology Buyers ............................. 93
Chart 2.14: Business Searchers Often Can’t Locate Info via Search ........................................... 94
Notes from the Field: How to Lower Costs for B-to-B Leads ..................................................... 95

Contextual Advertising .................................................................................................................. 96
Chart 2.15: Contextual CPC for Google AdSense .......................................................... 96
Chart 2.16: Contextual CTR for Google AdSense ............................................................ 97

Local Search & Pay per Call .......................................................................................................... 98
Chart 2.17: Tactical Spending Changes for 2008 – Local Search ............................................. 98
Chart 2.18: Local Online Spending 2002-2007 ....................................................................... 99
Chart 2.19: Ad Spending in Local Media, Online vs. Traditional .............................................. 100
Notes from the Field: Running Ads in Google Local vs. Main Google Search ........................... 101

Mobile Search ................................................................................................................................. 102
Chart 2.20: Mobile Search Engine Use ....................................................................................... 102
Chart 2.21: Mobile Internet Use by Country .............................................................................. 103
Chart 2.22: What Mobile Internet Users Search for ................................................................. 104
Table 2.23: Mobile Video Revenue Share 2006 vs. 2007 ......................................................... 105
Table 2.24: Mobile Browser Market Share ................................................................................. 105

SEO & Public Relations ................................................................................................................ 106
Table 2.25: Top 25 News Web Sites for June 2007 .................................................................... 106
Chart 2.27: Measuring Success in Optimizing Press Releases 2005-2006 .............................. 109

The Second Tier of Search Properties .......................................................................................... 110
Chart 2.28: Use of 2nd-Tier Search Properties for Marketing .................................................... 111
Chart 2.29: Use of 2nd-Tier Search Properties – Average vs. Big Spenders ......................... 112
Table 2.30: Agency and Marketer Comments on 2nd-Tier Experience ...................................... 113
Table 2.31: Keyword Prices – Comparing the 1st & 2nd Tier .................................................. 115
Chart 2.32: Total Searches for June 2007 – 2nd-Tier Search Properties .................................... 117
Chart 2.33: Share of Searches for June 2007 – 2nd-Tier Search Properties ............................. 118
Chart 2.34: Unique Searchers for June 2007 – 2nd-Tier Search Properties .............................. 119
Chart 2.35: Penetration for June 2007 – 2nd-Tier Search Properties ........................................... 120
Chapter 2.36: Searches per Searcher for June 2007 – 2nd Tier Search Properties..............................121
Chapter 2.37: Sessions per Searcher for June 2007 – 2nd Tier Search Properties..............................122
Profiles of 2nd-Tier Engines ..............................................................123
Table 2.38: Selected Search Properties’ Comparison 1 – Setup and Bidding ..............................123
Table 2.39: Selected Search Properties’ Comparison 2 – Ad-Targeting Options ......................124
Profiles of Selected 2nd-Tier Search Providers ..................................................125
Search123 Inc. (division of ValueClick Inc.) .........................................................125
LookSmart ...............................................................................126
Mamma (division of Copernic Technologies Inc.) ...............................................127
Superpages.com (division of Ideal Inc.) ..............................................................128
Lycos ..................................................................................129
Business.com .........................................................................130
Yesup (Powered by sister company Clickso.com) ..............................................131
Epilot (A subsidiary of Local.com) .......................................................................132
How We Search and Shop..............................................................................133
Table 2.40: Top 100 U.S. Product/Retail-Oriented Search Terms June 2007.........................133
Chart 2.41: Word Count in Search Phrases - U.S. Searchers ..............................................135
Chart 2.42: Impact of Complimentary Paid and Natural Search Listings .........................136
Table 2.43: Top U.S. Search Terms – IT and Internet ....................................................137
Table 2.44: Top U.S. Search Terms – Internet Advertising .................................................138
Table 2.45: Top U.S. Search Terms – Net Communities and Chat .....................................139
Chart 2.46: How Far Do Searchers Delve Into Results? ..................................................140
Chart 2.47: Online Shopping and Product Research Are Ordinary ....................................141
Chart 4.48: How Do Online Shoppers Find New Retailers? ..............................................142
Chart 2.49: Search’s Impact on Traffic by Product Category .............................................143
Chart 2.50: Share of Retail Referrals from Search ..........................................................144
Chart 2.51: Share of Referrals – Specialty Home Category ..............................................144
Chart 2.52: First Step in Product Research – Electronics Example ......................................145
Chart 2.53: Share of Retail Searches and Clickthrough ...................................................146
Chart 2.54: Shopping Engines Compared – Search Agencies Rate ROI ..............................147
Chart 2.55: Tactical Spending Changes for 2008 – Shopping Search ..................................149
Table 2.56: Shopping Sites – Required Feed Attributes .....................................................150
Table 2.57: Shopping Site Capabilities ..............................................................................151
Special Report: Under the Hood of Ranking Toolbars .....................................................152
Alexa ..................................................................................152
Compete Toolbar ........................................................................153
Third-Party Services: .................................................................153
TrustGauge/BrowserAccelerator .................................................................154
Other Popular Toolbars .................................................................................155
Video & Search ........................................................................156
Table 2.58: Market Share of Top Video Properties .........................................................157
Table 2.59: Top U.S. Online Streaming Video Properties .................................................157
Chart 2.60: Actions Taken After Viewing Online Video ...................................................158
Table 2.61: Selected Video Properties Comparison Chart ..............................................159
Selected Video Site Profiles ..............................................................................160
Google Video ........................................................................160
AOL Video ...........................................................................161
Yahoo! Video .........................................................................162
AltaVista Video Search .................................................................................163
Blinkx.com ............................................................................164
Everyzing.com (formerly Podzinger.com) ...............................................................166
Pixsy.com .............................................................................167
Truveo (Acquired by AOL in January 2006) ...............................................................168
YouTube (Purchased by Google Inc. in November 2006) ...........................................169
Chapter 3: Top Search Properties ......................................................................171
Chart 3.1: SEM Agencies View Top Search Properties – 12-Month Outlook .....................171
Chart 3.2: SEM Agencies Rate the Top Search Engines – ROI ........................................173
Chart 3.3: SEM Agencies Rate the Top Search Engines – Customer Service ...................174
Chart 3.4: SEM Agencies Rate the Top Search Engines – Targeting Tools .......................175
Chart 3.5: SEM Agencies Rate the Top Search Engines – Keyword Suggestion Tools .........176
Top-Tier Search Engine Profiles ................................................................. 177
Google ........................................................................................................ 177
Yahoo! ........................................................................................................ 179
Microsoft LiveSearch & AdCenter .......................................................... 181
Table 3.6: Selected Search Properties’ Comparison 1 – Setup and Bidding .............................................................................. 183
Table 3.7: Selected Search Properties’ Comparison 2 – Ad Targeting Options .............................................................................. 184
Table 3.8: Top U.S. Search Terms – Google Properties 2006-2007 ...... 185
Table 3.9: Top U.S. Search Terms – Yahoo! Properties .............................................................................................................. 186
Table 3.10: Top U.S. Search Terms – MSN Properties ......................... 187
Table 3.16: “Lifestyle” Demographics of Top 5 Search Engines – Composition of Searches ......................................................... 193
Table 3.17: “Lifestyle” Demographics of Top 5 Search Engines – Composition of Unique Searchers ................................................................. 194
Table 3.18: Household Income Profile of Top 5 Search Engines by Composition of Searches ......................................................... 196
Table 3.19: Household Income Profile of Top 5 Search Engines by Composition of Unique Searchers ................................................................. 196
Chart 3.20: Information Workers Prefer Google ........................................ 197
Chart 3.21: Online Language Share .......................................................... 198
Focus on: China & India ............................................................................. 199
Chart 3.22: Pace of Asian Internet Usage Outpacing World ................ 199
Chart 3.23: Baidu Leads, But Google’s Slide Is Over ................................ 200
Table 3.24: Click Fraud a Serious Concern in China ................................ 201
Chart 3.25: Chinese Search Marketers = Small Businesses ................. 202
Table 3.26: Top 25 Advertisers in China, Ranked by Spending ............. 203
Chart 3.27: Chinese Online Advertising by Industry Sector ................ 204
Table 3.28: Top Web Properties – India ................................................... 205
Table 3.29: Top Activities and Sites in India ............................................. 206
International Search Data ........................................................................... 207
Table 3.30: Search Property Comparison – Australia (Home & Work) .... 207
Table 3.31: Search Property Comparison – Brazil (Home) .................... 207
Table 3.32: Search Property Comparison – France (Home & Work) ....... 208
Table 3.33: Search Property Comparison – Germany (Home & Work) ... 208
Table 3.34: Search Property Comparison – Italy (Home & Work) ........... 209
Table 3.35: Search Property Comparison – Japan (Home) ....................... 209
Table 3.36: Search Property Comparison – Spain (Home) ....................... 210
Table 3.37: Search Property Comparison – Switzerland (Home) ........... 210
Table 3.38: Search Property Comparison – United Kingdom (Home & Work) ................................................................. 211

Chapter 4: Search Tactics and Measurement ............................................. 213
Chart 4.1: How Search ROI Stacks Up – Marketing Tactics Compared ................................................................. 213
Chart 4.2: How ROI Stacks Up – Marketers Spending Over $25,000 per Month on Search ................................................................. 214
Chart 4.3: How ROI Stacks Up – Marketers Spending Under $10,000 per Month on Search ................................................................. 215
Chart 4.4: SEM Campaign Tests ROI – Agency View .............................. 216
Chart 4.5: Impact of Landing Page Elements ........................................... 217
Notes from the Field: How to Increase Conversions as a Print Subscription Publisher by Scoring System ................................................................. 220
Chart 4.7: Targeting Search Users – Tactics Rated by Agencies (Average) ................................................................. 221
Chart 4.8: Targeting Search Users – Tactics Rated by Agencies With Average Client Spend Above $25,000 ................................................................. 222
Table 4.9: Coping With Rising Keyword Prices – Agency View ............... 223
Notes from the Field: Improving Search Marketing ROI ................................................................. 224
Chart 4.10: Keyword Research: Tactics for Keyword Research ................ 225
Emerging Capabilities in Search ................................................................. 226
  Chart 4.11: Emerging Capabilities – What’s in Store for Search?............ 226
Search Engine Optimization ................................................................. 227
  Chart 4.12: SEO Lift After Six Months of Optimization – Agencies vs. In-house 227
  Chart 4.13: Technology Marketers Evaluate Site Optimization .............. 228
  Table 4.14: Key Factors in Search Engine Optimization ....................... 229
  Chart 4.15: SEO – Easier Said Than Done ........................................ 231
  Chart 4.16: Obstacles Encountered by Marketers in Implementing SEO Recommendations ................................................................. 232
Affiliates & Search ............................................................................. 233
  Chart 4.17: Merchant Policies Toward Affiliates’ Paid Search Becoming More Sophisticated ................................................................. 233
Internal Search .................................................................................. 234
  Chart 4.18: What’s the First Thing Consumers Do When They Arrive at a Retail Site? ................................................................. 234
  Chart 4.19: Marketers Grade Their Internal Search .............................. 235
  Chart 4.20: Marketers Rank Internal Search Capabilities .................. 236
  Notes from the Field: How an Eretailer Tripled Conversions With Internal Search Changes ................................................................. 237

Chapter 5: Search Benchmark Data ........................................................................ 239
Keyword Prices .................................................................................. 239
  Chart 5.1: CPC for Top 3 Search Engines - Averages 2005-2007 .............. 239
  Chart 5.2: CPC for Top 3 – Median Price Summary 2006-2007 .............. 240
  Chart 5.3: Cost per Click Breakdown – Google 2006-2007 ................. 241
  Chart 5.4: Cost per Click Breakdown – Yahoo! 2006-2007 ................ 242
  Chart 5.5: Cost per click Breakdown – MSN 2006 - 2007 .................... 243
  Chart 5.6: Cost per Click: Shopping Comparison Engines 2006-2007 .... 244
  Chart 5.7: Cost per Click: 2nd-Tier Search Providers 2006-2007 .......... 245
Keyword Prices by Marketter Type ...................................................... 246
  Chart 5.8: CPC – Marketers with In-house Paid SEM .......................... 246
  Chart 5.9: CPC – Marketers with Outsourced Paid SEM ................. 246
  Chart 5.10: CPC – Marketers Bidding on More Than 1,000 Keywords .... 247
  Chart 5.11: CPC – B-to-C Direct Ecommerce .................................... 247
  Chart 5.12: CPC – B-to-C Lead Generation ...................................... 248
  Chart 5.13: CPC – B-to-B Lead Generation ...................................... 248
Keyword Volumes ............................................................................. 249
  Chart 5.14: Breakdown of B-to-C Keyword Buying .......................... 249
  Chart 5.15: Breakdown of B-to-B Keyword Buying ......................... 250
  Chart 5.16: Breakdown of Keyword Buying – Companies Spending Under $10,000 per Month ................................................................. 250
  Chart 5.17: Breakdown of Keyword Buying – Companies Spending More Than $25,000 per Month ................................................................. 251
  Chart 5.18: Breakdown of Keyword Buying – Companies with Outsourced PPC ................................................................. 252
Conversion Rates .............................................................................. 253
  Chart 5.19: Paid Search Conversion Rates ....................................... 253
  Chart 5.20: Natural Search Conversion Rates ................................... 254
  Chart 5.21: Shopping Comparison Engine Conversion Rates ............. 255
  Chart 5.22: In-House vs. Outsourced Conversions Rates – PPC ......... 256
  Chart 5.23: In-House vs. Outsourced Conversions Rates - SEO ........ 257
Clickthrough Rates ........................................................................... 258
  Chart 5.24: Clickthrough Rate Averages 2005-2006 ....................... 258
  Chart 5.26: B-to-C Clickthrough Rates – Top Engines and Shopping Comparison ................................................................. 259
  Chart 5.27: B-to-B Clickthrough Rates – Top Engines ..................... 259

Appendix – Demographic Data for 2007 Search Marketing Benchmark Survey ................................................................. 261
  Chart A.01: SEM Agency Respondents – Clients’ Monthly Search Spend ................................................................. 261
  Chart A.02: Marketers Monthly Search Spend ................................. 262
  Chart A.03: Respondents by Primary Product Type ....................... 263
  Chart A.04: Respondents by Primary Conversion Type ................... 264
  Chart A.05: Respondents by Primary Customer Type ...................... 265

Research Partners ............................................................................. 267
Referenced Resources ...................................................................... 270
Get PDF + Print Copy for Price of One

All New, September 2007! Practical, fact-based search marketing data on what works and what doesn’t - Essential for search marketing (PPC & SEO) budget planning.

New edition includes:
- 2,475 search marketers surveyed
- 194 charts, tables and heatmaps
- Stats on costs per click, conversion rates, SEO vs. PPC, and more
- Growth rates and ROI of search marketing vs. other marketing tactics
- Challenges to bringing search in-house

YES! I want to improve my search marketing with practical data from MarketingSherpa’s Search Marketing Benchmark Guide 2007. Please email me my PDF instant download, plus ship my bonus printed-and-bound 275 page copy via Priority Mail. I’ll pay $297 plus $6.80 shipping and handling ($22 shipping if outside the US). My order is risk-free because it’s covered by MarketingSherpa’s 100% satisfaction guarantee.

BONUS OFFER - SAVE $50.00
In addition to the Search Marketing Benchmark Guide 2008, also send me the MarketingExperiments Compendium featuring 24 in-depth online marketing experiments. I’ll pay $546, $486 for both Guides, plus $13.40 shipping ($31.00 outside the US). All are risk-free guaranteed.

About MarketingSherpa
Praised by The Economist, Harvard Business School’s Working Knowledge Site, and Entrepreneur.com, MarketingSherpa is a research firm publishing benchmark data and how-to guidance for marketing professionals.

237,000 marketers read our exclusive Case Study newsletters every week, and thousands attend our annual Summits on email, subscription sales, and b-to-b marketing.

100% SATISFACTION GUARANTEE
MarketingSherpa guarantees your satisfaction. If anything we sell doesn’t meet your satisfaction, return it for a 100% hassle-free refund immediately!

MarketingSherpa, Inc.
499 Main Street, Warren, RI, 02885
Phone: 877-995-1717
(fif outside the US call 401-247-7655)
Fax: (401) 247-1255