

## What is Bid-For-Placement?

Bid-For-Placement is the most powerful technology available for driving traffic to a web site. However, to appreciate it, and fully understand its usefulness, a prior understanding of search engines is necessary.

### The Major Search Engines

There is a difference between love and respect. As you learn more about the major search engines, love is not even a word that will remain in your vocabulary, but respect for the sheer inertia in favor of the major search portals is essential to being successful on the web. Here they are:

- Yahoo [www.yahoo.com](http://www.yahoo.com)
- America Online [www.aol.com](http://www.aol.com)
- Google [www.google.com](http://www.google.com)
- MSN [www.msn.com](http://www.msn.com)
- Ask Jeeves [www.ask.com](http://www.ask.com)
- Hotbot / Alta Vista / Lycos [www.altavista.com](http://www.altavista.com)
- Netscape [www.netscape.com](http://www.netscape.com)

The vast majority of all of the searching and surfing on the internet begins (and often ends) on these listed sites. Some of them are terrible at helping people finding things, but it doesn't matter, the throng of millions only know a few URL's and the computer manufacturers and Microsoft worsen the problem by pre-installing browsers with home pages of these sites as defaults. They get millions and millions and millions of visitors every single day.

Good Keywords and Bad Keywords The best search engine for finding something that you already know the name of will almost always be Google, so for your own searching, you might as well use that. But since your prospective customers will usually NOT know you by name, they will be typing in "keywords" to try to zero in on a list of companies like yours, so they can view a selection of sites and make a decision. So if you are an Italian restaurant in the Chicago south suburbs called "Enrico's" you should be concerned about your ranking for the following words:

- Enricos
  - Enricos restaurant
  - Chicago restaurant
  - Chicago Italian restaurant
  - Chicago south suburbs
  - South suburban restaurant
  - South suburban Italian restaurant
-

These are the words that will drive new prospective customers. It's a lot like searching in the "subject" section of the library's card catalog. But you have to be specific, we do not just want traffic, we want highly-targeted traffic. A person in California who likes Italian food is of no interest to my client. Only people who can get in their car and come and spend money at my client's restaurant are in our target market. For that reason, the following keywords "by themselves" are NOT of interest to us:

- Italian
- Restaurant
- Italian restaurant
- Chicago
- Suburban
- South

These words are too general, people typing in these words could be looking for anything...it's the people that are in the mood for Italian, who live in Chicago, with no particular restaurant preference that I'm interested in...I want them to come to MY client's web site.

Based on years of search engine submission and registration experience I can tell you that without paying money, the chances of this web site popping up at the top of the listings for the aforementioned keywords is NO CHANCE IN HELL. The search engines are so cluttered with web sites, and so overwhelmed by everyone's attempt to "fool" the sites into ranking them at the top, that they have become nearly useless. Once in a while you get lucky for a few weeks and your site is popping up for a given keyword, but it's a total crapshoot.

### **Enter GoTo.com**

When an entrepreneur recognized this search engine clutter problem and started a new search engine called GoTo.com, things shifted. GoTo.com addressed the problem of clutter by simply making every ranking for every single keyword a "biddable" commodity. He essentially created a search engine that was a big auction...and assumed that a company that was willing to pay the most for the ranking on a given keyword would likely also be the most relevant for someone searching for that word. How did he collect his money? By using a system that charged a bidder every time an internet searcher actually clicked through to see one of his client's web sites. So every month, you would get billed for how many people clicked through from GoTo.com's listings, to your site. If they didn't click through to your site, you paid nothing. The minimum bid started at one cent per click-through and was later moved up to five cents per click-through. When more than one person was bidding on a word, they could up the bid to be listed above the other interested parties. So, for instance, you could have a word like "light bulb" where the top bidder who bid \$.35 per click-through was listed first, a competitor who bid \$.34 would be listed second and another competitor who bid \$.33 would be listed third and so on and so forth. Best of all, since you could set a monthly budget as low as \$25, Bid-For-Placement through GoTo.com was accessible for nearly any company with a web site.

Sounds like an interesting idea, eh? Well Yahoo and America Online thought so too. In what was probably a patent-infringement precaution, Yahoo and American Online, along with several other major portals, entered partnership agreements with GoTo.com and overnight, turned GoTo.com into one of the hottest new trends on the internet. For several months, Goto.com got high on the hog. At one point, they were controlling the top spots on Yahoo, MSN, AOL, Lycos, AltaVista, Netscape, HotBot, AT&T, CNET and many other smaller portals. It was true one-stop shopping! At one point, GoTo.com felt its name was too easy to confuse with other sites on the internet, so they changed their name to Overture.com.

### **Enter Google**

Watching from the sidelines during this time was the rising star in search engine relevance Google.com. By far the best search engine in terms of highly relevant listings and an efficient system of listing and indexing sites with a proprietary algorithm, Google did not buy into GoTo.com/Overture's plan. To make a long story shorter, they came up with their own bid-for-placement program, called GoogleAdwords Select. They quickly took AOL's business away from Overture, leaving a relatively stable two-player marketplace with Google/AOL controlling one important half of the search marketplace and Overture/Yahoo/MSN controlling the other half. Other Bid-For-Placement companies have popped up and had momentary successes, but until one of them manages to persuade one of the big search engines away from Google or Overture, we are content to harness the potential of both systems on behalf of our clients. Bid-For-Placement in 2003

So whether you are a small business owner, or the marketing director of a major corporation, it is likely that bid-for-placement can play a part in the success of your web site. The biggest problem for companies now that the bid-for-placement market is maturing is "bid inflation." Automatic monitoring systems and "auto-bid" features have sent bids per keyword in some cases far too high to see a commensurate return on the investment. Two years ago we bid \$.34 per click on the word "light bulb" and sent thousands of visitors to our Topbulb.com web site, effectively turning it into the Amazon.com of online Light Bulb sales. Now, for that same coverage we have to pay \$1.40 per click, and it must be maintained constantly to fend off the competing bids of dozens of upstart light bulb vendors. Tragically, the bid for key phrases like "Chicago personal injury attorney" is up to \$11.00 per click, the highest we've seen anywhere. But each keyword has to be put into the perspective of the upside. An average light bulb order may around \$45. A good personal injury case could settle for tens of millions.

Where the best opportunity lies now is in highly obscure industries and highly geographical searches. We have found great success for our clients for regional searches like "Chicago golf course" or "Chicago Banquet Hall" "Chicago apartments" and highly specific industry terms such as "bathtub refinishing" "pulverizer" and "armored transport" Truthfully, the most compelling reason for starting a bid-for-placement campaign for some businesses is that the rest of their industry is so clueless, that we can secure them top spots on Yahoo and AOL for a nickel per click-through for months or YEARS before they have to worry about any real bid inflation! If you are reading this article as a colleague in the web development and search engine strategy industry, I welcome your comments. If you are a prospective bid-for-placement user, we offer free demonstrations and keyword analysis. A comprehensive strategy can take as little as two hours to setup for a small business, or between ten and twenty hours for a larger company. Once setup properly, you can opt to manage your program in-house or to outsource day-to-day maintenance to our Bid-For-Placement Coordinator.

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