Search Engine Marketing: The Next Generation
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Agenda

• Search engine marketing today
• Search engine marketing tomorrow
I AM GOOGLEBOT.
I CONTROL EARTH
Mismatch between marketing spend and consumer

Base: UK online consumers
Sources: Forrester, ZenithOptimedia
Online ad spend has shifted to search marketing

- Cost-effective
- Performance-based
- Targeted
  - Local search
- Inclusive
  - Pay-per-call
Forecast: Search marketing growth slows down in 2008

Consumers don’t trust search engine ads

“To what extent do you trust each of the following advertising/promotion?”
(Respondents that answered ‘trust’ or ‘trust completely’)

Base: European online consumers
Other limits to growth..

- Rich media offers better branding opportunity
- Finding best results depends on how well consumers combine keywords
Generally, consumers have a negative attitude to advertising

“How much do you agree or disagree with the following statements about advertising?”

- There are too many ads today: 6% strongly disagree, 3% disagree, 11% neutral, 21% agree, 34% strongly agree.
- I don’t pay attention to ads: 3% strongly disagree, 5% disagree, 23% neutral, 31% agree, 16% strongly agree.
- Ads are a good way to learn about products: 2% strongly disagree, 3% disagree, 11% neutral, 21% agree, 34% strongly agree.
- I sometimes buy products because of the ads: 2% strongly disagree, 3% disagree, 11% neutral, 21% agree, 35% strongly agree.
- Ads are entertaining: 2% strongly disagree, 3% disagree, 17% neutral, 24% agree, 36% strongly agree.
- Companies generally tell the truth in ads: 2% strongly disagree, 3% disagree, 14% neutral, 24% agree, 32% strongly agree.
- I take notice of a lot of ads: 3% strongly disagree, 8% disagree, 27% neutral, 32% agree, 27% strongly agree.

Source: Forrester UK Internet User Monitor, Q2 2005
Base: British Net users
The 300+ TV channel universe is a growing reality. 50% of W. Europeans will have digital TV in 2009. In France alone, there are now 7 million blogs, and counting. 18 million Europeans read blogs.

Europeans watch an average of 12 hours of TV per week.

Europeans listen to radio on average, 8 hours per week.

69% of W. Europeans have a PC. 56% of them are online.

86% of W. Europeans have a mobile phone. 20% of them use advanced mobile services.

47% of Europeans regularly read a national newspaper. 41% of Europeans regularly read a regional newspaper.

77% of W. Europeans regularly read magazines.

Information overload is setting in.
Next generation search marketing must address:

- Information overload
- Advertising overload
- Multi-device toting consumer
Short-term: next generation search marketing

• Smart hybrid search marketing
  » Combines email conversations and online surfing to serve relevant ads
  » Combines video and/or audio content consumption with online surfing to serve relevant display ads
  » Combines CPM and pay-for-performance fees to make money
Short-Mid-term: next generation search marketing

• Recommendations
  » What to read, what to watch, what to buy, where to go..
  » Based on personal behavior online
  » Based on behavior/consumption habits of the individual’s social network
  » Make money from commissions, CPMs, fees
Current recommendations: good start, not enough

These products are no longer relevant to me. My son is 8 years old, not 5 years old. Purchase History alone isn’t a good basis for recommendation.
Long term: next generation search models

• Personalized “agents”/widgets
  » Advance in personalization
  » Advance in natural language query
  » Device independent
  » Portals will run these “agents” through advertising networks
  » Revenue models include a mix of fees and commissions
Consolidated ad networks emerge as content divorces from distribution

Advertising networks (Google, Yahoo!, MSN, Amazon, eBay) will facilitate the flow of modular media by serving as a platform for the aggregation of content/information from multiple sources and the dissemination of this content through multiple devices.
Summary

- Search engine marketing is thriving today
- Consumers’ negative attitude towards ads and information overload will force search engine marketing to morph
- The future of search marketing lies in true personalization
- Consumer portals will make this happen
Thank you

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