Pay per Click / Search Engine Advertising Update

Yahoo goes Google – It's Official

Important news this month from the world of Search Engine Advertising.

As you know, this is emerging for many businesses as one of the most powerful forms of Marketing there is.

When a typical business engages in pay per click, they tend to get good results. When our VIP members apply the leading edge strategies we teach, they tend to get exponential results.

One of the reasons for this is that few advertisers take the time to really understand the system – particularly Google's way of positioning ads.

The position of your ad on Google is **not** just determined by the amount you are willing to pay for each click.

Other factors will determine how high up the page you appear, most significantly your Click Through Rate or CTR.

This means that when you get more people clicking on your ads than your competitors, using all the techniques I show you, you can appear higher up the page than those competitors, even though you may be paying less per click.

It's like being offered a half page ad in your local newspaper, for half the price you normally pay, because you're created an ad that gets more people to read it.

So this has been brining in the profits for PPC fanatics for a while on Google. However, one of the frustrations has been that Yahoo – the other big search engine – has not used this system.

Yahoo has been operating a straightforward auction system. The person willing to pay the most appears at the top of the page. The person willing to pay the second highest amount per click appears second – and so on. Boring and expensive!

Well Yahoo has finally dragged itself into the 21st Century (or rather its irritated shareholders have) and they seem to be getting their act together.

Starting this month in the USA, Yahoo is 'going Google.' They are changing the way they rank the ads, so that the Click through rate will play a big part in deciding the position of your ad.

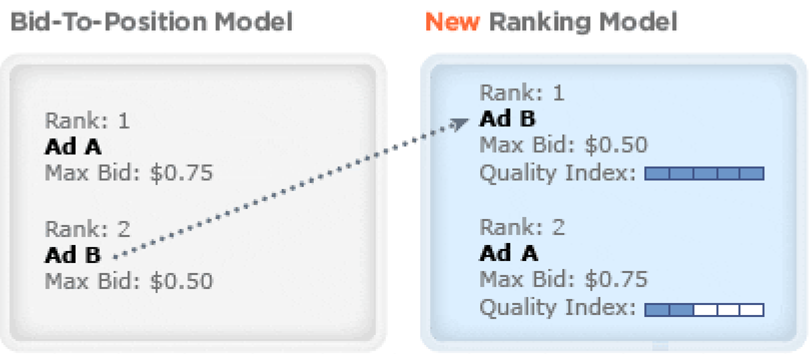
Here’s how those nice people at Yahoo describe it:

On February 5, 2007, we are introducing a new ranking model in the U.S. that considers an ad's quality and bid amount. The new model is designed to help you spend less time in bidding wars and more time creating the most relevant, effective ads, which can help drive better results for your business.

Here's a quick summary of this important change:

- ***Both bid amount and ad quality*** will determine an ad's rank in search results beginning February 5, 2007.
- This will replace the current method, in which ads in search results are ranked by bid amount only (bid-to-position).
- This is designed to allow you to focus less on competitive bidding practices and more on the quality of your ads.
- By improving the quality of your ads and making them more relevant to users, you may be rewarded with a better ranking and/or a lower cost for your ads.

Example of How Ads May be Ranked
The graphic below helps illustrate a scenario that may result from this change:



Note: The graphic above is provided for illustrative purposes only, and will not actually appear in your account.

What is "Ad Quality"?
Ad quality is determined by:

1. The ad's *historical* performance - its click-through rate relative to competitors and normalized for position.
2. The ad's *expected* performance - determined by various relevance factors considered by Yahoo!'s ranking algorithms, relative to other ads displayed at the same time.

Overall ad quality is displayed in graphical form by the **quality index**.

Here’s why this is good news for you:

If you’ve mastered my Pay per Click material, particularly if you’ve done the ‘Ultimate Marketing’ course, please realise what a huge advantage you have in this area.

It’s not uncommon for Entrepreneurs to tell me that they’ve been able to double the number of website visitors they attract, while halving the amount they pay per click.

As soon as Yahoo rolls this system out where you are, (it should reach the UK soon) you’ll be able to get the same (or similar) results on the Yahoo search engine. Although Yahoo is not as popular as Google, it will be one more highly optimized element of your Marketing strategy.

For a more in-depth look at your pay per click strategies, please listen to the three part seminar on the site. Here’s a summary of some of the key tactics to deploy on Google and now Yahoo:

1 Bid on a large number of keywords

2 Write relevant ads for all of your main keywords

3 Where possible, use your keyword in the headline of the ad

4 Where possible, use your keyword in the main copy of the ad

5 Use the split testing tool on Google to test different variations that get the highest click through rate

6 When you’ve achieved a high click through rate, always see how high you can go.