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Search strategies for publishers Key questions facing website publishers

Digital Insight Report

May 2006

Web publishers need to embrace search engines and devise the right strategy to reach the audiences they attract, while maintaining ownership of their copyright and content. In this Digital Insight Report we investigate the issue around search partnerships and outline the key questions every publisher must face. Failing to act is acting to fail.

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Speed read

Search engines change the way we access information. The relationship with the creators and owners of the information is no longer as strong.

Search advertising revenue has grown exponentially on the back of its ability to offer real results and accountability at a lower cost than alternative media.

Search means established information brands face a plethora of new rivals for audience and that has a serious impact on their value to advertisers.

Search enables businesses of any scale to attract customers (both online and offline) without the need for intermediaries such as directories and publishers.

The revenues now being devoted to search are having a serious impact on classified advertising, direct response and direct marketing. The scale of this will grow.

Online ad revenue goes to the biggest players; everyone else is fighting over the crumbs. Any product must aim to be number one or two in its sector.

Publishers need to determine their attitude to search if they are to help their businesses develop in the new environment. The first decision they need to take is how much of their information they will allow the search engines to 'see' and how much is protected.

Search: a wake-up call for publishers

Search engines have fundamentally changed the way we access knowledge. Whatever sector your publication is in, you need a search strategy. Search engines have democratised access to information, and changed the role of magazines and newspapers for ever. The impact of search on the media landscape will be greater than the arrival of television. And in contrast to what most publishers may hope, we're only at the start of the transition period.

As a publisher you need to decide how much content to 'give away' and how much to protect within your walled garden. Search engines can be the primary circulation-building tools for your online edition, making or breaking the firm's performance. It's tricky to get the balance right, but that decision will frame everything that then happens in terms of your traffic, audience data, advertising revenues and subscriptions.

A second set of issues revolve around how you respond to the shift in advertising spend – initially classified listings and now display space – out of print titles, onto the web, and into search. Although this didn't happen with the speed dotcom enthusiasts once anticipated, the reality is now unquestionable. In the UK more than half online adspend is concentrated in the hands of just a few search engines, with millions more listings scattered across hundreds of other sites for free, or at rates that are a fraction of your traditional print ratecard. The next five years will see a much larger migration of advertising spend out of print titles and into digital than the previous decade, and most media groups remain worryingly unresponsive to the scale of the task ahead. Web access is now a routine part of home and office life, and as a result the advertising community has begun to fundamentally change the way it behaves.

The next five years will see a much larger migration of advertising spend... and most media groups remain worryingly unresponsive to the scale of the task ahead.

In the UK, online advertising now accounts for more than 8% of all adspend, and will soon overtake the national newspaper sector. Search engines are already attracting more ad revenue than the whole radio advertising industry. Whichever market you work in, the UK is worthy of attention because it has proved a consistently good laboratory for studying what eventually happens in most European countries. It now seems likely that in the UK online advertising spend will overtake national press within a year, and match television advertising by the end of the decade. These are testing times for publishers and their shareholders. And when search engines leverage their economies of scale and start buying advertising pages in magazines by the hundred – already happening in the US – the scale of the challenge becomes clear.

Search: rethinking the role of the publisher

Search engines have changed the way we look for information. It means that we have an unlimited source of information at our fingertips – no more riffling through directories, old magazines or reference books. Every single fact known to man, and a few that probably aren't, can be found online thanks to search.

Unless we already know where we can get the information we are looking for, most online journeys start with search; finding out where I can discover the local cinema times, telephone numbers, maps or cheap prices. Search first, then reach the appropriate destination: simple and easy.

This means that we are no longer limited to the traditional sources for this information, such as the local paper, Yellow Pages, Ordnance Survey, catalogue retailers like Argos, or high street giants such as Dixons. When we re-enter the offline world we've been exposed to a broader range of information than was ever-possible pre-internet. Old established information brands – even if they are online – have to fight it out with newer rivals. And they may be rivals with an entirely different business model, making it even harder for traditional firms to compete.

Publishers that fail to respond to the challenge of search will find that their news-stand sales seep away and there is nothing left to replace all the ad revenue lost by declining circulation and readership.

Old-established information brands – even if they are already online – will have to fight it out with newer rivals to retain the audience they have in print.

Search: breadth of tools

Remember that search isn't just about sifting through a mass of information and slowly refining our terms, the starting point can be more specific. Specialist search offerings such as the Kelkoo retail service enable us to find the cheapest possible source of goods and products, which means we can head to the local retailer knowing what their competitors are offering. Or we decide not to bother and simply click through and order from home. Another sale lost to the high street and less revenue for the retailer to spend on advertising.

Google Maps and Local mean we can locate new services or retailers easier than ever before while image search functions enable us to locate pictures and, increasingly as broadband

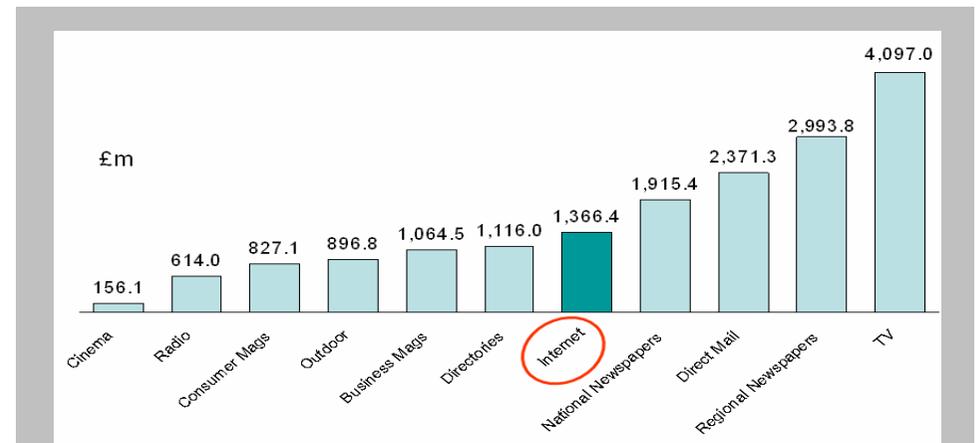
penetration continues its upward trend, videos and films as well. Next will come voice search within audio files and graphical search within images. Part of the value search unlocks is in the actions of other searchers – 'people who searched for this also found this' – and these links are something that we will see more of. The trends are clear and the pace of innovation remains rapid.

Search is no longer confined to our computers and laptops. Increasingly mobile services enable us to carry out these functions on the move. Where is the nearest pub, where is the nearest cinema, what are they showing and when? Everything you know from the desktop will make the leap soon.

It allows us to be more spontaneous in our search for information and our lives. Do we want to see a film? What's on where? Did that movie get a good review? Great, let's go.

Search is a multi-platform and a mass-market phenomenon. Here in the UK Google had nearly 20m unique users in March and Yahoo more than 14.5m. YouGov discovered that Google was the UK's most popular online brand earlier this year.

In the US the number of online searches grew 55% during 2005 to hit 5.1bn. Search is a high frequency activity that consumers return to again and again. All information brands need to understand this powerful new tool.



Taking more than 8% of UK media spend, online overtakes directories

Online advertising continues to overtake other media. According to our forecasts it will pass National press at the end of 2006. The UK remains ahead of North America and most of Continental Europe in the share of online and it offers a valuable laboratory to explore the nature of media substitution.

Source: Advertising Association

Online advertising: mainstream media

Total market growth

The online advertising market is growing rapidly. After a lull in 2001 and the early part of 2002, growth has been faster than anything witnessed before in the media industry. Twelve record-setting quarters have propelled online's share of adspend in the UK to 8.4% by late 2005, and our forecasts place it comfortably above 10% of all advertising by the end of 2006.

The growth was fuelled by search as it was discovered by more and more clients, and general online spend increased among existing advertisers. Total annual spend crossed the £1bn threshold in 2005 to total more than £1.3bn by December 2005.

All areas of online advertising are growing. As well as search, graphical and classified advertising both enjoyed growth rates well in excess of 50% year-on-year and that trend looks set to continue in spite of the advertising spend being removed from the market by classified clients who can now deal direct through their own websites.

According to PricewaterhouseCoopers research ad spend in the final quarter of the year was £385.5m, up from £254.6m the previous year. It is now bigger than radio, outdoor and transport advertising. And we're forecasting it will overtake national newspaper advertising this year. Our long-term media outlook is placing online on a par with TV – the big daddy of advertising – at the end of the decade.

Online advertising spend will be on a par with television advertising in the UK by the end of the decade.

In 2006 online advertising will be worth more than £2bn, when its share of the advertising cake will be comparable to, or in excess of, that taken by national newspapers. Growth will continue to be massive in real terms, although it will slow before the end of 2008 to drop below 40%. That's still a growth rate any other media channel would kill for.

We have also tracked consistent step changes in investment as annual cycles of marketing budgets boost the resources allocated to online. With a significant budget increase the norm for most companies each year, spend has started to reflect the growing importance of the online marketing in the communication strategies of all types of businesses.

This is a remarkable performance for a medium that only sold its first UK advert 12 years ago. The big driver has been paid search, which has grown from its start at the end of the dotcom boom to 56% of the much bigger sector in 2006.

Search emerges as primary acquisition channel

Compelling propositions

The attractions of search marketing are becoming understood by the mainstream marketing community. Its growth is unstoppable and unmatched by any advertising format in the history of marketing. As most advertisers are yet to discover its power, most search advertisers are yet to harness all its tools and the industry keeps developing new tools, it is a pretty safe bet that we've barely seen the start of what search engine advertising will deliver.

The obvious benefits to brands are that it offers unparalleled accountability and control as well as usually generating leads for a much lower price than other channels. From a strategic point of view, search is also one of the main drivers in bringing advertisers onto the web for the first time. For the price of a lunch, any marketer can plug in their credit card and generate a few leads, the barriers to testing are zero.

Listings in online navigation services like Yahoo were among the very first advertising formats created on the web, but it was only in 1999 that the self-service and pay-per-click models emerged. These simple to use tools acted as a release valve for the huge pent-up demand created to drive traffic to brand and corporate websites.

Suddenly brands could manage their own search campaigns, set their own key words, retain control over their budgets and most importantly directly link their advertising investment with the return on investment.

Search offers unparalleled accountability and control and usually generates leads for a much lower price than other channels. It is usually the driver that encourages advertisers to experiment with online.

Search engines made a compelling offer to advertisers and website owners: a guaranteed stream of interested viewers that could be increased or decreased in a perfectly controlled way. This is the purest form of direct-response advertising.

It is also one of the few advertising models truly native to the web. With the 'bid price' set by the community of advertisers, and the value generated by the viewers, its growth in scale will track the wider growth of the internet in corporate life and the world of the individual users.

The appeal of a controllable, competitive source of leads has been particularly strong in the UK. Out of the total £1.3bn spent online in the UK in 2005, 56.2% was spent on search

advertising, and a large extra slice (as yet unquantified) on the search engine marketing techniques. This rapid growth means that search alone is now overtaking rival media when spend is compared. In our Digital Advertising Futures report we charted search overtaking Cinema and then Radio in the UK. This year we're predicting search spend will comfortably exceed the entire consumer magazine advertising sector. We also are concerned that the advertising market may now be slightly over-stated in many countries due to double-counting of some of the online revenues within the print and broadcast categories.

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The conclusion is clear: search is significantly higher in the UK than in almost any other market. In North America the figure is around 40% and we believe the UK is now significantly ahead of all other European countries. The scale of the growth of search has even taken market watchers by surprise. When Google was forced by changes in US accounting rules to declare the full extent of its UK revenues, the IAB, which works with PricewaterhouseCoopers to assess the size of the market, was forced to revise both its current numbers and historical figures. Overnight the sector's size leapt. In many other markets where Google does not have to declare its full billings, we believe the size of the search market is significantly understated.

Despite its success, take-up of the search offering has been patchy, not all brands and sectors have responded as favourably as others. One industry that has readily made the migration has been financial services. This is the largest industry category for search and the combination of direct marketing models and precise accountability for lead generation costs has proved deeply seductive. Financial services will remain top for 2006 and 2007, but other sectors are waking up.

The biggest opportunity for search is the small business sector, which nationwide we expect to discover the platform by the end of 2008. It's a clever move for small firms, and as online fuses with mobile, and directory listings blend into search, smart small businesses will be moving their marketing focus from local press and promotions, into the new online tools. The level of control offered by search allows anyone with a credit card and internet access the possibility of joining in the communications revolution of this decade.

This trend will become more apparent as local search becomes more popular with listings able to be presented graphically on street maps.

Substitution: advertising on the move

Where's the revenue coming from?

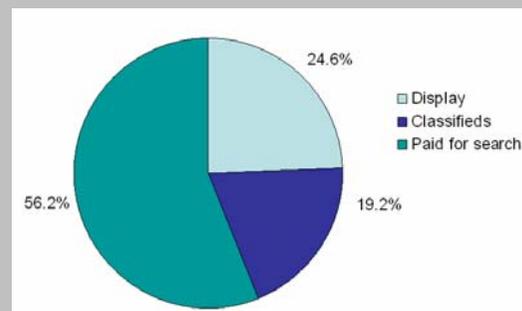
The growth of search is a great story for online advertising but the key question rival media have to ask is: where is all the money coming from? Advertisers have not suddenly found hundreds of millions of pounds down the back of the budgetary sofa.

In the early days of online marketing, spend often came from IT budgets or discretionary spend but increasingly growth is coming at the expense of other channels.

One of the hardest hit has been direct mail as customer acquisition budgets move to search and retention budgets move to email marketing. Email marketing is not currently tracked by the industry so we can't quantify the impact that this decision is having but we believe it to be significant.

Slowly but surely a new marketing mix is developing. In some cases media owners have moved quickly online to retain control of moving revenues but in most cases new players have taken a huge slice.

Print is also suffering as several hundred million pounds flow out of print and either into online classifieds, or into cost savings for the advertiser as they go direct or enjoy free listings. Recruitment ads in particular are migrating online as part of a general shift in classifieds. Slowly but surely a new marketing mix is developing. In some cases media owners have moved quickly online to retain control of moving revenues but in most cases new players have taken a huge slice.



Search takes over half the online adspend in the UK

Search engine advertising already accounts for more than 56% of UK online adspend and in 2006 will be larger than the consumer magazine industry. It is more than double the size of the display advertising market and continues to grow at a faster rate than other forms of online advertising.

Source: IAB/PricewaterhouseCoopers

Key sectors shifting

Print classified

Classified have come under attack from many different directions. Listings are moving to online-only properties, job ads moved initially to the print titles' websites but are now being hovered up by free-to-air services. New pureplay internet vertical sites – and within these vertical search services – are offering other alternatives, and RSS hangs over the listings market as being a potential threat to all intermediaries.

Recruitment

Key recruiters have also taken advantage by cutting out the middleman; investing heavily in their own websites and encouraging users to go direct. The most high-profile example is the new NHS jobs website, which much to the protest of a divided publishing industry will massively reduce the Health Service's need for media as a vehicle for delivering candidates. Watch the new generation of job advertising become branding campaigns for the employer with a simple list of job titles and a URL to follow.

Key recruiters have cut out the middleman and invested heavily in their own websites. The arrival of the new NHS jobs website reduces the need for external media and offers a blueprint to large recruiters.

Seconds

In the secondhand car market, global auction site eBay has risen up to take a massive share of this lucrative new market, while AutoTrader, Exchange & Mart and many pure plays battle out for various online verticals. Free classified sites such as Craigslist offer another threat to the traditional print classified revenue that media owners have relied on.

Direct response marketing

Companies who traditionally used print classified advertising to drive immediate sales response have begun a migration to the web and search advertising formats have been one of the greatest beneficiaries. Much of this advertising spend has been channelled out of the market altogether, going into the development of the client's own website which may reduce the need for future advertising. Some has also moved into shopping directories and affiliate sales programmes.

Direct Mail

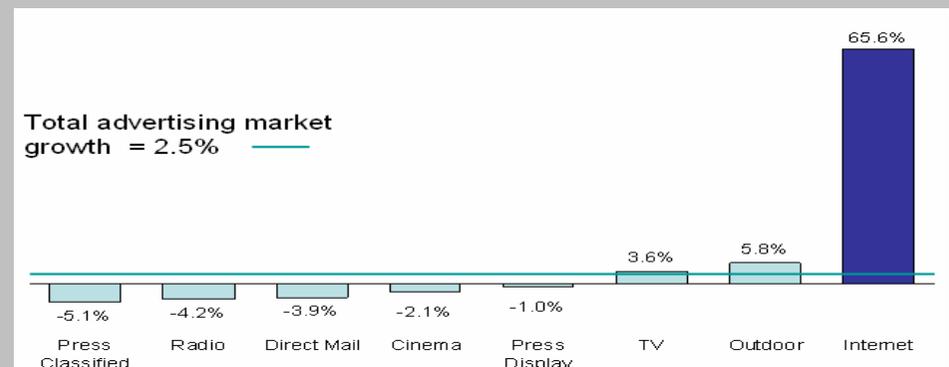
In the hard times of 2000 and 2001 direct mail performed well, attracting revenue from brand advertising on the back of greater accountability and the fact it could demonstrate

immediate payback. Those two strengths have become a weakness as marketers have discovered that in many cases the returns from search engines can be significantly better than direct mail. By offering a lower 'cost per customer' – the metric on which media buying decisions are made – search has undercut direct mail and earned an even bigger slice of the advertising.

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Television

So far TV advertising remains only marginally affected by the migration of media spend. Although it's almost impossible to find an advert that does not carry a web address these days, TV spend has remained surprisingly high, given the relative reduction in the time that many people spend watching in favour of internet use. Nevertheless we expect the first signs of real change when the 2007 marketing budgets are negotiated. Motoring advertising will be a noticeable migrant, using online to support television. Youth and at-work FMCG brands will finally make major commitments to online advertising, and for advertisers who stay, the reduction in rates will allow their airtime budgets to stretch further.



Channel shift: UK

Tracking the shift in media between channels is a simple way of approaching the emerging media mix. Online continues to rise at least ten times faster than any other media. Some of this is clearly at the expense of press classifieds and direct mail.

Source: PricewaterhouseCoopers / IAB UK / Advertising Association / WARC

Local search: examples of innovation

The pace of innovation in search engines has been breathtaking. Search engines have changed the way we all find the answers to just about everything, and they are changing the foundations on which direct marketing and local information operate.

Google maps is a good example. You can search for information and see it delivered as a map. Restaurants, offices, transport links and entertainments can all be layered together. Anything that the search engine can relate to a location – such as a postcode on a web page – allows that listing to be mapped to a physical place. The databases are smart enough to even be able to calculate the directions of how to get there.

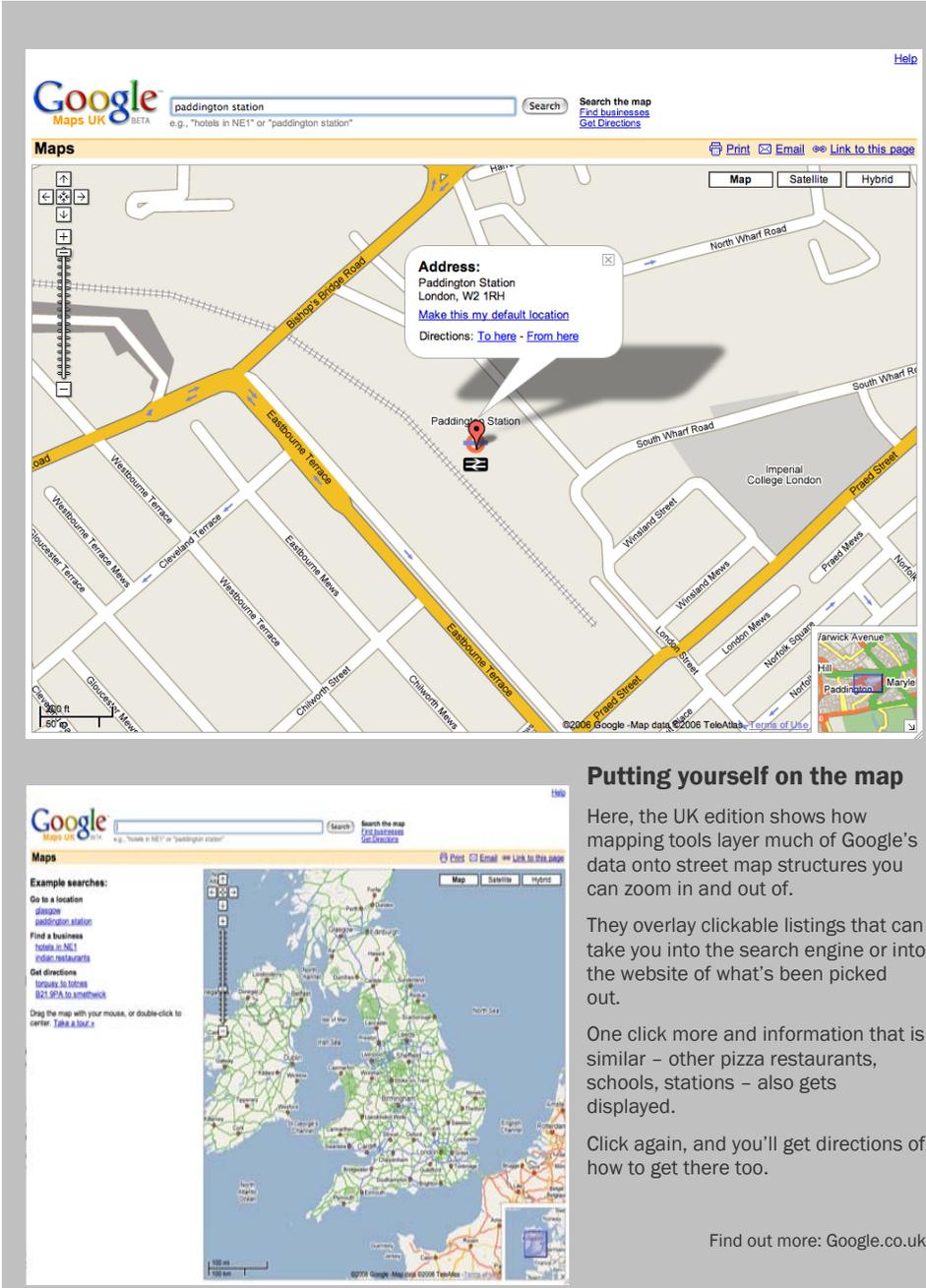
Maps make the difference

Integrating all that search information with Google Maps was a massive task, but one that has changed the nature of search forever. Anyone searching for local information can see where the responses physically are. This is the crashing together of the real and virtual worlds, bridging the gap between information being available online and on the high street.

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Innovation and implications

For web publishers with content that can be mapped to specific locations, Google and other search engines have proven both what is possible and how to deliver it. This will change consumer expectations of how access to information works, and it won't be long before this approach becomes standard. Firms using Google's AdWords platform can already plug into these tools. They have the added benefit of reducing media wastage by not displaying the ads in areas the firm cannot serve, and improving the efficiency of the campaign through building deeper economies of scope by encouraging viewers to click to the advertiser's website. The ability to layer different data sets onto the maps will change the way much local information is accessed. This layering of data adds real value because it answers questions the searcher has: 'If I eat at this restaurant can I park?' 'If I go to this meeting where is the station?' As all these tools migrate onto mobile phones and the new generation of convergence devices, there will be a leap in the scale of the use of search engines. Next will be photos of what's on the maps – and no doubt that will mean more ways to advertise.



Putting yourself on the map

Here, the UK edition shows how mapping tools layer much of Google's data onto street map structures you can zoom in and out of.

They overlay clickable listings that can take you into the search engine or into the website of what's been picked out.

One click more and information that is similar – other pizza restaurants, schools, stations – also gets displayed.

Click again, and you'll get directions of how to get there too.

Find out more: Google.co.uk

Search: anatomy of the threat to publishers

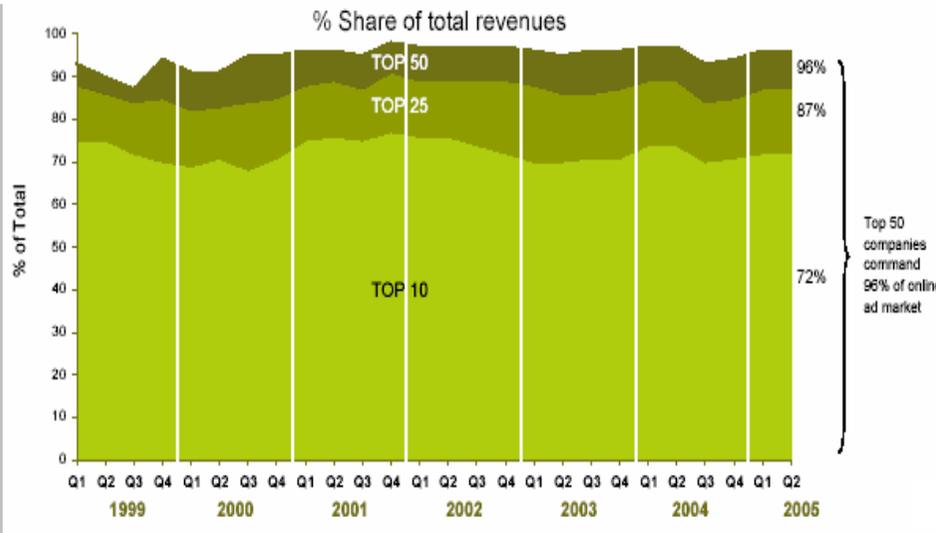
What is the impact of these changes?

The media world is in the midst of a giant upheaval. Information from billions of sources is now becoming instantly accessible and freely available. The role of the publisher – be it in magazines, newspapers, websites or directories – needs to be rethought.

Historically the business model for the publisher was to bring together audiences with companies that had products to sell. They did this by providing content of interest to readers to create an environment that was also attractive for advertisers. In many cases the publisher not only enjoyed revenue from the advertisers but also from the readers.

Whether titles are vertical specialists that provide a deep insight into a particular subject, skill or business or horizontal titles that such as newspapers that cover a wide range of topics in less depth that model has been significantly undermined. Publishers can re-earn their role, but their businesses need to evolve.

The key strategic challenges



Media concentration: 10 sales points account for 72% of US online adspend

The online media industry has always been concentrated in the hands of just a few players. US data reveals that ten sales points account for almost three quarters of all online advertising. A similar pattern was clear in the UK until the data series was discontinued – the top ten accounted for 83% of all transactions. Although there has been much churn in the companies making up this top ten, the pattern of concentration is a clear feature of the first ten years of the online ad markets in most countries.

Source: PricewaterhouseCoopers / IAB US

The first challenge is the audience. With so many other sources of information the audience attracted online may be significantly smaller than that pulled in by the print edition. And some of it may not be based in the appropriate country – the web is global after all.

The second challenge is disintermediation. A buzzword with city analysts in the late nineties, it's only now that the reality of disintermediation is now upon us. What this means simply, is that buyers and sellers don't necessarily need a publisher to bring them together anymore. The impact of disintermediation is only starting to be felt in North-West Europe and North America, but this process will now build rapidly.

The third challenge is the new competitors. Although buyers and sellers may no longer need to use the publisher as their intermediary they have welcomed new brands that perform the same task in a different way. The problem for publishers is how to compete with companies that do not fall naturally into their competitive set, such as Ebay.

Then there are two other factors to take into account. Firstly media habits are changing. Rather than turning to print for information, consumers are looking online, whether for information, research or entertainment. There is a step change in people's use of online. Secondly the revenue model is very different online, it's much closer to the television market in that the big players get the bulk of the revenue and the little players are left to fight over the crumbs. Figures from the US show that in 2005 the top 50 online media owners took 96% of the online ad market. And the top 10 took 72%.

Our Digital Advertising Futures forecasts expect a similar pattern in the UK and Western Europe and other more digitally developed markets. The message is that if you want to earn big money from online advertising you have to be close to the top in your sector. And the most successful model may include revenues from a range of other sources. Portals and search engines compete with the richer content of traditional media owners for audience time but the sheer scale of their operations and the resources they are able to put into tools enable them to dominate the numbers game.

Magazines, newspapers and all of the traditional media need to re-evaluate their role and re-earn their place as a bridge between buyers and sellers.

All these factors mean that magazines, newspapers and all of the traditional media need to re-evaluate their role and re-earn their place as a bridge between buyers and sellers. Innovation will be required to deliver what both sets of customers need in the digital networked world.

Publishers: our four key questions

Publishers need to embrace search. The various roles search engines play within the business can be complex: potential revenue streams and audiences are matched by threats to mitigate against. Having researched many magazine and newspaper publishers in Europe and North America, we remain concerned at the lack of investment and focus displayed so far. Few have a coherent strategy for dealing with these changes. That's why we developed this set of key questions to publishers, to help them structure the issues they have to deal with.

1. How much of your site should you open to search engines?

Where do your readers come from? A few of them will have come direct to the homepage but many will not. Most will have come through a link from a search engine and readers will increasingly bypass the homepage and go straight to an article. You need to decide how much of your content you want the search engine to see, and what techniques you'll employ to make this happen.

Where do your readers come from? A few of them will have come direct to the homepage but many will not. Most will have come through a link from a search engine.

Finding the balance between maximising the audience for your site and retaining the exclusivity and value of your content will take time and the final decision will differ for every product. The audiences you attract from search will be critical to your commercial success.

2. How do you maximise the audience you have, and then monetise the traffic that comes from search engines?

What's the real revenue model for your business; what is a reader worth to you on each visit? This is at the heart of how you monetise different areas of your site and the tracking tools you may want to employ to monitor the site's performance. How do you maximise the revenue you earn from readers who arrive via a search engine? What price should you pay for a reader? Publishers will also need to reassess the way they value premium positions online. If much of your audience bypasses the home page you may want to ensure that other pages are appropriately valued.

3. How much contextual advertising should you take?

Search brings the promise of new revenues through a range of contextual listing products. They devise links to relevant content based on what appears on the rest of the page. The alignment between advertising and editorial makes for high value media placements and strongly converting clickers. Contextual advertising also harnesses the serendipity of editorial content by introducing related advertising to viewers who were not actively seeking information in the way they are when they log on to a search engine. New intermediaries will find ways of improving on the yields of these advertising formats even further, but they represent big revenues for publishers of all sizes.

Contextual advertising also harnesses the serendipity of editorial content by introducing related advertising to viewers who were not actively seeking information.

4. How do you retain your value proposition with your advertisers

This is the longer-term challenge magazines, newspapers and the new online publishers all face. Why should advertisers use your site? If the relationship with the reader is looser than it is in print, the advertiser may no longer be willing to pay a premium for the association. Part of the answer is in brand and client relationships, but it's too easy to take this for granted. Much of the answer will be in the new value and product innovation that clients need you to deliver.

Related Digital Insight Reports



In 'Bright ideas for blue sky thinkers' we track some of the new innovations in digital marketing, exploring how and when they can be harnessed. Search engine advertising always features strongly in these innovation reports.



In 'Digital Europe' we track the growth of online advertising spend across the majority of European markets. Discover the countries in which online has reached critical mass, and those where it's yet to go mainstream. Search engines are playing a key role.



In 'Classifieds' crossroads' we explore the strategic choices facing newspaper executives. At a time when the advertising market is restructuring and the value chain is changing, newspaper executives have tough choices ahead.

Publishers: more questions for tomorrow

How to respond when search engines start buying token space in your print titles or broadcast networks?

Should you let search engines buy print slots in your newspapers and magazines? In the US Google has already begun running contextual ads in magazines, newspapers and radio with mixed success. The search engine buys a page and then sells it on in quarters or fifths. Ultimately it could become a one-stop shop for advertising so while such sales may give you short-term revenue, long term it does allow a potential competitor to extend and refine their auction offer to the print sector. Alternatively you could see this as simply effective marketing to extend the reach of the online service. Like most first attempts at new ways of advertising, the model is bound to have mixed success at the start, but we believe this is part of how the media industry will work, at least in the medium term.

Will auction pricing destabilise your revenues?

Are you ready for the auction model of media space? As advertisers become conversant with the online auction model for keywords, this will spill over into graphical web advertising formats. Media planners will want it and intermediaries will enable it. Our long-term Digital Advertising Futures report predicts a fundamental change in the way media are traded. Pressure will rise for other media to adopt the model, initially in broadcast media, and later in press, then outdoor. In the US we're already seeing client pressure for such a system to be adopted for TV advertising. A new set of intermediaries will emerge who will cut through the complexity of media formats and sales processes to provide simple eBay style auction interfaces for space within their community of participating media. What will begin with remnant inventory will gradually extend to cover a much broader mix of advertising space. This will change the nature of media pricing, as well as providing new opportunities for intermediaries – maybe Google and eBay – to get involved in other media channels.

What is the strategy to defend from disintermediation?

This is a much wider issue than search engines, although their increasing efficiency exacerbates a problem many publishers have yet to truly tackle. Advertisers no longer need media the way they did in the past to drive all of the campaign response. In the digital networked economy roles are different and the disintermediation threat will continue to swell. This is true in every sector, for every demographic, in business to business just as much as business to consumer. Searching for the answers to this represents the toughest challenge facing executives at the helm of traditional media, and that's one search that the search engines won't be able to help with.

Actions

Reflect on the scale of these changes and consider their implications for your information brands. How can you take advantage of the new opportunities?

Talk with the search engines to discover how partnerships can work.

Assess the value of the information you have and decide how much will be openly available via search engines and how much should be behind your walled garden, saved for more exclusive subscribers.

Reassess the value of the advertising opportunity you offer. If the audience is increasingly arriving at specific articles rather than coming via the home page you may need to reassess the value of your inventory.

Decide the kind of relationship you want to have with the search engines. Will you use their advertising tools on your site and harness the power of contextual links?

Resources & Links

DigitalStrategyConsulting.com for further insight reports about marketing and commerce in the digital networked economy, including:

Truths of the digital economy - Key issues within the digital networked economy.

Digital Europe - Tracking the growth of online marketing spend.

Digital Advertising Futures - Three year online advertising spend forecasts .

About the Digital Insight Report series

In times of huge economic and technical change, knowledge becomes a critical success factor. We created the Digital Insight Reports to bring you insights from a particular part of this fast changing industry. They are independent perspectives on key issues around business or marketing in the digital networked



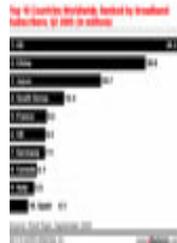
economy, and are published monthly. We also publish similar Digital Thought Leadership interviews and Digital Book Club reviews to share the ideas and thinking of some of the people and companies shaping the digital networked world. These often accompany our keynote talks and training workshops. Making sense of the digital world can be tough, but knowledge and training can unlock the potential of your team.

About the author

Danny Meadows-Klue has been a commentator on the digital networked industries since 1995. He managed the UK's first online newspaper and has helped run web businesses ranging from mass market portals and consumer magazines, to online stores, search and email services. Among his industry roles he is the co-founder and former chairman of the UK and European Internet and Interactive Advertising Bureau, and has been lecturing on digital marketing for more than a decade. He set up Digital Strategy Consulting in 2000 to help firms accelerate their businesses through digital networks.



Research: Digital Intelligence



Keeping on top of the latest research and trends is still a challenge for many, but Digital Intelligence can help you. To keep our Digital Training Academy classes up to date I trawl through hundreds of websites, magazines and research newswires every month, and distil some of the key points into this review of the industry's growth and the evolution of marketing. Let us take some of the strain and make your email that little bit faster to sift through. And if you feel something has been missed, or you'd simply like to know more, then just email me right back.

Training and Development from Digital Strategy

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Our company support programmes includes

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- Management clinics for critical issues
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To find out more about our knowledge development programme, click on to digitalstrategyconsulting.com



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Making sense of a digital world

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