



Home > Online Media Daily > Monday, Feb 4, 2008

Welcome [Cindy Kerber Spellman](#) | [sign-out](#) Mon, Feb 4, 2008
[EMAIL THIS ARTICLE](#) [PRINT](#) [REPLY](#) [SUBSCRIBE](#) [TODAY'S EDITION](#)

What Search Pros Want: Traffic, Sales Support And A Stable Platform

by Tameka Kee, Monday, Feb 4, 2008 7:45 AM ET

WHILE GOOGLE LIKELY WOULD STILL reign supreme in volume, a combined Yahoo-Microsoft would level the playing field in terms of campaign performance and technological advancements in search marketing.

Together, Microsoft and Yahoo accounted for almost 28% of all U.S. searches executed in January, according to Hitwise, while Google alone garnered almost two-thirds of all U.S. searches.

The possibility of having a more competitive search marketplace is promising to executives from search agencies such as WPP's Outrider and OMD's Resolution Media, as well as independents like Range Online Media and PM Digital.

"The two companies separately have not been competing well with Google in terms of search market share," said Chris Silver Smith, lead search strategist at Madison, Wis.-based Netconcepts. "Combining them could make them sufficiently effective enough to provide a much more robust distribution/promotion network and advertising alternative to the growing 'Googopoly.'"

Aaron Goldman, vice president of marketing and strategic partnerships at Resolution Media, agrees. "In terms of sheer scale, the consensus is that Microsoft and Yahoo would have about a 35% share of overall search traffic," Goldman said. "And that could get all the mom and pop advertisers in the long tail to shift from only buying Google, because there would be a clear number two."

Smaller advertisers may not have been able to afford to run paid search campaigns on either Yahoo or MSN's platforms, simply because there wasn't enough traffic to generate an adequate return on investment (ROI). A combined Microsoft-Yahoo search offering could be enough to snag more of those long-tail dollars.



Today's Most Read

1. [Who's On First: MicroHoo, GoogHoo, AOL Who?](#)
2. [Emmis' Smulyan Calls Tagging Radio's 'Killer App'](#)
3. [Data Reveals Yahoo Online Ad Dominance, CPMS Too](#)
4. [Microsoft Bid For Yahoo: Medium Trumps Message](#)
5. [Glam Media Hires Yahoo Veteran To Run New Ad Platform](#)

"And it's not the big guys spending money that's been fueling Google's growth every month," Goldman said. "It's the tens of thousands of small companies that are spending hundreds of bucks."

Still, there's no guarantee that the two giants would mash up their very distinct search engines. "There's an assumption that they'll jam the two portals together, and of course it will be easier to run campaigns if they share a common search platform. But the engines target different audiences," said Robert Murray, president of iProspect. "Yahoo is a consumer-based portal, and MSN attracts more of a business professional, work-focused crowd."

Murray said that creating a Yahoo/Live Search hybrid would not be necessary for the new behemoth to be successful--it's the back-end infrastructure, one that combines search with display and other ad formats to draw in new advertisers. "It's not just about aggregating search market share--they're looking to dominate the online media marketplace," Murray said. "Offering advertisers an integrated buy which includes display across MSN and Yahoo with fantastic reach and huge scale, and then closing the loop with search, is what will make this deal a success."

For the team at New York-based PM Digital, the acquisition would be welcomed if it meant an expansion of account management and search sales teams at both companies. "Google will always bring a sales or account person to the table when you're working with a client, but with MSN and Yahoo, it's rare for an advertiser to rank highly enough to get that kind of one-on-one attention," said Suzy Sandberg, the search firm's president. "And that makes it hard to motivate mid-sized clients to spend with them, because the traffic isn't there, and then they get the impression that they're not worth having a sit-down with."

Some search executives also think that the culture clashes between the two companies could stifle future innovation.

"What's concerning to us is that the innovation and focus that both companies have created in the past few months will be put on the back burner," said Will Margiloff, CEO of Innovation Interactive, parent company of 360i and SearchIgnite. "Search developments at MSN and Yahoo would probably come to a screeching halt as they try to figure out how to integrate."

Dustin Engel, director of consumer strategy and research at Range Online Media, agrees. "In theory it's a great acquisition, but a deal of this magnitude almost requires taking two steps back to take one forward. You have to get two monstrous organizations to figure out how to play together, and you'd have to believe that both sides of the fence think they're better than the other," Engel said. "When you break it down, Microsoft is a software company. And the success depends on whether they can bring Yahoo into the fold and let them prosper as a consumer-facing advertising brand."

Meanwhile, the question of whether Microsoft's one and Yahoo's one would really combine to equal more than two remains. "You have two companies that have faced major challenges on their own when it comes to search," said Chris Copeland, senior partner and managing director of Outrider. "One was challenged by innovation and resource issues, the other has been undeveloped in terms of staff from an agency and advertiser support end--so outside of them having 40% of the market share, why would a hybrid improve things to the point where we should look at them as a credible combined threat to Google?"

Tameka Kee can be reached at tameka@mediapost.com

Recent Online Media Daily Articles

[Digital Media Buyers Mixed On Possible Marriage of Giants](#) Feb 4, 7:45 AM

Digital media buyers greeted the bombshell of Microsoft's \$44.6 billion bid for Yahoo with mixed reactions...

[What Search Pros Want: Traffic, Sales Support And A Stable Platform](#) Feb 4, 7:45 AM

While Google likely would still reign supreme in volume, a combined Yahoo-Microsoft would level the playing...

[Glam Media Hires Yahoo Veteran To Run New Ad Platform](#) Feb 4, 7:45 AM

In an effort to strengthen its ad technology structure, fashion and shopping e-publisher Glam Media has...

[MoPhap Relaunches as Ringleader Digital, Gets Cash Infusion](#) Feb 4, 7:45 AM

Relaunching as Ringleader Digital, the mobile ad network formerly known as MoPhap has received \$6 million...

[Microsoft-Yahoo Merger Faces Antitrust, Privacy Scrutiny](#) Feb 4, 7:45 AM

Microsoft's unsolicited \$44.6 billion bid to take over Yahoo hasn't yet been accepted by the company's...

[Who's On First: MicroHoo, GoogHoo, AOL Who?](#) Feb 4, 7:45 AM

Microsoft has reset the bar for opportunistic buyouts of troubled companies with depressed stocks by strategic...

[Hovr Partners with India's Times Internet for Ad-Supported Mobile Games Deal](#) Feb 4, 7:45 AM

Hovr has partnered with Times Internet Limited (TIL) to launch GameZone, an ad-supported mobile gaming portal....

[Data Reveals Yahoo Online Ad Dominance, CPMs Too](#) Feb 4, 7:45 AM

If a bidding war is sparked by Microsoft's offer to acquire Yahoo, it will be rationalized...

[Report: Moviegoers Consume More Media](#) Feb 1, 8:00 AM

When it comes to teens and twenty-somethings, media consumption appears to be an all-or-nothing proposition, according...

[Google Reports Mixed Results: Low Earnings On Strong Revenue Growth, Stock Continues To Falter](#) Feb 1, 8:00 AM

Google's fourth-quarter 2007 earnings came in under Wall Street's projections, as the search giant posted net...

[>> Online Media Daily Archives](#)

ABOUT MEDIAPOST • MEDIA KIT •  RSS FEEDS • PRIVACY • TERMS & CONDITIONS



©2008 MediaPost Communications. All rights reserved.
1140 Broadway, 4th Floor, New York, NY 10001
tel. 212-204-2000, fax 212-204-2038, feedback@mediapost.com

