

Research Brief

The Evolution of Search

The Beginning

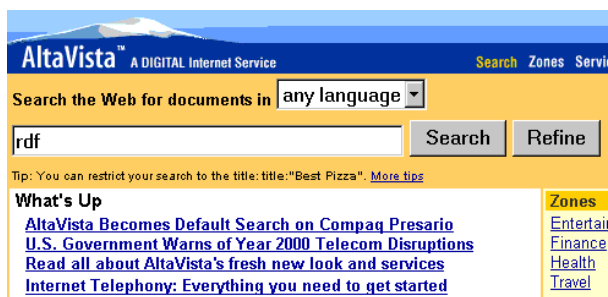
In 1993, the World Wide Web was made available to all. As there began a startling growth of new websites segmented toward particular categories, consumers needed a way to find and digest the information they were looking for—and fast. Enter the world's first search engine titled Archie, which is short for "archive". Archie searched for updates once a month, a lengthy routine that today's engines and brands would find unbearable.

Search today is dramatically different than it was in the early days of the web. While the number of websites in existence have grown exponentially, unconventional search engines like Facebook or YouTube have also grown to be a popular way for consumers to gather more information.

This research brief will explain how search has evolved into a hub that's been revolutionized for the world to gather information frequently and easily, with opportunities for advertisers to remain top-of-mind and relevant.

AltaVista Sets The Pace

As search engines began to take off at the tail-end of the '90s, the SERP (or "Search Engine Results Page") became a crucial barometer for success. "Spider" or "crawling" technology was implemented to ensure that all reported data was relevant and kept up-to-date. Not only did this new technology place high demands on the search engine itself (because of the magnitude of traffic they were beginning to receive) but also exhausted the backend software, bandwidth, and cost as these search engines began to succeed.



Source: Ariadne Magazine

Given its small pool of competitors at the time (Excite, Lycos, LookSmart, etc), AltaVista was one of the most visited sites on the web. They stayed on top of the game by embracing crawling technology utilizing crawl service Scooter as well as also offering their search services in Japanese, Korean, and Chinese—the first of its kind. With the ever-evolving nature of the Internet, competitors were hungry for quick success in this space. Two search engine providers, Google and Yahoo!, stepped up to offer even bigger incentives for their services. In 2003, AltaVista was bought by Yahoo! For a mere \$140 million, making this early player simply a memory {1}

The Google Empire Begins

During the heightened World Wide Web buzz, two computer science students from Stanford decided to enter the search engine space. Initially called BackRub, the engine was made to serve the Stanford community, until it grew to be so large that Stanford could no longer afford its bandwidth. In 1997, it was decided that BackRub was larger than originally intended. Larry Page and Sergey Brin bought new servers and renamed BackRub to Google. "Google" refers to a mathematical calculation referring to the number one followed by a hundred zeros, intended to illustrate the infinite amount of results that can be compiled from a web search. {2}



Source: Google Blogoscoped

The ClickThrough Rate is Born

What search engines failed to acknowledge is the importance of relevant information in any given search query. Consumers were not only looking to find overall information, but information that satisfied what they had in mind, what they were seeking.

Enter the monetization of the SERP page. Just before the new millennium, sites were banking on banner ads and Google saw an opportunity to drive relevant results using an auction-based bidding system. These text advertisements would appear on relevant search pages but be kept separate from the actual search results.



At first, text ads were sold by a single sales representative on a CPM basis, which proved to be unsuccessful. So in October of 2000, Google unveiled Google AdWords. AdWords was still using the CPM model at this time, but the process was simplified, and in the first year Google saw a profit of \$85 million. {3}

Over time, Google realized that this model may not be the most efficient. Competitors like Yahoo!'s Overture used a pay-per-click model, which meant that whatever advertiser paid/bid the most got the highest position. The problem with this model was that it defeated the whole point of relevancy, and if Google used the PPC model, not only could they lose their customers, but they might not see any profit.

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To encourage relevancy, Google created the clickthrough rate model. This meant that if an ad was ranked lower by bid but was more relevant, then its number of clicks would make it higher-ranking on the SERP page.

Google was able to revolutionize the search model (and later, the PageRank model) by taking relevancy and user experience into account. Instead of following the norm and taking cues from the rest of the search engines looking to monetize their services, Google stayed one step ahead of their peers, and as a result, changed search engine marketing as we know it today.

Paid search has now become a necessary component for every major brand advertiser; it helps them stay relevant amidst all other results, and their competitors.

New Technologies in Search

General Engine	Website URL	Unique Visitors*
TOP 10 GENERAL SEARCH ENGINES		
	www.Google.com	150 M
	www.Yahoo.com	137 M
	www.Bing.com	80 M
	www.Ask.com	60 M

Source: Compete.com 2011. *monthly unique visitor estimates

While Google has a fairly large market share, there are still big competitors in search that focus on constant innovation to stay in the game. Microsoft's Bing, a new search engine introduced in 2009 by Microsoft, utilizes Yahoo! Search results while offering other unique features.

These unique features include a host of more interactive search engine results. And search engines in the space are not just limited to the four listed above. Relatively new features in search include the incorporation of Google-owned YouTube, for example.

Search below: Chicago, IL in Google

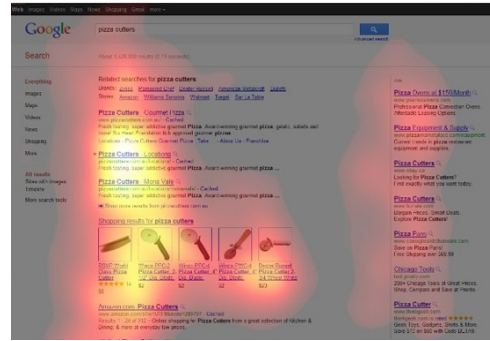
[Chicago, IL](#) [maps.google.com](#)



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What Draws Consumers In

An October 2011 study conducted by SEOMoz used eye-tracking software and heat maps to show in a 30-second time-period which SERPs proved to be the most successful with participants between the ages of 18-30. According to the study results, it is clear that consumers are more drawn to maps, photos, and videos featured in the results page than to the traditional text.



Source: search for "pizza cutters", SEOMoz, 2011

While relevancy still remains a top priority when reaching consumers in search, it's obvious that there are huge advantages to utilizing these interactive add-ons where ranking may be less important.

The Future of Search

The nature of search, the active pursuit of information, has proven that it is one of the most effective ways marketers can reach consumers, and the industry is only expected to continue to see rapid growth.

The ROI on paid search is tremendous. Users who are actively searching for a brand's products or services (and sometimes even the brand name itself) show that search is a highly effective way to advertise. However, there is a scale issue. An average clickthrough rate for a search is between 2-5%, so in most cases brands can assume that 95-98% of consumers who have actually searched for a brand's keywords are clicking a brand's competitors' paid and natural links.

US Interactive Marketing Spending, by Format, 2011-2016						
billions						
	2011	2012	2013	2014	2015	2016
Search marketing	\$18.76	\$21.55	\$24.61	\$27.52	\$30.43	\$33.32
Display advertising	\$10.95	\$12.86	\$16.09	\$19.78	\$23.92	\$27.60
Mobile	\$1.65	\$2.78	\$4.24	\$5.70	\$7.06	\$8.24
Social media	\$1.59	\$2.12	\$2.76	\$3.45	\$4.22	\$5.00
Email	\$1.51	\$1.69	\$1.88	\$2.07	\$2.26	\$2.47
Total	\$34.46	\$41.00	\$49.57	\$58.51	\$67.89	\$76.62

Source: Forrester Research, "Interactive Marketing Forecasts, 2011 To 2016 (US)" as cited in Advertising Age, Aug 24, 2011
131822 [www.eMarketer.com](#)

By 2020, display is expected to meet and beat search spending, so brands leveraging search *and* display now will be ahead of the game. Display ads that utilize search retargeting can finally begin to reach that other 95-98% of a brand's interested audience later on sites around the web. Not only that, but brands can leverage the impactful sight, sound, and motion of banners and video versus paid search's relatively dull three-line text ads. When you add in the ability to message to those consumers multiple times at your desired frequency, the power and scale of search retargeting is glaringly apparent. Right now, brands have an incomprehensible opportunity to draw in more consumers than ever before while taking part in revolutionizing online integrated marketing initiatives.

1. Web Hosting Report—The History of Alta Vista
2. The Anatomy of a Large-Scale Hypertextual Web Search Engine
3. Google AdWords—A Brief History of Online Advertising Innovation