




Google & Money



16th May 2013

Contents



- Google in the UK
- Google global revenues
- What does it make \$\$\$\$\$\$\$\$\$\$\$\$s from?
- SEO vs. PPC.
- Google's commercial plan
- Google's problem



 

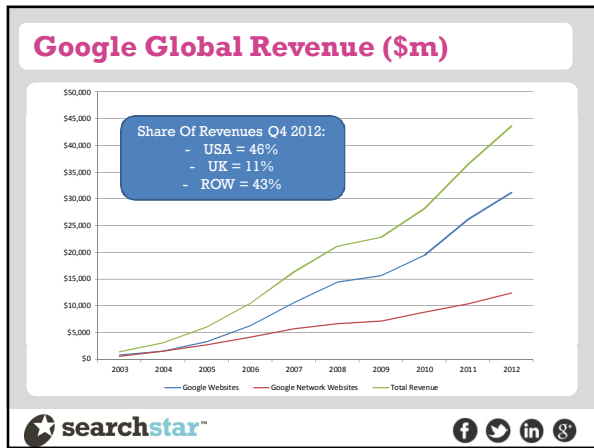
Google in the UK

Search Engine	Dec 2011 Share	Dec 2012 Share	Change
Google	91.15%	88.35%	-2.80%
Microsoft	3.84%	4.99%	1.15%
Yahoo	2.72%	3.58%	0.86%
Ask	1.92%	2.59%	0.67%
Other	0.38%	0.49%	0.11%

Source: Hitwise Jan 2013

Total UK Revenues increased by 30% (Q4 2012 vs. Q4 2011) from £1.06bn to £1.30bn.



What Are The Costs & Profit? (\$m)

	2010	2011	2012
Revenue	\$29,321.00	\$37,905.00	\$46,039.00
Traffic Acquisition Cost	\$7,317.00	\$8,811.00	\$10,956.00
Other Cost of Revenue	\$3,100.00	\$4,377.00	\$6,620.00
Total Cost of Revenue	\$10,417.00	\$13,188.00	\$17,576.00
R&D	\$3,762.00	\$5,162.00	\$6,793.00
Sales & Marketing	\$2,799.00	\$4,589.00	\$6,143.00
General Admin	\$1,962.00	\$2,724.00	\$3,845.00
DOJ Fine		\$500.00	
Total Costs & Expenses	\$8,523.00	\$12,975.00	\$16,781.00
Income From Operations	\$10,381.00	\$11,742.00	\$12,760.00
Net Income	\$8,505.00	\$9,737.00	\$10,737.00

Payments to network & distribution partners

Data centres, content acquisition costs, credit card charges etc.

searchstar™ [Facebook] [Twitter] [LinkedIn] [Google+]

What Does It Make It From?

Google cheap loans

Web Images Maps Shopping More Search tools

About 95,400,000 results (0.16 seconds)

Ad: related to cheap loans @

Top 20 Cheap Loans - Exorbite Ratio as low as 5.1%
money.primark.com/Cheap-Loans
 #1 in UK @ 88 million for money.primark.com

Cheap Loans that Suit Your Needs
 Personal & Homeowner Loans Compare Unsecured Loans
 Car Finance Loans Best Credit Loans

Sainsbury's Loans sainsburysbank.co.uk
www.sainsburysbank.co.uk
 Sainsbury's Shopper Standard Loan Instant Decision Apply Now
 157 people +1'ed or follow Sainsbury's Bank
 Apply Online - Instant Decision - Small Loan - Large Loan

Guaranteed Fast Loans - Loans for any Purpose
www.banksofamerica.co.uk/loans
 £500 - £25,000 Good or Bad Credit

Loans - Compare the Cheapest Loans For Free at...
www.money.com/compare/loans
 Compare the **cheapest loans** for free and find the lowest loans rates at Money.com/compare. Apply online today. It's quick & easy to get a personal loan for RPI +
 Car finance - Refused credit - Secured loans - Payday loans

Loans - Compare Cheap Personal Loans | Compare The Market
www.comparethemarket.com/loans

Ad: Tesco Direct Loans
www.tescodirect.co.uk
 Low Rates: 5.244% representative
 £7.5k-£7.5k - No Set Up Fees
 5,907 people +1'ed or follow Tesco

Consolidate Your Debt
www.directdebtsolutions.co.uk/Consolidate
 ***** (1) online review
 The Best Use Of 1 Minute To Reduce The Burden Of Debt Apply Today.

Homeowner Secured Loans
www.coastloans.co.uk/securedloans
 01902 991018
 Looking For A £10,000+ Loan? If You Are A Homeowner, Quick Apply Here!



Government Debt Loans
www.directdebtsolutions.co.uk/Gov
 Loans To Help The Arrears To Debtors
 Employment Package Debtors By Up To 80%

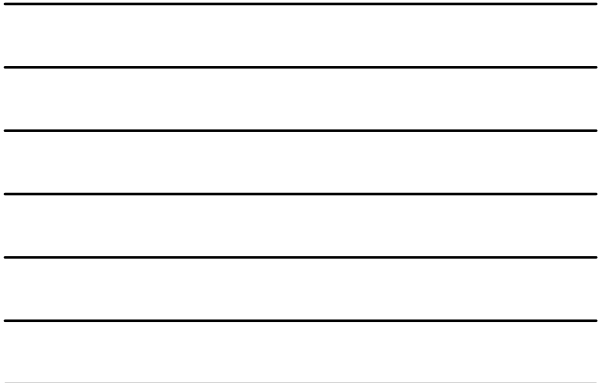
Amigo Loans
www.amigoloans.co.uk
 ***** (1) online review
 £500 to £5,000 with a Guarantee
 We took you, not your credit score

searchstar™ [Facebook] [Twitter] [LinkedIn] [Google+]

Do People Really Click On The Ads?

- 94% of searchers click on the organic results vs. 6% on the PPC ads (Source: GroupM & Econsultancy 2012)
 - "The war of 1812"
 - "Whitney Houston"
 - "Weather in Bristol"
- Yet for "high commercial intent" search phrases 64.6% of clicks go to the PPC (Source: WordStream 2012)
 - "kenwood food mixers"
 - "Best Internet Marketing Software"
 - "Personal injury solicitors"

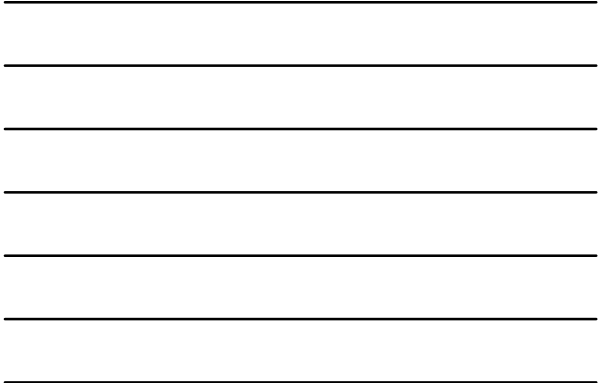


94% of Searchers Click Organic Results

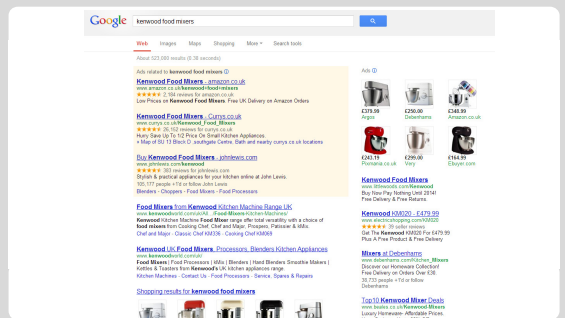


Source: GroupM & Econsultancy 2012





64.6% of Commercial Search Goes PPC



Source: WordStream 2012



Google's Plan

- Larger, more relevant & engaging ad formats for any remotely commercial search & content
- Build Google as a shopping destination
- Integrate relevant & useful advertising into all future devices
- Crowd out, remove & make unnecessary organic results for commercial activity
- Ever better tracking & accountability



Larger & More Relevant Ad Formats

1. Site Links
2. Location Extensions
3. Communications Extensions
4. Call Extensions
5. Product Extensions
6. Social Extensions
7. Offer Extensions

Flower Seeds from £0.45 - dobies.co.uk
www.dobies.co.uk/FlowerSeeds
400+ Varieties of Flower Seed From Dobies. Great Prices. Order Online.
Vegetable Seeds Special Offers
Flower Plants Flowers by Colour

2 **www.carinabcouture.com/**
Luxury designer bridal boutique Bradford on Avon, Wiltshire
» Map of Bradford on Avon, 11 Silver Street., Near Bath

3 **Black Chelsea Boots - No one does Sales like us.**
www.vibronofitters.co.uk/Chelsea-Boots
70% Off Boots. Free P+P Over £50.
Email address Name [Subscribe to newsletter](#) [Privacy](#)

4 **Big & Tall Men's Clothes** 0330 628 3416
www.bigandtallorder.co.uk
Big Men's Clothing 24hr Delivery & Get 10% Off Your First Online Order
Clothing in Size 26L to 36L - Lap Top & 40" Waist & 40" Leg - Huge Range of Brands

5 **Pansy Seeds from £1.75 - suttons.co.uk**
www.suttons.co.uk/PansySeeds
Premium Quality Flower & Vegetable Seeds. Fast Delivery. Order Online.
Pansy Seeds - Studding Brook Average Content £2.99
Pansy Seeds - Large Flowered Summer Barries £2.65
Pansy F1 Mt Cool Seeds Packet Content 20 Seeds £3.55

6 **40 Hotels in Saint-Tropez - Half-Price Hotels - booking.com**
www.booking.com/Saint-Tropez-hotels
Book your hotel in Saint-Tropez
1,037,424 people +18 on follow Booking.com

7 **Kerastase Sale - 30% Off - ActiveBeauty.co.uk**
www.activebeauty.co.uk/Kerastase-Sale
***** 1,135 reviews for activebeauty.co.uk
30% Off All Kerastase Products. Free UK Delivery. Buy Now & Save!
% View this ad's deal - valid as of 3 days ago



Better Display Targeting & Ad Formats

- Better Targeting
 - Placement, Topic, Contextual, Demographic, Interest & Remarketing
- Better Ad Formats
 - More display & rich media ad formats across display network & especially YouTube
 - 300x600 half page launched Nov 2012



100% Relevant for Searchers

The screenshot shows a Google search for "whitney houston". The results include a featured snippet with a photo of Whitney Houston, several news articles, and a knowledge panel on the right. The knowledge panel provides biographical information, including her birth date (August 9, 1963), her parents (Clayton and Johnnie Houston), and her profession as a singer and actress. Below the knowledge panel is a list of her songs and albums.

searchstar™

PPC vs. SEO

PPC Wins <ul style="list-style-type: none">Near domination of results for commercial keyword searchesEngaging ad formats drive high click rates & ROI	SEO Wins <ul style="list-style-type: none">Still incredibly dominant for low-value informational keyword searches
PPC Issues <ul style="list-style-type: none">Difficult for beginners as becomes increasingly sophisticatedGoogle makes it easier to spend rather than save	SEO Issues <ul style="list-style-type: none">Increasingly difficult to measureIncreasingly difficult & costly to executeIncreasingly unpredictable results

searchstar™

Google's Problem

U.S. Local Search Market: Mobile vs. Desktop

In 2015 mobile local search volume will surpass desktop local search for the first time. By 2016 we expect mobile to exceed desktop by 27.8 billion queries.

Year	Desktop (Billions)	Mobile (Billions)
2011	54.9	19.7
2012	61.6	30.7
2013	69.2	46.0
2014	77.1	63.7
2015	85.9	84.0
2016	85.6	113.4

- Ave. Cost Per Click -6% YoY in 2012 vs. 2011
- Clicks on new devices must be monetized

searchstar™

Relevant Ads on Multiple Screens & Devices

“We’re seeing tremendous innovation in advertising, which will help us monetize mobile queries more effectively than desktop today. Indeed, our mobile monetization per query is already a significant fraction compared to desktop. In short, as we transition from one screen to multiple screens, Google has enormous opportunities to innovate and drive ever-higher monetization, just like search in 2000” Larry Page Oct 2012



Better Tracking & Accountability

- Cross device tracking is imminent via Google Accounts
- Google wallet to link footfall to advertising
- Accountability keeps Finance Directors happily writing cheques



Who are Search Star?



- Search Star Ltd was established in August 2005
- Specialists in PPC, analytics & conversion optimisation
- 10 Account Managers - all Google & Bing Advertising & Analytics Professionals
- Buy profitable traffic efficiently, effectively & accountably for ambitious private sector clients



...& if you want "Ten Top Tips"

1. Get a great website
2. Be fussy...research or purchase?
3. Go granular
4. Work at your adtext
5. Be social
6. Mobile – Google's U-Turn
7. Don't forget Bing
8. Track everything
9. Search vs. display – all clicks are not equal (Facebook)
10. Remarketing