

# What advertising impact can be achieved with text links in search engines?

**A study by Fittkau & Maaß on behalf  
of eprofessional and in co-operation  
with AltaVista, Fireball and Lycos**

**eprofessional GmbH • March 2003**

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## 1. Preface

Dear reader,

We are pleased to present to you the first major study assigned by eprofessional and are proud that in Fittkau & Maaß we have found a competent, dedicated and experienced partner for the realisation of this study. This study is intended to illustrate the field of search engine marketing. As a reader you are probably mostly interested in the actual results that search engine marketing can achieve. This is also precisely our focus of interest.

Together with Fittkau & Maaß we would like to ensure - with the help of systematic studies, case studies and surveys - that search engine marketing will in future deliver what it has promised: relevant results achieved from search engines should lead to satisfied internet users. Clicks on relevant results will lead directly to the desired websites and in this way ultimately to good sales for the companies that already use search engine marketing as an efficient online marketing tool.

In this sense I hope you will enjoy reading it.

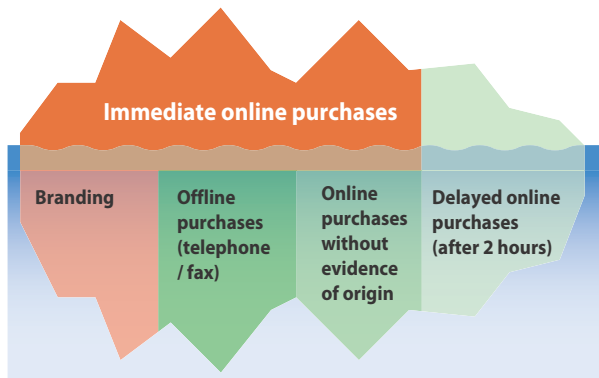
**Christian Petersen**

Managing Director eprofessional GmbH

## 2. The objective of the study

If you are planning a marketing measure, no matter if it is a direct marketing measure or a classical advertisement, you as a decision maker will ask yourself: what can actually be gained?

The costs can usually be calculated quite easily, but what about the advertising impact? Unfortunately, in many areas we rely on „believing“ that the measure will be successful. In some direct marketing areas you can at least measure the response and partly even the sales figures, but what about the branding effect of the measure? What about clients who do not buy immediately but who seek information in the first instance and buy later? What about clients who change the medium for a variety of reasons and do not buy online but use the phone instead? Of course there are late purchases.



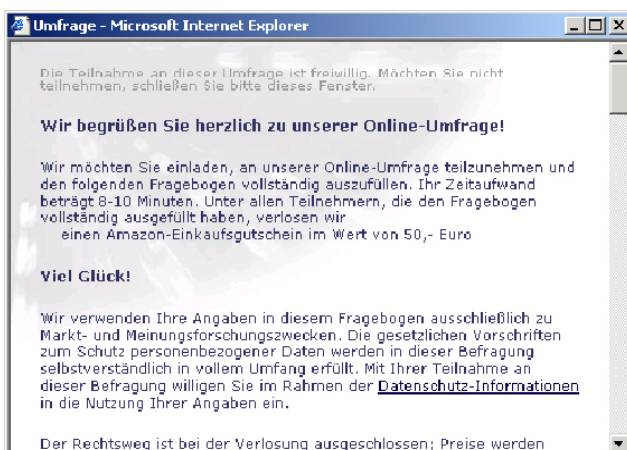
## 3. Study Design

In the summer of 2002 two online mobile phone shops with identical contents but different brand names and web addresses were launched: Phones Unlimited (www.phones-unlimited.de) and Flex-Phone (www.flex-phone.de) were totally unknown then and had never been advertised before.

The objective of this practical study was to test the impact of search engine marketing on the name recognition and the sales of a shop without the distorting effect of advertisement measures in other media. During the entire testing period no other online or offline advertisement measures were undertaken for the two online shops. Only in this way is it possible to clearly assign all purchases (even offline purchases) to search engine marketing.

The method of this study was a combination of cookie-tracking (by eprofessional) and online polling through pop-up questionnaires (by Fittkau & Maaß).

Naturally there are purchases by phone which have been caused by the measure you have just carried out. Usually, though, we cannot quantify these effects. This present study is intended to bring some light into this matter.



## 4. Background, objectives and method of the qualitative study

### 4.1 Background

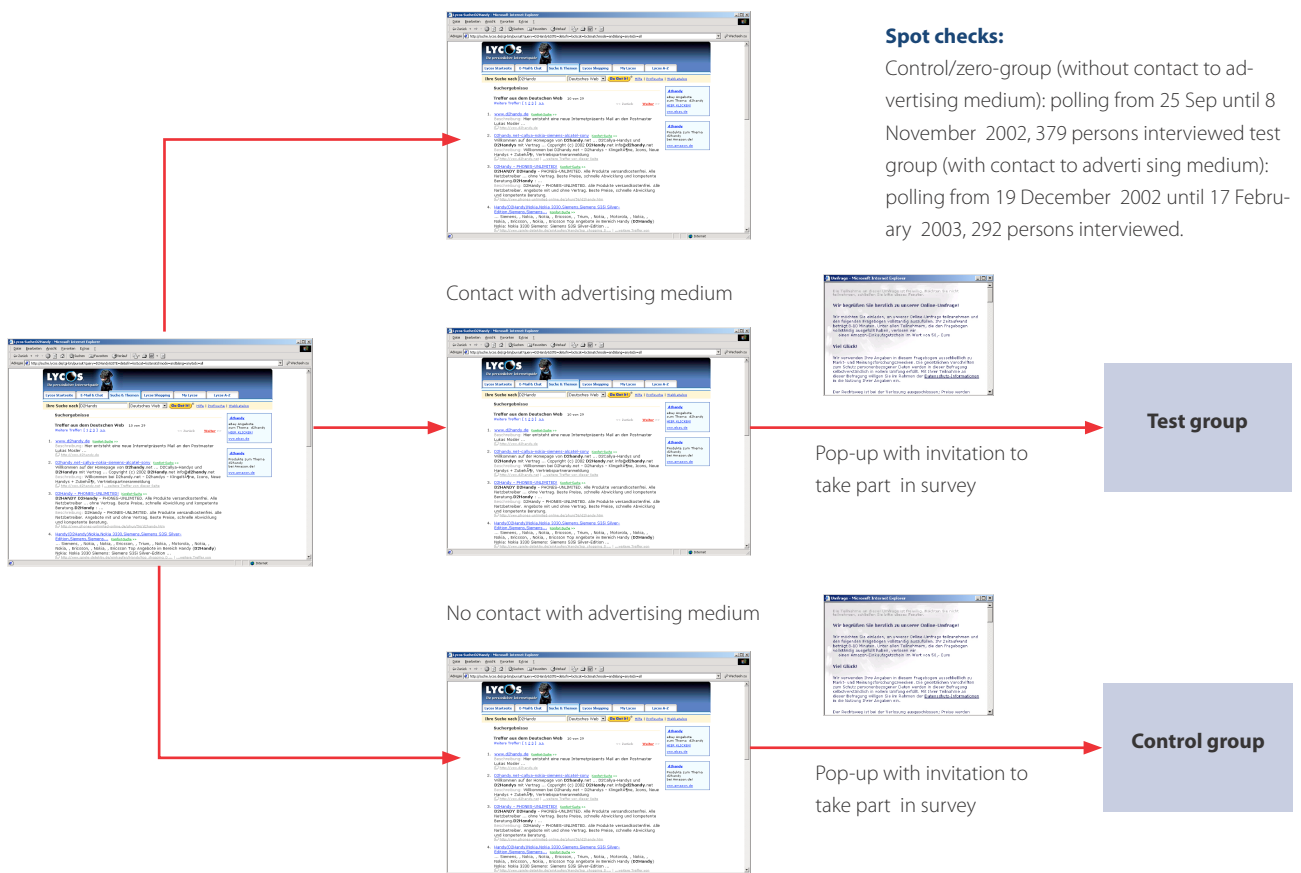
Studies on the branding effect of online advertising have been undertaken so far only for visual advertisement forms such as banners, pop-ups, movies, etc.. Up to now there have been no study results concerning the impact of text links with regard to branding effects.

### 4.2 Objective of the qualitative study

Analysis of the effects of textual advertising, especially of search engine entries

### 4.3 Method

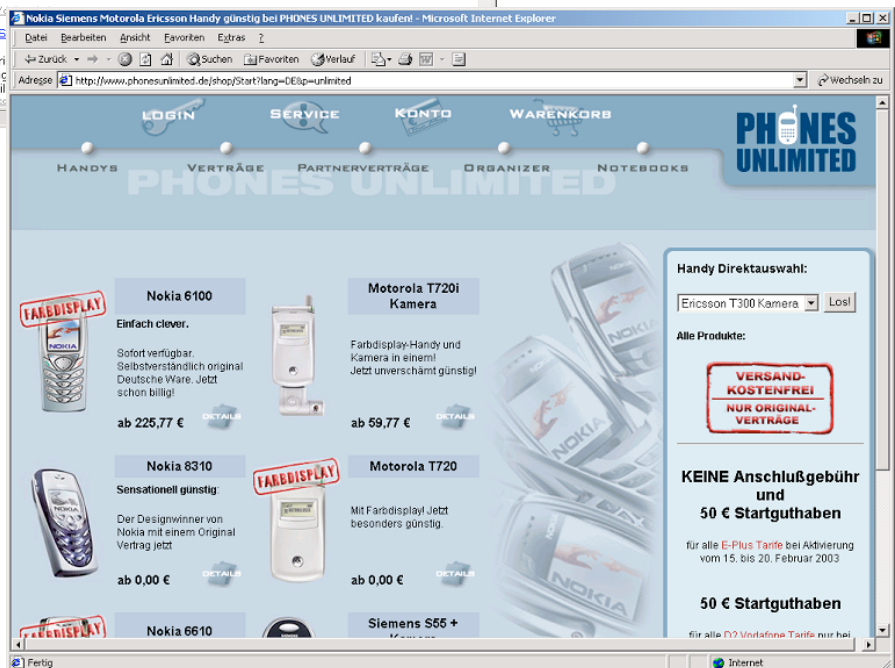
The search engine marketing campaign was “prefaced” by a primary survey in the shape of an online poll within the search engines AltaVista, Fireball and Lycos. The online poll was carried out among users who had entered one of the promoted search terms into the respective search engine during the testing period. The spot checks were carried out with the help of pop-up windows which randomly invited users to participate in the survey. The “zero group” consisted of 379 users who had no contact with the advertising medium during the testing period. The “test group” comprised 292 persons who had contact with the advertising medium (text link).



## 5. Promotion

In September 2002 the search engine marketing campaign for Phones Unlimited with an equivalent value of about € 24.000 was launched.

For this purpose a total of 513 topical search terms relevant to the subject (i.e. Nokia 6510, Mobile phone shop, mobile phone accessories) were promoted in the four major search engines AltaVista, Fireball, Google and Lycos using text links in search engine indexes as well as sponsored links with Over-ture. The evaluation of the campaign was carried out by means of evaluation technology developed by eprofessional ("eprofessional analyzer").

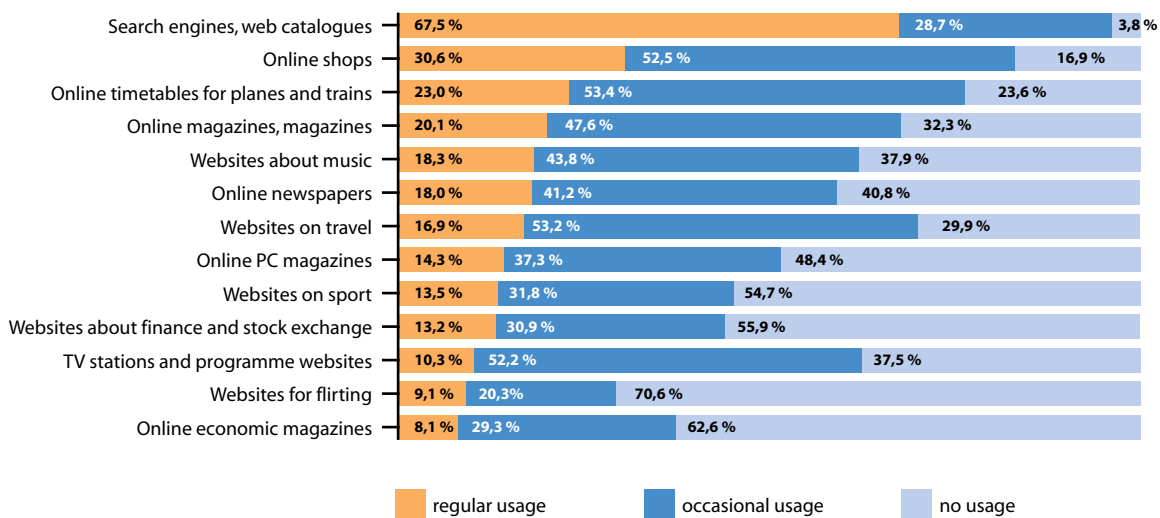


## 6. Results of the online poll

### 6.1 Search engines as ideal online marketing tools

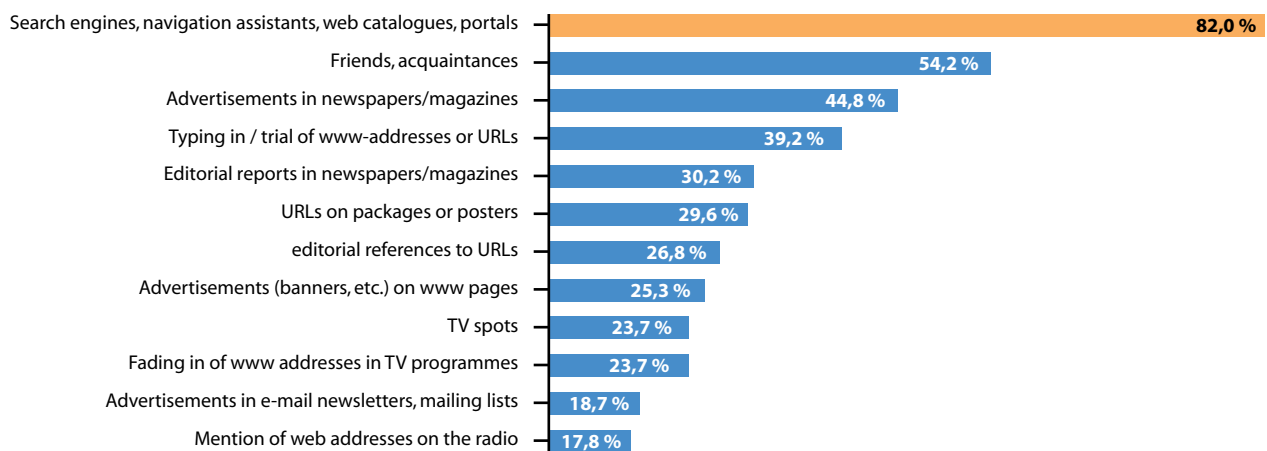
The questionnaire concentrated on the habits of search engine users. The evaluation of questions concerning the topic search behaviour showed that 95% of internet users use search engines - 2/3 on a regular basis.

#### Almost every internet user makes use of search engines



Source: www user analysis W3B, Autumn 2002

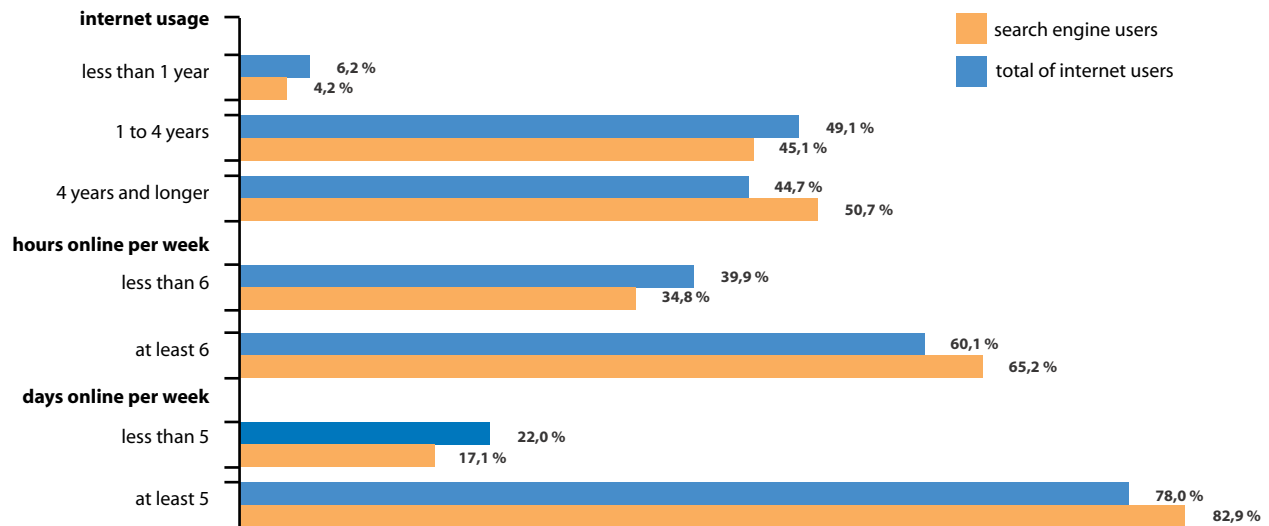
#### Search engines are by far the most important source to find a web address



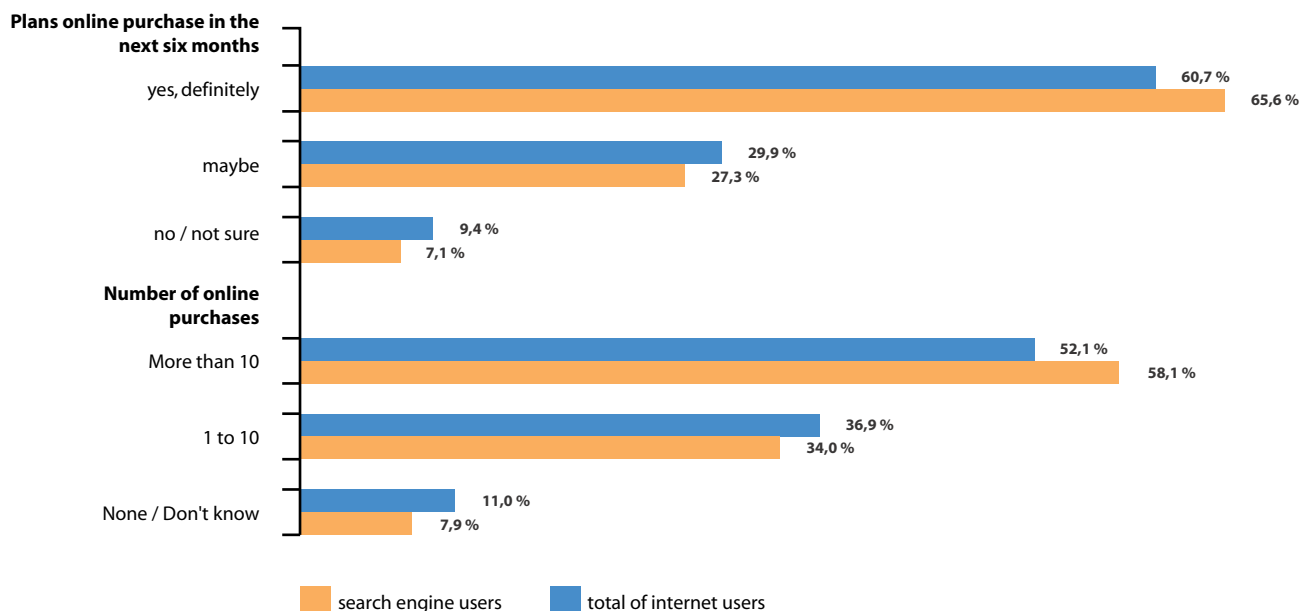
Source: www user analysis W3B, Autumn 2002

## 6.2 Search engine users: An online target group with a certain image

The user profile shows that search engine users are usually young, have been making use of the internet for some time already and are active online buyers. Therefore, they are the ideal target group for online marketing campaigns.



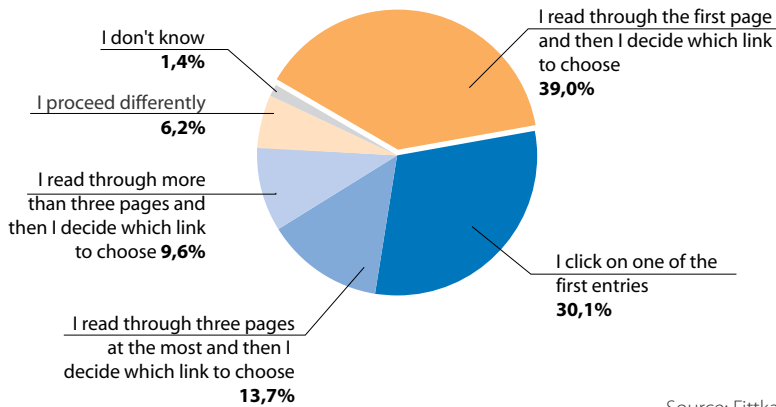
Source: www user analysis W3B, Autumn 2002



Source: www user analysis W3B, Autumn 2002

## 6.3 Dealing with search engine entries

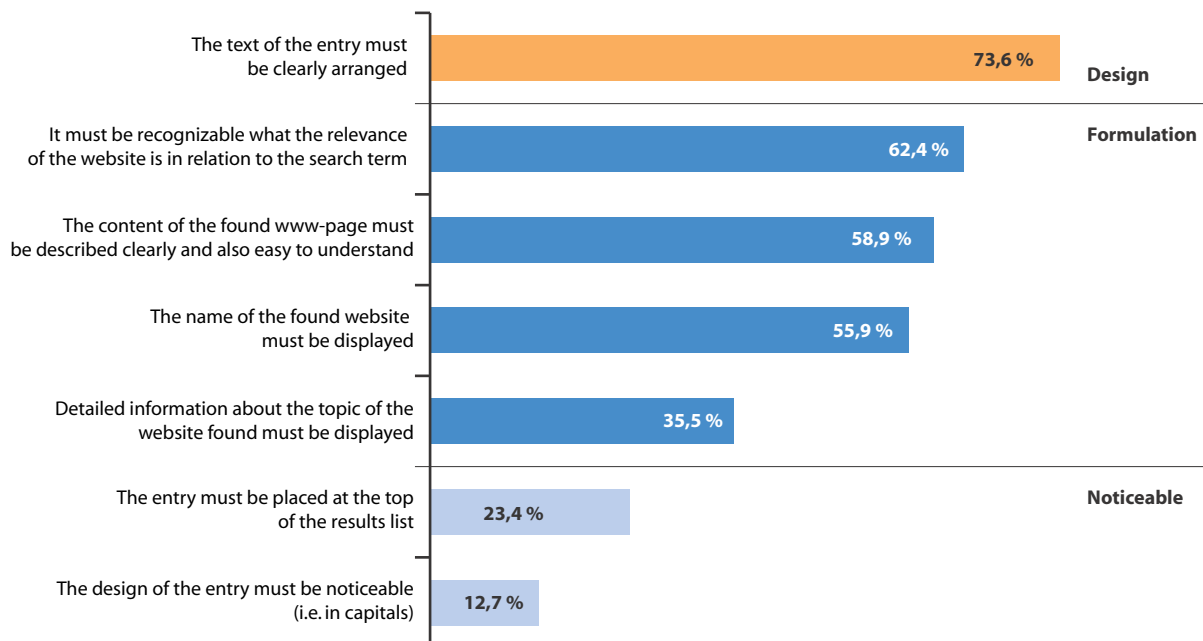
The initial results page is decisive for search results. The first position is not always the result that is chosen. 30.1 % click on one of the first text links, whereas 39% take a look at the whole page.



Source: Fittkau & Maaß, on behalf of eprofessional GmbH, 2002/2003

## 6.4 The design of search engine entries

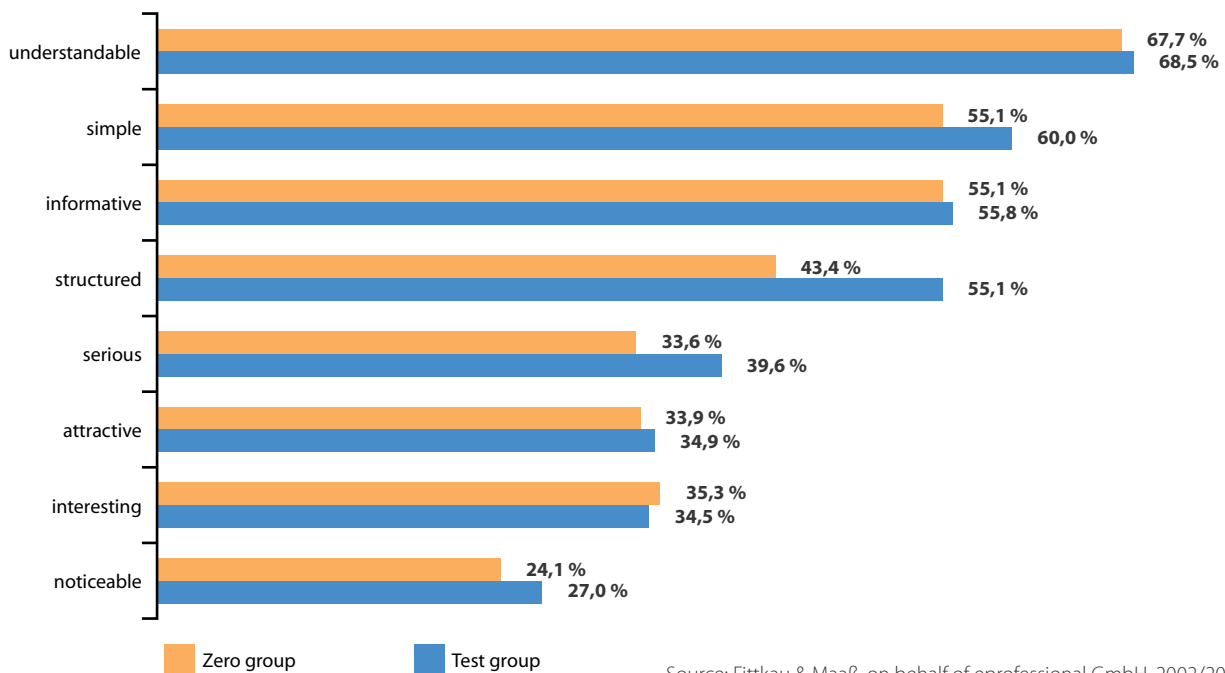
The design of text links should not be left to chance. Attracting attention at all costs is not necessary, but the specific design and wording of the entry is. The user places emphasis on recognizability, the relevance of the website in relation to the search term (62.4%) as well as the precise description of the content (58.9%). For 73.5% of the users it is important that the text link is clearly arranged and bears the title of the website (55.9%). Not so important, however, is the positioning of the links as No. 1 (23.4%) or the noticeable design of the link, for example, by using capitals (12.7%).



Source: Fittkau & Maaß, on behalf of eprofessional GmbH, 2002/2003

## 6.5 Evaluation of the tested search engine entry „Phones Unlimited“ from the user’s point of view

The design of the tested search engine entry was assessed very positively.



Source: Fittkau & Maaß, on behalf of eprofessional GmbH, 2002/2003

Welche der folgenden Suchergebnis-Einträge sind Ihnen schon einmal aufgefallen, als Sie eine Suchmaschine im Internet genutzt haben?

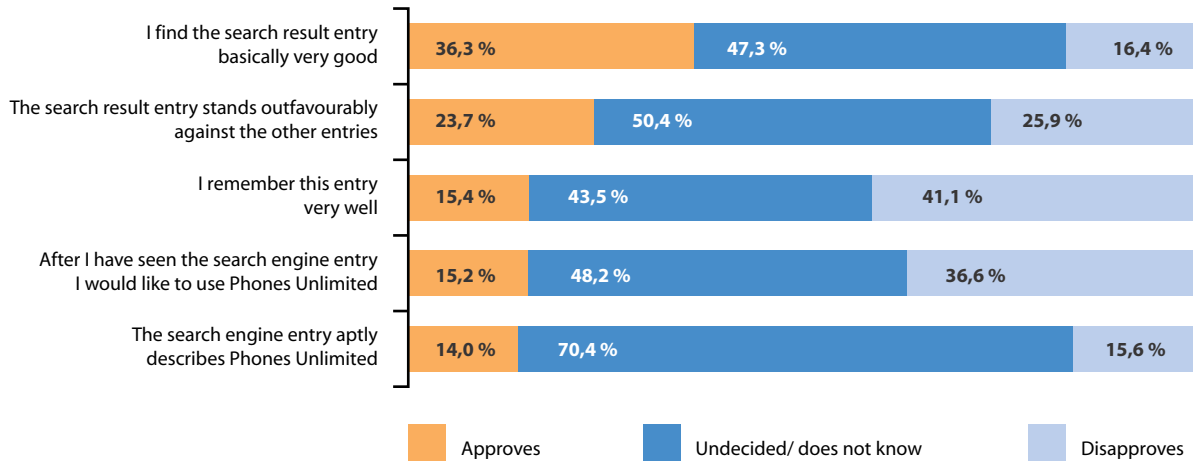
Bitte alle zutreffenden Antworten markieren.

- Mobiltelefone - Bei PHONES-UNLIMITED!**  
Mobiltelefone - PHONES-UNLIMITED. Alle Produkte versandkostenfrei. Alle Netzbetreiber. Angebote mit und ohne Vertrag. Beste Preise, schnelle Abwicklung und kompetente Beratung.
- Mobiltelefone D2 Vodafone**  
Handys, Tarife, Zubehör und Prepaid, Supergünstige Angebote im D2-Shop
- Die günstigsten Handys gibt es im Talkline Online Shop**  
www.talkline.de 8 Monate ohne Grundgebühr mit Talkline More von D1 und Vodafone
- Handy-Discount.de**  
Über 50 Tarife zur Auswahl ! Handys und Zubehör zu Discountpreisen.
- Günstige Angebote bei FLEX-PHONE!**  
- FLEX-PHONE. Bei uns finden Sie ein umfassendes Sortiment an Handys und Handy-Zubehör zu unschlagbar günstigen Preisen. Schnelle Lieferung, keine Versandgebühren - FLEX-PHONE!

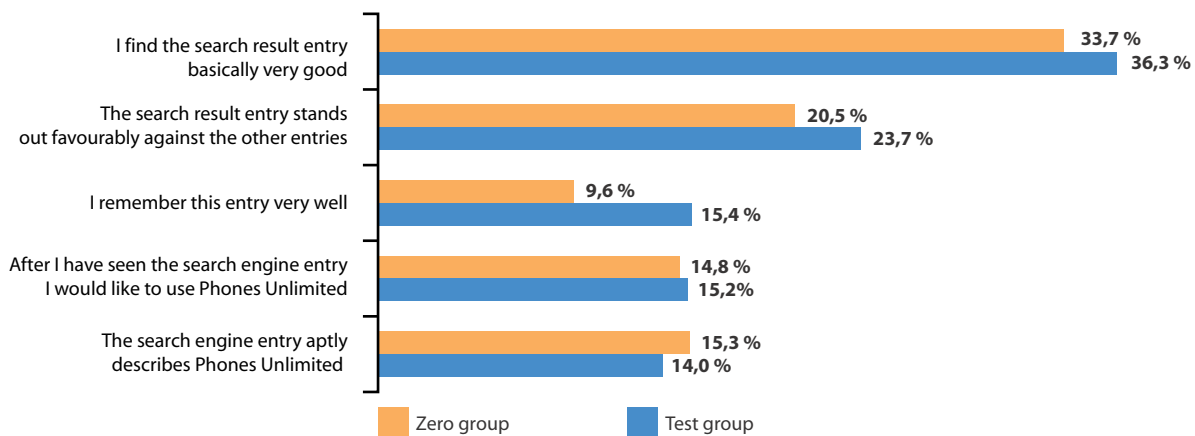
The search engine entry „Phones-Unlimited“  
Recognition within competition surroundings

## 6.6 Impact of the tested search engine entry „Phones Unlimited“

The marketing tool (text link) was recognised by 15.4% of the test group during a supported survey although it was totally unknown as a brand name. Moreover, 15% of the persons who were questioned indicated that they intended to use the promoted online shop Phones Unlimited.

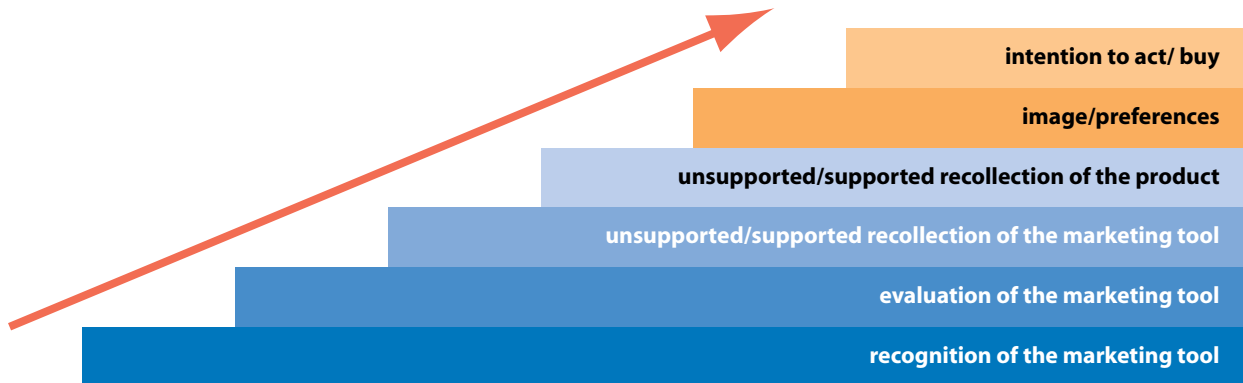


### Impact of the search engine entry on the test group higher than on the zero group



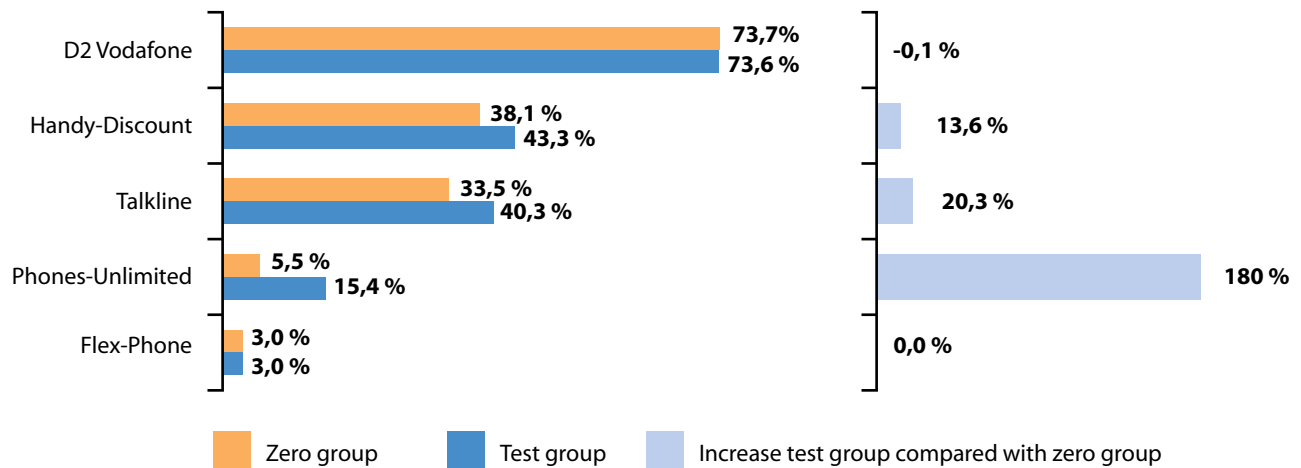
## 6.7 The qualitative impact of marketing tools

From the recognition of an advertisement to the intention to buy



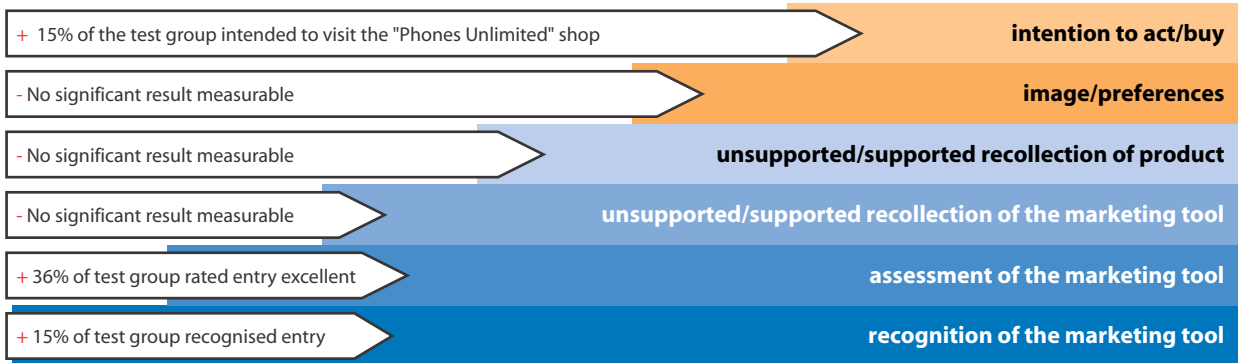
## 6.8 Recognition of the marketing tool and/or the tested entry

The first stage is over: The recognition of the entry increases within the zero group from 5.5% to 15.4%.



## 6.9 The qualitative effect of the tested search engine entry

Significant rises in the recognition rate are not measurable, but positive values for the recognition and evaluation of the entry and the intention to act are.

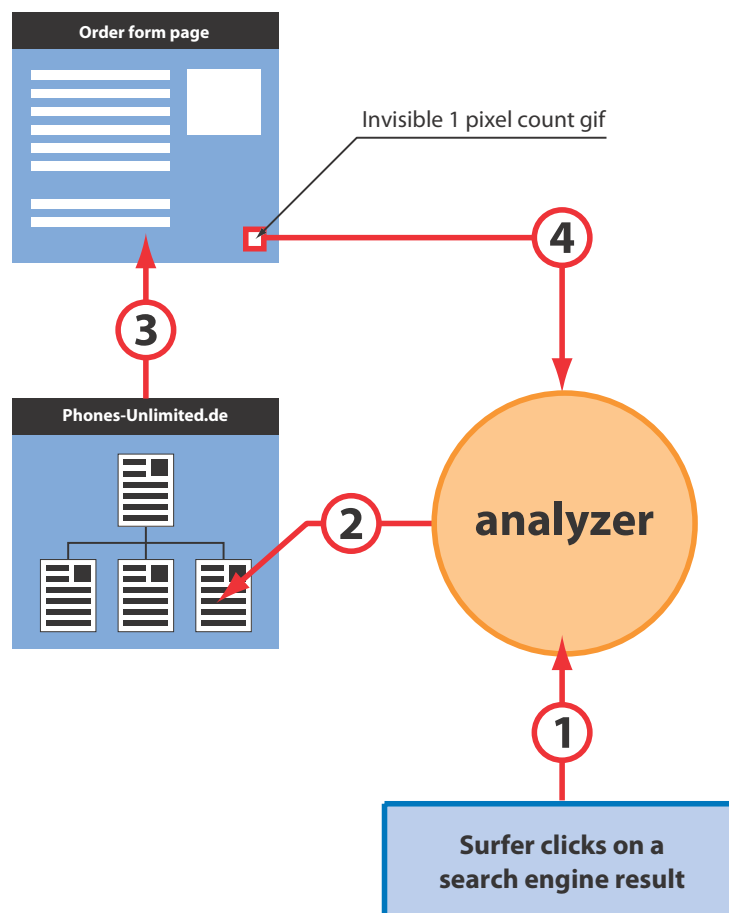


## 7. Quantitative results of tracking

### 7.1 How were the quantitative results measured?

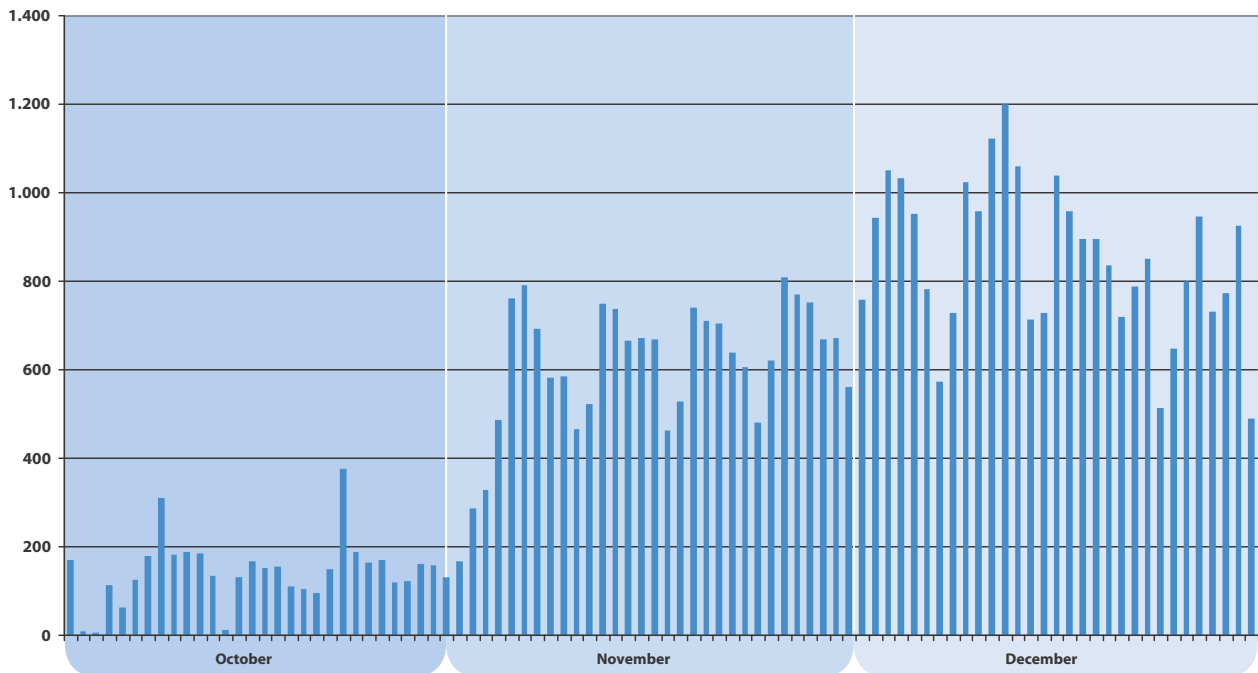
eprofessional developed an evaluation structure of its own, the eprofessional analyzer, which makes it possible to check the effectivity of online campaigns via a web browser.

To measure the results of the test campaign, an invisible one-pixel-count-gif was included on the order form page of the Phones-Unlimited shop. As soon as an internet user clicks on the search engine result (text link) for Phones Unlimited he is forwarded, for an instant, to the analyzer server and gets a cookie installed which then accompanies him on his website tour through the online shop. The analyzer server then forwards the visitor to the mobile phone shop. If the visitor finally decides to buy something, the information will be sent to us and registered as a purchase.



## 7.2 Development of clicks from October 2002 to February 2003

In October 2002 the text links were displayed in the search engines. This led to the first clicks and purchases. Phones Unlimited registered a total of 59,101 clicks until the end of February 2003.



## 7.3 Purchase ratios per search engine and per month

Out of 59,191 clicks, 642 led to online purchases – this is an equivalent of a purchase ratio of 1.1%.

At Phones Unlimited the immediate purchases which occur within two hours after clicking the search engine entry account for half of the purchases that can be attributed directly to the search engine marketing campaign. In addition to the 398 users who have immediately bought online, there were also 244 purchases by mail from those who later decided to buy. Another 155 online buyers either typed the name of the shop directly into the browser or did not accept cookies and are therefore not traceable anymore. 110 users used the phone to order. Thus, the amount of buyers who decided later to buy online or offline was higher than the amount of immediate buyers.

The online purchase ratio per month increased continually in the campaign period from October to February: in October and November it was 0.7%, in December 1.2%, in January 1.4% and in February 2.1% within all search engines.

Most purchases were made by Google users (465 purchases), followed by Overture users (76) and Lycos users (56). The purchase ratio per search engine was highest with Lycos at 2.1% followed by Overture with 1.7% and Fireball with 1.3%. It is not possible to draw conclusions from the differing purchase ratio for the individual search engines concerning the "quality" of the visitors of the search engine because we have promoted different search terms for each search engine.

The Flex Phones online shop which had not been promoted at all did not record any visitors or purchases in the same period.

		search engine						
Date	Data	AltaVista	FAST / Lycos	Fireball	Google	Overture	Total	Purchase ratio
October	clicks			169	4.335		4.504	0,7%
	purchases			1	29		30	
November	clicks				18.715		18.715	0,7%
	purchases				140		140	
December	clicks	290	845	384	23.504	1.414	26.437	1,2%
	purchases	2	25	8	264	18	317	
January	clicks	238	1.578	1.002	1.673	1.572	6.063	1,4%
	purchases	3	25	9	26	22	85	
February	clicks		757	778	300	1.547	3.382	2,1%
	purchases		16	12	6	36	70	
<b>Total: clicks</b>		528	3.180	2.333	48.527	4.533	59.101	
<b>Total: purchases</b>		5	66	30	465	76	642	
<b>Purchase ratio</b>		0,9%	2,1%	1,3%	1,0%	1,7%	1,1%	

## 7.4 „Good“ and „bad“ search terms

The continuous improvement of the purchase ratio was achieved by specific optimising measures: search terms that had demonstrably led to a bad purchase ratio were no longer promoted.

If you compare the chart of the “flop search terms” with the one of the “top search terms”, you will probably not be able to make out any pattern that can ascertain that one search term is “good” or “bad”. Past experience has shown eProfessional that one search term which is “bad” for ONE shop can lead to superior purchase ratios for another shop. Consequently, the only valid optimising method that works is the one that operates with the trial and error mechanism which starts with a large amount of search terms and then successively eliminates the unprofitable search terms. Naturally, this requires a measuring infrastructure which can measure the purchase ratio per search term and a large number of clicks to reach statistically significant results.

### The „top performers“ among the search terms

search term	immediate online purchases	delayed online purchases	clicks	total purchases	purchase ratio in %
nokia_6510	3	4	120	7	8,5 %
t_mobile_vertrag	4	3	166	7	4,2 %
eplus_privat_tarif	4	4	193	8	4,1 %
motorola_t720	2	5	180	7	3,9 %
e_plus_vertrag	4	1	144	5	3,5 %
eplus_professional_tarife	2	2	118	4	3,4 %
siemens_sl_45i	3	1	121	4	3,3 %
o2_genion_online_handyshops	2	2	137	4	2,9 %
eplus	2	1	108	3	2,8 %
vodafone_vertrag	4	1	184	5	2,7 %
handyshops	3	0	116	3	2,6 %
d2_vodafone_handy_vertrag	9	11	775	20	2,6 %
d2_vodafone_handyvertrag	7	6	526	13	2,5 %
e_plus_handyvertraege	5	1	243	6	2,5 %

### The „flop“ search terms

search term	clicks	immediate online purchases	delayed online purchases
tmobile	5439	0	0
samsung_s100	747	0	0
vertragsverlaengerung	625	0	0
siemens_me_45	356	0	0
handy_zubehoer	350	0	0
triband_handy	327	0	0
handy_discount	321	0	0
d2_handyshop	321	0	0
motorolat720	310	0	0
siemensc55	302	0	0
notebook	297	0	0
compaq_ipaq_h3950	297	0	0
telefonapparate	239	0	0
samsung_n500	233	0	0
o2	220	0	0
hp_720	212	0	0
handyspiele	208	0	0

## 7.5 Results of the qualitative advertising success check

In the aforementioned chart you will find the different dimensions in which the advertising success can be measured. Besides the qualitative measurement of the name recognition, it is possible to quantitatively investigate

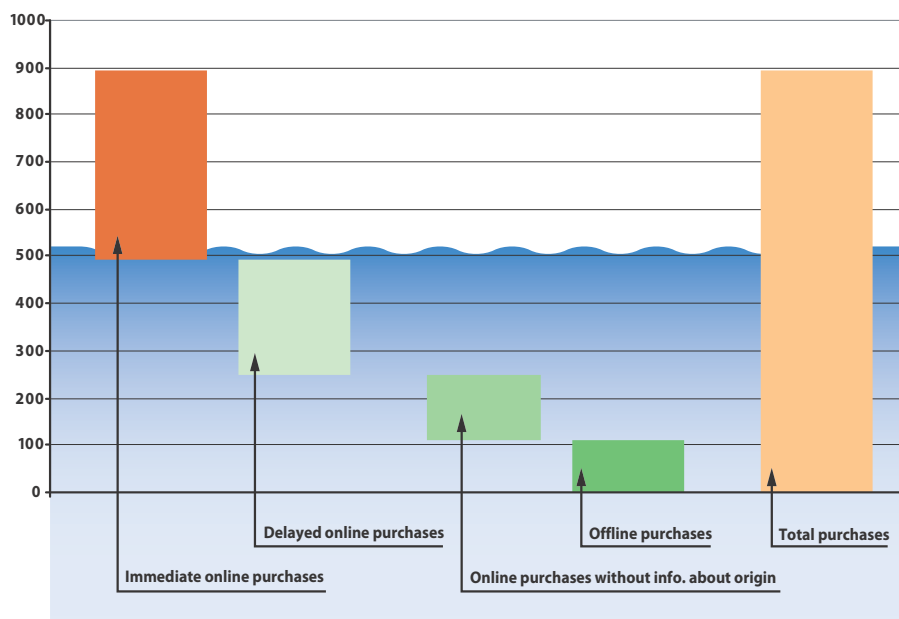
- Immediate online purchases (within two hours after clicking the search engine entry)
- Delayed online purchases (more than two hours after clicking the search engine entry)
- Online purchases without information about the origin
- Offline purchases (phone purchases).

erhoben werden.

The chart demonstrates that the often disregarded quantities of delayed purchases, purchases without information about the origin and offline purchases have been wrongly ignored. In our study the above mentioned quantities had an immediate purchase quote of 12.8%.

The investigated numbers cannot be transferred on a one-to-one basis for all areas, but it can be assumed that an assessment of a search engine marketing campaign based only on the immediate purchases leaves out a lot and will not lead to optimal decisions.

	number	in % of immediate purchases	in % of clicks
Immediate online purchases (<= 2 hrs. after click)	398	100%	0,67%
Delayed online purchases (> 2 hrs. after click)	244	61%	0,41%
Online purchases without info. about origin	155	39%	0,26%
Offline purchases	110	28%	0,19%
<b>Total purchases</b>	<b>907</b>	<b>228%</b>	<b>1,53%</b>



## 8. Summary of the study results

- In addition to the easily measurable immediate purchases of a search engine marketing campaign, it was possible to also clearly assign to the search engine marketing the same numbers for delayed purchases, offline orders and “formless” orders.
- Different search terms lead to different purchase ratios. The decision as to whether a search term is “top” or “flop” can only be made after a testing period.
- By identifying search terms that do not achieve a purchase ratio it is possible to make the campaign more efficient.
- A initial step to raise the name recognition of Phones Unlimited through search engine marketing was able to be established with the supported recognition of the marketing tool.

The results of the study can certainly not be transferred on a one-to-one basis for all online shops. They demonstrate, however, that the success of a search engine marketing campaign is not only measured with the help of the number of visitors or the achieved immediate purchase ratio. To thoroughly assess a campaign it is necessary to take all the aforementioned aspects into account.

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