Yahoo! Search Marketing Advertiser Workbook



Yahoo! Search Marketing Advertiser Workbook

Table Of Contents

Chapter 1	INTRODUCTION	. 1
Chapter 2	WRITING EFFECTIVE SEARCH LISTINGS	13
Chapter 3	BASIC BIDDING STRATEGIES	33
Chapter 4	TRACKING YOUR RESULTS	39
Chapter 5	ADVANCED BIDDING STRATEGIES	55
Chapter 6	MANAGING YOUR ACCOUNT	67
Chapter 7	FORMING YOUR MARKETING STRATEGY	85
	APPENDIX	93
	GLOSSARV	101



Yahoo! Search Marketing Workbook

Chapter 1: Introduction



WELCOME

Welcome to the Yahoo! Search Marketing Advertiser Workbook. This comprehensive guide will introduce you to everything you need to know to get the most out of your Yahoo! Search Marketing account. Think of this as your "owner's manual." It contains a lot of information in fine detail, so you'll probably want to read it once for an overview, and then refer back to it again and again in the future.

Each chapter includes exercises to help you fully understand the information and apply it to your own business, as well as action items that act as a checklist for what to do with that information. In addition, we have provided a glossary at the end of the workbook. Words included in the glossary are shown in *italics*.

This workbook will help you to:

- Build a set of relevant keywords
- Develop better search listings
- Track your results
- Bid more effectively
- Manage your account more easily
- Form a marketing strategy

XGAMING CASE STUDY

XGaming, a company that develops, manufactures and markets high-end electronic gaming products for serious video gamers, is a long-time advertiser that has made Yahoo! Search Marketing an integral part of its online marketing efforts. In 2003, the company was selected as the first participant in Yahoo! Search Marketing's Advertiser Makeover program with the desire to expand its online business.

Throughout the Workbook, look for examples of how Yahoo! Search Marketing has improved results for XGaming.

OVERVIEW OF YAHOO! SEARCH MARKETING'S PRODUCTS

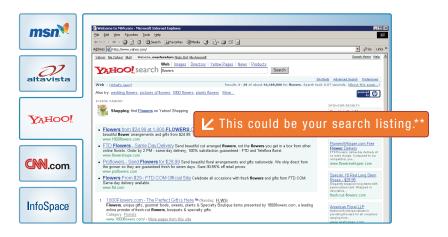
Yahoo! Search Marketing is a global leader in commercial search services on the Internet, providing new and more powerful ways for businesses and customers to connect online. In fact, our advertisers can reach over 80% of active Internet users.* To facilitate this reach, Yahoo! Search Marketing offers a full suite of Internet search products and search-related services. In addition, Yahoo! Small Business offers a number of related services, including web hosting, domain registration, ecommerce solutions and more.

In This Section:

- Sponsored Search
- Content Match™
- Search Submit
- Local Sponsored Search
- International Markets
- Manage Your Account
- Resource Center

Sponsored Search

Yahoo! Search Marketing's flagship product is *Sponsored Search*, which lists your site in search results across the Web, helping you connect with customers searching for what you sell.



- Portals: Yahoo!, MSN, AltaVista, InfoSpace, Sympatico.ca
- ISPs: Juno, NetZero
- Metasearch engines: DogPile, Metacrawler, webCrawler, Alltheweb
- Browsers: Microsoft Internet Explorer
- Content sites: CNN.com, ESPN.com, KnightRidder
- And thousands of other web sites

As of October 2004.

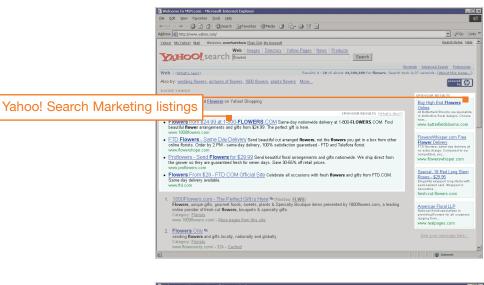
^{*}Nielsen//NetRatings, September 2004 (Custom aggregation of the many sites included in the Yahoo! Publisher Network).
**Site implementation may vary.

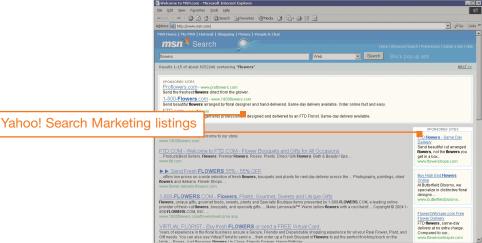
Advertising in the top positions for a keyword enables you to appear on more search sites and reach 80% of active Internet users*, while lower positions reach approximately 40% of users. For the most exposure, bid into the top positions on as many keywords as possible.

Yahoo! Search Marketing has a sophisticated click protection system that is designed to protect advertisers from unqualified clicks. You can learn more about click protection in the Appendix.

Our search listings appear across the Web. See below for examples of how your search listings may appear on sites like Yahoo! and MSN.

Note: Implementations may vary by distribution partner, and are subject to change.





^{*}Nielsen//NetRatings, September 2004 (Custom aggregation of the many sites included in the Yahoo! Publisher Network).

Content Match™

Content Match enables you to place your listings on even more locations on the Web and potentially drive more traffic to your site. For example, when a user goes to a site like Yahoo! and views content pages (such as articles and product reviews), Content Match provides relevant listings on the same page. In this example, if you have listings for the search term "Travel," your listing might appear in a lifestyle article on the Caribbean. As with Yahoo! Search Marketing's traditional listings, you pay your bidded amount only when a user clicks on your listing.

Content Match listings currently appear on many of Yahoo!'s content areas (including Entertainment, Finance and Shopping), MSN content areas (including Money and Tech & Gadgets), and other online destinations.

Benefits of Content Match:

- It offers access to the content of popular, high-quality sites, including Yahoo!, MSN.com, Wall Street Journal.com, ESPN.com and CNN.com.
- Sponsored Search advertisers can edit existing listings, while bidding separately and independently tracking results through our proprietary tools, providing more insight into performance and greater control of spend.
- Relevant listings are displayed to interested users, increasing visibility.



Search Submit

Search Submit gives you additional coverage on search results pages by providing inclusion into the Yahoo! Search Index, which powers standard or algorithmic search results (those appearing in the main body of the page) across Yahoo!, AltaVista, AlltheWeb and other portals.

Search Submit provides an easy and time-saving method for submitting web pages to the Yahoo! Search Index, eliminating the guesswork and chance often associated with appearing in standard search results. URLs that are accepted into the Index are refreshed every 48 hours and receive detailed reporting of search engine performance. There are two Search Submit options, depending on the number of URLs an advertiser wishes to submit:

- Search Submit Express is offered to customers with 1,000 or fewer URLs.
 Account enrollment and management occur online. Pricing is on an annual subscription basis per URL.
- Search Submit Pro is a managed account program available to customers with 1,000 or more URLs. Customers provide content via an XML feed. Pricing is on a fixed cost-per-click basis, based on content category, e.g. automotive.



Local Sponsored Search

Local Sponsored Search enables businesses to increase sales by precisely targeting customers who are searching online for local products and services, but prefer to purchase in person.

Whether your business has a web site or not, you can drive customers from the Web into a physical store location or generate service calls.

When customers go to sites like Yahoo! and search for the products and services you sell, your Local Sponsored Search listing may appear. Local Sponsored Search listings are currently available on Yahoo!, MSN, AltaVista, InfoSpace and AlltheWeb.

How Local Sponsored Search Works

- 1 You select keywords that apply to your business and write a description that accurately describes the products or services you offer. Then, you choose a geographic area (0.5-to 100-mile radius around your location) in which your ad will be seen.
- 2 When a customer interested in your area goes to a search site such as Yahoo! and searches for a product or service you sell, your listing appears.
- 3 When the customer clicks on your listing, they see your Locator page, which contains key details about your business, a map of your location and a link to your web site, if you have one.
- 4 As with Yahoo! Search Marketing's "national" Sponsored Search listings, you only pay your bidded amount when a customer clicks on your listing. Local Sponsored Search does not require a monthly minimum spend.



^{*}Site implementations may vary.

International Markets

Can your business benefit from gaining customers outside the U.S.? If you think it can, take advantage of Yahoo! Search Marketing's strong partner networks around the world to increase your customer reach.







Europe

United Kingdom, Germany, France, Italy, Spain, Switzerland, Austria, The Netherlands, Sweden, Norway, Finland, Denmark

Asia-Pacific

Japan, Korea, Australia, Taiwan, Hong Kong

North & South America

U.S., Canada, Brazil

To create an additional account in any of these marketplaces, please call 626-685-5700 and press 1, or visit http://searchmarketing.yahoo.com and select a country from the menu on the top-right corner of the web page.

The number of Internet users worldwide was expected to reach 935 million in 2004 and top 1 billion by mid-2005. As the Internet continues to spread at a phenomenal pace worldwide, Yahoo! Search Marketing's growing network presents a significant global opportunity for your business. Many of our U.S. advertisers expand their reach by advertising in our two other English-speaking markets, the United Kingdom and Australia.

Top 15 Countries in Internet Users

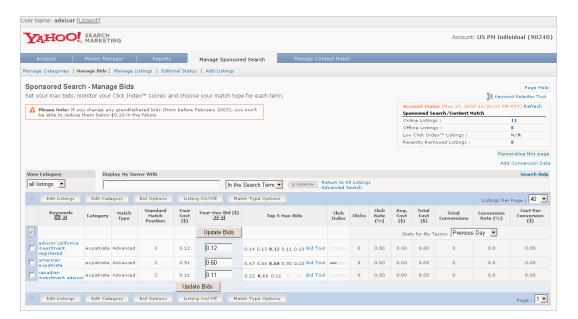
Year-end 2004	Internet Users (#K)	Share %
1. U.S.	185,550	19.86
2. China	99,800	10.68
3. Japan	78,050	8.35
4. Germany	41,880	4.48
5. India	36,970	3.96
6. UK	33,110	3.54
7. South Korea	31,670	3.39
8. Italy	25,530	2.73
9. France	25,470	2.73
10. Brazil	22,320	2.39
11. Russia	21,230	2.27
12. Canada	20,450	2.19
13. Mexico	13,880	1.49
14. Spain	13,440	1.44
15. Australia	13,010	1.39
Top 15 Countries	662,360	70.88
Worldwide Total	934,480	100.00

(Computer Industry Almanac, September 3, 2004 Press Release)

Manage Your Account

Yahoo! provides an online interface that allows advertisers to manage all aspects of their Yahoo! Search Marketing accounts. Once you are logged in, you can:

- Manage your budget
- Add new keywords
- Set bids
- Take listings online/offline
- Change contact or billing info
- Review reports
- Track keyword performance
- And more



Advertisers commonly use the Manage Bids page to view keywords, associated bids and more. Statistics are updated daily.

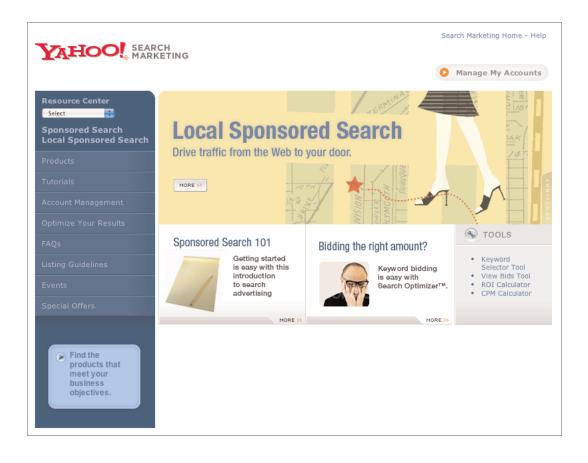
You can learn more about managing your account—including how to use the Account Summary, Money Manager and Reports sections—in Chapter 6 of this Workbook.

The Resource Center

Yahoo! Search Marketing's Resource Center, located at http://searchmarketing.yahoo.com/rc/srch/index.php, is a portal to all of the information we offer to help you learn how to use your account and improve your results.

The Resource Center provides:

- Product information
- Tutorials
- Guide to managing your Yahoo! Search Marketing account
- Listing guidelines
- Articles about optimizing your results and improving your site
- Case studies
- Newsletters
- Special offers
- FAQs



Act	ion	St	er)5

Think about ways you can broaden your reach to take advantage of the growing areas of sponsored search, including Local Sponsored Search, Search Submit and Content Match.
Visit some of our partners in the network and type in a search query (perhaps keywords you might use) to see the various treatments of Yahoo! Search Marketing listings.
Consider whether your product or service can be effectively marketed overseas, and take advantage of the international markets that Yahoo! Search Marketing offers.
Log in to your account and familiarize yourself with the interface.

Yahoo! Search Marketing Advertiser Workbook

Chapter 2: Writing Effective Search Listings



GENERATING KEYWORDS

Over 500 million unique keywords appear on the Yahoo! Search Marketing network. You should submit and maintain a core number of keywords that are relevant to your web site while making sure you meet our *Listing Guidelines*, which you can view in the Resource Center at http://searchmarketing.yahoo.com/rc/srch/index.php. The most successful advertisers bid on between 500 and 5,000 keywords. For maximum traffic to your site, we recommend you generate as many keywords as possible (we'll also tell you about tools you can use to help you manage large numbers of keywords).

In This Section:

- Basic keyword guidelines
- Analyze your site
- Use the Keyword Selector Tool
- Select your keywords
- Use the buying cycle
- Combine keywords
- Choose match types for your keywords

Basic Keyword Guidelines

Do:

- Always keep your customers in mind.
- Categorize keywords that describe your products and services.
- Identify how the customer has indicated specific interest by entering keywords for his/her search.
- Be specific. The more specific you are, the more targeted your leads will be.

Don't:

- Use marginally related keywords.
- Use keywords for things you don't offer.
- Describe content not found in your web site. Customers will become frustrated and leave your site quickly if they do not immediately find what they are looking for. It will also damage your credibility if you misrepresent your offerings just to get users to your site. And of course, it wastes your money.

Analyze Your Site

When generating keywords for your advertising campaign, one of the best places to look for ideas is your own web site. Here are some suggestions to help you get started:

- Look through all the pages of your site and identify the words that are most relevant and interesting to your customers.
- Review your offerings and use all of your products and services to generate keywords.
- Check your web server logs to see what visitors to your site are searching for, and how they navigate around your site.
- Consider what you want your customers to do. Do you want them to become better
 informed about your product, or do you want them to make a purchase? Generate
 keywords that will lead customers to the desired action.

XGaming Case Study: Adding Keywords

When XGaming applied to Yahoo! Search Marketing for the Advertiser Makeover, the company was actively bidding on 230 keywords that were generating approximately 9,000 *impressions* and 195 *click-throughs* each day. To generate additional traffic, Yahoo! Search Marketing added more than 5,000 keywords that were relevant to XGaming's search marketing campaign. Very specific and targeted keywords tend to have a higher *click-through rate* and conversion rate. As a result, XGaming increased targeted leads to the site by more than 30%.

Use the Keyword Selector Tool

Yahoo! Search Marketing's *Keyword Selector Tool* can be an excellent source of new keywords for your business. It also shows the volume of searches last month and illustrates the number of clicks and click charges you might expect to incur. Remember, these are only suggestions; they may not be suited to your business, and they are not guaranteed to pass editorial review.

To access the Keyword Selector Tool, log in to your account and click on the Manage Sponsored Search tab.

Keyword Selector Tool 2					
In the box below, enter single words or phrases related to your products and services. The click "Get Keywords" to see a list of potentially relevant keywords you may wish to add to your category.					
Enter a word or phrase					
cooking	Get Keywords				

Select Your Keywords

Keywords can be single words or multi-word phrases that relate to your products or services. A listing for your business will appear when Internet users enter searches related to your keywords.

Choosing relevant keywords

Keywords should reflect what consumers will find on your site.

- Keywords should be based on substantial content offered on your site. For example, links, banners, pictures, contact information or brief descriptions of links are NOT considered substantial content.
- A keyword must not exceed 100 characters.



Categories

Categories are names you assign to groups of keywords that are similar in a particular way (i.e., product type, seasonal).

Using Categories

Categories enable you to simplify your account management, and how you organize them will be based on your individual needs. To save time, we recommend that you set up categories based on how you plan to manage your listings.

For example, you might want to create categories for frequent bid changes, bidding activity or by product type. When your account is online, you can bid by category, and also receive statistics and reports by category. Thus, categories are a useful organizational tool, even if you do not want to make category-level bids.

Entering Keywords

Keywords can be entered manually or by using the Keyword Selector Tool.

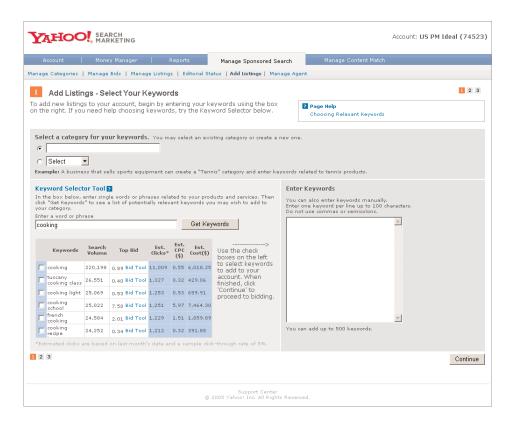
Manual Entry

Use manual entry when you already know which keywords you want to add to your account. Simply type the keyword(s) into the box on the right side of the page. There should be only one keyword on each line. Do not use any punctuation after the keyword (e.g., commas or semicolons), as anything you type on a line will be considered part of the term.

To remove a keyword, highlight it and use your delete key. Or, use your cursor and the backspace or delete keys.

Use the Keyword Selector Tool

Use the Keyword Selector Tool when you want to receive suggestions for keywords that are relevant to your site. Simply enter a keyword that is related to your business into the box on the left side of the page. The system will provide a list of other suggested keywords. To add one of these keywords, simply click the check box next to the keyword and it will be automatically added. If you change your mind, uncheck the keyword in the keyword selector list and it will be removed from the keyword box.



Use the Buying Cycle

Because the customers you will attract to your site will be at different stages of the buying cycle, you should select keywords and write titles and descriptions to appeal to customers at each stage.

How Customers Search



XGaming Case Study: The Buying Cycle

XGaming needed to broaden its keywords to reach customers in all three segments of the buying cycle. For example, prospects searching on the term "joystick" probably want to learn about the product, whereas customers searching for "PlayStation 2 joystick" are more likely to be ready to purchase. During the makeover, Yahoo! Search Marketing categorized XGaming's keywords according to the buying cycle and ensured that the corresponding landing pages were appropriate for the three phases. This resulted in increased traffic and sales.

Combine Keywords

Combining your relevant terms into new keywords is a powerful technique for increasing traffic to your site. Be sure to check each combined keyword to make sure it accurately reflects content on your site and/or the products or services you offer.

Combining Keywords for an Electronics Company

RCA 32" television Zenith Black TV	Brands	×	Product colors	×	Product Types	=	Example Keywords
Sylvania Big screen television JVC Silver 19" Television Magnavox Plasma TV	Sony Panasonic Toshiba Zenith RCA JVC Sylvania		Black Gray Silver		TV Television 13" television 19" television 32" television 64" television Big screen television		Sony Black TV Sony Gray Television Panasonic Silver 13" Toshiba Charcoal Plasma TV

Opt into the Advanced Match Type

It's important to realize that when searching online, potential customers may type in many variations of your keywords, including misspellings, plural forms, switching the order of words, etc. It would be overwhelming for advertisers to bid on and manage every possible variation.

The solution is the *Advanced match type*, which enables you to leverage your existing listings to appear on a wider range of relevant search terms, and track results separately from Standard match type results.

You can even select up to 45 excluded words to make your listings more targeted. For example, for the keyword "diamond ring" you might want to exclude the word "platinum" if you don't carry any platinum rings.

Match Type Stacked Results

For relevancy reasons, *Standard match type* listings are ordered first. So, it is possible to have a Standard match type listing with a lower bid come before an Advanced match type listing with a higher bid.

			Bid
Standard match type results	1.	Diamondsafe.com Certified Diamond Rings Compare our prices. Wide selection of certified three-stone diamond anniversary rings, diamond engagement rings, loose diamonds and diamond jewelry. www.diamondsafe.com (sponsored listing)	\$0.51
	2.	Major Designers at Solomon Brothers Everyday low prices, large selection of platinum and diamond engagement rings in stock from your diamond cutters. Free shipping. www.solomonbrothers.com (sponsored listing)	\$0.46
	3.	Titanium Era - Titanium Engagement Rings Titanium engagement rings. Customize your ring by adding diamonds or precious stones. Titanium Era is an online jewelry store offering a wide variety of custom-made titanium rings. www.titaniumera.com (sponsored listing)	\$0.44
Advanced match type results		Diamond Auctions - Outrageous Auctions Specializing in diamond engagement rings and stud earrings. A Full line of Fine Jewelry with over 30 years experience. www.outrageousauctions.com (sponsored listing)	\$0.45
	5.	Lippincott Buys Diamonds, Gives Quotes Sell your diamond ring to Lippincott's Diamond Division at high market prices. Check our database for values and free quotes. Confidential and secure transactions direct with Lippincott. www.thingswebuy.com (sponsored listing)	\$0.41
	6.	Fine Diamond Rings by DeJoria Beautiful engagement rings and diamond jewelry from DeJoria. We will find the perfect diamond for your engagement or anniversary. www.dejoria.com (spensored listing)	\$0.38

Exercise

Look at the keywords a real estate business is currently bidding on, and create at least 20 new keywords by combining terms and/or using the *Keyword Selector Tool*.

home
realtor
real estate
real estate agent
realty
new home
real estate broker
real estate for sale
real estate company
new home development
homes for sale
real estate listing
home sale price
Santa Monica
Hollywood
Brentwood
Southern California
Beverly Hills
Venice
Malibu

Many variations are possible, including:

Santa Monica home; Hollywood realtor; Brentwood real estate; Malibu homes for sale;

Brentwood and Beverly Hills homes; New home realtor; Home real estate agent;

New home real estate listing; Realtor home sale price; Real estate agent Hollywood

Answer

Action Steps

- ☐ Generate at least 200 new keywords for your site using:
 - Queries your customers might use
 - Your specific products or services
 - Your location (if you wish to target locally)
 - Ideas from the Keyword Selector Tool
 - New combinations of your current keywords
- ☐ Don't forget to use your company name as a keyword.
- ☐ Set your keywords to the Advanced match type to get more traffic leveraging your existing listings.

Advanced Action Steps

☐ Generate 500 or more keywords for your site using the three stages of the buying cycle.

WRITING TITLES AND DESCRIPTIONS

Your titles and descriptions are of vital importance to your search advertising campaign. They introduce your company to customers, indicate the quality of your site, and communicate whether or not your site contains what customers are looking for.

In This Section

- Write titles and descriptions that are tailored, clear and factual
- Listing preview
- Include the keyword
- Choose URLs carefully
- Change listings to reflect seasonality

XGaming Case Study: Improving Titles and Descriptions

Yahoo! Search Marketing's experts looked at every one of XGaming's listings to ensure that each title and description included the keyword, as well as to make them more "catchy" to increase *click-through rates*.

For example, for the keyword game controller we changed this:

Title: X-Arcade Authentic **Game Controller**

Description: The X-Arcade is an authentic **controller game** joystick with real arcade parts.

To this:

Title: Into Games? Get X-Arcade Game Controller

Description: Take gaming to a whole new level with X-Arcade's multi-system

game controller. Get real arcade controls for your games on your system.

Really into games? Click here.

The Yahoo! Search Marketing makeover resulted in higher *Click Index* scores and a 35% increase in *conversion rate*.

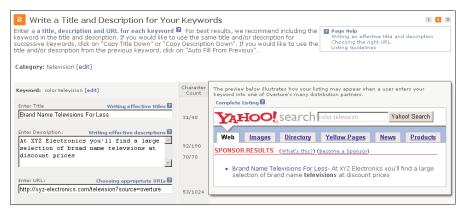
Write Titles and Descriptions that are Tailored, Clear and Factual

- Write as if you were a neutral third party describing the site.
- Formulate the title and description to meet the needs of the searcher.
- Do not use ampersands (&) or numbers replacing words (2 good 2 be true).
- Write titles and descriptions that are accurate.
- Describe what users will find when they go to your site.
- Avoid superlatives (best, lowest, super).

Research indicates that users are more likely to click on listings that are tailored, clear and factual.

Listing Preview

The listing preview illustrates how your listing may appear on one of Yahoo! Search Marketing's many distribution partners.



Keywords Count

- Be sure to include the keyword in the title and description.
- Consider starting the title with the keyword.

In search results on Yahoo! and other sites, your keyword will be bolded when it appears in your title and description. Research indicates that the perceived quality is approximately 60% higher in listings where the search term is included within the title and description. In addition, customers give those listings a nearly 50% higher "likelihood to click" rating.

Choose URLs Carefully

- Take your customers to the URL that is most relevant to the search.
- For example, **DVD Player** should go to a page with DVD players on it, and **Sony DVP-C660** should go to the page with that specific product.

Research indicates that 96% of customers prefer a specific page to a more general page. While intuitively you may want to drive everyone to your homepage (because they might see other products), research shows that sending customers to a specific product page is much more likely to result in sales. In addition, online consumers want to reduce the number of clicks required to find what they want.

Change Listings to Reflect Seasonality

- When appropriate for your business, create seasonal search listings to reach customers at specific times of the year (For example, flowers and gift retailers can customize search listings for Easter, Mother's Day, etc.).
- For additional impact, include special offers, discounts and/or free shipping in your title or description.
- Take advantage of the "on/off listings" feature to activate listings seasonally.

EDITORIAL GUIDELINES FOR SEARCH LISTINGS

Adhering to Yahoo! Search Marketing's *Listing Guidelines* directly benefits both advertisers and searchers. Following the guidelines will get your terms approved, improve the quality of your search listings, and result in more qualified customers for your business.

In This Section:

URL:

- Technical requirements
- Editorial submission basics
- Top reasons for editorial rejection of titles and descriptions

Technical Requirements

Title: 40 characters in length, including spaces

Description: 190 characters in length, including spaces

Back Button: Consumers must be able to return from the advertiser's web page to the

web page they came from with one click of their browser back button

Pop-Ups: Site must not spawn more than one partial window

255 characters in length; must work

Site Functionality: Site must be functional

For full information on Yahoo! Search Marketing's Listing Guidelines, go to the *Resource Center* at http://searchmarketing.yahoo.com/rc/srch/index.php on the Yahoo! Search Marketing site.

Editorial Submission Basics

- Submit your listings to Yahoo! Search Marketing on the "Add Listings" page in your account.
- Anticipate one or two days for your submission to be reviewed and approved, and your listings to go online.
- You will not receive an email giving the status of your listings. Instead, you can check the Editorial Status pages in your account to see whether your listings have been approved. Click the "Manage Sponsored Search" tab to see your live, approved listings.

Top Reasons for Editorial Rejection of Titles and Descriptions

Here are the three most common types of titles and descriptions that do not meet Yahoo! Search Marketing's editorial standards, along with approved versions. See the Appendix at the end of this workbook for a more complete list.

Problem: Misleading Titles & Descriptions

Yahoo! Search Marketing does not allow search listings that may mislead customers about where the listing goes or what the site offers. In this example, the unapproved listing gives the impression that it goes directly to jcrew.com, when in fact it goes to an affiliate site.

Keyword: j crew

Unapproved:

Shop J. Crew.com Online

Save on great fashions for men, women and children at **J. Crew.**com online clothing store. Save with great discount coupon. Click now for latest sales and promotions.

Approved:

J. Crew Savings at Shop Top Ten

Save money with Shop Top Ten's latest promotions, sales and discount coupons for **J. Crew**. Save time by linking directly to **J. Crew** to buy your favorite apparel and accessories.

Problem: Including Contact Information

Yahoo! Search Marketing does not allow contact information to be included in the listing.

Keyword: car rental new york

Unapproved:

New York Car Rental at American Ways

American Ways **Rent** a **Car** has convenient locations throughout **New York** City. Low prices. All-size cars, minivans and 4X4s available. Special rates for weekly **rentals**. Call 1-800-722-6923.

Approved:

New York Car Rental at American Ways

American Ways **Rent** a **Car** has convenient locations throughout **New York** City. Low prices. All-size cars, minivans and 4X4s available. Special rates for weekly **rentals**.

Problem: Using Prohibited Characters

Yahoo! Search Marketing does not allow symbols or numbers in place of words, excessive exclamation points or words in all-caps.

Keyword: tanning lotion

Unapproved:

The BEST **Tanning Lotions** 50-70% Off!

Save BIG on over 30 brands of **tanning lotions** @ 50-70% below retail!!! Click here 4 California **Tan**, Swedish Beauty, Australian Gold, John Abate and new Wolf **Tanning** Beds.

Approved:

Tanning Lotions at 50-70% Off

Over 30 brands of **tanning lotions** at 50-70% below retail. All the major brands. California **Tan**, Swedish Beauty, Australian Gold, John Abate and new Wolf **Tanning** Beds.

Exercise

Read these three search listings for the keyword "sailboat." Which listing do you think has the highest *click-through rate*? List three or more reasons why.

1. Sail on Over to Zephyr SeaCraft

Zephyr SeaCraft will give you a ship-shape price on the finest sailboats ever to sail the seven seas! Click here today, and we'll prove that working with Zephyr SeaCraft is a breeze!

2. Sailboats — Zephyr SeaCraft

Zephyr SeaCraft sells sailboats to private and professional buyers. A variety of small, medium and large models are available in various price ranges.

3. Sailboats on Zephyr SeaCraft

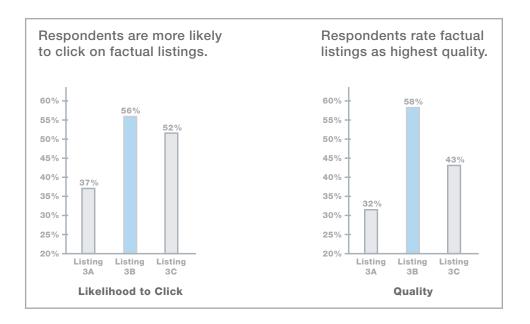
Zephyr SeaCraft is the premier seller of the finest sailboats on the market. Click now to see our fine selection of vessels.

Answer:

Listing #2 had the highest click-through rate and was rated as being the highest quality.

Reasons:

- The keyword is included in both the title and description.
- The description is factual and accurate.
- The description includes factual information about products and prices.
- The description includes factual information about the intended customer audience.
- The description is not "salesy."



Action Steps

□ Look at your current search listings. Do they include your keyword in the title and description? If not, adjust them and resubmit.

☐ If your titles and descriptions are too "salesy," rewrite them to be more factual. This will increase the likelihood that a searcher will click on your listing.

 $\hfill\square$ Make sure that your URLs are specific to each listing.

 $\hfill \square$ Make sure all of your titles and descriptions follow the Listing Guidelines.

Yahoo! Search Marketing Advertiser Workbook

Chapter 3: Basic Bidding Strategies



INITIAL BIDDING STRATEGIES

Bidding is often the most complicated aspect of managing your Yahoo! Search Marketing account—but it doesn't have to be. How high should you bid? How closely should you manage your bids? Are there tools or tricks to help? This chapter aims to answer these questions and provide you with guidance to help you bid smarter and reap the rewards.

In This Section:

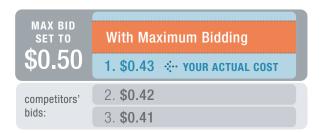
- Key bidding concepts
- Maximum bidding
- Three bidding strategies

Key Bidding Concepts

- Don't just guess at bid levels. Base bids on your business model, business objectives and supporting metrics.
- Don't bid so high that you don't make a profit.
- Don't bid so low so that your listings dip out of the market.
- Monitor the performance of your account and adjust bids based on what you learn.

Maximum Bidding

With *Maximum Bidding*, you set the maximum you are willing to pay for a click, and the system will automatically adjust your bid to get you the best price available. You pay only 1 cent more than the maximum bid of the listing below yours. For example, if your maximum bid is \$.50 and the maximum bid of the listing below you is \$.42, you pay \$.43 per click. Yahoo! Search Marketing's systems continually monitor the bid prices to ensure that you never pay more than your maximum bid for a click.



Three Bidding Strategies

There are three initial bidding strategies you might consider to bid across all your keywords.

1. Set all listings to your target maximum bid.

Best for: Businesses that want to minimize time spent managing bids.

Recommended: This is not only the easiest method, but it also makes sure you are not

over-spending.

If you have already set a target maximum bid and want to learn more, refer to the Advanced Bidding chapter in this Workbook.

2. Set individual bids on all your keywords, managing each one relative to the competitive listings around it.

Best for: Businesses that would benefit more from spending a significant amount

of time and effort on consistent monitoring than risking the loss of

potential clicks.

Use with caution: This method requires a much heavier workload and may cause you to

miss out on opportunities.

3. Pick some keywords to bid higher than your average target bid.

Best for: Businesses that want to compete on specific keywords and/or want to

encourage conversion throughout the customers' buying cycle.

Use with caution: This method requires careful management to avoid over-spending.

XGaming Case Study: Increased Bidding

To achieve the maximum amount of exposure for XGaming's site (the company's overriding goal for the makeover), Yahoo! Search Marketing bid up all of XGaming's search terms into the top three positions to maximize distribution across our partner network. The only exceptions to this were the few cases in which doing so would have exceeded the company's cost-per-acquisition (CPA) threshold. The result? XGaming's new bidding strategy doubled the number of *impressions*.

Basic	Bidding	Stratea	ies

Λ	Cti	On	ı ı	ta	me
_	νωп	OI.		ᇆ	шэ

Decide which bidding strategy works best for you, and put it into action.
 Once you have mastered the strategies in this chapter and started to track your campaigns (covered in the next chapter), move on to the Advanced Bidding chapter, where you'll learn the calculations that will help you fine-tune your bidding strategy.

 $\hfill\square$ Review your bids and make sure you're not bidding too high or too low.

© 2005 Yahoo!, Inc. All rights reserved. Confidential and proprietary.

Yahoo! Search Marketing Advertiser Workbook

Chapter 4: Tracking Your Results



TRACKING YOUR RESULTS

Tracking the performance of your online marketing campaigns enables you to effectively analyze your results, adjust bids and revise keywords, titles and descriptions to make your account more successful. Tracking is essential to help you spend effectively so that you are getting the most out of your advertising investment.

Without tracking you may not be able to see where all your visitors are coming from. For example, Yahoo! Search Marketing leads may look like MSN leads, since MSN is part of the Yahoo! Search Marketing network. Furthermore, you may not know if searchers clicking to your site are converting into customers.

In This Section:

- Conversion Counter
- Yahoo! Easy Track™
- Advanced conversion concepts
- Marketing Console and advanced analytical tools
- Search Optimizer

Which tracking methods are right for you?

If you:	Then use:
Want to track Yahoo! Search Marketing conversions	Conversion Counter
Want to identify the source of Yahoo! Search Marketing clicks	Yahoo! Easy Track
Are ready for advanced marketing campaign tracking	Marketing Console, Search Optimizer or other third-party tracking software

Conversion Counter

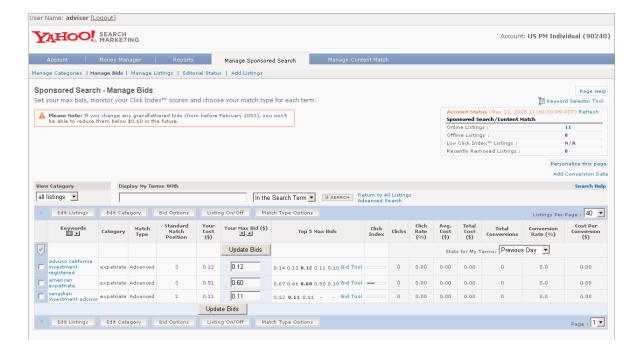
If you don't have any tracking solutions yet, this section is right for you.

Overview

Tracking *conversions* on your web site is of vital importance to understanding the success of your advertising. Using Yahoo! Search Marketing's free, easy-to-use Conversion Counter tool will help you optimize your marketing budget and increase your sales. You need Conversion Counter in order to track the sales that Yahoo! Search Marketing is helping to drive.

Using Conversion Counter will allow you to:

- Track the number of conversions on your site driven by Yahoo! Search Marketing's partner network.
- View conversion data at the keyword, category and account level.
- View conversion data for Content Match as well as Standard and Advanced match types.
- View conversion results alongside the Manage Bids and Manage Listings pages in addition to reports in your account.



What is a conversion?

A conversion is a completed transaction event on your web site. What constitutes a conversion varies from business to business. The most common conversions are:

- Purchase
- Site registration
- Newsletter sign-up
- Request for price quote
- Other lead-generating activity

When you activate Conversion Counter, you will also see *conversion rate*, which shows you the percentage of clicks that turn into conversions, and *cost-per-conversion*, which indicates how much it costs to receive one conversion.

Conversion rate = Total conversions / Total clicks

Cost-per-conversion = Total Yahoo! Search Marketing spend / Total conversions

How Conversion Counter Helps Your Business

Conversion Counter is designed to show you how many conversions result from clicks that are driven by your Yahoo! Search Marketing campaign. It tracks conversion data at the account, category and keyword levels, and enables you to test and evaluate the performance of your keywords in both Sponsored Search, including Advanced match types, and Content Match.

As you learn which keywords and categories drive the most conversions, you can make informed decisions about your account, including how to allocate your budget and how to improve under-performing listings. Decisions like these can help you optimize the overall performance of your account and ultimately drive more sales.

How Conversion Counter Works

You place the provided tag—a small piece of HTML code—onto the confirmation page on your web site (usually the sales or sign-up confirmation page). The tag is invisible to your customers and generally will not impact the performance or look of your site in any way. When a customer reaches your confirmation page, the tag registers the conversion event, and the information is presented on your Account Summary and other pages in your account.

Requirements

To use Conversion Counter, you need to have a Yahoo! Search Marketing account and be able to make changes to your web site. Conversion Counter requires that you place a tag on the transaction completion page. We encourage you to work with your webmaster or call our customer service line at 866-YAHOO-SM (866-924-6676) for assistance.

Conversion Counter requires:

- A Yahoo! Search Marketing account
- A tag on your web site's confirmation page
- A basic understanding of HTML

Installing Your Tag

Installing your Conversion Counter tag is a simple, two-step process:

- 1. Choose your web site's confirmation page
- 2. Copy the HTML tag that Yahoo! Search Marketing provides in the Account Set-Up page of your account, and paste it into the code on your confirmation page

For detailed instructions, you can access the Set-Up Guide at http://searchmarketing.yahoo.com/rc/srch/ccii.php

Viewing Conversion Counter Data

You can find conversion data in several areas within your account:

- Account Summary page
- Manage Categories page
- Manage Bids page
- Manage Listings page
- Reports

On the Reports page, you'll be able to view conversion data for all your Sponsored Search and Content Match results. You'll also be able to access the following reports:

- Account Summary
- Account Daily Summary
- Account Activity Detail
- Search Term Summary
- Search Term Activity Detail
- URL Activity Detail
- Category Summary
- Category Detail

XGAMING CASE STUDY

As part of their advertiser makeover, XGaming signed up for Yahoo! Search Marketing's Conversion Counter tool. Integrating Conversion Counter into its account made it easy for XGaming to measure performance and adjust its bidding strategy as necessary. Yahoo! Search Marketing was able to track conversions to XGaming's site, while keeping overall cost of acquisition in line with XGaming's goals and increasing its return on advertising investment.

Tracking URLs

If you want to identify the source of Yahoo! Search Marketing clicks by regularly checking your web server logs, this section is right for you.

Using *tracking URLs* is one of the most common techniques that associates where visitors came from with what they do on the site. Simply put, a tracking URL is a bit of extra text at the end of the normal URL that indicates where the visitor came from.

For example:

Regular URL: http://www.XYZelectronics.com/television

Yahoo! Easy Track: http://www.XYZelectronics.com/television?OVRAW=cheap%20sony

%20television&OVKEY=sony%20television&OVMTC=advanced

Tracking URLs can be typed in manually or you can use *Yahoo! Easy Track™*, which provides URLs dynamically generated by the Yahoo! Search Marketing system. Note that setting up tracking URLs alone will not enable you to track behavior and actions. You must also configure your tracking system to monitor and report on these URLs.

Yahoo! Easy Track

Yahoo! East Track is one of the best solutions for tracking your results because its URLs are free, easy to activate and designed to provide more detailed information to advertisers who analyze their web server logs or third party tracking solutions. To use them, you need to log into your account and turn "Yahoo! Easy Track" to "On" in the Account Set-Up section. Please read the "Page Help" portion within Account Set-Up to ensure that Yahoo! Easy Track is compatible with your systems, as the program may not be in all circumstances.

Yahoo! Easy Track provides:

- Source tracking
- Raw search query tracking
- Keyword tracking
- Match Type tracking
- Content Match tracking

Yahoo! Easy Track URLs are enabled by using a simple On/Off switch in your account. All you have to do is select "On" and tracking URLs are automatically added to your URL every time your listing is clicked.

Source Tracking: The mere presence of a tracking URL signifies that

the visitor came as a result of your Yahoo! Search

Marketing campaign.

Raw Search Query Tracking: The first element of the tracking URL denotes the raw

search query, i.e., exactly what the user typed into the search box. The %20 characters signify a space between the words around the %20; for example,

"cheap sony television" will look as follows:

"cheap%20sony%20television."

Keyword Tracking: The second element of the tracking URL denotes

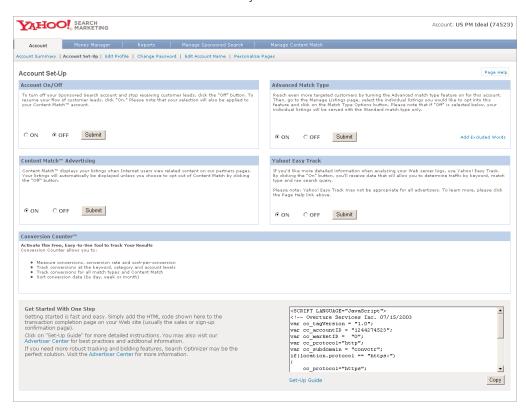
the bidded keyword associated with the raw search

query.

Product and Match Type Tracking: The third element of the tracking URL denotes the

match type of the listing that was clicked on by the searcher. This enables you to understand how many visitors are coming from *Standard* and *Advanced match types* as well as *Content Match* for any given

keyword.



Advanced Conversion Concepts

In This Section:

- Conversion types
- Invest across the buying cycle
- Evaluate at the campaign level
- Evaluate at the product level
- Use conversion data to improve your campaign

Conversion Types

There are five types of *conversions* that can occur on your web site. Note that *Conversion Counter* measures only two types.

Direct*: A conversion that occurs immediately following the click and within the

same browser section.

visitor searches > clicks on link > visits site > finds product >

makes purchase

Deferred*: A conversion that is attributed to a click but does not occur immediately fol-

lowing the click. Conversions can be recorded up to 30 days after the click.

visitor searches > clicks on link > visits site > finds product >

doesn't purchase > visits site again > makes purchase

Indirect: Keyword clicks that lead up to but do not immediately precede a con-

version. Note that the initial click does not get credit for conversion but

helped in making the transaction.

visitor searches > clicks on link > visits site > finds product > doesn't purchase > does new search > clicks on link > visits same

site > makes purchase

Offline Customers: Buyers that purchase offline after visiting the web site.

visitor searches > clicks on link > visits site > finds product >

calls or visits physical store to purchase

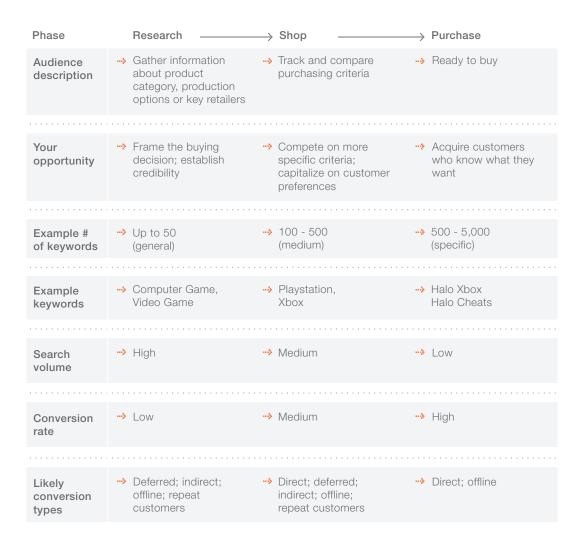
Repeat Customers: Buyers that continue to buy after being referred through an initial click.

visitor searches > clicks on link > visits site > finds product > makes purchase > returns to site by entering URL > makes another purchase

^{*}Measured by Conversion Counter

Invest Across the Buying Cycle

Customers have various intentions and needs when searching, depending on where they are in the *buying cycle*. This buying cycle can be divided into three phases: research, shop and purchase. Segmenting your keywords across this cycle, and writing corresponding creative messages, will help you capture all conversion types.



There are two ways to effectively invest across the buying cycle and maximize your sales. One method is to evaluate your performance at the campaign level. You can see here that overall, the campaign is generating a positive *ROI*.

Evaluate at the Campaign Level

Total Clicks	CPC	Total Cost	Total Conversions	Profit	ROI
1,100	\$0.50	\$550	330	\$1,650	300%

The other method is to evaluate your performance at each product line or category level. Note that in this example, the product line for CDs is not performing as well as the other product lines.

Evaluate at the Product Level

Product	Total Clicks	CPC	Total Cost	Total Conversions	Profit	ROI
Books	1,250	\$0.40	\$500	88	\$613	123%
CDs	970	\$0.50	\$485	49	\$243	50%
DVDs	890	\$0.60	\$534	267	\$1,335	250%

Note that this may not be recommended for all advertisers.

Note that you should not solely focus on ROI in all situations. It is usually desirable to maximize total profits, which may come from campaigns or products with a lower overall ROI.

Use Conversion Data to Improve Your Campaign

You can further increase your results by analyzing your keywords' performance and using the conversion data to help you decide how to act. If you have a lot of keywords, we recommend that you prioritize them by traffic volume and modify the high-traffic keywords first.

For categories/keywords performing well:

- Explore new keywords: Use the Keyword Selector Tool and other techniques for discovering related keywords (see Chapter 2 for ideas).
- Raise bid and position: Bidding into the top positions will increase your exposure to potential customers and boost *click-through rate*.
- Activate Content Match: Increase exposure across the Web by activating Content Match, which puts your listing on related content pages on sites like Yahoo! and MSN.
- Opt your keywords into the *Advanced match type*: Provide search users with relevant listings, even when the bidded keyword does not match word-for-word with the search query.

For categories/keywords performing poorly:

- Improve titles and descriptions: Including the keyword in both the title and description will help filter out unqualified traffic (see Chapter 2 for more ideas).
- Change *URLs*: Send visitors to the product-specific page that relates to the keyword. Consider testing alternate landing pages to see which is more effective.
- Improve web site design: Make sure your site is well organized and easy to navigate.
- Decrease bid: If you've over-bid in the hopes of increasing traffic and it didn't pay off, lower bids to a price that's more reasonable. You may get fewer clicks but a higher ROI.

When analyzing your Conversion Counter data to improve your campaigns, we recommend that you use data spanning a prolonged time period. Focusing on a single day's conversion data may not yield accurate and statistically valid results, and you may take actions that are counter-productive to your campaigns. We recommend that, depending on your traffic and conversion volume, you measure conversion results over a minimum two-week period—or if possible, a 30-day period.

Marketing Console and Advanced Analytical Tools

If you are ready for advanced tracking solutions, this section is right for you.

Our *Marketing Console* and other third-party tracking solutions enable tracking and monitoring beyond conversions by source and keyword. They include tracking by:

- Navigation usage
- Shopping cart abandonment
- Time on site and on each page
- Visitor paths

Marketing Console

The most comprehensive Yahoo! Search Marketing product for tracking results is Marketing Console, which lets you see exactly how your sponsored search, email, banner, paid inclusion and/or affiliate programs are performing, all in one location.

Marketing Console provides you with information about:

Campaign Effectiveness: Track which campaigns, channels and creative

solutions are generating the most cost-effective

leads and *conversions* on your site.

Marketing Metrics: Measure the performance of your creative against

standard metrics, including conversion rate, total

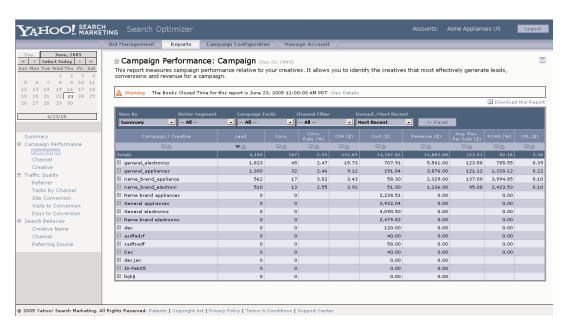
revenue and cost per acquisition (CPA).

Sales Cycle and Funnel Analysis: Determine the length of your initial and repeat

conversion cycle or funnel.

New vs. Repeat Business: Monitor how many new and repeat leads or

shoppers are on your site.



How Marketing Console Works

Marketing Console uses a small JavaScript tag and *cookies* to track your customers' movements from your marketing campaign and into your site. This information is collected, processed and placed on an integrated, easy-to-follow set of reports that allows you to track and ultimately improve the performance of all of your online channels, including sponsored search, emails, banners, paid inclusion and affiliate programs. You can then view these reports within Marketing Console.

Marketing Console uses three tags to simplify the set-up process for advertisers. The three tags are the Universal Tag, the Shopper Tag and the Conversion Tag. The Universal tag is meant to be placed on every page on your site. The Shopper Tag is used to trigger when a visitor should be considered a Shopper on your site (e.g. a visitor to your site has placed a product in your shopping cart). The Conversion Tag is placed on your transaction completion page and allows you to define the value or revenue amount per transaction.

How to Sign Up and Activate

To sign up for Marketing Console, please visit http://searchmarketing.yahoo.com/mt/mc.php and follow the easy instructions.

Once you complete the sign-up process, you will be emailed detailed installation instructions and examples on how to implement the product (we recommend that you have your web master or web site developer manage the installation of the tags on your site). Once these steps are accomplished you will have access to Marketing Console, which will enhance your ability to manage and optimize your online marketing campaigns.

Marketing Console vs. Third-Party Tracking Software

If you use third-party tracking software (e.g., the base version of WebTrends), the reported figures may not match your *web server logs*. There are two common reasons for this:

You may not be using *tracking URLs*. Tracking URLs are important on advertising networks, such as Yahoo! Search Marketing. Yahoo! Our network delivers 95% of its traffic from partners like Yahoo! and MSN. If you do not have tracking URLs, your web logs will show traffic coming from Yahoo!, MSN, or other sites, rather than originating from Yahoo! Search Marketing.

Your software may not count visits correctly. Some programs count one *IP address* for every half-hour interval as a unique user. One problem with this technique arises with proxy servers (computers acting as agents for multiple users). For example, MSN routes all subscribers through only a few IP addresses, so any one MSN IP address can map back to tens of thousands of separate users. Third-party tracking software sometimes fails to take this into account, which can result in incorrect numbers for you.

Many advertisers find they get the most effective information by calculating their results on a monthly basis. Tracking results less frequently will prevent you from making the most informed and effective decisions about how to best use your advertising budget.

Search Optimizer

Search Optimizer is Yahoo! Search Marketing's enhanced campaign optimization tool, which automates the bid management process based on your business objectives. Search Optimizer will help you save time and achieve better results from Yahoo! Search Marketing sponsored search programs. Why are you paying for keywords and campaigns that do not perform? Why are you not further investing in those that are returning favorable results? Let Search Optimizer achieve results that are measurable and extensible to all your online marketing activities.

Search Optimizer Benefits

Saves Time: Automated bid management reduces the amount

of time spent managing and optimizing a sponsored

search campaign.

Maximizes Return on Allows you to optimize the campaign based on your unique

Search Investment: business model; updates keyword bids as frequently as

every five minutes, helping to ensure that every keyword

remains competitive.

Aligns to Your Campaigns produce leads only when your call center or customer support organization is able to respond to them

customer support organization is able to respond to them, which increases the effectiveness of the campaign.

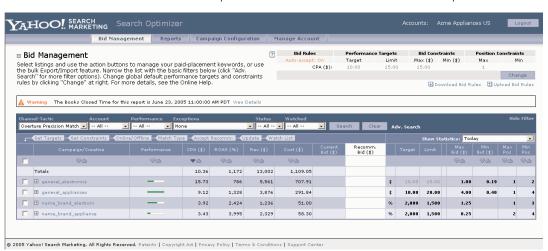
Responds Quickly: Responds quickly to keywords that offer the greatest

opportunity and warrant increased investment.

Optimizes Content Match: Measures and optimizes the success of Content Match

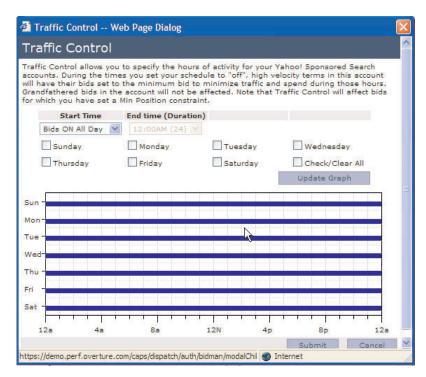
traffic independent of Sponsored Search traffic. Search Optimizer helps achieve your CPA or ROI goal in both Sponsored Search and Content Match by making

independent bid recommendations for each product.



Search Optimizer shows relative performance of keywords in near real-time for a quick visual overview of your campaign performance.

Define the time of day and days of the week that your call center is available to respond to leads, and Search Optimizer automatically optimizes to drive traffic at those times.



How to Sign Up and Activate

For more information on Yahoo! Search Marketing's Search Optimizer, visit http://searchmarketing.yahoo.com/mt/so.php

To sign up for Yahoo! Search Marketing's Search Optimizer, please call (866) 869-9256.

Exercise

Calculate frequently used marketing metrics based on the following information.

Keyword:RadioBid price:\$0.20Cost of item:\$40Sale price:\$100Impressions:25,000Click-through rate:10%Items sold (conversions):50

1. Calculate conversion rate: Items sold / Visitors to site = _____

2. Calculate cost-per-conversion: Total Yahoo! Search Marketing spend / Total con-

versions = ____

3. Return on advertising spend: (Total sales / Total advertising cost) – 1 = _____

4. Return on investment: (Total sales / Total costs) – 1 = _____

5. Total profits: (Total sales – Total costs) = _____

5. Profit: \$5,000 - \$2,000 - \$2,500

2 - 1 = 1 Or 100%

Z = (000\$ + 000,2\$) / 000,2\$

4. Return on Investment: 30 x \$100 = \$5,000

%006 JO 6 = 1 - 01

01 = 009\$ / 000'9\$

3. Return on Advertising Spend: 50 x \$100 = \$5,000

0 L\$ = 09 / 009

2. Cost-per-conversion: 2,500 x \$0.20 = \$500

1. Conversion rate: 50 / 2,500 = 2%

Answer

Action Steps ☐ If you want to identify the source of Yahoo! Search Marketing clicks, turn on Yahoo! Easy Track. ☐ If you want to track Yahoo! Search Marketing conversions, activate Conversion Counter. ☐ If you want more information on visitor behavior, site performance, sales funnel, etc., use Marketing Console. ☐ If you want to automate your sponsored search bidding strategies based on performance-driven recommendations, use Search Optimizer. ☐ Review your results and modify your bids, keyword listings or titles and descriptions based on what you learn.

© 2005 Yahoo!, Inc. All rights reserved. Confidential and proprietary.

Yahoo! Search Marketing Advertiser Workbook

Chapter 5: Advanced Bidding Strategies



BIDDING CALCULATIONS

How do you know exactly how much to bid on each keyword? Your bids should be based on the economics of your business and the performance of your site.

In This Section:

- Profit
- Cost per action (CPA)
- Return on advertising spend (ROAS)
- Return on investment (ROI)
- Bidding calculations example

Profit

Profit = Revenues - Costs

Profit is truly the "bottom line" number. Most businesses want to maximize profit, but profit can be hard to maximize when there are moving parts. Increasing advertising spend will bring in more customers, but you must ensure it will also increase profits.

Cost Per Action (CPA) or Cost Per Conversion

CPA = Advertising Costs / Number of Buyers

CPA measures how much it costs for you to obtain the desired action (an action might be a purchase of a product, a download of an application or a registration for a service).

It's helpful for you to know how much it costs to get a buyer, but it's even better if you know what that buyer is worth. In order to do that, you need to know how much a buyer typically purchases and what you make on that purchase; knowing how many visitors actually become buyers is also important.

CPA is most useful when compared with the value of a customer. Useful measures include:

- Average Purchase Amount
- Margin
- Conversion Rate

Return on Advertising Spend (ROAS)

ROAS = Profit / Advertising Costs

ROAS measures how effective the advertising spend is at generating profits. Most businesses prioritize their spending based on how much payback it will yield. Sometimes businesses will set a hurdle rate, or a minimum threshold for that payback. Each business is different, so one person may have a very different hurdle rate than another. But no matter what the hurdle rate, if there is one, ROAS will show you what rate of return you are getting from your advertising spend.

Return on Investment (ROI)

ROI = Profit / Total Costs

ROI measures how effective your overall business spend is at generating profits. ROI is essentially the same as ROAS but takes into account all costs, not just advertising spend.

Bidding Calculations Example

In the following example, the first four measures are based on the economics of the business. The fifth, conversion rate, is a measure of site performance.

Fixed Business Variables:

Average purchase amount: \$100

Product cost: \$40

Gross margin: \$100 - \$40 = \$60

Value of a purchase: \$60 Conversion rate: 2%

Marketing Variables You Control:

Clicks: 4,500

CPC (cost per click): \$0.40

Definitions:

Average purchase amount: How much a buyer spends when he or she comes to the site. Product cost: How much the product costs, excluding advertising costs.

Gross margin: How much you make on the product, excluding

advertising costs.

Value of a buyer: The same as the gross margin, since that's the profit from a

buyer (again excluding what we paid in advertising costs to

get the buyer).

Conversion rate: How many visitors convert to buyers.

Bidding Calculations Example: CPA

CPA measures how much advertising spend is required to get one action (in this case, one buyer).

Advertising costs:

4,500 clicks x \$.40 per click = \$1,800 in advertising costs

Number of buyers:

```
4,500 clicks = 4,500 visitors to the site 2% of them became buyers = 90 buyers
```

CPA:

```
Spend on Yahoo! Search Marketing = $1,800
Number of buyers = 90
```

Result:

```
$1,800 / 90 = $20 CPA
```

Compare CPA to Buyer Value:

- If CPA < Buyer value, you are making money and may be able to increase bids to get a higher position.
- If CPA > Buyer value, you are losing money and may have to reduce bids.
- For XYZ Electronics, value is \$60 and CPA is only \$20, so there is room to increase bids.

Bidding Calculations Example: CPA to Get Target Bid

Another way to view the CPA calculation is instead of starting with known advertising costs and bids, figure out where to set the company's bids. If the value of a buyer is \$60, how much are you willing to spend to acquire the buyer? It could be 5% or 95%; it depends on what other costs are involved and what your goals are. For XYZ Electronics, we arbitrarily set the amount at 33%.

- 1. Value of a Buyer: \$100 average purchase x 60% gross margin = \$60 value of a buyer
- 2. Maximum CPA: 33% maximum acquisition x \$60 value of a buyer = \$20 maximum CPA
- 3. Target Bid: \$20 maximum CPA x 2% conversion rate = \$0.40 CPC target bid

Bidding Calculations Example: Profit

Profit is hard to maximize. You may have to experiment with moving bids up to see how much more revenue it creates and whether it offsets the rise in advertising cost, but it's essential that you look at the bottom line when you are setting your bids.

Revenue: 4,500 clicks x 2% conversion rate = 90 buyers x \$100 average purchase

amount = \$9,000 revenue

Costs: $$9,000 \text{ revenue } \times 40\% \text{ product cost} = $3,600 \text{ product cost} + $1,800$

advertising cost = \$5,400 costs

Profit: \$9,000 revenue - \$5,400 costs = \$3,600 profit

Assess Profit:

• If Profit > 0, you may be able to increase bids to get more buyers and increase profit.

• If Profit < 0, you may have to reduce bids.

• For XYZ Electronics, profit is \$3,600, so there is room to increase bids.

Bidding Calculations Example: ROI

ROI measures how effective your overall business spend, including advertising, is at generating profit.

Profit: \$9,000 revenues - \$5,400 costs = \$3,600 profit

Advertising Costs: 4,500 clicks x \$0.40 CPC = \$1,800 advertising costs

ROI: \$3,600 profit / \$1,800 advertising costs = 200% ROI

Assess ROI:

The scenarios for ROI are the same as for profit.

- If ROI is acceptable and profit is positive, you may be able to increase bids to get more buyers and increase profit.
- If ROI is unacceptable or profit is negative, you may have to reduce bids.
- For XYZ Electronics, ROI is very high and profit is positive, so there is room to increase bids.

BUSINESS MODEL IMPLICATIONS FOR BIDS

The calculations just reviewed apply particularly well to e-commerce sites, but the basic concepts apply to all types of sites. You should always strive to define at least one action that a visitor can take on your site that will denote that the visitor is worth more than average. Once you have defined one or more actions and monitor which visitors undertake the actions, your tracking system should tie it back to where the visitors came from. This will help you better gauge the value of various keywords, for example, so you can set bids with better regard for the economics of particular keywords.

E-Commerce: Use CPA, profit and ROI if possible

Lead Generation: Define action and how to track over time online or offline. Use CPA and

value per lead (= customer value x % of leads that become customers)

Content: Estimate visitor value based on actions (e.g., newsletter subscription that

could lead to affiliate earnings) or ad revenue per page view. Use CPA,

profit and ROI if possible.

ADVANCED BIDDING CONCEPTS

Once you have mastered the bidding strategies, tactics and techniques described in the previous sections, you can push your bidding success to the next level by pursuing more advanced concepts. We recommend that you add one advanced topic at a time, rather than tackling the whole set at once.

In This Section:

- Lifetime value (LTV)
- Deferred or latent buyers
- Per-product metrics
- Influencing the metrics
- Third-party tools

Lifetime Value (LTV)

Thinking in terms of lifetime value recognizes that buyers may not have only one transaction with your business. Rather, they may be repeat customers, with transactions occurring over the course of a month, year or longer.

If you understand the value of buyers over their lifetime, you will have a more accurate estimate of the value of those buyers. Since the average lifetime will likely be more than one transaction, the lifetime value of a buyer will be higher than a single-transaction value. This enables you to bid more accurately—and higher—because you can account for the higher value.

To calculate lifetime value, you must estimate:

- How long the average buyer has a relationship with your business
- How much the buyer purchases during the lifetime
- Costs during the lifetime (include product costs, as well as additional costs such as customer service)

(Average length of relationship x purchases over lifetime) - Costs during lifetime = Lifetime Value

Deferred or Latent Buyers

Deferred buyers are customers who do not purchase on the first visit, but subsequently return to your site and make a purchase at a later time. While the buyer might have used advertising (such as your search listing) to reach your site the first time, often the buyer returns to your site via a bookmark or by typing in your URL.

If you can associate prospects with the buyers they become, you'll get a more accurate understanding of how your advertising is performing. Since it's common to not count these prospects, most businesses are underestimating the effectiveness of their advertising spend. By accounting for deferred buyers, you will have a more accurate picture of your business, and you will be able to justify higher bids, thereby getting even more customers.

Tracking deferred buyers typically requires assigning cookies to each visitor so you can see the original source of each buyer.

Per-Product Metrics

Companies with multiple products or services can improve profits by tailoring bids to how each product line performs. The examples we have reviewed so far assume a single purchase amount, margin and conversion rate. For businesses with multiple product lines, or even multiple products or services within the same line, it can make sense to analyze the economics and site performance for each in order to bid smarter.

Evaluate each product line by its:

- Conversion rate
- Average purchase amount
- Margin
- Lifecycle

Influencing the Metrics

One of the best ways to bid smarter is to change the rules of the game by influencing the metrics. Your bids are not your competitive advantage—your site, products and service are.

Rather than simply accepting the economic and site performance metrics that guide your bidding, you should strive to improve them. Anyone can post a higher bid, but only a successful business and web site can make money from that bid. By improving the underlying economics of the business, you will be able to profitably bid higher, and get more customers from whom you will make even more money.

Within the context of your sponsored search advertising, you can improve your metrics. For example, writing search listings that accurately describe your products and services can filter out searchers looking for something slightly different, thereby increasing the quality of your visitors and your conversion rate.

XYZ Electronics Conversion Rate Example

Baseline conversion rate = 2%

If conversion rate increases to 3%:

- Revenue grows from \$9,000 to \$13,500
- Profit grows from \$3,600 to \$6,300
- CPA drops from \$20 to \$13.33
- ROI increases from 200% to 300%

Conversion rate is a powerful lever. In the example above, improving conversion rates by just 1% has a significant impact on revenue, profit, CPA and ROI.

Third-Party Tools

There are software programs and service bureaus that can help you manage your bids. Yahoo! Search Marketing has approved several services that automate bid-setting and ongoing bid management. Additionally, many of these services have modules that aid in identifying additional targeted keywords, or even writing search listings.

Fees may be monthly or one-time, and typically vary based on the number of keywords you wish to manage, and sometimes the frequency with which you would like to re-set bids.

For the most current list of approved services, visit the Third-Party Bidding Tools section of the Sponsored Search FAQs, which you can find in the *Resource Center* at http://searchmarketing.yahoo.com/rc/srch/index.php.

Exercise

Apply these calculations to your business's marketing metrics to determine your CPA, *ROI* and target *Maximum Bid*.

1. Calculate Your CPA
Advertising costs:
(#) clicks x \$ per click = \$ in advertising costs
Number of buyers:
(#) clicks = visitors to the site
% of them became buyers
(buyers, as a% of visitors) x (# of visitors) = buyers
(for example, if you had 100 visitors and 5% became buyers, $.05 \times 100 = 5$ buyers)
CPA:
Advertising costs ÷ Number of buyers = \$
0.01.11.74. 70.00
2. Calculate Your ROAS
Profit ÷ Advertising costs = ROAS
3. Calculate Your ROI
Profit ÷ Total cost = ROI
4. Calculate Your Maximum Bid
Value of a Buyer: \$ average purchase x% gross margin = \$ value of a buyer
Maximum CPA:% max acquisition x \$ value of a buyer = \$ maximum CPA
CPA Target Bid: \$ maximum CPA x% conversion rate = \$ CPC target bid

Action Steps

- □ Define what *conversions* are for your business by identifying one or more actions you want customers to perform on your site (i.e., purchase, subscribe to newsletter, etc.).
- ☐ Based on your business model, select metrics for performance measurement.
- $\hfill \square$ Set bids based on the economics of your business:
 - Analyze site performance and financial metrics.
 - Start with desired CPA.
 - Apply this knowledge to "back into" your bids.
 - Look at profit and ROI if possible.
- ☐ Once you have done the above, add one advanced strategy at a time to bid even smarter.

©2005 Yahoo! Inc. All rights reserved. Confidential and proprietary.

Yahoo! Search Marketing Advertiser Workbook

Chapter 6: Managing Your Account



USING YOUR ACCOUNT

Yahoo! Search Marketing provides advertisers with a comprehensive account management system for multiple products. In this section, we lay out everything your account allows you to do, along with helpful hints to help you manage your account more effectively. This chapter can serve as your "quick reference guide," and we recommend following along with your account open on your screen.

By logging in to your account, you can:

- Manage your budgets
- Get reports
- Manage bids
- Track keyword performance
- Check editorial status
- Add listings
- Send email to Yahoo! Search Marketing's Client Advocates
- And more

ACCOUNT FEATURES

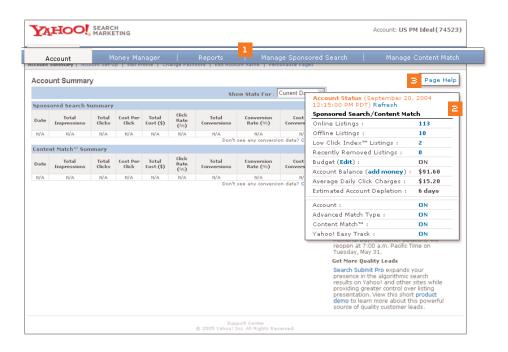
In This Section:

- Account summary
- Account set-up
- Edit profile
- · Change password
- Edit account name
- Personalize pages

Account Summary

Upon logging in, you first see a summary of your account activity. This information is updated at least every eight hours.

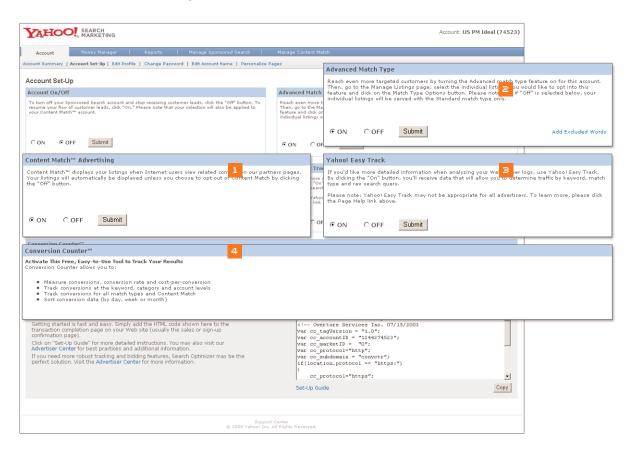
- 1 Use the tab structure to navigate within your account.
- 2 The Account Status box gives a high-level summary of listings, funds and opt-in status on products and features.
- 3 Page Help is available throughout your account.



Account Set-Up

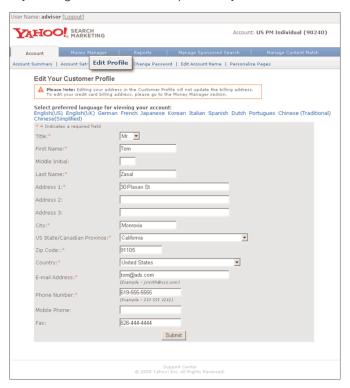
On this screen you can control the overall status of your account, *Content Match* $^{\text{\tiny{M}}}$, the *Advanced match type*, *Yahoo! Easy Track* $^{\text{\tiny{M}}}$ and *Conversion Counter*.

- 1 Content Match complements your Sponsored Search campaign by displaying your existing listings along with relevant articles, product reviews and more, providing an additional source of targeted leads.
- 2 The Advanced match type is a feature of the Sponsored Search product that provides users with listings that are relevant to their searches, even when the bidded keyword does not match word-for-word with the search query.
- 3 Yahoo! Easy Track is a feature you can take advantage of to help associate Yahoo! Search Marketing-generated leads with visitors to your site.
- 4 Conversion Counter is a free, easy-to-use tracking tool that measures the number of Yahoo! Search Marketing clicks that lead to conversions on your site.



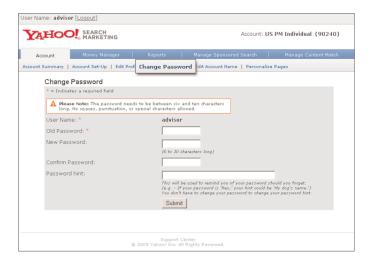
Edit Profile

Use this screen to edit your mailing address, email address, phone number, etc. Please note that if you update your billing address, you will also need to do so in the Money Manager section under Update Payment Methods.



Change Password

Here, you can update your password and password hint.



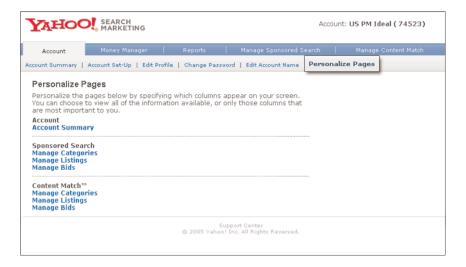
Edit Account Name

On this screen, you can change the name of your account. This can be a useful feature if you manage multiple accounts and need different names to distinguish them.



Personalize Pages

Customize your account view by selecting which columns you want to appear on your screens.



MONEY MANAGER

In This Section:

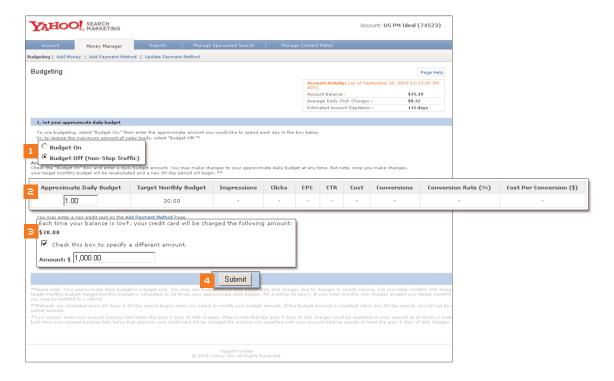
- Budgeting
- Add Payment Method
- Update Payment Method

Budgeting

Budgeting saves you time, helps you control your costs and keeps your flow of customer leads regular. You simply set an approximate daily budget for your click charges, and Budgeting adjusts the rotation of your listings so that, after 30 days, your total click charges end up close to your target monthly budget.

To set up budgeting, simply:

- 1 Select Budget On.
- 2 Determine your approximate Daily Budget Amount.
- 3 Use the default charge amount (approximate Daily Budget x 30) or enter a custom billing amount.
- 4 Click submit.

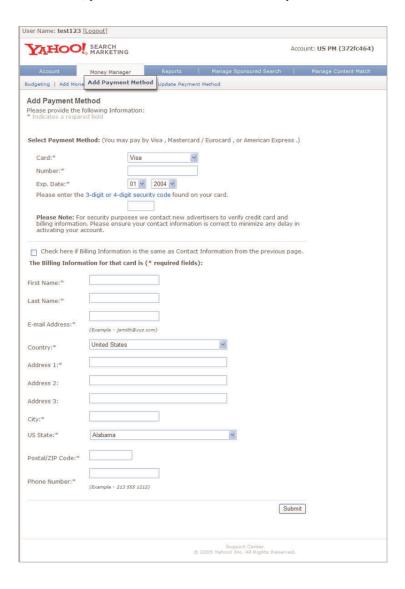


Tips for using budgeting

- Set your account to Budget Off (Non-Stop Traffic) if you are more interested in capturing every sales lead than in controlling your costs.
- Remember your budget when you make changes to your account. Whenever you add
 or remove keywords, change your bid amounts, or adjust anything that affects traffic
 volume, remember to adjust your budget accordingly.
- Avoid under-budgeting. When you consistently spend your full budget, you know that
 interested customers are clicking on your listings. However, you might be restricting the
 maximum flow of sales. In this case, increasing your budget helps you drive more
 traffic and connect with more customers.

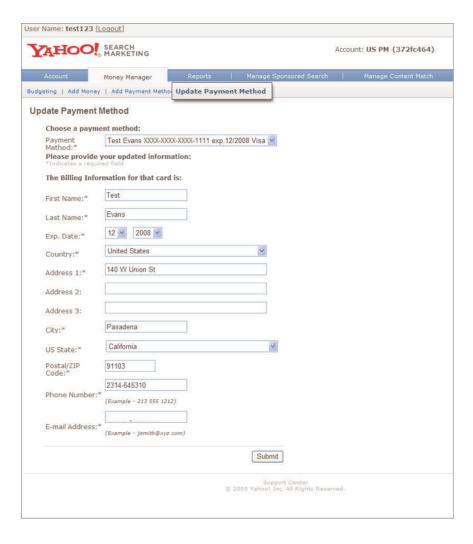
Add Payment Method

On this screen, you can add a new credit card to your account.



Update Payment Method

Here, you can select which payment method to use for your account, as well as your billing address.



REPORTS

You can access many reports in your account to help you understand how it is performing. Below is the complete list of reports available to you. Take special note of the first three reports, as these are the most helpful reports for beginners.

Account Summary: A look at your account click and cost totals, and your

cost-per-click summarized for all terms.

Keyword Summary: A look at the totals for each of your search terms by

average bid, average position, total clicks and total cost.

Keyword Activity Detail: Detailed information on a given search term by bid, position,

clicks, cost and URL.

Account Activity Detail: Detailed information for search terms within an account by

all bid amounts, positions, number of clicks, cost and URL.

URL Activity: Information on a given URL, including search term, bid,

position, clicks, cost and URL.

Intra-Day Account Activity Detail: Updated several times per day with the latest available

information for search terms by all bid amounts, positions,

number of clicks, cost and URL.

Category Summary: Information on your categories, including average bid,

average position, total clicks and total cost.

Monthly Financial Reports: Access your Invoices, Account Statements and Activity

Reports. Invoice clients may view past invoices in this section. Data is available for the previous six months.

Category Detail: Information on the search terms in each of your categories.

Billing Transaction Detail: Historical data of all billing transactions on your account.

Data is available for the current month, previous month,

and previous three, six, nine or twelve months.

Data is refreshed daily.

Match Type Activity Detail: Displays impressions, clicks and click-through rate for the

top 25 matches for each search term opted into the

Advanced match type.

Daily Budgeting Report: Keep track of daily spend against budget.

Manage Sponsored Search

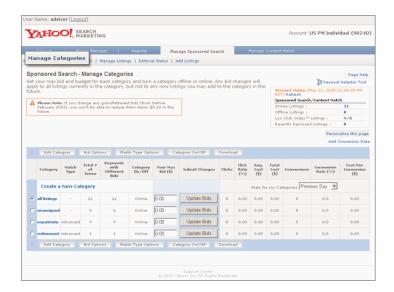
- Manage categories
- Manage bids
- Manage listings
- Editorial status
- Add listings

Manage Content Match™

- Manage categories
- Manage bids
- Manage listings

Sponsored Search: Manage Categories

Categories allow you to organize your listings into groups and manage at a category level. They are especially helpful if you have a large number of listings and want to bucket them into specific categories, e.g. "Easter," "discount," etc. You can see how the category listings are performing as a group and can turn them online or offline as a group.



Choose the category you would like to work on (by checking a box on the left) and select one of the following actions:

Rename Category: Rename the category for your listings.

Delete Category: Delete one or more categories. All listings within a deleted category

will be moved to "Unassigned."

Bid Options: Update your Max Bids and bid types across all of the selected

listings in the category.

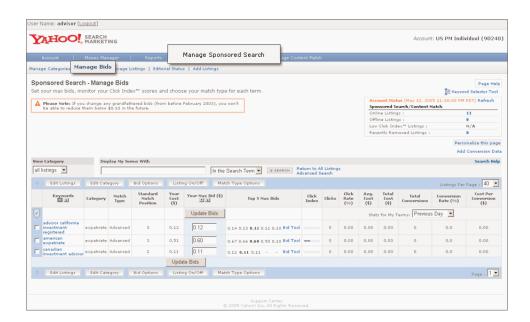
Match Type Options: Change your Match type options.

Category On/Off: Take your listings on or offline by category.

Download: Download your category.

Sponsored Search: Manage Bids

This is one of the main pages you will access in your account. Here, you can view and make changes to most of the pertinent information about your listings. The statistics are updated daily.



These buttons allow you to manage certain aspects of your listings, such as:

- Editing Listings
- Online/Offline
- Match Type Options

Advanced search allows you to filter which listings you want to view by different parameters. You can personalize the Manage Bids page, showing only those columns you're interested in.

The column labeled *Click Index*™ displays a score that reflects how well each of your listings is performing relative to your competitors, while taking into account your position. Your score is displayed as a meter number of up to five bars. The number of bars corresponds to your listing's click-through performance as follows:

Five bars: Well above average

Four bars: Above average

Three bars: Average

Two bars: Below average

One bar: Well below average

Click Index is a scoring system designed to help you understand how well your listings are performing. It works by evaluating your listing's click-through rate relative to your competitors, while taking into account your current position. If your listing significantly underperforms, it will be removed.

Five blue bars indicates that you are significantly out-performing your competitors. One red bar indicates that you are significantly under-performing your competitors and are at risk of being deleted. These listings represent great opportunities to increase your bid and reap the added benefits of improved positioning. If no bars are showing up, it only means that there is not enough data to make a judgment on that particular listing.

If your listing is removed, you may resubmit it if you make changes to your title and description that result in an improved click-through rate. For the vast majority of removed listings, the easiest solution is to re-write the title and description incorporating the keyword into both and making the creative more specific to what users are looking for when they search on that term. On occasion, in addition to changing the title and description, it may be worthwhile to lower your bid. This is especially true when you are bidding on a very general search term but only want to promote a very specific offering.

Sponsored Search: Manage Listings

On this screen, you can review and manage your approved, online listings.

1 Choose the listing you would like to work on (by checking a box on the left) and select one of the following actions:

Edit Listings: Modify, delete or copy selected listings.

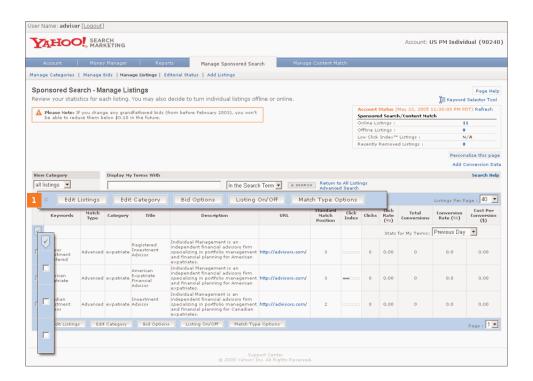
Change Category: Move selected listings to a new or existing category.

Bid Options: Update your Max Bids and bid types across all

of the selected listings in the category.

Listing On/Off: Take your listings on or offline.

Match Type Options: Change your Match type options.



Sponsored Search: Editorial Status

On this screen, you can review your Declined, Pending and Removed Listings. Your approved listings appear on the Manage Listings page.

1 The Declined Listings tab shows submitted listings that were declined during the Editorial Process. The Pending Listings tab shows listings that are currently undergoing the Editorial Process. The Removed Listings tab shows listings that were removed due to their low Click Index score.



Sponsored Search: Add Listings

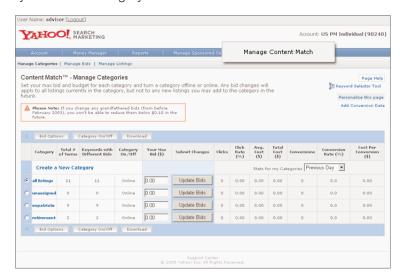
This is where you can add new search listings to your account.

- 1 Use the Keyword Selector Tool to find new terms relevant to your site.
- 2 Select a category or create a new one.
- 3 Add keywords to your account.



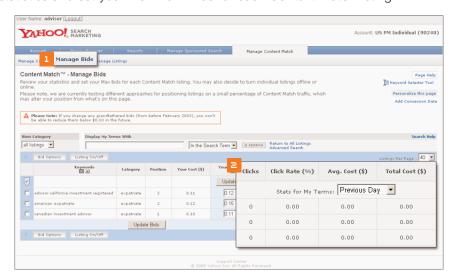
Content Match: Manage Categories

Categories allow you to organize your listings into groups and manage at a category level. Any changes will apply to all listings currently in the category, but not to any new listings you may add to the category in the future.



Content Match: Manage Bids

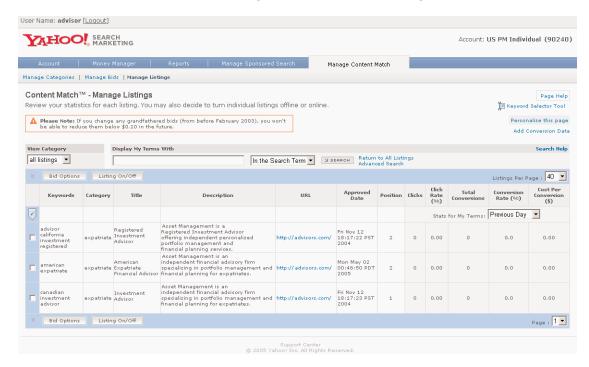
This is the first screen you will see in the Content Match section. Here, you can review your statistics and set your Maximum Bids for each Content Match listing.



- 1 Within Content Match, select which page you would like to view.
- 2 View statistics for your keywords.

Content Match: Manage Listings

On this screen, you can review and manage your Content Match listings.



SUPPORT CENTER

You can reach the Support Center by clicking the "Support Center" link at the bottom of every page in your account.

- 1 Support Request Form: Send a message directly to the Customer Solutions team.
- 2 Yahoo! Search Marketing Listing Guidelines: Review the listing guidelines for each international market.

Action Steps



Bookmark your account log-in page for easy access: http://secure.overture.com/login.do
Use the Keyword Selector Tool to generate more keywords: Click the Manage Sponsored Search tab and choose Add Listings.
Use categories to manage your listings.
Keep your budget in mind when you make changes to your account such as adding keywords and changing bids.
See how Yahoo! Search Marketing is increasing business: Turn on Yahoo! Easy Track and track your conversions using Conversion Counter.
Review results at least once a month to optimize your performance. For example, if you find that one set of keywords is outperforming another, increase your budget for those terms or increase your bid to get even more leads.

©2005 Yahoo! Inc. All rights reserved. Confidential and proprietary.

Yahoo! Search Marketing Advertiser Workbook

Chapter 7: Forming Your Marketing Strategy



FORMING YOUR MARKETING STRATEGY

Forming a marketing strategy will help you optimize your advertising efforts. To help you create your own marketing strategy, we've put together this best practice exercise, which consists of five key areas for how to think strategically about your marketing program. Many top companies practice these thought exercises to help them manage their marketing efficiently.

Start by reading through these five steps, then fill in the exercises on the following pages. When you're finished, you'll be well on your way to forming a marketing strategy for your business.

Five Steps to Forming a Marketing Strategy

1. Identify Your Target Audience

Once you've identified your audience, you can better target by selecting the keywords they would search on.

Example: XYZ Electronics' target audience is teens aged 13-19.

2. Define Your Business Objectives

What online marketing objectives are you trying to accomplish through Yahoo! Search Marketing?

Example: The marketing objective is to capture lead information and drive downloads of XYZ's company software.

3. Construct Your Value Proposition

Your value proposition is what makes people buy from you versus your competitors. Put into words what it is that your company has to offer that's different from the competition.

Example: XYZ Electronics sells hip, new, edgy technology that appeals to generation Y.

4. Decide How to Measure Your Campaign Success

Determine which calculations and results (*ROI*, cost-per-lead, *cost-per-acquisition*, etc.) best indicate the success of your campaign.

Example: XYZ Electronics measures cost-per-lead, number of downloads and cost-per-acquisition.

5. Plan Your Customer Experience

You can plan your customers' experience by creating user scenarios. These help you envision the target customer's key steps, which will allow you to anticipate and exceed expectations. Proceed to the User Scenario Exercise on the next page.

User Scenario Exercises

1.	
Customer's Key Step:	Complete search
Successful Outcome:	Notice your Yahoo! Search Marketing listing
Implications for the Advertiser:	Bid to top positions
Metrics:	Number of impressions
Exercise:	How many of your keywords appear at the top of the listings on sites like Yahoo! and MSN? Bid as many of your keywords as possible to the top of the listings.
2.	
Customer's Key Step:	Read title and description
Successful Outcome:	Click your Yahoo! Search Marketing listing
Implications for the Advertiser:	Write titles and descriptions that reflect the users' intent and capture their attention.
Metrics:	Click-Through Rate (CTR)
Exercise:	Choose one of your keywords and rewrite the title and description to be more effective. See chapter 2 for help.
3.	
Customer's Key Step:	Visit your site for the first time
Successful Outcome:	Add item to shopping cart
Implications for the Advertiser:	Select the <i>URL</i> that takes users directly to the page related to the search term. Ensure the content on your site reflects the title and description.
Metrics:	Page views
Exercise:	For the keyword you chose, what is the most specific URL on your site to send users to?

4.	
Customer's Key Step:	Browse for additional items
Successful Outcome:	Add item to shopping cart
Implications for the Advertiser:	Introduce related or complementary items. Make it easy to navigate to other items.
Metrics:	Page views
Exercise:	Brainstorm three ideas to encourage customers to browse for additional items.
5.	
Customer's Key Step:	Make purchase
Successful Outcome:	Complete purchase
Implications for the Advertiser:	Do not surprise your customer: no new charges or questions. Consider investing in usability testing. Emphasize security.
Metrics:	Conversion and profit
Exercise:	Brainstorm three ideas to improve your checkout process.
6.	
Customer's Key Step:	Give permission for additional follow-up
Successful Outcome:	Provide key information
Implications for the Advertiser:	Don't ask for too much information too soon. Ensure there are appropriate incentives.
Metrics:	Customer database
Exercise:	Brainstorm three ideas for leveraging customer information to promote additional sales.

7.	
Customer's Key Step:	Return to site
Successful Outcome:	Make additional purchase
Implications for the Advertiser:	Offer a broad selection of products. Make it easy for repeat buyers to use your site (store their shipping address, etc.)
Metrics:	Deferred sales and profit
Exercise:	Brainstorm three ideas for marketing to existing custor

Action Steps

- ☐ Complete a marketing plan that answers these questions:
 - What products do you offer?
 - What are your product capabilities?
 - Who is your target audience and what are their needs?
 - What is your value proposition?
 - What does the competitive landscape look like?
- $\ \square$ Based on the above factors, what is your marketing message?
- $\hfill\Box$ Create a pricing strategy based on your marketing plan.
- $\hfill \square$ Create a user scenario customized for your business objectives.

©2005 Yahoo! Inc. All rights reserved. Confidential and proprietary.

Yahoo! Search Marketing Advertiser Workbook

Appendix



TOP 10 EDITORIAL REJECTION REASONS (AND HOW TO AVOID THEM)

Our goal is to create a marketplace where users and clients benefit. Users win because they find what they're looking for quickly and easily. Advertisers win by getting a large volume of targeted traffic to their sites. Adhering to the listing guidelines is essential and directly benefits both advertisers and users.

Below are the 10 most common rejection reasons along with tips on how to avoid them.

1. Content

A web site must have substantial content that is clearly and obviously reflective of the keyword's meaning. There must be a strong, direct relationship between keywords and the content, purpose and theme of the site.

Approved	
Keyword:	attorney
URL:	http://www.t-tlaw.com
Reason:	Although there is no actual "attorney" verbiage on this page, the term is synonymous with "lawyer," which represents the purpose and theme of the site.
Rejected	
Keyword:	lemon law
URL:	http://www.t-tlaw.com
Reason:	Even though the site is about legal aid, there's no substantial content that clearly and obviously reflects information about this specific law on the site. Therefore, "lemon law" would not be allowed as a keyword.

Please note that Yahoo! Search Marketing does not accept listings containing or relating to certain products or services. Our Unacceptable Content Policy can be found at http://searchmarketing.yahoo.com/rc/srch/relevancy.php.

2. Obvious Path

The *URL* must take the user to a page that is obviously and immediately relevant to the specific keyword, where the user will be able to find the content quickly and easily. A diluted path is a source of frustration to users, who will often click away from the site if they cannot find the information quickly.

Approved

Keyword: Online Dating

URL: http://www.yahoo.com

Reason: It's obvious that the user should click on the link for "Personals."

Rejected

Keyword: Scam Support Group
URL: http://www.yahoo.com

Reason: Although users might think to click into the "Groups" area, they may not

know that they should then click on Cultures/Community, then Crime, then Crime Prevention. A better URL would be: http://dir.groups.yahoo.com/dir/Cultures Community/Crime/Crime Prevention?show groups=1

3. Title and Description Specificity

Titles and descriptions should provide an accurate reflection of what the user will find at the site, and should be at least as specific as the keyword.

Approved

Keyword: Find Love

Title: Find Singles in Your Area

Description: Looking for that special someone? Yahoo! Personals puts you in touch with

singles across the nation.

Reason: "Find Love" does not appear in the title or description, but synonymous

language suffices here.

Rejected

Keyword: Search Engine Marketing

Title: Big Discount on Yahoo! Search Marketing

Description: Check out Yahoo.com for sign-up deals, special offers and information.

Reason: It's not clear how the title and description relate to the keyword. It's fine to add

descriptive information to descriptions, so long as they are specific to the term. A better description would be: Market your products through Yahoo! Search Marketing. Check out our sign-up deals, special offers and SEM information.

4. Title and Description Superlatives

Titles and descriptions must be objective. We do not allow superlative language such as "best," "cheapest," "the leader," "can't be beat," etc. This policy keeps our listings from sounding too "salesy."

5. Trademark

Advertisers may bid on trademark terms if, in addition to meeting our regular guidelines, their sites meet at least one of the following three criteria:

- a. The site clearly sells (or facilitates the sale of) the product or service described by the branded term.
- b. The primary purpose of the site's landing page is to provide substantial information about the branded term, and the site does not sell or promote a competing product.
- c. The site offers detailed comparative information about the branded term in comparison to the product or service they offer, and ALL of the following are true:
 - The information spans multiple dimensions or features that clearly help users make an informed decision about the product or service described by the branded term.
 - The title includes the word "compare" and makes it clear to the user to which company the listing belongs. For example, "Compare Us to <Branded Term>".

In addition, the titles and descriptions for these listings must focus on the site content that qualifies the advertiser for the keyword, so that users have a clear understanding of what to expect if they click on the listing.

This policy allows us to honor legal trademarks, while ensuring that users will find the products and services they're looking for.

6. Broken Site

Yahoo! Search Marketing does not approve listings for sites that are not functional during the time of review. This is to preserve a good user experience and to protect advertisers from futile clicks.

7. Location/Specific

Yahoo! Search Marketing rejects general terms where the offering of the site is location-restricted and therefore not a good result for a broad audience of users. We don't want a California user in search of a hairdresser to have to sift through Florida hairdresser results. Likewise, we don't want to deliver poor *click-throughs* to advertisers. However, if a site sells services that a reasonable person searching on the term would expect to travel for, we will grant the term.

We do not apply our Location-Specific guideline to: Events, seminars, conventions, conferences, niche or exotic services, theme parks, surgery sites, or non-travel advertisers who offer boarding as a component of their service (addiction treatment centers, schools, etc.).

8. Web Site Ownership

Yahoo! Search Marketing will only send traffic to our advertisers' own web pages. Advertisers may not list a site that they do not control. However, Yahoo! Search Marketing does accept pages that are powered by, or are co-branded with, another entity. This rule is in place so that we may protect the verticals from over-saturation by one type of affiliate site. We don't want the top three results for "marketing" to be comprised of three affiliate marketers who have their URL redirect to the grantor site.

9. Adult Site: Unapproved Term

Yahoo! Search Marketing maintains an adult database comprised of approved adult terms. We do not allow non-adult terms for adult sites. This is to protect the integrity of the adult marketplace by only delivering users who want to see adult content, and to focus on user intent. For example, a user who types in "Paris Hilton" may be looking for a hotel in France, and not necessarily the celebrity.

10. Location Terms

Sites bidding on location names (e.g. "Las Vegas" or "France") should either share information about the location or advertise an event, attraction or accommodation there. The appearance of a place name on the web site, regardless of prominence, does not qualify that place name as a keyword. In addition, just because a business happens to be located in a particular place, the business' web site does not qualify for that place name as a keyword.

CLICK PROTECTION

Yahoo! Search Marketing's click protection systems are in operation 24 hours a day, monitoring each click and filtering out those that are questionable or clearly unqualified. To do this, we track search-and-click patterns across more than 50 data points—including *IP* address, users' session information and browser information, and pattern recognition—to help detect invalid clicks.

Sources of Traffic Spikes

Some advertisers automatically point the finger at a nefarious competitor or Yahoo! Search Marketing distribution partner as the source of increased clicks, and this can unfortunately occur. However, many times the real culprit is less sinister. For example, one cause we have identified is when Mac users, who are accustomed to double-clicking their single-button mouse to make a selection, repeat that action when clicking on search listings. In this circumstance, our system may interpret it as two distinct clicks. However, Yahoo! Search Marketing's Click Protection technology will flag and remove the second click before you are charged for it.

Some keyword markets have a lot of volatility in their quantity of clicks, sometimes leading to traffic spikes that might be interpreted as fraudulent activity. Imagine how many added clicks bidders for the term "Janet Jackson" received after the infamous Super Bowl incident. If you see an unexplained surge in traffic, it can often be related to a news story. Our Click-Through Protection team is trained to identify these click spikes and their possible legitimate sources.

An increase in traffic can also be explained by an upward movement in your listing position, either because you increased your bid, or another advertiser lowered its bid or dropped out completely. A change in creative content (title and description) by you or another advertiser can similarly create a surge in customer traffic.

One more important note: Yahoo! Search Marketing filters out all clicks that come from our IP addresses around the world. So if an editor or member of our Customer Solutions team clicks on your listing in servicing your account, you will not be charged.

What You Can Do

We acknowledge that no system, no matter how sophisticated, can detect every invalid click. While bid prices will ultimately reflect the true quality of the traffic, Yahoo! Search Marketing continues to spend substantial time and money to make sure that our technology leads the industry. To further our efforts, we also rely on, and encourage, our advertisers to bring possible invalid clicks to our attention.

Fortunately, the practices you are probably already taking as an involved, successful advertiser are the ones that will help identify possible invalid clicks. These include monitoring:

- Your web server logs, for source of clicks
- Your number of clicks
- Your click-through rate
- And the keywords that are most effective in garnering clicks and subsequent conversions

If you observe a dramatic change in one of the above areas and you suspect you have received invalid clicks, we invite you to contact our Customer Solutions team or your Yahoo! Search Marketing account representative. Please collect as much information as possible about the suspected activity and have it available for our Click Protection team. With your help, our advertiser security systems can continue to be improved, and the number of invalid clicks can be decreased even further.

Yahoo! Search Marketing Advertiser Workbook

Glossary



GLOSSARY

Advanced Match Type

The Advanced match type is a feature of Sponsored Search that provides users with listings that are relevant to their searches, even when the bidded keyword does not match word-forword with the search query.

Buying Cycle

A three-stage process by which a shopper 1) researches, 2) shops and 3) purchases. Customers exhibit various intentions and needs through their search terms during each stage of the cycle.

Click Index™

A scoring system designed to help you understand how well your listings are performing. It works by evaluating your listing's click-through rate relative to your competitors, while taking into account your current position. If your listing significantly underperforms, it will be removed, but you may resubmit it if you make changes to your title and description or bid that result in an improved click-through rate.

Click-Through

The action when a user clicks on your search listing and arrives at your web site.

Click-Through Rate (CTR)

The number of clicks of all of your listings in a category received divided by the number of impressions received.

Content Match™

Content Match complements your Sponsored Search campaign by displaying your existing listings along with relevant articles, product reviews and more, providing an additional source of targeted leads.

Conversion

A conversion is typically a sale, newsletter sign-up, product registration, price quote or other type of lead-generation activity.

Conversion Counter

A free, easy-to-use tracking tool that lets you see how your Yahoo! Search Marketing listings are performing by measuring the number of clicks that lead to conversions on your site.

Conversion Rate

The number of visits to your site that convert to a sale or action, divided by the number of visits to your site.

Cookie

A piece of information your web site places on a user's computer that identifies the user's computer during current and subsequent visits to your web site.

Cost Per Acquisition (CPA) | Cost Per Conversion

The cost of advertising divided by the number of conversions.

Excluded Words

Words that block certain matching combinations from occurring. For example, an advertiser bids on "used car" and sets this keyword to the Advanced match type with the excluded word "cheap." The advertiser would match to queries like "car that is used," "really used car," "used car Toyota," but would not match to "looking for cheap used car." Excluded words are limited to 45 word sets per listing and 45 on an account-wide basis.

Impressions

Refers to the number of times a web object is shown. For example, each time a Yahoo! Search Marketing listing is displayed on a page, it is considered one impression.

IP Address

An identifying number for a computer, often used to calculate how many visitors came to a site.

Keyword Selector Tool

A tool designed to help advertisers pick more related search terms to bid on, as well as to estimate how much traffic they will receive.

Listing Guidelines

Available online in the Resource Center at http://searchmarketing.yahoo.com/rc/srch/index.php, this document summarizes the relevancy standards and criteria Yahoo! Search Marketing uses to evaluate search listings.

Local Sponsored Search

Local Sponsored Search allows advertisers with physical locations or service areas to target customers who research online but prefer to purchase in person.

Marketing Console

Yahoo! Search Marketing's innovative performance marketing tool that measures the effectiveness of online marketing campaigns. One set of reports shows exactly how search advertising, email marketing, banner advertisements, paid inclusion and/or affiliate programs are performing.

Match Types

Yahoo! Search Marketing has two match types — Standard and Advanced — that give you the advantage of appearing on a wide range of relevant search terms while maintaining a manageable number of keywords. Your account automatically uses the Advanced match type unless you turn off this feature at the account or listing level.

Max Bid

The amount that an advertiser is willing to pay when a consumer clicks on their listing. The amount of the max bid determines the advertiser's ranking in the search results. With Yahoo! Search Marketing's auto bidding system, you pay only \$0.01 more than the max bid of your next highest competitor with out exceeding your own max bid.

Profit

The amount of money you earn from your sales. For example, if you sell 50 teacups at \$10 each, and they each cost \$7 to make, your profit would be \$3 per teacup or \$150 total.

Resource Center

An online source of information about advertising with Yahoo! Search Marketing, including tutorials, FAQs, market research, sponsored search strategies and more. Visit the Resource Center at http://searchmarketing.yahoo.com/rc/srch/index.php.

Return on Advertising Spend (ROAS)

How much revenue is generated per dollar spent on an advertising method.

Return on Investment (ROI)

How much profit is generated per dollar spent on a business, including product, service and advertising costs.

Search Optimizer

Yahoo! Search Marketing's enhanced bid optimization tool designed to help advertisers maximize the effectiveness of their advertising campaigns.

Search Submit

Search Submit gives you additional coverage on search results pages by providing inclusion into the Yahoo! Search Index, which powers standard search results (those appearing in the main body of the page) across the Web.

Sponsored Search

Sponsored Search delivers highly targeted customer leads to your business on a pay-perclick basis, by allowing you to control placement within search results across the Web.

Stacked Results

A ranking methodology for search results. Matches are divided into multiple bands. Standard match type listings appear in the first band. Advanced match type listings appear in the second band.

Standard Match Type

Matches the bidded search term to the search query when the match is exact, accounting for pluralization and common misspellings.

Tracking URL

A URL that includes an added tag designed to provide information on the source of traffic to a web site, the search query used, and the advertising product or match type that generated the listing.

For example: http://www.XYZelectronics.com/television?OVRAW=flatscreen%20sony%20 television&OVKEY=sony%20television&OVMTC=phrase

URL (Universal or Uniform Resource Locator)

The electronic address for an information source on the Internet, such as a web page. For example, the URL for Yahoo! Search Marketing is http://searchmarketing.yahoo.com.

Web Server Logs

A file that lists actions that have occurred on your web site. For example, web servers maintain log files listing every request made to the server. With log file analysis tools, it's possible to get a good idea of where visitors are coming from, how often they return, and how they navigate through a site. Using cookies enables webmasters to log even more detailed information about how individual users are accessing a site.

Yahoo! Easy Track

Yahoo! Easy Track provides expanded landing page URLs that are designed to give more detailed information to advertisers who analyze their web server logs. By clicking the "On" button, your existing URLs will be appended with information that will allow you to determine traffic by search term, match type and raw search query.

©2005 Yahoo! Inc. All rights reserved. Confidential and proprietary.

