



About AdGooroo

Based in Chicago, AdGooroo provides competitive intelligence to search engine marketers through its suite of products, including AdGooroo Express, SEM Insight and Trademark Insight. More than 1,000 companies rely on these keyword tracking tools and other unique products to provide them with quantifiable insights they can use to rise above the competition and build a long-term competitive advantage in search engine marketing.

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Search Engine Advertising Update - Q209

July 13, 2009 – The leading story in search the second quarter has been the release of Microsoft's new Search Decision Engine, Bing. With a launch backed by a \$100 million advertising budget, everyone wants to know if Bing is gaining acceptance among consumers and advertisers.

While the details may vary depending on which source you consult, it is clear that Internet users are taking to Bing. According to Alexa, Bing is now being visited by 3.35% of the global Internet audience, placing it well within the top 50 sites on the Web. And our internal metrics indicate Bing is receiving approximately 22,450,000 visits per month. This is an unheard of traffic velocity for a new Web site launch.

Advertisers, however, appear to be adopting Bing at a much slower pace. We measured a 5.46% increase in first-page advertisers in May (just ahead of release,) but a 3.31% *decrease* in June. For the year ending June 2009, Bing appears to have grown its advertiser base by about 35%. Respectable, but not as high as Google's 52% increase (Yahoo! grew only 14%.)

This may be better news than it sounds. Active pay-per-click advertiser counts have been holding steady at around 829,000 to 850,000 since January of this year (This stabilization is probably due more to the maturation of the industry than the economy, as paid search tends to be a highly profitable activity for most advertisers.) So it shows that at the very least, Bing is tempting many established pay-per-click advertisers to taste their service.

Of course, it may simply be that Microsoft is executing a two-stage strategy; the first stage being to grow their audience, and only after that, to focus on recruiting advertisers (which may be unnecessary anyway, as marketers tend to naturally follow the traffic.)

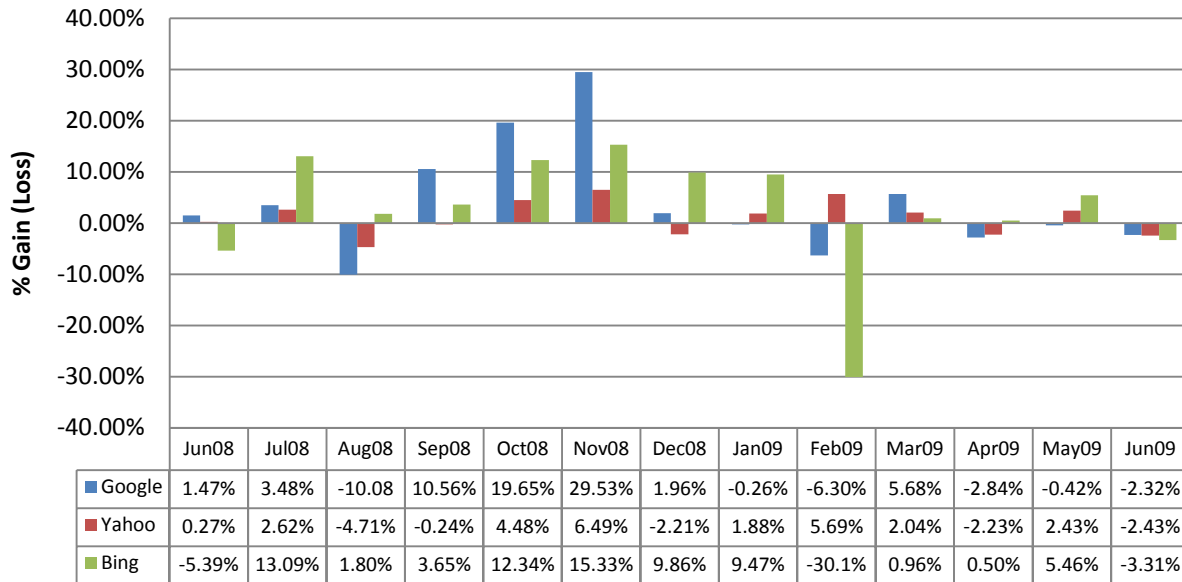
This seems to be supported by our ad coverage metric (see "Avg # Ads/Keyword chart below.) While both Google and Yahoo! are on average showing about the same number of ads per keyword as they were in Q1, Bing (formerly "Live Search") has reduced the

number of first page-ads by 24% (a reduction of 3.96 ads/page in March down to 3.01 in June.) A reduction in the number of ads strongly suggests an increase in ad relevance/quality. While this will go a long way toward improving the user experience, it's also a boon for paid search advertisers, who have far less competition to deal with.

Some of these early adopters who have already jumped on the opportunity include Dell, Sears, Hotels.com, Marriott, and Home Depot (see Top 25 Advertisers table at the end of this report for a full list.) They are taking advantage of Bing's superior shopping and travel products, which are drawing crowds of savvy surfers.

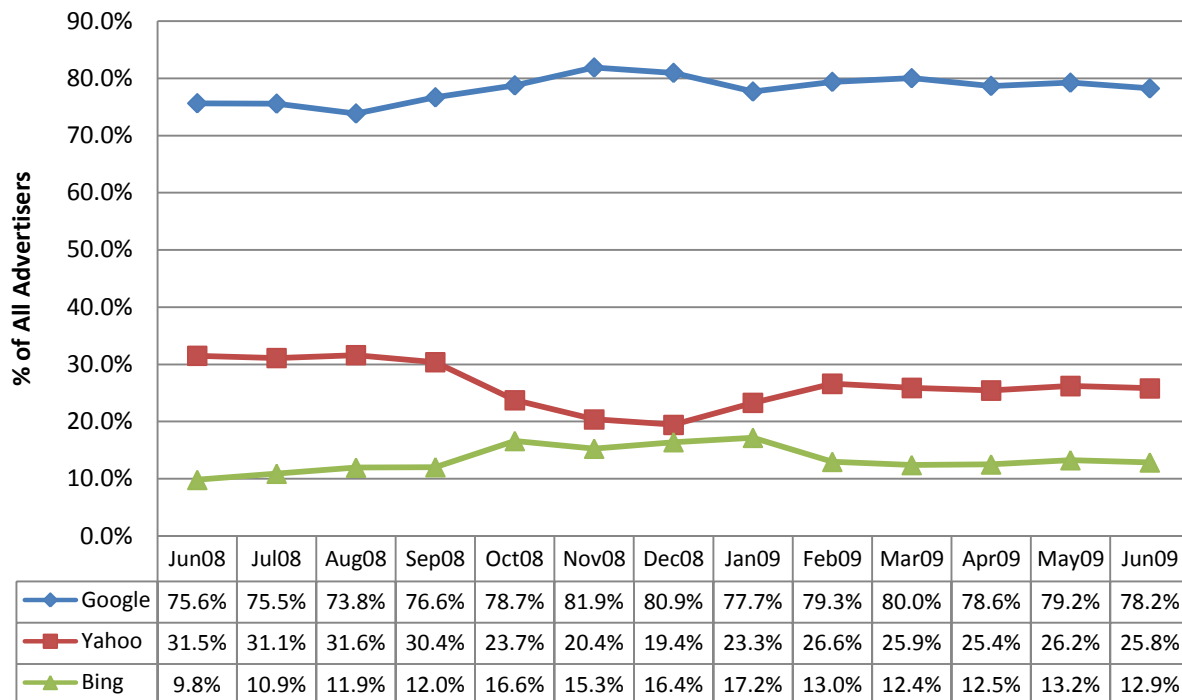
Only time will tell if Bing has legs. For now, it appears they've made a promising start.

Monthly Change in First Page Advertisers

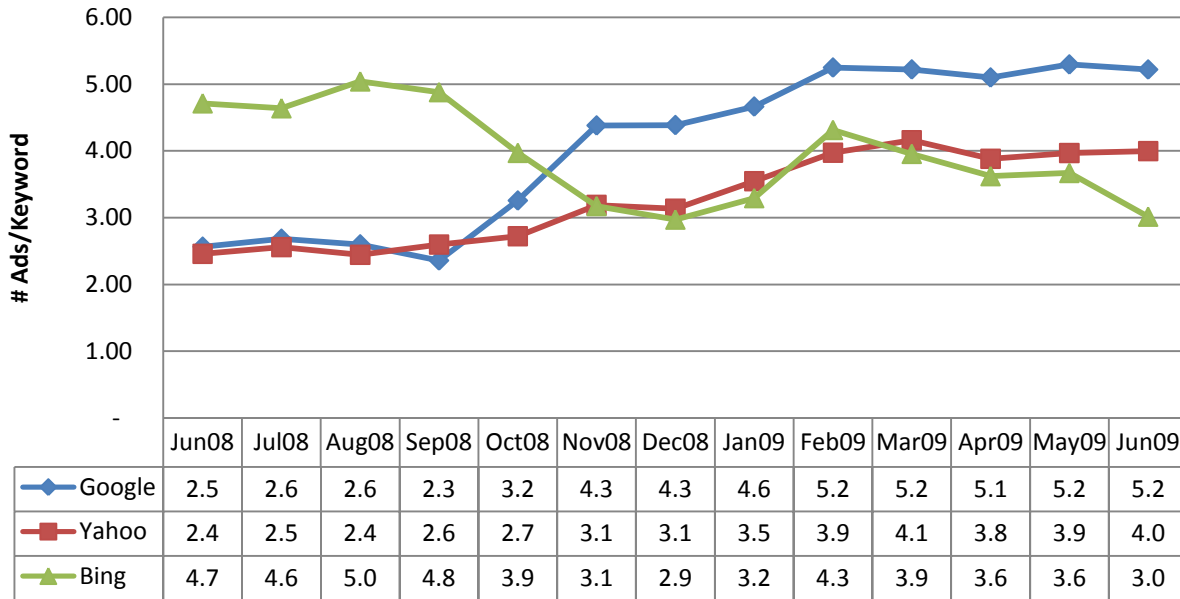


Share of Advertisers by Search Engine

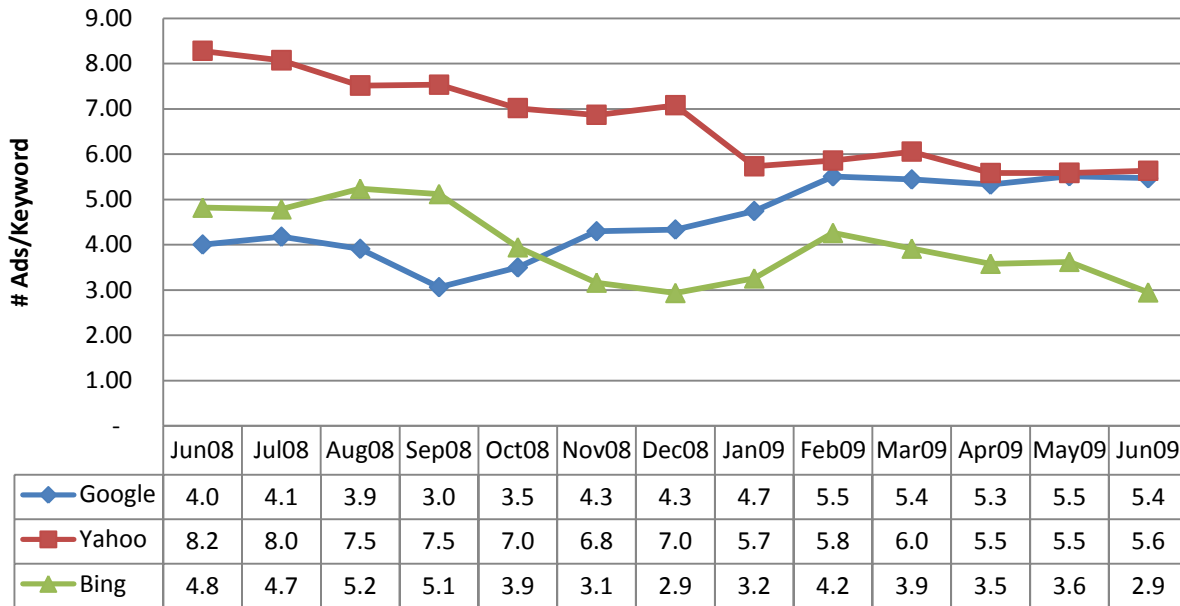
(US and International)



Avg # Ads/Keyword (US & International)

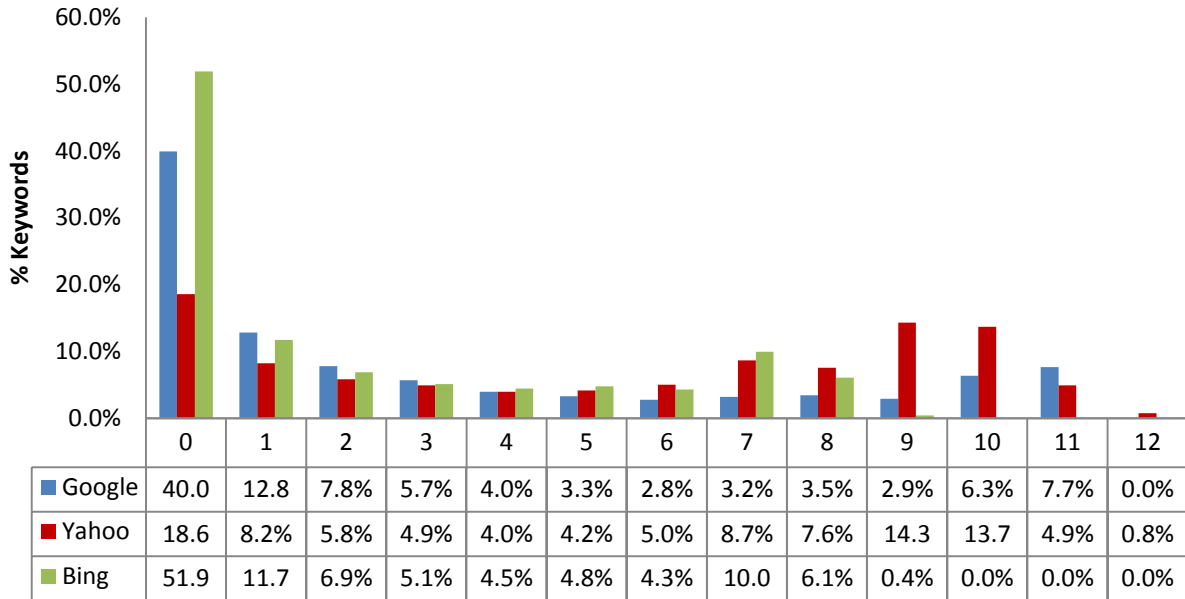


Avg # Ads/Keyword (US only)



Avg # Ads Displayed Per Impression

(All Engines US, Normalized by %)



Top 25 US Advertisers by Search Engine

Advertisers with highest number of estimated ad impressions

June 2009

Note on Methodology: The top 25 advertiser list is based on the total number of recorded first-page ad impressions during the stated time period and does not necessarily reflect total ad spend. Ad impressions are estimated via sampling over a 30-day period. Advertisers are listed in alphabetical order.

Google

amazon.com
aolhealth.com
ask.com
att.com
bing.com*
bizrate.com
business.com
dell.com
dexknows.com
eBay.com
expedia.com
info.com*
local.com
nextag.com
priceline.com
righthealth.com
sears.com*
shopping.aol.com*
shopping.com
shopping.yahoo.com
shopzilla.com
target.com
tripadvisor.com
yellowpages.aol.com*
zappos.com

Yahoo!

amazon.com
become.com
become.com*
best-price.com
bing.com*
bizrate.com
bizrate.com*
bottomdollar.com
business.com
cataloglink.com
eBay.com
best-price.com*
expedia.com
kayak.com
local.com
nextag.com
pricegrabber.com
pronto.com
purelocal.com
righthealth.com
shopping.yahoo.com
shopzilla.com
smarter.com
target.com
travelocity.com

Bing

amazon.com
att.com
Bing.com*
booking.com*
bookingbuddy.com
cheapoair.com
dell.com*
eBay.com
edmunds.com*
expedia.com
homedepot.com*
hotels.com*
jcpenny.com*
justclicklocal.com*
lowpriceshopper.com
marriott.com*
nextag.com
onypc.com*
pricegrabber.com*
priceline.com
righthealth.com*
sears.com*
smarter.com
target.com
travelocity.com

* New in top 25