

**Paid Inclusion versus Pay Per Click**  
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**What is a Pay Per Click search engine?**

Pay Per Click (PPC) search engine marketing refers to the way that the media is sold: by the click, not by impression or by action. There are several kinds of PPC search. Paid Placement is the most well known (also known as Pay for Ranking, Pay for Position, Auction Search or in Overture's case, "Pay-For-Performance™"). Paid Placement search engine marketing enables you to list your site at or near the top of the search engine results based on the amount you are willing to pay when a searcher clicks on your listing and connects to your site. You don't pay to list your site; you only pay for clicks or clickthrus. Your site appears based on search results generated from selected keywords that refer to your product or service. For each keyword you determine how much you are willing to spend on a per-click basis.

Overture, FindWhat, Sprinks and smaller engines are direct paid placement: The higher you bid, the higher your link will appear in the search results and (typically) the more clickthrus you'll get. Google AdWords is different. They allow user opinion on how relevant and well-targeted ads for each keyword are by counting the CTR (Click Through Rate) as a percentage and multiplying that by your CPC (Cost-Per-Click) to determine the rank of the results. All the major PPC search engines syndicate their results with other popular search engines and portals. The popular portals and search engines usually combine PPC listings with unpaid listings to ensure any given search produces sufficient paid and non-paid results. Typically, non-paid listings are provided by algorithmic search engines such as Inktomi, Google, FAST, AltaVisa or Teoma.

The basic disadvantage of the advertising on the PPC engines is the inability to control costs and the commitment necessary to manage the campaign. It's practically impossible to establish up front what the costs vs. returns are likely to be in a typical PPC campaign. Each keyword has a different CPC rate that changes all the time. In addition, each keyword listing has its own conversion rate or value to you. This conversion rate may change based on time or even by position. A level of ongoing testing and tweaking is necessary to compete effectively in this space. In addition, the more competitive the search term, the higher the bid price for a desired position is likely to be, and the quicker you are likely to "burn through" your account balance. The only way to be sure of maximized returns from a pay-per-click campaign is to spend time studying results and cross-comparing them against listing effectiveness, customer conversions and so on.... And using that data to monitor and adjust your bid levels in real time.

Considering the complexity and real-time nature of the PPC bidding process, we believe managing an effective PPC campaign is almost impossible to do manually. We recommend using an automated campaign management tool such as Did-it.com's Maestro service to handle the campaign. Maestro and other similar systems have the ability to react and adjust your campaign instant-by-instant.

## **What is Paid Inclusion?**

Paid inclusion has always been a tricky concept to explain, but understanding it is becoming important to web marketers, as recent changes have suddenly made paid inclusion commonplace in search engines. Paid inclusion occurs when a search engine guarantees to list pages (include them in their index) from a web site in exchange for a payment. These programs do not guarantee that the pages will rank well for particular queries, but simply that they will be included. Whether a page ranks well still depends on how the search engine's underlying relevancy algorithms "rates" your page. This is in contrast to paid placement programs that guarantee top listings if you're willing to pay the price to get them.

Of course, with paid inclusion there's no guarantee of traffic. You are essentially buying additional listings that you might not ordinarily receive. In doing so, you may have the opportunity of coming up more than average for various search terms, and this may result in some quality traffic for a reasonable expense.

Inktomi was one of the first search engines to offer paid inclusion. However, Altavista, Fast, AskJeeves and even the LookSmart directory have since joined the fray.

### **Paid inclusion comes in four basic flavors:**

Annual fee type directories—such as Yahoo!—charge around \$300 annually for commercial listings, which provides for express review and inclusion in organic listings. However, inclusion in the SE's database is not guaranteed. Another way for a company to use paid inclusion is to list their website in the CPC (cost per click) directories such as LookSmart, either directly or through a partner agency like Did-it.com. The advantages of using an agency include basic campaign optimization and the opportunity to use the agency's experience in maximizing return on investment (ROI) through the use of creative and keyword recommendations. The third type of inclusion uses the "per-URL" programs. For small sites, the major search engine databases charge an annual (or semiannual) fee per URL submission for inclusion. Following payment, the search engine spider visits that URL frequently (typically every 48 hours.) Inktomi, AltaVista, Teoma and FAST/Lycos all maintain "per-URL" programs.

The fourth and probably most powerful type of paid inclusion is "XML paid inclusion." However, it's not for every site. To qualify, a site must contain hundreds of unique pages and the inclusion charged solely on a "per click" basis. XML paid inclusion can be as effective as auction-style listings, and is particularly powerful for large database-driven sites. Examples of these types of sites include catalogers, e-commerce merchants, business-to-business manufacturers, distributors, travel, music and even auction. XML paid inclusion is available only through reseller partners like Did-it.com.

Nowadays, the typical searcher uses longer queries. Many contain three or more words. Overture recently released data indicating that 58% of searchers enter three word search queries or more. Paid inclusion, particularly XML paid inclusion, is very effective at matching longer queries to web pages because it provides more information about a specific page than you could provide to a PPC engine like Overture or Google.

## **Conclusion - Do Both**

In conclusion, a website SE marketing campaign should consider both paid inclusion and pay per click as important elements of its search strategy. Paid inclusion depends heavily on optimization in order to succeed. When properly implemented, paid inclusion results in solid, long-term search engine positions that attract high-quality traffic. And pay per click is an ideal tool to cover areas that cannot be targeted by paid inclusion.

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