

Publisher Model - Paid Search

According to the latest figures, e-consultancy estimates that paid search accounts for about 84% of search marketing spend in the UK (Search Engine Optimisation (SEO) Best Practice Guide 2007), and the IAB states that in 2006, paid search took a 58% share of digital advertising revenues (The Digital Media Mix report).

Key Industry Benefits

- **Incremental value:** Paid search specialists have the know-how and experience to complement existing PPC activities by focusing on niche keywords, removing costs and reducing time spent on managing and optimising keywords. PPC affiliates reinforce the advertiser's own search efforts by squeezing out competitor keyword bids.
- **Speed to market:** A paid search campaign can be up and running in a matter of hours.
- **Risk-free solution:** The business model for Paid Search is very consistent for the advertiser and the publisher. It is based purely on click through rate performance and delivery.
- **Experienced professional affiliates:** Traffic volume is critical for success. However, due to the nature of the business there are massive cash flow requirements for affiliates generating any significant level of traffic. Advertisers can be assured that any successful paid search affiliate has a healthy cash flow with proper financial backing.



"I've always enjoyed working with Commission Junction and have strong relationships with the team. They've always been really helpful and pro-active, even when I started out as a small client. As a network they have a massive selection of big name merchants which for me is the most important thing."

Neil Hutchinson, Managing Director

Publisher Spotlight – Traffic Broker

Operating for the last three years, Traffic Broker is a paid search publisher employing 40 people in the UK and 10 in Poland. They manage 25 million keywords on a daily basis.

- **Significant technology investment:**
Traffic Broker has built proprietary software over the last three years and currently has more than 10 full-time developers working on the system. They generate daily comprehensive reports that provide them with specialised market intelligence for building the best PPC campaign for their clients. They also invest £50,000 a year with Hitwise to provide them with statistical information that their clients can also benefit from when working with Traffic Broker.
- **Smart sales and marketing strategies:**
Traffic Broker creates an annual calendar that is developed on a vertical basis. Client campaigns can be targeted at the most optimal time of the year for their particular vertical. Due to their recent expansion overseas, Traffic Broker can also service clients with international requirements. They have found it particularly worthwhile in Spain where there are currently a smaller number of affiliates competing in the market.

New developments

Due to ongoing market challenges for paid search affiliates Traffic Broker is revising their business strategy and developing new options for advertisers in the future. This will be a combination of paid search expertise and content development. There are three levels depending on the advertisers' requirements;

- Tier 1** – Small micro site (comprised of 5-10 pages)
- Tier 2** – A complete vertical site (2 month development project)
- Tier 3** – Mobile phone comparison site (commission based model)
Event/Night Life site (social networking)

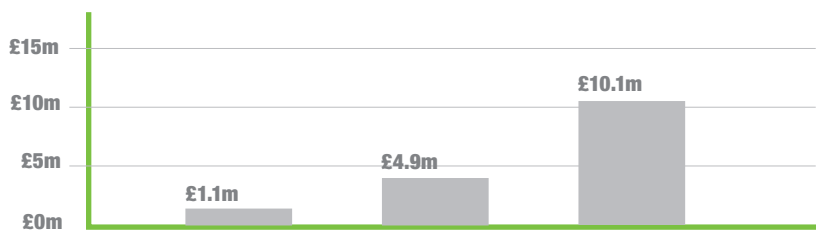
Best practice

Overall, the key requirement for any paid search affiliate is a detailed search policy, including any trademark restrictions and brand guidelines to avoid misunderstandings. More detailed information includes;

- Clear terms and conditions and a good period of notice with any potential changes. This avoids wasting time on campaigns before they are properly finalised.
- Frequently updated top-seller lists or any other useful product sales information.
- Areas of the market where advertiser may be more competitive ensuring the publisher can focus on their strengths.
- Product catalogues with detailed information.
- Enable deep linking because this increases conversion for advertisers and publishers.
- Communicate closely with affiliates so you both know what you can and can't do.

Results – Traffic Broker

Currently generates £200,000 in commissions a month with Commission Junction. Revenue growth over the last three years clearly demonstrates their success:



In September 2007, Traffic Broker were ranked number 16 in the Times **'Tech Track 100'** for 2007 (this includes the top 100 fastest growing privately owned UK technology, digital media and telecommunications companies).

Growth areas/challenges for the future

- Closed groups need to be effectively managed to produce the best results.
- Advertisers could consider more of an open policy on URL usage – affiliates have proven how they can produce better results due to their specialised skills and know-how.
- Increased competition can generate large volume of keyword bids and drive up costs.
- Publishers becoming more specialised and can create landing pages that maximise conversion rates.
- Better education about how paid search affiliates complement business.