

Hunter and Associates



SEARCH ENGINES - GOOGLE

[COMMENTARY] AOL announced May 1st that Google is now powering its searches. Sites built to perform well in Google should now experience a net gain in visibility in AOL. We used to say that Google was worth half the Web, and the other half was Inktomi. Inktomi was once the best search technology on the Web, and supplanted AltaVista as the leader some years back. When Yahoo! adopted Google as its search technology (it previously used Inktomi, and before that AltaVista), a website that was well indexed by Google could reach, as we said, half the Web for free, since listings in Google are free of charge.

To get the other half of the Web you had to pay money. Search engines over time have moved to a pay-for-listing, pay-for-clickthrough business model. Inktomi has no public portal, but powers the giants MSN, AOL, Netscape, all of which have been returning commercialized results for some time now. LookSmart became a pay venue, and GoTo (now Overture) developed a successful business model selling keywords to the highest bidder. For promotion, this often works well: we have gained excellent results from pay-per-click. For searchers, maybe not so good. AOL users are in for a pleasant surprise now as they actually begin to find the things they're looking for, rather than being served the high bidders.

With Google now worth about two-thirds of the Web for traffic, will it surrender to the commercialization model? Google is gaining fans and revenue from its "Adwords" program, the little ads you see to the right of the search returns. They have been very effective, and cheap, but surely soon the prices must get bid up and up. Maybe Google is different: it's a privately held company, intelligently managed, a quiet operation with multiple ambitions that burst into view with every new tweak and feature it comes up with. Google has quirks: sometimes it loses our websites out of its index while it experiments internally with new refinements, and this gives webmasters very upset stomachs. But overall, we think that Google is the website owner's greatest friend on the Web.

Newsletter

May/2002

Who's on The Web?

May 8, 2002

Internet traffic in the US doubled during 2001. US Internet traffic now stands at around 100 petabytes (100 million gigabytes) a month. This is more than twice the equivalent long distance voice traffic for the whole of the US. Dial-up access serves around 79 percent of US households currently.

-source: RHK

Building Relationships

May 10, 2002

User evaluations show that word of mouth drives more traffic than search engines or links. 98 percent of satisfied users send friends to websites, but only 1 percent of dissatisfied users would do so. The primary conclusion is that user satisfaction is key to a successful website over time.

And what do users want? The study finds that users nowadays are generally satisfied with navigation systems and user friendliness (two long-standing bugbears). But dissatisfaction still embraces these areas:

1. Content not updated frequently enough.
2. No way to personalize the site.
3. In-site search tools not good enough.
4. Download speed too slow.

-source: Taylor Nelson Sofres

HEALTHCARE

April 2002

Half the people who have used the Internet to get health and medical information say the information has improved the way they take care of themselves.

-source: *Pew Internet & American Life Project*.

May 2002

Around 110 million Americans go online to look for health care information. Some 80 percent of Internet users in the US use the Internet to check-up on health-related issues. Around 53 percent of Americans look for health care information using a portal or search engine, while 26 percent go directly to specific health sites, and 12 percent visit general sites that may have a section on health matters.

-source: *Harris Interactive*

April 2002

A nationwide survey shows 90 percent of respondents want to contact their doctor online, and over one third would pay for the opportunity. 81 percent of the online population would like to receive email reminders for preventive care, 83 percent would like follow-up emails after visits to doctors, 84 percent would like their doctors to be able to access and monitor their lab tests online. Physicians however have concerns about reimbursement, medical records privacy, and possible malpractice suits. Doctors themselves are very tech-literate, frequently emailing colleagues, and using PDAs to access drug databases, for example.

-source: *Harris Interactive*

EMAIL

April 2002

Two-thirds of companies surveyed by the Direct Marketing Association report that sales in 2001 increased as a result of using email marketing. 63 percent said email was their most effective tool.

-source: *dmNews*

May 2002

Over 60 percent of consumers prefer text based email marketing compared with around 35 percent who prefer HTML email marketing, and only 3 percent who prefer rich media email ads.

-source: *Opt-In News*, "2002 Email Marketing Factbook"

May 2002

Email marketing revenues will reach \$1.26 billion in 2002, up from \$948 million in 2001. Direct mail has reached its peak and will account for less than 50% of mail received by U.S. households by 2005, down from 65% in 2001. Responses to email accumulate in an average of three days, while direct mail requires an average response time of three to six weeks. Currently, email costs range from \$5 to \$7 per thousand while direct mail costs range from \$500 to \$700 per thousand.

-source: *GartnerG2*

ADVERTISING

April 2002

A new study mapping Internet advertising with consumer-purchase decision making demonstrates growth in brand awareness, message recall, and sales. For the first time, not only is branding demonstrated to increase from online ads, but, most importantly, actual sales.

-sources: *Information Resources, Inc., DoubleClick*