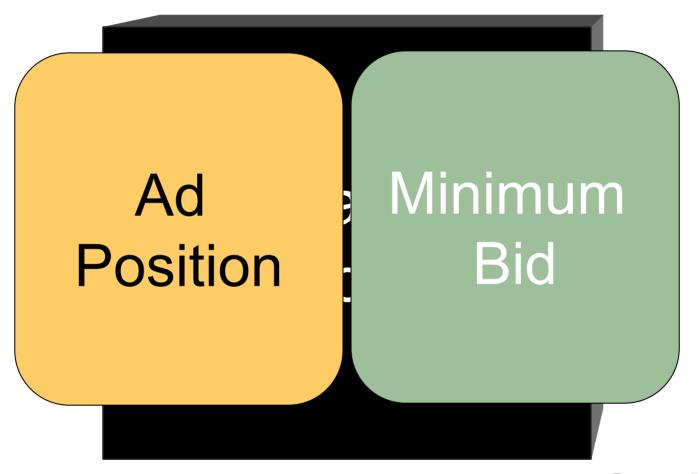


Life in a Quality Score World

Joel Lapp SVP, Account Management & Media



What is Quality Score?





Factors that Impact Quality Score

Relevance of keyword to the ad

Click Through Rate Relevance of keyword to the AdGroup

Ad Position

Minimum Bid

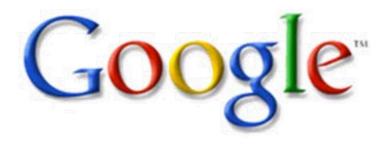
Account's Historical

Landing page
Quality

"Other" Relevance Factors



Who uses it?



Quality Score



Live Search



Quality Index



Auction Marketplace c. '00 - '02



"Supply Chain Management"



Supply Chain Management

Software

Logility is a provider of **supply chain management** software to...
www.logility.com

1) \$0.51

2) \$0.50

3) \$0.48

4) \$0.46

4) \$0.43

SPONSOR RESULTS

Supply Chain Management Software

Logility is a provider of supply chain management software to...

www.logility.com

Supply Chain Benchmarking

Success

Build best-in-class supply chain management & learn the keys to... www.prologisresearch.com

Vendor Managed Inventory

Datalliance, a comprehensive vmi-based e-commerce service to... www.datalliance.com

Microsoft Dynamics for Supply Chain

Streamline **supply chain** processes and reduce costs. Learn more. www.microsoft.com

Logistics Supply Chain Management

Earn a transportation & logistics degree, 100% online, Free... www.amu.apus.edu



Auction Marketplace c. 2002

Google Ad Rank =

CPC X CTR

- More relevant copy
- Reduced auction impact



Why did Google change the auction?

Control over #1 position

Minimized less relevant ads

Maximized revenue



Auction Marketplace c. 2005

Google
Ad Rank =

```
$$ CPC $$
% CTR %
LANDING PG
AD COPY
```



Why did it change again?

CTR ≠ relevance

Irrelevant landing pages

 Engines wanted more control over market/profit



Illustration



Search

Advanced Search Preferences

3/10/08

Sponsored Links

Personalize your Google homepage

with news, weather, email and more

Personalize Google

www.google.com/ig

Web Books News

Results 1 - 10 of about 2,120,000,000 for Google. (0.07 seconds)

Google

Enables users to search the Web, Usenet, and images. Features include PageRank, caching and translation of results, and an option to find similar pages. Stock quote for GOOG www.google.com/ - 7k - Cached - Similar pages - Note this

iGooale

www.google.com/ig - Similar pages - Note this More results from www.google.com »

Google Video

Search and browse all kinds of videos, hosted on sites all over the web, including Google, YouTube, MySpace, MetaCafe, GoFish, Vimeo, Biku, and Yahoo Video. video. google.com/ - 128k - Cached - Similar pages - Note this

Google Maps

Provides directions, interactive maps, and satellite/aerial imagery of the United States. Can also search by keyword such as type of business. maps. google.com/ - 59k - Cached - Similar pages - Note this

Google.org

The philanthropic arm of the company. Lists its activities. www.google.org/ - 7k - Cached - Similar pages - Note this

Google Groups

Searchable archive of more than 700 million Usenet postings from a period of more than 20

groups.google.com/ - 24k - Cached - Similar pages - Note this

Google News

Aggregated headlines and a search engine of many of the world's news sources. news.google.com/ - 166k - Cached - Similar pages - Note this

Google Image Search

Case Study: FeedCast

Dynamically extract RSS content from news pages, build advertising assets and distribute finished campaigns them to the search engines via APIs



RSS RSS

2006 Hurricanes

US coast braced for another battering FinancialTimes.com

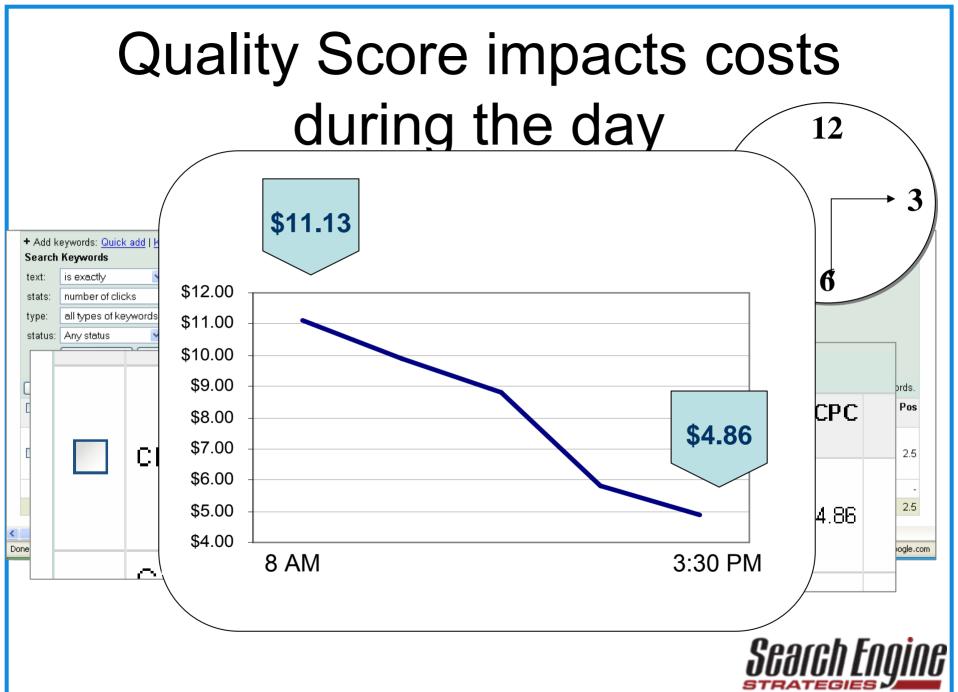
API

API









Quality Score Attempts to Align Goals

Better User Experience

More Qualified Leads

More Revenue for the Engines



Unintended Impact

Artificial CPC Inflation

Engines define "quality"

Quality = Traffic?



Is Relevance Really Rewarded?

NASCAR TrackPass

Get Live Race Coverage Of Your Favorite Driver. 14 Day Free Trial! NASCAR.com

\$3.17 CPC

0.21% CTR

70% Conversion Rate

Play Fantasy Baseball

Create or Join a Totally Free, Full Featured Fantasy Baseball League. ESPN.com

\$6.41 CPC

0.32% CTR

24% Conversion Rate

NASCAR Official Site

All Of Your Racing Needs Straight From The Source. Visit NASCAR.com NASCAR.com

\$0.45 CPC

4.77% CTR

12% Conversion Rate

ESPN Official Site

Find Stats, Scores & News About Your Favorite Baseball Superstars. ESPN.com

\$0.45 CPC

3.89% CTR

4% Conversion Rate

Changes to search marketer's role

Puts the "M" back in SE///



Death of Bid Management?

No, not really.

Keywords Engines Creative Bid Mgmt Reporting Analysis

Advertisers must focus on end-to-end campaign



Thank You

joel@reprisemedia.com

212.444.7560

