

# Google Adwords Compared to Yahoo Sponsored Search

## Competition For Market Share

Google Adwords continues to dominate Pay Per Click advertising with approximately two-thirds of the market while Yahoo retains a 22% market share. However, these percentages don't reflect the overall market reach and popularity of the two major search engines which is much more comparable. Yahoo continues to have a huge and very loyal audience with the highest average minutes per user.

Yahoo inherited the search marketing business when it acquired Overture. Yahoo lost market share to Google by maintaining Overture's original simplistic algorithm which ranked ads strictly according to the amount bid. Google uses a more sophisticated system which also incorporates the Click Through Rate (CTR) and Quality Score. Yahoo also used cumbersome and time consuming editorial guidelines which eroded its competitive position. In October, 2006 Yahoo launched its new Panama platform in an attempt to gain market share. This new release incorporates the Quality Score concept and other enhancements which make Yahoo more similar to Google.

## Differences Between Google and Yahoo

Despite the new similarities, there remain important differences between the two major PPC advertising programs. The Google AdSense program has created an extensive "content" network where Adwords advertisers can elect to place their ads on related websites in addition to search engine listings.

You can rely on Google's algorithms to pick the websites where you advertise, or you can select them yourself. You can also place image ads on Google's content network. Yahoo's network of content sites is less extensive, you can't pick the sites where your ads are placed, and you can't use image ads.

Another difference is geographic targeting. Google offers more extensive and precise options for global targeting. Google enables local businesses to target a market area by specifying a radius from a business location or by mapping out irregular areas by latitude and longitude.

Yahoo's targeting isn't as precise. You can choose between a 100 mile radius from a business address or predefined metropolitan areas.

## Selecting the Best Option

Some products and services perform better on Google Adwords and others do better on Yahoo due to the different audiences served by each search engine. Business to business and technical products tend to do better on Google. Relationship products like real estate or insurance often do better on Yahoo.

If your marketplace is global, or you need more precise regional targeting, Google is the best choice. If you are offering a new product and need to reach and educate a defined market, Google's content network may be the best option.

If you are looking for low cost quality clicks to stretch your advertising budget, Yahoo may be a better choice. In spite of its smaller PPC market share, Yahoo often generates more impressions and clicks at lower cost.

The best way to determine which program is best for you is to experiment with both. A good strategy is to launch your campaigns with Google Adwords and then replicate them on Yahoo to test and expand your market.