Title:
The Dot Com Era is Back

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Summary:
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Article Body:
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An article written by Thomas Mucha from Business 2.0 says:

People are spending more time online than watching TV, which gives marketers a better chance to reach consumers in a place where they are just one click away from making a purchase. "More than 75 percent of companies using the Internet to advertise report confidence in their return on investment," writes the study's lead author, Jupiter Research senior analyst Gary Stein. This confidence, Stein argues, will sustain spending momentum across all the key online ad areas: paid search, display ads, classified ads, and rich media.

Interesting to note that two studies are similar. Although The Ipsos Reid study of Canada claims radio is losing more interest than TV in Canada, it may soon lose to the Internet as well.

Mr. Mucha claims 40 percent of total spending by 2010 will be paid advertisements on Google, Yahoo and MSN to an estimate of $19 billion per year. Not much wonder why the search engines are trying to dominate each other and the marketplace. The one that becomes the most popular will also make the most money.

What will become of the little guy? Will it put an end to buying keywords for ad placement on search engines? Will the small business owner get shoved out of the picture? Maybe not altogether... but let's face it. If GM decides they want to use the keywords you are using, can you afford to compete? The search engines will be laughing "all the way to the bank" and the cost per clicks will just keeping going up... (he-he) similar to the price of gasoline at the pumps these days.

Even though the cost of clicks may get pricey, the major search engines will always have to index relevant websites and include these results and return them on any keyword search. Professional sites (versus linkfarm, affiliate, spam sites) will always be in favour, and the sooner business can get their company sites built, if they haven't already; the better. Google seems to be the top search engine right now, and new sites often get sandboxed. If they hold on to their dominant position, new websites want to make sure this doesn't happen to them.

I've always felt that there was something Google was doing that gave some sites more relevance than others in its index, but wasn't sure how it was applied. At the Search Engine Strategies conference last week in San Jose, California, Rand Fishkin learned that Google places some new Web sites, "regardless of their merit, or lack thereof, in a sort of probationary category" for six months to a year to "allow time to determine how users react to a new site, who links to it, etc."

On a final piece of advice he suggests:

"Several people have also predicted that Yahoo! or MSN may take up similar techniques to help stop spam. This phenomenon could seriously undermine new SEO/Ms and new campaigns, but it is a possibility. My recommendation is not to discount this possibility and launch projects or at least holding sites and their promotional efforts ASAP. The web environment right now is still relatively friendly to new sites, but will certainly become more competitive and unforgiving with time, no matter what search engine filters exist."

Although it is starting to sound a little like the "Dot Com era is back" it will be a little different this time around. In 2000 when it went bust, it is partly because the percentage of consumers purchasing online didn't justify the amount of spending. There was a lack of confidence. It is different now. Jupiter's study shows that "73 percent of Americans who use the Internet have made a purchase online and four out of five of these potential shoppers have responded to an online ad."