

Strong Q1 for Search Marketing Amid Signs of Weakness Ahead

SearchIgnite issues Q1 report evaluating state of search landscape and performance of the top engines

ATLANTA, GA – April 15, 2008– Search marketing spend showed strong increases in the first quarter of 2008, but spending growth slowed in March, which raises some concerns heading into Q2. The findings come from a new quarterly study released today from SearchIgnite, a leading provider of search and auction based media optimization technology managing more than \$300 million in paid search annually.

Spend from marketers who have utilized paid search for more than one year (“Same Advertiser Spend”) was up year-over-year in Q1 across all engines by 28.5%. However, when taking a closer look at the month-over-month (“MoM”) performance within the quarter, Same Advertiser Spend growth across all engines began to decline from 47.6% in January to 33.5% in February and to 19.1% in March. The report revealed other notable findings on the state of the search landscape:

- Despite retailers’ increase in YoY spend in January and February, March showed a dramatic slowdown, with retail search growth lagging behind spend growth from non-retail marketers. The slowdown in spend growth coincided with a decline in conversion rates and Average Order Value (“AOV”) for retailers in the first quarter.
- Yahoo gained significant market share in Q1 as measured by search spend, primarily at the expense of Google. Yahoo’s share of spend grew to 24.2% in March from 19.6% at the end of Q4, while Google’s share declined to 70.4% down from 74.5%. Meanwhile, MSN’s share of search spend fell to 5.4% from 5.9% quarter over quarter.

This report tracked more than 22 billion impressions and 391 million clicks on Yahoo, Google, and MSN from January 1, 2006 through March 31, 2008 across more than 500 marketers, all of whom are clients of SearchIgnite directly or via its sister company [360i](#).

“It was a stronger than expected Q1 for search marketing as advertisers continue to invest more money in the medium,” said Roger Barnette, President of SearchIgnite. “While search budgets have been relatively insulated from marketing budget cuts, some of the incremental dollars have been taken off the table.”

This report is the latest in a series of quarterly reports released by SearchIgnite that tracks results across the engines. Previous reports include “Market Share Trends within the Engines and Their Impact on Brand Marketers” and “Yahoo Panama: Early Returns,” copies of which can be found at:

http://www.searchignite.com/about_research.aspx.

About SearchIgnite

SearchIgnite is a powerful search management and auction based optimization technology that simplifies large cross-engine search campaigns, providing marketers and advertising agencies with one central platform for managing, optimizing and tracking complex keyword portfolios in real time. Marketers who use SearchIgnite have full transparency and control over their campaigns with flexible bid management capabilities including manual bidding, rules-based bidding and portfolio optimization. Leading marketers and agencies depend on SearchIgnite to simplify and maximize the performance of their paid search campaigns. SearchIgnite is part of [Innovation Interactive](#), a digital marketing services company. For more information, please visit <http://www.searchignite.com/>.