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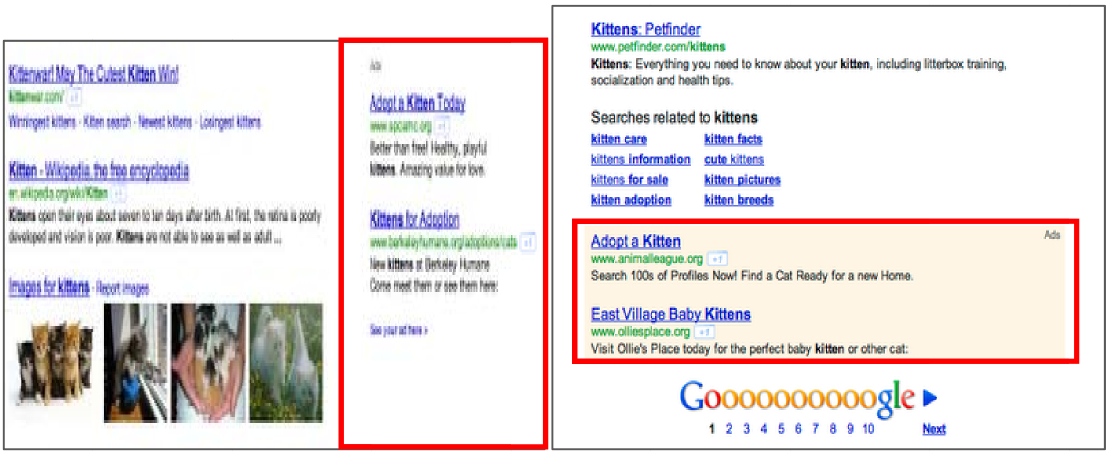
Bad result for brands as Google moves ads to bottom of results page?

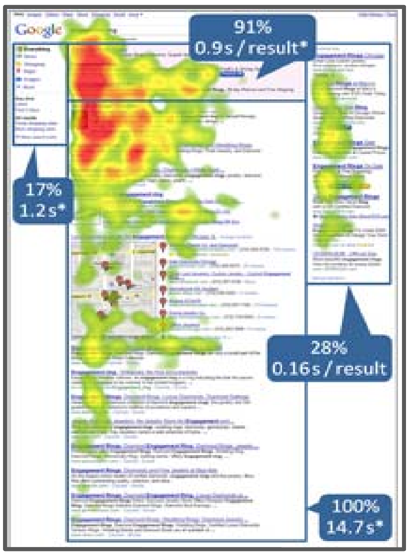
On November 2, Google announced that in many cases of search results, they will begin to eliminate the usage of right-side rail sponsored listings in favor of bottom of page paid listings. The shift in ad placements to the bottom of the page raises concern about the impact it will have on the cost efficiency of paid search campaigns for brands.



This move, per Google's [official blog post](), addresses an on-going commitment from the company to improve the user experience. Google has decided that fewer ads and different orientation on the page will enhance the consumer experience. In reviewing eye-tracking studies previously conducted on a search engine results page, it is not hard to see why Google might believe this.

Eye-tracking studies, such as this one (Fig. 1) from [User Centric](), show that the majority of user attention is on the top paid/sponsored listings and the organic listings. With this information in mind, it is hard to argue with an ad placement strategy that focuses on users and provides them with an alternative beyond clicking the "next" button at the bottom of the page.

Unfortunately, the decision has two negative repercussions for brands that will likely lead to a more expensive marketplace: scarcity of inventory and irrational brand positioning.



(Fig. 1; Source: User Centric, 2011)

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1. **Inventory scarcity:** Today, the marketplace allows for 3 listings at the top of the page and up to 7 listings on the right rail. Based on the examples provided by Google, the ad placement shift to the bottom diminishes those listings and creates scarcity in the marketplace by removing between 2 to 4 listings from the first page of results. As a result, brands face the same competition for fewer locations in the new format, which is certain to cause cost increases.

2. **Irrational brand positioning:** The change in ad placement brings emotion into the buying marketplace for many advertisers who insist on top of page listings. There are many businesses that work under a “must be at the top of page one” strategy. Their rationale, again using the same eye-tracking charts shown above, is centered on wanting to be where consumers are looking – and that’s at the top of the page. These brands are often willing to ignore sound business decisions based on the value of position for the emotional gratification of top placement. This type of buyer is dangerous to begin with, but now that being on the top of the page on the right is no longer an alternative, they become borderline reckless to other buyers, and again – lead to cost increases.

There is little doubt that Google has made a decision for the interest of users based on historical data measured against controlled tests of new layout. That said, while its impact on volume will be seen in upcoming months, there is little doubt that these changes have the potential to have a substantial, negative impact for advertisers and the efficiency of their campaigns.

For advertisers to be successful on Google moving forward, they must continue to diversify their approach between paid listings and organic listings. Additionally, they must also be resolute in their bidding strategy and eliminate emotion, especially irrational emotion, when making decisions. Every keyword has a precise price point at which it moves from being profitable to unprofitable. Brands that understand this can make sound business decisions and leave the emotion to advertisers who are destined to price themselves out of the auction over time.

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