

Wisdom for the Web

Search-engine advertising is crucial these days.

By KEVIN J. DELANEY *July 10, 2006*

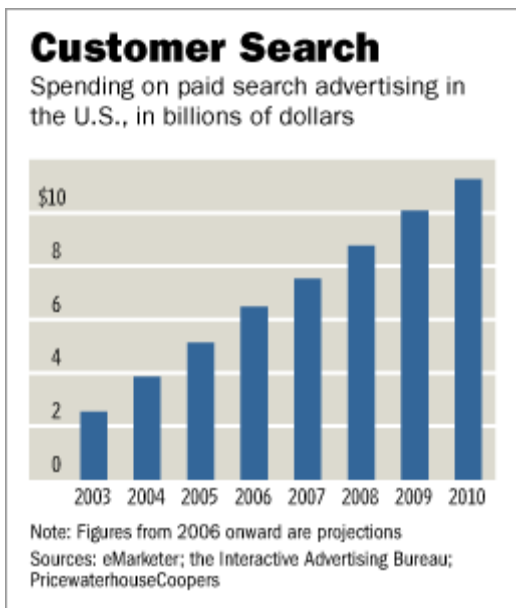
Businesses of all sizes have found that advertising on Web search engines provides a powerful boost to their sales... more ...than traditional marketing outlets like the Yellow Pages.

Mark Williams has spent nearly all of his marketing dollars advertising on Web search engines including Google Inc. and Yahoo Inc. since starting ShavingCream two and a half years ago.

Mr. Williams credits search ads, one of the fastest-growing forms of advertising in the U.S., with helping build his online retail business to a projected \$200,000 in revenue this year. "It has fostered super-healthy growth," says Mr. Williams, 49 years old.

Search advertising exceeded \$5.1 billion in the U.S. last year and represented the largest category of Internet ads, according to the Interactive Advertising Bureau trade group and consulting firm PricewaterhouseCoopers. Big blue-chip companies such as **General Motors Corp.** continue to increase their spending on search ads, while smaller

organizations such as Wentworth Military Academy and Junior College in Lexington, Mo., have also come to see search engines as a key way to reach consumers.



Many businesses say they're very satisfied with the results they get from search ads. Wyndham Hotels & Resorts, a unit of New York-based **Cendant Corp.**, calculates that it generates \$14 in revenue for every \$1 it spends on search advertising. Encouraged by such returns, the hotel company has increased its search ad spending by 500% since 2001. Roughly two-thirds of its online ad budget, and close to 15% of its overall marketing budget, goes to search ads pegged to keywords. "Search marketing is a basic foundation -- you have to have it," says Kevin Rupert, vice president

of marketing and strategy at Wyndham..