

UK SEARCH ENGINE MARKETING SPEND UP 11% YEAR ON YEAR ACCORDING TO EFFICIENT FRONTIER Q4 08 REPORT

- **Search spend up 14% in Q4 as online shopping increases**
- **Google gains 5.6% overall market share - Yahoo's market share shrinks**

London, 22nd January 2009 - Efficient Frontier, the UK and worldwide leader in providing Search Engine Marketing technology and services to leading advertisers and agencies, has today released the UK Search Engine Performance Report: Q4 2008. The report, the largest independent research in the search marketing industry, was based on an analysis of over 4 billion impressions and 58 million clicks across an index of Efficient Frontier UK customers.

The results of the research highlight that UK Search Engine Marketing spend grew by 11% from Q4 2007 to Q4 2008, as marketers continue to invest a significant proportion of their budgets in Search as a means of maximising return on investment from their marketing spend.

Significantly, the report also found that Search spend increased by 14% between Q3 and Q4 2008. This reflects the trend for both consumers and marketers to increase online activity during the busy Christmas trading period

The report showed that Google grew its overall UK market share from 82.6% to 88.2%, largely as a result of its Google Content network which grew by 300% Year on Year (Y/Y) to garner a 6.4% market share. The increase in market share by Google was in part at Yahoo's expense, whose market share dropped from 13.9% to 8.4% Y/Y, which represents a 40% drop. Microsoft Live Search was able to maintain its presence in the UK market at 3.4% market share.

James Beriker, President and CEO of Efficient Frontier, says, "These findings demonstrate that Search Engine Marketing remains the most accountable sales and client acquisition channel on or offline. To continue to achieve stellar results, the current recession has made it even more critical for search marketers to know their metrics and manage campaigns based on actionable market, sales funnel and conversion data. The reason we work with the most sophisticated search marketers in 20 markets worldwide, and manage more spend than any other firm, is that we use maths to automate the process of accurately modelling data and making the right overall



strategy and keyword bidding decisions to deliver optimal performance, irrespective of the market dynamics."

Beriker continues, "The increased level of Search spend during Q4 can be in large part attributed to the strength of the online retail channel in price comparison and shopping efficiency, particularly for more established online brands who increased spend to reach revenue goals. The retail landscape has changed dramatically in recent times as consumers increasingly turn to online shopping and Search marketers are now recognising this trend."

For a full copy of the UK *Search Engine Performance Report: Q4, 2008* please contact Sally Morgan/Kieran Kent at *itpr* on 01932 578800 or email sallym@itpr.co.uk or kierank@itpr.co.uk

Research Methodology

Analysis for the Efficient Frontier report was based on data from a fixed sample of the overall Efficient Frontier UK customer base from Q4 2007 through Q4 2008, and covers over 4 billion impressions and 58 million clicks across an index of Efficient Frontier UK customers. The report includes data from advertisers in the financial services, travel, retail, and telecommunications verticals.

About Efficient Frontier

Efficient Frontier is the worldwide market and technology leader in providing search engine marketing (SEM) solutions for large advertisers and agencies. Founded in 2002, Efficient Frontier pioneered the application of modern portfolio theory to SEM and today combines its core predictive modeling algorithms and bidding technology with comprehensive strategic and tactical value-added services to manage more than \$750 million in annual search spend globally. The largest and most sophisticated advertisers and agencies partner with Efficient Frontier to achieve and sustain optimal campaign performance and growth in highly complex and competitive search marketplaces. The company has over 200 employees and is headquartered in Sunnyvale, CA with offices in New York, the United Kingdom, France, Germany, Hong Kong, and India, and technology licensing partnerships in Japan and Australia. Efficient Frontier is a privately held company with funding from Redpoint Ventures and Cambrian Ventures. For more information, please visit www.efrontier.com and subscribe to the Efficient Frontier blog at blog.efrontier.com.

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