

Google injects search savvy into display ad system

September 18 2009, By MICHAEL LIEDTKE , AP Technology Writer



Robert Reineke, of Venezuela, stands by the Google booth at the Consumer Electronics Show in Las Vegas, in this Jan. 7, 2006 file photo. Google has melded the technology powering its lucrative search marketing network with a system that it bought 18 months ago to sell online billboards and other more visual commercials, including video. (AP Photo/Jae C. Hong, File)

(AP) -- Google Inc. is counting on the crown jewel of its online advertising empire to burnish a diamond in the rough.

Hoping to take an even bigger bite out of ad budgets, Google has melded the technology powering its lucrative search marketing network with a system that it bought 18 months ago to sell online billboards and other more visual commercials, including video.

The long-awaited combination poses another threat to Yahoo Inc., whose profits have been sliding the past three years. Yahoo is the Internet's largest seller of display advertising, a mantle that Google has set its

sights on. [Microsoft](#) Corp. and Time Warner Inc.'s AOL also operate large exchanges that help manage display ads.

The upgrade announced Friday has been something Google has been working toward since it bought DoubleClick Inc. for \$3.2 billion a year-and-a-half ago. Google prized DoubleClick largely for its tools for selling and serving display ads.

Although they are more dynamic, display ads so far haven't proven to be as popular as the text ads that appear alongside search results.

Last year, online search advertising sales in the United States totaled \$10.5 billion, according to the Interactive Advertising Bureau, with most of that money going to Mountain View, Calif.-based Google. The Internet's U.S. display ads totaled \$7.6 billion.

"The display market today is probably not really living up to its full potential," said Neal Mohan, a Google vice president of product management.

Google is betting it can sell more display ads by drawing on the science, simplicity and ease-of-use that has made its search advertising system so profitable. The marriage will open DoubleClick's display advertising system to hundreds of thousands of advertisers and Web sites that belong to AdWords and AdSense - the cornerstones of Google's commercial search.

"We are going to be bringing a lot of the know-how and a lot of the efficiencies of the search market to the art of display," Mohan said.

DoubleClick's display exchange matches up advertisers with Web sites trying to sell some of the empty space on their pages.

It's an approach pioneered by four-year-old Right Media, which was bought in 2007 by Sunnyvale, Calif.-based Yahoo for \$526 million. Yahoo says Right Media remains the Internet's largest display advertising exchange, processing 9 billion daily transactions for 120,000 buyers and sellers around the world.

Yahoo doubts [Google](#) will be able to dominate display [advertising](#) like it has [search advertising](#).

"We fully expect the display market to be fragmented and for there to be other exchanges," said Frank Weishaupt, Yahoo's vice president of North American marketplaces. "We welcome these exchanges, and look forward to working with them and integrating with them for our partners."

©2009 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Google injects search savvy into display ad system (2009, September 18) retrieved 23 April 2024 from <https://phys.org/news/2009-09-google-savvy-ad.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--