

With Google's recent unveiling of a new format to the Search Engine Results Pages (SERPs) many advertisers are concerned with the removal of ads from the right side and being moved to the bottom below most results.

Google correctly claims that this helps user flow and hints this decision was based on "tests which, on average, showed this placement performed better than side ads in terms of click-through rate." If you consider historical eye-tracking/heat map studies we have known for a long time that people viewing SERPs tend to read in an F pattern. Therefore, the side ads were ignored fairly regularly.

The physical look between Top and Side ads has continuously been tweaked by Google. Clearly, there is an attempt by them to make the top ads look more like natural results. This could be another move to help create even greater visibility and less noise on the page for these Top ads.

In the new format Bottom ads will have questionable visibility that causes us to wonder how valid the impressions will be; will these ads be truly seen by users who may or may not scroll down on the page? Google also has changed its reporting format and the current "Top vs Side" report will now show all side, bottom, and experiment impressions under the "Other" segment. Unfortunately, it seems that Google will not further segment between these ad placements. Hopefully, they will update this quickly so advertisers know what placements work best for them.



As we continue to see people shifting to Mobile & Tablet platforms it is possible that Google is attempting to create a standard format for their users' experience across all platforms. This point is important to consider, especially as unbeknownst to most people Google owns nearly 98% of GLOBAL mobile searches. Just like Microsoft was able to get Office onto computers, Google Search is the standard search function on mobile phones.

Many experts are rightly predicting that there will be a drop in CTR and a rise in CPC. This will occur because of inventory scarcity. Based on the examples provided by Google, the ad placement shift to the bottom diminishes the number of 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.

Less savvy advertisers will be bidding up their ads to stay visible in the top ad positions. Yet, in the long run these advertisers will learn an expensive lesson. For long term results in the new format advertisers are going to have to trim the fat in their campaign. So bidding on keywords that don't really match your business objectives is going to be made more difficult. Likewise when bidding on keywords that are more generic and higher in the purchase funnel. These awareness stage terms are still important to brands and now may have to be considered as a separate campaign so their budget AND metrics can be better managed/tracked.

It's not the visibility that counts but the relevance. In effect, every keyword has a precise price point at which it moves from being profitable to unprofitable.