The implementation and perception of paid placement schemes in the top three search engines

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Abstract

The purpose of this research was to analyse the current top three search engines in order to find a correlation between the implementation of their paid placement or sponsored search result schemes, and user’s perception thereof. An analysis of current literature was done, finding similar work surrounding these topics and also more specific work done regarding the implementation of paid placement results and user perception. Empirical work was then planned and executed in the form of two pilot studies. In the first, the top three search engine result pages were analysed to find how each search engine implemented its paid placement schemes. Some search queries were created and each of these was used and the results noted. The second study took the form of personal interviews - 10 participants were interviewed. Each one was shown the same results page from a search conducted on Google and questions were based on that page. Results from both studies combined with previous work confirmed that users are not satisfied with the level of separation between organic and paid results. Users would prefer more separation between the two sets of results. There is some evidence that search engines are trying to accomplish the opposite as this would benefit the income potential of their paid placement results.

Keywords

paid placement, search engine, perception, implementation

1. Introduction and Background to Research Problem

As a result of the adoption of the Internet and its increasing presence and involvement in most facets of our lives, the number of users is increasing exponentially. Whether being accessed by mobile phone, tablet, laptop or a regular desktop workstation, the odds of any Internet venture beginning with a simple Internet search engine query are high. Since users often do not know what site they want to access, search engines are often the first point of call.

Search engines have become more efficient over the years and are always improving their search algorithms - as a result many searches end after just one search with the required results appearing on the first page of results (Chitika, 2013).

The results of these searches are often useful, as a quick search is sometimes all that is needed to find the information required. This leads to a huge amount of Internet traffic occurring on search engine websites and vast amounts of searches being processed every single day. In 2012 Google was handling around 100 billion searches a month according to Sullivan (2012). What this traffic means is that a large percentage of the global population is exposed to these search engine websites.

This situation provides a marketing goldmine. Search engine owners have taken advantage of this fact and have provided a means for website owners to increase the visibility of their websites for a nominal fee. These paid placement options or sponsored results have created a huge revenue stream for the search engines. Figure 1 indicates the difference between paid and organic results.
Specifically, the first results are of most importance to search engine providers. The top left section of any results page is by far the most visible and receives the most traffic (Chitika, 2013). The search engine providers realised this, hence the change to the first few results no longer being organic, but paid results instead.

There are different ways to implement paid placement and each search engine has its own methods. This extends to costs and visual style of these paid placement results. Of particular interest for this research is the visual implementation and style of the paid placement schemes. They are not blended into the normal results but rather are noticeably differentiated from the other results. This is by United States law (Federal Trade Commission, 2013).

There are many different search engines available but most of them are small and only occupy a very small share of total searches world-wide. The search engine market is heavily dominated by only a few companies. These companies and their websites are (comScore, 2014): Google – www.google.com, Microsoft – www.bing.com and Yahoo! – www.yahoo.com. They each have the following share in the total US search engine market respectively: 67.3%, 19.4% and 10.0%.

Besides the standard problems Web designers and any interface designers have with designing user interfaces to cater for all users, studies have shown search engine users to exhibit a measure resistance to making use of the paid placement results (Neethling, 2007).
2. Research Problem

Search engine result pages (SERPs) present two kinds of results that are of importance to this research, one being organic or natural results and the other sponsored or paid results. These sponsored results differ from organic results in that they are paid for by website owners. The current situation users are faced with is that there are a few search engines to make use of for searching the Internet. Each search engine provider has set up their relevant website differently from each other. The layout and way in which the website functions will thus likely be different. This could cause users to not understand or know how to make proper use of their chosen search engine and the user might not know how to differentiate between organic and sponsored results.

If the user is able to differentiate between organic and sponsored results, another issue to consider is the user’s perception of these sponsored results. These results might not be trusted if the user is not entirely sure of what they are or how they differ from organic results.

The specific concern of this research is the implementation of these paid placement results and the resulting perception thereof by users. The research problem is: Users might have a skewed perception of sponsored results which in turn could negatively affect the revenue of the relevant search engine providers, and the advertisers.

3. Research Objective

The objective of this research is firstly to investigate the various ways in which the top search engine websites implement their paid placement schemes on their websites. Secondly, the aim is to investigate how these implementations are being perceived by users, whether they can differentiate between paid placements schemes easily and how this could possibly affect the effectiveness of these schemes. Potential beneficiaries of this research could include search engine providers, companies making use of search engine advertising services and users.

4. Research Questions

- Which are the top three search engine websites and do they make use of paid placement?
- How are the paid placement schemes of the top three search engine websites being implemented?
- How are paid placement schemes being perceived by users?
- Is there any correlation between the implementation and perception of paid placement schemes?

5. Literature Review

5.1 Determining the top three search engines

The focus of this research is the implementation and perception of paid placement schemes of the top three search engines at the time of writing. Thus it is important to firstly determine which search engines are the top three. The factor that will be used to decide which search engines are the top three is the search market share results, using core searches per month, of the U.S. search market.

Rankings of the above statistics have been taken from comScore. comScore is a world leading company that specializes in the analysis of Web search data across the globe. The rankings for the top search engines for August 2014 are given in Table 1 (comScore, 2014).
Table 1: comScore results of Core Search Share per search engine provider (comScore, 2014).

<table>
<thead>
<tr>
<th>Core Search Entity</th>
<th>Explicit Core Search Share (%)</th>
<th>Jul-14</th>
<th>Aug-14</th>
<th>Point Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Explicit Core Search</td>
<td>100.0%</td>
<td>100.0%</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Google Sites</td>
<td>67.4%</td>
<td>67.3%</td>
<td>-0.1</td>
<td></td>
</tr>
<tr>
<td>Microsoft Sites</td>
<td>19.3%</td>
<td>19.4%</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>Yahoo Sites</td>
<td>10.0%</td>
<td>10.0%</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>Ask Network</td>
<td>2.0%</td>
<td>2.0%</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>AOL, Inc.</td>
<td>1.3%</td>
<td>1.3%</td>
<td>0.0</td>
<td></td>
</tr>
</tbody>
</table>

5.2 Paid placement scheme implementation factors

The implementation of search engine displays plays a vital role the effectiveness of their sponsored search or ad campaigns. There are many factors that contribute to the way a person perceives a given page. These could be visual elements, past experiences, knowledge of how the Internet works, knowledge of the search topic and personal preferences.

Of particular interest to this research are the design and visual elements of a SERP. An interesting factor that plays an important role in a person’s decision making is the concept of priming. According to Domke et al. (1998), a person’s decision making process is heavily affected by a collection of thought schemas that they have built over time due to experience. They suggest that these schemas can be activated by the use of various stimuli such as a television advertisement or radio commercial. For the purposes of this research priming will not be used and interviews have been conducted so that priming is minimalized.

Dou et al. (2010) have shown through experiments that the use of priming greatly affects an individual's perception of search results but this factor combined with the actual ranking of the results has an even greater effect. The ranking order of the search results is determined entirely by the respective search engine. Each search engine has its own algorithms and methods for calculating these rankings but they all follow a similar process and structure.

In order to advertise on these sites a user must register first. The user must then submit their ads following the guidelines of the site. Different sites have different methods of determining how the user is charged for the advertising services. Google places a price on your chosen key words that will be used to identify your ad. This payment in conjunction with the quality of the advertiser and ads, as calculated by Google, determines where a user’s ad will be ranked on a page with a given search. This is calculated on Google’s terms. Firstly the ad rank is determined from the formula, \((\text{Max Bid} \times \text{Quality Score}) = (\text{Ad Rank})\) (Kim, 2014). Whenever the ad is clicked on, the following formula is used to determine the cost: \(((\text{Ad Rank of person below the ad}) / (\text{Ad’s Quality Score})) + 0.01\) (Kim, 2014). This indicates that the better the ad’s quality score, the less the user will pay per click.

Google allows a user to limit their spending by capping of advertising for a given period. Yahoo! operates their advertising campaign in a very similar process except that their calculation algorithms will differ (Google, 2014b; Yahoo!, 2014).

On the point of search engine implementation and layout, Alhenshiri et al. (2011) investigated the potential increase in effectiveness of a search engine site by altering the standard layout of a SERP. They designed a search engine site with a cluster based layout that grouped related search results into clusters similar to a spider diagram and provided more visual features as results. The conclusion of the research showed that by merely altering the layout and design of a site it improved the user’s ability to gather information.
Thus it stands to reason that a badly designed SERP could possibly have a negative effect on the user’s ability to effectively make use of a search engine site.

Philips et al. (2013) have further shown that the very top section of a page is the most valuable. With the aid of eye tracking equipment it was evident that this area attracted the most attention of the user. The participants were aware of what sponsored ads were and knew that the ads were for paid products but even when the participants of the study were instructed to search for “free screen recording software” they still looked at the ads. This was shown to be due to ad placement.

5.3 User perception

Although the various search engine providers employ different methods of ranking sponsored search results, it is clear that there exists a ranking. According to Feng et al. (2007), lower ranked search results do not perform as well as higher ranked results in attracting and maintaining the user’s attention. This hint to a possibility that the way in which a paid placement scheme has been implemented could affect the way a user perceives search results. This is an important point to consider, especially for the entities involved in purchasing the sponsored placement. The fact that they were not willing to bid as high as other entities for their chosen key words could possibly end up costing them more in terms of lost revenue.

Companies that are interested in making their brand or product more visible or marketable to search engine users are not limited to paid placement options. The other method of online marketing is known as search engine optimization or SEO. SEO differs from paid placement options since the aim is to gain a higher ranking for the relevant website in a search engine’s organic results and not their sponsored results. Instead of paying for a higher ranking, companies employ strategies that involve placing certain keywords on their webpages and in their webpage’s code. The other method which is used is to increase the amount of links to webpages from other websites (called inlinks or backlinks). This increases their rank considerably when being determined by the relevant search engines algorithms. These two methods should be implemented together. While the focus of this research is on sponsored results specifically it is important to know that these two options exist. It has been found that while the general perception of paid placement is negative, SEO is perceived more positively even after users learnt what SEO entails (Bai, 2013).

It has been shown through multiple studies (Hotchkiss, 2004; Jansen and Resnick, 2006), that organic results are more often than not favoured, and thus trusted, over sponsored results. According to a study done by Neethling (2008) it was found the perception of preference for paid placement versus search engine optimisation was split 45% and 55% respectively. He thus concluded that PPC is recommended as a good way for companies to get high site visibility quickly, although they will be in sponsored results rather than organic. In other research (Jansen and Spink, 2009), it was proven that by integrating organic and sponsored results into one SERP, the click through rate of sponsored results actually decreased. This shows that even though sponsored results are apparently not as trusted by the user as organic results, they cannot merely be discarded or not differentiated from organic results as this would decrease their efficiency in drawing clicks.

Interestingly it is not only visual elements such as the size, shape, colour or location of ads that affect the user’s perception of these ads. It is also the quality of the ad itself that affects how the ads are perceived and consequently how much attention is given to the sponsored and organic results (Buscher, 2010). It has been found that when attempting to accomplish various tasks, if the ads are of good quality to the user, the user will spend twice as much time on these ads when compared to organic results. On the other hand if the ads being viewed at are not good quality or if they are not consistently good quality, they tend to be ignored almost completely over time (Buscher, 2010). While this study shows the effects visual elements of the implementation of sponsored search have on the perception of ads, it is not the only factor at play. The quality of ads and their effect on ad perception will need to be more thoroughly studied in a separate research.

6. Methodology

This research consists of two studies that were performed to gather data. These studies were performed using different research approaches.

6.1 Study 1

The first study involved investigation of the implementation of paid placement schemes of search engines. A pilot investigation was performed in a quantitative form to gather information on how the different search
engines implement their various paid placement schemes. This was accomplished by analysing the top three search engine websites. Outcomes of the analysis included mainly visual elements, such as location of ads on the page, how many ads per page, the scheme used to differentiate ads from natural results for example colour, size, borders etc., and how these ads were sold and ranked.

6.1.1 Quantitative Approach

Quantitative research is a style of doing research which is primarily focused on numbers and facts. “Relating to, measuring, or measured by the quantity of something rather than its quality.” (Oxford, 2014a). This type of research is usually done with a large number of participants, often as many as one thousand. Straightforward hard facts about the subject are measured rather than feelings or opinions. A typical type of qualitative study would be a survey whereby many questionnaires would be sent out and the data compiled and analysed. The questionnaire would consist of closed ended quantifiable questions that can be easily counted or measured and have mathematics applied to find averages or patterns in data. Questions such as age, gender, how many children does a subject have could be asked.

A few different keywords were used as the search query in each search engine. This was done to allow for differences between search items and results. The keywords chosen to be used were: “Gangnam Style”, “iPad 3”, “restaurants”, “accommodation in Cape Town” and “shoes for sale”. These were chosen based on the top trending searches globally in 2012, according to Google Zeitgeist (2014), plus three random search items. Below is the criteria for which each SERP was examined.

- Are ads present?
- How many ads are shown per age?
- Where are the ads located?
- How are the ads differentiated from natural results?
- How are the ads sold?
- How are the ads ranked?

Before each search was performed, the browser’s settings were reset to default in order to minimize any chance of user browsing history affecting the results of the searches. To remove any bias, the browser that was used for the analysis was Mozilla Firefox v31.0. This was done since Google Chrome is owned by Google and Internet Explorer is owned by Microsoft who also owns Bing. The resolution of the monitor used was 1280x1024. For the first three criteria noted above, only the first two pages were taken into account as too many pages were returned.

6.2 Study 2

The second study took on a qualitative form. It involved interviewing a group of individuals selected from a software development company operating in Cape Town. The aim was to determine their personal perception of the different search engine paid placement implementation schemes. This shed some light on how the ads on the actual SERPs are being perceived by users. The way a user perceives these paid placement schemes will affect their overall effectiveness, positively or negatively, and the perception of the user friendliness of the search engine website itself. Screenshots of a SERP was shown to the interviewees and questions asked regarding those screenshots. Questions asked included if the person knew that the ads existed and how they differ to natural results. The intended outcome was to gauge an understanding of the level of awareness users have of these paid/sponsored ads. If they were aware of them, the researcher wanted to determine how much trust the user places in these results.

6.2.1 Qualitative Approach

In contrast to quantitative research methods, qualitative studies accept more expressive results rather than merely facts. “Relating to, measuring, or measured by the quality of something rather than its quality.” (Oxford, 2014b). These studies are usually done with a smaller sample group or a few selected individuals that will provide feedback and detailed answers to the proposed questions. These studies are often conducted by means of an interview where the participants provide personal insight and opinion to the questions asked to them.

As the focus of this study was to determine user perception, participants were first asked certain questions based on ad placement on SERPs in general. They were then presented with a SERP and asked questions
that were relevant to the different results. Refer to Appendix A for the actual questionnaire used to interview the participants, and the relevant screenshot from SERPs they have viewed.

7. Ethical Considerations

All participants were asked permission for their interviews to be recorded for the sake of not taking up their time. They were told that none of their personal information would be recorded. Each participant was interviewed individually. Participants were not informed of what the interviews were about in order to minimise the influence this might have on their responses.

8. Findings and Analysis

8.1 SERP Analysis

The results of the first study are listed in Table 2.

The first three questions were answered on the basis of individual search items whereas questions four, five and six were set per search engine provider.

<table>
<thead>
<tr>
<th>Questions</th>
<th>Search Query</th>
<th>Page</th>
<th>Google</th>
<th>Yahoo!</th>
<th>Bing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Are ads present?</td>
<td>Gangnam Style</td>
<td>1</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>iPad 3</td>
<td>1</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>restaurants</td>
<td>1</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>accommodation in Cape Town</td>
<td>1</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>shoes for sale</td>
<td>1</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

2. Number of ads per page

<table>
<thead>
<tr>
<th>Questions</th>
<th>Search Query</th>
<th>Page</th>
<th>Google</th>
<th>Yahoo!</th>
<th>Bing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gangnam Style</td>
<td>1</td>
<td>N/A</td>
<td>4</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>iPad 3</td>
<td>1</td>
<td>N/A</td>
<td>8</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>5</td>
<td>8</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>restaurants</td>
<td>1</td>
<td>1</td>
<td>8</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>3</td>
<td>8</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>accommodation in Cape Town</td>
<td>1</td>
<td>11</td>
<td>11</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>11</td>
<td>12</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>shoes for sale</td>
<td>1</td>
<td>10</td>
<td>12</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>6</td>
<td>12</td>
<td>N/A</td>
</tr>
</tbody>
</table>

3. Location of ads

<table>
<thead>
<tr>
<th>Questions</th>
<th>Search Query</th>
<th>Page</th>
<th>Google</th>
<th>Yahoo!</th>
<th>Bing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gangnam Style</td>
<td>1</td>
<td>N/A</td>
<td>Side, Bottom</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>Bottom</td>
<td>Side, Bottom</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>iPad 3</td>
<td>1</td>
<td>N/A</td>
<td>Side, Bottom</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>Top, Bottom</td>
<td>Side, Bottom</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>restaurants</td>
<td>1</td>
<td>Bottom</td>
<td>Side, Bottom</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>Bottom</td>
<td>Side, Bottom</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>accommodation in Cape Town</td>
<td>1</td>
<td>Top, Side</td>
<td>Top, Side, Bottom</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>Top, Side</td>
<td>Top, Side, Bottom</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>shoes for sale</td>
<td>1</td>
<td>Top, Side</td>
<td>Top, Side, Bottom</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>Top, Bottom</td>
<td>Top, Side, Bottom</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Key: N/A – No results found.
8.2 Google Questions

4. Elements that were used to differentiate ads from natural results:
   - Horizontal ruling between organic and sponsored results (Figure 2).
   - The word “Ad” next to the result URL in a yellow box (Figure 2).
   - Separate side bar made up entirely of ads under the word “Ad/Ads” in a yellow box (Figure 3).

5. How are ads sold?
   Any user wishing to make use of Google AdWords services will need to set up an AdWords account and a 
   Google Merchant Center account. This allows the user to manage the products they want advertised as well 
   as set a limit as to what they are willing to pay per ad. The ad owner only pays for the ads if a user clicks on 
   one of those ads and is directed to the ad owner’s website. What the ad owner is charged is dependent on 
   the bid price on their account and the “Quality Score” of their ad. This score is determined by Google using 
   various criteria.
6. How are the ads ranked?
The ranking of ads and their location on any given page is determined firstly by the ads Quality Score and secondly by what the ad owner is willing to pay for that ad. Therefore the formula used to determine the rank of the ad being displayed is: \( \text{Ad Rank} = \text{Max Bid} \times \text{Quality Score} \) (Kim, 2014).

### 8.3 Yahoo! Questions

4. Elements used to differentiate ads from natural results:
   - Ads on the side of the page are contained in a box under the word “Ads”. (Figure 4)
   - Ads at the bottom of the page are with organic results under the words “Ads related to [Search Item]” and have a very slight background colour difference. (Figure 5)

![Figure 4: Yahoo! Visual Elements showing ads in side bar.](image1)

![Figure 5: Yahoo! SERP Visual Elements showing ads at bottom of page.](image2)
5. How are ads sold?
A user wanting to advertise on Yahoo! must first sign up on the Yahoo! Bing Network. This will then allow the user to create a campaign. The campaign will dictate what is advertised and at what times (daily, monthly etc.). This account is also used to set a monthly budget. The budget can be set per day or per month depending on your financial requirements.

6. How are the ads ranked?
The Yahoo! Bing Network uses a similar method to Google for determining ad rank. They also use a formula to rank ads but theirs varies slightly. They do not use a Quality Score as a factor. They take into account bid price which is the same as Google but they also look at the ad’s relevancy to the search query and the ad’s performance in terms of click through rate.

8.4 Bing Questions

4. Elements used to differentiate ads from natural results:
Bing does not use a pay-to-display ad scheme.

5. How are ads sold?
N/A

6. How are the ads ranked?
N/A

For the sake of this discussion, Bing will be excluded from the analysis as Bing does not have any paid placement results at the time of writing.

While Google and Yahoo! both used the same general idea for implementing paid placement, there were some differences between them. The results of the first study show quite clearly how Google and Yahoo! might take different approaches to displaying sponsored results. Yahoo! has taken a more structured approach as to how it displays its results. Sponsored results were present on every single page visited. For each search query the number and location of sponsored results were very consistent, even from results page one to two of the same search query. Yahoo! seems to have set a fairly straightforward structure and presents ads in a consistent way.

Google, on the other hand, provided more varying results. The presence, number and location of ads were not consistent, even for the same query over two pages of results. For some search queries, the first page yielded no sponsored results while the second page of results did. The number of ads per page would also differ regularly, sometimes containing more ads on the first page and sometimes more ads on the second page of results. The location of sponsored results would also differ from page to page and query to query. Some search queries would show ads in different locations and for one query the locations changed from results page one to page two.

Regarding the visual cues present to differentiate organic results from sponsored results, both Google and Yahoo! use rather limited indications to distinguish the two from each other. Google makes use of a very feint grey horizontal line to separate the results, and each ad has a small yellow icon in the corner of the ad with the word “Ad/Ads” on it. Yahoo! only displays the words “Ads related to” followed by the chosen search query to signal that ads are starting. Apart from these few cues the sponsored results look identical to the organic results.

Both Google and Yahoo! use very similar methods of selling ads. The ranking of sponsored results is the same method of using some form of an ad quality score combined with the price paid for the ad. They will most probably differ in the exact algorithm used to determine these factors – determining the details of this algorithm are outside the scope of this research.

8.5 Personal Interviews

The results of the interviews are summarized in Table 3. For a list of the questions asked please refer to Appendix A.
Table 3: Summary of Interview Results for Study 2.

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Two did not know, two were not sure but guessed correctly and six knew what paid placement was in varying levels of detail.</td>
</tr>
<tr>
<td>2</td>
<td>All 10 identified the ads correctly.</td>
</tr>
<tr>
<td>3</td>
<td>All 10 were neutral in their perception of paid placement. Most noted that they ignore paid results entirely. One said it can be positive if relevant to the search and if it is helpful. Some were neutral as long as the results were clearly separated.</td>
</tr>
<tr>
<td>4</td>
<td>One felt more trust if the brand was recognizable. Two felt less trust since the company needs to pay for the ads. Seven said they were not affected by ads.</td>
</tr>
<tr>
<td>5</td>
<td>Three said the amount of separation was acceptable. Seven said more separation was needed for various reasons, including: clear separation from organic results, not being clear, and their impression was that the ads were being hidden.</td>
</tr>
<tr>
<td>6</td>
<td>All 10 claimed that they would rather click on organic than paid results.</td>
</tr>
<tr>
<td>7</td>
<td>Seven said they would prefer all the ads to be located only on the side and none at the top of the SERP. Three claimed that they were not bothered by the location.</td>
</tr>
</tbody>
</table>

The results showed that most participants knew what paid placement entails or weren’t sure but did in fact know (participants were asked to give a very brief explanation of their understanding of paid placement). All the participants were able to accurately locate the ads on the results page and some noted the presence of the small “Ad” icon and feint grey line. None of the participants were inherently negative towards the idea of paid placement as all seemed to understand the purpose behind it. Interestingly, most participants felt that more separation was needed between organic and sponsored results, and most preferred that all the sponsored results be located on the side of the page only. All participants said that they would rather click on an organic result than a paid result. While most of the participants felt that ads do not affect the trust they have in the company paying for the ads, this result possibly shows that the participants do not trust ads as much as organic results.

9. Limitations of the Study

The participants were all from one field of work and are well accustomed to search engines and how they work. This was a convenience selection, due to accessibility and time limitations. This could possibly have had an effect on the outcome of this research. Less technically inclined users might have different views on the questions asked. Participants were only asked questions on one SERP and from one search engine. This was also due to time constraints and alternatives could possibly produce different results.

10. Conclusions and Recommendations

The separation of sponsored results and the visual elements used to discern these from organic results has been researched before in the US. It seems that the search engine providers are well aware that the current implementation is not adequate. It is evident from the fact that there was a point at which they were told to make the separation more obvious, since they appeared to try to blur the distinction between paid and organic results. This second study showed that users would prefer more separation between the two types.

The main recommendation from this research is that further research be done with a more diverse participant group. This would produce more accurate results and might highlight more issues which participants are not aware of.

It is clear from Study 2 and previous work done, that users are more willing to make use of organic results than sponsored results. Again, this should be further investigated with a much more diverse participant group. Search engines have probably realised this hence the attempts the make the results indistinguishable as this is very important to the potential income from sponsored results.

In conclusion, it is suggested that search engine providers rather improve the user experience through the way they present results. This should be done in a way that still allows them to maximise profits. Whether or not this will actually materialise remains to be determined through further research.
References


Acknowledgements

I would like to firstly thank my supervisor Melius Weideman for all the effort he has put in pushing me to get this research finished. Secondly I want to thank my girlfriend Cecilia for all her support and encouragement. Lastly, a big thank you to all those who participated in the interviews for this study.

Appendices

Appendix A

The implementation and perception of paid placement schemes in the three top search engines

<table>
<thead>
<tr>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Do you know what sponsored search or paid placement is? How much is known?</td>
</tr>
<tr>
<td>(Figure 1 is shown to the participant)</td>
</tr>
<tr>
<td>2. Can you identify the ads on the page?</td>
</tr>
<tr>
<td>3. How do you feel about sponsored ads, more positively or negatively?</td>
</tr>
<tr>
<td>4. Do sponsored ads affect how much trust you have in the company paying for the ad and how is your trust affected?</td>
</tr>
<tr>
<td>5. Do you think that the ads are sufficiently separated from the organic results? Should there be more or less separation or neither?</td>
</tr>
<tr>
<td>6. Are you more inclined to click on an organic or a sponsored result?</td>
</tr>
<tr>
<td>7. Where would you prefer the ads to be located on the page?</td>
</tr>
</tbody>
</table>
Appendix B
## Appendix C

### Interviewee 1

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Changes order of search based on who is giving money to the search provider.</td>
<td>Identified all ads.</td>
</tr>
<tr>
<td>2.</td>
<td>Ignores them. Neutral.</td>
</tr>
<tr>
<td>3.</td>
<td>No affect on trust.</td>
</tr>
<tr>
<td>5.</td>
<td>Off to the side like some are already. Wants none with the organic results.</td>
</tr>
<tr>
<td>6.</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td></td>
</tr>
</tbody>
</table>

### Interviewee 2

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Pay to get ads placed on search results.</td>
<td>Identified all ads.</td>
</tr>
<tr>
<td>2.</td>
<td>Neutral as long as separation is obvious.</td>
</tr>
<tr>
<td>3.</td>
<td>Yes, negative. The fact that they need to pay for ads.</td>
</tr>
<tr>
<td>5.</td>
<td>Organic.</td>
</tr>
<tr>
<td>6.</td>
<td>All on the side. None on top.</td>
</tr>
<tr>
<td>7.</td>
<td></td>
</tr>
</tbody>
</table>

### Interviewee 3

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Yes. Pay Google to get your ad ranked higher.</td>
<td>Identified all ads.</td>
</tr>
<tr>
<td>2.</td>
<td>Neutral but can be positive if relative ads are shown.</td>
</tr>
<tr>
<td>3.</td>
<td>Positive. If it’s a recognisable brand it reinforces the view of the brand.</td>
</tr>
<tr>
<td>4.</td>
<td>Fine the way it is.</td>
</tr>
<tr>
<td>5.</td>
<td>Both. Not leaning one way. Would look at all options before making a decision.</td>
</tr>
<tr>
<td>6.</td>
<td>Fine the way it is.</td>
</tr>
<tr>
<td>7.</td>
<td></td>
</tr>
</tbody>
</table>

### Interviewee 4

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Not sure what it is exactly, but could guess from the term what it entails.</td>
<td>Identified all ads.</td>
</tr>
<tr>
<td>2.</td>
<td>Neutral.</td>
</tr>
<tr>
<td>3.</td>
<td>Not affect on trust in company.</td>
</tr>
<tr>
<td>4.</td>
<td>Fine the way it is.</td>
</tr>
<tr>
<td>5.</td>
<td>Organic results. Ignores paid results.</td>
</tr>
<tr>
<td>6.</td>
<td>Not bothered but would prefer to have them on one side.</td>
</tr>
<tr>
<td>7.</td>
<td></td>
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</tbody>
</table>

### Interviewee 5

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Yes. Preferential ranking.</td>
<td>Identified all ads.</td>
</tr>
<tr>
<td>2.</td>
<td>Fine when the number of ads on the page are limited but can get irritating if too many are displayed.</td>
</tr>
<tr>
<td>3.</td>
<td>No effect on trust in company.</td>
</tr>
<tr>
<td>4.</td>
<td>Fine but would prefer slightly more separation.</td>
</tr>
<tr>
<td>5.</td>
<td>Organic.</td>
</tr>
<tr>
<td>6.</td>
<td>All on the side.</td>
</tr>
<tr>
<td>7.</td>
<td></td>
</tr>
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| Interviewee 6
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| Interviewee 7
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| Interviewee 8
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| Interviewee 9
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| Interviewee 10
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