

A Look Into the Future of Google: the death of Pay Per Click (PPC) Advertising

I spoke about this a few years ago. I was working on optimizing a major account at the time and realized (as many now have) what Google was up to. They were eliminating steps in the marketing and acquisition process. No longer do you, an advertiser have to seek out a consultant or advertising network to determine when/where/how to show what ad, Google does it immediately, automatically, for free.

Previously you had to pay for a billboard, an ad, a banner, and hope for results. Pray your \$1000/month billboard with you holding up a yacht in a superman outfit will have enough of a lasting impression upon drivers-by to persuade purchasers of luxury boats to purchase from you.

The Evolution of Advertising

The pay per click model (ppc) revolutionized advertising in this way. No longer were advertisers just throwing meatloaf against the wall, praying it would stick, they now had a system where eyeball performance doesn't necessarily matter (I'll come back to this in a second), where advertisers ONLY pay if users actually visit your site.

And Google created an advertiser system (AdWords) and publisher system (AdSense) to streamline the entire process. Within minutes you can have ads running on targeted sites who share revenue with Google. And, with increasing quality updates, Google has molded an auction based system whose placement and performance were based on bid price and deep pockets into a quality based advertising network (eye ball performance DOES matter on AdWords, even though you don't pay for it) that users, publishers, and advertisers know, love, and trust.

But, I thought to myself, what if Google could eliminate yet another step? What if they could charge advertisers and provide revenue to publishers (site owners) only when a particular user clicks on an ad and then actually performs a specific action on their website? Say... sign up for an enewsletter, purchase a bottle of specialty olive oil, or contact your business development company for consulting, what if you as an advertiser only paid when someone did one of these things? This jump is truly revolutionary.

At the time I thought it was impossible. But, with enough metrics, and the success quality updates and refinements to AdWords have had on advertiser and network performance, why not. And with an especially dedicated publisher base eager to continue to make more and more money from AdSense, why not enlist their help to cherry pick AdWords advertisers with content relevant to their own site.

It has been done.

Google has just revealed their beta product, Pay-Per-Action. From the site:

Increase your advertising reach while paying only for actions that you define.... define the action that you want a user to perform when they visit your site.... set the amount that you're willing to pay

Unfortunately the beta program is currently only available via invite.

The Future of Advertising, The Molding of The Web

If pay per action advertising truly catches on, the web will be filled with a throng of bloggers and site owners motivated to help you, an advertiser on Google receive signups, leads, etc. You will have a worldwide team of developers and site owners dedicated to your company's success! If a click is no longer merely enough for site owners and publishers to generate revenue, this will happen!

Taken everything to the extreme Google may begin to sharpen websites through mandatory A/B testing of web pages and funnels in an effort to close more consumers faster. It has already done this with AdWords' pay per click marketing through it's quality score and conversion rate metrics and is also already measuring the relevancy of landing pages.

The Death of Pay Per Click

A few of my more specialized accounts pay (and happily) upwards of \$300+ for a qualified contact or lead. Crazy I know, but in their respective field(s) this is absolutely a great investment with an unimaginable return on investment. Now, what if we could assign a PPA value to these same leads say \$150. I am sure that is enough money to motivate a lot of site owners out there to modify either their practices or site in order to get you your lead.

Eventually Google may decide to remove PPC advertising completely. Its algorithms are no match for an actual human and with money to be made from these targeted actions site owners (now with a stake in your, the advertisers, success) will cherry pick ads, selecting ones absolutely targeted and specific to their site. This wouldn't be the first time Google uses advertising revenue to motivate its user base to perform an action.

Google has the metrics and knows how to apply them to motivate and shape its user base, both advertisers, and publishers to facilitate a harmonious advertising system that is beneficial to the entire chain: Google > Advertiser > Publisher > Consumer. Pay Per Action advertising is the final jump in this direction.