

Google, Bigmouthmedia and the Best Practice Funding



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Press Release Summary: Bigmouthmedia comments on the Google announcement of the end of the European Best Practice Funding

Press Release Body: **Google** has announced the end of the **European Best Practice Funding**. As of January 2009 the whole BPF scheme will be removed and from January 2008 the "**growth kicker**" will be removed.

The Best Practice Funding was used by **Google** to encourage agencies to appropriately increase their cost-per-click spend and try out new initiatives such as **Google's new Gadget Ads**.

Speaking about the move, **bigmouthmedia UK MD, Lyndsay Menzies** commented "We at **bigmouthmedia** (<http://www.bigmouthmedia.com/>) had budgeted assuming the removal of BPF from early 08 so we are pleasantly surprised to get another year of BPF, till Jan 2009. This buffer will hopefully help those agencies reliant on BPF to make their margins and restructure their business model to cope. Of course, clients too will be affected to a degree. Higher management fees will cut the ROI efficiency of campaigns meaning that agencies will need to maximize efficiency through excellence to counteract this; resulting in a more professional industry overall."

Was it expected?

Lyndsay stated, *"We've been anticipating this type of announcement for some time. It makes perfect business sense that **Google** would do this, now that search is so established in these regions. For **bigmouthmedia** as a company, the removal of best practice funding presents a fairer and more stable system in the future even though it affects our service costs."*

Who'll be affected?

The announcement, whilst not unexpected, nevertheless could put in some jeopardy the financial health of some agencies involved in search, and along with them, the client campaigns. In this competitive industry, some agencies based their business model on paying the kicker directly to the client as an incentive. In fact, there has been a growing trend amongst some heavy users of **Google PPC** to systematically move PPC ([http://www.bigmouthmedia.com/products_services/pay_per_click_mangement/](http://www.bigmouthmedia.com/products_services/pay_per_click_management/)) work between agencies to benefit from ongoing growth kickers. These agencies are going to feel the pinch as they are reliant on kickers and BPF to provide their margin.

Are there going to be benefits?

Bigmouthmedia believe there will; it will encourage billing transparency. Recently **bigmouthmedia** have seen agencies hugely undercutting to win big contracts. This announcement will put paid to that. It will also be a fairer system as it won't penalise agencies for seasonal spend, for example, Travel and Finance clients whose spends are very high in Jan compared with the other 11 months of the year. Then of course, it puts the focus on excellence; client campaigns will need to be even more professionally run, and efficient which is in everyone's interest.

Are Google biting the hand that feeds them?

Naturally **Google** has used agencies as a platform to gain the clients they wanted, and the resulting market share. As the market share has increased, they have wound down the agency benefits, and **bigmouthmedia** expect this to continue. But this is business, and savvy agencies will have seen the changes coming. **Bigmouthmedia USA**, for example is used to operating in a paid search environment without Best Practice Funding.

What's next?

Google will still use agencies like **bigmouthmedia** to take their new product opportunities to clients. They need agencies on their side as

much as the agencies need them so **bigmouthmedia** expect to see **Google** continuing to communicate closely as always. Next for **bigmouthmedia** is increased geographic expansion, a major worldwide recruitment drive, and a big celebration to mark the companies impending 10 year anniversary!

About

bigmouthmedia

Founded in 1997, **bigmouthmedia** are leaders in search marketing (<http://www.bigmouthmedia.com/>), with a team of over 200 staff across 11 offices in 8 countries on 3 continents the company maximises return and exposure for major brands online through a variety of fully integrated digital marketing (<http://www.bigmouthmedia.com/>) channels: Search (PPC and SEO (http://www.bigmouthmedia.com/products_services/search_engine_optimisation/)), Online Media Planning, Affiliate Marketing, Social Networking, Brand Monitoring, Online PR and Web Analytics.

Bigmouthmedia merged with **GlobalMedia** in late 2006, creating the largest independent search marketing agency in the world. The group services big-brand customers globally including: Adidas, Hilton, British Airways, Tesco, Aer Lingus, BP, Barclays, Castrol, Conrad International, Dorling Kindersley, Early Learning Centre, easyCar, Fasthosts, FHM, Jumeirah, Kodak, Canon, Samsung, Starbucks, Top Man, Debenhams, Which?, Lacoste, Euler Hermes and Wall Street Institute.

Bigmouthmedia is a Deloitte Fast Growth winner and a 2007 FT Best Places to Work, and is currently short listed for four National Business Awards

<http://www.bigmouthmedia.com/>

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