

<p>Profiting from Terrible Keyword Supply and Demand Ratios<br>By Brian Kindsvater</p>

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<p>One of the recent fads is to search for keywords and niches based on an R/S Ratio. The 'R' is the number of websites found with that keyword as reported by a search engine search (the supply), and the 'S' is the number of searches on that keyword (the demand).</p>

<p>Here is How This Works</p>

<p>In fantasy land the number of searches would be 100,000 and the number of websites would be 1 (your website), resulting in an R/S ratio of .00001.</p>

<p>In reality, the number of found websites is about 1,000,000 and the number of searches is 10,000, resulting in an R/S ratio of 100.</p>

<p>Theoretically, the lower the ratio the better, which is why numerous marketers suggest that low R/S ratios be searched for and then targeted. Keywords with high R/S ratios are immediately discarded.</p>

<p>Why the R/S Ratio is Meaningless</p>

<p>Theoretically, the ratio works, but now let us get back to the real world. If you are ignoring keywords or niches with high ratios you are missing highly profitable markets.</p>

<p>The number of websites reported as the 'supply' is usually meaningless. This is why the ratio does not work if it is based on the number of computer generated results. So Google says it found 10,000,000 other websites with your keyword. Hope is not lost. You are not competing against 10 million websites. Hardly any of the websites will have anything to do with your target market.</p>

<p>Compare the following:</p>

<p>Example 1</p>

<p>Search results - 100,000<br>Searches - 10,000<br>R/S Ratio - 10</p>

<p>Example 2</p>

<p>Search results - 5,000,000<br>Searches - 100,000<br>R/S Ratio - 50</p>

<p>Which example is potentially more profitable?</p>

<p>You have no way of knowing! If you automatically fail to consider Example 2 in your marketing efforts because it has a much higher ratio you may have made the wrong decision and discarded 100,000 potential customers.</p>

<p>You need to actually review the websites listed in the search results to see what value they hold. This is important. The 'supply' side of the equation that needs to be evaluated is not the number of websites containing your keyword, but the number of websites that are actual competitors.</p>

<p>If the top websites are giving away your information for free, like government sites, then maybe it is time to find a different keyword to target.</p>

<p>But more likely you will see only a few, or maybe a few dozen websites that actually provide meaningful content or products that promote product sales. Instead of a theoretical 5,000,000 websites in

reality there may only be 50 - or less.</p>

<p>The R/S ratio analysis is also primarily only important for natural search engine results. Through pay-per-click programs you can jump your website to the top of the search engine results page, and your competition for PPC keywords will be even less. Sometimes it will be nonexistent.</p>

<p>You also need to remember that a high R/S ratio in Google may not be high in Yahoo, 7Search, or another search engine. Similarly, keywords for which bidding competition is fierce on Google may be wide-open in Overture.</p>

<p>As a result, do not be quick to disregard an entire keyword market due to your initial evaluation that the keyword has a terrible supply and demand ratio. Dig a little. Review the actual search engine results and act as a potential customer to better assess what the real competition is. Compare different search engines, and evaluate different PPC programs. This extra effort will often unveil profitable markets that your competitors, using a flawed analysis, will neglect.</p>

<p>Brian Kindsvater has been marketing online since 1994. Brian shares research about niche products, free and useful marketing resources, and valuable articles at the exclusive membership site <a target="\_new" href="http://internetprofituniversity.com">http://InternetProfitUniversity.com</a>. </p>