

Disruptive Correction: The Death Of Internet Marketing



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Introduction

Internet Marketing and the wider internet economy is about to change forever. The days of overnight internet millions are already gone. And the remaining days of “easy money” are numbered.

This isn't a 'scare tactic', and I'm not trying to sell you anything. But for those involved in internet marketing, you are about to see everything – and I mean everything – change. With the right information, you'll have an advantage few have ever had. Without it, you simply won't succeed.

In the next few pages, I'll tell you what is about to happen, explain the “what” and “why” so that you'll know what to expect, then tell you what you can do to be among those few who were in the “right place at the right time”.

Where We Are, and How We Got Here

In the span of just 20 years, the internet has become the largest economic ecosystem the planet has ever seen.

In that time, the newly-minted field of internet marketing has provided an unprecedented opportunity for almost anyone to earn thousands, hundreds of thousands, and even millions of dollars online.

Because the nature of the internet created that “even playing field” where anyone can launch a website, the barriers to entry for making substantial money online have been incredibly low: for as little as \$10 - \$20 (the cost to get a hosting account and register a domain) and a few hours researching the latest search engine ranking techniques or marketing tactics, internet marketers have been able siphon off a disproportionate funnel of revenue.

Much of this revenue comes from search traffic – millions of consumers using the search engines to find answers and solve problems, converting into revenue at the sites they end up at, usually through a purchase, an ad click, or some other conversion.

I use the terms “siphon off” and “disproportionate” because we – internet marketers - haven't 'earned' this revenue by being the 'best' or 'right' destination for these searches, but instead figured out ways to insert ourselves at the top of the traffic stream, usually through ranking manipulation, funneling these conversions away from the destinations that were appropriately earned, in essence “hijacking” the revenue.

I'll explain this more later on, but for now recognize that in large part, internet marketers prospered by “gaming the system”, finding shortcuts, loopholes, and other ways to intercept traffic & generate revenue.

Great stuff for those who were fortunate enough to be there and cash in.

But all that is about to change.

Unless you've just recently started out online, you've already seen, heard, or experienced the 'leading edge' of what's about to happen. Business models, strategies, and tactics that used to work, are failing. Sites are being de-indexed. Accounts are being closed on a massive scale. Companies and government agencies are imposing sweeping changes & regulations, closing loopholes and avenues, completely re-writing the rules of internet commerce.

What gives?

What gives is something that will change internet marketing forever, something so big that it's "hidden in plain site", but which will become increasingly obvious and visible.

It's unavoidable, but as you'll see, completely inevitable and predictable. And if you take heed, you'll be in the very small minority that can fully leverage the coming "Internet Marketing 2.0" – an advantage as valuable as all the previous trends that made millionaires of the few who got there first.

There is a massive, disruptive correction underway, and it's going to change everything. This system-wide correction effects the entire online commerce ecosystem, and most directly impacts internet marketing.

Let me explain...

Consider the internet as an ecosystem driven by money. As an ecosystem, it maintains a 'balance', and when things get too far out of balance, they correct themselves. It is self-correcting.

To get a clearer picture, think of the stock market. Stocks are priced based on their value. Because money follows value, stock prices find their 'level', a price that equals their value. When a stock price strays in one direction or another, it becomes 'out of balance' with it's value, creating opportunities for profit. Then a 'self-correction' begins: those who see the imbalance quickly will buy or sell for the spread (the difference between it's value and where it swung to), until the spread diminishes and balance is once again achieved.

These imbalances happen all the time, this is the nature of large systems. In our stock market example, factors such as economic news, company earnings, new products, seasonal changes, etc., move prices up or down. Speculation, analysis, or guesswork allows for profiting on the 'spread' between the movement and a new balance.

Over time, a stock price will eventually find it's true value.

On the internet, the ecosystem consists of buyers & sellers, providers & consumers, an extension of real commerce. But the technology has enabled a critical imbalance, and it is about to be corrected.

Lets look at search and commerce. Google, as the largest search engine, tries to provide the “best” results for a given search. Their entire business model is predicated on this – people use Google in order to find 'best' answers to their queries, and Google profits from this traffic through advertising.

By providing better results than competitors Bing and Yahoo, Google gets the majority of this traffic, and has achieved market dominance. If Google stops providing 'better' results, people will stop using Google.

In fact, Google has been in increasing jeopardy of this happening – providing results that aren't the 'best'. And the root causes jeopardize more than just Google.

To understand this, we need to consider the question of 'best'.

Rather than look at how Google determines the 'best' results to show, consider it from the opposite perspective, where it looks just like the “real world”.

In the “real world”, there is a huge cost to being a 'best' choice for consumers, businesses, etc. Companies 'earn' their revenues – their customers - through quality, reputation, price, innovation, brand, etc., qualities which are conveyed through word-of-mouth, advertising, etc. It takes time and resources, or sometimes a 'better mousetrap' – innovation. As such, one can't simply start a business and 'claim' quality, price, reputation, etc., and expect to thrive – that would be an imbalance, “hijacking” consumers who are looking for “best” and funneling them instead to you. It must actually be earned, otherwise consumers will eventually see through the claim, and revenues will decline. It will re-balance.

The same holds true online. When someone does a search, Google should show those “best” results – the companies that legitimately provide a best answer.

These are critical paths in this ecosystem, controlling and routing huge numbers of people, and even bigger sums of money.

Like the financial markets or other similar ecosystems, when huge sums of money are involved, imbalances create enormous pressure to re-balance.

And when those imbalances are artificially created from 'bugs' in the system, that system will attempt to repair itself. The more money that's at stake, the more resources will go into fixing it.

Now here's where things really heat up. Because of the very nature of this system – the internet – this imbalance has been able to grow so far and so fast, it actually threatens the system itself.

Let me illustrate.

Most of us understand the value of top Page 1 rankings – they get the majority of the traffic for their search volume. A top Page 1 ranking, say #1 for a keyword or phrase like “cheap car insurance”, with thousands of searches per day, many resulting in a high-dollar conversion, might be worth millions of

dollars. And there are thousands upon thousands of these.

Google earns billions of dollars by being the starting point for most searches. But if they began showing “low quality” results, much of that would eventually evaporate. With so much at stake, they've gone to great lengths to maintain the 'quality' of their results.

In spite of this, internet marketers have consistently found ways to “cheat”, manipulating Google's ranking formula to get their own pages to show up at the top of searches.

The technology is such that it's much, much easier to 'cheat' – to find and execute ways to get to those top spots - than it is to neutralize or 'patch' each new method.

And because it's driven by profits, the numbers on the internet marketing side grew geometrically faster than on the 'patching' side.

The result is that over time – and we've now reached that point – there is significant and growing 'pollution' of Google's search results.

Who hasn't done searches and been presented with low-quality or poorly relevant results listed higher than better, more relevant results? Product information searches returning mostly fake 'review' sites; information searches returning scraped or copied low-quality content, or single-keyword “Made For Adsense” sites, etc.?

The point of critical mass has been reached where stop-gap measures and algorithm patching can't keep pace with the proliferation of sites and methods.

And with billions and billions of dollars increasingly at stake, Google will do what it must to 'protect' itself.

As a result, a wholesale correction is happening.

The above example revolved around Google. But the 'problem' extends well beyond Google.

And so the correction has become system-wide.

Because it has been relatively 'easy' to earn money essentially as a parasite on the system – bleeding off people and money with little or no value in return – it has spread across the whole ecosystem, with technology enabling a scale that becomes system-threatening.

It had to happen. There is far too much money at stake.

And like the run up to the stock market crash of 1929, few people saw it coming until it was upon them - but looking back, it seemed clear and obvious.

Five years from now, this “internet ecosystem correction” will be obvious to everyone in retrospect –

even to the point of being taken for granted.

Today

Before we talk about the unprecedented opportunity this brings and how you can leverage it, we're going to look at exactly where we are right now – the signs of the correction, and the first of the profound shifts that are already taking place.

Until recently, much of internet marketing revolved around search engine traffic and rankings. More than half of the various business models involved manipulating the ranking system in order to leapfrog to the top of the search engine results, where we could hijack that traffic.

As such, perhaps the deepest and most visible 'breakdown' in the system revolves around the search engines. And as the dominant force in that space, Google sees a huge share of this, resulting in their database and ranking system being corrupted.

No surprise then that this is 'Ground Zero' for the correction.

Before reaching the current critical mass, the whole industry of internet marketing developed and grew, largely at Google's expense. But up until recently, it's been more of a nuisance than a business-threatening condition.

Google – and the other search engines – have continually tried to combat the 'problem' by playing a never-ending game of catch: we figure out ways to game their ranking system, they patch it, we find new ways, they create new patches.

But because the technology enables such quick, easy, and inexpensive entry to this game, and is driven by quick & easy money, the 'problem' continued to outpace the patches to the point where there it is no longer feasible to play this game of catch.

And so, in February, Google rolled out “Panda”. Unlike previous algorithm updates and patches, Panda is a whole new paradigm. It represents the beginning of the correction in search, and with that, this system-wide correction or “shift”, began.

In lockstep with the release and subsequent refining of Panda, we began to see the 'fallout'. Postings like these on various IM forums began to multiply:

- “Sudden Ranking Drop, HELP!”
- “Why have my pages gone from the SERPs?”
- “Anyone notice their sites disappearing after most recent Panda Update?”
- “What happened to my website?”
- “All my sites are gone – my income just went to zero!”

The business models – the products and strategies that created this situation - suddenly began failing. Instead of individual patches – algorithm 'updates' - Panda is Google's search-side shift to correct the imbalance.

Much of the problem stemmed from the almost linear model Google used to rank sites: 'x' number of factors, such as backlinks, number of keyword instances, placement of keywords, etc., each being assigned a value, the total of which dictated rank position. It's simply too easy to game, and too unwieldy to keep patching.

Panda is essentially a 'non-linear' model – it's factors such as user metrics, non-linear backlink values, etc., are considerably more resistant to gaming. At the very least, there is no longer the huge imbalance of being easy to game and hard to patch.

(We're going to post a follow-up article shortly delving into Panda in more detail, to show you what it really is, particularly in the context of the correction, and why it completely obsoletes the “old” world of internet marketing. It's also worth noting their search-side efforts go beyond Panda – additional 'changes' such as the recent elimination of some keyword referral data.)

But if this is truly an ecosystem-wide correction, there should be far more than a paradigm shift just in search. And there is.

With Google such a primary force in the entire ecosystem, we can see evidence even there that goes beyond search.

On the search marketing (PPC) end, Google's Adwords program has slashed huge numbers of accounts and advertisers and virtually eliminated affiliates and affiliate marketing.

On the ad-placement flip side, the Adsense program has undergone profound change, again eliminating huge numbers of accounts, radically tightening it's policies and program application.

Youtube has begun a massive 'house-cleaning', while eliminating entire categories – and existing accounts simply because they used arbitrary 'red-flag' keywords.

Looking beyond Google, we see similar disruptive corrections:

Federal Trade Commission regulations - 'Non-typical results' banned

Legislation efforts such as SOPA and PIPA

Clickbank, Plimus, other networks banning products and tightening policies

Amazon accounts killed, Kindle restrictions

Youtube accounts killed, "Biz opps" keywords flagged

"MLM" banned from PayPal

"Internet marketing" mailing lists banned from MailChimp

"Work from home" videos being banned from YouTube

The State Of Things Right Now

On the one hand, the 'causes' of the imbalance, being profit-driven and absurdly accessible, have run at a far higher rate than the system could keep up with, resulting in a huge gulf between the two. Every time a loophole, strategy, or method for gaming part of the system was discovered, it was able to proliferate far and wide through forums, websites, product launches & emails, articles, etc. almost instantly, with it's impact multiplied by tens of thousands of marketers and companies, and through automation software.

On the other hand, the system became increasingly unable to keep up with the occurrences, and the ever-evolving tactics.

Correcting an imbalance this wide and fundamental, in a system with such a deep-rooted imbalance, is going to be very “disruptive”, displacing huge numbers of people and organizations.

But it's already begun. In fact, it began some time ago – but is just now reaching “critical mass” and becoming clearly visible.

What This Means To You

Internet marketing “1.0” is dead, period. Nearly everything that lived in the ecosystem as a parasite – taking out money disproportionate to the value put back in – is dead or dying. This means gaming the system, manipulating the system, leveraging loopholes, cheating, earning through false or inflated claims, etc.

Internet marketers, many of whom earned their entire income through 'old' – and now obsolete – strategies & tactics, either have, or will shortly see their entire businesses evaporate:

Autoblogging; “xfactor” & “Google Sniper” type single-keyword-focused sites; 'curated'/aggregated sites; keyword-based Adsense sites; virtually all 'traditional' (thin) affiliate marketing; aggressive marketing product sales; advertising revenue sites that lived off search engine traffic gained through rank manipulation; most CPA efforts; mass/automated site building; etc., etc.

“Cottage industry” providers have already, or will soon see their products & services rendered ineffective or useless – backlink providers, backlink automation software companies like SENuke and Scrapebox, etc.

Product developers who created courseware, reports, software, etc., that leveraged these “old” strategies & tactics have, or very soon will find their products rendered not just useless, but dangerous.

Larger organizations who focused too narrowly on SEO & ranking tactics, and depended too heavily on search traffic – many have already seen their businesses drop precipitously.

The unavoidable truth is that, for the most part, internet marketing as it has been, is over. There may be some time before the last of the websites, tactics, and products are gone or useless, but the shift is happening, and it will continue gaining speed.

What To Do

Does this mean the internet marketing dream is over? Certainly not, however it is being radically reshaped.

The old strategies, tactics, and methods are dead or dying. With them, the websites, products, people, and organizations living off them will disappear.

A vacuum is being created, and that means enormous opportunity for those who put themselves in the position to take advantage of it.

Just like it has been through any disruptive correction, those willing to “re-think & re-train” will have the incredible benefits of a wide-open and almost empty playing field:

The 'old' methods, strategies, and tactics for getting traffic are dead or dying. Learn how to get traffic in this 'new world' and you can make a fortune.

The 'old' model of affiliate marketing – the zero-value-add middleman - is dead or dying. Learn how to create true 'value-add' affiliate sites and you'll have almost every niche open and available to you.

The 'old' models of selling online are dead or dying – learn how to interact with mobile & tablet users, correctly engage through social media, and multi-modal channels, and you can make untold fortunes.

The 'old' methods of gaining conversions are dead or dying – learn the new rules of trust, authority, reputation, and branding, and you're online efforts will succeed where nearly all others fail.

The 'old' model of... everything, is dead or dying... No longer is 'somewhere' everywhere. Geotargeting & local means that 'everywhere' is somewhere. Personalized search means 'traditional' SEO is becoming irrelevant.

'Traditional' IM business models and opportunities are giving way to IM 2.0 businesses:

- Post-Panda SEO
- Lead generation
- New rules of content, engagement, and selling
- Effective mobile strategy
- Retargeting / remarketing
- Offline marketing

- Local-reach marketing
- Online efforts that aren't simply the 'old' ported to 'new'...

How To Do It

The first step is to understand what's changing, and how.

While you might be able to read up and learn how this correction is unfolding in ecommerce, search engines, advertising, government regulations, TOS changes, paid search, mobile, etc., you'd need some background and foundation in each of these areas, and would still forever be playing 'catch-up'.

On top of that still, you'd need to stay abreast of all the emerging business models – what they are, how they work, competition & best practices, etc.

However, we have a better way. We saw 'the writing on the wall' almost a year ago. Since then, we've put a huge amount of effort into all of the above – and completely re-shaped our own business along the way.

About 6 months ago, we laid out a plan and began working on a solution, which we're getting ready to release in the next few weeks:

'R100k' - "Reference \$100k Blueprint"

R100k is a complete and authoritative guide to Internet Marketing 2.0. It consists of a core reference guide, and monthly updates.

The main reference guide condenses all the shifts, corrections, and changes into an easily digestible, easy-to-understand guide written specifically for internet marketers, and specifically about internet marketing.

It will tell you *exactly* what you need to know regarding Panda, including what you must know & do for your efforts going forward, and how to 'retro-fit' your previous efforts. It will tell you what you need to know, need to do, and need to be aware of regarding coming government regulations, provider TOS's, and the like – how the things we used to do have changed, and what must be avoided.

Just as importantly, it will tell you what no longer works, and what will work going forward – including all the new business models and strategies that are the huge, new, and untapped IM opportunities.

Best of all, 'R100k' is free.

No strings attached.

We want everyone to have the opportunity that we're enjoying, even though we know most won't take action or take advantage, and will end up in that majority of those who don't "make it" in IM.

Since this correction, and the 'new world' online are continuing to evolve, we'll be publishing a monthly R100k report, providing ongoing detail on new opportunities, "how-to" information, etc.

You can get more information about R100k and sign up to receive the core guide at:

<http://www.100kpublishing.com>

Over the next few weeks, we'll be releasing a series of reports going into more detail about the things mentioned in this report, including a report explaining exactly what Panda is, what it isn't, how it works, and what you should be doing about it.

You can download this report that you just read at:

<http://www.100kpublishing.com/disruptivecorrection.pdf>

You are welcome to link to this post, or distribute the downloaded report providing it remains unchanged.

You can reach us at: info@100kpublishing.com

Final Word

If you plan to continue in internet marketing, you must heed the coming correction, and the shifts that are already happening. Whether you agree with everything in this report or not, there is no doubt that the world of online commerce and internet marketing are undergoing profound change.

Don't invest any further time and effort into strategies, tactics, and methods that are doomed to fail. Get in front of the curve in regards to the trends, technologies, and online behaviors now, or you will find yourself "behind the eightball", trying to catch up while those who did continue to prosper.

Consider these new "IM 2.0" business models that are mentioned in this report; learn just one of them and you'll be in an enviable position.

About The Author

Michael Ullman started 100k Publishing in 2007 to develop and implement internet marketing strategies and courseware.

The company has recently released two critically-acclaimed courses, “[Adsense \\$100k Blueprint](#)” and “[Traffic \\$100k Blueprint](#)”, authored by Mr. Ullman.

Mr. Ullman has worked in the industry since its inception. Prior to starting 100k Publishing, he was Manager of Emerging Services at AT&T, and President of ICS Network Systems, where he developed “Mail Sentry”, the first pre-emptively scanned email service. He later developed and launched “ScreenShow Pro”, a full-featured, low-cost alternative to Camtasia.

Mr. Ullman has taught at Digital Communications at Johns Hopkins University and American University, and lectured at the Smithsonian Institution in Washington DC.