

search Savvy

Why
**SEARCH ENGINE
 MARKETING**
*is beyond the
 next big thing*

SEARCH ENGINE MARKETING

(SEM) is hot, and it's projected to be a \$2 billion industry by the time 2003 comes to a close. In this world of get it now, get it quick, consumers jump to the Web first, relying on search engines to direct them where they need to be.

But marketers play a role in that direction. To drive customers to your site — yes, to sell, but also to educate — you have to know how to get them there, and search engine optimization helps send qualified customers your way.

To help get your Web site sharp for search, we've asked the following SEM leaders to share their expertise: from the search engine side, **Dennis Buchheim**, general manager, search marketing solutions, Inktomi, a Yahoo! company; **Todd Daum**, vice president, marketing, Overture Services, Inc.; **David Fischer**, U.S. manager, AdWords sales and operations, Google; and from the consulting/strategy side, **Heather Lloyd-Martin**, president and CEO, SuccessWorks Search Marketing Solutions, Inc.; and **Amanda Watlington**, director of research, iProspect.

What are the basic principles of optimizing a Web site using search engine marketing?

LLOYD-MARTIN: Search marketing gives searchers the power to instantly find the information they want, when they want it. It is the perfect instant-gratification hit, giving

consumers the power to learn, research, and make more informed decisions.

The easy, rule-of-thumb approach is to create a site that will be useful and informative to your target audience. If you create a site for your customers, rather than trying to "game" the search engines with the latest tricks, you should see success.

Basic optimization principles involve creating key word-rich text around certain well-researched search queries. Users tend to search using particular phrases, and knowing this information gives you the power to create highly targeted Web pages that are focused on prospect needs. This doesn't mean that your search engine focus detracts from your conversion goals. In fact, SEO [search engine optimization] copywriting is just like conventional direct-response copywriting — it just has a particular

keyword focus, and is written with search engine relevancy in mind.

Search marketing can satisfy many goals, such as online branding; providing information to prospects searching for it, but who are not ready to purchase; getting people to sign up for a newsletter; getting people to download a white paper; getting people to register; and getting people to call for more information and, of course, make a purchase.

DAUM: U.S. consumers currently search for a specific product or service 110 million times each day, making Internet search one of the most effective marketing vehicles available to businesses today. Paid search is so compelling because it allows marketers to reach the most qualified kind of consumer — one that is looking for the product or service the marketer is trying to sell. Paid search can be easily integrated into any business's marketing mix to help both big and small companies achieve their marketing objectives.

And better yet, it's measurable — meaning you can track conversions better than any other medium, including direct mail.

WATLINGTON: Search engine marketing is a marketing trifecta — the business, the customer or prospect, and the search engine are all winners. The customer receives an introduction to a business that meets the user's need, and, if the value proposition is met, the site owner gains business. The search engine is a winner in that its success hinges on providing fresh and highly relevant content in response to user requests.

BUCHHEIM: In this unique medium, not only do consumers tell advertisers [marketers] explicitly what they are looking for, they indicate exactly when they are looking for it. Search

marketing also covers the entire sales funnel, from building awareness and relationships to generating leads and sales. Successful SEO requires advertisers to consider a prospect's location in this funnel.

Inktomi provides Web search results on major portals, and our paid inclusion programs enable advertisers to ensure that their newest and most targeted pages are included in these search results. Performance (ranking) in Inktomi search results is driven by relevance assessment, with the same rules



Dennis Buchheim, general manager, search marketing solutions, Inktomi

governing paid and unpaid content.

To perform well, each page of a site should have a unique and appealing title and description that addresses the page's target audience and primary objective (e.g., branding or sales). Page content and meta-data should also appropriately feature distinctive terms that searchers might use to find the content. Inbound links can enhance a site's performance in search results, so advertisers should build reputations that result in high quality sites linking to them. To reduce guesswork, advertisers should consider a blend of paid inclusion and paid placement programs (bidded results that generally appear at the top or side of a search page). In the end, though, marketing objectives will only be accomplished

if search users like what they see when they click through to a site.

What are the most useful ways to measure success?

WATLINGTON: Tracking and measurement is so essential to success that we recently collaborated with NetIQ to use the WebTrends Reporting Series to provide customized Web analytics to support our services. iProspect clients can then measure and improve the lifetime value and return on investment of their search engine marketing dollars.

In a recent survey by NetIQ and iProspect, 41 percent of those surveyed indicated they are running paid search campaigns; however, 31 percent don't measure search engine marketing activities at all. Of those who do measure search results, 60 percent measure only basic click-through results and traffic, 27 percent measure search engine marketing results beyond click-throughs to conversion, and only 11 percent perform

detailed ROI analysis of revenue by keyword and lifetime value. This is the level of information needed if marketers want to spend their marketing dollars most effectively.

BUCHHEIM: Analyzing and understanding the performance of search marketing programs has become increasingly important for advertisers. Paid placement and paid inclusion vendors typically provide data to their clients directly and/or via SEO firms. Most vendors provide clients with several useful metrics, including paid content impressions, clicks, and query terms (keywords) for each click.

Many SEO and data analysis firms also can work with an advertiser to track enhanced data, such as conversion from click to sale for a

given search listing. Conversion and ROI tracking based on query terms is especially useful as an optimization aid, provided it is used to understand the “lifetime value” of a click and not just the immediate return on each click. Advertisers should track the data that seem most relevant to their business needs, being careful not to hastily adapt their sites and search marketing campaigns based on limited information.

DAUM: Overture offers customers Web analytics, reporting, and conversion tracking tools, providing them visibility into the performance of their offers and the ability to optimize their advertising spending. They are able to effectively manage their accounts through our DirecTraffic Center (DTC) and determine which tools work best.

LLOYD-MARTIN: There are standard industry tools that examine server logs, and then there are third-party tracking systems that track users by cookie. Not every tracking system is search engine friendly; some are downright awful and are the cause of confusion in search engine indexing.

Log analyzers incorporate keyword lists in their software. But to actively track ROI, you want a sophisticated third-party system that provides you tracking through to conversion. Some of these custom systems track sales amounts into their data so you can measure ROI to the cent. When tracking by cookie, you can record users by the keyword and search engine. Tracking by keyword is fantastic, because you get to see the myriad of search terms people use to find your site. Oftentimes, the data are incredibly surprising.

FISCHER: Most pay-per-click pro-

grams (paying for keywords) help advertisers track a number of key metrics like keyword clicks and ad campaign costs. However, one of the most useful measurements is an ad’s click-through rate (CTR), a ratio showing how often users click on an ad versus how often that ad appears. This percentage is a strong indicator of how relevant an ad is to users; it also compels advertisers to reach the goal of being as clear as possible.

With Google AdWords, businesses create ads based on keywords related to their products or services. When a



*David Fischer, U.S. manager,
AdWords sales and operations, Google*

user performs a Google search on any of these terms, these ads will appear in a separate section above and alongside the natural search results. With Google AdWords, advertisers have control over their ad’s performance. They can increase their ad’s cost-per-click amount (how much they’re willing to pay each time a user clicks on an ad), and they can strengthen their CTR by refining their keyword lists and ad text. With effective edits, the ad can move into a higher position.

What is a good formula for integrating pay-per-click and natural search (when search engines match Web pages to the most relevant search terms) into the mix?

LLOYD-MARTIN: There really is no magic formula as every site and their

ROI needs are completely different. What I can tell you is that I've seen a shift from "organic" SEO (a search based on quality of content and your incoming links rather than paying for position) into the pay-per-click space — and now I'm seeing a backlash. Pay-per-click is fantastic for fast traffic as it provides immediate results. It's also great for sites that are unspiderable (sites that search engines can't index) because of technical limitations. And search

ing out content (value-adds, such as white papers), there is really no more SEO "tweaking" that you need to do. It's not like pay-per-click where you are monitoring bids and watching your budget. Organic search marketing lets you "set it and forget it," and you can gain positions on every phrase on your page, just not the terms you bid for.

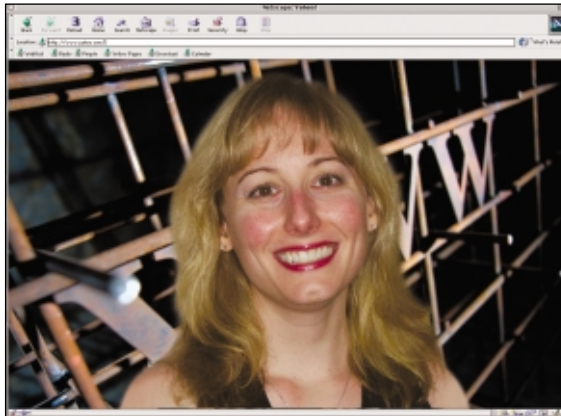
WATLINGTON: A site wanting immediate results may choose to focus on paid search listings until there is sufficient growth of traffic from other sources.

Similarly, a site with design challenges may require paid inclusion to ensure that its pages are indexed. But there is no magic formula. The best formula is a campaign that combines paid and natural search to provide the maximum visibility for the site.

There are distinct

pros and cons for each. The biggest pro for paid search is that it provides a means for rapidly obtaining search referral traffic. The biggest con is the other side of the same coin. As soon as the budget allocation is spent, the visibility drops off immediately. The ability to directly link cost and resulting traffic creates both pros and cons for paid search.

Natural search, on the other hand, requires patience and more elbow grease; however, once the site obtains natural search engine rankings, they can be maintained without a direct pay-per-click relationship. For many sites with large volumes of search traffic, the cost would be prohibitive if they were forced to a pure pay-per-click model. Each business will have to determine what mix is best for its business model.



*Heather Lloyd-Martin, president and CEO,
SuccessWorks Search Marketing Solutions, Inc.*

marketing specialists and marketing departments like to promote it because it's easier than creating a holistic, content-based search engine campaign. Clients see fast results, and it doesn't take as much effort to provide them.

However, it costs money. What initially begins as, "Wow, I'm getting a lot of traffic," can sometimes transform into, "Why isn't my site showing up in Google? And why do we have to spend \$10,000 a month on pay-per-click advertising when Google natural listings are free?"

The best sites embrace the best of both worlds — they are content-rich sites that do great in Google and Yahoo!/Inktomi as well as other spidering engines, and their individual pages make fantastic pay-per-click landing pages. After all, if you focus on organic listings and build-

Is SEM for every company? Is it better to train someone internally or outsource it?

FISCHER: Most search engine marketing programs allow advertisers to create a variety of customized campaigns that target different audiences with great precision. They also offer a low-cost, high-return marketing channel that doesn't require a large initial investment or a high degree of technical aptitude. Therefore, businesses of all sizes and industries can take advantage of these types of programs.

BUCHHEIM: Search drives everything from brand awareness to relationship development to sales. For advertisers with smaller bud-

gets, search marketing might be a large part of their overall marketing plan. For larger advertisers, search marketing is an important component of an overall plan in which the advertiser reaches prospects at all points on the marketing spectrum.



*Todd Daum, vice president, marketing,
Overture Services, Inc.*

Generally, only large firms should consider managing SEM efforts internally, and even then should seek outside training and ongoing education to keep up with the fast-changing market.

LLOYD-MARTIN: Search marketing can truly benefit any company that wants a national or global audience. However, that means that a company has to do it right — not build a site that won't be spidered by engines, or have their brother-in-law's boss's sister create a site using whatever free tool is available. Creating a Web site is like creating a direct mail piece. There is a right way to do it — and there is a wrong way. And that wrong way will turn off

every prospect and search engine that finds your site.

B-to-B companies have been slow to adopt search marketing with the misconception that “companies don’t search.” However, people within those companies do search — and they are looking for specific solutions. As such, strong search engine positioning puts your company on the vendor short list, exposing your brand and your service or product offerings to a very qualified audience. And if they don’t find your company, they may never know that you offer the solution they need.

If a company has a robust marketing department, in-house SEO is very possible if they have an expert consultant to help them along. At SuccessWorks, that’s actually how we work with our clients — we offer them initial assistance, train them in content creation, solve any technical problems, match them up with vendors, and then get out of their way.

However, if you do want an in-house department, that means giving your staff enough time to do their job right. SEO is not an “other duties as assigned” task. It’s a full-time commitment.

Is SEM here to stay? Where will it be in 10 years?

DAUM: The commercial search industry (paid placement, paid inclusion, local search, contextual advertising and analytics) is expected to grow to \$15 billion worldwide by 2008. Two new products with growth potential are contextual advertising, which places a company’s search results on relevant content-based pages and local search, which enables advertisers to connect with nearby customers through geographically targeted search listings. Overture launched its contextual advertising product, Content Match, this summer and

expects to roll out its local search product by the end of 2003.

LLOYD-MARTIN: Will SEO be around in 10 years? Yes. But the question is, what will search be like in 10 years? I remember hearing the CEO of a Copenhagen company discuss that the future holds voice-activated search with a customized robot. This bot would understand natural language speech patterns, so you could “talk” to it as if it were a real person. You’d wake up to morning news that your search bot found for you — and you’d spend your day asking your bot to do everything from buying theater tickets to booking business trips.

Would that mean that Web site optimization would be dead? No, probably just transformed. Maybe that means your site must be searchable by different formats, and we’ll have to code that into the systems. Perhaps it means natural language recognition and search mesh into a new product. I have no idea. But I’ll tell you one thing — I’ll be prepared for whatever happens.

WATLINGTON: There is a reason search engine marketing is projected to be a \$2 billion-plus industry in 2003. It works! iProspect’s 2002 branding survey showed that search engines beat all other media for driving consumers to Web sites.

In the long term, search engine marketers will drive site success. Search marketers will take a more vertical focus. For example, Amazon is in fact a search engine for books, and WebMD a search engine for medical information. Search optimization will be about leveraging all of the potential sources of traffic to increase the visibility of the Web site. The complexity of these offerings will continue to grow exponentially, and businesses will increasingly turn to search marketing professionals to help them navigate. ■