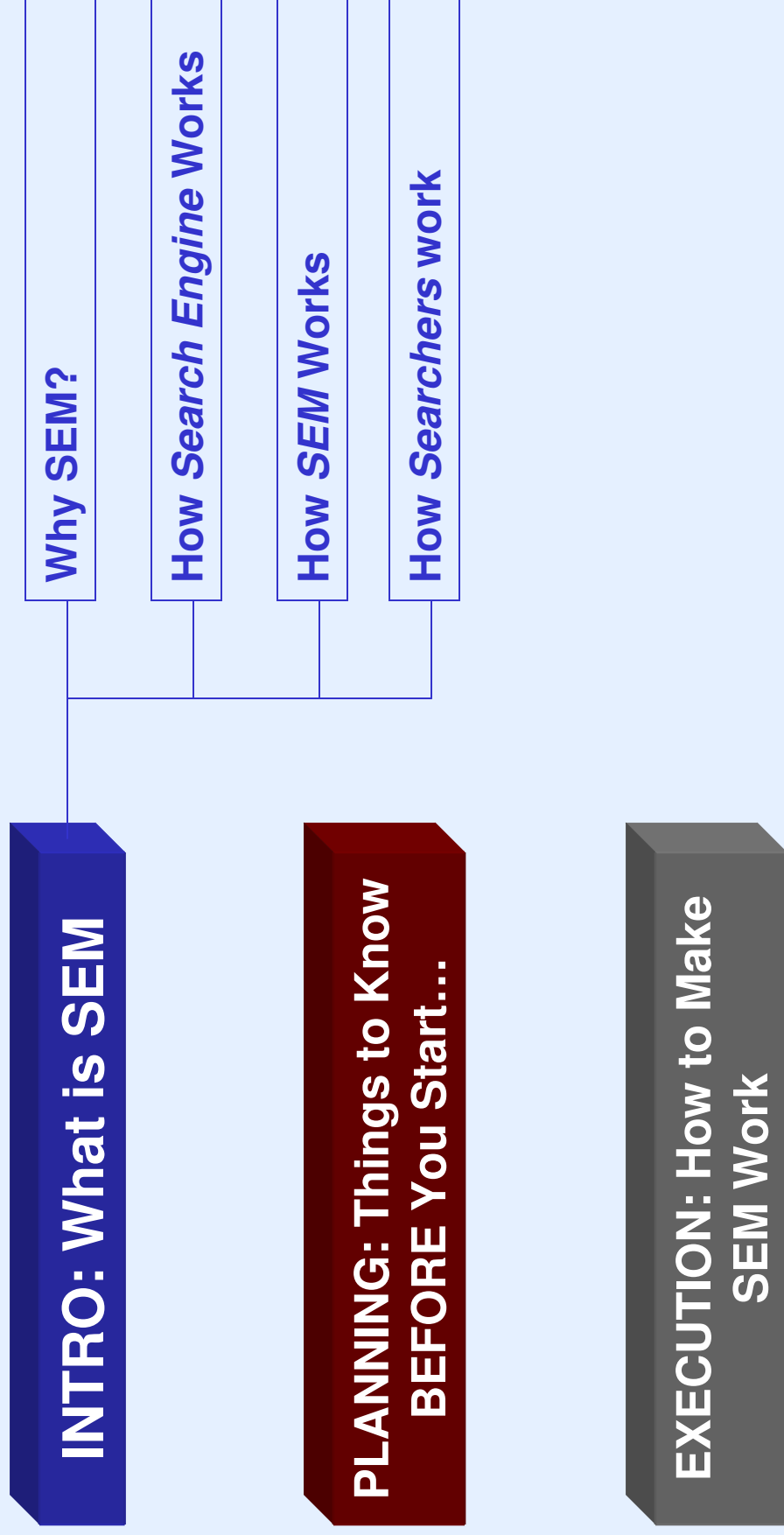


Search Engine Strategies: Road Map



Module II Overview

**PLANNING: Things to Know
BEFORE You Start...**

**Why SEM?
Goal Analysis**

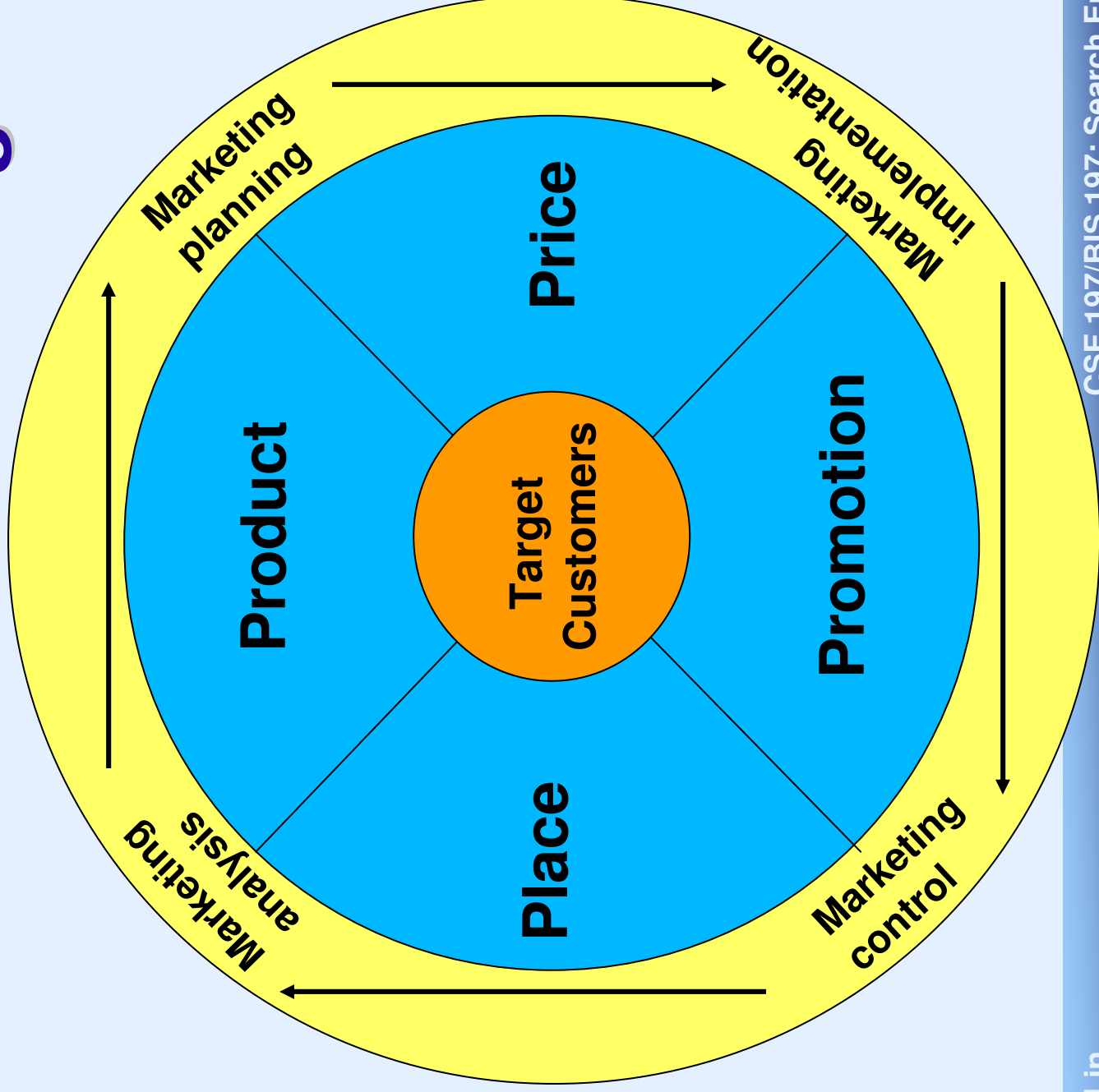
**How good is my site?
Site Analysis**

**How good is my search?
Measure SEM performance**

**How to do it?
Strategic Planning**

**How to sell it?
SEM Proposal**

Before We Start: Marketing Basics



Before We Start: Marketing Basics

- Marketing Analysis
 - Finding opportunities, understanding strengths
 - Avoiding threats, analyzing weaknesses
 - **In SEM context: Define Goals**
- Marketing Planning
 - Executive summary
 - Analysis of current situation
 - Targets and positioning, Marketing mix
 - Budget & Controls
 - **In SEM context: Form Strategy**

Before We Start: Marketing Basics

- Marketing Implementation
 - Plans are turned into action with day-to-day activities
 - Good implementation is a challenge
 - **In SEM Context: Module III**
- Marketing Control
 - Evaluation of the results of marketing strategies
 - Checks for differences between goals and performance
 - **In SEM Context: Measurement**

Identify Your Web Site's Goals

- Your Goal Determines:
 - Whether to focus on **paid** or **organic** search
 - Your **SEM strategy**
 - How to **measure** your success: not all clicks are created equal
- Most Internal Time on SEM is Spent on Strategy and Analytics [[SEMPO](#)]
 - Paid Placement: 82 hours a month
 - Organic SEO: 59 hours
 - Paid Inclusion: 17 hours

Boris: “One dollar per click may not seem like a lot, but it is important that a click is not a purchase”

What are the Goals of These Web Sites?

- AMAZON
- DELL
- New York Times
- WalMart
- <http://bookreporter.com/>
- McDonald
- The Army

Web Site Goals

- **Generate (direct) Revenue**
 - **Difference in timing of purchase**
 - **Difference in supply chain role**
 - **Difference between product & service**
- **Generate Leads**
 - **Online → offline: channel integration**
 - **Affiliated marketing**
- **Build Brand Image**

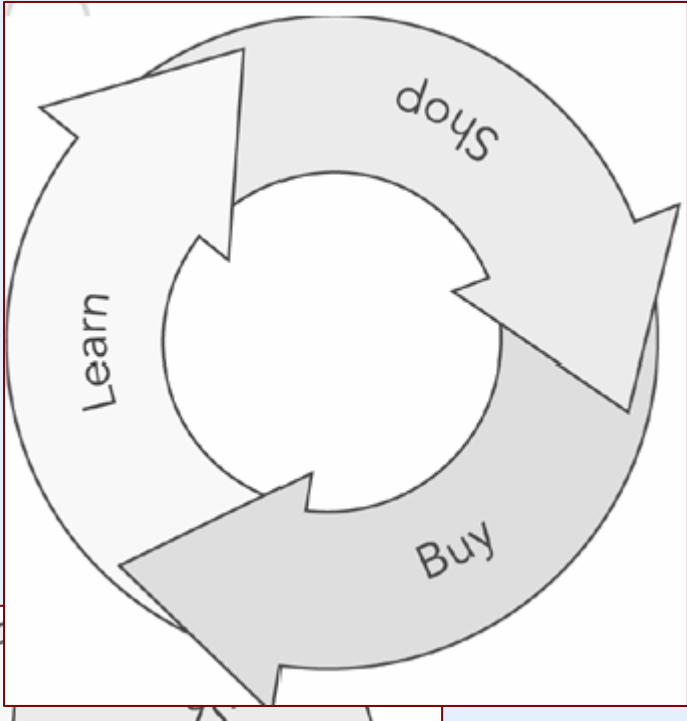
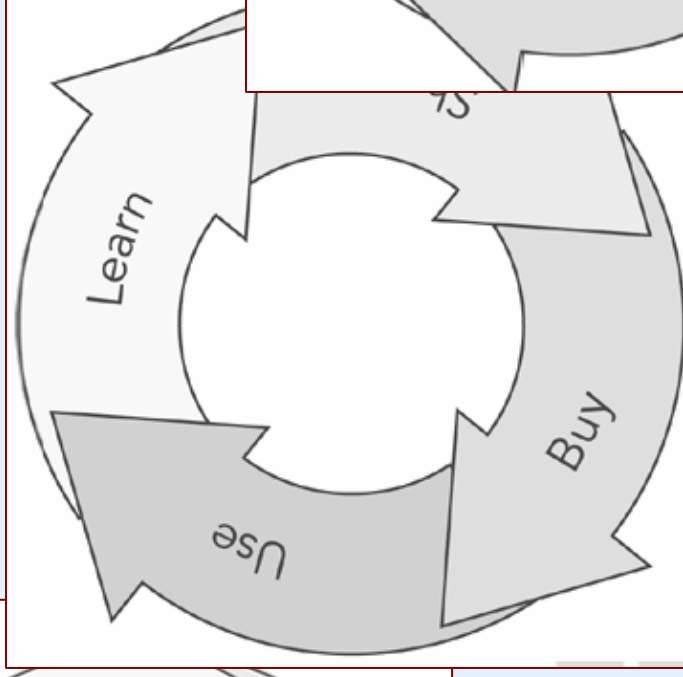
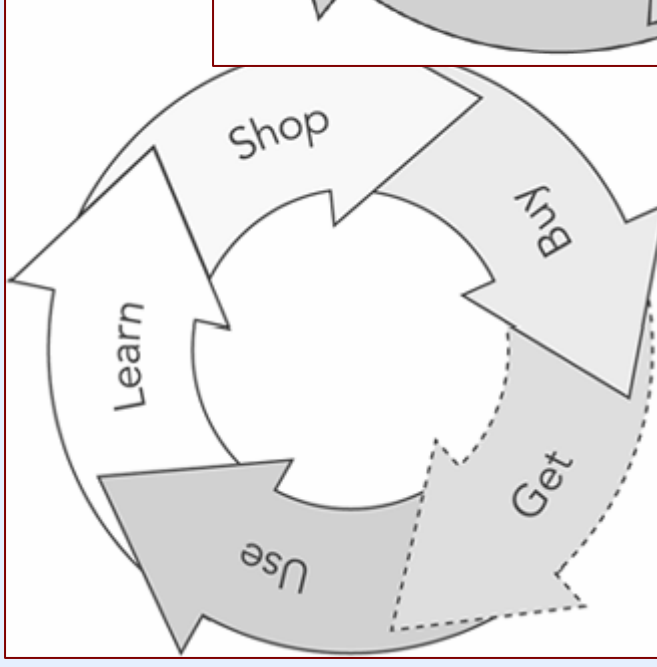
Revenue Generation:

Physical Products vs. Digital Products

- The book calls them “online commerce” vs. “pure online”
 - Example: amazon.com vs. iTunes store
 - Example: Buying a cell phone vs. downloading ring tones
- Difference in business models:
 - Shipping and handling
 - Post-sales support
- The Importance of Being Compulsive
 - Impulse purchase: from 25% to 40% (2000 – 2003)
 - Impulse purchase: Justifies SEM
 - Where did all the visitors go? --- 70% shopping cart abandonment [Gold 2005]

Revenue Generation:

Physical Products vs. Digital Products



Revenue Generation:

Physical Products vs. Digital Products

- Factors contributing to impulse purchase
 - The faster, the better
 - Easier to surf, easier to buy
- **SEM Implication**
 - **If you offer digital (or real time) products/ service, target:**
 - **Transactional?**
 - **Informational?**
 - **Navigational?**

Revenue Generation:

Manufacturer vs. Retailer

- Internet brings changes to traditional business model
 - The myth of disintermediation
 - To skip or not to skip?
- Manufacturer vs. Retailer: a web perspective
 - Both depend on revenue generated through transactions
 - **WHAT** to focus? Product-oriented vs. customer-oriented
 - **WHO** to serve? Frequency of return visits
 - **WHAT KEYWORD?** Specific vs. general

Revenue Generation: Manufacturer vs. Retailer

- **SEM Implication**
 - **Transactional?**
 - **Informational?**
 - **Navigational?**

	<i>Manufacturer (e.g., Sony)</i>	<i>Retailer (e.g., Buy.com)</i>
Breadth of products offered	One manufacturer	Many manufacturers
Depth of product information	Deep and detailed	Surface only
Objectivity of product information	Biased to own product	More objective
Frequency of return visits	Moderate	High

Revenue Generation: Information / entertainment provider

- A special(?) revenue model
 - Ad revenue
 - Premium subscription
- **SEM Implications:**
 - Navigational?
 - Informational?
 - Transactional?
 - Organic or paid?

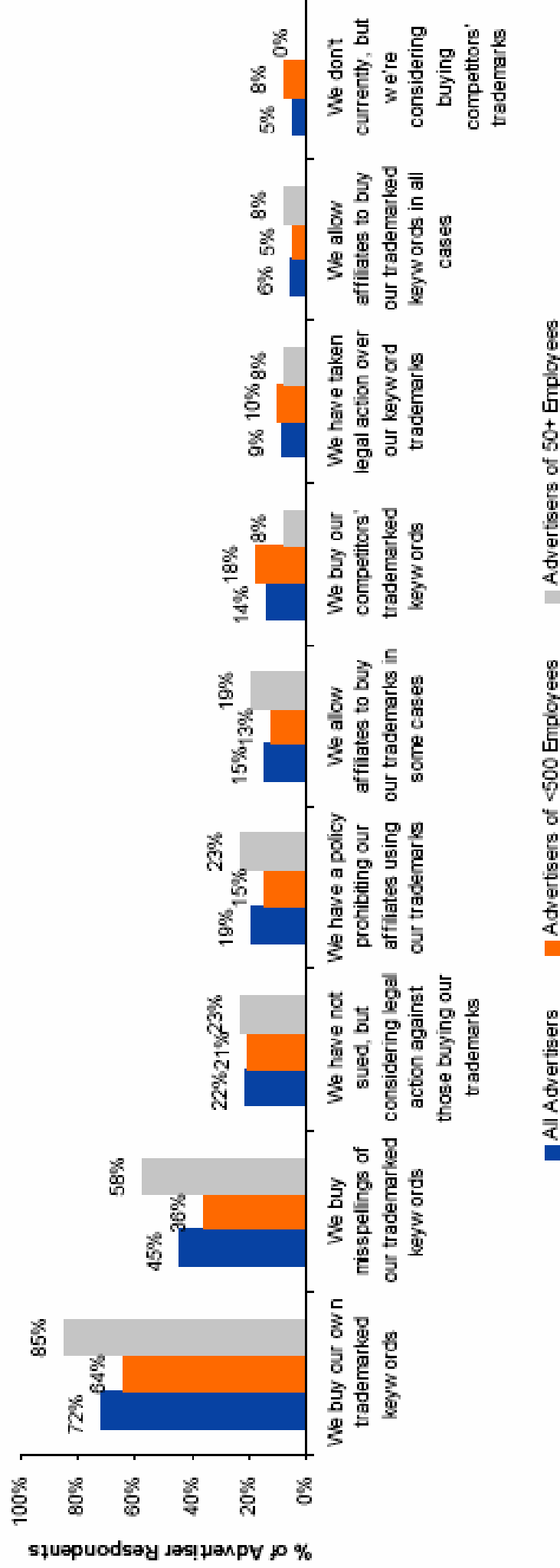
Most Firms Bid on Their Own Trademarks, But Policies for Competitors and Affiliates Vary

ADVERTISERS > PAID PLACEMENT

- The majority (but not all) advertisers bid on their own trademarks as keywords; misspellings, not so much; larger firms more focused on trademarks
- Policies about trademarks get fuzzier with regard to affiliate partners and competitors

Trademarks vs. Paid Placement Programs

"How do your trademarks factor into your Paid Placement programs?"

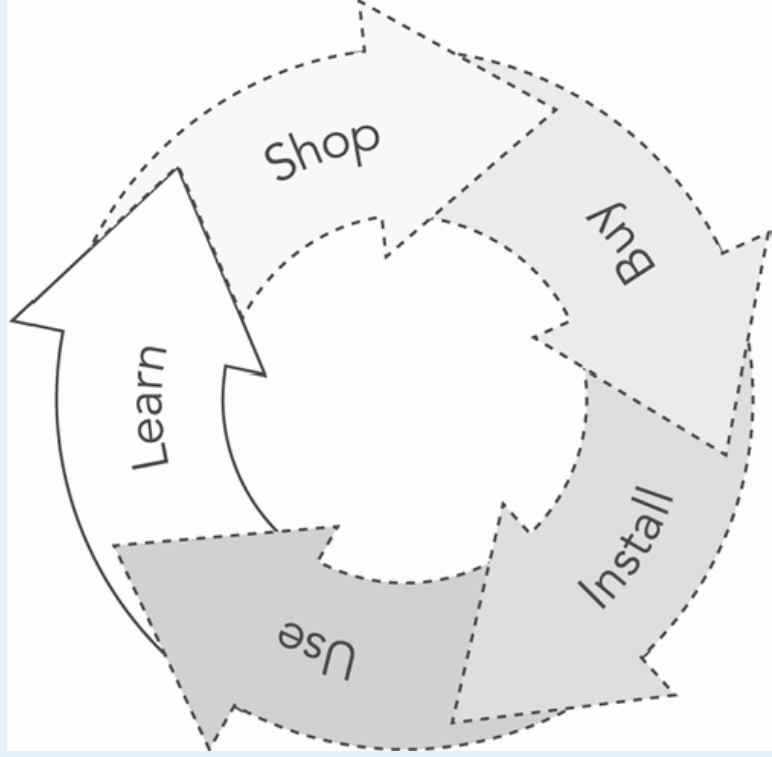


Source: Search Engine Marketing Professional Organization

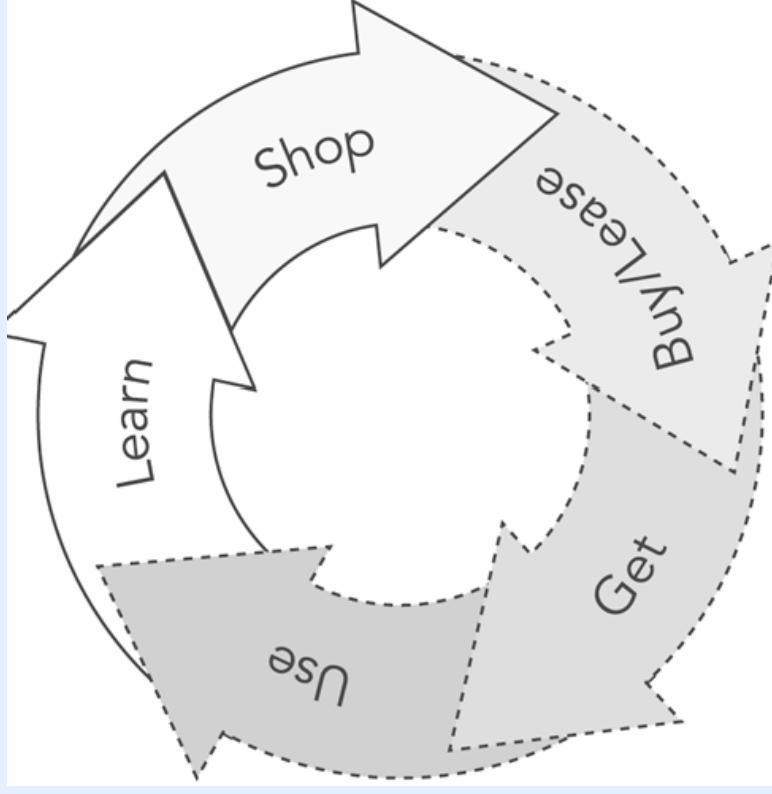
Lead Generation

- Lead: new customers
 - Lead generation: finding new customers that **may** purchase eventually
- This category covers both “lead” and “offline purchase” in the textbook
 - Affiliated marketing vs. offline purchase
 - The difference is the timing: a vague concept

Lead Generation



lead



offline purchase

Lead Generation:

Affiliated Marketing

- ***Affiliated marketer:*** company that exists solely to create leads for other businesses
 - Usually paid based on sales
 - Goal: to get a customer interested in a product and close the sale elsewhere
 - Often acquires customers during early stages of decision making
- An ***affiliate program*** is created by the ***affiliate program sponsor***
 - Provide the affiliated marketers with links to place on their sites
 - Pay by cost-per-action or cost-per-lead

Lead Generation:

Affiliated Marketing

- 53% of affiliate marketing programs expect to spend more in 2005 on such programs than they did in 2004
- The average amount by which merchant expected to increase their 2005 spending on affiliate programs was 19%

Lead Generation:

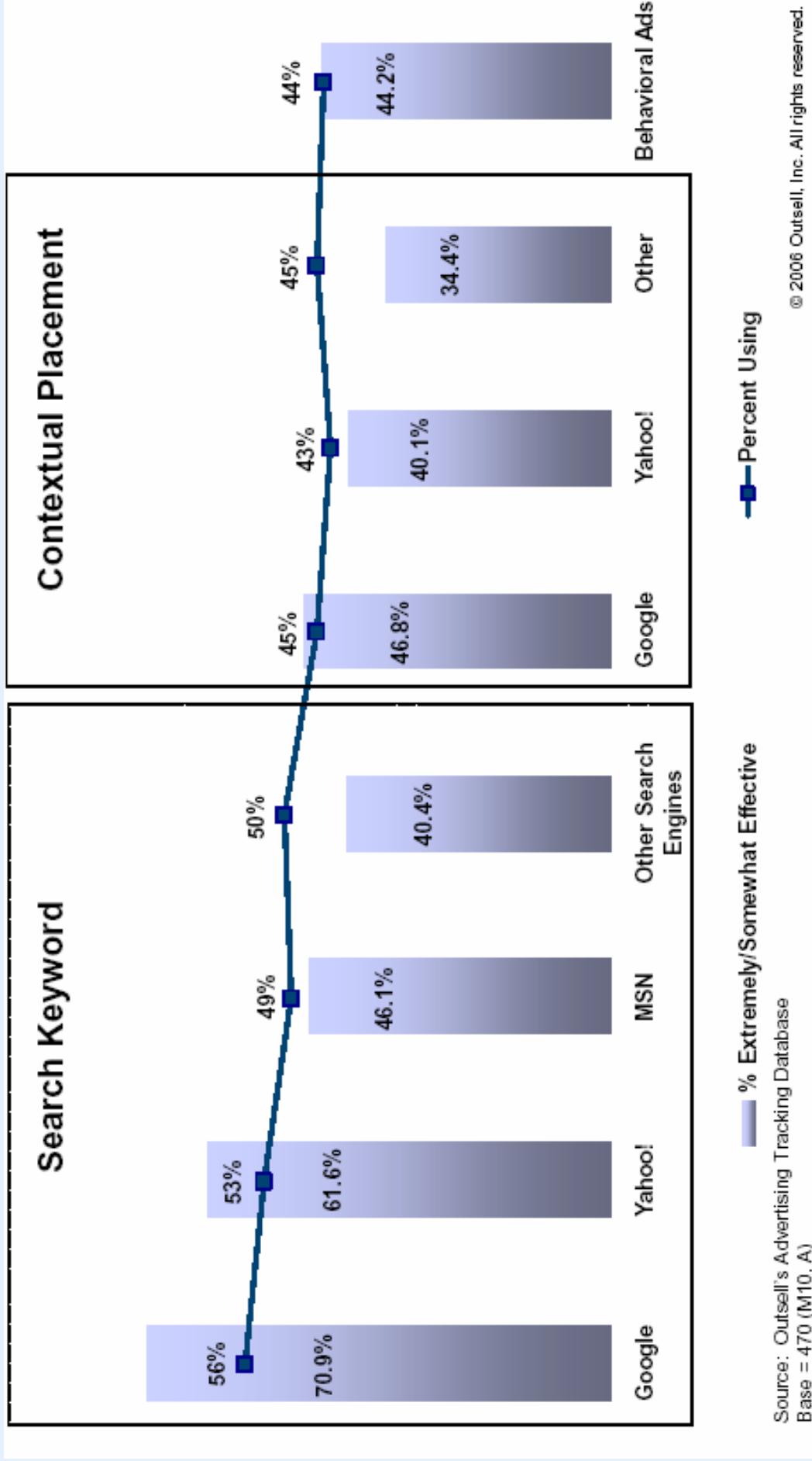
Affiliated Marketing

- **SEM for affiliated marketer:**
 - Choose your area wisely
 - Research affiliate merchants (discussion)
 - Build a strong information web site
 - Focus on ? Searchers
 - Avoid competing with the sponsor

- Contextual Ads:

- scans the text of a Web site for keywords and returns ads to the Web page based on what the user is viewing, either through ads placed on the page or pop-up ads

Lead Generation: Affiliated Marketing



Lead Generation:

Offline Sales

- Focus: re-direct traffic to offline sites
 - Often targets customers during the later stages of their decision process
 - Not significantly different from revenue-generating models in SEM strategy
 - However, measurement is drastically different

Lead Generation:

Offline Sales

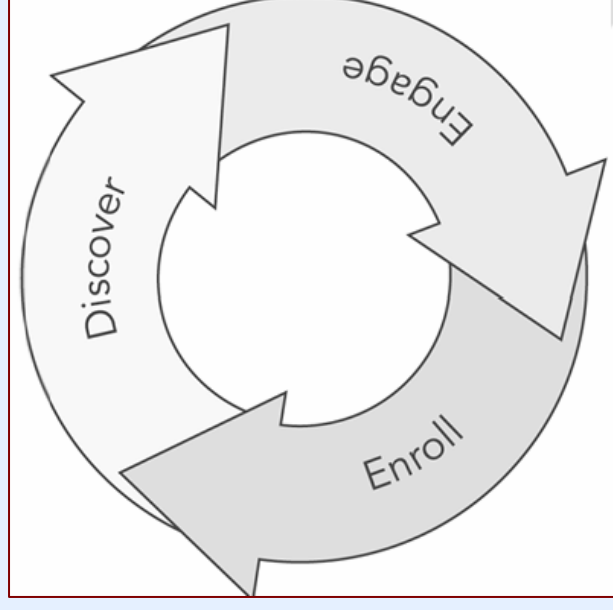
- From online to offline: Why?
 - Loyalty does migrate across channels: for every dollar spent online, six will be spent offline [[Jupiter Research](#) , 2004]
 - 43% of Internet users bought products from a retailer's offline store after viewing them on the seller's Website
- From online to offline: How?
 - **call to action:** things you get someone to do
 - [Shift people offline :promotion](#)
 - [Shift people offline: personalization](#)

Brand Image

- **Brand image:**
 - the perception of a brand in the minds of persons
- **Building brand image:**
 - Emphasize on your awareness needs first
 - Use trendy designs could help
 - Focus on paid placement for fast results

Brand Image

- How could SEM **hurt** brand image?
 - Misuse of contextual ads
 - Failure to show up under major key words



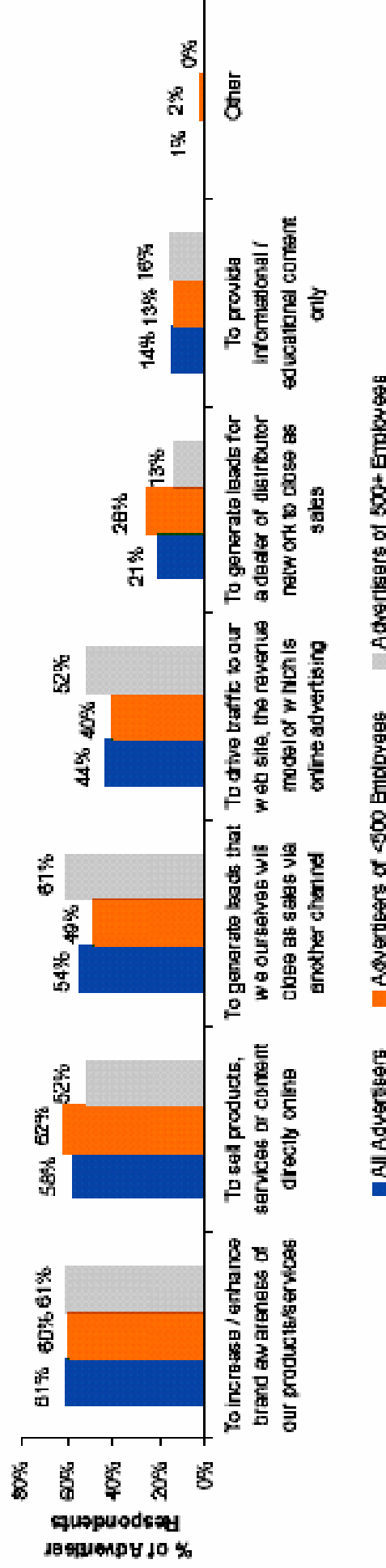
Brand, Sales, Leads and Traffic Are Top Objects of Paid Placement Programs Among Advertisers

RESEARCH HIGHLIGHTS

- Among advertisers, enhancing brand awareness is the top object of Paid Placement campaigns (albeit by a narrow margin)
- Selling products follows closely as an object for Paid Placement, especially among smaller firms
- Larger firms are more interested in driving leads and traffic via Paid Placement than are smaller firms

Purpose of Search Engine Marketing Use

What is your company using search engine marketing to accomplish?
 (Multiple responses applicable)



Source: Search Engine Marketing Professional Organization

Summary

Web Site Goal	Search Query Type		Search Marketing Approaches
	Informational	Transactional	
Web sales	Medium	Medium	High Organic and paid
Offline sales	Medium	Medium	High Organic and paid
Leads	Medium	High	Low Organic and paid
Market awareness	High	Low	Low Emphasis on paid
Information and entertainment	Low	High	Low Emphasis on organic
Persuasion	Medium	High	Low Organic and paid