

A Supplement to

DM NEWS

July 25, 2005

The Direct Marketer's Essential Guide to

SEARCH ENGINE MARKETING

Search

OPTIMIZATION * SPIDERS * CLICK THROUGH * LOCAL SEARCH * RANKINGS * METATAGS * PAID LISTINGS * CON
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Here's What to Expect From This Guide

This guide is designed for both experts and beginners in search engine marketing. Its purpose is to help you better understand the use of online searches for promotions or commerce.

Mickey Alam Khan
Senior Editor
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Time-starved consumers prefer to type in keywords to search for a product, service, news item or Web site on the Internet. Last year, marketers spent almost 40 percent of the estimated \$10 billion in U.S. online advertising to ensure that they were at the right end of those searches.

So here's a soup-to-nuts explanation from *DM News* contributors on how to use search engine marketing to acquire and retain customers. Search is complex, but we have sought to demystify the discipline in short, tight and insightful articles.

The book progresses from the basics of search to intermediate level and then advanced. Research and case studies are interspersed through the pages.

Whatever your familiarity with the subject, do start by reading Forrester Research consulting analyst Shar Van-Boskirk's article on search basics and best practices. From there on, expect to be spoilt for choice. There are pieces on smart copywriting, press release optimization, technology and software, search on a shoestring, keyword ranking and paid inclusion. Also included are tips on uniting paid search with organic and combining search optimization with blogs and RSS feeds.

Don't forget Melissa Burgess' article on budgeting, Kelly Kochert's take on the struggle for brand control online, Jason Wadler's tips for buying keywords and Zorik Gordon's advocacy of

local search.

Other pieces that stand out are Alan Rimm-Kaufman and George Michie's pointers on trusting paid search reports and Tim O'Leary's concern over search marketing's rising costs driving out smaller advertisers. And then there's SEMPO president Dana Todd, who gives us a view of the road ahead.

Among the case studies are ones from major marketers and retailers like GiftCertificates.com, REI, Fairmont Hotels, CompUSA, hpshopping.com and Virgin Vaca-

tions. All are worth reading and absorbing.

You've noticed I haven't yet mentioned Google or Yahoo. Well, the floodgates open right after this. These two search engines are among the ranks of brands like Amazon, eBay and AOL that have changed the way we live and conduct business.

I thank the contributors and their public relations executives for remarkable patience and focus. Also, many thanks to *DM News* editor in chief Tad Clarke, news editor John Ervin, art director Sophia

Jongsurasithiwat and CEO Adrian Courtenay for their hard work.

You hold in your hands the distilled wisdom of the best and brightest minds in search engine marketing. Please turn all pages. Imbibing these lessons might win you new customers, client confidence and a place in this search guide's next edition.

Editor's Note: Search on the Brain

One of the nine movies starring Spencer Tracy and Katharine Hepburn featured a computer versus the know-it-all head of a broadcasting network's research department. In "Desk Set," Tracy's room-sized computer, which was called an "electronic brain machine," could calculate the weight of the world in less than a minute, but it was no match for the encyclopedic knowledge and witty repartee of librarian/researcher Bunny Watson, played by Hepburn.

In the end, though, the computer turned out to be an asset, Tracy and Hepburn got together and the world was a better place.

Ah, the days before the Web.

Today, Bunny would be sent to the glue factory. Who needs libraries? Index cards, periodicals rooms and newspaper morgues are a thing of the past. Teens would be lost if they had to page through a Readers' Guide to Periodical Literature to track down a magazine article. Thanks to the Internet, they don't remember those expensive leather-bound encyclopedias that lined most families' bookshelves in previous decades.

In the mid-'90s, the top three Web sites were AOL, Netscape and AOL's

WebCrawler — two Internet service providers and a search engine.

Each had an audience of barely 6 million people a month. Now you get that many users in a few seconds. When I came to *DM News* in 1997, I remember using Alta Vista, Infoseek and Yahoo for most of my searching.

But then someone said to try this new search engine with an odd name, not that the other search companies had better names.

"Only now in the bright light of the Google Era do we see how dim and gloomy was our pregooglean world. In the distant future, historians will have a common term for the period prior to the appearance of Google: the Dark Ages," The Washington Post wrote last year. "Google is the first [search engine] to become a utility, a basic piece of societal infrastructure like the power grid, sewer lines and the Internet itself."

Google did this by taking the opposite approach. While other search companies added content and features in the rush to become portals, Google kept things clean and simple. And somewhere along the way, it turned into an icon ... and even a verb. Last

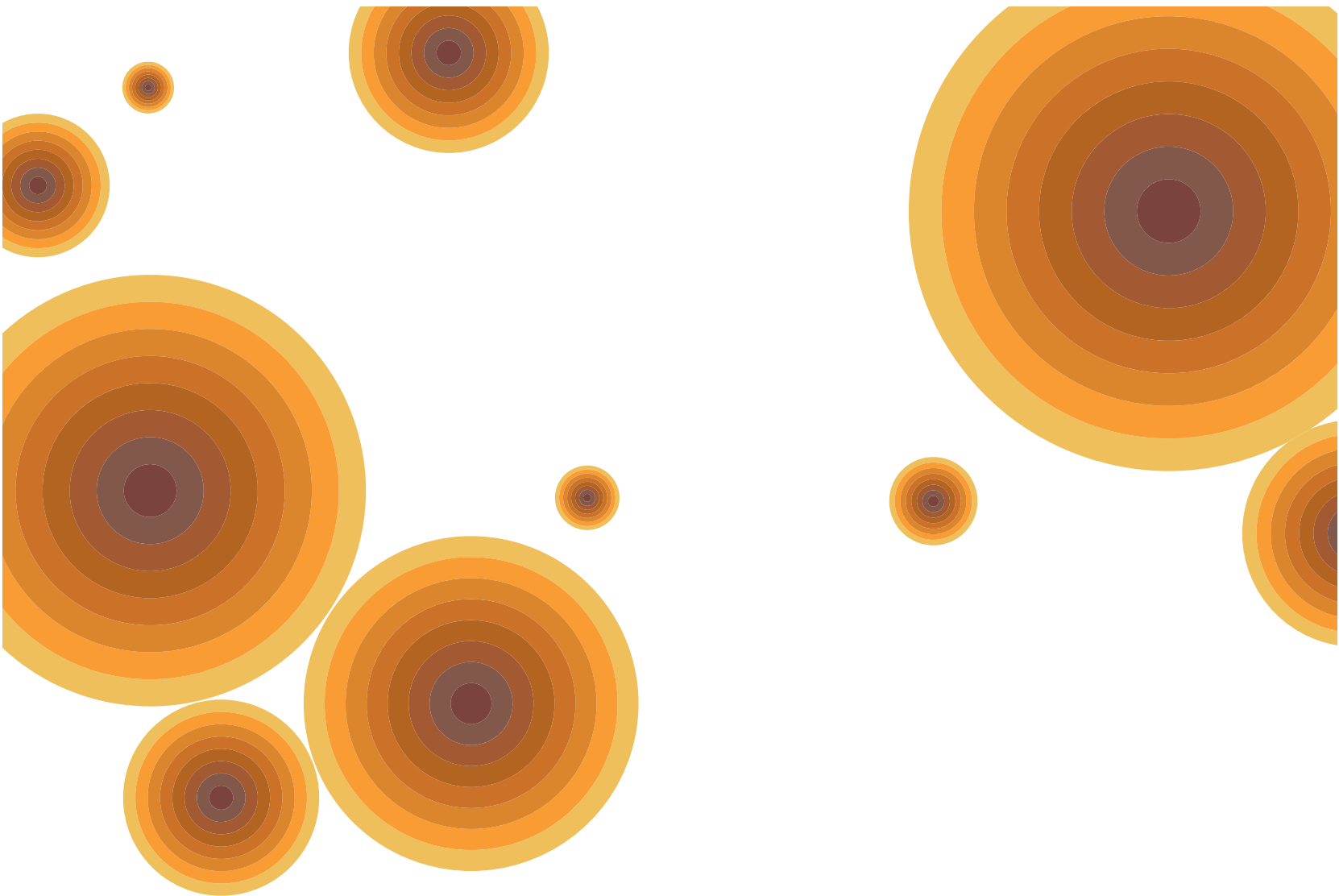
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month, Google became the most highly valued media company, passing Time Warner in just 10 months of trading as a public company.

In the early days of search, it was much more hit and miss. Not anymore. A world of information can be found at your fingertips. The search engines have more to comb through, and metasearch engines give you searches of the search engines. You just need to know what to search for.

The landscape has changed since the late '90s, and technology is in the driver's seat. Not a day goes by without an announcement, update, change or new feature being released by Google, Yahoo, MSN, Ask Jeeves and the other search companies. To us ordinary Joes, most of it is confusing, much of it intriguing. That's why we've put together this supplement: to help take away some of the mystery so you can put these technologies and strategies to use. Because in the end, everyone wants the same result.



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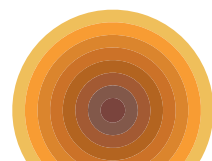
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Search Basics and Best Practices

The Elements of Search Engine Marketing

By Shar VanBoskirk

Search engine marketing is hot — and still interminably complex. I receive a constant influx of questions from search newcomers and veterans alike about search engine optimization, keyword selection, search marketing agencies and how to integrate search with other marketing channels.

Here are answers to the top questions we fielded through Forrester Research's recent "The Essentials of Search Engine Marketing" boot camp, speaking engagements and client inquiries.

I remind marketers that applying the following tactics will improve the

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execution of search marketing programs but will not fully exploit search's strategic value. To make search marketing strategic, marketers should create personas — representations of their customer types — to guide paid listings, keyword selection, landing page design and even when to integrate search with other channels.

For example, only a marketer using personas will discover that though his customers search using the same term — "running shoes," for example — they are searching for different information and will respond to different search ads. Strategic search marketers will use personas to couch answers to the following questions within their customers' goals and buying behavior:

What exactly is search engine marketing? Using Web searches for promotional purposes is search engine marketing. There are four main marketing tactics underneath the umbrella of SEM: natural search, paid/sponsored listings, contextual listings and paid inclusion.

Jasper Malcomson, head of business development at Yahoo Travel, says the most successful search marketers combine all these tools instead of relying on just one.

Why does search marketing work? Consumers actively use search

	Definition	Payment structure	Providers
Natural search	Appearing in response to keyword searches based primarily on the number and relevance of page links in your site	No fee to appear in natural search results Search agencies charge to help optimize your site for better visibility in natural search results	Google Yahoo MSN Ask Jeeves
Paid listings	Text ads that appear above or to the side of natural search results	Bid for keywords on a cost-per-click (CPC) basis	Google Yahoo Search MIVA
Contextual ads	Text or animated graphical ads that appear adjacent to articles based on the content of the article	Bid for keywords on a CPC or cost-per-thousand (CPM) basis	Google Yahoo Search Kanoodle
Paid inclusion	Paying to be included in a directory of participating sites	Most directories are priced on a CPC basis Froogle is a free service	Yahoo Search LookSmart Froogle

Source: Forrester Research

engines, and because keywords are purchased on a pay-for-performance basis, marketers can easily control their search marketing spend.

Search marketing also delivers branding value. An Enquiro study found that searches for generic terms like "cruise" didn't lead to conversions, but when the official sites of cruise lines like Princess Cruises were prominent in natural search results, searchers performed more specific searches for "Caribbean cruise" or "Princess cruise," and intent to buy increased.

When do I use natural versus paid search? At our boot camp in April, Google and Yahoo said their advertisers get the best results when they combine both. Depending on customer personas, natural and paid search may target different users, attract customers at different points in the buying cycle or improve each other's effectiveness.

Almost two-thirds of search marketers agree that it is important to consider results from natural and paid listings together. Retailer Hat World increased revenue from natural and paid listings 47 percent by using iProspect to automate its paid search bids, optimize its site for better search engine visibility and facilitate conversion of clicks coming through paid listings.

How do I optimize my site? To be highly visible in natural search results, sites must get crawled and optimize their content and links to increase relevance to search engines.

Search engines can't easily crawl dynamic links, JavaScript-enabled navigation or content behind a corporate firewall. Advantage Rent-A-Car's site visibility rose 107 percent after iCross-

ing created a site map that linked to pages previously not crawled.

Marketers also should optimize site content with clear writing that their targeted personas use, which also includes putting keywords in bullets or headlines and replacing generic terms like "products" with terms specific to your business. Medtronic used iProspect to restructure the headlines and copy of its site to match relevant medical keywords. Getting links from sites that your customers read also boosts search engine visibility.

Which keywords should I use? The most crucial step in defining keywords is to create personas of your customers: Who are they? What motivates them? How do they describe your product or business? Knowing who your customers are helps you identify the keywords that best represent their intent when searching for you.

For example, users searching for "vinyl siding" may seek information about how to clean and maintain siding or about contractors who can install it. Knowing this helps contractors buy more specific words or multi-word phrases. And it helps them refine their ads, ensuring the text states clearly how to get an installation estimate.

Here are additional tips for selecting keywords:

- Track the words that currently bring traffic to you and your competitors' sites via natural search.
- Note how current customers, salespeople and partners describe your business.
- Use keyword suggestion tools available through Google, Wordtracker and Yahoo and paid services like SEMphonic.

Continued on page 15



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Use Press Release Optimization to Boost Traffic, Leads and Sales

By Greg Jarboe

Here's something from a December 2004 survey from the Search Engine Marketing Professional Organization: Search engine marketing is poaching the budgets of paid listings on shopping directories, Web display ads, e-mail programs, magazine and newspaper print ads and more than half a dozen other established marketing programs.

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Photo: Don Tracy

Though the lion's share of this money is shifting to paid placement, one of the newest and fastest-growing areas of search engine marketing is press release optimization.

Each month, more than 27 million people nationwide use Yahoo News, Google News and other news search engines

to find the latest information on a range of topics. When they conduct a news search, they often find relevant and recent press releases from companies and organizations along with relevant and recent articles from traditional and non-traditional news sources.

However, press release optimization differs from Web page optimization because news search engine algorithms differ from search engine algorithms.

For example, Yahoo News and Google News use "recency" as well as "relevance" to sort results while Google and Yahoo mainly use relevance and link analysis. In addition, Google News displays thumbnail photos next to relevant stories while Google doesn't.

Press release optimization provides clients with numerous benefits, including:

- Getting high keyword ranking for up to 30 days in Yahoo News, Google News and other news search engines.
- Creating publicity from the more than 70 percent of jour-

nalists who go online daily to find press releases.

- Building links to interesting, related content that follows Yahoo and Google's quality guidelines.

- Increasing Web traffic to your site from people who just read your news.
- Generating Internet leads from prospects who give you their e-mail address or fill out an online form.

- Boosting online sales.

A number of brand-name organizations are adding press release optimization to their marketing, including:

- The Wharton School's executive MBA and executive education programs, which are optimizing press releases to attract senior executives, business leaders and other working professionals as students.
- Verizon SuperPages.com, which saw searches for "florists" surge 438 percent on its site — from 342,478 the week of Feb. 6-14, 2004, to 1,841,272 Feb.



Southwest Airlines has tracked \$2.3 million in ticket sales to unique links in a series of optimized press releases distributed since February 2004.

6-14, 2005 — after distributing an optimized press release.

- Southwest Airlines, which has tracked \$2.3 million in ticket sales to unique links in a series of optimized press releases distributed since February 2004.

Even highly skeptical Internet marketing veterans are noticing. In May, Larry Chase's Web Digest for Marketers said, "Press releases and other PR materials are an underutilized 'sweet spot' for keyword optimization, and doing something strategic about them can really help Web site rankings, press response and your business." ☞



Fortune 100: Third Time Isn't the Charm for SEO

By Lisa Wehr

Oneupweb recently released its third study of how Fortune 100 companies use — or don't use — search engine optimization to increase search engine visibility and improve conversion rates. Again, we found that America's corporate elite are deaf to what's blowing in the wind: Search engine optimization sells.

These leaders fail to recognize overwhelming evidence that effective search engine optimization is directly tied to more sales. Another Oneupweb study, "Target Google's Top Ten to Sell Online," found that getting listed on

Google's first page triples traffic in the first month alone. And a greater percentage of that traffic — 42 percent more — will convert to sales.

History is filled with leaders who fall because, high on their perch, they don't see what's coming. If the Fortune 100 fail to use search engine optimization to command a search engine presence worthy of their brand, then the only question is: Are there opportunities for other companies to gain market share using SEO?

The Numbers Are In

In this study, we found that only 13 of the Fortune 100 had well-optimized Web sites, up

slightly from 2004's findings (nine) and 2002's (three). Companies with moderate levels of optimization numbered just 42. Finally, 45 companies had no optimization at all.

The study also found that many sites rely on pay-per-click advertising to increase search engine visibility. It questions why companies would spend big money for these short-term results while spending little, if any, for natural optimization and long-lasting results.

Market share is a zero sum game: One company gains, another loses. Smart direct marketers can begin to nudge

out larger, better-known brands over time. Could companies usurp the Fortune 100

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just by ensuring they are Google-friendly and have the proper keyword density?

Let's take a real-world example. At this writing, when you search for "long distance" on Google, the No. 1 result is not AT&T or Verizon but the start-up broadband phone company

Continued on page 14

A tropical island with several palm trees of varying heights. In the foreground, a wooden sign is mounted on a post, reading "FOR SALE". The island is surrounded by clear blue water, and the sky is a deep blue with some white clouds. The overall scene is serene and idyllic.

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Only Technology Can Overcome Search's Complexity

By Matthew Kain

Search engine marketing is growing exponentially, and the degree of sophistication required to market successfully is growing almost as fast. The old ways of using spreadsheets and generating keywords from tools on Google and Overture just don't cut it anymore. You need extremely sophisticated technology if you're to win the new SEM game.

To give you an idea of the challenge, say you were selling Britney Spears merchandise. How many ways can you think of (mis)spelling Britney Spears? 10? 20? 50? Google found searchers used more than 350 different spellings of her name to find pages on the singer. This difference means money.

On Yahoo Search Marketing, "Britney Spears DVD" costs 30 cents, while "Britney Spears DVD" costs 10 cents. Both searchers are looking for the same thing, but one will cost you 67 percent less.

Another example involves conversion rates. The cost of the keyword "hotels" is \$1.48, while "hotels in New Hampshire" is 87 cents and "five star hotels in New Hampshire" is 40 cents. Longer keywords are cheaper and tend to have higher conversion rates because they are more specific. To decrease costs and increase conversions, a travel company needs to cover hotel accommodations in every country, city and town, plus countless potential misspellings. Try doing that manually.

The complexity doesn't end there. We ran a campaign for a travel client that bought more than 1 million keywords.

Imagine the permutations:

- More than 1 million keywords.
- Relating to hundreds of titles and descriptions (or "creatives").
- Pointing to hundreds of thousands of travel destinations.
- Each destination with a different net margin or cost per acquisition.

Now think about what price you should bid for each keyword.

This kind of scale and complexity means that the only way to manage SEM

effectively is by using technology. In calculating a keyword's bid price, search firms can use bid management technology to take into

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account the term, the title and description, the product Web address and other factors to generate a bid price based on a client's objectives (i.e., maximizing ROI or traffic). That technology can test the performance of every keyword and delete those whose return on investment doesn't meet a certain threshold. ➤

Uncommon Sense for Search Engine Marketing Success

By Denise E. Zimmerman

*Dear Customer,
Be the very first listing in the top search engines immediately ...
Includes unlimited traffic ...
This is not pay per click...*

Ever see this in your inbox? Many smart people have been duped and misled by offers, guarantees and other too-good-to-be-true promises that make no

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sense. In the search engine marketing frenzy, common sense can easily be lost.

How do you avoid being taken? How do you determine the best search engine marketing practices for your business?

Some companies got their common sense early and for years have reaped the rewards that SEM can deliver.

But, as Voltaire said, "Common sense is not so common."

It's not your fault. Though search marketing may appear to have just arrived, it has been evolving for 10 years. There are those with as many years of experience, but relatively speaking it is a new marketing practice that can be confusing and challenging, even for the smartest marketers.

Here is a quick dose of common sense to assist you for a positive, successful search engine marketing initiative:

Beware of guarantees.

There is a certain level of predictability to some search engine marketing practices just as there is in other marketing disciplines. A "guarantee" of results however, may indicate that they are either using unaccepted practices

that may put your business at risk or deliver worthless results. Some well-known companies have gotten kicked off search engines for what are considered "bad" practices.

If you don't know, ask.

Search engine marketing is not magic or a big secret as some might like you to think. It is a marketing discipline, and a search professional should be able to answer questions relating to methodology and process and how their approach will apply to your business without divulging proprietary information.

Avoid temptation if it is not aligned with your business goals. Going directly to Google, paying on a shared-revenue basis and other options may be tempting, but be sure they are aligned with your business resources and goals. For example, these options may be suitable for a highest ROI goal with a restricted budget or for a small business with limited resources.

A fee-based agency relationship may drive overall best results for a maximum profitability or business growth goal.

A list of keywords and meta tags is not enough. It's easy to crank out a long list of keywords and slap them up. Recognize the difference in what you are getting and where it will get you. Search engine marketing demands a sound strategic plan. A strategy isn't a list of keywords or meta tags. It's a customized plan for driving value based on your business and objectives.

Expert knowledge in search engine marketing is not all that common. Yet you don't have to be an expert to have common sense about search. Look to the trades and professional search engine marketing newsletters, attend conferences and share experiences with your peers for valuable insight to help develop your sense. Uncommon sense will mean uncommon results. ➤



Amit Khanna
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How Small Guys Can Play Ball With the Big Spenders

By Susie Lanza

When Tiffany & Co., Blue Nile, Mondera and Overstock.com occupy the top search results for your products, you know you are up against savvy marketers with deep pockets. Here are some ideas we would recommend to Allentown Jewelers to kick-start its business. The company is not a client of ours.

Susie Lanza is an online marketing strategist with search marketing specialist eMergent Marketing, Cleveland. Reach her at slanza@emergentmarketing.com.



Find and define the niche through keyword research. While in the process of defining its business strategy, Allentown Jewelers can help differentiate and position its product mix through keyword research. Using standard online tools such as Wordtracker (www.wordtracker.com) or the Yahoo Search Marketing Keyword Selector tool (<http://inventory.overture.com>), Allentown Jewelers can identify “diamonds in the rough” or untapped segments of the industry that have little competition, but frequent searches by potential customers.

These terms can help the online retailer further define its consumers’ needs and contribute toward a larger merchandising strategy. In this case, we began by researching occasions, fashion trends, jewelry designers, specialty jewels and names of pieces Allentown Jewelers currently has in its inventory.

We found that terms such as “tension set wedding ring,” “14 kt gold chains,” “antique engagement ring” and “gold Italian charm bracelet” present great potential and should be considered for inclusion in site inventory.

Based on the number of product categories it carries, Allentown Jewelers should allocate a few thousand dollars for its search marketing agency to conduct this research. With some education, the company itself can continually conduct this research as it expands its product line.

Optimize the site for organic placement. Optimizing for search engines during the design/development

process is most favorable for cost efficiency and results in the organic listings of engines such as Google, MSN and Yahoo. Key points:

- Once keyword research has been completed, keywords should be integrated into the site’s directory structure, file names, hyperlinks, copy, meta tags, headings and alt tags.
- Simple text link navigation elements should appear somewhere on the home page to let spiders crawl the entire site.
- Since spiders cannot see content within graphics, ensure that key content is programmed as HTML text.

Initially, we suggest using an agency to define the keyword set and write main category page meta tags. Moving forward, a standard approach or database-driven solution to writing meta tags for each product should be developed.

Establish links. Achieving link popularity is pivotal to gaining ranking in all of the top spider-based engines. The easiest way to begin to develop link popularity is to submit the site to top directories like Yahoo, The Open Directory Project (www.dmoz.org) and industry-focused portals, or vortals.

Exploring existing relationships, such as memberships to associations or business connections, also can reveal strong link partnerships that can be formed in the online environment.

Other smart tactics, like using optimized press releases

to generate links, can affect link popularity scores. Agencies should be tapped to research and submit to sites and to create a press release strategy.

Define initial budgets needed for search engine marketing. Google can lag upward of three to six months to index a new site and rank its results for competitive search terms. A paid search engine marketing campaign with Yahoo, Google and smaller networks

can be a wide-reaching way to introduce a site to consumers while waiting for spiders to crawl and index for organic placement. Determine the budget by defining an ROI model.

Allentown Jewelers might estimate that it should invest \$1 in search engine marketing for every \$6 it makes back, based



on the cost of the products and required margin. It also is important to factor the total lifetime value of the customer into the ROI model.

To start, Allentown Jewelers should focus on highly targeted low-cost terms. As revenue is generated and the site is indexed in organic results, budgets should be reviewed and reallocated to maximize profitability.

We suggest using the first two to three months’ budget (\$10,000-\$15,000) to

optimize the existing site for organic placement and to plan/implement an SEM campaign. Allentown Jewelers then can continue targeted revenue generation and brand building with its monthly budget through search engine marketing buys while also monitoring and building upon organic listings on a monthly basis. ☺

Third Time Isn’t the Charm

Continued from page 10

Dialpad Communications. Even though Dialpad uses only small to moderate optimization for its Web site, it is easily beating the telecom giants.

As the study asks, “Does AT&T really want to ignore 18,000-plus people who search for ‘long distance’ every month?” Dialpad and other startups hope so.

Mechanics of SEO Supremacy

Every direct marketing director’s priorities include looking for ways to connect with more prospects. So how do you cash in on search engine optimization?

There’s magic in keywords and phrases. A qualified SEO firm gets into the minds of

prospects to discover how they will search for products and services. There are technical tasks as well: title tags; meta tags; indexable body text; and linking strategies.

It requires balance with a company’s core objectives, a willingness to make a long-term commitment and the flexibility to adapt and try something new in an ever-changing industry.

Of course, it is folly to assume big companies will continue ignoring this growing opportunity. All evidence points to increased SEO budgets and resources among top-tier companies. As the Fortune 100 begin to leverage the marketing power of optimization, the window of opportunity will close. ☺



Search Basics and Best Practices

Continued from page 8

- Buy variations on a selected keyword — gerunds, plurals, misspellings and hyphens.
- Test keywords routinely to discover new buys and measure the ROI of existing buys.

Should I outsource? Forrester recommends employing a search marketing specialist, as it takes too much time and money for most marketers to dedicate internal resources to manage volatile and complex search marketing tools, technologies and ad formats.

What to outsource and to which partner depend on your company's search experience, goals and corporate culture. Search agencies iProspect and Avenue AI/Razorfish Search find that their most successful client relationships are those in which marketers set clear expectations and define success criteria upfront. We agree. Marketers should know how they want to employ a search marketing agency — for example, to develop an overall strategy or just to execute the buys — before selecting a search partner.

Most search agencies offer the same

basic services. So during your RFP process, probe into how potential partners will fit with you and your organization. What is their approach to search marketing? Which resources will they dedicate to your account? What will you get for your money? Can they adjust their services and scale technically to accommodate your changing search needs? And, of course, talk with at least two current clients to compare vendor claims with results.

The exception to this recommendation is when marketers consider search to be so strategic to the success of the business that they must keep it in-house. This could be because of the need to quickly coordinate minute-by-minute pricing and inventory changes or because the marketer has made a substantial investment in in-house technology and expertise to be competitive.

What is search's role in the marketing mix? Search marketing is great at driving immediate sales — 67 percent of marketers say they will continue spending on search as long as it is driving a positive ROI. Yet this approach may not use search's marketing poten-

tial fully. The most strategic marketers understand that building search into a multichannel mix can increase the effectiveness of other channels.

In a Yahoo study, Harrisdirect found that consumers who saw display ads did 61 percent more searches on Harrisdirect keywords and clicked on Harris links 139 percent more often than customers who did not see Harris display ads.

Also, search may move customers closer to a sale even without driving an immediate purchase. By mapping out its customer paths to purchase, business-to-business marketer Factiva determined that search engine optimization generated awareness and helped drive leads to register for e-mail newsletters that would further qualify them.

So how do you know when to use search? Start by understanding your customers: how they buy, what motivates them, when and how they research purchases. Knowing what your customers do will help you identify when search will drive them to purchase. ☞

Charlene Li and Tenley McHarg contributed to this article. It was adapted from a June 2005 Forrester report on search marketing best practices.

82% of B2B purchasers go to Google* when researching products.

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* Enquiro/MarketingSherpa, Oct. 2004



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SEO Campaign Success Via Smart Copywriting

By Heather Lloyd-Martin

It's time to seize control of your organic search engine optimization campaign. And you can — once you start building top content targeted toward how the engines "think."

Search engines want to serve relevant results to a searcher. And relevant, key-phrase-rich page content is a meaty part of the search engine algorithm (along with other factors, including quality inbound links.) If your main key phrases aren't intelligently positioned within your page text, you're not controlling what you can control with organic search and hobbling your chance for a top position.

If your site sells "women's cashmere sweaters," and those words aren't on the page (or they appear in a graphic, which the search engines can't "read"), how can an engine consider

your page a relevant search result?

Sure, you may know that you're a fantastic cashmere sweater resource, but the engines can't make that top positioning call without help. That requires strong content. Even if you use paid inclusion with Yahoo (where you pay to guarantee that specific Web addresses are included in its organic index), that won't help your positioning. It simply means that your pages are included. You'll still need top-notch writing to gain positioning relevancy.

Want to boost your SEO success? Consider this checklist of smart-content best practices:

- Research your key phrases. Always. Wordtracker (www.wordtracker.com) is a great place to start the key-phrase research.
- Check that your content has

around 250 words per page. Though it sounds like a hefty word count, 250 words seem to be the sweet spot with the engines. Also, customers crave in-depth information when they're

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researching products, and additional value-added content transforms your site into a valuable resource.

Want a great content-rich site example? The palmOne site (www.palmone.com) dedicates six meaty resource pages of reviews, features and product information to its Treo 650
Continued on page 18

A Recipe for Search Success

By Tony Bombacino

Here is our recipe to enjoy search marketing success.

Search engine optimization and marketing. Many companies think you can get away with doing only search engine optimization (free or natural search), but many studies show there are people who

and/or do business with you if you appear in both places.

Branding and direct response. Research also shows that people do up to seven searches when they look for a product/service (depending on the price point/industry). And as much as search is a powerful direct marketing tool that puts the consumer in control, research is starting to prove its brand value.

If you are smart with keyword lists, you will appear in the top few spots for all of these seven searches, thus having multiple impressions and views by a consumer, which lead to recall and latent sales. Consumers don't go to page 2 or 3, they start fresh with a new search and it's another chance for them to see or click on your listing.

Modeling and analytics. Search 101 is not enough. Doing a good job on keywords, creative and landing pages is simply the cost of doing business. If you can't do that, clients will leave. That is where the science part of this

comes into play. By looking at the right data/variables at the right time, we can start to broadcast and proactively be more efficient with how we manage entire search campaigns.

Whether it's knowing that Google visitors are twice as valuable as Yahoo's for a given client or that people buy higher-ticket items from 2 to 7 p.m. Monday through Friday, we identify key site drop-off points from the Web analytics data. This all plays an important part in any search marketing campaign.

Multichannel planning and integration with search. If you don't cast a wide enough net to cover/buy the taglines, product names/phrases that appear in other marketing channels (radio, print, catalog, banner ads, television, etc.), you are essentially acting as a free sales force for your competition. This means that at least one of your competitors has probably purchased those keywords.

A good example from recent history is mLife. That brand spent millions on TV

spots and didn't buy the term "mLife" in the search engines. But its competition did. In this instance, mLife essentially paid to drive traffic to competitors.

It's also important to be as efficient as possible and to take advantage of other media channels, whether it's a product launch, promotion or just a certain high season. Search can help/lead and should be adjusted to do just that.

People, processes and technology. It boils down to ensuring you have the best people, processes and technology. Our industry is changing so fast, but this is one thing that never goes out of style. As is said in Tom Collins' "Good to Great: "First who, then what."

Once you have the right people, you need smart processes to make what you do scalable and repeatable as well as effective. Finally, you need to empower those smart people with the best technology to make them even better. One does not work without the other. ➔

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click only on paid listings, those who click only on the natural listings and still others who are comfortable clicking on both.

This research reinforces that the smartest strategy is to have both search engine optimization as well as marketing covered and that consumers are three to five times more likely to find, click, remember you



Search Engine Marketing + Human Usability = Successful Web Site

By Lilliane LeBel and Susan O'Neil

Each Web site has two sets of visitors, humans and search engine "spiders." Are you addressing the needs of both?

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Examining the spiderability of a Web site is a crucial first step. Search engine spiders must be able to access all your product information in order to make products "findable" in

search listings.

Your site has to do the hard work of turning visitors into customers. You need to fully understand what elements of your site's design, navigation and copywriting are most effective with visitors and which elements turn prospective customers away.

The search marketing team of @Web Site Publicity teamed with usability experts from Millard Group's Decision Direct Research to analyze the effect of both areas for clients such as Oriental Trading and Yankee Magazine. In a program called Web That Works, the companies applied an initial paradigm or scorecard to aspects of each site. Here are some of the findings and recommendations that apply to many complex Web sites:

Usability Issues

Consumer feedback is important because company personnel may be too close to the product.

- **Marketing:** Make your brand statement strong on the home page. Since consumers also find your site through sub-pages listed in search engines, be sure each page acts as a strong landing page, clearly stating who you are and what you offer.

- **Content:** Make terms easy to understand; there are many terms used internally that may be unfamiliar to a visitor. Ensure that your descriptions and photography are as exact as possible. List SKUs under several headings to make them easier to find, but assign only one Web address per SKU. Highlight special items such as exclusivity and personalization through flags, consistent with catalog treatment. If you offer personalization, include that as an internal search term. The "Contact Us" tab should be prominent on every page.

- **Technical:** Site interactivity encourages participation: add requests for **Continued on page 20**

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Budgeting for a Paid Search Campaign

By Melissa Burgess

As search marketing continues to grow exponentially, many companies entering the game are wondering just how many dollars they should apply toward a paid search campaign. Before jumping in feet first, it is important to define one's goals, timeline and ROI objectives.

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For example, attaining high organic (natural) search results often is a more time-intensive pursuit, whereas paid search is an effective and increasingly popular vehicle to obtain immediate results.

JupiterResearch says paid search revenue alone will jump from \$2.6 billion in 2004 to \$5.5 billion in 2009. Contributing factors include competitive market saturation, unsophisticated bidding strategies, rising cost-per-click rates and the proliferation of secondary and vertical search engines.

Taking the time to plan what you can realistically afford will ensure that your campaign runs smoothly and that you achieve the maximum visibility and conversion within your budget.

When planning your paid campaign, begin by assigning a dollar value to your conversions. For example, if you know that you cannot spend more than \$20 to acquire a new customer, use this figure as a guide to ensure that you don't spend more than necessary.

Next, conduct thorough keyword research. Google and Yahoo make keyword research tools available to marketers that help in the creation of targeted, well-crafted keyword lists. Prioritize any terms that you want to "own," as well as those keywords that can be deemed a branding term versus a direct response term. This will factor in heavily when comparing cost-per-click rates for your search terms.

Also, assess current cost-per-click rates and estimated click-through to conversions. Though this is slightly

easier to do in Yahoo's action-based system, Google factors click-through rates into positioning as well. Therefore, you might start by spending more than necessary to reach the top position, but you may end up spending less if your ads receive the highest amount of clicks.

Another caveat: Don't take these numbers as gospel. They fluctuate and are rarely on target. Patterns and spikes in searching behaviors change constantly. Leave room in your budget for fluctuations.

Let's look at a quick example. With an estimated monthly budget of \$10,000, you know up front that you need to hit at least a 4:1 sales-to-spend ratio on your campaign. Roughly, you need a minimum \$40,000 return (online or offline sale, or "value" to conversion action) each month for your campaign to be profitable.

You also need to assign a dollar value to each conversion action as well. However, complexity comes into play when you factor in whether it is a new or a repeat visitor. Let's estimate that for each new lead, a \$20 value is assigned, which means that you need at least 2,000 new leads monthly to be profitable.

Using tools and resources available by Google and Yahoo, standard click-through rates are typically 5

percent. However, conversion rates will differ based on industry, Web site design, landing page, keywords and other variables.

Conservative conversion rate estimates are roughly 3 percent. The true tactic and strategy lies in selecting the most appropriate, relevant and valuable keywords that are within a reasonable cost-per-click range for the type of traffic and conversions that you look to achieve.

Also, knowing to bucket your search terms into branding and direct response categories also helps determine the value that you place on eyeballs versus direct leads or sales.

Finally, after you have developed a comprehensive keyword list and assigned projected costs, click-through rate, conversion rate and cost-per-acquisition, be sure to test, test and retest by consistently analyzing your results per keyword. Do not be surprised to discover that you need to drop 80 percent of your terms that are not converting in order to fuel the budget of those 20 percent that are exceeding their goals.

Though paid search isn't an exact science, a little math combined with a well-defined strategy and realistic goals will bring you closer to achieving success within a workable budget. ☞

Campaign Success Via Smart Copywriting

Continued from page 16

smartphones. This detailed content also helps with positioning. The site typically positions in the top three for the phrase "Treo 650 smartphone."

- Focus on two to three key phrases per page, intelligently repeating them throughout the copy. Focusing on more key phrases may dilute your key-phrase effectiveness. Repeatedly focusing on just one phrase can be considered spam.

RadioShack's site also sells Treo 650 smartphones. However, the key phrase "Treo 650 smartphone" is nowhere on the product page. The result? The page doesn't position in the top 10 search results.

- Review your page titles. They're found on the blue bar above every Web page and also are the clickable link on the search engine results page.

Titles are another crucial part of the positioning algorithm and should be key-phrase rich, compelling and unique for each page.

Think of titles like headlines, enticing people to click through to your site. For a great example, check out www.zappos.com. The site's titles are key-phrase rich, and the free-shipping benefit statement can't be beaten. Compare that to a title stating "Shoes — product page." What listing would you rather click?

Gaining top organic positions can be time consuming. And good content doesn't guarantee a No. 1 position. However, marketers can help control their success simply by understanding the importance that content plays and revising existing text to seize this algorithmic advantage. ☞



Buying Keywords Balances Art and Science

By Jason Wadler

Buying keywords on search engines can be daunting for the uninitiated and even for search

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veterans. Marketing professionals and small business owners need guidelines to help navigate this rapidly changing environment. Here are a few items to help get most bang for their buck:

- Start with the big fish.
- Conversion is key, so clicks don't equal success.
- Measure, measure, measure!

Walk before you run. The top three search sites — Google, Yahoo and MSN — account for 80 percent of all Web searches. Learn your lessons on these high-volume sites. Once you

have the basics mastered, then branch out to other search engines.

In terms of conversion, it's important to identify key metrics before you begin buying keywords. Whether your goal is to get a customer to buy your product, sign up for your service or get qualified lead generation, you need to measure the actual ROI of these campaigns against your goals, not just how they increase traffic to your site.

Measuring ROI requires the technical and human resources to track each individual click from a search engine/keyword level all the way to conversion and the desired final outcome. It's not easy, but it will pay dividends when determining how to allocate both budgets and keyword CPC dollars as you begin to scale your search engine efforts.

Items to avoid when buying keywords:

- Don't get "keyword envy."
- The top position isn't always the best.
- Don't get enamored with tools over insight.

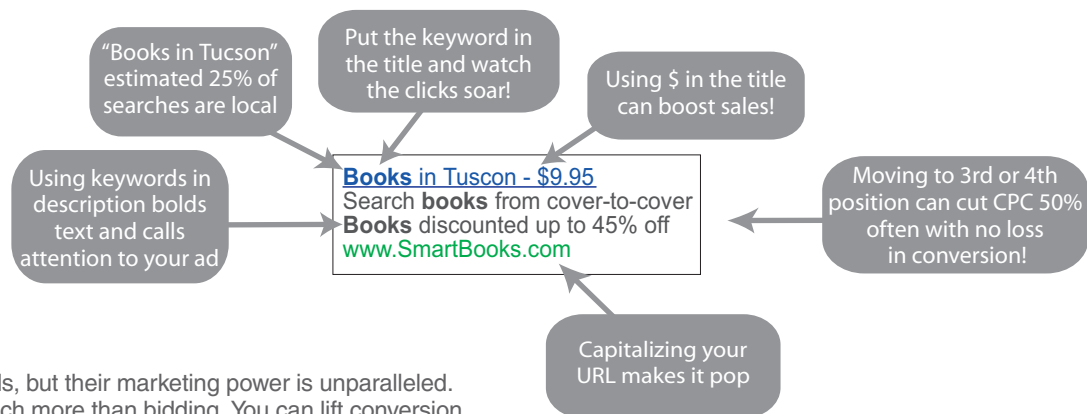
- Don't focus only on traffic growth and forget about your site's performance.
- Buy customer intent, not keywords.

Just because you see a competitor buying a keyword doesn't mean you should, too. Buy what works for your company, your customers and your budget — not what everyone else is doing. Even your most direct competitor may have a different ROI for the same keyword depending on that company's brand positioning, site ease of use and other variables.

Buy appropriately. Buying the No. 1 position might not always drive the most sales or ROI. Bid appropriately and find the placement that is right for your business and product set.

As search engine optimization has grown into a viable marketing channel, tools to assist marketers have proliferated. Though most are helpful, be careful before you dive in. It's important to have a complete understanding of your core metrics and data directly **Continued on page 22**

There are over **26 ways** to improve your keywords



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Taking Content Beyond Context

By Lance Podell

As the sponsored links industry matures, advertisers and publishers are realizing a multitude of opportunities on both search and non-search pages.

However, amid the growing recognition of the content-targeted sponsored links market, a critical note has been overlooked. The terms “content” and “context” often are inaccurately used interchangeably, with many labeling the entire

diverse, and each provides a unique user experience that requires a distinct targeting solution.

While targeting ads to editorial context is the most common method, a number of products expand the reach and potential of content-targeted sponsored links, including targeting by behavior and geography.

Behavioral targeting lets advertisers reach a range of quality content pages with dynamic material such as social networking sites or Web-based e-mail pages. Though these sites previously could not be targeted easily, the users on these sites now can be reached regardless of the editorial context of the page. So, an auto advertiser could expand its audience’s scope even when its ideal consumer is not searching for or reading about cars.

For instance, a consumer may search for “Acura” on Search.com one day, read an Acura article on ConsumerReports.org the next and the following week go to Acura.com to look for a car. Today, he checks his profile on Friendster and reads his Hotmail — still as interested in an Acura as he previously was — and is served a sponsored link from an Acura advertiser. Behavior targeting realizes that a customer is valuable wherever and whenever he is online and connects him with appropriate advertisers.

Geo-targeting of sponsored links on content pages lets advertisers achieve greater accuracy when targeting an audience in a specific location (i.e.,

dieters in Boston), realizing that not all advertisers serve national audiences.

For example, it’s not prudent for

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a local gym in Boston to invest ad dollars on a click from a user in San Francisco. Geo-targeting would let this advertiser target only geographically applicable users on area sites such as the Boston Herald and local CBS affiliate, where there exists the highest concentration of potential customers.

These two innovations alone offer advertisers access to a multitude of content pages that were previously unavailable through basic contextual targeting. In addition, they give advertisers the control to reach more precise audiences. This empowers them with the best tools to capture their ideal audience and increase their potential to maximize return on investment.

When executed properly, content-targeted sponsored links — through context, behavioral or geo-targeting — can be an equally valuable online marketing tool as keyword-targeted ads on search pages. However, to ensure future growth, the industry must evolve beyond simply “context” to “content” and all its inherent opportunities. ➔



market “contextual advertising” or “contextual search.”

These misnomers ignore a vital component of content targeting’s potential, thereby limiting their reach and control. Recognizing the difference between “content” and “context” is an important step in understanding the full complement of sponsored links solutions.

The distinction lies in the scope of targeting that the language permits. “Content targeting” properly refers to the placement of sponsored links on Web pages other than search results.

“Contextual targeting,” on the other hand, is just one method of targeting content pages in which advertisers’ products and services are relevant to the editorial material on a content page. This is done by two means: considering the page’s overall topic or scanning text for keyword matches. The latter approach might be better described as “text targeting” and carries with it a host of issues related to the efficacy of targeting.

Search pages all perform basically the same function: helping users find specific resources and destination sites on the Web. However, the purposes of content pages are wildly

Human Usability = Successful Web Site

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photographs, surveys, etc. If you ask visitors to log in, tell them the benefits of doing so and make it easy for returning customers.

Search Engine Marketing Issues

• **Organic or natural search:** Ensure that deep-level product pages are in the indices of Google, Yahoo and MSN. If they are not being spidered, remove spider blocks or consider paid inclusion. Provide unique meta tags for each page, including an attractive title tag. Engines often use this as the descriptor for your Web page. Directory listings provide authoritative links. Submit to cate-

gories in Yahoo and Open Directory (www.dmoz.org). Keep site architecture clean. Avoid 302 re-directs, broken links and coding errors.

• **Paid search:** Deploy a broad campaign, including all relevant iterations of product terms. Trim back based on conversion. Even terms with few searches can bring attractive ROI. Test bidding on positions 2 and 3 for most terms, but position 1 for your brand.

Test landing pages in addition to ad copy. For retail locations, test geo-targeting. Optimize a Direct Product Feed for Yahoo SiteMatch Xchange (500+ SKUs), Froogle and other shopping engines. ➔





Overcome One-Size-Fits-All Strategy With Flexible Software

By Bill Wise and Les Kruger

For the second half of 2004, Cingular Wireless, a client of Did-it.com, stipulated a specific average cost per order for Web site orders that took place through search.



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The main search marketing expense is the click-through, so a campaign's CPO is mainly the combination of the cost-per-click spent on keywords and the frequency with which a search marketer advertises on any term. Cingular specified an average CPO for the whole campaign, but gave Did-it free rein as to how to meet that average.

One option was to spend an equal

amount across all keywords. A second option was to vary the spend for different keywords. For the latter option, the question remained as to what type of differentiated CPO strategy would work best.

At the same time, the right software determined the possibility of a more differentiated strategy. A more specialized strategy would require software that could be customized easily to every new client. Without thoroughly flexible software, a one-size-fits-all solution would become the only option, and the "best strategy" question would be moot.

Solution and Results

Did-it found that some keywords converted well with minimal investment while other conversion-powerful keywords needed higher spend to achieve results. "Cingular," "cingular

wireless" and "cingular.com," for instance, all converted easily. "Cellular phones," "cellular" and "wireless phone" were conversion-powerful keywords requiring more effort. This suggested that a differentiated strategy would work best.

Did-it created a multitiered CPO solution based around ease of keyword conversion and the ROI that a keyword would yield. The result was a bidding strategy through which keywords that offered low-hanging fruit got less spend; high-yield, high-hanging fruit got more.

Maestro, Did-it's proprietary bidding platform, was programmed accordingly. A below-average target CPO was set for low-hanging fruit. Target CPO for high-hanging fruit keywords was programmed at as much as 60 percent above the campaign average. This



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Search Solves Sticky Selling Situations for Euro-Pro, Rhino Linings

By Tim Daly

Though many of the paid search success stories you hear about feature online retailers with tens of thousands of keywords and a simple goal of acquiring new customers, some of the greater successes fall outside basic e-commerce.

Two cases from our firm illustrate that search engine marketing works for a range of marketers and can help resolve

channel problems that have developed because of the inability to track activities effectively.



Tim Daly is director of marketing and strategy at direct and interactive marketing services firm SendTec Inc., St. Petersburg, FL. Reach him at tdaly@sendtec.com.

Euro-Pro

Euro-Pro is a major manufacturer and direct marketer of kitchen and cleaning consumer appliances, selling both direct to consumers using direct response television and through various resellers.

Over the past few years, a trend by consumers to respond using the Internet while moving away from the traditional telemarketing channels began to cloak true return on investment of the DRTV spots. During this time, reseller performance grew exponentially.

We found that many of Euro-Pro's resellers already were bidding on Euro-Pro's brands — "Euro-Pro," "Shark" and "Fantom" — as well as product lines such as "Shark Cordless Sweeper" and "Shark Steamer." Essentially, resellers were benefiting from Euro-Pro's brand awareness generated by the millions of dollars spent on DRTV media, and Euro-Pro's direct response became "indirect."

A multifaceted approach was developed for a paid search engine marketing program. First, an intensive keyword development strategy of more than 5,000 listings was launched focusing on both branded product terms and general terms. Second, a determination of the best landing pages that would provide relevancy and lend themselves best to conversion was conducted.

Finally, a marketing communication strategy was crafted focusing on leveraging a "factory direct" message, specifically enticing consumers who

prefer to buy directly versus the reseller.

The paid search campaign launched in first-quarter 2005 with a focus to "recapture" direct response to its DRTV campaigns while also entering the consideration set of searchers earlier in their decision-making process.

Euro-Pro's paid search campaign delivered a 300 percent increase in the return on advertising spend in comparison to typical offline response through the telephone, and exceeded the ROAS goals set for this program by 85 percent. The program is now in rollout and active across numerous paid search media providers.

Rhino Linings

Rhino Linings manufactures spray-on truck bed liners to help truck owners preserve their truck beds and extend the life of their vehicles. The company's marketing specifically targets prospective and new pickup truck owners who are potentially still in the marketplace for a bed liner.

Rhino Linings' efforts to generate leads of new pickup truck owners for their dealers had been escalating in costs, more than tripling in two years. Making matters worse, new competitors were continuing to enter the marketplace, including the auto manufacturers. A new marketing plan, including paid search marketing, was devised to address these challenges.

We determined that success would hinge on the offer strategy, keyword



targeting and a solid landing page conversion process in order to meet lead volume goals within cost allowance.

Considering that there was a lot of guesswork on consumer intentions related to their search queries, we used a sweepstakes to obtain leads, as they historically have some of the highest conversion rates.

We targeted keywords that hinted a person was either in the market or recently had purchased a pickup. We developed a landing page focused on sweepstakes entry capture, but asked an additional qualifying question: "Are you planning to buy a new vehicle in the next 90 days?" This filter would alert us to actionable leads.

The result of the paid search campaign was not just a return to previous cost-to-acquire metrics, but a solid improvement that exceeded cost-to-acquire objectives. In total, paid search delivered a cost to acquire that was 85 percent lower than the company's traditional marketing channel costs with a similar lead quality.

Like Euro-Pro's, this program now is in rollout and active across numerous paid search media providers. ☺



Buying Keywords Is Art & Science

Continued from page 19

from the search engines and your site prior to engaging optimization tools.

Also, work to ensure that your landing pages and signup process are optimized before you start, and continue to optimize against ongoing conversion data. Any increase in conversion rates on the back end is "saved" money that can be funneled back into your search engine buys on the front end.

With this foundation, these tools can supercharge your optimization efforts, not only driving more sales/leads but also lowering per-unit costs.

Finally, as you begin to understand your customers better, ensure

that you buy keywords that reflect their intent and their spot in your buying cycle (research and education, comparison shopping or ready to buy). For example, users interested in a digital camera don't think of specific products ("DSC-F717"). They think of features and descriptors ("3 mega pixel digital camera with zoom"). Customers type their intent into the search box, so design your advertising to reach them at the same level of relevancy.

Hopefully, with these simple suggestions, you can use search engine advertising to drive customers/sales at your target ROI while avoiding the potholes. ☺





GM, OnStar Deliver Safer Cars but Don't Communicate It Online

By **Melanie Broensen**

Though I don't have OnStar in my car, a recent tour of its command center was enough to convince me that everyone should have it. From the hands-free phone to satellite tracking in case of theft or accidents, OnStar and General Motors offer features that deliver a safer driving experience.

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Before my tour, I was lucky enough to listen to Gary F. Grates, GM's vice president of corporate communications/North America. One of the

items he communicated was GM's key marketing message to consumers: "Quality and safety."

If you've seen the OnStar or Hot Button commercials, you know their advertising is on track. However, as a Web marketer with a communications background, I was eager to see how GM promoted this "quality and safety" message through the search engines.

I'm sad to say they don't.

I searched on Google for safe cars, anti-theft devices, family cars and more. There were no results in the top 30! I opened the source code, checked the meta keywords and searched again.

Other than phrases that used "OnStar" in the query, only "air bag deployment" returned a first-page result. Unfortunately, it linked to an OnStar.com pop-up window

(no navigation) that created the dreaded user trap. It's a useless link. Most users will leave the site, do another search and find a competitor's site.

Since 65 percent of car buyers go online to research models before buying, according to an Autoshipper.com study, and the big three search engines (Google, Yahoo and MSN) reach more than 80 percent of Internet users, implementing a plan to promote the "safety and quality" message online only makes sense.

Could GM and OnStar better communicate the safety and quality message through search channels? Yes. Yet even these world-renowned industry leaders have missed out on three basic search engine optimization steps:

- Optimize content for safety and security key phrases.
- Create additional content

related to these terms, including optimized news releases.

- Advertise through Google AdWords or Yahoo Search for

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Key Phrase Estimated Searches/Day

gps systems	764
gps vehicle tracking	743
gps tracking system	605
car safety	301
car security	244
car security system	163
discount auto insurance	154
motor vehicle safety	121
vehicle safety ratings	116
airbag deployment	94
vehicle safety	70
hands free phone	45
voice activated phone	41
auto theft prevention	9
auto insurance discount	4
cars with onstar	4
onstar vehicles	3
auto theft recovery	0

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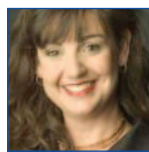




CompUSA Goes for Optimization Success

By Cheryle Pingel and Al Hurllebaus

Embarking on an enterprise-level search optimization campaign is not a task for the squeamish. CompUSA rose to the occasion and had full company support when its executives decided to pursue the benefits of full site optimization.



Cheryle Pingel is chair of Range Online Media, Fort Worth, TX. Al Hurllebaus is director of e-commerce at CompUSA, Dallas. Reach them at cpingel@rangeonlinemedia.com and al_hurllebaus@compusa.com.



To increase its natural, non-branded search results, CompUSA realized it would require support internally, from marketing and technical teams up to senior management.

Branded search terms are typically the first step at the front end of a natural SEO program. The major search engines are very good at properly ranking companies for search terms containing the company name. However, acquiring "real" new customers requires taking the next steps in an optimization campaign.

When CompUSA began analyzing search traffic, executives found that 92 percent of visitors came to the site using CompUSA-branded

search terms. People looking for CompUSA were finding CompUSA. People looking for computer equipment and accessories online were finding CompUSA's competitors. The company realized it needed to elevate its search engine presence to generate new customer acquisition from non-CompUSA-related search phrases.

From Range Online Media's perspective, the first step of working with CompUSA was to understand the company's business model and culture. Following that, a comprehensive technical assessment of the site at www.compusa.com and the application of a solid mix of SEO fundamentals and advanced techniques was employed.

Three of the techniques used on CompUSA.com were: proper title and meta tagging; correct internal link architecture; and optimized content creation on a per-product basis. The improved natural search program, combined with CompUSA's paid search campaign, is producing results that are driving CompUSA's business.

After 12 months, Range and CompUSA were able to drive



645,000 visitors to CompUSA.com versus the less than 270,000 from the same month of the previous year. This explosive growth in traffic was achieved mainly through non-branded search terms, while not cannibalizing traffic from branded search terms. The percentage of branded search terms dropped from 92 percent to 31 percent of overall traffic.

Another benefit was a gigantic increase in the numbers of pages from CompUSA.com listed by Google, rising from 13,000 pages to more than 534,000. ☺

GM, OnStar

Continued from page 23

important or problem key phrases, especially those where competitors already advertise.

If I were Gary Grates or others in the driver's seat at GM, I would recommend consulting with search engine marketing experts to develop a strategy that integrates the quality and safety message. With this guidance, GM and OnStar undoubtedly would earn first-page rankings for the terms that car buyers most commonly use in their online research.

Searches for Key Phrases

These key phrases from OnStar's meta keyword tag generate approximately the listed number of searches each day, as reported by the popular keyword research tool WordTracker.

The only term to deliver a first-page result is "air bag deployment."

As you can see, the GPS-related phrases generate the most traffic. GM and OnStar executives could consider this valuable insight into the mind of potential customers. One way to take advantage of it would be to create and optimize additional content that upsells OnStar's GPS capability. ☺

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Increase Pay-Per-Click Conversion Rates With Targeted Campaigns

By Todd Watts and Marc Joseph

Online advertising spending has grown 34 percent in the past year and is expected to reach \$15.6 billion by 2006. Of this, 42 percent is expected to be spent on

pay-per-click advertising. As a result, competition for keywords is increasing and cost-per-click rates are up.

To offset rising costs, companies must learn tactics to increase the effectiveness of campaigns in order to sustain and

To increase conversion rates, advertisers should focus on targeting specific audiences that are likely to become both immediate and long-term customers. Conversion rates tracked across multiple search engines show that searchers who are ready to spend most often connect to sites from vertical search engines.



Todd Watts is director of marketing at BTB search engine goWholesale, Washington. Marc Joseph is president of wholesaler DollarDays International, Phoenix. Reach them at todd.watts@gowholesale.com and marc@dollaradays.com.



DollarDays: A Case History

DollarDays International, a wholesaler of general merchandise, knows it is critical for business-to-business companies such as itself to generate a steady stream of new customers. Based on thorough tracking and analysis of marketing initiatives, pay per click is the key advertising

channel for DollarDays' customer acquisition. It allocates the most marketing dollars to search engines that produce the highest conversion rates of click-throughs

portals such as Google, DollarDays allocates a significant budget for industry-specific search engines such as goWholesale that target and increase its customer base of independent retailers.

In addition to an audience of ready-to-purchase buyers, DollarDays has found that vertical search engines offer other unique benefits such as:

- Lower cost-per-click rates. A targeted audience means fewer advertisers compete for top positioning and that niche keywords will be popular search terms.
- Industry-related content. Building content that demonstrates an understanding of industry topics and trends enables vertical engines to provide more effective search results. Considering that 54 percent of business owners report to using the same search engine for nearly every search, this is an important piece in gaining user loyalty.

Getting top positions on major search engines is competitive and often requires expensive search engine optimization campaigns that don't guarantee results. BTB companies know that only buyers looking for the products or services being sold click on their vertical search engine ads. Every click is a chance to gain a new customer. ☞



boost conversion rates and generate a significant return on investment.

To create an effective pay-per-click campaign, advertisers must identify what type of visitor they want and allocate budgets accordingly to major and targeted channels.

Major search engines are primary channels of pay per click because they bring in the largest number of click-throughs and help establish brand awareness to a broad audience. Research shows that many users of major engines are still in the "window-shopping" phase, researching vendor and product options for later purchase. While branding achieves long-term goals, conversion rates from major search engines often can be lower than from other channels.

to purchasing customers.

Besides brand-building pay-per-click campaigns with major search

Strategy With Flexible Software

Continued from page 21

strategy let Did-it exceed its campaign target by 20 percent, creating thousands more orders for Cingular than anticipated. In the course of its relationship with Did-it.com, Cingular's search-driven Web site orders have doubled.

Emphasize Each Unique Element

The best search marketing campaigns are those that recognize the full diversity of all campaign elements. Uni-

form solutions can achieve ROI, but in emphasizing each unique element marketers can take full advantage of every opportunity that a campaign offers.

Diversification requires a high level of customization. Customization, in turn, requires bidding software that can be adapted readily to the new opportunities that every campaign presents. This software/strategy combination yields the best-tailored search campaigns. ☞



Consultants Should Help Nonprofits Define Goals

By Donald L. Baker

Nonprofit organizations, like their for-profit counterparts, are aware of the need for search engine marketing to boost their online visibility. Nonprofits, which include trade associations and non-governmental organizations as well as educational, public interest and religious groups, have information they wish to share with the public.

But as their budgets often are quite limited, many nonprofits are choosing SEM as a major part of their overall marketing and public relations. The search campaign therefore becomes more than a technical, Web site-based exercise. Properly conducted, it can give the nonprofit client strategic feedback regarding its goals, audience and message.

For most nonprofits, search engine marketing should begin with defining online goals. To provide the most useful service, an SEM consultant needs

to ask many basic questions, including:

- Does your organization know what audience(s) it aims to reach?
- Is one Web site sufficient to communicate effectively with members, consumers and the scientific or political communities?
- Is your goal to inform and influence through content alone, or are there useful products to give or sell to site visitors?

More than with for-profit clients, search engine marketing consultants should be willing to go beyond simple coding and site submissions. Wide-ranging discussions about campaign goals, identifying and targeting the correct online audience and the means to measure progress toward reaching that audience are standard with nonprofit clients.

When the consultant takes the role of an interested outsider — learning the internal and external

images of the nonprofit, its role and message(s) — the knowledge can benefit the organization as well as the campaign. For some clients, the positive effect on the organization is a welcome adjunct to increased site traffic.

Decision-making authority often is diffused in nonprofits, and the marketing director may be responsible to several stakeholders. The foundational task of assembling a keyword-phrase list can be the catalyst for stakeholders to work together with the search engine marketing provider to define their message and intended audience.

The consultant needs to explain the importance of a targeted keyword list to the

success of the campaign. Then he must accept the internally generated list of organization buzzwords and nomenclature, complement it with phrases that consumers and other target audience members use in real-life searches and produce a merged list that is acceptable

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to the client and useful as a foundation for the technical side of the campaign. Once this process is completed, most remaining tasks follow the same course as a typical SEM campaign. ➔

Case study: The Vinyl Institute

The Vinyl Institute, a trade organization, asked NSI Partners to restore traffic to its site at www.vinylbydesign.com that had been lost through conversion to a different site architecture.

NSI recommended certain navigational improvements to allow search engines better access to the entire site. We also developed a comprehensive keyword list and edited site-page headlines, content and tags to include important phrases. Submitting the site to vertical-industry directories and adding a targeted paid-search campaign rounded out the project.

Within 12 months, monthly visitor traffic increased 304 percent and visitors referred from search engines increased 741 percent. Six months later, visitor totals had increased 439 percent and search engine referrals 1,956 percent. ➔



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The Struggle for Brand Control

By Kelly Kochert

Search engines have created a new means by which consumers have gained power. They use search to find information on products and services on their terms. Consumers manage what information they want and when they want it. Yet in a marketplace where brand owners could control a greater stream of communication, many fall short of true brand ownership in the search space.

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This is most evident when a brand receives negative press. Consumers want more information and head online to perform their due diligence. Obvious examples of brands being overrun in the search space are in the pharmaceutical industry, where drug recalls prompt searches. Search ads are

filled with lawyers and anti-company sites. The brand is essentially hijacked to other sites willing to make a profit.

A search for "Vioxx" on Yahoo yields 11 search ads for lawsuits and lawyers. The brand site is first in natural listings, but Merck can be sure that the opposing ads draw traffic away from the brand. A search for "Merck pharmaceuticals" results in ads about the recall and lawsuits with no messaging from Merck.

Merck could be using the search space to further the brand message and the steps of the recall, giving the company's side, but what is a natural public relations exercise for them has yet to be translated to an online search initiative. Merck could choose to bid for exposure with a site/page devoted to explaining the FDA decision on Vioxx or could push people through natural listings to a PR release about the removal of the product from the market. Instead, lawyers and news sites own the space, leaving consumers to draw their own conclusions.

Wal-Mart is another example of a brand losing control of its search

results. A Yahoo search yields 13 ads, none owned by the brand. The results are a mix of shopping aggregators and news sites. Opposition, news and discount sites infiltrate the organic listings alongside brand results. Previously, the firm used search to control its brand message. It used paid search earlier this year to combat rumors and anti-Wal-Mart sites. It launched WalmartFacts.com and bought keywords in Overture (now Yahoo Search Marketing) to drive consumers to the site to present its side of the story on several issues.

This is certainly a start to the solution, but without a strong organic search solution for consistent presence and a full-time paid exposure, the problems will return and require more expense and energy to combat.

As online news distribution and consumers' search behavior becomes more ubiquitous, it's obvious that search positioning and strategy will be key. Firms that let opportunistic third parties tread on their space will find greater disconnect between consumers and their brands. ➔

Managing Search: Technology Tools and How to Use Them

By Nico Brooks

Here are some key considerations when leveraging technology to manage search engine marketing campaigns.

Define a methodology: Set goals for your search marketing campaigns; define the metrics you will use to measure success against your goals; and diagram the tactical procedures that will influence the metrics you choose. Once you have a sense of the tactics involved, you can judge the effectiveness of technology. As you gain knowledge and observe market changes, your methodology will evolve. Continually re-evaluate how you use technology to achieve your goals.

Tracking and reporting: The metrics you track and the reports you generate should tell you two things: how you are doing and what you need to

focus on to do better. The first type of report should show progress against the metrics you selected to measure success. It also should present the data in a way that stakeholders who do not understand search can appreciate what you are doing. Factor in variables such as lifetime value or offline sales if they are relevant to your campaign. The second type of report is purely tactical: What keywords, positions, ad creative, match types, etc., are driving results? Use this reporting daily as you tweak the performance of your campaign.

Bid management: Use a bid management tool to maintain an optimal rank for your keyword ads or to dynamically set rank based on the bid landscape. Test and refine bidding strategies based on time-of-day/day-of-week, friendly URLs, bid gaps, competitors' hostile tactics and other factors. Ideally, the

tool you use will support various heuristic rules you develop as you learn your market.

Optimization: If you include the many variables that affect search performance, manually calculating optimal positions across many keywords and search channels is at best time consuming and at worst impossible. To optimize properly, you need to invest in some kind of technology. Most vendors have functionality that meets this need, but be mindful that your goals are being properly served. Optimization models tend to be focused on a limited set of constraints.

Titles and descriptions: Most commercial tools have limited capabilities in tracking and managing search listing copy. Don't be misled: The text that appears in your search list-

ings has a huge effect on ad performance. Include optimization of ad copy in your methodology, regardless of the level of support provided by a given tool.

Stay in control: A tool cannot manage search for you. Technology can make you more efficient and technology can provide quantitative insight, but knowledge and

Nico Brooks is director of search technology at Atlas, a digital marketing technology provider and an operating unit of aQuantive Inc. Reach him at nico.brooks@atlassolutions.com.



judgment are still the most important factors in a search marketing campaign.

Tip: PayPerClickAnalyst.com and MikesMarketingTools.com maintain lists and reviews of search engine marketing tool vendors. ➔





Obstacles, Opportunities

on the Road Ahead

Trademark issues and new search engine advertising features rank high in importance with SEMPO survey respondents

By Dana Todd

The Search Engine Marketing Professional Organization, a non-profit association working to increase awareness and promote

Dana Todd is executive vice president of interactive marketing agency SiteLab International Inc., San Diego, and president of the Search Engine Marketing Professional Organization. Reach her at dana@sitelab.com.



Many areas covered in SEMPO's comprehensive research study "The State of Search Engine Marketing 2004" have gained in importance since the study was released in December. The following results are of particular importance for this year:

Increased spending for search. Eighty-three percent of respondents planned to boost spending on paid placement campaigns this year. At the time of the SEMPO study, research by Yahoo and DoubleClick suggesting an even greater value to search engine marketing had not yet been released.

Given the additional data supporting the value of search, this estimate may be low.

Trademarks are an important keyword purchase, and

though some litigation has been settled or ruled upon, there are still pending U.S. and international lawsuits. Trademark-related issues involving search behavior will stay a hot topic, as some engines will "map" trademarks to generic keywords or allow competitive bidding outright for trademarks.

The majority of, but not all, advertisers bid on their own trademarks as keywords, albeit misspellings less so. Larger firms generally appeared to be more focused on trademarks.

New ad features. Listing enhancements to pay-per-click ads or paid inclusion are a potential source of more revenue for engines, given marketers' willingness to pay more to make their listings stand out. Small icons and larger fonts were the most popular ideas for premium features that

would entice advertisers to pay more for paid placement keywords. Rich media also scored high as premiums advertisers would be willing to fund.

It is clear that the industry still has huge upside potential, and that two years from now the paid placement marketplaces might look very different than they do now. The convergence between what is considered "traditional search" and general online advertising is accelerating.

The research, conducted by Executive Summary Consulting Inc., was based on an extensive survey of 288 search engine advertisers and marketing agencies, executed via IntelliSurvey Inc., as well as in-depth interviews with 30 industry experts. A full copy of the research is available at www.sempo.org/research/sem-trends-2004.php. ➔

the value of search engine marketing worldwide, sees a need to address several critical industry issues, trends and challenges.

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REI Doubles Sales From Natural Search

By **Stephan Spencer**

Recreational Equipment Inc., a multichannel retailer of outdoors gear and clothing with more than 70 retail stores and revenue of nearly \$1 billion a year, recognized

the importance of search engine optimization early on.

Executives understood that they could gain significant traffic to the site at

www.rei.com and sales from natural search if product pages were more visible and ranked better in search engines.

REI's main natural search obstacle was the dynamic nature of the Web address structure. This kept the majority of the Web pages from getting spidered and indexed in Google and other top engines. Several other issues compounded REI.com's natural search visibility problem:

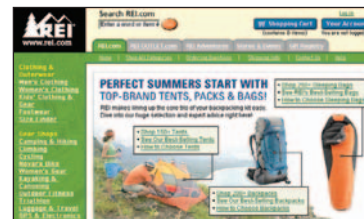
- Keywords used on the site were not always popular with searchers.

- Same page titles were sometimes used across entire sections of the site.
- Main pages lacked introductory text.
- Main headers were in graphics instead of text.
- Many pages lacked keyword focus and density.

REI enlisted Netconcepts to uncover these and other missed opportunities and to develop a plan for seizing these opportunities. This plan took the form of an extensive search engine optimization audit that included keyword research, site structure, alt tags, competitor analysis, detailed recommendations, page mockups, benchmarking and more.

As a follow-up to the audit, Netconcepts came on-site to conduct days of in-depth training on search engine optimization best practices.

Realizing that implementation of this audit involved significant work, REI then engaged us to help its internal team make the recommended changes. We began by working with REI's IT department to "rewrite"



many of the site's Web addresses into a form free of stop characters, thus making them static and more friendly to the search engine spiders.

Thanks to the rewriting, REI's site is now fully indexed in Google. More importantly, the payback came in terms of sales. REI Online received more than a 200 percent gain from overall natural search sales and more than a 250 percent gain in non-branded natural search sales since the changes began.

Of course, the Web address rewriting was just one component of the search engine optimization initiative, but it was a key one. Other efforts such as optimizing title tags, converting graphical headings into text and conducting keyword research to optimize product category names also paid dividends. ☺

Stephan Spencer is president of interactive marketing and e-commerce consultancy Netconcepts, Madison, WI. Reach him at sspencer@netconcepts.com.



Virgin Vacations Flies High With Optimization Effort

By **Chris Winfield**

One would think that with a name like Virgin Vacations, there would be no need to compete. But travel wrestles for the title of being the Web's most competitive consumer and business category.

for a traffic-conscious brand: They invested in some good, old-fashioned search engine optimization.

Here's what we did to help them get to the top of the search engine results pages:

The first step was identifying the right keywords, especially ones that would

European packages, choosing terms such as "London travel deals" and "Paris travel deals" — terms that would convert.

The next step was getting the site to be search engine friendly, which is a big obstacle with the current dynamic ASP setup. Because of company restriction, we were unable to completely rewrite the system. So it took a combination of site maps and removing "spider blocks" to get it completely crawled.

Then, we enhanced the site's current content with helpful articles that would appeal to the spiders and to visitors.

Another important step

was standardizing the client's Web addresses and how other Virgin properties were linking to them. We also carried this logic into the link-building phase of Virgin Vacations' project.

Within just a few weeks of the initial optimization, the Virgin Vacations Web site ranked high in the SERPs for a number of its main key terms.

It currently ranks highly on all major search engines with more than 53 top-five rankings for its top keywords. This has led to increased traffic and sales. ☺

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Virgin Vacations executives, noticing that they were not receiving the number of desired hits on their site at www.virgin-vacations.com, did the best thing that must be done

equal sales. After surveying past customers, we found that many associated Virgin Vacations with "travel deals" because of the packages the company can put together. We focused on its



Searching for Democracy: Right to Shop, Right to Sell

By Ignacio "Igggy" Fanlo

The world of search has expanded enormously in recent years. Niche industries such as travel search, local search and job search take headlines, largely by virtue of the number of new players surfacing in each. And arguably no segment of this grand arena

The Internet has allowed a reversal of roles, in a sense. Consumers now are looking for merchants, and merchants simply need to address the wide consumer base that is readily available. The advent of comparison-shopping services and search engine marketing makes merchants visible and accessible to those customers who want to find them.



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But merchants have not shifted their efforts to this new medium as quickly as consumers, an

inaction that has resulted in a stark imbalance in the supply and demand of e-commerce leads. The price of lead referrals is much lower than it theoretically should be or than it would be were merchant demand gaining at a pace proportionate to the increase in consumer supply.

Search is changing the way consumers shop and merchants sell online. The proliferation of e-commerce globally is a democratizing force in retail for both consumers and merchants, and over time it will help create the world's largest hypermarket — online.

Since its creation, the promise of the Internet has been that it makes available immense amounts of information to anyone willing to look for it. Consumers spend less time searching for information in print or on television and are instead transferring their research needs to the Internet in a tectonic shift of media use.

Since almost every one of the world's 6.4 billion people is a consumer on some level, whether he or she is buying food, clothing, eyeglasses, appliances or iPods, this shift holds a powerful potential. It means that shoppers in Berlin, NH, can have, and have come to expect, the same access to an array of products and prices as those in Berlin, Germany.

In turn, merchants from Berlin — either one — can reach shoppers from New York, London, Boise or Paris.

But merchants have not shifted their efforts to this new medium as quickly as consumers, an inaction that has resulted in a stark imbalance in the supply and demand of e-commerce leads. The price of lead referrals is much lower than it theoretically should be or than it would be were merchant demand gaining at a pace proportionate to the increase in consumer supply.

This imbalanced environment holds enormous promise for online retailers. Not only can they be players in the space for what is, in essence, a short-term discount, but the amount of precision that they can apply to comparison-shopping and SEM campaigns makes such ventures immediately ROI-positive.

For example, merchants should provide as much detail on product descriptions, prices, availability and the like as possible. When these more avid, mature online consumers go looking for a Nikon D70 digital camera for \$900-\$1,000, they are quickly and directly linked to the merchant that can give them what they want. Those consumers become not just shoppers, but informed and confident buyers.

Most importantly, retailers are able, through these precise campaigns, to connect with a global customer base. Shopping search has

The screenshot shows the Shopping.com jewelry page for a Citizen BL5140-51L Wrist Watch. The page features a product image, a star rating, and a price range of \$189.00 to \$296.00. It lists two store options: Ashford.com at \$199.00 and World of Watches at \$189.00. The page also includes navigation links and a search bar.

The screenshot shows the Yahoo! shopping page for an Olympus C-8000 digital camera. The page displays search results for 'olympus c8000' and lists several product listings with prices and store names. The page also includes navigation links and a search bar.

The screenshot shows the Shopping.com informatique page for portable computers. The page displays search results for 'ordinateurs portables PC' and lists several product listings with prices and store names. The page also includes navigation links and a search bar.

given all merchants the ability to achieve equal prominence online alongside existing mega-merchants such as Tesco, Wal-Mart and Sony.

The intersection of search

and e-commerce not only has democratized retail, it has created a new tool for facilitating free-market movements by making retail a true two-way street. >



Search Engine Advertising

After Google and Yahoo

By Jon Waterman

You like the traffic you're getting from Google and Yahoo, but you would like to see more. Where do you go?

The second-tier pay-per-click search engine industry has gotten its share of attention from the public markets and from private investors lately, and for a reason. For years, these second-tier companies like Miva, Enhance, Epilot and Findology have provided quality traffic to advertisers' sites, filling the need for wanted inventory.

Not all second-tier search engine companies work for everyone. In most cases, the quality of traffic is not as good as the leading engines, quantity sometimes is limited and it requires additional time to manage. But if you find the right strategy, they

can help your business.

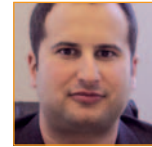
The truth behind these pay-per-click search engine companies is that conversion rates tend to be a bit lower, but because bid prices are just as low, you end up with a similar ROI to the top two engines.

Advertising agencies are even starting to get in on the mix by adding these second-tier engines to their list of traffic sources that they can provide to their clients.

But how do these engines generate traffic? Unlike Google and Yahoo, the second-tier engines rely on distribution partners — publishers — to generate traffic to their advertisers. With a combination of niche Web sites and smaller search properties, these pay-per-click engines are providing billions of qualified searches to advertisers nationwide.

Many of these companies in the second-tier market are even moving to generate their own traffic. Many have spent quite a bit of money buy-

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ing either search, domain name or desktop properties, and some are working to develop and implement niche content of their own to deliver to their consumers.

Though Google and Yahoo continue to lead the pack, they are limited by the traffic that they can provide to their advertisers. The second-tier pay-per-click search engine industry fills that void. ➔

Attacking Search Holistically

Uniting Paid, Organic Search

By James Wilson and Jennifer Borenstein

As search marketing has grown, the notion of integrating search and offline initiatives has been a topic of increasing discussion. Yet for most marketers who engage in search, there are ducks to line up first: mainly the integration of their paid and organic search strategies and efforts.

From a process perspective, paid and organic search are two unique beasts that require a different set of resources and skills. Search integration is crucial for providing a clear message to customers and ensuring proper resource allocation.

A dedicated search marketing team is necessary whether search is being managed in-house or outsourced to an agency. Coordination

of campaign timing and messaging strategies across both channels is crucial. Results should be compared to determine effectiveness gaps. Keyword performance should be evaluated across

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both disciplines.

For example, analytics may determine that a certain bucket of keywords is ineffective with paid search, so the focus on those particular topic areas shifts to organic search instead. Strategy and budget integration between the two

channels is needed to find the ideal balance of paid and organic search efforts.

Some major companies are beginning to understand the inherent value to this type of approach. Companies like Dell, Sears and Progressive Insurance have focused not just on the immediacy of paid search but also on the ROI potential of combined efforts.

These companies use shared real estate on a search results page to create increased exposure. Likewise, they use complementary and divergent messaging tactics to ensure a broad reach and enable the capture of more desired audience segments.

Unfortunately, in many situations this type of blended approach doesn't occur. One cause for a lack of search cohesiveness is that



the skills of the people involved with the two search channels tend to differ. Organic search generally relies more on cooperation with Web development and IT departments while paid search tends to involve marketers and creative experts.

The issue is compounded when different agencies are used for paid and organic search. Or frequently an agency will specialize in one of the two areas and thus doesn't give proper attention or have adequate knowledge of the other.

For reasons that can't be explained fully, marketers seem content to employ multiple companies because of these differences. They accept siloed results rather than seeking out and demanding agencies that can be most beneficial to their bottom line. ➔





From Blacklist to Best Practices

By **Tim Barefield** and **Jill Ambrose**

What happens when you observe that your total sessions from natural search have plummeted 12 percent a month in the past three months? Your anxiety goes up even more, because a significant percentage of your revenue is generated from search engine marketing.

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Pure trepidation sets in as you look at the calendar and forecast the effect this will have if you can't fix this problem by the key selling season. Finally, a mental alarm goes off: Have we been blacklisted?

This happened at GiftCertificates.com last year. We provide results-based incentive solutions for businesses. The company also offers a central resource for consumers to buy gift certificates from hundreds of national and local merchants, including department stores, airlines, hotels, theaters, restaurants, services and more. Clients can purchase, send and redeem certificates directly from the company's Web site at www.giftcertificates.com.

Most marketers know that elusive blacklists exist. Hopefully, few have experienced the frustration of the "silent killer" to online businesses. No clear-cut signs verify that a company has been blacklisted. If you inquire about a company being blacklisted, there will be no response. The cyber world of algorithms and spiders is voiceless.

Companies can experience horrific challenges and take up to two years or more and hundreds of thousands of dollars in consulting fees to find the root causes and correct potential problems. We were one of the fortunate ones.

Of course, GiftCertificates.com cannot even confirm that it ever was blacklisted. We developed a plan to evaluate our practices and implemented changes in high-risk areas. The series of incremental changes paid off.

Eight months into our search engine optimization project, we realized positive results. In a single day, GiftCertificates.com experienced a jump that catapulted its search results to the top of the rankings again.

So if we were on the "big bad blacklist," what specifically did the company do? Our situation is probably universal to companies that suffer the symptoms of blacklisting. Though you may be unable to confirm being listed, you should immediately apply as many changes to your operations and systems that align with best practices because any effort toward optimization is well worth it. Since the changes we made were numerous and incremental, we cannot identify the culprit that may have put us on a blacklist or the action that may have cleared us.

business objective for each Web page was reviewed. Content was modified to reduce repeating keyword phrases.

Our steps were conservative, but the results were significant. GiftCertificates.com maintains a 20 percent increase in sessions year-to-date and enjoys a 344 percent boost in ROI.

If you have been blacklisted, ensure you have strong search engine optimization strategies in place. If you don't, your execution may fall short or your results will be temporary. It's never too late to incorporate a great SEO strategy that will underpin your tactics. Here are some strategies:

- Champion the measurement of campaign ROI within your organization to support your ability to fund and/or apply resources to the initiative.
- Foster cross-functional integration



Here are some of the items that we evaluated and adjusted to comply with best practices:

Doorway pages. GiftCertificates.com previously used many similar landing pages to track promotions. This process has been replaced by the use of various embedded promo codes in links.

Text color. Inconsistencies could have been interpreted as invisible text, so consistent style sheets were applied to improve contrast.

Keyword phrase density. The

for search engine optimization work within your organization.

- Embrace the dynamic nature of search. Commit to internal and/or external resources to stay up to date and invest in change. External resources could consist of SEO consultants, industry associations and thought leaders.
- Integrate your search activities since the power of search engine marketing can be seen with a combination of natural, pay-per-click and paid inclusion. ➔



Don't View Europe as One Market

By Chrysi Philalithes

Does an Internet shopper in France surf the Web differently from his or her British counterpart? Yes. Throughout Europe, online behavior varies widely.

According to the European Interactive Advertising Association, 35 percent of Europeans shop online. Of the five main European markets, consumers in Britain and Germany tend to spend the most on online purchases: More than 52 percent spend between \$180 and \$1,800. In France, Spain and Italy, shoppers spend a little less, with around 40 percent spending in the same category.

What accounts for these differences? One explanation lies in e-commerce adoption rates. In Spain and Italy, the transition from dial-up to broadband occurred later than in other countries. On the whole, Internet users in these countries are less Web-savvy, which is reflected in their tendency to type generic keywords.

But these are growing markets. And early adopters of the Internet, who are more likely to buy online, are also typing in more specific keywords. Consumer behavior dictates the advertiser's media buy, and, understandably, most advertisers tend to bid on generic keywords.

However, as volume for specific keywords may be relatively low, this presents an opportunity for advertisers that are quick to bid on specific terms and take advantage of potentially lower prices. One example is "Cheap Holiday in Barbados."

It also is important to understand user intent, which dictates search patterns. User intent in search is analyzed by looking beyond the keywords they type to ensure they receive the most relevant ads. Naturally, user intent varies from culture to culture.

For example, we did not let a leading Britain-based online florist bid on the generic word "shopping," since it was determined that searchers entering "shopping" are not usually look-

ing for a florist.

But in France, e-commerce adoption is very advanced, which means that users tend to be comfortable looking for various services — especially local ones — over the Internet. For this reason, we let a major online dating service provider bid on city names,

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like "Lyon" and "Marseilles." This type of city name bid won't work elsewhere in Europe, so we would not let a London-based dating service do the same.

What's clear is that it is crucial for bid systems to reflect "real" user behavior and their search intent. Only by researching and understanding a population's online and offline behavior can advertisers reach the diverse European community. ➔

Search Optimization, Blogs and RSS Feeds: A Magical Combination

By Stephan Spencer

The major search engines — Google, in particular — seem to love blogs, which are the personal or professional diaries that number in the millions online. Search engines favor blogs because they are so richly interlinked (indeed, it's part of blogging etiquette to credit your sources with a link), and links weigh very heavily in search engines' algorithms.

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Webfeeds — XML files containing a list of late-breaking content items — also have a positive effect on search rankings by encouraging additional inbound linking. These

could be blog posts, news headlines, new or best-selling products, clearance items, etc.

A feed will be in either the Really Simple Syndication standard or the ATOM standard and typically contains information such as titles, descriptions, Web addresses and publication dates.

By providing one or more feeds on your Web site, you can get syndicated onto other sites that wish to use your content to augment their own. This will result in deep links into your pages of late-breaking content. For example, Slashdot.org has news headlines and associated links syndicated onto numerous other Web sites, including Nanodot.org.

What is it about links that make them so crucial to search engine optimization? From the engines' perspective, links denote importance. In a way, a

link acts like a vote. A Web site with few inbound links won't appear to the search engines to be worthy of a top ranking for any popular search keywords.

Not all links are created equal, either. A link from Jim-Bob's personal home page won't benefit nearly as much as a link from CNN.com. Furthermore, the anchor (i.e., underlined) text in links gets special consideration by the search engines: the keywords in that anchor text are associated with the page that is linked to. That's why a search for "miserable failure" returns such politically charged results, even though the words "miserable" and "failure" appear nowhere on the HTML of those top-ranking pages.

Two great ways to acquire links with keyword-rich anchor text are blogging and syndicating your content through Webfeeds. It starts with naming

your blog with your targeted keywords. Incorporating keywords into the titles of your blog posts and the titles of your RSS items also will yield a rankings benefit.

Over time, the major engines are going to use Webfeed technology in more sophisticated ways. Yahoo currently offers a Web-based aggregator called My Yahoo that you can add RSS feeds to with one click, using the "Add to My Yahoo" link that appears in some listings in the Yahoo search results.

MSN Search lets you subscribe to search results as RSS feeds. Some specialized feed search engines like Technorati, Feedster and PubSub let you subscribe to an RSS feed of search results that pull data from an index of Webfeeds, but I'm confident the major engines will offer the same sort of functionality. ➔





Search's Role in the Marketing Mix

By Todd Daum

When it comes to marketing, Hewlett-Packard Co.'s www.hpshopping.com Web site understands the importance of incorporating consistent messages across all of its online and offline customer touch points.

Launched in 1998, the site is HP's direct-to-consumer e-commerce store for HP home and home office products. The company typically deploys several marketing tactics to point consumers to promotions around specific offers.

For instance, one recent campaign included direct marketing tactics such as e-mail,

a catalog, direct mail and inserts, traditional advertising through television and interactive tactics including banners, affiliate marketing and sponsored search. This campaign featured an offer for a complete home computing and photography solution including a notebook computer, all-in-one printer

and digital camera — with a combined price below \$1,000.

The campaign messages touting “ease-of-use” and “simplicity” along with “stunning professional quality photos” and “home printing” were incorporated into all of the key marketing initiatives down to the copy in the short descriptions contained in their Yahoo-sponsored search advertising listings. But it didn't stop there. Knowing that consumers overwhelmingly prefer to be delivered directly to the most relevant page for their query, hpshopping.com linked these customers not to the company's home page but to a page displaying product and purchase information for the featured promotion.

Hpshopping.com finds that, in general, integrating its campaign efforts across all media drives an additional sales life of an impressive 10 percent to 25 percent, depending on the vehicle.

In less than three years, hpshopping.com's search advertising program has grown from a few keywords to more than 12,000. Early campaigns were modest, focusing on basic brand-name terms such as “HP” and “Hewlett-Packard.” But



the keyword program expanded rapidly as the company recognized the value of advertising that not only could drive sales but also be measured easily and effectively.

Overall, hpshopping.com executives say their cost per order has decreased by 10 times since they began the search marketing campaigns, mainly through careful management of keywords, titles, descriptions and landing pages.

For hpshopping.com, consistency and coordination are key in integrating search into the marketing mix. And with tracking mechanisms that not only show positive results, but also point the way to refinements that increase ROI, it's an approach that attracts customers who are ready to interact and buy HP products. ☺

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Search Marketing Drives Traffic, Success for Bosch Tools

By Tony Bombacino

Bosch Power Tools and Accessories, a division of the Robert Bosch Tool Corp., tasked us to direct qualified searchers cost-effectively to www.boschtools.com, which in turn drives traffic and sales of Bosch Products with online and offline distribution partners.

The company also wanted to capture a larger online audience by offering rich product data and exposure to available retail outlets.

We undertook several initiatives. First, we developed detailed keyword lists to guarantee keyword coverage at all points of the search funnel. This ranged from general (initial Bosch brand interaction) to specific product-level terms (qualified customers ready to buy).

Second, we sought optimal traffic by analyzing cost, value of traffic,



Web analytics and back-end performance reporting.

Third, we strategically supported other online and offline Bosch Tools marketing initiatives with targeted keyword and creative builds.

Fourth, we developed a comprehensive campaign that uses several sources, including pay-per-click and feed-based options to ensure full search coverage. Fifth, we tested various vertical search opportunities to capture different targeted audience markets.

Sixth, we used best-of-breed tools and technology to manage the campaign within budget and predefined metrics. The final step was to analyze keyword/market and Web analytics data for additional campaign expansion and opportunities.

Since implementing the search program in 2003, traffic volume rose 38 percent through 2004. Search traffic influenced an increase in the man-

ufacturing Web audience share from 9 percent in 2004 to 11.3 percent in the first half of 2005.

The search efforts supported Bosch online channel growth. From 2003 to 2004, Bosch e-commerce

channel sales (distribution partners) increased 50 percent. There is a projected 2004 to 2005 rise of another 30 percent.

In 2003 to 2004, the Bosch Power Tools brand exposure also doubled. And 2004 to 2005 is tracking another 75 percent increase in brand exposure. Paid search now accounts for 30 percent of all Web traffic to BoschTools.com. ☺

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Can You Trust Your Paid Search Reports?

By Alan Rimm-Kaufman and George Michie

Paid search allows advertisers to match sales to corresponding ad expense, buying more of what works and less of what doesn't.

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But do you really know what's working? You don't if your data are inaccurate. Reviewing performance data from search marketers over the past three years, our firm has found significant data errors in almost 25 percent of the programs.

So can you trust your search numbers? Conduct a data audit to see. The effort is modest. After collecting information from internal systems, from your search marketing agency (if any) and from the engines themselves, someone on your staff with decent Microsoft Excel skills can perform an audit in a few hours. Here's how:

Test orders. Placing test orders verifies that your system properly credits orders to search. Side benefit: You'll re-experience your checkout, leading to usability improvement ideas.

Open up Internet Explorer. Clear cookies. Take a phrase you are advertising on Google broad match ("widgets") and Google search for it with a test ID appended ("widgets test_1"). Click through on your ad and place a small order with multiple items. (Hint: "4444444444444448" is a bogus Visa number that passes checksum tests.) Next, delete your cookies and restart IE. Go directly to your site (don't click through on an ad) and place another order.

Repeat this sequence using Yahoo, generating two more orders. Repeat this sequence using Firefox for four more orders, for a total of eight.

Check only the first, third, fifth and seventh orders that appear in your paid search order detail report. Ensure item quantities, prices, searched phrase and advertised phrase are correct.

Order audit: Pick a day. Obtain a search order detail report for that day, showing timestamp, order total, items and IP for every order that day credited to paid search. Obtain a list of all Web orders from your site that day, showing timestamp, IP, order total,

items and — most important — marketing channel to which your site credited the order (unknown, search, e-mail, affiliate, portal, etc.).

Compare the two lists. Does the search order detail report contain orders that your Web site did not see or orders that your site assigned to other channels? Are some orders being counted multiple times? Is search taking credit for orders beyond a reasonable click-to-order interval?

Expense audits. Pick a calendar month. Obtain authoritative ad costs for the month from actual Google and Yahoo invoices. Obtain authoritative daily ad costs for the same period from the engines themselves (easily obtained from their public interfaces — log in yourself or ask your agency). Finally, obtain monthly costs from your weekly search performance reports from your agency or in-house team.

Compare these three sets of costs in aggregate and by day. For the month, they should differ 1 percent or less. Remember, data from the engines are authoritative. Your other reports must tie to those.

Running such audits semiannually ensures that your search marketing data are solid. Additional audit tips are available at www.rimmkaufman.com/whitepapers/audit. ☺

Search's Success Raises Costs, Reduces Tracking

By Tim O'Leary

The direct response industry has been one of the biggest beneficia-

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ries of the Web. Philosophically, I regard the Web as a wonderful alternative to telemarketing.

When properly designed, a Web site can be friendly, build brand and relationships and educate while motivating consumers to spend as much or more than they would when talking with a live operator. And the biggest benefits are cost and scale.

Web transactions can cost pennies compared with the dollars or tens of dollars spent on a live operator, and it is much easier to scale for the uncertainties of direct response on the Web versus trying to staff a telemarketing center.

These advantages coincide with consumer preference. Buyers increasingly prefer the Web as a response medium as opposed to calling a number. Our clients experience an average of more than 40 percent of response to advertising via the Web as opposed to the phone, with the average rising at more than 5 percent a year. Some of our campaigns aimed at younger demographics see Web response levels at 70 percent or more.

But recently, because of

consumer habits and browser dominance, some of the Web's advantages are disappearing. Consumers have become accustomed to using search engines to reach sites, even when they know the Web address. So instead of going directly to the home page, they are inadvertently making a query. They still find the home page, but typically they do it in two steps, clicking through on Google or Yahoo.

Many consumers have become so dependent on search engines that they no longer try to remember Web addresses and simply type the product name into a search engine. Marketers who are blindly paying for top placement in the paid search engine results then end up paying premium prices to pull poten-

tial customers to their sites.

With keyword searches growing at an average of 2.6 percent a month over the past year — according to Fathom Online — this has become an expensive proposition. Some of our clients now pay several dollars to Google and Yahoo for that click through, which can affect the financials of the campaign so severely that it no longer works.

To add insult to injury, when buyers come through search engines instead of directly from the Web address, we lose much of our ability to track the response against the media that generated it. The marketer's profitability is reduced so the company either has to lower quality, raise prices or discontinue products.

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Walmart.com and What's Missing From Your Web Site Team?

By Lee Odden

Many blue-chip companies allocate incredible budgets to their Web site development

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projects. It takes a top-notch, interdepartmental team to create a successful e-commerce site. Even with a crack team of Web designers, Web and database programmers, user experience professionals, content developers, quality assurance and project managers, an important

component is often missing. Though most do a great job at emphasizing usability for visitors and technology for performance, many of them miss out on usability and performance for search engines.

Take the site at www.walmart.com. As the online unit of Wal-Mart Stores Inc., the world's largest retailer, one would expect all bases to be covered, from site architecture and design to site optimization for search engines. But for search engine optimization, Walmart.com has the same fundamental issues as many large company Web sites. Implementing a few suggestions for better search engine indexing and key-

word use on a large Web site could add significantly to search visibility and online sales.

The optimization problems that need to be fixed vary with each Web site. In the case of Walmart.com, we can see the devil is in the details:

1. Make Web addresses search engine friendly. This is one of the most common issues that can improve large site search engine performance. Example: http://www.walmart.com/catalog/product.gsp?product_id=2255556&cat=116329&type=35&dept=5432&path=0%3A5432%3A116329



The best practice is for a Web address to have fewer than three parameters and each parameter with 10 characters or fewer. Example: http://www.walmart.com/catalog/product.gsp?product_id=2255556 With a site that spans thousands of pages, making Web addresses easier to crawl

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Getting what you want



Wouldn't it be great if life was always like this? SLI Systems' goal is to give you exactly what you want. Our customized search service will fit your site perfectly. Our technology learns from search behavior, using that knowledge to drive automated paid and natural search engine marketing campaigns, as well as continuously improving the search experience on your site. And as we learn about your business we work to keep our service relevant to your needs. To arrange a free demonstration on your site email sales@sl-systems.com





Fairmont Hotels Takes a Natural Approach

By David Berkowitz

Fairmont Hotels & Resorts, a chain of resorts and city center hotels, has engaged icrossing since 2001 to provide visibility in natural search results for its corporate Web site at www.fairmont.com.

program with us, Fairmont had three main objectives:

- Increase visibility for primary keywords within the first three pages of the natural search results across all major engines.
- Increase the amount of search visitor traffic to the Web site.



The site contains information about the company as well as destination-specific information for each of its 43 hotel properties throughout six countries.

Early on, the hotel chain realized that a Web site increasingly is the gateway to a company's brand, product and services and that search engine marketing is a critical

- Increase the number of online booking reservations.

Critical for Fairmont was maintaining a customer-centric approach throughout the process.

Solution

Icrossing was enlisted during Fairmont.com's redesign to ensure the complete optimization of the site, from its overview pages to the hotel-specific pages. We optimized Fairmont's site, including images, file names and title tags. Content was rewritten to be more appropriate for search engines and also to be more customer-centric.

Unique content was created to target various lifestyles such as golf, skiing and spas as well as destinations.

Both vendor and client opted for a custom performance-based revenue model.

Essentially, icrossing serves as a travel agent, generating demand and getting compensated for bookings done through Fairmont sites.

Icrossing and Fairmont established baselines, and icrossing receives a percentage of sales above the baseline.

Results

- Keyword visibility: From a baseline of 223 keywords, the number of keywords appearing on the first three pages of search results increased to 2,579.
- Search traffic: Baseline search traffic was established

at 29 percent. Within one month of implementation of optimized coding elements, search traffic soared past the baseline search traffic number, especially at the destination level. Search visitor traffic percentage ultimately increased to 41 percent.

- Booking reservations: As of 2004, booking reservations had increased to 150 percent over the baseline. This continual rise catapulted online booking reservation revenue to more than four times the revenue amounts captured before implementation of the natural search optimization program. ☺

Search's Success Raises Costs

Continued from page 36

Consumers pay more, buy a lower quality product or have fewer choices.

Less profit or the inability to track advertising results in a cutback in ad dollars, which affects the advertising industry. The result is a lose/lose situation for everyone involved, unless you own stock in Google or Yahoo.

It is a difficult problem to tackle, but we are responding by educating consumers on the simplest way to reach the desired Web site. We clearly call out and continually reinforce in the creative that consumers "go to www.thedesiredsite.com."

This reminds me of the early days of direct response television and telemarketing when DRTV had to clearly explain the concept of "call now as operators are standing by."

We also are more commonly using sitelets or splash pages with differing Web addresses that consumers tend to go to more directly and offer better tracking. But ultimately, the battle will have to be won by changing consumer habits and/or how they interact with their computers.

As long as consumers continue to use "mega browsers" to interface with the Web, the challenges will grow. ☺

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component of being found on the Internet.

Objectives

At the inception of the natural search engine optimization



**Coming Up in the
November 7
Print Edition of DM News**

AD:TECH Conference Extra!

A Tabloid Supplement to the November 7 print edition of DM News, polybagged with our regular issue and distributed to our BPA-audited print audience of 50,300 direct, database and Internet marketers.



Deadlines October 18



DM NEWS

**The Newspaper of Direct, Database
and Internet Marketing**

Edited by DM News Executive Editor Mickey Alam Khan, this "Extra" Edition of DM News will focus entirely on the Ad:Tech show coming up in New York City on November 7-9. The "Conference Extra" will include previews of keynote speeches, presentations and sessions, exhibitor listings along with the new products and services to be offered by exhibitors, and all the issues and "buzz" that will be the hot topics in the sessions, luncheons and parties at this important event.

This highly focused snapshot-of-an-industry-in time will provide timely, relevant information to our large print and online audience of direct, database and Internet marketers. It will also represent a fabulous advertising and promotional opportunity for exhibitors and other suppliers of online services.

All articles will be posted on the newly revamped DM News web site – scheduled to go live in mid-September – along with a complete digital edition of this important special issue.

Closing Dates for Advertising –
Orders, October 18; Copy, October 20.

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Seizing the Power of the Internet in Automotive Marketing

By Bonita Coleman Stewart and Lincoln Merrihew

It has been more than 40 years since E. Jerome McCarthy introduced the marketing mix of the four Ps — product, place, price and promotion. Practitioners since have applied these marketing fundamentals in time- and battle-tested ways, ever honing their craft.

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Today, as the Internet plays an ever-increasing role in consumers' lives, marketers are progressing beyond the four Ps to stay competitive and leverage the power of online

intelligence to continually evolve their marketing programs.

For automotive shoppers, the Internet has become the main tool to research their purchase decisions. Seventy percent of U.S. consumers research vehicles online before buying, making the Internet the richest source of information of in-market shopping behavior for auto marketers.

The Internet now is the best choice for automakers to reach and learn from consumers, and it provides automotive professionals with a vastly better way to quantify and qualify the most important aspects of consumer attitudes, shopping behaviors, in-market vehicle demand and the conversion of demand to sales.

Also, the Internet, along with various search marketing and advertising tools, has enabled customer acquisition techniques and efficiencies never before possible. And it has enhanced the quality of intelligence and accelerated its availability. Insights derived from this data can be used to develop highly customized marketing programs geared toward consumers' specific purchasing behavior.

In the automotive industry, where

leveraging the full power of the Internet is still a developing trend, embracing online shopping data to attract customers will be a key success strategy. Automakers need to proactively use the Internet and its wealth of consumer information to act, change, optimize and enhance marketing strategies. Decisions based on ad-hoc data are outdated and potentially misleading because of small sample sizes and inconsistent methods.

Instead, decisions need to be fueled by actual behavioral data garnered through online research behavior. By analyzing their own performance relative to rivals, automakers can adapt quickly to successes and trends in the industry.

As you read this article, an estimated 160 new vehicles were purchased in the United States alone, generating an estimated \$4 million in sales. Imagine the possibilities of incorporating the full potential of the Internet and search marketing to generate even more impressive results. The opportunity is out there, ready to be seized, but it is only as good as the marketing strategy behind it. ☺

Local Search Is the Next Big Thing for Entrepreneurs

By Zorik Gordon

No entrepreneur would seriously think of consulting the yellow pages for the next big business opportunity. Right?

Quite wrong. Don't look now, but the online equivalent of the yellow pages is precisely where the big bucks may lie. Local search technology has opened the door wide for businesses of all sizes to use the Internet to attract customers.

Thanks to geo-targeting capabilities, advertisers can aim their ads specifically to consumers within designated geographic areas, making online advertising perhaps the most cost-effective marketing channel for virtually any type of local business.

Every search engine is embracing local search capabilities as a way to provide geographically targeted advertising to consumers and broaden the relevance of search engine marketing for local businesses.

But while online advertising might be the rage for larger companies with fat marketing budgets, smaller, local businesses have been slower to jump on board. The reasons vary. Many don't yet have Web sites so they think it's pointless anyway; they don't have time to manage complicated search engine campaigns; or they just don't know how to get started.

The opportunity is huge for entrepreneurs who want to bridge that gap. According to industry estimates, local businesses nationwide spend \$100

billion annually on advertising targeting local or regional audiences, but only 3 percent of that advertising has migrated online.

Local search is hot. The

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exists for individual entrepreneurs and business opportunity-seekers to become major players in the local search juggernaut by bringing Internet marketing to Main Street. A burgeoning role exists for intermediaries to help companies — big and small — manage the complexity of search engine market-

ing. Indeed, it's possible to start your very own SEM business. According to a recent New York Times article, industry analysts characterize local advertising as among the most important business opportunities yet to be exploited online. A wave of entrepreneurs already is

problem — and the opportunity — is that someone needs to sell it to local businesses. EBay established the model, creating a cottage industry of independent businesses that help buyers and sellers manage the online auction process.

Now, a new opportunity

exists for individual entrepreneurs and business opportunity-seekers to become major players in the local search juggernaut by bringing Internet marketing to Main Street. A burgeoning role exists for intermediaries to help companies — big and small — manage the complexity of search engine market-



starting to crest out of the dramatic increase in search engine marketing. So, where to start?

Challenges for Local Businesses

Closing the gap is a matter of becoming familiar with the challenges facing local businesses, and then finding a way to help business owners overcome them. Anyone who can deliver a successful online advertising solution that exploits local search stands at the door of a very profitable business.

One of the first issues confronting local businesses is logistical and can be easily overcome: As many as 70 percent of small businesses still lack their own Web sites. If they're going to run an online campaign, they'll need to be able to point consumers to an online presence — if not a full site, at least a page or two — to provide basic information about their products and services and tell consumers how to reach them.

A bigger challenge for local businesses, though by no means insurmountable, is to generate a meaningful amount of traffic for a specific geographic area. Advancements in local search technology give local businesses a powerful new tool: the ability to use the big players like Google, Yahoo Search Marketing, AOL and MSN to target ads to consumers in specific geographic areas. But there's still a strategy involved in selecting keywords and deciding which publishers provide the most effective targeting.

And that shines a bright light on the blunt reality of today's "self-serve" search engine business: Search engine marketing is hard. Business owners have to establish relationships with several online publishers, manage multiple keyword buys and monitor constantly changing bids for those keywords. This takes time, which most small business owners don't have.

Effective search engine optimization also requires that they keep track of what times of day their potential customers are most likely to be online (because they will want to bid higher during that time) and

maintain a complex matrix of what works and what doesn't in terms of specific keywords, bid amounts, etc. The complexity is daunting and, for most small businesses, a deterrent to Internet marketing.

Once a campaign is running, accountability and tracking become the big challenges. How do business owners know their online campaigns are working or why they aren't, if that's the case? They need to be able to track accurately both online and offline activity, including clicks to a site, e-mails, telephone calls and on-site visits.

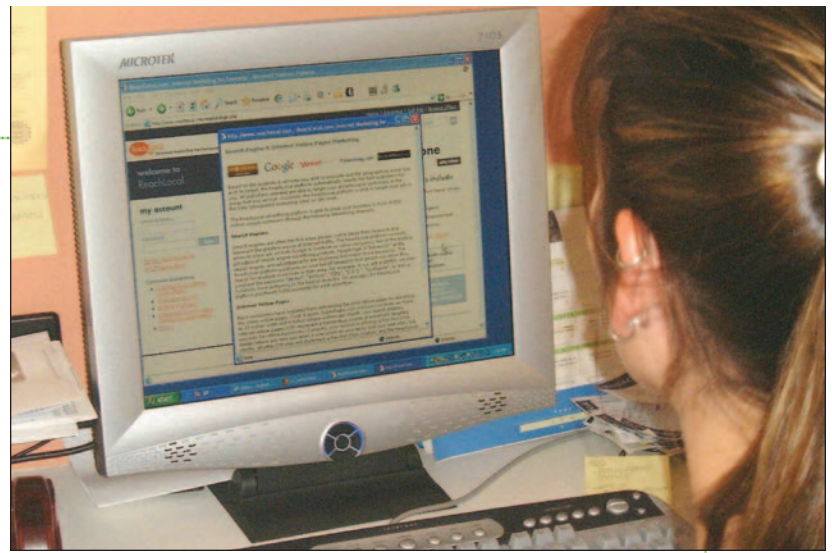
If they're going it alone, it can be difficult to identify which leads specifically came from the online campaign. If the ad clicks directly to an existing Web site, they need a way to separate out that traffic. If return on investment is to mean anything, they must be able to trace all actions flowing from their online ads back to their campaigns.

Nationwide Chains Need Local Search, Too

Your potential customer base as an independent agent for local search technology goes well beyond the mom-and-pop shop down the street. Large national chains and franchise organizations also are struggling to adapt local search capabilities to market their businesses. Their challenges are to use a national campaign to drive local traffic and to retain control of corporate advertising even as individual outlets and franchisees spread their wings online.

Local search targeting capabilities can help large national organizations by limiting the display of their online ads to Internet users in markets in which they actually have a presence. Companies must pay for every click on their ads. But often a consumer will click, only to discover later that the company has no retail outlet in her area. Those clicks are useless.

Further complicating matters, more individual franchisees and retail outlets are organizing their own advertising, often at the expense of the national organization's campaign. One renegade fran-



chisee, running its own Google campaign, can bump off an entire national campaign because Google doesn't allow two listings with the same Web address to appear in its results.

National retail chains and franchise organizations are increasingly desperate for a solution that would localize their national campaigns and restore overall control to corporate headquarters.

Profit by Meeting the Need

Is it worth it? According to comScore Networks, 111 million people execute 46 billion Internet searches yearly — three times the number of annual yellow pages referrals. And Kelsey Group-BizRate

estimate that 25 percent of all Internet searches are local in nature, meaning local consumers are looking for local merchants. Potential customers are online, and most businesses realize they need to be there, too. They also realize they need help.

So what can entrepreneurs do? Help local businesses and national chains incorporate online advertising into their marketing. Ambitious opportunity seekers have a chance to jump in at the ground level of a trend. Local business owners will find a way to use local search technology to their benefit. Prescient entrepreneurs who seize the opening now will become major players in this lucrative advertising trend. ➤

What's Missing From Your Team

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can make an impact on sales with minimum cost.

2. Use header tags for on-page text headings and integrate important keywords. This conveys to a search engine the most important text of the Web page.

3. Move JavaScript code to external files. This lets the pages load faster and move important text further up in the document.

4. Remove image map links and graphics used for navigation. You should replace these with single images with individual links. Search engine spiders don't follow image map links.

5. Validate the HTML. In our quick review, we found tags out of place and many pages were missing the DOCTYPE tag.

In this example of Walmart.com, it happens that most of the issues cited are

technical. It is as important for a Web site to be easy for a search engine indexing program to crawl as it is to contain important keyword phrases and links.

Putting together a huge Web site with thousands of pages and maintaining it with multiple content contributors is no easy task. That's why it's even more important for large Web site projects to include search engine optimization expertise in virtually all aspects of the Web development and marketing program.

Look at sites like Amazon and eBay. You'll find all of the key Web design elements you would expect with an industry-leading Web site along with exceptional execution of a combined strategy including optimization for search engines. ➤





Study: IYP Local Searchers Come Ready to Buy

By Neg Norton

There is no shortage of data on the growth of the local search market. Estimates of ad dollar expenditures abound, and the importance of various local search players is continually evaluated.

But shouldn't the first question be: Who is the online local searcher?

New local search usage data from comScore Networks begin to answer this question, showing key differences between local searchers of Internet yellow pages and users of search engines.

The study, one of the first of its

kind, tracked 1.5 million Internet consumers' actual search behavior on 150 IYPs and on the five engines that make up 98 percent of search engine queries: AOL, Ask Jeeves, Google, MSN and Yahoo. ComScore's "Local Search Consumer Behavior Study," sponsored by the

Yellow Pages Association, confirmed several elements about IYP and search engine users. For example, search engines receive greater traffic while IYP searchers more often are ready to buy. Results showed that IYP searchers are more likely to make a purchase within a month of their local search.

Though engines get 58 percent of local searches compared with 42 percent for IYPs, IYPs offer a more attractive demographic audience to online advertisers in key spending categories.

Measurements of online and offline purchasing behavior found that IYP users spend more per buyer than search engine users in categories such as automotive, restaurants, drugstores and home and garden. Search engines ranked well in categories including gaming, sports, books and computer hardware.

Other findings indicated that IYP searchers are 10 percent to 15 percent more likely to have an annual household income exceeding

\$75,000 and are 25 percent more likely to have a broadband connection. IYP users are 5 percent more likely to belong to the desirable 25-44 age demographic while high search engine use was recorded among teens.

The study affirms that IYP users' behavior is consistent with what has been true for years with users of print yellow pages. Like print versions, IYPs are used by consumers who are ready to buy. This is why, historically, print and Internet yellow pages have provided advertisers a compelling return on investment.

In the quest to target advertisers, the local search industry must continue to serve consumers' information needs. After all, what value does advertising have if the right message isn't reaching the right audience at the right time? A challenge for search engines and IYPs will be to continue to develop their products through similar behavioral research so that advertisers use the most appropriate online mediums. ☺



Neg Norton is president of the Yellow Pages Association, Berkeley Heights, NJ. The trade body's local search guide is at www.localsearchguide.com. Reach him at neg.norton@ypassociation.org.



Seeking Marketing Talent With Left-Brain Minds

By Ellen Siminoff

Depending on what analyst report you read, search engine marketing will continue to

budgets this year, spending 36 percent on search. This makes search the leading online marketing tactic.

It's Showtime

Ask any top athlete — staying on top is much tougher than making the climb. The pressures can be overwhelming, and getting caught up in the hype can be detrimental.

Being No. 1 means search engine marketing has become the show-me industry. To stay on top, marketers must quickly demonstrate results to justify spending, not just to managers, but to the C-

suite. Do you have the expertise and talent to deliver a higher ROI?

Not sure? You're not alone. More than half of marketers surveyed in another Forrester report struggle to define marketing ROI. Many more are unable to react quickly to marketing results not delivered in a timely fashion.

More Geek, Less Chic

Effective search campaigns require a long list of keywords. Managing these record levels of keywords being purchased will require a serious left-brain makeover in your marketing department.

Companies are expanding campaigns from thousands to tens of thousands of keywords. In a recent Webinar, Jupiter indicated that 27 percent of marketers surveyed are increasing their keywords significantly. Our company alone manages more than 10 million keywords daily for more than 40 of the top SEM advertisers.

Now consider the potentially astronomical variable of bids on keywords. Take a common 4,000-keyword campaign on Google. If you have six positions, you now have 6⁴⁰⁰⁰ possibilities to determine the optimal bid. If you have 10,000

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grow rapidly for the next three to five years. A recent Forrester Research report said 84 percent of the marketers surveyed plan to increase their online



Looking Beyond Search Engine Marketing to Boost Campaign Performance

By Anand Subramanian

As Internet marketing evolves, companies are under increasing pressure to choose online advertising solutions with the highest potential to generate desired results. A solution with merit is search, which can serve as an effective channel to attract customers.



However, search's popularity has posed challenges to the marketer, namely a lack of available inventory. With more marketers turning to the Internet to conduct ad campaigns, little choice is left in regard to ad placement and frequency. As a result, there is fierce competition, making ad and cost-per-click rates soar. Other advertising tools can supplement search

and provide marketers with more cost-effective options.

Enter contextual advertising, a viable option for marketers who are looking beyond search to enhance ad performance. Whereas space on search sites is limited, the space available for contextual ads is not, because they appear on content sites, such as those for newspapers and magazines. With nearly 30,000 newspapers and magazines in the United States alone, it's easy to extract the potential — less competition for inventory and far less expense.

Contextual advertising and the Internet are a perfect match because they are centered around dynamic information. As individuals browse the Web, they are presented with ads relevant to what they are reading. The high degree of an ad's content relevancy promises the potential for a higher click-through rate and an increase in sales.

Also, contextual advertising attracts a different kind of consumer who is not targeted as effectively through search. People who use search are active buyers, searching for something specific that they already have seen an ad or promotion for elsewhere. Therefore, the

number of new prospects that can be reached through search is limited.

Contextual, on the other hand, targets "passive buyers," since many

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people are incited to buy a product only after they've seen a contextual ad that corresponds to what they've read. In essence, contextual creates a new set of prospects for the advertiser.

Meredith Corp. is an example of a company that displays contextual ads on its sites, such as Better Homes and Gardens, a ContextWeb client. The value for the magazine is that it will be able to offer relevant ads at the right time to the right customer. Financial analyst firm U.S. Bancorp Piper Jaffray expects contextual advertising to generate \$100 million this year alone and grow to a \$1.4 billion market by 2008.

Given this, it can be predicted that as search becomes more saturated, marketers will look to supplemental and targeted solutions to achieve cost-effective, powerful results. ☺



Automated Bid Management Tools Remove Cap on Lids.com Efforts

By Fredrick Marckini

To meet your paid search advertising goals, you must find a way to overcome time as a limiting factor. Because there are numerous "levers" that require frequent adjustment within the paid search auction of every keyword, it typically isn't long before the volume of keywords on which you bid, and the price competition that you face, turns the manual management of your campaign into a full-time job.

And unless you are manually raising and lowering bids continuously 24/7 and 365

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days a year in response to the dynamics of each and every keyword auction in which you are participating, money is being thrown out the window.

This was the case in early 2004 with the paid search campaign of Lids.com, the online sales channel for the 550-location Hatworld chain of retail stores. But by the end of 2004, the number of monthly orders generated by

Lids.com's paid search campaign had doubled, cost per order had dropped 60 percent and return on advertising spend had increased more than 150 percent. Plus, the company's executives weren't spending a minute longer managing their campaign than they had been months earlier.

Lids.com achieved these results by replacing manual management of its campaign with management via an objective-based, automated bidding agent.

The first time the company faced was raising and lowering bids on all of the keywords used to describe the 7,500 products sold on the site. When managing the cam-

campaign manually, Lids.com was able to manage only 500 keywords and had time to do it only in the Google **Continued on page 44**





Yahoo Search Submit Pro Brings Many Happy Returns to Birthday Express

By Craig Snyder

BirthdayExpress.com is a destination Web site for children's party supplies and services. The online store offers more than 100 creative celebration themes to help parents make their children's parties an easy and enjoyable experience.

To reach its sales goals, Birthday Express needed to

be updated more frequently than the normal update cycle of the major search engines.

From a scale standpoint, it quickly became clear that most of Birthday Express and Storybook.com's content — with so many categories and products within their databases — simply would be inaccessible to search engines without the use of additional technology-driven services.

The Solution & Implementation

To address these challenges, Birthday Express partnered with Marchex subsidiary TrafficLeader, a provider of search engine marketing services, to design a custom campaign that prominently featured Yahoo Search Marketing's Search Submit Pro product.

Search Submit Pro lets advertisers and firms such as TrafficLeader work directly with Yahoo to ensure that the information included in search listings is frequently reviewed and dynamically updated, increasing the relevancy and "freshness" of algorithmic listings.

We have access to a broad suite of search engine marketing solutions and consistently find Search Submit Pro to be among the most effective, results-driven programs in the marketplace. This is especially true for major retail clients that have hundreds of product pages. By providing a solid ROI and easy-to-manage processes, this has become a primary component of our marketing program for Birthday Express.

Search Submit Pro also offers easy data-feed submission and updating of large quantities of Web addresses and descriptions, providing better control over messaging and targeting. This feature set, combined with an efficient feed management processes, lets retailers like Birthday Express get more qualified

ensure all of its products were included in the results from the most popular search engines. However, managing a keyword database for more than 2,000 products within dozens of subcategories in this "virtual party store" was proving to be a challenge. The company knew it needed to do something to make its entire base of site content more "friendly" and accessible to search engines.



But that wasn't the only challenge Birthday Express and its sister site, Storybook.com, faced in getting into algorithmic (non-paid) search results. The company also needed to ensure that the time-sensitive data in its search listings, such as specific product availability, was as up to date as possible. To ensure accuracy, Birthday Express' data feeds needed to



leads as well as better coverage on search results pages.

Increasing Relevancy, Number of Leads

The program paid dividends shortly after it was initiated for Birthday Express and Storybook.com. Search results on Yahoo (and other sites using Yahoo's index) that were relevant to the two stores began to feature more complete and current product information, increasing the relevancy and number of qualified leads arriving to the online retailer.

For example, with the program now implemented,

searches on Yahoo for relevant phrases such as "Star Wars Birthday Supplies" or "Hot Wheels Birthday Party" produce relevance-based algorithmic search results that link a user directly to specific, product-focused pages of the Birthday Express site.

In short, more relevant results now point searchers to exactly what they seek, delivering to the client prospects that have a specific interest in their products.

Birthday Express tells us that its investment in this search engine marketing program has paid for itself several times over. ☺

Automated Bid Management

Continued from page 43

AdWords program.

But when its list of keywords and past campaign data were loaded into the bidding agent, the tool took over the entire bidding process for Lids.com, letting the brand expand its campaign to more than 13,000 keywords. It also let Lids.com participate in Yahoo Search Marketing's paid search program as well. That's going from 500 keyword auctions to more than 26,000 with no additional staff time required.

The automated bidding agent also cut by 80 percent the time it took for Lids.com to bid profitably on its 12,500 new keywords by employing a technique called "keyword

bidding imputation."

The tool did this by comparing keywords for which it had past performance data to linguistically similar keywords within its set of new keywords. It then assumed that the new keywords would perform much like their linguistically similar counterparts and immediately began bidding on them accordingly.

Like Lids.com, many marketers are reaching the point in their manually managed campaigns where time will begin to limit their size, scope and effectiveness. Today's automated bid management agents provide an important tool for making the component of time less of a limitation. ☺

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Fighting for Ranking on a Work in Progress

By Stephen E. Arnold

Search engine optimization is a booming business. Getting a site listed on the first page of Google results grows more important each day.

Look at this site on Google: TheLeasingGroup.com. Now try to find it by searching for (quotes needed, please) "The Leasing Group." This site is not on the first page of hits. What is listed is TheLeasing-Group.net. Close, but not the same.

"We paid our developer to optimize our site," company president Robert Callendar said. "I paid good money to get indexed. What do I do to fix this?"

This is a common question with many potential answers. However, there is no single fix.

One important step in improving a Web site's ranking is understanding that Google is not search.

Google is a computer. Sun Microsystems' Scott McNealy said, "The network is the computer." Google built that computer.

Like any computer, the owners tweak, upgrade and add new gizmos to it. Google is a work in progress. Anyone trying to move a site's ranking knows that the rules seem to change, usually without warning.

Look at Google Maps (<http://maps.google.com>). This service could be a yellow page killer, and it offers many opportunities for advertising revenue. For Web site owners, the first step is to ensure their business is listed in Google. Click to www.google.com/help/faq_local.html listed and follow the directions in item 7. Then review your site so that you can at a minimum follow these easy and some not-so-easy tricks to improve your ranking.

1. **Dynamic URLs (universal resource locators, or Web addresses).**

Get rid of them. Content management systems like BroadVision do this. The fix may be to create a flat file of your site and change the dynamic URLs to static ones, reserving dynamic pages for "must have" situations.

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2. **Invisible frames.** Google uses these in Google Maps, Google Print and Google Scholar. You aren't Google. Switch to tables.

3. **Site map.** This is not a relic. Create a flat ASCII map that lets Google's spider find the important information quickly.

4. **Indexing in meta tags.** Know a **Continued on page 46**

Paid Inclusion Will Grow and Evolve, Not Fade Away

By Richard J. Pollack

Yahoo contacted many of its certified partners a year ago about the future of its paid inclusion program. With MSN dropping Yahoo's sponsored results and paid inclusion feed, and Google not offering a paid inclusion program to advertisers, the future of paid inclusion in major search engines looked murky.

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Today, paid inclusion remains an important part of the search marketing mix for thousands of companies, particularly for e-commerce com-

panies that have frequent product updates.

Though Google and MSN continue to separate paid search advertising from their natural search results, this does not necessarily enhance the end-user experience.

Based on the stringent editorial guidelines set forth by Yahoo's paid inclusion program, the search results are easier to read. The results also are just as much, if not more, relevant than results found by a search engine's crawler.

With paid inclusion, advertisers don't have to wait for search engines to crawl their Web sites. Instead, product pages on their site or catalog feed automatically into Yahoo's "natural/organic" search results. Advertisers typically pay on a cost-per-click basis.

Professionally managed paid inclusion programs bene-

fit e-commerce companies in several important ways. They:

- Let advertisers systematically update product pages every 24 hours.
- Guarantee that specific product pages are indexed.
- Display creative content (titles and descriptions) clearly and concisely in search engine results versus relying on spiders, which may display less accurate information.
- Deliver prospective customers to a Web site, often for a lower cost than pay-per-click ad programs where the auction model drives up cost-per-click costs.

Here's how paid inclusion benefits one specialty online retailer. TruckXpressions uses the Internet to sell truck accessories and parts with a catalog containing 15,000 products. The company uses paid inclusion as part of its search marketing to feed hot

new products and best sellers into search engine results.

In the past three months, TruckXpressions has acquired more than 50,000 new customer prospects through the top organic results it attained through paid inclusion. It says it continues to enjoy a high return on advertising spending.

Here are my predictions about how paid inclusion will evolve in the coming year:

- Don't be surprised to see MSN introduce its own version of a paid inclusion program.
- Both search engines and search marketing agencies will apply new XML feed technology to deliver clear, organized results to other areas in search, like shopping search and news search.
- Many e-commerce customers will add more graphics, audio and video to their product feeds as a way to bring products to life. ➔



Seeking Marketing Talent

Continued from page 42

keywords, you have 6¹⁰⁰⁰⁰ possibilities. Get my drift?

Paid search always has been more about analytics than traditional advertising glitz and glam. With the upsurge of players entering the market and increases in budget, it's becoming even more complex and data driven. The solution: left-brain thinkers, folks who understand algorithms, statistics and predictive modeling to manage search campaigns for effective ROI.

Skills Needed

Executing and measuring a campaign's effectiveness on multiple search engines and the extended traffic from affiliate partners can be daunting. Marketers must use sophisticated analytical techniques every step of the way:

- **The data.** Effective paid search marketing gets the consumer to act immediately by clicking on your link, resulting in precious real-time data from search traffic including clicks, registrations and CPAs that help determine what is

driving results.

- **The bid.** Managing bids on just the handful of core keywords is a struggle and can be misleading to your overall campaign's ROI. Companies are moving to bid management solutions that manage keywords as a single portfolio.

Similar to Wall Street analytics, this approach applies mathematical algorithms to predict the expected return on all variations of keywords and automatically selects the optimal mix, position and price to achieve a higher rate of return relative to overall marketing budget spend.

- **The measurement.** Many marketing departments have multiple business goals, including increased traffic, registration and sales. Paid search marketers need to analyze the performance data, compare the variables and make a clear business choice based on solid data points, including the lifetime value of the customer relative to budget spend.

No Hunch to Crunch

Marketing organizations must maximize spend across all of their

SEM campaigns and prove to the top brass that they are driving sales. There is no "hunch" involved — the data are available and can be analyzed quickly.

To succeed, you need to move from Excel spreadsheets to tech-

nology solutions that can manage and measure paid search campaigns more effectively.

Does your company have the left-brain talent to pull it off and have successful number-crunching sessions with the CFO? ☞

Fighting for Ranking

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librarian. You are halfway home. Get professional advice.

5. **Clean code.** Get a validation tool. These are built in to some editors like Namo Version 6, or spend \$200 for Web Position Gold or IBP8.

6. **Position the animations.** Fancy interfaces coded in Flash are fine as long as there is a way for the Google spider to see binaries and decide to skip the site.

7. **Fresh is best.** Update your content. Stale content translates to ranking downchecks.

8. **Good content.** Useful, relevant, factual, related content means a straight semantic vector to Google. Unrelated content, tricks that try to fool Google, and copyright violations that

Google detects can send a site to the bottom of the results list or, worse, get it removed from the Google index.

9. **Can you say it to your mother?** If there is anything on your site you can't say to your mother, remove it.

10. **Work to get other high-traffic sites to link to you.** Irrelevant links or links from sites already banned by Google will do you in. An example of a good link is a listing in the Yahoo or DMOZ service. A bad link is anything that has an XXX or something equally slippery.

Improving a ranking on Google is not easy. It does pay off, even though Google is working in progress. ☞

Coming Up in the
August 22 Print Edition
of DM News

WEB ANALYTICS

A DM News Special Report on the Suppliers, Technologies and Services that are enabling online marketers to target customers and optimize ROI.

Edited by DM News Senior Editor Mickey Alam Khan and featuring contributions from leading experts in the field of Web Analytics.

This highly targeted, in-depth Special Report represents a marvelous advertising and promotional opportunity for Web Analytics companies to tell our large audience of print and online readers about your services and capabilities.

Additional copies of this Special Report on Web Analytics will be distributed from the DM News Booth at the Search Engine Strategies Conference in San Jose, CA, August 8-11, the DMA Annual Conference in Atlanta, October 15-

19 and the Ad:Tech Show in New York. All articles and a digital edition of this Special Report will also be posted on our web site, www.DMNews.com.

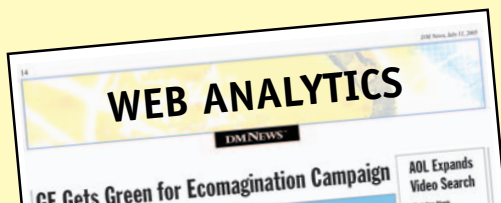
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WELCOME TO YAHOO! SEARCH MARKETING

FIVE MYTHS ABOUT SEARCH MARKETING

- 1 The only way to target customers is to track them down individually and paint big bull's-eyes on them.**
Not true...though we like your thinking. Search marketing is incredibly targeted, the difference being that customers target you. You select key words relevant to your business; when a prospect conducts a search using one of your words, your business comes up in the Sponsored Search results. You reach motivated shoppers looking for what you sell, and you only pay for those who click through to your Web site.
- 2 The average cost of acquiring a new customer via Sponsored Search marketing is ten goats and fifty bushels of wheat.**
The average cost is \$8.50. Compare this to the average cost of acquiring new customers elsewhere: \$20 for the Yellow Pages, \$50 for online ads, \$60 for e-mail, \$70 for direct mail, \$99 for singing telegram delivered in gorilla outfit!
- 3 I can't do the whole Sponsored Search thing. I'm bad at math.**
If you can figure out how to place the winning bid on a vintage bobblehead doll online, you can do this.
- 4 Once my ad is done, I'm as locked-in as Abe Lincoln on Mt. Rushmore.**
Nope. You manage your own account online, so it's easy to refine and optimize your results. And there's no contract to sign, so you can start and stop advertising as you like.
- 5 I'm alone in the world.**
Well, yeah, in the metaphysical sense. As far as Yahoo! Search Marketing goes, we have friendly customer service reps who can get you set up quickly with our Fast Track program. Just give us a call at 866-747-7327.

A LITTLE Q & A

Q. What happened to our Overture friends?

A. Don't worry. We're still right here in beautiful, sunny Pasadena, California. Only now we're called Yahoo! Search Marketing. Drop by and visit us next time you're in town.



Clip and Save:

OUCH!
or, What It Costs to Acquire a New Customer in Various Media¹:

SPONSORED SEARCH: \$8.50

DIRECT MAIL: \$70.00



DID YOU KNOW...?

Some fish can change sex at will.

All the ants on earth weigh more than all the people on earth.

In March 2005, Internet users in the U.S. conducted 4.35 billion searches, according to Nielsen//NetRatings MegaView Search.



ASK BETTY

Dear Betty,
I'm a direct marketer. Why would I want to consider Sponsored Search with Yahoo! Search Marketing?
Wondering in N.M.

In a word, postage. Last year, direct marketers spent something like a zillion dollars on postage. I have the backup on that somewhere. Let's not even get into printing and mailing list costs. Of course, you don't pay postage online. 120 million users roam the Yahoo! Search Marketing network, but you only pay when they click on your listing. That is, you only pay for motivated shoppers. Just try it—and change your title to "Smart Marketer"!



Learn more, FREE! Visit us at searchmarketing.yahoo.com.



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