

Search Engine Marketing Opportunities

BY GAIL MCGREW

To build and maintain a brand today, companies need to be found wherever prospects may be looking and that, of course, includes online. The public space of the Internet is used regularly for conducting research, reading and posting on blogs, communicating on social networks, and much more. All of these public venues provide opportunities for businesses to target prospects while they are online.

For a number of reasons, search engine marketing (SEM) has been slower to grow in the business-to-business (B2B) space—which includes the A/E/C industry—than in the business-to-consumer (B2C) space, where it has been widely used for years. (In 2007, only approximately 16% of SEM was for B2B sales.) Yet, the Internet continues to grow as a branding and demand-generation vehicle in the B2B space.

Before discussing some of the reasons SEM has been slower to catch on in the B2B space, let me provide an overview of the principal avenues of SEM currently available.

- 1. Paid Search:** Also known as pay-per-click advertising, it is available as Google AdWords. In paid search, the user bids on search terms against other companies bidding on those same terms and pays only when a searcher clicks on an ad and through to the ad sponsor's Web site.
- 2. Contextual Ads:** Available through Google AdSense, ads are matched to and served on Web pages most relevant to an audience, such as articles, Web portals, or conferences related to the services a company provides.
- 3. Paid Inclusion:** This is a search engine product in which you pay to have your company's Web site included in the search index (results) of a search on keywords you specify. Paid inclusion is not offered by Google but is offered by most other major search platforms including Yahoo, Looksmart, Inktomi, and Altavista. A frequent criticism of paid inclusion is that it is not always clear that the results returned by a search are paid results as opposed to relevant, organic search results.

SEM in B2B Marketing

The B2B selling process presents several challenges to SEM, which largely explains why it has lagged behind the B2C space in its adoption. The B2B sales process is typically longer and more complex, there are typically several decision-makers and/or influencers in the buying decision, and services and products are much more likely to be customized, thus the purchases are more complex.

The increased complexity of the typical B2B buying decision—more decision-makers/influencers, product/service evaluations, discussions with customer references, etc.—all work against the B2C model of a direct link between viewing an online advertising message or offer and an immediate purchase by the viewer when he clicks on the ad and is linked back to the advertiser's Web site.

In short, sales in the B2B space are rarely *transactions*, because services are rarely commodities. A customer's relationship with a B2B company is typically multifaceted, and prospects are concerned with a company's credibility, existing client base, proven solutions, and overall company viability.

In contrast, a B2C purchase is more likely to be a commodity, and factors such as price, features, location, availability, and convenience are central. If a targeted Web ad successfully addresses one of these factors, the viewer may click through to a site and make an immediate purchase.

In the B2B space, an online *conversion* is not defined as a sale but as a lead that has requested or opted in to receive further contact or more information from the business. Common B2B conversion vehicles include white papers, opt-in newsletters, Webinars, a request for additional information, or a request for a call back. The goal of a conversion is to capture contact information from the prospect so that someone in sales can follow up with the prospect at a later time. The conversion vehicle is designed to both interest the prospect as well as vet or qualify the prospect.

Yet, despite the increased complexity, SEM in the B2B space continues to grow. Simply put, the higher a company's Web site traffic and the number of qualified leads among that traffic,

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the higher the conversion rate is bound to be. Additionally, SEM can serve as a brand-awareness vehicle, which is created and/or increased with each site visit and/or each time an online ad is served and viewed by a prospect, much like a billboard.

Another important way to understand SEM marketing is in comparison to traditional print advertising. SEM offers a number of benefits over traditional print advertising.

- ROI is highly measurable via click-thrus to a Web site and activity while on the site.
- Online ads are much simpler and quicker to create due to their relative simplicity given size/space limitations.
- Ad development is typically much less costly, again due to the relative simplicity of the ads given size/space limitations.
- A high level of demographic targeting is available: by interest, geography, time of day, etc.
- The cost of entry is lower to run online ads compared to print ads.
- Advertisers pay only for clicks/visits to their site.
- The real-time deployment and tracking capability are beneficial.

Do It Yourself or Outsource It?

The key question for many small- to mid-sized B2B companies is whether to invest the time and internal staff resources to conduct an SEM campaign or to outsource the campaign development and management to an agency that specializes in SEM.

Google is making it increasingly easy for companies to conduct SEM campaigns internally and provides both free online courses as well as nationwide seminars in Adwords and Google Analytics, among other topics. Google Web Analytics is a very powerful, free analytic tool that enables you to measure campaign results and ROI at a granular level and organize the data into user-friendly reporting categories such as:

- number of successful conversions
- cost per conversion/acquisition by keyword
- cost per visitor by search engine and by keyword
- ROI on pay-per-click buys by search engine and by keyword
- ROI on natural search results by search engine and by keyword

Yet setting up and rigorously managing an SEM campaign requires a sustained commitment in terms of time, process, and consistency. Click-thrus, conversions, changing bid rates, and competitors' bidding and behavior must all be consistently tracked and managed to provide any useful information or data on campaign ROI. Without this data, it is hard to justify the investment.

Measuring ROI on SEM

Despite the multitude of SEM choices available and new reporting and analytics tools to effectively measure the ROI on an SEM investment, a company must have existing benchmark data on (at a minimum) the average number of visits to its site over a period of time (two to four months), as well as benchmark data on site conversions, however those have been defined.

Without this data, regardless of who is managing an SEM campaign, it is impossible to measure increases in either area, or overall ROI. Further, it is not possible to calculate what a lead is truly worth to your company to determine ideal cost-per-click (CPC) bid rates/maximums.

For this reason, I always recommend that clients obtain this initial benchmarking data over several months before they implement an SEM program.

Outsourcing SEM

SEM agencies typically charge either a fixed cost per click with Google or a percentage based on total click charges. Rates typically start at about \$500/month. Services that an SEM agency provides can include:

- defining and tracking campaign objectives in order to quantify and measure ROI
- researching and analyzing keywords
- developing ad copy
- designing and optimizing the campaign's Web site landing pages
- strategizing and developing conversion vehicles
- tracking conversions
- managing the campaign and producing reports including conversion analysis and use of campaign settings and tools to achieve specific campaign objectives

If your company's SEM campaign requires management of several dozen or hundreds of key words, advanced functionality or reporting tools, predictive modeling, or automated bid management tools, I recommend you contract with a specialized agency for these services. ■

About the Author



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