

How Effective Is Your Paid Search Spending?

Online Marketing Question #21

The primary goal of paid search is to attract visitors to your web site. Once a visitor has clicked-through, the goal is a conversion—selling a product, generating a lead or acquiring a new member or subscriber to your web site.

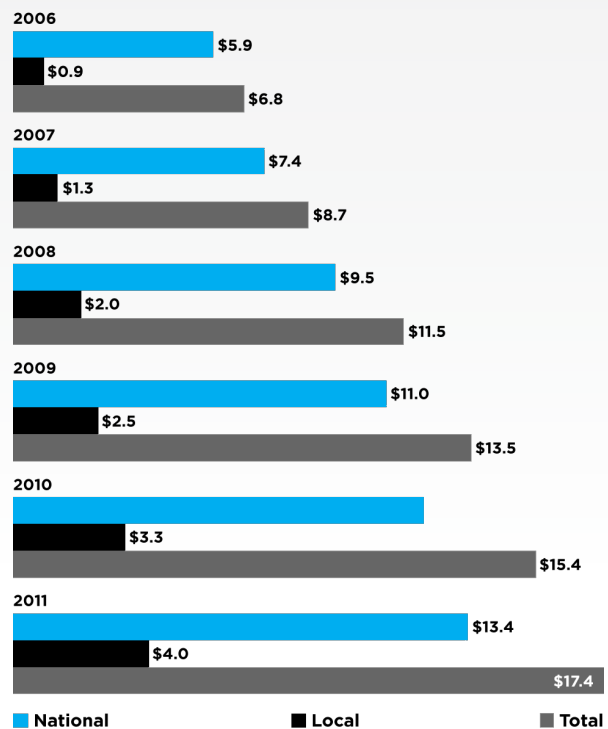
If you are like most organizations, your paid search spending has increased year-over-year and represents a significant portion of your online marketing budget. And you believe that the money spent on paid search is contributing to your overall business objectives. But, do you have a method to effectively measure your performance, determine your level of success and an action plan for next steps based on those results?

Tips to Improve Search Engine Marketing

Optimize Your Landing Pages

Key to achieving a strong ROI from your paid search campaigns is having landing pages that perform. Your landing pages should be well planned and well designed—considered in conjunction with the ad copy itself. Dropping your visitors on your home page is a waste of the click you just paid for. Make the value proposition clear on your landing page and you will see the difference in the effectiveness of your paid search campaigns.

US Local vs. National Paid Search Advertising Spending, 2006-2011 (billions)



Note: eMarketer benchmarks its US online advertising spending projections against the Interactive Advertising Bureau (IAB)/PricewaterhouseCoopers (PwC) data, for which the last full year measured was 2006; paid search includes contextual text links; local online advertising includes both local and national businesses advertising in local markets. Source: eMarketer, August 2007

Did You Know?* Google and Yahoo!, the top two search engines, represent over 85% of searches performed on the Internet.

A/B Test Your Ad Copy

Ad copy that performs is a function of effective copywriting, tuning that copy to align with the purchased keyword, and ensuring consistency with the landing page copy. A/B testing your copy can help you find the right mix, determining which combination of keyword, ad copy and landing page will be the most effective at driving visitors to your desired action. Rather than guess—test it!

It's Not All About Conversion

Let's say that you have purchased the right keywords, and that your landing page is great. You have thus acquired the right visitors/prospects and they are interested with what you have to offer. But—you still may have issues that negatively impact the experience of your visitor: your pricing for what you offer may be too high, you may be out of stock for a particular item or color, your navigation to get to the targeted product page may be confusing or the lack of cross-relevant content (stories, news, etc) prevents your visitors from engaging further with your web site.

In the end, you should not gauge keyword successes solely based on a conversion event—like a transaction, a registration, or a sign up. When running SEM campaigns, it is important that you understand what are the relevant key performance indicators needed to make the informed decisions about your SEM campaigns, and it's not just about the final conversion.

Don't Forget The Long Tail

Everyone fights over the top 20% of the most popular keywords in their category. The

consequence of such a battle is that your cost per click (CPC) is getting higher and higher, thus reducing your overall ROI. What should you do? Uncover value in the long tail, which represents 80% of all the keywords that visitors type when they look for your product/service. Visitors might not know your product, but are looking to solve problems by searching using words that describe the solution.

Discovering value within the long tail is essential because only a few companies are buying these keywords, thus providing the potential for a very high ROI.

Measure and Take Action

Visual Sciences HBX Analytics can provide you with the insight to understand if your paid search spending is effective. Specifically for paid search, HBX provides key marketing metrics such as:

- Conversion Rates by Referring Search Engine
- Conversions by Paid Keyword
- Paid vs. Organic Keyword Performance

However, it's not just about having a solution to measure your results. The Visual Sciences Best Practices team can turn insight into action, making your SEM spending more effective.

If you would like to learn how you can make your paid search efforts more effective, contact Visual Sciences today.

** Information provided by Visual Sciences StatMarket® and based upon HBX Analytics™.*