

Search Engine Marketing

Welcome to Interact! We've had encouraging feedback from you especially with regard to the content that's covered in each issue. We've been asked to make some of the stories "less technical" and to address that, we will cover each topic in 2 issues:-

- ▶ One to address the higher level concerns of marketers.
- ▶ The second will delve deeper into the actual mechanics of executing the program.

Let's kick off with "Search Engine Marketing" or SEM

Search Engine Marketing or SEM bears some resemblance to an earlier topic 'Search Engine Optimization' (SEO). With SEO, a website owner puts in place best practices to enable a site to list well in natural searches.

Even with the best efforts, there can be many reasons why a site will not list well even after SEO; other sites might have more relevant content (big sites tend to have an advantage here), they might have better links, or have been around longer. If you don't list well, all is not lost. A little money can go a long way, and this is where search engine marketing comes in!



Welcome to the world of paid search

▶ What is Search Engine Marketing?

Very simply, it is the act of paying a search engine money to be listed in the 'sponsored links' section when someone types in a keyword that you 'purchased'. Usually the more you pay, the higher your listing.

▶ The Advertisement

Search engine marketing advertisements are a little different from other advertising media. The ad usually consists of 3 components; a title, a description and a hyperlink to a page on your website. The example below should illustrate this clearly enough.



- **The Title**

The title should be short and catchy. In a few words it should spell out clearly your company's unique selling proposition.

- **The Description**

You have a little more space here to describe your service, but not much, so choose your words carefully. Make sure it is worded to attract your target audience.

- **Link**

This is a link to a page on your website. Do not simply send potential customers to your home page. Usually, it is better to send them to a page that is more relevant to your advertising message. Sometimes, you may even need to create special pages just for your search engine marketing campaigns.



▶ How are you charged?

There are 2 common charging models in the market.

- **Pay-per-click**

In this model, you get charged only if someone clicks on your link. No clicks, no charge – even if your ad shows up many times.

- **CPM or Cost per thousand views**

This is the more traditional model, where you get charged for displaying your ad, regardless of the click rates.

Your advertising approach might differ depending on the charging model you are signing up for. In the CPM model, you should be trying to get as many clicks as possible, even if it means potentially lower quality leads. In the Pay-per-click model, you should be more targeted in your copy so as to attract only good quality leads. This becomes more important, the higher the keyword cost. More about that later.

▶ How Much Is It?

If you are a marketer based in Singapore, you have basically 3 choices:-

- Yahoo!
- Google
- MSN

To advertise on **Yahoo!**, visit http://sg.solutions.yahoo.com/search_ads.html. You can also submit your requests at http://sg.solutions.yahoo.com/contact_us.html.

An account servicing person will contact you to understand your needs and propose keywords relevant to your industry. Yahoo! sells their search engine ad space via the CPM model and the minimum spend is S\$200 / mth.



The screenshot shows the Yahoo! Marketing Solutions website for Southeast Asia. The main heading is "Search Advertising". On the left, there is a search bar and a "Search" button. Below it are links for "Display Advertising", "Creative Ad Gallery", "Ad Specifications", "Sign Up", "Search Advertising", and "How it works". The main content area has a heading "Take your business online to experience an effective form of advertising" and two columns of text. The first column says "Think about it. Why chase potential customers when you can get them to come to you? Every day, thousands of consumers use Yahoo! Search to locate for products and services. They are ready to purchase. Why not let them look at what you have to offer?". The second column says "It's cost-effective. Rather than spending heaps on mass advertising to attract just a few potential customers, why not talk only to the people who are already searching for what you". To the right, there is a smaller screenshot of a search results page. A red box highlights a "Sponsor Results" link, with an arrow pointing to the right. Below it, there is a list of search results.

Google sells their ads via a web-based self-service interface. It can be a little difficult for someone to get started, but the advantage is direct control over your ads 24/7. The ads are sold on a cost-per-click basis and start at \$0.16 per click, with the maximum set by the market in a bidding environment. In my experience, you can usually pay about \$1.00 per click +/- \$0.50 or so. You can sign up for an account online at

<http://www.google.com.sg/ads/>

There is no minimum monthly charges for Google, so you can spend as little or as much as you want. If you need help getting your ad set-up for the first time, you can contact me at kmllee@designdepot.com.sg.



The screenshot shows the Google Advertising Programs page. At the top, it says "Google Advertising Programs". Below that, it says "For Advertisers: Google AdWords". The main text reads: "Reach people when they are actively looking for information about your products and services online, and send targeted visitors directly to what you are offering. With AdWords cost-per-click pricing, it's easy to control costs—and you only pay when people click on your ad." Below this is a table with two columns: "Search Term" and "AdWords Ads". The table shows search results for "Google" and "AdWords". Below the table, there are two sections: "Apply Online: Create ads and start managing your account—takes just minutes. [Learn more.](#)" and "Contact Sales: Find out how our sales team can help you reach your online advertising goals. [Learn more.](#)"

MSN Search operates a model similar to Google. The page below explains the MSN product called adCenter. Customers can setup their own accounts and manage their ads. <http://advertising.msn.com.sg/Home/msnsearch>



We find the Google interface most intuitive to use, but that may be a personal preference, and you should check out all the above to determine what works best for your business.

► How Does It Compare?

So how does search engine marketing stack up against other channels? The chart below gives you a quick breakdown of the typical cost of SEM vs Direct Mail campaigns.



Search Engine Marketing	Approx Cost
Cost per click	\$1.00

Direct Mail	Approx Cost
Print flyer	\$0.10
Envelope	\$0.05
Postage	\$0.23
Mailing List (per name)	\$0.30
Total cost per mailer	\$0.68
Response rate (% of prospects who visit your site)	5% - 10%
Cost per site visit (If 5%-10% of prospects visit your site)	\$6.80 - \$13.60

SEM can be 5 – 15 times more cost effective than direct mail. If you subscribe to a Pay-per-click model, your cost per website visit is also more directly controlled.

But there is usually a catch. In all likelihood, SEM will not be able to generate enough leads for you to rely upon as your sole source of prospects.

You will probably have to depend on other channels. In situations where the keywords are in high demand, they have the potential to generate high numbers of click-throughs resulting in the cost per click to be bid higher.

Cost per click in the range of \$10 - \$20 are possible.

This brings us to the end of the current issue. In the next issue we will get a little more technical as we go through an example of setting up a cost-per-click SEM campaign on Google.

Till then take care and keep on marketing online.

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