



Understanding Search Engine Marketing

An introduction to online advertising with WebVisible



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Overview of Search Engine Marketing

Search engine marketing (SEM) is the process of marketing a business on the Internet by getting potential customers to find a business's Web site on search engine pages of ad networks like Google and Yahoo!. Generally speaking, there are two forms of SEM: organic search and paid search.



Organic Search

Organic search involves designing and promoting a Web site in a way that search engines will find it, index it, and rank it on their search results page. When a potential customer uses a search engine to search for a topic, the search results provide links to Web sites, based on how the search engine ranks the Web sites against the search query. Search results can yield hundreds of pages of Web site links through an organic search, so the business must hope the search engine has ranked their Web site highly against the potential customer's search query. The business does not directly pay for being in an organic search, though it may invest in **search engine optimization (SEO)**, to make their Web site more "attractive" to search engine spiders (a spider is the search engine component that periodically "crawls" the Web to find, index, and rank the Web pages that may result in search queries).

Paid Search

Paid search involves a marketing strategy where the business pays to have ads related to their product or service appear when potential customers perform searches or read content on the Web

that is related to their business. The potential customer can click the ad if they want more information, and the business's corresponding Web page opens. Typically, the business pays for the advertising in terms of impressions (the number of times the ad is displayed) or clicks (the number of times the ad is clicked). **Pay-per-click (PPC)** advertising is the most common form of paid search, and is the focus of this document.

Overview of Pay-Per-Click Advertising

PPC advertising works by displaying a clickable ad next to search engine results or other content that is related to the product or service in the ad. A potential customer sees the ad and, if it relates to the search results or content they were seeking, might click it for more information. The advertiser's Web page then opens to provide more information about the related product or service. While the ad might appear many times on a search results or content page, the ad network only charges the advertiser for the PPC ad when it is clicked.

Where Ads Appear

PPC ads appear on ad network pages, which can include **search** pages or **content pages**. Ads on search pages are those ads that appear next to the search results when you perform a search through the ad network's search engine. The highlighted area in the following illustration shows ads on a search page. In this example, the potential customer searched for **Irvine dentist** and the related ads appear to the right of the search results:

The screenshot displays search results for "Dentist near Irvine, CA". On the left is a map showing several dental offices marked with red pins. On the right is a list of search results, including organic results and a "Sponsored Links" section. The "Sponsored Links" section is highlighted with a red border and contains the following advertisements:

- Irvine Dentist**
Local, affordable, friendly dentist providing your custom dentistry.
www.walnutdentalgroup.com
- Your Teeth Matter to Us**
We Take Your Dental Health Personal
We Take the Time YOU Need, Always
www.aguilardentistry.com
Irvine, CA
- Spectrum Dentistry**
Free Exam&Xray, Open early morning, evening& Sat. Call Now 949-727-4321
www.spectrumdentistry.com
5865 Alton Pkwy, Ste. 200, Irvine
- Irvine Dentist**
Come Visit Us for Enhanced Dental Treatment!
IrvineDentalCare.com
California
- Irvine Dentist**
Specializing in Cosmetic Dentistry
Contact Us Today For An Appointment
IrvineDental.com
California
- Find a Local Dentist**
Find a Dentist Near Work or Home.
Search Online or Call 888-210-8068!
www.1800Dentist.com/California
California
- OC Local Dentist**
A Caring Orange County Dentist
Cosmetic & General Dentistry!
AvalonDDS.com

Ads on content pages are contextual ads that relate to the content that the ads appear next to. The content pages could be many different types of informative articles such as news articles, how-to documents, blog entries, and more. The highlighted area in the following illustration shows ads on a content page. In this example, the article discusses vacation destinations and its corresponding ads are related to travel:

Still, certain trips are almost guaranteed to conjure ideas of togetherness. We've seen the images countless times—of pairs strolling together along empty, sugary beaches; snuggling in front of fireplaces at mountaintop chalets; wandering hand-in-hand through foreign, cobblestoned streets—yet they manage to retain their magic. There are simply some places, some kinds of adventures, that make us want to fall in love.

FIND OUT MORE
[See our slideshow of 50 Best Romantic Getaways.](#)

DON'T MISS
 > [See our slideshow of 50 Best Romantic Getaways.](#)

Almost everyone agrees, for example, that there's a certain romance to being near the ocean. And there are plenty of places to make those magical sunset beach strolls happen—like the South Pacific island of Bora Bora, where resorts have thatch-roofed bungalows set on stilts over crystal-blue lagoons, and where the powdery sand stretches for miles. Even for couples who worry about sunburn or who hate the feel of sand between their toes, smelling the salt air and watching seabirds dive from the deck of a tiny ferryboat—like on the ride across Puget Sound to Whidbey Island, just off the coast of Washington state—can be pretty dreamy.

It's also hard not to feel stary-eyed among the rolling hills and fragrant vines of wine country. California's Napa Valley, for instance, is a honeymoon favorite for some very real reasons—intimate boutique hotels, superb French restaurants, and world-class Cabernets among them. Oenophiles who prefer to get a little more off the beaten track can find just as much charm in Chile's Colchagua Valley, where wineries that turn out robust Merlot, Carmenère, and Malbec abut blossom-covered haciendas.

Even big cities, where we take our vacations surrounded by thousands of other people, can offer some surprisingly romantic retreats. Sharing a Cognac in a historic, wood-paneled New York City bar while gazing over Central Park, for instance, or strolling through the snowy streets of St. Petersburg, past the imperial Russian Winter Palace, has inspired amorous thoughts in plenty of couples (and just as many movie directors).

So, take your pick: metropolis or sleepy mountain village? Sun or snow? Desert sand or beach sand? All of them can be enchantingly romantic.

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 Arizona Grand Resort, 2-Nights in Phoenix. Enjoy Golf, Spa & More!
[www.VacationFun.com](#)

Ads by Google

There are many ad networks that provide search and/or content-related advertising. WebVisible publishes ads to a long list of ad networks including the following:

- Google
- Yahoo!
- MSN
- AOL
- Ask
- LookSmart

How Bidding for Ad Space Works

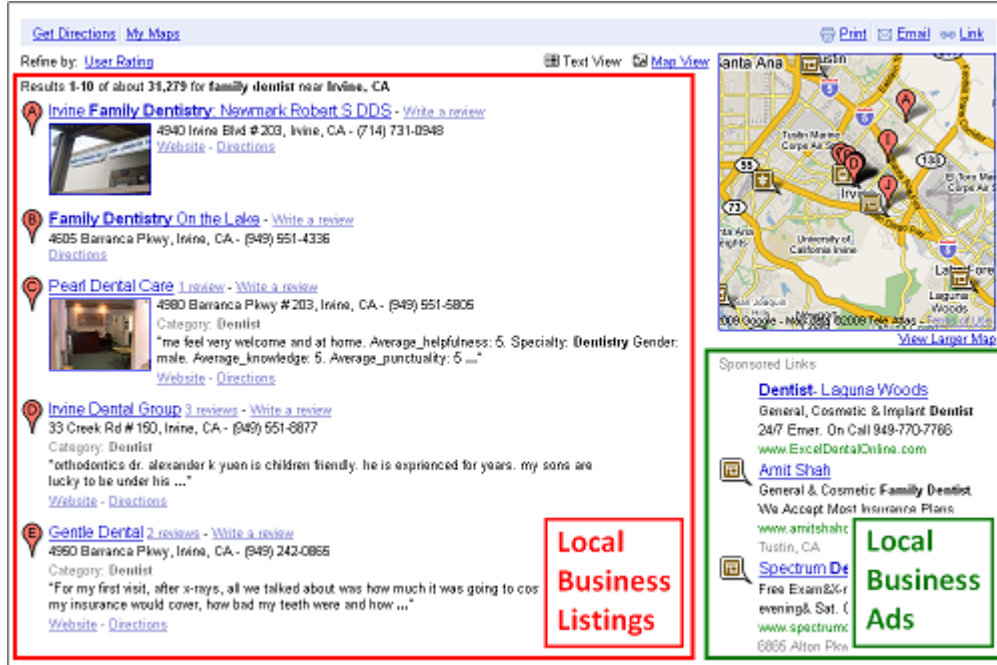
With PPC advertising, the advertiser pays for the ad only when it is clicked. The exact cost of that click, however, is not as straightforward. Instead, a combination of factors is used to determine both the position of the ad on the page and the cost when a potential customer clicks it. Such factors include the value of the keyword used to trigger the ad, the maximum bid the advertiser offers for the keyword that triggers the ad, competing bids from other advertisers, and the overall quality score (discussed later). Managing bids on multiple ad networks further complicates this because the ad networks each use their own formula for determining the pricing of clicked ads.

WebVisible products manage the bidding process a little differently to make the budgeting process easier for advertisers. With Guaranteed Clicks, the advertiser does not have to worry about specific prices or campaign factors since they are guaranteed the number of clicks they purchase, regardless of the price that each of the ad networks charge for the click. Also, these clicks are spread across the different ad networks so the advertiser does not have to be concerned with setting up campaigns for each ad network. The advertiser simply has one account and campaign set up with WebVisible, and WebVisible manages the rest. For advertisers who want to be more involved in managing their monthly advertising budget (instead of simply buying a set number of clicks), Guaranteed Budget enables them to advertise against a specific monthly budget but foregoes the guaranteed number of clicks.

Local Search Advertising

Local search advertising is simply search advertising geared toward businesses that serve a specific local area. For example, a dentist whose office is located in Orlando, FL would likely prefer to have local search advertising reach potential customers who live in the business's local area. In addition to relying on search ads to appear if a potential customer searches for a local business, local advertisers can take advantage of additional local advertising tools on certain ad networks.

A **local business listing** is a business directory listing that appears with maps and other location-based content. The listing is not a paid ad and only need be registered to appear under the ad networks' listings. A **local business ad** is a paid ad that is associated with a specific geographic location. A local business ad works like a regular search ad but may appear next to local business listings when a user searches specifically in the advertiser's selected geographic area. This option gives businesses a way to reach local customers and create local customer awareness.



WebVisible can help place businesses under local business listings and publish local business ads through ad networks that support them. Of course, for businesses that require more than local coverage, WebVisible can also target ads nationally to reach a larger audience.

Campaign Components

A campaign is a set of information and components that define the placement of one or more ads and how the system should manage those ads. A campaign includes:

- **Ad groups and editorial groups:** Both of these terms generally mean the same thing, and their usage depends on the individual ad network. An **ad group** contains one or more ads that target a set of keywords. WebVisible refers to this component as an **editorial group**. A campaign can contain one or more editorial groups, though many advertisers simply have one.
- **Ads:** An ad is the actual advertisement that appears on the search or content page. It includes the ad title, body text, and URLs for the advertiser's Web pages. Ads can also use a feature called **dynamic keyword insertion (DKI)**. When DKI is enabled, ad content on some ad networks is dynamically generated in the ad based on the keyword used in the search. For example, if a potential customer searches for **family dentist**, then **family dentist** will appear at a pre-specified place within the ad content (assuming **family dentist** triggers one of the editorial group's keywords).
- **Landing pages:** A **landing page** is the destination Web page that is opened when a potential customer clicks an ad. There are best practices for creating and maintaining

landing pages that advertisers must follow in order for their ad to be accepted by the ad networks. If an advertiser does not have a landing page, WebVisible offers a product called Landing Pages that the advertiser can use for their ad's destination page.

- **Contracts:** A **contract** defines the terms of a campaign and the product being offered under that campaign. WebVisible associates a contract with the campaign to track which product and advertising commitment the advertiser has agreed to.

Keywords and **target preferences** are also components of a campaign. Their significance warrants a detailed explanation, which is provided in the following sections.

Keywords

A keyword is one or more words that are specified in an editorial group to describe the product or service a business is advertising. It is used to trigger an ad when a potential customer searches for the word(s) in the keyword on an ad network's search engine. You can create highly targeted keywords by using a modifier to add a detailed search component to that keyword. WebVisible modifies keywords with a geographic location so that local businesses may be a strong match in their geographic service areas. This geographic region that is added to the keyword is called a **geo-modifier**. It is combined with one or more words (called a **root keyword**) that describe the product or service being offered by the advertiser. For example, if a business serves the state of California, then some of its geo-modifiers could be **CA** and **California**. If a root keyword for the campaign were family dentistry, then an ad could be triggered when a potential customer searches for the keywords **CA family dentistry** or **California family dentistry**.

Keyword Match Types

A keyword **match type** specifies how exact a keyword match must be for a potential customer's search query to trigger an ad. There are a few different categories of match types:

- A **broad match type** allows search queries that are similar to a keyword to result in a match. If there are multiple words in the keyword, they can appear in any order. Also, synonyms and additional words not in the keyword could result in a match. For example, with a broad match type, the keyword **red shoes** might be a match if a potential customer performs a search for **red leather shoes** or **red sneakers**.
- An **exact match type** allows only search queries with the exact words as a keyword to result in a match. For example, the keyword **red shoes** would only be a match if a potential customer performs a search for the exact phrase **red shoes**. It would not be a match if the potential customer performs a search for **leather red shoes**, **red sneakers**, or **red shoe** (notice the missing "s" in this last query).

- A **phrase match type** allows search queries that contain the keyword in the same order to result in a match. It will allow for additional words not in the keyword to result in a match if the additional words are before or after the keyword. For example, the keyword **red shoes** might be a match if the potential customer performs a search for **leather red shoes**. It would not be a match if the potential customer performs a search for **red leather shoes**, **red sneakers**, or **red shoe**.

Negative Keywords

A **negative keyword** is one or more words that you specify to **not** trigger an ad no matter how similar it might be to other keywords in the editorial group. For example, a law firm might have an editorial group with **attorney** as a root keyword. However, the firm might not practice real estate law. They therefore could specify **real estate attorney** as a negative keyword so that their ad is not displayed when a person searches for **real estate attorney**. Negative keywords do not use geo-modifiers the way root keywords do.

Targeting

Targeting affects who may see an ad and where an ad may run. WebVisible targets ads by geographic location (called **geo-targeting**) so that local businesses can advertise in their own service areas.

GeoTargeting

A geo-target is a geographic area where you want an ad to run. It can be based on such geographic types as country (where you specify an entire country), state (where you specify one or more states within a country), or (in the United States) Designated Market Area (DMA). Google campaigns can also target by city and by a geographic radius from a specified location.

Campaign Types

A campaign that targets an entire country is a **national campaign**, while the more narrowly targeted geo-targets form a **local campaign**. One main difference between the two types (besides the geographic area covered) is that a local campaign may use geo-modifiers with root keywords to form the campaign's keywords, while a national campaign does not include a geo-modifiers.

A third type of campaign, which is not based on location, is a **vanity campaign**. A vanity campaign is based on the advertiser's business name and domain so that if a potential customer in any geographic location performs a search on the name or domain, the ad from the vanity campaign may be displayed.

Performance and Optimization

To make the most out of an advertising campaign, you should monitor the campaign's performance and optimize it as needed to improve results.

Performance Measurement

Ad networks provide information to help advertisers understand how ads are performing in terms of impressions (when an ad appears on a page) and clicks (when a potential customer actually clicks the ad). With PPC advertising, advertisers are usually interested in how much each click costs. To provide this information, ad networks can show a breakdown of each individual click as well as provide the average cost-per click (CPC). This information is useful to understand a campaign at a high level, but it does not help you understand what happened to a potential customer after they clicked an ad.

Ad networks can help advertisers understand, to some extent, what potential customers did after clicking an ad in terms of what pages the potential customer viewed on your Web site. To do this, they have the business place programming code on their Web pages so that they can track what pages the person navigates. So if the person ends up submitting a contact form through the Web site, the advertiser knows that an ad click resulted in such a submission.

Many times, however, a potential customer clicks an ad and then simply calls the phone number they see on the Web site. Without additional tools, ad networks have no way to track this type of performance despite it being the most important type of lead generated from an advertising campaign. WebVisible helps provide this level of performance measurement by offering products and tools that track the number of ad clicks that lead to phone calls. This type of performance measurement is called **call tracking**, and it helps provide a truer picture of an advertising campaign's ROI since it yields statistics that show you not only how many people clicked an ad, but also how many of them resulted in a telephone lead.

Optimization

When you understand how an ad campaign is performing, you can try to optimize it by making improvements to different aspects of the campaign such as improving keywords and ad content, increasing the campaign's budget, and improving the content on the landing page that opens when a potential customer clicks the ad. All of these techniques are geared toward improving **quality score** with the ad network.

Ad networks apply a quality score to keywords to determine when, where, and at what cost an ad is displayed when it is triggered by the associated keyword. Each ad network has their own formula for determining quality score, but they usually account for such factors as:

- Performance history of:
 - The associated keyword
 - The ad group that contains the associated keyword
 - The entire advertiser's account
- Landing page quality
- Relevance of the keyword to the ad and the search query by the potential customer
- The geographic target for the ad

Since the quality score affects cost and ad placement, you can see how it may be possible to obtain better ad positioning at a lower cost by improving the factors that affect quality score.