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Measuring Beyond Clickthrough

OVERVIEW

Search Engine Marketing has come of age. Americans conduct an estimated 790 million searches per week, according to research from ComScore Media Metrix. Are you getting your fair share of traffic from search engines and directories? Better yet, how much of that traffic is resulting in an increase in revenue or leads for your company? If you don't know, you're currently not alone. The Yankee Group reports that only 20 percent of U.S. companies tracking their search referrals are measuring performance beyond the initial clickthrough to the web site. However, we expect this trend to change. We have spoken to countless companies who report that Search Engine Marketing (SEM) is now their best online marketing investment. In fact, search engine advertising spend is up 134%, according to a recent report by the Internet Advertising Bureau and PricewaterhouseCoopers; and it is projected to grow to be a \$7 billion market worldwide by 2007, according to Piper Jaffray.

The key to a successful search engine marketing strategy is constant testing, revising and optimizing based on metrics. In order to maximize your return on investment, you must measure the performance beyond clickthrough—by measuring the complete interaction of your visitors with your site from acquisition to conversion to retention.

DEFINING SEARCH ENGINE MARKETING

Before we go any further, let's establish a common nomenclature. Search Engine Marketing (SEM), is the art and science of increasing a web site's visibility across the major search properties (both engines and directories) through a combination of paid search advertising and organic search engine optimization methodologies on a targeted list of keywords and phrases relevant to your company, products or services. In other words, it's how well your target audience can find you when searching on the Web. Basically, there are two major categories: paid search and organic search.

Paid search is the act of paying to be listed in the results of specific search phrases (or keywords). Several search engines and directories offer this service as paid advertising or sponsorship options. Examples of paid search include Overture Premium Listings and Google AdWords and Sponsorships.

Organic search, also known as natural or pure search, is the act of being listed in the results of specific search phrases based on the search engine's algorithmic calculations. These listings are the result of having your site optimized for specific keywords based on the criteria of the search engine and having a certain amount of link popularity to your web site. The natural search results are listed in order of relevance and remain the most clicked-on listings on the search results page.

“Search engine marketing today is less about technology and submissions and more about marketing strategy. Unless you optimize your performance in both paid and natural searches, you will either overpay or under-perform.”

*Fredrick Marckini
CEO, iProspect*

MARKETING STRATEGY

Search engine marketing is less about technology and submissions and more about marketing strategy. Whenever someone performs a search, there are only two possible outcomes: they will find you, or they will find your competitors. If you are not listed within the first three pages of the search results, you won't be found. Thus, targeting keywords and keyword phrases that qualified prospective customers are most likely to query when searching for your goods and services is essential for successful Search Engine Marketing. However, selecting these keywords is not a simple task. It requires a firm understanding of searchers' language, the content of your web site and the searchers' behavior after clicking-through to your site. When do lookers become buyers? What are the best performing keywords for your site? Has performance of a particular keyword ranking changed over time? The answers to these questions lie within your search referral data available from within your WebTrends reports. This data is the most powerful tool you have for determining if you have, in fact, selected keywords that will bring your target audience to your site.

Search engine marketing is like playing 3-D chess—it is complex and multi-dimensional. To win, the marketer must not only select the right keywords and align them with content that matches the user's query target, but also select the right search vehicle for each keyword. The marketer must weigh the value of long-term results gained from organic search listings against the short-term returns of paid advertising. In most cases, the right answer is to have a balance of both.

If your search engine marketing strategy consists only of paid search advertising, you could be missing out on significant traffic. When the organic search engine optimization process is completely overlooked, the results aren't favorable. The top two organic listings usually receive more than 50% of the clicks on a search results page, whereas the average clickthrough for a paid search placement is about 2%. Also, these "free" listings in the organic search results most often produce the highest conversion rate and Return on Investment.

Search engine marketing is highly competitive and constantly changing—search engines refresh their listings, bid rankings change, new paid search options become available. Success in this field requires significant time and resources. Because of all these factors, it is important to ensure that the metrics used for determining success reflect all of the variables.

CASE STUDY

Ford Motor Company and Ford dealers across the country teamed up to create FordDirect.com, a one-stop solution for shopping online for a Ford automobile. In addition to developing awareness for the site, FordDirect's main objective was to increase its traffic and generate leads for its dealers.

The challenge was that attracting qualified online leads and creating consumer awareness for FordDirect required a significant presence within the major search engines and directories. However, when FordDirect came to iProspect, the site consisted of a single, dynamic java-enabled page—coding that is often impossible for search engines to index and, therefore, impossible for consumers to find. Without a targeted search engine strategy and the development of search engine-friendly pages for the site, FordDirect would remain virtually invisible to online prospects.

FordDirect looked to iProspect for strategic search engine positioning to support their SEM campaign. The first priority was to tackle the single major technical challenge posed by the site being made up of one dynamic page. We made suggestions and aided in the development of a larger, multi-page static site so that search engines would be able to index each page. At the same time, we concentrated on understanding the search behavior and linguistic patterns used by automotive consumers. Subsequently, we proceeded with a comprehensive search engine positioning campaign, the results of which helped FordDirect not only to increase search referrals by 4,838 percent, but also to exceed its online business objectives:

- More than 73,000 additional visitors per month coming from the major search properties.
- Search engine rankings have increased 940%.

MEASURING SEARCH ENGINE MARKETING

WebTrends provides a comprehensive view of search engine results to help you improve the effectiveness of your search engine marketing efforts. The reports available from WebTrends go past clickthrough metrics and provide more relevant success metrics, such as revenue, orders, and average revenue per order. In addition, the custom report functionality of WebTrends lets you define your own search engine success metrics if your focus is not on revenue. With WebTrends search engine marketing reporting you'll be able to pinpoint exactly which search engines and phrases are generating positive returns for your organization.

Most Recent Search Engines (All) Report - This report gives you a holistic view of your search engine efforts. This two-dimensional report shows how effective various search engines and phrases are at driving acquisition of visitors to your site—actual conversion once they are there.

Most Recent Search Engines (Paid) Report - A similar report to Most Recent Search Engines (All), this report allows you to gauge the effectiveness of your paid search initiatives. Understanding the success of paid search is important, but by exporting this report to a WebTrends SmartReport, you can integrate paid search cost data to determine the true ROI of your efforts.

Most Recent Search Engines (Organic) Report - Again, this report is similar to Most Recent Search Engines (All), but focuses on the effectiveness of your organic or natural search results. Understanding organic search effectiveness can be used to supplement your paid search efforts by adding or eliminating paid phrases that over- or under-perform naturally.

WebPosition - When coupled with WebPosition, WebTrends provides the ultimate in understanding how organic search engine rank affects web results. WebPosition helps you research keywords, optimize your site, and report on ranking. The joint solution enables you to understand your organic performance with the same level of granularity and precision as you can for pay-per-click campaigns.

ABOUT THE AUTHOR

Fredrick Marckini - Fredrick Marckini is the CEO of the Original™ Search Engine Marketing Firm, iProspect (www.iprospect.com), and recognized as one of the founding fathers of Search Engine Marketing. Marckini is the author of three SEM books, most recently, "Search Engine Positioning", and is a featured speaker at Internet and marketing conferences nationwide, including @dTech, eMarketing Association, Search Engine Strategies, and Internet World.

iProspect is a member of the WebTrends Insight Network.
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ABOUT WEBTRENDS

Thousands of web-smart organizations worldwide, including more than half of the Fortune and Global 500, rely on WebTrends to improve their web site conversions and optimize their marketing performance for maximum return on investment. As the worldwide market leader for web analytics, WebTrends has become the trusted standard not only for award-winning technology, but also for a full range of consulting services and unmatched industry expertise. By delivering accurate and actionable metrics through both on-demand and software options, WebTrends ensures that its customers are positioned for both immediate and long-term success with a solution that can adapt to ever-changing business and technical requirements.

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