



Refining Best Practices for Enterprise Search Marketing Campaigns

Maximizing Enterprise ROI with the SEM Maturity Model

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Search Marketing Comes of Age for the Global Enterprise

The practice of using pay-per-click advertisements and optimizing web pages for search engines has become an accepted, mainstream business practice for many organizations around the world. The growth of this online advertising medium is exploding at a furious pace. Recent statistics released by JupiterResearch show search advertising reaching **\$6.5 billion** or **41 percent** of total online spending for the US.

Historically, search marketing has been dominated by e-commerce marketers and mid-market companies. But recently, large **Fortune 500 global enterprises** who had been watching from the sidelines are taking notice and beginning to integrate search marketing as a strategic component of their own global multi-media marketing campaigns. These large, multi-faceted enterprises face unique challenges when undertaking sophisticated search engine marketing strategies.

Most advertising agencies, specialty boutiques and search marketing agencies are unable to satisfy the unique search engine marketing requirements of multi-division, multi-brand, global enterprises. Search engines are simply not like other media. While most agencies specialize in television, print, radio; **search engine marketing (SEM)** is far more targeted and requires facility with data and technical issues beyond traditional media advertising. For national and global organizations managing multiple websites and thousands of content pages across multiple business units, the process of constructing a search marketing program that effectively promotes each division and brand is an extremely complex and daunting task.

For large organizations with multiple business units, the process of constructing a search marketing program that will effectively promote each unit and brand has become an extremely daunting task.

Success in the area of search marketing is dictated by an organization's ability to master several key, and interdependent, process-related disciplines that will evolve their search engine marketing practices from basic keyword bidding to search as a key element in their overall marketing and branding strategy. As large enterprises make this transition, they will typically follow a set of best practices that improve their process sophistication over five evolutionary stages as outlined in the **SEM Maturity Model**.

The **SEM Maturity Model** is based on the experience of many well-known, global brands and is intended to help organizations assess their current capabilities, and build the infrastructure necessary to ultimately make SEM a key aspect of their global campaign management. By understanding each of these stages and how enterprises are able to transition from one stage to the next, **Fortune 500®** and **Global 2000** organizations can build a roadmap to improve effectiveness of SEM, maximize the full potential of the medium and optimize their search marketing investment.

This white paper examines the challenges that enterprises face as they integrate search into their existing corporate marketing strategies. It also details each of the five stages of the **SEM Maturity Model** and illustrates how the **SEMDirector™** portfolio of enterprise search engine marketing analytics software can effectively address the challenges facing companies as they progress through the SEM maturity process - enabling them to retain their existing customers, acquire new customers, and increase their search engine marketing Return-On-Investment (ROI).

¹ JupiterResearch, a division of JupiterKagan, July 21, 2006 "US Online Advertising Forecast, 2006 to 2011"

Understanding the SEM Maturity Model for Enterprise Search Marketing

The **5** stages of the **SEM Maturity Model** as follows:

1. Chaos

As the name implies, an organization in the Chaos Stage is beginning to engage in search engine marketing, but doing so in a highly uncoordinated way, with actions divorced from planned or intended outcomes.

In this stage, the enterprise is running paid search advertisements and performing search engine optimization activities but lacks a coordinated view of keyword usage, related spending habits, and how the company's search marketing activities relate to the overall marketing plan. Search marketing is conducted primarily as a function internal to the enterprise, through which marketing managers in each division use basic business tools such as spreadsheets to track their keyword use, monthly costs and organic rankings. Because this process is poorly coordinated, the enterprise wastes valuable marketing dollars through redundant keyword assignments, resource-intensive tracking and reporting and inconsistent messaging. This may cause customer confusion, wasted marketing dollars, and customer retention issues. An enterprise in Chaos is almost always unaware of how its competitors are using similar keywords, or how they are achieving better search engine rankings or even what their own rankings are. Last, since enterprises in the Chaos Stage lack visibility into their SEM performance, they are susceptible to potential click-fraud losses by either industry competitors or online pranksters, thereby raising paid advertising costs.

2. Reactive

In the Reactive Stage, the key is **Visibility**. Process is built to gain visibility into existing search engine marketing practices, and those of competitors, to measure the effectiveness of paid and organic search activities - in particular costs. An organization that is in the Reactive Stage has built process to connect current keyword spending to click-through results. The enterprise in the Reactive Stage gains a greater situational awareness of both organic (natural searches) and paid search advertising (Pay-Per-Click) and is able to better track relative performance on participating search engines over time. Competitive tracking also arises. Though there are no formal controls in place, the organization is able to determine and benchmark the economic effectiveness of existing SEM campaigns using a variety of measures like on-site conversions and high traffic yield campaigns.

3. Organizational Alignment

In the Organizational Alignment Stage, the focus is on **Coordination**. First, for paid search, organizations ensure that they are not duplicating keyword purchases, by coordinating campaign goals across various geographies, product lines and business units. By doing this, organizations are able to align more complex campaign goals for direct and indirect sales activities with keyword purchases. Second, for organic search, organizations begin doing search engine optimization projects to improve organic rankings on the major search engines. This requires coordination between the web management group, marketing, and IT. With the **Visibility** processes in place, organizations are able to effectively track improvements or dis-improvements in search engine results, usually measured as traffic and costs per click (for PPC) that result from the coordination in the Organizational Alignment stage. Many enterprises at this stage decide to setup a centralized SEM Project Office to manage this cross-organization coordination. This is usually done for the paid campaigns - and more enterprises continue to manage Organic and Paid programs as completely separate processes at this stage. Paid is considered a part of media spend, and Organic as marketing and web site management.

Understanding the SEM Maturity Model for Enterprise Search Marketing

4. Proactive

In the Proactive Stage, the focus is on **Campaign Profitability**, as measured by the **value of a click (VPC)** versus the **cost of a click (CPC)** by keyword. By understanding profitability, organizations have a non-arbitrary way to proactively determine paid and organic keyword strategy. To do this, a feedback process must be developed. This is complicated because a) the process has to be built to associate actions taken by searchers on major search engines with the value and cost of the outcomes and b) there has to be a model developed to measure the value of the actions that are taken, some of which lead directly to revenue (like e-commerce sites), and others that lead to indirect or proxy value (references to partner sites, brand awareness, white paper downloads, account sign-ons, etc). For large organizations, with multiple products, in multiple countries/languages, on multiple search engines, this is not a straight-forward process. However, being Proactive requires development of this process so that keyword bid strategy can be empirically derived based on profitability.

5. Strategic

In the Strategic Stage, the focus is on **Integration of SEM** campaigns into other on-line and off-line campaigns run by the organization (email, banner ads), integration of organic and paid keyword management, and integration of the organization's campaigns with those of its channel partners. First, we see some enterprises at the Strategic Stage begin to create a way to manage both organic and paid programs together. This is usually triggered by a recognition of the cannibalization of paid/organic results on **Search Engine Results Pages (SERPs)** for different engines (the realization being that PPC is being overspent and organic results are being underweighted). Second, SEM campaigns are integrated with other online/offline campaigns - mainly the profitability of media used to determine the budget allocations to the various media based on past results. This usually results in an ongoing trend of campaign budget being moved from offline media to online media due to that "trackability" of spending results in online media. Third, in the Strategic Stage, organizations begin to coordinate keyword purchasing and co-marketing campaigns externally with their channel partners. This has huge value for organizations as they setup keyword buying consortia with their major partners, to control more shelf space in the paid and organic results for major keywords, with controlled spending caps and reimbursement processes.

Building SEM process is not easy. As the Maturity Model describes, process has to be built in a specific order to have optimal results. Many organizations decide to simply outsource all of this to their agencies, particularly management of the paid search process (again, treating it like any other media spend). However, once sourced to an agency, many large organizations realize that they lose visibility into SEM effectiveness, and largely cannot get beyond the maturity of their agency in this area, which is usually around stage 2. In the past 6-9 months, there has been an increasing trend toward re-insourcing SEM management, while continuing to use the agencies for SEM execution.

However, even when organizations bring the process of management in-house, they find that they lack the products by which to build the process around to gain control, visibility, and integration to be effective in SEM marketing. This is where **SEMIDirector™** comes in.

How SEMDirector Solutions Address SEM Maturity Model Challenges

Moving from the Chaos Stage to the Reactive Stage with SEMDirector™: ShelfSpace

Of primary importance for enterprises in the Chaos Stage is the need to improve visibility into current performance and develop situational awareness of their search marketing programs. This insight is necessary to critically evaluate and measure total online brand presence across multiple Search Engine Results Pages (SERPs).

SEMDirector™: ShelfSpace enables enterprises to track and manage keyword-based brand visibility and page saturation within paid and organic results across major search engines. SEMDirector™: ShelfSpace acts like a "volatility detector," helping customers determine when rankings in either paid or organic for their most important keywords, or those of their competitors, have significant improvement or erosion. SEMDirector™: ShelfSpace generates highly detailed and actionable reports to track search criteria at the corporate, business unit, website, or keyword level. SEMDirector™: ShelfSpace also provides trend and statistical analysis comparing results from specific dates or within a designated period of time. These key features provide complete situational awareness over all identified domains, brands, and competitors.

Moving from the Reactive Stage to the Organizational Alignment Stage with SEMDirector™: Enterprise + SEMDirector™: Organic

Once enterprises have created visibility, their next step is to build alignment of process to organize knowledge for better cost management in their **Pay-per-Click (PPC)** campaigns and organic search engine optimization efforts. For large multi-unit enterprises, this means employing search engine marketing across a variety of search engines, and in support of multiple products, brands, languages, geographies and target audiences. For a task of this magnitude, SEMDirector™: Enterprise and SEMDirector™: Organic provide cost effective assistance and help move the enterprise to and through the Organization Stage.

SEMDirector™: Enterprise is a full featured campaign management and analytic reporting product that allows global organizations to create, manage and optimize their entire collection of paid search advertising campaigns across multiple search engines, business units, languages, geographies and target audiences. With its superior, easy-to-use budgetary capabilities, SEMDirector™: Enterprise helps corporate search managers better organize campaign budgets, divisional allocations, purchase orders and spending limits, as well as reduce unnecessary spending by eliminating internal keyword competition across different business units. The highly flexible reporting function provides a centralized analysis of all paid search advertisements, keywords and search engines, thereby ensuring consistent messaging throughout all online campaigns.

SEMDirector™: Enterprise allows global organizations to create, manage and optimize their entire collection of paid search advertising campaigns across multiple search engines, business units, languages, geographies and target audiences.

SEMDirector™: Organic is a unique tool that that helps global organizations with extensive web properties and/or multiple domains improve their natural search engine rankings. The product performs an **automated audit** of all web pages and domains, and determines how the construction and content of those pages adhere to industry best practices for maximizing search results on the major search engines. The product also makes specific recommendations, page by page, of recommended **actions** to adhere to best practices. These techniques maximize search engine exposure and provide a competitive advantage that increases online brand presence in a cost-effective and extensible manner. This actionable information and metrics help managers prioritize which domains and/or pages require additional attention.

How SEMDirector Solutions Address SEM Maturity Model Challenges

Moving from the Organizational Alignment Stage to the Proactive Stage with SEMDirector™:Value

Once an enterprise has organized its paid and organic search programs, the next step is to manage SEM based on profitability. To help the enterprise use profitability to drive their search engine marketing programs, SEMDirector™:Value provides a robust analytics facility to assess and evaluate the true costs and returns for these programs.

SEMDirector™:Value allows organizations to model direct, indirect, and proxy value of actions executed on the website, and is flexible enough to address a variety of business models (publishing, direct e-commerce, indirect channel sales). SEMDirector™:Value can determine the real ROI and profitability for specific keywords, campaigns and/or search engines - all of which can be used to drive specific actions on bid strategy, as well as co-marketing campaigns with channel partners.

SEMDirector™:Value integrates information from both the search engines and back-end web analytics software packages. SEMDirector™:Value supports WebTrends™, WebSideStory™, Omniture™, Core Metrics™, Google Analytics™, Yahoo Analytics™, and Digital River™.

Moving from the Proactive Stage to the Strategic Stage with SEMDirector™:Channel

Once an enterprise has gained insight into the profitability and ROI of their search engine marketing campaigns, the next step is to integrate that knowledge across their channels of distribution. For enterprises that have complementary channels such as resellers, distributors, or franchisees, SEMDirector™:Channel solution can help them move to the highest level of the SEM Maturity Model, the Strategic Stage, where the enterprise is able to gain even greater value from its search marketing activities and corresponding dollars.

SEMDirector™:Channel allows an organization to coordinate co-marketing activities with its channel partners around specific campaigns. It does so by essentially creating an industry consortium of coordinated messaging and bid strategy on keywords, to eliminate keyword competition among organizations trying to drive leads. The software utilizes a series of portals and a robust reporting architecture to ensure the proper use of cooperative advertising funds for search ad campaigns and to measure their effectiveness.

For the enterprise, a sponsor portal can be used to set up channel partners and assign which products, geographies, MDF budgets and keywords they will be allowed to use. Approved search ads can also be pre-configured within the sponsor portal ensuring proper representation of products and consistent messaging within paid search ads.

In addition, SEMDirector™:Channel provides a partner portal where channel partners can access the solution to create, monitor and launch their search ads. This view uses a wizard-like process that presents a series of questions for the channel partners, facilitating their ability to set up and establish their own search marketing campaigns by using pre-approved keywords, ad budgets, and geographies that are specific to the partners' designated territory.

The enterprise can also use the sponsor portal to review and assess their partner programs by analyzing attributes such as the level of partner participation, the number of partner ads running, the percent of allocated MDF dollars spent, and which partner ads are generating the best results on Pay-per-Click campaigns. By leveraging the use of the partner channel, the enterprise sponsor gains incremental exposure and control over the brand/s in addition to the premium gained by multiplying exposure of its own corporate-sponsored search marketing campaigns and associated websites.



Summary

Search Engine Marketing (SEM) is an increasingly important component of enterprise-scale advertising and marketing campaigns and will continue to play a more strategic role in the foreseeable future as large enterprises continue to migrate marketing spend from off-line to on-line media.

By gaining greater insight into the behaviors outlined in **SEM Maturity Model**, and employing sophisticated tools and solutions, enterprises can move from a chaotic state to a more strategic use of their search engine marketing programs. Enterprises that accomplish this will gain greater leverage over their marketing dollars, improve their brand exposure, yield higher ROI on their marketing investments, and improve profitability through new customer attraction and longer customer retention.

The **SEMDirector™** enterprise search marketing solutions provide organizations with greater visibility, accountability and brand exposure. Enterprises will gain the following benefits from **SEMDirector™** solutions for the **SEM Maturity Model**:

- **Maximum ROI:** **SEMDirector™** solutions yield the highest level of measurable customer acquisition and retention at the lowest possible cost with a minimal amount of risk.
- **Automated Process:** **SEMDirector™** provides easy-to-use online, automated, hosted software solutions that ensure high quality search engine management of the search engine medium.
- **A Holistic Solution:** **SEMDirector™** solutions integrate a variety of actionable marketing data and metrics retrieved from a variety of sources such as web analytics, CRM, and salesforce automation tools to construct a complete and highly effective search marketing campaign for every business unit within the enterprise.

For more information about **SEMDirector™** solutions, please call or e-mail us today.



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