




Search Engine Marketing:

Maximizing Profit with Web Analytics



INTRODUCTION

From its humble beginnings in 2000, when it accounted for less than 1 percent of online advertising spend, Search Engine Marketing (SEM) has clearly emerged as one of the most powerful and effective marketing strategies available. Today, roughly one of every two online purchases is preceded by an online search (DoubleClick, "Search Before the Purchase", February 2005). Spending in online search advertising has increased a blistering 282 percent per year, surpassing \$3.8 billion in 2004 (Internet Advertising Bureau reports, 2000–2004). That is faster than any online advertising medium to date. And the future is expected to be just as hot, with multiple research firms calling for SEM expenditures to reach anywhere from \$6–8 billion over the next several years.



This shouldn't come as a shock to many of you. SEM can drive substantial profit with minimal investment—irrespective of your business model. Retail, lead generation, content, and support—it doesn't matter. SEM can positively influence your success across all of these e-business types, touching virtually all stages of the customer life-cycle—from awareness, interest, consideration, and ultimately through to purchase. SEM works because searchers effectively “pre-qualify” themselves when they enter keywords of interest into Google, Yahoo!, or other popular search engines. Of course, the key here is interest: with every search, the consumer is telling you what they want. Now it's your turn to deliver a targeted ad that compels the consumer to click. By displaying a relevant ad with persuasive copy, you effectively match consumers with the products and services they want to purchase.

Sounds simple enough, right? Unfortunately maximizing your success with SEM is anything but easy. The search landscape is incredibly dynamic and search marketers are faced with a myriad of business and technical challenges:

- How to profit from paid and natural search traffic?
- How to measure visitor behavior beyond the click?
- How to plug leaks in the conversion funnel?
- How to adjust for multisection activity, latent response, and keyword stacking?
- How to identify possible click fraud?

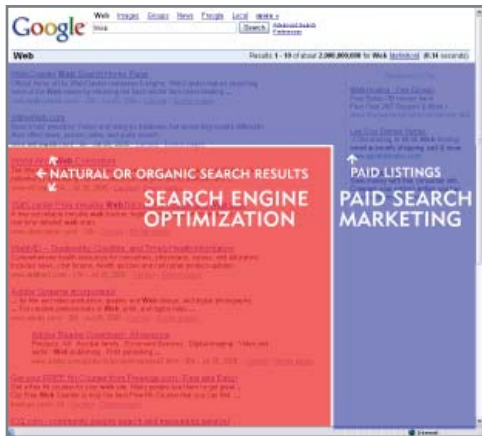
In short, while SEM can be incredibly lucrative, it is anything but easy. And to maximize success, you must constantly manage SEM to your bottom line. So how do you address these challenges? How do you know if your SEM campaigns are working and when they are not? How do you seamlessly connect clicks with conversions and ROI? In this whitepaper, we'll answer these and many more questions that drive you crazy, and discuss how to perform effective keyword analysis and optimization using a Web analytics platform like Omniture SiteCatalyst. When you're finished, you can be sure you're getting the most out of your SEM buck.

DISTINGUISHING BETWEEN PAID AND NATURAL SEARCH

Let's first talk about paid and natural search. Google is one of the more popular search engines today, so we'll use it as our example.

When you enter a keyword or phrase—for example, “cheap travel”—Google displays two sets of results. The “natural” or “organic” results come from Google's massive index of Web pages located all over the Web. At last count, this totaled over eight billion pages. These pages are indexed from small mom-and-pop Web sites to vertical retailers to the largest sites on the Web.

FIGURE 1: Natural Search Results Versus Paid Listings.



Natural search results can span tens or even hundreds of result pages, and the sort order is determined by the search engine’s proprietary algorithms. These proprietary algorithms take into account many factors, such as whether the keyword appears in the Web site URL, how often the keyword appears in the site, how many other sites link to it, the quality of those “off-page” links, and so on. A quick search on the Web will reveal at least 100 different factors that allegedly influence a page’s ranking in natural search (see Figure 1).

If you’ve optimized your page favorably, it has a good chance of appearing somewhere towards the top natural results. If this occurs, you’ve just received a very low-cost method of advertising and the visibility gained can be tremendously powerful. Multiple studies have highlighted the power of being listed on the first page of search engine results—either in the top ten or even in the top three.

For instance, last year iProspect—a leading SEM agency—published research that highlights 23 percent of searchers try another search after reviewing only the first few results. Another 19 percent try again after the first page, another 26 percent after the second page, and another 15 percent after the third page of results. Given the average results page contains ten entries that would suggest, unless you are in the top thirty natural search results, you are missing a whopping 83 percent of all searchers—you can’t afford to miss out on this visibility.

As would be expected, multiple agencies offer search engine optimization (SEO) services, which promise to improve your page ranking in natural search listings. Most of these efforts involve multiple months of careful planning, changes, and measurements—which are often quite costly. Understanding whether your SEO investments are paying off is a major challenge for most search marketers. Fortunately, with Web analytics, measuring the success of your natural SEO efforts is not difficult. So let’s take a look at how you can do it.

When visitors arrive at your Web site from search engines, the search keyword is typically included in the URL query string. Most Web analytics products collect this keyword and report its popularity as shown in Figure 2.

But take a closer look at the report in Figure 2. You’ll notice that there is no distinction between paid and natural search. This occurs because the referring URL from a search engine to your Web site is formatted exactly the same, regardless of whether the visitor clicks on a paid or natural listing.

FIGURE 2: Keyword Search Results Report

In most Web analytics tools, paid and natural searches are indistinguishable.

	Search Keyword	Searches	%
1.	computers	5,633	20.2%
2.	electronics	5,500	19.7%
3.	computer networking	605	2.2%
4.	computer software	587	2.1%
5.	laptop computers	581	2.1%
6.	digital cameras	579	2.1%
7.	palm pda	577	2.1%
8.	linksys networkings	575	2.1%
9.	computer monitors	572	2.1%
10.	networking	568	2.0%

Source: Omniture SiteCatalyst, 2005

FIGURE 3: Omniture’s Paid Search Landing Page

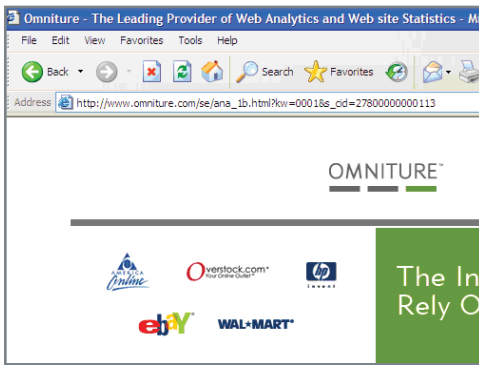
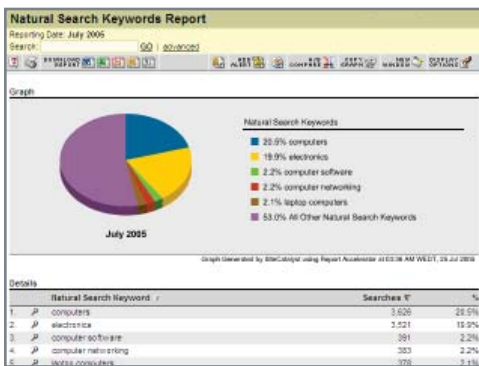


FIGURE 4: Natural Keyword Search Results Report



Source: Omniture SiteCatalyst, 2005

CALL US! 

So how do you know what is paid versus natural traffic? The trick lies in adding a unique tracking code to each paid search keyword. More specifically, this unique tracking code is appended to the destination URL when submitted to each search engine.

For example, if you search for the keyword “Web analytics” you’ll notice a paid listing for Omniture. When you click through, you’ll arrive at Omniture.com as shown in Figure 3.

Notice the URL on this landing page—http://www.omniture.com/se/ana_1b.html?kw=0001&s_cid=2780000000113. Now look at the BOLD area—you’ll notice the name/value pair “s_cid=2780000000113”. This ID is actually a paid search keyword campaign code. It tells Omniture SiteCatalyst that this visitor is responding to a paid keyword campaign. Because this code is tied to campaign meta data in SiteCatalyst, we also know that it is a Google campaign, ran in July, that offers several free whitepapers.

Because SiteCatalyst recognizes this is a paid campaign, it can also deduce that other keywords that do not contain this identifier are natural keyword referrals. Omniture SiteCatalyst does this by default without adding additional cost, as illustrated in Figure 4.

This strategy for identifying traffic from paid and natural search channels is critical to maximizing SEM success. It is imperative that you reliably understand what traffic is driven by each channel, and the profit resulting from that traffic. If you work with an agency, this insight can be used as a baseline to model the return on investment (ROI) from your SEO activities. If you manage your SEO efforts in-house, you can leverage this to better understand how many resources can be profitably allocated towards continual SEO efforts. And equally important, you can maximize your profit yield on matching paid and natural search keywords by reducing those paid campaigns that effectively cannibalize your already robust natural search positioning.

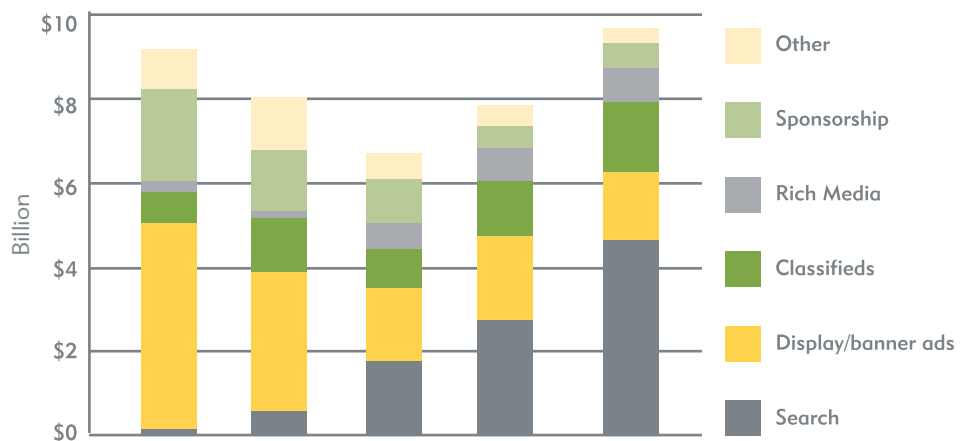
For more information on how to maximize profits on paid or natural search engine results, contact our Best Practices Group at **801.932.7515**. We’re here to help you get the most out of your Web analytics.

MAXIMIZING PROFIT FROM PAID SEARCH

While natural search is often the more effective long-term strategy to visitor acquisition, paid search can be incredibly lucrative and offers near-instant gratification. With paid search, the highest bid-per-click—together with the highest click-through rate—will most often remain in the number one position on the search results page; i.e., if you are willing to pay more per click than your competitors, there is a strong chance you'll own the coveted number one spot.

Of course, there are many other reasons paid search is attractive. Marketers can leverage paid search to run seasonal quick hit promotions, evaluate demand for a new product, test new advertising concepts, undercut a competitor, or even boost traffic ahead of major branding and product initiatives. This lure has fueled rampant growth in paid search advertising. As highlighted earlier, investments in paid searches have grown 282 percent per year since 2000—now totaling over \$3.8 billion. Paid search now dominates the online advertising arena. As shown in Figure 5, at 40 percent of total expenditures, search draws two times more spend than banner and display advertising (the second most popular medium).

FIGURE 5: Paid Search Advertising Growth



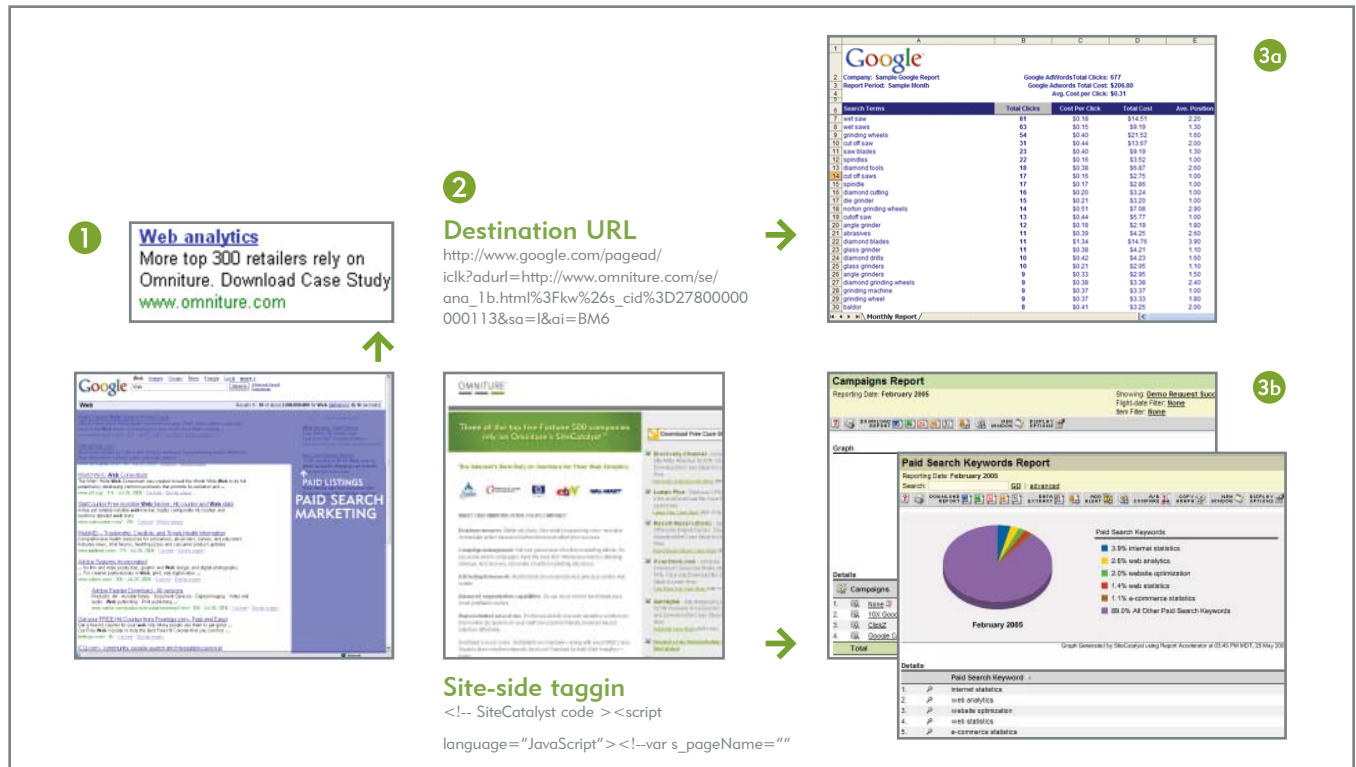
Source: Internet Advertising Bureau, 2000-2004

MEASURING BEYOND THE CLICK

When paying for search, it's critical to buy more than clicks. You need to buy conversion and ultimately profit—whether it's direct via online sales or indirect via offline means. Every keyword has a break-even point: bidding any higher will drive you into the red. In this sense, to succeed with paid search, you must have an intimate understanding of your break-even point. Yes, it is important to have the right keywords, effective ad copy, and a persuasive and optimized Web site experience, but none of this matters if you do not know how much you should pay for a keyword.

This may sound obvious to many of you, but in June 2005, JupiterResearch reported that a full 75 percent of search executives did NOT bid for clicks based on revenue. Even worse, only 5 percent bid on keywords based on the profit those keywords were generating. While those are frightening numbers, it really underscores the magnitude of the opportunity ahead of us. For those that leverage Web analytics to dive deeper and maximize their SEM success, there is a wealth of low-hanging fruit!

FIGURE 6: Measuring Beyond The Click



Source: Omniture Best Practices Group, 2005

So what is preventing you from measuring beyond the click? Let's start with an example using the keyword "Web analytics". In Figure 6, Step 1, a visitor enters the keyword "Web analytics". This produces paid and natural results, and because Omniture has bought this keyword, Google records an impression. Now the visitor clicks on the keyword "Web analytics" and is taken to a landing page at Omniture.com. At this point, Google has recorded a click in their system and Omniture will be billed accordingly. As discussed earlier, this reporting alone allows search marketers to generate reports on click-through rate, cost-per-click, and average position. And traditionally, that is what marketers may have done. This is highlighted in Figure 6, step 3a.

However, marketers that use a Web analytics package like SiteCatalyst are able to generate additional reports that tie keyword clicks to downstream success events like leads, revenue, and page views. This is highlighted in Figure 6, Step 3b. With this data, you can calculate valuable performance metrics like conversion, revenue-per-click, leads-per-click, or page views-per-visit. So because we are measuring post-click activity, we can make much more informed decisions about what keywords are converting and which are not.

But, there is a problem with this model. The cost data is still in Google, and the downstream performance data is in our analytics package. And until we combine the two, we can not really measure ROI or return on ad spend.

MICROSOFT EXCEL: FAST AND EASY

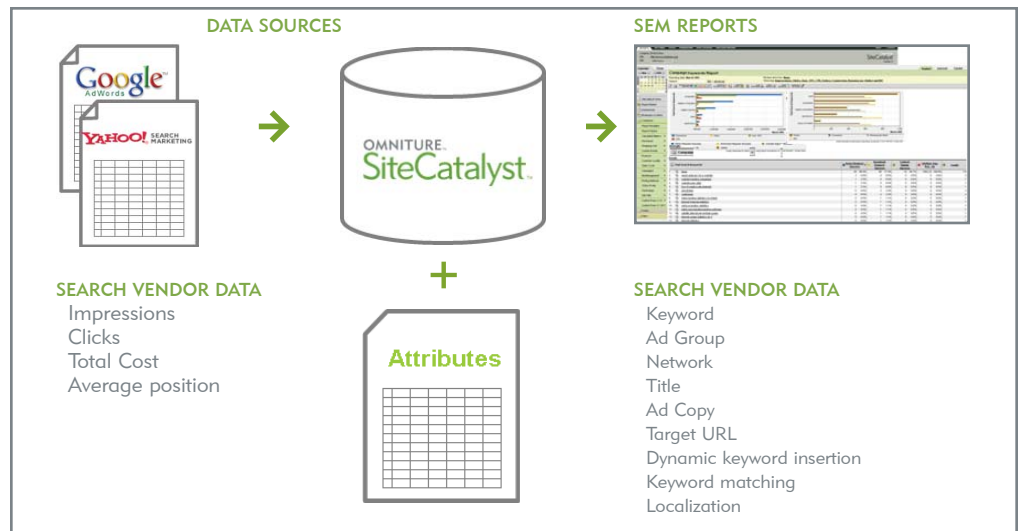
One of the least expensive methods to "marry" the data from these disparate systems is to leverage a tool like Microsoft Excel. This process can be fairly automated using Omniture Excel integration features, which lets you dynamically pull real-time paid-search data. Unfortunately, while this method may work for a few hundred keywords, it simply doesn't scale effectively into the thousands and tens of thousands. You also lose significant flexibility and granularity—after all, pivot tables can only do so much.

BULK DATA IMPORTS AND AUTOMATED FTP

A second option is extracting data from the search engines and uploading it into the analytics package, as illustrated in Figure 7. In doing so, you can effectively combine keyword serving metrics like impressions, cost and average position with success metrics like revenue, leads, and page views. This empowers you to analyze ROI at the keyword level and make decisions based on profits.

But rather than analyze every keyword, it is often more valuable and relevant to analyze keyword attributes, such as the ad group they belong to, the ad copy, the search engine, the business unit, the country or region, etc. This meta information supports faster and more strategic decisions because it presents a business-centric view of the world. And to accomplish this, search marketers are uploading these attributes and meta data into the Web analytics package as well.

FIGURE 7: Merging Paid Search Reporting With Bulk Imports



Source: Omniture Best Practices Group, 2005

SiteCatalyst aims to streamline this process as much as possible by providing template and automated FTP services. But even with those, it's still resource intensive. And once you add a new campaign or make changes to an existing one, it's quite likely you'll need to repeat the process all over again. So while many search marketers want to measure beyond the click, it's understandable why many still cannot and do not.

MORE JAVASCRIPT TAGS, SAY IT ISN'T SO!

A third option for measuring beyond the click is to add an additional JavaScript tag to your Web pages. For an Internet retailer, this tag would be placed on the order confirmation page. For a lead generation site, it would most likely be on the lead success page.

In either case, when the visitor converts, key details would then be passed to the search engine via this tag. At a low level, this is usually just a counter event—signifying that one "instance" of success occurred. At a somewhat higher level, this could be revenues. At an even higher level, the specific product purchased. And at the highest level, all of the above plus the margin associated with each product sale.

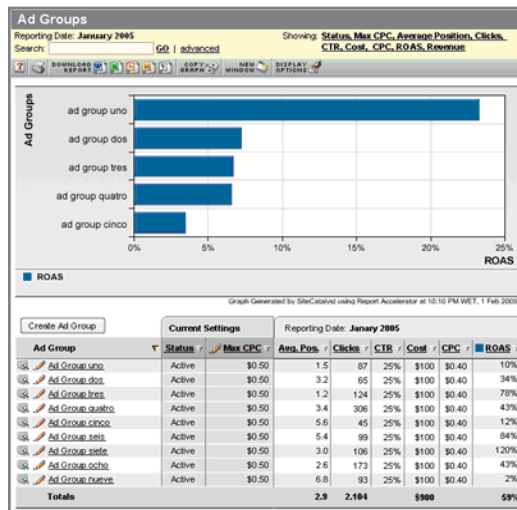
But for many of you, the thought of adding more tags to your Web site is also incredibly unappealing. You've got a core Web analytics tag. You've also got other "point" tags like e-mail, banner, and possibly behavioral targeting. Managing these tags is not only expensive and bug prone, but there is a high likelihood that these tags will overwrite or cancel each other out.

INTRODUCING INTEGRATED WEB ANALYTICS AND BID MANAGEMENT

Fortunately, you have a fourth option—integrated Web analytics and bid management. With integrated Web analytics and bid management, you get the best of both worlds. You have native access to impressions, click, and cost data from the search engines, alongside success metrics like revenue, profit, leads, etc. from your Web analytics package. In short, you have real-time, closed-loop reporting for all your search engine activities. Calculating key performance indicators like revenue-per-visit, cost-per-acquisition, and profit-per-click are effortless. And with this information at your finger tips, you can bid based on actual keyword profit—putting you ahead of 95 percent of your peers!

All of this is possible using Omniture SiteCatalyst in conjunction with our recently introduced bid-management product, SearchCenter. Deeply integrated with Omniture SiteCatalyst, SearchCenter leverages direct APIs into the major search engines to exchange real-time keyword data. This means you can view your clicks as reported by Google alongside your revenues and profit as recorded by SiteCatalyst. Similarly, if you initiate new campaigns or make modifications to your existing campaigns, these changes are sent to the search engines in real-time.

FIGURE 8: Maximizing Profit with Omniture SearchCenter



Source: Omniture SearchCenter, 2005

Figure 8 highlights a standard SearchCenter report. From this point, you can quickly assess which ad groups are performing best as well as which are underperforming. Importantly, SearchCenter supports all the major search engines, including Google and Yahoo, so you can readily view performance across engines.

You'll also notice that Return on Advertising Spend is included as a default metric in SearchCenter reports. This is possible through the integrated reporting from both search engines and SiteCatalyst. With one click you can select a different view of keywords, campaigns, creative, or any other attributes you have tied to this search campaign. You can also incorporate other metrics like leads, page views, etc. without any additional modification or cost. And because SearchCenter is built on the SiteCatalyst architecture, you benefit from the many standard SiteCatalyst capabilities such as dashboards, automated report delivery, and report sharing. SearchCenter also follows SiteCatalyst's leadership in usability with a natural, intuitive interface. But don't let that fool you, SearchCenter was built from the ground up for massive scalability—and can support over 500,000 individual keywords.

As another added bonus, you can leverage your existing SiteCatalyst tags with SearchCenter. There is absolutely no need to add additional conversion tags on your Web site to achieve this closed-loop reporting. As of today, Omniture SearchCenter is the only product on the market that provides this level of integration with Web analytics.

PLUGGING LEAKS IN THE CONVERSION FUNNEL

Measuring beyond the click isn't just about conversion and profit. With average campaign conversion rates anywhere from 2–10 percent, the vast majority of your visitors are simply not converting to customers. Somewhere in the sales process they bail out. It could be as early as the landing page, or as late as the order confirmation page. But if you're only measuring click-through rates, you have zero ability to identify and plug these leaks in the conversion funnel. This represents a huge untapped opportunity.

Web analytics offers the perfect solution to this challenge. Even with the most basic Web analytics tag, you get comprehensive click-stream data that will show the click path of each and every user. Unfortunately, most Web analytics providers will sell you just that—the click stream of a user. Think about this for a second: how are you going to analyze the overall conversion funnel with click-stream data? User paths vary dramatically (even across just a few pages) and if your Web site is like most, your click-stream report will likely show thousands of click streams, each of which is only slightly different than the other.

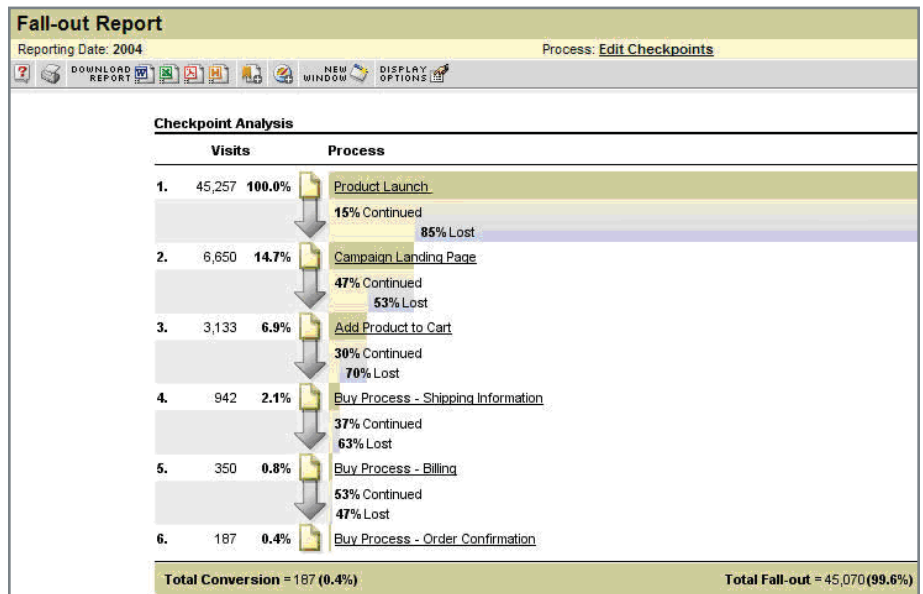
That's not to say that click-stream data is worthless—it can be quite valuable for diagnosing very specific, tactical issues like form abandonment, pop-ups, and on-page errors. And that is why we offer several click-stream reports in SiteCatalyst, including our patented PathFinder technology. But for a search marketer, it's incredibly difficult to draw any strategic conclusions from this very granular information.

Rather, search marketers (along with most analytics users) will benefit from a higher level of path analysis called fall-out or conversion funnel reporting. Fall-out reporting allows you to select major checkpoints (or nodes) in a process and analyze how many users progress through each checkpoint; i.e., it's not important how many stops someone made on the path from landing page to shopping cart to order confirmation as it is that users successfully completed each step.

With fall-out reporting, you can quickly identify major leaks in your conversion funnel. As of today, SiteCatalyst is the only known Web analytics platform that offers true fall-out reporting. With SiteCatalyst fall-out reporting, any user can create a fall-out report in real-time, without any additional tagging of the Web site. This is an important difference you should be aware of—most analytics products, including Omniture, provide a basic conversion funnel, which is sometimes also called scenario analysis. But these conversion funnels require you to tag each step in advance; and even then, they do not show you how people progress through checkpoints. They only illustrate how many times a visitor reached a step. In other words, there is no pathing relationship in these basic conversion funnels.

Let's take a closer look at why this matters. In Figure 9, you'll notice that 45,257 visitors were included in my "Product Launch" keyword campaign. Of these, only 15 percent clicked through to the landing page, which is actually a fairly decent response rate. From the landing page, 47 percent of respondents "continued on" to the Add Product to Cart step, which again is fairly decent. But at this point, a full 70 percent bailed out of the process and did not convert. This represents a huge leak in your funnel. These respondents have clicked through on your search campaign, continued past the landing page, navigated your site, and even added a product to the cart. Clearly they've demonstrated strong consideration of a purchase. Yet, at this point they stop. What happened? Where did they go? Without fall-out reporting, you simply cannot identify these major attrition points.

FIGURE 9: Examining a Fall-out Report



Source: Omniture SiteCatalyst, 2005

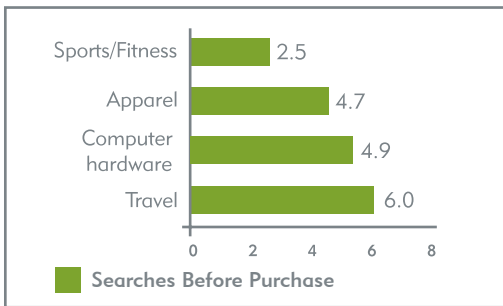
The first step to answering these questions is to place yourself in the customers' shoes. Go through the process yourself—the entire process—from beginning to end. As Sam Walton, founder of Walmart once said, "If you simply think like a customer, you will do a better job of merchandise presentation and selection than any other way." This sounds like common sense, but you'd be surprised how many people do not do this.

From this point, SiteCatalyst offers a myriad of tools to identify and improve the problem: from visual overlays that show exactly where people clicked and didn't click on the page, to click-stream reporting (yes, this is where it is valuable), to AB and multivariable testing capabilities that allow you to test new pages. And of course, we offer Best Practices consulting to guide you through the entire process.

As you move beyond the clicks, all of these tools and methods are absolutely critical to maximizing your success with SEM. And unless you are tying your keyword campaigns to Web analytics, you will never get this vantage point.

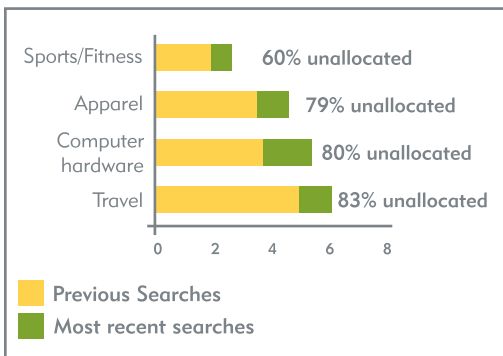
If you'd like more information on leveraging integrated Web analytics and bid management, please contact us or visit www.omniture.com for more information.

FIGURE 10: Consumers Search Many Times Before Purchasing



Source: DoubleClick, 2005

FIGURE 11: Keyword Stacking—an ROI problem.



Source: Omniture Best Practices Group, 2005

MULTISESSION ACTIVITY, LATENT RESPONSE, AND KEYWORD STACKING

Maximizing your search success requires that you consider other issues as well. Despite our deepest wishes, many consumers do not convert in the same session they search. Rather, many consumers search multiple times over numerous sessions before converting. A recent DoubleClick report cited that only 23 percent of consumers purchasing from travel sites converted in the same session. For apparel sites, the story was worse—only 10 percent of consumers purchased in the same session.

The study also highlighted that “most buyers complete their relevant search activity well in advance of the purchase.” In fact, most buyers began searching twelve weeks prior to a purchase, STOPPED searching two weeks prior to purchasing. If you only focus on same-session activity, this form of latent response is completely ignored and can lead to misinformed decisions, which severely impacts your ability to manage to the bottom line.

The DoubleClick research highlighted some other fascinating aspects of consumer search behavior—most notably, consumers search anywhere from 2.5 to 6 times before purchasing. This concept is often referred to as “keyword stacking,” and as highlighted in Figure 10, it can vary significantly by category or business model.

Keyword stacking is also problematic if you only measure same-session activity. Because consumers often search multiple times prior to purchasing, it becomes incredibly important to allocate all search terms some credit since they played a part in the conversion. In Figure 11, it is evident that allocating only the most recent keywords with credit misrepresents the majority of customer behavior. In the case of Sports/Fitness, you’re missing 60 percent of customer search behavior. More significantly, when you look at the Travel category, if you allocate credit to only the first keyword, you’re missing 83 percent of the keyword activity that really drove people to purchase.

This research underscores what many of you have probably suspected for some time. If you rely solely on same-session search conversion, you are most likely understating the performance of your campaigns by a significant margin. You could very easily discontinue keyword campaigns that appear unprofitable, when in fact, they play a critical role in acquiring purchasers. Likewise, you could choose to increase your spend on top converting keywords, only to find that they are merely one of several terms customers used before purchasing.

FIGURE 12: Set Up Expiration Periods for Cookie Types or Variables

Campaign	
Name	Expire After
Tracking Code	
<input type="text" value="Paid Search Keywords"/>	<input type="text" value="Month"/>

Source: Omniture SiteCatalyst, 2005

ADDRESSING THESE ISSUES WITH WEB ANALYTICS

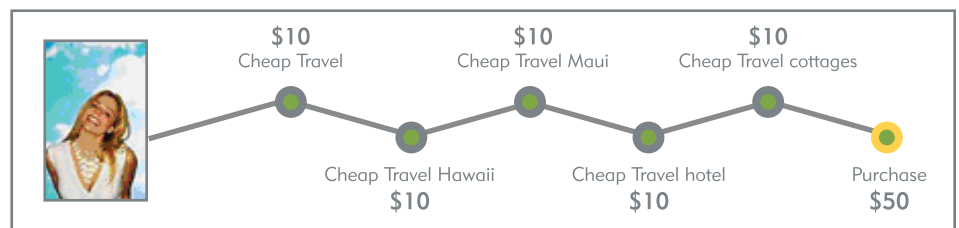
Fortunately, Web Analytics can help you address these issues. Because most Web Analytics platforms rely on cookies, you have quite a bit of flexibility in recognizing multisession activity or latent response.

For example, Omniture SiteCatalyst allows you to customize over fifty different cookie types or variables. As a marketer, you can specify when each of these variables should expire. As shown in Figure 12, they can expire in the same session, only after purchase, after a period of time (like 7 or 30 days), or after a user sees a specific page. You have a great deal of flexibility, and this is critical because consumer behavior can differ dramatically from campaign to campaign.

So how do you know when your cookie variables should expire? What is the best time-frame or event? The truth is that there is no “right” answer. In this case, one size doesn’t fit all. You need to test and experiment with your marketing campaigns. Analyze your response curves over several campaigns and determine when most response tapers off. Another effective strategy is to ask consumers directly after they convert. We’ve worked with clients to run “influence” surveys that gauge campaign influence over time. Together with hard data on when these visitors are clicking through from a campaign and when they ultimately purchase, you can develop a very informed understanding of ideal cookie expiration.

For more sophisticated search marketers, SiteCatalyst also offers the ability to adjust how value is allocated across keyword campaigns. You can allocate full credit to the original keyword campaign or the most recent campaign, but as we discussed earlier, keyword stacking renders this a fairly ineffective approach. So to address this, SiteCatalyst offers the ability to allocate value across keyword stacks; i.e., you can give credit to every search keyword a consumer uses prior to purchase. This is incredibly powerful and can be applied independently to each of the fifty variables mentioned earlier.

FIGURE 13: Amber's Web Site Hotel Search Path



Source: Omniture Best Practices Group, 2005

So let’s look at the example in Figure 13. Say Amber is looking for cheap travel ideas. On day one, she enters “cheap travel” and explores several travel sites, including your site “Travelplus.com.” She decides she wants to go to Hawaii, so she types in a new search for “cheap travel Hawaii.” She again is taken to several sites, including yours. A week later, she decides Maui is the place for her. She goes back to the search engine and enters in “cheap travel Maui.” She surfs several sites, including yours. Amber now wants to canvass the Internet for “cheap Maui hotel” and so she enters this into the search engine. She’s taken to many hotel suppliers, including your TravelPlus Web site. But hotels are out of Amber’s budget, and she is unsure if her three friends will join her in Maui to help pay the bill. So she checks with them, and two weeks later, they confirm they can’t go. So Amber hits the search engines again, and now looks for “cheap Maui cottages.” Again, she is presented with multiple results and ultimately decides to reserve a room through your Web site for \$50.



FIGURE 14: Click-Fraud Alert

Source: Omniture SearchCenter, 2005

With SiteCatalyst, you have the option to allocate value across this entire keyword stack. Instead of “cheap Maui cottages” receiving the full \$50 credit, each of the five keyword searches would receive \$10 credit. Note: with SiteCatalyst you are not limited to a linear distribution either. You could weight more recent terms heavily and early terms less. Again, there is a great deal of flexibility, depending on the customer behavior you observe.

Importantly, this approach allows you to truly understand keyword “influence” over ultimate conversion. You can apply this approach to not only revenues, but other success events like orders, leads, page views, etc. And as you do, you can analyze key performance metrics like keyword conversion as allocated across the entire keyword stack.

For more information on maximizing profit with SEM, please contact our Best Practices Group at 801.932.7515. We’re waiting to serve you.

IDENTIFYING CLICK FRAUD

Click fraud is emerging as a key concern for many search marketers. Despite numerous industry efforts, it is still unclear how large or extensive this issue may be. Even the definition of click fraud has yet to be standardized. But generally speaking, click fraud occurs when visitors click on your advertising and have no real intention of purchasing. That may be a gross oversimplification, but fundamentally that probably covers about 80 percent of click fraud. And regardless of how you define click fraud, the results are effectively the same—you spend money on clicks or advertising that has zero chance of becoming revenue.

Unfortunately, detecting click fraud isn’t much easier than defining it. But with Web analytics, there are some ways you can retake control of click fraud. Omniture SearchCenter provides automated alerts that can be configured to look for certain conditions.

For example, you can configure SearchCenter to check every week for conversion rates that fall below your normal average (as illustrated in Figure 14). Better yet, you can configure SearchCenter to fire off an alert if your click-through rate changes by more than 25 percent each day. These alerts can be sent not only via e-mail, but also to wireless devices—and you can configure as many alerts as you like.

The Omniture SearchCenter alert capability is really a system of proactive communication. It provides daily reports on suspicious trends in your SEM activities so that you can take immediate action. It also provides a valuable proxy relative to click-fraud reporting that you may otherwise receive from search engines themselves.

Assuming your Web analytics package supports them, here are some suggestions for alerts you may want to set up:

- Impressions on keywords (possible impression fraud)
- Impressions per visitor (possible impression and click fraud)
- Click-through rates for keywords (possible impression fraud and click fraud)
- Click-through rates for ad groups (possible click fraud)
- Cost-per-click on keywords and ad groups (possible click fraud)
- Clicks-per-visitor (possible click fraud)
- Average Position (possible click or impression fraud)
- Page views-per-visitors (possible click fraud)

EATING YOUR OWN DOG FOOD

Omniture practices what it preaches. We continually use SiteCatalyst and SearchCenter to create a more comprehensive view of marketing activities, and optimize those activities with the goal of increasing overall lead generation. Below are some of the reports we used to analyze our SEM success and report to senior executives:

- **SEM Dashboard:** continuous, day-by-day monitoring of search engine data
- **Alerts:** identify possible click-fraud and opportunities for improvement
- **Network by Creative Keyword:** a breakdown of cost, average position, and impressions by keyword to show which keywords are performing best on which ad networks
- **Keywords by Cost-per-Lead:** a listing of keywords sorted by cost-per-lead, with secondary sorts on impressions, clicks, and other metrics
- **Ad Group by Ad Type:** an analysis of the effectiveness of different ads (different titles, copy, etc.) to determine which ads are most successful over time and which ads can be dropped to increase ROI
- **Search Engine by Offer:** a report that helps Omniture determine which offers perform the best—for example, offering to download a success story versus a live demo
- **Online versus Offline Performance:** a single report compares all the performance data for SEM and other online initiatives against offline lead generation, enabling senior management to determine where they're getting the best value in terms of cost-per-lead

These are just a few of the reports that Omniture has used, and the results have been remarkable. We've seen a 45 percent increase in qualified leads along with a 15 percent decrease in the cost-per-lead—a direct result of SiteCatalyst and SearchCenter.

SUMMARY

As the popularity and complexity of SEM grows, staying ahead of the competition will become even more challenging. Back when you only had a list of ten to twenty keywords to manage, it was fairly easy to analyze the data by hand, using the tools provided by the major search engine vendors. But if you're like most of your search marketing peers, you could have as many as 100,000 keywords or more that must be managed daily. At the same time, bidding costs continue to rise as you face stiffer competition for ad position within a finite space. And with MSN and Ask Jeeves introducing pay-per-click ad networks to the market, you now have to manage those in addition to Google, Yahoo, and any of the other networks you're using.

Search engine vendors are also competing against each other by adding new SEM features and options. For example, you'll soon be seeing new levers—such as bid control by gender and age and ad targeting by gender, age, lifestyle category, and income. As these and other new features create new metrics for success, you'll need sophisticated analysis capabilities to ensure that your SEM campaigns are achieving optimum numbers.

Managing this level of complexity is no longer possible by hand. You need the most powerful automated management tools available. Omniture SiteCatalyst and SearchCenter give you exactly what you need to maximize success—the ability to effectively manage, analyze, and optimize your SEM efforts. With Omniture, you can measure beyond the click, integrate bid management and analytics, monitor effectiveness and true ROI over the lifetime of a keyword, and optimize your SEM campaigns—from paid listing, to landing page, to site navigation, to checkout. There's no better way to maximize conversion, while minimizing your management time and SEM expenses.

And just think about it—if you can tie your profits back to each keyword click, you'll be ahead of 95 percent of your peers!

FOR MORE INFORMATION

If you'd like additional assistance in developing your keywords, integrating bid management, analyzing SiteCatalyst reports, and optimizing your SEM campaign, please contact the Omniture Best Practices Group at 801.932.7515. We're here to ensure your success.



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