

Search Engines Rule

By Sarah Mooneyhan

Part 1: How understanding SEO and SEM can lead to greater online marketing success

After several years of helping to market automotive inventory over the Internet, I still meet dealers who are unclear about the benefits of online marketing or who don't understand how it works. With that in mind, I'd like to take a few minutes to give an overview of your Web marketing options.

I believe if you know how the Web works as a marketing tool it is much easier to squeeze maximum ROI value out of it. That is not to say you need to know how to write HTML code or how to create a cascading style sheet. But to ensure the success of your Web site, as well as your overall marketing efforts, it is important to understand your online options: SEO (Search Engine Optimization), SEM (Search Engine Marketing) and emerging search engine technologies.

What is Search Engine Optimization (SEO)?

Optimizing your Web site for search engines is the best way to ensure that your site attracts the visitors you most desire. SEO includes techniques to improve your Web site's ranking on organic (natural as opposed to paid) search result pages through the use of relevant content, keywords and linked sites.

To consistently generate high traffic and qualified leads, you'll need to first provide services and content that people need. And your Web site will need a strong foundation designed to last over time.

Any appreciation of how search engines work starts with an understanding of the keyword concept. A word or phrase in an online search that is used to find relevant Web pages is called a *keyword*. For example, "certified pre-owned vehicles" might be used to match local online shoppers to your store. Site relevancy relates to the relationship between site content and keywords. The keywords you target should describe the content that visitors will find when reaching your site. An important goal in optimizing your Web site, then, is to select the most appropriate keywords that will drive the maximum number of targeted visitors to your site, where they will find the relevant content they are seeking. (I'll say more about keyword selection later in this article.)

Another way to improve your site ranking is through linking. By providing relevant content that users consider valuable, they can be convinced more often to link to your Web site. Google considers inbound link volume when positioning your site in search engine results pages. Typically, the higher the number of relevant links associated with your site, the higher your site is ranked. Google considers more than just linking, as we shall see in my discussion of SEM next.

The bottom line? Earning high rankings on major search engines is an on-going task.

What is Search Engine Marketing (SEM)?

SEM is the process of increasing visibility of Web pages through a variety of online marketing tools, including pay-per-click (PPC) advertising, landing pages and banner ads, as well as search engine optimization (SEO).

Pay-per-Click Advertising

The primary paid advertising tool is a program known as Pay Per Click (PPC), which is text advertising placed with search engines, such as Google, Yahoo! and MSN; these brief online ads appear as “sponsored links” above or to the right of the organic search results list. Basically, you pay for the ad every time someone clicks on it.

In most cases, the amount you pay is based on how much you are prepared to bid for a keyword. The higher you bid, the higher your ad appears in the list of search results. Because you define how much you want to pay per click and your daily PPC budget, your advertising spend is controllable and can be relatively inexpensive compared to traditional advertising. Unlike traditional advertising it is also completely measurable; at any moment you can determine your cost per lead and conversion rate.

It sounds simple but there’s an interesting wrinkle. In deciding how high to place a result, Google also considers what’s called a Quality Score. There are quality scores for both keywords and ad position. In the case of ad position, Google considers the Click Through Rate (CTR) of a keyword, the relevancy of that keyword to the ad, the landing page quality, the historical performance of your account and other relevance factors. Your ad position is then determined based on your quality score and bid amount.

Does this mean bidding high is the best strategy? Not always. It’s sometimes better to switch a keyword than it is to engage in a bidding war. Also, you might find that being in second or third position is just as effective, and certainly less expensive, than being in the top spot.

When creating your list of important keywords don’t overlook long tail keywords. Keywords can be split into two main groups, short tail keywords and long tail keywords, or broad and narrow keywords, respectively. The term “long tail” describes the strategy of targeting less competitive, more specific markets rather than hugely competitive broad keywords.

Broad (short tail) keywords account for a large proportion of searches, but an equally large proportion of searches are made up of millions of more specific search queries. Because there is less competition for more specific keywords, you have a better chance of appearing high on the first page of a Google results list. Additionally, visitors searching for long tail keywords know exactly what they want, often resulting in higher conversion rates. Not everybody is capable of ranking high for highly competitive short tail keywords, but just about anybody can rank high for long tail keywords. For a dealer, it can be a win-win strategy. A long tail keyword is not only less expensive but it can yield more conversions.

This whole keyword business sounds like a lot to think about and it is—but you don’t have to do it on your own. There are plenty of professional SEM service providers available that can take care of the day-to-day details.

Pay-for-Inclusion Advertising

A second popular SEM option is what's called Pay for Inclusion (PFI). This approach lists your Web site in a subject-based search directory, such as Yahoo! Directory. Under a PFI program, you pay per Web page address (known as a URL) for quick inclusion into the search engine database. Although with PPC you can bid for top placement, with PFI you are not guaranteed a high ranking. The good news here is that your listing can have an immediate presence, unlike with organic search results that can take a long time to appear high on a list.

You Say SEM, I Say SEO

Clearly, there is a difference between SEM and SEO but which is better? You'll notice a more immediate return on your SEM investment; however, paying more attention to SEO will improve your Web site, search engine rankings and overall business in the long run.

Your best option is to do both.

And don't forget to add other emerging new technology solutions to your online marketing mix, where appropriate. In part 2 of this article ("Beyond SEO and SEM: Emerging Technologies") I will discuss several of these options.

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