

Marketing on Search Engines - Organic or Pay-per-click?

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By now, most marketers realize the value of search engines as an avenue for promotion and acquiring leads. The more savvy marketers have come to embrace the fact that search engines can one of the best promotional and lead-gathering tools in your arsenal – offering an extremely cost-effective means to achieve your goals. In many cases, search engine marketing has replaced all other means of promotion as the premiere strategy.

When your target audience (which might include your prospects, customers, prospective employees, and business partners) use a search engine to find you online, they are essentially qualifying themselves through their own actions (conducting a search). *So, let's assist them in qualifying themselves!*

Search engine marketing -- or SEM – encompasses the techniques at a strategic and tactical level for *getting your site listed favorably on search engines* in combination with *modifications to your Web site to complete the conversion process once your audience has arrived at your site.*

The first component of any well-planned SEM program is for our Web presence to appear in the most favorable position in the search results associated with the *keyword phrases* we believe our audience will most likely use to find our company, products or services.

The second component of SEM -- often overlooked -- is to make sure our Web site is ready to take the qualified leads and complete the conversion process. Integrated into your SEM strategy should be planned modifications to your Web properties for getting the most from leads arriving via search results. Well organized Web content should lead your visitors through the sales/action cycle all the way to the point when they are ready to make a purchase or other commitment to your organization (that is, responding to one or more of your calls-to-action). We want Web marketing that nets results through techniques such as landing pages or microsites to maximize the conversion of qualified leads coming from our search engine activities.

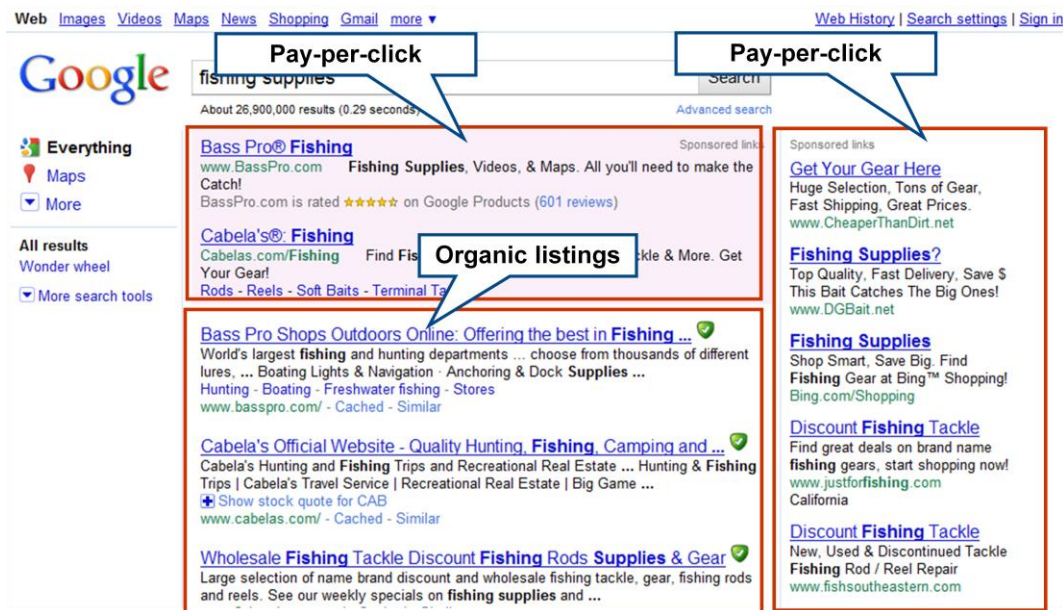
In planning and implementing your SEM program, we want to choose strategies and techniques that best allocate our available resources (time, people, and money). It follows then that we would naturally want to find a solution that nets the best return on investment for these resources.



Your Search Engine Results should funnel into your primary points of presence on the Web to complete the conversion process

Defining Organic SEO and Pay-per-click

Go to your favorite search engine. Enter the search text (word or phrase that you’re searching for). Reading the results listed on the search results page, you’ll see organic results – search results derived by the search engine for ranking content by what it feels is the most pertinent based on hidden algorithms. You’ll also find listings that have been placed on the page through a competitive bidding process – these are pay-per-click results. We of course would like to get to the top of the results page for the **keywords and phrases** that our **targeted audience** is most likely going to enter to find us. Each search engine is slightly different in how it ranks pages, and the algorithms are constantly changing.



Organic SEO and Pay-per-click appearing on a typical Search Engine Results Page

Let's take a look at these two very different approaches to achieving search engine marketing success while maximizing our return on investment.

Organic results These are results achieved through **search engine optimization (SEO)**, the process and techniques of modifying and creating Web pages with the goal of gaining the most effective position in the organic search results.

Pay-per-click The other option available to us is pay-per-click (PPC) which involves paying fees to search engines for putting a link to your site in the 'Sponsored Links' section of a search engine results page. Options include: Google Adwords, Yahoo! Sponsor Search, and Microsoft adCenter.

With pay-per-click options, you're basically paying a fee to the search engine each time someone searches on a term and clicks on your posted ad.

The main difference between organic results and pay-per-click is that in the case of organic results, the search engines determine the ranking of your site in the search results based on a formula. With pay-per-click, you are paying to be listed just as you'd pay for an ad.

Other notable characteristics exist between these two approaches as well including facts that suggest that the majority of clicks can be attributed to organic results. Moreover, searcher perception tends to indicate that PPC is biased, while organic results are based on a formula that is unbiased; generally lending a greater degree of perceived credibility to the accuracy of organic results.

Comparing and Contrasting Organic SEO and Pay-per-click

But, the question may still remain -- when use one technique over the other? To begin this comparison, let's make sure we understand the nature of our promotional programs. As part of our SEM program development process when selecting techniques, two important considerations require examination:

- ***What are the goals of the program and what are your available resources?***
- ***What is the target timeframe for our program?***

These two considerations should play a key role in developing our SEM strategy and assist us in selecting the most appropriate technique: organic SEO or PPC. Let's take a look at these considerations to see how they might affect our decisions.

Goals of the Program and Resources Available. Every astute marketer knows that setting goals is an important initial element for any marketing program. Goal setting is based on audience profiling and is attached to the company's corporate goals.

Your business goals typically include the "Big 3":

- Increase qualified leads and sales
- Cut marketing acquisition costs
- Provide an enhanced level of customer service

Take these goals and further define them for your Web marketing efforts and your SEM program. These objectives might include:

- Decreasing cost of sales
- Increasing the quality of leads
- Increasing tradeshow attendance
- Increasing sales for a given period of time for a given product
- Increasing donations
- Increasing attendance at a seminar
- Decreasing customer service calls by increasing online support utilization

Both organic SEO and PPC can, over time, have a positive impact in all of these goals and objectives. The results of organic SEO programs tend to be realized over a longer period than do those of PPC efforts. Over the long-run, SEO has consistently proven to be the more cost-effective technique for achieving the goals and objectives of your strategy. SEO will almost certainly provide a superior ROI over PPC efforts to achieve our goals and objectives *over time*.

The biggest challenge for PPC is finding keyword phrases where the cost per click is low enough that the value to the company (you) of the resulting visitors is large enough to overcome the cost of the bids to your budget.

The biggest challenge of SEO is to find a focused set of keyword phrases to begin the SEO efforts, getting those ranked and then using the resulting momentum to get more phrases ranked. It can take many iterations of this process to get enough phrases ranked well enough to overcome the cost:

Target Timeframe. SEM programs can be long or short term depending on our goals and resources. An SEM *strategy* is long-term and on-going. A *campaign* on the other hand tends to be shorter in duration with a predetermined beginning and end.

As indicated above, SEO tends to be the superior choice for meeting long-term strategies. A good SEO program takes planning and the results may not be seen for months after the initial launch of the strategy. Organic SEO should generally be considered a long-term and on-going promotional strategy – it should not be a passing effort that is set-up once and then forgotten. A good SEO strategy will endure over the long-term, and in fact has proven to actually improve over time, enhancing the ROI as the strategy matures.

However, if your campaign has a definite start and end date, a PPC program should strongly be considered. Using a PPC, you can expect your results to appear on the search engine pages to be immediate based on your selection of keyword phrases and amount bid. If short-term results are an important element to your program, PPC efforts may be the best utilization of your resources.

Aside from this, you might even want to consider using PPC for short-run testing due to the fact that such a campaign can be rapidly developed and launched. For example, to investigate the suitability of a keyword phrase, of a marketing program, of your landing page effectiveness, a PPC campaign can do the trick. The short-term launch process in this case is beneficial and can net nearly immediate results – often unavailable through SEO efforts.

Moreover, the shorter spool-up time offered through a PPC program can often result in a more immediate availability of analytics. Using PPC, metrics can be more readily gathered and analyzed giving more immediate feedback to your efforts.

Organic SEO Strengths	Organic SEO Weaknesses
1. Over time, successful campaigns can lead to lower cost for highly qualified leads.	1. Successful SEO takes time.
2. Success today has a positive impact on future results.	2. Not as easy as PPC to track results.
3. Campaigns that get and maintain the same high rankings will actually get more traffic over time as search engine counts for most phrases raise yearly, some considerably.	3. Due to frequent search engine algorithm changes it must be consistently attended to in order to keep high rankings.
4. The vast majority of clicks on a search results page go to the organic results.	
Pay-per-click Strengths	Pay-per-click Weaknesses
1. Immediate results.	1. Cost for a click for more phrases are going up every year, but value of a click remains the same.
2. Analytics can closely track results.	2. Due to the dynamic nature of bids, it must be closely managed to keep up with competitive bids.
3. Can try with a small budget, although results might not be great.	3. Success today does have a direct influence on the future placement.

Organic SEO versus Pay-per-click

Organic SEO or Pay-per-click – You Decide

As part of your SEM efforts, remember, you have two options: organic SEO and PPC. Both have their benefits given your determination of your goals, timeframes, and geo-targeting requirements.

Knowing when to use one or both of these options will definitely help you to best use your available resources to get the best ROI from your SEM strategy or campaign.