



Search Innovations Marketers Can't Afford to Ignore in 2011

by Sri Sharma
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Paid Search Marketing

Display & Social Media Advertising

Multi-Channel Tracking & Attribution

About The Author

Sri Sharma Managing Director

Sri Sharma is the Founder and Managing Director of Net Media Planet. A specialist in maximising the potential of online marketing, Sri has helped clients including HSBC, P&O Ferries, The Perfume Shop and Evans (part of the Arcadia Group) to drive a step change in their online efforts with significant impact on their bottom line.



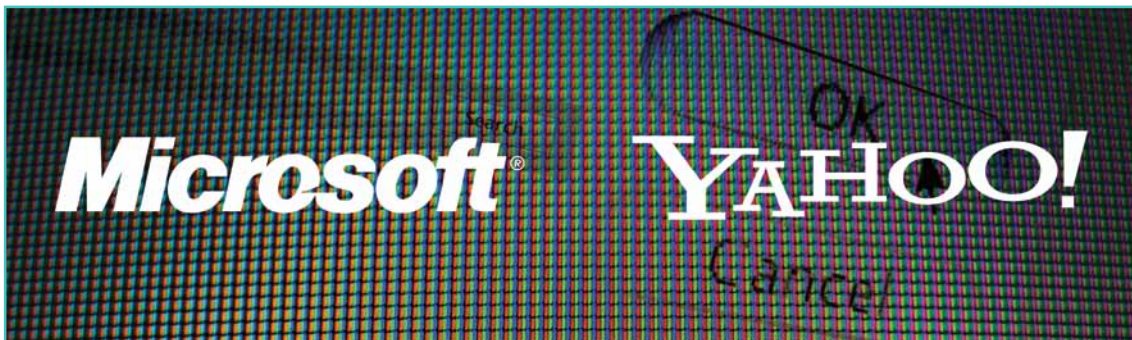
Under Sri's leadership Net Media Planet has received numerous industry accolades. Most notably, Net Media Planet has been listed in The Sunday Times Tech Track 100, the Deloitte Fast 50, and Deloitte Fast 500, and the company currently generates client revenues of over £80 million annually.

Sri is a highly respected PPC specialist in the industry, and has spoken at a number of conferences all over the world, including Internet World and the Online Marketing Show. He has also stood alongside brands such as Yahoo! and Bing on speaker panels. In the industry he is renowned for the outstanding levels of customer retention he has driven at Net Media Planet. He recently won highly commended Entrepreneur of the Year at the National Business Awards.

Executive Summary

Search marketing is not new, but in 2011 it's certainly set to become 'sexy' again. After years of consistent growth and incredibly high levels of innovation - Google alone released over 100 innovations in 2010 - the industry is on the verge of substantial reform.

Consumers no longer have to rely on search engines to find information and search itself has undergone a dramatic shift in light of the rise of the social web.



Social search, where results in search engines are tailored to the individual consumer and incorporate the recommendations from others within their social circle, has placed the emphasis firmly on sentiment and this focus is shaping the entire search experience.

Consumers are now demanding more from search providers, which is leading to more partnerships across the industry - most notably the Yahoo! and Microsoft Search Alliance - and a greater focus on the rich and 'new' media that will engage consumers. Paid search on Google, for example, now boasts advertising formats, including product listings and star ratings. Natural search listings now collate images, video and real-time information from Twitter, as part of universal search, and so the user has a far richer experience in search than they had just one year ago. The world is changing...

With all this change ahead of us, combined with the continued economic instability, it is understandable that some brands are concerned about which elements they should be focusing on to deliver a consistent return on investment at a time when budgets remain under close scrutiny.

This paper outlines the three key areas that we believe will make the most significant impact for brands throughout 2011, and demonstrates how brands can harness innovations in each of these to maximise their success.

Introduction

Whilst the search marketing industry continues to expand, with more and more brands acknowledging the role that search, and in particular paid search, has on their effectiveness online, there is still a lack of understanding of the scope of opportunities out there.

There has been a lot of talk of the innovations coming out of Google and the expected advances following the formation of the Yahoo! and Microsoft Search Alliance. However, not many brands, or indeed agencies, have acted on the discussions to maximise the effectiveness of their search campaigns and maintain an edge over competitors.

The online world has changed significantly over the past five years, with rich content and social media effectively shifting consumer expectations to a new level - something many brands have struggled to grasp. In addition, consumers now interact differently with each other, and with brands, and therefore are using search in new ways. This makes the customer journey more difficult to map and optimise for brands, particularly those who have not invested time in understanding the various touch points where consumers are interacting and engaging with their brand in this new world.

However, just because consumer demands are up and there is an increase in the ways they search online, and therefore can be targeted, it does not mean that brands need to sit across all innovations and areas within the space. Indeed, we would suggest that it is far more efficient and effective for brands to target their campaigns on the core strategic areas that will drive the best returns against their objectives.

Whilst there will be some variation across brands as to what will generate the best returns for them, there are some key search innovations that we believe will drive and shape the market through the coming year:

1. Introduction of technologies to make m-commerce mainstream
2. Increasing paid search advertising across video content
3. Improving cross-channel optimisation

“Moving Beyond The Buzz”: Mobile Marketing in 2011

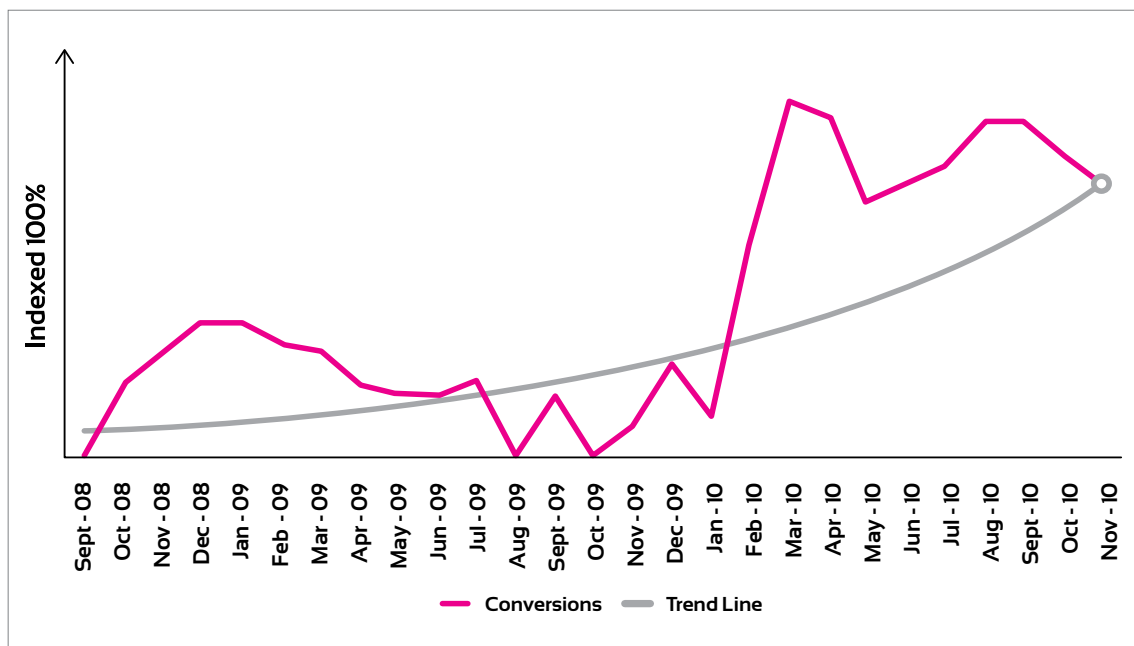
Mobile has been a buzzword across the marketing industry for the past three years, with the phrase “this year is the year of mobile” heard on an annual basis. However, it is our view that to date few companies have devised and implemented strategic mobile strategies, particularly those within the retail sector.

As mobile commerce becomes more commonplace and more retailers acknowledge the need to have a website that is not only fully transactional but also mobile ready, mobile advertising, and mobile search advertising spend in particular, is becoming increasingly important to brands.

Google has reinforced the importance of mobile, reporting an increase of 500% in mobile search traffic over the past two years, which means mobile search now accounts for 10% of all search traffic. This is something mirrored by our experience across our client base, where we have seen a 170% increase in mobile sales over the past two years. According to mobileSQUARED, UK mobile search advertising spend is set to increase to over £116 million by 2015, which is an increase of over 1,100% from 2010.

Indeed, we fully expect mobile search to continue to increase in line with transaction levels on mobiles as we have seen it grow over the past two years (see chart below), which will in turn generate a huge increase in mobile advertising spend in the UK in 2011.

Chart to show mobile sales growth in retail over time



Mobile Sales Growth in Retail, 2008 to 2010

The advent of newer, faster smartphones and tablet PCs has undoubtedly had an impact on the amount of mobile search undertaken by consumers in 2010. Following the launch of version 2.3 of Google's Android operating system, Gingerbread, with its near field communications (NFC) capabilities, we expect to see several more spikes in m-commerce and mobile search throughout 2011. Indeed, as NFC technology becomes more commonplace, mobile phones will essentially become 'mobile wallets.' This will enable consumers to buy goods in-store with a swipe of their phone, or online without having to enter any of their credit card details, which will drive m-commerce and mobile search forward at an exponential rate.



Mobile advertising is one of the fastest growth areas in the UK and, as in traditional online spend, search occupies a large proportion of this budget. In September 2010, mobileSQUARED reported UK mobile search advertising spend of approximately £9.9 million, which equates to 36% of the total mobile advertising spend. This is significant, particularly as only 14% of all mobile consumption is currently online shopping.

With 41% of retailers planning to launch or update their mobile websites to be fully transactional in 2011 (Source: eDigital Research, commissioned by AIME/IAB/IMRG August 2010), it is easy to see why mobile search is expected to become a core element of a brand's strategy, potentially at the expense of desktop search.

Brands looking to exploit the opportunities in mobile during 2011 will need to ensure that they not only have the infrastructure in place to enable mobile commerce, but also have a mobile paid search advertising strategy in place to maximise the channel.

As part of their strategic approach, brands must ensure they include campaigns that target social media platforms as well as the more traditional routes. Social media is inherently mobile, and combined with mobile search - especially localised mobile search - is an extremely targeted advertising channel for brands.

The Power Of Video

In 2010 we saw the explosion of video content across the Internet, with over 35 hours being uploaded every minute to YouTube alone (Source: YouTube). That's an increase of 145% from 2009. Add to this the continually increasing stream of video uploaded to and shared via other platforms, such as Facebook, and it is clear that there has been a fundamental shift in the value of video to brands. In 2011 this shift will continue to grow at an exponential rate and, with the advent of new technology tools, such as the YouTube targeting tool, the opportunity for brands to harness the power of this medium will increase substantially.

The YouTube targeting tool, launched in 2010, was the first tool that enabled brands to directly target specific pieces of video content on YouTube rather than targeting the platform as a whole. As one of the best innovations to have come out of Google over the past year, it offers brands an unrivalled opportunity to engage users with highly targeted adverts that add to their YouTube experience, rather than detract from it. Indeed, if implemented correctly, the adverts shown through the targeting tool actually look like part of the video content itself.

To understand and illustrate the success possible through the targeting tool, we approached one of our retail clients last year, The Perfume Shop, with a proposal to improve their profile and drive direct response through a targeted advertising campaign on YouTube. The process we undertook and the results we achieved for The Perfume Shop are detailed below.

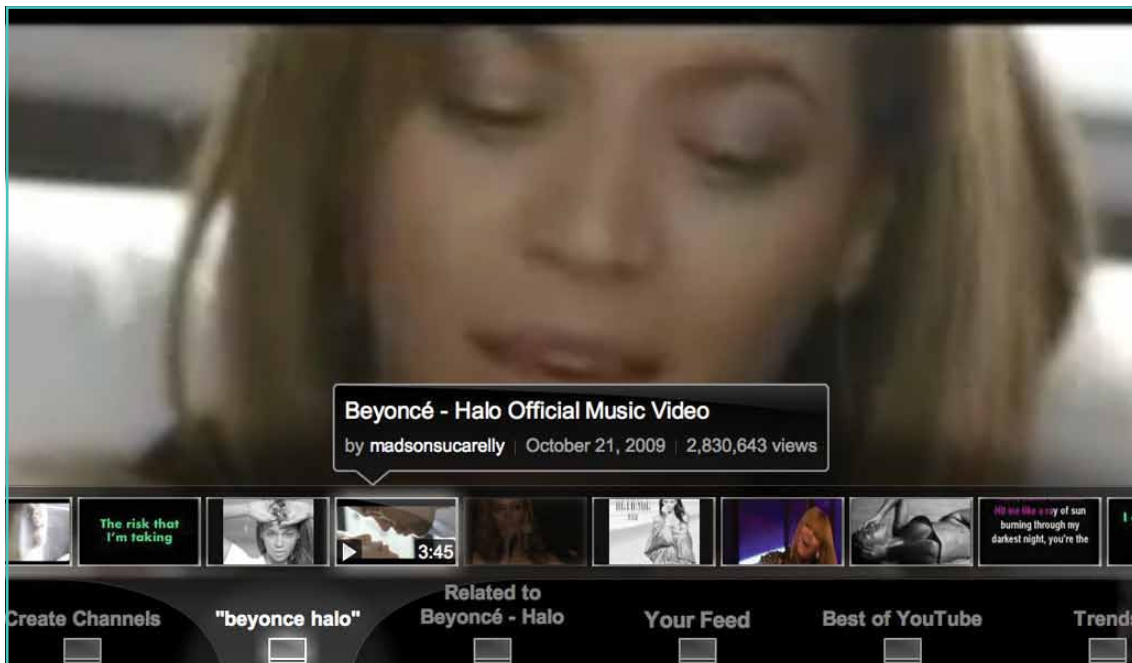
Case study:

"Harnessing the allure of celebrity culture to raise The Perfume Shop's profile and grow sales."

Having identified The Perfume Shop's typical customer to be females between 16 and 36 years old that are fascinated with celebrity culture, it was suggested that targeting key celebrity video content on YouTube would be the most successful strategy for The Perfume Shop.



We identified several key celebrities that each 'produce' a range of perfumes, available through The Perfume Shop, and agreed to target videos of these celebrities with adverts for the relevant celebrity-branded perfume. The celebrity fragrances identified included the ranges by Peter Andre, Kylie Minogue, Beyonce (see page 7) and Sarah Jessica Parker. Adverts for each of these ranges were then displayed on a highly targeted basis across thousands of YouTube videos over a six month trial period.



To maximise the success of the campaign, the timings for promoting each fragrance were developed in line with known publicity plans for each celebrity, such as a new album or film release or visits to the UK. This highly co-ordinated, targeted approach was extremely successful for The Perfume Shop.

Over the six month trial, there were over 9 million views of the specific adverts. In addition to direct click-through, The Perfume Shop saw an impressive 236% return on investment on a view through conversion basis, whereby consumers that saw the advert subsequently searched for the brand through an engine.

Additionally, the revenue for the celebrity fragrances generated through YouTube outstripped the revenue from search engine PPC alone. This was a first for The Perfume Shop, and at 193% higher was a significant achievement for the campaign.

However, the results did not end there. An analysis of the effect of YouTube PPC on search engine traffic revealed a positive effect on Google traffic volumes long after the YouTube PPC campaign was launched, which was a fantastic indication of how much The Perfume Shop's brand profile increased as a result of the campaign.

The campaign's success is a clear example of how applying the principles of paid search to your video content in YouTube can drive significant benefits for your brand. However, the value of video overlay advertising will not stop there.

The real value of the ability to target specific videos, or categories of videos and specific demographic groups, will become evident with the UK launches of new channels such as Google TV. The core principle of Google TV is to bring together Internet and Television and a key feature is that you will be able to surf YouTube on your TV set. This opens up the opportunity to not only target viewers with video overlay adverts, but also through the more traditional medium of Google Adwords. These adverts, delivered through the Google Display Network, will appear in a similar way to Google Adwords adverts that are delivered to users undertaking current desktop and mobile search. This will undoubtedly make Google TV a powerful channel in the battle to increase brand visibility, improve recall and encourage direct response.



Brands looking to harness this power should not delay. There is no time like the present to start forays into video overlay advertising. Building up an established reputation on YouTube and supplementing your successes on YouTube with targeting through the Display Network, when Google TV launches, will be a powerful mix.

As with any new technology, first movers will take advantage, so timely action is going to be critical. For those who don't have an opportunity to investigate the opportunities of video, it is imperative that they understand how and where consumers are engaging with their brand to maximise success in the other areas.

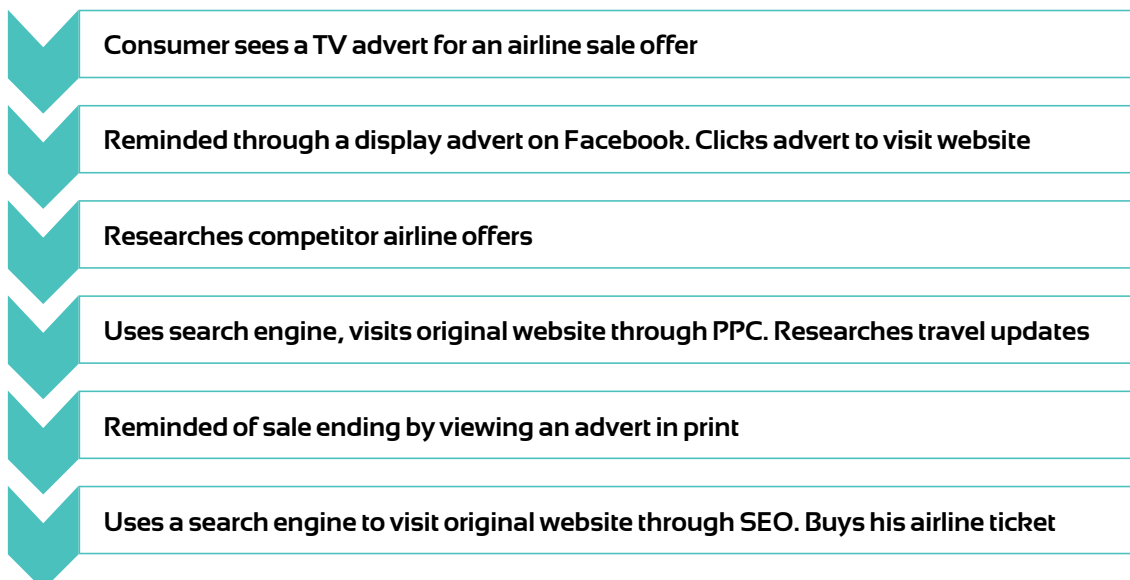
Optimise Cross-Channel

Optimisation, like mobile marketing, is another phrase that has been bandied around the industry. Whether it be optimising websites to improving conversion, or optimising search strategies to drive brands up the search engine rankings, it is a key element of a brand's daily online strategy. However, whilst it has become a core aspect of an ongoing strategy, brand optimisation plans have not evolved in line with the changing search patterns of consumers.

In today's business world, all companies are invariably multi-channel to some degree, with most now offering products and services across online, telephone and bricks and mortar channels. However, as mobile and social media platforms become increasingly important to consumers, brands must respond accordingly.

According to recent research, 11.5% of all UK shoppers now use their mobile devices to research a particular item before they purchase it online or in-store (Source: Verdict Research, June 2010). As the advances in mobile technology, outlined earlier, continue to drive more consumers to search on their mobiles, this is only set to increase. In research we conducted at Net Media Planet, into the various touch points consumers have with a brand, this point was clearly reinforced. The chart below suggests a typical customer journey for a consumer within the travel sector:

The User Journey in Travel



A Typical User Journey in the Travel Market

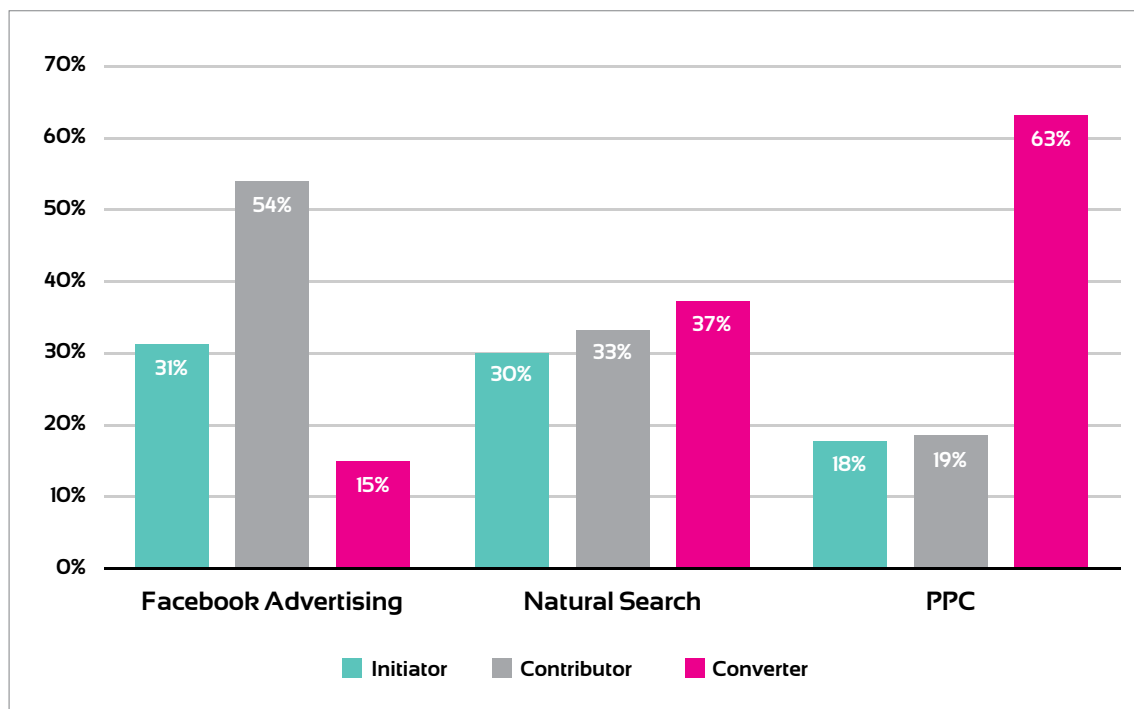
Brands looking to respond to this challenge should move away from devising separate search strategies for each channel, and instead set an overarching strategy that focuses on optimising across all relevant channels to deliver a more personalised, targeted and complementary cross-channel marketing programme.

Once a brand has identified the channels through which its customers pass, and has devised a search strategy to target them accordingly, it is imperative that they measure the performance of each channel against the initial objectives outlined. Typically for search campaigns the important objectives will be how many sales the programme leads to which, in a properly optimised multi-channel campaign, can be further broken down into:

1. How many sales were initiated across each channel
2. How did each channel contribute to the sales cycle - i.e. where was each channel influential in the final purchasing decision
3. How many last clicks (sales) came from each channel

The chart below, again taken from the travel sector, shows how a number of different marketing channels contributed to sales for a particular brand. The chart shows the percentage of sales revenue that each channel initiates, contributes to and converts at the last click.

Chart showing how different marketing channels contribute to sale as initiator, contributor and last converting click



Cross-Channel Influence, Travel Brand

From this chart, it is clear that focusing on the 'last click' alone would significantly diminish the return on investment the brands would have seen from their search campaign, as would focusing on a single channel. It is only by looking at the role each channel plays in the process, and optimising the campaigns accordingly to the role which they play, that brands can realise the true value of each channel.

For example, ignoring the role of PPC in initiating and building the dialogue with a brand, and focusing instead on using PPC purely to drive last clicks, would equate to 37% less sales for the travel brand shown in the previous chart on page 10. Similarly, by focusing on Facebook advertising campaigns to merely begin and build the dialogue, and not providing the opportunity for consumers to click through to purchase on this platform, would lead to another 15% loss. Those are significant figures.

Each brand is unique of course in its campaigns and the channels that it should utilise, but the principle applies to all. Analyse your campaigns, work out where consumers are engaging with you, and optimise your programmes accordingly. The tools and technology are out there to let you cut search data in numerous ways - use them to drive incremental value from your investments and you will reap the benefits both in the short-term and in the longer-term.

Conclusion

The search and social platforms such as Google, Yahoo!, Bing and Facebook are stepping up their battle to win over consumers. As this competition gets fiercer, the pace of change across the industry is also set to increase. With change, opportunities arise, and to leverage these opportunities and drive success, marketers need to focus on innovation.

Social media innovations have been in vogue over the past year and are set to continue well into the future. However, with a 60% share of the current online advertising spend, paid search is where brands are seeing the best returns, and there is a lot of innovation within paid search that brands are yet to exploit.

Video overlay advertising and expanding mobile paid search for m-commerce are just two examples of innovations within paid search that brands can trial in 2011. Brands should not feel pressured to exploit all of the innovations but should take the time to explore all the options available to them and how these elements will impact on their business objectives before planning their next campaigns.

To drive success in 2011 and beyond, brands should think more strategically about their marketing efforts and invest more where they are likely to see the greatest returns. For most brands this means that investment in paid search is imperative. This will create a strong foundation on which they can grow, and ensure that each new investment they make adds to their bottom line.

2011 is the year to embrace innovation, but it is also truly the year of search.

About Net Media Planet

Net Media Planet is an award winning dedicated paid search marketing agency. Its sole aim is to help ambitious clients maximise the potential of their online marketing.

Based out of London, UK, Net Media Planet works with clients spanning numerous sectors including retail, travel and finance. These clients include HSBC, P&O Ferries, The Perfume Shop and Evans (part of the Arcadia Group). It currently operates across 59 countries in 31 languages and generates client revenues of over £80 million annually.

Since launching in 2004, Net Media Planet has received numerous industry accolades. Most notably, Net Media Planet has been listed in The Sunday Times Tech Track 100, the Deloitte Fast 50, and received a commendation in the National Business Awards, South England.

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