New Technology Briefing

Search engine marketing

Jon Bagnall

is the Managing Director and founder of Planeteria, providing search engine marketing and website promotion consultancy.

Jon Bagnall

Received (in revised form): 20 December 2002

Abstract

Websites have become an integral part of every company's presence and business strategy to reach existing and prospective customers. The number of sites and pages has been growing at an exponential rate for a number of years. With no sign of decline it has become increasingly difficult for sites to reach their intended end user.

This paper discusses the technology on which search engine marketing is based and its integration with other marketing techniques, and the benefits and marketing opportunities arising from search engine marketing. Finally, it covers key trials and findings, outlining the milestones in the evolution of search engine marketing.

Keywords: search engine marketing, search engines, directories, pay-per-click search engines

Background

Attempts to bring organisation to all the confusion have been made by search engines and directories. Search engine marketing has risen from the wake caused by the creation of search engines and directories.

In the early days of the Internet the first commercial search engines were directories, such as Yahoo! and Galaxy; webmasters could freely submit their sites for inclusion. Major early 'spider'-based search engines include Lycos, AltaVista and Inktomi; these opened up new doors for webmasters to reach their intended audiences.

Today's website technology has outpaced search engine technology. Back in the early days of the Internet the site technology of the sites in search engine and directory indexes was not a real issue, as website technology was a long way from what it is today.

Marketers need to promote their sites using the available search engines and directories. There are three distinct categories when identifying the vehicles of search engine marketing: 'search engines' or 'crawlers', 'directories' and 'pay-per-click search engines'.

Search engines

Search engines' roots can be traced back as early as 1990. The whole industry has come a long way since these early days, with some becoming household names worldwide.

The introduction of the major early spider-based search engines, such as Lycos, AltaVista and Inktomi, defined how Web users use the Web today through deploying their 'robots', otherwise known as 'spiders' or 'crawlers'.

These are essentially computer programs that are instructed to collect and retrieve website pages and information for collation in the search

Jon Bagnall
Planeteria Ltd
28 Hebdon Road
Tooting
London SW17 7NS
UK
Tel: +44 (0)20 8682 1257
Fax: +44 (0)20 8682 8962
E-mail: jon@planeteria.co.uk

Figure 1: The Google search engine

engine's database. Search results are then ranked according to an algorithm which matches websites against specific criteria. The combination of database results and ranking algorithms is presented to the end user in the form of search engine results pages.

Search engines have grown up with time; some of the original pioneers still feature prominently today. The most significant difference between now and then is the fact that very few are simply free-to-submit sites any more.

Directories

Directories are a different breed from search engines. This is because they use human editors to review site content and submissions. These human editors write titles and descriptions for sites based on content. The earliest recorded directory is allegedly www.galaxy.com (see Figure 2), which first sprouted roots in 1994.

Directories have also followed the search engines in bids to become more profitable. The majority charge a small fee for review and inclusion in their directory.

Figure 2: Galaxy — One of the first directories

Document organisation

Paying for placement

Pay-per-click search engines

The origins of pay-per-click search engines come from around 1997 when the company Goto (now known as Overture) was founded by Bill Gross. In June 1998 they launched the first 'pay-per-placement'.

Pay-per-click search engines enable advertisers to receive placement of search results by bidding on specific keywords that are relevant to their sites.

Marketers are able to bid for placement of their sites in pay-per-click search engines. Sites appear in search results with terms that are relevant to their business products, goods and services. Payment is made by the site to the search engine for visitors it receives.

These search results are screened for relevance by an in-house editorial team, and are then distributed across partner sites across the Internet. Advertisers pay the amount of their bid only when a consumer clicks on their listing, providing them with one of the most cost-effective ways to drive targeted customer leads to their sites.

This has almost redefined the search market and revenue streams for the search engines, and has also dramatically affected how businesses market themselves online and how they could instantly reach customers.

Website promotion

Opportunities

Major search engines and directories attract more distinct visitors than almost any other websites. Yahoo! alone has over 65 million registered users! Small and large companies both stand to gain from the opportunities that exist from search engine marketing.

Large companies with big sites and many products can sell more items. For those who have a national business, search engine marketing is the way to drive that business to greater heights. SMEs with more specialist products can reach a wider audience and possibly drive additional sales to the national or even international market-place. Search engine marketing is the way for smaller businesses that do not enjoy broad-based brand-name recognition to be found through use of the most popular search engines and directories.

The opportunities that exist from undertaking campaigns include:

- low-cost benefits (in comparison to other forms of marketing)
- targeted marketing
- increased trade
- improved profitability
- worldwide market
- wide customer base
- trade 24/7
- advertising company cost-effectively
- trading anywhere
- enhanced competitiveness
- encouraging growth.

What does it all mean?

Benefits

It is a well-known fact that visitors who are already qualified leads are more likely to buy goods and services. People finding sites via search engines and directories are more qualified targets for products and services because they have actively sought out sites by typing a search phrase directly related to site content.

Using keyword research, a search engine marketing campaign identifies the best search terms to target which will attract more potential customers to sites. Online advertising pre-qualifies customers and drives traffic to your site. Throughout this process, marketers can track what works and what does not, reacting to changing market conditions and making adjustments accordingly. The Web enables full tracking of almost any Web-based activity, which ultimately leads to full measurement of return on investment.

Unlike television, radio or print advertisers, Internet advertisers can precisely measure how many times an ad has been viewed and responded to.

The website is what provides consumers with the information they are seeking. Search engines and directories provide the vehicles by which sites can reach their audience. Search engine marketing is just a catalyst.

Back to the future

Brief history of search engines

In order to understand search engine marketing it is necessary to look at the history of search engines to see how they have evolved over time (see Table 1). The search industry in itself is historically fascinating. As with all new ideas, products and services, there are the originators, leaders, followers with industry movers, players and shakers.

Search engine marketing roots are not yet as deep as the actual search engine but they are beginning to catch up. The search engines recognise and work with (sometimes against) search engine marketing practitioners. Search engine marketing stems from the beginning of search engine optimisation.

The future of search engine marketing

A brief review of the history of search engines and search engine marketing demonstrates that search engine optimisation and search engine marketing are currently an integral part of any online presence in order to target, attract and retain visitors, and encourage them to become paying customers.

The crystal ball of the search engine marketing world appears murky at first. But as long as there are free Web-based crawlers such as Google, natural search engine marketing will have a place. Google is presently considered to be one of the most dominant and effective search properties available. Google's current strategy of focusing on what they do best — providing relevant search results — has proved to be their trump card in ensuring their longevity. Other search properties such as Inktomi and FAST should also not be discounted when undertaking any form of search engine marketing.

While natural search engine optimisation focuses on achieving listings

The future

Table 1: A brief history of search engines

Year	Search engine	Landmark
1990	Archie (produced by Alan Emtage)	
1991	Gopher (produced by Mark McCahill)	
1992	Veronica (produced by System Computing Services)	
1993	World Wide Web Wanderer (produced by Matthew Gray)	
1994	Yahoo!	First submissions of websites
	Lycos	
	Galaxy	
1995	Infoseek	First automatic search engine; submission software is introduced; use of meta tags; new optimisation techniques; new search engine algorithms
	Excite	
	AltaVista	
1996	HotBot	
	LookSmart	
1997	Ask Jeeves	First search engine rank checking software is introduced
	Goto (now Overture)	
	Northern Light	
1998	The Open Directory Project	Search engines use 'off-the-page' algorithms; optimisers use 'off-the-page' search engine marketing strategies
	Google	
2000		Pay-per-click campaigns gain recognition
Today		Content and links are the foundations to any successful website

through hard work, the flip side of the coin is pay-per-placement and pay-per-click search engines and directories (the monetisation of search). The future of these services seems secure at the moment given their recent balance sheets. These services offer to potential advertisers what is perhaps the holy grail of advertising: delivering advertising directly related to user interests. Their fate, however, is ultimately in the hands of the end users who provide the necessary click-throughs.

Appendix: Search engine marketing resources

News

ClickZ

Online marketing articles, resources and links for the world's leading professionals.

www.clickz.com/search

Moreover

Real-time information management solutions and newswire, delivering up-to-date news from a variety of online resources.

www.moreover.com

Pandia

A website dedicated to search engines, search end news and productive Internet searching.

www.pandia.com/searchworld

Search Engine News

Search engine information for professional search engine marketers.

www.searchengine-news.com

SEO Today

Created by search engine marketing professionals to educate and inform.
www.seotoday.com

SearchDay

A free daily newsletter from SearchEngineWatch.com written by
associate editor Chris Sherman.
<http://searchenginewatch.com/searchday/>

Search Engine World Quarterly

A free e-zone for the rest of the SEO community. Produced by
SearchEngineWorld.com in association with their sister site Webmaster
World.com.
www.searchengineworld.com/newsletter/2000/

Traffick

Search engine portal, including news.
www.traffick.com/default.asp

SEM resources consultants and agencies

e-consultancy.com
www.e-consultancy.com
www.e-consultancy.com/providers/

SEMLists ([internet.com/INT/Jupiter Media Corporation](http://internet.com/INT/Jupiter%20Media%20Corporation))
www.semlist.com/

SEO Consultants

www.seoconsultants.com/seo-resources/

SEO Pros

www.seopros.org

SEO Today

www.seotoday.com/seo_companies.php

Google

Google provides information for webmasters and individuals wishing to
hire search engine marketers.
www.google.com/webmasters/seo.html
www.google.com

Webmaster World

The discussion is further debated at Webmaster World.
www.webmasterworld.com

Search engine marketing forums

I-Search (Adventive)
www.adventive.com/lists/isearch/summary.html

Search Engine Forums

www.searchengineforums.com

Webmaster World

www.webmasterworld.com

Spider Food

<http://forums.spider-food.net>

Search engine marketing resources

Bruce Clay

Bruce Clay's impressive comprehensive relationship chart detailing how the major directories, portals and search engines interact and feed off one another. This is possibly the most useful link and chart devised for newcomer and professional alike.

www.bruceclay.com/searchenginechart.pdf

www.bruceclay.com

Promotion Base/SitePoint

Advice, tips and information for new and experienced webmasters and online marketers.

www.promotionbase.com

www.sitepoint.com

Search Engine Showdown

A resource that evaluates and explains search engines from the users'/searchers' perspective.

www.searchengineshowdown.com

Search Engine Watch

Internationally renowned as the search engine marketing vocal point edited by Danny Sullivan.

www.searchenginewatch.com

Search Engine World

Search engine marketing and optimisation website.

www.searchengineworld.com

Spider Food

J. K. Bowman's search engine optimisation and website promotion.

www.spider-food.net

Webmaster World

Detailed and comprehensive forums and resources for global webmasters and search engine marketers.

www.webmasterworld.com