

SEARCH ENGINE MARKETING FOR SMALL BUSINESSES

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ABSTRACT

Prior to the Internet Age, proprietors of small businesses had few friends! Indeed, the journey to become large and firmly-established was an arduous process that few businesses managed to endure. With little capital (and even less marketing expertise), the reach of such “Mom & Pop” businesses often extended no farther than the geographical confines of one city.

Although business success still relies upon intuition and determination, a single tool has revolutionized the ability of business owners to market their products: the Internet. Having defied the geographic “radius” that limited the size of traditional enterprises, today, small businesses can compete in a global marketplace where the only “boundaries” are one’s own imagination.

This paper is intended to highlight the tools and processes that aspiring business owners can and should understand before establishing a web-based enterprise. Specifically, it examines how current techniques in Search Engine Advertising and Optimization can make or break a “good idea.” Additionally, it offers several case studies along with an analysis of the benefits of and challenges to implementing these technologies as well as recommendations for small business owners.

SEARCH ENGINE ADVERTISING

Overview

Although search engine advertising (SEA) is a hallmark of each of the three (3) widely used search engines (i.e., Google, Yahoo!, and MSN), it is Google that has grown such advertising into the multi-billion dollar industry that it is. Today, more than 95 percent of Google’s profit is generated through so-called “Sponsored Links,” the platform of which is known as Google AdWords.

Use of AdWords entails the selection of keywords or phrases that webmasters use to market their websites on Google’s search engine. The distinguishing characteristic of AdWords (as opposed to organic search engine optimization) is the required payment in exchange for a website’s “visibility.” This pricing regimen results in a debit to the webmaster’s account each time that a user “clicks” on a particular sponsored link. Known as pay-per-click (or, PPC), Google AdWords has resulted in a powerful – yet ultimately expensive – means of promoting one’s products and services (B to B, 2005).

Benefits and Features

According to New Media Age (2006), PPC advertising can be understood as a quick-fix solution to the complex problem of gaining visibility on the World Wide Web (New Media Age). As a “tactical solution,” the principal benefits of AdWords include:

- Targeted Reach (based on user-generated searches)
- Geographic/Time Limitations (webmasters can decide when/where ads are visible)
- Measurable Benefit (Click-Through Rates are easily accounted for)

An added benefit of Google AdWords involves Google’s commitment to providing end-users with the highest-quality content. “Google has always spoken about getting better added-value content, and this has become clearer within the last year or so” (ibid.). Indeed, according to Gary Stein, senior analyst at Jupiter Research, Google is “now officially an advertising technology company as opposed to a [searching] technology company” (B to B). In essence, Google promises to deliver not the most traffic, but rather, the right traffic. Small business owners with limited budgets can be confident that each “click” on a sponsored link represents a qualified sales lead. Indeed, the return on investment of Google AdWords is both measurable and substantial. According to Jupiter Media Metrix (2001), “pay-for-placement advertising offers a greater return on investment than all other forms of online advertising, including opt-in e-mail marketing, banner advertising, and paid inclusion in search rankings” (Microsoft Small Business Center, 2006).

Challenges of Implementation

Successful implementation of Google AdWords is far from an exact science. Like any well-executed marketing campaign, the use of AdWords involves a “learning curve” characterized – in this case – by the ability of small business owners to understand their customers’ needs. Proprietors must learn alongside their customers about how best to locate products and services available on the Internet, and as part of this process, one’s list of keywords must constantly change to reflect how users are searching.

Case Study

Designer Hospital Gowns launched an AdWords campaign in June 2002. Owner Clif Shakun wanted to increase the visibility of his website (www.hospitalgowns.com) because he recognized that few of his customers were repeat buyers. “It only took 5 minutes to sign up, and under half an hour to set up my whole campaign and go live with an ad,” remarked Shakun. In less than six months, traffic to hospitalgowns.com had increased from 6,000 visitors per month to more than 10,000. With just ten keywords, Shakun increased sales by 20% and enjoys a remarkably high click-through-rate (CTR) of 6.1%. In addition, hospitalgowns.com now receives orders from around the world (Google AdWords, 2006).

Recommendations

For the un-initiated, Google AdWords is a simple way to quickly increase traffic to a website. An effective AdWords campaign can be designed, paid for, and implemented in under one (1) hour, and Google’s user-friendly

technology (adwords.google.com) is designed for those with little-to-no experience with technology or marketing (ibid). Despite AdWords' proven track record, however, its cost can become prohibitive over time. Long-term strategies for small business owners should include search engine optimization (discussed below), which is a cost-effective method of gaining "organic" rankings on search engines without the associated fees of PPC.

SEARCH ENGINE OPTIMIZATION

Overview

In contrast with Google AdWords (recall: a "quick-fix" solution to gaining Internet visibility), search engine optimization (SEO) is a longer-term process that involves improving a website's content, design, and code. Websites that are "optimized" according to current search algorithms achieve high rankings and are, therefore, the most widely noticed results delivered on end users' computers.

Benefits and Features

Aside from the initial overhead cost of optimizing a website, maintenance costs are considerably lower than running a protracted AdWords campaign. The principal benefit of SEO, however, is not the increased traffic to one's site! Despite the traditional approach to marketing (characterized by the phrase: "Sell, sell, sell"), many SEO tools can give small business owners a competitive advantage by allowing them to learn about their customers in ways that competitors cannot. One such tool is Google Analytics. This free technology complements efforts to optimize websites by allowing owners to see what keywords customers are using to find their products. The importance of this feature cannot be underestimated.

Consider the following table:

Term: "Cheap Tire" (Google AdWords)	Google Analytics
Suggestion: Cheap Tire Rims	Possible Search: Car Restoration
Suggestion: Cheap Motorcycle Tire	Possible Search: Winterization
Suggestion: Cheap Tire Wheel	Possible Search: Car Care

By typing a keyword in Google's AdWords generator, the small business owner will only receive variations of the original term. This limits the business' reach. By contrast, Google Analytics reveals the terms that potential customers are using to find products and services (AdWords is unable to generate terms using such "broader" parameters).

Case Study

IT consultant Richard Karpinski (2006) notes that Discount Tire (an Internet based distributor of tires for all types of two- and four-wheeled vehicles) "needed to know more about the actions that its visitors were taking" once they entered the website (Advertising Age, 2006). Google Analytics allowed Discount Tire to maximize its SEO efforts. With this technology, Discount Tire "was able to tell which landing pages worked best and which ones tripped up customers, how users entered and exited the site, and where and why they halted a purchase midstream" (ibid.). The results provided insight into how Discount Tire's online shopping cart did (or did not) add value for the customer. After using Analytics for one week, sales increased 14%.

Challenges of Implementation

The benefits of search engine optimization extend far beyond what can adequately be addressed in this paper. So too, do the challenges! The principal problems with search engine optimization are that it is complex, time consuming, and difficult to implement without professional assistance. It is unlikely that small business owners have either the time or skills needed to execute SEO properly. Indeed, thorough SEO would include website design (cascading style sheets are easiest for search engine spiders to read), title/meta/alt tags, optimal keyword density, etc (Folio, 2006). And Korey Buzzell, owner of the web-based Oppedisano's Bootery admits, "I don't know much about this whole SEO thing" (Newsweek, 2005).

Perhaps most importantly, search engine optimization – if executed poorly – can severely damage a website's ranking (and sometimes result in removal from the search engine's index). "Black Hat SEO" refers to a number of unethical practices used to artificially boost traffic to a website. Techniques include the use of irrelevant (but popular) keywords, placement of invisible text ("keyword stuffing") on web pages, and irrelevant link exchange. Before deploying their websites, small business owners must understand the "dos" and "don'ts" of search engine optimization. The best products and the best customer service cannot save a website from being "punished" by search indexes due to the implementation of unethical SEO practices (ibid.).

Summary and Recommendations

Due to its complexity and risk, small business owners should not attempt to implement SEO on their own. Still—search engine optimization should not be considered an "expense." It is an investment (and one of vital importance) in the viability of any online enterprise. For this reason, small business owners should seek the expertise of web marketers before designing and deploying their websites.

Today, there are a plethora of resources to help small business owners make money on the web, and it is no "small" coincidence that the majority of these tools can be located on the Internet! That commerce is possible on the Internet presents new opportunities to businesses accustomed to selling only in brick-and-mortar stores. With these opportunities, however, come great challenges. Marketing studies have shown online shoppers to be less loyal than their in-store counterparts. Their ease-of-access to online businesses and their ability to purchase from companies located around the world allow them to be discriminating shoppers above and beyond other, more traditional, types of buyers.

To succeed in the online marketplace, small business owners need more than great products and superior service. Proprietors must be empowered with the same information possessed by their customers. They need ready access to consumer preferences as well as their search habits. In addition, owners must have reliable technologies that enhance – rather than debilitate – the "buying experience."

SEA and SEO are designed to satisfy each of these needs. Armed with these technologies, owners of small businesses can be confident that they are no longer "alone" in the competitive world of online selling. To the contrary, SEA and SEO can empower small business owners to make money on the web.

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