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GROUP OF COMPANIES

*Putting Insights In Your Corner.*

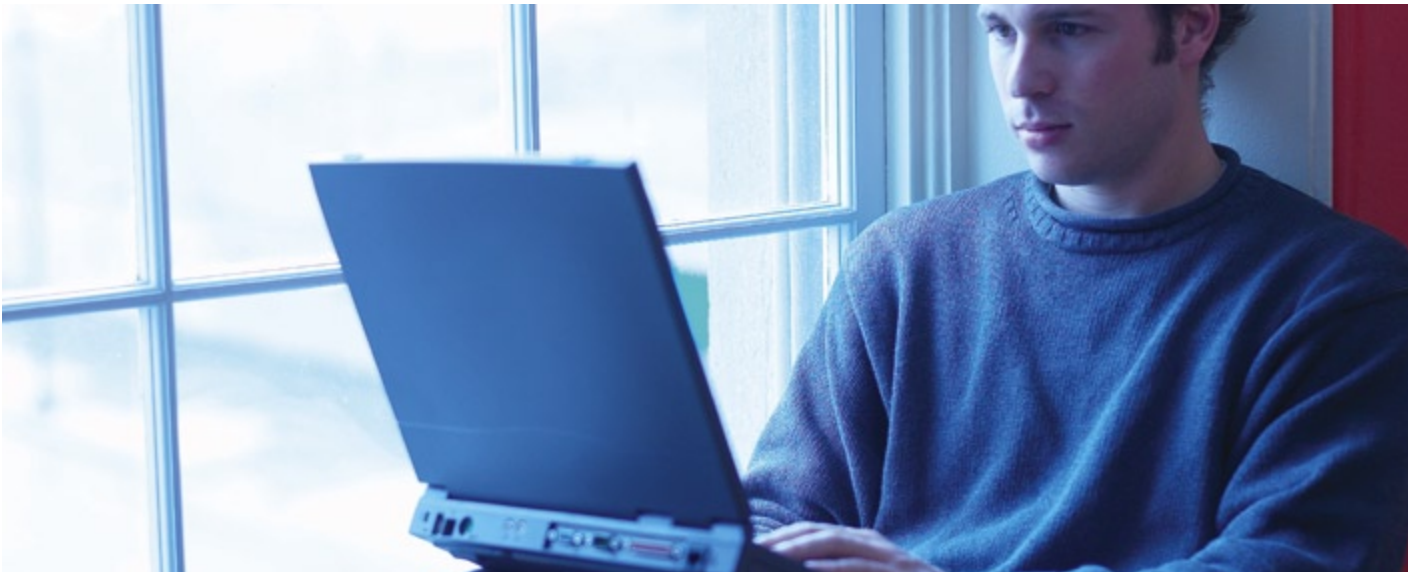
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## Search Engine Marketing Primer



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The point of search engine marketing is deceptively simple: Get your message in front of prospects right when they're most receptive to it.

That straightforward premise is one of the things that makes search engine marketing so attractive to direct response advertisers who want to accurately measure success. Making sure that search engines direct prospects to your website, however, can be much more complicated.

This introduction to search engine marketing will get you quickly up to speed and ready to benefit from this powerful new form of advertising. Use it to gain an understanding of a few key terms and fundamental concepts. Equipped with that basic knowledge, you'll be able to take full advantage of the services provided by a search marketing expert like Cornerstone.

# Search Engine Marketing Primer

## Learning the Basics

Search engines help connect web users with the pages that interest them. And, as the number of web users continues to grow, so do the number of web pages. That means you have more and more people relying on search engines to direct them to the pages they seek. This reliance on search engines has led to the overwhelming success of search engine sites such as Google™, Yahoo!® and MSN®.

*Search engine marketing represents a full 40% of all online marketing efforts and its importance is continuing to grow.*

*Local search ad spending is growing in significance and is the fastest-growing segment of paid search.*

*It's estimated that by 2010, local search ad spending will make up nearly 20% of all paid search spending.*

What's more, when people use search engines, they are effectively using keywords to segment themselves into fairly narrow targets. And, that self-segmentation has led to this powerful new form of advertising. Before you can start benefiting from search engine marketing, you'll need a basic understanding of what it is, how it works and how to work with a media broker.

### What It Is

Search engine marketing refers to the placement of advertisements on search results pages and content networks.

### Connect to Prospects

Prospects visit search engine sites seeking information of particular interest. To find this information, they enter one or more keywords, or maybe a phrase, and click "search." The search engine responds with a list—often a long list, sometimes topping a million entries—of potentially relevant sites. Your goal is to get your site to the top of that list.

Placing an ad, sometimes called a "sponsored link," is an effective way of getting on that first page of

search results. See *Organic versus Paid Results* in *Qualifying Your Leads* on page 5.

Your ad winds up on a search results page because the search terms you purchased match those entered by your prospects. The fact that prospects enter multiple search terms and that your competitors are vying for the same keywords makes this process as much an art as a science. See *Keywords* in *Qualifying Your Leads* on page 5.

### Click-throughs

The point of the advertisement, which always includes a link, is to get the prospect to click through to your website or a customized landing page. In addition to billing by the keyword, search engines also factor in the number of times a visitor clicks on the advertisement. See *Budgeting* on page 3 for a more detailed explanation of how billing works.

The objective and method of payment is why search engine marketing is sometimes called "pay-per-click marketing."

## How to Work with a Media Broker

An agency or full-service company like Cornerstone can simplify the process, providing you with the complete range of services that will let you benefit fully from search engine marketing.

Before you begin, there are a few things that you'll want to consider. What product or service, for example, are you marketing? Do you already have a website with relevant content to which you can direct visitors? Is your site built to persuade prospects to take a desired action? Or will you need to develop one to accommodate the traffic you hope to attract? And, what kind of budget are you working with?

Look to a company like Cornerstone to:

- Manage the bidding process
- Set a reasonable budget
- Develop keywords and phrases
- Eliminate costly research by leveraging key search-word groups
- Create your search advertisements
- Place your words and ads with Google
- Host your landing page
- Monitor your keywords
- Deliver the ongoing report metrics that help you measure the effectiveness of your campaign
- Optimize your campaign for maximum ROI

## Budgeting

Even though there are few barriers to using search engine marketing, budgeting can be a little tricky. Understanding how search engines bill for ad placement will help you get the most out of your budget. In addition to a fluid formula based on keywords and pay-per-click, there are other costs to consider.

### Keywords

Search engines bill based in part on the keywords you wish to bid on. As part of setting up your campaign, we will help you determine the keywords or phrases that you judge will correspond to your prospects' search terms. When a search engine's user types keywords that match your selections, the search engine "serves" your advertisement, causing your ad to appear on the results page.

Based on your keyword selection, the search engine presents you with the going rate for each keyword or phrase. You then have the opportunity to name the price you are willing to pay for it. The actual cost of the keyword is determined by dynamic auction and could be different each time your ad is served. This auction is automated, computing the going price for a keyword using a complex algorithm that dynamically tracks bids.

Where your listing ranks on the results page will depend on the amount you wind up paying for your keywords.

Since your competitors are also bidding on these keywords and phrases—and because that bidding affects the current cost—it's never a case of the winner takes all. The high bid is only valid until someone bids higher.

### Pay-per-click

Once you've settled on your keywords—and their costs—you wait to see who clicks on your ads. It is only when a prospect actually clicks through that you are charged for your ad. The amount you will be charged for each click-through is determined by the cost of the keyword when your ad was served, as well as the amount your competitors are willing to pay.

*Creating an effective campaign can be tricky.*

*The right combination of words and ads means the difference between creating a lot of clicks (and therefore cost) OR creating a lot of conversions.*

*Cornerstone is a conversion specialist and focuses solely on finding qualified prospects for our Clients to ensure a strong ROI.*



*Cornerstone provides a complete end-to-end solution for marketers who want to advertise on search engines such as Google, Yahoo! and MSN.*

*We do it all, from consulting with you on the right search words and phrases, to preparing compelling ads that appear on search engine results pages, to developing website landing pages and online forms designed to capture valuable prospect information.*

Search engines let you control your own budget by stating a maximum amount you are willing to spend per word per day. In other words, determining what you're willing to pay for a given word limits how many times the search engine will use that keyword to serve your ad on any particular day.

Keep in mind that there are many factors at work. If you bid low on a keyword, for example, your ad could be ranked near the bottom of the sponsored links. Or, it might not appear at all. You can avoid popular words to reduce your costs, but then your visitors won't be as targeted. If you set too low a limit on the maximum amount you wish to spend daily, then your ad might not appear at key times of the day. See *Keywords* in *Qualifying Your Leads* on page 5.

### Other Costs

There are several other costs that you should keep in mind. For example, there is the cost of designing, developing, hosting and maintaining a landing page. After all, once you entice a prospect to click through, you want him or her to land on a page that increases the

chances that you will succeed. See *Landing Pages* in *Converting Prospects* on page 6.

In addition to developing the landing page, you'll want to monitor visitors once they arrive so that you can measure response. In other words, you'll want to invest in a mechanism that can gauge the effectiveness of your landing page.

Finally, there is the consulting fee for helping plan and execute your campaign. Companies like Cornerstone usually base their fee on the complexity of the campaign, as well as on any other services (such as web development, hosting or monitoring) they are providing.

A full-service company like Cornerstone can help you set a budget based on a combination of these factors.

## Qualifying Your Leads

Putting your message in front of search engine users is a way of qualifying your leads. The search engine user has entered the keywords or phrases that relate to your product or service, so you know they're interested. To qualify those leads, you want to reach them with highly ranked organic or paid results, the right keywords, and well-crafted advertisements.

### Organic versus Paid Results

When people enter a word or phrase in a search engine such as Google, they are asking the search engine which web pages most relate to the information they seek. To compile their lists of web pages, Google and the other search engines use special software programs, sometimes called “spiders.” These programs use algorithms to crawl through virtually every website on the Internet. They look inside each website, seeking information and cataloging the site based on keywords, links, number of visits and other variables. What they are looking for is a correlation between the site and its relevance to the users' search terms.

#### Organic Results

Those websites deemed the most relevant appear at the top of the list of search results. This ranking, determined by the software program's algorithms, are known as “organic results.”

In addition to these organic results, many search engine results pages also feature a list of “sponsored links.”

#### Paid Results

These sponsored links are also known as “paid results.” These listings are actually advertisements, purchased by companies who want their ads to appear when prospects type in relevant keywords or phrases.

Ranking of paid results in a search engine like Google is also determined by algorithms. In the case of paid results, the ranking is based on factors that include the amount bid for keywords, daily spending limits set by the advertiser, and the number of clicks the ads receive.

### Keywords

Advertisers will assemble lists of words that most relate to their product or service. They then bid on the right to use these keywords to match their ads to the search terms.

For example, a bank might bid on words such as “credit cards,” “loans” or “mortgage.” Or, they may take a more creative approach, using “buying a house,” “having a baby” or other phrases associated with the lifestyle changes that might need financial services.

Finding the right keywords can be a challenge, especially because the cost of keywords can be driven up by a company that bids the highest. Since every company wants its ad to appear at the top of the sponsored links, a top word for an industry—such as “credit” for financial services—might cost several dollars per click. However, the highest bid might not always rank first. Sometimes an ad gets more clicks when it appears in the middle of the pack, which some search engines will then “reward” by moving them higher in the rankings.

### Advertisements

One key to successful conversion is producing an ad that works effectively within very small confines. For example, Google restricts ads to a mere 90 characters.

Because the ads are so small, it is very important that they be finely targeted and as relevant as possible to the likely search terms. This is especially important because Google will, in fact, drop an ad that is not generating a satisfactory number of clicks for a search term.

## Converting Prospects

Once you've qualified your leads by putting your message in front of prospects, you'll want to close the deal. Getting your prospects to click on your ad is not the last step. To convert click-throughs, you'll need an effective landing page as well as a plan for monitoring and managing your campaign. Relevant content that relates to your prospect's search is critical to conversion success.

### Landing Pages

One way to get the most from your search marketing campaign is to make your landing pages as relevant as possible. Your prospect was looking for something when he or she went to the search engine site. When prospects click your advertisement, they'll want to wind up on a landing page that reflects their original intent.

Some of the most effective search marketing campaigns include the creation of a micro-site. A micro-site should provide enough interesting and persuasive content and clear direction to compel the visitor to take the action you wish.

Search ads that simply click-through to an existing sign-up form or home page—especially one with diverse content—can be very unsatisfying. You will have much more success with a landing page that has been designed specifically for your campaign and is crystal clear about what it wants the visitor to do. If you are promoting a magazine, for example, your landing page should emphasize the benefits of your magazine with the clear message that you want the visitor to subscribe. Simply sending prospects to the magazine's home page risks distracting, confusing and frustrating them.

### Monitoring and Managing Campaigns

Another important consideration when launching a search campaign is the creation of groups of words and advertisements that relate to the campaign.

To gauge the appropriateness of these words, you should monitor them carefully to make sure you are satisfied with how they are performing. To evaluate performance, you start by looking at the number of click-throughs. You can also measure the effectiveness of alternate advertisements by comparing their response rates.

Monitoring other factors can help you even more when it comes to managing your campaign. Because you can track behaviour after your prospect clicks through and arrives at your landing page, you can measure campaigns based on a wide range of response metrics.

This ongoing analysis lets you boost sales by giving you the option of modifying keyword choices, bid amounts, advertisements and landing page design. With search engine marketing and the detailed reports provided by a full-service company like Cornerstone, you're not guessing about effectiveness.

*Whether you have a sophisticated web presence with layers of e-commerce, or you have little or no presence online, Cornerstone is equipped to provide you with a streamlined process that ultimately delivers prospects to you in the format you need!*

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## The Cornerstone Group of Companies

Our mission is to help our Clients find and keep good customers. We will accomplish this by providing our Clients with the best prospecting leads available and helping them to be the best in the world at managing and enriching their customer databases.

### The List Group

- List Brokerage Services
- List Management Services
- List Processing Services
- Data Products
- Search Marketing Services

### The Database Group

- Marketing Database Services
- Fundraising Services
- Publishing Services

Every business unit at Cornerstone has been set up with a specialized set of products, services and experienced professionals dedicated to fulfilling the needs of marketers.

We invite you to call us at [1.416.932.9555](tel:14169329555) to explore how we can make your customer experience a long-lasting one.

