

Effective SEM strategies for online retailers

By [Janel Landis](#)

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Oil prices climbed to more than \$130 per barrel last week and US consumers (and around the world as well), many of whom have dramatically altered their everyday activities due to increased prices, are definitely feeling the impact.

The effect is being felt nationwide, with year-to-date petroleum demand levels lagging behind those of 2007, according to the American Petroleum Institute. Many truckers whose livelihoods depend on the shipping of goods around the country can no longer afford to continue working. Some airlines have even begun charging travellers for their first checked bag. And as a result of a cost of \$4 per gallon (equivalent to about R9.87/litre in SA, based on a US liquid gallon being 3.785 litres, and an exchange rate of about R7.60/US\$1), many consumers are driving less.

The economic impact of these high fuel prices is also affecting the shopping behaviour of consumers, and will eventually affect the cost of the goods they are buying. While this means trouble for many industries, it presents online retailers a unique opportunity to maximise their paid and organic search marketing efforts. After all, consumers who shop online are saving on fuel. The challenge is to ensure that your message conveys the convenience of shopping online, and that your on-site checkout process is seamless.

The retailers who adapt their search strategies are the ones that will come out on top. This statement applies to all retailers, but especially those that have not yet fully embraced search as a component of their overall marketing efforts. Due to the attractive tangible results search generates, offline budgets are being siphoned into online initiatives. One big caution: you must understand the effect offline initiatives have in driving your search campaigns, and not abandon offline marketing altogether.

Think about the role that catalogues, direct mail, television and radio play in driving consumers to search for a brand. Some of the most frequently searched phrases are of major brands, and many companies leverage their competitors' brand awareness by bidding on competitor brand terms in their own paid search campaigns. Understanding the impact of cross-channel contribution to overall marketing initiatives is too often left out of the analytical mix. Not to say that a company cannot build brand awareness solely through online efforts, but they are few in number (i.e. eBay).

The goal of any search marketer is to grow their campaign in terms of efficiency, volume, contribution, etc. With that in mind, there are three main areas of concentration that will ensure success in 2008:

1. Ad copy - In addition to relevancy and strong calls to action, be sure to convey convenience and include key differentiators.

2. Checkout optimisation - Even if your conversion rate is 10%, your failure rate is 90%.

3. Lift analysis - Communicate with other teams and know where more and less money is being spent, and do your best to correlate changes in spend to search performance trends.

If retailers employ these search engine-marketing techniques to enhance their online presence, they will begin to see their sales less affected by rising fuel prices and the shift in consumers' behaviour.

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ABOUT THE AUTHOR

Janel Landis is senior director of search development and strategy at SendTec, Inc., a St. Petersburg, Fla.-based multichannel, integrated marketing firm specialising in search engine marketing, direct response television and lead generation.

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