

SEO benefits a no-brainer – but no one's listening

Hazel Phillips

Agencies persist in their resistance to search marketing, while clients who push ahead and do it regardless are getting great results, say search boffins.

A quick New Zealand-only search of the term "advertising agency" reveals most of the big agencies are behind the times, while the boutique outfits take centre stage.

Y&R takes out the top spot, having put some time and thought into its search marketing strategy, all in-house.

"We designed the site from the outset to be SEO-friendly and make sure our regular updates comply, too," creative head Vaughn Davis said.

Y&R is followed closely by Hot Mustard and Harvey Cameron, as well as DraftFCB, which has climbed the rankings from page 10 after an article appeared on Ad Hoc online about ad agencies' search neglect, revealing most big shops lag way behind.

Many agency people justify their lack of attention to search by protesting that no-one goes to Google to find an ad agency, and that users would search by agency name, not by the term "advertising agency."

Codswallop, said Kevin Francis, chief executive at search marketing company First Rate.

"I beg to differ. Sometimes it's the simple things people search for. We had a client who was convinced the term 'mineral spa' was the way to go. But no one was searching 'mineral spa,' everyone searches 'hot pools.'

"You can't make an assumption about



SEARCH BOX: First Rate's Kevin Francis, Grant Osborne and Samuel Stadler wonder why it is taking so long for marketers and ad agencies to see the obvious advantages of SEO marketing

Is it all about commissions?

Is it too cynical to label it a commission issue? Agencies want to spend the budget quickly and rake off their percentage.

"It's not at all cynical," Mr Francis said. "It's a commission thing, without a doubt. If Google gave commission, there would be an upsurge overnight.

"It's certainly a commission thing, but it's also the size of that, what you could be spending on search versus banners. Even if you got 20% commission, you might double the spend, but that's peanuts compared to 20% of \$50,000 of ratecard."

SureFire search marketing head Mark Sceats believes the fact that Google PPC

got there just through search."

The big benefit? You're putting your brand in front of people who already want your product. Well-executed search is like a Coke machine suddenly appearing in front of a thirsty punter with a \$2 coin.

Starting small

There is hope – even for those who've previously shunned search marketing. The New Zealand landscape is so small, a company or brand can get a first-page ranking with just a small budget and within a limited time frame.

"The opportunity for clients here is huge," Mr Francis said. "But we still have

one was searching 'mineral spa,' everyone searches 'hot pools.'

"You can't make an assumption about what people search for. Quite often you're wrong."

And that's where agencies' toes turn in.

It's widely known among SEO experts that the return on investment from well-executed search marketing is phenomenal.

Online merchant's success

One First Rate customer who owns a single chemist shop with an online store turned to SEO and within a matter of months enjoyed a 600% increase in sales.

"He had been in paid search for a while and we convinced him to give natural search a go," Mr Francis said.

"He spent \$10,000 and got hundreds of thousands of dollars return."

The numbers are there, the ROI is solid. A fraction of it directed toward SEO can be unbelievably fruitful.

So why the resistance to search marketing – particularly from agencies?

Mr Francis believes some of the attitude stems from a lack of education about what it is and what it can do.

"Partly it's because they're not well-informed, either by their agency or by marketing media. In my mind a lot of the smart online marketers see a lot of opportunity overseas in other markets so we do have a bit of talent drain."

Directing funds into banner advertising also takes less effort than the intricacies of SEO.

"It's easy to get through \$50,000 a month on banners," Mr Francis pointed out.

"TradeMe once a week, that'll take \$50,000 off you. And there's my 20% commission and maybe technically a couple of hours to place.

"But to spend \$50,000 on search actually requires a lot of effort – maybe you can't even spend \$50,000 on search, depending on who you are."

compared to 20% of \$50,000 of ratecard.

SureFire search marketing head Mark Sceats believes the fact that Google PPC media charges are non-commission bearing is "the No 1 reason" most agencies have actively ignored search until now.

"The view many seemed to have was that every dollar spent on search effectively cost them lost commission they could earn on traditional commission-bearing media. As a result media plans that should have included search didn't, or at best it was token.

"Obviously the advertising world remuneration structure is changing dramatically. Ad agencies are having to adapt and come up with alternative charge models, such as a transparent management fee on top of media charges."

Mr Sceats said some cynics suggest the measurability of search and its associated accountability has not appealed to some agencies.

A skills shortage and client ignorance largely rounds out the search hurdle list.

"Running complex search campaigns takes significantly more time and effort than most agencies realise. As a result many struggle to make money from paid search compared to other 'set and forget' type media."

But there is good news. IAB TV ad revenue was down 13.3% year-on-year for the first half of 2009, but in contrast, online advertising grew 7%.

Agency denial of search doesn't mean a dearth of clients who've done search well and captured their markets.

First Rate director of strategy and performance Grant Osborne cites the likes of TradeMe and Finda (both First Rate clients) as examples of businesses that have gone gangbusters due to an intense focus on search.

"They understood that was how they had to grow. Look at Finda – they did a lot of natural and paid search. Their objective was to be the next Yellow Pages and they

within a limited time frame.

"The opportunity for clients here is huge," Mr Francis said. "But we still have this eyeball mentality and this above-the-line mentality within the marketing management, but also within the agencies supporting that.

"The chance for some smart people to come along and steal market share is massive. And I can't understand why people aren't doing it."

Marketing clients having to report back to their chief executives should not feel threatened by the accountability of search, as it can help marketing heads look good.

First Rate chief operating officer Samuel Stadler said clients are often gobsmacked when asked how much they are prepared to pay per new customer.

"They say, that's a really good question. And we say, well, you're the marketing manager. They don't know what the budget per customer is. No one's done the numbers. Sometimes they pick it out of the air."

A focus on creative awards shows in the ad industry doesn't help the search cause.

"Not many awards are about results, it's usually about how good something looks," Mr Francis said. "But SEO results make the agency and the marketing manager look good. There's accountability there."

Mr Sceats is pleased to see search become the biggest area of online advertising.

"Love it or loathe it, ad agencies really can no longer ignore search. As a result, many ad agencies have either been trying to develop skills in-house to manage paid search campaigns – not as easy as it sounds – or have decided the better path is to partner with specialist agencies."

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