

SEARCH MARKETING FOR SMALL BUSINESSES

How to ensure your business stays visible in the new
online landscape

A landscape photograph showing a green field in the foreground, a fence line, and a single tree in the middle ground under a clear blue sky with a few clouds. The text is overlaid on the top half of the image.

Microsoft® adCenter



Setting up a website to represent your business is vital in promoting your products and services to both existing and potential customers.

But what happens next?

For many businesses in the UK, having a website means they are accessible to the UK's 38.5 million-strong online community.¹ However, research has shown that in today's competitive online environment, only having a website is not enough. Unless you are driving consumers to your website, it is like having a shop store hidden away down a side street.

Some 2.79 million² British small and medium sized businesses (SMBs) have a company website, but 62% do not promote them online. This means they are effectively spending an estimated £3 billion³ on websites which are not accessible or visible to consumers looking for products or services.

Microsoft adCenter, the online search platform which serves ads across Live Search, commissioned quantitative research⁴ of 400 UK SMBs to understand why so many are not making the most of marketing tools, like pay per click and search engine optimisation to drive consumers to their websites.

The research examines SMBs' experiences of setting up a marketing campaign; the reasons behind deciding to invest or not to invest in a campaign; its perceived value and what they expect to achieve.

Nigel Leggatt, adCenter Marketing Manager

Search marketing describes the marketing techniques available to promote your website to ensure it is visible when people are looking for your product or service on search engines.

The two main tools are:

1. Pay per click advertising (PPC)

Using key words to drive traffic to your site via sponsored listings. For example, a user searches on the term 'restaurant in Bristol', if this is one of the terms you have bid on, your ad will appear in their results.

2. Search Engine Optimisation (SEO)

Building/adapting your website to make it appear closer to the top of 'organic' or natural search listings.

This report examines the many misconceptions around these tools, in particular PPC, and explains how to make them work for your business, giving you good return on your advertising investment quickly and simply.

“Small businesses are increasing their online presence to drive sales and compete with larger companies. There is huge growth potential in this area for small firms but to succeed they have to go about it the right way.”

Peter Scargill, IT Chairman, Federation of Small Businesses

www.fsb.org.uk

1.Nelson NetRatings, Sept 2006 2.Office of National Statistics, Aug 2007 3.Based on statistic from Business Enterprise and Regulatory Reform data (August 2007): "There are an estimated 4.5 million business enterprises in the UK". (Microsoft Research shows that 62% of SMBs have an online presence. This totals 2.79 million businesses with an online presence. Of these businesses 62% are not conducting any search marketing which equals 1.73 million. The average cost of a website is £1,750 according to Ego Creative Ltd, www.ego-creative.com) This means the average amount wasted on websites is £3 billion. 4.Research conducted by independent research consultancy Vanson Bourne on 24th August 2007. Microsoft commissioned quantitative research of 400 UK SMBs and research was conducted via an online questionnaire.



Top level findings include:

SMBs are saving search marketing for a 'rainy day':

34% of SMBs are planning to use it 'in the future' whilst 20% have 'never got round to it'.

Many SMBs are resistant to trying out search marketing:

92% who aren't doing search marketing have not even tried to set up a campaign; even though 78% are aware of the web-based marketing tools available to them.

Of those who have tried to run a campaign but gave up:

44%

Thought it was too time consuming

33%

Thought it was too complicated

56%

Thought it was too expensive



Despite this resistance, SMBs know they should be doing more to promote their business online with over half (56%) claiming they would be willing to set up a search marketing campaign themselves.

"British SMBs need to start thinking like customers. They use search engines like Live Search or Google to find out about products and services, but don't promote their own businesses on them.

In today's online economy, just having a website is no longer enough – you have to ensure you have visibility in the market, by driving traffic to your site. Search marketing is one of the most cost effective ways to do this."

Nigel Leggatt, adCenter Marketing Manager



DISPELLING THE SEARCH MARKETING MYTHS

1 “I don’t have the time”

One of the biggest myths is that it takes a lot of time to get your campaign up and running. Time is a major asset for SMBs, and with over a third (34%) believing it will take them a day or more to set up a campaign, it is understandable why there is resistance to it.

In reality: the time taken from opening your account to your campaign going live can take as little as 15 minutes.

Over a third (34%) of UK small and medium sized businesses believe it will take them a day or more to set up a campaign.

2 “I won’t see good return on investment”

For a quarter of all SMBs cost is a major reason why they haven’t yet implemented an online campaign, with misconceptions that the best keywords are already ‘taken’ or inflated due to PPC’s popularity.

In reality: you can start to see results using keywords costing only 10-20 pence per click, or set a monthly budget of as little as £5.

A quarter of SMBs think that £50 would be a profitable average cost per lead.

3 “I don’t understand it”

Over a third (39%) of SMBs think that marketing their business on a search engine is too complicated to do themselves. Consequently, many believe they need to outsource to an agency to run it for them, which reinforces the time and cost misconceptions.

29% of those questioned thought that search marketing was not right for their business. However, when you understand that search is now the second most common online activity after email, you can see why it is a highly effective way to reach customers online.

In reality: your campaign can easily be managed from your desk and you can start to see immediate results from just a few simple keywords.

The overwhelming majority of SMBs (89%) think that setting up a campaign is more complicated than online banking.

THE LONG AND THE SHORT OF IT: SAVING MONEY ON KEYWORDS

Over half (56%) of SMBs who had given up running a search campaign said that the cost of key words was the reason they stopped.

When starting out, people often pick a ‘short tail’ keyword, for example, a local travel agent might want to use the keyword ‘travel’. This generic ‘catch-all’ keyword will be a very popular term and is likely to be bid on by major national advertisers.

However, ‘long tail’ keywords such as ‘adventure travel agent Newcastle’ will have less competition, will reduce keyword spend, and bring more relevant searchers to your website and increase your return on investment.



WHY EFFECTIVE SEARCH MARKETING IS CRITICAL FOR SMB SUCCESS

Understanding consumer behaviour in the new online landscape is key to running a successful pay per click (PPC) campaign.

People no longer pick up a telephone directory to find a local service; instead they use a search engine to find what they are looking for. With 2.79 million SMB websites in the UK alone, businesses need to punch above their weight to stand out from the competition.

There are three main reasons why search marketing can prove so effective for SMBs:

- It **saves time**
- It is easier to **control** a campaign day to day
- It will deliver **good return on investment**.

1. TIME-SAVING

Launching a campaign can take just 15 minutes. For example, Microsoft adCenter makes it possible in four quick and simple steps:

- **Open an account and create a campaign**
Fill in company details, name and organise your campaign.
- **Create a keyword list**
Select the keywords that best describe your product or service.
- **Write the advertising copy**
Use this to help entice potential customers to click on your ad.
- **Set your budget, place your bids and submit your campaign**
Decide your budget, bid on your keywords and submit your ad as soon as you're ready.

2. RETURN ON INVESTMENT (ROI)

Measuring the success of a campaign is invaluable to marketers. With search marketing a campaign can be measured whilst it is live and elements can be changed throughout the duration of the campaign to help improve ROI. With Microsoft adCenter you can track all your clicks and get immediate feedback on whether a campaign is giving a good return on investment.

Of SMBs questioned who already have a search campaign up and running, the overwhelming majority (76%) said it had increased their sales.

“Search marketing is ideal for smaller businesses. By controlling your campaign tightly, you’ll get a good ROI with relatively little time spent. Compare this to the time spent on direct mail for example, with long copy, images, print runs, delivery and telephone services to organise and staff, you can see why you get a much better return on your time and money spent through search.”

Nigel Leggatt, Microsoft adCenter Marketing Manager

3. CONTROLLABILITY

PPC gives instant access to the results of a campaign, enabling businesses to monitor clicks and conversions at the click of a mouse. Microsoft adCenter delivers this information in the following ways:

Number of Clicks

How many potential customers to a website have come via a PPC ad.

Number of Sales

The number or volume of sales on a website that can be tracked back to an ad.

Click through Rate (CTR)

Number of users who click on an ad divided by the number of times the ad appeared when someone searched for a keyword.

Conversion Rate

Number of sales divided by the number of clicks on the ad, measuring the conversion rate from potential to buy, to buying customers.



Peter Barnsley, IT Manager, Attraction World

Launched in April 2006...

SMB Attraction World Ltd is an official booking agent for tourist attractions, shows, sightseeing tours and experiences across the world. Attraction World's consumer business is growing rapidly via its FloridaTix and AttractionTix brands.

Business Objectives:

- Drive bookings / sales for attractions
- Raise awareness of Attraction World's key brands
- Drive traffic to brands' website
- Target women aged 25 – 45 years

Why PPC?

“Businesses of any size cannot afford to ignore PPC. It has a snowball effect: every time we put money into it we make a profit”

Peter Barnsley, IT Manager, Attraction World

Keywords

As brand awareness grew, the company wanted to only focus on keywords which gave them the best ROI. Using adCenter's unique keyword research tool, the team could analyse how certain keywords were performing and change when necessary to maximise the efficiency of their chosen keywords.

Demographic targeting

Attraction World also used adCenter's audience profiling tool to combine existing customer knowledge with typical searcher profiles from the MSN and Windows Live network. This meant that they could learn where traffic was coming from and focus on the people most likely to purchase their products or services.

“Our target market is women aged 25–45, and adCenter was the only paid-search platform that provided a profiling tool to help increase our keyword bid of searchers of that demographic. Straight away we were seeing boosts in traffic and conversion rates.”

Peter Barnsley, IT Manager, Attraction World



Results

Increasing awareness of product and company

With its most recent campaign on adCenter, the company started making sales within 48 hours.

Increasing sales

Before using PPC 95% of business came via travel agents and just 5% in direct sales. After the introduction of pay per click campaigns, this rose to 30-40% of business in direct sales.

“Whereas before the majority of our business came via a third party, PPC has helped us build the business from direct sales. We've also been able to increase ROI with adCenter as the cost per sale is about a third of that from our Google campaigns.”

Peter Barnsley, IT Manager, Attraction World

www.attractionworld.com

James Fairbairn and Gary Kirk,
Co-Founding Directors, Rating Room

Launched in April 2004...

Rating Room is an Edinburgh-based SMB providing a "Local Search" service running several online business directories. Through a partnership with Thomson Directory, Rating Room helps customers find local service-based companies.

Any investment the business makes is from the personal funds of the company's two Directors so they keep a close eye on ROI.

Business Objectives:

- Drive traffic to Rating Room's website
- Increase awareness of new directories
- Collect data on search behaviour
- Target people between 25-50 years at lunchtime and late-afternoon

Why PPC?

"Pay-per-click is the best type of market research we've ever undertaken; it's possible for any size business to earn a profit whilst learning more about their customers."

Gary Kirk, Managing Director & Co-Founder, Rating Room

Setting a budget

Rating Room had a strict budget for their campaign. Using adCenter, they were able to set a maximum price for a highly relevant visitor, in addition to setting an overall budget.

'Day-part' advertising

From previous research, Rating Room knew that potential customers were most likely to use its directory during lunchtime and late-afternoon so used 'day-part' PPC to capture people at this time and amended their keyword bids according to the time of day.

Results

Return on Investment

The return on investment from adCenter was remarkably swift; it was positive on the day that the adverts started showing and has remained so ever since.

Increasing traffic, revenue and opportunities

Through PPC Rating Room has collected enough data, and built enough resources, to develop the next stage of their business.

"Without PPC, Rating Room, which is still an SMB, would not have been able to tie down a partnership with big publishers like Thomson Directories. PPC is a great way for even the smallest of businesses to punch above their weight in the online market."

Gary Kirk, Managing Director & Co-Founder, Rating Room

Rating Room set out with modest goals from PPC, knowing that knowledge gained from advertising could be fed back into improving response rates and ROI. The growth in consumer search engine use means that Rating Room now have much grander ambitions and expect to attract over 1,000,000 visitors via PPC over the next 12 months.

www.ratingroom.co.uk



Microsoft adCenter allows you to run campaigns on Live Search, Microsoft's search engine.

- **Microsoft adCenter helps you reach the right audience at the right time.** You can specify when you want to advertise, target consumers by age, gender, location and time of day. So you can choose to advertise to adults rather than teenagers; advertise your service during lunch time only; or target potential customers searching in your area.
- **Microsoft adCenter helps you understand the people behind the clicks.** By knowing more about your potential customers, you can eliminate the timewasters and focus on the people you wish to talk to, to get a better return on your advertising budget. With adCenter, you can use MSN's detailed customer information to target your customers more accurately, fine-tuning your campaign as you go along.
- **Microsoft adCenter gives you hands-on support** adCenter has excellent customer support with a dedicated team to help get you started, solve problems and answer questions – all free of charge.

1. **Keep your ad copy short and descriptive, while avoiding empty promises. Every word counts! Using an evocative URL is a good way of making the most of the little space you have.**
2. **Investigate what your competition is doing online (try a few searches).**
3. **Choose the right keywords – the Microsoft adCenter Keyword Generator (which finds similar keywords to the one you enter) and the Keyword Research Tool (which reveals the typical profile of the people searching on your keyword) will help.**
4. **Make your keywords relevant – speak the same language as your customers. They will type in brand names when looking for products, like 'Hoover' when they mean 'vacuum' or 'Kleenex' when they mean 'tissue'. They could misspell words, use abbreviations or try unexpected variations on the actual names of what you're selling. Try to cover them all off!**
5. **Keep your keywords updated – raise your bidding on some keywords with a low position and delete poorly performing keywords or ads.**
6. **Estimate the cost of recruiting a new customer (or the cost of losing an existing one) then set aside a fixed keyword budget and timeframe to assess results.**
7. **Think about the seasonality of your business or the time of day/week when potential customers will be looking for your business.**
8. **Think about the best time of day, day of the week and location to advertise in.**
9. **Know your target audience – choose to up-weight your bids for certain genders, ages and places – for example, spending more on searches conducted by men over 25 during, say, lunch breaks in Birmingham.**
10. **Add local keywords to the phrases you bid on – for example 'florist Newcastle'.**



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