

# Selling Display to Search Clients



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A Search Marketing Now E-Book

  
SEARCH MARKETING NOW

# Introduction

The evolution of ad technology in combination with the opportunities that exist in Display Advertising has come a long way over the last few years. The outdated image that many marketers still hold, based on an outdated industry model that is no longer relevant, is finally giving way to the realities of the power of Display Advertising.

Search marketers are, by nature, quantitative thinkers. Their world consists of spreadsheets, tiny details and a lot of testing. They are held to rigorous goals, with every click and conversion tracked to the last cent. There is little that is ambiguous in the search world.

Conversely, display media planners have traditionally been qualitative, involving broader concepts. Post-impression is king in this world, something that has never sat well with search marketers.

However, because of its impact on search and consumer engagement, search agencies are starting to include Display Advertising as an offering to their clients.

This e-book will examine the convergence of display and search and how search agencies can leverage both channels to maximize conversions for their clients.

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## How Display is Changing Search

Search and Display can easily be classified as two separate industries, yet the crossover and interactions between them are substantial. While Display has often been discarded by Search marketers for its lack of transparency and low conversion rates, improvements in the medium have offered insight into the measureable impact on search behavior.

### *Display is growing and so is its impact on Search*

Search ad revenues are currently the driving force behind the big search engines, namely Google and Microsoft's Bing. However, the rise of Display Advertising and the threat of new competitors in the Display arena, such as Facebook, are causing the search engines to scramble for a way to snag a bigger display share.

According to eMarketer, Display spending is on pace to triple by 2016 while Search spending will double. At the same time that Yahoo is seeing a big shift in revenue and Facebook builds its advertiser base, Google is positioning itself through new products and acquisitions into a more dominant role in the Display Advertising business.

While Google and Microsoft lead the industry in search ad revenues, they trail Facebook and Yahoo in display ad revenues. According eMarketer, Google should have a commanding 77% of the Search ad revenues in 2012, but only realize 12.3% of the Display revenue in the same year.

According to eMarketer, Facebook made \$1.73 billion in display revenue in 2011, slightly ahead of Google's \$1.71 billion. On a percentage basis, those two figures represent 14% and 13.8%, respectively, of overall Display ad revenues.

eMarketer expects Facebook to expand its lead slightly in 2012, but pegs Google to overtake Facebook as the Display ad leader in 2013. Google's projected share of overall Display revenues is 19.8% in 2013 and 21.7% in 2014.

### *Improved Display metrics and technology*

Advertisers navigating the marketplace have the challenge of choosing where to spend their money. Just a few years ago, advertisers would typically need to work with multiple networks and/or publishers to attain the scale and targeting options they desired. With the availability of new targeting options with Display advertising, advertisers now have the option to move or increase budgets in that direction.

Updated tracking technology drops a cookie on an individual's system from a partner site, and then dynamically monitors the type of keywords searched for on search engines. If a targeted keyword is searched for, that individual will see the advertiser's Display ads. With actual search data to work with, Display Advertising now produces a richer and more relevant experience for both the end consumer and the advertiser.

The advent of real-time bidding (RTB) allows advertisers to bid on only the impressions that perform, lifting the effectiveness of campaigns. RTB is changing the way Display ads are purchased. The days of buying banner placements in blocks of thousands or millions of impressions are numbered. Today marketers are increasingly bidding on individual banner placements in real time.

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The effects of RTB extend beyond bringing new capabilities and performance to display. RTB is also playing a major role in driving the overall growth of the display channel. Many of the skills required to succeed in RTB Display are the same as those required for success in search marketing.

Search agencies are constantly analyzing large amounts of data because it helps them make important optimization decisions that will affect campaign performance and improve ROI. This is exactly the case with real-time bidding display advertising today. While automated optimization algorithms can do much of the optimization, a data-centric approach and analytical thinking are very beneficial in determining starting points and setting campaign strategy.

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## Benefits of Display + Search

With more and more brands and advertisers catching on to the convergence of Display and Search, agencies can no longer afford to ignore the importance of incorporating robust Display campaigns in conjunction with established paid search efforts.

A look at the distribution of the average user's time spent online offers the simplest yet most powerful reason for search agencies to adopt a display offering. Users spend 96% of their time on content-related sites compared to just 4% on search engines, according to the Online Publishers' Association and Nielsen.

Armed with these types of statistics, agencies can work with clients to sell the benefits of Display to their Search clients.

### *Display and search perform better together than alone*

When it comes to capturing demand, Search outperforms every other online marketing channel. But one thing Search cannot do is generate demand. Given that, agencies need to first build awareness with content and Display campaigns.

New product launches provide an ideal entry point for Search agencies to introduce Display Advertising to existing clientele. Another entry point involves advertising for expensive keywords. Since these keywords are often associated with multiple, established brands, Display Advertising targeted at users who have searched those keywords offers more affordable opportunities for small-to-medium-sized businesses with smaller budgets.

Introducing Display Advertising to an existing Search marketing campaign will generally provide volume that was previously lacking.

Today's keyword decisions are happening at the speed of real-time bidding, and at the massive scale of Display Advertising. The benefit of planning Search and Display together comes from being present during an extended research phase and by keeping individuals on a client's site and away from a competitor's. When combined, this duo knows how to drive performance.

For agencies, the message for clients clear: the synergy between these two advertising vehicles will not only increase the volume but, as the next section details, it can also lower the cost per acquisition.

## *Display + search = lower cost per acquisition*

While both search engine marketing and Display Advertising are extremely important and efficient forms of online advertising in their own right, the combination of Display Advertising and paid search can indeed reduce a client's cost-per-acquisition (CPA).

Generic, high-volume keywords historically have a two digit cost-per-click (CPC) or higher. Meanwhile, the search the consumer most often conducts after seeing a Display ad is for a brand term. The cost for a banner impression is just fractions of a penny, and the cost of a click on a branded term is typically no more than \$.25.

By adding Display to Search campaigns, new paths are created for consumers to navigate. Since these paths are typically less expensive than search-only paths, this allows for CPAs to decrease and searches for brand terms to increase.

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The more waste trimmed from spend, the higher the return-on-investment (ROI) will go. Since Search marketing is keyword-centric, search agencies have considerable experience with keyword lists, knowing how to bid, report, and optimize on individual keywords. These are exactly the skills needed for combining Display and Search.

## Offering Solutions

Understanding the convergence of Display and Search is not enough to sell clients, who remain wary of change in a tough economy. Concrete solutions must be put forth to leverage the opportunities offered by combining Display and Search strategies.

The following section explains strategies that will help agencies bring Display to their Search clients.

### *Retargeting*

While search engines offer consumers immediate results to their queries, some conversations require more detail or time to resonate with consumers. Retargeting allows clients to leverage the two largest segments of online advertising together to work as one. Two forms of retargeting exist for advertisers today: site retargeting and search retargeting.

Site retargeting displays banner ads to consumers who have previously visited a client's website. This gives the client an opportunity to re-market to any of these visitors, with a display advertisement urging the customer to come back for more.

Search retargeting offers a broader opportunity to target, with display ads, only those individuals who have actually searched for the terms that were relevant to the client. It gives brands another shot to create awareness with those customers who initially searched on their targeted terms. This is a key factor because paid search campaigns typically only yield a 3-5% click-through rate. However, search retargeting gives marketers a second chance to reach that other 95-97%.

Search retargeting offers search marketers numerous benefits, including reach, control, and transparency. And for many terms and verticals, search retargeting also provides the benefit of considerable cost savings. This is good news for many search marketers who are frustrated by high CPC prices and low inventory for the most effective terms.

In general, marketers will derive the biggest cost-savings from verticals with the highest search CPC costs. Agencies should be mindful that their potential for cost savings with search retargeting will vary by vertical category and can be driven by the click-through-rate of the creative.

Search retargeting may also boost organic search efforts. Each click delivered from search retargeting provides clients with considerable brand awareness as hundreds to thousands of banners are displayed to users who have recently searched targeted keywords.

Like any good search marketing program, structure for search retargeting is critical to getting the best results. The goal is to create manageable sets of relevant keywords which facilitate budget decisions, optimization strategies, and measurement. Where some keywords might be on an evergreen strategy, others might be seasonal or receive only occasional funding.

**Managing search retargeting campaigns can be complex. Typically, a campaign will need to be optimized manually once a day, but then “machine learning” must be used to balance the multitude of options available.**

Timing is key when it comes to effective retargeting. Recency informs marketers about the optimum moment to reach a consumer. A consumer who interacted with a brand two days ago is more engaged and has a better recency score than someone who did the same a year ago.

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Thankfully, search marketing platforms, such as Acquisio, have expanded to include display and retargeting measurement and management. Reporting, real-time bidding, tracking and ad server are all included to assist agencies in managing display campaigns in a manner they are accustomed to.

## **Branding**

The most common type of search by a user after being exposed to a display ad is a branded search. A brand search is a search for a company name, a misspelling of a company name, or a typo of a company name that leads a consumer to click on a sponsored listing. Even when brands don't enjoy trademark protection, they are still likely to pay a very low CPC when compared to their non-branded PPC ads.

While traditional branding campaigns cost real dollars and a sustained period of time, combining Display and Search can be used to create a short awareness program for a fraction of the cost. Display planners have long used the 'takeover,' the idea that a single website can be owned for a day, giving the campaign a big hit in one go. These are costly, though, and may contain a significant amount of wastage.



By selecting a core set of terms, agencies can instead build an ‘intent takeover,’ creating a heavy presence in front of all those people who are actively in the market for a client’s product or service. Brands can benefit from an effect similar to the page or site takeover, but for a fraction of the cost.

With keyword-level reporting, a client can test many approaches at a low cost by building out large keyword lists to see how the audience responds. This data can then be fed back into SEO and SEM strategies.

Audiences can be targeted at the top of the purchase funnel, allowing instantaneous build segments based on user intent. Brand marketers can continuously fine-tune their segments during a campaign, offering insights into which creative sets perform best.

Once Content and Display campaigns are implemented, their initiatives will continue to serve a purpose for the overall online campaign but their importance will change. As Display and Content campaigns mature, Search campaigns will gain traction. When that happens, search efforts should be scaled to capture the new demand. In order to do so, budgets may need to be adjusted, albeit slowly.

While most online marketers agree that search is the gold standard for online advertising, brand advertising dollars are best spent displaying banners to users who have actively searched on terms relating to the client’s products.

## Summary and Conclusion

Display is changing the value of Search and its growth will outpace search growth as print dollars move online and targeting improves.

Display offers more available inventory and less advertiser competition, and it can help to lower CPC prices and boost ROI. This will drive Search agencies to find ways to scale their SEM campaigns and push clients to adopt strategies for targeted awareness.

Search retargeting offers brand marketers an opportunity to capitalize on their existing keyword lists and apply them to display. Doing so will enable them to create awareness with audiences in a very precise, highly effective, and efficient way. By leveraging recency with search retargeting, agencies have a better shot at hitting their window of opportunity and boosting campaign performance for their clients.

Lack of transparency was one of the biggest frustrations marketers had with display in the past. Now, thanks to the evolution of the display ecosystem, advertisers can now see exactly how many impressions have served on which sites, and the cost/effectiveness of each site. The combination of transformative technology and channel growth is creating an opportunity for search agencies to master this new era of display advertising.

Agencies looking to sell Display to their Search clients can point to the following benefits, as outlined in this report.

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At the end of the day, it comes down to providing qualified, professional services and also improving campaign performance. Agencies that offer Display to their Search clients can point to the synergies of combining Display with Search:

- greater volume
- reduced Cost Per Acquisition
- more targeted, less costly branding opportunities

Search agencies are well-equipped to manage both Search and Display, as today's advertising technologies such as RTB call for a more data-centric approach and analytical thinking than display advertising of years past.

By highlighting not only the benefits of using both Search and Display, but also the strengths that come from an agency's Search experience, agencies will find their Search clients more receptive to adding Display to the mix. ■





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6300 Auteuil, suite 300  
 Brossard, Québec  
 Canada  
 J4Z  
 toll-free: +1.866.493.9070  
 direct: +1.450.465.2631  
 fax: +1.450.465.2841

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