

SEARCH ENGINE MARKETING (SEM) MINI-REPORT

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SEM

SEARCH ENGINE MARKETING

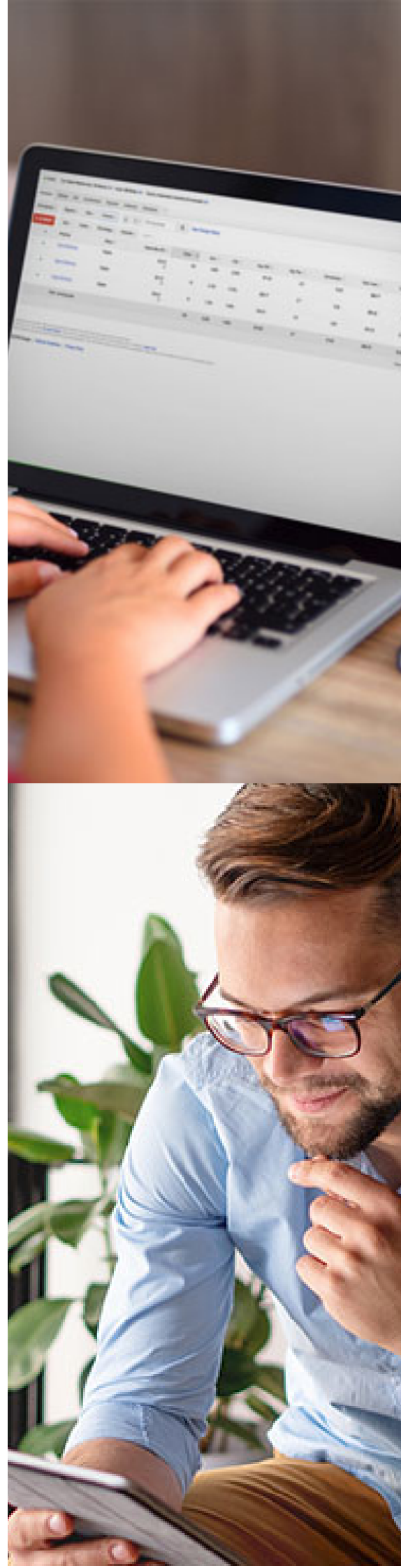


TABLE OF CONTENTS

- | | | | |
|----------|--|----------|--|
| 3 | EXECUTIVE SUMMARY
Aim of the report and its key findings. | 4 | CONCEPT EXPLANATION
Explanation of SEM along with relevant examples. |
| 5 | ADVANTAGES
Advantages for utilising SEM for business along with relevant examples. | 6 | DISADVANTAGES
Disadvantages for utilising SEM for business along with relevant examples. |
| 7 | REFERENCE LIST
List of references utilised. | | |

EXECUTIVE SUMMARY

The aim of this mini-report is to understand and explain the concept of 'Search Engine Marketing' (SEM), as well as highlighting its significant advantages and disadvantages. Through research conducted, the process is found to be a major factor of a successful digital marketing campaign as it is so widely utilised among individuals, businesses and marketers due to growing demand from consumers online. The process utilises key word searches to display advertisements in prominent view of consumers. SEM is shown to portray many positive aspects including; detailed analytics, paying per click, segmenting the audience, being available to all budgets and high-speed integration. On the contrary, findings shown downsides of SEM being; significant long-term financial costs, highly competitive nature, restriction of advertisement by other programs and time consuming.



CONCEPT EXPLANATION

Search engine marketing (SEM) is a tool that is widely utilised among businesses in order to meet marketing needs and objectives. In short, SEM is the practice of businesses paying for advertisements to be at the top of a search query, above other results, based on the key words used in the initial search by an individual (WordStream 2021). In regards to how this process is successful differs from platform to platform (mainly search engines such as google in 'Figure 1'). Two major providers of SEM are 'Google Ads' and 'Bing Ads' (Optimizely 2022). As the demand for online shopping and purchases continues to rise, the use of SEM by business is set to grow exponentially as well.

SEM can be utilised by any individual or business with a need to promote an advertisement. Marketers are the main user of the process as it is an essential aspect of a successful digital marketing campaign, depending on initial objectives for a campaign.

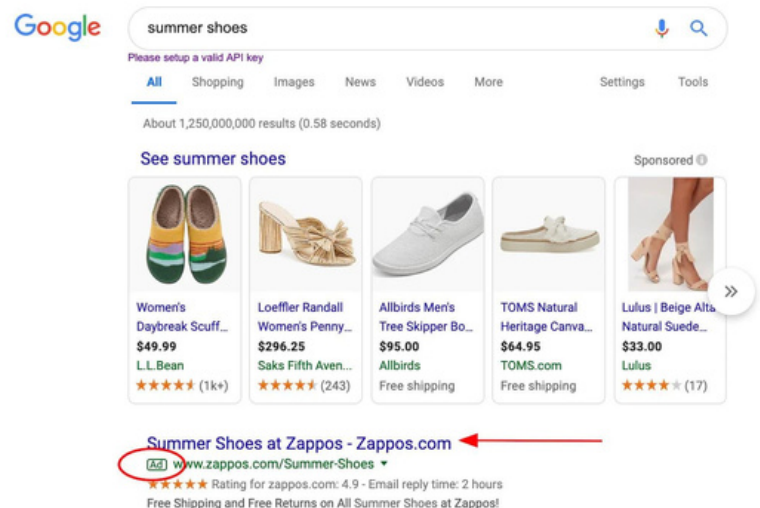


Figure 1: Example of SEM in which key words a searched for, displaying the related product for sale.

Although search engines may have different algorithms regarding SEM, most follow a certain process. When conducting a search on these platforms, the relevance of the results are based on the key words typed, location and a range of other information if access is permitted (Cyberclick 2021). Advertisements are then shown in the most prominent areas of the site (WordStream 2021), as shown in 'Figure 1'. In order to configure an advertisement, the process involves selecting keywords related to the advertisement, selecting as geographical location, create the advertisement (whether text-based or visual) and then set a price for whole much they are willing to pay per click.

ADVANTAGES

There are various advantages to the use of SEM in a digital marketing campaign. These major advantages can be credited to the process' popularity. Many of these positives include:

- Detailed analytics:

There is access to many tools, depending on which platform is used, in order to view various analytics in detail regarding the SEM advertisement (Cyberclick 2021).

- Paying per click:

Paying per click essentially means paying the platform, only when a consumer has interacted with the advertisement (e.g. clicking a link) (Radd Interactive 2022).

- Segmenting the audience:

It is possible to segment search results of users by the factors of keywords, location and language etc. (Jacobs, B 2021).

- Available to all budgets:

Due to the 'Pay Per Click' system, the bidding of keywords by marketers can be any amount, not limited over a certain amount.

- High-speed integration:

The input of these digital advertisements can be integrated in real-time, as soon as it is launched by the user creating it. Furthermore, results regarding analytics are also accessible in real-time (Cyberclick 2021).

- Increases brand awareness

Overall, exposure of the brand regarding the advertisement increases brand awareness to the intended target audience while also increasing online traffic to the brand (e.g. website) (Jacobs, B 2021).

Ultimately, there are various advantages as to why SEM is essential, and widely utilised, to almost all digital marketing campaigns.

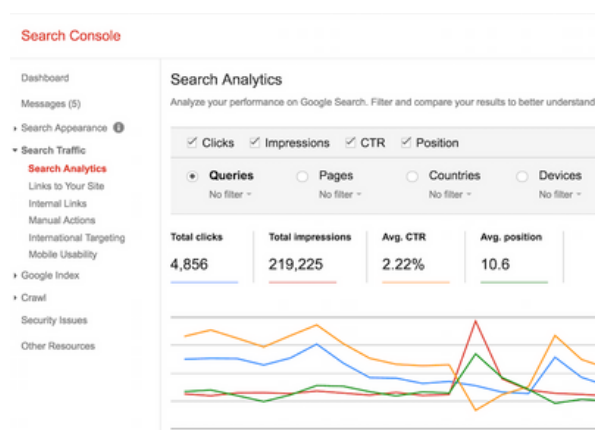


Figure 2: Example of analytics in regard to SEM advertisements.

DISADVANTAGES

Although the utilisation of SEM can provide great success in a digital marketing campaign, there are some strong disadvantages to its use as a tool. Even though some of these negatives can be mitigated, it is still necessary to understand how limitations to digital advertising, through this tool, can arise.

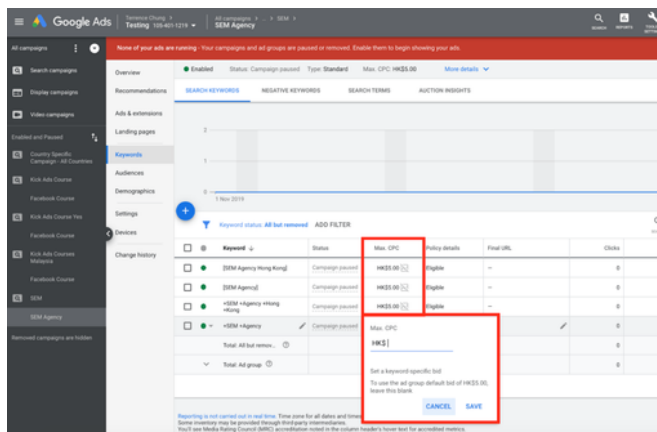


Figure 3: Example of keyword bidding being a high price in Google Ads.

Various major disadvantages include:

- Significant long-term financial costs:

Although paying per click can be an advantage, in the long run, you will continue to have to pay for every single visit to the advertisement at the established rate. If you discontinue to pay per click, your advertisement will not be displayed (Praneeth 2022).

- Highly competitive nature:

As the SEM tool is implemented by a wide range of businesses, keywords can cause similar advertisements to begin a bidding war on these keywords, which can rise to a high amount (Praneeth 2022). Depending on the budget of a business, SEM can become out of reach for some, depending on the popularity of key words. This is shown in 'Figure 3'.

- Restriction of advertisement by other programs:

The ever-growing use of third-party software, namely various 'ad-blockers', can cause the limitation of how successful digital marketing advertisements can be (Cyberclick 2021). This software blocks and removes digital advertisements from the screens of users, including SEM tactics.

- Time consuming:

Establishing advertisements on SEM can be a time-consuming process. The testing of certain keywords and their success rate can be timely. Additionally, bidding on these keywords and acting on data from analytics is known to be especially time consuming (Praneeth 2022).



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