

Making Search Metrics Work for the Long Term



AN INTERVIEW WITH:

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Joshua Palau, who considers himself “a man of many words, working in an industry that thrives on few,” has 15 years of experience at companies such as Hearst Magazines, About.com and Johnson & Johnson. As vice president of search engine marketing at digital agency Razorfish, which is owned by Publicis Groupe, Palau is responsible for search engine marketing strategy, product development and operations. He also serves as the editor of the [Razorfish SearchShots blog](#) and has authored several Razorfish POV white papers. Palau recently spoke with eMarketer’s Lauren Fisher to share his thoughts on paid search best practices.

eMarketer: How do you help clients to establish campaign objectives and goals for their paid search marketing programs?

Joshua Palau: Most everyone is doing paid search marketing now, so our process usually begins with an assessment of campaign performance to establish historical search conversion and search revenue trends.

We look at key performance indicators (KPIs) such as time spent on site, percentage of traffic coming from paid search and organic search, and percentage of conversions that start in paid or organic—this sets the future campaign goals.

We also go deeper by looking into other marketing programs the client is running to understand what’s going on in market and how that’s going to impact search.

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We want to know when a client is launching television ads or getting approval on a new product because we know search is going to spike. If a client is doing TV advertising, we want to know the messaging, flight dates and target consumer info so we can tie it all back in to a search campaign. We talk with our clients about making sure that everything they do, be it offline or online, has a search component.

eMarketer: Are there any constant KPIs you rely on for measuring the effectiveness of your paid search efforts?

Palau: It's funny, we often have a conversation with clients about things we care about and things we don't. So, it's a sort of sarcastic reply when I say, "Look, we don't necessarily care about ranking and cost-per-clicks and clicks." What we do care about are things like ownership of category or visits by target demographic. What I mean is, standard metrics are important, but they usually aren't enough to properly measure success.

eMarketer: Can you give me an example of a how marketers can look beyond a standard metric to better measure campaign success?

Palau: Sure. For a travel client, we could measure people who opted in to the reward program and not just those who made a site purchase. If you were to look at performance strictly on a per-sale basis, sometimes [reward program opt-ins] don't seem that valuable.

Over time, you might find that people who were in the rewards program spend more money long term. They might have initially booked a \$100 hotel room, but then they joined the preferred guest program and traveled 24 times over the course of the remaining year.

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All of the sudden, that's a more valuable user than just that one-time visitor who spent \$100. We want to optimize against the truly valuable visitors and not just those who seem valuable based on their first purchase.

eMarketer: Is there a typical campaign optimization process you follow?

Palau: Yes, we have a testing matrix. Across the top, we lay out all the ad groups. Down the sides, we list things that would impact performance on those ad groups—for example, changing copy, CPCs, landing pages or putting brand name in the copy.

We use the spreadsheet to figure out which changes we need to make and often look for changes that would fit the majority of the situations. For example,

we might find A/B testing would fit for five of the six initiatives. So, we'd do A/B testing, analyze the results and then move on to the next piece.

Sometimes, we test multiple things, but you have to be careful with testing too many things at once, or you can't tell which had the most impact.

Frankly, we also factor in what we've done that has worked in the past—if we know copy testing works well, we may start there.

eMarketer: Let's go back to focusing on measurement for a minute. Can you share with me what makes measurement a success?

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Palau: I think the measuring piece really can't be underscored enough. When we talk about measurement, we like to talk about measuring all of the experiences, even if they're not 100% trackable.

For example, if you're a retailer and part of your search traffic is going to the “store locator” function of your website, you have to assume a percentage of that activity is attributed to people wanting to buy in store. So, you should always find a way to measure that experience, be it through a coupon or a registration code, so you can identify that in-store purchaser as someone who originated in search. You can then assign value to that person and optimize accordingly.

Oftentimes, marketers optimize based on the 2% of site traffic that comes to the site and converts, and we don't account for any offsite conversions. By looking at things like store visits, coupon downloads and mobile activity, we can get a clearer picture of what users are doing and use that information to optimize accordingly.

eMarketer: Can you give me an example of a how a marketer can tie its offline activity back to the search campaign?

Palau: Sure. If I were to find a lot of people coming to my site and downloading a coupon or pulling up a coupon code with their phone, I'd make sure to go to my retail stores and work with them to show them how to redeem the coupon and what to do if the coupon doesn't work, like typing in a manual code that still gives the customer the discount.

If you're not measuring these experiences you never even think to discuss the coupon process with retail stores, which can lead to a frustrating customer experience if a user downloads a coupon and goes to the store and isn't able to use it. The user gets frustrated, and maybe they don't buy the product. Maybe they leave. Maybe they bash you on Twitter. In the end, it doesn't lend itself to a good customer experience.

The more you can push to measure and value all of the experiences that happen, the better your brand will be, and the better you'll be able to serve your customers. And, if you start to do these things, you start to work better

with your sales force and your retail stores.

eMarketer: What's one final piece of wisdom you'd like to offer paid search marketers?

Palau: Above all, it's important to understand that search doesn't always convert on a search page.

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Search can start completely online but then move offline. Search can start on a phone but move to a desktop. Search can start on a Monday and not convert for another 60 days, but if you're only tracking 30-day conversion windows, well then, you lose that person, and the credit doesn't necessarily go to search.

So, being more flexible about what you want to try and track is really important for marketers. The beauty of search is you can change it so much on the fly. It's not broadcast, it's not display. So, we always say to people to go out there with fully funded budgets and fully funded ad groups so that you can employ a real strong test-and-learn strategy.