

If you Google Macy's, Oreo cookies, Amazon.com, or Toyota, in less than a second your search will return millions of results. The first organic or free search result will usually be a link to each brand's website. But above it, in a pastel box, you'll often see the same link. The difference between the two listings? As most consumers know, the one in the box is an advertisement. Essentially, the company's marketers have followed the well-known search marketing practice of *buy your brand, lest others beat you to it*. (The implicit warning is that not buying your brand name means you're gambling on a good showing in the organic search engine results.) At the University of Missouri–St. Louis, we used to follow this rule too. Until we discovered that it was a waste of our time, effort, and money.

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By RON GOSSEN and JON HINDERLITER

Bursting THE BRANDED SEARCH Bubble

University marketers discover that search engine marketing has its limits

Data from several UMSL campaigns that used branded search advertising (i.e., the purchase of search keywords preceded by an organization's brand name, *UMSL summer school*, for example) convinced us to stop investing in this segment of search engine marketing. Still, the decision made us nervous. Many recognizable brands, colleges and universities among them, actively engage in the practice. Who were we to contradict the conventional wisdom of a multibillion-dollar industry?

ARE CLICKS WORTH THE COST?

We market many things at UMSL, but two of our most important efforts are the enrollment marketing campaigns for our summer sessions and UMSL Day open houses, which occur in the spring and fall. In both cases, attendance is our goal, but registrations are our deliverables. We use Google Analytics to track web traffic for the open houses at our UMSL Day microsite (www.umslday.com) through to conversion, which in this case means registering to attend. The same goes

for summer school (www.umsl.edu/summer), except applications are the conversion we measure here.

In late 2010 we viewed branded search ads as just another marketing channel and considered paid search, also known as search engine marketing, a strategy that complements traditional media advertising. Accordingly, we made room for paid search in our marketing budget by reducing the amount we spent on traditional media.

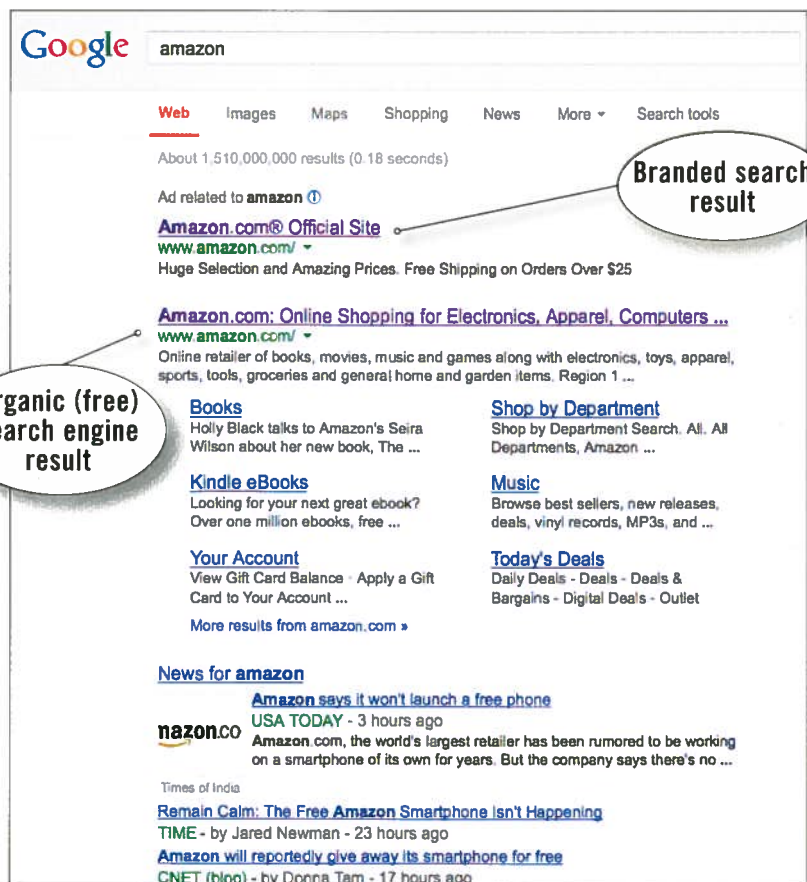
Ahead of the spring UMSL Day in March 2011, we designed a segmented and targeted multimedia campaign using outdoor, radio, print, and online video advertising. When we began implementing it in late January 2011, it was the first time we added paid search to our campaign marketing mix. All these channels pointed people to the UMSL Day microsite, where our initial results seemed amazing. Hits from our paid search ads, which used the branded keywords *UMSL Day*, accounted for 75 percent of registrations. We started to think it was time to call the caterer and order more food; we were going to have a crowd.

Fortunately, for credibility's sake, we believe in restrained optimism and took a wait-and-see approach. The spring 2011 UMSL Day reached its attendance capacity several days before the event, but the percentage of attendees rose only 2 percent from the previous fall.

We kept these results in mind as we began a similar multichannel marketing campaign for the 2011 summer session, which had a comparable outcome. Paid search hits for the branded keywords *UMSL summer school* indicated enrollment could increase 10 percent. We thought it might be time to call the deans and add class sections, but thankfully, we waited. Summer session enrollment did rise, but not by the numbers our paid search hits had projected.

The campaigns, as measured by registrations and enrollment, were successful, but the analytics were confusing. In both cases, we had a high conversion percentage coming directly from paid search. We knew the reach, frequency, and circulation numbers for our traditional media advertising were strong and that the campaign's creative component was excellent. But as we increased our advertising on traditional media channels, traffic going directly to our microsites increased only slightly. At the same time, however, microsite hits coming from our paid search ads skyrocketed—and so did our costs.

DOUBLE TROUBLE: A March 2013 study by eBay found that branded keyword advertising for recognizable brands such as Amazon.com is ineffective (and potentially very expensive) because Amazon.com's website will generally be the top organic, or free, search engine result.



Each time someone clicked on our ads, we had to pay a certain amount. Paid search success can be a double-edged sword. More clicks can lead to more conversions but also produce a budget-busting bill. (We've exceeded our UMSL Day paid search budget by as much as \$2,000 in the closing days of a campaign.) Keyword prices can range anywhere from a few cents to \$50 or more, depending on the terms selected and the placement of your ad relative to any keyword competitors. For example, the terms *UMSL*

Google *UMSL Day* or *UMSL summer school*. And if the top result is a paid ad, why not click on it? People chose the advertisement's link because it was there. We had created a registration utility, not a new marketing channel. What was efficient for prospects was a costly practice for us.

We tested these results in successive UMSL Day and summer session campaigns and achieved the same outcome. For UMSL, a brand with near universal name recognition in our market, branded search

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Day or *UMSL summer school* cost us less than \$5 per click and around \$20 per conversion.

We could see a pattern, but we couldn't explain it. We experimented with paid search ad frequency, campaign duration, and daily budget for the fall UMSL Day in November 2011 and the spring UMSL Day in March 2012. These campaigns clarified the reasons for the increase in hits from paid search. When we added to our traditional media advertising, such as increasing a radio ad buy, our paid search hits spiked—and so did our pay-per-click bill. When we reduced our ad frequency on traditional media, we received fewer hits from paid search and organic search. When we cut back on paid search, we earned fewer paid search hits but gained more organic hits. For the same budget, we saw a small drop in the number of registrations, but the percentage of attendees increased 10 percent. We had discovered a correlation and uncovered an incredible flaw in branded search. But what was the root cause?

WHAT BRANDS CAN LEARN FROM EBAY

Ultimately, the answer came to us when Ron Gossen presented the campaign outcomes as a case study to the graduate-level marketing class he taught in spring 2012. We realized we weren't finding new prospects; we were simply providing an easy—and expensive—pathway to conversion for people who were already interested. There's no need to remember a website address from a radio ad or billboard when you can

was serving an informational purpose rather than a marketing function. Buying branded keywords was a waste of our marketing budget because we captured prospects already exposed to our advertising—people who would have found us through organic search.

Our data told us that branded search wasn't effective, but we couldn't find any research to support our conclusion. Then in March 2013, our empirical findings were supported by an eBay study, *Consumer Heterogeneity and Paid Search Effectiveness: A Large Scale Field Experiment*. eBay has more than 170 million keywords, so investing in a large research project (bit.ly/eBay-study) to test the efficacy of paid search advertising and the performance of branded versus non-branded keywords was in the online auction company's interest. After suspending its branded keyword advertising on Google in 65 large U.S. metropolitan market areas, eBay determined that branded keyword searches are of little use for well-known brands.

When eBay stopped running branded search ads, it didn't lose website hits, just hits from paid search. Consumers found the same link through organic search results. These findings told us that if we had eliminated branded search from our earlier campaigns, our microsites likely would have received roughly the same amount of traffic from organic search results since we hold the top ranking for the terms *UMSL Day* and *UMSL summer school*. People will find us—and it won't cost us any money. (This is why it pays to invest in search engine optimization.)

DON'T WRITE OFF PAID SEARCH ENTIRELY
While we agree with eBay's branded search findings, we have a different perspective on non-branded keywords. eBay's results in this area may have been statistically insignificant, but the non-branded segment of paid search advertising plays an important role in marketing UMSL's degree programs and campus tours. It's delivered a positive return on investment.

We use non-branded keywords, such as *nursing school* and *criminal justice degree*, to promote some of our highly ranked academic offerings that align with popular search engine categories. But we also use non-branded search to market highly competitive offerings like our MBA program. Expenses add up on this side too: Using *MBA* as a keyword can cost us as much as \$15 per click and \$300 for a conversion. But the marketplace for graduate business programs is particularly crowded, so we need to be where prospective students are looking.


The eBay study showed that consumers respond differently to branded and non-branded search advertising. These findings confirmed our experience as well. When people see a branded search ad, they generally choose the top result. But people tend to take a closer look at the content of non-branded search ads to find the right result. Therefore, describing your product or program in a way that distinguishes it from your competitors—known as a unique selling proposition—is essential.

On average, having UMSL's non-branded ads appear in the second ad position on the top of the search engine results page is an ideal placement. Our ad displays prominently enough to be easily noticed but we pay less per click than the competitor whose ad ranks above ours. We ensure we're reaching likely prospects by using geographic targeting to limit the appearance of our ads to Missouri and Illinois.

Our non-branded search ads have been successful

and cost-effective because we invest in creative and compelling advertising messages that differentiate our programs from the competition in ways that lead people to click on them. Ideally, this click will lead to a conversion.

Although we have seen positive results from our use of non-branded search, the eBay study reminded us to proceed with caution. Not every degree program has an effective unique selling proposition. Our challenge is to improve upon our conversion results by investing in strong advertising messages for those that do (and to ensure our search engine optimization is top-notch). Unlike eBay, UMSL doesn't manage millions of non-branded keywords, so we can afford to put in the time and effort to creatively differentiate and promote our programs through paid search advertising (especially now that we've eliminated branded search and shifted those resources to a more efficient and effective use of our marketing dollars).

As higher education marketing rapidly evolves, we will need to continually reassess our marketing mix. Some people may compare this to a never-ending game of Whac-A-Mole, but we prefer the example of Sisyphus and his rock. It's a bit more dignified. 

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From Creosote's beginning, we've rebelled against the business-as-usual approach to marketing and branding in education. We stand firmly at the crossroads of creative storytelling and technology—developing more effective branding strategies at a better price.

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Defy the conventions that no longer have relevance in our market.



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