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Search marketing: the latest battle in telco wars?

Search engine management and optimisation is shaping up to be the latest battlefield in the Australian telco market, according to search engine marketing specialist FirstClick Consulting.

And, warns MD Grace Chu, those telcos that under-invest in the field could quickly find themselves bleeding potential customers to a myriad competitors – all vying for a spot on the highly prized first page of search results.

According to Chu, all the major telcos are investing in paid search (the sponsored advertisements which appear in search results), but the real opportunity is in organic ('natural' or unsponsored) results. "Organic results haven't been well utilised yet... [but] research suggests that 60-70% of searches come through organic results," she told CommsDay. "If they use a strategy correctly, [telcos] will invest in paid search at first, and once they build up organic traffic over time, they can reduce their spend. Often, the organic ROI over twelve months can be higher than that of paid search."

However, Chu cautioned that ROI modelling must closely follow consumer behaviour to yield useful results for search engine marketing investment. "If a hundred people make a transaction online, another 2-300 people might hit the website – but still decide to go to the branch offline," she said. "When [telcos] do a ROI analysis, if they don't capture this potential revenue that [search engines] generate offline, they will miss the full picture." The other challenge, she added, was proper assessment of the wealth of metrics available via search engine marketing, often requiring an in-house 'champion' to spearhead analytical efforts.

And while longer ROI turnaround made organic search spend a difficult sell amidst troubled economic times, continued Chu, failure to invest in this area could see telcos giving away a critical competitive edge. "On the first page [of search results], there could easily be twenty competitors," she said. "If you're not there, you're basically giving away potential customers to your competitors."



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