

SEM vs. SEO

What's the Difference?

Finally - An Explanation of the Two Specialties . . . For the Rest of Us!

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An Introduction to SEM and SEO

If you're new to online advertising or the world of Google in general, you've probably heard the terms "SEM" and "SEO" (or at least their synonyms) thrown around when discussing how to drive traffic to a site. But what do they mean, and how are they different? Let's start with the basics.

"SEM" stands for search engine marketing. You might also hear "PPC," "digital marketing," or "paid search," all of which are some variation of the same thing: the world of paid advertising, which encompasses traditional search on search engines (Google, Bing, etc.), display advertising, social advertising, and mobile advertising (note that we'll concentrate on search in this paper). There are a few different factors that go into SEM, but basically, the more you bid for a click, the higher you'll rank on the page.

"SEO" stands for search engine optimization, which produces "free," "organic," or "natural" traffic on search engines (Google, Bing, etc.). SEO rankings (the higher the better, obviously) are determined by each search engine's secret algorithm that weighs things like fresh and original content, relevance, inbound and outbound links, and site architecture to determine where a link ranks for a query.

SEM traffic volume is almost completely controllable depending on how much you're willing to pay. SEO is murkier and longer-term; positive effects are almost never immediate (although Google's 2011 Panda updates produced many immediate negative impacts for sites deemed to have low-quality content).

"PPC has a lot of control," said Jonah Stein, founder of San Francisco SEO company ItsTheROI. "SEO has a lot of influence."

In this white paper, we'll examine the many differences of the disciplines, including the look/feel of their presence on Google, their respective values to a business, and the skills needed to master each.

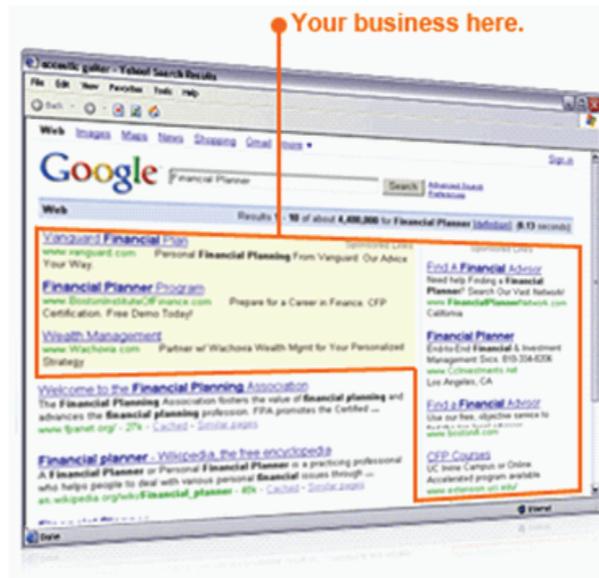
What SEM and SEO look like on Google

We'll concentrate on Google from here on out since the majority (roughly 65%) of all searches are entered there. That said, there are many clear distinguishers between SEM and SEO results for any query. Here's how they break down:

SEM

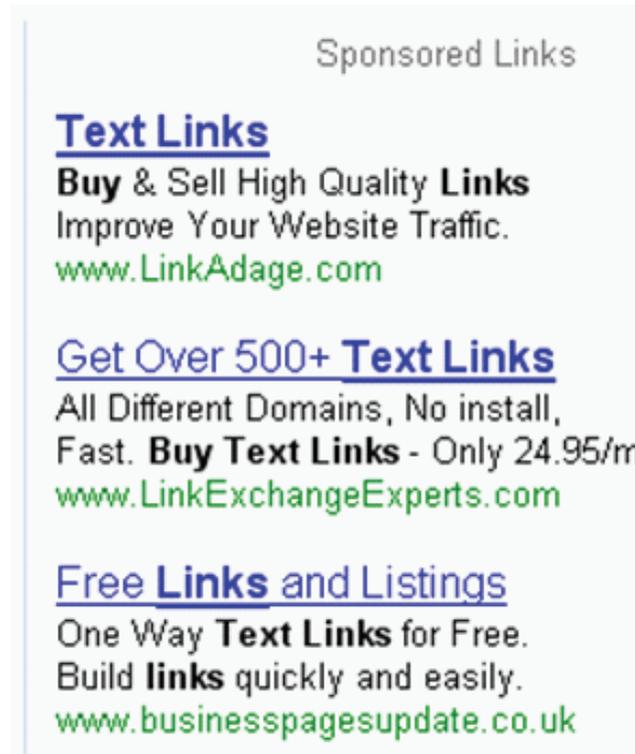
Paid results for any search query (in this case, "buy a car") show up at the top of the page and on the right rail of the page, as seen below. (A couple of notes: on occasion, paid results show up only on the right rail, and SEO results start at the top of the page. Top-of-the-page paid results are distinguishable by a faintly shaded box. Google is also currently testing different page placements and may move SEM results from the right rail to the center of the page, underneath organic listings.)

Paid ads on Google:



Because SEM is totally controlled by the creator of the ads, all of the ad's elements (headline, URL, and text) are geared toward eliciting action from the browser (click, buy, browse, etc.). Copy is shorter (headlines have a max of 25 characters; each line of the text has a max of 35 characters) and generally much more aggressive than the passive SEO results:

SEM text:



Sponsored Links

Text Links
Buy & Sell High Quality **Links**
Improve Your Website Traffic.
www.LinkAdage.com

Get Over 500+ Text Links
All Different Domains, No install,
Fast. **Buy Text Links** - Only 24.95/m
www.LinkExchangeExperts.com

Free Links and Listings
One Way **Text Links** for Free.
Build **links** quickly and easily.
www.businesspagesupdate.co.uk

The differences between SEO and SEM are also found on landing pages; clicking on an SEM listing generally leads to direct, clean landing pages with an obvious call to action, designed to capture conversions (e.g. sales); SEO pages are more content-heavy and informative, designed to use keywords and subject relevance to rank well on Google.

SEM-linked landing page:



SEO

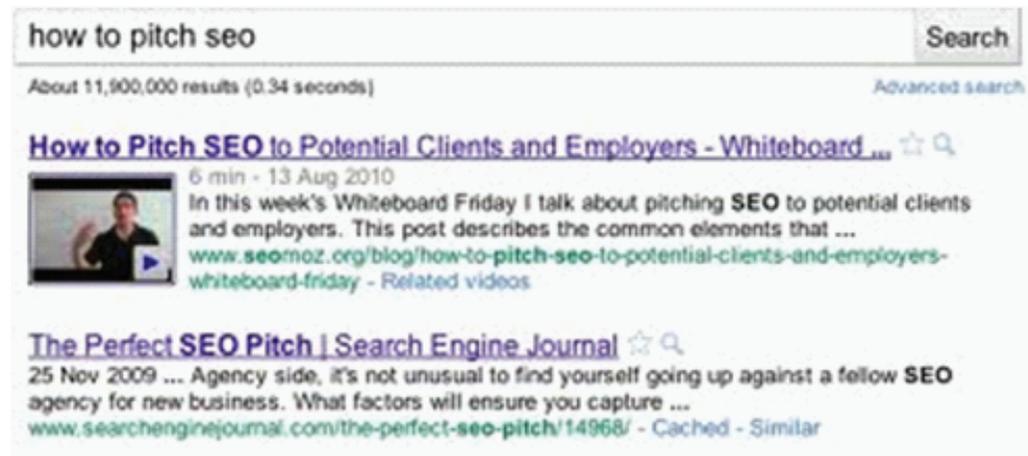
Organic results, on the other hand, can be found in the middle of the page, as seen below. They are occasionally interspersed with Google's proprietary elements, like local place results and Google Shopping suggestions.

Organic results:



SEO practitioners control the elements of text (URL, anchor text, title and description, which are used for code optimization and are visible to the browser), but because the main goal of SEO is simply to rank as a result of high relevance to a term, the text is by nature more informative than sales-y. (Pitch-oriented text for less-purchasing-oriented search queries may in fact hurt SEO rankings.)

SEO listing text:



Business value

Few businesses can survive solely on either SEM or SEO. They both have their pros and cons, but the biggest feature they share is a symbiotic need for the other. A campaign that relies too heavily on either will have a tough time staying healthy over the long haul. So, yeah, they're both necessary. But what does each provide a company?

SEM

SEM gives you control – of how many clicks you want, how much you want to pay for your clicks, which users you'd like to target (and where those users live!), which keywords you want to bid on, and which landing pages to link to each ad. You can get a site front and center in a matter of hours with an SEM campaign – and if it's a well-constructed campaign that leads to quality landing pages, you can immediately start reaping conversions and useful data about your prospective customers.

SEM is also incredibly nimble; you can re-allocate spend, change budgets, change your focus, and make decisions as specific as which URL you'd like to target for a display ad, or which customized ad text you'd like to use for a specific query. Given a couple of weeks' worth of data, you'll also be able to glean real insights into your business. The best part is that, unlike SEO, SEM is all within your control.

“Putting all of your eggs in the SEO basket can be really dangerous. Google changes its algorithms all the time, and any company that is driven solely by SEO runs the risk of being put out of business by an algorithm change that doesn't go their way,” PPC Associates CEO David Rodnitzky said. “SEM is more predictable and a great buffer against such risks.”

Even high-converting paid traffic, on the other hand, would benefit from an SEO complement, which will help lower the ratio of advertising costs and create a healthy, diversified portfolio of marketing investments. Moreover, many industry SEMs are generally competing for the same top keywords – which means that paid traffic for those terms can be prohibitively expensive, and other (read: free) ways of drawing traffic are necessary. And some browsers who are naturally wary of paid advertisements will always focus on the center of a search page, where the organic results live.

SEO

SEO is dependent on a slew of factors that take time to gain momentum: fresh content, inbound and outbound linking strategies, and site layout and architecture. When SEO gains momentum, it's a tremendous source of both brand/company awareness and profit, with every single click coming free of charge.

As with SEM, an SEO's work is never done; an optimized campaign left idle for even a few days can begin to slide down the page, especially considering Google's Nov. 2011 Fresh update that prioritizes pages featuring recently updated, relevant content. SEO also has no ability to pre-qualify visitors with customized text, so the ideal audience is hard to target, and conversion rates are lower.

"You can perform much more tightly controlled experiments in PPC than SEO," Stein said. "It's much harder to test in SEO because you can't be sure of the quality of traffic. With PPC, if you throw enough money at it, you can get exactly what you're looking for."

Necessary skills

The skills required to master each discipline are, as you might guess, quite different. Because of the fast-changing nature of the industry (in SEO's case, witness all the 2011 Google Panda updates!), both SEO and SEM require constant research and practice to maintain. Rare is the advertising professional who has the time and capacity to optimize a company's SEO and SEM campaigns.

"PPC, done correctly, is numerically driven. Use a mathematical model, hit the gaps as hard as you can, and stay within the campaign parameters," Stein said. "SEO is more about intuition and about being okay with things of a muddy nature. SEOs need to be extremely good at problem-solving, analyzing the site for understanding the info hierarchy and organization, site mechanics, etc."

Here's a breakdown of the skills needed to become proficient in each discipline.

SEM

Along with a firm grasp of statistics, the fundamental skills of SEM include creative writing (for good ad text) and psychology (understanding both user intent – the message a user needs to see for any given search term– and which search terms a browser might use to find the relevant product or service. SEMs working for agencies must also be quick learners who are highly driven to achieve success for a wide range of clients.

“I look for a combination of critical thinking skills, self-motivation, and passion when hiring SEM team members,” Rodnitzky said. “I want to hire people who are excited about learning but also can quickly put their heads down and drive results for clients.”

As for statistics, SEMs must have the ability to analyze lots of data to make changes to bids, add or delete keywords, or optimize a web site, all with regards to a finite set of goals or targets. SEMs also have to be extremely good at building and organizing campaigns, both for effectiveness and for more efficient tracking.

“An SEO expert might not have the skill to do the detailed reporting and hard-core math stuff that PPC requires. On the other hand, you don't need to necessarily be that good at analytics because there's a limited set of goals,” Stein said.

“The tools can tell you numbers; you don't need to dive into user behavior in analytics as much as you do in SEO.” Another basic skill for an SEM is fluency in Google's AdWords (and Bing's adCenter), which are sprawling management systems where the majority of an SEM's work is done.

SEO

The fundamental skills of SEO involve technical knowledge (changing the code and site architecture of your site to convince the search engines to rank you higher, content writing (writing good articles on your site to match relevant search queries) and link building (convincing other sites to link to your site, which convinces the search engines that your site is relevant and should thus be ranked higher). For SEO, psychology is applied in the creation of long-term brand awareness, building links and social campaigns, crafting user experience, and developing company strategy (“Getting everyone in the boardroom to agree is a big part of SEO,” according to Stein).

Since Google (and other search engines) also have the power to change their rankings formulas anytime they choose, SEOs must be skilled at analyzing possible issues on their sites – and coming up with both short-term and long-term solutions.

Where SEMs spend the majority of their time in the AdWords platform, SEOs work mostly away from Google. The optimization of URLs, anchor text, meta titles and descriptions, relevant content, and internal linking all take place on their own sites, and external linking involves relevant sites across the internet.

Parting words

SEM and SEO are each valuable, powerful business tools, and there are entire papers devoted to the topic of how the best online-marketing strategies use one to complement the other. But the evolution of the disciplines means that most of the time, separate experts are needed for each.

“There was a time when a lot of folks in SEM and SEO walked side by side, but the relative complexities of each have kind of split off from each other,” said Tony Young, six-year SEM pro and former Director of Search Marketing at LeadClick Media, Inc. “I read somewhere between 2-3 hours a day, and I still can’t keep up with everything that gets published. It’s incredibly difficult for one person to be a deep subject-matter expert in both at the same time.” That said, both Stein and Young – and most industry experts – agree that well-run SEM and SEO campaigns are, in their separate ways, each capable of providing significant return. The trick, unless you’re undertaking both on your own, is finding the right provider for each.

Resources

SEOMoz Search Ranking Factors: <http://www.seomoz.org/article/search-ranking-factors>
Search Engine Land – What is PPC, CPC, and Paid Search Marketing? <http://searchengineland.com/guide/what-is-paid-search>

Danny Sullivan’s Periodic Table of SEO Ranking Factors:
<http://searchengineland.com/introducing-the-periodic-table-of-seo-ranking-factors-77181>

Jonah Stein’s blog: <http://www.itstheroi.com/punditry/>

About PPC Associates

PPC Associates is a growing search engine marketing agency located in the San Francisco Bay Area.

Our approach to SEM is what we call “holistic search engine marketing.” We’ve identified seven core elements that go into effective SEM, and we make sure to apply these principles to each of our clients. To be successful at SEM, we consider everything from your Web site usability to the time of day and geographic location of your sales.

We begin every engagement by getting a thorough understanding of: your business objectives; your Company’s core strengths; and the interaction between your marketing campaigns and your Web site, your sales team, and your customer service department. Search engine marketing is but one part of an overall conversion funnel for your business - without knowledge of the rest of the funnel, we cannot effectively manage your SEM. As a client, you can expect us to constantly ask for greater understanding of your business and to use that information to further improve your SEM campaigns.

Finally, we’ve learned from experience that a marketing department that is considered a company’s “cost center” is the first team to go when times are tough. We take the approach that all SEM should and must be a “profit center” for your business. This means that we work with every client to understand your business goals - either in terms of revenue, profit, or margin dollars - and then run your SEM campaigns to meet or exceed these goals.

PPC Associates was founded in early 2008 and now has more than 50 clients, including ExactTarget, Knewton, Shopify, Beau-Coup, EchoSign, and OneKingsLane.

Our most recent Net Promoter® Score survey (August 2011) resulted in 19 of 22 respondents as net promoters (9 or 10 out of 10) with only one detractor. Detailed client responses from the survey are shown below:

3. Please rate our performance in each of areas below on a scale of 1 to 10, with ten being "outstanding" and 1 being "poor"											Create Chart	Download
	1	2	3	4	5	6	7	8	9	10	Response Count	
Proactive approach	0.0% (0)	4.5% (1)	0.0% (0)	4.5% (1)	4.5% (1)	4.5% (1)	13.6% (3)	0.0% (0)	31.8% (7)	36.4% (8)	22	
Strategic thinking	0.0% (0)	0.0% (0)	4.5% (1)	0.0% (0)	4.5% (1)	4.5% (1)	9.1% (2)	22.7% (5)	31.8% (7)	22.7% (5)	22	
SEM knowledge	0.0% (0)	0.0% (0)	0.0% (0)	4.8% (1)	0.0% (0)	0.0% (0)	9.5% (2)	9.5% (2)	28.6% (6)	47.6% (10)	21	
Metrics driven	0.0% (0)	0.0% (0)	4.5% (1)	0.0% (0)	0.0% (0)	4.5% (1)	4.5% (1)	9.1% (2)	36.4% (8)	40.9% (9)	22	
Transparent	0.0% (0)	0.0% (0)	4.8% (1)	0.0% (0)	0.0% (0)	0.0% (0)	4.8% (1)	14.3% (3)	33.3% (7)	42.9% (9)	21	
Detail oriented	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	4.5% (1)	0.0% (0)	13.6% (3)	27.3% (6)	22.7% (5)	31.8% (7)	22	
Responsive	0.0% (0)	0.0% (0)	0.0% (0)	4.5% (1)	0.0% (0)	0.0% (0)	9.1% (2)	9.1% (2)	31.8% (7)	45.5% (10)	22	
Knowledge of your business	0.0% (0)	0.0% (0)	4.5% (1)	0.0% (0)	0.0% (0)	4.5% (1)	27.3% (6)	18.2% (4)	31.8% (7)	13.6% (3)	22	
Passion for your success	0.0% (0)	0.0% (0)	0.0% (0)	4.5% (1)	0.0% (0)	4.5% (1)	9.1% (2)	13.6% (3)	13.6% (3)	54.5% (12)	22	

About the Author

Hillary Read is the Marketing Manager at PPC Associates, a Bay Area search marketing agency founded in 2008 by David Rodnitzky and Will Lin. She has six years of experience in e-commerce and search engine marketing, including positions as Category Manager at both ivgStores and Mercantila. She is the curator of, and a regular contributor to, www.ppcassociates.com/blog.

Contact Us

To learn more about how PPC Associates can help improve your SEM, Facebook, or display campaigns, please contact us at 650-539-4124 or visit our website at www.PPCAssociates.com.