

Search Engine Marketing

SEARCH ENGINE MARKETING

Search engine marketing, or SEM, is a form of Internet marketing that seeks to promote websites by increasing their visibility in search engine result pages (SERPs). According to the Search Engine Marketing Professionals Organization, SEM methods include: search engine optimization (or SEO), paid placement, and paid inclusion. Other sources, including the New York Times, define SEM as the practice of buying paid search listings.]

Market structure

In 2006, North American advertisers spent US\$9.4 billion on search engine marketing, a 62% increase over the prior year and a 750% increase over the 2002 year. The largest SEM vendors are Google AdWords, Yahoo! Search Marketing and Microsoft adCenter. As of 2006, SEM was growing much faster than traditional advertising.

History

As the number of sites on the Web increased in the mid-to-late 90s, search engines started appearing to help people find information quickly. Search engines developed business models to finance their services, such as pay per click programs offered by Open Text in 1996 and then Goto.com in 1998. Goto.com later changed its name to Overture in 2001, and was purchased by Yahoo! in 2003, and now offers paid search opportunities for advertisers through Yahoo! Search Marketing. Google also began to offer advertisements on search results pages in 2000 through the Google AdWords program. By 2007 pay-per-click programs proved to be primary money-makers for search engines.

Search engine optimization consultants expanded their offerings to help businesses learn about and use the advertising opportunities offered by search engines, and new agencies focusing primarily upon marketing and advertising through search engines emerged. The term "Search Engine Marketing" was proposed by Danny Sullivan in 2001 to cover the spectrum of activities involved in performing SEO, managing paid listings at the search engines, submitting sites to directories, and developing online marketing strategies for businesses, organizations, and individuals. In 2007 Search Engine Marketing is stronger than ever with SEM Budgets up 750% as shown with stats dating back to 2002 vs 2006. [Citation needed]

Ethical questions

Paid search advertising hasn't been without controversy, and issues around how many search engines present advertising on their pages of search result sets have been the target of a series of studies and reports by Consumer Reports WebWatch, from Consumers Union. The FTC also issued a letter in 2002 about the importance of disclosure of paid advertising on search engines, in response to a complaint from Commercial Alert, a consumer advocacy group with ties to Ralph Nader.