







SECRETARÍA DE ESTADO DE DIGITALIZACIÓN



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### 1. Introduction

When you search for a pair of trainers on Google, the search engine starts to work so that web pages appear at the top of the search engine in a prominent or "sponsored" way. This is because there are companies that have paid to appear first. This is achieved thanks to the so-called SEM strategies. SEM strategies are based on creating advertisements that appear when searching for carefully selected keywords, in order to attract the target audience to the business' website or physical shop.

As the market is saturated, searches on the internet are complex due to the multiple and very similar offers available to consumers. That is why any business with a digital presence needs strategies to redirect its target audience to its shopping website. In addition, physical shops can also be advertised on the internet through SEM strategies, which occurs when searching for a type of business through Google Maps. The advantage of the SEM strategy is that it manages to redirect people who are already showing a previous interest in a type of product or service, so it is a very targeted advertising to potential customers and can more easily lead to "conversions" (subscriptions to offers, purchases of the service...).

It is common to hear about SEM and SEO strategies for this "positioning" in search engines. While the former requires economic investment, the SEO strategy is based on creating quality content that allows positioning. Both are necessary and complementary, essential for a digital strategy, and this monograph focuses on explaining the SEM strategy, knowing its benefits, learning to differentiate it from the SEO strategy and giving guidelines and tools to know how to use it.



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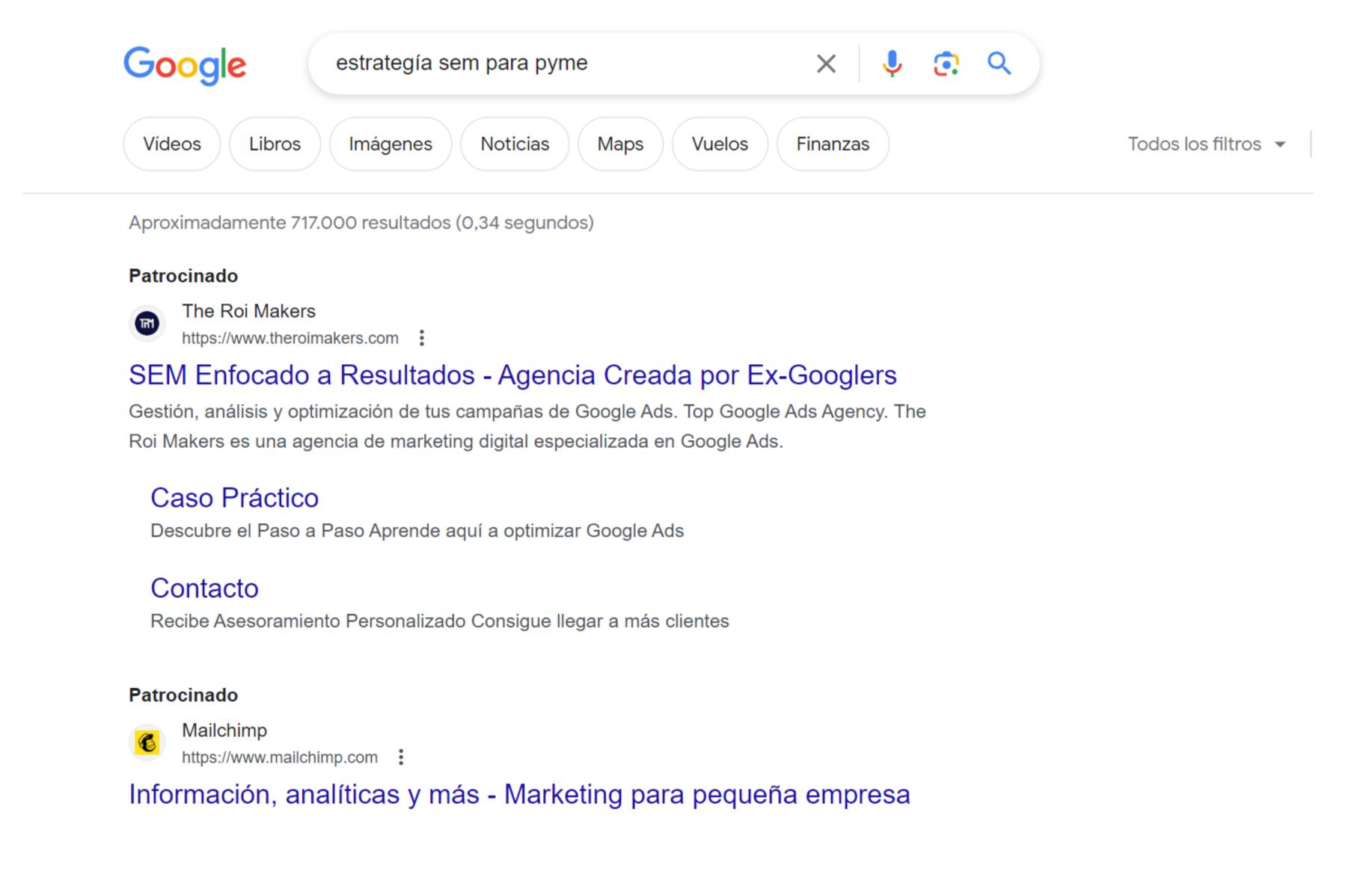




# 2. What is an SEM strategy?

SEM stands for "Search Engine Marketing". It consists of a paid digital marketing strategy to promote a website, increasing its visibility in search results, such as Google, Bing or Yahoo. In other words, the website automatically appears among the first ones and is more visited [REF 1].

In the specific case of Google, SEM ads are displayed at the top or bottom of the search results, as illustrated in the image:



(Test image taken from Google)

In addition, SEM also includes paying for banner ads to appear on websites.

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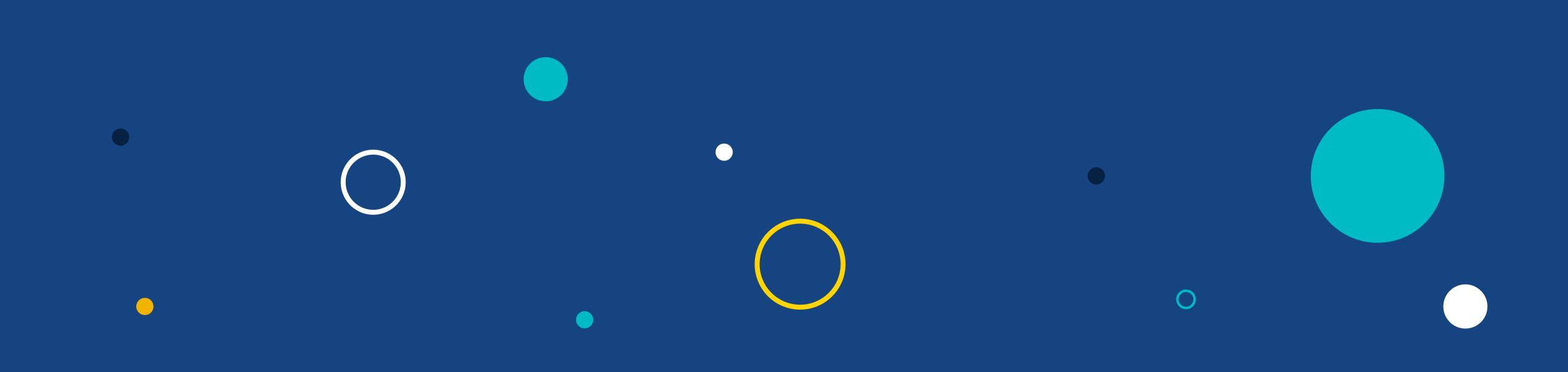


## 3. How does SEM work?

SEM is based on a pay-per-click (PPC) model, which means that advertisers pay only when someone clicks on their ad. This allows for greater efficiency in terms of investment, as you only pay for the actual clicks you get.

Campaigns are powered by machine learning, which runs a "bidding" system. Advertisers choose the keywords for which they want their website to appear when these words are searched and bid on them to be first. In other words, keywords are "bought". The search engines themselves provide the tools to do this [REF 2].

SEM therefore focuses on audience segmentation and the selection of specific keywords to reach users who are already interested in the products or services offered.



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# 4. What is the difference between SEM and SEO strategy?

It is common to talk about both strategies, as they both seek web positioning and use keywords that help them to appear in search engines. They are different strategies but they complement each other, and should not replace each other but rather enhance each other.

SEO stands for "Search Engine Optimisation", and it is the set of techniques and strategies used to improve the visibility and "organic" positioning of a website in the search results of search engines [REF 3]. Unlike SEM, SEO is not a paid strategy and its objectives are achieved in the medium and long term. To achieve this, it is necessary to generate high-value content -differential, useful, eye-catching or with personality for example-, in such a way that it is positioned organically (i.e. naturally and on its own) at the top of the search results.

On the contrary, the SEM strategy does involve a payment, but the truth is that it promotes a good segmentation of audiences through the use of keywords, so that the objectives are achieved in the short term. Therefore, the most important thing to differentiate between SEO and SEM is that the first (SEO) is based on varied content on websites, blogs, videos or social networks. It looks for quality content and also encompasses other aspects of the website itself, such as technical optimisation (loading speed) or user experience. The second, SEM, is limited to links or advertising banners that are displayed on websites, applications or social networks and that seek to clearly redirect to the website. SEM content is more direct, segmented, focused on action, as opposed to SEO content, which is longer and seeks differentiation based on a deeper care for quality.

In short, they are complementary strategies, with SEM being more useful in the short term while SEO strategies are needed for the medium to long term.

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# 5. Advantages of an SEM strategy

Using an SEM strategy has numerous advantages for growing an SME's business. The main ones are highlighted below:



Attract traffic to the website or application: the main objective of SEM strategies is precisely to redirect the public to the business, either to gain notoriety, increase sales, achieve potential customers with subscriptions to the newsletter with offers, etc.



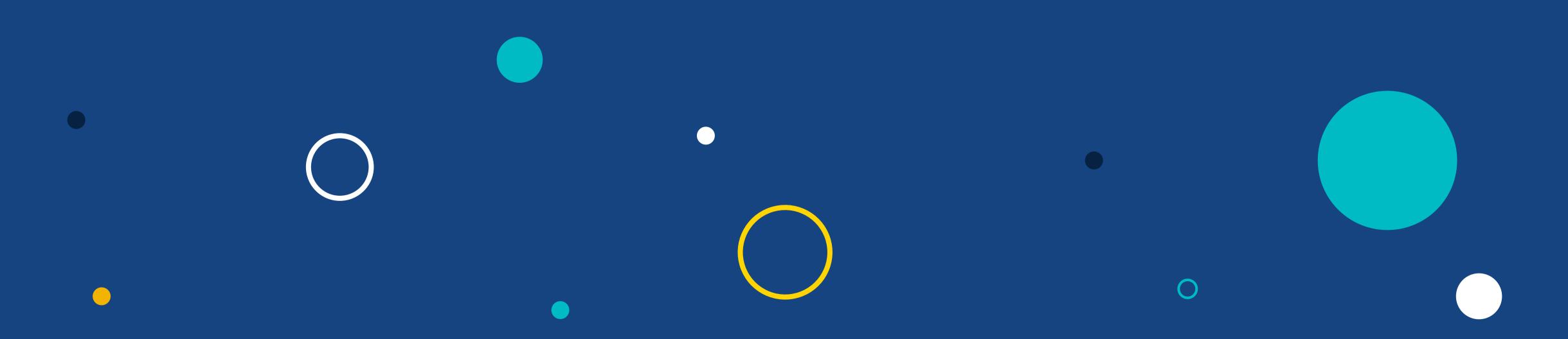
Increase visits to the shop: on the one hand, when the business is known, its physical address can be found, if it exists, and on the other hand, SEM strategies that use Google Maps allow businesses that appear with keywords to be positioned. It is a good way to boost local marketing (based on the geographical proximity of the moment).



Connect with the interest of the audience: show a product or services to people who have shown previous interest in that area, it does not require convincing from scratch but there is a previous interest, which is much more beneficial for the SME. Thus, it achieves the capture of "leads", i.e. demand from the target audience [REF 2].



Achieve conversions: the SEM strategy helps to achieve the desired conversions, i.e. the actions sought by the people who interact with the advertisements, from buying the product or service to subscriptions to newsletters with offers, expanding their audiences and making themselves known, etc.



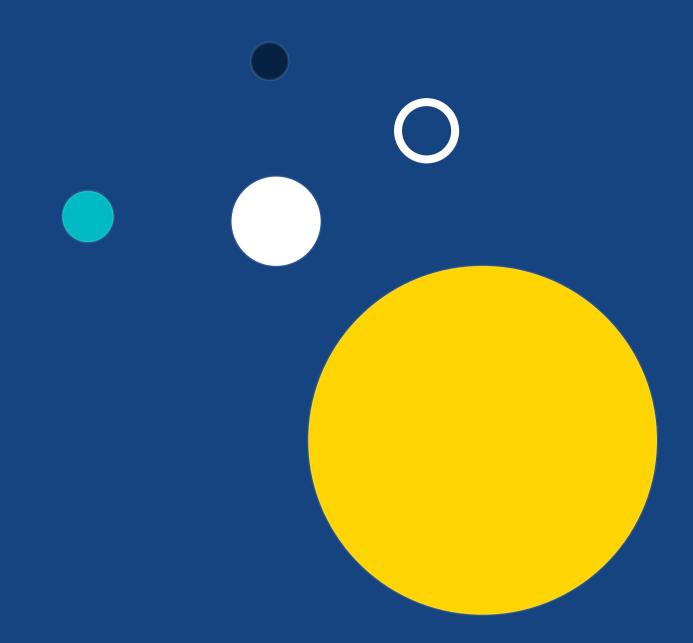
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4. Immediate visibility: it is a faster strategy than SEO, since it depends on the ads and its result does not require waiting.



5. Strong segmentation: in addition to using keywords to segment, it is also possible to select profiles of people to whom to show advertising, choosing age, sex, location or language [REF 4].



6. Amortisation of the investment: thanks to the increase in visits to the website, product purchases and other conversions. This happens especially when pay-per-click is applied, i.e. you pay for each click obtained, making the investment clear.



7. Budget control: Linked to the above, you can have a lot of control over the budget to invest, choosing the amount to invest and adjusting it flexibly from one day to the next. This makes it easier to explore SEM ads more freely.



8. Customisation: it allows you to contract different types of ads (video banners, applications, graphic ads...) and you can try out the format that best suits your SME or sector.



9. Monitoring of results: all systems offer tracking tools to know the effectiveness of the strategy, how many clicks are obtained and the final result of these.

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# 6. Recommendations and best practices to follow

How to make the SEM campaign work for your SME? Here are some best practices and tips to follow in an SEM strategy, especially for an SME [REF 3].

## Establish objectives

It is necessary to clarify what the objectives of the SEM campaign are, so that efforts can be focused and subsequently measured. For example, these may be to increase sales, generate more leads (contacts with e-mail to which to redirect advertising) or increase brand visibility. Similarly, the budget to be allocated can be defined in the objectives.

## Define and segment the target audience

This is essential for a successful SEM strategy. An advantage of online advertising is that it can be segmented and shown only to those people who will be interested in it, which optimises efforts. At the same time, internet users can remove an advertisement if it does not interest them, unlike traditional media, so if advertising is targeted and shown to those who are likely to be interested, it is more likely to achieve its objective.

To segment, the first step is to define the audience of interest. To do this, a "buyer person" profile can be created, which would be like the ideal customer, prototype customer or average customer for whom the business is intended. This involves defining aspects such as their education, profession, place of residence, their concerns, their interests, the solutions they are looking for, their personality, their digital behaviour and preferred social networks. It can also be segmented by geographic area and language [REF 5].

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After identifying the buyer persona, you can select the keywords that match their online searches, so that the ads on the business's website will appear after they have been highlighted.

### Selecting key words or keywords

The basis of SEM strategies are the keywords, because when they are searched for, the advertisement of the business website appears. It is about finding simple words, easy to remember, associated with the brand, the product and service and the target audience or "buyer persona".

To research these key words, it is important to know which ones are used by the competition and decide whether it is better to compete for them or to create some specific ones for the business [REF 6].

In addition, once selected, it will be necessary to evaluate whether they work and review them from time to time, as the popularity of keywords also evolves rapidly on the internet. There is a useful tool in Google which is the "keyword planner", with a free option to research the ones that work best [REF 3].

# Adding negative keywords

In addition to normal keywords, you can include "negative" keywords, i.e. those for which you do not want to be associated with the website, which also optimises the SEM campaign [REF7].

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## Reinforce with SEO strategy

In order to better achieve the objectives of redirecting traffic to the website and attracting it to the business, it is necessary to combine SEM strategies with SEO. This means paying attention to creating a good user experience on websites and providing quality content in both form and substance. In this sense, aspects such as creating a responsive website (adaptable to any device) are fundamental [REF 1]. If users access the website and their experience is not positive, it is difficult to achieve the ultimate purpose of the business [REF 3].

# Take care with ads and A/B testing

It is important to create attractive and persuasive ads, with careful copy and a clear call to action, i.e. to click through to the website [REF 6]. This call to action is called CTA (Call to Action) and is always positive because it makes clear the ultimate purpose of the communication (e.g. a click, a discount, a loyalty...).

In addition, to find out what works best, it is common to test models A and B, showing ads in version A and version B to the same audience to understand which one works best and adjust the strategy [REF 3].

### Measuring results

The SEM Strategy tools themselves, such as Google Ads, allow you to monitor results, measuring the number of visits, time, result of the visit, increase in sales, etc. This analytics is essential to achieve continuous improvement, to know if the objectives are being met, what works and what is better to change and continue testing until optimal results are obtained [REF 7].

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## Consider ROI (return on investment)

An SEM campaign works if its cost is optimised. Therefore, the ROI, return on investment, must be measured at all time to know if it is being profitable. ROI is not only monetary, it can also be measured in time and effort invested.

## Keeping up to date

It is essential to keep up to date with SEM strategy tools, recommendations and professional advice, in order to update your SEM strategy to the latest trends. This includes periodically checking which keywords work best.



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# 7. Key tools

There are a number of popular tools for creating SEM strategies. We are going to focus initially on two that are particularly suitable for SMEs: GoogleAds and Bing Ads, and then we will analyse others that may also be useful.

#### GoogleAds

The main function is to show ads to people searching for businesses like the one in the strategy when they use the Google search engine or Google Maps. It can be paid solely on the basis of the results obtained, e.g. on the basis of clicks [REF 8].



(GoogleAds web advertising image)

Considering that Google is the most used search engine, having this tool is the most strategic for an SME. The desired budget can be defined and adapted to the needs of the company. In this way, monthly spending limits can be set. Similarly, the budget can be paused and readjusted at any time.

Google Ads offers, via telephone, a free initial assistance and the possibility of drawing up tailor-made plans with experts in its tool.

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- This tool allows for another set of advantages. Google's own Al chooses the best advertising formats. In addition, it allows statistical analysis and ROI (return on investment) measurement, which helps to optimise the SEM strategy where it works best.
- Google also offers 2 very helpful tools for an SEM strategy:

#### o Google Trends

This tool shows the trends of the most searched words and phrases, which can help SMEs to know if there are words and content that can be related to their business and take advantage of the momentum of that trend [REF 8].

#### Google Ads Keyword Planner

Helps you choose the right keywords. An analysis tool identifies the most relevant words for the business and is updated continuously [REF 8].

#### Microsoft (Bing) Ads

- Although Google Ads is the main tool, as it is the most used search engine, the SEM strategy can be completed with Bing Ads, in order to achieve a complete level of coverage.
- Bing Ads is Microsoft's platform for SEM ads and is for the BING search engine, the second most used search engine in the world. In addition, campaigns can be imported directly from Google Ads, so no additional effort is required [REF 09].

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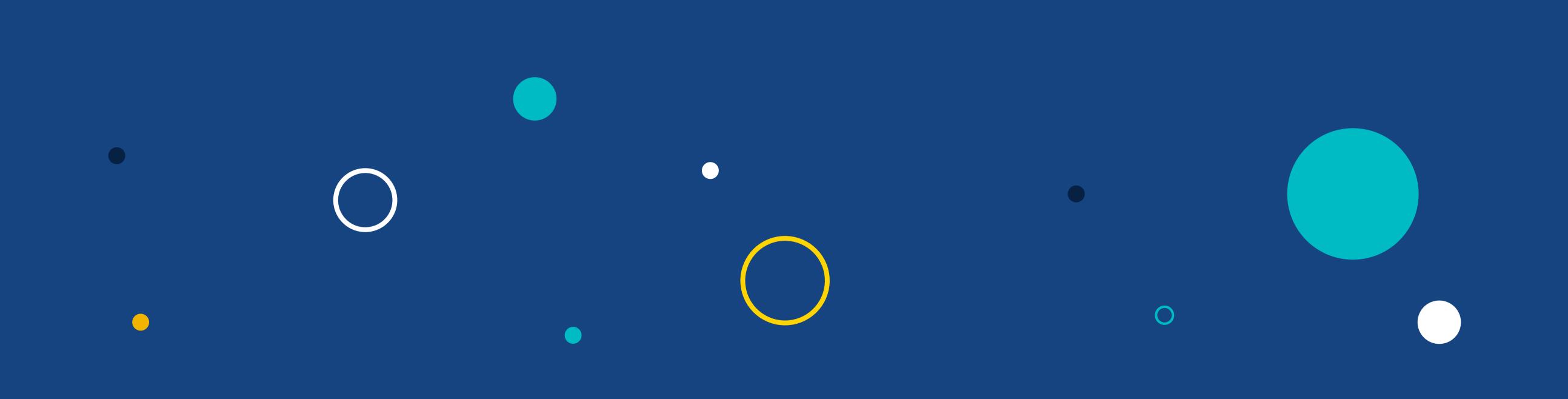


One advantage of Bing Ads is that it leads to more phone calls and also more physical visits to the shop, so depending on the objectives of the SME it can be useful to have this complement to Google Ads.

#### Differences between Google Ads and Bing Ads

The main differences are as follows [REF 09]:

- Reach: Google captures more than 90% of visits as a search engine.
- Format: Google allows 35 characters and Bing 71 characters.
- Search engines: In Bing, advertising appears in the Microsoft and Yahoo! search engines.
- Time zones: Bing allows time zones to be configured for display.
- Registered advertisers: There are many more registered advertisers on Google due to its popularity, so there will be less competition on Bing.
- Functionalities: Google is more complete.
- Budget: less investment is required in Bing and the budget is chosen monthly and not daily.



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#### Supporting tools:

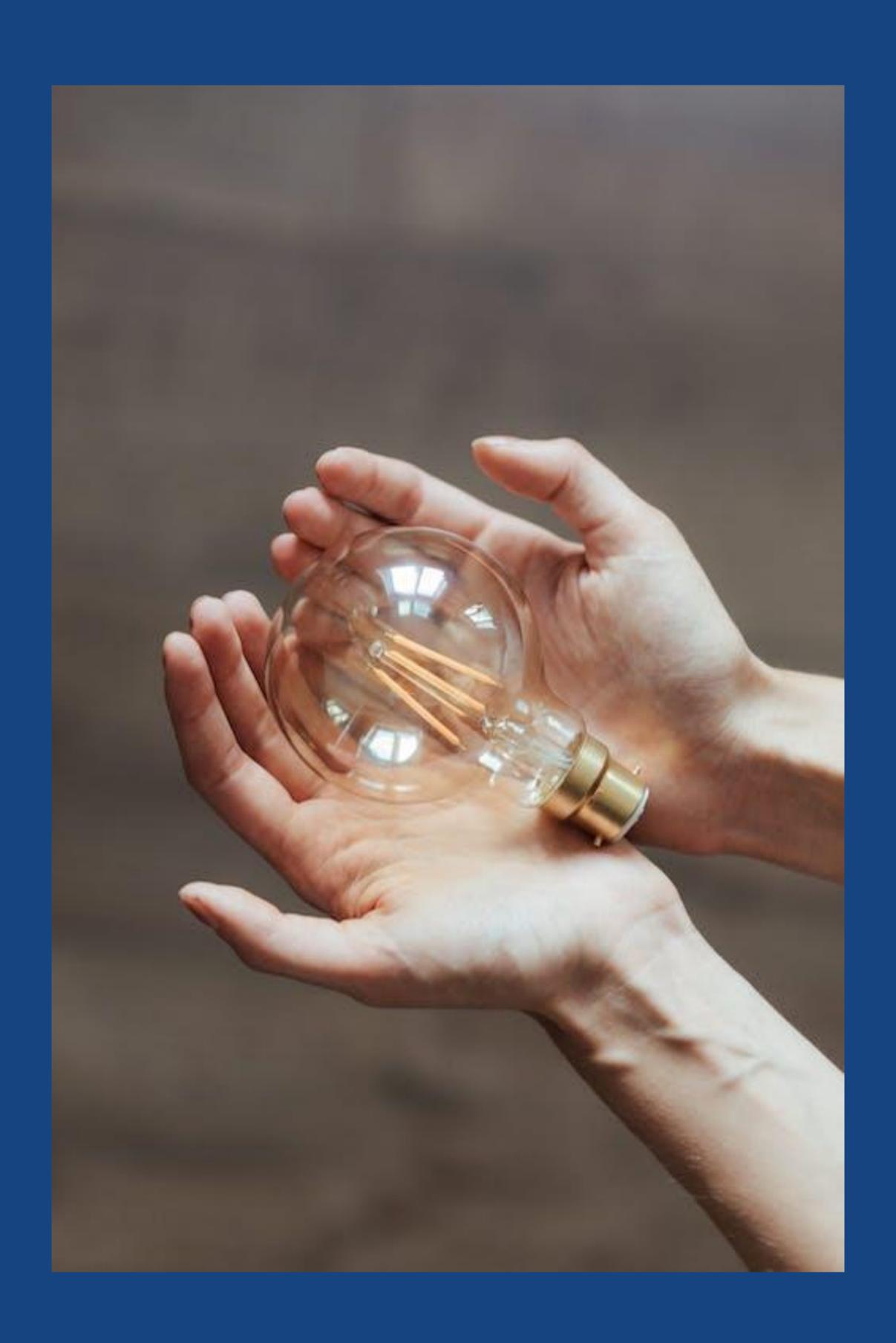
There are a number of other key tools to be aware of when discussing SEM Strategies [REF 1]:

#### HubSpot

It is a very useful tool for SEM strategy monitoring and management. You can create a free campaign, generate automatic reports and easily compare the best performing ads [REF 10].

#### • SEMrush.

It is useful for SEM and SEO strategies, especially for choosing the words that work best, thanks to its market research capacity. It also allows you to track the success of your campaigns [REF 11].



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# 8. How to create the SEM strategy?

After having seen the main tools and tips for a good strategy, here are the more concrete steps to follow to create an SEM campaign with Google Ads or Bing Ads [REF 12]:

#### 1. First steps

You need to register with the chosen tool, such as Google Ads or Bing Ads. Then, you need to define your target audience, as we have seen in the recommendations. Next, you need to make decisions based on the buyer persona: choose the location where to place the advertising and the language.

You have to choose the word bidding strategy (automatic or manual) and the budget to invest (daily in Google Ads or monthly in Bing Ads).

#### 2. Create ad groups

This involves grouping the ads into "themes". These themes must be connected to the products and services offered by the SME. It can be useful to create between 5 and 10 groups.

#### 3. Select the key words

It is advisable to include approximately 20 terms per ad group. In addition, in the case of Google Ads you can decide whether you prefer broad match (including related words and synonyms), exact match (matching only the specific word) and phrase match (you have to include the same words, but you can vary their order).

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#### 4. Defining the ad

This involves creating ad texts that will appear when keywords are entered. You can have 2 or 3 ads per group and, in addition, include the A and B ad variants. In other words, you show two ads to the same target audience and measure which one performs better.

The types of ads that exist and that will have to be selected are [REF 13]:

- Link to the website
- Text extension, clicking on it opens an additional text that better explains the business or product offered.
- Telephone extension, seeking direct contact with the company.
- Location extension, with the aim of attracting people to the physical shop.

#### 5. Measuring results and adjusting the campaign

After launching the campaign, it will be essential to measure its results in the same tools used for the campaign, and thus adjust the keywords or ads based on the needs for improvement that are detected.



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## 9. Conclusions

SEM strategies are key to improving the web positioning of SMEs in search engines. As we have seen, they are based on paid strategies, where after selecting the keywords, companies bid for their websites or ads to appear first, unlike SEO strategies that seek quality content and a longer-term approach. It is essential to have these SEM strategies in place for the digital presence of SMEs to be fruitful. They are therefore a key element of any digital marketing strategy.

SEM strategies make it possible to attract the public that has shown a previous interest in the website or even in the physical shop, thanks to the segmentation that it allows, both by the keywords that are searched for and by the segmentation of displaying ads only to certain profiles (by language, geographical location...). This is an advantage in internet advertising, as it makes it more effective when it comes to achieving the desired objective (increasing sales, brand awareness, subscription to newsletter offers to obtain potential customers, etc.). In addition, the results are shorter term than in SEO strategies, and the budget invested is easily controllable, and its impact can be measured thgood practices anks to the ease of monitoring these campaigns.

To achieve the best results from SEM strategies, a series of can be followed, such as setting the objectives sought with the strategy, defining the target audience or buyer persona, selecting the key words with the use of specific tools and even selecting the negative words for which you do not want to be associated.

The main tools are Google Ads and Bing Ads. The first is the one with the largest market share and the most popular, while the second is more residual, but it is a good complement to cover the entire target audience of the business.

For all of the above, we can conclude that SEM strategies -worked in parallel with SEO strategies- are essential for all SMEs that want to achieve **greater** visibility and attract potential customers interested in their business model.

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