OPTIMIZING
SEM STRATEGY

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TODAY'S AGENDA

MAIN TOPICS

The Case

Problem Statement

Assumptions

Conversion vs Awareness

Publishers and Keywords

KPIs to focus on

Recommendations

THE CASE

Optimize SEM strategy and ROA

AirFrance is satisfied with the current SEM strategy, but Media Contacts wants to take it a step further and optimize it even further.
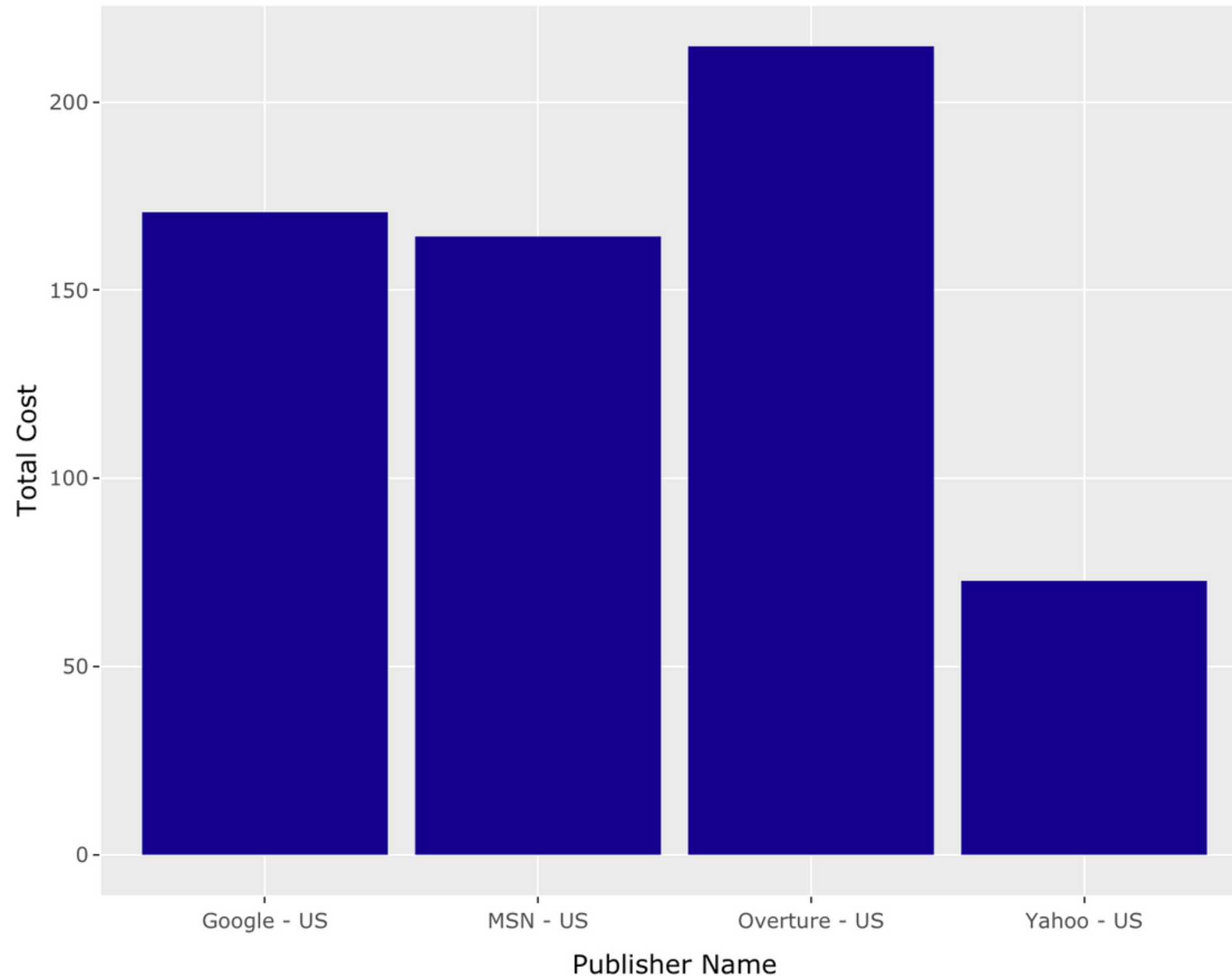
Increase Market Share in USA

AirFrance wants to increase its amount of international flights, especially to the USA. How can the SEM strategy realise this goal.

PROBLEM STATEMENT

How can AirFrance optimize their use of keywords and publishers in order to increase either conversion or awareness in the US market?

ASSUMPTIONS

- In general branded keywords convert better
- Unbranded keywords result in higher awareness
- Not all KPIs are relevant for conversion or for awareness
- Publishers should be compared in terms of cost per variable and not total costs
- All publishers (except for Kayak) have more than 1 week of data, so we will not take Kayak into account

Conversion

- Avg. Cost per Click
- Engine Click Thru %
- Trans. Conv. %
- Total Cost/ Trans.
- Cost per Booking
- Return on Advertisement

Awareness

- Search Engine Bid
- Avg. Cost per Click
- Engine Click Thru %
- Cost per Impression
- Avg. Pos.

Success: when results are equal or higher than the mean

CONVERSION

HIGHEST CHANCE OF SUCCESS

- Branded campaigns on Overture

LOWEST CHANCE OF SUCCESS

- Unbranded campaigns on Overture

```
Coefficients:
                                                        Estimate Std. Error z value Pr(>|z|)
(Intercept)                                              0.18255    0.05049   3.615   0.0003 ***
`Publisher Name`MSN - US                                 0.28745    0.25990   1.106   0.2687
`Publisher Name`Overture - US                           -3.66071    0.26697 -13.712  < 2e-16 ***   ←
`Publisher Name`Yahoo - US                              -0.49271    0.10632  -4.634 3.58e-06 ***
`Branded Unbranded KW`Branded                           -0.18255    0.23792  -0.767   0.4429
`Publisher Name`MSN - US:`Branded Unbranded KW`Branded  -1.20374    0.68673  -1.753   0.0796 .
`Publisher Name`Overture - US:`Branded Unbranded KW`Branded 1.54045  0.70616   2.181   0.0292 *    ←
`Publisher Name`Yahoo - US:`Branded Unbranded KW`Branded -0.89359    0.47075  -1.898   0.0577 .
---
Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
```

Intercept = Google, Unbranded

AWARENESS

HIGHEST CHANCE OF SUCCESS

- Unbranded campaigns on Google

LOWEST CHANCE OF SUCCESS

- Unbranded campaigns on Overture

```
Coefficients:

                                                      Estimate Std. Error z value Pr(>|z|)

(Intercept)                                             0.4900     0.0518   9.459  < 2e-16 ***    ←
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`Publisher Name`Overture - US                          -3.4365     0.2116 -16.239  < 2e-16 ***    ←
`Publisher Name`Yahoo - US                             -0.8794     0.1075  -8.180 2.84e-16 ***
`Branded Unbranded KW`Branded                          -0.3818     0.2385  -1.600    0.109
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`Publisher Name`Overture - US:`Branded Unbranded KW`Branded -12.2378 275.0445 -0.044  0.965
`Publisher Name`Yahoo - US:`Branded Unbranded KW`Branded -0.6151    0.4712  -1.305    0.192
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Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
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Intercept = Google, Unbranded
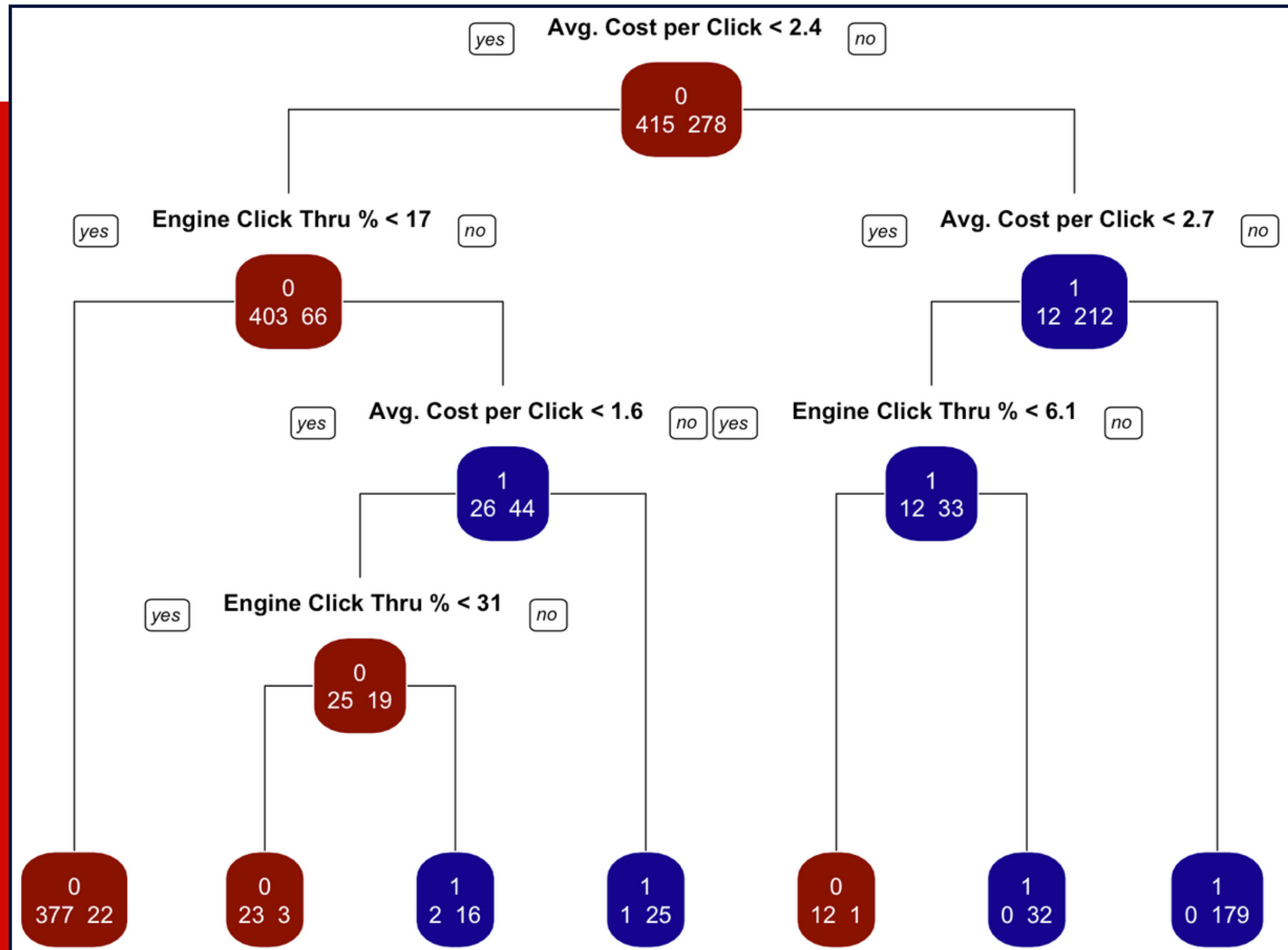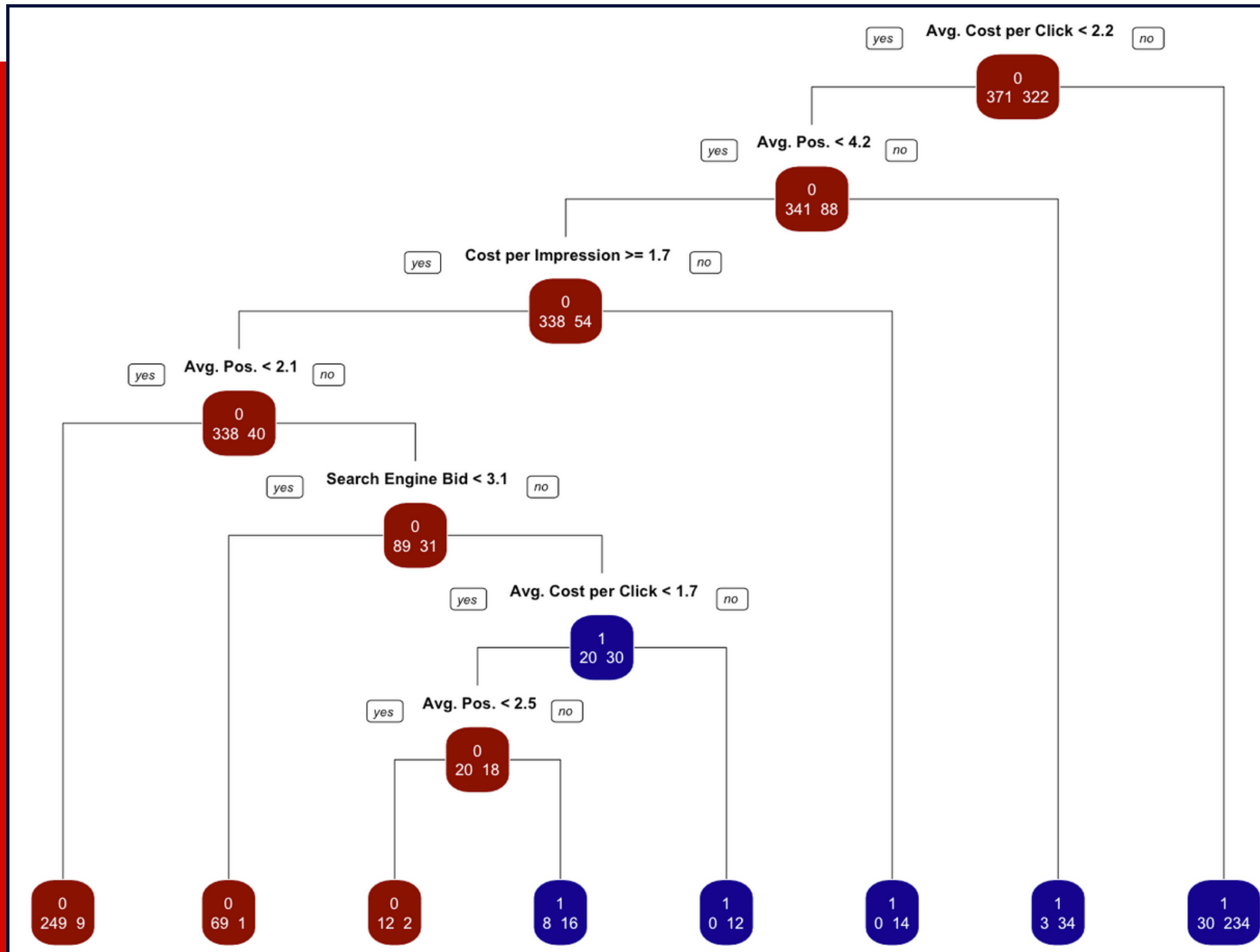
CONVERSION

OPTIMIZING KPI FOCUS

1. Avg. CPC > $2.7
2. Avg. CPC < $2.7, but Engine CTR > 6.1%
3. Avg. CPC between $1.6 and $2.7 and Engine CTR > 17
4. Avg. CPC between $1.6 and $2.7 and Engine CTR > 31%

AWARENESS

OPTIMIZING KPI FOCUS

1. Avg. CPC > $2.2
2. Avg. CPC < $2.2, but Avg. Pos > 4.2
3. Avg. CPC < $2.2 and Avg. Pos < 4.2, but Cost per Impression > $1.7

RECOMMENDATIONS

OPTIMIZE PUBLISHERS

- Move budget from Overture unbranded to branded keywords

- Use Google for unbranded keywords

- Reduce budget for MSN

- Keep the same budget for Yahoo

OPTIMIZE KEYWORDS

- Use mainly branded keywords for conversion f.e. air france to marseille

- Use unbranded keywords for awareness f.e. cheap travel france

OPTIMIZE KPI FOCUS

- Spend most attention to Av. Cost per Click as the most important KW for both conversion and awareness

- Spend more than $2.4 per click for higher chances of success