

REPORT: SEARCH ENGINE MARKETING

Sushmitha Madiraju – SXM210176
Nekitha Ramachandran - NXR210013
Dantuluri Namratha Varma – NXD210032

The University of Texas at Dallas

Web Analytics- MIS 6344.001

Maru, Vatsal

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SEARCH ENGINE MARKETING

INTRODUCTION

If you've seen ads appear at the top or right of search engines, then you already know what SEM is. It is a type of marketing that involves positioning a URL or ad on the SERP to maximize traffic and increase visibility for a website.

SEM often involves paid search, where companies pay to have their ads show up at the very top of the results page. When your ads display in these optimal, highly visible positions, your business can have an edge over your competition. Plus, most searchers only click on the first few results, which gives these premium ad spots a visual advantage to catch the attention of your future customers.

Paid search ads are typically distinguished with an "ad" designation in front of the URL. Ads may also appear as a list of product images which lead to more information about purchasing products related to the search terms that were entered. The brand is then charged when a consumer clicks on an ad, also known as pay-per-click (PPC) marketing.

To give you a brief about Search Engine Marketing, Also known as SEM, the most efficient way to increase business in a competitive marketplace. With millions of businesses out there vying for the same eyeballs, Search engine marketing has become the most effective way to promote products and businesses. Search Engine Marketing can be defined as the process of optimizing ad content and websites

to guarantee specified keywords are included on the search engine result page.

How a Search Engine Marketing Works -

When People search online for a product or service, they enter search terms (called keywords) into search engines like Microsoft Bing, Google and Yahoo! The searchers help find your ad. If the keywords in your ad match a search, your ad appears next to or above the search results on the search Engines. With SEM, you can configure your ad so that people have the option to call you, visit your website, or go right to your door. For organizations selling products and services, the revenue generated from customers buying products they access via the SEM ad should outweigh the cost of PPC.

Now we know how the search engine works. Let's see how much does the Search Engine Marketing Cost.

Search Engine Marketing Cost

Typically, we can control search engine marketing costs and pay nothing to have your ads appear on search engines. The account is charged only if someone clicks on your ad and then charges up to the amount you have accepted for that click. Which is why, SEM is also known as pay-per-click, as the charges are only based on each click your ad generates.

The SEM focuses mainly on paid advertisements to increase traffic through the Search Engine services such as Google and Bing Ads.

The Aspects of Search Engine Marketing

Keyword Analysis

SEM relies on certain keywords that are bound in such a way that, if a person searches any word, the ad will be listed on the SERP. It is a powerful and real-time method to have ad pop up for a person looking for exactly that item or service. No other form of advertising is so focused or immediate. Keywords can be phrases and not just single words. Search engine marketers use analysis tools to identify keyword phrases audiences are searching for. They then buy ad space on the results pages from the search engine provider for the search terms they want to target.

Keyword Research Analysis

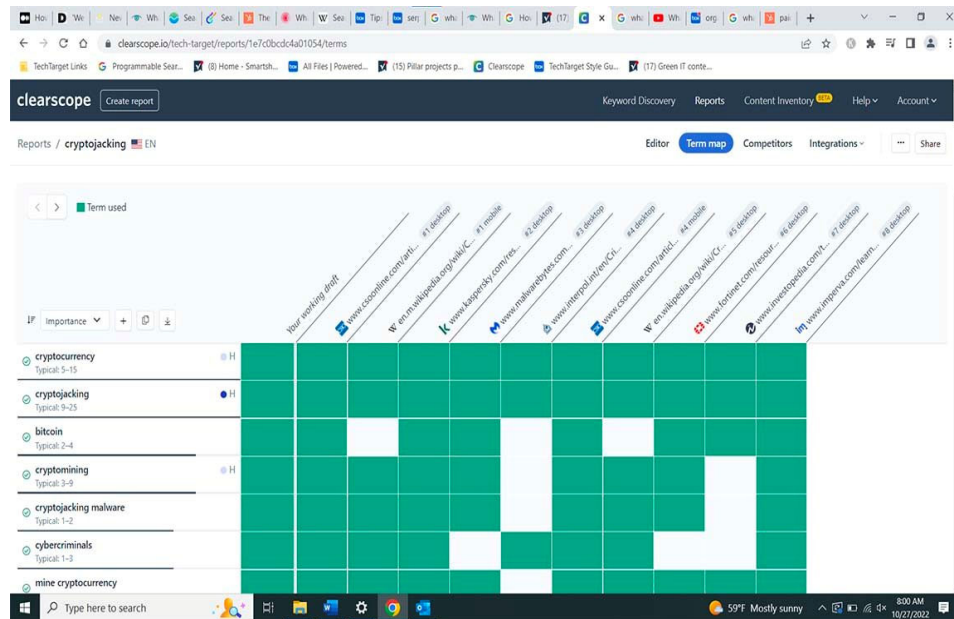
SEM keyword strategies are based on keyword intent, sometimes referred to as searcher intent. Keywords intent refers to the action a user can take when searching for a particular keyword. The SEM strategy focuses on identifying and using the keywords that are most likely to lead users to make a purchase. Let us consider an example of how keywords are used to find the content –

If a retailer sells books online, the keywords that are related to books include:

- To purchase books online
- Used books to buy online
- Latest books to read
- Personalized books

- Book club books
- Baby books
- Children's books online
- Picture book

To ensure we can use SEM to properly advertise our products or services on the SERPs, some of the best SEM tools cultivated are Ad Tracking Software, SEMrush, Google Trends, and Keyword tools. Io, Google Ads Keyword Planner, Word Stream and Clear scope.



SEM MARKETING STRATEGIES

SEM strategy comes down to optimizing paid search ads with a specific goal in mind. To create a good strategy, we must understand how paid ads platforms works and effectively manage variables that affect performance such as keywords, budget, and copy.

Some of the strategies to adapt to the paid ad's success can be:

1. Keyword-Intent
2. Keyword-Volume
3. Keyword-Cost

1. **Keyword-Intent**

The strategy starts with choosing the right keywords, pay per click or PPC is an online advertising model where advertisers run ads on a platform such as Google Ads and pay a fee every time someone clicks on it. That means researching to determine what keywords to bid on or, in other words, what queries we want our ad to show up for.

2. **Keyword-Volume (CPC)**

If no one's searching for target keywords, the results from the ads cannot be displayed. At the same time, keywords with high volume attract more competition. When doing keyword research, look for keywords with relevant high-volume and low-competition keywords.

3. **Keyword-Cost**

Usually, the Ad Placements determine the bid we specify for the keyword. The Highly competitive keywords can be expensive. Google displays the Quality scores for the given Ads. Higher bids and Higher quality scores win the placement. Once we have selected a strategy there are many other things we will need to know to successfully run a marketing campaign online.

IMPORTANCE OF SEM

Re-marketing refers to displaying ads only to people who have visited a particular website. To be precise, Remarketing displays ads only to people who made a specific action within the site. For example: placing something into their shopping cart on the website and not completing the process to check out the page.

Segmentation is displaying the ads to people in a specific geographical area is Geo-Targeting. For example, if we are advertising snowboards, we will want to geo target our ads to cities or regions that have snow or skiing areas/resorts.

Device Targeting, with this, we can decide on which device the ad should be displayed, whether on mobile, personal tablet, or desktop. For example, if we are advertising an Android app, only people on Android phones get the ad, as we don't want to waste our hard-earned ad dollars on people having iPhones as they won't be able to install our app.

Audience Targeting, targeting a specific group of people who share similar interests and therefore will have similar purchasing habits. Let us consider the same snowboard example, we might only display ads to people who have expressed an interest in snow boots.

Landing Page is the section of a website accessed by clicking a hyperlink on another web page, typically the website's home page. A lot of people, especially when they are starting into SEM, make the mistake of setting their homepage as their landing page. We want our landing page to be as relevant to the ad as possible, for example, if we are advertising “tacos” then send our visitors to the taco section of that web site.

Ad Scheduling is a process of deciding the times and days the ads can be displayed. Depending on the audience’s online searching and purchasing habits we can determine the best time/day to show the ads and make sure the ad is displayed during business hours. We can run a campaign and invite visitors at a specific time by Ad Scheduling.

DISADVANTAGES OF SEM

SEM also has disadvantages and challenges that includes:

Cost: Even with profitable models like PPC, SEM can get expensive over time as organizations have to pay every time their ads are clicked. With SEO, there are no costs associated with clicks and rankings.

Competition: Depending on the campaign’s target audience, buying ads and securing a top spot on the SERPs can become difficult and expensive. An increase in the number of

companies competing for the top ad placement leads to an increase in CPC and associated costs.

Customer trust and ad blockers: Many customers don't like or believe the ads and block them with ad blockers. Ads can be perceived as more disruptive and less trustworthy than inbound marketing techniques that help drive organic search results.

AIR FRANCE MARKETING CASE STUDY

The Air France internet Marketing Case study has a dataset and gives us insights about the marketing strategies that Air France took with different publishers and campaigns. We will be performing the strategies for the Air France Case Internet Marketing: Optimizing Google, Yahoo!, MSN, and Kayak Sponsored Search.

publisher_name	clicks	media_cost	tot_booking	avg_tick	tot_rev	net_rev	tot_impressions	avg_ctr	profit_cost	conv_rate	ROA	%_booking
Google - Global	72895	120946.7	797	1166.31	929549.8	808603.1	1808326	8.994485	6.685614	1.0933535	7.685614	19.218712
Google - US	192109	353640.6	1550	1126.12	1745481.8	1391841.2	3855689	15.097035	3.935751	0.8068336	4.935751	37.376417
MSN - Global	11217	12160.36	129	1128.1	145524.2	133363.9	139979	7.335605	10.967098	1.1500401	11.967098	3.110682
MSN - US	10808	16098.49	140	1296.78	181549.8	165451.3	170120	8.263521	10.277445	1.2953368	11.277445	3.375934
Overture - Global	60899	64295.86	372	1156.14	430084.7	365788.8	17898727	3.547863	5.689151	0.6108475	6.689151	8.97034
Overture - US	119323	141976.1	289	1202.19	347433.2	205457.2	17062488	2.672846	1.447125	0.2421997	2.447125	6.968893
Yahoo - US	45598	46197.82	662	1332.76	882288.9	836091.1	933345	16.059019	18.098063	1.4518181	19.098063	15.963347
Kayak	2939	3567.13	208	1123.53	233694	230126.9	NA	NA	64.513172	7.0772372	65.513172	5.015674

Fig: Tabular representation

We have given the insights of the publishers for the strategies to be performed to analyse the case study. The Insights are taken from- *Air France Case Internet Marketing: Optimizing Google, Yahoo!, MSN, and Kayak Sponsored Search*

Insights - Graphical Representation

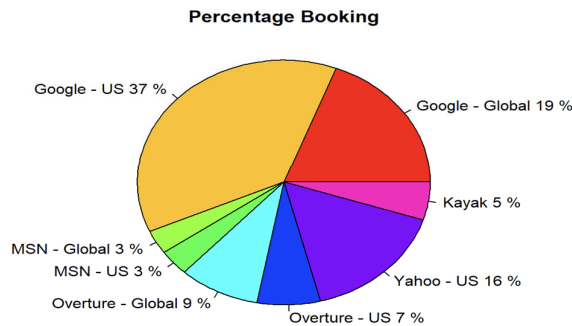


Fig: Graphical Representation

In the above figure, we can see that most of the bookings to Air France are obtained from Google US, Google Global and Yahoo, and it is advisable to divert costs from other search engines towards these search engines in order to increase volumes.

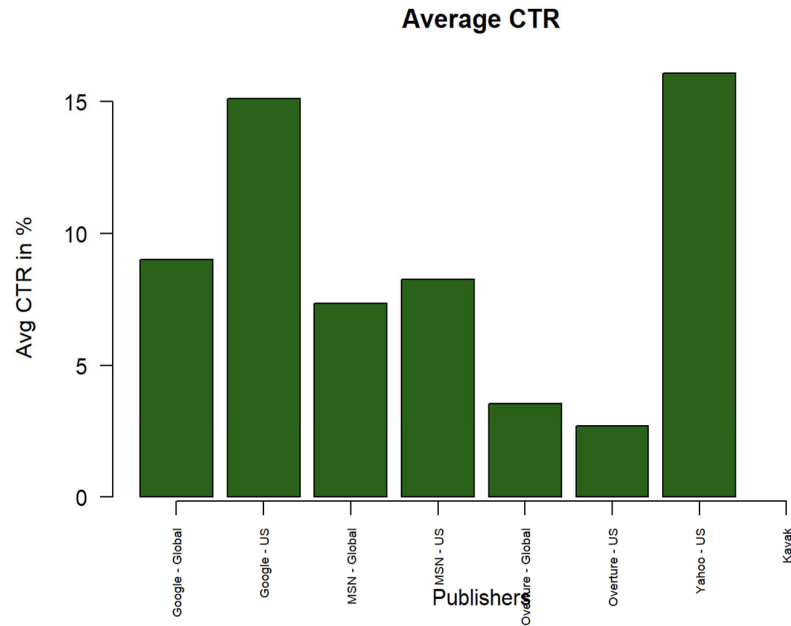
Now we will be discussing a few of the performance metrics and strategies we have drawn from the insights of the case study, that might give us an overall view of the Net Revenue, click through rates, Transaction rates, ROA of Air France and how it can be improved further.

Identifying Performance Metrics

Several SEM metrics measure performances, which can increase the productivity and profitability of any internet marketing campaign. A few of the SEM metrics which we have measured to identify the performance: Cost Per Click, Click Through Rate (CTR), Transaction Conversion Rate (TCR), Net Revenue, and Return on Ad Dollars Spent (ROA).

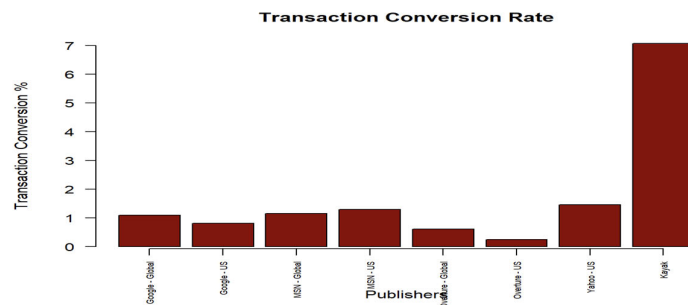
Cost per Click, Click Through Rate, and Transaction Conversion Rate are three important performance indicators that may provide us with the information we need to swiftly assess whether you are on track.

Click through Rate is abbreviated as CTR is the percentage of customers who click through on a link. This is calculated by dividing the number of users who clicked by the number of impressions.

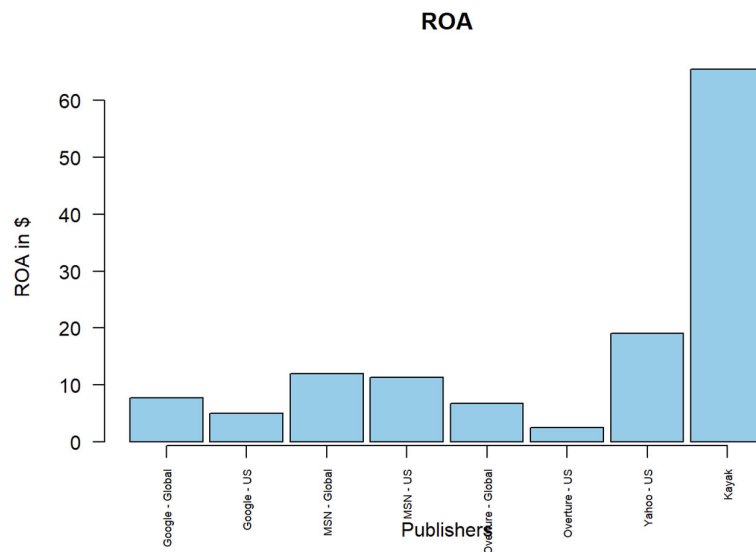


Cost Per Click is abbreviated as CPC is often determined by calculating the total cost of the campaign, by the number of links each link received.

Transaction conversion Rate is abbreviated as TCR, is defined as the percentage of customers who purchase after clicking through to your website. TCR measures the efficiency of generating sales from the delivered clicks.



Return on Ad Dollar (ROA): ROA measures the efficiency of generating net revenue from ad dollars spent. It is important to consider the KPI impact to understand the website's overall performance. The other metric that was taken into consideration was the Net Revenue.



Net Revenue: The Revenue measures the overall publisher's contribution to the marketing campaign. From the revenue amount, deduct the costs associated with its generation.

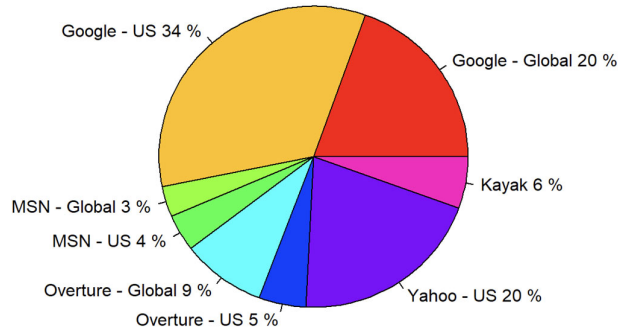
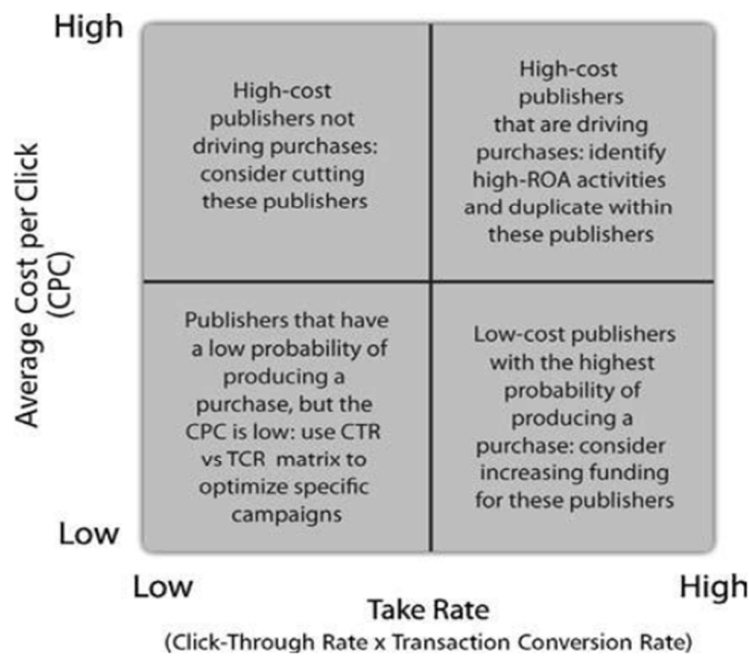


Fig: Net Revenue

From the above pie chart, we can draw the conclusions that Google US, Google Global and Yahoo are the main sources of earning profits to Air France. It is advisable to invest more in these search engines to maximize profits.

Optimizing the Publisher Strategy

The primary objective is to raise Return on Ads and net revenue from internet advertising for Air France. To maximize return on investment, we think it would be more effective to customize each publisher's strategy. It would be more advantageous to offer unique methods for each publisher given the wide variety of different target groups and customers who utilize the various search engines. Since the average income per transaction, cost per click rate, and booking likelihood rates vary depending on the publication. In terms of SEO marketing strategies, we think Google, Yahoo, and Microsoft MSN should be used for various methods.



From the above figure, it is evident that Publishers with high cost that are driving purchases, they duplicate within these publishers. Those that fall into this quadrant are the most ideal publishing companies with the best strategies.

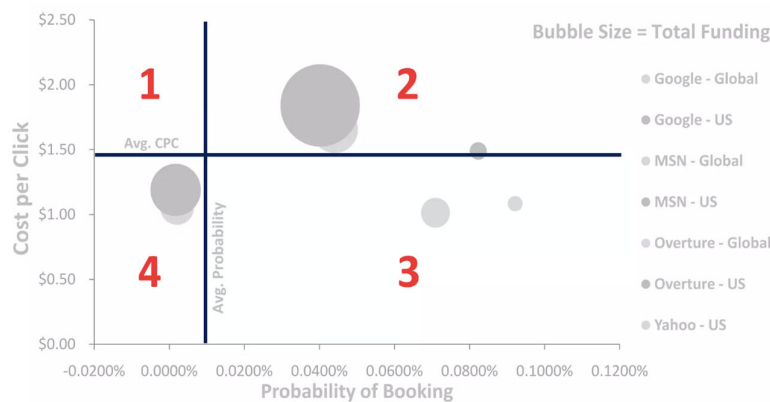


Fig: Publisher Strategy

The goal of the publisher strategy is to increase ticket sales and improve ROA. Some of the challenges faced by Air France are Low clicks, few conversions, High costs and Net loss in revenues. In order to overcome the challenges Google, Yahoo and Microsoft have come up with new strategies.

Google has adopted its patent page rank algorithm to determine which web series it has been using. Most important in determining which sites appear on the first page of the Google search. Pages that Google believes are the most important pages have been topped on the rank and are more likely to appear at the top of the search place.

Yahoo pursued a competitive differentiation in SEM by combining ads with content matching. The content matching represented the ability to adapt the search and non-search content to a single user experience.

Microsoft has used pay-per-click technology when serving advertisements as well as the advertisement click-through rate to determine the frequency at which an ad can be displayed.

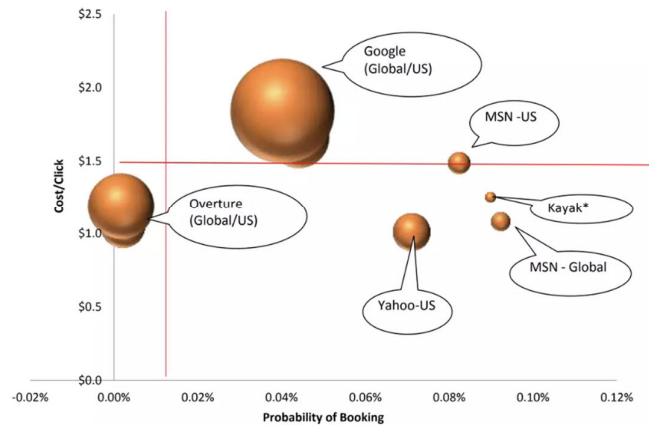


Fig: Overall Publisher Performance

From the observations, we can see that Yahoo- US, MSN-Global, Kayak, Overture Global, and Overture US have been ranked. An analysis of these companies must be done to improve the Average cost per click and the Take Rate. To improve the Click through rates, and attract the audience with the ads, the higher the number of viewers, the higher the return on an ad. The second analysis to improve the click-through rates is by improving the keywords.

Keywords are the core of the SEM. Most users search for compound phrases adapting this method can improve the click-through rates, hence generating revenues. We have come up with the recommendations for that by dropping High CPC Campaigns with negative ROA and with the new Bid strategies for the Quadrant- 2 Campaigns (i.e., Google Global, Google Us, MSN- US, the campaigns can increase their Net Revenues and Profits.

MSN - Global

If impressions increase to:	Ticket sales increase by:	Net revenue increases by:
1,000,000	600% +	\$800,000 +
500,000	250% +	\$340,000 +
250,000	75% +	\$100,000 +

For the recommendation in the Quadrant-3 campaigns that have MSN-Global and Yahoo! - The US needs to increase funding and purchase additional keywords to attract the traffic on the website.

Overture — U.S.

If CTR increases by:	Ticket sales increase to:
1%	702
2%	1116
3%	1529
4%	1942

Recommendations for Quadrant -4 campaigns i.e., Overture- Global and Overture-US, there is a need to improve the search copy and site copy. By improving them, sales can be increased.

Publisher - level insights

Attributes	Yahoo		Google & Overture	
Average Position	[1.2,1.3)	>=1.3	<1.2	[1.2,1.3)
Bid Amount	-	-	<8.1	-
Average Conversion %	9.2	7.4	7.3	9.2

Attributes	Yahoo		Google & Overture
Average Position	<1.3	[1.3,2)	<1.3
Average Click-through %	8.6	8.4	18

Yahoo:
Target position 1 or 2

Google & Overture:
Target position 1

After careful observations and calculations, we have concluded the best publisher strategy, looking at campaigns within a specific publisher on the dimensions of CPC and Take Rate we can say that Google-US is doing well. The targeted position for Google and Overture is ranked 1.

Optimizing the Campaign strategy

To create a successful SEM campaign strategy, marketers use a variety of strategies and tools, including:

Keyword research: The first step in an SEM campaign is for an organization to identify the most effective keywords for which they want to buy ad space. This can be done using online keyword research tools. Research should also be done on competitor advertising and geomarketing information about the target audience. Budget Marketers create a budget for an ad campaign and set a maximum bid amount.

Advertising group: An organization that promotes multiple products or services may need to organize its products into multiple ad groups, meaning multiple ads in a single campaign with a common goal. This approach is more cost-effective than putting every keyword in one ad, which can be expensive.

Design and test landing pages: Each ad must link to a product landing page. We should create landing pages that use important keywords and provide a good user experience. A/B testing can be used to optimize metrics like revenue per page and average order value.

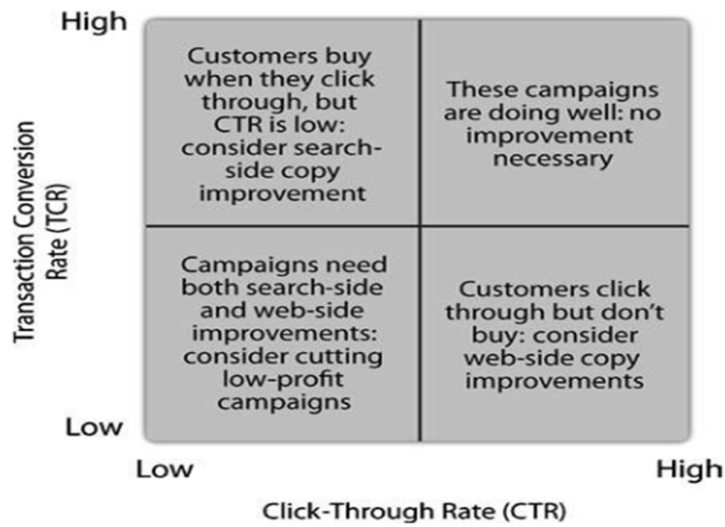
Create ads: The next step is to create ads for the ad group based on keyword and competitor research. Make a proposal. Once the ad is created, the bid will be included in the search engine auction.

Campaign monitoring: the final step is to track ad performance with analytics tools, such as Google Analytics. These tools allow organizations to monitor keyword performance and make changes to the ads, keywords used, or other elements of the campaign.

Air France uses SEM as a part of their marketing strategies and employs different marketing strategies across the different search engines. The Return on advertising differs from publisher to publisher. The opportunities exist for certain keywords across the publishers and relative campaigns. For strategies with low performing keywords, there is a need to revisit such campaigns and work on it.

The optimal search marketing strategy will choose the most efficient way to distribute advertising funds across the many search engines, as well as the right keywords and bid techniques to appear on Internet users' search result pages. The case provides background information on the airline sector as well as the current Internet search possibilities, including Google, Microsoft MSN, Yahoo!, and Kayak, to help choose the best course of action.

Background details on SEM, its costs, and ways to gauge the effectiveness of each marketing activity are also offered. It has the information for keywords and keyword groups for each campaign, and search engine suggests that although they all have similar high-level conceptual underpinnings, the techniques for each search engine differ marginally.



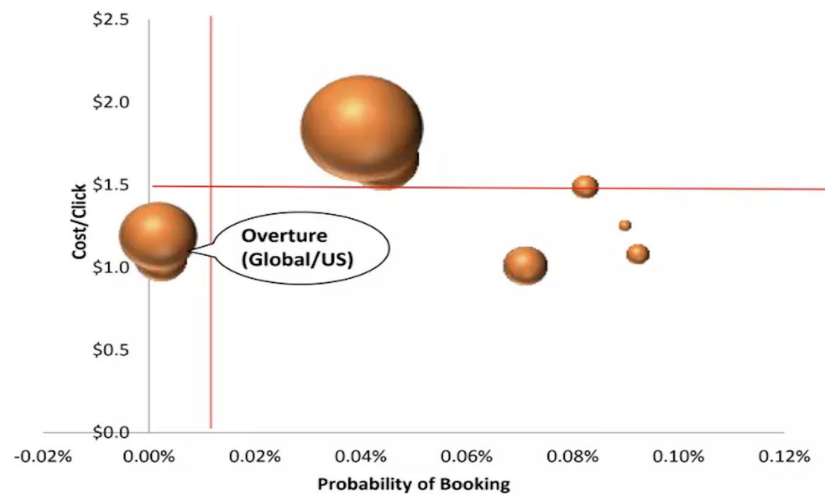
From the above figure we can see that the top left has a high TCR but low CTR, indicating that if customers click through, they buy, but they are not clicking through. We must improve keywords or ad content. The top right quadrant indicates campaigns for a certain publisher that have a high CTR and TCR - doing well.

Combining Publisher and Campaign Data

Let us Consider the publisher data to see which campaign is best in terms of keyword combinations, average positions, campaign bid strategies and the best campaign in overall (globalvsUS).

Overture Global/US

To optimize a sponsored campaign, the campaign had to improve on one or more of the following: cost-per-click reduction, increase in bookings, net revenue, and revenue per transaction, return per transaction, and overall performance by engine, or other performance metrics that could improve the net revenue of a particular campaign.



For the Overture Global/ Us we can see that there is an increase in the bookings per impressions from 0.002% to 0.004% which in turn increase the Return on Advertising

from 357% to 830%.

For the keyword combinations, we must consider the clicks and evaluations. Based on the clicks and evaluations, Cost per click on the keywords and Total Conversations are taken into consideration. Let's do an analysis on the keywords to find the most used ones.

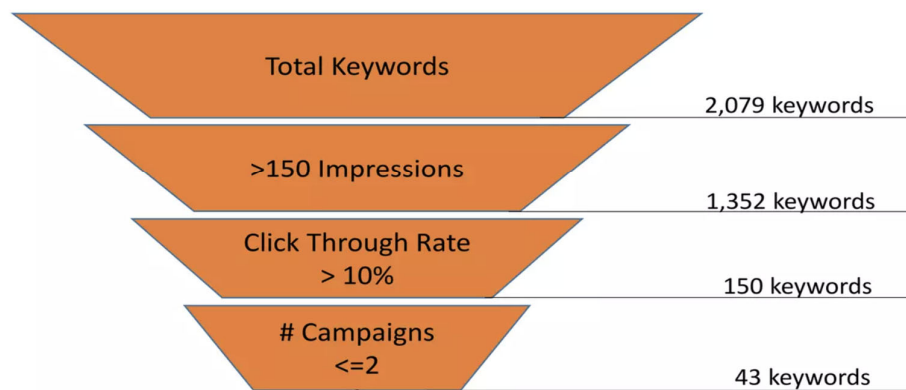


Fig : Keyword Analysis

There are in total 2,079 keywords of which 1,352 keywords have >150 impressions, more than 150 keywords have 10% Click through rates.

Attributes	Yahoo		Google & Overture	
Average Position	[1.2,1.3)	>=1.3	<1.2	[1.2,1.3)
Bid Amount	-	-	<8.1	-
Average Conversion %	9.2	7.4	7.3	9.2

Attributes	Yahoo		Google & Overture
Average Position	<1.3	[1.3,2)	<1.3
Average Click-through %	8.6	8.4	18



Yahoo:
Target position 1 or 2

Google & Overture:
Target position 1

Fig: Target Positioning of Publishers

The Publisher insights gives an overview of the Average position, bid amount, average conversion rate and click through rates of the publishers.

Bidding Strategy for the Overture Global/ US is to increase the number of impressions. 1352 keywords have more than 150 impressions. **Average Position** for Overture is ranked 1. **Combination keywords are** - Travel to France, Flight, Europe Flights, Travel to Paris.

Keyword	Click Charges	Average Position	Search Engine Bid	Average Cost per Click
Flight	\$4,247	1.9	\$8.75	\$3.83
travel to france	\$3,296	2.3	\$6.25*	\$5.55
greece flights	\$2,667	2.9	\$6.25	\$3.41
europa flights	\$2,602	1.8	\$6.25	\$3.01
italy travel	\$2,566	2.5	\$6.25	\$4.12
romantic vacation	\$2,510	2.7	\$6.25	\$1.67
turkey travel	\$2,297	2.5	\$6.25	\$3.50
spain travel	\$2,027	2.2	\$6.25	\$3.94
athens hotel	\$1,545	2.1	\$3.28	\$2.55
travel to paris	\$1,459	1.9	\$5.36*	\$1.47
<i>AirFrance Average</i>	<i>\$2,521</i>	<i>1.93</i>	<i>\$5.72</i>	<i>\$1.89</i>

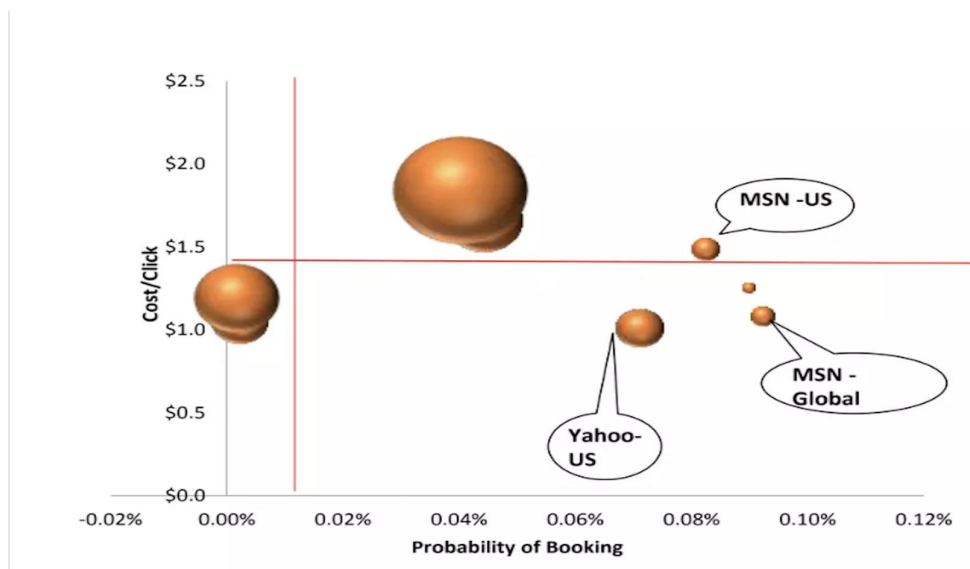
Fig : Keyword Bidding Data

These are a few of the keyword combinations that have been the best combinations in our research analysis.

BEST CAMPAIGN OVERALL

Yahoo and MSN Global/US

To understand how to maximize the net revenue and the ROA of its Internet marketing campaigns by evaluating alternative strategies. We also need to constantly look to improve our online performance through innovative thinking and testing new approaches. The level of analysis and reporting we receive from them is crucial to the continuing success of our business.



The overall return on Investment for these three publishers is currently over 1,000%.

Bidding Strategy- There is a need for funding, To increase the investments and look for the successful keywords to incorporate with google and Overture. There is a need to

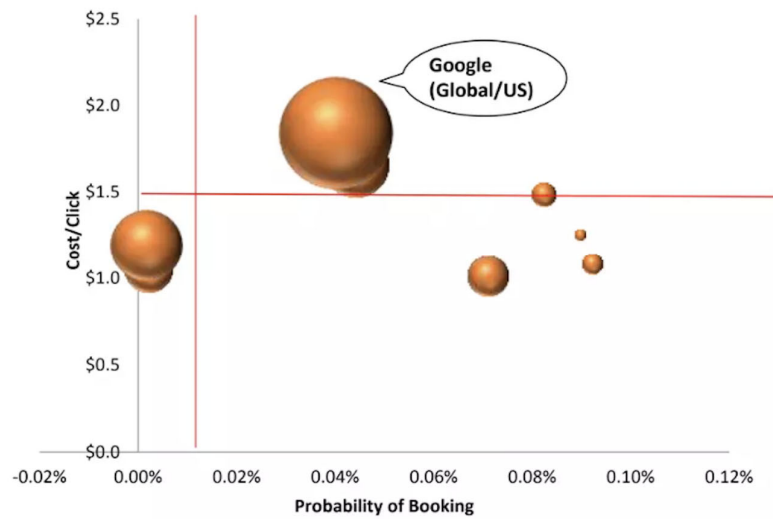
purchase additional keywords for these publishers. **Average Position-** The Average position for Yahoo is 1 or 2 and that for MSN is 1.

Combination Keywords - Some of the combination keywords for Yahoo and MSN Global/US are travel to France, Italy travel, romantic vacation, travel to Paris, air France Average, Turkey Travel etc.

Keyword	Click Charges	Average Position	Search Engine Bid	Average Cost per Click
Flight	\$4,247	1.9	\$8.75	\$3.83
travel to france	\$3,296	2.3	\$6.25*	\$5.55
greece flights	\$2,667	2.9	\$6.25	\$3.41
europa flights	\$2,602	1.8	\$6.25	\$3.01
italy travel	\$2,566	2.5	\$6.25	\$4.12
romantic vacation	\$2,510	2.7	\$6.25	\$1.67
turkey travel	\$2,297	2.5	\$6.25	\$3.50
spain travel	\$2,027	2.2	\$6.25	\$3.94
athens hotel	\$1,545	2.1	\$3.28	\$2.55
travel to paris	\$1,459	1.9	\$5.36*	\$1.47
<i>AirFrance Average</i>	<i>\$2,521</i>	<i>1.93</i>	<i>\$5.72</i>	<i>\$1.89</i>

Google US/Global

In an increasingly saturated airline industry and the emergence of travel aggregators, that Air France target and pay for the keywords that are most effective on each site. By decreasing the Average cost per click for google by 0.10 cents, we could reduce the costs over 13,000.



Bidding Strategies - Adjust the Bidding Strategies to lower costs by refining the key bids and check for the underperforming keywords. **Average Position**- The Average Position for Google is 1. **Combination Keywords**- The Keyword combinations are flight, Europe Flights and Air France Average.

Publishers based on Search Engines and Content Based

Air France Branded	ROA
Google – US	45.37486
Yahoo – US	12.45686
Western Europe Destinations	
Google – US	-0.83971
Yahoo – US	35.22843

Fig: Publishers and ROA

The figure above gives an overview of the Returns based on Google pure Search Engine for Google Us and yahoo -US at the first and based on content for Google-US and Yahoo - US.

Best Campaign Strategy

In order to assess the campaigns, we need some standard information for Comparisons, for this we will take the profits of each campaign and start refining all such campaigns that are facing the net losses.

	Profit	Avg. Cost/Click	Avg. Rev./Booking	ROA	Probability of Booking	Cost/Booking
Google - Global	\$ 808,603	\$ 1.66	\$ 1,166	669%	0.0441%	\$ 151.75
Google - US	\$1,391,841	\$ 1.84	\$ 1,126	394%	0.0402%	\$ 228.16
MSN - Global	\$ 133,364	\$ 1.08	\$ 1,128	1097%	0.0922%	\$ 94.27
MSN - US	\$ 165,451	\$ 1.49	\$ 1,297	1028%	0.0823%	\$ 114.99
Overture - Global	\$ 365,789	\$ 1.06	\$ 1,156	569%	0.0021%	\$ 172.84
Overture - US	\$ 205,457	\$ 1.19	\$ 1,202	145%	0.0017%	\$ 491.27
Yahoo - US	\$ 836,091	\$ 1.01	\$ 1,333	1810%	0.0709%	\$ 69.79
Grand Total	\$3,906,597	\$ 1.47	\$ 1,184	517%	0.0094%	\$ 191.75

Fig: Best Campaign Strategy

Seeing as how different sites their inherent advantages have, based on the order of the search result, or on the bid strategy, keywords should be exercised on a case-by-case basis. Obviously, this is an idealistic approach, however, to truly isolate those marketing efforts that contribute to Air France web traffic and the facilitation of ticket sales, the extra effort would certainly be worth the initial cost.

By our estimates, only 322 out of 2079 keyword searches, across the various platforms had positive return on the investment. With overall returns being so high, across all websites, we can see that this cost-model for advertising will sustainably remain effective.

However, when bidding on useless terms can be eliminated, we can further increase margins by not only saving on our expenses when bidding for terms, but by increasing the costs for our competitors to advertise. We can say that **Google -US** is the best campaign among all the publishers with the net profit of 836,091.

KPI ANALYSIS ON CAMPAIGN LEVEL

The most important KPIs are 'average return on ad spend', 'total cost' and 'probability of booking'. Between these three key variables, we can balance margin benefits and total costs. As our technology platform evolves, we want to be flexible about the total costs incurred and the percentage return we want to receive.

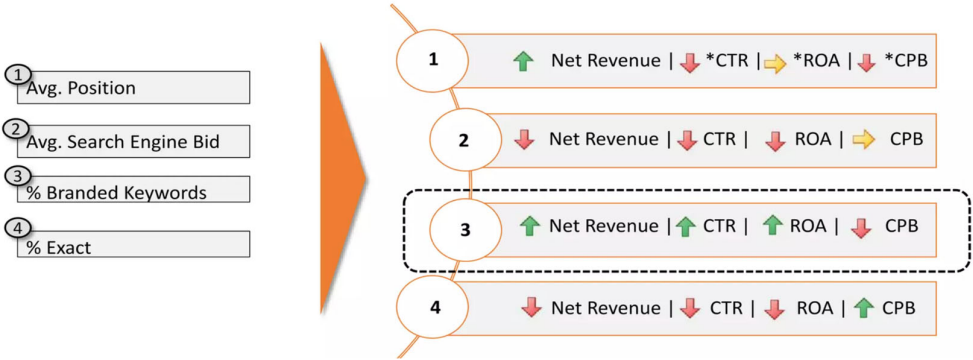


Fig: KPI Analysis

The reason we don't choose to favour average cost is that such investments with high percentages can cost a lot of money. Likewise, if something has a low profit margin but is relatively cheap on the web when people search for it, buy it, and later recommend it to others, there's no reason why we shouldn't maintain our existence. 'Booking Probability' is a gain variable. A sensitivity analysis can be performed between the total investment in advertising and its return on investment, but to ensure that inefficiencies are rarely explored, we ensure that the investment yields at least a minimal return. Whether Air France will be exposed to netizens is debatable.

Calculate KPI Impact

To calculate the KPI Impact, the assumption for the CPC should be taken into consideration. These data are essential for defining how much we are willing to bid for keywords in the future. The ROA measures the value of ads and bids. The main aim for calculating the KPI impact is to achieve a low click rate and generate high revenues. Lower the click, the higher the net revenue. The value of KPI is essential for defining how much we are willing to bid on the keywords in the future.

Kayak does have its competitive advantage. Kayak is considered a travel aggregator of sorts, meaning it sourced the Internet for travel business and services. As a SEM niche, Kayak also differentiates itself as having an alternative business model, from established travel service aggregators, and as having a unique technology architecture. On the other hand, it doesn't have

an impressive historical business result although it has good forecast. I think to determine if it is good or not depends on how likely people are use Kayak as a search engine if they book tickets from Air France

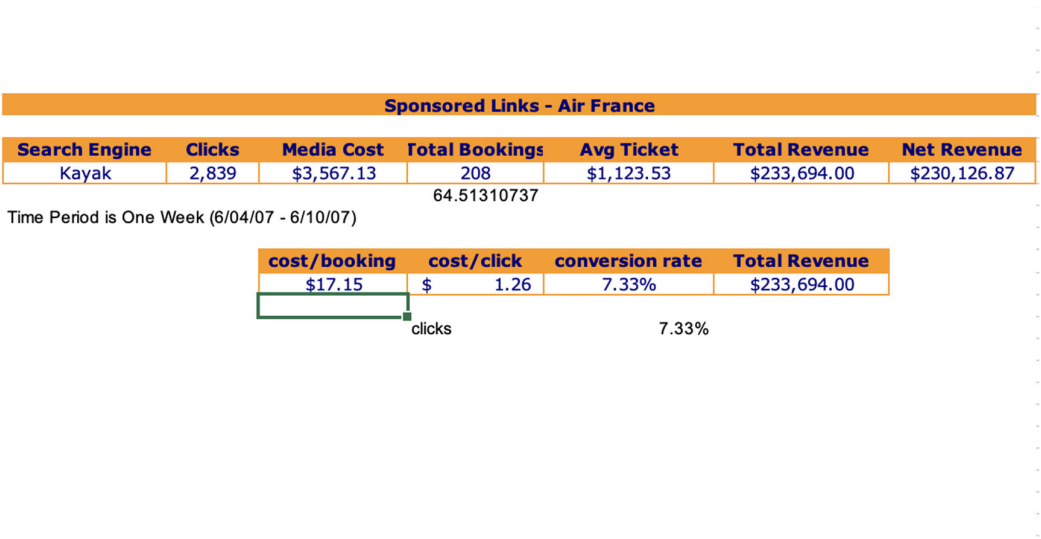


Fig: KPI Impact Calculations

Metasearch companies like Kayak are certainly a movement of the future. Search engines have nowhere to go and are firmly rooted in the habits and lives of internet users, but the development of these his websites as travel booking platforms has made search engines the most attractive source of advertising.

We can see what Kayak has accomplished in his one week for Air France. Generated nearly \$250,000 in revenue at a cost of about 1% of revenue. There is no doubt about the legitimacy of search engines. However, these sites should be used as they exist

in the consumer's mind. At the outset of the lawsuit, it was talked about how consumer behaviour has shifted to economy class while people are becoming more travel friendly.

One conclusion that can be drawn is that sites like Kayak will become more visible among travellers looking to stay frugal as they look to sites known to offer budget options. As a result, we can see people move away from simple websites searching for airfares as legitimate websites promoting the sale of cheap airline tickets become more and more concentrated.

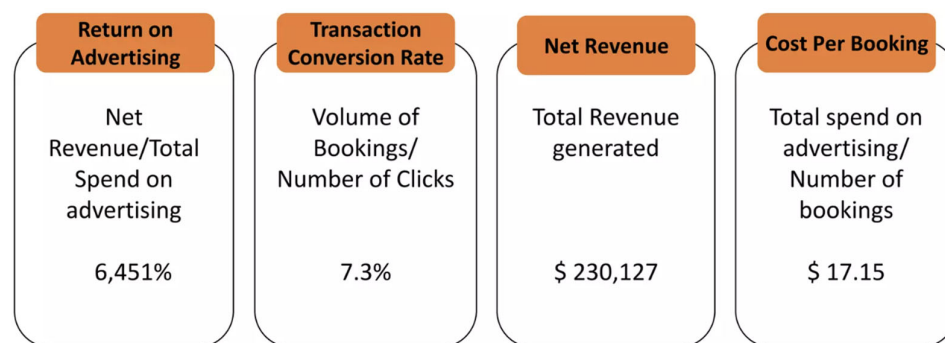
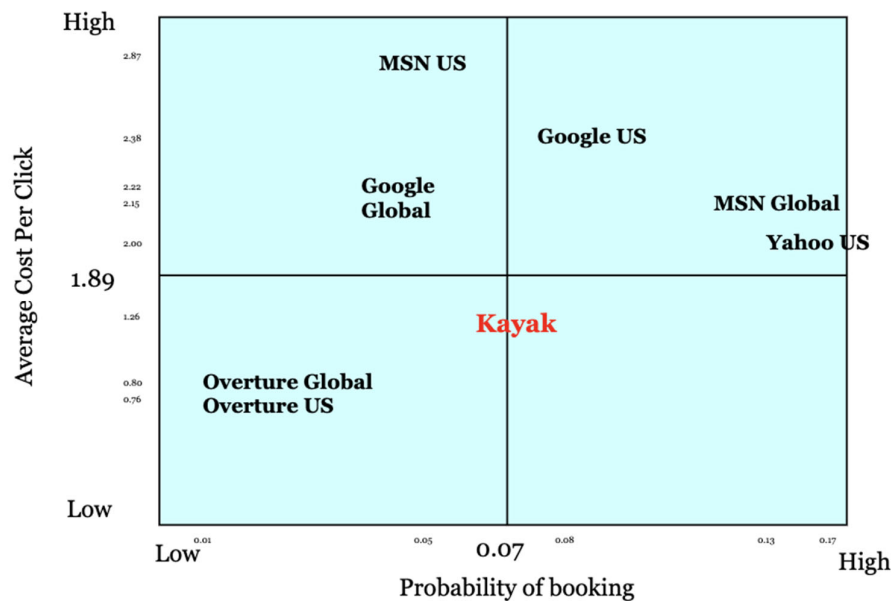


Fig 4: KPI's for kayak

The above figure gives the overview of the KPI's for kayak for over a week. A Key Performance Indicator (KPI) is a metric aligned to a 'Key' business objective. It tracks how effectively an organization is performing against that objective, including associated targets or goals. Companies use KPIs to bring about performance improvements that drive growth.

The most important KPIs are the ‘average return on ad dollars spent’, the ‘total cost’ and the ‘cost per booking’. Between these three key variables we can execute a balancing act between margin benefits and overall expenses. We would want to remain flexible, given the evolving technology platform, to the overall expenses accrued and the percentage return we like to receive. The reason we are not deciding to prioritize average cost, is because large expenses can be incurred if the high percentage rate accompanies such an investment.

Likewise, if something has slim margins but is relatively cheap, we see no reason why not to maintain our presence on the web, as people search, purchase, and later recommend to others.



Google-US, MSN Global and Yahoo- US have been marked highest in terms of Average cost per click and the number of bookings. MSN-US and Google Global have been ranked highest in terms of average cost per click and lowest in terms of the bookings.

We can see from the analysis that the Overture Global and Overture Us have ranked the least in terms of Average Cost Per Click and Probability bookings. Overture Global and Overture US have generated the highest revenues for the company. The KPI impact has been achieved by low click through rates.

We can do a sensitivity analysis between overall investment in advertising and the rate of return on that investment, but to ensure that little inefficiencies are explored, we need to ensure that the investment has at least a minimal benefit. It can be debated whether exposing Air France to the internet user, whether their cognizant or subconscious noticing Air France as an option, is worth the overall investment of advertising via a specific channel and whether it has the potential to place Air France into the minds of travellers as a prominent airline provider.

CONCLUSION

For an airline's giant like Air France, it is imperative to optimize their marketing strategies aiming at goals like increasing ticket sales by opting the right medium or platform, allocating budgets based on campaigns performance, improving ROA based on assessing the SEM campaigns and analysing the post-launch optimization of SEM campaigns.

By understanding the relation of key metrics to their business objectives, we can make changes to the right areas like by keeping a close watch on the keywords to see which terms deliver the desired results. Over time, we can identify winners and losers, and then we can adjust the bids accordingly. Tracking conversions over time to see where we are losing potential conversions. Somewhere in the funnel, people are dropping out. If we can pinpoint the areas of abandonment, we can address the problem to improve the fortunes.

Using the publisher's strategy, we can optimize the decision-making process like investing in additional keywords and adding more funds for Quadrant 3 publishers we can generate more ROA and improving the copy mechanism to the players in Quadrant 4 like Overture. These actions will devise an optimized adapting marketing framework for each kind of publishers.

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