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Paid Search 101

January 4, 2020

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Paid Search 101

January 4, 2020

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PAID SEARCH 101

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What is paid search?

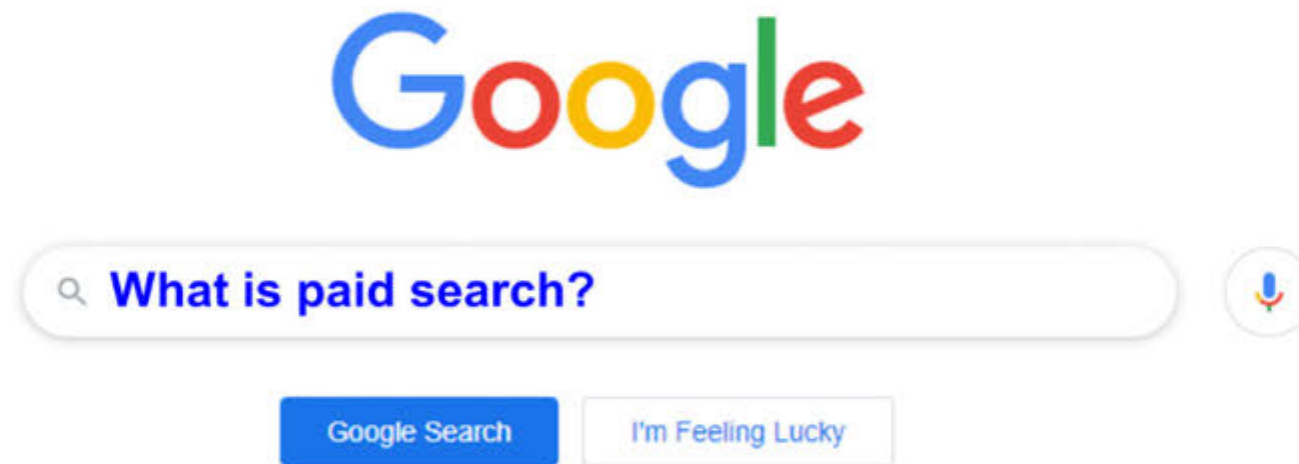
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WHAT IS PAID SEARCH?

SEARCH AIMS TO DELIVER RELEVANT INFO IN THE “MICRO
MOMENTS”



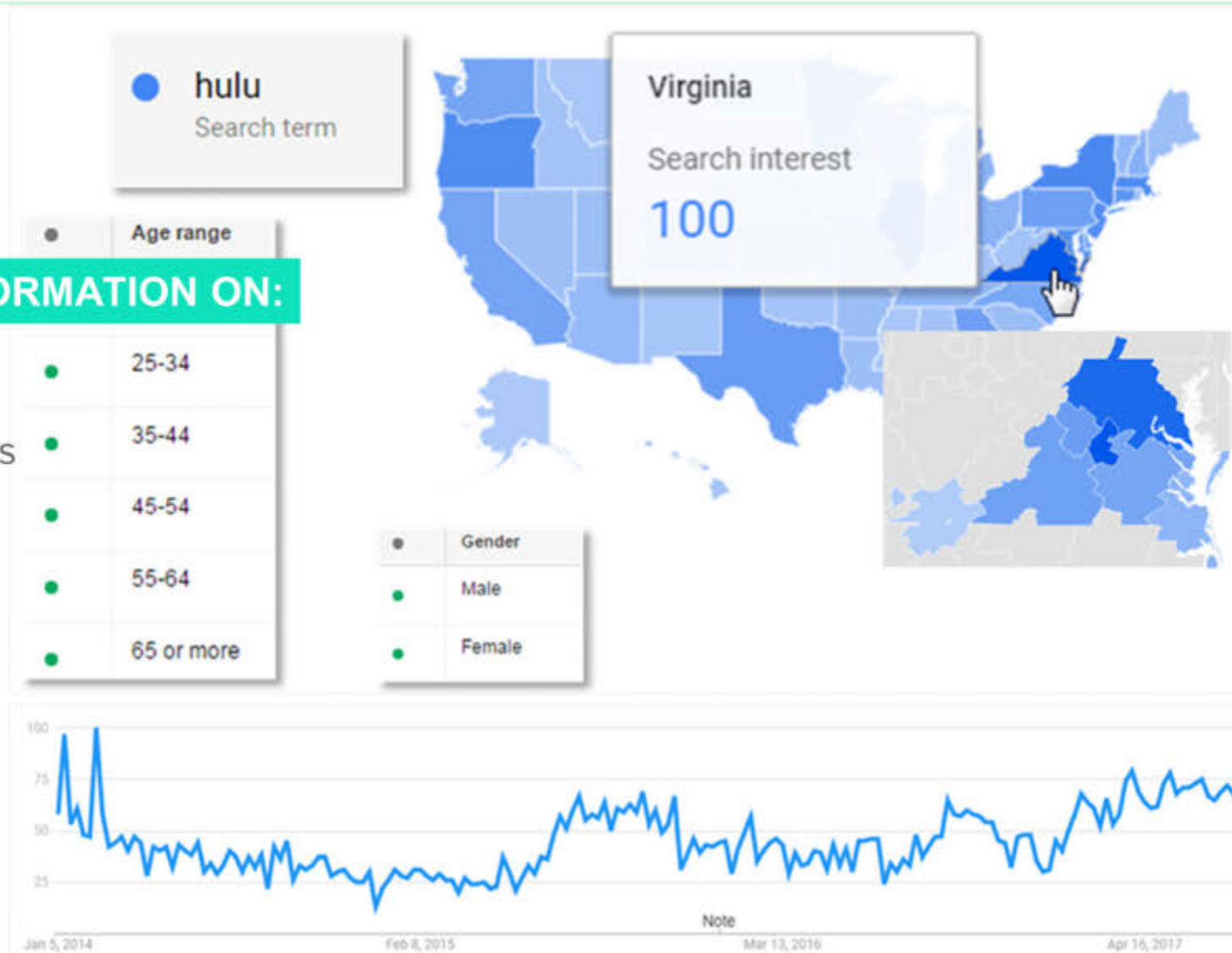
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WHAT IS PAID SEARCH?

SEARCH IS A SURVEY OF THE WORLD

AND CAN SUPPLY INFORMATION ON:

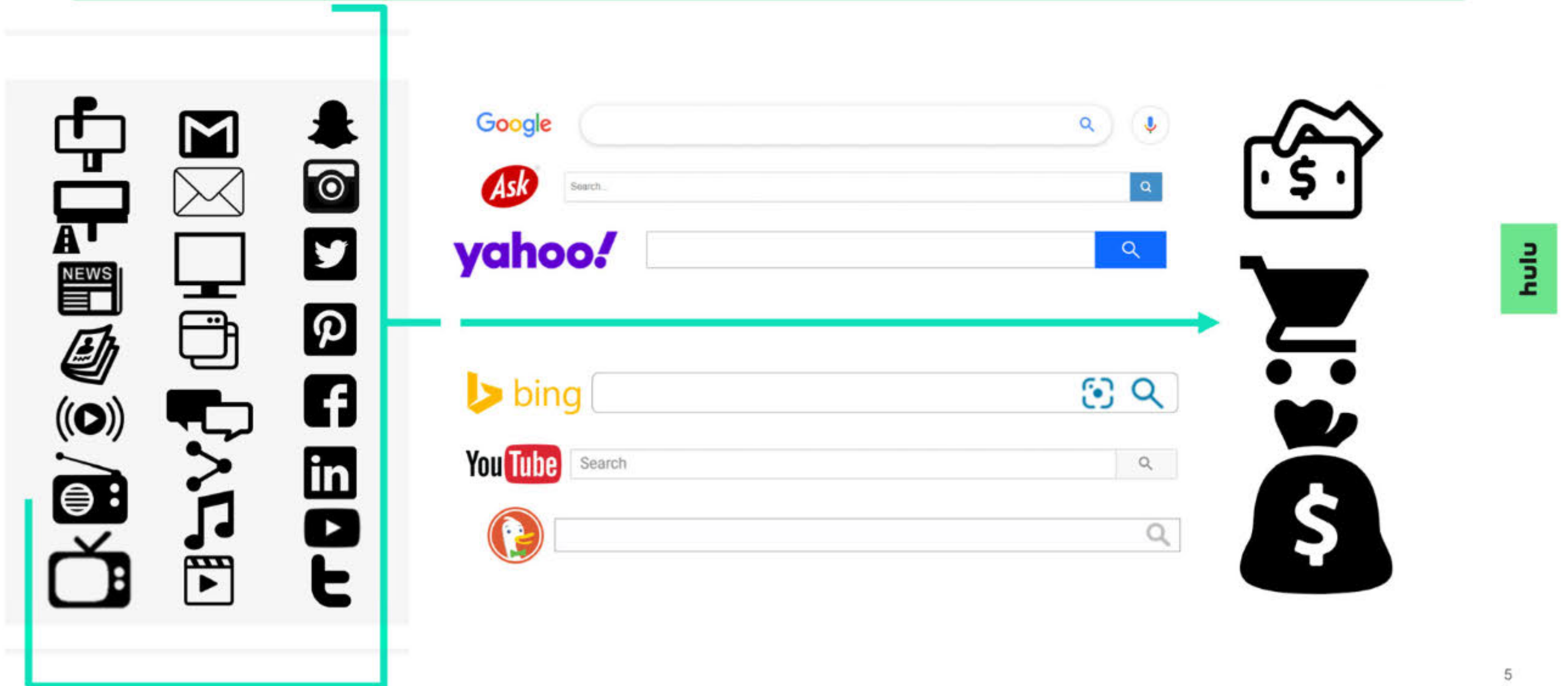
- Consumer interest
- Interaction rates
- Geographical insights
- Verbiage
- Seasonality
- Demographics



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WHAT IS PAID SEARCH?

SEARCH BRIDGES THE GAP FROM OTHER MEDIA TO SALES



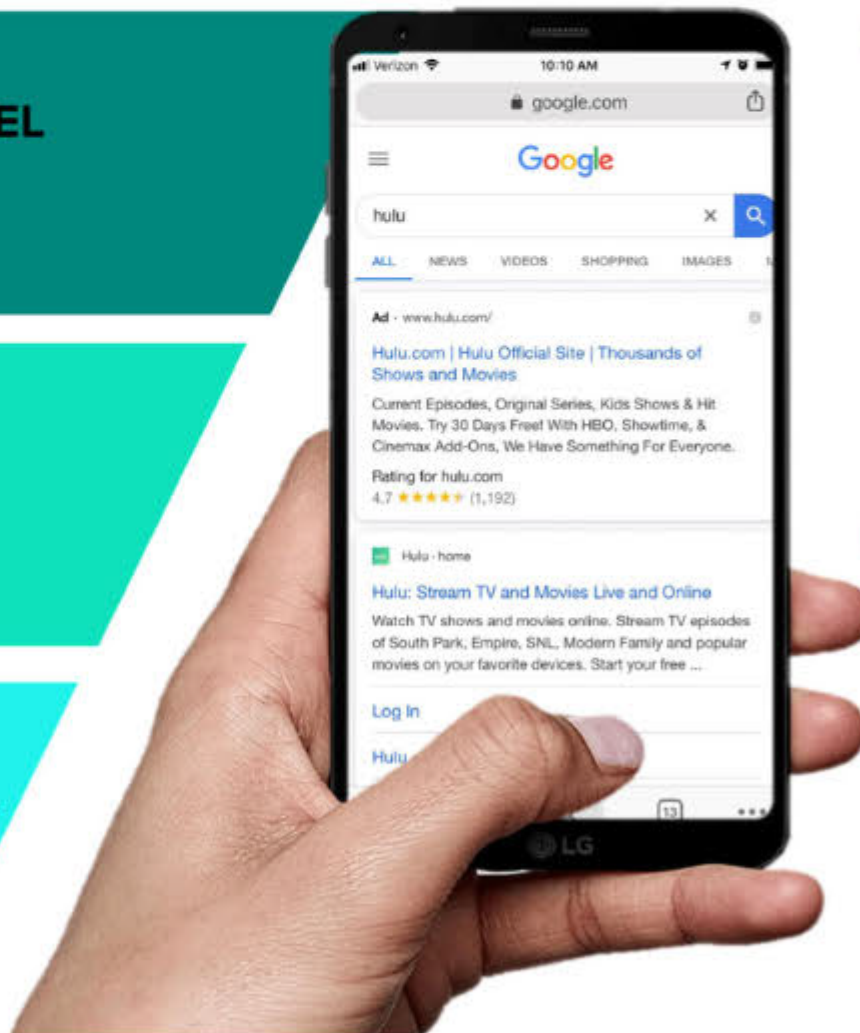
WHAT IS PAID SEARCH?

SEARCH REACHES CONSUMERS AT THE MOMENT OF INTENT

UPPER FUNNEL
awareness

MID FUNNEL
consideration

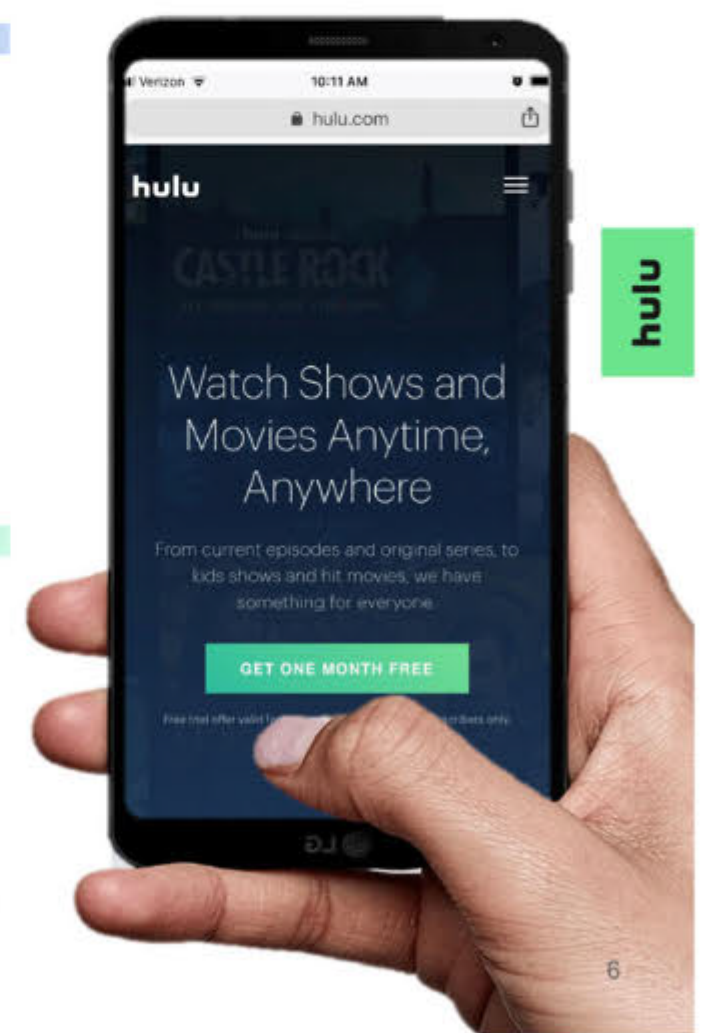
LOW FUNNEL
conversion



Search captures hand raisers that are entering **KEYWORDS OR QUERIES IDENTIFYING EXACTLY WHAT THEY ARE LOOKING FOR** whether it is a product, answers to questions, information, researching a purchase, or purchase intent, etc.

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For Hulu this means that paid search is **OPERATING IN THE LOWEST PART OF THE FUNNEL, CAPTURING ANY DEMAND DRIVEN** from upper funnel activity or users searching organically and driving them directly to the Hulu site to drive subscriptions.



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WHAT IS PAID SEARCH?

SEARCH VOLUME IS CONTINGENT ON CONSUMER DEMAND

We can create and influence the demand with other mediums, but **SEARCH VOLUME IS DEPENDENT ON INTEREST AND CONSUMER** demand. In other words, it's an entirely market dependent, demand driven channel.

with Google alone processing over...



2 TRILLION SEARCHES PER YEAR

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WHAT IS PAID SEARCH?

THE DIFFERENCE BETWEEN PAID AND ORGANIC SEARCH

All results for user queries are displayed on the Search Engine Results Page (**SERP**)

PAID SEARCH (SEM) displayed above organically listed results, with Brands bidding on queries/keywords through live auctions for placement within the SERP

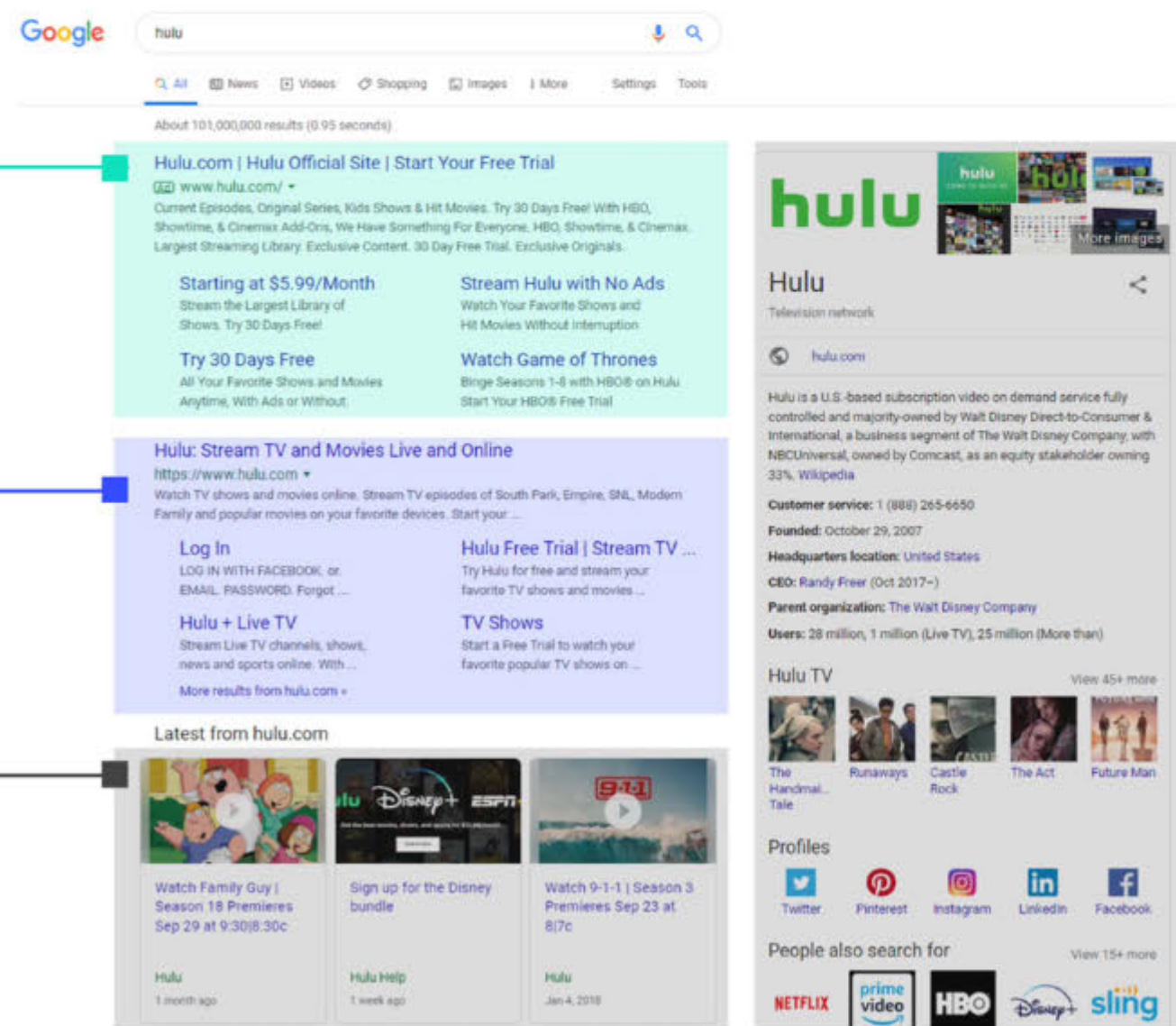
TLDR: can pay for ad placements

ORGANIC SEARCH (SEO) results will rank depending on relevancy in accordance with Google's internal search algorithm

TLDR: results listed depending on algo relevancy

KNOWLEDGE GRAPH additional information displayed that is still relevant to the user query, but is pulled through Google's algorithm crawling sites and metadata to populate

TLDR: info displayed is automated by engines



HOW DO PAID AND ORGANIC SEARCH INTERACT?

Paid (SEM) and Organic (SEO) Search working together are more than the sum of their parts...



WHAT IS PAID SEARCH?

HOW DOES THE MATH WORK OUT? 2+2=5?

SEM and SEO have synergistic benefits to performance when both are live on the SERP.

Some additional benefits include...

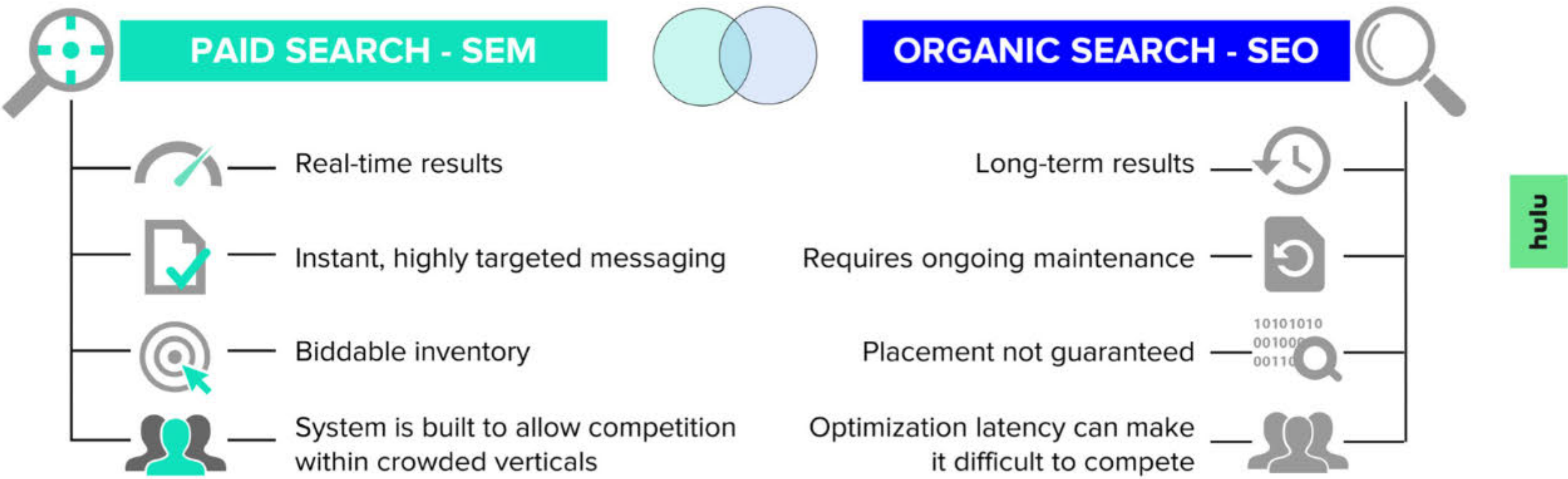
- 1 **Brand Visibility; ownership of all available digital real estate**
 - doubles website visibility on the SERP
 - multiple points of entry to drive website traffic
 - control over messaging and user experience
- 2 **Keyword Data Sharing and Testing**
 - **INCREMENTALITY**
- 3 **Best Performing SEM Ads Informing Organic Content Strategy**
- 4 **SEM Maintaining Visibility for Pages Under-Indexing Organically**
 - both niche & popular titles for Site Content & Originals
 - temporary LP and/or website experiences ie Black Friday
- 5 **Increase Click-Through across Paid and Earned Search**



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DIFFERENCES IN PAID AND ORGANIC SEARCH



PAID SEARCH 101

How does search behavior differ?

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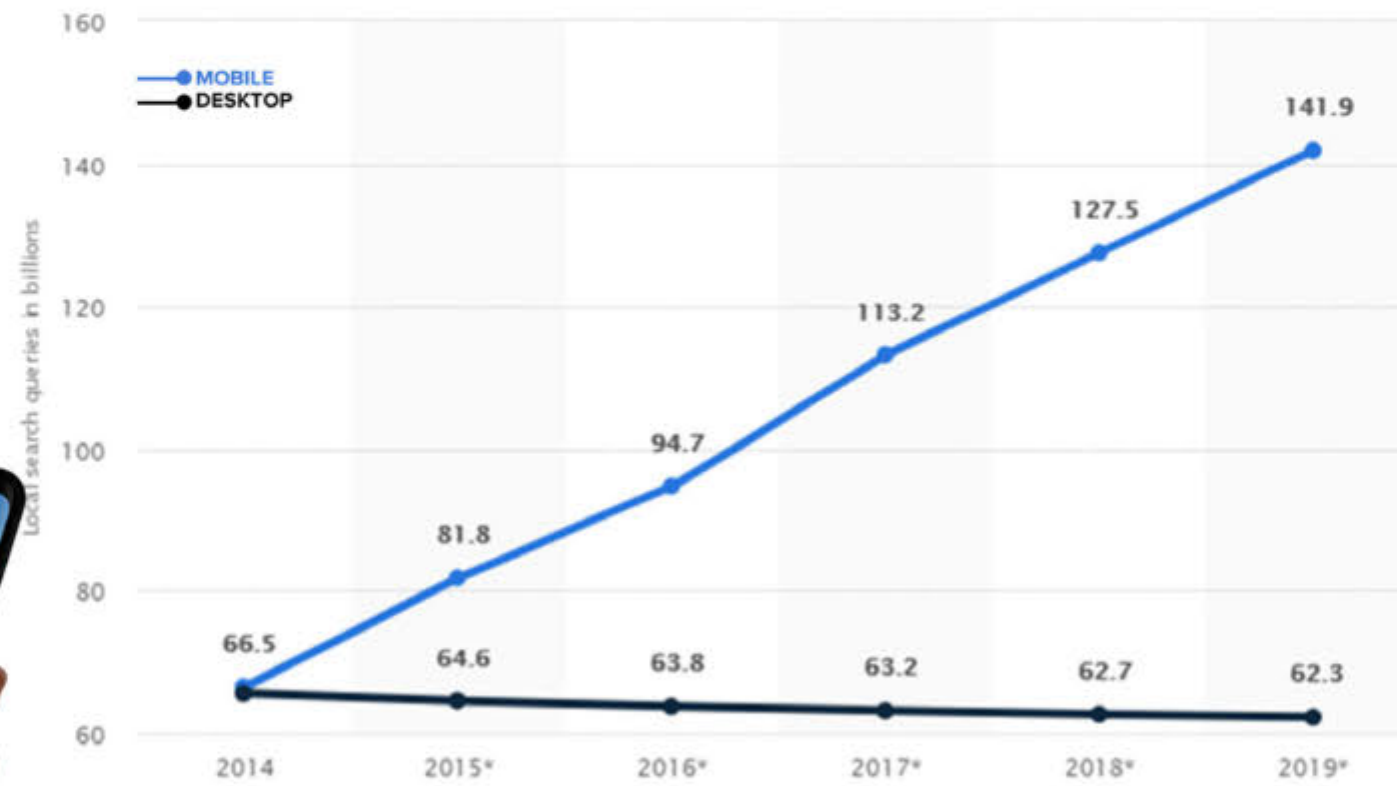
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WHY DOES SEARCH BEHAVIOR DIFFER?

SEARCH HAS BEEN BECOMING A “MOBILE FIRST” CHANNEL

SEARCH QUERY VOLUME IN THE UNITED STATES FROM 2014 TO 2019



PERCENT OF ALL SEARCHES THRU VOICE BY 2020

50%

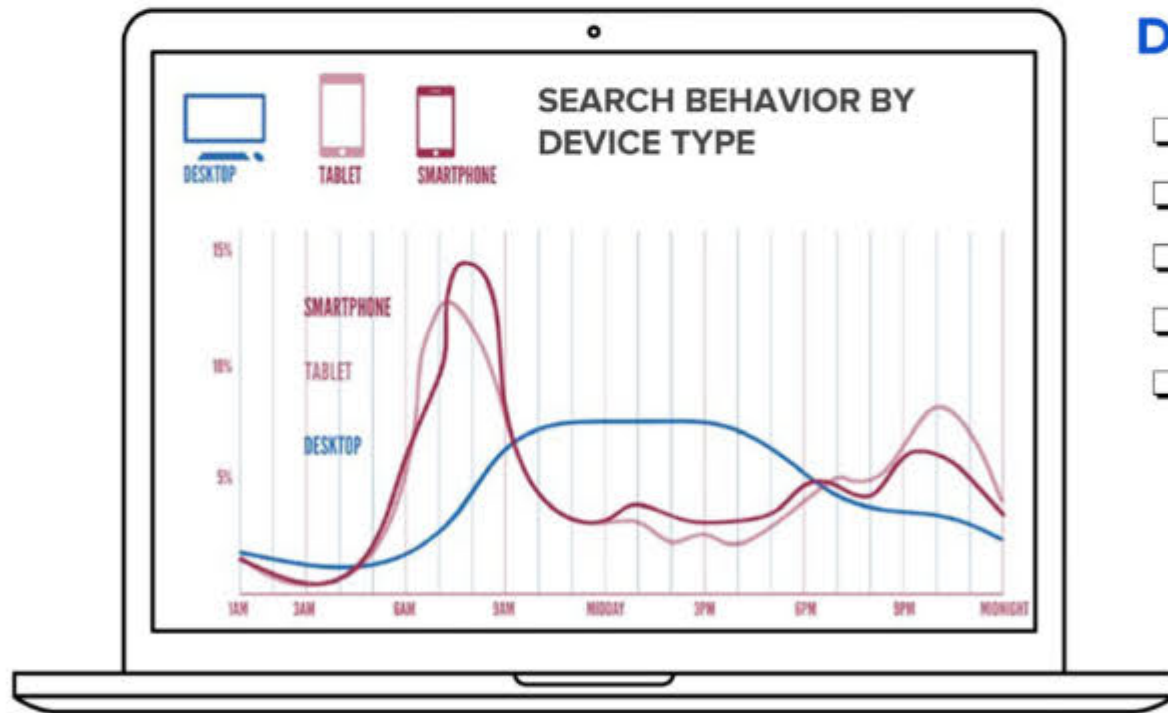


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WHY DOES SEARCH BEHAVIOR DIFFER?

USER EXPERIENCE AND BEHAVIOR DIFFERS BY DEVICE

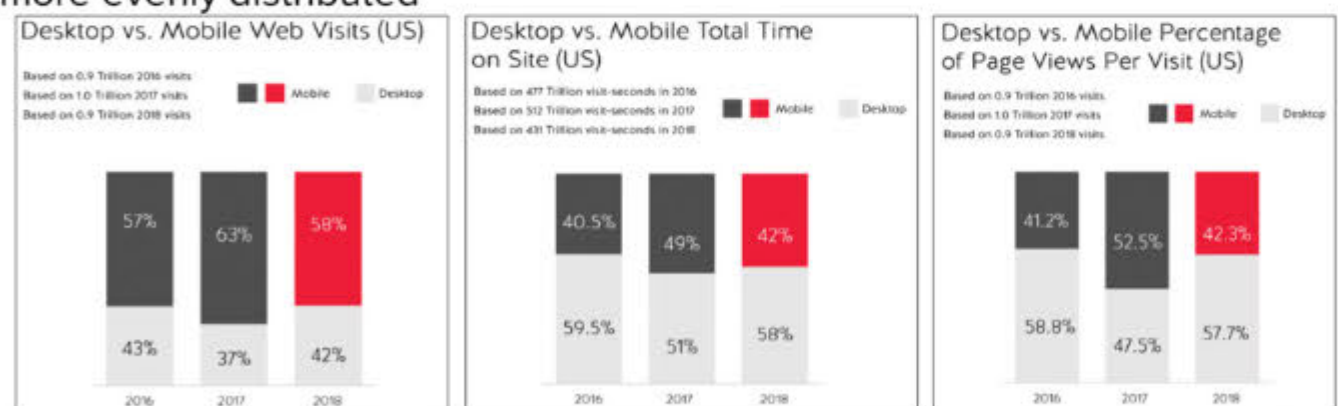
Desktop users, on the other hand, use broader queries. Desktop users use brand-modified, longer tailed keyword searches 42% of the time.



DESKTOP - “leaned in” search behavior

- ❑ Desktop Users Still Earning top Engagement Numbers
- ❑ Desktop activity peaks during “working hours” 9AM - 5PM
- ❑ Content is King for Both Types of Device Users
- ❑ Users prefer Researching on Mobile, but completing purchases on Desktop
- ❑ Higher volume of site visits from mobile devices while time spent on site is

more evenly distributed



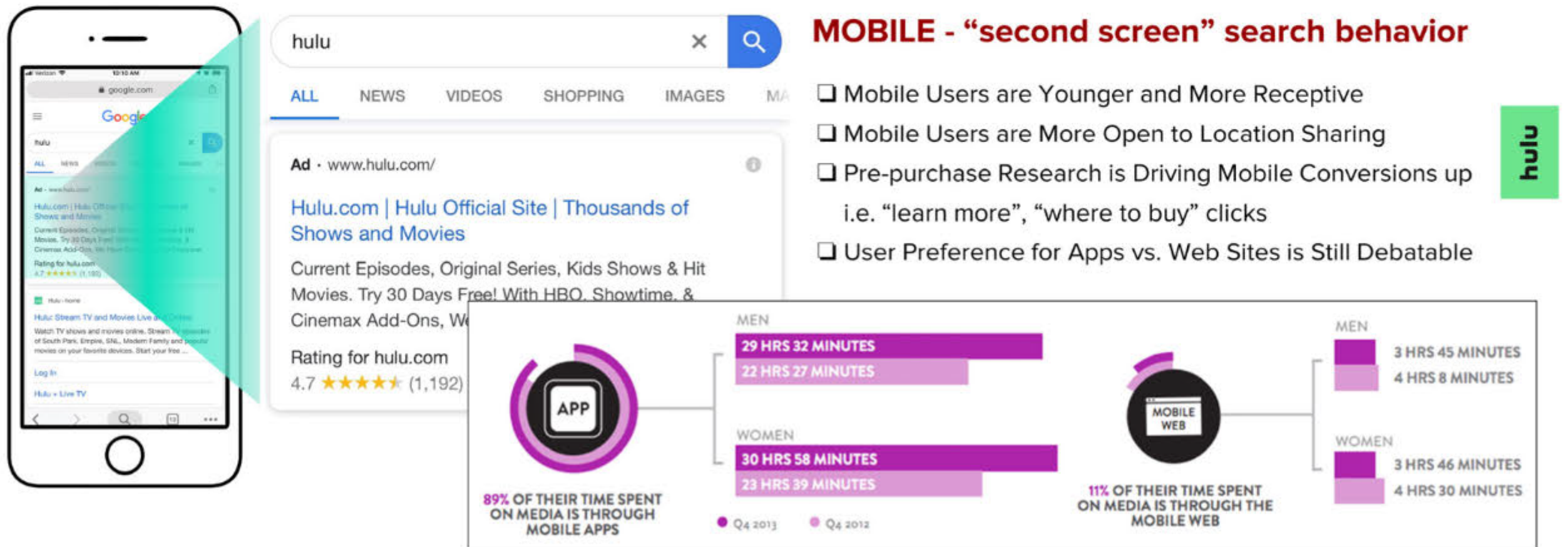
14

<https://www.perficientdigital.com/insights/our-research/mobile-vs-desktop-usage-study>

WHY DOES SEARCH BEHAVIOR DIFFER?

USER EXPERIENCE AND BEHAVIOR DIFFERS BY DEVICE - cont'd

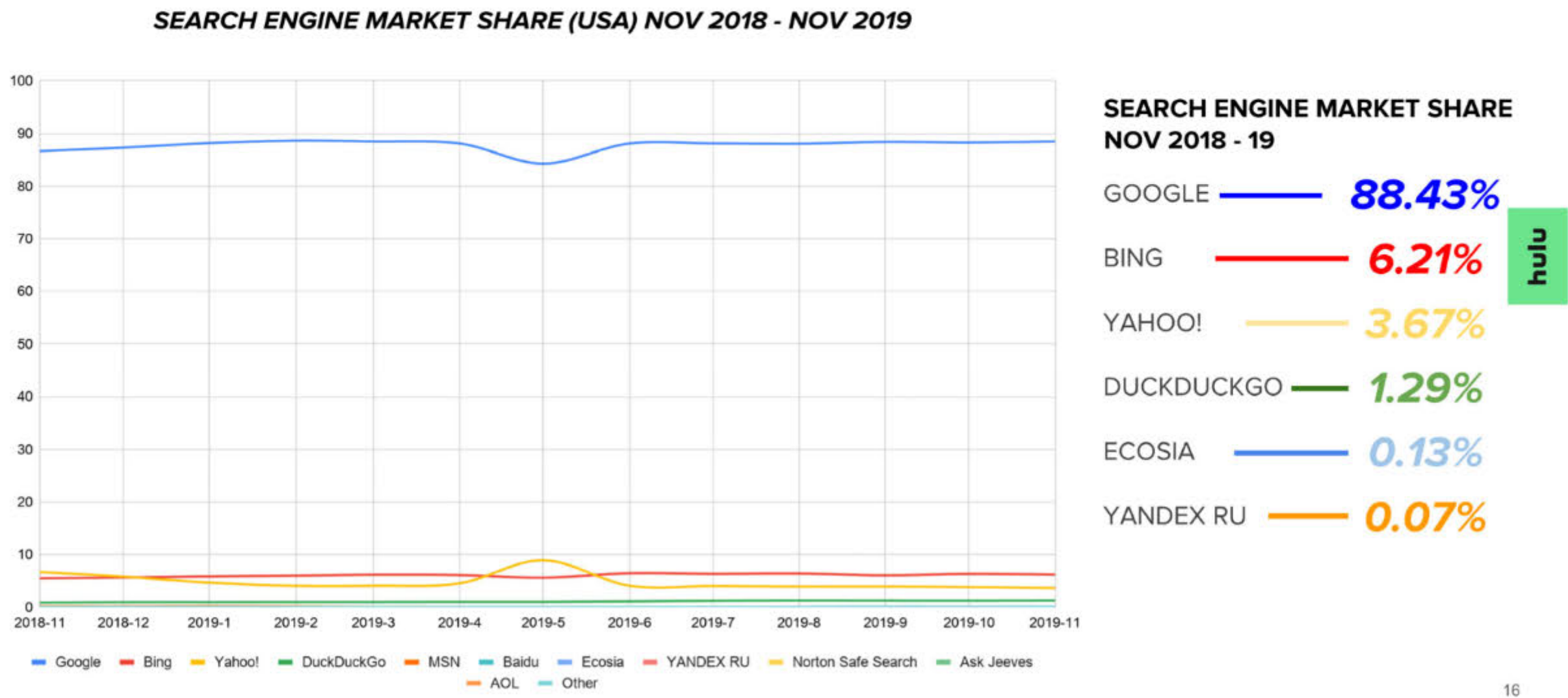
Mobile users typically have a more specific goal in mind when searching so they're queries are more focused. MediaPost states that mobile users search brand-specific queries 50% of the time




<https://www.appticles.com/blog/2016/03/mobile-vs-desktop-13-essential-user-behaviors/>

WHY DOES SEARCH BEHAVIOR DIFFER?

MARKET SHARE FOR SEARCH ENGINES IN THE USA... IT ISN'T EVEN CLOSE




TOP SEARCH ENGINES WITH GOOGLE DOMINATING IT'S COMPETITION




With a more than **90%** market share in 2019, **Google** claims the top spot with ease.

Google takes into account over 200 factors before delivering the best results to its users.



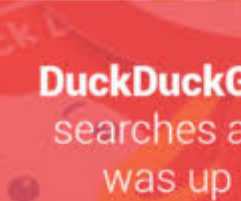
Today, more than **50%** of product searches start on **Amazon**, not on Google.

54% of all product searches are now occurring on Amazon, which now ranks as the **number three advertising platform**, behind Google and Facebook.



In **2013**, Apple decided to make **Bing**, rather than Google, the default search engine on its devices.

While Bing doesn't compare to Google, it's an example of an engine that managed to accelerate its market share through collaborations and partnerships.



DuckDuckGo had more than **16 million** searches a day. By 2019, that number was up to more than **36 million**.

In 2014, Apple made DuckDuckGo a search option for its iOS and Safari. Mozilla also updated its Internet browser to include DuckDuckGo

TOP 10 GLOBAL SEARCH ENGINES	
SEARCH ENGINE	SHARE
GOOGLE	76%
BAIDU	15%
BING	4%
YAHOO!	2%
YANDEX	0.6%
ASK	0.2%
DUCKDUCKGO	0.1%
NAVER	0.1%
AOL	0.04%
DOGPIL	0.03%

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<https://www.webfx.com/blog/seo/2019-search-market-share/>

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How does it work?

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HOW DOES IT WORK?

HOW DOES SEARCH WORK?



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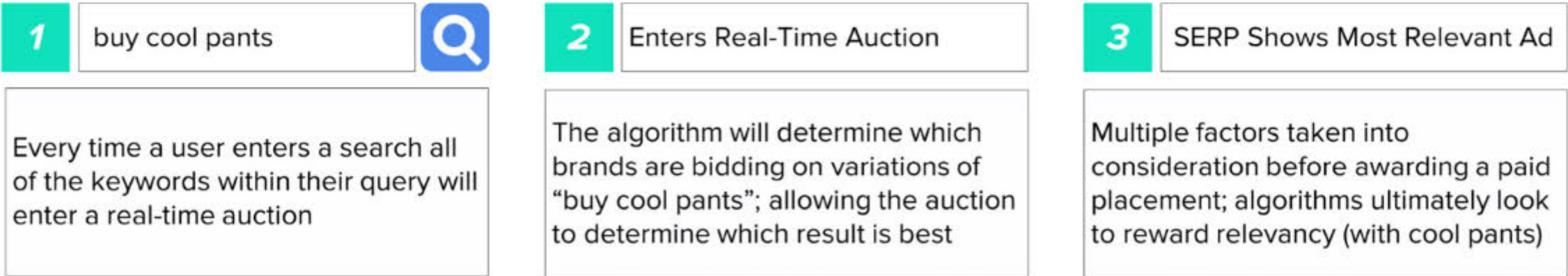
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HOW DOES SEARCH WORK? - cont'd

Like most things with Search while the question is simple, the answer is not. Because Search is a completely **MARKET DEPENDENT CHANNEL** driven by demand (ie searches); real-time auctions along with campaign architecture & structure will dictate when an ad is delivered

Real-time auction mechanics determine which ads will be shown on the SERP

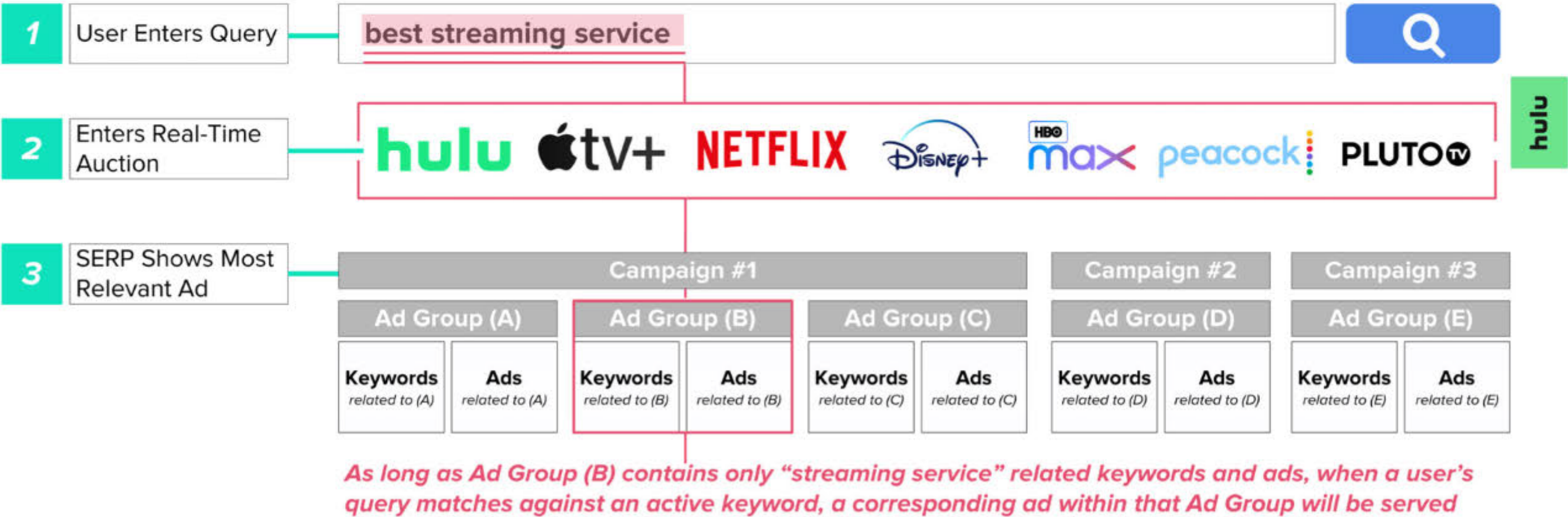


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HOW DOES IT WORK?

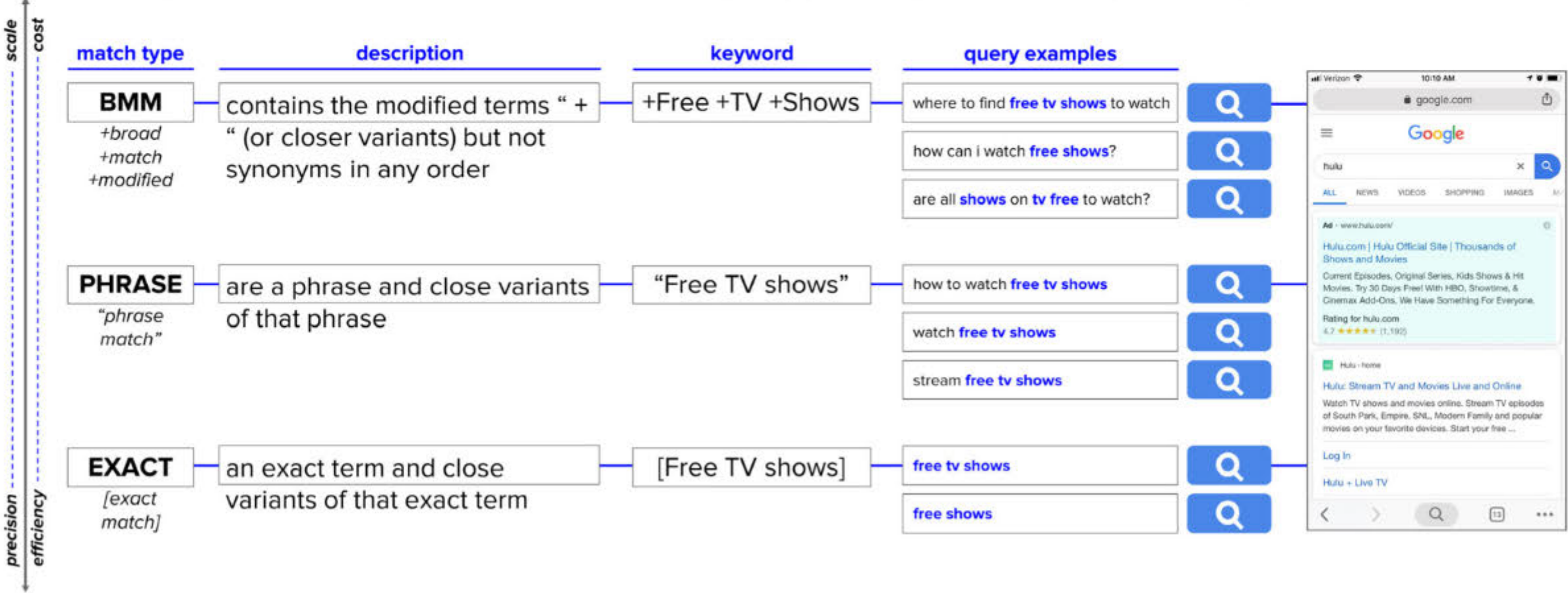
HOW ARE ADS DELIVERED AGAINST SEARCHES?

Ensuring ad relevance for queries often boils down to campaign structure and organization of keywords, which in turn helps to ensure ad delivery on the SERP



HOW ARE ADS DELIVERED AGAINST SEARCHES? - CONT'D

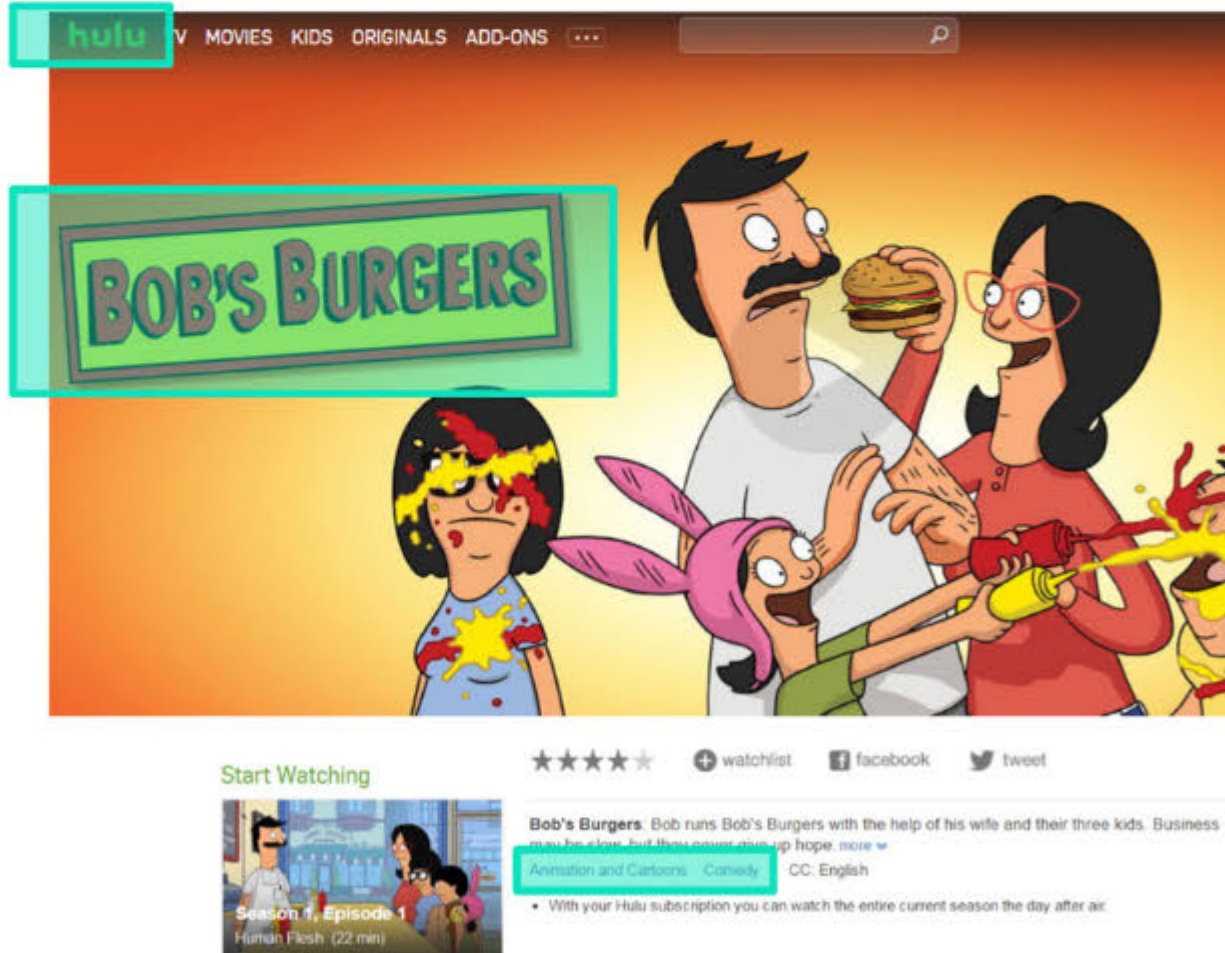
Before looking at actual ads, we must first look at **keywords and match types** since search ads are only delivered if the user's search query triggers keywords being actively bid on



HOW DOES IT WORK?

BUILDING BLOCKS OF A SEARCH CAMPAIGN

The Landing Page will often provide direction in what types of keywords to bid on as well as verbiage for proposed ad copy



Campaign Building Blocks

Keywords are lifted from language on the brand's website and landing page and will also help to inform:

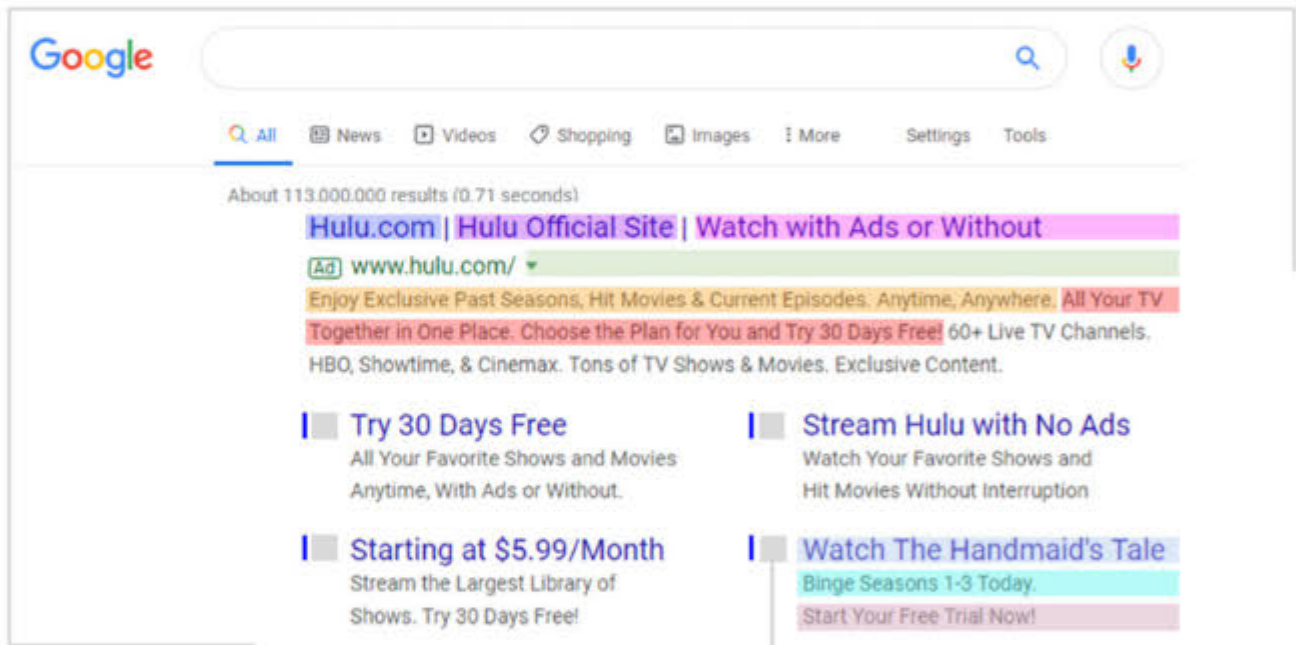
- Synonyms
- Alternatives
- Misspellings
- Tail terms
- Questions

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HOW DOES IT WORK?

WHAT DO SEARCH ADS LOOK LIKE?

Search Text Ads must adhere to strict character limitations and specs



WHAT ARE AD EXTENSIONS?

- AD EXTENSIONS** are a feature that shows extra business information with your ad, like an address, phone number, store rating, or more webpage links, the
- Location Extensions
 - Callout Extensions
 - Call Extensions
 - Structured Snippet Extensions
 - Sitelink Extensions
 - Message Extensions
 - Price Extensions
 - App Extensions

WHAT IS A SITELINK EXTENSION?

- SITELINK EXTENSIONS** take people to specific pages on your site and the benefits include:
- Higher expected CTR
 - Helps improve Quality Score
 - Increased SERP Real-Estate
 - Multiple Conversion Paths
 - Can Deep Link to Multiple LP's

Text Ad Component	Max Character Limit
Headline 1	30 Characters
Headline 2	30 Characters
Headline 3*	30 Characters
Description 1	90 Characters
Description 2*	90 Characters
URL Path 1	15 Characters
URL Path 2	15 Characters

*not guaranteed to be displayed

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Sitelink Component	Max Character Limit
Site Link Text	25 Characters
Description 1	35 Characters
Description 2	35 Characters

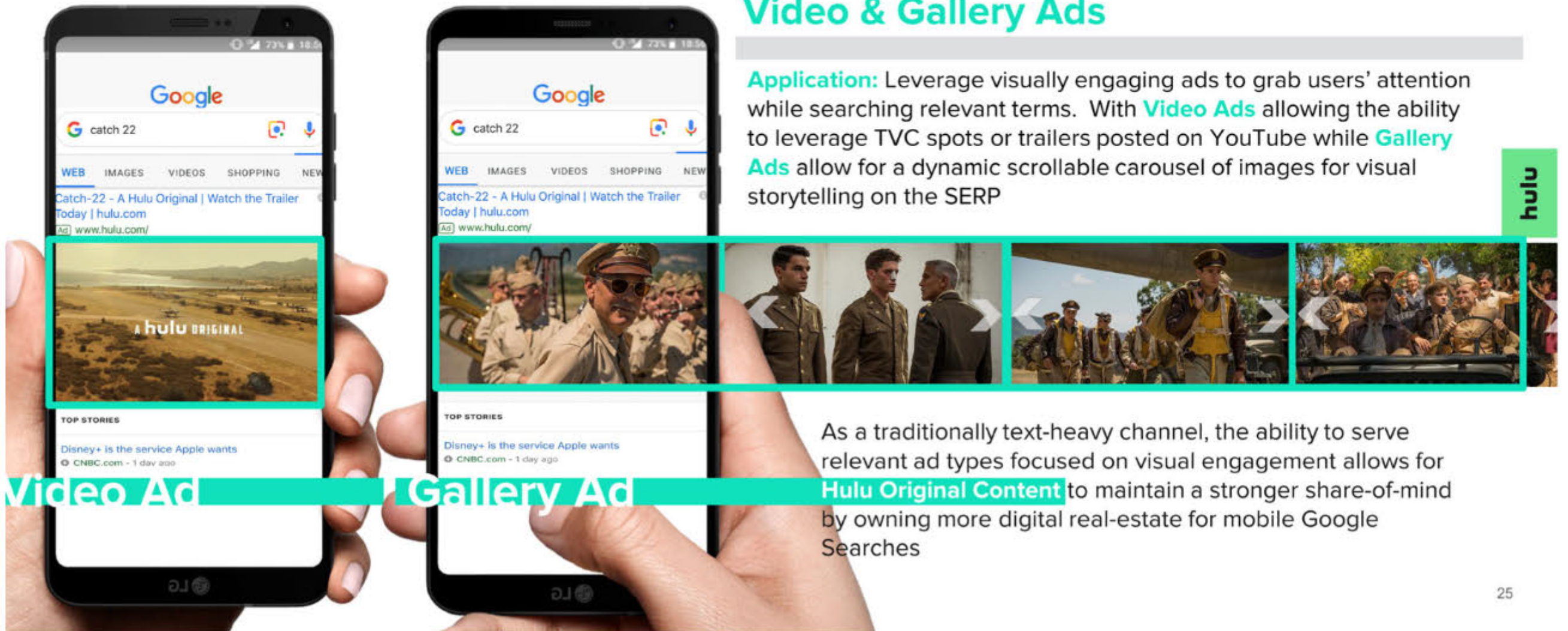
HOW DOES IT WORK?

WHAT DO SEARCH ADS LOOK LIKE? - cont'd.

Search Ads have evolved beyond just text with mobile specific Video and Gallery Ads

Video & Gallery Ads

Application: Leverage visually engaging ads to grab users' attention while searching relevant terms. With **Video Ads** allowing the ability to leverage TVC spots or trailers posted on YouTube while **Gallery Ads** allow for a dynamic scrollable carousel of images for visual storytelling on the SERP



Video Ad **Gallery Ad**

As a traditionally text-heavy channel, the ability to serve relevant ad types focused on visual engagement allows for **Hulu Original Content** to maintain a stronger share-of-mind by owning more digital real-estate for mobile Google Searches

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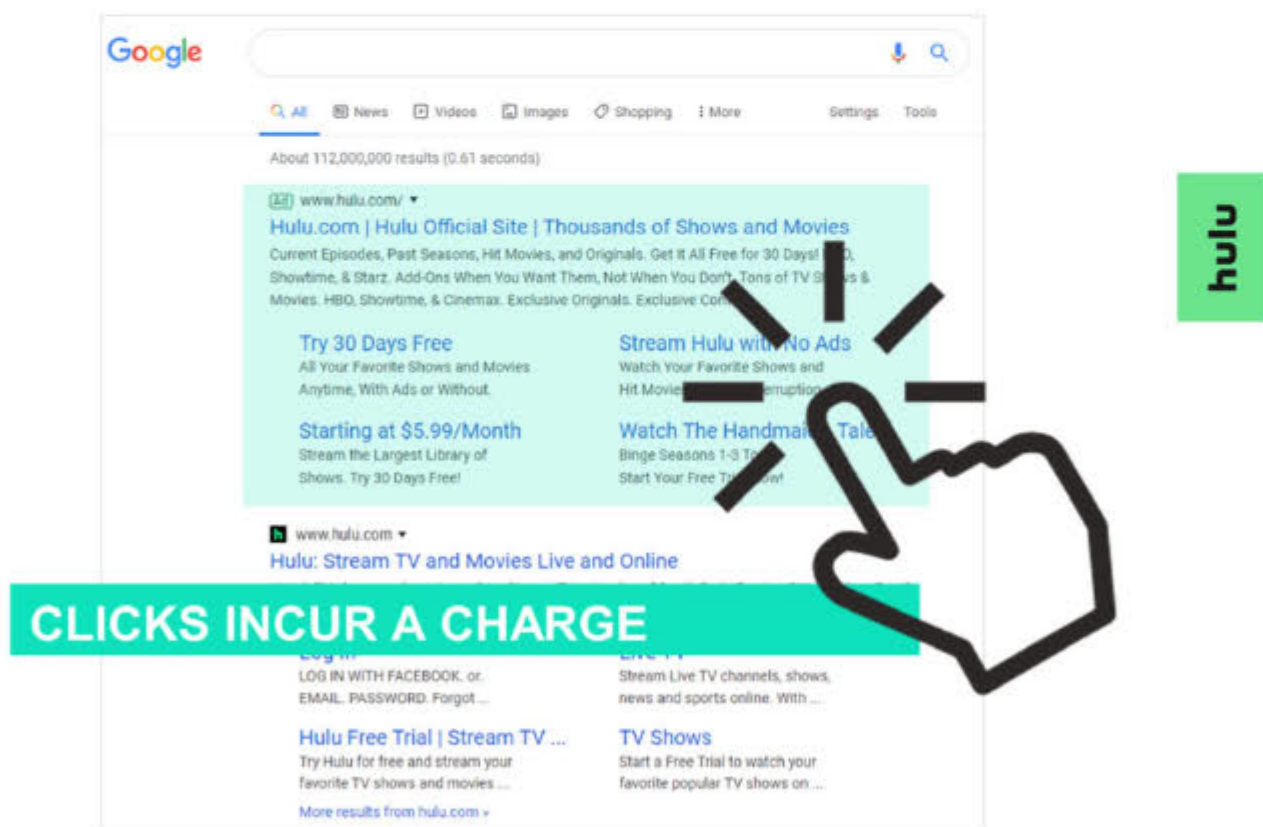
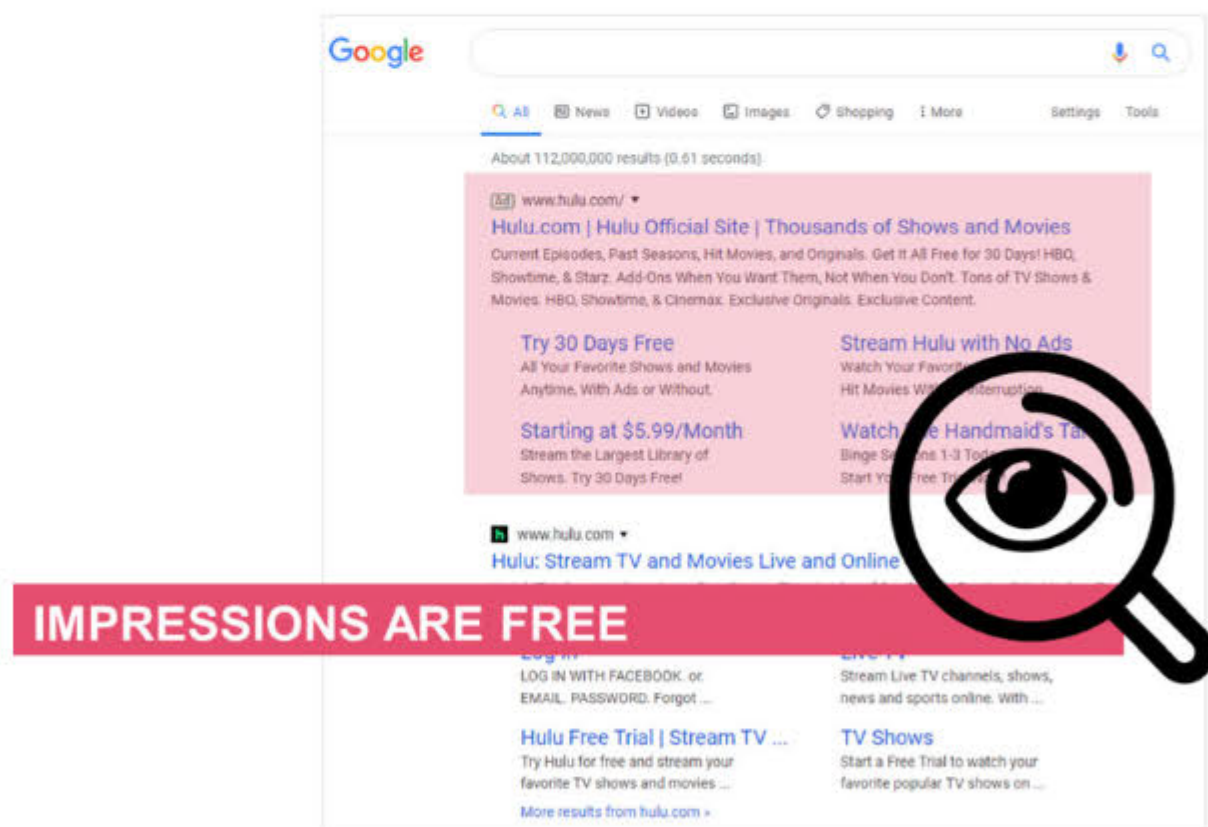
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HOW DOES IT WORK?

WHEN DO WE GET CHARGED?





Search Ads are charged per click and the amount per click is determined by a **SECOND PRICE AUCTION** that occurs in real time



HOW DOES IT WORK?

HOW IS THE CPC DETERMINED IN AUCTION?

The Second Price Auction weighs and gives preference to the Brand being promoted through the use of **AD RANK - THE NUMERICAL SCORE OF YOUR BID x QUALITY SCORE** within auctions

ADVERTISER	MAX BID	QUALITY SCORE	FORMAT IMPACT	AD RANK	COMPONENTS	
 BOB	\$4	Low	Low	<div>NOT SHOWN</div> 5	<div>budget</div> <div>×</div> <div>keyword bid</div> <div>×</div> <div>quality score</div>	hulu
 JANE	\$3	High	Low	<div>2ND</div> 15		
 SUE	\$2	High	High	<div>1ST</div> 20		
 TOM	\$1	Medium	Medium	<div>3RD</div> 8		

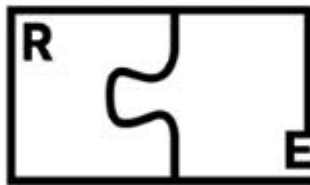
WHAT IS A BID AND QUALITY SCORE?

BIDS

the maximum amount you're willing to spend per click for a given keyword

QUALITY SCORE

measures a campaign's effectiveness with higher QS resulting in greater cost efficiency and higher positions



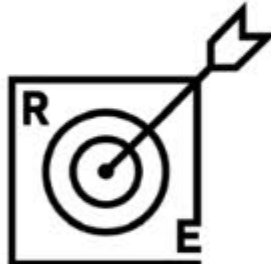
RELEVANCY

Are your keywords and ad copy aligned?



MAX SEARCH BID

Are you bidding competitively in comparison to other competitors in market?



CLICK THROUGH RATE

Are you providing a good user experience that results in ad engagement?



LANDING PAGE

Does your landing page content reflect the keyword and ad copy?

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THANK YOU

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