

Bringing Search Engine Marketing In-House

By Gary Angel

Is search engine marketing a core function in your business? The more important the Internet acquisition, the more likely the answer is yes. If all of your customer acquisition is done via the Web, then search engine marketing is probably just too important to you to give over to a vendor. If you don't have the necessary skills in-house, then you should probably look at a path toward acquiring them.

There seems to be a real debate going on in many of organizations about how to structure search engine marketing (SEM) efforts. Fueled, perhaps, by an underlying dissatisfaction with their vendors and the increasing perception that their SEM effort isn't well coordinated and shouldn't be so siloed, many companies seem to be revisiting earlier decisions to outsource pay-per-click (PPC) and/or search engine optimization (SEO) chores to outside vendors.

As with most such decisions about do-it-yourself versus outsourcing, there is likely not going to be one set of right answers.

Every company is different and no two vendor partnerships are ever quite alike. However, there are some good reasons why a company might want to pursue this direction -- and, if you are thinking about bringing your search marketing in-house, there are key factors to consider.

Common Set of Decision Factors

Most outsourcing decisions -- regardless of whether it's payroll or PPC -- share a common set of decision factors.

How core is the function in question to your business? You need to be good at your core -- the things that will really differentiate you from your competitors. For most organizations, completing payroll isn't core. It's necessary but it's not a differentiator.

Is SEM a core function in your business? The more important the Internet acquisition, the more likely the answer is yes. If all of your customer acquisition is done via the Web, then SEM is probably just too important to you to give over to a vendor. If you don't have the necessary skills in-house, then you should probably look at a path toward acquiring them.

How well does the function fit your culture? Business culture is very real. Some organizations are great at selling. Others are good at product development. Others excel at customer relationship building. The less suitable your overall

business culture is to a function, the less likely you are to be able to succeed at it.

If you can't succeed at it, then you're probably better off cultivating a vendor relationship -- even though the function is extremely important to you.

SEO: A Methodical Process

What kind of culture is best suited to SEM? I'm not sure there is one right answer to this. For PPC advertising, a culture heavily influenced by direct response (DR) marketing is ideal. DR types usually take to PPC with a vengeance.

PPC also rewards cultures that are analytic, measurement-oriented, technical, aggressive and younger. Defining the best culture for SEO is less easy. When well done, SEO tends to be a methodical process that rewards considerable attention to detail and patience.

These cultural questions aren't just apropos to taking search in-house. They are factors you should consider when evaluating agencies, as well. After all, what was it about most interactive agencies that made them a logical choice for doing PPC or SEO in the first place? Nothing, really.

Interactive agencies generally grew up as design shops -- they had virtually no experience in media buying (possibly the closest old world, nondirect response function to PPC), and -- despite words to the contrary -- are usually persistent foes of any kind of analytic or measurement function.

In short, it made business sense for interactive and creative agencies to get your PPC business, but it often made no cultural sense at all. That's probably why, at least in part, they've so often made a mess of it.

Which brings us to the next factor in thinking about outsourcing: the quality of your potential partners.

The Good-Quality Partner

Unless your budget is very large, you are probably looking at choosing from a relatively small set of local or regional agencies. When you look at a vendor, you should have good reason to believe that not only are they better at SEM than you are right now, but that they will remain better at it for the foreseeable future.

For many shops, all of the expertise is concentrated in one or two people. That's really dangerous. If one of those people walks out the door, so does your competitive advantage. SEM growth has increasingly made hiring program managers feel like they are operating a revolving door at a busy hotel.

For many outsourcing decisions, one of the key driving factors is the presence of technical or scale advantages that the outsourcer will probably always have over a company. Are there any such advantages in SEM? In the SEO world, especially, this doesn't seem to be true. Current SEO tools tend to be dirt cheap and freely available. In the PPC world, there's only one real potential differentiator and that's a PPC bid-management tool, particularly if you are looking for a machine-automated bidding solution.

The truth is that most agencies aren't using in-house solutions. When they are, the solutions are usually worse than the commercial solutions available to anyone.

You've probably noticed that your agency isn't a technological power house, and they have quite likely struggled with the technology as much as or more than you have.

Thus far, none of the factors discussed seem to provide any strong reason why an organization with a serious interest in SEM wouldn't bring an effort in-house. So, why the prevalence of outsourcing in the SEM space?

Fear Factors

Two issues account for much of the current practice.

Reason No. 1 is fear. Lack of knowledge still leads many companies to believe they simply can't build the expertise in search marketing to manage a program themselves. This is especially common in SEO -- a practice so mysterious that people expect to see its practitioners cloaked in magician's gowns and carrying black wands or consulting the alignment of droppings in Google trash cans.

The truth is, however, that actually doing SEO isn't as mysterious as it might seem. Some of the best practitioners are more than willing to help your company learn how to do SEO well.

Likewise, running a PPC campaign is challenging, but it rewards knowledge of the business and competitors at least as much as it does good bidding strategies. In addition, both disciplines lend themselves to good measurement -- organizations that are willing to commit to measurement gain the ability to really improve themselves in the space over time.

Reason No. 2: driving outsourcing in the SEM space is the aforementioned staffing problem. This doesn't just strike agencies. Many organizations have had a hard time staffing appropriately. This is exacerbated when you're getting started because you often don't really know what kind of person to hire.

This difficult is real and it's one of the reasons why it sometimes makes sense to use vendors in an educational role. Not all vendors appreciate this but the best ones are usually willing to help you and your company learn.

If you have a good vendor helping to guide your staff, you can sometimes get the best of both worlds -- best practices plus the gradual accumulation of expertise that will let you effectively manage on your own.

Therefore, if you've been thinking about the possibility of bringing your SEM efforts in-house, there aren't necessarily any compelling reasons why you shouldn't.

However, you'll want to make sure you've thought about your corporate culture and how you'll staff a department. You'll want to make sure you have the existing staff or acquire outside advice to get your effort started in the right direction.

In addition, you'll want to make sure you commit yourself to a good measurement discipline, so that your organization will actually improve over time. It's much easier to get started on the right foot than recover your balance once you've already slipped.