A 2-Step Solution to Battle Brand Squatting in PPC via @mediaalpha

Each year, brands spend billions of dollars and countless hours creating awareness and name recognition.

Marketers invest heavily in high-rotation TV ad campaigns and brand-building display programs – all so they'll be top of mind when a potential customer begins the purchase process in their category.

But when it comes to shopping online, even when a consumer enters the brand's exact name in the search box, said brand doesn't always earn the subsequent click.

Why?

Simply put, search engines like Google allow paid search advertisers to bid on a competitor's branded keywords.

This practice is called "brand squatting."

In doing this, competitors take up valuable real estate on the search results page, and siphon off consumer clicks from their rivals.

And every time the consumer clicks a competing link, all the effort and expense that went into that brand-building work leads to a search referral – for someone else.

Brand Squatting in Action

While the practice happens across a number of industry verticals, let's use the auto insurance category as an example.

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Anyone who’s watched sports programming on TV can likely rattle off the taglines and jingles of at least half a dozen or more major insurance brands.

Allstate, GEICO, Liberty Mutual, State Farm, Progressive, The General, and others have spent years establishing their spokespeople – be they celebrity, fictional or emu – and value propositions in the minds of consumers.

And when a consumer is ready to shop for a new policy, she’s likely to head to Google and type one of those brands into the search box.

So then what happens?

One of Two Scenarios Plays out on the Search Results Page

The brand **is** bidding on their own branded terms.

or

The brand is **not** bidding on their own branded terms.

It may be surprising to learn that the latter scenario happens more often than it should (that is to say it should never happen, but we’ll get to that in a minute).

When it comes to winning at search, it’s similar to playing Monopoly – you want as much of the most valuable real estate as you can get your hands on, through a combination of both paid and organic results.

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Ceding the entire paid search portion of the page to competitors gives them ample opportunity to grab consumer attention and clicks.

And in the auto insurance space, there is no shortage of competition – both from direct carrier competitors as well as quote aggregators looking to send referrals to carriers through click arbitrage.

Even If You're Bidding on Your Own Branded Terms, You May Not Be in First Position

Someone else may have outbid you to secure the top spot, riding your coattails to grab clicks.

There's So Much Competition

Even if you're bidding on your own branded terms, and even if you've successfully secured the top position, you're still contending with **as many as three additional competitors** in the paid results at the top of the page.

That means that your marketing budgets and brand equity are benefitting a lot of other brands.

So what's a brand to do?

Is there any way to win this digital land grab and direct as many branded searches as possible to your brand's own web properties?

Your Brand Squatting Action Plan

Step 1: Bid to First Position on Your Own

Keywords

If you’re not already bidding on your own branded search terms, you might be thinking it’s unnecessary.

You’re likely at the top of the organic results and that’s good enough, right?

Wrong!

You want to occupy as much of the search results page as possible, through a combination of both paid and organic results.

The more space your brand takes up, the less room there is for competitors to divert consumer clicks.

Step 2: Implement a Brand Protection Program

Unfortunately, a robust search engine marketing (SEM) program isn’t enough to protect your brand from brand squatting entirely.

Even if your brand is in the top position, competitors can still appear high up on the page, threatening to steal clicks from users who started out searching for your products.

This happens because you’re only allowed to place one paid ad per keyword per domain, preventing any one website from stacking the entire ad box.

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However, there is a solution.

Marketers can use a brand protection strategy that involves setting up partner sites (with the help of a brand protection

partner) on new domains.

This enables the partner to bid on your branded terms and occupy additional space in the paid results.

Though these domains are owned and operated by your partner, you'll be working together to direct visitors to **your** web property, helping consumers get to the brand they originally searched for.

And it's worth noting that the right partner will implement this program in compliance with all search engine guidelines.

Together, SEM & Partner Sites Can Dramatically Improve Your Click Share

While brand squatting is a major threat to auto insurers' search referrals, the combination of SEM and MediaAlpha's partner sites can alleviate most of the pain.

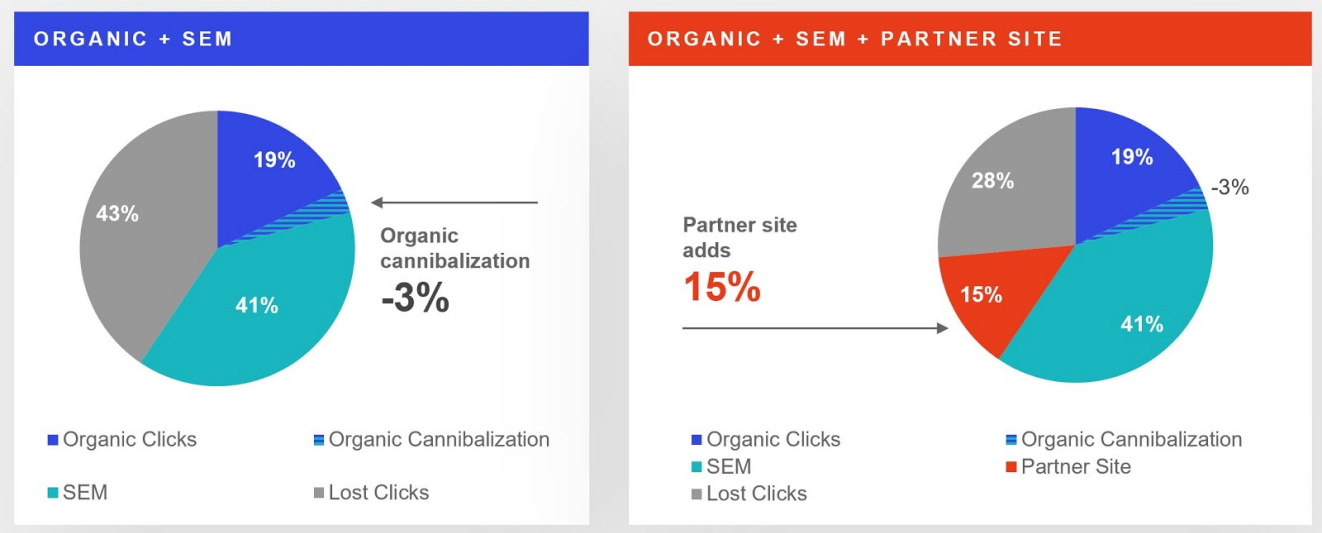
For instance, one of our customers claims a click share of about 22% for organic searches of its keywords.

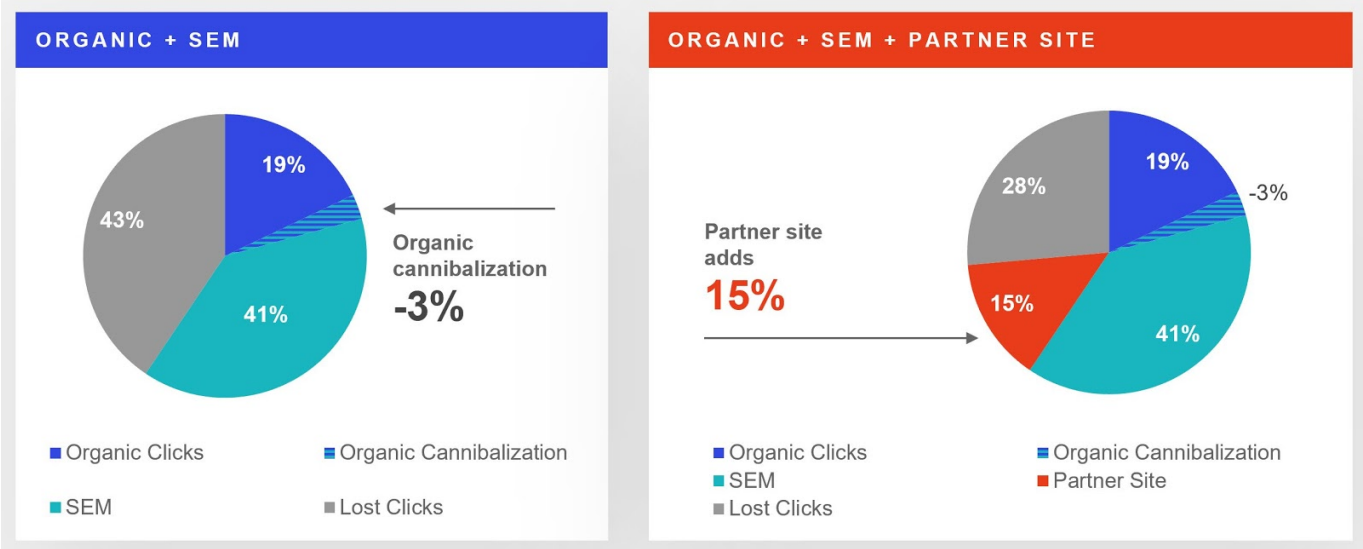
But when you factor in the traffic it receives from bidding on its own keywords and working with partner sites, this number nearly quadruples to 85% – with our partner sites accounting for 15% of click share all on their own.

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When the customer added our partner sites to its SEM spend, it was able to recoup about a third of its lost traffic, reducing lost click share from 43% to 28%.





Brand Squatters Aren't Going Away, But You Can Limit Their Impact with the Right Tactics & Partners

All of this is to say that while brand squatters are certainly a challenge for many brands, savvy marketers can dramatically reduce their exposure to them.

By implementing a coordinated, multifaceted SEM strategy that leverages multiple sites, you can reach a sizable majority of the consumers who search for your brand.

Given the enormous amount of resources marketers pour into

their brands, these steps are a small price to pay for capitalizing on the equity you've worked so hard to build.

More Resources:

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