

SEM Pricing Models

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“Our prices are firm. The management is not emotionally equipped to haggle.”

»» Agenda

»» Defining SEM

»» 4 Typical Industry Pricing Models

»» Our Processes

»» Importance of Customer Profiling

»» Pricing & Perception

»» Proposals & Contracts

»» Location. Location. Location.

»» Why Choose You?

»» Closing Thoughts

»» Thank You!

»» “So, What Is It You Actually Do?”

- **What is SEM?**
 - SEM = SEO + Paid Search + Paid Inclusion
- **Beware of the analytics hole:**
 - Web analytics makes sense of your marketing efforts.
 - The best pricing structure in the world won't help if your customers don't feel that you are providing value.
 - You can only provide value based on data.
 - Web analytics gives you that ammunition.

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» 4 Typical Industry Pricing Models

1. Retainer-based:

- Monthly fees (6 to 18+ month contract).
- “Search and peck”.

2. Pay-for-performance:

- Delta difference (% of change in sales, leads, traffic).
- “Skin in the game”, or commission structure.

3. Fee-for-service model:

- Project-based, with finite scope.

4. Hourly consultation:

- Often, a quick-fix approach.

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Our Extensive Planning

Market View - 2 days

phase collection. 0-30,000 - \$1,500
 categorization 300,000-60,000 - \$1,500
 concept propagation. 60,000-100,000 - \$12,500
 product ~~cards~~ ^{graphs} 100,000 - \$1500 + \$100/m/phase

optimize guide / KE's
 500. 1500
 keywords. relevant place -
 2,000


PPC rates. google. \$500
 + setup PPC account over time \$500
 + ad

KE's: 

Director's cross. \$2,000

MV list \$99/phase

\$9,500.

Connectivity.	\$1500.	40 pages	100 pages	200 pages
site map @ titles	\$35/page.	1400	3500	7,000
optimization guides.	\$55/page.	1600	4000	8,000
Copywriting				
descriptions	\$20/pg.	800	2,000	4,000
keyword list.	\$350/page.			
keyword.	10,000/yr. \$5,300	\$1,000	20,500	
	600	1,500	3,000	
	132/page	15	102/pg	
	15	15	15	
select	5900	12,500	23,500	
50/yr.	147/pg.	125	117	

»» Our Standard SEO Services

- **Service-based instead of monthly fee.**
- **Three “branded” core service phases:**
 - Extensive keyword research & analysis.
 - Keyword placement & on-site optimization.
 - Inbound link campaigning/reporting/online PR.
- **We try to stick to this business model 75% of the time:**
 - Except when necessary (or client *told* us), then customized services were offered.

»» Our Customized SEO Services

- **Not every client's needs are the same:**
 - Virgin domain.
 - Established site, past SEO (inheritance issues).
- **Different levels of services are available:**
 - May include:
 - Web site audits.
 - Complete site redevelopment.
 - Web analytics.
 - Monthly maintenance plans.
 - Hourly consultation.
 - copywriters, agencies, web dev.

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» Importance of Customer Profiling

- Who is your optimal target market?

Size	Advantages	Disadvantages
Small Company	- Quick buy-in	- Low budget
Mid-size Company	- Executive approval relatively easy - Feasible pricing is acceptable to budget	- Some stickiness
Large Company	- Large budgets - Hands-off approach	- Multi-dept. approval - Legal & brand limitations - Constant ROI reporting for share/stakeholders

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» Pricing and Perception

- **Our initial pricing model was fixed:**
 - Caused some sticker shock to occur (i.e. \$25K).
 - No opportunity for client to “*taste the goods*”.
- **Pricing models evolved over time:**
 - Phases and variable costs (i.e. starting at \$9,500).
 - Clients comprehend costs/phase & accept price.
 - Final costs were often the same, but prospects seem more amenable to lower initial pricing & paying more later.

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»» Proposals and Contracts

- **Proposals to be detailed & comprehensive:**
 - But get to the point (i.e. 25 pgs. down to 5-7 pgs.)
 - Shows transparency in services:
 - *“This is a no-brainer. Why doesn’t everyone do this?”*
 - Ensure that logic is evident; clients buy in & refer when they understand the deliverables.
 - Don’t underestimate the impact of good design.
- **Proposals & contracts are a must:**
 - Shows seriousness and professionalism.
 - Defines work without being bound to a guarantee.
 - CYA and theirs.

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» Location. Location. Location.

- **Pricing based on what market can bear:**
 - **Outside the major markets (NY/LA)?:**
 - Premium pricing can be a hard sell.
 - More effort is required to justify pricing.
 - Small-town companies expect big-city service at small-town prices.
 - **The “Made in Canada” advantage?:**
 - Less expensive than US counterparts...yes.
 - But... CAD now > USD.

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» *“So, Why Should We Go With You?”*

- **Your choice between:**
 - Being a “me too” organization.
 - Offering a unique value proposition.
- **Your competitive advantages?**
 - Competitively priced.
 - Focus on your organizational strengths.
 - Proprietary software applications.
 - Ensure customer service remains paramount.

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» Closing Thoughts...

- **Keep your focus:**
 - Niche service/product.
 - Don't be distracted by shiny objects.
- **Flexible payment plans:**
 - Accommodate your customers.
 - Costs spread out over project.
 - Take a back seat to clients, but be smart.
- **First strong home-base:**
 - Well-known local brand = credibility.
 - Local “*evangelists*”; tap client referral base.

» OK, a Few More Thoughts...

- **Finding it tough to rank in SERPS?**
 - Promote your brand, promote yourself:
 - Be active; present, blog, training seminars, SEMPO.
 - Become a recognized expert. Awards?
 - Not-so obvious conferences & tradeshow.
- **Trademarks, copyrights:**
 - Registering them increases goodwill.
- **Exit Strategy...do you have one?:**
 - Intellectual property value: Software = R&D costs.

» Finally...

- **Your services are not a cost:**
 - Rather an investment in the future and in ROI!

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