

Case Study:

How Generic Domain Names Impact a SEM Campaign

Karan Budhiraja

Executive Summary

A challenge for online marketers is getting more clicks out of their pay-per-click search engine campaigns, and thereby increasing the conversion rate while simultaneously reducing the costs to acquire those results.

We at Root Orange believed that a potential cost-savings approach would be to use generic domain names in pay-per-click ads, as keywords in the displayed domain name attract more clicks from people searching for that product or service.

Root Orange approached the law firm of Vladimir & Associates and offered them use of the generic domain name DivorceLawyer.com in a search engine marketing campaign to test and see its advantages relative to their existing URL.

We found that ads featuring the generic domain name, DivorceLawyer.com performed significantly better than identical ads featuring the firm's existing domain name VladimirLaw.com.

The DivorceLawyer.com domain name **increased click-through-rate (CTR) by 298%** over the VladimirLaw.com domain name and **reduced cost-per-click (CPC) by 21.3%**. DivorceLawyer.com also increased Average Position and Average Quality Score.

We concluded that the superior performance of a generic domain name can be attributed to four factors:

- Delivers immediate recognition and understanding of the products and services the ad offers
- Strengthens the brand and looks impressive in the eyes of the customer
- Offers an exclusive point of differentiation from competitors
- Brings tangible results in terms of Click Through Rate, Cost Per Click, Average Position and Average Quality Score

Therefore, SEM firms should consider using generic domain names that closely match the keywords on which they advertise PPC search engine campaigns.

Introduction

A generic domain name instantly draws the user to the product or service's ad (as it consists of words that closely match the searcher's intent). Examples are:

- DivorceLawyer.com
- DivorceAttorney.com
- CarAccidentLawyer.com

We believed that one of the benefits of a generic domain name such as DivorceLawyer.com is that they generate far more organic and paid search engine clicks. The reasons were as follows:

- The close association between keywords being searched and the generic domain name encourages users to click on the online ads.
- The presence of keywords being searched in the generic domain name and the increased CTR leads to a better Average Quality Score in PPC ad ranking algorithms.
- If the user searches for any word present in the generic domain name, the word or words will get highlighted in the domain name thus drawing attention to those particular ads.

Root Orange ran a test to quantify and certify its beliefs and approached the law firm of Vladimir & Associates. Vladimir & Associates is a Philadelphia area leading law firm specializing in family law.

Root Orange approached this firm and offered them use of the generic Domain name DivorceLawyer.com to test and see its advantages in real time. Here are some of the challenges that were evident to us:

- Increase the site's traffic
- Increase conversion rate - that is, the number of leads referred to member lawyers
- Reduce the cost of acquiring those leads

The Campaign Strategy

Root Orange set up a campaign with two Ad Groups, one with the current domain name being used by the law firm and the other with a generic domain:

- VladimirLaw.com (law firm URL)
- DivorceLawyer.com (generic URL)

Both domains were directed to the same landing page of the law firm's website, and the ads for both were identical except for the different display URLs.

This was done to comprehensively test the overall performance of the two domain names in real time, by isolating the domain name as the only variable.

All variables, including the Keywords were kept identical. The Bid Price was also kept at a constant of \$15 for both ad groups. Finally, the geographic region was kept the same - Philadelphia. The following Keywords were used in the campaign:

Best divorce lawyers Philadelphia
Divorce attorneys Philadelphia PA
Cheap divorce lawyers Philadelphia
Divorce attorney Philadelphia PA
Divorce lawyers

Divorce attorneys Philadelphia
Divorce lawyers Philadelphia
Divorce lawyer
Divorce attorney
Divorce lawyer Philadelphia

The ad campaigns were run for approximately one month each, consecutively, and the goal was to keep the number of impressions consistent in order to effectively compare the CTR and CPC. The test did achieve that consistency.

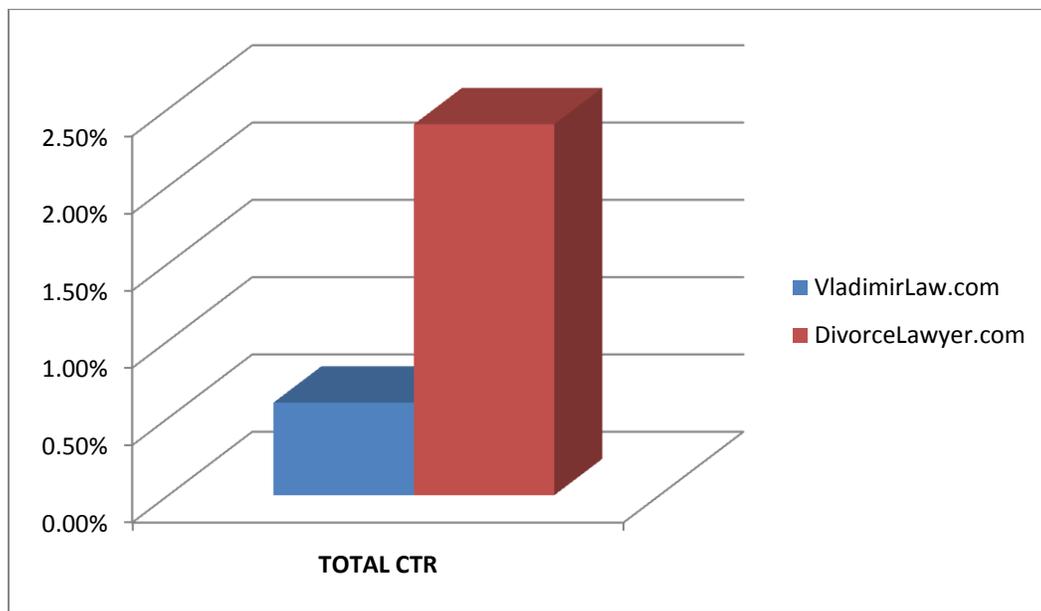
NOTE: the only distinguishing factor between the ads within each Ad Group was the domain name used. Everything else (including headlines, copy and landing page content) was identical.

Results and Analysis

Comparative results for the two different domain names across the Ad Groups showed the ad with the generic domain outperformed its rival across all metrics.

The following were the results of the campaign:

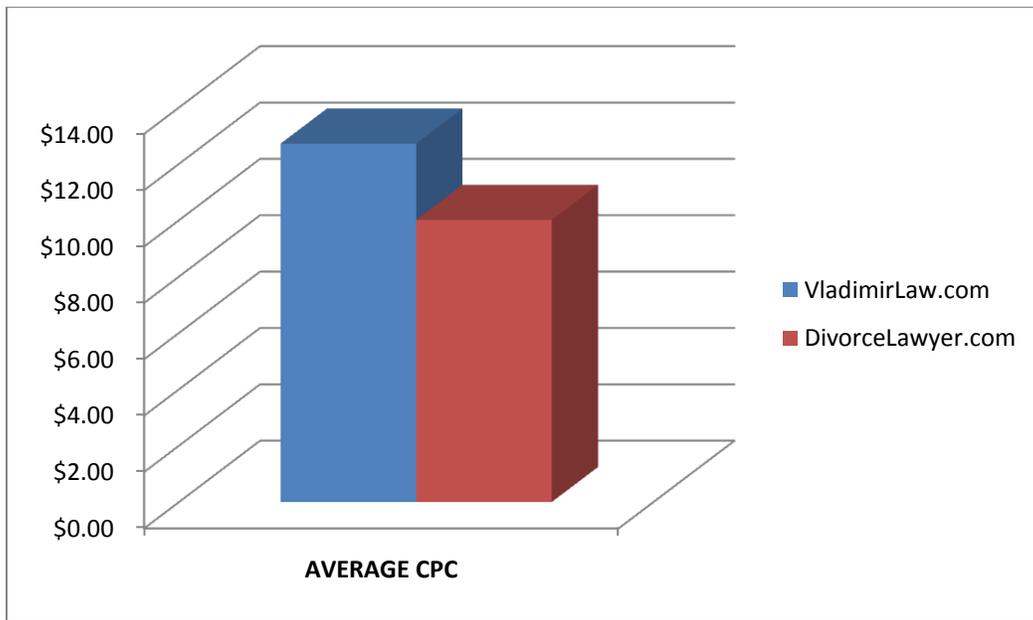
Domain Name →	VladimirLaw.com	DivorceLawyer.com
Start Date	4/21/2010	5/20/2010
End Date	6/1/2010	7/6/2010
Length in Days	29	35
Search Max CPC	\$15.00	\$15.00
Impressions	1124	1125
Clicks	7	27
CTR	0.60%	2.40%
Avg. CPC	\$12.72	\$10.01
Cost	\$89.01	\$270.30
Average Position	3.1	2.5
Average Quality Score	3.2	3.8



The Click-through-rate for DivorceLawyer.com was **298% more** than that of VladimirLaw.com.

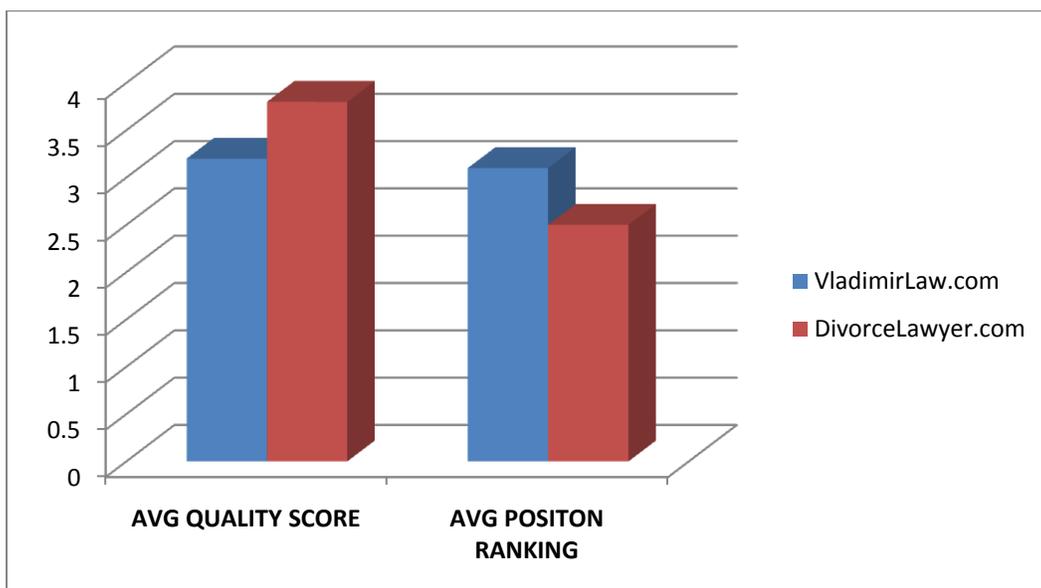
As the number of impressions was intentionally kept the same for both ad groups, the total number of clicks for the DivorceLawyer.com ad was also **3.86 times higher** than that of VladimirLaw.com.

The Average cost-per-click for the DivorceLawyer.com ad was also significantly lower than VladimirLaw.com. The **total decrease in Average CPC was 21.3%**.



The Average Quality Score for the DivorceLawyer.com ad was **18.8%** greater than that of VladimirLaw.com.

Also, the Average Position ranking improved from 3.1 for the VladimirLaw.com ad to 2.5 for that of DivorceLawyer.com, an **improvement of 19.4%**. However, the positions were close together or identical for the majority of time each campaign was run, so it is clear that the lower ultimate position for VladimirLaw.com did not cause its lower CTR.



Conclusions and Discussion

These results lead us to draw several conclusions about the value of a generic domain name for SEM campaigns.

A generic domain name DivorceLawyer.com outperforms a non-generic name, VladimirLaw.com, by delivering a higher CTR and lower CPC.

A generic domain name can reduce SEM cost-per-click by more than 20% and simultaneously increase the typical click-through-rate (almost by 4x). A generic domain name also increases Average Position Ranking and Average Quality Score.

The exception is likely to be where the non-generic name is a recognized brand or website with a strong awareness and trust factor for the search terms in question.

The generic domain name was able to produce 298% more clicks across all keywords than the non generic name. This suggests that a generic domain name delivers immediate recognition and understanding of the products and services the ad offers. It bolsters customer return rates as a clear-cut, easy to spell name seems to lead to enhanced memory retention.

However, the campaign does not provide the data that would allow us to comprehensively draw conclusions on exactly why a generic domain name demonstrated superior performance in comparison to the alternative. We believe it is due to three main factors:

- The generic domain name closely matching the service being searched for.
- The bolding of search terms in the domain name occurring very frequently.
- The impact of the generic domain name on the Average Quality Score.

To sum up, the benefits are expected to be a mix of 'greater click-ability' (through the first two factors) and higher ad positions (through the third factor, and with the first two driving better CTRs).

Hence, irrespective of the precise explanation, we would expect to see the ads featuring generic domain names to deliver better results for pay-per-click ad listings on search result pages.