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7 Steps to PPC Success

1. Create a Structured Campaign
2. Create a Measurable Campaign
3. Optimize Campaigns Frequently
4. Increase Conversion Quality
5. Reduce CPA (Cost Per Acquisition)
6. Understanding Competitive Environment
7. Eliminate Click Fraud

The Guide to PPC Success

The world of online marketing has gone from strength to strength. Make sure you enjoy your portion of success with a smart PPC Campaign.

Due to the nature of the internet, Google AdWords and other PPC (Pay Per Click) or SEM (Search Engine Marketing) media are available for anyone and everyone. However, in the same way that anyone can print flyers and distribute them, wouldn't you agree that most of the flyers out there end up in the trash can?

SEM campaigns are accessible, can be low cost and are easy to set up once you take some time to learn the processes and systems. However, take great caution since it is easy to loose a lot of money if you don't know the rules before you begin.

Some of the industry secrets to running a successful campaign will be exposed in this white paper. As you read on, you'll find methods that anyone can use in order to turn their online advertising into a successfully converting marketing machine.

Although there are various Paid Search Engines out there, our study is based on Google AdWords since it's the quickest to setup and easiest to manage. As a result Google is the most widely used PPC system in use today.

The first consideration before even reading this paper is to understand your target market. Take some time to review who you currently selling to, and who you'd like ideally like to sell to. There are analytics tools that you can use to research and discover where your target audience is searching.
Fish where the fish are swimming.

We hope you enjoy and find success from the information in this white paper: if you would like to discuss any part of it, you can contact Compucall Web Marketing today.

(If you find terms in this paper that are not familiar, don't stress, there is a comprehensive Glossary of terms at the end. In order to make it easy, just click on the unfamiliar words and it will take you directly to the Glossary.)

1. Create a Structured Campaign

First things First: The Fundamentals of a PPC Campaign

Think of setting up an AdWords campaign like building a relationship.

In Stage 1, you do some research, you find out if the person is available or not, how old they are, what they do for a living, what they like, etc. You set the groundwork for stage 2.

In Stage 2 you ask them out on a date, you learn more about them as you build a relationship. Over time you become more comfortable with one another.

In Stage 3, you need to maintain the relationship by being involved and checking that the things that are going well and keep going well. During this stage, you really get to know each other's quirks, likes and dislikes. If the relationship is going to work, it's going to take some work, and you might even make it last, long-term.

On a practical note:

1. Research – This part includes keyword research in order to collect search terms and phrases that will trigger your ads, looking at your competitor's ads and keywords and deciding on your budget.

2. Set up and Launch – includes dividing the keywords into Ad groups, writing Text ads and setting the bids according to the budget you decided in stage 1.

3. Maintenance and Optimization – This is an ongoing process, once your campaign is live, you need to keep checking your keywords frequently in order to maximize your ROI (return on investment) and keep your important keywords to working for you, day and night.

It's important to always keep in mind (and on paper) who your target market is. Keep this real, since while you may like to sell shoes to the huge Indian population, they simply don't have the money to purchase them. Be realistic in your goals and true to your business objectives.

A PPC campaign has several components:

1. **Keywords** – The keywords or search queries you choose need to be customer-centric and relevant to your product. What would your customer look for if he was looking for your product? List as many possibilities as you can; use synonyms, slang acronyms, and even misspellings.

2. **Ad Copy** (Advertising creative or Text Ad) – This should include your customer's search term and should briefly describe the service or product you are offering, including your unique selling proposition, USP. You only have 3 short lines in which to do this. Other forms of 'creative' include; Image Ads, Video Ads, Mobile and Local Ads (we'll discuss these variations below)

3. **Landing page** – After clicking on the Ad, your visitor should reach a web page that will answer his search query. This should be a simple page with a picture and a short targeted text in order to get the visitor to convert, to perform the desired action.

4. **Conversion/ Lead** – This is the main reason for creating the campaign – getting your customer to do what you want him to do – make a purchase, send in his details, download a whitepaper or demo.

5. **Web Analytics** - Learn about your visitor's behavior and to adjust your campaign accordingly. Don't be afraid to learn what you are doing wrong.

TYPES OF AD COPY / Creative

a. Text Ad, based entirely on words and phrases with the addition of a display URL. There are a number of tips and tricks in getting the most out of simple text ads.

b. Image Ad, Google allows you to upload images (in specific sizes) to be displayed on their 3rd party content network.

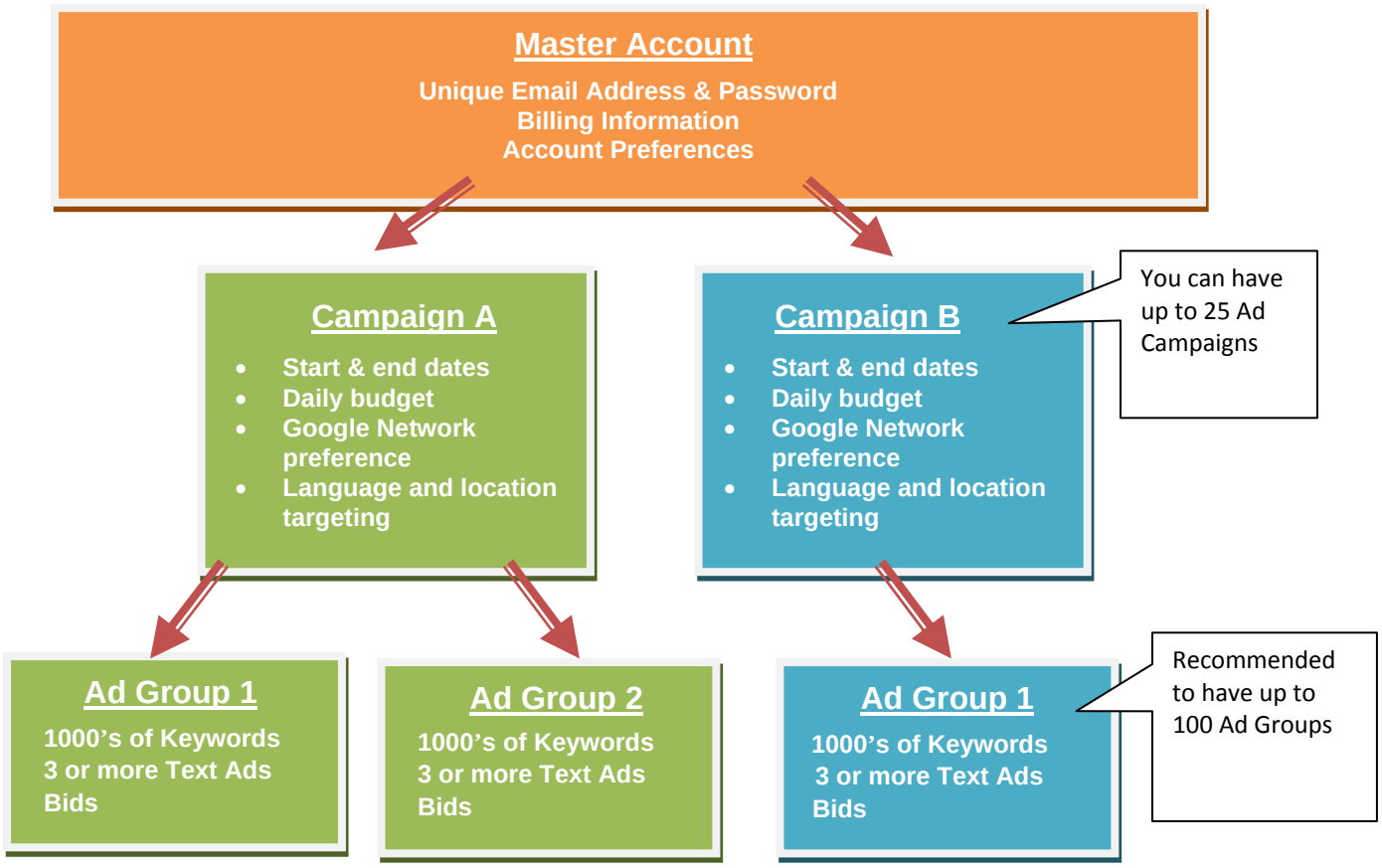
c. Video Ad, Google allows you to upload videos (in varying formats) to be displayed on their 3rd party content network.

d. Mobile Ad, Google recently launched ads for mobile phones. Currently available in limited geographic locations and to specific mobile networks.

e. Local Ad, included in Google Local, you can gain great exposure by adding a map reference and link when users surf Google Maps, in addition to regular search.

f. Other Ads include Print, Audio, TV and Gadget, though these are specialist Google Advertising campaigns and will be discussed in more detail in our next White Paper.

g. Basic PPC Campaign structure diagram:



2. Create a Measurable Campaign

Selecting the Keywords

When selecting keywords for your campaign use various keyword tools, look at magazines and books, and talk with customers in order to get insight on how they see your product or service.

- Start with hundreds and even thousands of keywords.
- Build the largest possible list of relevant keywords.
- Group them into sets of similar keywords and put each set in its own Ad Group.

How many Keywords should you use?

Well, this depends on your product or services. For some products in extremely narrow markets, many keywords simply don't exist. Depending on the market, it is recommended to test several thousand keywords. After several months of testing and maintenance, you will end up with 20-30 keywords with high ROI and profits; we call these your "money keywords".

Matching

For Google there are four types of matching for keywords. Generally speaking, the more specific the type of match, the higher the CTR and the lower your bids and CPC will usually be. See the table below for a detailed breakdown of match types.

Search query reports

Google offers this report which gives advertisers a list of all the actual search queries on which their ads appeared, along with useful statistics such as impressions, clicks, conversions, average position, and average CPC. This is a great way to add keywords to an account as well as negative keywords.

Negative Keywords

Negative Keywords are imperative, since using them prevents ad displays for irrelevant searches. If you're selling a $100 software solution, you don't want the ad to show up when someone searches for free software solutions. To stop that search, add a minus before the keyword (-free, -cheap,) and add that to your keyword list. Global negative keywords can also be added for all Ad Groups within a campaign.

Keyword Match Type	Definition	Example
Broad	The loosest match type. Also includes what is termed "expanded match", or "related keywords". All queries including any of the words of the search phrase will be a potential result.	For broad match, the search query 'red shoes' will also show results like 'new shoes store', 'red carpet images' or simply 'shoes'

Phrase	This is a “string match”. It is best to have 2 keywords or more in the string. The Ad will show up when a phrase containing part of your string is searched.	“red shoes” will be triggered by phrases containing ‘red shoes’ included in the query, like ‘shiny red shoes’, or ‘red shoes for running’, and of course ‘red shoes’.
Exact	For this you need to surround your keyword with square [brackets.]Your ad will then appear when someone searches for your exact keyword only and nothing else.	‘red shoes’ will ONLY show results that match ‘red shoes’
Negative	A filter keyword. Vitally important. If you don’t want your ad to show for a certain keyword because your product is not free or cheap, use those as negative keywords.	Use “red tennis shoes” as a negative keyword so that it doesn’t show up if you don’t sell them. This will stop people from clicking on your ad and wasting money.

3. Optimize Campaigns Frequently

Writing Text Ads

When writing Ad Copy you should follow the following guidelines:

- Use your top keywords in the headline.
- In the first description line, describe your service/product or provide your solution, or features.
- In the second description line, state the benefits and use a call to action. Examples: Buy Today, Save 50%. Download Free Trial Now. Sale Ends Friday. Sale-Priced, Special Offer, Limited Time and so on.
- Use capitalization in the display URL. Instead of writing www.red-shoes.com, www.Red-Shoes.com. You don't need to use the www, E.g. Red-Shoes.com/BuyNow. This is easier to read.
- As a tip, beginning the words in the Ad text with capital letters can make your ad more bold and noticeable.
- Avoid too many prepositions as you have restricted space - each character matters!
- Be direct – do not write ambiguous ads, as you will get less clicks as well as not relevant ones, which will increase your cost per conversion

If appropriate, include your price in the ad. Doing this will reduce unqualified buyers. If your shoes cost $450, buyers who are looking for $25 shoes will

NOT click on your ad, saving you money by not wasting it on someone who is looking for cheap shoes.

Where possible, include extra features that will attract a click such as: In Stock. Free Shipping. No Sales Tax. Worldwide Delivery, $200 Coupon.

Don’t mislead!

Users strongly dislike deceptive or misleading links that get them to click on a link.

They will immediately back out and return to the search engine. What’s more, you’ll still be charged for the click.

Always write more than one ad per Ad Group (Personally, I recommend 3 to start, and then replace the non converting ones based on the one with higher CTR).

After receiving at least 200 clicks per Ad Group you will have enough data to decide which ad is performing the best. Edit the weak ads, based on the stronger ad. This is an ongoing process since there is always something to improve. By editing the weak ads and improving the strong ads, you’ll gradually increase your campaign’s CTR.

Maintenance and Proofing – Optimizing the Relationship

Using Google's Web Analytics and Google's PPC reports you can discover which keywords are bringing you a return on investment and which aren't. Optimizing your campaign frequently is the key to a successful campaign.

Web analytics tools allow you to monitor and adjust campaigns, improving your results, and your bottom line. There are various analytics tools out there that can help you track your visitors behavior including, which search engine they came from, what they did on the site and which keywords brought the most visitors to the site. When you spend money on any marketing activity, it is important to know how well it worked, or how badly it worked in order to learn from your mistakes and strengthen your successes.

We recommend ClickTracks to analyze traffic to your website and the success of your campaigns.

To Conclude

- Remember, advertising is an on-going process of trial and error.
- Always track your ads and improve them appropriately.
- Never stop testing different keywords on ads to improve your conversion rate and lower your acquisition cost (CPA).

Is a PPC Agency for You?

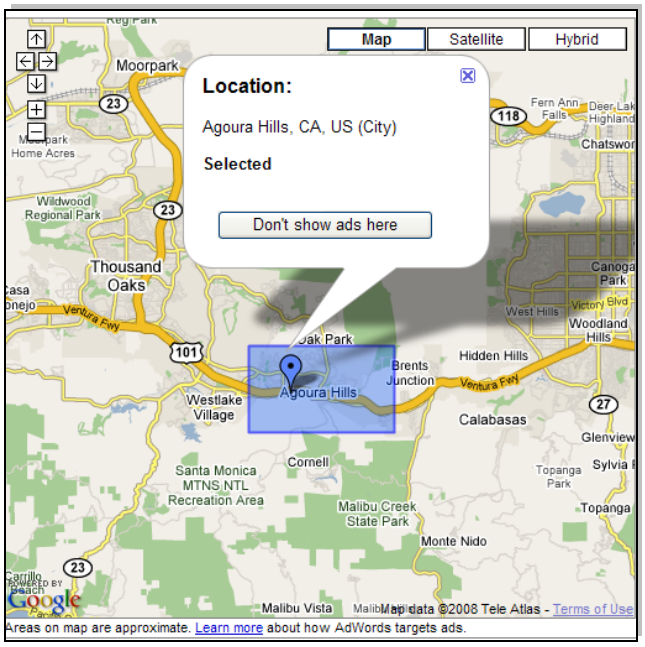
Whilst some people can manage their own AdWords account and be very successful at it, complex campaigns often need a dedicated expert. There are many agencies to choose from but ensure that if this is a road you chose to follow that you are armed with the right questions to ask to make sure the company you choose is going to add value to your campaigns.

Can I Decide Where the Ads Will Appear?

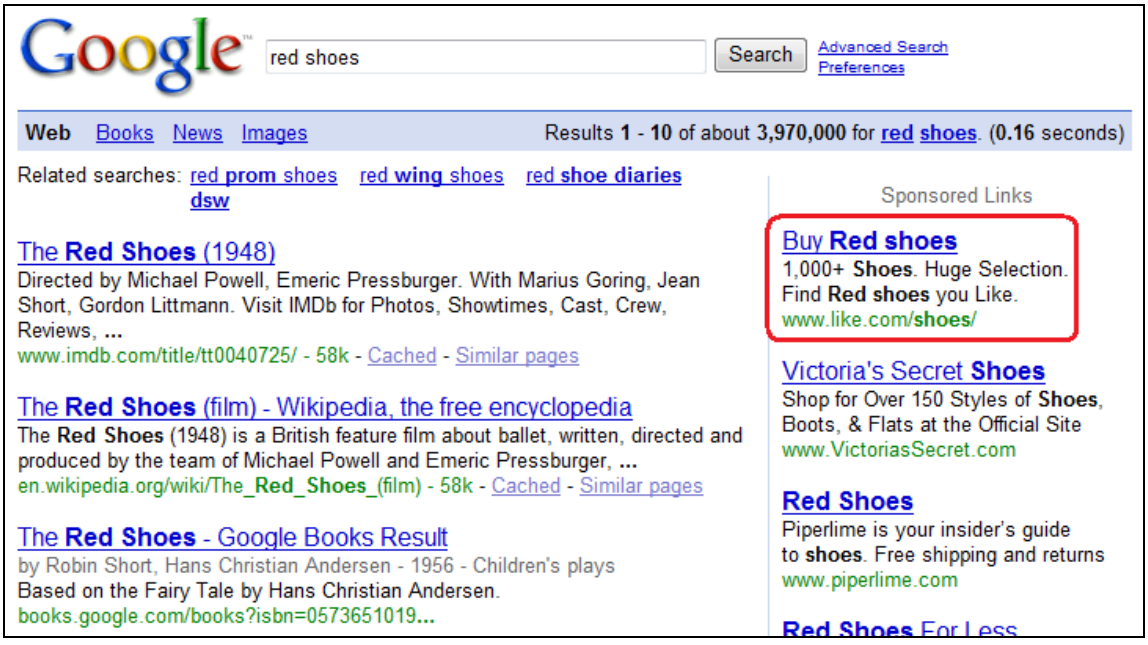
You can choose whether your ads appear to the whole planet, in a few countries, just one country, one state, a region, a city, certain IPs, or even the radius around a certain place (available in the certain countries only). Depending on how far you can deliver your product or service, you should limit your advertising campaign to show up in areas that your company's service can reach.

Taking some time optimizing your campaign for location will save you money because you won't pay for clicks from people who won't buy your products. This is called local targeting or geo-targeting.

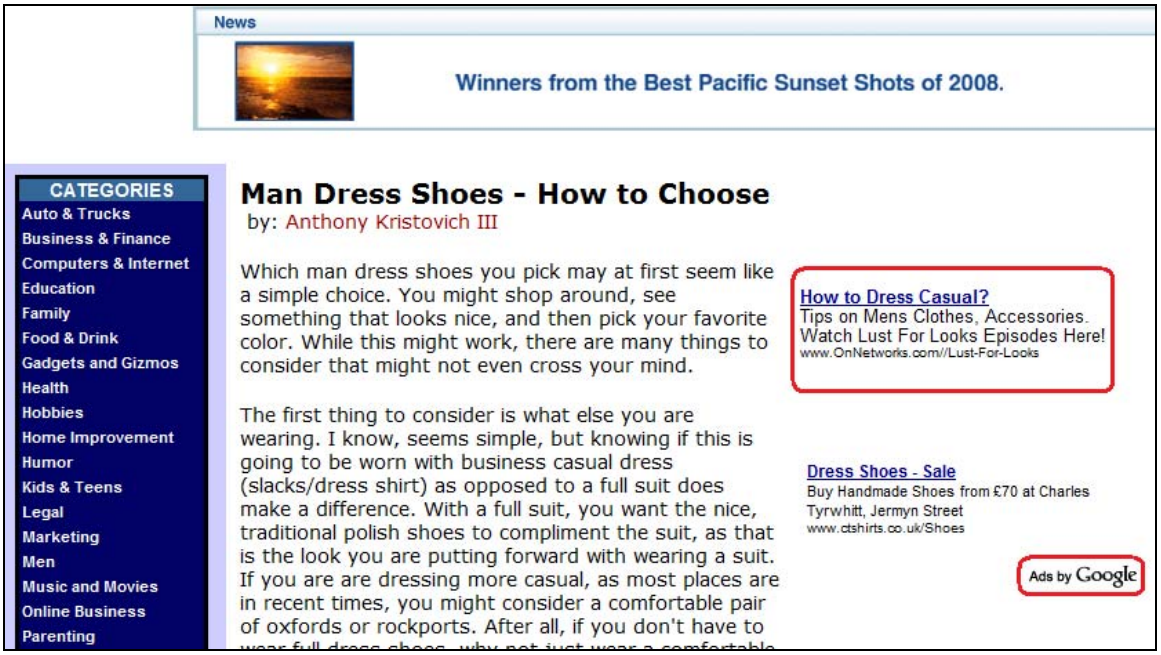
Google Maps



Google Search



Google Content Network



4. Increase Conversion Quality

AdWords Conversions

Conversion tracking is one of the most valuable features in Google AdWords. Granted, a click on your ad is great, but we all agree that what really counts is when the visitor buys your product or service. This is a conversion from visitor into buyer. The conversion tracking feature shows the number of conversions, the percentage, and the total cost-per-conversion ((Cost/Conv.)

Google AdWords offers a free conversion tracking tool. You receive a JavaScript snippet provided by Google and place it in your website's thank you page. This code lets AdWords know that the visitor clicked on the ad, came to your site, and bought the product.

Another thing you can track is lead generation. If you use the LP to capture names for your mailing list, the conversion tracking will show the number of generated leads, the effectiveness of the lead conversion, and the total costs of the lead generation campaign.

Google Quality Score

Quality Score influences your ads' position on Google and the Google Network. It also partly determines your keywords' minimum bids. In general, the higher your Quality Score, the better your ad position and the lower your minimum bids.

Quality Score helps ensure that only the most relevant ads appear to users on Google and the Google Network. The AdWords system works best for everybody—advertisers, users, publishers, and Google too—when the ads we display match our users' needs as closely as possible. Relevant ads tend to earn more clicks, appear in a higher position, and bring you the most success.

How to Design Landing Pages for High Conversions

When reaching the landing page, the visitor is at the point in the buying cycle where he is ready to purchase. When he arrives at your web page, you immediately show him what he is looking for. This is why Landing pages should be designed differently from web pages. The user doesn't want to read your website's front page about other irrelevant things. He wants to buy a pair of shoes immediately! If you can assure him that you will deliver the pair of shoes that he wants, Bingo! He will be your customer.

Your Landing Page strategy

The landing page (LP) you design must be relevant to the user's search. Since there are so many other websites on the internet, if the LP is irrelevant, the user will return to Google and go to the next ad without batting an eyelid. In order to keep your user on the LP and also get them to buy, you must reassure the potential customer that you will deliver what he/she orders. He/She should feel comfortable with his/her choice to buy from you.

- The Ad Group, Keywords, Ad, and LP should form a seamless customer-focused unity in the purchase stage of the buying cycle. Consider what the customer wants and offer the solution to their problem.

- The purpose of your LP is to convert the visitor into a customer.

- Create specific ads for each product. If you're selling shoes and among them women's shoes, then create an Ad Group just for women's' shoes. Put the keyword phrase "women's shoes" in your keyword list, write an ad with "women's shoes" in the headline, in the first line of body text, in the display URL, and then point the ad to a unique LP, such as www.Womens-Shoes.com/Versace.html, where the visitor sees a photo of a women's shoes, reads about women's shoes, and can fill out her name and credit card information on the same page.

Use a Thank-You Page

A Thank you page is a confirmation of purchase. After the customer completes the form, he is sent to a thank-you page that usually says something like “Thank you for buying our shoes. Your shoes will arrive by FedEx Overnight. Your tracking number is 135.457.989.”

The Landing Page Handbook (Marketing Sherpa, 2005) emphasizes that customers actually do pay attention to your thank you page. The thank-you page provides you with an opportunity to build closer relationships to your customer. You can use the thank you page to offer a newsletter, another accompanying product, a case study, or a feedback form. The page should be relevant and interesting to the user.

5. Reduce CPA (Cost Per Acquisition)

What is the Cost Per Click (CPC) composed of?

The charge per click depends on a combination of factors; however, to keep you on your toes, there's now a rule for how Google or other search engines calculate the importance of each factor. This means you should strive to have the best possible combination containing each one of the below factors:

- **The Keyword's CTR.**

  As a rule, the higher a keyword's CTR, the lower the CPC. If you have a keyword that is getting 21% CTR, the CPC will be a fraction of your bid.

- **The ad's CTR.**

  As with keywords, the higher the ad's CTR, the lower the CPC. If your ad has a 7% CTR, the CPC will be a fraction of your bid.

- **The campaign and Ad Group's overall CTR.**

  The higher the campaign's cumulative CTR, the lower the CPC.

- **Your competitors' bids.**

  This means that if you develop good quality ads (they have high CTRs) and you have an Ad Group with keywords that have high CTR, Google will lower the CPC. Your keywords will get a higher position that your competitors. In other words, you'll get more clicks for the same budget.

Campaign Quality Score

Quality Score for Google and the search network is a dynamic metric assigned to each of your keywords. It's calculated using a variety of factors and measures how relevant your keyword is to your ad group and to a user's search query. The higher a keyword's Quality Score, the lower its minimum bid and the better its ad position, or rank.

The components of Quality Score vary depending on whether it's calculating minimum bid or ad position:

- Quality Score for minimum bid is determined by a keyword's clickthrough rate (CTR) on Google, the relevance of the keyword to its ad group, your landing page quality, your account's historical performance, and other relevance factors.

How to Calculate ROI

For us, the goal of PPC is ROI and profits. The reason you invest money into PPC is simply to produce a profit. To measure the profitability of an investment, you use ROI, Return on Investment. ROI is calculated as profits divided by costs, multiplied by 100. Expressed as a formula:

$$\frac{\text{Profit}}{\text{Costs}} \text{ X } 100 = \text{ROI\%}$$

To find the profits, you subtract costs from the gross revenues (in other words, profit is net revenues):

For example, you spend $10,000 in PPC and get $50,000 in sales. $50,000 in sales minus $10,000 in costs =$40,000 in profits.

Divide $40,000 by $10,000 to get 4. Multiply by 100 to get 400% ROI.

$$\frac{(\text{Revenue} - \text{Costs})}{\text{Costs}} \text{ X } 100 = \text{ROI\%}$$

Setting your budget

To set the initial budget, you'll need to make some calculations.

1. Find the advertising cost per acquisition that you're willing to spend. How much you're willing to spend to sell your product, for example, $10.
2. Calculate approximately the number of sales you expect to make per month, for example, 50 pairs of shoes.
3. Multiply the advertising cost per item by the number of expected sales. $10 x 50 Pairs = $500.
4. Divide that by 30 days to get the daily budget. $500 / 30 days = $16.66 dollars per day

5. After two weeks, look at the results and adjust the budget. For those keywords with good ROI or profits, increase the bids. For the expensive but converting keywords either decrease the bids or delete.

With AdWords, you can see the effectiveness of a campaign, which lets you justify the advertising budget. If the advertising produces revenues and profit, you can increase the budget. Again, always run these calculations with your ROI in mind.

By knowing your advertising margin and setting your sales target, you can run a PPC campaign to find how much it costs to make a sale. If you find that it costs $7.50 to sell one pair of shoes, then essentially you know how much it costs to buy a sale.

6. Understanding Competitive Environment

Who Are Your Competitors?

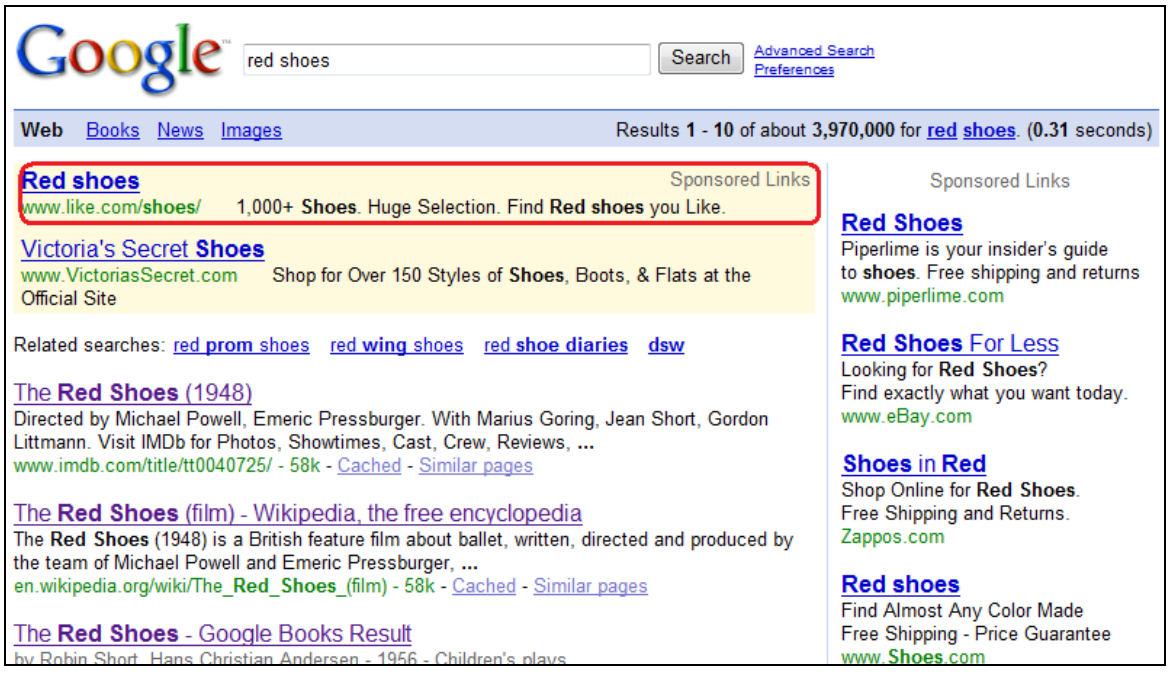
For any given product, there might be thousands of competitors out there, but practically speaking, it's not important how many competitors you have. Because of the logarithmic nature of the web, the first five or six advertisers get most of the market. The remainder get so few clicks that they don't matter. The trick is to keep your ads in the top positions by optimizing your campaigns regularly. Your bids should be as high as necessary to keep you in the top positions.

Sometimes, Google places ads in a colored box at the top of the page above the search results. If your ad gets into this colored box, it's double bonus day. You'll get more clicks.

Not every page gets a colored box. It's up to Google when to display these.

But, if Google does decide to display it, for an ad to get into the favorable colored box, a high bid is insufficient. It needs to have:

1. A strong bid
2. High keyword CTR
3. High ad CTR



7. Eliminate Click Fraud

Click fraud is a type of internet crime that occurs in pay per click online advertising when a person, automated script, or computer program imitates a legitimate user clicking on an ad, for the purpose of generating a charge per click without having an actual interest in the target of the ad's link.

Click fraud is the subject of some controversy and increasing litigation due to the advertising networks being a key beneficiary of the fraud.

There are a number of methods you can employ to reduce your campaigns exposure to click fraud, including:

1. Forensic analysis of advertisers' web server log files.

This analysis of the advertiser's web server data requires an in-depth look at the source and behavior of the traffic. As industry standard log files are used for the analysis, the data is verifiable by advertising networks.

The problem with this approach is that it relies on the honesty of the middlemen in identifying fraud.

2. Third-party corroboration.

Third parties offer web-based solutions that might involve placement of single-pixel images or Java Script on the advertiser's web pages and suitable tagging of the ads. The visitor may be presented with a cookie. Visitor information is then collected in a third-party data store and made available for download. The better offerings make it easy to highlight suspicious clicks and they show the reasons for such a conclusion.

Since an advertiser's log files can be tampered with, their accompaniment with corroborating data from a third party forms a more convincing body of evidence to present to the advertising network. However, the problem with third-party solutions is that such solutions see only part of the traffic of the entire network. Hence, they can less likely identify patterns that span several advertisers.

In addition, due to the limited amount of traffic they receive, when compared to middlemen, they can be overly or less aggressive when judging traffic to be fraud.

Glossary of Terms

Acronym	Explanation
Click	When somebody clicks on your PPC ad, this is called a “click”
Impr	Impression. When the PPC ad is displayed to somebody, this is called an impression. However, this doesn’t mean that it was seen, but only that it was displayed on the page that a person was looking at
CTR	The Click Through Rate shows the number of people who clicked on the PPC ad in comparison to the number of impressions the ad received. Example: If the ad was displayed 200 times and 50 people clicked it, then that’s a 25% CTR
CPC	Cost Per Click. What you bid to pay for a click. However, the actual amount is lower. See Avg CPC
Avg CPC	The average Cost Per Click. Based on the average of CPCs for the day. This is what you pay for a click

Cost	The total that you're paying for that keyword. This is the number of clicks multiplied by the actual CPC
Conv. Rate	If you set up Conversion Tracking (strongly recommended) then this column reports on the percentage of visitors who bought a product
Cost/Conv	This shows the total costs of your campaign against each click. If the overall cost was $12 for 50 clicks and you made two sales, those sales cost you $6 each in advertising. This is the most significant number on the page: your Cost/Conv should be within the range that you're willing to pay for advertising the product. If this number is greater than your profits, then you're losing money on the sale
Keyword phrase	A search phrase made up of keywords or phrases of two or more words is called as keyword phrase
Text ad	Ad made entirely of text, usually for search engines

ROI / ROAS There are 2 different terms	Return on Investment is the ratio of money gained or lost relative to the amount of money that was invested in an activity. ROAS – Return on Advertising Spending
Quality Score	Quality score is calculated by measuring parameters such as a keyword's click-through rate, and ad text relevancy. Other factors that make up a quality score are its historical keyword performance, the quality of an ad's landing page, and other keyword attributes. This score is the basis for measuring the quality of keywords and determining minimum bids
PPC	Pay Per Click – Paid media campaigns using advertising engines such as Google AdWords, Yahoo Search Marketing, MSN AdCenter
SEM	Search Engine Marketing. Marketing strategy incorporating a range of online techniques to improve a website visibility and ultimately sales to the business

CPM	Cost Per Thousand. An advertising metric used to identify the charge based per thousand advert impressions
Content Network	3rd Party website publishers that use Google (or other PPC engines) to display relevant adverts based on the website content
URL	Uniform Resource Locator. Common acronym used to identify a website address

For further information about this guide, inquiries about PPC or other web marketing process, please contact us by clicking here.

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