Chapter 1: Discovering Paid Search Marketing

In This Chapter

✓ **Understanding the value of paid search**

✓ **Integrating SEO and PPC**

✓ **Getting more market coverage with SEO and PPC**

✓ **Building your brand through PPC**

✓ **Increasing your traffic with PPC**

✓ **Running seasonal campaigns for maximum return on investment**

*P*aid search marketing (placing ads on a search engine results page, or SERP) and search engine optimization (SEO) are two different things, but they can work together, hand in hand. SEO focuses on moving your Web pages up in the *organic search results*, which are the Web pages that the search engine finds most naturally relevant to a user's search terms. The goal of SEO is to make your Web pages appear on the search results pages for certain search terms, so you can attract the right kind of people to your site. But there's another, quicker way to get your listing on a search results page: You can buy an ad.

In this chapter, you discover how to use paid search ads to your advantage. You find out how to use them as a shortcut to get placed in the search engines. You also discover how they can assist your SEO efforts by letting you test *keywords* (the search terms your Web page is most relevant to) on a trial basis. It takes time and effort to make a Web page support a certain keyword strongly enough that the search engines recognize that page and bring it up in the rankings. Paid search marketing lets you "try out" a keyword first to make sure it's worth the work.

In this chapter, we use a different convention for discussing keywords and searches. Because paid search has its own syntax, the practice of delineating keyword phrases in square brackets won't work here. Therefore, we switch, for just this one chapter, to using braces like this: {keyword} instead of square brackets like this: [keyword]. We make the change because in Google AdWords, inputting a keyword in square bracket means that you're looking for an exact match (much like using quotation marks in Google's regular search.) Why is it different? Who knows? The mind of Google works in mysterious ways.

Harnessing the Value of Paid Search

The most common business model for search engine ads is *pay per click* (PPC), in which advertisers pay the search engine each time someone clicks their ad. Clicking a PPC ad takes the user to a particular page on the advertiser's Web site selected by the advertiser (unlike organic listings, where the search engines choose the page they think is most appropriate). PPC ads appear at the top or side of a SERP and are labeled as Paid Listings, Sponsored Links, Sponsored Listings, or Featured Listings. Figure 1-1 shows Google's SERP for the search query {Mustang hubcaps}, which includes PPC ads (they use the term Sponsored Links) both above and to the right of the organic results. In terms of page layout, Google AdWords alternates between the top one, two, or three advertisers appearing above the organic listings, only one top advertiser appearing above the organic listings, and all paid advertising on the right column. This is a random cycle and an advertiser cannot specify in which layout they would like to have their ads appear.

Figure 1-1: Google PPC ads show as Sponsored Links above or next to the organic results.

You should consider using paid search advertising in addition to your SEO activities as part of your overall search marketing strategy. For example, if you would like to attract more muscle car business to your classic car customization Web site, you could use PPC ads as a testing ground for different keyword phrases. You could set one up for {muscle car customization}, another for {hot rod customization}, another for {pony car customization}, and so forth. Then you could track what kind of traffic you received for each keyword/ad combination and compare the results. Remember, it's not just numbers you're after — you want to know which keywords bring in people who are truly interested in what your Web site has to offer and actually end up converting. Conversion data is key to PPC advertising — without knowing how well you convert visitors to customers, you have no way to measure if your PPC campaign is generating a positive return on investment (ROI). Conversion data is key because it tells you who is converting versus who is clicking through. Click-through data only tells you who is coming to your site and not what is giving you money.

PPC ads give you a relatively quick and easy way to experiment so that you can apply the lessons learned to your main Web site optimization, too. Here are some reasons to use PPC ads:

✦ **Immediate results:** PPC ads give you a way to get your Web page on the front page of SERPs almost instantly. You may or may not get traffic through your ad, but either way, you have instant feedback.

✦ **Qualified visitors:** Because your ad only appears when users enter a specific search query of your choosing, people clicking your ad should already want what you have to offer. This should make them highly qualified traffic to your site.

✦ **Keyword research:** PPC makes a great keyword testing ground. With PPC ads, you can try out different keywords to see which ones attract the most visitors and make the best "bait" for the kind of traffic you want. You're interested in data, and PPC gives you data quickly that you can analyze.

✦ **Conversion testing:** You can test what kind of traffic a keyword and ad bring to your site by paying particular attention to their *conversion rate* (the percentage of site visitors who actually buy, sign up, subscribe, register, or do whatever action your site wants people to do). You don't just want hordes of visitors; you want people who give you conversions. The flexibility of PPC lets you change ads at will, so it's an easy way to test the market.

All of the major search engines give you reports and ways to track your ad's effectiveness. To do PPC properly, you must *tag* your pages (insert HTML programming code provided by the search engine) to track everyone who

comes to your site through a PPC ad, from clicking the ad to landing on your site and all the way to exiting. This detail helps you analyze the effectiveness of each PPC ad. It also helps you find weaknesses in your Web site. For instance, you can track users through your site's *conversion funnel* (the path users follow to accomplish a conversion on your site). If you find that very few visitors can get past a particular page and on to the next step, it may be that your signposts to take action on that page are unclear, or that some other improvement is needed. (Find much more on tracking conversions in Book VIII, Chapter 2.)

Third-party PPC analytics tools are available that can help you measure and analyze your paid search ads. If you're running campaigns on multiple search engines, it might be a good idea to invest in a software package like this because it can track activity from *all* of your ad campaigns and identify for every conversion the search engine ad where it originated. Google AdWords provides much of this data on its own, or you can install one of many analytics products that we cover in Book VII.

No matter which tool you use, the important thing is to set up analytics on your site and track how effective your PPC ads are after users get to your site. Know what your metric is for conversion and revenue: Is it a purchase, a sign-up, a subscription, or something else, and how much average revenue do you generate per conversion? Watch what your visitors do once they arrive at your site. PPC pairs very well with analytics because everything can be tracked and quantified in terms of dollars spent and dollars earned. Analyze your data and make sure your return on investment (ROI) makes sense. If you're spending $200 in PPC ads to bring in $100 of sales, that doesn't add up. With PPC, you can find and adjust for problems like this quickly if you're really watching your analytics.

Who shouldn't do PPC

Like any advertising campaign, PPC takes money. If your Web site sells products with very low markup or a narrow profit margin, or if you're a non-profit organization, PPC might not be for you. You must be able to track dollars spent and dollars earned to justify and manage a PPC campaign. If you can't put a monetary value on your conversions, how will you know what your return on investment is? PPC makes the most sense for online businesses that have products or services for sale. Then you can track the extra visitors brought in by your PPC ad, see how many of them converted, and count the dollars earned.

The only exception to this is Web sites that generate income from traffic. If you have a Web site that gets paid X dollars for each visitor (or a set number of visitors) and you spend Y dollars in PPC advertising to get those visitors there, make sure that $X>Y$.

TIP

You can also use your analytics to compare different keywords that you're thinking about optimizing your Web site for. ROI may only provide part of the picture; also look at data like how many people go beyond the *landing page* (the initial page the ad link brings a visitor to) into your site for each keyword, by looking at bounce rate and average page views.

Through the use of a *cookie* (small file stored on the user's computer), your analytics package can also track how many times a user returns to your site, and what those return visits lead to. These factors can be just as important as an initial-visit conversion rate when determining which keywords to optimize your Web site for long-term. You can use your PPC ads as a fertile testing soil for the data you need to make educated keyword decisions for your organic SEO.

If you decide that PPC ads are worth a try, the next decision you need to make is what keywords to advertise on. Keywords in a PPC campaign are just as important as in an SEO campaign. Making sure you're bidding on keywords that people are searching for is critical to your PPC success. Bidding on the wrong keywords leads to frustration and wastes your hard-earned time and money.

To help choose the right keywords for your PPC ads, some research is in order. The same keyword-selection principles we've described elsewhere (particularly in Book II) will help you here, such as knowing your target audience, brainstorming a keyword list, researching top-ranked sites for those keywords, and analyzing your competitors' sites to see how they're attracting searchers. The keyword research and log file analytic tools mentioned in Books II and VIII are available to let you see exactly what terms were used by the searcher. These are great resources for finding Long Tail keywords that may lead to conversions and for helping you to understand what terms your audience might be using.

You should also run your proposed PPC keywords through the Google AdWords Keyword tool (go to `https://adwords.google.com/` and click Get Keyword Ideas). Figure 1-2 shows the Google Keyword tool. You can edit this by clicking the Edit link if you need to target a new location.

TIP

If you already have a PPC campaign up and running, you have the choice to generate additional keyword ideas by using Existing Keyword, which populates a list with the terms that you are using and allows you to choose one of the terms to find similar terms that you may be missing.

Figure 1-2:
The Google AdWords Keyword tool lets you evaluate keywords for PPC.

If you select the Website Content radio button under How Would You Like to Generate Keyword Ideas?, the Keyword tool scans your Web site for what Google feels are relevant terms. This is a great tool to find keywords that naturally have a higher *Quality Score* (QS), which Google uses to set the bid price of a keyword based on the quality and relevance of the landing page, because the relevance is already determined by Google. You still have to be sure that the term is a marketable term with your audience, however.

When you click the Get Keyword Ideas button, Google displays a long list of related and synonymous keywords for your consideration, complete with statistics. As shown in Figure 1-3, the list shows you approximately how often each keyword is searched and some month-by-month data. Using the pull-down menu, you can choose to view other columns such as how much advertiser competition there is for each suggested keyword. Clicking on the descriptive phrases button brings up a box for you to enter all of your keywords or new keyword ideas.

Don't make the mistake of choosing the highest volume keywords just because you think they'll bring in the most traffic. High volume keywords are broad and general and tend to attract visitors that are only researching and not ready to purchase. This means you are using your advertising budget on researchers instead of purchasers. These keywords may be hot for searching, but advertising on them can burn you if you're not careful, especially because you're paying for every click. It's better to select transaction-based keyword phrases that you know will convert at the start, even if they aren't searched for very often.

Figure 1-3:
The Google AdWords Keyword tool suggests other keywords and provides statistics to help you select your PPC keywords.
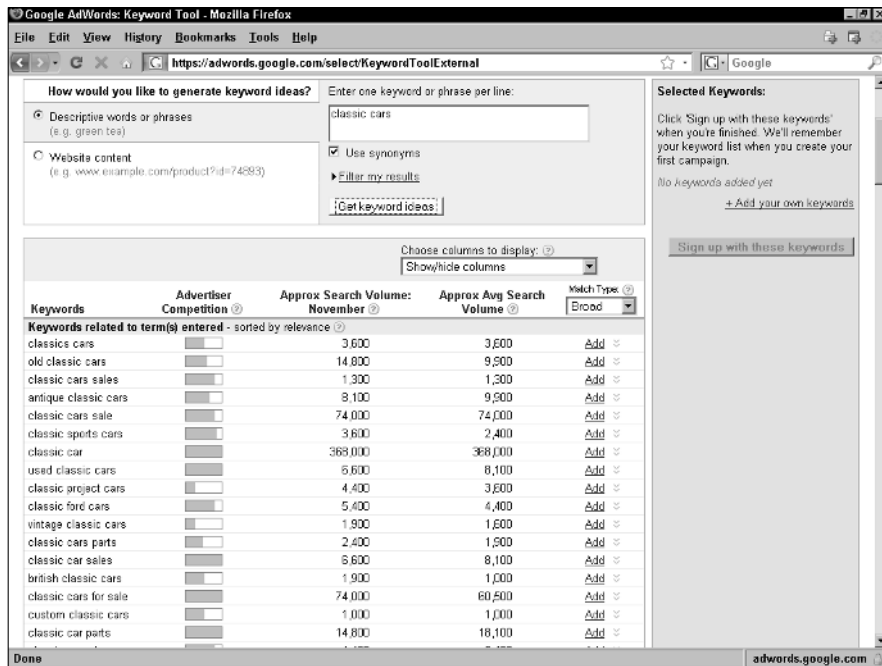
Also be aware that the list of related and suggested keywords Google shows you (like the one in Figure 1-3) is the same list your competitors see for the same keywords. You might find that those keywords have a low ROI because the PPC price is steep and the clicks are already spread too thinly. Run searches to find out who's already bidding on those keyword phrases and how many competing ads there are. Keep thinking outside the main keyword list, looking for creative ways to bring in more traffic with a high conversion rate. Try to find good, conversion-producing keywords that your competitors haven't thought of yet. This is also a good place to start building your negative keyword list. A *negative keyword list* is made up of the words that you do not want your ads to show up for. If you see terms on the generated list that make no sense to you or are definitely *not* terms you want associated with your product, add them to your negative keyword list.

After you've determined the keywords you want to bid on, you need to decide which type of keyword matching to use. For example, if your targeted keyword is {customize a car}, do you want your ad to appear only when that exact phrase is searched? Or do you want it to be a bit looser? You can fine-tune your keyword matching to target your ad to the right users.

When you place your PPC ads, you can choose between the following match types. Most vendors offer similar match types to those offered by Google; we've noted differences in the following list where they exist:

✦ **Broad match:** Broad match allows your ad to show up for your keyword phrase along with plural or singular forms, synonyms, and other relevant variations. So your ad may show up for all of the following queries: {customize a car}, {custom car}, {car customizing}, {auto customization}, {customize a vehicle}, {customizing an old car}, and so on.

Broad is Google's default match type, but that doesn't mean it's the best choice. You could spend your entire PPC budget quickly with broad match turned on if you didn't put filters in place because it causes your ad to display more often, but not necessarily to the right people. (Note: In Yahoo!, broad match is called Advanced Match Type.)

To keep a broad match from bringing in unqualified traffic, you should also put filters in place that exclude inapplicable words from a user's query. See the bullet labeled "Negative (or excluded) keywords" later in this list.

✦ **Phrase match:** In Google, a phrase match type causes the ad to appear whenever a user's query includes your keyword phrase and possibly other terms that appear before or after your keywords (but not in between). For instance, if your keyword is {Ford Mustang}, Google could display your ad for {1984 Ford Mustang} as well. Microsoft adCenter offers the same Phrase Match ability. (Yahoo! does not offer an equivalent to phrase match.)

✦ **Exact match:** Exact match is the most restrictive match type. Your ad can only appear to users who type in the exact keyword phrase, with no additions or changes. As we mentioned, in Google AdWords, you mark an exact match by putting the keywords in square brackets. (Yahoo! calls this Standard Match and it includes exact matches to your keywords plus singular/plural variations and common misspellings.)

✦ **Negative (or excluded) keywords:** The search engines give you a way to narrow your search traffic by also excluding words that someone might type. Because you don't want to pay for clicks from people who clearly aren't interested in what you're offering, use this feature for keywords with multiple meanings. In Google, you'd use *negative keywords* to remove irrelevant words. In Yahoo!, you'd use their Excluded Words feature to accomplish the same thing. For example, if a keyword is {Mustang}, you could exclude searches that also contain the word {horses}. In this example, an advertiser must be careful in considering whether this may exclude persons searching on the term {Mustang horse power} if it is important to them. In this case, you would use {horses} as a negative term, but allow {horse}. Sometimes it can become Catch-22 situation. Be sure to think of all the possible queries that might contain your keywords plus all the other words that wouldn't pertain to your site at all and block those extra words.

If you are just starting a PPC campaign, Broad match or Phrase match are probably better places to start as they allow you more visibility and allow you to capture more keyword phrases leading to possible new search terms.

With Exact match, you get results only if your audience searches for exactly what you use, giving you no extra keyword data to work with. We recommend starting with Phrase match. You can always A/B test against Broad and Exact matches to find what converts best. For more on A/B testing, see Book VIII, Chapter 3.

Another decision you need to make is what search engine to place your PPC ads on. Which search engine will provide the most effective market for you? Google is an obvious first choice because they command more than 60 percent of all Internet searches. However, remember that you're after *qualified* traffic — the searchers who want what your site offers enough to click your ad, arrive at your site, and then convert. Here is some information to help you select your PPC vendor of choice:

✦ **Google AdWords (`http://adwords.google.com/`):** Google AdWords gives your ad the biggest potential viewing audience because Google has the largest percentage of search traffic. Besides appearing on all searches powered by Google, your ad will also show up on searches run through AOL, Ask.com, EarthLink, and NYTimes.com. Beyond that, Google's Content Network option enables your ad to go even further, including to searches run in other countries. Be warned, however, that the Content Network should be used for branding only and is usually not a good producer of conversions in most cases. Many users have developed "banner blindness" and aren't likely to click on ads appearing on a Web site, so you should take advantage of that to instill name recognition through repetition instead.

✦ **Yahoo! Search Marketing (`http://searchmarketing.yahoo.com`):** With the second largest total search market share, Yahoo! is another good option for mass ad appeal, especially if you know that your audience fits the Yahoo! user demographic. (The typical Yahoo! user is older than the average Google user, as an example.)

✦ **Microsoft adCenter (`https://adcenter.microsoft.com/`):** Microsoft Live Search ranks third in total number of Internet searches. Although it has a smaller share of the market, Microsoft's paid search product, adCenter, is worth checking out. adCenter is currently the only search engine to allow ad targeting by *demographics* (user data such as gender, age, and so on). Because of this capability, studies have shown that a well-targeted ad has a much higher ROI on Microsoft adCenter than on Google AdWords or Yahoo! Search Marketing.

✦ **Others:** If your industry has a specialized search engine, the traffic it attracts could provide a rich concentration of people interested in your Web site. You need to know who that search engine is reaching to make sure it's worth your investment. But if the demographics fit your Web site, you could mine that traffic with a PPC ad and watch your conversion rate grow.

When you sign up for a PPC ad campaign, either in Google or other engines, you can control many variables. The primary items you're asked to specify are

✦ **Keywords:** You select the keywords (search terms) that cause your ad to display. The engines also let you group your keywords to make them easier for you to manage. Organize your various PPC keywords in a way that makes the most sense for how you want to budget your advertising dollars.

✦ **Daily budget:** To help you control your ad campaign's costs, you can set a maximum total amount you're willing to spend per day. The search engine keeps track of how many times your ads are clicked and stops displaying your ads when the budget is reached.

✦ **Delivery method:** This is something that is specific to Google only. Make sure your campaign settings are set correctly. The defaults in Google AdWords are designed to be the most profitable for Google. Using the default delivery method means that Google shows the ads as quickly as possible. For example, say that out of 100,000 possible impressions, your budget only allows you 1,000 click-throughs a day. If you have a high click-through rate, you exhaust your budget early in the day and your ad doesn't show in the evening. You can set the delivery method in Google AdWords to appear throughout the day based upon your budget. This means you can choose to run your ads later in the day and in the evening. Two of the advantages of running later in the day is that your competition may run out of click-throughs and not show up during those hours, and the cost-per-click is less expensive because of less competition. For more control over your spending, you can set your delivery method to Standard to spread your ads over the hours you are advertising. With Accelerated delivery, your budget is used earlier in the day, and you are left without ad presence for the rest of the day.

✦ **Maximum cost per click (CPC):** You set the maximum cost that can be charged per click for each keyword you bid on. Here's where the competition heats up because different people bidding on the same keyword can be awarded better placement or more *impressions* (times the ad appears in search results to users) partially based on who had the highest CPC bid. With highly competitive keywords, it's not uncommon for advertisers to check and adjust their CPCs multiple times a day.

✦ **The ad itself:** You specify the ad title (the top line, which displays in a larger font), descriptive text (which shows in the middle two lines), and the URLs. When you create an ad, you have two URLs to consider: a display URL (which is what is displayed with the ad) and a destination URL (which is the actual URL used to link to the landing page). The display URL can be as simple as the home page to your ad (such as `www.classiccarcustomization.com`) or may include keywords even if it's not a real URL (`www.classiccarcustomization.com/Mustang`). If you do use a fake URL, be sure to use a 301 redirect to transfer it to the real landing page. The display URL can be a great tool in increasing conversion as it helps attract attention. A typical PPC ad is shown in Figure 1-4.

Figure 1-4:
A typical
PPC ad on
Google.

Classic Cars
Browse **Classic Cars** For Sale
Online with AutoTrader Classics.
AutoTrader**Classic**s.com

You can give the search engine a single ad, but remember that PPC is
your testing ground. You can provide two (or more) ad versions for each
keyword. So you might have two versions of your PPC ad for the keyword
phrase {customize a car}:

```
Customize your car
Restore your vehicle with our
classic car customization services.
www.classiccarcustomization.com
```

```
Customize a classic car
Restore your car to mint condition
with expert customization services.
www.classiccarcustomization.com
```

When you provide several versions of an ad, the search engine rotates them.
If you use the Optimize setting, Google automatically compares the effective-
ness of each ad version by the number of *click-throughs* (people clicking the
ad and going to your site) as well as the *bounce rate* (percentage of users
who click the ad but then click right back to the results page, obviously not
finding what they were after). Then they start automatically favoring the
"most effective" (as defined by Google based on click-throughs) version, dis-
playing that ad more frequently to maximize your campaign. Although that
sounds good, remember that the search engine's definition of "most effec-
tive" and yours may not be the same.

Google is interested in click-throughs because that's what makes *them*
money. But you're more interested in conversions because that's what
makes *you* money. For this reason, we suggest you use the Rotate setting
instead of Optimize and run no more than two versions of an ad at a time.
The Rotate setting forces Google to give your two ads equal time. This lets
you do a true A/B test to get clear conversion data, and then control which
ad is shown more, based on your own site results. (Book VIII covers testing
in more detail, if you want to find out more.)

Writing and testing the ad

Your ad itself needs to contain a *call to action*, which is an instruction writ-
ten with an *imperative* (or command form) verb such as *buy*, *sell*, *trade*,
grow, *expand*, or as in our sample ads shown previously, *restore*. Your call
to action should lead the user to do something by including a brief benefit
statement, if possible. So in the previous example, the phrase "Restore your

car to mint condition" contains both an imperative phrase — "Restore your car" — that tells the user to do something, as well as a compelling reason why to do it — to bring your car "to mint condition."

In writing and testing ads, sometimes a one-word change can make a significant difference in *clickthrough rate* (CTR) and conversions. For instance, the phrases "bargain prices" and "discount prices" can actually have different effects on different consumers. Just because one phrase works for a specific group of keywords does not mean it will work for all your keyword groups. Test for each group and use the results for each group separately. You may end up using "bargain" for some keyword groups and "discount" for others.

TIP   Here's another trick you can use to help your ad stand out — use your keywords in your ad. You want to do this because the search engines automatically **bold** the user's keywords on the search results page. Hence, your ad is more eye-catching.

Preparing the landing page

When writing your PPC ads, never lose sight of the landing page where users end up when they click. Your ad sets up a particular expectation in the user's mind — make sure that your landing page lives up to it by giving them what you advertised. If the ad is about restoring your car to mint condition, the landing page should focus on that in the title and text. Also include your keyword phrase on the page.

TIP   Every PPC landing page must be customized for the keyword and theme, so you generally need a different landing page for each keyword group. Finding out what needs customizing is all part of why you are running the A/B test. Even if you are promoting complementary products, do not use the same landing page for different groups of products. Instead, send prospects to individually designed landing pages.

TIP   Pictures can be worth a thousand words. Consider using engagement objects such as graphics or other engaging *rich media* (pictures, video, audio, and so on) to grab the user's attention and help sell your product or service. For example, your landing page for "Restore your car to mint condition" could show before-and-after photos of an old jalopy transformed to a gleaming beauty.

Most importantly, you want your landing page to contain a clear call to action that instructs the prospective customer to do exactly what you want them to do. If you want them to call you for a quote, list your phone number and provide instructions several times ("Call us Monday–Friday from 8:00 to 5:00 PST at 1 (800) 555-0100"). Repeat the phone number in bold text in your page content. The call to action and the action itself (like the button that must be clicked to proceed) should appear "above the fold" in the immediately viewable window (as opposed to below the fold, which would require scrolling the window to view) as well as other strategic places.

Test your landing pages until you find a clear winner. When testing, you can send an identical ad to each landing page and compare the conversion rates for each page. Limit testing to two or three pages at one time for a specific keyword group. Other A/B comparisons can include copy length, layout, image size, call to action, and pricing. Remember that PPC gives you an ideal testing ground, so don't be afraid to tweak everything and track all the results until you find your winning combinations.

Again, just because a landing page is more successful for *one* group of key-words does not mean that it is the right landing page for your *entire* PPC campaign. Each group of keywords needs to have its own testing and results for that group. You may end up with a different landing page that is most successful for each of your keyword groups.

Figuring out ad pricing

To help you determine what your maximum CPC bid should be, the search engines give you an estimator tool. Figure 1-5 shows Yahoo's estimator tool, which can be found at `http://sem.smallbusiness.yahoo.com/searchenginemarketing/marketingcost.php`. Enter the keyword in the first box and use the slider to set your proposed budget in the second box; click the Calculate button.

Figure 1-5:
Yahoo! estimates your number of impressions, click-throughs, and a recom-mended maximum CPC based on your keyword and budget.

Figure 1-6 shows Google's version of the same tool, which lets you compare multiple keywords at once. You can access this tool even without an AdWords account at `https://adwords.google.com/select/TrafficEstimatorSandbox`. (Once you have a Google AdWords account, you can run this report from inside your account.) Be aware: The estimated CPC is based on system-wide use of the keyword. The CPC might actually be much lower based on geographic targeting. In rare cases, it might actually be more. Google does not give figures based on specific geographic targeting.

Figure 1-6: The Google AdWords Traffic Estimator computes an estimated CPC and daily cost for each keyword you enter.

When you set up a PPC ad, you don't need to commit to the search engine's recommended maximum bid amount. You might want to start with it to get a benchmark, but then change your bid on a regular basis to find out what amount brings you the best results in terms of traffic and conversions. The key behind PPC is to *test*, *test*, *test*.

Keep in mind that the search engine's recommended bid spans a 24-hour day, which may be wrong for your ad. A feature called *day parting* allows you to specify when during the day your ad is shown. Google calls this feature Ad Scheduling. For example, if your target audience is preteens, you probably won't get much activity (that is, searches on your keyword and click-throughs) on weekdays when students are in school, compared to the after-school hours each weekday.

REMEMBER

If you keep your ad displaying 24 hours a day, your ad might rank well in the off hours, but during the heavy search times when your competitors show their ads, yours may drop off the SERP altogether. In that case, you're better off using day parting to restrict your ad to peak search times and possibly raising your maximum bid to be more competitive if this is a good converting time. Also, one factor that consistently affects how much you pay is the keyword's competitiveness. The more people are competing for the same keyword, the higher the price is just to get in the game.

It's important to remember to use analytics data to compute your *return on investment* (ROI) for each keyword. If a keyword makes you a certain amount of profit, your total cost including your PPC ad fee cannot be more than that profit or you're going to end up losing money.

You can't control precisely where your PPC ad shows up on a SERP. There's a ranking system involved in PPC. In the old days, it was simple: The highest bidder got the top spot. Today, all the major search engines use a formula to determine which PPC ads to display and in what order, and maximum CPC is only one of the factors.

Google has developed a formula for assessing a PPC ad's relevance to a user's query, which they call the keyword's Quality Score. According to Google AdWords Help (`http://adwords.google.com/support`), *Quality Score* is "a dynamic variable calculated for each of your keywords." Each time a user searches for keywords that have PPC ads, Google calculates the Quality Scores afresh and uses those scores plus the ads' maximum CPC bids to determine each ad's SERP position. Quality Score is an algorithm that takes into account many factors, including

✦ **CTR:** Google tracks the ad's historical *click-through ratio* (CTR) (percentage of clicks per ad impressions, or *CTR*) for that keyword and the matched ad. This is a *big* quality factor for Google because they make money on your ad only if people click it.

To raise your CTR, make your ads as compelling as possible for your target audience. You should also consider using *geotargeting* (specifying the geographic area where your ad will display) or day parting to narrow your ad's exposure, but only if doing so increases your CTR without negatively impacting your bottom line.

✦ **Account history:** The combined CTR of all the ads and keywords in your PPC campaign plays a role.

You can improve this factor by watching your account and eliminating ads that historically have very few click-throughs. One exception to this rule is an ad with a low CTR but a really high conversion rate. You'd want to keep that ad in place because it translates into a very nice ROI (that is, low cost per conversion).

✦ **Relevance:** Google evaluates how relevant the ads it displays are to the searcher. They compare the search query to the keyword and the ad and look at how relevant the keyword is to the ad text, as well as to the rest of the ads in your *ad group* (one or more ads that target a set of keywords, which you group). Google also compares the relevance to the landing page (that is, does the keyword appear on the landing page text in a relevant manner?).

To maximize the relevance of your ads, make sure that you choose keywords that are relevant to your site (actually used on your site) and also use them in your ads. Beyond that, you can boost your relevance quotient by creating ad groups of related terms, categorizing them by product type, brand, or some other method that helps you match ads and keywords with landing pages.

✦ **Landing page and site quality:** Google gives higher ranking to sites they decide are better quality in terms of original content, navigability, and so forth. Applying your best Webmaster practices and fleshing out your site with lots of good content helps you with this.

Your Quality Score affects where your ad is positioned in the Sponsored Links search results, as well as how much you pay for your PPC ads on Google. As Google says, "The higher a keyword's Quality Score, the lower its cost-per-clicks (CPCs) and the better its ad position," compared to competitors with the same bid. Google wants to place the most useful links in front of their users, so it makes sense that they wouldn't let advertisers simply buy their way to the top. The better your ad performs, the higher your Quality Score is.

Making SEO and Pay Per Click Work Together

Web site owners may work on SEO to rank organically *or* they may purchase ads, but they often don't do both at the same time. The fact is, it's not an either/or proposition. PPC ads can work in conjunction with SEO to complement and strengthen your search marketing plan.

Remember that with SEO, ranking is not the end goal — what you're really after is traffic to your site that leads to conversions. And PPC provides another way to lay out a welcome mat that brings many new visitors to your site. At this point, it's a good idea to evaluate your home front. You need to make sure your Web site is prepared to receive those visitors.

As we mentioned in the last section, pay careful attention to your landing pages. They provide the first impression of your site for everyone who clicks one of your ads. Each landing page needs to look appropriately clean and professional (for your subject and industry). Every industry is different, so make sure you adhere to your industry's standards. What might look professional in one company might be inappropriate for another. More importantly,

your landing page needs to meet the visitor's expectations because that person is going to decide in about two seconds whether your Web page has what they're looking for. Put yourself in the user's shoes, and make sure that the page delivers what the user is after, based on the search query and your ad text.

Your landing page must also get your user to convert with clearly marked instructions that make it easy to follow whatever action is desired on your site. Make sure that your call to action appears "above the fold." You would be surprised how many people still do not understand the concept of scrolling down a page or how to use a menu. People are much more likely to convert if the page they land on gives them exactly what they hoped to find *and* lays out a simple way to accomplish what they want to do.

Of equal importance is your *site navigability* (link structure for moving around the site). Make it very easy for users to get around your site after they arrive at your landing page. Sometimes a site may look nice, but it doesn't contain a clear path to guide users where they need to go. In particular, you want your visitors to be able to get to the conversion point easily, whether that's your checkout process, sign-up form, or some other type of conversion page.

For searchers who are just in the information-gathering stage, it's equally important for the landing page to provide links to related pages where they can read about your subjects in more detail. You can keep those searchers on your site by helping them gather the information they need at this stage and hopefully move them to the next step that could potentially lead to conversion. The easier you make it for your users to cross the finish line from anywhere in your site, the better.

Complete market coverage with SEO and PPC

You can think of the search engine results pages (SERPs) as real estate. You want your Web page to be in the Page One neighborhood, where there are 10 main "lots" for organic results. The organic results are not for sale, but in the margins above and to the side of those 10 lots, space is available that *is* for sale.

For your main keywords, you want your Web page to show up in the results. If you can claim one of the top 10 organic spots, great! If you can show up in the margins with a PPC ad, that's good, too. If you can do *both*, you're taking up lots of visible real estate on the page — and denying that much real estate to your competitors at the same time.

But there are other reasons to want to show up in both places. Studies show that when your ad appears *with* your organic listing on the same page, the click-through rate skyrockets. What's surprising is that people are far more likely to click your organic listing if they see your ad on the page as well.

You can also target different types of users with the two different types of listings, based on their intent. You can classify these types of intent-based searches as follows:

✦ **Information-based search:** People looking for information are doing research. They may still be early in the purchase process and just educating themselves. Or they could be gathering information for an academic purpose or other types of research. These queries tend to be broad and more generic, like {muscle cars} or {classic Mustangs}.

✦ **Transaction-based search:** Searchers who are shopping or are ready to buy perform transactional searches. These searches tend to use more specific queries, such as {customizing a 1950 Ford Mustang} or {prices for classic Ford Mustangs}.

Ideally, you want your Web site — and your SERP listings — to appeal to *both* types of intent-based searchers. The most obvious reason is to bring in more traffic. But keep in mind that consumers move through these two stages in a cycle. Today's informational searcher becomes tomorrow's more educated buyer. You want to serve their needs at both points.

Information-based searchers tend to choose organic listings almost exclusively. People doing a transactional search, however, are likely to click paid listings. So your PPC ad with its marketing-friendly copy can attract these ready-to-buy consumers, whereas your organic listing appeals to the researchers in the crowd. By having both types of listings on the SERP, you're attracting both types of searchers.

Google AdWords tracks clicks that come through a clicked ad with a 30-day cookie so today's informational searcher can still be tracked and identified by the original PPC query when they later convert with a PPC ad for up to 30 days. A *cookie* is a flag saying the visitor was at that site before, searching on a specific keyword. The cookie remembers what that search term is.

SEO and PPC have many things in common. With your SEO campaign, you're trying to optimize your pages around certain keywords so that when people search for those keywords, the search engines find your page among the most authoritative. With a PPC campaign, you're advertising so that when people search for certain keywords, they think your ad is perfect for their needs. What's the common theme? A need for good keywords.

Before you start optimizing a page around the keyword phrase, for example, {antique car restoration}, you could give the keyword a test run using a PPC ad. You need at least a month to gather benchmark data and up to two months if you don't have any PPC history. After a benchmark has been set, you can usually make a decision on A/B testing within a few days if enough data or impressions are produced. Right off the bat, however, it's very hard to make an assessment with just a few days of data because you just won't have enough traffic. The only way you can make an assessment after a few

days is if you have a high volume of traffic for that test. If you don't have a lot of data, you'll have to wait until you get more. Statistically valid sample sizes are commonly around 10,000 impressions, although you may see clear patterns of behavior with far fewer counts. Intuition and experience play large roles here. Running an A/B test on your PPC campaigns gives you lots of data, such as:

✦ **Number of impressions:** You find out how many times your ad showed up on a search results page. This gives some indication of how often the keyword is searched and how competitive it is.

✦ **Number of click-throughs:** You know how many people searching on that keyword were interested enough to come to your site.

✦ **Bounce rate:** You find out the percentage of visitors who arrived at your landing page and decided it wasn't for them. A bounce rate of less than 50 percent is good. If it's as high as 70 percent or more, you probably need to change the landing page. It needs to be more focused on what those searchers want, more engaging, or both.

✦ **Conversions:** You find out what those visitors did once they got to your site. If many of them reached conversion (by making a purchase, and so on), your site is doing a good job. However, if your Web site takes users through a three-step conversion process from landing page to qualifying page and then to the check-out, and you find out that you're losing 95 percent of the people at the second step, you know you have to make some changes on your site to improve your *conversion funnel* (the process users go through to make a purchase or other type of conversion).

✦ **Cost per conversion:** For a bottom-line analysis, you can find out what your total ad costs were per conversion you received. If you spent more money than you made, that's not going to be a good ad for you to continue as is, but it doesn't necessarily mean that the keyword isn't worth optimizing for.

If you didn't get very much traffic at all, it may be because the keyword phrase is not a good one for your site. Here's where you need to use some discernment, though. Just because a keyword doesn't get click-throughs on a PPC ad doesn't mean it wouldn't generate traffic if you had an organic result. It could be that the keyword is geared for information-based searching, for example. In that case, people would be more likely to click an organic listing than a PPC ad.

Always remember to look at your conversions. If you have a poor CTR but get conversions on the few visitors you do get with the ad, it's a good PPC keyword. However, low or no PPC traffic could also mean the keyword or the ad is a dud. Do several A/B tests with alternate ads to see if the ad or the keyword is the problem. To maximize your time and energy, start by focusing on those keywords that have proven successful in both PPC and organic SEO, and let them work synergistically to bring you more traffic.

Reinforcing your brand with PPC

Paid search ads can bring in traffic, but they can give you another benefit as well — reinforcing your brand.

Your *brand* is a name or trademark that identifies your company, product, or service. Local businesses pay for brand advertising all the time. The neighborhood Little League field displays banners of local real estate agents or dry cleaners who've sponsored them. High school drama groups and bands hand out programs that contain scanned business cards and logos of local business people who've paid for the privilege. These are all examples of advertising for the purpose of brand lift. A parent watching a tee ball game or a choir concert isn't likely to pick up the phone and make a call to that business right then, but the ad in the program or out on the field creates an impression that can lead to a future call.

Similarly, just showing up on a search results page can give your brand some needed visibility. This is especially true if you're trying to break into a business with established competitors. You want your name to show up somewhere, anywhere, on the primary search engine results for your main keywords. PPC gives you a way to shortcut that process by paying to be there.

When people run a search, they quickly scan the first results page and usually decide what to click within the first five seconds. Eye-tracking studies have found that most people see the first few organic listings and the first few PPC ads during those brief seconds (for more about this, see Book I, Chapter 3). When your brand appears either in the title, description or URL of a PPC ad, it has the ability to create an impression in the user's mind linking your brand to their search topic.

As we discussed in the previous section, your organic listing gets clicked much more often when people see your PPC ad on the same page. This is due to increased brand recognition. People feel more comfortable trusting a vendor who seems to have a higher visibility. If you're showing up twice, you must be better, or so the logic goes.

Consider buying PPC ads for your own brand name if it's a keyword that's searched for. Your site gains visibility and you gain relevant traffic.

Supplementing Traffic with PPC

Some Web sites simply must appear in the search engines in order to get their businesses off the ground. But for competitive keywords, moving up in the organic rankings can take months. If you *must* appear for a keyword, taking out PPC ads is your answer.

But while your PPC ads are running, don't stop optimizing your site for natural SEO, either. Let your search engine rankings continue to rise while your PPC ads are humming along bringing in business. While you're working on SEO, your PPC ads can help your cash flow.

When you've made it to the top of the Google heap and your organic search listing can stand on its own, you still should keep doing PPC. As long as you're making money, don't give up your ads.

One reason for continuing with PPC has to do with search engine real estate. If you've earned *two* top positions on the SERP, one for your organic listing and one for your PPC ad, why give up a spot that could get taken over by a competitor? It makes more sense to keep both results in place and cover more real estate on the SERP. As we explained earlier in this chapter, the two different types of listings attract different types of searchers, so they work together well to bring in more total traffic to your site.

A study done in 2005 by eMarketer revealed that more than 60 percent of people didn't really understand the difference between the organic and paid results on a SERP. Internet searchers are getting savvier as time goes on, but a lot of people still don't understand why some links show up in the right column versus the left. What attracts people to click one or the other probably has more to do with how they're worded. That explains why the marketing-driven wording of a PPC ad pulls more transactional searchers, whereas the informational searcher tends to click the organic listings.

Making Smart Use of Geotargeting

Geotargeting provides another way to use PPC ads to increase traffic. If you have a local business like a bakery or a dry cleaner, the idea of advertising on a nationwide search engine where you could get billed for clicks from anywhere could send you running for cover. But what if you could limit your ad to display only to people in your town? By using geotargeting, you can capture local search traffic and searches on mobile devices such as smart phones within your area. So if your business is local, geotargeting lets you run a PPC campaign that makes sense.

All of the major search engines let you specify a city and state where you'd like your PPC ad to display. Google also allows a PPC ad to be linked to their Google Maps and searches done within Google Maps. With Google, you can pinpoint a custom area by plotting points on a map or even specifying how far something is from your store location, like a two to three mile radius around a pizza shop for deliveries, as shown in Figure 1-7.
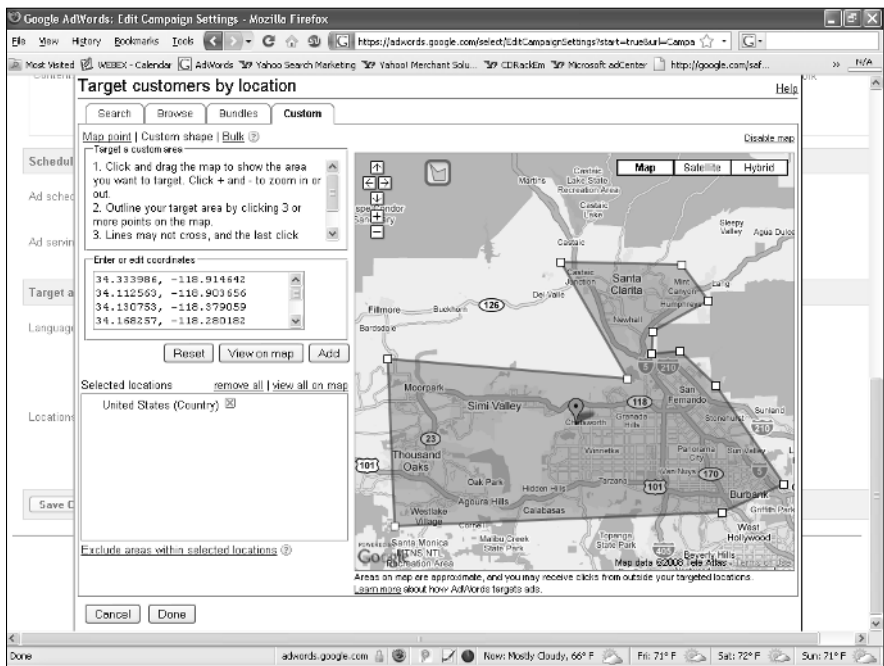
You may have other marketing reasons to use geotargeting, as well. For your classic car customization business, you could place PPC ads in a city that has a big car show, advertising a show-themed discount for new customers. Or if you discover that a particular part of the country has a high interest in 1950s muscle cars, you can mine that market with some geotargeted PPC ads for those keywords. You can also geotarget using keywords alone: for example, {Los Angeles muscle cars} allows you to hit people using that search term, as well as people in Los Angeles searching on {muscle cars}.

Starting Your Seasonal Campaigns

PPC's flexibility makes it the perfect way to handle short-term or seasonal advertising on the Web. For example, if you want to offer an April spring-cleaning sale on hubcap polishing through your classic car customization Web site, SEO wouldn't be the way to drum up business for it. SEO is a relatively slow process that moves your Web pages up in the search engine rankings over time, usually taking several months. However, PPC is incredibly flexible. You could put PPC ads up quickly and possibly drum up a lot of extra traffic during your sale.

If your Web site sells products that are seasonal, use PPC ads to supplement your traffic. Businesses typically spend more advertising money during peak times anyway, so why not use some for paid search ads? By applying a few principles we explain in the following sections, you can make sure that your PPC money is well spent.

Principle #1: Start your seasonal campaign in advance

Timing may not be everything in advertising, but it plays a huge part. With seasonal PPC campaigns, the best practice is to start early. If you run a seasonal business, your true buying season doesn't line up with the holidays on the calendar. For Halloween sales, you might need to be selling by the end of summer for retail sales, and early spring if you're a wholesaler marketing spooky wares to stores. (*Retail* refers to selling to consumers. *Wholesale* involves selling in quantity to retail businesses, for resale.) Similarly, retail stores set up Christmas displays two or three months in advance, so the Christmas wholesale buying season begins well before that.

The bottom line is this: You want your ads to be there when the shopping season begins. Have your PPC ads show up early before the ads crowd in from competitors with less forethought than you. Be one of the first ads to appear for a seasonal item, and you increase your chances of click-throughs and conversions from those early shoppers. Starting early also gives you time to tailor your ad and to A/B test landing pages.

Principle #2: Adjust your spending levels as the buying season progresses

When you first start your seasonal campaign, you don't need to spend a lot of money. Keep your maximum CPC bid on the low side and set a low daily budget amount. Remember, the competition hasn't heated up yet, and neither has the search traffic for your keywords. However, searching *has* begun, so this is a great time to do some testing.

TIP

Test several versions of ads and different keywords to find those perfect matches that convert well, while it's still early in the season. Then you can choose the best-performing ads and have those running during the peak sales time.

As the buying season heats up, watch your PPC analytics closely and adjust your spending levels as needed, making sure that there is sufficient budget to last for the entire season. Consider using day parting if necessary to have maximum exposure during peak conversion hours each day (which are different for each situation). You want to maintain your placements as much

as possible as more and more competitors' ads enter the scene. However, never outbid at the expense of your bottom line. You don't want to pay $5 per click for a keyword if it pushes your ROI into the red.

If your season is tied to a holiday like Christmas or Halloween, chances are that sales will continue to build steeply up until a few days before the holiday, or whenever your cutoff date is for shipping products in time for customers to receive them by the holiday. At that point, you should disable the PPC ads you've been running because you don't want to attract frantic last-minute shoppers who would come to your Web site only to find that you can't deliver their gift or costume in time. Don't pay for clicks that can't convert!

If you still have sufficient stock leftover for an after-holiday stock reduction sale, you can put up new PPC ads in the days after the holiday. For an after-Christmas sale, for example, you might want to stay up late on December 25th so you can log on to your PPC account and activate the after-Christmas sale ads at midnight. Currently, Google AdWords does not have the capability of switching ads on a schedule, so it has to be done manually.

You want to monitor your PPC analytics closely over the days following the holiday, too. When you see conversions start to fall off, you can stop the ads.

Principle #3: Use some of the same keywords your site already ranks for

Keyword selection doesn't need to be different for your seasonal campaign. It's better to advertise using the same keywords you've already optimized your site for, and just let your ad wording draw in the seasonal business. For one thing, your Quality Score benefits if your ad text and keywords match keywords used in your Web page because that increases your relevance to the user's search query. Plus, you can get the advantage of more coverage on the search results page.

You can use your usual keywords for PPC ads even if you already rank for them organically (through SEO). For keywords that you haven't ranked for yet, taking out a PPC ad can bring in valuable traffic that you never get any other way. For your high-ranking keywords, you have just as much reason to use PPC. If the search results page shows *both* your organic listing talking about your product and another result advertising a sale on that product, imagine how effectively you can bring in the traffic. Figure 1-8 shows what it looks like to someone interested in classic Ford Mustangs if both your organic listing and your PPC ad show up in Google.

Note: This figure was mocked up to reflect a possible search result for our fictional car customization site.

Figure 1-8:
A PPC ad supplements your traffic even for keywords you already rank for.
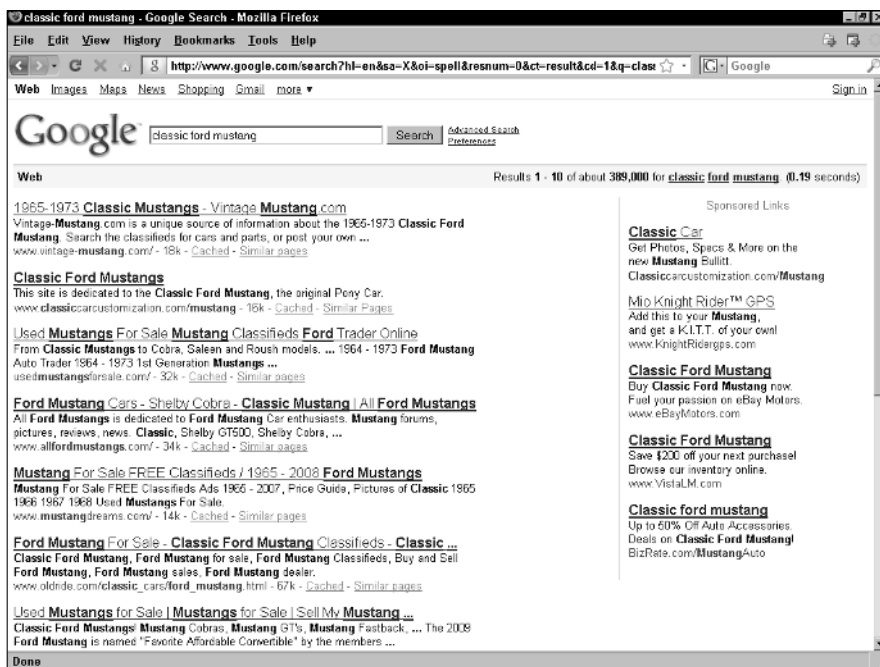
REMEMBER

Remember, you can use keywords in the display URL even though that particular URL may not really exist, as long as the base domain matches your "destination" domain. Placing the keyword in a display URL gives you an additional place to get bolded terms in your ad and shows relevance to the searcher as well.