What’s inside: An introduction, the key terms and concepts that you will need, a history of paid search. Looking at how it works, we consider who does what and the difference between search and content networks. We look at what makes up a PPC advert, and all important keyword matching. We look into various aspects of PPC advertising, and of course planning and setting up a campaign. There is a brief overview of online comparison engines, the tools of the trade, and the pros and cons of setting up a campaign. There is a chapter summary and checking out how it all fits together.

Further reading

www.seomoz.org
- SEOMoz.org provides regular articles, guides and blog posts covering all things SEO. As well as sharing insights from their own SEO efforts, there are also vibrant forums where you can learn from others.

www.seobook.com
- Aaron Wall’s SEOBook.com provides training and tools for SEO, as well as regular articles and posts.

www.gottaquirk.com
- the blog from the minds of Quirk, who live, eat and breathe all things Internet.

www.webmasterworld.com
- a forum for webmasters, from beginners to those who’ve been around. A great resource for a budding SEO.
Introduction

Pay Per Click (PPC) advertising is an advertising system where the advertiser only pays for each click on their advert.

While it is most often used as an advertising system offered by search engines, such as Google and Yahoo!, it can also be used for banner advertising (where the advertiser pays for clicks on the advert as opposed to impressions). PPC is also the system on which many shopping engines and directories, such as NexTag and Shopping.com, are based. Sometimes PPC advertising on search engines is referred to as paid search.

PPC advertising revolutionised the online advertising industry, and today, advertising generates 99% of Google’s revenue. Google’s revenue for the quarter ended March 31, 2008 was $5.19 billion! And that figure continues to increase.

In this chapter, we’ll use PPC to refer to paid search advertising, that is PPC advertising provided by search engines, but we will touch briefly on other advertising systems based on PPC.

PPC adverts on search engines are easy to spot – they’re the results listed as “sponsored links”. They can appear on the top of the results page, usually in a box, and also on the right hand side of the results page.

PPC advertising is keyword based – this means that it is based on the search term that a user enters into a search engine. A search term can have one word, or be made up of many words. Sometimes a multi-word search term is referred to as a “key phrase” or “keyword phrase”. Advertisers target those keywords for which they want their advert to appear.

For the advertiser, the beauty of PPC advertising on search engines is that their adverts are displayed when potential customers are already expressing intent – they are searching for a product or service. It allows advertisers to present their offering to a potential customer who is already in the buying cycle.

Key terms and concepts

- **AdCenter**: MSN’s PPC advertising system.
- **AdWords**: Google’s PPC advertising system.
- **Click-through**: A click on a link that leads to another web site.
- **Conversion Rate**: Actions / Clicks %.
- **CPA**: Cost per Action. Paid when a certain action is performed by a user.
- **CPC**: Cost per Click. Paid when a link is clicked upon.
- **CPM**: Cost per Mil (1000). Amount paid for every 1000 views of an advertisement.
- **CSV file**: Comma Separated Values file. This can be used to send databases of information separated into specific column headings.
- **CTR**: Click Through Rate: Clicks / Impressions %.
- **Impression**: Each time the advert is shown.
- **Keyword**: This is a word found within a search query. For example, searching for "blue widgets" includes the keywords blue and widgets.
- **Key Phrase**: Just like keyword, this is simply a multi-word keyword.
- **Natural Results**: Search results as determined by the search engine’s algorithm. The search engine does not get paid to list these.
- **Overture**: Formerly GoTo.com, bought by Yahoo! and provider of Yahoo!’s PPC advertising. Panama has replaced Overture as the platform that powers Yahoo! Search Marketing.
- **Panama**: The platform that powers Yahoo! Search Marketing.
- **PFI**: Short for Pay for Inclusion. Used by various search engines that guarantees that your site will be listed in a search engine database. Google is a notable exception that does not ‘offer’ such a service.
- **PPC**: Pay Per Click.
- **PPC Engine**: ‘Search Engine’ whose results are driven by PPC [paid per click] listings. Essentially all the search results are of CPC type.
- **Quality Score**: Google’s basis for determining the minimum bids for keywords, based on relevancy and historical data.
- **Ranking**: This refers to the process by which search engines display web sites so that the most relevant web sites appear on the top. Search engine optimisation is a technique by which high rankings may be obtained.
- **ROI**: Short for return on investment.
- **Search Term**: Another way of saying search query.
- **SERP**: Short for Search Engine Results Page, SERPs are the actual results returned to the user based on their search query.
- **Sponsored Results**: Search engine results that are paid for by the advertiser.
- **Traffic**: This refers to the visitors that visit a web site.
- **Yahoo! Search Marketing**: Yahoo!’s PPC advertising, powered by the Panama platform.
- **XML**: eXtensible Markup Language.
You have learned that search engines display results to search queries based on proprietary algorithms. Each major search engine uses its own formula to determine what results to display for any term. All of this is available to web users for free! With about 80% of web users using search engines as a starting point (Jansen and Molino, 2006), that’s a lot of traffic going through search engines each day. So, search engines require a way of generating revenue from all that traffic.

In 1996, the Open Text Index search engine began allowing web sites to pay for a preferred ranking in selected results pages, to mixed response from business owners and other search engines. However, this was pay for placement, not that different from paid inclusion, where advertisers were paying to appear in the search results, whether or not a user clicked through to their site.

In February 1998, GoTo.com launched. This was a new search engine that allowed web site owners to bid for placement in the search results pages for specific search terms. Results were ranked according to how much the web site owners were willing to bid, with the highest bid appearing at the top of the page. The web site owner would only pay for each click, as opposed to for appearing on the results page. By July 1998, advertisers were paying up to a dollar for each click! GoTo.com changed its name to Overture Services Inc in 2001, and was acquired by Yahoo! in 2003. GoTo.com partnered with portals Yahoo! and MSN to monetise their search queries. Overture successfully patented their PPC mechanism for search engines (“System and method for influencing a position on a search result list generated by a computer network search engine” was patented in 2001), and has since then pursued, successfully, lawsuits against other PPC providers, including Google. Overture initiated infringement proceedings under this patent in 2002, and settled with Google after it had been acquired by Yahoo!. Google agreed to issue 2.7 million shares of common stock to Yahoo! in exchange for a perpetual license.

Google started search engine advertising in December 1999 and launched AdWords in October 2000. AdWords allowed advertisers to place keyword targeted listings, but charged advertisers on a CPM basis. Google launched PPC advertising in February 2002, and today, advertising counts for about 99% of Google’s revenue.

The search engine algorithm:

- Checks the advert for compliance to editorial guidelines.
- Displays the advert for relevant search queries.
- Determines the rank, or position, of the advert based on the advertiser’s maximum bid and the relevance of the advert (which includes factors such as CTR, and ad copy, keyword and landing page relevance to the search).

**Search and content networks**

Advertisers can choose to have their adverts displayed on the search network only (which means on search engines), or they can select to have the adverts displayed on the content network.

The search network will include the search engine which owns the platform (so, Google for AdWords), as well as other search engines for which that platform provides paid results (for example, currently Ask.com uses the Adwords platform for paid results).

<table>
<thead>
<tr>
<th>Search Engine</th>
<th>Type of Main Results</th>
<th>Provider of Main Results</th>
<th>Paid Results</th>
<th>Directory Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>AllTheWeb</td>
<td>Crawler</td>
<td>Yahoo!</td>
<td>Overture</td>
<td>None</td>
</tr>
<tr>
<td>AltaVista</td>
<td>Crawler</td>
<td>Yahoo!</td>
<td>Overture</td>
<td>Open Directory</td>
</tr>
<tr>
<td>AOL Search</td>
<td>Crawler</td>
<td>Google</td>
<td>Google</td>
<td>Open Directory</td>
</tr>
<tr>
<td>Ask Jeeves</td>
<td>Crawler</td>
<td>Teoma</td>
<td>Google</td>
<td>None</td>
</tr>
<tr>
<td>Gigablast</td>
<td>Crawler</td>
<td>Gigablast</td>
<td>None</td>
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</tr>
<tr>
<td>Google</td>
<td>Crawler</td>
<td>Google</td>
<td>Google</td>
<td>Open Directory</td>
</tr>
<tr>
<td>MSN Search</td>
<td>Crawler</td>
<td>Yahoo!</td>
<td>Overture</td>
<td>None</td>
</tr>
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<td>Crawler</td>
<td>Google</td>
<td>Google</td>
<td>Open Directory</td>
</tr>
<tr>
<td>Teoma</td>
<td>Crawler</td>
<td>Teoma</td>
<td>Google</td>
<td>None</td>
</tr>
<tr>
<td>Yahoo!</td>
<td>Crawler</td>
<td>Yahoo!</td>
<td>Overture</td>
<td>Yahoo!</td>
</tr>
</tbody>
</table>

*Suppliers and search engines as of 2007. Source: Sullivan, 2007*

The content network refers to web sites other than search engines which also display PPC adverts. For Google AdWords, these are the web sites and blogs which have joined Google AdSense, Google’s publishers’ platform. Google determines the content of the web site, and then displays appropriate PPC adverts. Typically, the CPC is lower than on the search network, but the CTR and conversion rate can be much lower.
what makes up a PPC advert?

Text PPC adverts follow the same basic structure:

- **Heading**
  - Two lines of advert copy,
  - Which can be displayed on one line
  - www.DisplayURL.com

The URL shown is not necessarily the URL that the user will click through to. When writing the copy, these are known as the display URL (what is shown on the advert) and the destination URL (what the actual URL of the page is). The display URL is sometimes also called a vanity URL. The aim should be to send users to a web page as specific to their search, and the PPC advert, as possible. This is known as deeplinking.

The display URL must be the same domain as the destination URL. Google will only show one advert per display URL.

So, an advert might look like this:

**Roses for Valentine’s**
- A dozen red roses for your love;
- Fast, free delivery in RSA.
  - www.flowers.co.za/roses

The search engines limit the characters in each line. There are also restrictions on what you are allowed to write in an advert. Here are some of the editorial guidelines from Google AdWords:

- Heading: maximum 25 characters
- Line 1: maximum 35 characters
- Line 2: maximum 35 characters
- Display URL: maximum 35 characters
- No repeated exclamation marks
- No word may be written in capitals only
- No nonsense words may be used
- No claims of “best”, “number one” or superlatives may be used unless they can be verified by a reliable 3rd party source
- Product numbers may be used

**discussion**

Why do you think the CTR and conversion rate are lower on content PPC adverts as opposed to search PPC adverts?

**keywords and match types**

We’ll take a look at keyword selection when we go through the process of setting up a campaign, but first you need to know a little bit more about the different ways we can define keywords in a PPC campaign.

Each search engine requires the advertiser to enter the keywords for which their advert should appear. This list of keywords determines the search queries for which the adverts could appear.

On [www.google.com](http://www.google.com) in the USA there were almost 200 million searches performed each day (comScore), and Google estimates that nearly 50% of all searches are unique (Hurst, 2006). It would be a tough, if not impossible, task to determine all the possible terms potential customers might use to find you. That is why there are different keyword match types for PPC advertising.

Google AdWords using the following match types:

- **Broad**
- **Phrase**
- **Exact**
- **Negative**

**Broad match** means that your advert will appear for the keywords you have entered, as well as search terms which contain your keywords and any other words in any order, as well as some variations of your keywords (misspellings and synonyms).

Say you have chosen the following keywords, and this is set to broad match:

- **tennis shoes**
- **red tennis shoes**
- **tennis sneaker**
- **history of tennis shoes**

The above site is running AdSense. Notice how the adverts correlate to the content of the article.
Phrase match, which is denoted with quotation marks around the keywords ("phrase match") means that your advert will appear only for search terms which have your keywords in them, in the same order, though other words may also be in the search term.

If you changed the same keywords to phrase match, they would look like:

"tennis shoes"

Your advert would appear for:

- tennis shoes
- tennis shoes red

But your advert would not appear for:

- smart shoes red

Exact match, denoted by square brackets ([exact match]), means that the advert will only appear for search terms exactly the same as the keywords selected.

Now change the keyword to exact match:

[tennis shoes]

Your advert will appear for searches for:

- tennis shoes

It would not appear for any other searches.

Negative match, denoted by using a dash in front of the keywords (-negative), means that your advert will not appear in searches using that word, no matter what other words are used.

Use the broad match example, and include a negative match:

red shoes
-tennis

Your advert would appear for:

- red shoes
- smart shoes red

Your advert would not appear for:

- red tennis shoes

Depending on the match type, your advert can appear for more or less keywords.

languages and locations

You are able to target your campaigns, so you know that the traffic you are getting is relevant to your product. This is known as geo-targeting.

You can choose the language of the search engine, and the location. For example, you might only want your advert to show to English searches in Asia, or to English searches in London. Targeting your advert means that you won’t pay for traffic you don’t want.

bidding and ranking

Advertisers need to determine the maximum they are willing to pay for a click on their advert, and they need to decide this for each keyword they enter for an advert. This bid is the maximum CPC, or Max CPC, that the advertiser is willing to pay for the click.

However, this will not necessarily be the CPC that the advertiser must pay for a click. Every time a search query is entered, the search engine runs an auction to determine the placement of the adverts where advertisers have bid on that search term. This auction is known as a Generalised Second Price (GSP) auction, which is a variation on the Vickrey auction.

In the GSP auction, each advertiser will pay the bid of the advertiser below him, plus a standard increment (typically $0.01), for a click on their advert.

Say three advertisers, A1, A2 and A3, bid $2.50, $3.00 and $2.35 respectively on the same keyword. The search engine has set a minimum price of $2.05 on that same keyword. Here is how the adverts would be positioned, and what they would each pay for a click:

<table>
<thead>
<tr>
<th>search term</th>
<th>keyword</th>
<th>&quot;red shoes&quot;</th>
<th>[red shoes]</th>
</tr>
</thead>
<tbody>
<tr>
<td>red shoes</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>buy red shoes</td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>red tennis shoes</td>
<td>✓</td>
<td>✓</td>
<td>✗</td>
</tr>
<tr>
<td>smart shoes red</td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
</tr>
</tbody>
</table>

Advertisers can assign as many keywords as they wish to an advert, but only one advert for each URL will be shown. If two advertisers are bidding to show adverts for the same domain, only one will be shown. Which advert will be shown is based on the bids being placed and on the quality of the adverts.
When it comes to ranking, of course, it’s not quite as simplistic as that (it rarely is!). As well as the bid an advertiser places on a keyword, the search engine will take a number of other factors into account. In the case of Google AdWords, this is known as Quality Score.

The Quality Score is determined by, among other factors:

- The relevance of the keyword to the search term
- The relevance of the advert copy to the search term
- The relevance of the landing page to the search term
- The historic CTR of that advert

Search engines look at factors such as relevancy to try to ensure that it is not just having deep pockets that can land advertisers the top spot. Search engines need to ensure that users find the adverts relevant, otherwise they’ll be less likely to click on them – and no click means no revenue for the search engine.

### conversion rates and click-through rates

![A heatmap from Eyetools.com that shows where users look on a SERP.](image)

Studies repeatedly show that those adverts nearer the top of the page (so the best ranked) attract the highest CTRs. They get the most clicks. And, the clicks cost the advertisers more.

Looking at the heat map, you can see that getting in the blue box on Google will most likely generate even more clicks on an advert. You might think, the more clicks the better, but is this necessarily the case?

Being in the top position means you will pay more per click. Many clicks at a higher price may use up your budget quickly. Also, many people click on the top advert believing it to be the top organic search result – often without reading the advert text.

Advertisers need to consider what a user does after clicking through to the advertiser’s web site from the search engine. When planning a PPC campaign, it is therefore crucial to set up the goals of the campaign, and make sure that these are being met. You can use your analytics package to set these up. With a goal set up, the advertiser can track how many of the users that click through to the web site follow through to that goal. This is called a conversion.

Goals can be:

- Buying a product
- Filling in a form
- Downloading a whitepaper
- Sending an enquiry
- Booking a flight

We know that the CTR of an advert is clicks / impressions %

The conversion rate of an advert is conversions / clicks %

As the advertiser, you also need to know the value of each conversion. You need to know this so that you don’t pay too much for your clicks, and so that you bid to have the best CTR for maximum ROI.

<table>
<thead>
<tr>
<th>Impressions</th>
<th>Clicks</th>
<th>CPC</th>
<th>Total Cost</th>
<th>CTR</th>
<th>Conversions</th>
<th>Conversion Rate</th>
<th>CPA</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>1134</td>
<td>55</td>
<td>$0.89</td>
<td>5%</td>
<td>5</td>
<td>9%</td>
<td>$9.79</td>
</tr>
<tr>
<td>B</td>
<td>1134</td>
<td>123</td>
<td>$1.36</td>
<td>11%</td>
<td>11</td>
<td>9%</td>
<td>$15.21</td>
</tr>
<tr>
<td>C</td>
<td>2256</td>
<td>225</td>
<td>$0.89</td>
<td>10%</td>
<td>11</td>
<td>5%</td>
<td>$18.20</td>
</tr>
</tbody>
</table>

The above table shows how you might adjust bidding strategies based on business principles.

- Example A: bid on a keyword with phrase match.
- Example B: bid on the same keyword with phrase match, but bid for a higher position. The conversion rate of the web site remains the same, but because of the higher CPC, the CPA increases, although there are more conversions.
Example C: bid on the same keyword, but with broad match this time. Because the traffic is less targeted, the conversion rate on the web site is lower. This means that the CPA increases again.

The campaign needs to be run according to business rules. A PPC campaign can aim for maximum conversions, but this is usually at a higher CPA.

**Budgets**

As well as deciding on your CPC bids for your keywords, you are able to determine the budgets for your campaign. You can set daily budgets, monthly budgets or no budget. Once your budget is reached, your adverts are paused, so you can be sure that you never overspend. If you are concerned about overspending, you can set a daily budget. However, this can mean that your adverts do not run as often as you would wish them to.

The different advertising platforms offer advanced bidding options, all aimed at helping you to run your advertising campaign better. You can bid for placement on the SERP, or you can bid based on how much you are willing to pay for click. You are able to bid for adverts during certain times of the day only, called scheduling.

**Which platform should I choose?**

There is some theory that different platforms are better for different industries, for example, that Yahoo! fares better than Google on travel advertising. However, this is subjective, and most large advertisers will run PPC campaigns on a number of platforms. As with most things in eMarketing, it is all about testing.

There are some small differences with each platform in terms of editorial policy, and each system has a different user interface. Google AdWords is perhaps the most well known, allows users to transact in the currency of their choice, and also offers training programmes and certifications.

Google AdWords also currently has the best geo-targeting worldwide, although geo-targeting is offered by both MSN’s adCenter and Yahoo! Search Marketing.

**The long tail**

Google has estimated that 50% of searches are unique. This means that the sum of searches which are unique is about the same as the sum of non-unique searches. Looking a little more closely at search terms will show a small number of high volume searches, and then a large number of lower volume searches stretching out to those unique searches.

**Planning and setting up a campaign**

1. **Do your homework**

   For a successful campaign, you need a full online and an offline analysis of the business, customer demographics, the industry and competitors. While it is relatively quick to set up a campaign, pre-planning will show dividends later! You need a brand, an identity and a clear unique selling point. You only get 3 lines to advertise, you need to make sure you know what should be in there!

2. **Define your goals**

   You need to know what you want to achieve with your PPC campaign. Branding campaigns, for example, are very different to campaigns that increase sales. What do you want users to do once they click on your advert?

3. **Budget, CPA and targets**

   Determine how much you are willing to spend to achieve your goal – your target CPA. Decide how much budget you are going to allocate to your PPC campaign. If your goal is to increase revenue, your budget might be unlimited so long as revenue is increasing and you are within your target CPA.
4. Keyword research
You need to determine what keywords potential customers are likely to use when searching for the service that you offer. Along with that, you need to know:

- What common misspellings a customer might use
- What words would show that they are not likely to purchase from you (words like free and cheap)

As part of your keyword research, you need to look at expected volumes for your keywords, so you know how to bid on keywords. See Tools of the Trade for some suggestions.

There are also tools which will show you similar or related keywords, so you can expand your keyword list even further. Again, find suggestions in Tools of the Trade.

5. Write the adverts
Using your keyword research, write compelling adverts to promote your products. Adverts can be unique to a keyword, or you can group them and have a number of keywords for one advert.

Make sure you use an appropriate display URL, and that you target the landing page for each advert. Always include a call to action.

6. Place your bids
Based on your goals and keyword research, set the maximum bids for your keywords. Don’t set these too high at this stage – you’ll tweak the bids as you test your campaign.

7. Measure, analyse, test, optimise!
With conversion tracking in place, you can analyse your ROI down to a keyword level, and then focus on those keywords which are converting best.

Consider seeing how changing the text of your advert can increase the CTR, or perhaps better your conversion rate. Test different landing pages to see what converts better.

Landing pages
PPC advertising is not just about creating adverts and bidding for keywords. The process continues once a user has clicked on your advert. The page that the user reaches by clicking on an advert is called a landing page.

Landing pages can make or break an advertising campaign. Poorly executed PPC campaigns will send all users to the home page of a web site. Campaigns that convert will make sure that users land on a page that is relevant to their search. The aim is to keep the user as focused on the goal – conversion – as possible. Sending the user to the home page gives him too many other options to choose from.

For example, if someone searched for “Canon EOS 450D”, a poorly run campaign would send that user to www.canon.co.uk. A better campaign would have the user clicking through to www.canon.co.uk/For_Home/Product_Finder/Cameras/Digital_SLR/EOS_450D/index.asp

Landing pages also indicate relevance to the search engine, which can increase the Quality Score of the advert, and in turn lower the CPC of the keyword. Adding pages to the web site which are keyword rich can also carry SEO benefits.

PPC campaigns often have thousands of keywords, which can mean that there will be a lot of landing pages to be built! Creating dynamic landing pages means that with a simple script, unique keyword rich landing pages can be created for every search. The script will take the keyword that the searcher has used, and insert it in predefined places on the landing page. The user will then be landing on a page that is highly relevant to their search!

Dynamic landing pages can be created with a simple script that will allow for a landing page to be created for every keyword in the PPC campaign.

online comparison engines
As we mentioned, PPC does not only apply to search engine advertising. We have seen that adverts can be placed on content sites. PPC can also refer to display advertising, where advertisers pay only for each click through to their site, as opposed to each impression of the banner. PPC is also used by many online comparison engines.

You have probably come across online comparison engines when searching for a particular product. Popular comparison engines include:

- NexTag [www.nextag.com]
- PriceRunner [www.pricerunner.com]
- Kelkoo [www.kelkoo.co.uk]
- Pangora [www.pangora.com]
- Jump [www.jump.co.za]

These engines contract with retailers. The retailers supply the engine with a product feed (XML or CSV) which contains the following information:

- Product name
- Product price
- Product URL
- Product serial number

The bounce rate of the landing page also affects the Quality Score of an advert. See the web analytics chapter for more information.
When a user searches for a product on one of the comparison engines, the engine will list all retailers who offer that product. When the engines contract the retailers, they also agree on how much the retailer is willing to pay for each click from the comparison engine through to the retailer's web site. The minimum CPC will vary from category to category (consumer electronics, for example, could have a higher CPC than baby clothes).

When results are shown, priority is given to those retailers who are willing to pay a higher CPC. However, the user has the option of sorting results by price, alphabetically, etc.

Online comparison engines form an important part of the online marketing mix for an online retailer. As well as comparing products from different retailers, they also offer users the chance to review products, as well as retailers. Many users prefer to start their product search on a comparison engine, as they can see a variety of prices for the same product in one place.

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<table>
<thead>
<tr>
<th>Seller</th>
<th>Seller Ratings</th>
<th>In Stock</th>
<th>Price</th>
<th>+Tax &amp; Shipping</th>
<th>TruePrice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dell</td>
<td>Trusted Seller</td>
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<td>$579.00</td>
<td>Go to Store</td>
<td></td>
</tr>
<tr>
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<td>20 Seller Reviews</td>
<td>In Stock</td>
<td>$589.99</td>
<td>Go to Store</td>
<td></td>
</tr>
<tr>
<td>butterfly photo</td>
<td>173 Seller Reviews</td>
<td>In Stock</td>
<td>Best Values! $579.80</td>
<td>Go to Store</td>
<td></td>
</tr>
</tbody>
</table>
Keyword volume tools:
www.freekeywords.wordtracker.com
www.yooter.com/keyword/overture.php
Tools.seobook.com/general/keyword
Google Trends

Keyword suggestion tools:
adwords.google.com/select/KeywordToolExternal
www.keyworddiscovery.com/search.html
Tools.seobook.com/keyword-list/generator.php

Google AdWords has an Ad Preview Tool, which allows you to see where your advert would appear on the page (without using the search engine and thus skewing data). This can be accessed at adwords.google.com/select/AdTargetingPreviewTool.

Some paid services that aid with keyword research are:
www.wordtracker.com
www.keywordsecret.com
www.nichebot.com

Spreadsheets, such as Microsoft’s Excel, are useful to aid you in building your keyword lists. Getting to grips with functions such as concatenation will be useful.

**Pros and cons should I or shouldn’t I**

PPC campaigns are relatively quick to set-up, can provide high volumes of traffic, and are by nature highly trackable – what’s not to love? But there are some pitfalls that you ought to be aware of.

1. **Click fraud**

   Click fraud occurs when your advert is clicked on by someone who is not a legitimate potential customer. Because an advertiser has to pay for every click on his advert, sometimes unscrupulous competitors can click on the advert to force the payment. There are even automated bots that can click on adverts, costing advertisers millions!

   The search engines, however, have taken measures to combat this. Advertisers can report suspected click fraud, and the search engines will refund invalid or fraudulent clicks after investigation.

   What can you do? Keep an eye on your campaign. Any sudden leap in CTRs should be investigated, and you should pay particular attention to see if the conversion rate drops (which would indicate potential fraud) or stays the same. Pause the campaign if you suspect fraud, and alert the search engine.

2. **Bidding wars and climbing CPCs**

   High traffic keywords are expensive, and the battle to stay on top means that the CPC of these keywords is escalating. Convincing yourself that it’s number one or nothing can result in burning through your campaign budget quickly, with nothing to show for it.

   What can you do? Keep focused on your campaign goals and ROI, and keep investigating to find the (cheaper) niche keywords that work for you.

3. **You gotta keep an eye on things**

   PPC campaigns require a lot of monitoring, and the bigger your campaign gets, the more time this takes. PPC advertising can provide a fantastic ROI, but you need to check in and tweak regularly to make sure that it continues to perform for you.

   What can you do? Make sure that you have allocated the time required to run a successful campaign. There are also tools available that make managing large campaigns easier.

   But remember, there are all the good reasons below (and many, many more!) why PPC works for you:

   1. **No to low cost barrier**
      You only pay for traffic; there are minimal set-up fees involved.

   2. **Tracking every cent**
      PPC advertising allows you to track your advertising spend down to a keyword level, so you can learn what works and what doesn’t on a micro scale.

   3. **Targeted advert placement**
      You can make your advertising relevant with the many filters available when selecting where to show your advert.

   4. **You’re giving your customers what they want**
      PPC advertising lets you place your advert in front of people who are searching for your product. It lets you provide a solution, as opposed to creating an interruption. What more could you want?

**Summary**

PPC advertising usually refers to the advertising system offered by search engines in which an advertiser pays for each click on his advert. Online comparison engines also run on a PPC basis, where advertisers provide a product feed for listings.

PPC advertising is keyword based. On search engines, the CPC is determined by an auction, known as a Generalised Second Price auction.

Search targeted advertising refers to PPC adverts displayed on the SERPs. These are listed above and alongside the organic search results, and are marked as Sponsored.
Content targeting refers to PPC adverts being displayed on content pages, such as blogs and other websites.

The success of an advert may be determined by its CTR, but the success of a campaign will be determined by its conversion rate.

\[
\text{Click-through rate} = \frac{\text{clicks}}{\text{impressions}} \%
\]

\[
\text{Conversion rate} = \frac{\text{conversions}}{\text{clicks}} \%
\]

Elements for a successful campaign:
1. Research your industry
2. Define your goals
3. Allocate budgets and target CPAs
4. Keyword research
5. Relevant adcopy with clear call to action
6. Bidding so as to maximise ROI
7. Measure, analyse, test, optimise!

Case study: Southern Sun

Southern Sun ([www.southernsun.com](http://www.southernsun.com)) launched a new website in May 2006. The changes included an updated look and feel, a greater quantity and quality of information, and better booking functionality. As often happens with a site re-launch, Southern Sun lost all of the previously good organic search engine rankings. A new website needs time to climb up the search engine rankings, and it can take a minimum of three months before it starts receiving organic traffic. Southern Sun could potentially have lost out on bookings because of the decrease in organic traffic. Therefore, they required a way of ensuring that their site:

- Continued to receive a steady flow of bookings despite temporarily poor organic rankings
- Received enough traffic to analyse user behaviour and responses
- Received enough traffic to generate trust from search engines and climb up the SERPs as fast as possible

With the new site, Southern Sun hoped to increase the number of bookings made online, and to tap into the international tourist and business travel market. This meant they needed to migrate a significant amount of their offline promotions and special offers to their website in such a way as to attract a favourable online response.

Quirk eMarketing, the online agency for Southern Sun, set up a PPC campaign with the intention of:

- Sending traffic to the site
- Attracting international traffic
- Split-testing campaigns

Separate campaigns were built for:

- Local vs. international traffic
- Brand and hotel-specific vs. place-specific
- Special offers and campaigns vs. normal traffic

Quirk did an extensive keyword research exercise to identify high traffic generating keywords in order to get as much traffic as possible, as well as niche long tail keywords for better cost per conversion. Keywords specific to Southern Sun’s various customer groups were targeted, such as families, business travellers, couples and tourists.

Furthermore, adverts were set up which tested the best marketing message i.e. whether people responded best to:

- The Southern Sun brand
- A special offer
- A wide variety of hotels and brands
- Location and convenience
- Facilities

As a result, Quirk could assess whether different groups of people were influenced by different adverts, as keyword research had been done according to customer groups.

In order to determine whether people responded better to special offers and campaigns or just hotel and area
details, landing page split tests were conducted. Tracking for various different stages of the hotel buying process was implemented, including the hotel room quote and the final thank you for payment page so that it would become evident where any drop-offs occurred.

One of the great advantages of PPC is that it gets immediate results. As soon as the new site went live, so did the PPC campaign, which meant traffic from day one. The traffic generated by the PPC advertising ensured that the site was noticed by search engines and was trusted as a valid South African hotel site.

Split testing revealed some very interesting and useful behaviours and trends:

- The overall best response was to the adverts containing the Southern Sun brand, particularly from the local South African market. This was very positive for Southern Sun and gave them a distinct PPC advantage with regard to Google’s quality as it meant high click-through on competitive key phrases like “Cape Town hotels”. It also showed that their brand was not as well recognised in the UK and USA.
- Search marketing is driven by meeting a need, whereas offline marketing involves creating a need. Split testing picked up that the (very successful) offline marketing campaigns were not so successful when actively marketed through PPC, and that they do better when advertised from within the web site. The campaign had an average booking rate of 0.38%. The landing pages that supplied a list of hotels in an area or offering a service far outperformed this with an average booking rate of 3.45%.
- International traffic responded differently to various offers and hotel details compared to local traffic. In general, there was a better response locally with an ROI of 780% vs. 430%.

Running a PPC campaign when you launch or re-launch a site will:

- Attract enough traffic to ensure you don’t lose business
- Test site structure and browser behaviour
- Allow you to assess from where traffic comes, so you can test and optimise presentation of your product to your customers

**case study questions**

1. What information from the PPC campaign could be used to help to optimise the web site?
2. Why does a PPC campaign give instant traffic while SEO does not?
3. What is the importance of landing pages in a PPC campaign? What sort of different landing pages do you think would be used?

**chapter questions**

1. What is the difference between the display URL and the landing page URL, and what is the function of each?
2. How is the content network different to the search network? How do the differences affect the advertiser?
3. What is the importance of long tail keywords in a PPC campaign?
4. Both PPC advertising and SEO are based on keywords. How can PPC advertising and SEO be used to complement each other?

**references**


Google Watch (July 16 2007) Google announces plan for two-year expiration, but..., http://www.google-watch.org/cgi-bin/cookie.htm, Google-watch.org, [accessed 3 April 2008]


**further reading**

www.ppchero.com
– including practical step by step guides to improving your PPC campaigns, PPC Hero provides regular posts on all things PPC

www.gordonchoi.com
– Gordon Choi’s insightful comments on PPC and search come from a wealth of experience
To help get you started with your PPC advertising campaigns, there is a $15 Google AdWords voucher included with this book.

It’s pretty easy to get your voucher:

1. Look on the inside of the front cover to find your unique reference number.
2. Go to www.quirk.biz/emarketingtextbook/voucher.
3. Enter your unique reference number and your mobile telephone number, and we’ll SMS you your voucher code!

Use the voucher to set up your Google AdWords campaign!

If you are new to Google AdWords, Google offers a Starter Edition of its AdWords accounts. Visit www.google.co.za/adwords. You can use Google AdWords Starter Edition even if you don’t have a web site.

Turn over for Top 10 Optimisation Tips for Advertising on Google and voucher terms and conditions.

*Voucher terms and conditions are available on www.quirk.biz/emarketingtextbook/voucher. Vouchers are available with printed versions of the textbook, and not with the online version.
1. **Make your core keyword list specific and relevant** Be specific and relevant to your business and specific offerings. Avoid general keywords – they generate ad impressions, but tend to be less relevant to any particular search. Use words that define your business, including products and technologies, brand names, taglines, industry jargon, and words searched for on your site.

2. **Expand your list by adding variations and related terms** Since more specific keywords produce fewer (though more relevant) impressions, increase your ad exposure – without sacrificing relevance – by adding alternate phrasings, spelling variations, plurals and singlars, and keywords similar or related to those on your core list. If available, mine keyword lists from related campaigns and leverage keyword generation tools.

3. **Refine your list by eliminating overbroad and ineffective keywords** Regional advertisers and niche businesses should avoid keywords so broad that they spill beyond the target. If you occupy a limited niche or serve a local audience, your keywords should reflect that. And some keywords – for instance, words that are very common or not industry-specific – are too general for any list.

4. **Target the geography you serve** Use geographic keywords to target a local or regional audience. If you sell tyres in Cape Town, replacing “tyres” with “tyres Cape Town” can avoid irrelevant pitches to search users in Johannesburg. You can also target your campaign by country and by language to help focus your message on your true audience.

5. **Target ad delivery with keyword matching options** Refine your targeting using keyword matching options. Broad match, the default, displays your ad when all the words in your keyword appear in the search query. Phrase match requires that the words appear in the same sequence; exact match requires exactly that. Negative keywords exclude searches for which your ad would be irrelevant and are useful in targeting ambiguous keywords: “mouse -computer” gives you the animal, not the peripheral. Identify high-impression untargeted phrases and make them negative keywords.

6. **Group your keywords intelligently** Grouping keywords according to content clarifies possibilities for keyword expansion, helps streamline campaign management, and lets you write specific, targeted ad creative for each group. Group keywords by category, by product, by offer – whatever categories make sense in the context of your campaign.

7. **Check your keywords on Google** Once you have a workable keyword list, give it a test drive on Google. The search results should be similar in subject matter and content to your own site. If not, you’ll want to rework your keyword list to ensure that it brings your message to an audience that will find your site relevant.

8. **Convey the relevance of your site and give a clear reason to click** To encourage click-through, make your ad’s relevance obvious by tailoring the creative to the keyword that triggers it – for instance, including the keyword prominently in the top line of the text. Make it clear to users why they should click.

9. **Make sure your destination page delivers on your ad’s promise** Consciously choose the destination page on your site and fine-tune it to match the goal of the campaign. Incorporate any tracking mechanisms your metrics require. Above all, make the connection between your ad and its destination page clear. Customers should find whatever made them want to click – confident that they are in the right place and that it is relevant to their search.

10. **Ask the right questions – then test, test, and test some more** Step back and consider your keywords and creative in the context of your overall campaign. Are they consistent with the marketing objectives? Are they as specific and relevant as possible? Does the messaging map back to the goal? Then launch your campaign, gauge the results, and tune your keywords and creative for maximum effectiveness.

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One promotional credit per customer. Promotional credit is available only to new Google AdWords customers whose accounts are less than 14 days old at the time you enter your promotional code. Use of Google AdWords and redemption of the promotional credit is subject to ad approval, valid registration and acceptance of then current Advertising Terms and Conditions and an account activation fee (currently ZAR 50). The promotional credit will be automatically credited to your new Google AdWords account once you have entered your promotional code and billing preferences. You will be charged for any advertising charges that exceed the promotional credit, and you are solely responsible for the payment of any taxes incurred. If you do not wish to incur additional charges beyond the promotional credit then you should monitor your account and pause or delete your campaign before or once this amount has been reached. The promotional credit is non-transferable and may not be sold or bartered. If you indicate that your Google AdWords account should be subject to a different currency to the one in which your promotional credit has been awarded, then the actual amount of the promotional credit may be subject to foreign currency fluctuations. Using American Express as a payment method on Google.co.za/ads, you can only set up a campaign in USD. Offer may be changed or revoked at any time for any reason by Google Ireland Limited and/or any affiliated company offering the AdWords service in your country. Void where prohibited or restricted by law. Google and AdWords are trademarks of Google Inc. and are registered in the US and other countries. Your use of this voucher and/or the promotional credit constitutes your acceptance of these terms and conditions.