

Branch Out Internet Marketing: Guide to Managing Pay-per-Click Advertising

Pay-per-click keyword advertising campaigns are an easily controlled, cost effective way of generating website visitors. The costs will vary according to the level of competition in your marketplace but many businesses can run effective campaigns with even a modest budget.

When running a campaign, the aim is usually to win you profitable customers.

1. Choose where you want your advertisements to appear. Google Ads appear on Google and on several other engines, including Ask Jeeves, AOL and Netscape. The main competitor is Yahoo, which supplies results to Yahoo!, MSN and several smaller engines. Google has greater reach but Yahoo is easier to control. The keyword costs vary between the two.
2. Decide what you are willing to pay for each visitor (click-through) and take care not to pay too much. This is your “maximum cost per click”. Remember, you will not ‘convert’ all the people who click through to your website. Be conservative. Assume that no more than 1% will become your customers.
3. Decide what you are willing to pay each month and decide how you want to structure it. Both Google and Yahoo offer daily budget programmes, so you can divide your monthly budget into a daily amount. Yahoo also offers a non-budget programme.
 - a. For ‘daily budget’ accounts, both Google and Yahoo will take top-ups from your credit card to keep the accounts running at all times. This can mean that you can easily spend more than you mean to if you do not check the accounts regularly.
 - b. Yahoo’s non-budget programme requires you to add funds to your account manually. This means your advertising can go off-line if you do not check the accounts regularly. Also, your entire monthly budget might be spent in the first week so you then have to decide whether to add further funds or let your ads disappear until the following month.
4. Get the ad text right. Google and Yahoo have fairly strict editorial guidelines to stop advertisers from over-hyping their claims etc. The key thing to remember is that you only want your potential customers to click through the advertisement so make your text appealing but targeted. If you only offer your service in Glasgow, make sure you say it in the ad – after all, you are wasting your money if you attract visitors you can’t convert into profitable customers.

5. Monitor your advertising accounts. When you set up a new campaign, check on it daily for the first couple of weeks. Tweak the ad wording and the bids if you aren't getting the results you want but don't lose sight of your planned budgets and ideal cost/customer.
 - a. If the costs are running away from you, reduce your daily budget or your cost per click.
 - b. The click-through rate of your ad will tell you whether or not the text is appealing (see point 6 for details of click-throughs).
 - c. On Yahoo you can see what your competitors are bidding and you can change your bids for each keyword to make sure you get into the position you want.
 - d. Your position on Google will depend on a combination of your bid, the click-through rate your ad achieves and 'other factors'. So, if your click-through rate is low, you might not get a good position, even if you are the highest bidder.
 - e. Don't be afraid to 'pause' your campaign if you are uncertain about the results.
6. Track your results. Make sure that you know whether or not you are winning profitable businesses from your ads. Here are some simple metrics to consider:

Total cost of advertising = no. of visitors x av. cost per click

Click-through rate = no. of times ad is shown (impressions) ÷ no. of clicks x 100 (as a percentage)

Website conversion rate = no of enquiries ÷ no. of visitors x 100 (as a percentage)

Cost per customer = total cost of advertising ÷ no. of new customers

Return on investment (ROI) =
[Value of new business – cost of advertising] ÷ cost of advertising

Don't forget that customers often pick up the phone or visit you in person after visiting your website. Up to 92% of 'conversions' take place offline so you need to measure these to get a true picture of the success of your advertising. Also consider the life-time value of your customer – is it a one-off sale or are they likely to carry on doing business with you?



7. Pause your campaign if you aren't winning profitable business or if you aren't sure you are meeting your goals. Review your progress. If there is a problem, identify it and resolve it before you start your advertising again. Things to watch out for:
 - a. Attracting lots of visitors but not receiving many enquiries. If your website conversion rate is less than 1%, stop the advertising and find out why.
 - b. Receiving enquiries which are from the wrong sort of customer. You only want to attract profitable customers.

In both situations, ask yourself if your ads attracting the wrong sort of people or if your website is failing to appeal to your target customers.

8. Keep checking. Once your campaign is up and running satisfactorily, check it weekly and make sure you analyse your results each month.

How can Branch Out Internet Marketing help with your advertising?

Typically Branch Out Internet Marketing undertakes any or all of the following:

- Set up of pay-per-click advertising campaigns
- Review of existing pay-per-click campaigns
- Ongoing management and reporting of pay-per-click campaigns

To talk to us about your current targets, call **01608 737653** or email: enquiries@branchout-internetmarketing.com and we will be happy to have a **free, no obligations**, discussion about your project.

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