



How to Use Pay Per Click Advertising

Imagine it was twenty years ago.

You traveled back in time and went to tell a marketer what you saw in the future.

You told them that in the future, people would be able to search using computers and find the exact information they needed.

Marketers would be able to deliver ads that were exactly related to what the person was searching for at the time.

You told them you could control the ad copy, budget and even geography of where the ad showed...all in real time.

Oh yeah, the best part was that you only paid when someone took action or clicked on the ad.

Twenty years ago, marketers would have said you were crazy. We've become so accustomed to Pay Per Click advertising that we've forgotten how truly revolutionary it was when it first came out.

All the above benefits can be yours with a little study and trial and error. This course will give you a quick overview along with some useful tips and pitfalls to avoid. Keep in mind that this is not the definitive course of everything to do with Pay Per Click (PPC), but rather something to get you started. We won't be going through every single step one by one, but will touch upon the important points to remember.

Make sure you fully understand PPC before you commit a large budget towards it.

What is PPC?

PPC is simply a form of advertising usually related to search engines. Pay Per Click meant that the advertiser was charged when your ad was clicked, and not by impressions. At the time this was quite unusual; all advertising from newspapers to online banner ads charged for the right to display the ad.

The most popular PPC program is Google's AdWords. Both Yahoo and Microsoft have their own versions but since combined they only have 15-20% of the market, most people start by learning AdWords first.

Preparation: Keyword Research

This was mentioned in the SEO course but it also applies in the PPC course. Keyword research is critically important to PPC. It is one of the items you need to spend proper time on before launching any PPC campaign.

The more competitive the area you're advertising in, the more crucial this becomes. If you are not careful, you could easily blow through your entire AdWords budget in the first hour of the day by bidding on keywords that are exceptionally expensive.

Use Google's free Keyword Tool to do research on keywords. Export your findings to Excel and sort by the average Cost Per Click and how competitive some words are. If you are on a tight budget, you'll want to start off by avoiding the most expensive/competitive words and



focus on more specific words with less traffic but cost less.

REMEMBER: It is always better to start off by bidding on keywords that are too specific rather than ones which are too broad.

IMPORTANT: Google rewards adgroups which show a high Clickthrough Rate (CTR). Therefore, it is important to do everything you can to achieve high CTR. Do this by starting your bids very high and slowly scaling them back. Also do this by focusing on keywords that are highly related to the site you're driving them to (either a landing page or your homepage). Average CTR is about 3-5% depending on the industry.

Preparation: Landing Page

The general best practice is to drive AdWords to a landing page which is a simple page which one clear and main goal. The goal could be to have the visitor fill out a form with their contact info. It could be to purchase a specific product.

Either way, landing pages that are specific to the ads and keywords convert much better than directing them to a general homepage.

There are exceptions to the rule, and the general advice is to test everything.

Step 1: Sign Up for Account

If you don't have a Google account already, you'll need to sign up for one. If you do, you can use that as your login for one AdWords account.

Step 2: Create a Campaign

Campaigns are the highest level under which adgroups and ads reside.

Make sure to not mix Content Network and Search Network in the same campaign. Under Campaign Settings, have one campaign with Google and search partners checked off. Create a separate one with Content checked off.

Google.com and search partners are considered Search. Third party sites running text or image Google ads are known as Content Network. Search Network generally costs more per click, but the quality of the clicks is higher. Content Network costs less but the lead quality usually isn't as good.

Set your daily budget as well as geographic requirements. Google allows you to target by states, cities or even zip codes.

Step 3: Create an AdGroup

Adgroups reside under Campaigns and are generally related keywords grouped together. For instance, a clothing store might group "baby clothes", "teen clothes", "women's clothes" and so on into their own adgroups.

The best way to create adgroups is to use your initial keyword research and group them into natural groupings. You can cut and paste the keywords from your initial research spreadsheet.

Set your bids for your keywords. Start with one bid for all of the keywords, and adjust them individually once the campaign starts. AdWords uses a bidding system to determine the cost



per click of keywords. Thus more popular keywords will cost more than less popular ones.

Step 4: Write your Ad

Google only allows 25 characters max for the headline and 35 characters max per line of copy, with two lines total.

Because space is extremely tight, don't waste words. A general rule of thumb is to have the benefits on the first line and features or price on the second line.

Do a Google search for the keywords and see what your competitors are doing. Think about what you'd click on if you were a visitor. Write something that is a bit unique and stands out.

Start with only 2 or 3 ads per adgroup. Then every so often, go in and pause the underperforming ads while keeping the better ad. Write a new ad to try and beat the remaining ad. This is known as "split testing" or "A/B testing".

Sometimes the smallest changes have a significant effect, so test everything. Try capitalizing the first letter of each word, then one ad with no caps. Switch words around. Try synonyms.

A good strategy is to follow the "Four U's". Write ads that are:

- Urgent
- Useful
- Unique
- Ultra-specific

Step 5: Determine and Set Conversions

A "conversion" is basically a desired action you want a visitor to take. Going back to the landing page, this is the goal you want accomplished. It could be a purchase of a product. It could be a prospect filling out a form. It could be a visitor downloading a whitepaper or report.

It's also important to note that you can have multiple conversions.

Generate the conversion code and place it on the confirmation pages. For example, if someone is buying a product, the confirmation page would be the thank you page.

NOTE: In order to track conversions, the confirmation page has to have its own unique URL.

Setting conversions will allow you to figure out which adgroup, ads and keywords are leading to the desired goal. It will also tell you how much it cost for a conversion.

NOTE: One major in AdWords is the inability to track a visitor who clicked on an ad, left your site and came back at a later date.

Step 6: Activate and Monitor

Turn on your campaign and adgroups. Start monitoring performance, especially more

frequently in the beginning. Go into the keyword tab and check out your average position that your ad is showing up. A good rule of thumb is to shoot for an average position of 3-4; it won't cost you as much as position 1 and you'll still be quite high up.



Anything lower than positions 8 to 10 are off the front page and should be avoided. If the keywords are too expensive, simply pause those keywords. If certain keywords have very low CTRs, pause those as well.

Check to see what time of the day you're maxing out your daily budget. If it's before lunch, you may need to scale back and get more specific with your keywords. For example, instead of "real estate foreclosures" you might have to drill down to "real estate foreclosures Houston" or "real estate foreclosures Los Angeles".

A Final Important Note

Due to the popularity of AdWords, the prices of some clicks have been bid up quite high. If you determine you're not getting a proper return on investment, you may make the decision to shut down AdWords. Not every AdWords campaign can work.

Another Important Note

If your campaign budget is in the thousands a month, seriously consider hiring an agency to manage it. They will be able to dedicate the time and expertise to help you succeed. The monthly management cost can easily be made back by campaigns that are properly optimized.

...And a Final Warning

Google has created an extremely easy to use system in AdWords.

And that's the danger.

You've heard the saying that a little knowledge is a dangerous thing. This applies to AdWords as well.

It is so easy to set up that novices who don't pay attention to detail can quickly find themselves blowing through huge amounts of money with nothing to show for it. Carefully watch your campaigns and don't be afraid to make changes or ask questions.

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