



9 Smart Steps to Success with PPC

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Revised January 2012
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Table of Contents

What's in this whitepaper	2
Different networks, different strategies	3
Do your research	4
Target themes with multiple ad groups	11
Utilize negative keywords	14
Dynamic Keyword Insertion	16
Utilize landing pages.....	23
Track conversions	25
Test, test, test.....	28
In conclusion	35



In recent years Pay-per-click (PPC) advertising has become a popular way to advertise: as of 2007, there were 1 million advertisers using Google AdWords, with more current estimates hovering at around 2.5 million advertisers. That's a lot of competition.

The stiffer the competition, the harder each business has to work to see a satisfactory return on investment (ROI). But it's not just about working harder; it's about working smarter, too.

What's in this whitepaper

From keyword research to campaign testing and optimization, this whitepaper outlines the basic strategies and steps you should take when setting up and managing your PPC campaigns. Also included are hints and tips to give your campaigns that extra boost, as well as information on research tools that can help you carry out your strategy.

If set up and managed well, PPC advertising can increase your website's traffic, generate qualified leads, and help you do more business.



Different networks, different strategies

When you set up an AdWords account and begin creating campaigns, you have the option to participate in the Search Network (your ads will appear in search engine results only) and/or in the Display Network (your ads will appear on a collection of websites, known as display partners, that allow Google ads to run on their websites).

Each network requires a different strategy: what works well on the Search Network is extremely likely to fail on the Display Network.

The Search Network operates by determining your ads' relevancy to a user's search query. Most of these ads are text-based, and your keywords must be tightly controlled.

On the Display Network, however, you are targeting users who have already searched, and are now browsing a specific website. Your ad must distract the user from the content on that site, and you are much more likely to succeed if your ads are image- or video-based.



In order to keep this whitepaper as compact as possible, I will focus on strategies specific to running AdWords campaigns on the Search Network. To learn more about the Display Network, please visit [AdWords' help section](#).

Do your research

Research is by far the largest component of running PPC campaigns. It is also the most crucial; you will save a lot of time and effort down the road if you take the time to research at the beginning of a project. In order to maximize your ROI, you need to use keywords which are most relevant to your business, and are more likely to result in traffic, conversions, and sales.

Tip

This process is more complex if you are creating campaigns for an older website. It may be large, with poor or outdated SEO, and may require an audit of existing content to decide which strategy is best to use going forward.

Begin with a short keyword brainstorming session, preferably with your client present. Spend 15-30 minutes generating keyword ideas, splitting them into themes, or families, as you go.



Using these lists as a base, you can research keyword variations and related keywords by using any of the free tools described below. I recommend using a spreadsheet to sort and store all of your keywords until you have your ad groups finalized and ready to enter into AdWords.

Keyword research has the potential to become overwhelming, especially to those who may be new to the process. If your research generates thousands of keywords, add only a handful (15-20 maximum) to an ad group and let them run until you have enough data to decide whether or not those keywords will get you the ROI you want.

Remember that no aspect of your campaigns or ad groups is permanent: you can always add, remove, or edit keywords, bids, ads, ad groups, and entire campaigns whenever you choose. If a keyword is not performing as well as you want it to, simply pause it and add another keyword from your spreadsheet.

Keyword research tools

- ❖ [Google Keyword Tool](#) - The Keyword Tool can be accessed externally from your AdWords account, but will require a CAPTCHA, and you will only see a certain amount of results.





- ❖ **Google Instant** - When you enter a keyword into the Google search engine, pay attention to the terms that Google suggests — these suggested phrases may become your newest target keywords.
- ❖ **Related Searches** - After conducting your keyword search, pay attention to the extra phrases suggested by Google in the Related searches section of your results. These phrases can give you ideas for new keywords or new themes applicable to your website.
- ❖ **DoubleClick Ad Planner** - This tool can be accessed externally from your AdWords account. Simply enter a website URL into the search bar to learn who is visiting that site, including their gender, level of education, yearly income, and what other websites they are visiting, or are most likely to visit. This tool can help you with keyword research, but is not always helpful in providing information about websites that do not receive thousands of visits per year.
- ❖ **Insights for Search** - Insights for Search can show you local and global trends, rising and falling, from as far back as 2004. This tool is great for keyword research, as it can show you which phrases are rising in popularity and are more likely to be searched on.

All of these tools are free, and chances are good that unless your competition is working with a consulting firm, they have no idea that these tools exist.

There are many more keyword tools out there, although many require a subscription fee. Test out several and see which works best for you.

Tips for keyword research

- ❖ Be prepared to spend a good amount of time on keyword research. Time spent will differ depending on the business, but it is typical at Digett for us to spend 16-24 hours on keyword research for 5-10 keyword families.
- ❖ Use the same keywords your customers do. If you sell a line of energy bars, do not spend time trying to rank well for the keyword *energy bars* if your customers call them *meal replacement bars*.
- ❖ Getting people to your website is important — but it is also important that those visitors be qualified leads who are interested in converting into customers. Shorter, more generic keywords require higher bids, and visitors who search with them are more often in the research and browsing phase of the buying cycle. Include in your ads groups a fair amount of [long tail keywords](#): they cost less than bidding on more popular, less specific keywords, and ensure your campaigns weed out the tire-kickers.
- ❖ If you already have some legacy data in an existing AdWords or Analytics program, consider running a [search terms report](#) to get a close look at which keywords are bringing visitors to your site already.



Scope out the competition

Company Competition

To my knowledge, no business in the world has zero competition (if you can think of one, please [let me know](#)).

Are your competitors taking advantage of PPC advertising? For which keywords are they ranking? Are they ranking higher or lower in the search engine results pages (SERPs) than your website? What can you learn from their successes and mistakes?

Along with some general search engine sleuthing, there are several tools you can use to see what your competition might be up to:

- ❖ [SpyFu](#) allows you to see your competitors' keywords, and even the text of their AdWords ads.
- ❖ [DoubleClick Ad Planner](#) gives you great information on sites your target audience visits, their likely interests, and even some demographic information. As previously noted however, this tool may not give you much information if the website you enter does not receive a significant number of visits per year.



Keyword Competition

As your keyword research continues and you begin creating a master list of which keywords you want to target, remember to take into consideration each keyword's competition level: the higher the competition, the more costly it will be to have your ads rank high in the SERPs.

One of the easiest ways to measure a keyword's level of competition is to use Google's Keyword Tool. When you search for a keyword with this tool, pay attention to the "Competition" column.

Tip

This column should appear by default. If it does not, select the "Columns" dropdown menu from the top right side of the tool and choose the "Competition"

In the screenshot below, the green bars indicate that "online advertising revenue" has a low competition score, "online media advertising" has a medium competition score, and "online advertising services" has a high competition score.



<input type="checkbox"/>	☆ online media advertising	<div><div></div></div>	1,900	880	\$5.61
<input type="checkbox"/>	☆ online advertising revenue	<div><div></div></div>	1,900	1,000	\$5.00
<input type="checkbox"/>	☆ online advertising services	<div><div></div></div>	2,400	1,300	\$5.81

A keyword's competition score directly correlates with its average cost per click (CPC). In this instance the difference in average CPC between the lowest and high competition keywords is \$0.81.

This may not seem like much, but if your budget is \$1000.00 per day, which keyword allows you the most clicks?

Keyword	Budget	Avg. CPC	# of clicks (in budget)
online advertising revenue	\$1,000	\$5.00	200
online advertising services	\$1,000	\$5.81	172



In many cases, a little research gives you plenty of keyword variations that allow you more clicks while still remaining within your budget.

Target themes with multiple ad groups

Each AdWords account can hold up to 25 campaigns, with each campaign able to support 2,000 ad groups. Most accounts are run optimally with far fewer campaigns and ad groups, but the flexibility of AdWords means that you shouldn't be afraid to be as granular as possible.

Making sure that your ad groups are tightly themed benefits you in two ways:

1. A smaller amount of keywords makes it easier to manage and analyze those keywords, as well as your overall campaigns' effectiveness;
2. Your [Keyword Quality Scores](#) will go up, allowing you to pay less per click while simultaneously causing your ads to show higher in the SERPs.

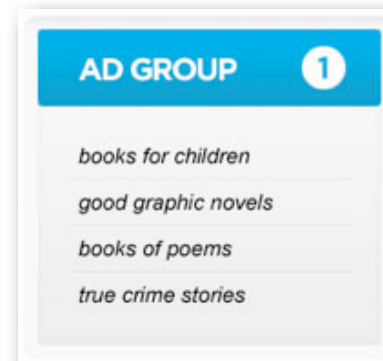


On the other hand, having fewer groups with more keywords makes your ad groups harder to manage, and makes each click cost you more.

Let's take closer look at ad group themes, using a bookshop owner as an example.

Sally's Bookshop

How many themes are present in this ad group?



Each ad group you create needs to be as tightly themed as possible, for several reasons:

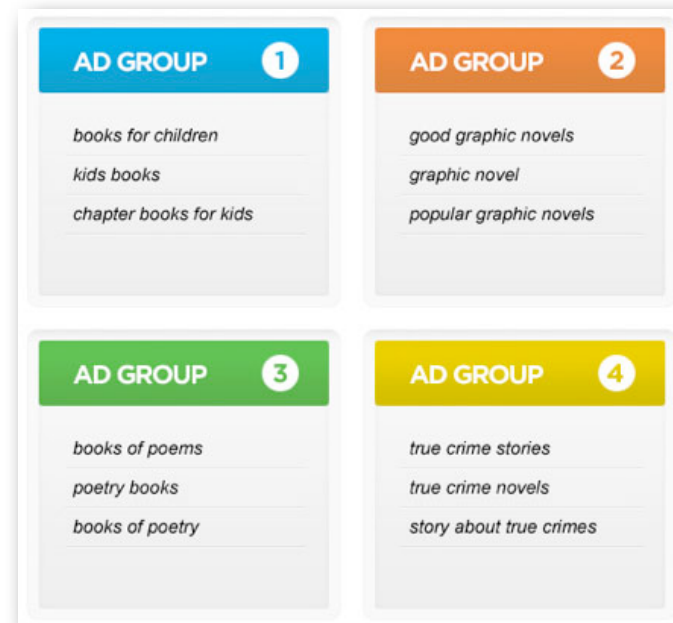
1. Tightly-themed groups are typically smaller, and therefore easier to manage and optimize.



2. The ads you create will be closely related to all your keywords, increasing relevancy.
3. It will be easier to make each of your landing pages' content highly relevant to each of your ads and groups of keywords.

All of these together will result in higher Quality Scores, so you will pay less for higher ad positions and clicks.

Let's take a look at Sally's ad groups after she separates out her keywords by theme. The one ad group Sally originally created has now become four separate ad groups:



Although your first reaction might be to believe that more groups equals more time spent managing them, you will actually *increase* your campaign's effectiveness and *decrease* the amount of time you spend sweating over your keywords' low Quality Scores.

Tip

Any given ad group is easier to maintain and most effective when it has 15-20 keywords. Ad groups can be edited at any time, so it is easy to switch out keywords that aren't performing.

Utilize negative keywords

As an AdWords account manager, you want as many impressions and clicks as possible to lead to conversions and business. One of the easiest ways to minimize fruitless impressions and clicks is by adding *negative keywords* to your campaigns. Negative keywords are words or phrases for which you tell AdWords *not* to trigger your ads.

For illustrative purposes, let us consider a large company which specializes in home building and selling, but does not manage



rental properties or condominiums. What might their keyword lists look like?

KEYWORDS 	NEGATIVE KEYWORDS 
<i>new home builder</i>	<i>apartments in San Antonio</i>
<i>home builder in San Antonio</i>	<i>condominiums for sale</i>
<i>home builder San Antonio</i>	<i>apartments for rent</i>

By adding unwanted phrases into relevant ad groups as negative keywords, the company minimizes the impressions and clicks from visitors who are searching for services that the home builder does not provide. This means fewer unprofitable clicks, a higher conversion rate, and more legitimate leads.

Negative keyword research tools

Many of the tools you use to find your target keywords can also be used to uncover negative keywords.

- ❖ **Google Instant** - What suggested keywords appear in the drop down menu as you enter your target keyword? Does Google suggest a keyword with which you do not want your ads associated?



- ❖ **Related Searches** - What keywords is Google giving you in the Related searches section of your search results? Are there searches listed there in which you would not want your ads running?
- ❖ **AdWords/Analytics** - If you already have some legacy data in an existing AdWords or Analytics program, run a search terms report to get a close look at which keywords are bringing visitors to your site already. Are any of those keywords irrelevant to your content?

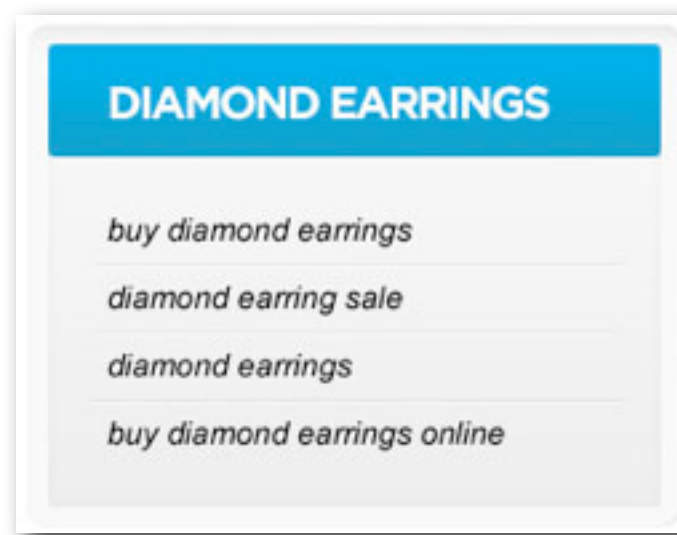
Dynamic Keyword Insertion

Dynamic Keyword Insertion, or DKI, is a way to tailor your ad text even further, and make it more relevant to each individual user. By using a specific piece of code when creating an ad, you can tell AdWords to automatically enter the most relevant keyword from the corresponding ad group every time a user searches.

When to use DKI

A jeweler who advertises with AdWords decides to create a new ad group focusing specifically on diamond earrings. His keyword list might look something like this:



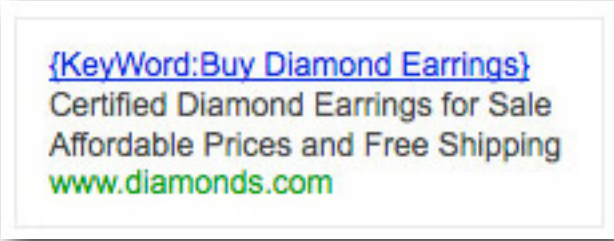


The jeweler wants his ads to be as targeted as possible without having to create four or more ads within the group; so he decides to use DKI to create *one* ad that can use any of the keywords in this ad group, depending on which keyword triggers the ad.

Inserting the code

Dynamic Keyword Insertion Code
{Keyword:default text}

In the sample ad pictured below, the jeweler has chosen to place the DKI code into the title of his ad (it can also be used within the ad text itself, as well as after the forward slash in the Display URL).

A sample ad preview box with a thin grey border and a drop shadow. It contains the following text:

{Keyword:Buy Diamond Earrings}
Certified Diamond Earrings for Sale
Affordable Prices and Free Shipping
www.diamonds.com

By placing the {Keyword:} code into the title of his ad, the jeweler tells AdWords that any of the keywords in the ad group can be placed within the ad's title when it appears in the SERPs. The phrase *Buy Diamond Earrings*, which is inserted after the colon but still within the curly brackets, is the default keyword — it is the title that will appear if none of the keywords in the ad group match exactly with the phrase with which a user searches.



Tip

Exercise caution when using DKI, as it will pull any eligible keyword from the ad group. If the jeweler has the keyword *diamond earrings buy*, AdWords will not correct the syntax before showing the ad. People may search with poor syntax, but they do not read that way. Either remove all incorrectly formatted keywords from an ad group that uses DKI, or duplicate your campaign and create ads for those keywords without using DKI.

Remembering which keywords are in the jeweler's ad group, let's see how the ad will change based on a user's searches.

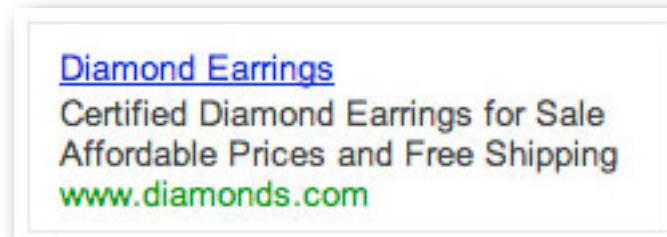
If a user searches with the phrase *diamond earrings sale*, the ad will look like this:

[Diamond Earrings Sale](#)

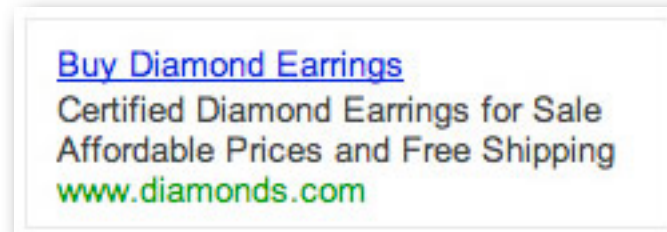
Certified Diamond Earrings for Sale
Affordable Prices and Free Shipping
www.diamonds.com



If a user searches with the phrase *diamond earrings*, the ad will look like this:



And if a user searches with a keyword that is not in the jeweler's ad group, such as *shop diamond earrings*, the ad will use the default keyword and will look like this:



DKI and character limits

All AdWords ads are restricted to a certain length, or characters per line:

- ✦ The ad title can have up to 25 characters
- ✦ Each description line can have up to 35 characters
- ✦ The Display URL is limited to 35 characters

The DKI code does not count against character limits. However, if a keyword within your ad group makes a line too long once automatically inserted, AdWords will truncate that line, leaving off however many characters are necessary to format the ad correctly. This may result in an unreadable ad, so it is still important to make sure that the keywords you make eligible for DKI are the correct length.

Code formatting

The DKI code is case-sensitive, and there are several ways you can choose to format your text:

- ✦ keyword = diamond earrings
- ✦ Keyword = Diamond earrings



- ❖ KeyWord = Diamond Earrings
- ❖ KEYword = DIAMOND earrings
- ❖ KeyWORD = Diamond EARRINGS
- ❖ KEYWORD = DIAMOND EARRINGS

It is a best practice when creating ads that the first letter of each word be capitalized, as in the ad above.

Exercise caution if you choose to capitalize an entire word, as AdWords will likely disapprove your ads as spam. There are ways to apply for exceptions (if your business name is trademarked in all capitals, for example), but in general it is best to adhere to the formatting depicted in the sample ad shown above.

Tip

Do not let DKI be a way to avoid splitting keywords into granular ad groups. If you are planning on using DKI and cannot write a single ad using all of the keywords in that ad group, pull the extra keywords into a new group and writing a separate ad.



Utilize landing pages

One of the biggest mistakes people new to AdWords make is spending time researching keywords, creating separate, targeted ad groups and ads...and sending every single ad to their website's homepage.

A landing page (the page on which a visitor lands after clicking an ad) should have content that is closely related to the content of its corresponding ad.

Your goal is to make it as easy as possible for visitors to find exactly what they're looking for; if your ad is promoting a 50% off sale, clicking that ad should take users to a page which talks about that sale, or gives details about the eligible products.

Having your landing pages relate closely to your ad text is important for two reasons:

1. Visitors can find things more quickly and easily, increasing the likelihood that they will buy, sign up, join, donate, etc.
2. Keyword Quality Scores are based partially on the relevancy of the content to which ads are directed. Sending an ad to an irrelevant page will result in lower Quality Scores, and you



will have to bid more on your keywords to keep your ad placements high in the SERPs.

If your ad takes users to your homepage, where information about your sale is buried or nonexistent, you will be viewed by both users *and* AdWords as irrelevant, resulting in several negative consequences:

1. Your Keyword Quality Scores will suffer, resulting in your having to bid higher to rank in the SERPs, as well as pay more per click.
2. Your landing pages' relevancy scores will suffer, resulting in your having to bid higher to rank in the SERPs, as well as pay more per click.
3. Your pages' [bounce rate](#) will increase, meaning that users will click, not find what they're looking for, and leave immediately, losing you possible customers.

Tip

If you create an ad and are unsure to which landing page it should lead visitors, consider whether or not the ad is relevant to your business and advertising goals. If it is, create a new landing page, fill it with relevant content, and direct your ad there.



Track conversions

All of your PPC advertising efforts are wasted if you are not tracking your campaigns' effectiveness. While different companies measure “effectiveness” in different ways, the majority of businesses use *conversion tracking* to determine which efforts to continue, and which to abandon.

A conversion occurs when a visitor to your website takes an action you deem valuable — anything from filling out a contact form to downloading a whitepaper, viewing a webinar, or making a purchase.

Conversion tracking with AdWords requires the insertion of a snippet of code onto a page that is viewed only *after* a visitor has completed a conversion — on a contact form thank you page, for example, or a purchase confirmation page. When the page with this code appears to your visitor, AdWords tracks this view and connects it to the corresponding keyword in your AdWords account, as in the following example:

1. A user searches for the term *san antonio web design*.
2. Digett has bid on that word in AdWords, and our ad appears. The user clicks on that ad, comes to our site, and fills out a form.



3. When they submit that form, they are taken to a thank you page on which our conversion tracking code is hidden.
4. When that code is triggered, AdWords registers it as a conversion for the *san antonio web design* keyword.

Generally more conversions means more business and sales; knowing which keywords bring you the most business gives you the data you need to decide which keywords are worth your time and effort.

Setting up conversion tracking

You can generate conversion tracking code by logging into your AdWords account and selecting “Conversions” from the Reporting & Tools tab. Select the *New conversion* option and follow the instructions provided.

Once you have your code, you will need to embed it on your page. If you do not have access to your website’s source code, you must send the code to your webmaster or web developer for addition to your website. To ensure that the entire code is sent, you can email your new code to your developer directly from the AndWords interface.



After your code is embedded, you will need to [view your page's source code](#) to verify that the snippet was placed correctly.

Verifying conversion tracking

Data should appear in your AdWords account approximately one hour after your first conversion is tracked; however, if your website does not accrue conversions quickly, you may need to verify for yourself that the snippet you have placed is working. There are three ways to do this:

1. **Wait for a conversion to occur** - If you know that a click on your AdWords ad resulted in a conversion, and that that click occurred *after* you embedded your code, simply wait for that data to appear in your AdWords account.
2. **Complete a test conversion on your website and wait for the conversion to appear in your AdWords data** - Search for one of your keywords on Google and click your own ad. Complete a test conversion on your site and wait for the data to appear in AdWords.
3. **Use the Google Site Stats text block on your conversion page** - Complete a test conversion on your site. If during the conversion tracking setup process you opted into using the [Google Site Stats text block](#), you should see a small but



clearly visible text block on the page in which your code is embedded. If this code is present, conversion tracking is working correctly.

Note that only the first option is free — clicking on your own ad will charge your account the same as it would for any other visitor.

Tip

For step-by-step instructions on generating, embedding, and testing your conversion tracking code, please see the [AdWords Conversion Tracking Setup Guide](#).

Test, test, test

Conducting keyword research and setting up your PPC campaigns can take many weeks, and often it is tempting to get your campaigns going and move on to other tasks that have gone uncompleted in the interim.

But Pay-per-click advertising does not have a “set it and forget it” functionality. It is important that you spend time adjusting and



optimizing your campaigns, making sure that you get the best return on your investment.

Testing keywords

If you have done your research, you probably have hundreds or thousands of keywords at your disposal; and as noted earlier, ad groups are easiest to manage and optimize when you have 15-20 keywords enabled at a time.

If one or more of those 15-20 keywords is not performing well, all you have to do is replace it with an untried keyword from your keyword research document. Let your ads run with that new keyword, and see how it performs. If it performs badly, repeat the cycle; if it does well, keep it and repeat the cycle with a different keyword.

Keep going through this process until you have optimized each ad group's performance, and are happy with number of impressions, clicks, and conversions.

Tip

Remember to let your ads run long enough to collect sufficient data before you decide that a keyword is not working. Depending on your website's traffic, the testing period could be anywhere from a week to several months.



Testing ads

Your Keyword Quality Scores may be high, and your ads may be showing often, but does that really matter if they are not getting any clicks, and no one is coming to your website?

Testing your ads' performance is just as important as testing your keywords. Fortunately, you can automate this process to a certain extent through your ads' settings:

1. In your AdWords account, select the *Settings* tab (visible at the campaign level).
2. Expand the Ad rotation option under Advanced Settings.
3. Select the "Optimize for clicks" option and save your changes.

Selecting this option tells AdWords to show more often those ads that are expected to receive more clicks. So if you create two ads in the same ad group, AdWords will over time begin to show the better ad more often — allowing you to pause the ad that is not performing.

Remember that keyword testing and replacement cycle? You can apply that process to ads as well. As AdWords begins to show one ad more than the other, pause the under-performing



ad and create a new one. Experiment with headlines and descriptions until you find the perfect ad(s).

Tip

You can use Google's Conversion Optimizer to further optimize your ads; however, your account must have accrued 15 or more conversions in the previous 30 days to be eligible. Visit the [Conversion Optimizer website](#) to learn more.

Testing landing pages

One easy way to see if visitors are finding the content they want on your website is by checking your site's bounce rate, and the bounce rates for each of your AdWords ads. If half of the users who click on your ads bounce right off your website, it could be an indicator that your ad text does not match the content on the page to which it links.

But what if your bounce rates are low? People may not be finding exactly what they want in the first moment that they are on your site, but they know how to navigate. So there's no need to optimize and test your landing pages, right? Wrong.

There are two big reasons that you should test your landing pages:



1. As mentioned earlier, your keywords' Quality Scores are based partially on the relevancy of your landing pages. Taking the time to optimize your landing pages will likely result in your paying less for clicks — meaning your budget will go farther.
2. Having relevant landing pages increases the likelihood that visitors will stick around long enough to convert to leads or customers.

Testing landing pages can become tedious and time-consuming, especially if you are relying on user testing — recruiting individual users to analyze variations on your landing pages takes more time and resources than most small businesses have available.

Fortunately, there is a tool you can use to simplify the process.

Website Optimizer

Google's [Website Optimizer](#) takes the hassle out of testing landing pages by automating the testing process. By adding some simple code to your website, you can start testing your landing pages in as little as five minutes.



You don't have to have an AdWords account to use Website Optimizer, but the tool can be accessed directly by clicking on the *Reporting and Tools* tab in an existing AdWords account.

Following the simple instructions detailed there will generate a snippet of code that, once placed on your website, will automatically split all your visitors evenly across all of your test pages, and track which one leads to the most conversions:



You can test all aspects of your landing pages, including:

- ✦ page headings
- ✦ content
- ✦ imagery
- ✦ layout
- ✦ selling propositions
- ✦ calls to action

Conducting A/B testing can be crucial to discovering which versions of your landing pages lead to lower bounce rates, more time spent on your website, and higher conversion rates. All of these statistics are factored into your pages' relevancy scores; and keeping these scores high means you bid less for high ad placements and clicks.

Tip

Check out this [A/B Experiments with Google Website Optimizer video](#) to see a tutorial for the code creation process.

You should always be testing your campaigns' performance,



even if you already have a satisfactory conversion rate. It is almost always possible to create a more targeted keyword, a better performing ad, or a higher relevancy landing page. Having all of these aspects of your campaigns working closely together will increase Keyword Quality Scores and relevancy, and bring your ads up in the SERPs, all while allowing you to pay less per click.

In conclusion

Researching keywords, structuring ad groups and landing pages, setting up conversion tracking, and testing your pay-per-click campaigns takes time and diligence, but can make the difference between successful and unsuccessful PPC advertising.

The basics of search engine marketing and Pay-per-click advertising covered in this paper give you the information you need to build and begin optimizing your PPC campaigns now; however, PPC advertising is highly nuanced, and new strategies, features, and tools are becoming available on a regular basis.

It is your knowledge of those tools and strategies, as well as your willingness to try new tactics, that determine your success.

