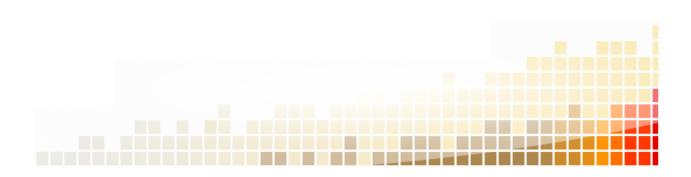# 9 Smart Steps to Success with PPC

by Amy Peveto, Inbound Marketing Specialist, Digett

May 2011

www.digett.com

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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 be taking 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 during this process.

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

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 are allowing Google ads to run on their websites).

It is important to remember that 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 be focusing 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 return on investment (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 can be made more complex if you are tasked with creating campaigns for a website that has existed for a year or more. The site may be sprawling, with poor or outdated SEO, and may require an audit of existing content to decide which strategies will be best 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 Google Docs 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 an SEM/SEO consulting firm, they have no idea that these tools exist**.

These are by no means the only keyword research tools; there are many more you can test, 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; although time spent will differ depending on the business, 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*.
- 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. 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. Include in your ads groups a fair amount of long tail keywords: they cost less than bidding on more popular, less specific keywords, and they ensure that 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 to create your master list of which keywords you would like to target, remember to take into consideration each keywords' 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. However, if it does not, select the "Columns" drop down menu from the top right side of the tool and select the "Competition" checkbox.

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.

☐ ☆ online media advertising	▮▮▯	1,900	880	$5.61
☐ ☆ **online advertising** revenue	▮▯▯	1,900	1,000	$5.00
☐ ☆ **online advertising** services	▮▮▯	2,400	1,300	$5.81

A keyword's competition score is directly correlated with its average cost per click. 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 will allow you the most clicks?

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

In many cases, a little research will give you plenty of keyword variations that will 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 will make 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

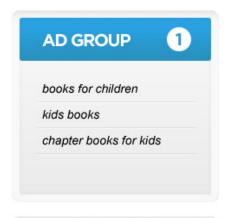How many themes are present in this ad group? The simple answer is, too many.

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, meaning that **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:

AD GROUP 1
- books for children
- kids books
- chapter books for kids

AD GROUP 2
- good graphic novels
- graphic novel
- popular graphic novels

AD GROUP 3
- books of poems
- poetry books
- books of poetry

AD GROUP 4
- true crime stories
- true crime novels
- story about true crimes

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 easiest to maintain and most effective when it has between 15 and 20 keywords. AdWords groups can be edited at any time, so it is easy to switch out keywords that are not 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?

By adding unwanted phrases into relevant ad groups as negative keywords, the company will minimize 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 that you used 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:

DIAMOND EARRINGS

buy diamond earrings

diamond earring sale

diamond earrings

buy diamond earrings online

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).

{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 is telling 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 is using 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:

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

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:

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

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, please note that 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 are making 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 considered 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 Dynamic Keyword Insertion be a way to avoid splitting keywords into separate ad groups. If you are planning on using DKI and you cannot write just one ad using all of the keywords in that group, pull the extra keywords into a new group and write a separate ad.

Utilize landing pages

One of the biggest mistakes people new to AdWords make is that they spend time researching keywords, creating separate, targeted ad groups and ads...and then send 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 at 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 will be able to 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 in AdWords and are unsure to which landing page to direct it, consider whether or not the ad is relevant to your business and advertising goals. If it is, create a new landing page, populate 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 that you deem valuable; this can be 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:

A user searches for the term *san antonio web design*. 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. When they submit that form, they are taken to a thank you page on which our conversion tracking code is hidden. 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.

Please 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 [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 then 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 if 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 keyword 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 ads.

> **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. Please visit the Conversion Optimizer website to learn more about this free tool.

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 I 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: downloading exclusive content, signing up for a newsletter, making a donation or purchase, etc.

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.

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 that *you* bid less for high ad placements and clicks.

TIP To see a tutorial of the code creation process, please see this A/B Experiments with Google Website Optimizer video.

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 will determine your success.

TIP For updates on PPC strategies, features, and new tools, you can check out the following resources:

- Inside AdWords blog
- Inside Search blog
- Search Engine Journal