A beginners guide to PPC (pay-per-click)

The majority of businesses spend a quarter, often more, of their marketing budget on paid advertising. Paid advertising has become part and parcel of most digital marketing strategies and the reasons are clear. Done correctly, pay-per-click or PPC advertising can pay off. If you haven’t explored this strategy yet, AIM Internet is here to help with a useful, broken down guide to PPC. By the end of this article you should have a pretty good understanding of what PPC is, why it’s important and how you can incorporate it into your business alongside your other marketing initiatives.

## Defining PPC

PPC stands for “pay-per-click” and allows a company to gain traffic to its website by paying for advertisements on search engines or other websites. These ads will appear in response to particular keywords or information like geographic location, this also determines the cost of the ads. The benefit being, that the advertiser only pays when someone clicks directly on the ad.

An effective ad will show when a user is searching for the company’s products or services, or when searching for something closely related to the product or services.

In a nutshell, advertisers bid in an auction for ad placement. Your position in the searches is based on your bid (how much you’re willing to pay for a click) and on your ads & website’s relevancy (aka Quality Score). Google has an automated algorithm that is basically an invisible auction. The higher your bid, the higher position in the searches you get. The only difference is that Google is also attributing a Quality Score to all of your keywords. So the final formula that calculates your position (Ad Rank) is: *Bid x Quality Score = Rank*.

The benefit of this is that even with a lower bid, as long as you have good ads and a website that’s highly targeted to your audience, you can get a better position than someone with higher bids.

The Quality Score is an estimation of the quality of your ads, keywords and landing page on a scale of 1-10. It will look at expected click-through rate, ad relevance, and landing page experience to determine your score. That’s why SEO is so important when it comes to your website, even if you’re paying for advertising.

## Popular types of PPC

There are a few different types of ads within the PPC model, but the one that gets the most eyes on it is Paid Search Advertising.

**Paid Search Advertising** — The biggest provider of Paid Search Advertising is of course, Google AdWords. As discussed above, your ads are shown to users after they’ve entered a specific search query. The process involves creating a campaign with relevant ad copy, bidding on keywords and designating the best landing page for click-throughs.

**Display Ads** — These ads are more similar to the traditional style of Internet advertising, using a combination of banners, images, and copy.  They appear on all websites that partner with Google, but only to a specific targeted audience. The benefit of display ads is that you can customise who sees your ad based on a multitude of demographics. Finely tuning your audience allows you to track your ROI much closer.  Display Ads can sometimes get a bad rap in the marketing world, seen as an annoyance for customers. However, when used in the right capacity they can be a strong tool for brand awareness.

**Retargeting** — Retargeting is when you have been looking at something but perhaps aren’t ready to make a purchase, so you continue browsing the Internet. While you’re elsewhere on the Internet an ad pops up for the exact thing you were looking at. You’ve been retargeted. This form of PPC targets consumers who have shown interest in a brand. It’s the company’s way of saying, “are you still interested?” and a great way to keep it fresh in the consumers mind. It’s an excellent way to automatically follow up with a customer who may have become distracted or have second thoughts about purchasing the product or service. Companies who experience a lot of abandoned carts and high bounce rates will often find success using a form of retargeting.

## Benefits of PPC

The aim of PPC is to put your company in front of a consumer at exactly the right time. That could mean when they’re shopping for a pram for their first baby or when previous searches indicate an interest in maternity wear. The beauty of PPC is that your ad will appear to your targeted audience at the ideal time in their search journey, which will encourage them to click on the link and follow it through to your website.

## Boost sales

PPC also increases traffic to your website, which in turn increases sales. PPC campaigns can boost your business’ sales by specifically targeting online shoppers looking for what your company can offer. When that perfect product or service pops up during their search, shoppers will ideally click-through to your page and purchase exactly what they were looking for from your website as opposed to a competitors.

## Easily track results

PPC is a great, trackable marketing strategy. It also ensures plenty of data so you know exactly what is and isn’t working for your business. The beauty of evaluating the ROI of PPC campaigns is that it couldn’t be easier and it gives you real time results. Because your company is paying for every click, you can see exactly how effective that ad is in bringing people to your website. If an ad isn’t performing, you can simply edit it or delete it.

## Improve brand recognition

A great added benefit to PPC is that even if a consumer doesn’t click through on to your site; they’re still seeing what you have to offer. By scrolling past it, they are still seeing your company name, product or service, which is great for your brand recognition and plants the seed for next time they are searching. It will also encourage them to engage when they come across your brand again, whether online or in person.

## What is the cost of PPC?

As you have likely guessed, this is not an easy one to answer. The cost of PPC varies quite substantially depending on a multitude of factors such as; industry, the keywords you choose to bid on, the results you want and many more. Lets say your business sells makeup products, think about how competitive the keyword ‘makeup’ must be. The ad bidding wars for makeup companies yields extremely high costs. If you’re in a competitive market, the best way to reduce costs is by selecting keywords that aren’t being bid on as much by your competitors. For example, if you’re a makeup shop, and you can’t afford to bid on the keywords ‘luxury makeup’, then try more specific words like ‘best primer for oily skin.’

## The ROI of PPC

How effective is PPC? Google reports that businesses make [$2 for every $1](https://economicimpact.google.com/introduction/#/?sections_activeEl=introduction) they spend in Adwords. PPC’s effectiveness can also be seen in other ways. For example, PPC visitors are more likely to buy something from your website. Ads receive more clicks than even the top-ranked organic result when the search term starts with buying keywords. This shows us that PPC can be an effective and important part of your campaign. Using PPC gives you complete control of your campaign, something that is difficult to achieve with SEO alone.

## How Long Does PPC Take?

The answer to this question completely depends on the aim of your campaign. Some ads are there to create brand awareness over a longer period of time, and some are geared towards driving consumers towards a particular product or service. If you’re new to PPC chances are it’s going to take longer because Google needs to build a trusted digital relationship with your brand. As mentioned above, Google uses quality score to assess its advertisers. The easiest way to improve your quality score is by using Adwords frequently and by continuingly updating and improving your campaigns. It allows Google to gather more data — the more information Google has on you, the better it can optimise your brand.

## Elements of PPC

It’s important to bear in mind that PPC can be an expensive venture if not done correctly. If you don’t do your homework before setting up the campaign PPC could potentially even harm your brand or your relationship with Google, which we know is the key to any online success. Here are some important things to remember for optimum success.

**The Campaign** – Don’t be put off by all the initial set up of the campaigns but also keep in mind that it’s important to get it right, so either put in the groundwork or call in the experts. Generally, it’s advised not use Google’s default settings as they will most likely have been set up to benefit them, not you. Google Adwords is their biggest revenue source. Make a decision on whether you want to use search ads or display ads, or both. For those who are new to PPC it’s recommended to start with search ads only for a more focused strategy. The option to display ads on mobile devices is also something to seriously consider — we all know how often people use their phones. Other important elements to explore are geographical locations, languages, and manual budget parameters.

**Ad Group** – When looking at your PPC strategies, it’s useful to look at everything as a hierarchy. For example, if the campaign is CEO, ad groups are like the Team Leaders. Let’s say you’re running a summer skin campaign. Within that campaign are an ad group for sunscreen and another for bronzing cream. Naturally, the keywords, ad text, imagery, and landing page should be different for each ad group. If you’re using PPC correctly, you should be continuously updating your ads. Ad groups are a great way to keep you organised and in check, allowing you to make changes quickly and effectively.

**Keywords** – Choosing the right keywords is instrumental to the success of your campaign, but may not be as easy as you think. Keep in mind that if competition is high for a particular word this will drive up the cost of your campaign. The best way to choose your keywords is by using [Google’s Keyword Planner](https://ads.google.com/intl/en_au/home/tools/keyword-planner/) to explore the options that will work for your campaign.

**Ad Text** – Make sure the text you create is optimised, clean, easy-to-read and engaging. You need it to draw consumers to your website. You can have a for sale sign up outside your house, but if the house is in disarray people won’t want to come inside for look. That’s why it’s important to write ads that are appealing and audience specific. In 60 characters you have to offer value, information and insert a call-to-action.

**Landing Page** – Once the customer clicks-through from your ad, they end up on the landing page, which means this has to give them exactly what they’re looking for. Not only will you be penalised by Google if your ad isn’t a true reflection of what you’re selling, you will also lose the potential sale and cost yourself money from the click-through. Again, make sure to include a call to action on the landing page to keep the consumer there.

If you’re still not sure whether to focus your marketing efforts on PPC or SEO, there are a few key differences to bear in mind. Traffic from PPC is costing your business money, but if the increased traffic leads to more sales and the ROI is right, then it’s worth the investment. SEO on the other hand, is free. If you’re starting from scratch and new to both, PPC is generally quicker and easier to set up and provides almost instant results, whereas SEO is a long-term strategy. The other thing to be mindful of is that many of us have trained ourselves to ignore ads as we are so used to seeing them during our time spent on the Internet. An ideal scenario is to combine the two strategies.

## Wrapping Up

The best way to use PPC is by being organised and using it on a regular basis. This includes analysing the results and implementing constant updates. Also focus on ensuring you produce quality ads that give the customer what they want, this will improve your relationship with Google and in turn give you a better ROI on your campaigns. By understanding the different PPC elements, and how they work, you’ll be able to create an effective ad strategy that will build brand awareness, drive traffic and maximise conversions.

## Call Us Today

Get in touch today to learn about our PPC services, if you’d like a helping hand our PPC experts are happy to chat through your business needs. Call us on 08700628760 or contact Sarah at info@aiminternet.co.uk.