



## To PPC or not to PPC

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The benefit of multi channel marketing is evidenced through the incredible surge in online purchasing and the growth of profits, remarkably during the last 6 months.

*<sup>1</sup>In the last 3 months more than eight out of ten Internet users purchased something which is a 40% increase on two years ago.*

*The main purchase worldwide is for a book, with Korea and Germany leading the way.*

One channel in which to draw purchasers down is the online advert and more successfully, Google's Pay Per Click (PPC). Its success lies in users being able to comparison shop and to respond quickly to the hook line similar to traditional advertising with which they will be very familiar. The decision making process at this point in time is based on a number of parameters and a defined understanding of the customer. There is for the most part (and this again is dependent on the industry) a split in user activity. Those that click on a sponsored link/PPC ad are defined as not having reached education beyond the age of 16 years and those who favour the organic search results have conversely been educated beyond the age of 16. This is more likely a reflection on research ability and using keywords to return an accurate result. The former use the Internet in a similar manner to television listings – they are 'informed' of what is available and may well not find their optimum product or service but will settle for second best. The latter will refine their search to ensure they are purchasing accurately.

Clearly, the most prolific online advertisers are companies who are selling a product which has a) high levels of competition or b) a very new product to market. This way, if their latest launch isn't crawled for another 24 hours, they can still maintain visibility. Companies also recognise that even though they may not be in the 'hot' sector, running ads means continued brand recognition and an opportunity to gain further knowledge about their users.

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<sup>1</sup> Statistics gathered by **Neilsen Online 2008** – polling company

## What is Pay Per Click?

Adwords is Google's answer to online advertising and forms a main source of commercial revenue.

They are often referred to as **sponsored links** and will appear at the top of the results' page in a shaded area (usually no more than 3) and in a list on the right of the page (usually no more than 8). Feelings towards the position of the ad runs just as high as for the organic results – no one really bothers with anything past page 1 and this is certainly more evident for PPC. Unfortunately, Google's ads fall outside of the 'golden triangle' (see image below) which is a right angled triangle indicating where most eyes will track. This has been studied through the use of heat mapping<sup>2</sup> and illustrates that a user's eyes will be drawn top left and move down approximately a third of the page, filtering much of the text or images on the right hand side. This is interesting because the use of the right-hand within a website is considered optimal for calls to action. However, as this page is more 'list-like' in its layout, the right hand can be seen to be semi-redundant for a proportion of browsers.

The screenshot shows a Google search for 'widgets'. The search bar is at the top with 'widgets' entered. Below the search bar, there are search filters for 'the web' and 'pages from the UK'. The search results are displayed in a list format. A red triangle is drawn over the top-left portion of the page, indicating the 'golden triangle' of user eye-tracking. The search results include organic links from Yahoo!, Apple, Wikipedia, and Widgetbox, as well as sponsored links on the right side.

**Google** widgets Search [Advanced Search](#) [Preferences](#)  
Search:  the web  pages from the UK

Web Results 1 - 10 of about 130,000,000 for widgets [definition]. (0.12 seconds)

**Yahoo! Widgets: useful, fun, beautiful little apps for Mac and Windows**  
1 Apr 2009 ... 1600s of free Widgets help you save time by bringing your favorite content and services right to you.  
[Top Downloads](#) - [Weather](#) - [Clocks](#) - [Top Rated](#)  
widgets.yahoo.com/ - 36k - [Cached](#) - [Similar pages](#)

**Apple - Downloads - Dashboard**  
Your one-stop widget warehouse. You'll find thousands of widgets, most of them free. Play a game. Get a recipe. Check out the latest sports scores.  
[Top 50 - Categories](#) - [Paradise Paintball](#) - [Mac Tips and Tricks](#)  
www.apple.com/downloads/dashboard/ - 31k - [Cached](#) - [Similar pages](#)

**Web widget - Wikipedia, the free encyclopedia**  
5 Jan 2008 ... A web widget is a portable chunk of code that can be installed and executed within any separate HTML-based web page by an end user without ...  
en.wikipedia.org/wiki/Web\_widget - 33k - [Cached](#) - [Similar pages](#)

**Widget - Wikipedia, the free encyclopedia**  
USAF E-9A Widget. In computing, the term has become frequently used to refer to objects on a computer screen the user interacts with. ...  
en.wikipedia.org/wiki/Widget - 21k - [Cached](#) - [Similar pages](#)  
[More results from en.wikipedia.org »](#)

**Widgetbox > World's best place to find and make web widgets**  
Widgetbox is the world's largest widget marketplace, with widgets for Facebook, Blogger, TypePad, MySpace, Bebo, WordPress, Piczo, Xanga, Freewebs, ...  
www.widgetbox.com/ - 97k - [Cached](#) - [Similar pages](#)

**Opera Widgets**  
Widgets for Desktop, Mobile and TV. Browse, download and share widgets on Opera's official Widgets site. New widgets added daily.  
widgets.opera.com/ - 29k - [Cached](#) - [Similar pages](#)

**Free RSS News Feeds Widgets and RSS Gadgets - Feedzilla.com**  
Feedzilla provides Free RSS news feeds, RSS widgets, news widgets, video widgets, RSS Gadgets for websites and blogs, games and RSS Feeds.  
www.feedzilla.com/ - 47k - [Cached](#) - [Similar pages](#)

**WordPress Widgets < Automatic**  
Widgets have come to WordPress! By installing the Widgets plugin by Automatic and using a widget-ready theme, you can bring the popular customization ...  
automatic.com/code/widgets/ - 10k - [Cached](#) - [Similar pages](#)

**Sponsored Links**

**Create Viral Widgets Now**  
Leading Social Media Platform  
Trusted By 30,000+ Sites Worldwide  
www.KickApps.com

**iMaki for GlassFish v3**  
Add widgets to web applications  
Get the tutorial now for free!  
www.sun.com/iMaki\_for\_GlassFish

**Widgets**  
We build widgets and Facebook apps for brand owners and publishers  
umee.tv

**Widgets**  
Get Widgets!  
Searching with Ask gets Results.  
www.Ask.com  
[See your message here »](#)

<sup>2</sup> Online heat mapping facility <http://www.clickdensity.com>

There are 2 main ways of using PPC to attract users. The first is a **per click** charge when a user clicks on the link and a 'click' is registered. The second is **Cost Per Impression** or CPM (the M is for the Roman numeral 1000) and an advertiser will bid for 1000 impressions of their ad appearing in the sponsored links but not clicking through to the site (page refreshes don't count). The latter is used more as I mentioned earlier, to raise brand awareness and to cover both sectors of the online market and the former to take the user right to the product or service.

The ad is triggered by the advertiser's choice of keyword(s) and dependent on the keyword, a cost will be allocated in response to other advertiser activity. Effectively, keywords are bid on and an advertiser can set a ceiling on their spend or ask for advice on Google's current metrics to ensure they appear on the first page and gather an estimate of how many times it will be clicked on in one day. For example, the key phrase 'lose weight' is one of the highest cost keywords with many click-throughs and usually ends in bidding wars which send the costs even higher.

### Important features of Google Adwords

- ✓ Algorithmic changes have less impact on the Adword keywords
- ✓ Developing a good keyword campaign through procedural analysis can identify and out manoeuvre your competitors' activity
- ✓ Adwords is the most easily measurable online marketing activity
- ✓ It's easy to use at a moderate level with clear help guides from Google

### Benefits of Google Adwords

- ✓ The timeliness of Adwords gives control over your campaign allowing you to run your ads when your customers are most active on the Internet, during the first hours of a launch, breaking news and so on
- ✓ You can fix the cost of your campaign to suit your budget (this doesn't guarantee the best position though)
- ✓ The ability to switch the ad off in an instant can guard against too many click-throughs and an immense work load
- ✓ You can target very niche markets as well as highly competitive ones
- ✓ You can carry out A/B testing
- ✓ Excellent additional brand exposure
- ✓ Works exceptionally well for geographically placed services

## The downside to Google Adwords

- ✓ There is little you can do to guard against fraudulent clicks. It has been known for competitors to wage a war against ads or for news-worthy websites to come under malicious attack
- ✓ If your visitors don't routinely use sponsored links, it may be a wasted exercise
- ✓ If the public have pre conceived expectations and this is challenged through an ad, it may cause damage to the brand
- ✓ PPC has also been hit by recession. Whilst not as extreme as the high street and banking, the cost of ads has risen
- ✓ If your competitors aren't advertising in this way, perhaps this method has already been tested and not proved viable
- ✓ Running a campaign can be prohibitively expensive and budgets can struggle to match the demand of the optimum keywords

## Benefits of being the only advertiser on a phrase

In the example below, you will see a results page that only returns one advertiser. There are two benefits here. The first and most obvious is the cost. If you're the only advertiser on the page for a key phrase, your payment will be minimal and your longevity with the ad will grow your online presence and attract your niche market. Secondly, the key to strong margins and customer loyalty is to have customers think that you're the only solution to their problem at a given time. However, there is also the point of view that if the chosen keyword is so niche, getting onto page one with a good organic SEO campaign should be relatively easy and will probably stay that way for a lengthy period of time.

The screenshot shows a Google search for "data flow diagram". The search bar contains the text "data flow diagram" and the search button is visible. Below the search bar, there are options for "Search: the web" and "pages from the UK". The search results are displayed under the heading "Web" and show "Results 1 - 10 of about 12,200,000 for data flow diagram (0.21 seconds)". The first result is an image gallery titled "Image results for data flow diagram - Report images", which includes four small thumbnail images of various data flow diagrams. To the right of the image gallery, there is a "Sponsored Links" section featuring an advertisement for "Easy DFD Software" with the text "Create Data Flow Diagrams Fast See Examples. Free Download! www.SmartDraw.com See your message here". Below the image gallery, there are several organic search results, each with a blue link, a title, and a short description. The first organic result is "Data flow diagram - Wikipedia, the free encyclopedia", followed by "Data Flow Diagrams - Free Online Tutorial", "Introduction to Data Flow Diagram (DFD)s", "Learn How to Draw Data Flow Diagrams - The Software Design Center", "Data Flow Diagrams", and "Data Flow Diagram".

## Conversion

Starting an ad campaign is just the beginning of the exercise. Once your visitor has clicked through to your site, it is your primary aim to convert as quickly as possible. The information promised in your ad should be immediately available and very clear as to the route you intend them to take. Otherwise, it is to the campaign's detriment and your budget's cost. It is here that you need to start collecting data and measuring metrics to see:

1. If your visitors are going where you need them to go once they land on your page
2. If they're not behaving the way you imagined, your pages need looking at from a visitor's vantage
3. Is the wording in your ad an accurate reflection of what you're selling / providing?
4. Is your return enough to validate the cost of the ad?

## Test and Measure

It is here that the Internet is inherently unique. There is no other medium that can offer 'on the spot' A/B testing and feedback within the same day at a comparatively low cost. Running two or more ads with different keywords will allow you to drill down to the best performing ad, increasing your ROIM (Return On Internet Marketing). Also ensure that the landing pages differ enough to test the response and determine the optimum usability for your visitors.

## Where is your industry placed within the PPC world?

Many industries have yet to wholly embrace this route to market and there may be a number of reasons for their absence:

- ✓ The target market may not buy in this way.
- ✓ They may research their prospective supplier and want an awareness of where the company sits on the Internet amongst its competitors.
- ✓ You can obtain a better overall sense of an online presence through the organic listings.
- ✓ The user also has access to news written about the company this way, as an ad would isolate them from any peripheral information.
- ✓ When presented with a choice, i.e. when both organic listings and an ad are shown, will this influence the user to trust the site more or less?
- ✓ If they are doing comparative research and become aware that your competitors don't advertise in this way, but you do, does this have implications of need and being wrongly placed in the market?

Carrying out user research could assist the decision making and help to understand your user's typical activity. Above all, decide what 'message' is being sent by having an Adwords campaign.

### Points to consider before you launch

1. When setting up a campaign, the choice of keywords must be very carefully analysed to ensure that the words are semantic (have close relationships with other words in your text) i.e., words that have more than one meaning will give a mix of results rather than focused, accurate returns
2. Your users need to be confident that the search words they've entered are giving them accurate returns
3. Initially, rather than using broad terms for an ad, it would prove more supportive to your other marketing activity and measurable for your ROIM to be very specific and target an area of business that is perhaps more niche and specialised which will also keep costs lower and make the entry point on the website more immediately relevant to the ad content.
4. Setting a higher budget will result in more ad impressions; your ads will appear as frequently as possible for your keywords.
5. Ensure the website is ready to receive the click-throughs
6. Plan for a rise in enquiries and workload

### *Supporting business through .NET web and application development*

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