

September 25, 2009



Pay-Per-Click Advertising

Issue 7 of the SEM/SEO Reports



James Burchill

Pay-Per-Click Advertising

Issue 7 of the SEM/SEO Reports

Advertising your services or products on the Internet is both extremely effective and extremely competitive. There are several ways to go about attracting traffic to your website; Pay-Per-Click is one of the options you can choose from, along with developing an SEO, or search engine optimization campaign. Both pay-per-click and SEO are targeted to get your website placed as close to the top of search engine results as possible. One of the differences is that it takes minutes to set up a pay-per-click campaign versus months for a good SEO campaign.

Pay-Per-Click is a simple type of paid advertising that most search engines, including some of the largest ones, now offer. It requires a bid for a "per-click" basis, which translates to your company paying the bid amount every time the search engine directs a visitor to your site. There is the added bonus that when a per-click site sends your website traffic, your site often appears in the results of other prevalent search engines.



As with all marketing campaigns, there are advantages and disadvantages. If you understand the process and monitor your pay-per-click campaign frequently, it can be very effective. One of the greatest

advantages is that you never have to tweak your web pages to change your position in search engine results, as you must do in a typical SEO campaign. What you do have to do in a pay-per-click campaign is pay a fee.

Another advantage is the simplicity of the pay-per-click process. You just bid and you're up and running. It doesn't demand any specific technical knowledge, though the more you know about search engines and keywords, the easier - and more effective - the process will be.

The downside is that pay-per-click is essentially a bidding war. A higher bid than yours will lower your position on search engine results. This means that you will have to raise your bid to regain your position - which can obviously become quite expensive, especially if you are bidding on a popular keyword.

In order to determine if pay-per-click is a cost effective form of marketing for your business, you must do some computing to figure out how much each visitor to your site is worth. You can compute this value by dividing the profit you make on your website over a given period of time by the total number of visitors for that same time period. For example, if your site made \$5,000 in profits and there were 10,000 visits, each visitor would be theoretically worth 50 cents. The basic formula is profits divided by visitors.

The figure of 50 cents per visitor is the point at which your business breaks even. The idea, of course, is to show a profit, not to merely cover your costs. Therefore, you are aiming at a figure less than 50 cents per click.

Be aware that the most popular keywords often cost considerably more than 50 cents a click. The only way around this is to bid less for these phrases or you will be paying too much for each individual hit.

The key (pun intended) to success is to learn everything you can about search engine keyword research. The good news is there isn't a limit to the amount of keywords you can add to your bid because additional keywords do not add additional cost. This translates into a lot less hassle for you because there is no need to optimize your site to index a particular set of keywords.

Obviously, some keywords are much more effective than others are, but they will not cost you anything except time to set-up your account in your pay-per-click bid. Of the popular search engines that offer pay-per-click, one called Overture (part of Yahoo - <http://sem.smallbusiness.yahoo.com/searchenginemarketing/advertising.php>) provides an online tool that will give you the data on how often particular keywords are entered into their search engine. They also offer suggestions for keywords after you enter a description of your site.

In pay-per-click, this written description is crucial. You must understand that the object of your description is not to generally attract visitors, but to be as specific as possible so that only those visitors who are likely to buy your service or product go to your site. You must use expert marketing copy to guarantee that your description is both precise and enticing to attract the most ideal candidates to your site. This description is your most powerful tool to insure that your bid is profitable.

About James Burchill

JAMES BURCHILL helps individuals and companies profit from the innovative use of Internet automation technologies, strategic content and social media marketing. His innovative and creative solutions are the select choice for those seeking an advantage, and Jim's unique perspective on money making, marketing, technology and business advice is published regularly on his website. You can find out more at www.JamesBurchill.com.



Another essential requirement of pay-per-click advertising is that you constantly monitor your bid. It is very important that you bear in mind that the results of the top search engines providing pay-per-click advertising, which are Overture and Adwords Select (Google - <https://www.google.com/accounts/ServiceLogin?service=adwords&cd=null&hl=en-GB<mpl=adwords&passive=false&cifr=false&alwf=true&continue=https%3A%2F%2Fadwords.google.com%2Fselect%2Fgaiaauth%3Fapt%3DNone%26ugl%3Dtrue>), usually appear on other popular search engines. Because of this, the competition for top ranking is intense, and very often you will find that the bidding price balloons too high for pay-per-click to yield a profit.

If this happens, it is advisable to withdraw your bid on that particular keyword and try another one. Remember: when you pay too much per click to make a profit, you are in essence losing the bidding war.

Since losing is not acceptable, you must have a plan in place to closely track the effectiveness of your keyword. It is advisable to monitor your keywords on at least a monthly basis.

Not only is careful monitoring important, but the analysis of visitor behavior can produce invaluable knowledge about consumer motivation, habits, and trends. Expert monitoring and consumer analysis is essential to your overall business needs, and will also insure that your pay-per-click campaign is a success.

Next Issue: Protecting Your Search Engine Rankings