

PPC: 101

Search Engine Advertising

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Search Engine Strategies
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newsforce™

Search Engine
STRATEGIES
CONFERENCE & EXPO®

Before you spend one more dollar...

- Take time to review all the training materials available FREE from the engines
- **Google:** <http://www.google.com/adwords/learningcenter>
- **Yahoo:** <http://help.yahoo.com/l/us/yahoo/ysm/sps/index.html>
- **Microsoft:** mostly inside application, but also at <http://advertising.microsoft.com/microsoft-adcenter/faqs>
- Read each engine's blog regularly for updates!
- Free webinars on SEMPO.org
- NEW! Distance Learning at SEMPOInstitute.com

If You ❤️ Data, You'll ❤️ PPC!

- The most successful PPC managers are highly analytical
- MSExcel is your friend
- Linear progression:
 - start small
 - test, measure, adjust, test it again
 - expand on successes

OVERVIEW OF PAID SEARCH

Google

Google **Web** [Images](#) [Groups](#) [News](#) [Froogle](#) [Local](#) ^{New!} [more »](#)
digital camera [Advanced Search](#) [Preferences](#)

Web Results 1 - 10 of about 103,000,000 for **digital camera** (0.18 seconds)

Digital Camera Sponsored Links
hp.com/go/photography Get the Right Camera Gear & Advice To Shoot, Edit & Print Like a Pro!
Cameras at Circuit City
www.CircuitCity.com Official Site. Free shipping on orders \$35 and up. Low Prices!
Digital Cameras
PriceGrabber.com Find the Best Prices. Hassle-free Holiday Shopping!

PAID

15% Off Digital Cameras
Save 15% on Select **Digital** Camera plus Free Shipping at BestBuy.com!
www.BestBuy.com

Digital camera
Polaroid **Digital** Cameras & Imaging Products. Shop Low. Low Prices!
www.Polaroid.com

Digital Camera
Compare over 90 Cameras from \$50 to \$1,800. Top Features -Great Values
www.walmart.com

Buy Digital Cameras
Huge Selection of **Digital** Cameras Low Prices & Free Shipping.
www.Buy.com

Digital Camera at SEARS
Save on shipping: Buy online and pick up in store.
www.SEARS.com

A520 Digital Camera
Digital Camera

PAID

Product search results for **digital camera**

 [Fuji S3100 FinePix 4.0MP Digital Camera with 6X Optical Zoom](#) - \$229.95 - Home Shopping Network
[Sony Cyber-Shot DSC-T7 Digital Camera DSC-T7](#) - \$472.99 - Super Warehouse
[Canon PowerShot G6 7.1 Megapixel 4.0x Optical/4.1x ...](#) - \$529.95 - B & H Photo-Video-Pro Audio

Digital Camera Reviews and News: Digital Photography Review ...
Current **digital** photography news, **digital camera** reviews, articles and discussion forums.
www.dpreview.com/ - 46k - Nov 29, 2005 - [Cached](#) - [Similar pages](#)
[Reviews](#) - [Most popular cameras](#) - [Buying Guide](#) - [Forums](#)
More results from www.dpreview.com »

Digital Camera Resource Page: Welcome
News, reviews, buyer's guide, and message board for buyers and users. Includes a chart of models, listing image resolution and storage media.
www.dcresource.com/ - 31k - Nov 29, 2005 - [Cached](#) - [Similar pages](#)

Digital Cameras - Unbiased reviews, prices and advice from **Digital ...**
Find the right **digital camera** - compare ratings and rankings of **digital cameras**, read reviews, check prices from hundreds of **digital camera** retailers.
www.DigitalCamera.com/ - 25k - [Cached](#) - [Similar pages](#)

NOT PAID

Yahoo! Search

The screenshot shows a Yahoo! search results page for the query "digital camera". The search bar at the top contains "digital camera" and a "Search" button. The page displays several search results, including sponsored results and organic results. A red box highlights the top three organic results, with the word "PAID" overlaid in large red letters. A green box highlights the "Popular Products" section and the first two organic results, with the words "POSSIBLY PAID" overlaid in large green letters. A right-hand sidebar contains sponsored results, also with the word "PAID" overlaid in large red letters. The page includes navigation links like "Web", "Images", "Video", "Local", and "Shopping", and a "Search" button. The search results are for "digital camera" and show 1-10 of 467,000,000 results. The sponsored results include "Digital Cameras at Staples", "Wal-Mart Digital Camera", and "A Digital Camera". The organic results include "Digital Camera - Shopping Results" and "Digital Camera Reviews and News". The "Popular Products" section lists Canon PowerShot SD1000, Canon PowerShot S3 IS, and Nikon D40 Digital Camera. The "Buying Guide & Tips" section includes links for "How to Buy a Digital...", "Getting to Know Digital...", "Absolute Beginner...", and "Buying a Digital Camera". The right-hand sidebar contains sponsored results for "Digital Cameras" from circuitcity.com, kohls.com, and bizrate.com, and "All Digital Cameras" from shopping.yahoo.com. The page also features a "Search Engine" logo for "STRATEGIES CONFERENCE & EXPO" at the bottom right.

Web | Images | Video | Local | Shopping | more ▾

digital camera Search Options ▾

YAHOO!

1-10 of 467,000,000 for digital camera (About) - 0:10 sec

SPONSOR RESULTS

- [Digital Cameras at Staples](#)
www.Staples.com - Savings on Digital Cameras & More Image Solutions. That was Easy.
- [Wal-Mart Digital Camera](#)
Wal-Mart.com - Save on Brand Name Digital Cameras. One-stop Holiday Shopping.
- [A Digital Camera](#)
www.Kodak.com - Get Award-Winning Digital Cameras, Printers and More at Kodak.com!

PAID

Digital Camera - Shopping Results

Brand	Popular Products	Buying Guide & Tips
Canon (1053)	Canon PowerShot SD1000... ★★★★★ (8)	How to Buy a Digital...
Sony (822)	Canon PowerShot S3 IS... ★★★★★ (43)	Getting to Know Digital...
Nikon (683)	Nikon D40 Digital Camera ★★★★★ (48)	Absolute Beginner...
Kodak (492)	Canon PowerShot S650... ★★★★★ (9)	Buying a Digital Camera
more...	more...	more...

Yahoo! Shortcut - [About...](#)

1. [Digital Camera Reviews and News: Digital Photography Review: Forums ...](#)
Vast samples galleries and the largest database of digital camera specifications. ... digital photography and imaging news, reviews of the latest digital cameras and ...
www.dpreview.com - 49k - Cached
2. [Digital cameras; compare digital camera reviews to find the best one ...](#)
Ratings, reviews, and price comparisons of digital cameras -- editors' picks and most popular -- with user reviews, detailed pics of the cameras, and video clips of ...

SPONSOR RESULTS

- [Digital Cameras](#)
Save Up to 15% on Digital Cameras. Free Shipping On Orders \$24 & up.
www.circuitcity.com
- [Digital Cameras](#)
Save on Camcorders & Cameras at Kohls.com. Expect Great Things.
www.kohls.com
- [Digital Cameras](#)
We Offer 3,500+ Digital Cameras. Discover Digital Cameras.
BizRate.com
- [All Digital Cameras](#)
Holiday Deals Are At Yahoo all digital cameras At Low Prices.
shopping.yahoo.com
- [Capture It All. Olympus](#)
Olympus' complete line of digital cameras you can take anywhere.
www.getolympus.com

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Microsoft Live Search

The screenshot shows the Microsoft Live Search interface. At the top, the search bar contains 'digital camera' and the Microsoft logo is on the left. Below the search bar are navigation tabs for 'Web', 'Images', 'News', 'Maps', 'QnA Beta', and 'More'. The search results are displayed on 'Page 1 of 78,388,902 results'. The results are categorized into several sections:

- Sponsored Sites:** A red box highlights the top results, which are sponsored. These include 'Cameras at Circuit City', 'Digital Camera Prices', and 'Digital Camera' from Walmart. A large red 'PAID' watermark is overlaid on this section.
- Most popular products for Digital Cameras:** A blue box highlights a section listing popular products like the Canon PowerShot SD600, A540, and SD630. A large blue 'SHOPPING PAID' watermark is overlaid on this section.
- Not Paid Results:** A green box highlights organic search results, including 'Digital Camera Reviews and News' from dpreview.com and 'Digital Camera Reviews from the Digital Camera Resource Page' from dcresource.com. A large green 'NOT PAID' watermark is overlaid on this section.
- Related searches:** A list of related search terms such as 'Shop Digital Camera', 'Digital Camera Reviews', 'Sony Digital Camera', etc.
- Sponsored Sites (Bottom):** A red box highlights another set of sponsored results, including '78 Electronics Stores' and 'Digital Cameras on Sale' from TigerDirect. A large red 'PAID' watermark is overlaid on this section.

Shopping Engines: Mostly Paid!

Showing 1-20 of 2,200

Sort by: Best matches | [Product rating](#) | [Price](#)

Compare Products

Check to compare



Canon PowerShot A610 Digital Camera

Product rating: ★★★★★ [Read 4 reviews](#)

5.3 Megapixel, 4x Optical Zoom, Standard Point and Shoot, Video Capability Included, 2 in. LCD Panel, MMC Card, SD Card, Built-In ... [Read more](#)

[Save it](#)

\$234 - \$300

[Compare Prices](#)

from 48 stores

Check to compare



Canon PowerShot A610 Digital Camera

Product rating: ★★★★★ [Read 4 reviews](#)

7.4 Megapixel, 4x Optical Zoom, Standard Point and Shoot, Video Capability Included, 2 in. LCD Panel, MMC Card, SD Card, Built-In ... [Read more](#)

[Save it](#)

\$326 - \$400

[Compare Prices](#)

from 47 stores

Check to compare



Canon EOS-20D Body only Digital Camera

Product rating: ★★★★★ [Read 44 reviews](#)

8.5 Megapixel, SLR/Professional, 1.8 in. LCD Panel, IBM Microdrive, CompactFlash Card Type I, CompactFlash Card Type II, Built-In ... [Read more](#)

[Save it](#)

\$1,128 - \$1,584

[Compare Prices](#)

from 35 stores

Want to compare products side-by-side?



Check to compare

1. Check

the products you want to compare side-by-side

[Compare Products](#)

2. Click

"Compare Products" above or below the list



3. Compare

the products you selected

Search Engine
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**I WANT
IT ALL!!!**

How do you buy Search?

- **Flat Cost-per-click**
 - Yahoo Search Submit (paid inclusion)
 - Directory programs, white paper networks, etc.
- **Traditional Ad Auctions**
 - Bid higher, stay higher
 - Shopping search engines use this model, as do many alternative search engines
- **Hybrid Ad Auction Networks**
 - “Yield-maximizing” ad ranking
 - Google, Yahoo and Microsoft use this model
 - Limited automated management

Understanding Hybrid Auctions

- Blind auction – you can't see other max bids
- Ad rank is determined by a number of factors:
 - What you're willing to pay per click
 - Competitive landscape
 - Your "Quality Score" or "Quality Index"
 - Value of the ad space
- What is "Quality Score"?

Quality Score = keyword's CTR + relevance of your ad text + historical keyword performance + other relevancy factors (such as landing pages)

More about Quality Scoring

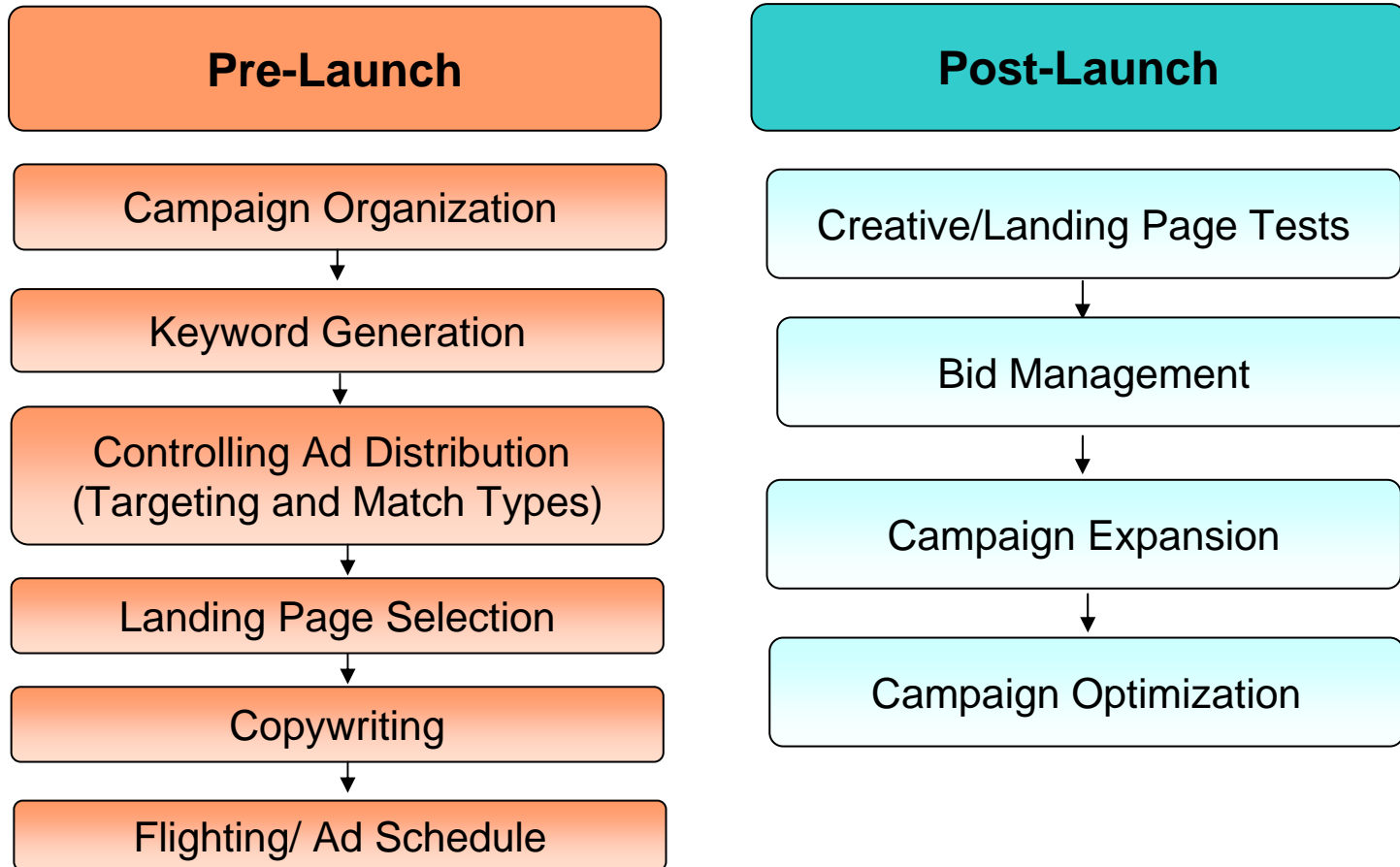
- If you have a low quality score, **you must pay a higher minimum bid**
- High CTR (click thru rate) can help, especially on Yahoo & MSN
- Weighting factors may change at will (page load time, impact of low impression kws, etc.)
- Google heavily weights **landing page quality**
- Penalties may be applied at kw or domain
- Put low-impession keywords in separate adgroup

HOW TO BUILD A CAMPAIGN

Pre-flight Checklist

- Good Tracking Software
- KPIs (Key Performance Indicators)
- Set Values
- Establish Baselines
- Strategy (Goals)
- Money
- Rules

Paid Search Tasks



Setting Base Values and Goals

- “Conversion” can mean many different things
- Absolutely required homework!
 - What are your target goals?
 - What are the actions you value?
 - What dollar values can you set?
- It’s OK to guess – use your gut if you’re not sure. You can always modify your assumptions

Easy Math!

Widgets Price: \$200
Campaign Budget: \$2,000
Target Conversions: 150
Site Conversion Rate (click to sale): 5%

1. Target Cost Per Conversion: Budget ÷ Desired conversion events

$$\$2,000/150 = \$13.33$$

2. Required Clicks: Target Conversions ÷ Site Conversion Rate

$$150/.05 = 3,000 \text{ clicks } (\textit{if I want 150 sales, I need to buy 3000 clicks})$$

3. Avg. CPC: Budget ÷ Required clicks

$$\$2,000/3,000 = \$0.67 (\textit{average keyword cost I can afford})$$

Another way to estimate average max bids:

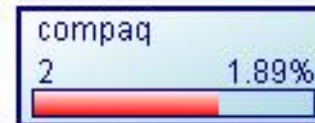
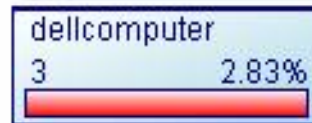
$$\text{Gross margin} \times \text{conversion rate} = \text{breakeven CPC}$$

Keyword Generation

- Where?
 - Your site, your competitors, trade literature, vertical sites, software, search suggestion tools, thesaurus, your brain...
 - Brand names are typically best performers (if you have a known brand)
 - Find “negative keywords” during this phase as well - **USE LOTS OF NEGATIVE WORDS TO FILTER OUT RANDOM IMPRESSIONS WHICH HURT YOUR QUALITY SCORE**
- How many?
 - If you have a low budget, don’t spread yourself too thinly across a zillion “tail terms”
 - 80/20 rule – 20% of your keywords will drive 80% of your revenues (and will eat the most budget too!)
 - Expand, contract, expand, contract...

Microsoft AdLabs: upstream/downstream

<http://adlab.microsoft.com/>



2.83% of the users, 3 out of 106 searched on "compaq computer" then "dellcomputer"



Google's Keyword Tool

Keyword Variations | **Site-Related Keywords**

Enter one keyword or phrase per line:

online advertising Use synonyms

Get Keyword Ideas

[Filter my results](#)

Choose columns to display: Show/hide columns

More specific keywords - sorted by relevance

Match Type: Broad

Keywords	Advertiser Competition	November Search Volume	Avg Search Volume	
online advertising	<div style="width: 100%;"></div>	<div style="width: 50%;"></div>	<div style="width: 50%;"></div>	Add ⌵
free online advertising	<div style="width: 100%;"></div>	<div style="width: 50%;"></div>	<div style="width: 50%;"></div>	Add ⌵
online advertising agency	<div style="width: 100%;"></div>	<div style="width: 50%;"></div>	<div style="width: 50%;"></div>	Add ⌵
online advertising agencies	<div style="width: 100%;"></div>	<div style="width: 50%;"></div>	<div style="width: 50%;"></div>	Add ⌵
online advertising rates	<div style="width: 100%;"></div>	<div style="width: 50%;"></div>	<div style="width: 50%;"></div>	Add ⌵
internet advertising	<div style="width: 100%;"></div>	<div style="width: 50%;"></div>	<div style="width: 50%;"></div>	Add ⌵
free internet advertising	<div style="width: 100%;"></div>	<div style="width: 50%;"></div>	<div style="width: 50%;"></div>	Add ⌵
advertising on the internet	<div style="width: 100%;"></div>	<div style="width: 50%;"></div>	<div style="width: 50%;"></div>	Add ⌵
internet advertising	<div style="width: 100%;"></div>	<div style="width: 50%;"></div>	<div style="width: 50%;"></div>	Add ⌵

Selected Keywords:

Click 'Save to Ad Group' when you are finished building your keyword list.

No keywords added yet

[+ Add your own keywords](#)

Save keywords to:

Campaign: keyword campaign

Ad group: site mgt

Estimate Search Traffic

Save to Ad Group

Building the Ads

- Because CTR can affect your position and your ROI equation, creative ad text is critical
- Use the keyword in title and/or description
- Must pass editorial review
- Choose appropriate landing page URLs (usually NOT home page)
- **COOL TIP!** Use Dynamic Keyword Insertion
 - Ex: {KeyWord: Cheap Digital Cameras} will insert keyword match from your ad group into the bracketed area
 - Methodology varies by engine, but all top engines support DKI

Searchers Prefer Uninterrupted Logic

Searcher is located in San Diego.
Keyword search: **pug dog** →



Creative Ad:

Pug Dogs in San Diego
Healthy, happy **pugs**.
Guaranteed adorable!
www.Pugs-R-Us.com

NOT:

Little dogs, big hearts
Pugs toy poodles, small
dogs. All breeds.
www.Pugs-R-Us.com

NOT:

Pets R Us.
We have every animal
under the sun.
Online shopping!
www.animalzoo.com



Landing Page:

Should be specifically about **Pug Dogs**
- not other breeds, not the home page.

Schedule

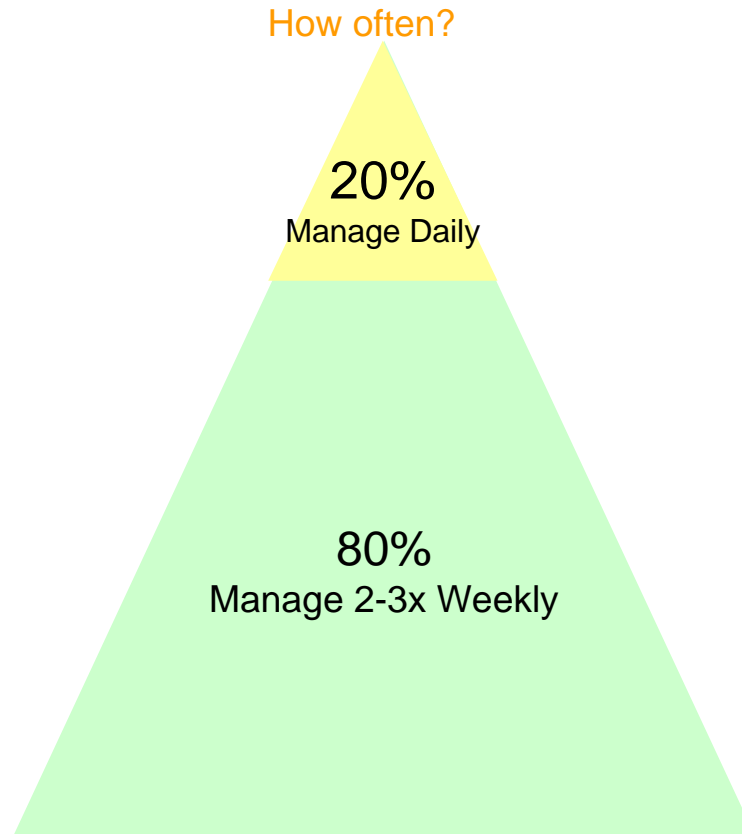
- Don't just “set it, forget it”!
- Map out a calendar in terms of:
 - Campaign rollout
 - Reporting/Analysis
 - Testing period(s)
 - Other promotions (offline, online)
 - Budget changes (e.g. overspend on Google during kickoff)
- Schedule promotional and seasonal messaging
- Dayparting – time of day, days of week
- Overlay any expected seasonality
- Schedule quarterly “housecleaning”

MANAGING CAMPAIGNS

Budgeting

- Daily budgeting technology isn't perfect, so engines usually underdeliver or overdeliver
- Put your high-traffic or high-dollar words in their own campaign with their own budget
- Start out with a bang so you can lock in high CTR which will help your Quality Score – then pull back
- Google has different ways to manage budgets:
 - Conversion Optimizer (avg CPA)
 - Budget Optimizer (most clicks for a defined budget)
 - Preferred Cost Bidding (set avg CPC preferred)
 - Manual bidding (you control it)

Managing Ads/Bids – The Basics



Managing Bids

- Bid management software helps
 - Popular tools: search engines' tools, Atlas, Keyword BidMax, Omniture, SearchRev, Performics, Clickable, Adapt
 - Note: “bidding rules” don't work well on hybrid auctions
 - Low volume kws won't have much data to optimize automatically against ROI or other projected values
- People are still required!
- Paying too much? Improve CTR and landing page
- Delete low performing KWs, or pause/isolate them so they don't bring down overall campaign

Final Thoughts

- Don't be afraid to start small and grow your success
- Build a risk portfolio for yourself – set aside some budget for experiments and branding
- Reinvest a portion of “profits” back into the budget
- Leverage the engines for knowledge, but don't believe *everything* they tell you
- Provide enough resources to support the campaign
- Strive for integrated strategy across all media



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