

Optimize Your Paid Search Program

- In this section, we discuss:
 - Types of Paid Search
 - Planning Paid Search
 - Paid Search Optimization step-by-step guide to implement a paid search campaign

Why Paid Search?

- Compare to SEM, what are the advantages of paid search?
- **Economic** advantages
 - Customer quality
 - Customer segmentation
 - Cost
 - Timing
- **Technical** advantages
 - Unlimited keywords
 - Flexibility
 - Customer oriented design

Why Paid Search?

- What's the catch?
- **Show me the money!**
 - Remember the click frauds?
 - Paid search can be **expensive** if not executed properly

Types of Paid Search

- Fixed Placement
 - **The place** your ad appears remains fixed
 - **The price** is usually also fixed
 - Pay – per – **impression**
 - Long contract time
- Pros & Cons
 - Place guaranteed. Price predictable & fixed
 - Not flexible
 - Bottom line: be **VERY SURE** about what you are pursuing

Types of Paid Search

- “Traditional” Paid Placement
 - The one we’ve been discussing the whole semester
 - Google & Yahoo still own 97% market
 - Small players: GoClick.com & msn AdCenter
- Characteristics
 - Pay-per-click
 - Pay by bidding in keyword auction

Types of Paid Search

Keyword Variations

Enter one keyword or phrase per line:

Site-Related Keywords

Bid on Keywords

For each keyword below, enter your **max bid** 2. The higher your bid, the higher your listings will appear in the search results and the more clicks your Web site will receive. On the right, you can see the current bids for the top five positions for each keyword.

No matter how high your max bid, you will only pay \$0.01 more than your next closest competitor's bid.

Choose data to display

Calculate Estimates

US Dollars (USD \$)

More specific keywords

Keywords

university

manchester university

leeds university

nottingham university

boston university

york university

cardiff university

Keywords

university

research

Monthly Search Volume

276,843

Keywords

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Monthly Search Volume

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Types of Paid Search

December 22, 2005

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Contextual Ads: Which One Works Best: AdSense, YPN or Chitika?

Ads by Google

Google Advertising

Bring traffic to your site in minutes - Try Google AdWords. adwords.google.com

AdWords Professionals

Let Team Manage Your Campaigns! Get More Conversions & Higher ROI www.PPCGeeks.net

Email Tracking

Shopping with contextual information regarding to your items www.clickxpress.com

Easy Pop-Out Video Ads

Online Ads \$5/thou clicks Show & Sell on Web - Free Trial www.streamernet.com

Until the [Yahoo Publisher Network](#) and the [Chitika Mini-Malls](#) did enter the contextual advertising market this year, Google AdSense was the only supplier of text-based ads dynamically matching the content of any content they were placed next to.



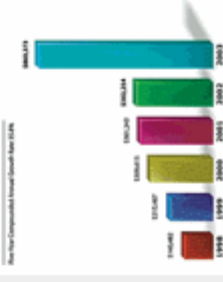
RGood Latest News
Daily RSS News Feed


Enter your Email

Subscribe me!

Powered by [FeedBlitz](#)

Robin Good's hand-picked news on



[Web Presentations](#) :

Mon., 27 Nov 2006

Types of Paid Search

- Contextual Ads: Pros & Cons
 - **Audience:** very specific customer groups
 - **Control:** You **cannot** choose the site, the place or the ad.
 - **Cost:** should contextual ad. Cost the same as paid placement?

Types of Paid Search

The screenshot shows the Google Maps interface with the following elements:

- Search Bar:** Contains the text "g. San Francisco" and a "Search" button.
- Navigation:** Links for "Web", "Images", "Video", "News", "Maps", and "more »".
- Places List:**
 - My Places
 - temp
 - George Washington Bridge
 - Lehigh
 - newark airport
 - doc
 - san juan
 - ponce
 - Golden Gate
 - Wayne Mall
 - JFK airport
 - harrison
- Layers Panel:**
 - Dining - Fast Food
 - Dining - Fast Food (JP)
 - Dining - Indian
 - Dining - Italian
 - Dining - Japanese
 - Dining - Mexican
- Map View:** An aerial view of a city area with several pizza-related labels:
 - Pizza House
 - Lehigh Pizza
 - Domino's Pizza
 - Sal's Brick Oven Pizza & Restaurant
 - Grotto The
 - Subway
 - eria & Italian Restaurant
 - Campus Pizza
 - Wendy's Old Fashion Hamburgers
 - Lehigh

Local Listings

Choose the Yahoo! Local Listing that works best with your needs.

Local Listings are a great way to promote your business to customers looking for information in Yahoo! Local. Unlike Local Sponsored Search, which uses a p

Local Featured Listings

Starting at just \$25 per month¹

Your listing includes everything offe

- Guaranteed prominent placement
- Convenient month-to-month billing
- A highly customizable listing an
- A free 5-page basic web site

▶ [Learn more](#)

Local Enhanced Listings

\$9.95 per month

Preview your listing, then click 'Continue.'

Listing content

Review the information at right and edit if necessary. [[edit content](#)]

Listing categories

- Education - Colleges & Universities
 - Education - Computer Training
- [[edit categories](#).]



Business Information Systems Program, Lehigh University

621 Taylor Street
bethlehem, PA 18015
610 758-4234

Description: This is the business information system program at the Lehigh University

Select a verification method.

Types of Paid Search

- **Shopping Search**

- Specifically designed search engines that offer one-stop shopping for particular products
- Customers: transactional searchers ready to buy (twice as likely to buy and buy twice as much)
- 1% of all Internet traffic, 22% growth rate (2004)
- Major players
- Competitors in the same product category are charged the same per-click fee

Planning Paid Search

- **STEP 1: Don't forget your GOALS!**
 - What do you want? Traffic or conversion?
 - Remember to measure them!
- **STEP 2: Paid Placement Search – Position**
 - Top position attracts 40% more traffic than 2nd position
 - 80% of the lower demand keywords show higher conversion rates for lower slots!
- **STEP 3: Don't forget local search!**

Planning Paid Search

- **Marketing Basics (and how they relate to SEM)**
 - **Scarcity:** scarce items cost more (less supply, more demand)
 - In shopping search -- product categories with more competitors cost more
 - In paid placement – more bidders = higher fees
 - **Efficiency:** sellers will maximize the price based on the value to the buyers
 - In other words, the market price is an **unbiased estimate** of the true value of the product
 - In the real world, **no** market is totally efficient – information asymmetry
 - In paid placement – **better understanding of your keyword value** is the key to higher efficiency

Planning Paid Search

- **Marketing Basics (and how they relate to SEM)**
 - **Efficiency:** sellers will maximize the price based on the value to the buyers
 - Why could someone outbid you?
 - In other words, why would the value of a keyword be higher for your competitors?

Planning Paid Search

- **Starting your paid placement campaign**
 - **Start small:** don't expect it to work at the beginning
 - **Start broad:** choose a collection of keywords, collect data
 - **Monitor closely:** collect traffic, conversion, profit.... As much data as you could get
 - **Optimize the list**
 - **Iterate!**

Step-by-step Paid Search

- **1. Decide your budget**
 - **Build to budget:** add up all your costs and ask for the budget
 - Creative costs
 - Management costs
 - Media costs
 - **Budget to build :** handed a budget to do everything
 - **Decide your media cost**
 - Very difficult task, since cost is dependent on **click-through**
 - And google only shows you the AVERAGE bid
 - And MORE THAN that!

Step-by-step Paid Search

- **1. Decide your budget**
 - **Decide your media cost**
 - Test using both yahoo and google
 - Don't estimate
 - Use the average
 - **Media cost could **not** be estimated accurately**
 - Second price auction
 - Conversion affects fee
 - Auction is an ever-changing game

Step-by-step Paid Search

- **2. Set Up Your Account**
 - Focus on one vendor to begin
 - Google vs. Yahoo
 - Used to have different style
 - Gap surfing, bid jamming & dayparting
 - No longer useful

_____ → **\$1** → **\$0.99**

_____ → **\$0.5** → **\$0.51**

_____ → **\$0.25**

Step-by-step Paid Search

- **3. Select Bid Management Tool**
 - To start, google or yahoo tools are fine (and free!)
 - Other tools are:
 - [Market leap](#)
 - [performics](#)
 - [The search works](#)

Step-by-step Paid Search

- **4. Select Targets**
 - Keywords or products
 - For shopping search engines, set up trust-feed and pay a fixed fee
 - For paid placement, refer to our discussion before regarding keyword selection

Step-by-step Paid Search

- **5. Manage Keywords**
 - Yahoo divide keywords into **categories**
 - Google refers to them as **ad groups** → **campaign**
- **6. Match Type for Keywords**
 - **Broad match** (google default) / **advanced match** (Yahoo): include variation of keywords
 - **Phrase match** (google): must contain the exact phrase!
 - **Exact match** (google) / **standard match** (yahoo default): only the exact phrase
 - **Negative match**
- **7. Geographic targeting of keywords**

Step-by-step Paid Search

- **8. Select Bidding Strategy**
 - Three focuses: maximize **returns**, minimize **costs**, maximize **profit**
 - The **key** is to use metrics to drive your bids – objective bidding
 - **Metrics useful for bid management**
 - **CPA: ad cost / number of ACTIONS** (minimize **costs**)
 - **Profit Margin: profit per unit / revenue per unit** (maximize **profit**)
 - **ROAS: revenue / ad cost** (maximize **returns**)
 - **ROI: profit / ad cost** (maximize **returns**)
 - **Allowable: highest CPA**
 - You **cannot** optimize ALL metrics!
 - Different optimization strategy leads to different performances

Step-by-step Paid Search

- **9. Make your bid**
 - Bids start at 1 to 10 cents
 - Every bid must be at least 1 cent higher than the bid below
 - You can set **budget maximums**, **bid maximums**, and **cap** for your campaign
 - Bidding is usually an iterative process – trial and error!

Step-by-step Paid Search

- **10. Attract the searchers**

- Optimize the copy
 - Use the keywords
 - Sell your uniqueness
 - Don't hype it up, but try to draw attention
 - Call to action
 - Create urgency

[SONY - Digital Cameras](#)

[Sony.com/Cybershot](#) Huge LCD Makes Taking Spectacular Pictures Easier Than Ever

- For shopping search
 - Complete and correct metadata
 - Price
 - Merchant rating

Step-by-step Paid Search

- **10. Attract the searchers**
 - Optimize the landing pages
 - Include the keywords – reinforce the **message**
 - Reinforce your **offer**
 - Do NOT use **pop-ups** and **visitor traps**

Step-by-step Paid Search

- **“Maintenance” -- Measure and Adjust!**

What's Next?