
Get a grip on PPC - Are you converting your customers?

Pay Per Click or PPC as it is most often referred to, is seemingly the fastest and most cost effective way of driving instant, qualified traffic to your website. PPC provides an unsurpassed opportunity to advertise to prospects when they are in buying or research mode. What better point to reach your audience than when they are looking for information about a product or supplier? Or looking to buy there and then?

If someone is searching for a solution online and your product fits that solution, then yours is the advert they should be clicking on. But if the advert you are running cannot convert traffic that is this targeted, then really you should not spend another marketing penny, until it does!

You can learn so much from your PPC adverts and campaigns about your target audience, really it should be your first choice of online advertising for your business. No matter what business or industry you are in.

The beauty about PPC advertising is that you can change your advert and message within minutes, test out different messages and descriptions all for a few pence. If a particular advert does not work, e.g. no one is clicking on it; you don't even have to pay for it!

The main reason why PPC has done so well is because of the amount of control the customer and the seller have over the buying process. The customer is conducting their own independent product search and the seller only pays for their advert if the customer chooses them over their competitors.

PPC allows you to accurately measure your ROI (return on investment) and give you statistical data so that you can calculate your website conversions.

Understanding PPC Metrics:

The keyword - when someone conducts a search, for example “affordable eLearning software for schools”. After putting this query or set of keywords into a search engine, the searcher is then presented with a set of results (which also include PPC adverts).

At this point your advert should be working hard to connect with the searcher and make a conversion for you. When your advert is triggered and displayed to the searcher it is considered as an ‘impression’. It is then counted as a statistical impression.

The click - at this point the searcher makes a decision to either click on your ad, someone else's or conduct a new search if the results are not relevant enough to the question they are asking.

If the searcher clicks on your advert you will be charged for the click at whatever your CPC (Cost Per Click) is set to.

If you make a connection and they click on your advert you now have two metrics to consider.

CTR - Click Through Rate which is the number of clicks divided by the number of impressions.

And

CPC - Cost Per Click

Calculating the overall effectiveness of you advert

To work out overall how effective your advert is, you can do so by conducting the following calculations.

- **Total up your ad costs**
- **Average CTR** (total clicks divided by the total amount of impressions)
- **Average CPC** (total clicks divided by total ad costs)

Converting you ad traffic to a sale or desired result

When the visitor arrives on your landing page, or the page you have decided to be connected with your corresponding advert, this triggers yet another statistic called a 'page view'.

This is where the landing page must convert your customer to a sale, information request, down load, sign up etc. It must be relevant and meet the expectations of your visitors search.

If your page contains the correct landing page elements to convince your visitor to follow your action, it can then be counted as a conversion. Just to clarify further a 'conversion' is a predetermined action that measures the success of your advertising campaign.

To work out how effective your conversions are the following calculations are generally used:

- **Cost Per Conversion** (total conversions divided by total ad spend)
- **Conversion Rate** (total page views divided by total conversions (be it sales, downloads, sign up's, information requests, emails etc.))
- **Spend Return** (sales amount divided by ad spend - alternatively if you are not counting sales, then you need to determine the value of a download, contact or sales lead etc to calculate this kind of metric)

The conversion process

In order for you to run a truly effective PPC campaign you should run it past the following checklist:

- **The search results** - ensure your advert answers the search question clearly.
- **Your ad copy** - should be an accurate representation of what the searcher can expect to find on the page your ad links to.
- **Landing page** - must meet the expectation of the visitor based on the search terms and ad copy, if it doesn't they will surely leave.

Each of these processes plays a vital role in producing a positive conversion for your advert. All 3 key stages are of equal importance and no matter how much you are willing to bid per click, without meeting this criteria you are diluting your chances of success.

Interpreting your PPC metrics

By analysing your metric results you will start to see traffic patterns emerging. They can also be indicators or common errors too, for example if you notice that your ad is producing a high amount of click through's yet your landing page is not converting at all, it may well be worth checking that you have used the correct link. This may sound like simple advice, but it sadly happens all too often.

Conduct as many tests as you can in the beginning stages of your campaigns to see which have the best uptake and then take the best performing adverts as benchmarks to be used as templates for your future campaigns. If your messaging is working, stick with it until it loses impact, then tweak it accordingly.

Also examine the circumstances that convince a search to convert on your website and the causes that not convince then not to convert too. You should start to see definite trends emerging.

Finally, if you understand the search process from the users perspective and you understand how metrics are calculated and concluded. Then you can start to improve your own conversion rates by making informed decisions and be more in tune with your customers wants and needs.

How can we help?

Soloh can help you with any aspect of your PPC activities. Please contact us for more details by phone on **01252 625 200** or via email to **ppc@solohsolutions.co.uk**