

SEO & PPC Internet Marketing: Differences, Similarities & the Role of Research Pt. 1: Pay per Click Marketing

Article Abstract

Internet marketing for new business owners and marketing leaders alike still represents a new medium. There are many basic questions on how search engine marketing "works". In this article series, we discuss what pay-per-click (PPC), search engine optimization (SEO), and keyword discovery research is. We answer some questions asked by real business owners at a recent workshop held at the Mississauga Business Enterprise Centre (MBEC) titled, "Internet Marketing: Growing Your Business". Focusing on one crucial piece - relevance - will ensure online search marketing effectiveness (and effectiveness can be quite handsomely rewarded by the Google Gods).

Recently, I had the pleasure of speaking to existing and prospective business owners during a workshop sponsored by the Mississauga Business Enterprise Centre (MBEC) in Mississauga, Ontario Canada. It was a "search marketing" primer focused on search engine optimization (SEO) and pay-per-click marketing (PPC, primarily Google AdWords) – how they differ and don't, and what is fundamental to both pieces. The goal? For these business leaders, largely SME's, it was to make sense of what has become the most efficient and effective means by which to reach targeted consumers who are looking for their product or service offering.

Here, I wanted to frame up two fundamental yet interdependent approaches to search marketing – SEO and PPC marketing and discuss the important role of discovery research. We'll cover several "real world" questions as put forward by business and marketing leaders as they thought about their own opportunities.

While presenting, it was clear that two hours was not enough time. Here, I've similarly found that even an introduction to search marketing is the stuff of a multi-part article. We begin this three part series with pay per click marketing. Future installments will discuss search engine optimization before tying it all together with what should actually be the first activity, keyword discover research.

Anatomy of PPC Marketing (Google AdWords)

What is PPC Marketing? What is Google Adwords? How do I build a campaign? How much does it cost? These are the most typical questions. Let's start with a definition (mine among countless out there!)

PPC Marketing – is an internet advertising activity whereby relevant ads linking to web relevant pages are served to searchers who have keyed in specific keywords in an effort to find relevant and useful information.

Ok, so we like the word relevant. That’s cool because so does Google AdWords. It does make sense, though, right? When you “Google” something, say, “Caribbean Vacations”, do you want ads displayed that offer you uses cars? European Vacations? Of course not.

Does the Highest Bidder Get their Ad Placed First?

Not necessarily. One thing that is important to your PPC efforts will be “Quality Score”. This is Google rating you in a couple of ways. Remember that word “relevance”? Simply, Google will take the quality (preciseness) of the match between keywords you’re utilizing and the keywords entered by the searcher, its alignment with both the ad copy in the ad you created and the actual content of the page that the ad takes the searcher to (referred to commonly as the “landing page”). This example should clear it up:

Keyword entered by searcher	‘wedding favors’	
Ad Copy you created	Numerous references to wedding favors for sale	References to reception halls
Landing Page you directed ad to	Page where there is a selection of wedding favors for sale	Page with reception halls
Quality Score Google Assigns	‘Great’	‘Poor’
Bid per Click advertiser bid - e.g. #1	50 cents	\$1.00
Bid per Click advertiser bid e.g. #2	50 cents	50 cents
Cost per Click Impact Google dictates	Lower	Higher
Ad Placement Google dictates	Better/Higher	Poor/Lower

So, what’s happening here? In short, the advertiser with the best Quality Score wins and you get that “great” quality score by connecting the relevance dots between the search term, the ad served, and the landing page content. You’ve effectively done what Google wants from it’s advertisers to benefit its users; you’ve served great targeted content.

Did you catch the two ‘Bid per Click’ examples? The obvious questions...

In example one, why would Google reward the advertiser bidding 50 cents over the one bidding double? They’re leaving money on the table, right? No because searchers will invariably click on the more relevant ad (incidentally here, with the lower bid) with much greater frequency than the less relevant one. You are being rewarded for ‘doing it right’ – being relevant. As such, the lower bid ad will actually receive a higher ad placement than the other.

In example two, the more relevant ad will be served more frequently and with better ad placement than the other with the same bid, right? (You’re catching on to this relevance

thing, good!). The added advantage to being “more” relevant is that although *your bid per click is what you’re willing to pay per click is not actually what you will pay per click*. That means that you will be rewarded with lower costs per click in addition to better ad placement.

I’ve seen many instances where keywords with “great” quality scores are actually costing *far less* than the set maximum bids. I call this marketing *efficiency* and it’s achieved only by employing *effective* PPC advertising strategies.

Return on PPC Marketing Investment

Let’s use the conventional marketing acronym ROMI (return on marketing investment). Based on what we’ve seen above, two competing advertisers both with \$2000 monthly online marketing budgets can see very different results...and meet different business fates. When competition is tight, every dollar you can extend further means:

1. More money flowing to your bottom line (i.e., your pocket)
2. A relative advantage you have versus competitors

One can die while one can thrive. Pennies per click can break your business back if you’re not careful. SME’s with tighter budgets have a shorter lifeline but internet marketing levels the playing field in many ways. There will likely be firms with larger marketing budgets, but in PPC marketing it’s often the “smarter” marketer that takes share and wins. Will it be the difference between success and failure for you?

There’s more to PPC Marketing, Too!

We’ve not touched on other tactical approaches you can employ with PPC marketing; like geographic, time-of-day/week, demographic, content and placement targeting. These serve to ensure your ad serving is even more refined and yes – even more efficient. Some of these advertising components are subjects unto themselves, so stay tuned for future articles in our search marketing series.

In part two of our *SEO and PPC Internet Marketing* series we’ll delve into the anatomy of search engine optimization while contrasting it to PPC marketing. We’ll round out the series with part three and discuss what I’d say matters most to ensure effectiveness (and the efficiency that follows) – discovery research. Stay tuned!

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