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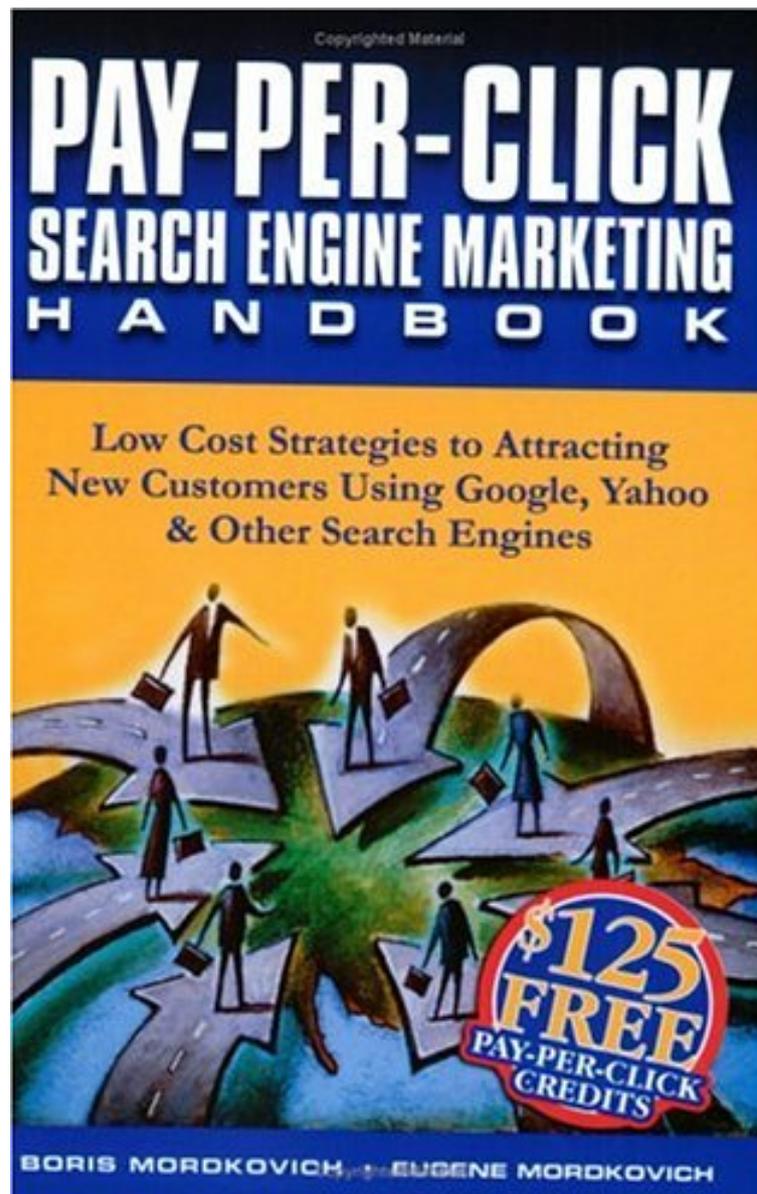Out of court settlement

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Pay-per-click Search Engine Marketing Handbook Low
Cost Strategies to Attracting New Customers Using
Google Yahoo Other Search Engines

By: Boris Mordkovich Eugene Mordkovich
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Chapter 1- Introduction Until recently, many businesses were reluctant to become involved in paying to advertise products or services on the Internet, or were unaware that online advertising was even a viable option. Reasons for this reluctance are different for each business, but some of the major concerns expressed include: • A belief that having a website listed on search engines is all that is needed for customers to find the website. • A belief that potential customers do not like or trust paid advertising on the Internet and that they will visit only those websites that come up in the "natural" search results pages of a search engine, such as Google. • Fear of wasting marketing funds, due to a lack of knowledge of the paid advertising marketplace and the pros and cons of the various options available. • A reluctance to become involved in managing online ad campaigns, as well as traditional advertising campaigns, because of time constraints. • The business does not have a website and has no plans to build one, so they do not believe that the Internet is a viable option for advertising that will be both effective and affordable. • A perceived (or actual) lack of knowledge about computers and the Internet, leading to concerns that advertising on the Internet would be too complicated to set up and manage. Of course, many other reasons can cause a business to bypass an online advertising opportunity. Some of their concerns are indeed valid and should be considered carefully. In the past, paid advertising on the Internet was sometimes viewed as a desperate move by a failing company to sell its products or services, but this has not been true for many years (if that perception was ever valid). Now, it is the most popular advertising method and the fastest-growing trend for businesses seeking to extend their market reach. Within the various choices businesses have for including paid advertising in their marketing budget, by far the most popular is a type of online advertising called "pay per click." At its most basic level, the advertiser does not pay anything for the ad until someone actually clicks on it and is directed to the advertiser's website. "These

~.Y Figure 1.1 - Pay-per-click ads appear on popular search engines, such as Yahoo! and Google, alongside regular listings. The concept of pay per click has been around ever since businesses began building websites and search engines gained popularity. However, this type of online advertising in its current form began in 1997, when an entrepreneur named Bill Gross developed an idea for the first-ever PPC search engine- Go l'o.com (the name was changed to Overture in 2001 and the company was acquired by Yahoo! in 2003). Ironically, people were quite skeptical of the idea in its early days, feeling that nobody would use a search engine filled with ads. It wasn't until the past couple of years, when Google introduced their Google AdWords program, that the pay-per-click industry exploded. 'I'hroughout that period, the industry evolved into a very diverse and widely used method of online advertising. It also spawned a support industry, with numerous businesses creating software and other tools to help advertisers create better advertising and more easily manage their ad campaigns. Because the concept of pay-per-click advertising on the Internet is relatively new to businesses with (or without) an online presence, we decided to write this book to explain every aspect of pay-per-click advertising to those who want to take advantage of it. I

Introduction Any business can benefit from this type of advertising-from companies without a website, to those with an online presence who have never heard of pay-per-click advertising. Advantages of Reading the "Pay-Per-Click Search Engine Marketing Handbook" This book is, in many ways, the culmination of knowledge we have accumulated over the past few years of observation and participation in eCommerce. We have seen the potential of pay-per-click advertising grow enormously through the last few years, exceeding even the most optimistic expectations of many online experts. We wrote this book to help business owners, especially those operating small- to-medium-sized businesses, understand pay-per-click advertising and then use it to their advantage. By reading and following the procedures in this book and carefully considering the relevancy of the available advertising venues we discuss in terms of your own products or services, any business owner will be able to compete effectively in the pay-per-click advertising world. Why pay per click over the other types of online advertising available? The growth of the online advertising industry makes pay-per-click advertising the most popular and lucrative means of online advertising today. Variations of the standard advertising model are being developed, marketed, and used by large companies who are already firmly entrenched online and well aware of how pay per click works. Meanwhile, the majority of business owners, especially those with smaller businesses, struggle to understand the basics of these techniques. Pay per click is on the rise in the online game, and we agree with research groups, such as The Kelsey Group, that it will be a viable option for advertising dollars for quite some time, even though changes to the traditional model will continue to evolve as time progresses. If you are a business owner who wishes to increase online visibility and ensure prominence on the first page of search results, the opportunities offered by the pay-per-click model of advertising cannot be overlooked. It is an option you should become fully informed about in order to compete effectively in today's marketplace. Online advertising, if properly managed and created with knowledge and foresight, can draw huge numbers of potential customers to your website-prospects who are already interested in the product/service you offer.

local search if you are an advertiser on FindWhat, you need to set up a
PPC account on SuperPages using category pricing (minimum click price of
20 cents), even though the base technology is from FindWhat. The limit
of four listings presented when one uses the local search bar (versus
their general search bar, which returns many more results) needs to be
more comprehensive in order to get advertisers interested in signing up
for this feature. The results are attractive, but until more advertisers
are provided with adequate information on how to integrate local search
into their ad campaigns, the FindWhat offering is not as competitive as
it could be, given the number of partners the search engine has. 93

Introduction and your business. We invite you to turn the page and take the first step toward succeeding in your online business ventures.

Chapter 2 - What is Pay-Per-Click Search Engine Advertising? Because its popularity is relatively recent, some business owners do not understand what "pay-per-click search engine advertising" means, nor do they realize the enormous potential it has for increasing their online presence and bringing more traffic to their websites. I-ven those who understand basic search engine marketing techniques sometimes fail to make a distinction between a pay-per-click ad campaign and organic search engine optimization (see the Glossary in Appendix 1 for a definition of this and other terms). The purpose of this chapter is to • Outline the development of the Internet into a commercial enterprise • Clarify the basic operation of a pay-per-click ad campaign • Provide some of the major highlights of pay-per-click advertising's development • Compare the major differences between this advertising technique and search engine optimization The Development of the Internet as a Commercial Undertaking The Internet was created in the 1960s as a means of linking a variety of governmental informational sites with the vast academic network of libraries, researchers, and academic institutions. In fact, the initial 1969 network (called ARPANE I) that eventually evolved into the Internet was a collaborative effort commissioned by the United States Department of Defense and involved just four academic institutions. During the next decade or so, development moved ahead quickly, despite a number of major challenges. The best minds in the newly formed field of computing science, and experts in other scientific and mathematical arenas, collaborated to work out the problems associated with a global undertaking of this size and complexity. It wasn't until 1982 that the network was officially named the "Internet," and another eight years until the first search engine Archie-was developed at McGill University in Montreal, Canada. The University of Minnesota soon followed with the extremely popular "Gopher" and the race to build bigger, better search engines began. The World Wide Web, or the "web" as it has come to be called, also came into being soon after Archie was released. I lowever, it wasn't until 1993, with the

What Is Pay-Per-Click Search Engine Advertising? release of the Mosaic web browser, that computers operating either the Windows or the Macintosh operating systems could access it. The availability of Mosaic, and the similarly flexible web browsers that followed, were key to the success of the World Wide Web. Initially, most individuals interested in exploring the World Wide Web chose online services such as America Online as the easiest way to interact online, but businesses soon realized the potential for using the web for commercial use. "Today, there are hundreds of millions of domains registered on the Internet and millions of businesses that use the Internet to sell their services. Even more businesses could benefit from the Internet if they were aware of the possibilities. The Internet is no longer the simple communication and informational source it began as. It is now a huge, quickly changing entity. Search engines play an important role, because they help users find what they are looking for and are constantly reacting to market needs and developing additional resources and capabilities with which to compete with each other. Therefore, if you want to be successful in your online advertising campaigns, you must be prepared to quickly adjust your strategies, methods, and approaches. The Development of the Pay-Per-Click Advertising Model As the web became more commercialized, various forms of advertising were developed. One of the first was the "banner ad," which was clearly visible and easily understood. It was often presented as being just like a billboard, but with the added advantage of people across the globe being able to view it. Another form of advertising was "pay per click." At its most basic level, this involved the placement of a small ad on a search engine, for which you were charged only if a visitor clicked on it. Since 1997, pay-per-click (PPC) advertising has become the fastest-growing method of online marketing. As its popularity increased, the model was altered somewhat to take advantage of technological advancements and to deliver what research said potential clients were looking for in an online ad. The basic concept of PPC, however, remained the same. During the last decade, PPC advertising has become the most popular method of running ad campaigns online and generally believed to be the best advertising method, as far as return on investment (ROI) is concerned.

What Is Pay-Per-Click Search Engine Advertising? The following timeline highlights the development of the PPC advertising model over the last several years and the search engines that offer it as an option. 1997 • Bill Gross, founder of Idealab, developed a concept for a search engine that focused solely on search. Ile named the engine "GoTo.com" to brand the site as the place millions of Internet users could "go to" in order to find what they were looking for. (Phis search engine was renamed Overture late in 2000.) 1998 • The GoTo/Overture website launched, with a search-only focus. The pay-per-click model was introduced, which enabled businesses to bid on search terms in an auction format. The amount bid for the terms determined their ranking in the search results-the highest bidder appeared first in the list, the lowest bidder last. 1999 • GoTo/Overture launched a Pay-For-Performance Affiliate Program that allowed businesses to add a search box to their websites and, in return, receive payments based on the number of visitors who conducted a GoTo/Overture search from their site. • The ePilot paid-search engine, and pay-per-click technology aimed at driving consumer traffic to this new search engine, was introduced. • Search 1 23.com was founded in June. • The FindWhat.com network was launched in September. • Kent Keating founded Kanoodle.com in October. • Fnhance Interactive was founded under the name ah-ha.com. 2000 • Google became the largest search engine on the web, with a new index comprised of 1 billion URI,s. Yahoo! selected Google as its default search results provider to complement the Yahoo! web directory and navigational guide. • ePilot 2.0, with new design and advanced search features, including a keyword-bidding wizard, was released. • The BrainFox network was founded in June.

What Is Pay-Per-Click Search Engine Advertising? • PageSeeker/ROAR began operation in September. • Search123.com launched a pay-per-click search engine platform in October, with a robust self-service user interface for advertisers and a real-time reporting interface for traffic partners. • The Searchfeed.com network was established in November. • FindWhat went public and began trading on NASDAQ. • Go To officially began to change its corporate name to Overture. 2001 • Google advertising programs attracted more than 350 Premium Sponsorship advertisers and thousands of AdWords advertisers, and delivered clickthrough rates four to five times higher than clickthrough rates for traditional banner ads. • Yahoo! launched "Sponsor Matches" with Overture as its Pay-For- Performance search provider. • Another major upgrade of the ePilot search engine was announced. The move enabled the company to partner with other search engines and distribute tens of thousands of sponsored advertiser listings. 2002 • Google launched AdWords SelectTM, an updated version of the AdWords self-service advertising system with a number of new enhancements, including cost-per-click (CPC)-based pricing. • MSN signed an agreement with Overture to be its Pay-For- Performance search provider for MSN Search in the U.S., UK, and Canada through 2003. Yahoo! extended its Pay-For-Performance search partnership with Overture for three years. • Interchange unveiled an industry-leading Keyword Suggestion Tool, which helped advertisers pre-populate a robust and comprehensive keyword list utilizing a unique comparative research process. 2003 • Google surpassed 100,000 active advertisers in its Google AdWords program. • Google AdSense, designed to maximize the revenue potential of a website by serving highly relevant ads specific to the content of the page, launched. Initial partners included ABC.com, IlowStuffWorks,

What Is Pay-Per-Click Search Engine Advertising? Internet Broadcasting
Systems, Inc., Lycos Europe, Knight Ridder Digital, About.com, CNI?T,
and others. • Google introduced enhancements to its AdWords service,
including a conversion tracking tool and expanded match technology. • In
June, Searchl23.com was acquired by ValueClick, Inc. • In July, Yahoo!
and Overture signed a definitive agreement for Yahoo! to acquire
Overture. In October, Overture stockholders voted in favor of the
company's acquisition. • ePilot's search distribution network exceeded 1
billion searches in the third quarter of the year. The search engine
began development of their Local Direct search and advertising platform
and pioneered Keyword DNATM-a search technology that mapped billions of
keywords directly to over 10 million individual U.S. business listings.
This effectively bridged the gap between category-based directory lookup
and unstructured keyword search. • A merger between FindWhat.com and 1,
spotting, a major European search engine, was announced. 2004 • Google
announced a new web-based mail service called Gmail. Gmail included
relevant advertising delivered with the same technology that scanned web
pages as part of the AdSense service. The AdWords program itself was
enhanced with the addition of local search targeting capability,
enabling advertisers to specify a geographic range for delivery of their
ads. • Overture launched Local Match-their local search solution, with
options that allowed it to attract businesses with no online presence.
Interchange launched the breakthrough Local DirectTM search and
advertising platform. The platform integrated a "push to talk" service,
which combined the power of inbound telephone leads from the web with
the flexibility of a pay-per-call model. Also partnered with
YcllowPages.com to provide local paid search, which enabled
YellowPages.com to offer cost-per-click advertising services to its
advertisers via Interchange's Local DirectTM search and advertising
platform.

What Is Pay-Per-Click Search Engine Advertising? 2005 • Overture was renamed to Yahoo! Search Marketing Solutions. • Google launched a limited beta test that will let advertisers choose the sites on which their contextually targeted ads appear, but they have to pay for those ads on a CPM (cost per 1,000 impressions) basis. How Pay-Per-Click Search Engine Advertising Works As mentioned earlier, pay per click (PPC is the placement of a small "ad" on the search results page for a specific keyword or keywords in return for a specified payment when a visitor actually clicks on that ad. Keep in mind that the advertiser pays nothing to appear on the results page per se; they only pay the amount they have agreed to (or bid for) when someone actually clicks on their ad and is taken to the "landing" page on their website. Therefore, the term "pay per click" means just what it says: the advertiser pays each time a visitor clicks on their ad. The first step in putting together a PPC campaign is to decide your budget and the level of risk you are willing to take. Both aspects will affect which PPC search engine you ultimately choose to start with. As one would expect, the larger search engines are less risky endeavors, because they already have excellent market coverage and tend to offer a lot of assistance to their users. I lowever, they also are the most expensive in terms of how much money you must spend to acquire a visible ranking. The second step is to choose your keywords. There are plenty of free, independent tools available to help you research keywords. Many of them will also tell you the current bid price for certain words or phrases on the different search engines. (Later in this book, you will find a review of a number of the leading tools available.) The third step is to compose two things: the headline that will appear on the search results page, and a description of your product or service, or other promotional text. Descriptions are usually limited to 200 characters or less, and it should contain the keywords you have chosen to use. Some PPC search engines strictly control the text that can appear in the listing and manually review each advertisement; others are more lenient and approve the ads automatically. Next, you must open an account with a PPC search engine. Be prepared to supply your name, company name, address, phone number, email address,

What Is Pay-Per-Click Search Engine Advertising? and so on. As a rule, opening an account is free. You will not be charged until you have bid on the search words you want and have funded your account. You will also be given a number of alternatives for funding your ad campaign. For instance, you may fund your account with a credit card for a set amount, such as $100. When this In general, the initial deposit varies amount is exhausted, all advertising between $25 and $50. Some search stops. Under another scenario, you can engines will even give you a set a monthly limit. When the limit is nominal amount of money as a reached, the advertising stops. bonus to begin your campaign Carefully consider the consequences of with. the option you chose, for it can become quite expensive. Be sure to check out the fine print in the agreement to be clear on minimum deposits required, as well as what happens to your deposit if you decide to cancel your campaign. Now you can begin bidding for keywords. When you first register the keywords you have chosen with the search engine (and some large businesses will have thousands of keywords), you must specify the maximum amount you are willing to bid for those keywords. The price of a keyword can range anywhere from 1 cent to a couple of dollars or more, depending on its popularity as a search term and the search engine itself. Naturally, advertisers who pay more appear higher on the search results pages. Depending on the industry, you may find that there is fierce competition between advertisers for popular keyword(s). The business that bids the highest amount of money for a specific keyword will be ranked first in the PPC results, the second-highest bidder will be ranked second, etc. Typically, search engines limit the number of paid ads on a results page to fewer than 10, and research has shown that the first five PPC ads generally get the majority of the visitors (hits). Furthermore, the top three listings usually get the most exposure, as they are syndicated throughout the search engine's partner network.

What Is Pay-Per-Click Search Engine Advertising? Is a Pay-Per-Click Campaign the Right Investment for My Business? Pay-per-click advertising is generally considered an excellent way to advertise your business online. It is relatively easy to set up and inexpensive as well. Search engines offer varying amounts of support, and some are easier to use than others, but the opportunity to ensure placement of your ad without investing a large amount of marketing dollars makes PPC an extremely attractive option. As a business owner, you should not ignore this potent marketing technique! Pay Per Click Versus Search Engine Optimization Many people have difficulty understanding the different parts of search engine marketing. In a nutshell, it consists of two completely different techniques: • SEO (search engine optimization), and • PPC (pay-per-click advertising). Although this book is meant to educate you about the latter, we feel it's important that you understand what regular search engine optimization is. SEO is a process of preparing your website and its constituent pages for prime positioning on search engines, using specific keywords. SEO is actually very complex, as it changes on a regular basis. If you want to]earn more about it, two good places to start are www.sembooster.com and www.searchenginewatch.com. If you want to outsource this to a professional, we recommend that you check out www.seo-guy.com. Some website owners believe that SI?O and pay per click are the same process, perhaps because both involve search engines. I lowever, they are completely different and independent types of marketing.

What Is Pay-Per-Click Search Engine Advertising? Let's look into some of
the main differences between SU10 and ITC. Purpose-both Sl?O and PPC are
designed to attract traffic via search engines. Search Engine
Optimization--to appear as near the top as possible in the search
results for keywords relevant to your websitc. Pay Per Click-to
instantly attract qualified prospects and leads to your website and
convert them into buyers. Keywords Search Engine Optimization---one
usually wants to target general terms, as they provide the most amount
of traffic. You don't always have complete control over which keywords
will be chosen for your site, nor do you have any control over the
ranking you will receive. Pay Per Click----you have complete control
over which keywords are used and their position on the search results
page. You can change the actual ad, as well as set up different ads for
different keywords. More specific keywords lead to higher-quality
visitors than do general keywords. 3. End Result Search Engine
Optimization-depending on your keywords and the resulting ranking you
receive in the search engine, you attract free traffic to your website.
Pay Per Click-you pay for each visitor you receive, but you can control
the number of visitors you get, the landing page to which they are
directed, the keywords being used, and other important factors. As you
can see, the two processes are quite different in techniques, methods,
and execution, but the desired end result is the same-to receive quality
traffic from search engines. With SEO), you have less control and are
dependent upon your site meeting each search engine's specific rules.
With PPC, you can control every aspect of your campaign.

What Is Pay-Per-Click Search Engine Advertising? The Popularity of Pay-Per-Click Advertising Let's conclude this chapter with a consideration of the popularity of PPC in terms of searchers and advertisers. Recent surveys of trends in the Internet marketplace show that a majority of people in some key demographic groups are increasingly using the Internet-not just to research products, but as a place to buy them. Some products tend to be researched but not purchased online, such as large appliances, but with local search options, one can even benefit from online advertising in those cases. Results of a survey by The Kelsey Group, which were announced in February 2004, showed that: • Of the 5,582 people surveyed who had made one or more purchases on the Internet in the previous year, 64°%ó used search engines to find what they were looking for. • One-third of all searches were done for shopping purposes (which includes looking for a seller, researching a possible purchase, or actually purchasing something online). • Almost half of the respondents (44%) reported performing more commercially based searches than in the previous 12-month period. Keep in mind that these percentages come from a statistically significant group of people who were already proven online buyers. What about those who may not have bought anything online yet? A survey conducted by WebAdvantage.net shows that: • 69% of respondents didn't know the difference between regular search engine results and paid advertising. • Once the differences were explained, 59°/e said they would use pay-per- click ad campaigns, especially if they could target them to a local marketplace. Of course, other studies don't show quite as large an impact (especially of PPC) on advertising results. I lowever, most agree that search engines are becoming a more widely used tool than printed yellow pages or other offhne sources, such as newspapers, direct mail marketing, and magazine advertising.

down almost 10% over the year, but still a very high number. The study also reported that 400,'o to 45% of search results now show paid ads in them, indicating that almost half of search enquiries are commercial in nature (Pew Internet Study-Results Dated January 23, 2005). Given that more consumers are looking online for information on purchases and are making purchases online, and most still don't know how to distinguish paid results from unpaid results, it is increasingly important for consumers to be educated about the advantages of pay-per-click ads as a means of narrowing their search more quickly. Many spend valuable time searching through organic results for relevant product reviews and information, without knowing that highly relevant links to those products are found in the PPC ad results. This is a huge consideration! If you can persuade visitors to buy your product while they are researching it, it is certainly worth the cost of educating the masses. Those who use search engines need to understand the various advertising methods, such as PPC, and how these targeted ads can save them a significant amount of time. Doing so can ensure that, when your ad is positioned in a prominent place, it will be noticed by users and acted upon. The next chapter continues this discussion in more detail, providing more information on why advertisers should use pay-per-click advertising instead of, or in addition to, the marketing methods they are already using.

Combining Pay Per Click With Search Engine Optimization It may seem that, if search engine optimization (S1?O) is conducted properly and thoroughly, it is all you need to guarantee a top-ranking position in search engine results. Sadly, that is not the case. l?ven when using the best SRO techniques, your listing is at the mercy of the search engines in terms of where it is eventually placed. l?ven though you may have followed all the suggestions, and placed keywords in the proper density and places, once you submit your website you must wait until the next spider crawl before your site will be (hopefully) added to the index of pages on the Internet. As well, you are competing with dozens of your competitors for the same top positions. Once you are listed on the search engines, you must continually tweak your SF 0 to improve your ranking. One continuing concern raised by webmasters in online forums is that the ranking of their site keeps changing, even though they have not made any changes to their site. You must keep in mind that new sites may have been found during the latest crawl of the Internet that the search engine considers more relevant-a key component spiders use in deciding in what order websites are ranked. Yo sum up: • S1?O is an extremely important part of online marketing because it can ensure good organic rankings in search engines. • SFO it is only one part of a successful online marketing campaign. • It can take quite some time for your site to show up on search results, and you have no control over its ranking position. • Without a component that ensures placement on the first page of search results, you risk not reaching your potential audience. The Effect of Ad Location on Reader Response Recent research by Eyetrack III (published online in September 2004) shows that viewers typically begin looking at a web page by viewing the information in the upper-left quadrant and then tracking left-to-right at a height level comparable to the usual location of PPC ads.

Why Use Pay-Per-Click Advertising? Another interesting finding was that the test individuals preferred ads where the headline and the text of the ad (the blurb) were similar in size and font. Otherwise, they tended to just read the heading and skip the blurb. Also, of all the types on online advertising tested, Eyetrack found that text ads (PP(' d f; 11 .d f a S arc ypca y c,c,mprtsc o text only) were viewed much more closely than others. Some sponsored results are often found at the very top of the search results page. Although these are identified as "s onsored matches" or Pay-per-click ads are generally located to the right of the organic listings (or on top of them) in a section called "sponsored links" or some such terminology. .p similar terminology, they are the first listings that the visitor sees and potentially the first that he or she will click on if they arc interested in the product. Other studies have shown that viewers rarely look beyond three pages of listings resulting from a search request, and the vast majority don't go past the first page (usually 10 listings). 't'herefore, unless the SEO you conducted places your listing in the first page of results of a user's search, you have a relatively small chance of being seen by potential clients. For these and other reasons, ensuring maximum exposure requires doing more than just relying on SFO and submission to search engines. You must also consider pay-per-click advertising, which complements and builds upon the elements of SRO in a way that most other advertising methods do not. The Advantages of Combining Pay Per Click With SEO What advantages arc there to using pay-per-click ads with search engine optimization to enhance visibility of your website? • PPC requires a relatively small investment, so companies can determine what effect keywords and landing pages have on visitor behavior before investing larger amounts in ST?O. • Information about your products or services appears in front of users almost immediately. You can literally start getting targeted visitors, leads, and sales in a matter of hours. • The ads are usually placed in a prominent position right next to the organic search engine results. 'T'hus, the ad is right in front of the searcher, and likely to be seen. • PPC search engines allow you to generate website usage reports that can help you identify which parts of your website seem to be working

Why Use Pay-Per-Click Advertising? and which parts are not (tracked by the number of visitors who visited those pages). If the website works and converts well using PPC, it is likely that it will also work well on other online advertising media. • PPC ads can easily and quickly be changed to take visitors to different landing pages, or customized to bring some visitors to one landing page and others to another version for comparative purposes. This allows you to improve your site's conversion process. • Likewise, PPC ads links can quickly be changed to promote a seasonal or other special marketing initiative, leading them via the landing page to details of the promotion. For example, if your company plans a marketing promotion for Valentine's Day, the ad can quickly be tailored to reflect this and the landing page altered, if necessary. • Pay per click is also a good option to try if your website isn't getting the amount or type of traffic expected. Additional SEO may help, but a PPC ad will immediately encourage visitors to click and visit your website. Analysis of that traffic can help you make changes that can alter the quality and quantity of visitors you receive much more quickly. Keep in mind that with PPC advertising, you do not have to wait months to see the results of your effort, as you do with regular search engine optimization. Some PPC search engines do take a few days to have an editor check over submitted ads for relevance, and to ensure they do not violate the search engine's terms of service, but few take longer than that because they realize that timing is one of the major advantages of PPC advertising. This can be particularly beneficial for companies that have just opened for business, because it gives them an opportunity to compete on the Internet almost instantaneously. Why Is Pay-Per-Click Advertising So Effective? Now that we've explored how pay per click can help augment your search engine optimization program, let's look at why it is such an effective method, both to searchers and in comparison to other forms of online advertising. Besides the fact that the location of these ads on results pages is usually in the viewing area that draws a visitor's eye more quickly than other parts of the page, the actual component itself has many advantages over other types of online advertising that result in its overall lead in effectiveness. Key to this effectiveness is how the searcher views this form of advertising and their acceptance of it, in comparison to their relatively weaker response to other types of online advertising, such as banner ads or popup ads. In part, this is

Why Use Pay-Per-Click Advertising? because PPC ads are still a novelty, relatively speaking, compared to banners and popups, which have been highly visible on websites for many years. Although paid advertising has been around for a large part of the last decade, it wasn't really until Overture pioneered its pay-per-click program in 1997 that the product's potential became evident. Other search engines soon introduced similar programs. With the Yahoo! acquisition of Overture late in 2003, the two largest search properties on the Internet-Google and Overture/Yahoo!-intensified their competition in the PPC industry, a process that resulted in an improved product with features that other search engines were quick to add to their own paid search product offerings. This resulted in the skyrocketing interest we now see in search engine users and advertisers alike. Searchers find great utility in PPC ads, mainly because they are clear in what they are selling. General search results may or may not lead to companies actually selling products, but because these ads are paid advertising, it's completely logical to searchers that when they click on such an ad, they will go to a website with relevant products or services. In effect, the audience is already targeted and pre-qualified-your PPC ad will be clicked on by people already interested in your product, resulting in better conversion rates than organic search listings. Other types of online advertising do not deliver to the advertiser the same kinds of benefits a pay-per-click ad does. Some of the reasons why PPC ads are more popular among advertisers than other types of online marketing include:
• PPC ads can be crafted so as to include your most important keywords and unique information that will lead a user to click, even though they are much smaller in size than banner or skyscraper-style ads. • PPC ads are text-only (except for the occasional search engine that allows the addition of a logo in the ad). Research has proven that text ads have more influence on searchers, because they provide information to help them make a decision, rather than just flashy graphics with little detail. • Whether people are looking to buy products online, or are just researching products they will later buy locally, they have little time to waste. They prefer ads that tell them as much as possible about the website and its products so they don't waste time looking at sites that don't fit their needs. • PPC ads found on search engine results pages reach a larger potential audience than banner or popup ads placed on a website or in an online

PPC ad. Other forms of advertising show up on the page regardless of whether or not the viewer is looking for the product you are advertising; therefore, relevancy is not as efficient for other forms of online advertising. • It is relatively simple for an advertiser to calculate the return on investment (ROI) of a PPC ad campaign because the advertiser is only charged when someone clicks on the ad. Statistics on how many clicks were made during a certain time period, and an enormous amount of other analysis of visitors' behavior while on your website (such as which pages they visited, how long they stayed, and so on) are easily captured. The advertiser knows the cost of the ad campaign, because they control the cost via bidding on keywords, and can track how many searchers were converted into buyers. This makes figuring out if the PPC ad was profitable or not a relatively simple calculation. As a simple example, let's assume that during the month of January your PPC ad cost you $50 in clicks and that you made net sales of $100 that you can tie directly to that PPC ad. The ad was clearly successful-you earned $5(1 from it that month. With an online banner ad as a contrasting example, payment is usually based on a CPNI basis, or a specific cost per every thousand impressions or views of the page containing the ad. With a cost-per-impression type ad, you cannot even be certain that the searcher saw your ad on the page, just that they visited the page. Even if they ignored your ad completely, you still have to pay for it. The cost of banner ads varies, depending on the popularity of the site they are appearing on, but averages anywhere from $5 to $50 per 1000 page views. You will owe this amount, regardless of how many people actually see your ad. As well, over the past couple of years, banners have begun to lose their effectiveness, because users simply have come to ignore them.

Why Use Pay-Per-Click Advertising? part of today's pay-per-click advertising products. As search engines continue to compete for advertisers, these types of tools will increase in number and sophistication. There are also many third-party tools available that can help you manage and control your ad campaigns, if you wish to receive assistance from an independent business. Some of these tools will be discussed and reviewed in detail later in this book, but basically they can help with keyword choices, bid management, visitor monitoring, and keeping track of ROI, among other things. For those businesses that feel they need "unbiased" information, not just the reports and information provided by the search engines, these tools can be very useful as a backup to personal monitoring of the results of your ad campaigns. Still, some personal involvement is strongly recommended, so that you are familiar with all of the terminology and types of details that will be included in reports from both the search engine and any third-party tool or service you have chosen. Some advertisers are reluctant to experiment with pay-per-click ads because they believe that they work better for some types of businesses than others. I lowever, this is not really accurate. Although it is probably easier to succeed with this type of advertising if one is selling certain types of products or services, this is more a reflection of consumer preferences than the viability of pay per click itself. For instance, it is unlikely that consumers will ever purchase a house, for example, strictly from an online ad without conducting some other kind of research. IIowever, they will routinely purchase lower-cost, or more frequently purchased, items as a result of any kind of online advertising. What pay per click offers you as a distinct advantage over other types of online advertising is its immediacy of placement and flexibility in making changes to it. Another stumbling block for pay-per-click advertising in the past was that businesses with a strictly local market were reluctant to place such ads, because they felt their ROI would be low to nonexistent. Their reasoning was that unless their products were those that searchers have historically shown a propensity to purchase online, such as books, music, and DVDs, among others, they would be charged for the click, but receive few conversions from visitors into buyers-unless those visitors were from the same locale as the business. Search engines were aware of this dilemma and, similar to the way online comparison shopping sites have handled this situation for years, began to offer versions of "local search" to their engines. Once the giants in the search industry (and huge providers of PPC advertising), Google and Yahoo!, released

and paid advertising. • Once the differences were explained, 59°/e said they would use pay-per- click ad campaigns, especially if they could target them to a local marketplace. Of course, other studies don't show quite as large an impact (especially of PPC) on advertising results. I lowever, most agree that search engines are becoming a more widely used tool than printed yellow pages or other offhne sources, such as newspapers, direct mail marketing, and magazine advertising. 15

Why Use Pay-Per-Click Advertising? they did not like paid advertising mixed in, even if they had to pay for a search engine without paid advertising in it. Another interesting point made in this survey is that if it was perfectly clear that a search engine was tracking searches made by an individual in order to personalize the ads, just over one-fifth (21°o) of all Internet searchers would stop using that search engine. Overall, this survey reinforced earlier studies that showed that the majority of users of search engines do not really understand how they work, but they trust that the search results will be unbiased and fair. As Deborah Fellows, the author of the survey report, wrote, this state of affairs places a large burden on search engines to maintain that confidence and trust by ensuring that perception remains. This will be difficult to do as PPC progresses and it becomes clearer that it is indeed paid advertising. Is Pay Per Click Replacing Other Methods of Online Advertising? The growing popularity of PPC advertising, especially through 2004, has led to many changes in online methods of advertising. Perhaps most significant, the rapid growth of PPC ads in combination with local search was an impetus to a process already underway-the gradual migration of advertisers from a print-based medium to online yellow and white pages, either in place of traditional print advertising, or in addition to continuing print advertising. Pay per click is definitely making in a dent in other types of online advertising. Its ease of use, relatively low cost, quick setup or shutdown, and ability to be quickly changed, as well as the detailed tracking and management information available, have led online advertisers who had used other methods to experiment with it. Because it costs relatively little to experiment with PPC, many advertisers, especially in the small-to-medium-sized business group, are trying it and then comparing the results to other methods they had traditionally used, such as banner ads or popup ads. The addition of local search has businesses even more intrigued, given that research from the well-respected Kelsey Group has shown that over 60° o of all search engine traffic is somehow locally related, and that by the year 2008 the market for local search advertising is estimated to be $2.5 billion. A recent Webinternet survey also showed that 59°0 of their respondents would use pay-per-click advertising if they could target a specific location, an option that is now becoming commonplace in search engines.

Why Use Pay-Per-Click Advertising? Although other methods of online and offline advertising have strengths and advantages over pay-per-click ads, the significant advantages of quick results and the ability to self-manage your ad campaign, now enhanced with the option of targeting a local market, makes it very likely that the trend will not just continue, but increase. As further enhancements become available, PPC advertising will become even more desirable, both for advertisers and the visitors/buyers they are seeking. Searchers have made it abundantly clear, both via their responses to market research and in their actions, that they are tired of popup advertising interfering with their search experience. Many are increasingly using "popup blocker" applications. Banner advertising is becoming less popular as well. Unless the banner itself is very compelling in design, The Kelsey Group's research finds that viewers may glance at the top headline or heading, but rarely will look further at a banner ad. There are many reasons for this, but the main one is that, when asked, online buyers rank text-based ads much higher than graphic ads with very little text, the category most banner ads fit into. Conclusion What has happened in the search engine marketing arena over the last couple of years, and particularly in 2004, is a fundamental shift from traditional means of online advertising to a previously little-used option called pay-per-click advertising. Because PPC has plenty of advantages, and few disadvantages, many more companies are beginning to begin experiment with this type of advertising. As companies began to experience the benefits of PPC ads, such as having an easier way to compute the ROI on ad campaigns, search engines and third-party support tools reacted with enhancements or new features that helped advertisers, especially those new to this form of marketing, with the nuts and bolts of creating and managing a PPC ad campaign. The end result will be the continued growth of the PPC advertising model over the next few years. Other forms of paid online advertising are also adjusting their approach, in response to the success of PPC and to what research is now telling us about people who visit search engines for shopping purposes. For now, however, pay-per-click advertising is quite possibly the most cost- effective and efficient means of online advertising available, with improvements to the process being made almost daily by one search engine or another. Small- to-medium-sized businesses can no longer afford to "wait and see" before trying this type of advertising-the introduction of localized search to the mix is the final factor that should sway you to consider investigating this form of advertising.

Why Use Pay-Per-Click Advertising? In the following chapter, we will
discuss how to set up a pay-per-click advertising campaign, from
choosing a search engine and writing your initial ad to tracking the
results. In the process, we will also show you how powerful this form of
advertising can be.

Chapter 4 - Developing a Successful Ad Campaign So far, we have
discussed the concept of pay-per-click advertising, how it differs from
search engine optimization and other advertising techniques, and the
results that this type of advertising can bring to businesses. Now it is
time to delve into the nuts-and-bolts portion of this book. Because
you've read this far, you are undoubtedly interested in experimenting
with PPC to see if it can improve the performance of your online
advertising campaigns, in terms of producing more sales without
incurring higher costs than you are already paying for other sales
methods. Using the tips and techniques described in this chapter, Most
search engines require a along with a couple of hours of your minimum
deposit of $25-50, which time and about a hundred dollars, you usually
goes completely toward will be able to set up ad campaigns on your first
clicks. several search engines and then evaluate their effectiveness. As
you read through this chapter, keep the following points in mind,
especially when you are ready to open an advertiser account. • Choose
your search engine(s) wisely. Search engines differ in the type of
pay-per-click services they offer and in the audience they appeal to and
serve. Consequently, the same ad on different search engines will have
different results. • An ad written for this type of advertising is very
different in nature from other forms of marketing. Certain aspects of
your products or services should be prominent in PPC ads, although you
may consider them secondary in other forms of advertising. • Re-think
the way you write ads. Search engines restrict not just the length of
your message, but also stop you from using terms that you may consider
vital to attracting potential buyers, such as "the greatest bargain
online" and similar superlatives, unless you can prove your claim.
Despite this, you still need to find a unique selling point that will
attract the eye of someone browsing the search results page. • You must
entice visitors to click on your ad. Without a carefully crafted ad, you
will not profit from your undertaking, even if you have paid for the
privilege of having your ad appear at the top of the paid listings (you
have successfully bid for that position).

Developing A Successful Ad Campaign The ultimate purpose is to attract uali visitors. Because you pay each time someone clicks on your ad, your success is measured by actual sales or by visitors taking other actions that you have decided are part of your ad campaign goal (such as signing up for your newsletter). The more specific the ad is, the more targeted the visitor will be, and the higher the number of conversions you will receive. Opening an Advertiser Account on a PPC Search Engine Opening an advertiser account with any pay-per-click search engine is usually simple and intuitive. Generally speaking, all you need are a listof keywords you wish to use, the final copy for your ad, and the URL of the landing page you wish to use. Many search engines even have a wizard that will guide you step- by-step through the process, often with interactive help if you have questions along the way. I lowever, the opening of the account is the easy part. Before you do so, there is much preparatory work you should do. Once opened, using a combination of the information provided by the search engine to its advertisers, third-party tools and services related to pay-per-click advertising, and your own observations of the direction of your results, you will need to tweak your ad campaign(s) as frequently as possible to ensure you are receiving the best results possible and generating a positive return on investment. Let's begin with a discussion of a variety of factors you need to consider when writing your ad for inclusion in a paid advertising program based on clicks. Writing a PPC Ad That Generates Results Your ultimate goal is to write a pay-per-click ad that will strike the optimal balance between receiving the largest amount of targeted traffic and making the most conversions, in terms of sales and leads. The ad itself generally consists of several parts-the title of the ad, description, and the visible URI, of the page you want to send visitors to. Most search engines have fairly strict parameters concerning the length and appearance of text allowed in the title and description portions of the ad. Using Yahoo! Search Marketing as an example, your ad will consist of three basic parts: • Title or Headline-this section of your ad is limited to a maximum of 40 characters. It is highly recommended that you use the actual keyword you are basing your pay-per-click ad on in the title, for two very important reasons. First of all, if the searcher's keyword is also in your title, he or she will perceive your ad to be more targeted toward their specific needs. Secondly, many search engines bold the keyword

Developing A Successful Ad Campaign when it appears in the title/headline or the description of your ad, thus attracting more attention to it. (We will discuss choosing keywords and bidding techniques later in this chapter.) Description-this part of the ad is limited to 190 characters (other search engines allow anywhere from 100 to 250 characters). The description should succinctly state the unique selling point you wish to use to catch a searcher's eye-the benefit or feature of your product that will entice the searcher to click on your ad, rather than your competitors' ads. lie as specific as possible, concentrating more on describing your product than using sales talk and superlatives that do not describe what you are offering. Focus on action words and avoid using the term "free" (even if you have a free offer on your website); you will receive huge numbers of clicks from searchers curious about anything that is identified as "free," and those visitors don't tend to convert well. • URL-this is the landing page to which your visitors will be redirected once they click on your ad. We will discuss how to design a good landing page in an upcoming section of this chapter. Most search engines offering pay-per-click advertising follow similar guidelines for ad structure. I lower, Yahoo!, Google, and some other search engines have a fair number of rules about each part of your ad, not just concerning their length, but also their content. Some of the more restrictive rules include: Keyword: flowers [edit] Count r ter • Superlatives, such as "the best" or "top-rated" shouldn't be used unless Enter Writing effective Title titles the content on your landing page C 0/40 specifically backs up that claim via a description of why you are entitled to Enter Writing claim to be "top rated" or "the best." Description: effective descriptions 0/190 • 1 f you are targeting a local area, 0/70 Google likes you to work the name of the city or region into the ad. • I f the text of your ad mentions a Enter Choosing URL• appropriate special promotion or deal being URIsO offered, full details must be available http 11 7/1024 within 1-2 clicks of your landing page. j Copy Title Down to All Copy Description Down 1toAll 1'. Copy URL Down to All Figure 4.1 - The interface for creating a Yahoo! ad.

Developing A Successful Ad Campaign Other search engines, especially smaller, second-tier search engines, may be a little more flexible in terms of editorial guidelines, but few provide the amount of detail online about acceptable ad characteristics that Google and Yahoo! do. Instead, they just say that your submitted PPC ad is subject to review and changes by their editors before it is placed on the search engine. While crafting your ad, take time to investigate your competition. Find out who the main players in your industry are and look at a number of PPC ads they have placed to get an idea of the kind of verbiage they are using. This approach can help you whether you are new to the process or are a seasoned advertiser struggling to come up with compelling verbiage. Your competitors' ads may provide just the inspiration you need to create an ad even more compelling than theirs. Because the content of your ad can be changed as often as you wish, constantly test and retest your ads. Remember that there isn't a single point in time when you will come up with the perfect campaign, so you can say "I'm done." No matter how well your ads are performing, you must always experiment and try to improve your results or you risk your competition besting you. As a final note, because PPC ads are dynamic and can be changed quickly, you can also use them to highlight a special promotion or a special feature of your product or service that sets you apart from the competition. Just be sure that if you do this, the landing page has all the information the visitor needs about that special promotion or feature. Most PPC search engines offer help with crafting your PPC ad at little or no charge. Others will take over the entire process for a somewhat higher price, but they do have the expertise and experience to know what works and what doesn't in a PPC ad. Of course, keep in mind that when you pay somebody to design your campaign, its success depends entirely on a stranger's perception of the unique qualities of your particular product or service, and how much time they are allotted by the search engine for each customer. Google AdWords offers a service called "JumpStart" where they will design the entire campaign for you for $299. However, the entire payment will be applied toward your clicks. Overture offers a similar service called FastTrack for $199. 1-1owever, they keep that payment and don't apply it to your account. Other search engines offer similar services in the $99- $150 range. Some business owners prefer to have complete control over the content of the ad from start to finish, while others are content to leave all the decisions in the

Developing A Successful Ad Campaign hands of the search engine's employees-at least until they see the initial results of the ad that the search engine's employees developed! We recommend that you set up the campaign yourself, but contact your account executive at the search engine(s) you are using for pay-per-click advertising for advice and tips on how to improve it. Remember, it is also in the search engines' best interests that you succeed as an advertiser. If you are new to the PPC ad game, take advantage of every opportunity offered to help you, especially if it does not add to your advertising costs. You have nothing to lose, and at worst will come away from the experience with more knowledge than you had before about which action words you should use and what types of phrases fail to motivate viewers. Also try out all the free tools, such as those that suggest keywords and provide their current costs. If free editorial advice is offered, and you have the time to confer with your account executive about your ad, always take advantage of this option. After all, the search engine PPC consultants have been at this game longer than you have. You should take advantage of their knowledge, especially if it is included as a free service. Whatever your level of expertise with PPC ads, however, it is important that you test and experiment with different descriptions and titles, track the results over a set time period, and then compare them to one another. Use testing to ascertain which combination of descriptions and/or titles work best for getting people to visit your website, getting them to follow the logical progression you have set up on your website, and then converting him or her into a buyer (and hopefully, a repeat purchaser). Choosing Keywords That Work Best for Your Business Keywords for a pay-per-click ad have an important basic function-getting potential customers to enter your website in order to purchase the products and services that you sell. As an advertiser, you bid on keywords that describe your business, product, or service. This allows you to secure a ranking within the PPC ad section on the results page for that keyword when it is typed into the search box on the search engine. Thus, keyword selection is vital to the process of attracting qualified prospects. The first step in creating a list of Because general keywords tend to keywords for your pay-per-click ad be very competitive and high- campaign is to sit down, open a priced, it makes sense to develop Notepad file, and simply start variations to secure low-cost bids. brainstorming on what terms you think

Developing A Successful Ad Campaign people are searching under when looking for what you sell. Keep in mind that the more keywords you have, the more traffic and conversions you'll be able to attract. It is almost always best to choose keywords that are specific to your business rather than more general keywords. Remember that the goal is not to simply attract visitors, but to attract prospects interested in what you are selling. Otherwise, you will end up paying for clicks from people who are looking for products or services that you do not offer. For example, if you were a local shop selling computer software, you would not want to bid on the keyword "computers," because it would also attract people looking for computer service, personal computers, computer advice, and a myriad of other things that have nothing to do with software and what you sell. Furthermore, the cost of general keywords is usually quite high. For example, on Yahoo!, the number-one position for the word computers is $2.99 per click. In other words, by selecting more specific keywords, you attract higher-quality prospects at a lower cost. Of course, keep in mind that cheaper keywords tend to get less traffic than general ones, but you can make up for that by creating a large number of keywords. Search engines offer you a lot of control over your campaign, especially as far as keywords are concerned. Many also offer you the opportunity to set the level or degree of matching your keywords to a visitor's search query. Using a technique like this, you can influence the degree of targeting to find the best balance of general and specific keywords for your business. Most search engines offer "keyword suggestion tools," where you enter keywords and the tool shows related terms people are searching for. One of the most used is the Keyword Suggestion Tool at Overture. See Appendix 3 for details. Common misspellings (such as "ocassion" instead of "occasion") or other variations on your keyword (e.g., inoffensive slang, acronyms, or a shortened 33 Figure 4.2 - The first position for a general term, such as "computers" on Yahoo! is $2.99, while a more specific one, "computer software," is just $0.87.

Developing A Successful Ad Campaign version of the word that is commonly
used) may cost a great deal less than your regular keywords, but still
have a great deal of utility. Keep in mind, however, that major search
engines have been implementing systems that correct the searcher if he
or she makes a spelling mistake. Once such actions are taken by every
search engine, the value of adding low-cost options such as common
misspellings will be significantly reduced. Keyword Selection Tools Go
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t,¢fMrn4. 4536,1 HpwirfhoR As we have mentioned, there are tools that
can help you generate keywords with ease. Such tools are found both
within search engines themselves and from third-party companies.
Probably the most popular third-party keyword generation tool can be
found at Word"Tracker.com, which will bring up keywords similar to one
you enter. You can then see how often the alternate keywords have
appeared; Word"l'racker's database contains over 300 million words that
have appeared in searches during the previous 60 days. Using this type
of information, you can experiment with different keywords on the search
engine and see what the cost per click of different variations would be
to ensure they fit into your budget and look like good choices. Figure
4.3 - Yahoo! offers a keyword suggestion tool that generates variations
of your main term and shows how many searches were done for each keyword
during the previous month. "There is one difference between the
keyword-generating tools found within the major search engines like
Google and Yahoo! and third-party tools that should be considered. If
you run tests of these two keyword tools, plus WordTracker and another
niche engine keyword tool, you will find that totally different lists of
keywords come up. This reinforces our position that selecting the most
appropriate keywords for your PPC ad requires looking at more than one
keyword generation tool. If your time is limited, at least look at one
search engine tool and one third-party product to improve your chances
of getting the best results.

Developing A Successful Ad Campaign Virtually the same argument is true when you talk about tracking keyword performance. The next chapter of this book covers tracking every aspect of your PPC ad. So for now, let's just say that the rule of using a backup tracking system in the form of a third-party product is always a good idea. The reports you receive from the search engine are sometimes put together using certain assumptions, and the use of a third-party product to double-check your results can highlight discrepancies in keyword performance. You then can discuss these discrepancies with our account representatives in order to discover the reasons behind the differences. When it comes to deciding which keywords to use, we cannot stress the importance of experimentation enough. Even with a relatively small ad campaign budget, you can still run week-long campaigns using different keywords on different search engines and see what works best for you. The more combinations of search engines and keywords you try, the more effective, and least costly, your ad campaign will ultimately be. Keyword Matching Options Let's use the Google keyword matching options program as an example of targeting keywords. Other search engines offer comparable setups. Google offers three basic choices: • Broad Match • Phrase Match • Exact Match The default is Broad Match, which means that if your business only sells microwave ovens and you choose this two-word combination as a keyword, your ad may appear on results pages where users entered either the word "microwave" or the word "ovens." If you are selling a fairly common item, not only may the keyword cost be high for such a match, but the results will be much less targeted than you would like and you may wind up with a lot of unproductive clicks on your ad. A much more productive option in the Google model is to use Phrase Match and/or Exact Match. For Phrase Match, put quotation marks around your keywords as you enter them. Your ad will then only be shown when a searcher uses the entire phrase in word order, although you still may be shown on results pages for search terms that contain words in addition to "microwave ovens," such as those specifying a particular wattage or color. However, ads dealing only with microwave-related subjects will no longer appear. You will receive fewer responses from searchers, but those who do see

Developing A Successful Ad Campaign your ad will be interested specifically in microwave ovens (rather than any other kind of microwave product or type of oven). Phrase matching more closely targets your audience and brings you results that are more likely to lead to conversion. Exact Match is even more restricting. By entering your keywords with brackets around them (e.g., [microwave ovens]) you ensure that your ad will only appear when a searcher uses that exact phrase, in that exact word order, and with no additional words in the query. Depending upon your business, and the number of words you include in the phrase, Exact Match can be so restrictive that you will show up very infrequently on results pages. Let's presume that you only sell microwave ovens that are blue in color. If you use Exact Match with the phrase Iblue microwave ovens], you are likely to receive far fewer clicks because you have targeted your market so closely. I iowever, those that you do receive are more likely to convert into buyers because they have found someone selling exactly what they want. Another keyword option available on search engines is called Negative Keywords. "These are keywords that are preceded by the negative sign (-). Negative keywords ensure that your ad does not appear if those words are included in the search phrase. For example, if you don't sell blue microwave ovens, using the word "- blue" as a negative keyword will ensure that anyone typing in a search for "blue microwave ovens" will not see your ad. Negative keywords are a useful way to limit searches, but must be used with care and caution to ensure you are not limiting your ad's appearance by too many factors. Build up negative keywords over time, based on the reports you receive from your search engine and/or third-party tools on keyword performance. Controlling Your Costs The expense of a PPC ad campaign can vary from a small investment to thousands of dollars per month. Part of the preparation of your ad is deciding how much money your company is willing to put aside for PPC ad campaigns. If you are using Google and Yahoo!, numerous user reports indicate that, at this point in time, Yahoo! Search Marketing is usually more productive in terms of getting your listings on partnered sites or into editorial-related listings. If you have a fairly small budget, spend the extra time necessary to discover low-cost keywords. You may also want to investigate some of the smaller search engines, whose prices may be more in line with your budget.

Developing A Successful Ad Campaign The smaller engines do not get the same amount or quality of traffic as the larger players, but they do attract niche searchers, so can be effective if your product is one that appeals to certain markets more than others. Bidding for Keywords Once you have come up with a list of keywords and decided which search engine(s) you are going to run your PPC ad campaign on, start bidding for keywords. The concept of bidding is fairly simple. The more you pay, the higher in the paid advertising results section your ad will appear. On occasion, search engines increase the minimum price of keyword bids. During one such occurrence, Yahoo! Search Marketing raised the minimum cost per click from 5 cents to 10 cents. Bids in the 5 to 9 cent range were "grand fathered" in and allowed to continue at those levels as long as the Most major search engines have advertiser wished. I lowever, it wasn't implemented minimum bid long before bidding on a number of requirements, which range from 3 keywords went to 10 cents or over, cents to 10 cents. because as soon as a new advertiser opened an account with your keyword(s), they immediately outbid keywords in the 5-9 cent range because they had to submit a 10-cent minimum bid. Manual Bidding Versus Auto-Bidding With bidding, you can either handle the process manually or let the search engine auto bid for you, using settings you have chosen. For example, on Yahoo! Search Marketing, the auto-bid feature allows you to do one of two things: you can either "bid to position" where your maximum bid will automatically be changed to be set at 1 cent above any competing bids, in order to maintain your selected position, or you can set one maximum bid for all of the keywords you select from among your list. The advantages of auto bidding are relatively self-explanatory. Auto bidding allows you to control your PPC campaign costs without having to be involved personally. The search engine will automatically adjust your keyword bids according to the parameters you have set, thus controlling the amount of money you spend; this frees you from having to monitor and then change keyword bids. The major disadvantage to automatic bidding is precisely that-it is "automatic." Even though you may have set certain conditions on changing bids (such as a maximum bid for a certain keyword to retain a rank of 2nd), and

Developing A Successful Ad Campaign some search engines and third-party tools have complex auto-bidding functions called rules-based bidding, automatic bidding techniques have still not been perfected. An auto-bidding program may miss opportunities that manual observation by the advertiser may have noticed. Relying totally on auto bidding can have another downside as well. A competitor may begin bidding against you in such a way as to discover your maximum bid by instigating a "bidding war" until your search engine reaches your maximum bid. Your competitor then can either set their bid to be just one cent above you, or, if they have a lot of money and really want to dominate that keyword, they can bid you to maximum and just wait until your budget runs out. I lowever, if you had been present when someone was trying to do such a thing, you would have noticed the pattern of a "bid war" and perhaps abandoned the "war" before your budget was completely gone, and instead switched to a lower page rank. By watching the bidding yourself (even with the aid of tools), you can manipulate the bidding so as to get the highest page rank for specific keywords in a more fine-tuned manner; you are actively making decisions, not just relying on some general bidding rules being applied, as happens with auto bidding. The subject of auto bidding almost naturally leads us to the next consideration in your ad campaign-the position of your ad in the PPC listings. Ad Positioning The number of available positions varies depending upon the search engine, and even upon the resolution of the searcher's computer screen at times, but it is generally limited to five to eight ads. The top three listings are the ones with the highest amount of traffic. For one thing, these top three listings are more likely to wind up in the syndicated listings (that is, those that are shown on partner sites, so you get extended reach of your ad without additional payments). I lowcver, the interesting aspect of this is that the higher you arc listed, the lower conversions to sales/actions you will have. As you go down in the positions, the conversions of clicks to sales/actions will increase and the bid prices will decrease. I lowevcr, the overall amount of traffic will go down. Your goal is to find the golden middle. If your ad appears too low in the listings, your traffic will vanish. I lowever, occupy the first position and you'll wind up paying for a lot of wasted clicks. Although this may vary from industry to industry, we have found that positions three to six tend to be the most effective.

Developing A Successful Ad Campaign Positions three to six may be more effective for a PPC ad campaign because people often click on the first listing out of curiosity, rather than true interest or intent to purchase. 't'herefore, the top-ranked position in PPC ad listings often receive a number of clicks that don't necessarily come from someone who is already interested in the product and is ready to purchase it. By being in the second or third position, you will receive clicks from visitors requiring more information than they received from the first website or those looking for comparisons on features and pricing between your site and the others. Some people are just interested in what type of websites might be advertising such items and others are just beginning the buying cycle and using the first ad as a place to begin their research on features of the product, cost, availability, etc. A visitor will often click on the first ad, find out all they need to know about the product and its price there, and then click on the second ad to comparison shop. They may or may not then move on to the third ad, or go somewhere else for further comparison shopping, if they are truly interested in purchasing. I lowever, if the price of the product is roughly the same between the first advertiser and this second one, the visitor will often purchase the product right then, on the second-listed PPC ad site, rather than going back to the first site. Generally, the best positions to If the visitor does return to the first occupy are between 3 and G. site to purchase, the profit margin on position number I will deliver the that sale is slightly less than it could highest amount of traffic, but the have been, because the conversion of lowest conversions. this visitor into a buyer took two clicks rather than one, so the advertiser has to pay for two clicks at whatever price the keyword is currently bidding at. For many products, this may be a matter of just a few cents, but some keywords have bids of a number of dollars, so extra clicks for no reason are not something you want. Bid Gaps Another aspect of keyword bidding that is vital to success is understanding bid gaps. Bid gaps occur when you have established a keyword price you are willing to pay based on the situation at the time the campaign was set up, and then a change occurs as a result of a bidding war or other circumstances that results in your ad remaining in place while the bid just below yours is much lower.

Developing A Successful Ad Campaign Bid gaps happen most frequently when you are not monitoring your ad campaign closely enough. Some search engines will automatically close bid gaps for you and third-party tools are also available to screen for bid gaps, but you also should keep an eye out for them. I f the gap between your keyword bid and the cost for the ad listed directly underneath you is large, you are paying too much for the keyword and your ad budget may decline alarmingly before you realize what has occurred. dell4me. com tiser's Max Bid: $3.01) Shop Dell Small Bu diskwp ans#Horstt www.dell.com www.d ll.con (Advertiser's Max Bid; $2.99) Compare online. strayer. info (Advertiser's Max Bid: $1.02) on select Dell Home PCs. offer Iy savings on powerful, reliable software and peripherals, tuv. eçe information from Strayer Figure 4.4 - An example of not monitoring your campaign well. The second advertiser could get the same position for just $1.03, instead of paying $2.99 per click. Landing Pages Once you've chosen your keywords, the next decision you must make concerns which page of your website you want visitors who click on your PPC ad to arrive at. The first thought of most advertisers is to make this page (called the "landing page") the homepage of their website, because that seems to be the most logical place to begin exploring the website. I lowever, in many cases, your landing page should be one that is specifically designed to convince the visitor to purchase your product. Alternatively, it can be the best page on your site. Your landing page should contain all the pertinent information (or clear links to that information) that a visitor needs in order to place an order for your Some webmasters construct special web pages for their PPC ad campaigns that do not show up if someone were to go through the general website. These pages are designed to improve the experience of a user searching for a specific product or service.

Developing A Successful Ad Campaign product. It should highlight your product's best selling points, its unique selling point, how much it costs, how to purchase it, and so on. In short, it should be a page from which a person can order your product, or be just a click away from the order page. The landing page is particularly important if you are targeting local searches. In such a case, you should concentrate on who your competitors are even more closely than when targeting general searches. To make the sale, you must have unique selling points on your landing page that make you look like a better place to buy the product than the store three streets away that is selling the same product. You can offer special deals on the landing page, time-limited offers, free shipping if you purchase by a certain date-any kind of special incentive you are willing to offer to stop the visitor from leaving without being converted into a buyer. You can even have a collection of different landing pages, each customized somehow to appeal to a certain segment of your target market or to serve a specific need, such as a seasonal theme. On a final note, we highly encourage you to test different landing pages using A-B Split Testing techniques. With this procedure, you choose a landing page that serves as your control and create another one where you change a few words or the layout and you send an equal amount of traffic to each page. After waiting a couple of weeks for enough traffic to provide sufficient data, see which landing page performed best (A or 13). If the control out-pulled the "challenger," leave the control and create another landing page to test with. If the "challenger" performed better than the control, then make it the new standard and repeat the cycle again. Experiment with different landing pages on a regular basis to improve your campaign and your ROI. There are tools and services on the market that will track everything for you and provide you with precise reports on every aspect of your experimentation. We will discuss these tools in the later chapters. Budgeting for Pay-Per-Click Ad Campaigns Budgeting for ad campaigns is an issue that has come up a number of times during this chapter. 'T'hus far, however, recommendations have been of a general nature, such as "keep in mind your overall budget" or "reassess the budget you have to spend on PPC." At this point, we will present some specific tips for getting the most out of your advertising dollars.

If you are not keeping track of your campaign's budget properly, it could also be drained by one or more of the following: • Click fraud • An error made when setting up the ad • The automated bidding tool is keeping your bids artificially high Clever marketers have been known to manipulate the bidding in such a way that you are paying more than you should to maintain the position you want. Unfortunately, there are unscrupulous people out there who will bypass the general rules governing pay per click and manipulate the underlying structure of the advertising model to their advantage. This leads naturally to a discussion of whether outside firms are a good choice for managing your ad campaigns, if you don't want to put forth the time and effort to handle it yourself. The answer is different for each advertiser and each product, their location, who the outside firms are, and the general online advertising marketplace at the time. Basically, the answer comes down to a consideration of what makes most economic sense in your particular situation. If nobody in your company really understands the PPC market or has the time to take care of your ad campaigns, at a minimum keeping an active eye on the automated tools, then you should probably consider outsourcing your PPC ad campaigns. To protect your interests, choose a firm that you have thoroughly

Developing A Successful Ad Campaign investigated and that you are sure
sees the long-term goals of your PPC program in the same light as you
do. Typically, the ad budget of small-to-mid-sized companies will not
stretch to include management of your online advertising by an outside
firm. As a rule, these firms charge up to 20gó of your monthly spending
and have a minimum fee of $300-$500 per month. In this case, you will
probably need to rely on your web people to work with marketing to
create, maintain, and decide when to end a particular PPC ad campaign.
Even if you can afford an outside firm, the nature of PPC ads is such
that Deciding on whether or not you'd personal involvement by someone be
better off managing your PPC who knows the company inside and campaigns
yourself or outsourcing out and has a stake in ensuring that the them to
professionals depends ads perform well is the best road to largely on
your budget and the time take. PPC advertising is not as you can afford
to invest in it. complicated to understand as it may first appear, and
most people can quickly learn how to tell if a PPC ad campaign is
progressing as it should, or if certain areas need to be changed or
removed altogether. The key component to getting the most out of
whatever your pay-per-click advertising budget is tracking, which is the
subject of our next chapter.

Chapter 5 - Tracking Ad Campaigns Once you have your pay-per-click ad campaigns up and running, you need to track the results of your efforts. The primary goal of any direct-response advertising campaign is to sell a product or service or get some sort of an action from your visitor, and this type of ad campaign is no different. You have put a lot of time, thought, and effort into crafting an ad that you believe will catch the attention of visitors and into selecting keywords that will attract qualified prospects. Now, you need to see if your efforts are bearing fruit. In other words, are you converting visitors to your website into customers? To find out, you need to determine the return on your investment or ROI. This is also known as the "bottom line." ROI is a topic that many people find intimidating, but it is really a very basic concept-ROI is the net income (sales x net per item) divided by the total campaign costs. To put it as simply as possible, ROI is a percentage that shows how much profit you have made from your advertising campaign. The way to discover the ROI on a PPC campaign can be relatively simple or more complex, depending upon how much detail you wish to deal with and how much time you are prepared to invest. Ideally, you should track the performance of both your ad and every keyword associated with it. Tracking your ad campaign is vital to its ultimate success. Without tracking, you will have no idea why your campaign ultimately succeeds or fails, or what is working with your campaign and what isn't. Once you have learned the basics of ad tracking, you can use it to tweak your ad campaigns, do comparison testing, and try out some advertising ideas on a small scale before investing too much time or money on a full-fledged campaign. In effect, ad tracking will not only tell you how your current campaigns are doing, it will help you predict future behavior as well. Third-Party Tracking Tools The advantage of PPC advertising is that much of the basic tracking work is done for you, and basic interpretation of the tracking results is relatively simple to understand. If you are more experienced, you can delve as deeply as you wish and analyze the most explicit details of your campaign. Until you feel ready to do so, tracking the most important aspects is a relatively simple operation, thanks to the myriad of tools available to help you.

Tracking Ad Campaigns At this point, few search engines offer the tracking details needed to adequately judge the success or failure of an ad campaign. If you want to analyze all aspects of your campaign, you will probably need to invest in a tool to assist you. Advanced users may access raw logs kept on their own server, but much experience is needed not only to track ads this way, but to set up your dataset so that, for example, clicks made by the website owner are isolated from the rest of the data. As Heath Clarke, the CI?O of Interchange, (the parent company of one of the largest and oldest pay-per-click search engines on the market-PilotTM, as well as the developer of a unique local search technology, Local DirectTM) said in a recent exclusive interview with the pay-per-click informational website PayPerClickUniverse.com: "'T'rack, track, and track again. Pay-per-click advertising is direct marketing, so extensive monitoring and constant tweaking of your ad campaigns is the best way for you to get results." - Ileath Clarke, CISO of Interchange How Ad Trackers Work Ad trackers are services or software that monitor all of the visitors that come to your website through your advertising campaigns and track any actions they take or orders they make. Most of these services are fairly easy to use, so even if you have limited technical skills, you can still take advantage of them and find out which of your various ads are working best. These can be especially useful if you are running comparison ads (perhaps the same ad on Google and Yahoo!) to ascertain which source is providing you with the best traffic. They also allow you to experiment with different titles, descriptions, prices, landing pages, and many other aspects of your ad. Ad tracking tools come in one of two forms-some are actual pieces of software that you pay a flat fee for and download from a website, while others are based on a monthly fee that is often tied to the number of clickthroughs. Some examples of ad tracker services include www.AdWatcher.com, www.ClickTracks.com, and many others. What You Should Be Tracking Although there are a multitude of aspects of your ad's performance that you should be tracking, some things are essential for you to know in order to judge

0M or% + is I o s°á> so,,o sow so:a s-,a., s>.to 11» o-,< 7U4h 0 O 0 y0A0 1040 1000 1000 1000 11A0 00% 0.016 0.0% 0416 Figure 5.1 – Most tracking services gather all of this information and display it in a clear, easy-to-understand format. Most of these are self-explanatory, but ones that you may not be familiar with are the percentage-based statistics. 't'hese statistics provide you with invaluable information on the success of your ad. For example, the percentage of clicks to actions data will tell you what percent of the visitors who clicked on your ad wound up taking an action, such as subscribing to your newsletter, visiting another page, or leaving your website immediately. Tracking ROI Ultimately, the most important item to track is your Return On Investment (ROI), which compares the total cost of your ad campaign to the profit you made from the ad, to come up with a percentage that indicates how successful your ad has been. Net profit is the sale price of the product minus how much the product actually cost you (which includes the cost of the raw product from the manufacturer, plus things such as advertising, shipping costs, etc.). 46 ..ERR, COD:1..

Tracking Ad Campaigns To calculate ROI, you begin with your net income (the number of sales multiplied by the net income you made per sale) and divide it by the total costs of the ad campaign. Let's say that you had 12 sales of a particular product that has a net profit of $10. 12 x $10 equals a net income of $120. Let's also say that the total campaign costs were $100. "Therefore, the ROI is $120 divided by 100 or a 1.2 earning ratio. This translates to you having made $1.20 for each ad dollar you spent-120% ROI. In this case, you are obviously making a profit in that you are making more from the sale of the product than you are spending to purchase and market it. Tracking for ROI is actually simple, in most cases, for PPC advertising. Some PPC search engines include an ROI calculation in the statistics they provide you and ad trackers may also include ROI as one of their most basic pieces of data. Note that there may be some difference between the two ROIs provided, due to different definitions or interpretations of data recorded by different sources. Search Engine Tools and Third-Party Software In order to track the previously mentioned items in the amount of detail you wish, you may need to use third-party software. These kinds of tools will provide you with an incredible amount of information and analysis of a visitor's actions from the point they click on your ad until the point they leave your website (and will even tell you where they go after they leave your site). These tools can also track actions that visitors take while they are on your website, such as subscribing to your online newsletter, joining your mailing list for website updates, asking for information on your affiliate program, or many other actions, including making a purchase. All of this is very useful information that can help you decide what changes you should make to your website in order to lead visitors along the path you wish them to take. Tracking tools like these operate by placing code on the confirmation page that comes up when a visitor purchases something or commits an action. They also place a cookie on the visitor's computer, in order to track further and future behavior and visits to your website by that unique visitor. This allows you to track repeat buyers as well.

in effectiveness. Key to this effectiveness is how the searcher views
this form of advertising and their acceptance of it, in comparison to
their relatively weaker response to other types of online advertising,
such as banner ads or popup ads. In part, this is 19

search engines do take a few days to have an editor check over submitted ads for relevance, and to ensure they do not violate the search engine's terms of service, but few take longer than that because they realize that timing is one of the major advantages of PPC advertising. This can be particularly beneficial for companies that have just opened for business, because it gives them an opportunity to compete on has recently expanded their tracking system so that it now can be customized to track other ad campaigns. One important advantage to third-party tracking tools is their capability to show all of your various ad campaigns in a comparative fashion, so that you can instantly see which search engine campaigns are more effective than others. In addition, many now come bundled with click fraud monitoring as well, which is a type of computer-based fraud that is becoming an increasing concern in the pay-per-click marketplace overall (and will be covered in detail in the next chapter). A good example of a third-party tool that is especially useful for novices is www.AdWatcher.com, primarily because of the availability of excellent visual representations/demos to teach users how to use the tool most effectively. It leads you step-by-step through the process via an online setup process and, like other third-party tools, has many more parameters than PPC search engine tools generally have, including the ability to customize almost even, aspect of the tracking process and the reports that are generated. Another advantage that some third-party tools have is the ability to import your account data from Google and/or Yahoo!.

Tracking Ad Campaigns There is little doubt that third-party tracking tools offer more value, but they do tend to be relatively costly. The PPC search engine conversion tracking that is being offered as part of your ad campaign is usually provided at no additional charge. I lowcver, when one is dealing with something as important as advertising your products via pay per click, we cannot stress enough the importance of not relying on a single method of tracking. Just as you should investigate other methods of keyword bidding, you need to ensure that your search engine is in synch with what other companies' products are reporting. This will require personally reviewing the reports. Although you may not wish (or be able) to purchase the highest-priced version of a third-party tracking tool, it is certainly worth investing in one of the more basic versions. These stripped-down versions may not have all the bells and whistles, but they still do an adequate job of analyzing the visitors, actions, and sales on your website. Some third-party tracking tools can be used for any kind of online (and sometimes offline) advertising. Although we are concentrating here on their usefulness for pay-per-click advertising, they can be used for banner ads, newsletter ads, email marketing campaigns-in effect, just about any kind of advertising or marketing method used. 't'herefore, if you advertise in forms other than pay per click, the cost of a third-party tracking tool may be mitigated by the fact that you can use it for tracking your other ad campaigns as well. The Importance of Tracking One really can't overemphasize the importance of tracking the results of your PPC advertising campaigns. If you don't track where your visitors are going on your website, how many visitors came to your site through a particular ad campaign, how many visitors convert into buyers, your ROI, and so on, you cannot be certain if a particular ad campaign is worth continuing or not. If you are using comparison ad campaigns to see which is most effective, the most important point to remember is to make only one change each time you run a test of the ad. For example, if you are testing to see which landing page works better, do not test any other aspect at the same time. If you test more than one aspect at a time, you and your tracking tools will

Tracking Ad Campaigns Naturally, he assumed that most of the sales were coming from his ad campaign on a major search engine, because he believed that lower-cost ads placed on smaller search engines would produce lower results. It wasn't until he became aware of ad trackers and ad tracking software that he decided to find out exactly where his sales were coming from. Using a simple ad tracker, he discovered that the vast majority of his sales were not coming from the major search engine, but instead were coming from the niche search engines, where his product had more appeal to their visitors. I le also discovered that he could drop that campaign altogether because the sales he was getting from the larger search engine equaled the amount of money he was paying for that ad campaign. Without a relatively simple form of ad tracking, this individual would have continued believing that "bigger is better," and that his sales were coming from the larger search engine. This case also emphasizes, again, the importance of using the tools that are available. Although this case occurred before search engines provided much data on account activity, and certainly didn't offer any form of conversion tracking, this individual may have become suspicious a lot sooner if he had investigated the statistics that were available from his search engines. This example also reiterates the importance at looking at your statistics critically and in person, not just accepting that things are proceeding as they should. Close scrutiny will allow you to tweak an ad or cancel it before clicks on it drain your account completely. Tracking software can help you avoid a situation such as David Ogilvy (recently named by Time magazine as "the most sought-after wizard in the business [of advertising]') said-"I know half of my advertising works. I just don't know which half." Luckily, with both PPC search engines ' and third-party tracking tools competing for the market, the advertiser comes out a winner. Each side is adding more and more features, many of them free, as they compete for market share among advertisers. Click Fraud One aspect of PPC advertising tha advertisers and search engines alike is previously led advertisers to abandon is currently under scrutiny by both click fraud-an unscrupulous act that ad campaigns that were not making a

Tracking Ad Campaigns profit. This was not because of inherent faults in the ad or the advertiser's decisions, but because of fraud. Without tracking tools that could be customized to gather any statistic about a visitor's path through your website, the increasing growth of click fraud may have gone largely unrecognized. Instead, it is being investigated and methods are being developed to detect and eliminate it. Without careful tracking of pay- per-click ads by advertisers, click fraud may have remained only a suspicion, without much clear evidence to tie it to specific individuals, companies, or locations. As it is, click fraud is probably the largest single problem the industry is dealing with at this time and, as such, it deserves a detailed discussion of its methods and possible solutions of combating it, the subject of our next chapter.

Chapter 6 - Click Fraud and How to Counteract It in Ad Campaigns
Unfortunately for any advertiser or businessperson, whether they are
online or offline, fraud is a component they must all deal with, in one
form or another. With offline businesses, it's usually in the form of
shoplifting or mysteriously disappearing inventory-. With online
business, however, the fastest-growing type of fraud concerns a
phenomenon called "click fraud." On its most basic level, click fraud is
defined as any click that is maliciously made on an advertiser's PPC ad
with the intent of depleting the amount of money in the advertiser's
account. As a simple example, let's assume you have a pay-per-click ad
set up on Google and your keyword bid is $1 per visitor. "Therefore,
each time someone clicks on your ad on the results page for that
specific keyword, your account is charged $1. If the amount of money in
your account equals $1,000, then you can have 1,000 clicks on your ad
before your account is depleted of funds. I f someone decides to target
your ad via click fraud, they can use various methods to arrange to have
your ad clicked on repeatedly until your $1,000 is gone. This can occur
within a matter or minutes, or over a number of days or weeks, depending
on what method is used and how blatant the fraudsters are about the
process. Obviously, this is an incredibly destructive type of fraud,
especially since it occurs online, where many people feel they arc
acting anonymously. Some click fraud campaigns do not even try to hide
their location or identity if they make a lightning attack on your ad;
instead they wait and change their online "identity" after they had made
a significant dent in your account, if not having drained it altogether.
The Growth of Click Fraud Excessive clicking on links to websites and
forms of online advertising not tied to a cost-per-click payment is
nothing new to the online community. 1?ver since the beginning of the
Internet as a commercial enterprise, excessive clicking on search engine
listings was used to create a sense of "popularity" of the website.
which often led to improved rankings on the search engine (Stefanie
Olsen, "Exposing Click Fraud"). It is partly because of this early type
of questionable clicking that search engines began to explore different
methods of ranking websites, leading eventually to

Click Fraud and How to Counteract It in Ad Campaigns today's reliance on complex algorithms, robot crawls, the infamous Google Dance, relevancy ratings, related links, content, popularity, and so on. Repeated clicking on pay-per-click advertising is not a recent development, but it has become a major problem for all parties involved. This phenomenon, now referred to as "click fraud," has been a part of the Internet for quite some time. One of the earliest successful strikes against this type of fraud was conducted by Jessie C. Stricchiola, President of Alchemist Media, Inc., who identified and successfully procured a refund on behalf of the national corporation Chase Law Group against Goto.com (now Yahoo! Search Marketing) late in the year 2001. It wasn't until later in 2002, however, that many companies began to discuss the issue in online articles and forums. One of the main problems with combating click fraud seemed to be that there were so many different interests involved. Or course, advertisers were concerned that their ad dollars were being wasted. Yet, if they were also affiliates, they saw the potential of making back some of their own click fraud losses by practicing click fraud themselves. Search engines were interested in maximizing ad revenues (which click fraud accomplished for them), yet realized that if they didn't help control click fraud, eventually they would lose those very advertisers and their ad revenue. In addition, some people who were involved in click fraud didn't understand that what they were doing was wrong. This was particularly true if they were not very computer literate or had themselves been a victim of click fraud. In some cases, they had even been told they were helping the very people whose ad dollars they were depleting, because clicking on their ads increased the popularity of the website. Ilowever, click fraud didn't really become a huge problem until pay-per-click advertising became more prevalent. Logic dictates that if there is nothing to practice click fraud upon, it is unlikely to be a large problem. Unfortunately, the increased popularity of pay-per-click advertising has concurrently revived the practice of fraudulently clicking on paid advertising. Although many suspected fraudulent clicks were depleting their ad accounts, it wasn't until a few landmark cases came to light that the online advertising industry began to react to the growing problem. Estimates of the extent of the problem today vary widely, and this is a subject of much discussion among advertisers and PPC search engines. Estimates range from a low of 10"/o to as much as 50°/o of clicks falling into the fraudulent category. The search engines usually claim that, although it is a significant

Click Fraud and How to Counteract It in Ad Campaigns problem, it falls toward the lower percentage. Developers of tools and software to counteract click fraud, however, lean toward the higher figure. However, everyone does agree that click fraud has been a problem in the past and that it is becoming an even greater problem now. Left to flourish on its own, click fraud ultimately could bring the entire pay-per-click industry grinding to a halt, with advertisers losing enough money on their ad campaigns to drop their ROIs to negative numbers. This, in turn, could lead them to withdraw from this type of advertising altogether. The domino effect from such a retreat could have a massive effect on search Click fraud is estimated to be engines in general, most of which now between 10% and 50% of all PPC rely on paid advertising as a prime advertising spending. source of income for growth in the marketplace. Both sides have a great stake in controlling and ultimately bringing click fraud statistics down to the lowest possible percentage. As long as there are people willing to commit fraud, however, click fraud will never be completely eliminated. Advertisers and search engines agree, however, that the issue needs to be addressed now, before it gets completely out of hand. Probably the most infamous and audacious click-fraud case, which caught the attention of the industry and alerted them to the potential danger of click fraud, involved an individual named Michael Anthony Bradley. Mr. Bradley developed a software program that he called "Google Clique." Ile claimed that the program allowed clicking on pay-per-click ads in such as way as to be virtually undetectable to search engines. Bradley told Google that if they were not interested in purchasing his software at a reported price of $100,000, he would send copies of it to at least 100 spammers worldwide. This would result in fraud in the neighborhood of at least $5 million in the course of six months. Bradley was charged with extortion and wire fraud in March of 2004. Later in the year, another significant lawsuit brought to the forefront another type of click fraud, this time involving affiliates. On November 15, 2004, Google sued one of the advertisers on its AdSense program (which involves websites including a PPC ad on their site in return for a portion of the income earned by Google when someone clicks on that ad). The lawsuit claimed that Auctions Expert International, a Houston, Texas- based company, "flagrantly abused (Google) by artificially and/or fraudulently generating ad clicks.... These clicks were worthless to advertisers, but generated significant and unjust revenue for defendants." Key to the lawsuit was the claim

Click Fraud and How to Counteract It in Ad Campaigns by Google that the site itself was set up specifically for the purpose of click fraud and was never intended to be a legitimate auction website. Experts in click fraud are of two minds concerning these two significant cases. One side believes that businesses need to accept the fact that a certain amount of click fraud demonstrates the success of our antifraud system and that we will take legal action when appropriate." (Steve Langdon, Google spokesperson.) These high-profile legal cases are, however, just the tip of the iceberg in terms of click fraud in general. How Click Fraud Affects Advertisers We've seen how click fraud can quickly deplete an online advertiser's PPC account, but let's look a little bit closer into some of the ways that click fraud affects advertisers.

Click Fraud and How to Counteract It in Ad Campaigns In addition to draining ad campaign local search if you are an advertiser on FindWhat, you need to set up a PPC account on SuperPages using category pricing (minimum click price of 20 cents), even though the base technology is from FindWhat. The limit of four listings presented when one uses the local search bar (versus their general search bar, which returns many more results) needs to be more comprehensive in order to get advertisers interested in signing up for this feature. The results are attractive, but until more advertisers are provided with adequate information on how to integrate local search into their ad campaigns, the FindWhat offering is not as competitive as it could be, given the number of partners the search engine has. 93

Click Fraud and How to Counteract It in Ad Campaigns Types of click fraud range from very simple to very complex and sophisticated. I Iere are some of the most common forms click fraud takes. 1. Automated Scripts-although not the simplest form of click fraud, for someone with computer expertise, this method can be very effective, and quite simple to set up as well. The most famous case of this type of click fraud is still the Google Clique software. Basically, the fraudster creates a robot or automated script that is specifically designed to click on paid advertising. ']'his type of click fraud is used by both competitors and affiliates alike. 2. Hiring People To Click On Ads-this means of perpetrating click fraud often originates from third-world countries. Ads are placed in local newspapers recruiting workers to spend time clicking on ads, according to directions supplied by the companies who organize these operations. Perhaps the most infamous operation of this type of "click farm" was identified by The 'l'imes of India in an article entitled "India's Secret Army of Ad Clickers." Especially interesting is that one online blogger who reported this story received 17 comments to his blog entry, most of which were placed by people seeking to find such jobs or by firms advertising that they were looking to hire workers for just such work. Although the companies that organize "click farms" realize that they are committing fraud, those working for them do not necessarily understand the significance of what they are doing and the impact it is having on overall Internet commercial activity. In third- world countries where annual incomes average a few thousand dollars, the additional income of $100 to $200 per month for a few hours work per day is very hard to resist, especially if the individuals involved are not computer literate enough to realize the implications of their actions. 3. Competitors-your competitors have many methods of generating click fraud that do not involve "hitbots" or "click farms". If you are competing for position on PPC search engines for a particularly expensive keyword, all a competitor has to do is to click on your ad a couple of times a day from his office computer, his home computer, a laptop, a friend's computer, an Internet café, or any variety of easily accessed computers with different IP addresses in order to deplete your account and vet not attract attention to himself personally. In competitive industries, where the cost per click can be several dollars, if three to five of your competitors make fraudulent clicks on your ad several times a day, you can easily be losing thousands of advertising dollars a month. If your keyword cost is in the lower range, click fraud by your competitor(s) tends to be a little more complex and sophisticated.

Click Fraud and How to Counteract It in Ad Campaigns Proxy Servers-one of the most basic means of click fraud involves the use of repeated clicks on a PPC ad from the same computer. A person could theoretically sit at their computer and click on your ad, wait the appropriate amount of time for the PPC search engine to consider it a legitimate click, perhaps even visit a few of your pages and then exit your website. Bingo! One clickthrough deducted from your account. There are cases where people will complete this process repeatedly, without even bothering to go through the simple process of changing their IP address (the Internet Protocol number that is assigned to each computer). I lowever, some people using click fraud in this manner use proxy servers to allow IP addresses to be changed randomly at certain intervals in order to make it appear as if the clicks are indeed coming from different computers. 5. Affiliate Programs-affiliates are an increasing source of click fraud. Because of the specifics of how the affiliate system works (see the upcoming chapter on affiliate programs for details), affiliates have a version of the PPC ad on their websites. Because affiliates receive a percentage of the money generated by each click made on their website, they may see little or no harm in clicking a couple of times on the ad themselves to generate a little extra income on the side. However, affiliates who use "bots" to generate significant revenue via click fraud usually have to develop fairly sophisticated technology to get past the filters that many of the PPC search engines have in place for programs such as Google AdSense. 6. Impression Fraud-currently, this type of fraud is that your website may be seen by the search engine as becoming less relevant, since you are getting a lot of impressions without clicks, which can lead to a shutdown of your ad campaign. As stated earlier, these are just the most common means of click fraud. Some suspect activity may indeed be click fraud, but is subtle enough to be impossible to label it as such. For example, some advertisers notice that on occasion their ads are clicked much more often than usual, while their tracking shows that the visitors never go past the homepage to another area of the website. Click fraud is definitely a phenomenon that is sometimes difficult to track, and innocent actions can sometimes be misinterpreted as click fraud. People do

Click Fraud and How to Counteract It in Ad Campaigns mistakenly click on an ad when they didn't intend to and some people find it easier to click on a PPC ad to find out a company's phone number than to consult an online yellow pages directory. So how can you tell if you are a victim of click fraud, given that its very nature is somewhat amorphous? Detecting Click Fraud Some telltale signs of click fraud are quite obvious, while others take a little more tracking and analysis to identify. Many PPC search engines have programs in place to audit for click fraud, which we'll discuss later in this chapter, but it is a good policy to periodically look at your traffic logs, or perhaps consider using a third-party tool to analyze the data further. The main things to look for in your ad campaign's statistics are: 1. Keyword performance-if you notice that some specific keywords in your ad campaign that normally do not do well suddenly become top performers, investigate. If you suspect click fraud, begin by changing the setup of your ad campaigns so that you can track each keyword by search engine and then keep an eye on the statistics of each (now) separate campaign. In this way, you can see more clearly if one specific search engine is involved. As well, the data is broken down in more manageable portions, so that repeated visits by the same IP address may stand out more clearly than if you kept all your keyword campaigns in one log file. Likewise, a sudden increase in the total number of clicks on all of your keywords, without there being a seasonal relationship or a special promotional campaign in progress, could indicate click fraud. 2. An abnormal number of clicks from the same IP address- although this is the most obvious and easily identified form of click fraud, it is amazing how many fraudsters still use this method, particularly for quick attacks. T hey may choose a to strike over a long weekend when they figure you may not be watching your log files carefully, clicking on your ad repeatedly so that when you return to work on Tuesday, your account is significantly depleted. 3. Decline in the number of conversions-if your conversion rate is normally positive (that is, you are making a profit on your ad), and all of a sudden, conversion dives into negative numbers, this could be a sign of click fraud in action. Click fraud causes extra clicks on your ad with no actual purchases, and your conversion rate will fall accordingly.

impressions on an affiliate's site, the PPC search engine will soon notice an abnormally high payment to a certain affiliate and perhaps go as far as canceling that affiliate's account, even though he or she was not engaging in any form of click fraud. 7. A large number of clicks coming from countries outside of your normal market area-using online resources such as www.dnsstuff.com and other free online sites, you can identify which country an IP address is probably coming from. 8. Accidental click fraud-there are, in fact, some cases that may be seen as click fraud, although the}' are actually not intentional. I lowever, they do have the effect of depleting your ad account. Although some individuals may accidentally click on your ad, most accidental clicks are caused by link-checking software or search engine robots clicking on the ad as they run their routines. If you suspect this is occurring, regular checking of your logs may be all you need to get a refund from your PPC search engine. With spider-driven extra clicks, if you have a high- cost keyword in your campaign, even a few extra clicks a day can make a dent in your account. There are other means of click fraud that individuals use, but most fall into the above categories. Most people believe that the majority of the real damage is done by robot-driven software, but it is impossible to adequately determine what percentage of click fraud is caused by humans themselves and what percentage is caused by robots that humans developed.

Click Fraud and How to Counteract It in Ad Campaigns One of the main reasons that robot/software click fraud is so prevalent is that there are actually legitimate pieces of software that can be used to commit click fraud, although that was not the original intent for their creation. For example, a click fraud artist may claim that he is just stress testing his analytics software program to ensure that it will catch click fraud. Part of the problem with click fraud is that there are not yet any laws on the books dealing with the problem. The Federal 'T'rade Commission claims that they cannot really do anything about the problem because they are tasked with investigating consumer fraud, and cannot fit click fraud into this category. I lowever, the Department of justice in the United States does have a rapidly growing division that deals with cases of cybercrime, and click fraud will likely eventually come under their review. The difficulty is that, even if you suspect you are a victim of click fraud, the onus generally falls on you to prove that it exists and to find those responsible. This must happen before any action will be taken by your PPC search engine, especially those that already have some form of click fraud detection operating on their engines. The Response of Search Engines to Click Fraud We've spoken briefly about PPC search engines and how they have responded to various incidents of click fraud. Not all search engines have programs in place that routinely check ad accounts for warning signs of click fraud, but more and more are Click fraud is currently one of the largest threats to the survival and growth of pay-per-click search engines. instituting such programs in light of the increasing incidence of click fraud and pressure from their advertisers to deal with the problem. The two largest search engines, Google and Yahoo!, both have publicly admitted that click fraud is a problem that is a significant threat, not just to their "business model," but to their overall success. In the recent pre-IPO filings by Google, for example, the company included a paragraph pointing to click fraud as a risk potential investors should consider before purchasing Google stock. They stated that: 'ek'e have reíularly paid refunds related to fraudulent clicks and erect to do so in the future.... I/' we are unable to stop this fraudulent activity, these relùnds may increase.... Y' we are unable to remain competitive and provide value to our advertisers, they may stop placing ads with us, Which would negatively aJ)èct our net revenues and business. "

Click Fraud and How to Counteract It in Ad Campaigns 1?ach of the two major PPC search engines define click fraud in a slightly different manner. Google defines it as "invalid clicks, as any method used to artificially or maliciously generate clicks or page impressions" (Salar Kamanagar, Director of Product Management, Google), while the Yahoo! definition is "clicks arising for reasons other than the good-faith intention of an Internet user to visit a Web site to purchase goods or services or to obtain information." (Dina Freeman from Yahoo! Search Marketing). Obviously, the Google definition is much more specific than that proposed by Yahoo!, and its response to click fraud at this point is a touch more detailed and drills down further into the raw data. Still, both search engines have proprietary systems in place, which are constantly being upgraded as new methods of click fraud become apparent or the level of detected click fraud increases. Google has developed a separate team that deals solely with click fraud issues. One part of the team is responsible for constantly revising the automated software detection system, so that it can detect the differences between normal, human clicks and those made by robots. Basically, the system analyzes traffic to websites to see if they fit known patterns of activity that indicate click fraud, such as never leaving the landing page, repeated clicking within a certain timeframe from the same IP address, and so on. The second part of the Google click fraud team is composed of individuals who manually look at individual cases of suspected click fraud. These investigations may come about as a result of a complaint filed by an advertiser who feels they have been a victim of click fraud, or cases that have been identified by the automated system. Although all search engines are very tight-lipped about revealing how much they have refunded to advertisers on click-fraud claims, Google has refunded money lost by advertisers, and publishers have had their payments adjusted if they are suspected of affiliate-related fraud. In addition, the November 2004 lawsuit by Google against Auctions International indicates that they are willing to take legal action in cases they consider worthy of such action. Despite their stated good intentions, and evidence of quick action on claims by advertisers of suspected click fraud, many advertisers feel that Google is not doing enough to combat the problem and are frustrated in their attempts to reach the level of proof that Google expects in order to qualify for a refund. No doubt it is in this search engine's best interests to keeps its advertisers happy, but it is a complex problem. Yahoo! Search Marketing, like Google, has proprietary software designed to detect click fraud. This software has been refined on a regular basis since 1998, and now checks at least 50 points of data, from the more obvious ones, such as IP addresses, cookie information, or the visitor's browser's information, to

Click Fraud and How to Counteract It in Ad Campaigns more sophisticated recognition of patterns of behavior on an individual wcbsite. If the cumulative number of data points concludes that the activity is likely not valid, the advertiser is not charged for the click (although Yahoo! is unable to remove the information from the advertiser's logs, leading some to question how far Yahoo! is actually going to combat click fraud). Yahoo! also encourages advertisers to report suspicious behavior that they find in their own tracking of ad activity, and will investigate further and issue refunds when appropriate. Keep in mind that if your claim is denied, you should appeal and get them to take it seriously. Some other PPC search engines also have formalized systems in place to detect click fraud. Chief among these are LookSmart's TrueLeadTM system and FindWhat. Other PPC search engines, however, do not have formal click fraud systems in place, but do monitor traffic on an informal basis. All will consider any claims made by an advertiser who claims to be a victim of click fraud. How Advertisers Can Combat Click Fraud Primarily because so many PPC search engines have not yet instituted formalized programs to detect click fraud, and even those that have only detect a portion of actual fraud, the responsibility to proactively combat click fraud falls on the advertiser. Part of the problem with having to combat click fraud on your own is the amount of time involved in analyzing and organizing the evidence to present to the PPC search engine, in order to seek a refund. Sometimes, the time involved in following through on such a claim costs more than the actual dollars involved in click fraud, which unfortunately is something that click fraud operators count on to keep them operational. however, if you are already using tracking software to analyze your web analytics, as is suggested for anyone who is running anything more than the simplest PPC ad campaign, you can use that information to identify potential click fraud. Some tracking ' software even includes a click-fraud detection component. There are also a number of third-party tools that are specifically designed to look for signs of click fraud and to analyze your log files to find out if you have been a victim. Such tools can help your case with your PPC search engine if you do discover a problem and take it to the search engine for a refund. Some companies will even take your case to the search engine for you themselves. Many third-party tools exist to help advertisers monitor and track their campaigns for click fraud and assist them with getting their money back from search engines.

Click Fraud and How to Counteract It in Ad Campaigns We'll discuss some of the third-party tools for combating click fraud in the upcoming chapter on pay-per-click tools. '17-iere are many available including www.AdWatcher.com, www.WhosClickingWho.com, and www.Clicklab.com. More and more products will find their way to the market as the problem of click fraud gains even more notoriety. Besides relying on the search engines themselves, using a third-party tool, and engaging in some manual checking yourself, what else can you do to combat click fraud and receive compensation from the PPC search engine? One step you can take is to disable any content search function you have and then keep track of your statistics while relying solely on the PPC search engine ads to test if affiliates may be involved in click fraud. If your data shows a rapid decline in the amount of suspect clicks, turn content search back on and see if the chckthroughs begin to show up again. Documentation of this type of experiment is great evidence to provide to the search engine to back up your claims of click fraud from affiliates. Another very effective method that one of the third-party tools suggests is to make use of their software, or construct your own, to activate a popup message that will appear on the user's computer screen if they click a certain number of times on your paid ad within a certain time period. For example, if someone clicks five times on your paid ad within the space of an hour, they will see a popup message, very politely written, stating something to the effect that their repeat visits have been noticed and inviting them to contact you if they are having difficulty finding what they are looking for. This innocuous-looking warning sign works quite well at deterring a number of those involved in click fraud at the basic level. Suspicious Behavior Detected! Your internet location has been detected visiting this site more than 5 times over the past 24 hours. Your information has been logged and sent to the owner of the advertising campaign. We appreciate your interest and thank you for your visits. However, to protect our customers from higher prices by keeping advertising dollars down, we routineiçr examine recurrent visitations From their advertising campaigns, Please help us pass the savings on to you by bookmarking our site For future reference. Thank you For visiting and enjoy browsing our site! IP: S7,1QO,XXX.XX - Agent: IE E,x and above Figure 6.1 - When a fraud-monitoring service notices suspicious behavior, it shows a message such as this to the potential fraudster before redirecting them to the actual landing page.

Click Fraud and How to Counteract It in Ad Campaigns It is very important to keep accurate and complete records of any reports or statistical analyses (either print versions or screenshots) of suspicious data. If your logs show that the same IP address is clicking on your ad 24 times each day, having a hard copy documenting that occurrence will go a long way toward proving your case to the search engine in question. Likewise, if you can document that click fraud is occurring primarily on certain pages, you may be able to narrow down the potential perpetrators, especially if you suspect affiliate click fraud. If you feel that you have adequate proof of click fraud, you should contact the search engine involved directly via email, attaching the proof you have collected and any further details or evidence supporting your claim. Another possible tactic, if you are a relatively small business and have fairly clear evidence that a competitor is the instigator of the majority of your losses, is to place a carefully worded, simple phone call or email to them outlining your observations. This may be enough to stop the problem. You could also contact a third competitor to see if they are having a similar problem, and perhaps combine forces to combat the problem more easily and effectively. No matter how you choose to deal with a potential click fraud problem, while the investigation is ongoing, continue to monitor your paid advertising statistics carefully and diligently to ward off further attacks and to enable you to monitor to some degree the actions that your search engine is taking to resolve the matter. As with tracking ad campaigns, dealing with click fraud all comes down to one process-tracking, tracking, and then more tracking. In the next chapter, we'll discuss contextual advertising-how it differs from the more common, search-driven PPC listings, and unique aspects advertisers must know and keep in mind if they choose to invest in this form of advertising.

Chapter 7 - Contextual Pay-Per-Click Advertising So far, we've been discussing standard pay-per-click ads. However, there are variations on this keyword-based model that are quickly being developed by major players in the online marketplace. One of these variations is known as contextual pay-per-click advertising. What makes contextual advertising different is that your ads do not appear on search engine result pages. Rather, they appear directly on pages of content found on websites. In effect, if you visit a website that has information about digital cameras, you may encounter contextual advertising of related products, such as memory cards, camera cases, zoom lenses, battery rechargers, etc. Although many analysts consider contextual advertising to be a new phenomenon, it has actually been present since the Internet became a commercial enterprise, mainly in the form of banner advertising, popups, and other ads. In the past, consumers considered these means of advertising undesirable and even an unwanted part of their search experience, viewing them as unnecessary clutter that detracted from the actual information available on a web page. For example, most of us have had the experience of visiting a website and then being prompted to allow the download of software, which, once installed on your computer, will allow contextual ads in the form of popups, etc. to be shown as you travel through various websites. If your computer is not set up to prompt you before downloading software, you may actually have such programs installed on your computer, without even knowing it. Sometimes these types of program encourage the visitor to download the software by offering free benefits, such as access to coupon sites or dictionary/encyclopedia resources. This practice is best known as spyware/adware and is regarded very negatively among online users. By the year 2003, contextual advertising had become a form of advertising that consumers did not generally respond well to, and many users began to install popup-blocking software to cut down on the incidence of unwanted ads suddenly appearing in a new window or as part of the current browser window. I lowever, also in 2003 a new facet was introduced into contextual advertising that changed its public perception, and it has become a fast-growing means of capturing new traffic for advertisers.

Contextual Pay-Per-Click Advertising What makes pay-per-click contextual advertising different from pay-per-click search engine advertising is not just how and where it appears, but also the type of user it appeals to. Pay-per-click contextual advertising is designed to appear on pages of a website that have content that is highly relevant to the ad. Depending on which search engine is delivering the advertising, the ads may appear on the right side (or the top or bottom) of the web page, and be similar in appearance to standard PPC ads, with a title, description, and URI, to click on. The types of websites that typically carry contextual ads are news sites, magazine sites, educational sites, product review sites and other reference sites. 'T'here is little-to-no incentive for an advertiser to add contextual ads to their own websites, because competitors' ads could wind up being shown there as well. While contextual ads are mostly text-based, a relatively new development in contextual search is the introduction by Google of the ability to include images in contextual ads, thus allowing the advertiser the opportunity to show a product as well as provide a link to the related website. Another difference between the two is the delivery method. Contextual ads are generally served up via a complex algorithm that determines which ads to display on a website that is in the contextual ad business. Thus, the advertiser does not have as much control as with PPC search, where they determine Contextual ads generally deliver a their positioning via keyword bidding. lower ROI because they are clicked Bidding is a part of contextual search, on by people in a different stage of but usually on a group of keywords, a the buying process, as compared to channel, or a category level. regular search clicks. In addition, contextual ads tend to be clicked on by visitors who are in a different stage of the buying cycle and may not be interested in purchasing a 68 Figure 7.1. - Contextual ads by Google appear on a content site about tennis. As you can see, the ads are for tennis-related products.

search pay-per-click ads, because of the intent of the visitor clicking on the ad. Nevertheless, the contextual ad campaign is still charged for each click on the ad. Given this, advertisers are divided in their view of contextual advertising. Some think it is a worthwhile endeavor, while others see it as an ineffective method that they do not wish to expend ad dollars on. Some advertisers also express concern that their ad could he served up on a wcbsite that has little relevance to their product, if the algorithm is not constructed appropriately, as reportedly has happened on occasion. However, there are positive points about contextual advertising that have contributed to its growth of use: • Contextual ads tend to have more online exposure than search pay-per-click ads, because their placement on partner sites of the search engine is determined by their relevance to the content of those sites, and is not totally dependent upon keyword bidding to achieve placement. • Contextual ads are a good source of revenue for the partner sites that include them. Because the ads are not in competition with the "product" being offered by the content website, they are generally seen as a plus by content partners. The Development of Contextual Advertising How did the turnaround in the overall opinion of contextual advertising in the popup form to its current popularity come about? Largely, the switch in viewpoint toward contextual advertising developed out of the vision by Google

Contextual Pay-Per-Click Advertising to use contextual search as a means of delivering more relevant ads to its network of partners and advertisers. Google was one of the first search engines to offer content targeting in a program called AdSense that launched in March of 2003, but initially limited those eligible to participate to its larger partnered websites (those with a minimum of 20 million page views per month). It wasn't until June of 2003 that Google expanded the program to allow smaller sites to participate and simplified the sign-up process, so that a publisher could sign up online. Google has positioned content search as a means for advertisers to have their ads appear on highly-relevant websites automatically, stating that the program will increase an advertiser's ROI and reach, and save them time and money via their "extensive network of high-quality partner sites and products." In fact, contextual advertising is more suited to the Google AdSense Sites with content about gambling, program, in that its main purpose is to pornography, or drugs are not increase revenue for publishers by allowed into the contextual providing relevant ads for their advertising program in any way. websites. Google feels that, by providing targeted advertising throughout a website (particularly small websites with small advertising budgets), these sites will benefit from increased traffic, while the advertiser will benefit if a visitor clicks on the ad and visits their site, perhaps making a purchase. The program is robust enough that it can apparently differentiate between different meanings of common words, such as "mouse" as either an animal or a computer peripheral device, and thereby not serve up an ad for a computer mouse ad on a medical research website. It also has a filtering process to eliminate matching ads with articles reporting bad news, thus not placing car ads on content pages discussing a recent car crash, for example. Some degree of manual review of potential matches of ad to content is also now in place, in addition to the automated algorithm placement method. The Google program also allows the publisher to block specific URLs they do not want to appear on their site, thus eliminating the risk of a competitor's ad showing up on their website.

Contextual Pay-Per-Click Advertising 'T'here is also the option of serving up a "standard" ad if the Google software doesn't find an appropriate ad to place on your content page. They also allow you to customize the colors in the ad to fit with your general web design. Monitoring tools and reports are also offered, which include the clickthrough rate, the number of impressions, and the number of clicks. You can also group results by URL, ad type, domain name, category, and other parameters. Earnings from contextual advertising are displayed and easily accessed, so the publisher can quickly check how much revenue they are generating and then make decisions about changes easily, and in a timely manner. Soon after Google began offering contextual advertising, its competitors jumped onto the bandwagon. By July of 2003, Yahoo! had developed its answer to Google-Content Match. Content Match basically offers the same features as the Google contextual ad program, but of course, delivers results to different partners. 'T'he Yahoo! Search Marketing program concentrates more on involving its major partners, such as Yahoo!, CNN, ESPN, and MSN, in contextual advertising. Fewer tools are offered by the Yahoo! program to date, although as competition increases, Content Match will undoubtedly adapt and add such functionality. Other PPC search engines that offer contextual search include: • Kanoodle.com and its product, ContextTarget (ads may appear on partners such as MSNBC, USzVI'oday.com, MarketWatch/Dow Jones) and Bright.Ads • FindWhat.com product, Xpress contextual ads • Enhancelnteractive.com contextual advertising option, considered a combination of different options available to PPC advertisers In addition, a number of web properties also offer a form of contextual advertising, although because they are not search engines, per se, the network of websites that your content-related ad may appear on is much smaller. Some examples to investigate include: • www.Clicksor.com • www.BidClix.com • www.BannerBoxes.com • www.Bidvertiser.com

Contextual Pay-Per-Click Advertising • www.ContextAd.com • www.Quigo.com
- The AdSonar Exchange When Contextual Pay-Per-Click Advertising Is a
Good Choice There are a lot of factors an advertiser needs to consider
before deciding on contextual versus keyword-based pay-per-click
options. I lowever, the best way to quickly discover which factors may
work in your favor, with either model, is to investigate the contextual
marketplace by experimenting with your ongoing ad campaigns. Before you
begin any contextual search ad campaign, ensure that your keyword- based
search ad setup is working at its optimal capacity. The first step is to
ensure that the content tracking option is turned off, if you use Google
or Yahoo! in your basic setup. When you first open an account with these
two search engines, "content search" is automatically set to the "on"
position. Ilowever, if you are only interested in pay-per-click search
ads, or you are going to test contextual advertising, you need to adjust
these settings to your preferences. You can find this setting on the
basic setup page of your account. Once you have turned content matching
off, take some time and look at your keywords. Then track and analyze
your data from the search network to ensure that you have your keywords
positioned where you want them to be and that you are happy with the
results you are getting from your PPC search campaign(s). Add negative
keywords where appropriate, and remove any keywords that aren't
performing to your expectations. In effect, get your search-based
pay-per-click ad campaign as close to perfection as possible, so that
you will be able to make an accurate comparison between it and the
contextual search version you will set up. As an example of how to test
contextual advertising against the other means that visitors use to find
your site, let's use a situation based on a Google account. You will
need to set up to three separate campaigns--one that will reveal your
natural or organic search results, one that will show your pay-per-click
ad campaign search results, and a final one that will show results from
a pay-per- click contextual results ..ERR, COD:3..

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.è.u o2w~ sal ar #"mow I-r Figure 7.2. - You can edit where your ads
appear on Google by going into "Campaign Summary," checking the
campaigns you want to edit, and then clicking on "Edit Settings." You
can set whether you want the ads to appear on Google only or be spread
out over their search partners and AdSense publishers. Ensure that you
have individual tracking set up for every keyword in each of the three
campaigns, with appropriate identifiers set up in the tracking URLs, so
that you can analyze the data completely. Set the campaigns to run at
the same time and let them run for a reasonable amount of time-anywhere
from a week to as long as a month-so that you can collect enough
impressions on each separate campaign to have adequate data to analyze.
Once the ads have run long enough to generate sufficient data, stop the
campaigns and then reactivate your original campaign. At this point, you
must analyze the data from the separate campaigns in order to determine
whether PPC search ads resulted in more positive results than did the
PPC contextual ads. Although you can use the tracking tools available in
Google to analyze the data, we recommend that you also use a third-party
tool to compare the different analyses. I f you do not own a third-party
tool, some of the more popular ones do have trial periods available that
would allow you to download the software and analyze the data from the
test period. (lie aware that trial software often does not have the full
features of the program enabled.) 73 ..ERR, COD:1..

Contextual Pay-Per-Click Advertising Finally, look at the data yourself. Invest as much time as necessary to fully understand the different results you most likely received from the different ad campaigns, concentrating particularly on clickthrough rates and conversions. If you discover that the campaigns received a lot of impressions, but not as many clickthroughs as you had expected, you may need to revise your keywords and ads a little more. If this is the case, re-run the trials and see if the results come out any clearer. As stated earlier, most analysts say that contextual ads lead to fewer conversions than PPC search engine ads, due to the timing of when the visitor sees the ad, in terms of his or her stage in the buying cycle. Those who reach your website via PPC search tend to be further along the sales cycle. This means that they are drilling down with more specific keywords and actively looking for businesses that sell the product they are searching for, in order to make the final decision. Given this, many advertisers at first see contextual advertising as a poor choice if their sole intent is to sell products online. I lowever, there are some distinct advantages to be gained via contextual search advertising, as long as the advertiser realizes that conversions will likely be smaller. One of the main advantages is that keywords in contextual advertising tend to cost less than keywords used in PPC search. Therefore, an ad campaign based on content can cost less, so fewer conversions can still result in a decent ROI. ,As well, one cannot discount the exposure of your product and website in any format online, but particularly in content-rich pages. Typically, visitors who are reading such content online already have a high degree of interest in the topic. Therefore, they may be more likely to notice your ad or at least make note of your website as a possible avenue to explore when they are closer to the end of the sales cycle and ready to purchase. This can be particularly beneficial to smaller websites, who face a great deal of difficulty in building brand recognition in the Internet marketplace. By attracting the attention of a reader who is already interested in the product, it may give a small business owner a leg up on larger competitors, who rely on their brand name to bring shoppers directly to their websites. Another advantage of contextual advertising is that it may have more appeal to those Internet users who find the search process difficult and frustrating. If a user has tried to find the product he is looking for by placing keywords in a search engine's search box and has repeatedly been unable to find relevant results, frustration will set in.

Contextual Pay-Per-Click Advertising Some may instead click on the contextual results that come up, such as links to online magazines or review sites. If your ad shows up when they are investigating those secondary sites, their frustration at the whole process may lead them to click onto your ad and propel them further into the sales cycle on that basis alone. Tips and Techniques for Contextual Ads Still a relatively new avenue of marketing on the Internet, the following are some tips and techniques to keep in mind if you do begin exploring the use of contextual ads. • If are interested in exploring contextual ads, be sure that "content search" is turned on in your basic setup page of your account (in general, it's turned on by default). Conversely, ensure that the "content search" is turned off if you are not interested in having your pay-per- click ads show up on content websites. • Run competitive tests between your PPC search and your PPC contextual search ads before committing yourself to one or the other exclusively. • Contextual ads have a different purpose than pay-per-click search ads-they are designed to instill interest in the product, while PPC search ads focus on conversions. Thus, consider developing different landing pages and ad descriptions for each type of advertising. • Set up competing contextual ads on a couple of different search engines to see which performs better for you. • Remember to time your testing carefully. It is usually not a good idea to conduct testing of different ad campaigns during the holiday shopping season or even during months when major holidays, such as the July 4th weekend, occur. The results could easily be skewed and not indicative of "normal" behavior in a more standard timeframe. • Because this is a relatively new approach, ask your search engine's account representative about the details of their contextual ad program, and be sure to seek their assistance if you are at all unsure about setting up campaigns in a way that will bring the best results. Likewise, if you are unhappy with the results of a contextual ad campaign you have run, go through the data with your search engine consultant or account manager and ask them to explain what didn't work properly, and why. Many search engines are just beginning to institute this type of search; therefore, there may be some kinks that need to be worked out on their end, particularly if the option is still marketed as being in a beta format.

Contextual Pay-Per-Click Advertising • If your funds are low, consider giving contextual advertising a try, because the cost per click is normally quite a bit lower than pay-per- click search. You may receive enough conversions to justify the campaign, and at the very least you will have gained some experience with the concept and techniques. Remember that there is a difference between the pay-per-click contextual search engines and websites that have contextual networks that you can advertise on. For example, Google and Yahoo! are search engines; Clicksor and InClick Contextual PPC Text Ad Server are not. The latter rely on their network of publishers for placement of your contextual ads and thus require close attention if you conduct a campaign with them to ensure that your ad is showing up in the kind of content that has the greatest potential of bringing you conversions- inforinational sites and review sites. • Even though the non-search-engine contextual ad providers, such as Clicksor and Quigo, do not have the publisher base that the giant search engines have, they can provide a cheaper method of conducting a contextual ad campaign, and in an environment that many may find easier to manage and track. The same is true of the smaller search engine's programs, such as those offered by Kanoodle. Ilowever, do keep in mind that the quality of clicks with those networks might be somewhat lower, as the best publishers tend to gravitate to the "big boys," who tend to pay more. • Contextual advertising works best for those advertisers who are most interested in increasing their number of impressions and their level of reach into the Internet marketplace. Because the ads show up without the visitor actively searching for sales information, they can be very useful in increasing your presence on the Internet in a less sales-driven fashion, which does appeal to some users more than targeted results. • As with PPC search advertising, tracking is the key to PPC contextual ad success. Without knowing what is working and what is not, which keywords are converting or at least resulting in impressions, your ad dollars are being wasted. 'l'ake the time to investigate and analyze the data from any ad campaign. • Remain aware that non-search-engine contextual ad providers tend to offer bidding based on channels or categories, such as travel, hotels, computers, etc. Contextual advertising in its current form is still in its relative infancy on the Internet, and many of the other search engines that could benefit from offering this choice to their advertisers have yet to develop programs. Some are waiting

Contextual Pay-Per-Click Advertising to see how the market shakes out, and if advertisers ultimately buy into the concept of contextual search. Meanwhile, advertisers are experimenting with all of the different forms of pay- per-click models that are coming to the forefront in this growth market, and contextual advertising is but one of those options. It can, however, be a very strong means of increasing your market reach across different types of websites that you might otherwise never be able to penetrate. After all, if you wanted to advertise in an offline version of a magazine, the cost of a full-page ad would be thousands of dollars and you would not be guaranteed placement next to relevant content. Online contextual ads are, by their very nature, placed within extremely relevant content and can cost pennies per click, for a total ad campaign cost that is a fraction of the offline version. Speaking of content and context in online advertising logically leads to our next topic of discussion-the value of branding online. Like context advertising itself, branding via online methods is a relatively new feature and an extremely controversial one, but is related in some ways to contextual advertising, because both have a similar goal-increasing the visibility of a business online.

Chapter 8 - Branding and Pay-Per-Click Advertising One of the goals of every form of advertising is to increase the positive perception that a customer has of the company they purchase products from. If enough people know a company's name and what it stands for, a product (or the company itself) may reach the position where it is generally considered a brand name in a specific marketplace. Many advertisers believe that only large corporations (such as Microsoft, Nike, Wal-Mart, Coca-Cola, and so on) have the opportunity to become brand-name advertisers. But in fact, small-to-medium-sized businesses can also become involved in branding their product with the expectation of success, especially in the online world. Why would this be the case? In a word-cost. Advertising online via pay-per- click search engines is vastly cheaper than advertising in the offline world, yet research shows that the online world reaches, and is used by, a significant proportion of consumers. It's also interesting to note that, according to an estimate by Piper Jaffray, the average cost of making a sale on the Internet is approximately $7-$10, while Online advertising is considered Yellow Pages ads cost $15-$25 per one of the most effective means customer, email marketing cost $40 $80, and direct mail can go as high as of marketing a business, and it has $60-$80. In other words, it's not just the lowest per sale cost. cheaper, but more effective too. Granted, this data varies from one industry to another, but it does portray the proportionate breakdown between different advertising techniques. With all the components of search covered in this book coming together (pay-per-click advertising, local search for PPC ads, contextual search ads, etc.), and demographics showing that the most-likely-to-buy consumer as one who is also highly interested in the Internet, now is the time to use these tools and options to build a brand identity for yourself in your niche market-no matter how small your company or online presence is. Of course, the prime driver for branding your product or company is repeat buyers. Without the same people buying your products over and over again, and thus becoming familiar with and valuing your products, it is difficult to obtain the sales or the most valuable "word of mouth" factor needed to achieve notoriety online. If you are successful at branding your product or company, you have, in effect, differentiated it from any other company selling the same product or service.

Branding and Pay-Per-Click Advertising Consumers view branded products as superior because they equate a higher value to them over the same product from a different company. In fact, the further you can remove your branded product from its competitors in terms of identity via name, packaging, advertising approach, or any number of other factors, the less likely it is that a consumer will purchase a substitute product instead of yours. Therefore, if you wish to enter into branding online, you must focus on more than converting a visitor to a buyer-you must also get your company's message and values through to prospects and clients. The goal is to give them such a positive impression of your company that they will remember and mention your name as a possible source for others who are seeking the same product. Methods PPC Advertisers Can Use to Brand Products There are many approaches you can to increase brand awareness for your company via pay per click. However, you must actively work to brand your product. Remember that you are trying to some extent to be in the same league as commercial giants, such as Nike, whose phrase "just do it" immediately brings the word "Nike" to mind for almost any consumer interested in quality athletic footwear. One good way to test the waters to see if you can make branding work in your pay-per-click advertising is to set up a separate ad campaign with branding as its ultimate goal. This is not necessarily going to be an easy process, given that to some extent you are prevented by the search engines from using precisely the type of terminology that tends to build brand awareness. Wording such as "the world's best" or "number one in the United States" in a PPC ad description is quite often banned. Therefore, you must craft your ad so that the description includes, at the very least, the name of your company (prominently displayed). The addition of a logo (if allowed) is also a good idea. At this point in time, only a few pay-per-click search engines allow you to include a logo in ads. "There is a fair amount of discussion currently about whether or not a unique selling point (USP) is a significant factor in helping to brand online. Some analysts feel it is essential to draw visitors to your website by stating in your ad's description area that you offer something that no one else does. Other analysts, however, think that a unique selling point is not critical to branding, because consumers are looking for an overall satisfactory consumer experience, not just being thrilled by the fact that you are the only company that gives away a free magazine subscription with every order over $100. A study just completed by Millward Brown using 600 researchers in 16 countries used the rather extreme question of, "Which company's brand name

Branding and Pay-Per-Click Advertising would you be willing to have tattooed on your body?" Although the first three answers are not too surprising (Ilarley Davidson, Disney, and Coca-Cola), the surprise fourth finisher was Google (at 6.6'90, just one percent lower than Coca-Cola). Given that there are other online markets as large and prominent as Google (e.g., Yahoo!, AOL, Netscape, eBay, l lotmail), the researchers speculate that people included Google in the list because they felt that Google, of all the online entities, has been the most responsive to customer needs. Further, it has been the most open to revealing future plans via beta versions of a number of imaginative tools. Again, this goes to prove something that can't be emphasized enough- customer service is key, especially online, where your potential customer cannot visit your location in person and must rely on what you reveal of yourselves to them. Google was perceived as being very open with consumers-their goals, their works in progress, their plans to go public-well before they were required to. All of this worked to their favor and increased their brand awareness beyond the Google partner network. Experimenting With Branding Online If you pursue branding online, you need to realize that you may be at odds with the search engines in terms of your ultimate goal, but that is nothing new in a pay-per-click campaign. You, as the advertiser, want the visitor to spend as much time as possible on your website, while the search engine is interested in getting as many people to click on ads as possible, thus leading to their wanting visitors to leave sites quickly and move on to another. As a rule, a branding campaign is going to be more costly than regular PPC campaign, because you will need to include many more generic keywords in your campaign than you might have otherwise, and having more generic keywords is generally more costly. Because the key factor in branding is a high degree of awareness of your product, you need to capture as many site visitors as possible. 'T'hus, you want to select the generic keywords that people who are just beginning the buying cycle will plug into the search box. In addition, you must bid high enough on the keywords to end up high in the list. Keep in mind that you do not have to pay for these sometimes expensive keywords unless someone actually clicks on the ad. Research reported in February 2005 by DoubleClick and comScore, using 1.5 million consumers who had purchased online, revealed how important generic keywords are if you are pursuing a branding strategy.

Branding and Pay-Per-Click Advertising The results of their study showed that, generally speaking, the buying cycle falls within a 12-week period. During that time, it is usually not until the final stage, when for many consumers the decision to purchase has been made, that searchers use specific keywords that include company names and other branding-related terms. Even during the last week of the buying cycle, almost one-fifth of the searches were still generic in nature. This implies that branding opportunities can exist even at this late stage, in that a small business could be the choice over an already-known brand name. If this happens often enough, you could see the beginning of your own branding starting to occur. If you have kept your company's name and identifying characteristics in the forefront over the entire buying cycle of an individual consumer, comScorc believes that you have a relatively good chance of not only converting that customer to a purchaser, but more importantly, of increasing your brand awareness within that consumer. It is also important to plan your strategy well and to decide in advance all the details of how you want your brand to be perceived. What are the key factors you want to portray? These need not necessarily be unique selling points, but are aspects that consumers seek and expect, and that will encourage them to become repeat buyers. Examples include being open 24/7, having a wide selection of goods, low shipping costs, and so on. When brainstorming these kinds of things, consider the companies that you think of as brand names and then come up with a list of what made them, and continues to make them, a name that is instantly associated with a product. After you have identified those items, figure out if you can duplicate a similar type of aspect in your products. Equally important to your ad campaign is ensuring that your website itself is clear, clean, and very intuitive for a potential visitor to use. Reassess your web design and make sure that there are no inconsistencies in your content, particularly that centered around purchasing requirements or the purchasing process itself. Be sure to include testimonials, especially if you have a customer who is already well known, because some of their own branding will rub off on your site (the user will think, if "X" company uses these people, then they must be good"). Remember that ad impressions from a regular PPC campaign or a contextual advertising ad campaign can go a long way toward helping brand your products. Repeated exposure on content-based sites, and impressions gained through organic search results, will put your ads in front of the consumer repeatedly. Because many studies have shown that it is rare for a single exposure to an ad to

Branding and Pay-Per-Click Advertising result in a purchase, the more times your ads are seen by potential customers, the more likely you are to convert them into buyers. "There arc some specific concerns to keep in mind if you do set up a branding campaign: • A branding campaign is usually long-term, and can yield a lower return than a campaign developed for direct response. For one thing, the majority of online purchases go through a sales cycle that averages 12 weeks. During this time, the consumer researches the product, researches some potential sellers, mulls the situation over for a while, and then decides from whom to purchase. And as stated previously, the generic keywords that are key to branding tend to be much more expensive than the "niche" keywords that may be part of your PPC search advertising campaigns. • Monitor your branding campaign to ensure that the number of impressions without clickthroughs does not wind up disabling your search terms. Otherwise, it may take you some time to recover your traditional PPC ad campaign once your experiment with branding is over. • Continually rethink the campaign, tweaking keywords where necessary and varying your ads ever so slightly if your initial results don't bear fruit or if you see that a slightly different approach works better. • Consider setting up a very short mini-poll on your thank-you page (or on a page appropriate for earlier in the buying cycle) asking why consumers made a purchase, whether or not your efforts met their expectations, and how you could improve the experience for them. A good customer experience is key to branding, not just in the quality of your product, but in the interest you show in your consumers. You may receive some insightful comments in return, and the poll serves as a further reminder of from whom they have just purchased a product. A study conducted by AdKnowledge in late summer of 2003 found that conversions that occur long after the initial click through to the PPC ad Approximately half of all online were on the rise. In fact, around 440 o orders come from repeat visitors, of total conversions in the study were not first-time users. repeat conversions, indicating that building customer loyalty (and eventually branding) is not only possible on the Internet, but perhaps a larger player than currently realized. Another study undertaken in the same time period revealed that the Top 50 most visited sites (resulting from online advertising) were not the largest

Branding and Pay-Per-Click Advertising companies online, but rather companies such as Amazon.com, eBay.com, e I'oy.com, and so on. These sites have become successful because they also offer items that they realize someone coming to buy books might be interested in. This includes such things as music, movies, children's toys, and a variety of other products they have carefully researched and identified as being of interest to book purchasers. At Amazon.com, for example, every time you look at the details of a book, you will also find a list of other books or products that people, like you, looked at in more detail while on the Amazon site. All of this is designed to keep the visitor on the site as long as possible, and perhaps tempt them to place more items in their shopping cart than they originally came prepared to purchase. If the consumer is happy with the related items they decided to purchase, it's a certainty that they will come back to Amazon the next time they are in the market for a book-and the branding process has begun. Of course, Amazon has already branded itself online, precisely through such methods. It evolved from a simple bookstore founded many years ago to a complex site where you can purchase any number of related products. You will also be exposed to unrelated products that Amazon has found make good impulse buys. The example of Amazon leads to a very important consideration. I low can you tell if your branding approach is working? In short, what indications should you look for to see if the ad campaign you are running is working and actually increasing your brand recognition? Not surprisingly perhaps, the types of statistics that you need to analyze most closely are quite different from those in PPC search ads. They are, in fact, closer to the type of statistics one looks at to evaluate contextual advertising, because both branding and contextual advertising share one thing in common-both depend upon people repeatedly seeing your ad. Therefore, the key analytics to track after you have let your branding campaign run through at least one complete buying cycle (about 12 weeks, plus tacking on a week or two on either end if you can afford to) are: • Traffic-keep a close eye on the traffic to your site during your branding campaign. Not only does this tell you how many people are visiting your site, so that you can compare those statistics with a similar PPC search engine ad campaign, it will help you recognize the impending disabling of specific keywords if their clickthrough rate is falling below the search engine's default percentage.

Branding and Pay-Per-Click Advertising • Average Position (ranking)-a study conducted by the Interactive Advertising Bureau in mid-2004 strongly indicated that top ranking in search results increased brand awareness by about 27%. Top positions tend to reach partner networks more readily as well, thereby increasing the number of people who will see them. • Impressions-this analytic is, of course, the main key to branding. just as with offline advertising, your goal is to get as many "eyeballs" on the page as possible, as marketers term it. Online, this obviously means getting as many people as possible to see your ad, even if they do not take any further action. The repeated viewing of your ad will, over time, increase your chances of achieving some success in branding your product or your company name. After all, in the course of about seven years, Google went from a two-person start-up in a dorm room at Stanford University, to a company currently known worldwide as the top search engine. If you are sufficiently motivated, manage to find the finances needed to carry on a long-term branding campaign, work hard at pleasing the customer, and can find a unique presence (even if you offer the same product or service as others), you may become the next "Google" or "Amazon." Although it may seem impossible to break through that invisible barrier as a small business, there are cases that show it can be done. Additional Tips on Branding Online There is no doubt about it-branding and its possibilities of success versus the cost involved is a very controversial topic. It is not a cheap option, nor is it foolproof. One should enter into such a venture knowing full well that initial results will be slow in coming and that you may never reach your ultimate goal. However, you may be able to increase the number of repeat customers along the way and move a little closer to that goal. Here are a few final tips to help you if you decide to undertake a branding advertising campaign on a PPC search engine: • Keywords-although the general approach is to bid on generic keywords, do not overlook including keywords of any trademarked products/ services you may have. If the product/service is not officially trademarked, but it is unique to your offerings, also add keywords for those items to your branding campaign. These keywords will cost very little, since they are trademarked and/or unique to your particular company, and these terms may be what stuck in the mind of a previous buyer or visitor who can't remember your URL or your company name. Do consider the legal implications of using keywords that are the names of products not yet trademarked, if you decide to include them.

Branding and Pay-Per-Click Advertising ROI-in a branding ad campaign, Return On Investment is not the only key analytic to worry about. The goal of a branding campaign is not just to sell products right away (although that is also considered), but rather to imprint your company's name and/or products on the visitor's mind in order to prompt future visits. Expect the ROI on a branding campaign to be smaller at first, and you won't be disappointed if it turns out that way, as it almost invariably will. • Experimentation-keep in mind that a branding ad campaign, especially when you first dip your toes in the water, is an experiment. Don't expect great results from the beginning, but carefully analyze and compare the number of impressions and amount of traffic between this campaign and a regular PPC ad campaign. A comparison will not be easy, since the keywords used in either case will not be the same, but enough data should be available to give you a rough idea about whether or not you want to invest more money and time in more branding approaches. • Competition-if you run an organic search on "soft drinks," you will not find websites for the top brand names coming up in the first pages of a search result. Instead, you will typically see informational sites talking about soft drinks. The large companies, such as Coca-Cola and PepsiCo, don't need to be top ranked online because they already have well-established brand names offline. 't'herefore, your competition for what may be considered a highly relevant generic keyword may not be other companies selling soft drinks, but contextual websites. There are significant opportunities available to help you brand your particular soft drink in such an environment. • Contextual Advertising and Branding-if a search for a generic product is more likely to turn up informational websites rather than the large brand names that control the marketplace, consider using contextual ads within those sites as a means of indirectly branding your product. So far, we've considered a number of types of pay-per-click advertising available and some different approaches that may help extend the reach of your product and your company. As yet, we haven't explored the opposite notion-how a small business (perhaps one that does not even have a websitc) can gain a share of the increasing number of consumers making purchases via online methods or contacts. The next chapter discusses the explosive growth of an answer to this dilemma-local search-an approach that can work even for companies that do not have a website!

trend is the ability to easily target a local audience with your ads. There are currently two basic versions of localized PPC : • The traditional PPC ad on a search engine that is programmed to appear when the user searches using a location in their search phrase A hybrid of PPC with various online telephone directories and online shopping markets Developers have gradually come to realize that many people research products and services online, but then buy them at a local outlet. This fact affects all kinds of businesses. Given this behavior, which has been proven via many reliable research reports, it only makes sense that the conversion rate of visitors into buyers may be higher if a PPC ad is targeted to the visitor's geographic region. On the other side of the coin, local businesses are often reluctant to put 59°,% of merchants surveyed by marketing money into a website, much WebAdvantage said that they less a pay-per-click campaign, because would use PPC ads, if they could they know that the majority of the target their local market. visitors to their website are probably too far away to purchase from them. Many also believe that the average consumer does not feel comfortable ordering merchandise online. Research conducted by WebAdvantage, however, found that 5T/o of merchants they surveyed would use PPC ads online if they could target their local market. The ..ERR, COD:1..

Local Pay-Per-Click Advertising Released late in 2003, The Kelsey Group's survey and research produced some interesting data and estimates. I Jere are some of the more pertinent results: • Traffic from the major search engines that can be defined as looking for a product in a certain location can be as high as 60% (for market leader Google), although for other search engines, a more typical percentage range was closer to 10% to 15%. Even the percentage for Yahoo! was rated at 12°/o to 40%. • Local 12 weeks, plus tacking on a week or two on either end if you can afford to) are: • Traffic-keep a close eye on the traffic to your site during your branding campaign. Not only does this tell you how many people are visiting your site, so that you can compare those statistics with a similar PPC search engine ad campaign, it will help you recognize the impending disabling of specific keywords if their clickthrough rate is falling below the search engine's default percentage. 83

Local Pay-Per-Click Advertising Two key points from the research deserve repeating here: • Almost half of those who buy online are using local search. • One-fourth of all shoppers using search engines are looking for a local business to buy from. There is no doubt that PPC online business is growing. Spending on search- engine-related spending was reportedly close to $1 billion just during the second quarter of 2004, while in the corresponding period in 2003 it was half that amount (about $515 million). One trend, already underway, affected the development of local search significantly-the growing presence of online versions of print telephone directories (the "yellow pages"). 'T'hroughout 2004, many search engines have contracted with various yellow pages properties to integrate the yellow pages web capabilities with the search engines' version of local search. Details of these partnerships and their implications for business owners are discussed later in this chapter, in the section on Internet yellow pages and local search. Throughout the remainder of 2004, a variety of ways of implementing local search capabilities were added into PPC search engines, especially during the latter part of the year. The complexities and variations of these local search solutions prevent us from predicting will become the "standard" local search solution, but there are some key clues to be found in the programs developed and currently used by PPC search engines. To small businesses, the ability to run a local search is a huge development. This finally gives you the opportunity to persuade Internet customers who like to buy locally to choose your business over the store 3 blocks away, without even having to interact with them. Local search is here to stay, and it is not too late to enter the game. In fact, this is exactly the right time to become involved! What looked like trends six months ago are now reality and a major upheaval is quietly making its way through the online community. Many businesses have become disillusioned with organic search results. They have found that PPC is a more reliable option for their ad dollars, and adding the local touch is the icing on the cake. Local PPC search is definitely worth investigating and experimenting with to see if, it can help you increase your ROI by converting more online visitors to your website into buyers (and hopefully repeat buyers).

Local Pay-Per-Click Advertising Local PPC Search Engines The major PPC search engines jumped quickly onto the local search market and added this feature to their programs last year. The two largest, Google and Yahoo!, added this component early in 2004, but have made major changes since then. l)ue to the strength of the local search market potential, partnerships made, acquisitions by other companies, and other factors, some other leading PPC search engines have changed dramatically in their approach to PPC advertising. In addition, a couple of smaller PPC search engines have just begun this year (2005) to integrate facets of local search into their offerings. Let's see what the current local search options for pay-per-click advertisers are. Google AdWords The Google PPC local search product, Local AdWords, initially identified the user's location by scanning the user's 11) address. It then fed them PPC results for the location determined to be closest to the browser's IP address. Unfortunately, if the user's IP address was not his or her usual location (for example, if you were using a computer in another city but were looking for a product/service in your home area), the PPC ad results reflected your current location, unless you specified geographical limitations in the initial search (for example, "car dealers in Manhattan"). The acquisition by Google of BellSouth (RealPages.com) in October of 2004 and its later purchase of SmartPages.com meant that these became the first Internet yellow pages groups allowed to sell ads through Google AdWords. This allowed the AdWords program local search to use online white/yellow pages as well as IP addresses to serve up more accurate local results. Google moved quickly in and offered a beta version of local search, called Google Local, which brings local search to the organic rankings area. The search bar in Google Local's beta version has two parts- one for the product/service, and the other for the location. In response to actions by Yahoo! (see later), Google I,ocal moved out of the Google Labs development area and onto the homepage search site in February 2005, although it still carries the "beta" tag (there are many bugs to be worked out in the program, as Google freely admits). The results may or may not be accurate, or at least not as accurate as a PPC ad. They also warned that their SafeSearch feature was not totally functional with the beta version. In many cases, better results are returned if you use the city name, rather than a zip code.

Local Pay-Per-Click Advertising With Google Local, unless you use the PPC option of the Local AdWords program, you are still not guaranteed that your location will come up as it should. For example, if you conduct a Google Local search for shoes in a city that you don't know the zip code for, you may get results for any city in North America with that name (and we all know there is more than one city with the same name within the North American region). I lowever, this is mitigated largely by the ability to specify a search area from your current location, such as the number of miles radius of an area you want to search. When Google Local was still in development, results based on searches in Canada were very unreliable. Some of the changes instituted, such as the integration of mapping capability into the product, have increased the accuracy of results for Canada significantly, although results are still somewhat less reliable than searches with United States locations specified. User responses to Canadian local searches in February 2005 were almost exclusively disappointing, but much improvement has been seen since. The key to overall improvement in Google local for all of North America appears to be the integration of Google Maps into the product. A map of the area you have targeted (5 mile radius, for example) comes up along with the local listings, each with a letter assigned to them that matches a small balloon on the map, indicating their location on a street grid. You can dynamically change the radius of location to expand or constrict your search for local businesses. A few PPC ads appear along the top of the results page that are also locally related. The listing for an individual local business Local   ilon, woo' itself includes the name, ,.,.~.. ~.. ,~..~..# :r•• phone number, and address of the business, the distance from your location, and a short 33 ,.. k, law description that appears to be drawn directly from the » . . Y.. a l o w 44 web page if the location ~,.~.. has a website (the UKI, is also listed). Next to the distance parameter is a "Directions" link, which ~_. 1` WY 14" takes you to a page that Figure 9.1 - A quick search for "dentists" in New rooms in to show York produced this results page. directions (it also provides text on the side).

Local Pay-Per-Click Advertising If you are interested in participating in Google Local, it is an option available through the AdWords program. Setting up the parameters is a fairly easy process and you can run different campaigns set to different location variables (e.g., one ad targeted to the city as a whole and another targeted to searches within a certain distance from your location). Keep in mind that the smaller you make your search radius in your ad, the less traffic you are likely to receive, as your ad will only show up if someone specifies a location within your set region. Yahoo! Search Marketing Yahoo! Local Match works the same way their regular PPC products do, but the advertiser also specifies the area they want the advertisement to cover, with an offered range of 1/2 mile to 100 miles away from their place of business. When a potential customer types in a search that includes a geographic area, such as a city or state, the PPC listings for that area will appear with PVC ads first, followed by the results section, initially sorted by "Top Results." The user can then click on any of the columns in order to re-rank the listings by price, rating, name, or distance from their current location (as Yahoo! has determined it). "11tey can also click to get a map or a phone connection, rather than clicking on the company name. s i-- J t. rfi-e? r f fir, New York Dentist A large group of gwwrat d.ölkk and speciaMsts ped.mt cosmetic dentistry gickly and comiorialdy. Sea our original 1.7&) peg. photo atlas on aw Web site. Free new patient consr,ttatixr v «drdadman corn . Dentist New York Celebrities use Gtsesman Dental Care for their perfect smiles Providing cosmetic dentistry sernces to help you scteeve your dream smile www giassmandentalcare corn Figure 9.2 - A search for "dentists" in New York on Yahoo! produced this results page. When a user clicks on your PPC ad, they are taken to an interim page called the Locator page, which has a map to your business, customized information about your business, a link to get driving directions (a small map is shown by default), and the URI, of your website. Users can also write a review of your business on this page or look at the other linked listings displayed. "There is also an area where you can locate various services near the business, such as public transportation, ATM machines, and hotels. This interim page allows the advertiser to provide a lot of information to potential clients without them even having to visit their website. More importantly, perhaps, it allows advertisers who do not have websites to participate in Local Match, because a URL is not a requirement to participate in the program.

text message to a phone for the business. Yahoo! Search Marketing offers a self-serve approach to setting up this localized search ad, with no service fee if you wish to do it yourself. Otherwise, you can obtain expert advice on the various local options and how to best craft your Locator page, etc., for a fee of $99. The signup process is fairly intuitive and similar to Google. I lowever, at this time, Yahoo! only offers local listings in the United States. Interchange Interchange has undergone numerous changes, both through the last half of 2004 and into 2005, as it continues to acquire or partner with other properties and Internet yellow pages companies, in addition to its earlier acquisition of the PPC search engine, ePilot. As a result, it now offers a local search and advertising platform called Local IllirectTM, which combines Interchange's proven paid-search platform with the world's most accessible local business database, and the company's proprietary Keyword INATM technology, to create a comprehensive local-search solution. Although not nearly as robust as the Google and Yahoo! offerings, it is a big step forward to add local search to a smaller search property. The user types a search word and location into the search box and the relevant businesses near the location appear in a results page.

Local Pay-Per-Click Advertising An interesting feature of Local Direct
is the ability to enter your address via "Set My Address," so that the
search engine will remember your physical address (associated with your
IP address) for all future local searches, helping provide a better
search result for potential buyers. The options available from a Local
Direct Search include a link to a telephone contact (again to help
businesses without a website), the ability to access a map, access any
coupons the business offers, and a link to the website. The complete
local Direct service portfolio is available to Internet yellow pages and
printed yellow pages (IYP/YP) partners, as well as other portals and
websites seeking a local paid-search solution. Interchange's
local-search technology effectively bridges the gap between keyword
search and category-based directory search, and enables directory
publishers and website owners to enter the growing online local-search
market, with the strength of the company's expansive networks (Search
Distribution Network/ Advertiser Network) and advanced technology at
their disposal. Find What FindWhat recently began offering a local
search option on their website, using SuperPages.com as the delivery
vehicle. On their homepage, the search bar has one place for the search
term and another for the city or state. A local search brings up a
typical list of four relevant websites. Once you click on one, you are
taken to SuperPages, where a page with information very similar to that
found on Yahoo! is presented. SuperPages.com itself introduced a form of
local search last year on its website, but has also transformed itself
over the past few months into much more than a yellow pages site-it has
also added the veneer of a shopping site. To take advantage of local
search if you are an advertiser on FindWhat, you need to set up a PPC
account on SuperPages using category pricing (minimum click price of 20
cents), even though the base technology is from FindWhat. The limit of
four listings presented when one uses the local search bar (versus their
general search bar, which returns many more results) needs to be more
comprehensive in order to get advertisers interested in signing up for
this feature. The results are attractive, but until more advertisers are
provided with adequate information on how to integrate local search into
their ad campaigns, the FindWhat offering is not as competitive as it
could be, given the number of partners the search engine has.

the advertiser you clicked on has requested not to receive any visits from users outside of their market area." Tips on Improving a Local PPC Campaign For local search, the usual PPC tips on ensuring that the landing page is one that is designed to encourage a sale (not just take people to your homepage), need to be supplemented.. few suggestions include: • Include as much local information (phone numbers, city name, etc.) as allowed in your local PPC ad, not just your URL. • Become more familiar with the types of products/services that are best suited for local purchasing to ensure local search will really improve your ROI and not just add expense to your budget. Some types of products are more often purchased locally than others. For example, professional services such as doctors, lawyers, etc. usually do well with local search options, while products/services that consumers are used to purchasing online (such as CAN, movies, etc.) may not. • Investigate the pay-per-call options that some PPC search engines are now offering, especially if you do not have a website. • As with all advertising efforts, do some research before you decide which PPC local search engine to go with. Try some searches on your own for products you would like to buy locally and see how well the results fit your search. This can help you judge potential results, before you even sign up to try out a new service. • Ask your PPC representative for assistance on how to make your ad more appealing to a local market.

Local Pay-Per-Click Advertising • Remember that a search engine that only uses IP addresses as a means of tracking local users will not be as accurate as one that uses a geographic method to target them. Be sure you know which method of tracking is being used to deliver local results. • Figure out what is unique about your product/service compared to the business five blocks away, and then include this information in your local ad to gain further advantage. Examples might include "open 24/7," a comment on low prices, or free delivery. Above all, remember that once you have a local pay-per-click advertising campaign running, you must focus on competing against other businesses just like yours within the same local area (how wide depends on your search engines options and your ad budget). Therefore, make your local ad as unique and compelling as possible. You must offer something to set your business apart from your local competitors. Internet Yellow Pages, City Guides, and Comparison Shopping Search Engines Until very recently, paid advertising on Internet yellow page and/or city guide types of websites was not considered by most small-to-medium-sized businesses to be the best of choices. This was, perhaps, because of the cost versus estimated number of visitors, or because online advertisers did not think many users accessed citywide types of directories, or that they just used the review sections of online comparison shopping sites. However, with a strong move toward producing much larger, more robust entities, Internet yellow pages (or IYPs) have become much larger players in the online advertising market. There are many aspects to this that involve local search. Yellow page directories have realized that many businesses will pay for an ad in a yellow page directory online, in addition to (or even instead of) the print version, because research shows an increasing trend of not just users, but buyers, using the online version of the yellow pages to find a local company to buy from. Another part of the puzzle is that many businesses are instituting policies where they no longer supply each of their employees with a print version of the yellow pages, for various reasons. Instead, they encourage online access of the information, keeping just a few print copies around in central areas. Yellow pages companies have become aware of this trend. They also realize that although the employee is using online yellow pages while at work, they may be "shopping" for an item that intend to pick up on the way home.

Local Pay-Per-Click Advertising Many other scenarios are leading to increased usage of online yellow/white pages as well, including online local-related guides to products/ services (such as city directories, community directories, local business web rings, shopping comparison sites, etc.), that a consumer may not have otherwise consulted. Internet yellow page companies, as they began to partner with online search engines whose databases ensure that up-to-date listings are quickly integrated into searches, soon realized that they themselves could sell the equivalent of PPC ads inside their online yellow page sites, in addition to online traditional advertising. The next logical step was for search engines and yellow page companies to either further their integration, or continue to compete against each other for the ad budgets of business owners. Mach side had already developed parts to the puzzle, but neither had the full process developed. These arrangements are still in the process of being finalized; some have not yet announced their intentions, or negotiations are in process. Each side realizes the other's strengths-proven online customer reach and existing PPC programs in place on the search engines (for example, the name recognition of Google and its listing as the most popular search engine), and the yellow page companies' proven print reach and the increasing use of their online sites by potential customers. Right now, the situation appears to be leaning toward further consolidation and partnering between the search engines and Internet yellow page and directory- style paid listings. Some of the larger web directories, regional directories, and smaller search engines that are involved in such partnerships include PremierGuide, On-line USA, MyePages, StepUp.com (all now partnered with ePilot's parent company Interchange), and LookSmart's LookListings, among others. These entities may, or may not, have offered PPC advertising in the past. IYPs that have included a PPC-type model into their own websites include CitySearch, Switchboard, and SuperPages, among others. Shopping comparison sites are also early adopters of this hybrid, including BizRate (Shopzilla), NexTag, and Shopping.com. Conclusion The partnerships that are continuing to form between PPC search engines and online phone directories are proving very interesting in their impact on PPC as a whole. The large online phone directories, such as SuperPages (currently working with FindWhat), YellowPages.com (working with ePilot, among others), and Verizon, are pursuing local PPC strongly. They are contracting not

Local Pay-Per-Click Advertising just with the PPC search engines, but with online shopping sites and other directory-style sites. Localized search does open up a whole new set of challenges for PPC search engines themselves, because they now have to consider much more seriously pursuing smaller businesses and selling them on this approach. For both PPC search engines and local businesses, it is key to remember that the point of a PPC ad is to make it unique enough that you will not get a lot of clicks that do not convert to sales. So far, only Google and Yahoo! offer a robust enough experience to suitably impress visitors with the advantages of using local search. One of the key factors to keep in mind is that local search, because of its connection to Internet yellow page properties, allows businesses without websites to participate and profit from the pay-per-click marketplace. Because local search providers do not require that an advertiser have a website in order to compete for placement on local searches, a whole new avenue of advertising has opened up for businesses that want to benefit from online searches. It allows them to compete on a more level playing field with local competitors who have websites, and it allows them to reach the large percentage of online consumers who search the Internet for product information or to narrow their choices before purchasing locally. It is also time for those interested in PPC options to reassess their current needs. It is probably too soon to definitively say whether small-to-medium-sized businesses achieve better ROIs with some of the new paid variations available than they do with traditional PPC. With the ongoing battle between Google and Yahoo! to be the top local search provider heating up, advertisers who want to place a local ad may benefit from both increased value and decreased cost, at this moment in time. s well, an increasing number of traditional PPC search engines may continue to integrate some of the techniques that the entrance of Internet yellow page properties into the online search market have brought to the table.

Chapter 10 - Types of Pay-Per-Click Search Engines and Reviews So far, we've discussed various means of advertising online using pay-per-click methods. Although a number of search engines have been mentioned along the way, we want to present you with a systematic analysis of the different types of search engines available and provide you with reviews to help you decide where to spend your pay-per-click ad dollars. The reviews are meant to be a starting point. We will cover the major characteristics and backgrounds of different search engines, some pros and cons associated with each one, the costs involved, and how highly rated specific search engines are via their Alexa ranking (a service that tracks websites and ranks them according to reach, traffic, and other factors). Keep in mind your own particular goals, as discussed in the preceding chapters, as you look through the various pay-per-click search engine options available to you. If you know which features are most important to your marketing goals, be it a standard, simple PPC campaign, or an ad program for products that only a niche audience would be interested in, it will be easier to narrow down the list of search engines that might fit your needs. Using the information we provide in these short reviews should help you to narrow your choices. The next step is to visit the search engines themselves and fully investigate all the parameters. In this way, you can make the wisest possible choice the first time, bypassing experimentation that has led to many users wasting precious ad dollars by approaching the situation without the knowledge necessary to make the best decision. In addition to reviews of a number of pay-per-click search engines, we'll also investigate comparison shopping sites and the other markets just being established for other types of paid programs, such as pay-per--call advertising. The Top Ten Pay-Per-Click Search Engines The following 10 search engines are generally considered to be the best choices for pay-per-click advertising, in terms of effectiveness. The price of an ad campaign on any of these search engines can vary greatly, depending on your individual requirements. l ach search engine will be briefly reviewed, with some detail provided on the operation of the search engine and its partnerships, the costs involved, and the pros and cons of using each search engine. Special product offerings will also be included, and information concerning minimum bids and deposit amounts will be listed.

Types of Pay-Per-Click Search Engines and Reviews 1. Google (www.Qpcbook.info/google) the last seven years, Google has grown from GOver 01) e a two-man operation to what is arguably the Ad w o `d s largest and currently most popular search engine on the Internet, with 8 billion web pages in its network and a reach of close to 80% of online traffic. The clean interface and its innovative access to products currently in development appeal to the majority of users. An AdWords campaign is very straightforward to open, with a step-by- step classic PPC approach, but you do have to choose between three options related to the degree of keyword match. Local targeting is offered, and their alliances with yellow page entities, such as Bell South, show a commitment to local search. The Google paid ad display is the industry standard. Your ad appears along the right side of the search results page, or within content pages if you have content search turned on. Ranking within the paid results depends on a combination of your bid position, how popular your site is, and the relevancy of its content. The Google partnership network (on which your PPC ad may also appear after editorial review) includes entities such as America Online, Netscape, Shopping.com, 1?arthLink, Ask Jeeves, AT&T WorldNet, and CompuServe, among others. Content partners include About.com, The New YorkTimes, Lycos, The Weather Channel, 3 days to show up, due to their "editorial process." Minimum Deposit – $50 USI) Minimum Bid Price – 5 cents Minimum Monthly Spend Amount – none specified Alexa Ranking – 899 (as of 05/2005) 106

Types of Pay-Per-Click Search Engines and Reviews 2. Yahoo! Search Marketing (www.ppcbook.info/yahoo) SEARCH Yahoo! Search Marketing Solutions was "Y&14001 MARKETING founded in 1997 as GoTo.com. It was rebranded to Overture and became a subsidiary of Yahoo! in October 2003. In May 2005, Yahoo! announced that it would be renaming the Overture brand to Yahoo! Search Marketing Solutions. Offerings continue to be the same, but the previously separate Overture and Yahoo! operations are now combined as one. The PPC offering called precision Match has been renamed as Sponsored Search Listings. The other Yahoo! Search Marketing programs, such as Content Match and Local Match, are now offered separately. Sponsored Search Listings tends to have higher keyword pricing than Google, and it can take up to five business days for your ads to appear on the network (unless you opt for the $199 Fast1'rack service). Like Google, Yahoo! Search Marketing provides a number of tools to help you with your ad-Keyword Selector Tool, View Bids Tool, ROI and CPM Calculators, as well as a click fraud system with both automatic and human intervention. The Yahoo! Search Marketing partnership network includes AltaVista, MSN, Excite, InfoSpace, Sympatico, GoToNet, CNN, and CoolSavings, as well as some smaller entities. If you place an ad with Content Match, the partnership network expands significantly, to include major content sites such as ESPN, The Wall Street Journal, and National Geographic. Pros: - Allows multiple accounts. - Nice budgeting feature that automatically spaces out your keyword spending, per your instructions, throughout the month. Cons: - Different levels of service provided within the PPC program, depending upon how much you spend per year. - Will remove poor-performing ads not reaching the required score on their Click Index unless you alter your ad to improve its score. Minimum Deposit - $30 USD Minimum Bid Price - 10 cents Minimum Monthly Spend Amount - $20 USD Alexa Ranking - 1 (as of 05/2005)

Types of Pay-Per-Click Search Engines and Reviews 3. ePilot1M (www.ppcbook.info/epilot) epilot is the pay-per-click Advertising Network search engine arm of Interchange Corporation. It debuted in 1999. By concentrating on a user-friendly interface, epilot has been able to attract and solidify numerous partnerships with other search engines, such as LookSmart, FindWhat, 24/7 Real Media, and 1?nhance Interactive. 't'hus, it has expanded its reach significantly within a short period. By 2003 it had added other partners, such as Ask Jeeves, Business.com, and Searchl23, and completely revamped its website. In March of 2004, epilot announced the launch of the I,c)cal Direct search and advertising platform, allowing businesses to target local customers with paid campaigns and at the same time giving users the ability to search locally for the product/ service they are seeking. In May 2004, Interchange and YellowPages.com joined forces in a private- label partnership designed to enable YellowPages.com to offer cost-per- click advertising services to businesses via Local Direct. Pros: - Very professional look and feel. Interchange has invested a lot in epilot, particularly via its new local Direct search and advertising platform. - Local Direct delivers very quick search results using language that comes naturally to the average user (Ke)word DNA). - Partnership list includes more than 290 search engines and websites, including large properties, and more than 300,000 advertisers, for a relatively large market reach. - Click fraud detection system and relevancy screening. - Keyword bidding tool shows you the top 5 competitors. Cons: - Minimum bid price of 7 cents for a keyword to be distributed throughout the network. - No automatic bidding tool available. - Local Direct only incorporates local results from the U.S. Minimum Deposit - $100 USD Minimum Bid price - 7 cents Minimum Monthly Spend Amount - none Alexa Ranking - 2,424 (as of 05/2005)

Types of Pay-Per-Click Search Engines and Reviews 4. Searchfeed (www.Vj2cbook.info/searchfeed) feed New Jersey-based Scarchfèed first began operations in November of 2000. It relies on a technique of personally and thoroughly researching any potential web advertiser and providing assistance and software tools to help each advertiser target the most relevant traffic for their site. More than 8,000 websites are currently integrated with Searchfeed and they estimate traffic of more than 360 million searches each month. Searchfèed claims to have more than 20 million unique keywords available. With a starting bid of 1 cent for many of those keywords, Search/èed has built a reputation as a solid base from which to run an effective marketing campaign, especially for smaller businesses. Searchfeed has geo-targeting available, where you can specify in which countries you would like your ad to appear. Pros: - In addition to the usual tools and reports, a number of other useful tools help gauge the past performance of keywords, ROI, and the total campaign cost. - New "Open Advertiser" program can bring larger amounts of traffic, due to increased exposure of the website in its press releases, newsletter and other promotional material. Cons: - Account activation takes at least two days, and perhaps longer, due to stringent checks of financial information from advertisers. - Minimum deposit is non-refundable if you cancel your account at some point in the future. - Personal contact only available Monday-Friday during regular business hours, 1?Sl'. Minimum Deposit - $25 USD Minimum Bid Price - 1 cent Minimum Monthly Spend Amount - none Alexa Rankine - 1,673 (as of 05/2005)

Types of Pay-Per-Click Search Engines and Reviews 5. 7Search (www.ppcbook.info/7search) Headquartered in Chicago, Illinois, the company that would eventually become 7Search began (and continues) as a supplier of humor on the Internet. At some point, 7Search decided to concentrate on the PPC market and began diversification with the slogan "the closest prospect to a buyer." In 2004, 7Search claimed to have over 400 million searches per month through affiliates and partners. What sets 7Search apart from other PPC search engines is their concentration on a niche market for the business owner who either does not want, or cannot afford, to pay more than 10 cents per click. They have also recently jumped into the PPC anti-fraud market technology with a product called 7Search Fraud Detection. In addition to their PPC product (Pay Per Ranking), 7Search recently revealed another product called AccessoryAds, which targets certain industries (travel, gaming, and website owner industries). This product basically places the ad in a category chosen by the client, rather than keyword placement. Suggestions are also made for adjunct categories that may increase the visibility of the ad. Pros: - Has a new toolbar available for download called "Predictive Search" that uses reverse engineering to help you choose keywords that may be more productive than those you are currently using. One of the few PPC search engines accepting PayPal. Sends an email advising advertisers when their account drops to an estimated three days worth of click money. Cons: - Only available in English-speaking countries, apparently to help detect and deter click fraud. Minimum Deposit - $25 USD Minimum Bid Price - I cent Minimum Monthly Spend Amount - none Alexa Ranking - 1,857 (as of 05/2005)

Types of Pay-Per-Click Search Engines and Reviews 6. Search123 (www.ppcbook.info/search123) Search 123 was founded in June of 1999, but did not integrate PPC services into its search engine until October of 2000. Based in Agoura Ilills, California, Search123 spent much of its effort fine-tuning its PPC technology and acquiring smaller properties, such as Simpli.com, from NetZero. It wasn't really until June of 2003, when ValueClick, Inc. acquired Search123 as a wholly owned subsidiary, that Search123 began to benefit from its associations. This merger has allowed Search123, over the last year, to expand its offerings to business owners and to enhance their advertiser interface, making it both self-service and more intuitive. Search123 is a niche PPC search engine that freely admits they arc not trying to compete with Google or Yahoo!. Although they do not disclose precise statistics, they admit they have arrangements with just hundreds, not thousands, of other properties of various types (websites to search engines). In their words, "most of our advertisers already advertise on the larger paid search platforms and use Search123 as an incremental source of lower cost, high-quality traffic that allows them to improve their overall return-on-investment (ROI) from pay-per-click search marketing." Pros: - Personal attention is a priority. - New, robust interface as of April 2004 that incorporated many of the features then found in only a couple of PPC search engines. - No additional charges or hidden charges for advice and assistance when planning your campaign. - Stated goal of being an adjunct to larger PPC campaigns an advertiser may be conducting. - Are more particular about the properties they partner with, and monitor their quality carefully, giving Search123 a shorter market reach, but could result in higher-quality results. Cons: - Only accepts content from some English-speaking countries. Minimum Deposit - $50 USD Minimum Bid Price - 5 cents Minimum Monthly Spend Amount - none Alexa Ranking - 5,282 (as of 05/2005)

Types of Pay-Per-Click Search Engines and Reviews 7. FindWhat (www.ppcbook.info/findwhat) fI what,,, FindWhat is headquartered in Fort Myers, Florida and N began as a PPC search engine by acquiring a Pay-For- Position product from another firm. Ilighlights of its development include a 2001 agreement to have search results featured on Excite.com. The main strengths of FindWhat lie in its ability to quickly match improvements made by other search engines, its various arrangements with other search properties, and the acquisition of a European presence through a merger with Espotting. Accounts are easy and intuitive to create and follow the classic process. They offer a suite of tools under the heading CruiseControlTM, which can auto bid, analyze ROI, and schedule on/off times for your campaigns. They also have a good reputation for click fraud detection. In September 2004, FindWhat partnered with BizJournals to provide targeted advertising on each of the 41 BizJournal locations, moving FindWhat into the local marketplace. The agreement also includes the placement of a search box for FindWhat on each BizJournal site. Pros: - Appeals to smaller businesses not quite ready to commit as large a budget as is needed to use Google or Yahoo!. - New URL masking feature. - Nice wizard setup of your account, with plenty of help provided along the way. Cons: - Set up of a PPC campaign can take up to two days - CruiseControlTM package only available for free if you agree to sign up for AutoReplenishTM, a system that automatically draws money from your credit card as your account balance decreases. - Although there is a local search bar on the FindWhat homepage, the only way to integrate local search into your ad campaign is via SuperPages.com. Minimum Deposit - $25 USIA Minimum Bid price - 5 cents Minimum Monthly Spend Amount - none; $25 for AutoReplenishTM Alexa Ranking - 1,591 (as of 05/2005)

Types of Pay-Per-Click Search Engines and Reviews 8. Kanoodle (http: /
/www.Ppcbook.info/kanoodle) 1Kanoodle was founded in 1999 and is
currently offtced both in New York City and in Amherst, New York.
Kanoodle was one of the first PPC search engines to categorize by topic.
The Kanoodle website is very impressive, filled with lots of clear
content, animated tutorials and Flash-driven, step-by-step demos of all
functions of your campaign. Its proprietary products target different
aspects of PPC- KcywordTarget, Context l'arget and Behavi.orarTarget.
"There are no real surprises in approach or offerings. Free
consultations result in a Kanoodle consultant preparing a campaign of
between 20-50 paid listings. Along with the customary tools and options,
Kanoodle includes an easy-to-use auto-scheduling feature to activate or
deactivate your keywords. Pros: - Lots of animated and Flash
demonstrations of various aspects of their products that are both
informative and clear. - Ability to include your logo on the PPC ad. -
Kanoodle cams found on their website, so if you want to make sure the
guy who is supposed to be helping you choose the best keywords to bid on
is actually on the job, just click on one of the live web cams set up in
various spots and see them at work. No cluttered desks in this office! -
Novel approach to click fraud-they only charge you for two clicks from
the same IP address in a 24-hour period. Fraud concerns are also
investigated. Cons: - Free consultation takes from 1 to 3 weeks to be
completed. - Keywords take 1 to 3 days to show up, due to their
"editorial process." Minimum Deposit - $50 USI) Minimum Bid Price - 5
cents Minimum Monthly Spend Amount - none specified Alexa Ranking - 899
(as of 05/2005)

Types of Pay-Per-Click Search Engines and Reviews 9. PageSeeker (www.ppcbook.info/pageseeker) PageSeeker (a subsidiary of Dark Blue Sea !!!! Pty Ltd) has been involved in PPC since September 2000. Their home offices are in Australia. A classic PPC search engine, it does not appear to have experienced the growth and expansion that others have over the last four years. There is little in the way of background information to shed much light on its history, so the user must take PageSeeker at face value. PageSeeker (affiliated with ROAR) appears in the format of a directory style listing of topics. Clicking on a topic takes you to a page entitled "The Best Sites" for the topic you clicked on. PageSeeker offers pages upon pages of links for each topic. In this respect, the search engine may give novices the impression they are not a PPC site at all, but a natural search engine. Pros: - Excellent customer service that meets claims of replying to service requests 24/7 within an hour via email, and contacts new account customers within an hour. - Very easy account creation, and since organized by topic, little decision-making on keywords needed. - Offers a free listing, but placed near the bottom of the paid-for listings. Cons: - Identifies itself as the third largest PPC search engine in the world, which is almost certainly no longer true, leaving doubt in the minds of users. - 'T'racks raw clicks only, not unique clicks, making it difficult to get reliable statistics on number of actual visitors. - Titles are limited to the name and nature of your website. The description is limited to 25 words (roughly 125 characters)-less than other search engines. Minimum Deposit - $25 USll Minimum Bid Price - 1 cent Minimum Monthly Spend Amount - none Alexa Ranking - 64,276 (as of 05/2005)

Types of Pay-Per-Click Search Engines and Reviews 10. Enhance Interactive (www.ppcbook.info/enhance) f°" Hy~h- Originally founded as ah-ha.com in 1999, Enhance Enhance Interactive was owned by eFamily of Provo, Utah INTERACTIVE and concentrated on a family-centered approach to its listings. It became a wholly owned subsidiary of Marchex, Inc., the company that recently acquired GoClick, in 2003. Marchex also acquired other small PPC search engines in 2004, putting Enhance in a good position to benefit from an influx of capital. Even though it is relatively small, it does have some good partnerships, including Excite, MSN, NetZero, and others. It claims to have nearly 1.5 billion searches per month, with more than 20,000 advertisers signed on. Enhance Interactive offers two PPC options-a package where you construct your own campaign or one where their staff will prepare an ad and suggested keywords for your review and approval. If you choose to have your PPC campaign created by Enhance Interactive, you will be assigned an individual who will work with you personally, for a reasonable fee of approximately $100. Pros: - Customer service is definitely a key feature of Enhance Interactive, which even includes live Chat support, an option not normally seen in the smaller properties. Contact between advertisers and individuals known as Regional Account Coordinators is regular and ongoing, to help ensure that if you call for support, you can reach someone who is likely already familiar with your account. - A good system for account management that is intuitive and easy to use. - Logol,inks program that is provided free for one month and $9.95 per month afterwards. This program places a small logo next to your ad for a degree of personalization. Cons: - Takes two days to get a self-directed campaign running. Minimum Deposit - $50 USD Minimum Bid Price - 3 cents Minimum Monthly Spend Amount - none specified Alexa Ranking - 6,306 (as of 05/2005)

Types of Pay-Per-Click Search Engines and Reviews Second-Tier
Pay-Per-Click Search Engines Outside of the Top 'l'en, there are a large
number of PPC search engines that are generally classified as "second
tier". The term is usually defined as small search engine sites that
typically have a relatively small amount of traffic. I lowever, despite
the smaller amounts of traffic to second-tier PPC search engines, they
may be just what you are looking for. The cost to mount an ad campaign
is generally quite low, and some second-tier search engines have
partnerships with websites that may be directly connected to the market
you are interested in. Sometimes the best place for a novice to start in
pay-per-click advertising is with a second-tier search engine, where you
can hone your skills at keyword bidding, etc., in an atmosphere that
requires less personal attention because the traffic is lower. If you
investigate and find a second-tier search engine that looks as if it
will fit your needs, and you decide to invest a small amount of money in
a trial run, be prepared for the small amount of traffic you may receive
and the fewer sales you will make. Second-tier search engines provide a
good opportunity for you to spread your ad dollars across a few
different search engines, while you might be limited by your budget to
only one of the 'l'op 10 if you took that route. Therefore, they can be
a great place to learn more about the process at a relatively low cost.
Keep in mind that "second tier" does not mean "second rate." Some of the
200-plus search engines that currently fit into this category can
perform quite well for you and the lower cost will increase your ROI
when you do convert a visitor into a buyer. Second-tier search engines
do not mean "second rate". Many of them actually perform quite well and
are cheaper than the Top 10. Many second-tier engines have almost all
the tools and features of the 'l'op 10 and, over time, will unseat one
of the Top 10 if enough enhancements are made. Quality of service and
delivery of results may improve their situation online, so word of mouth
may bring them increased traffic. One key aspect in pay-per-click
advertising is that it is always changing, so be prepared for some of
the search engines reviewed in the next few pages to climb into the Top
10 in 2005. We are providing reviews of 12 second-tier PPC search
engines to give you an idea of the kind of diversity available if you
wish to experiment with a smaller property, especially if you are just
beginning to investigate online advertising.

Types of Pay-Per-Click Search Engines and Reviews 1. BrainFox
(www.ppcbook.info/brainfox) Brainlox is a directory-style PPC search
engine officed in New York. Owned by eXact Advertising LLC, BrainFox has
been in business since June of 2000 and has over 20,000 advertisers with
approximately 300 million search requests each month. Daily reach
figures are relatively low, but were stable throughout 2004 and into
2005. BrainFox has a different approach to expansion. Instead of seeking
out partnerships, they are developing their own network (the BrainFox
Network), composed of distribution portals they develop. The startup fee
is $10 with a 1-cent minimum cost per click. 't'hey also offer a 25%
bonus on the first deposit into your account. BrainFox does reserve the
right to change the content of your PPC ad without notifying you first.
Features include image ads, auto bidding, IP tracking to help combat
click fraud, and a tool called exact Track, an ROI tracking system. An
account manager is assigned to each ad account to provide consistency in
customer service (but no phone contact is available). Alexa Rankin~ -
2,219 (as of 05/2005) Business.com (www.ppcbook.info/business)
Business.com was founded in 1999 as a search engine for businesses only.
Set up as a directory, its categories cover interests from Accounting
and Transportation to 't'echnology. Subcategories further refine the
search. 'T'hree products are offered: "Featured Listings" puts your ad
at the top of search results. It is only available for U.S. businesses,
but includes Google in its network. Rates begin at a high 40 cents per
click (and increase by increments of 10 cents per click), although there
is no startup cost. "Sponsored Listings" results show up to the right of
the listings on a results page. There is a minimum $25 start-up fee and
a minimum cost per click of 20 cents, and your self-crafted ad can be up
in one business day. "Standard listings" advertisers receive an
alphabetical listing within natural search results for $99. "fools and
reports arc available to help you gauge how your PPC campaign is going,
but they are not as robust as those on other search engines. Click fraud
is of particular concern among users. Alexa Ranking - 1,576 (as of
05/2005)

Types of Pay-Per-Click Search Engines and Reviews 3. Clicksor (www.Qpcbook.info/clicksor) Clicksor is a 'T'oronto, Canada-based division of YesUp Fcommerce Solutions, Inc., originally founded in 1999. Clicksor differs in concentrating on their product Content Marketing Technology (their focus is contextual ads). The process of choosing keywords and bidding for placement is essentially the same, but the emphasis is on content. Clicksor has 200+ million impressions per month because of partnerships with over 10,000 websites. Clicksor offers two options for contextual PPC-keyword matching or channel matching. With Keyword Match, your keywords will be underlined in the ad and if a visitor hovers over it, a text banner appears that describes your product/service. If the user clicks on the banner or keyword, they go to your site. Channel Match concentrates more on the context of your website. Clicksor appears to be more concerned with their affiliate program than with pay per click and a large number of forum posts report low ROIs, so close tracking is necessary. Alexa Ranking - 2,238 (as of 05/2005) 4. Findology (www.Qpcbook.info/findoloQV) Findology.com is a division of TrafficAds Media, Inc., located in Santa Monica, California and founded in 1998. A recent site redesign gives it a clean, Google-type look. All listings all sponsored, but Findology states that its key advantage is its partnerships with websites that typically are not partnered with other search engines. A portal version (with a browser and free email) was planned for release in November 2004, but has been delayed. Four types of search arc available. Results pages list related terms for further searches and end with the same group of MSN-related listings. "Web" results, geared toward the shopping end, are usually under 10 pages. "Shopping" search listings show products in categories. "Yellow pages" search listings are similar to web search. "News" search has contextually relevant results, but with only one page of results. Features include traffic reporting, keyword statistics, and an automatic bidding option. The minimum deposit is $25, and the minimum bid is only 1 cent. User comments point to relatively low traffic but generally good ROT. Traffic was slow but steady through 2004, and has since risen. Alexa Ranking - 3,012 (as of 05/2005) I11

Types of Pay-Per-Click Search Engines and Reviews 5. GenieKnows
(www.ppcbook.inf'o/genieknows) GenieKnows is a newly redesigned,
directory-style search engine offering services like bid-for-position,
PPC, and private label. Its background as a content-related directory
engine makes it a good choice for contextual advertising. A European
expansion in 2004 is a plus. The PPC component includes an auto-bidding
tool, clear emphasis on relevancy, a keyword selection tool, batch
keyword submission, a keyword generator, contextual advertising, and
local capabilities. The company is working on a
quasi-artificial-intelligence application that will "learn" a particular
user's likes and dislikes and display results accordingly. Their toolbar
(SmartGenieTM includes directory items such as flights, images, and
auctions. One tool checks the current Top 10 keyword bids, secured via a
code visible to humans, but not robots. Partners include Yahoo! (with
their channels on the toolbar) and LookSmart. Users comment they like
the new look, customer service, intuitive interface and detailed
reports. Minimum bids are 1 cent, with no minimum spend, but a somewhat
large $50 minimum to open an account. Alexa Ranking - 25,614 (as of
05/2005) 6. GoClick (www.ppcbook.info/goclick) GoClick has a
category-style listing format with topics to click on to return search
results. All results are sponsored and the engine is somewhat cluttered
looking. They claim 23,000 business owners and over 7.2 billion targeted
searches per year. GoClick is an easy PPC search engine with which to
open an account. The process is short and to the point, with bids
starting at 1 cent and no minimums required. Search results actually
show the cost per click for each listing returned on a search, whether
you are an advertiser or a user. GoClick's acquisition on July 30, 2004
by Marchex, was good news for the PPC search engine, but there is
definitely some room for improvement in GoClick's relevancy testing. For
example, a search for "beanie babies" has the third ranked site as
"Cheapest Prices Search Engine" and various baby-related sites. Alexa
Ranking - 4,610 (as of 05/2005)

Types of Pay-Per-Click Search Engines and Reviews LookSmart
(www.Qpcbook.info/looksmart) LookSmart is a directory-style site
organized by category. Based in San Francisco, LookSmart created quite a
controversy in 2002 when it switched to pay per click from a one-time
placement fee. In 2004, they added a number of partners, including Furl,
BrainFox, Findology, GenieKnows and Vivisimo (clustering should boost
clickthroughs 30" 0- 100%). "There are three categories of
search-Directory, Web, and Articles. Results come from a combination of
robot-indexed sites, listings that the editors have reviewed, and paid
listings, with no way to differentiate between them. PPC listings are
limited to four per page, based on an algorithm using "relevance, user
popularity, and advertiser payment." Lookl.istings PPC includes
TrueLead, which checks on the response of their partnered sites and
identifies PPC fraud. A handy tool allows you to look for little-used
keywords that may be bargain-priced in the marketplace. Pricing of
keyword listings is calculated using the maximum cost per click and the
chckthrough rate, so account balances should be watched carefullv. Alexa
Ranking - 1,535 (as of 05/2005) 8. Mamma (www.ppcbook.info/mamma)
Mamma's PPC advertising is based on a set price per click for inclusion
in one of 18 directory categories. You are guaranteed placement in the
top three search results on a rotating basis. Current cost per clicks
range from 15 cents (for Adult Content) to $1.00 (for Casinos). Most
categories average about 25 cents. The sponsored links offered come from
Google Ad Words, not Mamma. Mamma has many of the features of large
search engines, including geo- targeting, click fraud detection,
conversion rate and ROI tracking. They plan to offer online keyword
tools in the future. They have a free toolbar and an "Explorer" tool
that allows you to save IIRLs for later viewing. Free help is available
with ad creation. Relevancy is part of the terms of service. Mamma's
"Rsort" program checks for duplicate results and displays the one with
the most duplicates, reducing search engine Spam. You can select either
pay per click or have a fixed monthly spend plan, with no monthly spend
minimum or limit on the number of keywords. Only credit cards are
accepted, with no refunds for balances under $10. Alexa Ranking - 1,583
(as of 05/2005)

Types of Pay-Per-Click Search Engines and Reviews 9. Mirago
(www.ppcbook.info/mirago) The U.K.-based Mirago search engine is aimed
primarily at the European market, but also competes with some North
American search engines. 'T'hrough 2004, Mirago concentrated on adding
partners, including some high-traffic regional/ national sources in
Scandinavia and northern Flurope. Mirago claims more that 300 million
clicks per month. Mirago offers typical PPC products, with the usual
number of auto bid, notification, and reporting tools, and the customer
pays only on a CPC basis. Geo-targeting by country is available.
"Ilenry, the Mirago Robot" determines placement based on PPC indicators,
plus the service/product you offer, and how often your website is
changed, combined with algorithms and "software weight keywords and
phrases according to perceived importance." The PPC program allows for
negative keywords and phrase and broad keyword match. Although Mirago
has a strong base in the United Kingdom, it still has a fairly small
distribution network. Still, users seem happy with their ROI, given that
the costs for PPC ads are quite low. Alexa Ranking - 9,512 (as of
05/2005) 10. myGeek (www.ppcbook.info/mygeek) myGeek was founded in 1999
as a shopping site and then spent two years optimizing their search
engine. Based in Phoenix, Arizona, myGeek is unique in providing PPC to
marketing/advertising networks that take products directly to
advertisers. Their major networks include LookSmart, Netster, Infosonar,
XAO Search, llitto.com, and Searchl lippo. Their main product, AdOn
Direct, works by providing an ASP solution for advertisers who want to
create and manage their own PPC keyword- based campaigns via a
user-friendly yet robust system. Advertisers can sign up for the AdOn
Network program and connect with roughly 20 million advertisers, whose
ROIs are monitored by myGeek to ensure quality. myGeek handles
keyword-bidding management. Tools like Traffic Source Selection,
'T'raffic Estimation, and Broad Match help advertisers find new traffic
and track ad performance. Advertisers must play an active role to get
the best out of myGeek, even though the lowest cost per click is 5 cents
and you can open an account for only $20. Alexa Rankin~ - 8,595 (as of
05/2005)

Types of Pay-Per-Click Search Engines and Reviews 11. SearchGalore (www.ppcbook.info/searchgalore) SearchGalore is headquartered in Fullerton, California, with a European presence in the United Kingdom. Owned by Elite Concepts, the goal of SearchGalore is stated as providing quality, relevant search results rather than quantity, as part of their terms of service. Their major PPC product is called AdBox. Their editorial staff supposedly peruses each listing, yet a typographical error in the description of their "free listing" area calls into question the quality of this service. Advantages include account assistance available 24/7 and the fact that your PPC ad can appear in less than 24 hours. The required $25 deposit is matched 100%, but is nonrefundable if you cancel your account. In addition, amounts in your account are nonrefundable after 90 days, so advertisers need to keep a close eye on their account level. Alexa Ranldng - 306,239 (as of 05/2005) 12. Xuppa (www.Rpcbook.info/xuppa) Xuppa (formerly Bay9.com) has the look and feel of a directory-based search engine, but with a lot more options, including auctions, contests, find a date, sending ecards, learning the latest news, taking various polls, getting your daily horoscope-you name it, it looks as if Xuppa offers it. Most of these alternative functions come with PPC ads on the pages, or by requiring that you click on an ad as a prerequisite of entering a lotto/contest. All of the above makes it difficult to take Xuppa seriously in the PPC search engine business. Xuppa seems to offer so many different things for its visitors to do and see that it is hard to realize that it has supposed to be a search engine. A busy, disorganized homepage detracts from the appeal of Xuppa, despite its sign-up incentive of $50 if you deposit $50. Through much of 2004, there were signs of rocky performance at Xuppa; first, an inability to contact anyone at the search engine, and later, user reports of acceptable traffic levels but lower ROIs, as compared to other PPC search engines with similar traffic. Xuppa also offers different types of paid ad campaigns (banners and popups). They seem to be concentrating more on website design, hosting, SEO, and other options than on pay-per-click advertising. Alexa Ranking - 4,844 (as of 05/2005)

Types of Pay-Per-Click Search Engines and Reviews Pre-Funded
Pay-Per-Click Search Engines Sometimes referred to as third-tier PPC
search engines, pre-funded properties are those that typically have such
low traffic levels that they rely on offering a small amount of money to
fund your account to get you to sign up with them. Many leading and
second-tier PPC search engines offer either special sign-up offers or
promotions, or have policies that will match your initial deposit into
your account, up to a specified amount. I lowever, pre-funded PPC search
engines offer a free bonus just for signing up-no deposit is necessary.
Most of them are small, niche search engines with a low but often
high-quality traffic, and little competition. All you need to do to
claim the credit is to visit the search engines listed below, register
with them, and set up your campaigns. Pre-Funded Search Engine Initial
Credit Pre-Funded Search Engine Initial Credit GoGeter.com $25.00
ArrowSearch.com $10.00 eSearchPlanet.com $25.00 AusCan.biz $10.0()
EclipseFind.com $25.00 SearchMiner.com $10.00 BeaconFlash.com $25.00
SearchPanther.com $10.00 CyberDistributeur.com $20.00
OnlineSearchCenter.com $10.00 123-Click.co.uk $20.00 GiantPortal.com
$5.00 Webmaster.su $15.00 GoGetMLM.com $5.00 Haadoo.com $10.00
LaunchSearch.com $5.00 HyperSearchCentral.com $10.00 EZCrawl.com $5.00
MySearchPoint.com $10.00 ZEFinder.com $5.00 CoolFetch.com $10.00
Searchlnvader.com $5.00 iSearchGuide.com $10.00 Marvox.com $3.00
DjbiNow.com $10.00 MegaCrawl.com $2.00 eValueBuy.com $10.00 FindBig.com
$2.00 ABSeeSearch.com $10.00 FindEngines.com $1.0()

Types of Pay-Per-Click Search Engines and Reviews Pay-Per-Inclusion
Search Engines Pay per inclusion used to be the prime method of "buying"
your way onto a search engine on the Internet, starting in the late
1990s. At that point, with less competition on search engines because
fewer companies had a web presence, natural rankings often worked, but
paid inclusion was a guaranteed way to get listed on a search engine. It
usually was a one-time fee per year for guaranteed inclusion in the
search engine's index of sites. Because pay-per-inclusion ads are
virtually indistinguishable to the average user, as the Internet grew as
a commercial enterprise, the market gradually began to move away from
paid inclusion, for a number of reasons. For example, the development of
search engines whose ranking was based on algorithms and robot crawls,
who did not offer paid inclusion as an option, led to a perception by
many that these "organic" results were more "genuine" than a those
listings that had appeared in search results as a result of payment.
However, there are benefits to using paid inclusion, the major one being
that it bypasses the typical delay of weeks in getting your website
listed on a search engine. If you enter a pay-per-inclusion program on a
search engine, your site is usually included within a few days and the
search engine robot will regularly crawl your site as well, so changes
you make to your site will be reflected in a timely manner.
Consequently, for many advertisers, paid inclusion has been a method to
get online quickly instead of relying on SF.() and robot crawls to do
their magic before having their websites show up under relevant
searches. Paid inclusion underwent a total reversal in general opinion
soon after Google began to flourish. Google has consistently said they
would never offer paid inclusion because they believe it taints the
search process by artificially ranking paid inclusion sites higher.
Search engines offering paid inclusion took an opposite view, but in
general, the Google viewpoint prevailed and search engines moved away
from paid inclusion. In March of 2004, Yahoo! reopened the debate by
announcing their decision to include paid listings again in their search
results, stating that there would be no ranking advantage from a
pay-per-inclusion submission. The end result of the strong debate over
this strategy was that Yahoo! retained paid listings, and Google
reasserted its position (in its IPO, late in 2004) that it believes
natural search is the only guarantee of a "free and open" marketplace.
Although Yahoo! is still the only standard search engine that
technically offers pay per inclusion, since it is partnered with so many
other search engines, paid listings are often found in many search
engine results.

Types of Pay-Per-Click Search Engines and Reviews In fact, paid inclusion can be a cheap supplement to keep among your online marketing strategies, especially if the cost per click of your keywords is making it difficult to maintain your pay-per-click position. People still do act on general search results, so some analysts do suggest advertisers consider experimenting with the Yahoo! program, especially if you are finding PPC on your keywords out of your dollar reach. Remember, however, that with paid inclusion, clickthrough rates may be higher. As well, the rising popularity of PPC ads leads analysts to believe that at least 40`0 of all conversions come from pay-per-click ads, a trend that is expected to increase. Pay per inclusion can prove to be a good supplement to a well- rounded search engine advertising campaign. Some search engines offer, in addition to other paid advertising, a PPC listing fee setup. One of the leaders in this type of marketing is the search engine LookSmart. For example, LookSmart charges $29 to set up a listing and $19 to change it. They also impose a $15 minimum per month spend, so be sure to include all the costs involved when determining whether or not paid-per- inclusion PPC is an option you wish to experiment with. Like any paid form of advertising online, and despite the feeling many have that paid listings are tainted, there is no denying that it can't hurt to get your website listed with those search engines that support pay per inclusion. International PPC Search Engines Although many advertisers in the United States think there is little value in investing ad dollars in PPC search engines in the international market, research shows that this is quickly changing. Several events in 2004 in the search engine marketplace helped increase the interest in placing PPC ads on international search engines. For one thing, Google and Yahoo! operate search engines in a large number of countries throughout the world. Although you may think that you cannot compete in an international marketplace, there is definitely a market for U.S. products from consumers abroad. It may not be a large source of sales, but keyword costs can be lower in such markets, thus your overall conversion rate may be worth the investment. In addition, the acquisition of Espotting, a United-Kingdom-based search engine, in 2004 by FindWhat, and its subsequent merging of international listing options into their PPC program, offered a simple and familiar way to

not just on the advertiser, but on the search engine's reputation. "Therefore, if you plan to explore the PPC market in non-English-speaking search engines, be sure that your website has an excellent mirror site in the language(s) of the country you are targeting. If you plan to market your business in another country, make sure to create a mirror of your site in their language (if they have a different one). The Spanish/Ilispanic market is currently positioned for huge growth. 'T'herefore, experimenting on Spanish-based PPC search engines with a professionally translated mirror website may be quite effective. The Ilispanic population in the United States is becoming such a significant and growing part of the market that expansion into Spanish versions of your website and involvement in Latin American search engines is following suit. Niche Pay-Per-Click Search Engines Niche search engines are defined as those that cater to a specific market or industry instead of the general marketplace. Some of the smaller PPC search engines are in fact niche engines, because they have found that by concentrating on getting advertisers who are all selling related products and services on one search engine, traffic specific to that market area will be highly targeted. Thus, visitors to niche search engines often are more motivated and more likely to convert into buyers than visitors to general PPC search engines. Of course, with a niche search engine, pay-per-click advertising may not be as worthwhile, particularly if the engine is small and is not capable of delivering enough traffic to justify the expense and time needed for an ad campaign. The trick for the advertiser wishing to investigate PPC on niche search engines is to find a niche search engine that has quality, targeted natural listings, because their visitors will consider a paid ad valid if they value the utility of the search engine itself. On the other hand, if a niche search engine's organic results bring

Types of Pay-Per-Click Search Engines and Reviews up too many listings unrelated to the original search term, perhaps due to a lack of advertisers and few or no partnerships with content-rich search engines, it is questionable that your ROI from an ad campaign will be sufficient. For example, a fast-growing type of niche search engine deals with fitness. The topic of fitness is one that most people are concerned about to some extent or another, and fitness-related search engines have sprung up and began to attract advertisers via pay-per-click options. For example, www.fitness.com offers pay- per-click listings within its directory-style search engine starting at 5 cents per click with a $50 deposit. Even though it is a niche search engine, this fitness-related site offers real-time statistics and the ability to change your keywords at any time, with only a couple of days to get your ad online. Niche search engines should be a part of your marketing campaign if your Look for niche-specific PPC search product/service fits into a certain engines in your industry. category. Many places on the Internet have listings of niche search engines specific to particular industries, and you may find that your ROI from such a source is equal to, and sometimes better than, competing in the general market. People who are very interested in a specific industry, be it a type of product or an interest or hobby, such as fitness, weddings, collectibles, travel, or genealogy research, will look for niche search engines or hear of them from fellow enthusiasts. If the search engine is well organized, attractive, and returns relevant results, those visitors will come back again and again. If you decide to investigate niche search engines, do ensure that the results are relevant and content-rich by doing some investigation on your own before committing to any PPC campaign. Without quality results, a niche engine has little chance of being a good place to put your advertising dollars, because traffic will be too low to provide enough conversions to justify your time investment. Niche search engines can be just one more tool in your arsenal of putting together a PPC campaign. You can concentrate on a larger search engine if you find your ROI is good with them, then experiment with some niche search engines to see if they are worth investing more ad dollars in. Comparison Shopping PPC Search Engines Although comparison shopping search engines have been a fixture on the Internet for a number of years now, only lately have they become an increasingly popular area for experimentation by advertisers.

Types of Pay-Per-Click Search Engines and Reviews Most comparison shopping search engines provide a lot of information to shoppers to make informed decisions, including not just merchant reviews, but also reviews from magazines and "experts" (most often websites that sell the products). Results pages can usually be sorted by the different headings, such as price. Once you click on a seller or product, you are taken to the seller's website and you purchase the item there. Comparison shopping search engines do not conduct actual transactions; instead they act primarily as an information center as well as a pay-per-click search engine, sending the visitor to the advertiser's website to make the actual purchase. Merchant information is available via a simple click underneath each individual product for sale and often reviews of merchant/advertisers are available that arc compiled from user feedback. In fact, most of this type of search engine rely at least somewhat on users to report any differences in pricing, product availability, or other details when they actually check the product out on the seller's website. Some larger sellers arrange data feeds to the search engine, but smaller advertisers need to ensure that their product line data is kept up-to-date to avoid negative user reports and perhaps removal from the site. Shopping comparison sites are becoming more popular with consumers because of the variety of information they offer in one place, thus saving the consumer valuable time. If you wish to advertise on a shopping comparison search engine, you will probably have two options. The first is basically pay-per-click advertising for your product(s), for which you pay a standard set amount per click to be included in a specific category. The process of advertising is usually very easy, often with a step-by-step walkthrough that leads you through creating your listing, setting your pricing, methods of payment you will accept, adding an image, describing the product, and so on. Although setup is usually free, there are various charges associated with most options that are needed for a competitive listing, and restrictions on terms such as what kind of payment options you can offer. Sometimes your ads are limited to certain categories and the search engine charges you when an item is sold. An example might be $1 plus 4.75% of the sales price, including shipping and handling charges. In all cases, you are responsible for ensuring that the proper taxes are charged, collected, and delivered to the appropriate authorities.

Types of Pay-Per-Click Search Engines and Reviews Many are beginning to offer more sophisticated reporting to their advertisers, moving from providing data only on the number of sales, etc., to cost-per-click analysis and ROI conversion tracking. Sales are usually monitored, as are purchases and users each day, in order to assign you to a category that dictates your maximum selling limit over the next 30 days. You may not list anything for sale at a price above this limit, to ensure that only active sellers are participating. Comparison shopping sites are concerned with maintaining a high-quality shopping experience for their visitors-thus, many restrictions and rules are tracked and enforced on advertisers. The second option for selling, especially if you wish to sell in higher volumes, is to become a merchant. At this level, more tools and options are available to you, but you still need to adhere to numerous rules and constraints. Usually, you will need to work with an account manager and pay a setup fee to integrate the data feed necessary to keep your sales information as up-to-date as possible. The usual tracking tools are provided in the program-number of sales, tracking of sales in a very close to real-time environment, etc.-with reports available by category, brand, or product. Comparison shopping sites act as an intermediary in all ways, sending you to the seller/advertiser to make the actual purchase. 'T'hey typically have a multitude of rules and restrictions, and additional costs and penalties for what might be expected to come with an advertising package, so sellers need to keep track of a lot of information in order to manage their accounts and not lose sight of their RO1. "Typically, pricing for advertising is on a pay-per-click basis, but with a specific cost per category, rather then keyword bidding. Since visitors to such a site are motivated to buy, many factors may already have been decided by them (such as brand name, price they are looking for, unique features, etc.). Because they have the ability to sort a results page by factors such as price or availability of the product, ranking on the page at some point moves beyond the control of the advertiser or the search engine itself. Market expectations are that comparison shopping search engines will continue to grow and evolve in the near future, mostly in response to the success of pay per click on standard search engines. Because Shopping Search Engines offer such a wealth of information to the consumer, they can cut down the buying cycle from 12 weeks to one day. Shopping sites offer so much information in one place for the consumer that listings on them can cut the usual buying cycle timeframe of 12 weeks down to

Types of Pay-Per-Click Search Engines and Reviews one day. Impulse purchases are also often made as visitors browse through pages of results with images of the products and all the relevant information they need to make a buying decision right at their fingertips. Smaller advertisers may feel that the brand name sellers dominate comparison shopping PPC search engines, and to some extent that is so. I lowever, if your pricing is competitive, your listings are up-to-date, and your website has an easy and intuitive shopping cart, many smaller advertisers report good conversions on shopping sites. Although there are literally hundreds of these types of sites on the Internet, a few do stand out from the rest-namely PriceGrabber.com, NexTag.com, BizRate.com (now known as Shopzilla.com), and mySimon.com (a CNE"I' property). 'T'hese types of search engines should be investigated if you sell products and want to compete with the "big guys." You may be pleasantly surprised at the results in this type of shopping environment. As always, keep in mind that with pay-per-click advertising, diversity in the types of search engines you place your advertising dollars on is often the key to success. Pay-Per-Call Online Advertising A new version of paid advertising emerged in 2004, with the introduction of the pay-per-call model. This type of ad is very similar to a classic PPC ad, except that your listing includes a toll-free number to call to reach you. Some search engines bring up a page specific to your business if the visitor clicks on the ad at no extra charge. That is, you are not charged for the clickthrough unless the visitor actually makes the call. The toll-free number then redirects the visitor to your actual phone number and you receive the phone call from the interested buyer at your business location. The usual parameters of bidding on keywords or categories (which are usually high, in the $2-$20 range) are augmented by specification of which degree of geographic coverage you wish-national, regional or local. Pay-per-call advertising is of particular interest for those businesses that do not have a website or do not want to invest in setting up and maintaining a website, but yet want to take advantage of advertising on the Internet. Some companies find it a useful addition to their PPC campaigns, particularly to avoid charges on their pay-per-click campaigns by those users merely seeking a phone number to reach the advertiser.

Types of Pay-Per-Click Search Engines and Reviews A clear advantage is that once an advertiser has a prospect on the phone, they are in their "comfort zone" as far as sales are concerned, particularly smaller businesses. They are used to selling over the phone and the direct contact means that they can answer a prospect's questions in real- time. Pay-per-call advertising is a great opportunity for businesses that prefer to deal with their prospects and clients the old-fashioned way-over the phone. Although pay per call is still in its infancy, and analysts have yet to decide if it is effective and produces adequate conversions, early reports indicate it can be a very successful means of increasing ROI, especially in the local market. If you are interested in pursuing this type of advertising, some of the search engines that currently offer pay-per-call ads are FindWhat.com, some of the Internet yellow pages sites, and many local shopping directories. Conclusion This chapter introduced you to the leading pay-per-click search engines, as well as a variety of other click-based types of advertising currently available on the Internet. Given the growth potential of pay per click, an advertiser should carefully research his or her options before committing to any ad campaign, and small-to-medium-sized businesses (with smaller ad budgets than the large companies online) have to be especially careful. It is also good to consider spreading your ad dollars into different types of PPC advertising. This can be as simple as placing PPC ads on different search engines and then analyzing the results to see which program provides you with a higher ROI. You should also consider who provided the best customer service experience for you, the advertiser. These are two key components in any advertising campaign, but they are especially important in pay-per-click advertising, where the online factor takes marketing your product/ service to a whole new level where the difference between a successful and unsuccessful campaign may be affected by more factors than in offline advertising. Smaller businesses, in particular, are often reluctant to enter the online paid advertising marketplace, feeling that they have little chance of success, given the competition. I lowever, many small businesses are succeeding in garnering successful ROI by carefully investigating and exploring the different options available to them. As well, the relatively recent increase in bringing a local aspect to pay-per-click advertising should serve the small-to-medium-sized business community well.

Types of Pay-Per-Click Search Engines and Reviews Finding the right
search engine(s) for your online marketing campaign is one of the most
important tasks, but you must also investigate tools and methods of
keeping track of the performance of those campaigns. In past chapters,
we've talked in general about third-party tools and services being
available to help you double-check or augment the information that your
search engine provides to you on the performance of your ad(s).
Following the same theme as this chapter, the next section deals with a
description of the types of tools and services available, as well as
reviews of some of the individual products or services available.

Click Tools The same cannot always be said for your search engine, whose purpose is to supply a service, but who also needs to make a profit if it is to continue. Although they may offer you access to tools that are the same as a third-party tool, the advertiser has no way of knowing how those tools were structured, or if they are as accurate as they should be. The Types of Pay-Per-Click Tools Available There are many different PPC tools available, but they fall into three main categories: • Management of your ad campaigns and all associated aspects • Keyword generation and/or bidding tools • Tracking tools for calculating ROI, detecting possible click fraud, etc. Of course, some tools overlap these categories and may offer both a bidding tool and a conversion tracker, so it is important to fully check all the features available to ensure you are getting the most robust tool at the lowest cost. In terms of cost, PPC tools tend to fall into two groups; either they are offered as a piece of software that you download for use, or they are offered as a subscription service on a monthly or yearly basis. It is really up to the individual advertiser to decide which is best for their ad campaign style. Generally speaking, unless you have the time to learn how to use a new piece of software and perhaps have time to maintain the data in the tool itself, most novices will be better off trying a subscriber-based system to begin with. Many tools offer trial periods or incentives, which can be useful in the assessment process. The goal is to find the tool(s) that will work best for you as an individual, and that best fits the way your PPC ad campaign(s) are set up and the amount of data you currently receive from your search engine. Let's look at 13 of the most popular PPC tools currently available to advertisers and review the service they are offering, their usefulness, pros and cons, and associated costs. Some are simple, one-function tools, but most offer a variety of features. This is by no means an exhaustive list of the tools available on the marketplace, and new ones are coming online each day, but this should give you a base from which to start investigating some of the more popular options and an opportunity to judge if they may fill your needs.

Pay-Per-Click Tools Pay-Per-Click Management Tools Atlas OnePoint (www. p p c b o o k. info/ atlas) Atlas OnePoint (formerly Go Toast) is a management tool that offers online solutions for many different aspects of online marketing, not just pay per click. The PPC-related products offered are BidManager and ProfitBuilder, the latter covering ROI tracking and web analytics. BidManager is a robust tool that allows bidding control across more than 30 search engines, which includes major properties as well as a sampling of Yahoo! and the foreign engines of Mirago. Results are fed to Atlas, and then BidManager automatically reviews and adjusts your bids across all the engines you have chosen, making strategic bids that help keep you in the same position. BidManager is arguably the best tool currently available for auto bidding that is not dependent or built into the PPC search engine you are using. Its Rules- Based Bidding feature lets you customize your bidding to include up to 18 very aggressive variables, including a bidding war component that will apparently deal with "attacks" on your bids. Analysis of 50,000 page views using ProfitBuilder is included in any BidManager account, obviously to encourage the advertiser to add that service once the page views have been used up. ProfitBuilder adds functionality onto ROI, including total visitors, total sales, total cost, average cost per sale, average cost per click, average sale, conversions and conversion percentage, and Return On Advertising Spend (BOAS). You can also look at details of the path visitors took through your site and on shopping cart sessions that were not completed. The analytics provided allow you to sort the data by parameters such as date range, different search engines, different ranks within the PPC ad block, and individual PPC promotions. All of this is extremely powerful and useful information, and it is presented in a clear, easy-to-understand format. Cost begins at $49.95/month for 50,000 page views and increases in increments of page views to a maximum of $1,499.95/month for up 5 million page views/month. A $75 set-up fee is included in the cost of the products, if you need assistance with placing tracking code. Both products provide detailed reporting features and email reports. They are offered in packages, but custom packages can be set up. The Beginner package is really just basic BidManager (after comparing the costs) and offers 100 bid reviews across 10 engines and up to 50,000 ProfitBuilder page views for $79.95/month. The next package up includes all the Atlas products and costs $649.90/month. Atlas does offer a 14-day free trial of their products, which is well worth experimenting with to see how the product can be integrated into your ad campaigns and how it performs for your specific circumstances.

Pay-Per-Click Tools BidRank (www.12pcbook.info / bidrank) BidRank is a management tool that has been available for many years from Roffers Engineering in Wisconsin. BidRank is a stand-alone piece of software, so there is no monthly fee, but the user pays for software upgrades. BidRank is available in two formats. The first, appropriately called "BidRank for Overture (now Yahoo! Search Marketing)," only manages keywords in the Overture PPC environment, not just in the U.S., but also in a select number of countries in Europe and elsewhere. The second product, "BidRank Plus," supports keyword management in the following search engines: Searchfèed, Xuppa, Enhance Interactive, Kanoodle, FindWhat, Espotting, Mirago (in certain countries), Lifetips, 41Iweb, BrainFox and Que Pasa!. Pricing for each of the products is also different. The Yahoo! version (with the Yahoo! official seal of approval) ranges from $129 for 50 keywords to $999 for up to 10,000 keywords. For BidRank plus, the price ranges from $119 for up to 50 keywords to $699 for up to 10,000 keywords. The user may wonder why they would need BidRank, given that Yahoo! Search Marketing itself has various keyword bidding options, including an auto-bidding function. BidRank maintains that it is because they go beyond Yahoo! by allowing bidding by rank and gap surfing, while Yahoo! will only auto bid to your maximum amount. BidRank allows the user to access Yahoo! Marketing Console via BidRank itself. Marketing Console is basically an ROI tool and is also offered at various pricing levels, depending upon the number of leads generated. BidRank also offers a toolbar with a link to news and information from BidRank, such as news releases, user tips, upcoming scheduled downtimes, and so on. Users seem to like BidRank. It has a reputation for excellent customer service, which is very important to people involved in any type of marketing. Aside from its convincing on-site testimonials, their management keeps a close eye on user forums and responds to any complaints they see by implementing changes-a very effective way of keeping customers satisfied. Directions are clear and the interface is direct and easy to follow. The website itself is quite informative and customer service is quick and efficient. BidRank is on the expensive side, however, so be sure this will work for your particular type and style of ad campaigns before purchase. BidRank offers a 15-day trial offer of a fully functional version of the basic package of up to 50 keywords, with a usage of once every 15 minutes.

Pay-Per-Click Tools Dynamic Bid Maximizer (xvww.1212cbook.info/bidmaxin-iizer) Sold through Apex Pacific Pty Ltd., Dynamic Bid Maximizer is a management tool that offers auto-bidding management of Yahoo! Search Marketing, covering all of the Yahoo! foreign properties. Therefore, if you are a die-hard Yahoo! client, this product is well worth investigating. 'T'here is a non-Yahoo! version for Google AdWords and about 10 other PPC search engines. The tool not only manages your campaign once it has begun, but offers assistance in building a campaign and picking keywords. Its strong points include automatic monitoring, either once per hour or just once per day, but on a 365-day, 24-hour-per-day basis. Focusing on the number-three position as its basis point, Dynamic Bid Maximizer works to keep you in that position or move you up, if possible (of course keeping in mind the budget you have set). It also strives to keep the bid gap between the top three positions as small as possible. This is not much different from the Yahoo! Search Marketing built-in product, but the offer of a free demo version and a 30-day money-back guarantee make it hard to resist giving this tool a trial run if your marketing dollars are all placed on Yahoo!. Key features also include continuing keyword help, monitoring of URL rankings, customized reports, and the ability to export data to an Excel database, among many other useful features. Good customer support and attention to irresponsible bidding that unnecessarily drives up keyword bids (the infamous "competition killer mode"), plus advance notice when one of the supported search engines is anticipating an outage, can help save money for the user. With six levels of programs available for purchase (starting at just under $100), this product fits the needs of the small business owner with less than 100 keywords all the way up to the user who wants the flexibility of unlimited numbers of keywords and accounts (for a cost of $4999.95). A new product called Dynamic AdManager was launched on February 1, 2005, suggesting that the company may be poised to replace their Dynamic Bid Maximizer (both the Yahoo! and non-Yahoo! versions), as the new product includes a robust PPC bid management component. Potential users should check the new product before committing to either version of Dynamic Bid Maximizer or at least contact Apex to see if they plan to continue to offer both products simultaneously.

Per-Click Tools PPCBidTracker (www. ppc book. info /p p c bidtrac ker) PPCBidTracker is a tool from SearchMarketingTools.com of RedZoneGlobal, a New I lampshire-based company offering various SEM services. An automated tracking tool that manages keyword bidding on your ads on 29 PPC search engines, they are an approved partner of Yahoo!. The company also offers other solutions, including Proff l'racker for ROI tracking, ShopTracker for shopping site advertisers, and customized PPC consultation. There are four key components to PPCBidTracker: BidSleep lets you lower your bids to the engine's minimums during some days or times of the day. If phone contact is your primary means of contact with potential buyers, with BidSleep you can set your bids to "sleep" during the times your salespeople are not available, and then re-enter the bidding when they are. AutoEnhancer manages auto bidding on Yahoo! or Find What to ensure you do not pay your maximum bid. This tool not only adjusts your maximum bid accordingly, but keeps it hidden from your competitors. BidCat allows you to categorize your keywords by product, bid price, or many other options. The BidSaver feature allows you to set up conditions under which the tool will automatically look for rankings that will save you money and not follow the "rules" you set into effect if the result will be a new ranking that is just a little below your competitors, but half the price, for example. By itself, this tool is only one part of an analytics solution, albeit a fairly robust one. It is relatively expensive, with cost based on a combination of the number of keywords and the number of times per day you want them checked. Monthly cost can range from $49.95 for under 50 keywords checked 6 times per day, to a maximum of 10,000 keywords checked 48 times per day for $9,999.95, for U.S. search engines (Google, Yahoo!, FindWhat, Enhance, Kanoodle, ePilot and Search/eed). International search engine coverage is a minimum of $39.95/month and a maximum of $1,199.95, but only for some of the Yahoo! and Espotting international versions. PPCBid'l'racker has been very popular with users in the past, but recent changes that separate tracking and individualized consulting into different products may impact that. The website is confusing in describing the situation, however. The Bid'l'racker section still includes pages on how it covers ROI tracking and custom solutions, yet they are represented as separate products under different categories. I lowever, there is a 14-day free trial for either (or both) of their versions, if you wish to look more closely at this product. Keep in mind that it is a relatively expensive tool for its functionality.

Pay-Per-Click Tools Pay-Per-Click Tracking Tools AdWatcher (www.Vl2cbook.info/adwatcher) AdWatcher has just released a new version of their tracking software, which has even more features than previously. AdWatcher is a full-service tracking tool that can analyze any type of online ad campaign, and I must admit that the number of tracking features is impressive for such a low-cost tool. Click fraud monitoring is done by analyzing the incoming traffic for suspicious patterns, alerting you of the potential fraud that may be taking place via email. It also displays warning messages to repeat offenders notifying them that the campaign is being monitored. The tracking part of the software is extremely precise. It can even filter duplicate leads/sales and clicks, which in turn improves accuracy. It offers complete support of all major search engines, which makes keyword tracking a breeze. Another feature worth mentioning is its split-test tracking (allows you to track multiple landing pages to see which perform better), which is something only higher-priced products usually offer. They offer transparent link tracking, a feature that allows you to use your domain name rather than AdWatcher.com for your tracking links. Customizable email reports are available, which makes it easier for small business owners to always be aware of what's going on. It is coupled with an impressive feature that allows the user to access their account via a WAP- enabled phone or a PIDA from anywhere on the road, instead of having to wait until you are back at your office or home. For those who do not want to depend on someone else when it comes to marketing, or who have large advertising budgets, the AdWatcher Download version allows you to install their tracking software onto your servers. This is a great option for those who prefer to do everything in-house, rather than use third-party software, but without all the costs associated with developing your own system. Multiple options are offered when it comes to customer support. AdWatcher will even help you set up your account and campaign group tracking for free, allowing you to start tracking your ads within a few hours. Finally, AdWatcher costs only $19.95 per month with a 30-day free trial. All that, backed up by the company's experience, reputation, and a money-back guarantee, makes AdWatcher a perfect tool for any small business.

Per-Click Tools ClickTracks (wwu--.Ppcbook.info/clicktracks)
Clickl'racks identifies itself as a "visitor behavior analysis tool"
with a broad base of tracking products. Click"I'racks offers a large
number of visual demos and tutorials on the features of the different
versions of the product, as well as extremely useful free webinars that
allow advertisers to see all the product's features (not all of which
are included in the free trial version). Reports are the strong suit of
Click"l'racks. While viewing a report, your live website appears, with
percentage-style statistical analysis tags superimposed on the various
links on your site. Clicking on one will bring up all relevant details
related to the type of report you are viewing, be it navigation or a
total site overview. The software compresses log files when importing
your data, so different factors can be added to and recalculated within
seconds, in any report. "Labels" is a key feature, allowing you to
identify a group of visitors and analyze their activity based on
specific behavioral actions. For example, you can drill down to data on
visitors who spent only a short time on your site, seeing where they
went, how they entered your site and from which page they left, all of
which may prompt you to experiment with the website to see if you can
change visitors' behavior. You can view different label groups
side-by-side in reports. A nice feature is the ability to keep some IP
addresses out of the dataset, allowing you to exclude employee clicks
while they are working on the site. In addition, Click"l'racks Way,
which offers contextual-based tips on each page, can be enabled or
disabled quickly. Late in 2004, Click"I'racks added the ability to track
metrics on email marketing, exit tracking (did the visitor exit or just
click on an external link), and regional geographic data, which can be
set at city level. Click"I'racks admits that integration with shopping
sites and shopping carts can be problematic (especially for novices)
because of extra coding needed. Thcv advise you to contact your shopping
cart provider to achieve proper integration. ClickTracks offers direct
downloads of Yahoo! and Google data, while for other search engines, you
may choose to use either raw data logs or hosting data. Your choice
affects pricing-choosing log files means you pay a flat purchase price;
choosing hosting results in a monthly fee. Although pursuing the
small-to-medium-sized business market, cost remains an issue. Users do
not have access to key items, such as ROI and cookie tracking, or to
multiple domains, unless they use the "Professional" versions, costing
$179 per month for the hosted version (versus a flat $2,995 for your own
web server). The lowest price is $49/month for Analyzer Hosted, a much
less robust tool. ClickTracks is definitely an excellent product, but
price remains a stumbling block for many PPC advertisers.

Pay-Per-Click Tools KeywordMax' M (www.ppcbook.info/keywordmax) KeywordMaxTM is a division of Direct Response 't'echnologies, Inc., and is a web-based product. During 2004, the product was improved with added reports on number of clickthroughs, number of sales or leads, sales revenue, ad spending (if any), conversion rate, and ROI. 't'racking of offline ads is available as a custom feature. Unfortunately, if you use log files, there is a one-day delay before you can view reports based on the data. Using cookies and Java-based code, KeywordMaxTM, offers data feeds from PPC search engines Googlc AdWords, FindWhat, Yahoo!, Ah-l la, and Kanoodle. The four major features include "ROI 't'racker," which handles all types of online campaigns, including shopping sites. "Click Auditor" only uses IP addresses to detect fraud, but does offer to send an email to your competitors to capture their IP address. "Bid Director" manages your keywords aggressively from every aspect, including offering currently controversial jamming and gap surfing. "Keyword Builder" suggests alternative keywords and then estimates how much traffic you can expect, based on data from Google and Yahoo!. Available reports are very appealing visually, but do not include all expected data. You can track all factors, including leads, and compare the performance of multiple ITC search engines. Reports can also be sorted by keywords, landing pages, different search engines, and so on. Novices may find the reports difficult, at first. Two main products are available. The first, "Merchant Standard" ($99/month), does not include "Bid Director" and is limited to 75,000 clicks/month and one domain name, although you can add extra domains at $10 each and pay for additional clicks. The second, "Merchant Pro" ($199/month), doubles the number and type of clicks to 150,000 per month (clicks counted are only bid change activity and ROI clicks, which oddly are described as "ROI Tracker tracks each visitor to your site as 1 click"). Extra clicks and domains cost the same as in the standard version. From here, you can choose from two agency- related packages at up to $999/month, whose major advantage is branding tracking. A page that compares the KeywordMaxTM features is interesting, but only includes Yahoo! Search Marketing and Go Toast (now Atlas OnePoint), and doesn't include other, more relevant competitors. A handy resources page provides links to three free SI?O tools, as well as articles on various topics.

Pay-Per-Click Tools Clicklab (www.ppcbook.info/clicklab) Clicklab is a Miami-based firm with the trademark "Web Analytics Your Way," that has been a valuable source of analytic solutions for many years. The tool also tracks ad campaigns in other settings such as email ad campaigns, banners, affiliate links, search engine results, and even offline advertising. Clicklab's website concentrates on click fraud, with a free white paper on the subject. The click fraud detection tool is quite robust, including an innovative product called the Click Inflation Index, "calculated as the ratio of fraudulent visitor sessions to the total number of visitor sessions and is expressed as a percentage." Fraudsters are identified via a scoring algorithm that suspects click fraud above a certain score threshold. They also provide a warning message popup with repeat paid clicks on your ad. This product goes well beyond click fraud detection, however, to offer a full array of web analytics and tracking. Using what they have identified as Key Performance Indicators (KPI), the user can customize their needs by choosing from dozens of available KPIs, including ones that analyze data by date, landing page, ROI, traffic source, search engine keyword, referring URL, and others. In fact, almost any aspect of tracking the performance of your ad is covered in one way or another. One can track all the way down to the individual visitor to your website to see where they went and if the path they took led to a conversion. Post-visit analysis is included, as is the ability to view visitor segmentation. Clicklab uses ASP and thus is a hosted solution, with no need to download or set up anything. Access to your statistical information is available 24/7 via their website. Clicklab provides a lot of useful information on web analytics on their website, much of it written by their CEO, Dmitri Eroshenko, who also writes for many online PPC sources. There is no doubt that a lot of time, thought, analysis, and scientific theory has gone into the development of the Clicklab tool. Clicklab is not necessarily a low-cost option, and fees have recently increased, with a standard $100 activation fee added as well. Conflicting information on the website makes it unclear as to which pricing is currently in place. For example, Web Analytics (which doesn't include click fraud detection) is said to cover three websites and up to 60,000 page views for $60 per month, while on the general pricing page the Web Analytics package is priced at eight sites and 300,000 page views for $60/month. Support is offered with a 48-hour turnaround guarantee, but phone support is charged per incident. Long a standard in web analytics, Clicklab is definitely worth investigating as a full-service analytics solution.

Pay-Per-Click Tools Who's Clicking Who
(www.ppcbook.info/whosclickingwho) Who's Clicking Who is a research tool
targeted primarily at detecting click fraud before it decimates your PPC
search engine funds. Many search engines work on this problem as part of
your agreement with them, some more successfully than others. So, if you
suspect a problem but your provider doesn't agree that there is one, you
may wish to use this tool to back up your claim. This product has an
interesting history, in that an individual who suffered from click fraud
himself in his PPC campaigns founded it. Who's (:licking Who works with
all PPC search engines because you add the code needed to install
tracking (as well as placing code on the pages of your site that you
want to track). Even if your PPC search engine already tracks click
fraud, you may wish to try out Who's Clicking Who to compare the two
results. This product tracks clickthroughs in a variety of ways,
including IP address, placing a unique number string (usually via a
cookie) in an individual's browser, as well as tracing time stamps of
transaction times, keywords used, and search engines used. User location
and information on the browser and operating system, as well as the name
of the PPC search engine from whence the click came, and the keywords
used to reach your site, are also usually available. As part of your
subscription, you will also have access to IP histories in order to
catch more subtle forms of click fraud, and you will have the ability to
set up custom reports. One of their products, ClickMinder, is activated
after five repeated clicks on your website, sending a pop-up window
(which you can customize) to the user informing them they are being
audited, couched in terms that won't appear threatening if it is a
legitimate user, but alerting click-fraud operators that you are
monitoring your PPC ads. Free installation is available, and if you feel
you have a click fraud problem, this tool is worth the investment, with
a one-month subscription currently costing just under $50 for 50,000
clicks per month. Additional groups of 10,000 clicks can be purchased
for $10 each per month, if you have a lot of traffic on your site. Until
PPC search engines completely solve the click fraud problem themselves,
PPC users need tools like Who's Clicking Who to protect their
investment.

Pay-Per-Click Tools Pay-Per-Click Research Tools Compare Your Clicks (www.p_pcbook.info/comparey ourclicks) Compare Your Clicks is a nifty little website where you can enter in any keyword and a report will quickly be generated that shows the current cost of that keyword in various pay-per-click search engines. A typical report shows the cost of the keyword in up to six positions along with the amount of time it takes for a PPC ad to appear on the search engine. You can adjust the parameters of your search in various ways, including which search engines to show, the number of positions per keyword, and a setting to ignore engines that take longer than a given number of seconds to respond. The information provided can be very useful for checking out current costs across a number of the leading smaller search engines: Kanoodle, l?nhance Interactive, GoClick, PageSeeker, ?spotting, ePilot, FindWhat, Brainfox, and Bay9. Unfortunately, only these nine search engines are currently available. Compare Your Clicks' home company also offers some controversial software for purchase that, if you choose to use it, may cause PPC search engines to disable your accounts if detected. One product is Search Engine Cloaker, a type of software not generally tolerated by search engines. The website cautions that "Of course, you may not use Cloaker to deceive end-users through "page-jacking," "mouse-trapping," or other techniques that promote keywords totally unrelated to the site end-users ultimately see. Cloaker is a powerful tool that must be used responsibly and ethically." Another product offered is Ranking Spy, which not only reveals search engine information on ranking, but can be set up to crawl your competitors' websites and reveal their targeting strategy. They also provide a link to a product called TrafficSwarm, which apparently increases the traffic to your site by leaps and bounds. An on-site forum reveals that those who use these programs are very happy with the results, and the company's owner is very quick to respond to any questions concerning installation or set-up on an individual website. I f these products work as promised, they are relatively inexpensive and the level of support is certainly good. The free tool, Compare Your Clicks, is a great option for advertisers, but caution is advised if you choose to integrate their other products into your ad campaigns, not just in terms of cost or effectiveness, but in how their use may affect your reputation or ranking in search engines.

Pay-Per-Click Tools Pay-Per-Click Galaxy (www.ppcbook.info/pavnercli kkg laxy) Pay-Per-Click Galaxy is only one of the software products and ebooks sold at NlarketingRocket.com and their numerous affiliates by a U.K.-based company called Answers 2000 Limited. If you purchase this product directly from NlarketingRocket.com, you also receive a number of add-ons, including another tool called Ad Calculator and an ebook entitled "Free Pay-Per-Click Advertising and Other Secrets," all for $97. Pay-Per-Click Galaxy's stated main purpose is to suggest a "massive number of keyword combinations" for the pay-per-click user to bid on for his or her ad campaign. I low does it do this? First, keep in mind that this is merely a tool. You, yourself, have to enter in the different words you want to use in your keyword phrases; what Pay-Per-Click Galaxy does is provide you with all possible combinations of those individual words into keyword phrases. You can mark some keywords as optional for the phrase, if you wish to. The tool itself generates keyword combinations of all kinds based on your descriptive keywords, usually coming up with hundreds or thousands of short keyword phrases. The actual number depends on how many keywords you told it were to be always included and which were optional. This tool is a huge timesaver for busy users because it almost instantly comes up with a list of keyword phrases without you having to go through the manual effort of writing them down all yourself in their various permutations. The software also has various functions built into it that make it easier to organize keyword phrases for submission to search engines. The database currently has over 15,000 keywords and 94,000 keyword/phrase relationship listings. A December 2004 enhancement added the ability to drill further down and receive more keyword choices, based on each of the keywords the tool initially finds for you. Pay-Per-Click Galaxy is really the only independent tool available that automates the process of keyword selection. All you need to do is pick and choose from the lists generated (based on bid price for these keyword phrases), save the ones you want to use, and submit them to your PPC, search engine(s) of choice. F,ven though many PPC search engines now offer a keyword suggestion tool, Pay-Per-Click Galaxy does automate the process more than most. As well, as an independent product, it can act as a "check" on your search engine's performance in this realm for a relatively low cost.

Pay-Per-Click Tools Good Keywords (www.VVcbook.inf6/goodkevwords) Good Keywords is a free tool offered by India-based Softnik Technologies that allows you to type in a keyword and find out how many searches for the term were made over the last month using Yahoo!. Because it is limited to Yahoo! searches only, and has no real definition of what constitutes a "search," it is of fairly limited use. They also include a Link Popularity tool, which shows how many other sites are linking to yours, using information gathered from AltaVista, 1 iotbot, MSN, and Google. Although the mechanism for calculating the figures isn't provided, this is certainly an interesting option. A new version is due to be released soon that will offer enhanced features, most still free, but some of which will have a cost associated with them. The key aspects to the next version of Good Keywords are a keyword organizer, a web page explorer (no details provided on exactly what that entails), a misspelled keyword generator, and a keyword phrase builder, in addition to the site and link popularity checkers. Softnik 'T'echnologies hopes that by visiting the Good Keywords site you will become interested in their paid product, PPC Toolkit. Available on another website, PPC Toolkit includes Bid Reporter Pro, a tool that studies the patterns of bidders and identifies just who those bidders are at search engine properties, including "Yahoo!, Espotting, FindWhat, and others." It also includes a product called "AdMaker" and Good Keywords, for a package price. When one runs a keyword through the tool, PPC Bid Reporter Pro returns a report containing information on the first, last and median bid at various search engines, and the ranking of the keyword in 12 different search engines. It will also show you competitor ads on Google AdWords (based on keyword) so you can tweak your own ad to compete more effectively. You can also save different scenarios to Excel spreadsheets and download them for comparison later. The Softnik websites have undergone recent redesigns with nice changes made to clearly offer the PPC Toolkit as a separate item. With good screenshots showing the various products and short, but clear, explanations, the tools are easy to understand, but do not appear to offer as many functions as similar tools. For example, there is no auto-bidding feature or automatic notification of a dip in the ranking of your ad. A free download trial of the PPC Toolkit is offered, which is strongly suggested before purchasing this tool. It costs $99 for a single-user license (good for two years worth of upgrades) and $195 for a site-wide license.

Pay-Per-Click Tools WordTracker .Vl2cbook.info/wordtrackcr) WordTracker bills itself as "the ultimate tool to increase your website traffic," and in this case, they may be right. A product of Rivergold Associates Ltd., it is definitely a research tool that every PPC advertiser needs to be acquainted with. At the very least, take advantage of their free trial to see the power behind this product. If you are just beginning to use PPC, the free trial may offer you enough to get you started. You can subscribe later, when your campaign needs to be changed. WordTracker is a subscription-based product that specializes in reporting the relative popularity and positioning of keywords. The product provides you with information on keywords related to those you are already using, the number of times any keyword has appeared in their database, and typical misspellings. It also shows how many competing pages exist for your chosen keywords from among the search engines it analyses. In short, WordTracker is a tool that will help you immensely in choosing keywords that are not only right for your products and services, but are the most advantageous for your particular ad campaign. It is simple to use, yet the information it provides is quick, accurate, and managed extremely well. It takes almost all the guesswork out of which keywords are going to be most effective by showing you what keywords people are using when they searching for your type of business. The website is clean, clear, and attractive. It is filled with information about the product and the company, and offers a quick tour of the features. A recent addition is a ticker running along the top of the site with today's most frequently searched keywords. Although not inexpensive, WordTracker is a tool well worth the expense. A free weekly keyword report shows the top 500 most frequently searched keywords on the Internet, from a database of over 350 million search terms. You can purchase longer lists if you wish, starting at $99 for the top 20,000 keywords. If you are new to the PI IC market, or you are running a small campaign, you can subscribe to Word'l'racker for as short a period as one day for less than $10. 1 or those who are more involved or have larger campaigns, WordTracker subscriptions run weekly, monthly, quarterly, and yearly (maximum cost is about $270). The company offers a 30-day money-back guarantee, with plenty of research to justify their use of metacrawlers as the basis for their database. Tutorials to help you with keyword selection cater to every level of Internet marketer.

Per-Click Tools Conclusion We trust that the selection of pay-per-click tools we reviewed in this chapter will help you decide to at least experiment with a couple on a trial basis to assess their utility to your individual circumstances. 'T'ools that help with bid management, choosing keywords that will work best for you, and tracking tools that reveal which of your various campaigns are working better than others, and others like them, are helpful in running a successful ad campaign online. They can save you both time and money. 'T'heir flexibility can automate many of the comparative analytics you would like to see concerning your advertising efforts, but don't have the time to develop. Even though some of the pricing of these tools is quite high, if you find one or more than integrate perfectly with your objectives, you will actually save money in the long run through improved ad performance and a resulting higher ROI. Their expert assistance, combined with your knowledge of your company's needs, can be the difference between a successful pay-per-click ad campaign and one that just misses the mark. So far, we've concentrated on aspects of PPC that cost the advertiser money. Now it's time to investigate some ways in which an advertiser can earn money by participating in PPC-related activities.

Chapter 12 - Affiliate, Referral, and Partnership Opportunities Another aspect of pay-per-click advertising is the opportunity to actually transform it into a moneymaking enterprise for yourself. Search engines offer affiliate programs, referral programs, and partnership opportunities that are not restricted to only those who use their advertising services. Almost anyone with a website can become an affiliate (often now called "referrer") or partner with a number of pay-per-click search engines. Basically, via these type of programs, you allow the search engine to place advertising of some kind on your website in exchange for a payment made each time a visitor to your website clicks on one of the ads or conducts an online search using the PPC search engine's box that is placed on your homepage. Different solutions are available, based on the amount of traffic your website receives. "There are many different ways to become an affiliate or partner. In fact, although some basic rules apply to most programs, each PPC search engine has its own details and requirements. Some are quite strict in who they allow to be affiliates; others arc less stringent about who is accepted into their programs. If you have a high-traffic content website, you can create a new revenue stream by partnering with search engines. Furthermore, you can increase your earnings by referring new advertisers to pay- per-click search engines. Nevertheless, if you decide to pursue this route, you will need to provide data about our website, such as average number of visitors, which countries your wcbsite serves, what your revenue is, and so on. Increasingly, search engines are outsourcing their affiliate management to third-party affiliate organizations. Most popular among the PPC search engines now is Commission Junction, which defines an affiliate as "an independent party, or Web site, that promotes the products or services of an advertiser in exchange for a commission." Some businesses should look into the option of becoming an affiliate, unless you feel strongly about not offering any paid advertising or another company's name on your website. The amount of effort required to set up the process is minimal and the rewards are pretty good. 'l'he top pay-per-click search engines offer a relatively representative look at different types of programs available for affiliates or partners, so a review of each one's offerings should help you decide if (and where) you want to enter this arena.

Affiliate, Referral and Partnership Opportunities Review of Affiliate (Referral) and Partnership Opportunities 1. Google (www.ppcbook.info/adsensel The Google affiliate program (Google AdSense) offers ads placed on your website along one side or via a Google search box on your site. There is no additional cost to join Google AdSense, and you can opt out of content search if you wish. Once you provide the relevant information to Google, there is usually a 2- 3 day turnaround period (mostly for them to verify and check out your website) to be approved. You can terminate the relationship at any time. Although you receive a percentage of the revenue that each click on these ads or the search box generates, Google does not disclose what that percentage is. Over time, as you analyze the data in their reports, which indicates the total number of page impressions, ad clicks, clickthrough rate, effective CPM, and total earnings, you will be able to assess its effectiveness for you. Google also offers a separate referral program, through which you receive a flat fee of $20 for each advertiser or publisher you refer to Google. Checks for the referral program are sent out monthly, but only after your total reaches $100. Your referred advertiser must spend $20 or more on their Google AdWords campaign. You can also refer other websites to Google AdSense and earn your commission once they have earned $75 or more from clicks in Google AdSense. The 'T'erms and Conditions Agreement clearly lays out what types of activity you are allowed to engage in, but doesn't go into as much detail as some of the smaller PPC search engines do about specific aspects of their major policies. The penalty for breaking the rules is immediate termination of your affiliate account. Google goes a little further than other search engines, by stipulating that you not reveal any details of the program, such as the method of tracking URLs, etc., for a full two-year period after either you or Google terminates your relationship. The Google program is very easy to use and understand. Despite the mystery concerning the details of what percentage your commission will be, as the leading PPC search engine, Google is a leader in the affiliate marketplace. If you already advertise on Google Ad Words, and have a smaller business, affiliation with Google can bring a healthy stream of extra revenue.

program for their three "match" PPC advertising programs, but the benefits look the same for each. A product called Marketing Console is the means by which you access the details of your Ambassador program results. It provides information on the overall performance of the program, but also allows you to drill down to detailed reports on an individual advertiser's sales data. Terms and conditions for all the affiliate and partner/ambassador programs are equal in intensity to Google. Likewise, partners continue to receive a percentage of the income from clicks and searches made via the Yahoo! Search Marketing-fed advertising they have on their websites.

Affiliate, Referral and Partnership Opportunities 3. ePilotrM (www.ppcbook.info/epilot) ePilot, the PPC search engine arm of Interchange Corporation, concentrates on a system of referrals (which they sometimes still call affiliates) and partnerships for their advertisers, rather than an affiliate program like Google, where you serve up ads on your own website. ePdot's referral program is very easy to understand and participate in. For each advertiser that you refer to the search engine that is accepted, you will receive a commission equal to 10 percent of the total initial deposit made by that advertiser, as long as the deposit is over $99.99. Only the first deposit counts, however. Subsequent deposits made to the advertiser's account do not result in any commission paid to you. Payments are made on the 15th day of each month. Commissions must have reached an amount of at least $99.99 in order to be paid out. ePilot limits its referral program to a year-long term. The opportunity to become an ePilot partner by placing advertising for the PPC search engine on your website is more complex, because relationships have to be worked out individually and are dependent on your applicability to Interchange's plans and programs. Their Advertising Network program currently consists of over 290 properties, with hundreds of thousands of advertisers in the search engine's network of partners. ePilot also offers a Search Distribution partner program, which allows you to earn a percentage of each paid click that comes from traffic on your website. 1?ligibility requirements include having traffic only from Canada or the United States and a minimum of 100,000 hits per month. You also must have a means of filtering out fraudulent clicks that meets their standards. All in all, the restrictions make it difficult to partner with ePilot if you are a smaller business. I lowever, given the enormous changes in the search engine since its acquisition by Interchange, alterations to their affiliate /partnership opportunities are likely to be made as they increasingly reflect Interchange's overall online goals.

Affiliate, Referral and Partnership Opportunities 4. Searchfeed
(www.ppcbook.info/searchfeed) Searchfeed has a robust affiliate/partner
program. They offer a two-tier program, based on clicks and referrals.
The affiliate (clicks) program offers either a search box and customized
results page to match your website's design or the traditional inclusion
of paid advertising, with topic-oriented grouping, on your website (the
Category Chaser option). Detailed reports show visitors' actions. The
affiliate program returns an estimated percentage of click revenue of
between 35("o and 500/o. Payments are made within 20 days of the end of
a calendar month, with a fairly low minimum amount to release payment of
$25. Payment can be made via PayPal, check, or wire transfer. The terms
and conditions are very detailed and cover a number of areas not often
specified in other PPC search engine agreements. For example, Searchfeed
will filter out what it considers fraudulent clicks from affiliate sites
and you "will have no right or recourse in connection with such
reduction of Darned Revenue." Prohibited activity is clearly detailed,
such as stress testing the mechanism or collecting tracking data on your
own (without prior consent). They also require you to make "reasonable
efforts" to stop robots/spiders from activating clicks that will result
in revenue to you, and blocking IP addresses that Search/eed sends you
for blocking. A one-year tern is automatically renewed unless either
party gives a 30- day notice of cancellation, although the search engine
retains the right to immediately terminate your account if they suspect
you are breaking any of the terms. You will receive a 30-day notice of
termination if your account is inactive for more that 30 days. With
termination, you forfeit any money remaining to be paid out to you. A
separate program is available for the Searchfèed geo-targeting tool,
where you can add in clicks from the United States, Canada, the UK,
Australia, France, Germany, Spain, Italy, Sweden, Norway, and Denmark.
Referrals can also be a source of revenue. The commission for referring
an advertiser is 5% to 7%, depending on how many advertisers you refer.
If you refer partners (the definition of which is not really made
clear), you will receive anywhere from 20/o to 5% of their revenue.
Overall, this is a robust program well worth investigating. I tower,
ensure that you read and understand the terms and conditions before
signing up to avoid any unanticipated restraints that may be placed upon
you.

Searchfèed claims to have more than 20 million unique keywords available. With a starting bid of 1 cent for many of those keywords, Search/èed has built a reputation as a solid base from which to run an effective marketing campaign, especially for smaller businesses. Searchfeed has geo-targeting available, where you can specify in which countries you would like your ad to appear. Pros: - In addition to the usual tools and reports, a number of other useful tools help gauge the past performance of keywords, ROI, and the total campaign cost. - New "Open Advertiser" program can bring larger amounts of traffic, due to increased exposure of the website in its press releases, newsletter and other promotional material. Cons: - Account activation takes at least two days, and perhaps longer, due to stringent checks of financial information from advertisers. - Minimum deposit is non-refundable if you cancel your account at some point in the future. - Personal contact only available Monday-Friday during regular business hours, 1?Sl'. Minimum Deposit - $25 USD Minimum Bid Price - 1 cent Minimum Monthly Spend Amount - none Alexa Rankine - 1,673 (as of 05/2005) 102

Affiliate, Referral and Partnership Opportunities 6. Search123 (www.ppcbook.info/search123) The Searchl23 affiliate and referral solutions are relatively limited in comparison to some of the other search engines. The main offering is Traffic Partner Program, which targets and concentrates on bringing in portals, other search engines, ISPs, and category sites. I lowever, according to the terms and conditions, individual websites are also eligible to participate, as long as their sites are contextually rich. All of the usual types of advertising options are available, from search boxes and contextually targeted text ads to XML feeds from larger properties and customized solutions, if needed. Searchl23 is very clear, however, that participation is limited to sites that meet their content/quality standards, have a U.S.-based consumer objective "with appropriate consumer demographics," and a certain level (that is unspecified) of traffic quality. If you do qualify, you will receive 50% of the revenue on valid clicks with no traffic minimums, with monthly payments via PayPal, check, or wire transfer. Online statistics and tools to assist you are available. Only sites from these countries are allowed to participate: Australia, Canada, Great Britain, Ireland, Spain, Austria, Germany, Italy, Denmark, Finland, Sweden, France, United States, Virgin Islands (U.S.), and Virgin Islands (UK). If you terminate the agreement, Search123 has up to 60 days to pay out your account, in order to go through all referrals and clicks to ensure their validity. There is no time limit on this program and neither side is required to give termination notice. The referral program is maintained by Commission function, which is a part of the ValueClick company of products, which also includes Searchl23. Searchl23 offers a $25 payment for referring an advertiser who deposits a minimum of $50. The advertiser also receives a $20 sign-up bonus. For a limited time, if the advertiser deposits only the minimum $25 needed to open an account, Searchl23 will still pay the referring party their $25. Overall, unless you have a website with excellent content, it is unlikely that you will be approved as a Searchl23 partner. The terms and conditions are a little contradictory in areas, but it is clear that Searchl23 is primarily looking for partners, as that term is normally understood. Still, the referral program is available to any advertiser, and it can be a source of ongoing profit if you wish to concentrate on fording as many sites as possible to sign on to Searchl23.

minus 15% for the administrative costs of the affiliate program, rather than a set price. The term of the program is one year, with automatic renewal unless either party provides 30-days notice. Their terms and conditions are just as stringent as 7Search's, with almost exactly the same limitations on countries involved, checking for spider/robot activity, and the right of FindWhat to unilaterally declare certain clicks fraudulent. If your account is inactive for 30 days, it can be terminated. "Terminated accounts are not eligible for refunds of amounts in the account, under any circumstances. FindWhat also offers a referral program on their site, but with a required minimum of 25 new advertisers brought in per month, this is probably not a viable option for smaller businesses to pursue. As with other aspects of the FindWhat PPC search engine, expectations are that change is in the air. It is likely that FindWhat will ultimately outsource their affiliate and referral programs to Commission Junction. The available programs as they currently exist are not particularly attractive to smaller businesses, but may be a good source of income for larger sites. It will also be interesting to see if a more diverse set of countries for affiliate participation will evolve now that ?spotting (a 1?uropean-based search engine) is part of the FindWhat corporation.

amount to release payment of $25. Payment can be made via PayPal, check, or wire transfer. The terms and conditions are very detailed and cover a number of areas not often specified in other PPC search engine agreements. For example, Searchfeed will filter out what it considers fraudulent clicks from affiliate sites and you "will have no right or recourse in connection with such reduction of Darned Revenue." Prohibited activity is clearly detailed, such as stress testing the mechanism or collecting tracking data on your own (without prior consent). They also require you to make "reasonable efforts" to stop robots/spiders from activating clicks that will result in revenue to you, and blocking IP addresses that Search/eed sends you for blocking. A one-year tern is automatically renewed unless either party gives a 30-day notice of cancellation, although the search engine retains the right to immediately terminate your account if they suspect you are breaking any of the terms. You will receive a 30-day notice of termination if your account is inactive for more that 30 days. With termination, you forfeit any money remaining to be paid out to you. A separate program is available for the Searchfèed geo-targeting tool, where you can add in clicks from the United States, Canada, the UK, Australia, France, Germany, Spain, Italy, Sweden, Norway, and Denmark. Referrals can also be a source of revenue. The commission for referring an advertiser is 5% to 7%, depending on how many advertisers you refer. If you refer partners (the definition of which is not really made clear), you will receive anywhere from 20/o to 5% of their revenue. Overall, this is a robust program well worth investigating. I towever, ensure that you read and understand the terms and conditions before signing up to avoid any unanticipated restraints that may be placed upon you. 146

and if they meet your needs, use the links to explore the opportunities further." The companies are mainly involved in web-related activities. Enhance has outsourced its traditional affiliate program to Commission Junction, while maintaining reseller and partnership opportunities on their website. Little detail of the cost/benefits is available without directly contacting the company-a trend on the increase.

Affiliate, Referral and Partnership Opportunities Conclusion Looking at
the various affiliate and partner offerings of the top PPC search
engines, it is clear that the traditional, straightforward affiliate
program is undergoing a lot of change. Many search engines are
outsourcing their straight referral programs to others, but maintaining
the affiliate and partner programs themselves. Sites such as Commission
)unction, which seems to be the company of choice at the moment, take
over the task of managing regular affiliates for PPC search engines,
enabling them to spend more time on different pursuits. However, PPC
search engines are not going to give up control over partnerships, with
good reason. Although some are willing to outsource resellers, these are
usually quasi-affiliate programs rather than more robust search-engine
type resellers. Partnerships need more attention to ensure that those
who are accepted into such programs fit with the goals and the long-term
plans the PPC search engine has for the future. This is a good time to
seek more advice, this time from some expert analysts who have years of
experience in the pay-per-click marketplace, either as representatives
of search engines or as independent analysts of the industry. The next
chapter includes some important tips from a number of individuals that
will help round out the practical considerations we have been concerned
with to this point.

Chapter 13 - Tips From the Experts We asked a number of experts and top-ranked analysts involved in the field of pay-per-click advertising for their opinions on the industry, as well as their thoughts and tips in the areas of paid advertising they specialize in. We hope you find these ideas and techniques a helpful addition to managing your PPC ad campaigns. Rachel Lyubovitzky, Director of Operations Search/eed www.searchfeed.com Know your industry: Analyze a search-based advertising campaign frequently. Staying up-to-date and gathering information from industry trends gives you a competitive edge. For example, when researching your keyword terms, be mindful of the latest slang terms for your product, which can be added to a keyword set. Know your product: Cover all the ways your product can be described. Keyword terms do not have to be the exact name of the product, but they should still be connected to the product. Know your audience: Who is interested in the product being marketed? Is your target audience old or young? Select vocabulary that is used by respective audiences. Also consider product user patterns for certain demographic or psychographic groups. Pierre Zarokian, President Submit Express, Inc. www.submitexpress.com Content ads, such as those like Google AdSense, allow website owners to place ads on their site and therefore share revenue with the site owners. For this reason, there is more click fraud with CPC content advertising than CPC search advertising. Our statistics also show that content ads do not have as good an ROI as search advertising for most sites, whether due to click fraud or the content ads serving on low-quality sites. Nly recommendation is to turn off the content serving ads completely or to bid about 1/3 of what you would normally bid on a keyword. This is especially important for high-value terms (over $1.00 per click). Generally, the higher the value, the more click fraud there is.

From the Experts Kevin Gold, Co-Founder Enhanced Concepts, Inc. www.enhancedconcepts.com I have managed over 200 pay-per-click campaigns for clients in diverse markets with varying objectives, including lead generation and first-time product sales. All of my engagements have been performance-driven versus brand-oriented, meaning that the client expected a net ROI. Therefore, traffic volume was secondary to generating positive financial results-strong net margins. As such, I focus intensely on performance and my strategies reflect this. I ¡ere are two primary ones for performance-driven pay-per-click management: Keyword-level tracking using exact matches versus broad or phrase. It takes more effort, but the results are significant. By measuring actions of sales or leads at the exact keyword-level (or as I refer to it, "the root"), a data-driven decision is made to maximize, adjust, or drop the keyword, based on its individual performance. The surge in website conversion comes from continuously driving at greater consistency and relevancy from the user's selected keyword to your paid ad to your landing page. The greater the consistency and relevancy to the user's preconceived expectation, the higher the probability of the user acting on your call-to-action. This means utilizing custom landing pages and testing, via A/B splits, different landing pages for greater consistency and relevancy. By connecting your message with the user and "pulling" them through your ad to your landing page, you are in essence getting the user to say "yes" multiple times, while your strong and clear call-to-action on the landing page "asks for the close"-just like a traditional salesperson. Nancy Houtz PayPerClick4U.com www.payperclick4u.com One of my best strategies is to keep thinking "outside the box." This includes how I bid, bid amounts, keywords to use, and even the descriptions. I xample: think like potential buyers. What ad would motivate and sell? What sets your service/product apart from the herd? What are other competitors not doing that you can do? With Google, it pays to set different maximum bids within the same ad group, instead of just one maximum bid for the group. Sometimes I even set a keyword lower than the ad group maximum bid. Google sets your position based on a variety of factors, including clickthrough rates, ad group maximum

Developing A Successful Ad Campaign The smaller engines do not get the same amount or quality of traffic as the larger players, but they do attract niche searchers, so can be effective if your product is one that appeals to certain markets more than others. Bidding for Keywords Once you have come up with a list of keywords and decided which search engine(s) you are going to run your PPC ad campaign on, start bidding for keywords. The concept of bidding is fairly simple. The more you pay, the higher in the paid advertising results section your ad will appear. On occasion, search engines increase the minimum price of keyword bids. During one such occurrence, Yahoo! Search Marketing raised the minimum cost per click from 5 cents to 10 cents. Bids in the 5 to 9 cent range were "grand fathered" in and allowed to continue at those levels as long as the Most major search engines have advertiser wished. I lowever, it wasn't implemented minimum bid long before bidding on a number of requirements, which range from 3 keywords went to 10 cents or over, cents to 10 cents. because as soon as a new advertiser opened an account with your keyword(s), they immediately outbid keywords in the 5-9 cent range because they had to submit a had to submit a 10-cent minimum bid. Manual Bidding Versus Auto-Bidding With bidding, you can either handle the process manually or let the search engine auto bid for you, using settings you have chosen. For example, on Yahoo! Search Marketing, the auto-bid feature allows you to do one of two things: you can either "bid to position" where your maximum bid will automatically be changed to be set at 1 cent above any competing bids, in order to maintain your selected position, or you can set one maximum bid for all of the keywords you select from among your list. The advantages of auto bidding are relatively self-explanatory. Auto bidding allows you to control your PPC campaign costs without having to be involved personally. The search engine will automatically adjust your keyword bids according to the parameters you have set, thus controlling the amount of money you spend; this frees you from having to monitor and then change keyword bids. The major disadvantage to automatic bidding is precisely that-it is "automatic." Even though you may have set certain conditions on changing bids (such as a maximum bid for a certain keyword to retain a rank of 2nd), and 37

an opt-in, you can get a 5"o-40% response, and a chance to sell to them later. 1. Research bid prices: check Yahoo! Search Marketing to see advertisers' top bids, then see Google to learn what bidders are paying for top slots. 2. Use Yahoo! Search Marketing and Google to scope out the competition: see how many searches your product gets and how many competitors there are. 3. Extend this search to related keywords, using the Yahoo! Search Marketing Inventory Tool and WordTracker. 4. Break your campaign down into narrow groups of keywords: include different names for your product, abbreviations, or acronyms ("customer relationship management software," "crm software," etc.).

Tips From the Experts 5. Create individual ad groups for related keywords. Each of these is a narrow "silo" that you can match to an ad and know exactly what customers are searching for. 6. Start by writing at least two different ads. In each, the first line shows the product you are advertising. The second line gives a benefit-what prospects actually want. The third line gives a feature: what prospects get when they come to your site. The fourth line shows your display UW_-a real page on your site. The last line is the actual destination, or landing page. 7. For your destination page, enter a specific page on your site that has a free download offer related to your keywords. 8. Now add your keywords for each ad. Put quotes and brackets around them, so you have three versions of each: broad match, "phrase match," and [exact match]. 9. Add negative keywords ("-free crm software") to screen out keywords or phrases you don't want. Be careful not to negate positive keywords (for example, "-software"). 10. Don't take the Google suggested bid price. Bid a lower price and see what slots are projected: lower positions generally convert better to sales. 11. Don't rely exclusively on the Google Daily Budget Tool. Deal with budgets by adjusting bid prices. The first list of keywords you come up with, even if it's a long one, will always be incomplete. People search for all kinds of things and you never know all they are going to hunt for at first. Aside from the many tools that generate keywords (Yahoo! Search Marketing, WordTracker and others), you have a host of options: 1. Brainstorm for synonyms, related terms, and related subjects. 2. Consider bidding on brand names (caution: legal issues may be involved here): names of companies and celebrities may relate to your product. 3. Bid on misspellings. Most advertisers don't, and the click-thru rate is higher. I've seen Tolkein (misspelled) get twice the CIR of Tolkien (spelled correctly). 4. www.lexfn.com is an extremely useful website. It's a thesaurus using web technology to generate synonyms and related concepts.

Tips From the Experts 5. Google Keywords Suggestion tool is useful and has recently been improved, but it's still just a starting point. 6. For each keyword, add variations: o Nouns: add plurals (shoe, shoes) o Verbs: add tenses (drive, drove, driven, driving) o llyphenation: add terms with/without hyphens or spaces (email, e- mail, c mail) o Names: use initials with/without periods, or full names (Tolkien, JRR l'olkien, J.R.R. Tolkein, John Ronald Reuel Tolkien) o Adjectives: add as applicable! o Apostrophes: add correct and incorrect versions (driver's, drivers) o Acronyms: add complete term, with/without periods, spelled out (CIA, C.I.A., Central Intelligence Agency) 7. Domain Names: People frequently type domain names into Google 8. Glossaries and Indexes: if you have a book on the product or topic you're advertising, check these sections for ideas 9. Geography: sometimes places are associated with business - for example, clicks may be cheaper for "Niagara Falls" than "Casino" 10. Local businesses: add your state, city, and surrounding cities to the keywords for your business John Slade, Senior Director Yahoo! Search Marketing www.searchmarketing.yahoo.com Properly targeting your sponsored search titles and descriptions is vital to the success of your campaigns. The more precise the information, the easier it is for your customers to determine if your website will be able to meet his or her needs. I Jere are some rules to remember: Include the keyword in the title and description. Research shows users were nearly 50% more likely to click on listings in which the keyword was included in both the title and description. Write titles and descriptions that are tailored, clear, and factual. Avoid superlatives (i.e., excessive or exaggerated language, such as "best," "largest" or "cheapest"). Accurately describe what users will find when they go to your site.

Tips From the Experts Again, research shows users were over 50% more likely to click on listings with a factual title and description versus a "salesy" listing. Avoid ampersands (&) and numbers replacing words ("buy 1 get 2 free"). These types of short cuts seem to have a negative impact Including the location will help users determine whether or not your site fulfills their needs, resulting in more qualified leads to your site and fewer wasted clicks. Landing Pages. Many search marketers understand how important it is to research keyword lists and write effective titles and descriptions, but then overlook one of the most vital steps in creating positive results-choosing the correct landing page. In order to maximize conversions, you must link the user to the most clear and obvious path to the product they are searching for. For instance, if a user clicks on a listing for a "green V-neck sweater" and is delivered to a generic home page, that user then has to start their search all over again. We all know how frustrating this can be. Instead, link the user directly to the page displaying all of the "green V-neck sweaters" you have for sale on your website. On more general terms like "gift," link the user to a gift guide that allows them to refine what they are looking for. The closer you can get the user to their desired product or service on the first try, the higher your conversion rates will be. Ivana Giardi, Apex Pacific Pty Ltd. www.apexpacific.com First position isn't always the best. Sure, #1 position will generate more clicks. I lowever, people also click on the listings in #2 and even #5 position for competitive checking. Our study shows that #3-#5 position has ..ERR, COD:1..

Tips From the Experts targeted keywords because they bring more qualified visitors. You will also keep your cost lower as there are fewer competitors that bid on these keywords. Create customized ads for different products or services. Separate your keywords to different ad groups, and create specific, customized ads and landing pages for each keyword group. This will help to attract more attention from qualified buyers, and increase your conversions by directing the visitors to the website that contains the exact product or service they are looking for. Get listings in second-tier PPC search engines. Bidding on popular keywords in Google and Yahoo! Search Marketing can be very expensive. But there are dozens of smaller PPC search engines such as FindWhat, Kanoodle, Enhance, and Espotting. These PPC engines may not generate the same traffic as you get from Google and Yahoo!, however, they will bring you a reasonable _ •.... . . ....w~klS.c.cr.:.w.~en~»... _.......... ....,, ~..... . ,,...,.. ¯. ...,. ~ a'

From the Experts With a screen resolution of 1280 x 1024, on a Google search, the user is able to see eight sponsored ads. However, on a more conventional screen resolution, 1024 x 768, the user is only able to see four to five ads. Hence to appear "above the fold" you need to be bidding high enough to rank at or above position four. Ad Positioning Across Search Engines. Running a pay-per-click campaign across multiple search engines offers some interesting strategic decisions regarding ad placement on the SERF. Where to rank in a bid landscape is evidently more complex than simply ranking as high as possible. Debates remain on the subject of which positions drive the best traffic. By carrying out some bid rank analysis on your conversions, one can analyze correlations between the two, spotting trends that appear where more conversions occur at one position over another. Evident to us, however, is the organizational layout of the search engine results pages themselves. Whilst Google A1dWords display eight or more sponsored listings per page, the Yahoo! Search Marketing network of search engines can display anywhere from 5 to 15 listings. Therefore, vying for position 6 would mean that your ad is not seen within the first page of results on some search pages. "Thus, depending on CPCs always ranking in position 1-5 on a Yahoo! partnered site may well be beneficial to your campaign. It is good to consider in which location your ads will appear across the pay-per- click search engine's primary distribution partners. Based on standard top, side, and bottom placements policy for most search engines the SERPs will be organized as follows, which means your ads will be displayed on the following SERPs in the locations indicated, depending on which position you bid for. Google Yahoo MSN Ad Position Ad Position Ad Position 1 Side I Top I Top Side 2 Top 2 "Top 3 Side 3 Top 3 Top 4 Side 4 Yahoo ,Ad 4 Side 5 Side 5 Side 5 Side

Tips From the Experts Google Yahoo MSN 6 Side 6 Side 6 Side 7 Side 7 Side 7 Side 8 Side 8 Side 8 Side 9 Next Page 9 Side 9 Bottom 10 Next page 10 Side 10 Bottom 11 Next Page 11 Side 11 Bottom 12 Next page 12 Side 12 - 13 Next page 13 Side 13 ----- 14 Next page 14 Bottom 14 ----- 15 ?(,vI P;I~w I RUatom 15 Search engine page layouts vary greatly. We are often limited as to the amount of text we can write within an advertisement. 1'or example, MSN listings contain abbreviated Yahoo! Search Marketing sponsored ads on the right side of the page, but full-length ads at the top. Truncated ads are limited to 70 characters, whereby the ads across the top have a greater length of 125 characters. The ideal scenario would be to write your ad so that it appears clearly and unabbreviated for each position. This is achievable by creating the ad in two sentences. with the first sentence ending precisely at 70 characters. For example, "Promote your company online. Search engine optimization by Neutralize. Search engine marketing and optimization experts."

Tips From the Experts Thus the ad will appear unabbreviated on the right side: Search Engine Madceting Promote your company online. Search engine optimisation by Neutralize... www.neutralize.corn 'T'hen, if you position your ad at the top of the page, you achieve an increased ad length and are able to display more of your message: Search EngineMarketinq-+rntiwneutralize.com Promote your company online Search engine optimisation by Neutralize. Search marketing and optimisation experts. Calculating truncation points gives you the maximum possibility to present effective messaging toward your target audience. Cindy McMahen Search Marketing Pros, Inc. www.searchmarketingpros.com The book "The 22 Immutable Laws of Marketing," by Al Ries and Jack Trout, is one of my favorites. As a pay-per-click advertiser, it's the 5th Law of Focus that "the most powerful concept in marketing is owning a word in the prospect's mind." For example, when you hear the word "overnight," you think of Federal Express. This law challenges us, as marketers, to boil our message down to just one idea; or in this case, one word. The lesson being that if you can teach your market segment to associate you with a single idea, perhaps even a single word, you can be a market leader. When I read the above law, I started reflecting on my clients who have been most successful in the pay-per-click and search-engine-optimization (SEO) arena. Often they wanted to "own" a particular phrase; but they also purchased many, many additional keywords surrounding their products and offerings. It's a wise strategy. While general keywords (the ones you want to "own") may generate a lot of visitors to your web site and help brand you in the prospect's mind, highly targeted and specific keywords are more likely to be used by people who have done their research and are now ready to buy. After all, the primary goal of any pay-per-click campaign is not to just to get visitors or drive traffic to your site, but to get visitors who will convert into a sale or lead.

Tips From the Experts Building Your Keyword Inventory. I'm often asked
by clients how to get a good list of keywords for their pay-per-click
campaigns. Here's a list of suggestions to start with in building up
your own keyword inventory: 1. Find a general keyword and add or expand
on it.-Try a yellow page search, Yahoo! Directory, or DMOZ.orc search to
get some basic classifications and keywords down. Google AdWords has a
keyword suggestion form that is useful in coming up with general and
similar keywords for beginning your quest. 2. After you flesh out 5-10
primary keywords to build from, consider whether or not your site's
content and existing pages are developed around any of these primary
keywords.-Because you're going to have to refer people to some part of
your site related to their query, you need to know from the start if
you'll be able to direct them to existing pages, or if new content,
product pages, or landing pages need to be created. It's been stated
that, on average, 25% of keyword submissions to Yahoo! Search Marketing
fail to get accepted, so to get your keywords past the editors you'll
want to become familiar with each search engine's listing guidelines.
Put simply, the relevancy requirements in most PPC engines are such that
the site and page content that the listings refer to must clearly and
obviously reflect the search term in order to qualify it. 3. Take
primary keywords and add specific words to each.- Consider different
keywords combinations around these 5-10 primary keywords. Two tools we
recommend are the Yahoo! Search Marketing Search Term Suggestion Tool
and the Wordtracker Keyword Universe tool. You simply put in a keyword
and are provided with many different additional keywords combinations
stemming from it as well as some indicators of popularity. Many PPC
engines also offer keyword suggestions to advertisers to use in their
administration areas. 4. Review your competitors' site pages and
pay-per-click buys for additional keywords.-Look at the keywords in
their titles, descriptions and HIM, source code (i.e., keyword meta
tags) at their sites, as well as in their advertising. 5. Look for stats
pages containing information on traffic delivered to competing
sites.-Dan Thies, author of the ebook "Search Engine Optimization Fast
Start," offers this suggestion. Ile says it's often possible to come up
with competing websites who have erroneously forgotten to password
protect their stats, and they can be readily found through the search
engines. I myself have stumbled on a number of them, and thanks to his
ebook know how to look for more.

Tips From the Experts 6. Review your site's visitor statistics and search engine referral information for keywords.-Your logs arc a goldmine just waiting for you as far as potential keywords you can bid for. Reports available through Inktomi inclusion programs will also yield some information on phrases that visitors found you through. 7. Lastly, start thinking like one of your customers.-Consider asking your customers or others outside of your business what they would type into a search engine. book at whether they are more commonly using singular or plural forms, may be including brand names, or geographic (location-specific) terms in their queries. Troy Lerner Senior Manager, Business Development Avenue A I Razorfish Search www.ar-search.com Predicting Traffic and Conversions in Pay-Per-Click Advertising. One of the biggest challenges in pay-per-click advertising is knowing what kind of traffic to expect, and what rank to target for your listings. As you do keyword research, various advertising channels and third party toolsets will provide you with a breakdown of total search volume for relevant key phrases. This search volume generally represents the total number of searches per month for the key phrase, not the number of times your ad will appear, and most certainly not the number of visitors you can expect to your site. In addition, you will likely choose not to be in position one for some or all of your listings, impacting your traffic potential even more. Predicting Clicks. The number of clicks you will receive from keyword searches is based on two primary factors: impressions and click-through-rate (CIR). Impressions indicate the number of times your ad appears, and CAR represents the percentage of clicks you receive versus the number of impressions you receive. Below is a table illustrating aggregated statistics for impressions and CIR by rank. The fourth column, "Per 1000," shows the number of clicks you can expect per 1000 monthly searches for a given key phrase. Note that your title and description can have considerable impact on your CTR, and CIR varies by industry, but these factors should not diminish the overall trend of a decrease in CIR in accordance with a decrease in rank.

of businesses. Given this behavior, which has been proven via many
reliable research reports, it only makes sense that the conversion rate
of visitors into buyers may be higher if a PPC ad is targeted to the
visitor's geographic region. On the other side of the coin, local
businesses are often reluctant to put 59°,% of merchants surveyed by
marketing money into a website, much WebAdvantage said that they less a
pay-per-click campaign, because would use PPC ads, if they could they
know that the majority of the target their local market. visitors to
their website are probably too far away to purchase from them. Many also
believe that the average consumer does not feel comfortable ordering
merchandise online. Research conducted by WebAdvantage, however, found
that 5T/o of merchants they surveyed would use PPC ads online if they
could target their local market. The ..ERR, COD:1.. should be
considered as you model the potential of your pay-per-click advertising:
conversion rate. If conversion rate were consistent across all ranks, it
could be disregarded for this analysis, but conversion rate does vary
with position. The specific conversion rates indicated   ..ERR, COD:1..

Click Fraud and How to Counteract It in Ad Campaigns 1?ach of the two major PPC search engines define click fraud in a slightly different manner. Google defines it as "invalid clicks, as any method used to artificially or maliciously generate clicks or page impressions" (Salar Kamanagar, Director of Product Management, Google), while the Yahoo! definition is "clicks arising for reasons other than the good-faith intention of an Internet user to visit a Web site to purchase goods or services or to obtain information." (Dina Freeman from Yahoo! Search Marketing). Obviously, the Google definition is much more specific than that proposed by Yahoo!, and its response to click fraud at this point is a touch more detailed and drills down further into the raw data. Still, both search engines have proprietary systems in place, which are constantly being upgraded as new methods of click fraud become apparent or the level of detected click fraud increases. Google has developed a separate team that deals solely with click fraud issues. One part of the team is responsible for constantly revising the automated software detection system, so that it can detect the differences between normal, human clicks and those made by robots. Basically, the system analyzes traffic to websites to see if they fit known patterns of activity that indicate click fraud, such as never leaving the landing page, repeated clicking within a certain timeframe from the same IP address, and so on. The second part of the Google click fraud team is composed of individuals 107.7% 0.13 ~i~(," imR°., ní13 About the Data. The data used to generate these statistics has been aggregated from a variety of sources, representing a wide variety of industries, sizes of company and types of products and/or services. to "own") may generate a lot of visitors to your web site and help brand you in the prospect's mind, highly targeted and specific keywords are more likely to be used by people who have done their research and are now ready to buy. After all, the primary goal of any pay-per-click campaign is not to just to get visitors or drive traffic to your site, but to get visitors who will convert into a sale or lead. 163

Tips From the Experts conversion rate. Therefore, using this amount of ROI data to manage bids could lead you to bid incorrectly more than 72% of the time! Accuracy of Prediction Based on Various Click Volumes. The chart below shows the probability distribution of predicted ranges of conversion rate for various sample sizes (#'s of clicks), assuming an actual 2% conversion rate. < 0.8% 0.8-1.6% 1.6-2.4% 2.4-3.2% >3.2% Sample Size (# of Visitors) ..ERR, COD:1..

Tips From the Experts As a point of reference, this could be represented in a chart similar to this: Sample Size (# of Flips) 2 Always Heads 25.0 50/50 Heads and Tails 50.0° ~~ Always Tails 25.0"0 Note that the smaller the probability of an event, the larger the sample you will need to accurately predict the future probability of the event. Keep this in mind when you think about analyzing banner, email or incentive promotions, which typically fall well below average site conversion. What does this tell us? This tells us that we need to use Rol data with caution, and if you don't focus on conversion rate when you analyze your ROI data, don't think that you are safe! Commonly used factors such as CPA, CPS and ROAS are directly related to conversion rate. In fact, any metric relating to ROI will necessarily be impacted by these same principles. Several useful lessons can be learned from the data above: You will need to analyze (at least) thousands of clicks to reasonably estimate the performance of an ad. Far fewer clicks may be sufficient to identify exceptionally well or poor performing ads. For example, looking at the previous data tells us that given a sample size of 500 and an overall conversion rate of TO, random variation will result in a less than 0.8"ó predicted conversion rate 1% of the time. This can be equated

Tips From the Experts tell you what amount of data is necessary to reliably make and/or influence decisions. Dmitri Eroshenko, CEO Clicklab www.clicklab.com Web Analytics Leadership Tips. Jupiter Research estimates that over 60% of online businesses don't have a dedicated web analytics person on staff. That's equivalent to fighting a battle without a general! Your corporate troops need a strong leader to guide the process, give direction, and ultimately survive the competitive massacre. • Wisdom to Appoint and Empower: Put a knowledgeable person in charge of your web analytics program-and then empower that person to get the job done. If you can, hire a dedicated staffer who is up to the job. If not, train someone within your organization. If that is not feasible, perhaps your marketing consultant or a PPC management company can step up to the task? If all else fails, do it yourself. • Ability to Synchronize: Your online business is comprised of various in-house and outsourced departments-marketing, sales, information technology, web design, customer service, order fulfillment, and so on. Each department has its own set of business goals and performance benchmarks, also known as Key Performance Indicators. Make sure that the leader you appoint is capable of multitasking and synchronizing the efforts of these diverse functional groups. Choose someone organized enough to handle the influx of information and diplomatic enough to work with the personalities running these teams. • Capacity to Act: Above all, the person you choose should be someone who can inspire the various departments to act on the information they receive. It is by far the most important characteristic of a web analytics leader. Remember, the best reports in the world are worthless if team managers aren't acting on the information they receive. Continuous Improvement and Change Management. If there is one thing constant about the Internet, it's the state of constant change. Your business can go from riches to rags, and vice versa, in a click of a customer's mouse as customer preferences change. You also have to deal with technology changes. Managing, monitoring, and testing change is paramount to survival online. • Embrace Change. Borrow a tactic from the corporate world called continuous improvement and change management. Change management is a set of internal procedures that alert managers to

Tips From the Experts changes, good and bad, internal and external, and direct them in planning and decision-making. It forces you to examine every step along the way in a visitor's journey through your website-technical glitches with your shopping cart, click fraud, perhaps competitors running specials on their websites-and making changes to correct the problems. Remember, change has opportunity written all over it. Establish Key Performance Indicators (KPIs). KPIs are a set of measures designed to track critical website performance variables over time. KPIs are the driving force of the continuous improvement and change management processes. Use these variables to improve the chance that visitors will make it from the landing page to the "thank you for your order" page. • Change and Test. Stick to your KPIs and don't change two or more things at once. It may seem quicker in the beginning, but the results will defy interpretation because you don't know how different changes contributed to the overall effect. Change one thing at a time. Test. Then change another. Test again. Repeat ad infinitum. Eric Layland, Search Marketing Director Point It! www.pointit.com 1. This sounds simplistic, but "have a clue" when starting your program. Outline your objectives and how measured success will be determined. Doing so will be your baseline. You must take the perspective that PPC is one component of your larger online marketing agenda. Your site's appearance, performance, and user experience on through to the desired action must all support each other. There's no better example of the concept "garbage-in, garbage-out" than PPC programs. Test, refine, and test more, with regularity and stated objectives and expectations. 2. For lead generation programs, don't try to sell a product on the landing page! ingage the visitor and start a dialog. A website isn't going to effectively convert prospects to a sale of a product or service that's highly considered. Human interaction shouldn't be underestimated. Use copy and calls-to-action to get visitors interested in taking the next step (e.g. download white paper, request demo, contact by company). The offer of free information is great, but shouldn't be over-used. Develop your site into a marketing machine by engaging with the prospect, offering appropriate information, and collecting what's needed to further the sales process.

Tips From the Experts 3. Programs that are generating leads which are passed to a sales team for closing must require sales personnel to identify the source of leads. Ignoring this simple step undermines the effectiveness of the PPC program when it comes to determining revenue generated for products with long sales cycles. Eli Feldblum, Director of Marketing Did-it.com Search Marketing www.did-it.com Contrary to popular belief, local search isn't just for local advertisers. If you have a product or service that works on a local and national scale, consider running a couple of local PPC campaigns instead of, or in addition to, a national campaign. Your ads will appear more targeted, especially if they specify the location in the ad, and will be more appealing to searchers. In AdWords, your PPC ad will stand out even more with the addition of a third description line listing the searcher's city and state. More targeted, appealing ads means a higher clickthrough rate, which means a lower CPC in Google. Your ads will appear in local searches and in general searches, and most engines will give you an enhanced listing as well. Choosing local search PPC can make you more visible everywhere, and more profitable everywhere as well. The points made by the these analysts reinforce much of what we've already discussed in this book, but they also include some real gems of wisdom that you can take and start using in your online PPC campaigns, right now! What about the future? Although we've talked some about upcoming trends, let's consolidate some of our knowledge and speculate a little on what might be just around the bend for pay-per-click advertising during the remainder of 2005, and beyond.

Chapter 14 - The Future of Pay Per Click; Insights Into Upcoming Trends
When we look back on the last decade, it is really difficult to believe the enormous growth the Internet has sustained, from its beginnings as a means for academics and government offices to communicate with each other, to a full- fledged global marketplace. It took almost 41) years for television to achieve the same level of saturation among consumers that the Internet has achieved in a quarter of the time. One can only point to the power of this medium to attract and keep users attentive and entertained to explain such a massive implementation. Like it or not, the Internet as a commercial enterprise will continue to grow, mature, and expand. Considering that, the importance of creating a successful business presence online becomes more and more relevant-not necessarily to replace the "brick-and-mortar" setup of your physical place of business, but rather to complement it. Small businesses traditionally have had more difficulty than larger companies in marketing themselves to consumers, relying mostly on word-of-mouth, location, small local advertising, or standardized ads in the yellow pages or community phone directories. With the rise of online advertising, specifically in the search industry, this is changing. You are now able to reach qualified prospects and clients through the web, tracking your efforts to a tee, and aim to attract clients to your products whom you would never have considered possible to reach otherwise, due to the benefits of a global economy. As you have learned throughout this book, pay-per-click marketing is a very lucrative opportunity for business owners and will continue to be so for years to come. As we end our discussion of pay-per-click methods and tools, we wanted to share some predictions of what will happen over the next five years or so in this industry. First of all, expect another company to rise and take a leadership role alongside Google and Yahoo!. We think there is no doubt that it will be Microsoft. At the time we are writing this book, Microsoft has just taken their new MSN search engine public and are in the midst of launching a massive ad campaign to make MSN Search a household name. Taking into consideration the deep financial pockets of Microsoft, and their existing brand recognition, plus the fact that the majority of computers run on a

The Future of Pay Per Click; Insights Into Upcoming Trends Microsoft platform, it's a pretty safe bet that they'll succeed in making MSN Search a competitive product. Once Microsoft manages to increase the popularity of their own search engine, the next logical step for the corporation would be to drop Yahoo!, with whom they are currently affiliated for paid advertising, and launch their own pay-per- click solution. With typical irresistible free offerings to get you started, combined with the fact that they have already saturated the market with Microsoft Office and Microsoft server solutions, advertisers will flock to take advantage of the rising popularity of MSN Search. So, soon Microsoft will be able to step up to the plate and compete on the same level with their rivals. MSN already has a pretty strong presence in the small business community with the Microsoft Small Business Center portal, which offers for free assistance for small businesses and products such as Submitlt! (for search engine submission) and web hosting'solutions. Whether NISN fulfills our prediction or not, one trend we are certain will continue is the competition between Google and Yahoo!, both fighting for their market share. Now that it has gone public, Google will have to continuously improve their profits to satisfy shareholders. The recent announcement by Yahoo! that it will be rebranding Overture and integrating its site with the Yahoo! site is just the first step in the process of seriously and aggressively beginning to battle Google in the open marketplace, especially as far as pay-per-click set-vices are concerned. Just recently, Google rolled out a new referral program offering a commission for all new referred AdWords and AdSense clients. While this is a small step, it does indicate that they are trying to attract new advertisers. "faking into consideration that Google and Yahoo! each have roughly 150,000 advertisers (with many of them overlapping on both search engines), versus the potential market of over 20 million small businesses in the United States, it's clear that these online giants haven't even come close to reaching everyone. With the quickly moving integration of Internet yellow pages properties into many search engines, not just Google and Yahoo!, it will happen. Sooner or later, AdWords and Yahoo! Search Marketing PPC products will become marketing techniques as well known and used as direct mail and telemarketing. As that happens, we believe there will be an increasing switch from advertising media, such as Tv and radio, to online advertising. We're not saying that 'IV and radio ads will disappear-we'll continue to see global, national, regional,

The Future of Pay Per Click; Insights Into Upcoming Trends and local companies on TV and radio, because these are still the best ways to promote a brand and reach millions of consumers quickly and efficiently. I lowever, smaller companies, with a tighter advertising budget, are becoming more aware of the less-expensive opportunities available to them via online advertising. As this happens, we also believe that technologies such as pay-per-call advertising will grow in popularity, perhaps not as much as pay per click, but enough to become attractive to local businesses that prefer to deal with prospects and leads over the phone, rather than through a website. After all, salespeople are used to selling over the phone or in person, so it is a natural fit that does not require retraining in sales techniques. Pay-per-call advertising will particularly appeal to local businesses whose customer base is not going to go beyond their local arena anytime soon. Most don't have a web presence at all, but pay-per-call advertising allows them to compete with the competitors down the street who have invested a lot of money on a fancy website. This is still a trend that could move either way, but if the yellow page properties position this type of advertising properly, watch for many local businesses to try an online version of their regular yellow-page listing, without having to put a website together. 'T'his is definitely a trend to watch as it grows and matures. As more and more advertisers start to take advantage of the various pay-per- click options and enhancements being offered by search engines, several things may happen. For those advertisers who were around when the commercial side of the Internet debuted, they remember the "good old days" when quality keywords could be purchased for pennies. Now, the same keywords cost anywhere from 50 cents to several dollars per click, mainly as a result of more and more competition trying to get the same visitors. The irony is that conversions of visitors to buyers hasn't really increased that much. When conversion rates improved, for the most part, improvements on the actual websites were responsible. The quality of the visitor for 5 cents per click five years ago is pretty much the same as the quality of the visitor that you pay $1 per click for today. As pay per click continues to increase in popularity, advertisers will need to become smarter and more efficient in order to keep a positive ROI and maintain their hard-fought-for keyword rankings. Google AdWords is setting the bar high by requiring advertisers to maintain a minimum of 0.5% (-1'R (5 clicks for 1,000 impressions). Yahoo! also disables ads if they have less-than- average conversions, although the parameters of the rating aren't revealed.

The Future of Pay Per Click, Insights Into Upcoming Trends "These techniques force advertisers to continuously improve their ads, improve their landing pages, improve their buying cycle, etc., etc. If they don't, their ROI will fall and they may either be forced out of the largest available online search engines until they make sufficient changes to come back into their favor, or they will consider abandoning online advertising to their competitors-a move that few advertisers would willingly make. I lowever, if you do become better and better at crafting pay-per-click ads, this will not only benefit your PPC campaigns, but all of your other advertising techniques and your business in general. Granted, it's hard work and takes up a fair amount of time, but the results are worth it. Search engines are currently in great competition to add new tools and new enhancements to their existing reports and bidding tools in order to attract new advertisers, as well as to get advertisers to move from one search engine to another, or to diversify their campaigns across several search engines. Some of the smallest search engines around have tools and reports included as free resources for their advertisers that are comparable to those offered by the largest search properties. Whether they will be able to maintain such a level of service and still keep their keyword bids approximately half the cost of Google and/or Yahoo! is doubtful. Keyword prices overall, we believe, will have to rise on smaller search engines, and many will be gobbled up by larger enterprises. The aggressive campaign by Marchex in 2004 in acquiring properties to position itself for a total search solution is just one example of the increasing consolidation of smaller businesses to come. One of the largest problems now, that will become much more serious before it is finally resolved, is click fraud. As bid prices go up, there is more and more money to be made in click fraud. We believe that search engines will begin to take more serious measures against this, ranging from pressuring government agencies to put in place regulations against this, followed closely by lawsuits against the perpetrators (just like the RIAA is doing with the music industry these days). Although the U.S. government, in general, appears to be reluctant to pass actual legislation on online activities, the Fl'('- is already involved in drafting regulations and investigating cases of click fraud. The solution of this problem will be a boon to the PPC industry-fraud doesn't benefit anyone in the long run, despite how seductive it may be to earn a few extra dollars as an affiliate by clicking on the ads on your website.

The Future of Pay Per Click; Insights Into Upcoming Trends However, before a final solution is found, we believe that click fraud may rise to a point that it will simply unacceptable for the search engines to idly stand by and do little or nothing to combat this problem for their advertisers. Of course, click fraud will never fully be conquered, just as spam is still here and thriving, but with the proper tools, knowledge, and the support of the search engines themselves, advertisers will be able to minimize the effects of it. We also feel that we will see massive improvements in the local search and cell phone search businesses. Both of these are of tremendous benefit to local businesses that conduct most of their business with their customers in person or over the phone. Whether somebody is on a vacation and is looking for a good restaurant, or on a business trip and needs a 24-hour dry cleaning store, both local search and cell phone search capabilities deliver tremendous value to the consumer, who can search for local shops online in their hotel room, or with the convenience of his or her cell phone. Local businesses who have, for the most part, stayed out of the online world will soon see their competitors down the street reap the benefits of increased traffic (even without a website). These businesses will join in to compete for the increased business that will come as the convenience of local search becomes indispensable for consumers. Unfortunately, we feel this means that print versions of the yellow page directories are doomed to eventual irrelevance to the majority of consumers, which will cut heavily into the revenues of these companies. Most have already seen the writing on the wall, however, and have partnered with online services to offer online versions of their directories. They have also integrated paid advertising into their sites and are encouraging their traditional customers to try the online approach. It is both less costly and can be updated during the year if the business moves or changes their telephone number (both major disadvantages that have long been a problem for yellow page properties). Signs are that the major yellow page properties are keeping up with the trend toward moving online and are offering new benefits to their advertisers and consumers. For those smaller entities that do not move into this market, tough times are surely ahead. In the near future, we also expect to see Yahoo! Search Marketing roll out a contextual advertising program similar to Google AdSense for smaller publishers (currently, they only offer it for larger sites, on a case-by-case basis). There is enormous potential in contextual advertising, and the already

The Future of Pay Per Click; Insights Into Upcoming Trends tremendous advertiser base at Yahoo! is waiting with baited breath to get their hands on more traffic. Publishers would love to have an option other than AdSense to turn to. Not that it isn't a good program, but with competition, everybody wins. Behavioral targeting via pay per click, also an upcoming trend, we feel may be too amorphous for the average smaller business to buy into, without some serious marketing techniques and approaches used by those offering such an approach. To attract more advertisers online, they need to see concrete results that show a positive bottom line is possible without investing a lot of money or taking a lot of risk. Behavioral targeting needs to mature as a product and develop more of a business model if it is to succeed in convincing businesses looking for "instant" results to invest in the premise. In the past couple of years, we haven't seen too much expansion into international online advertising from businesses in the United States and Canada. While most search engines do allow you to target specific countries, there needs to be a greater supply of quality traffic from other countries before this becomes truly effective. Many countries are still behind in technology, with numerous complaints of the quality of search engine optimization companies just starting up in some parts of the world. The United Kingdom is already a major player, with some others on the 1?uropean continent and in Scandinavia equally involved, but much of the rest of the world is still in the early stages of online development, making them ripe targets for fraud. Within a few years, however, development of a quality online presence will become a fact of life in these countries in order to compete with the rest of the world for the global market and to provide the kind of local consumer experience that will become commonplace elsewhere. Asia, in particular, is exploding with all types of Internet-enabled technologies that are bound to impact the development of a greater online presence reaching further within, but also beyond, their own marketplace. The world of pay per click has come a long way from its humble beginnings. Paid advertising online itself has come full circle-beginning as an accepted part of the online world, to being seen as an unnecessary and unwanted intrusion into the online experience by consumers, and back again to being a viewed by advertisers as a valuable way to "outwit, outplay, and outlast" (our apologies to the TV show "Survivor") their competitors. Consumers are accepting paid advertising of this type because, unlike popup ads, it does not interfere with their search experience. 'T'hose consumers in the know realize pay-per-click ads are a quick way to relevant results, especially when localization is added.

The Future of Pay Per Click; Insights Into Upcoming Trends Pay-per-click advertising has taken much of the guesswork out of the consumer experience online, and we expect consumers to continue to see it as an opportunity to save time in their search for products and services, not just information. Research shows that key consumer demographic groups are consistent online users and with the increasing pace of busy lifestyles, anything that will save time and effort in finding the right product for the right price at the right place (either through an online order or via local search for items people prefer to buy from local providers) is bound to succeed. Our advice to you is to seriously consider investing in pay-per-click advertising in one or more of its various guises, as at least one part of your general marketing efforts. No advertiser should place all their efforts into one form of advertising, but the power of Internet marketing, particularly pay per click, cannot be ignored. It can be a relatively low-investment opportunity that can, if handled with care, be an enormously profitable driver of business to your door. Growing numbers of consumers are compressing their day by "shopping" online during their workday and then stopping by the store they found online to purchase the product on the way home. Any small business that does not at least make an attempt to crack this marketplace will be left behind in the next couple of years. One only needs to look at the behavior of younger consumers to see what lies ahead. Online marketing is going to continue to expand and diversify to meet the growing needs of a generation that has grown up with the Internet and whose behavior over the last couple of years clearly indicates that the convenience and power of the Internet as a commercial enterprise is attractive to them, and rapidly becoming the norm. Don't be left behind! Use the techniques in this book and the advice offered by both us and the experts who contributed their thoughts to take advantage of this online commercial world-still a frontier in some ways, but rapidly becoming the sophisticated marketplace it is destined to be. The final chapter of our book will give you information on how you can continue to be updated on developments in pay-per-click advertising. We will also make some final comments on further steps to take, including both print and online resources that can help you make your pay-per-click ad campaigns a success, whether they are your first attempt, or you are a seasoned traveler of the pay-per-click environment.

Chapter 15 - Conclusion As we come to the end of this book, it's only appropriate to mention a few sources that are available to you for more advice and help in PPC advertising. We truly hope that you enjoyed reading and, most importantly, learned something useful from the book-whether you're a beginner or an experienced advertiser. If you wish to learn more about this subject, there is a lot of quality literature available for you to peruse, some of which is identified in our Recommended Reading Appendix, as well as a number of excellent online resources listed in our Recommended Resources Appendix. We've also included a Glossary of common pay-per-click-related terms to help you along the way. Will the future trends we predicted in the last chapter come to pass? We think so, but if there is one thing we have learned in our six years of experience in the online advertising industry, just when you think you have it figured out-wham! Something new comes along. Advertisers need to stay up-to-date with what is happening in order to anticipate such moves and prepare for them. This book will be updated approximately every year with all the latest changes in the pay-per-click world. Existing customers will be eligible to receive the new book at a 15% discount in price at www.ppcbook.info/latest. Pay-Per-Click Bonuses (as of May 2005) Listed below are the special bonuses we promised our readers on the book's cover. 'T'hese bonuses offer you credit on some of the leading pay-per-click engines and tools and are an excellent way to get started. ahool 50 Bonus www.VI2cbook.info /yahoo indWhat 5 Bonus www.VI2cbook.inf6/fitidwhat Search 123 20 Bonus www. ppcbook.info/ anoodle 5 Bonus vww.1212cbook.info/kanoodle Enhance 25 Bonus www.ppcbook.info/enhance Mamma 10 Bonus k.info m mm SuperPages 25 Bonus mKw.VVcbcok-inf6/suI2erVagcs Findology 50 Bonus o k.inf fin to earchfeed 10% Bonus www.12Vcbook.inf6/scarchfeed idMaximizer 40 Credit ppcbook.info/bidmaximi2er . _

Conclusion Another FREE bonus we'd like to offer you is a copy of the
exclusive "The Three Keys To Profitable Online Advertising" report,
written by W. 1?merson Brantley III, an advertising guru with almost 30
years of marketing experience, who was among the first marketers to
recognize the commercial potential of the Internet. The author combines
traditional and new marketing techniques and explains how they apply to
online advertising. To download your free copy, simply go to
www.mordcomm.com/report.pdf.

Appendix 1 Glossary A-B Split Testing: Process of testing multiple landing pages or other components of your ads against each other to find which ones work better. Affiliate: Typical term for a website that drives traffic to another website in exchange for a percent of sales from users driven to the site. Auto Bidding: 't'ools or services that automatically adjust your bids to be just 1 cent more than your competitors. "Phis helps avoid bid gaps and wasted money. Backlink: Links found on other websites that will take the user to your website. Bid: See Keyword Bid. Bid Gap: Difference in bid prices between subsequent ads for the same keyword. Broad Match: Originally a Googlc term, the phrase now is used commonly to refer to results from a keyword phrase that is very general in nature. For example, if a user searches for the phrase "leather recliners," and your PPC ad is of the broad match variety, the user will see results that include not just recliner ads, but also ads for leather, as well as results based solely on relevance to leather and/or recliners in general. Click Fraud: Clicks on a PPC ad that are deliberately initiated with no interest in the content of the site or in investigating or purchasing a product, but whose sole intention is to deplete the PPC advertiser's account balance. Cost Per Click (CPC): The amount you pay for each click on your ad. Some people use this term interchangeably with the pay-per-click cost. Click-Through Rate (CTR):'I'he percentage of people who click on a PPC ad out of the total number who see it. For example, if 100 people see your ad and 10 click on it, your (_"IR is l0'),o. Contextual Ads: Advertising that is geared toward content. To catch the interest of the reader of the web page, your product or service must be highly related to the content at which they are looking. Contextual ads are typically found in content-rich sites, such as online newspapers, magazines, journals, and informational sites. Conversion Rate: The percentage of visitors who are converted into buyers of your product/service. It is calculated as the number of clickthroughs divided by

Glossary the number of actual conversions. The higher the conversion rate, the more effective your campaign has been. CPM: The cost for 1,000 impressions or ad views. Editorial Review: A process most PPC search engines require ads to undergo, whereby an employee checks your proposed PPC ad to ensure it fits the guidelines of the search engine in format, size, content, and sometimes other, often undisclosed, factors. Exact Match: A Google term describing a keyword plan that will bring your ad up on results pages only if the searcher types the exact keyword phrase you have bid on. For example, if a user types in "leather recliners," only ads with those two words, in this exact order, will appear. Fixed Bidding: A process by which you can specify a certain price you are willing to pay for a specific keyword, no matter how your competitors for that keyword change their bidding. Used in earlier times, PPC advertisers are now encouraged to use auto-bidding tools or manually adjust keyword bids to compete effectively. Geo-Targeting: An option available on some PPC search engines that allows you to specify which countries the search engine reaches that you want your PPC ad to appear in. Hits: The number of times a particular web page is viewed. The number of hits is independent of whether or not the same user is visiting the same page more than once. Sometimes referred to as visits. Impression: Also known as ad views. "Impression" is the term used to describe the viewing of an ad by the user's browser. Keyword: The terms that users enter into the search box of a search engine. Consequently, these are the word(s) you should choose to use in your pay-per- click campaign. Depending upon the company and the size of the campaign, the number of keywords used can range from a few to thousands. Keyword Bid: The maximum amount of money you are prepared to pay every time a user clicks on your pay-per-click ad on a search engine, and thus visits your website. Keyword Matching: Means of organizing or allocating your keywords so that your ad only appears when a user types in a certain combination of your keywords. See Bread Match, Exact Match, and Phrase Match.

Landing Page: The page you choose to have searchers taken to when they click on your pay-per-click ad. The landing page need not be your homepage and, in fact, is usually a page that is designed specifically to sell your product. Local Search: The ability to search for results by location. Depending on the search engine, local search capabilities can be limited to geo-tracking (see Geo- 7racking) or may go as far as searching by region, city/town, zip code, or postal code. Minimum Bid: The minimum amount required by a pay-per-click search engine for either a specific keyword, type of keyword, or the overall minimum bid acceptable for any keyword. Negative Keywords: Keywords that limit the appearance of your ad if they are including in the search phrase. For example, if you are bidding on "web hosting," you may want to include the word "free" as a negative keyword. Your ad will therefore not appear if a search is made for "free web hosting." Organic Listings: Regular search results that appear when a browser user types in a particular keyword or keyword phrase. Organic listings include links to pages on your website that either you have submitted directly to the search engine, or that the search engine's robot has crawled on your site. Page Views: The number of times a web page is viewed. Paid Inclusion: A sales technique currently under review by many search engines, paid inclusion is where an advertiser arranges to pay a search engine a certain amount of money to ensure a ranking in their search results. Most search engines do not guarantee the ranking will be among the highest. Many search engines have either stopped this type of plan or are in the process of considering removing this option for online marketing. Pay-Per-Click (PPC) Advertising: A method of marketing where a business pays a certain amount of money each time someone clicks on a small ad on a search engine's results page or homepage and is then taken to the advertiser's website. Pay-Per-Click Search Engine (PPCSE): A search engine that offers pay-per- click advertising as an option to businesses. Pay Per PerformanceTM Web Search: The first PPC product from Overture, which debuted in 1998. Phrase Match: A Google keyword strategy (now becoming known as such on many different search engines) that produces search results that only include the entire phrase, in the order in which the words are placed. This type of match would bring up results that only relate to "leather recliners," for example. It

Glossary would also show results for "brown leather recliners," because the phrase words are together, but not for searches for "leather type recliners," where the words are out of sequence. Relevance: The degree to which a search result or a PPC ad matches the search terms the user put in the search box. Relevance is not only key to a satisfactory search result for our visitors, but is increasingly a factor in search engines' deciding on how organic listings are sorted. Return On Investment (ROI): The bottom line; that is, the amount of money you make compared to the amount of money you have spent. Many tools exist to help you calculate your ROl for whatever undertaking, including pay-per-click campaigns. Search Engine Marketing (SEM): ,Activities designed to increase the ranking of your website in search engines. Such activities include pay-per-click advertising and regular search engine optimization. Search Engine Optimization (SEO): ;1 variety of techniques whereby you change the content, keywords, meta tags, placement of text versus code, etc., in order to enhance your ranking in a search engine. SEMPO:Acronym for the Search 1?ngine Marketing Professional Organization at http://www.scmpo.org/. Unique Visitor: The number of people who visit a web page. If one person visits the same web page three or four times, the statistics will list them as one unique visitor.

Recommended Reading Winning Results with Google AdWords (One-Off) by Andrew Goodman ISBN: 0072257024 Price: $24.99 AdSense: The Behavioral Science Of Advertising by Kirk Donovan ISBN: 1414035500 Price: $14.95 Ultra-Advanced Seminar on Google AdWords by Jason Potash, Perry Marshall, and Don Crowther URL: www.ppcbook.info/googleadvanced Price: $99 Google AdWords Handbook: 21 Ways to Maximize Results by Andrew Goodman URL: www.ppcbook.info/handbook Price: $69 187

Appendix 3 Recommended Resources PayPerC lickUniverse. com PayPerClickUniverse is a free resource providing unbiased information to the small-to-medium-sized business owner interested in exploring the world of pay- per-click advertising (PPC). Their aim is to show you how best to invest in pay per click, easily, and with a very low initial investment. Offers weekly reviews of search engines and tools, as well as a free newsletter, a blog, and various special offers for PPC advertising from assorted search engines. PayPerClickAnalyst.com The purpose of PayPerClickAnalyst is similar to PayPerClickUniverse, in that it strives to offer up-to-date news, reviews, and helpful articles on the pay-per- click industry. Their reviews are updated regularly, and the information provided is extensive and valuable. A well-established site, it offers four regular bloggers and a specific Local Search blog. PayPerClickSearchEngines.com Claiming to have reviewed 652 search engines at last count, this website offers a lot of information-reviews sorted into different categories (including a separate section for UK-based PPC search engines), a newsletter, articles, and a variety of other information for PPC advertisers, as well as search-engine-optimization advice. In addition, this site has a forum area that deals with topics in addition to pay per click. PavPerClickGuru.com A comprehensive website that has information on all PPC-related topics. The search engine reviews are quite short and mostly refer you to the search engine or tool in question for full information. Offers some information on PPC in general and has an RSS news feed that covers all online-related news. 188

Recommended Resources PPCWire.com Another free resource, PPCWire concentrates more on news and articles on pay per click than reviews of search engines and tools, although some are provided. SearchEngineWatch.com As part of the ClickZ network, this website offers a huge amount of information on every aspect of search engines imaginable, including pay per click. News, informative articles, extensive forums, as well as a "members-only" area, have made this website a standard source for up-to-date information-not only on search engine news, but on how users are reacting to changes in the industry. SearchEngineLowdown.com This website is home to search engine marketing analyst Andy Beal's blog on search-related news. Daily updates make this a highly relevant source of the latest news, with a casual feel. SearchEngineForums.com A collection of forums all related to search engines in one way or another, this site has a wide assortment of topics to choose from, including an extensive pay- per-click selection, with separate forums for many of the major PPC search engines. FightClickFraud.com This website is the online location for a company with a mission-to not only educate online advertisers concerning click fraud, but to actively search for potential click fraud threats in partnership with Internet Service Providers. Statistics on their site claim 10,928 fraud claims closed as a result of their action. 189

Recommended Resources SEMbooster.com A free resource, SENIBooster.com covers all aspects of search-engine marketing, but is mainly focused on website and search-engine-optimization techniques, including a fair amount of information on link building. SplitTester.com Split "fester is an interesting, free tool that will compare two ads, using "statistical significance" to project the long-term success of your ads based on early clickthrough rates. Google AdWords Resources https: / /adwords.google.com/select/library Google.com offers a lot of information for pay-per-click advertisers using the AdWords (and AdSense) programs, including an extremely comprehensive FAQ section for quick answers to specific questions. Information is provided for international advertisers, but the majority, is geared toward the U.S. market. The online demos and in-depth, text-based guides walk you step-by-step through all aspects of the AdWords program. The available material covers beginning and managing an AdWords campaign, and includes information on all the tools available to help you manage your campaigns. You can also become designated as a "Google Professional" by completing a free online program and taking an exam to test your knowledge of managing AdWords accounts. This program not only will help you understand all the details of AdWords, but also opens up an opportunity to put your knowledge to work managing AdWords accounts for other website owners, once you pass the exam and are uligible to put the Google "stamp of approval" on your website. 190

Recommended Resources Yahoo! Advertiser Resources htip://searchmarketing.yahoo.com/rc/`srch/ SearchMarketing.Yahoo.com also has a lot of information on their website to help you set up and manage your PPC advertising, for both U.S. and international advertisers. The main area to begin with for U.S. advertisers is the Advertiser Center. An "Advertiser Workbook" is available to download and an area called "Yahoo! Search Marketing 101" introduces you to the PPC ad program. There are many interactive tutorials available, especially on some of the free tools offered, which include: Keyword Suggestion Tool - Lets you check five generic terms for your website, and the traffic they receive on this search engine. http: / /inventory.overture. com / d / searchinventory/suggcstion / Bid Price Tool - Allows you to type in a search term and shows you the maximum bid for it and the current listings for that term. htII2://uv.bidtool.overture.com/d/search/tools/bidtool/- ROI Calculator - Allows you to instantly see if you are making a profit from your PPC campaign, simply by plugging in a few numbers. You can also download this tool if you have Microsoft Excel, so it is always available on your desktop. litt2://www.contcnt.overture.com/d/USm/leaming/roitop.jhtnil 191

Final Message From the Authors Final Message From the Authors (MordComm, Inc.) The "Pay-Per-Click Search Engine Marketing Handbook: Low Cost Strategies to Attracting New Customers Using Google, Yahoo! & Other Search Engines" was written by Boris and Eugene Mordkovich, founders of MordComm Inc., a New York City-based firm that develops services to help entrepreneurs and small businesses market effectively on the Internet. If you have any questions or comments about this book, or about online advertising in general, you can contact the authors directly by emailing them at book@mordcomm.com. Don't be surprised if you hear back from them the same day! MordComm, Inc. has developed several other projects, including an affordable PPC Manager & Tracker tool and a free Pay-Per-Click Resource website. Check out the next few pages for more details. 192

Final Message From the Authors AdWatcher - Pay-Per-Click Manager,
Tracker & Fraud Monitor www.AdWatcher.com AdWatcher is an all-in-one
tool that helps you manage your pay-per- VU~~~~ click advertising, track
your k':"°_ P- I . I-1,11 a q4, Return On Investment OMI), and monitor
your ad campaigns for OR A ", I~ 1! fraudulent activity. It will help
you monitor all of your pay-per-click search engine campaigns from one
convenient location and will tell you exactly what works and what
doesn't. We would like to offer you a chance to try out our software for
30 days absolutely ..ERR, COD:3..

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Final Message From the Authors PPC Insider - Definitive Newsletter on Pay-Per-Click Advertising www.ppcbook.info/insider PPC Insider is a new, bi-weekly newsletter written by the authors of this book, Boris and Eugene Mordkovich. To help you make the most out of your pay- per-click advertising campaigns and always stay one step ahead of your competition, this newsletter will provide you with information and breaking news you need to succeed in this competitive arena. Premium subscribers to the PPC Insider will find the following type of information in every issue: • expert tips, techniques, and suggestions to improve your PPC ads • the latest news to keep you one step ahead of your competition • special, exclusive deals on pay-per-click search engines and tools PLUS! Direct access to Boris and Eugene with any PPC-related questions This newsletter is an invaluable resource to ANY business owner who is serious about being involved in pay-per-click advertising and improving the performance of their ad campaigns. For just $3 per month, you will get the insight and information you need to get the most out of your ad campaigns. In fact, we are so sure that you will find the PPC Insider invaluable to your PPC ad campaigns, that we are offering an unconditional 90-day money-back guarantee. If you're not satisfied with the newsletter, just let us know and we'll issue a cheerful refund, with no questions asked. As well, there is no obligation to you as a subscriber, and you can cancel anytime! Subscribe today to the PPC Insider at www.ppcbook.info/insider. 195

Pay-Per-Click Search Engine Marketing Handbook Low Cost Strategies to Attracting New Customers Using Google, Yahoo & Other Search Engines

Boris Mordkovich • Eugene Mordkovich rlordConun, Inc. Brooklyn, New York

Final Message From the Authors Final Message From the Authors (MordComm, Inc.) The "Pay-Per-Click Search Engine Marketing Handbook: Low Cost Strategies to Attracting New Customers Using Google, Yahoo! & Other Search Engines" was written by Boris and Eugene Mordkovich, founders of MordComm Inc., a New York City-based firm that develops services to help entrepreneurs and small businesses market effectively on the Internet. If you have any questions or comments about this book, or about online advertising in general, you can contact the authors directly by emailing them at book@mordcomm.com. Don't be surprised if you hear back from them the same day! MordComm, Inc. has developed several other projects, including an affordable PPC Manager & Tracker tool and a free Pay-Per-Click Resource website. Check out the next few pages for more details. 19

pages companies, in addition to its earlier acquisition of the PPC search engine, ePilot. As a result, it now offers a local search and advertising platform called Local IllirectTM, which combines Interchange's proven paid-search platform with the world's most accessible local business database, and the company's proprietary Keyword INATM technology, to create a comprehensive local-search solution. Although not nearly as robust as the Google and Yahoo! offerings, it is a big step forward to add local search to a smaller search property. The user types a search word and location into the search box and the relevant businesses near the location appear in a results page. 92

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and much more ABOUT THE AUTHORS: Boris and Eugene Mordkovich are co-founders of an Internet Marketing firm, MordComm, Inc. They have been involved in the online advertising industry since 1999 and have launched several successful business ventures since then. Recognizing the need for an in-depth handbook, focused on the real-world demands experienced by those running online marketing busi- nesses, Boris and Eugene conceived and wrote this book to extend their knowledge and expertise to anyone who wishes to learn how to market their business through search engines. PUBLISHED BY: MORDCOMM, INC. 800.543.9579 IS 13N : 4'_162e1)9 WWW.MORDCOMM.COM 9 0 0 0 0 ID: 116828 ^rw.lrlr.ca