

# Advanced PPC Bidding Strategies

## *Maximizing the Success of Your Paid Search Campaigns*

Prepared by Search Marketing Now for

**ACQUISIO** 

### Introduction

The economic downturn finally reached the online advertising world this year, as spending dropped and many advertisers reduced their online ad budgets. The result is that paid search programs are coming under serious scrutiny from boardroom executives.

The good news is that 94 percent of CMOs surveyed by direct marketing services company Epsilon, still say that marketing plays a key role in a tough economic period. In fact, many executives believe that customer service and marketing are more important in a recession than at any other time.

When you stop marketing, you lose touch with your clients and stop understanding what is important to your customer base. You also lose access to valuable data. For example, if you completely stop marketing, how will you know when the economy is rebounding for your products or services? By not tracking your customer data, it will take longer to recognize when to boost advertising budgets. Marketers that continue to advertise through the recession will make smarter decisions for their paid campaigns.

Faced with these two business realities, many marketers are rethinking their online strategies, namely how to maximize the results of their PPC investments

To help online marketers maximize their paid search investments, Acquisio has identified 10 advanced PPC bidding strategies that can improve PPC performance and efficiency. This report defines and explains these 10 strategies, which include refocusing and trimming keyword lists, bidding by margin or lifetime customer value, and increasing affiliate revenue through low-bid strategies. The following Search Engine Land contributors made valuable additions to this report: Nick Abramovic, Kristen Bender, Chris Compton, Brad Geddes, Andrew Goodman, George Michie, Todd Mintz and Michelle Stern.

### ***Advanced PPC Bidding Strategy #1*** **Cut Back on Long-Tail Keywords**

Until recently, the paid search market dictated a granular approach where the ability to tightly target very specific search intents with long-tail keywords was encouraged and very effective. However, in the current environment, more keywords won't lead to more sales.

For many online marketers with long keyword lists, the top keywords generate the majority of sales volume. If your resources (either budget or man hours) are limited, it can make sense to focus on your top performing keywords or phrases and really make them work for you.

Some marketers may view long-tail keywords as “research” keywords that contribute to more searches down the road and perhaps, eventually, sales. But attribution models may not be forgiving and marketers are often evaluated on strict return-on-ad-spend (ROAS) criteria, as well as AdWords Quality Scores (QS) that can punish branded terms for low click through rate (CTR).

For many advertisers, the ultimate measure of execution is in keyword-level costs and sales. Within reason, keyword-level performance on high-traffic terms should be close to your targets for those terms (unless your campaign is focused on branding, when clickthrough or performance metrics may not be measured in the same way). Performance of long-tail keywords should make sense as well when clustered appropriately.

The length of the list isn’t the only issue. It’s easy to generate 100K-plus keyword lists using automated tools. But these lists are usually full of holes when put to human scrutiny. We suggest taking a look at the keyword list or just one product category as a sample. Look for obvious two- and three-word combinations that aren’t in the list. Often the bulk of these auto-generated lists are four-, five- and six-word key phrases that simply don’t matter, or obvious synonyms and industry-specific jargon that nobody searches for anyway.

Rather than asking for each and every low-volume keyword, and whether its presence might help a campaign, ask if there is any downside to getting rid of it. If it’s very low volume, and the same search might be covered by a broad or phrase match in the campaign (adding appropriate negatives when time allows), then hyper-efficiency isn’t really effective. In fact, the presence of such keywords could be hurting the account more than helping by dragging down overall QS and making data analysis more difficult. In these cases, consider eliminating keywords, or moving them into more tightly focused AdGroups that don’t drag down the overall quality score of your most important keywords.

## ***Advanced PPC Bidding Strategy #2*** **Focus Keywords on Value and Savings**

In an effort to save time and money, more potential buyers than ever before are using the web to research their purchase decisions. In fact, there has been a 10 percent increase in the number of people researching their purchases online this year, according to a study by marketing firm Vertis Communications.

As such, it is vital to focus on price and savings within your PPC account to respond to consumers’ needs. Test ad copy, landing pages and keywords to maximize value. For example, comScore data shows a sharp increase this year in visits to coupon websites. If you’re an online retailer, adding money-saving keywords, such as “discount,” “coupon” or “sale,” can improve the effectiveness of your PPC bidding strategy. We also recommend spending time researching negative keywords. After all, it is just as important to keep your ad from showing on a non-converting keyword as it is to show your ad on converting keywords.

You can also do some additional keyword research focusing on how your customers are changing their behavior to search for savings. For example, if you are constantly testing keywords, ad copy and landing pages, you’ll see when the feature-laden ads that don’t mention additional value start to increase in conversion rates. This will be a sign that the economy isn’t affecting your products as much as it was previously. You’ll need to watch these signs so you can change your ad copy and landing pages to match your customers’ desires.

## ***Advanced PPC Bidding Strategy #3*** **Maximize AdWords Performance**

Google’s AdWords offers four types of bidding options: set maximum limits, preferred cost bidding, budget optimizer and pay-per-action. Each option is set at the campaign level; therefore, it is critical to use and test different methods to find the most successful combination of bidding options for your business. Choosing the proper bidding

methodology can save you time and money, as well as make you more profitable. Take the time to evaluate your business goals and how you are currently using AdWords to reach those goals. Then decide which of the following bidding methodologies is most closely aligned with achieving success.

**Set maximum limits.** This is Adword's default standard bidding option in which advertisers set the maximum they are willing to pay per click. Bids can be set at the ad group or keyword level; however, you will rarely pay your maximum cost-per-click (CPC). Actual CPCs will vary widely by keyword or day because of Adwords' ad rank formula and the AdWords discounter. (Ad Rank = Quality Score (QS) x maximum CPC. It represents where your ad will show up in the search results.)

The biggest advantage to set maximum limits is that it's compatible with all of Adwords' advanced features. It is also the only option that is compatible with position preference and advanced ad scheduling. If you are bidding by position or changing bids by time of day, this option is your best choice.

On the other hand, the primary drawback of using set maximum limits is that your actual costs and CPCs can vary widely from day to day. As a result, you have little control over what you actually pay. For example, if you know what each of your keywords is worth to you, it can be difficult to determine your maximum CPC to actually pay that amount. In addition, on any given day you might actually pay that amount. Set maximum limits is also the most time-consuming bidding option. For example, if you determine you are willing to pay \$5 for the keyword "mortgage," you might have to bid \$10 to actually pay \$5 for it. You also risk paying \$10 for that keyword.

**Preferred cost bidding.** With preferred cost bidding, the bid you set is the average CPC you are willing to pay, not a maximum CPC to reach a lesser amount. Each actual CPC may vary, but overall your average CPC will be close to your bid price. When you use preferred cost bidding, Google automatically calculates the maximum CPC you should be bidding to actually pay that amount; however, it will not show it to you. Google does all the calculations for each auction so that your ad shows in the position that is related to what you wish to pay per click.

For advertisers that know exactly what they want to pay per keyword or ad group, preferred cost bidding saves a lot of time and results in more consistent CPCs. The disadvantage to using preferred cost bidding is that you don't control your maximum CPC; you only control what you want to pay.

There are also two advanced features that are incompatible with preferred cost bidding: position preference and ad scheduling. Position preference works by changing your maximum CPC to allow your ad to be shown within certain positions. If you have found your magical conversion spot by position, you should not use preferred cost bidding. Ad scheduling lets you turn your campaign on and off automatically by time of day or day of the week. It can be very useful if you've mapped out your sales cycle and are automatically changing bids based on the times of the week that have higher or lower conversion rates.

**Budget optimizer.** The budget optimizer allows you to input a monthly budget, and then automatically changes your keyword bids to maximize your traffic. It's an automated system that tries to spend your entire budget, getting the most clicks possible for that budget. As a result, you might see some odd numbers. It's always worth tweaking your maximum CPC and total budget a few times to see what the suggested maximum clicks are before enabling the budget optimizer.

The budget optimizer is the easiest bidding option to use; the advertiser sets a monthly budget and maximum CPC and Google does all of the work. It's the best bidding methodology for advertisers that want to maximize traffic regardless of what keyword sent the traffic. Be careful, though – high levels of traffic don't necessarily mean you'll be achieving ROI or profitability goals.

If you consider some keywords more or less valuable than others, do not use the budget optimizer because you lose complete control over bidding for certain keywords in specific campaigns. It can be worthwhile to put some keywords into a budget optimizer campaign and maximize traffic on those keywords, while putting other keywords in a preferred-cost-bidding or set-maximum-limits campaign where you can control the actual click cost for those key-

words. The budget optimizer is also incompatible with some advanced features and does not work with position preference, content bids or ad scheduling.

**Pay-per-action.** This option is only available on Google's AdSense content network and allows advertisers to pay only when certain actions occur, for example, a page view, newsletter subscription or actual sale. If the action does not occur on your website, you do not pay.

Essentially, you bid on actions, and then publishers can choose whether or not to run your ad. Since advertisers are only charged when an action occurs, publishers are allowed to create "pre-sale" pages to feature your offer, which is much different than the standard terms of service for AdSense publishers. You must be using the AdWords conversion script to record those actions. For more on how conversion tracking works, see <http://www.google.com/adwords/learningcenter/text/19212.html>.

The advantage to pay-per-action bidding is that you only pay when certain actions occur on your website. If the action does not occur, you still get both visibility on a 3rd party website, which can help branding, as well as potential traffic to your own site, but do not pay for anything. If you know what your conversion is worth, paying publishers for actions can be very profitable. Pay-per-action is also one of the most scalable solutions since you don't have to worry about tweaking bids; you just have to make sure your site converts well and your offer is worthwhile for publishers to carry.

**Pay-per-action** also has some disadvantages - the first being that you can't control how many publishers are running your ads. You can still set a maximum daily spend limit; however, you will not receive any conversions if your ad is not carried by any publisher. Essentially, the burden falls on the advertiser to create high-converting landing pages and create offers that publishers are willing to carry and promote.

## Advanced PPC Bidding Strategy #4 Keep Bidding on Your Brand and Trademark Terms

When faced with budget cuts, many marketers stop bidding on their brand and trademark terms. While this may be a quick and easy way to limit spending, doing so can negatively impact overall campaign performance. Here are seven good reasons to continue to bid on your brand and trademark terms, especially during times of economic recession:

**Retain control of your marketing message.** When you enter the auction for your brand and trademark terms, you control the marketing message that searchers see. If you are not in the auction, your resellers and affiliates can influence the way your brand is represented in search engine results, which may or may not align with your branding objectives. And while a top natural listing may portray the brand appropriately, it lacks the dynamic quality of a paid search ad. By using paid search to feature your latest promotion or customer-focused messaging, you engage the customer and win the click.

**Keep the competition out.** When Google updated its trademark policy last summer, it allowed advertisers to not only buy trademark terms that they do not own, but to use those terms in their ad copy whether or not they have permission from the trademark owner to do so (Unless the trademark owner protests and Google agrees. Because of this change, it's more important than ever that brand owners display ad copy on their brand and trademark terms. If you are not bidding on your brand and trademark terms and displaying relevant ad copy that captures the searcher's attention, it is likely that other advertisers will, including your competition.

**Manage affiliate use of trademarks.** While many affiliates are great brand partners, some wouldn't hesitate to make a quick buck by bidding on your brand terms in paid search, even if they know that you forbid it. If your brand ads are live, they may not stop an affiliate from geo-targeting, day-parting or trying to outbid you; however, your performance reports would indicate whether or not a problem exists. If your affiliates are bidding on your brand terms

with your permission, consider whether it is more cost-effective to let them own these terms now versus what would happen if you decide to join the auction again in the future.

**Utilize built-in research opportunities.** Brand and trademark terms provide a great opportunity to conduct research on the marketing messages that resonate with your customers. For instance, do they respond when you appeal to their emotions, their good judgment or their wallets? If promotional messaging works best, does free shipping or a percentage off discount produce the most conversions, highest average order value (AOV) or greatest ROI? Using your brand terms, it's quick and easy to set up a simple A/B ad copy test. Once you know which message best appeals to your customers, you can apply it to other online marketing channels, including email, affiliate and display advertising.

**Maximize display ad results.** PPC brand ads complement other online marketing efforts, including display advertising. In fact, according to an iProspect study on the integration of search and display advertising, 27 percent of people who respond to online display ads search for the product, service or brand featured in the advertising. That's just slightly less than the 31 percent who directly click on the ad. By not advertising on your brand terms in the paid search auction, you may be missing out on some of the benefits of display advertising. Furthermore, if your marketing messages are not aligned across channels, you may not capture all the traffic that you could.

**Savings does not always equal revenue.** The incremental cost savings you experience from pausing your brand terms may not offset the lost revenue, especially if your average CPC for brand terms is low. While it seems reasonable to assume that a brand with a top organic position will get the click whether or not it's participating in the paid search auction, it's rarely that simple. To truly gauge the impact of pausing your brand terms, consider how it will affect your bottom line, including overall site traffic, search engine optimization (SEO) revenue, and in-store revenue (if you have brick-and-mortar locations). While such a change may lead to a channel shift, all of the traffic and revenue will not necessarily go straight to your SEO listings, especially now that more advertisers can use your brand name and trademarks in their Google ad copy.

**Avoid paying higher costs later.** If you leave the auction now because of budget constraints, you may have to pay higher CPCs for your brand terms when you re-enter the auction. Why? If your competitors, resellers and affiliates take advantage of your absence and continue to bid on your brand and trademark terms, it is likely that they will improve their quality scores. Therefore, when you do join the auction again it may be more competitive and expensive than when you left.

## **Advanced PPC Strategy #5**

### **Bid on Your Competitors' Brand Terms**

Overall, making the decision to bid or not on your competitors' branded terms is not easy. But you need to remember that it is a business decision based on value, risk and timing, and not a moral judgment. Thanks to Google's decision to allow advertisers to bid on competitors' branded terms, your competitors are probably bidding on your ads. So don't get left out of the auction on their brand terms, especially now when every conversion counts.

For the most part, bidding on competitors' branded terms offers one key advantage: higher conversions. When users search on branded terms, they are typically at or near the end of their purchase-decision process. Consequently, these branded terms tend to have a significantly higher conversion rate than non-branded terms.

Look at the following B2B example. By Appointment Only (BAO) and Hoover's are both in the business intelligence industry. Not surprisingly, BAO comes up in the number two position for the search query "Hoover's." Even though Google probably doesn't deem BAO very relevant to the query "Hoover's," it is relevant to BAO's acquisition plan. BAO is smart not to outbid Hoover's since most users searching on branded terms know what they want and who they want it from. Still, being in the second position allows BAO to capture some of the searchers who can still be swayed, but at a lower cost than the top position.

## Evaluate Risk and Timing

While bidding on your competitors' branded terms could provide you with additional acquisitions, there are other factors to consider, not the least of which is risk. Bidding on your competitors' branded terms is tantamount to declaring war, albeit in paid search. Once you start, there's a good chance your target will retaliate and bid on your branded terms, if they aren't already. Naturally, this will push up your cost.

If you're managing your PPC program well, the low-cost branded conversions fund your more expensive non-branded conversions. Once the CPC for branded terms increases, the overall program's cost per acquisition (CPA) will increase (as long as your conversion rate doesn't increase). Then you'll be faced with the decision of whether to lower your bids on non-branded terms or increase the amount you're willing to pay for a new acquisition.

The bottom line is that you'll need to have the funds ready to support your efforts should competitors start bidding on your terms. On the other hand, there is also a chance that your competitors may try to reach a friendly agreement with you, where both parties agree not to bid on each other's branded terms.

Lastly, there are two other considerations to factor into your decision to bid on competitors' brand terms and both relate to timing. The first factor is your competitor's brand awareness. If your competitor has far greater brand awareness than you have, which translates into more search volume, then it's worth the risk to bid on their trademarked terms for the incremental conversions.

The earlier BAO/Hoovers example makes a perfect case for this. Hoover's has far greater awareness than BAO. In fact, according to Google's Traffic Estimator, Hoover's branded terms capture three times as much traffic as BAO's branded terms in paid search. So BAO has much to gain from bidding on Hoover's terms.

The second factor to consider is whether or not your competitors are bidding on your branded terms. Again, while some companies believe that it's not morally right to do so, this is a business decision, not a moral issue.

Advanced PPC Bidding Strategy #6  
Manage Bids by Ad Group

It is very likely that a large majority of your keywords are responsible for fewer than two to three conversions in a given month. If you are managing bids at the keyword level, you only have enough data to make bid decisions about a small minority of keywords. Your lower-volume keywords typically get ignored during cycles of bid management or your bid decision is based on just one or two conversions.

The alternative is to manage bids at the ad group level so that all your low-volume keywords take the default bid of the ad group. In this manner, low-traffic keywords are managed at the portfolio level in aggregate. While you may not have enough data on each particular keyword, you'll have data from 20 or 30 keywords together and will be on much more solid ground for your bid changes.

There are tremendous advantages to this method of bid management. Your account will be optimized for your top-performing keywords and you'll be squeezing as much value as you can from your lower-volume keywords. For example, AdWords allows you to give an ad group default bid which applies to all keywords in the ad group for which you haven't specified a custom override bid.

However, to maximize efficiency, your ad groups must be structured properly and made up of semantically related keywords. If your ad groups are made up of a bunch of keywords that target drastically different mindsets, you'll have a very weak basis for aggregately managing bids at the ad group level. In addition, if an individual keyword in an ad group begins performing differently than the rest of the ad group in terms of CPA or Value/Cost, you should pull that keyword into its own ad group where you can manage the bid more precisely.

## Advanced PPC Bidding Strategy #7 Bid by Lifetime Customer Value

It's easy to set PPC bids based upon a direct response ROI; every keyword bid is based on its profit and conversion rate. However, do those bids accurately reflect all the revenue your PPC account generates?

To get a more complete picture of revenue, and to make sure you aren't underbidding and leaving profit on the table for some of your most important keywords, ask yourself the following questions:

- Do customers who buy from your site usually come back and buy again? Do you know how often? Are the purchases more or less the second time around?
- Do you have recurring revenue from a sale such as a subscription or ongoing fee? Do you know how long those customers stay subscribed to your products?

If you don't know the answers to these questions, you may not be using lifetime customer values (LCV) in your PPC bidding. Marketing is not just about acquiring a one-time customer. It is also about building a relationship with your customers. If you currently don't know if you have repeat customers, it's time to start aggregating the data. Learning how to understand your customers, their habits and their buying tendencies can significantly improve your conversion rates, LCVs and ultimately, profitability.

### Calculating the Numbers

When determining PPC bids, the general calculation is:  $(\text{Revenue per conversion} / \text{Desired ROI}) \times (\text{Conversion rate}) = \text{Max Bid}$ . This calculation makes it very straightforward to set keyword or ad group level bids that meet your advertising goals. To increase your bid, you need to increase your conversion rate or revenue per conversion, or lower your ROI expectations.

However, websites that generate additional revenue past the first sale should adjust their maximum CPC formula to the following:  $((\text{Revenue per conversion}) + (\text{Repeat sales} \times \text{Average repeat sale amount})) / (\text{Desired ROI}) \times (\text{Conversion rate}) = \text{Max Bid}$

To compare the two formulas, let's use the following assumptions:

- Your average conversion rate is two percent
- Your average first sale is \$100
- Your average repeat sale is \$50
- Your average customer buys from you three times
- You desire a 200 percent ROI

Now here's how the two formulas differ. In the first formula for maximum bid, the numbers would look as follows:

- $(\text{Revenue per conversion} / \text{desired ROI}) \times (\text{conversion rate}) = \text{Max Bid}$
- $(\$100/200\%) \times (2\%) = \$1.00$

In the second, adjusted formula, the numbers look as follows:

- $(\text{Revenue per conversion}) + (\text{Repeat sales} \times \text{Average repeat sale amount}) / (\text{Desired ROI}) \times (\text{Conversion rate}) = \text{Max Bid}$
- $(\$100) + (3 \times \$50) / 200\% \times (2\%) = \$2.50$

Changing the bid from \$1.00 to \$2.50 actually maintains the same ROI for your company; however, when you take into account total profit, the numbers also continue to climb.

The most expensive marketing cost is acquiring your customers in the first place. The cost of the first relationship with a customer far outweighs the cost of re-marketing to someone who has placed trust in your company. Adjusting

bids for lifetime customer values applies to any other market with repeat customers. Once you start doing the math around how repeat sales from customers affects your profits, you can see why airlines, hotels, and even grocery stores spend so much time, money and energy around loyalty programs.

## Advanced PPC Strategy #8 Bid by Margin, Not Revenue

Refining bid tactics has become more important as the competition in search has become more sophisticated. For online retailers, this means bidding by margin is essential. When the discussion is about margin rather than proxies for value, some interesting and powerful techniques can be applied.

For example, a company driving strictly for ROI using PPC advertising as a cash machine will now be driving by dollars, not just percentages. Aiming for a 50 percent cost-to-margin ratio may generate less net revenue (margin minus ad costs) than aiming for a 75 percent cost-to-margin ratio. But would you rather keep 50 percent of \$1,000 or 25 percent of \$5,000?

The additional aggressiveness of higher efficiency thresholds may also increase profits, improving the top line and bottom line simultaneously. Here are three good ways to approach margin bidding:

**Feeding on the fly.** If your website has the margin associated with each product available at checkout that data can be passed to your bidding system in place of or in addition to the sales dollars. The advantage is that it happens dynamically and in a timely fashion, with no need for additional processes. The disadvantage is that it doesn't help with high fraud/cancel rate products, and some websites don't have the information available at checkout.

**Backfeeding.** This is a nightly process to match up orders to the margins associated with them. The advantage is that it gives retailers the ability to drop frauds and cancels. The disadvantage is that there is a delay between the sales events and the data, which can be problematic for highly seasonal retailers. Matching up the data and sucking in ftp files can be messy, flaky and brittle, chewing up valuable IT resources.

**Hybrid feeding.** This is the best option, feeding the margin data on the fly together with a nightly process to knock out frauds and cancels.

## Advanced PPC Bidding Strategy #9 Bid by Ad Clusters

Effective bidding systems set bids at the AdGroup level when there are multiple versions of a keyword running that represent different geographies, match types, syndication settings, ad copy or landing pages. When the system doesn't have statistically significant data at the most granular level it must cluster ads together, aggregating data to predict the revenue generated from a click on any of those ads.

## Calculating LCV for a Web Hosting Service

Look at the following numbers for the ultra-competitive web hosting industry:

- \$10/month hosting
- 5 percent conversion rate
- 200 percent desired ROI

Using this scenario, the maximum bid for any single PPC account would be  $\$0.25$  ( $\$10/200\%$ )  $\times$  (5%) =  $\$0.25$ .

But a \$0.25 bid in the web hosting industry will not result in very much traffic, with your ad buried several pages deep within the search results. Even including up-sells that can be layered onto an account (email, storage, domains, privacy, bandwidth and website builders), the numbers will never appear to work well. While the company will technically meet its desired ROI, total profits will be so low that the company will not be in business long.

However, if you add one crucial piece of information to the above numbers -- subscription length -- the dynamics of bidding and profit suddenly change. If this hypothetical hosting company knew that its average account stayed with it for 26 months, the formula would take on new life, resulting in a maximum bid of  $\$6.73$  ( $(\$10 + (26 \times \$10)) / (200\%)$ )  $\times$  (5%) =  $\$6.75$ .

A \$6.75 vs. \$0.25 maximum CPC will significantly change the company's placement and traffic.

Since a typical campaign has few ads that generate statistically significant traffic within a reasonable window of time, the clustering mechanisms turn out to be enormously important in the overall performance of a PPC program. The goal is to set bids for each cluster that best predicts the value of traffic from each ad in the cluster, so the more closely related the ads are the better the model works.

Keywords can fit into an infinite number of groups. While the ad copy clusters might need to be one way, the analytics might suggest that other clusters are more predictive for bidding purposes. For example, keyword attributes for an apparel retailer might reflect the type of clothing, gender, material, color, designer/manufacturer, style or discount. For an electronics retailer, in addition to product, manufacturer and features, tagging keywords as SKU-specific or not can prove enormously informative for bidding.

With such detailed information about keywords, an advanced bidding system can essentially learn which combination of attributes best defines a close relationship, as well as how to set bids correctly on middle-to-low traffic ads. This structure also allows you to easily tune bids up or down in anticipation of performance changes that the algorithm doesn't know are coming, for example, promotions, stock positions and co-op advertising dollars on certain brands or seasonality. It also allows you to analyze performance across any dimension or combination of dimensions.

## **Advanced PPC Bidding Strategy #10**

### **Use Low Bids to Maximize Affiliate Revenue**

The affiliate marketplace is brutally competitive; however, creative marketers can make significant affiliate income by identifying niche opportunities and executing the following low-bid PPC strategies.

**Target minimum bids.** According to SEM expert Jeremy Schoemaker (a.k.a. ShoeMoney), bid the minimum for each of your campaign keywords. When setting up campaigns, have strict budget and performance requirements. If your campaign has 300 to more than 500 visitors without any sales, consider making modifications or perhaps killing it and starting over. Without straying too far from the minimum bid theory, try to get the core keyword(s) onto the first page of search results. It's difficult to analyze results unless the campaign is generating a large enough volume of searches.

There are some caveats to this strategy. When setting up a campaign, make sure that the expected sales commission is at least 100 times the maximum starting bid(s). At this level, your breakeven point is 1 percent conversion, which is a reasonable initial goal when sending the traffic directly to the merchant's site. For example, if the affiliate sales commission is \$10, the initial bid should not exceed 10 cents. Once a baseline of earnings and conversion is established, adjust the bids in order to optimize revenue.

**Max out misspellings.** Aaron Wall's Typo Generator is essential for any serious PPC effort. For example, you can generate 158 misspellings of the term "widgets" that can be used for a "widgets" PPC campaign. Experience shows that just about any core keyword will have several misspellings that will draw traffic. Bids on almost all misspelled words will be at or near the minimum for top placement.

**Look to Europe.** The European Union offers affiliate marketers tremendous opportunities to earn money, a fact often overlooked by North American search marketers. In fact, one of the principal reasons the European Union was formed was to facilitate commerce. As a result, the profit potential is much greater in Europe or Asia where the bids are much lower, the marketplace is less saturated with affiliate programs and marketers, and the demand for products sold by affiliates is still quite high.

In addition, many Europeans will search the web in English even if it isn't their primary language. They are more likely to misspell their search terms, so by also bidding on misspellings, you will be more likely to catch the traffic and make the sale. You can also test non-English ads, using a combination of machine translation and lifting obvious phrases from the product pages.

Acquisio is the world's leading developer of PPC management tools for agencies. Acquisio SEARCH is the first PPC management software designed from the ground up with advertising agencies in mind. Acquisio was founded in 2003 and is based in Montreal. For more information, visit [www.acquisio.com](http://www.acquisio.com)

## ACQUISIO

465 Victoria, Suite 300  
Saint Lambert, QC  
Canada  
J4P 2J2

toll-free: +1.866.493.9070  
direct: +1.450.465.2631  
fax: +1.450.465.2841

**Search Marketing Now** webcasts and white papers provide authoritative and actionable education about search engine marketing issues. Register today for one of our free webcasts covering topics about search engine optimization, paid search advertising and search marketing in general.

Search Marketing Now is a division of Third Door Media, which publishes web sites, and produces in-person events and webcasts. Each of the four brands - [Search Engine Land](#), [Search Marketing Expo](#), [Search Marketing Now](#), and [Sphinn](#) - fosters continuing education, evolution and engagement for the community we serve.