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# e-channel online

### Pay-Per-Click Advertising

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# What is Pay-Per-Click Advertising

Each of the leading search engines, such as Google, MSN and Yahoo, provide both free listings and

paid listings when users search for a particular phrase or keyword. Ranking highly in the free listings is difficult and can take a long time to achieve. Paid advertising, on the other hand, allows your web site to be listed more quickly, more easily and with a greater degree of control – all for a cost, of course.

The pay-per-click advertising model displays your ads as sponsored links on the top or side of the major search engines.

| Search Term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | AdWords ads                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| Search Results                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

Rankings are determined through a bidding process; the more you are willing to pay-per-click the higher you rank. The challenge is to maximise your exposure and to gain the greatest click-through-rate possible while staying within your monthly budget. These paid listings are commonly called pay-per-click advertisements as you only pay when someone clicks on your ad and is taken to your website. Currently, impressions are free.

## Accountability

As with most search engine marketing, pay per click advertising is highly accountable, allowing you

to monitor which keywords generate the best results for you, whether that be new sales or new subscribers to you online newsletter. If you know your margin on each sale, this allows you to accurately calculate your return on investment with respect to pay-per-click advertising. Google provides pay-per-click advertising through their own AdWords



platform, while Yahoo and NineMSN use Overture to manage their paid listings.

### Maximising your returns

To make the most out of your pay-per-click advertising campaign, you need to decide a few things: which keywords to target, which markets you want to reach and how much you are prepared to pay for each lead and ultimately for each conversion (click-through is getting them to your site, conversion is getting them to do what you want – subscribe to a newsletter, make a purchase etc).

It is also essential that you monitor certain key performance metrics of your campaign, such as cost-per-click (CPC), conversion rate and cost-per-acquisition (CPA) on a regular basis. Some industries have a 3-month or more sales cycle and so you must be prepared to give your campaign enough time to stabilise before making wholesale changes (minor changes can be made frequently and quickly).

"You can't get to your destination if you only purchase half of a plane ticket" David Ogilvy.



# Why e-channel?

In essence, we take the hassle out of managing your own pay-per-click campaigns while providing you with tools and expertise that would take you years to develop yourself.

We are a full service search-engine marketing provider with expertise in search engine optimisation (natural/free search listings) and pay-per-click advertising. We can handle all of your search engine marketing needs.

#### Our clients

We are trusted by brands such as Wotif.com, Melbourne IT, Australian Associated Press (AAP) and Octopus Travel. More clients can be found at: www.e-channel.com.au/Our+Clients.html

#### Our people

Technology makes us efficient but it is our marketing knowledge that makes us effective. Over half of our staff is formally trained in marketing, many at post-graduate level. We employ specialist, inhouse programmers, graphic designers and marketers in order to deliver cost-effective, marketing driven results. We analyse customer behaviour patterns and customise campaigns in response to these behaviours.

#### Our knowledge and experience

e-channel is a search engine marketing specialist and has been delivering search engine marketing services since 1999. We have tested and continue to test, bidding strategies, ad creative and landing page design in order to determine what works today and to prepare ourselves for what our customers are likely to face tomorrow.

Without knowing what you are doing, you could easily waste a lot of time and money:

- Which keywords should you target?
- What click-through-rate should you expect to achieve?
- What conversion-rate should you expect to achieve?
- How can you enhance your advertising text or 'copy' to maximise return?
- How do you cost-effectively manage campaigns and track results across multiple search engines?
- How does pay-per-click advertising (paid listings) work with search-engine-optimisation (free listings)?

#### Our systems

We use a combination of in-house and outsourced tools to manage pay-per-click advertising campaigns and to measure return on investment. We are able to manage campaigns for companies in highly competitive categories, companies with large-scale inventories and companies in multiple geographical locations. Our systems provide timely, informative reports on your entire search engine marketing campaigns.



# The process

We follow a 5-stage process in developing and managing pay-per-click advertising campaigns.

#### Keyword selection/identification

In order to develop a successful pay-per-click advertising campaign, it is vitally important that the correct keywords are chosen - minimising costs while maximising results. Of course, we will carefully monitor keyword selection for performance (click through rates and such) adding and dropping keywords as required. We will also adjust spending levels appropriately for each keyword in response to market developments.

#### Target market identification

We will tailor each campaign to specific geographical regions as appropriate – changing keywords, limiting spend and adjusting advertising creative.

#### Formulation of bidding strategy

Cost-effective bidding is something of an art and comes with a great deal of experience. What clickthrough-rate or conversion rate is appropriate? What ranking and spend is appropriate in order to maximise return while keeping costs to a minimum? It is easy to waste a lot of money through an illtargeted and mismanaged pay-per-click campaign.

#### Monitoring of results

Campaign performance can change quickly and it is important to keep on top of competitor behaviour and changing market conditions. Tracking which keyword, copy and placement combinations work best is an involved and time-consuming, yet important activity.

#### Reporting

Everyone is familiar with overly complex web statistics and it is important to us that the reports that we provide you are easily understood while providing the appropriate key performance measures for your campaign. A strength of search engine marketing is its accountability and we assist you make the most of this from a marketing perspective rather than a technical one.

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