

Mentor Solutions Paid Search Marketing

Welcome to this Mentor Solutions tutorial on paid search marketing.

Paid search marketing is something that every small business owner should understand in today's competitive marketplace, where more and more consumers are going online to research the products and services they are interested in before making a purchasing decision.

Overview

Whether you consider yourself an experienced paid search marketer or new to the whole idea, this tutorial offers some valuable take-aways.

For beginners, we're going to go through a brief introduction to search engine marketing and look at the main reason why you should be considering this marketing channel for your business. For novice and experienced users alike, we're going to take a deeper look at paid search including the major benefits, the core strategy, how to measure success, and how to assess the cost.

Google

First, let's go over a brief introduction to search engine marketing or SEM. I'm going to start here on Google and perform a search for liposuction. Looking at our search engine results page, or SERPS, as you'll sometimes hear search engine marketers refer to this page, I can illustrate the components of search engine marketing. First you need to understand that search engine marketing is a form of internet marketing that seeks to promote a website or brand on the search engine results page. And there are actually two components to search engine marketing. There are these paid ads that run along the top and down the right-hand side of the search results page. They're clearly marked with the sponsored listings heading. The ones at the top always have a different colored background to set them off. These are the focus of this tutorial. These are the paid search or pay per click ads. The rest of the results on the page, these ones below the top sponsored listings are called natural search results or organic search results. We're actually going to cover those on a separate tutorial on search engine optimization or SEO.

The paid search which relates to these ads here at the top and on the right is an SEM advertising model where advertisers pay for the clicks on their ads. So there's a certain cost to the advertiser; only when a user clicks on their ad, though. Ultimately a goal of SEM is to have a presence in both the paid search area and the organic search results to maximize the exposure to the search audience.

Why do SEM?

So why do search engine marketing? Well, the answer to that question is quite simple and that is that people search. More and more consumers, every year, are turning to online search to find and research products and services before they make their purchasing decision. In June of 2009, 14 billion searches were performed in the United States alone, and that was up from eleven and a half billion over the year prior. When we take a deeper

look at the benefits of the paid search in the next slide, I'll show you more specifically what these search numbers mean to the cosmetic surgery industry.

Paid Search Benefits

There are numerous benefits to paid search. To me, paid search is the most effective marketing channel out there today because of a number of these benefits. First and foremost, it's very measurable and predictable. We're talking about accountability for your advertising dollar. For every dollar that you put into paid search, you know exactly how much you get out. And if your accounts are set up properly, you can even tie those returns back to specific keywords, to specific ads, and even to specific days. You can't get that out of any other marketing channel. Paid search is also highly targeted, which is why it's such an effective channel. When people go online and search for something using one of the major search engines, you can estimate what their intent is behind that search. If they're searching for liposuction, you know to present them with an ad and information about liposuction. So unlike traditional forms of advertising like TV and radio that cast a very wide net and hope to capture some of their target audience, paid search is able to actually zero in on that target audience. Paid search offers very immediate results, so within a period of about a day, you can have a paid search account up and running and driving traffic to your website. Paid search is incredibly scalable, so you can bid on 10 key words or you can bid on a million key words. And paid search is much easier to align with your overall sales strategy. So if you want to focus on bringing in leads for a particular type of surgery and have the paid search campaign coincide with print or television ads, it's very easy to set up campaigns that will do that for you.

Google AdWords

So, as I mentioned in our Why Do Search Engine Marketing slide, I'm going to provide some more context to those monthly search volume numbers and as they relate to the cosmetic surgery industry. So I'm using a free tool here that's available from Google. You can find it at adwords.google.com/select/keywordtoolexternal. I'm just going to keep with our liposuction example and enter that term here. And Google is going to spit back the monthly search volume for the most recent month that they are providing data for; for not only that keyword, but as you can see, a number of other related key words. So here's liposuction. For the month of June, they're reporting roughly 1,220,000 searches on that term. You can see here a number of other liposuction related searches and the search volumes associated with those keyword searches as well. This just gives you an idea. And you can enter in any of the services that you offer at your office and get an idea of how many searches those procedures or services get each month.

Components of Paid Search

So next we're going to take a look at some of the components of paid search. We're going to take a quick overview of the search engines which make a paid search possible. We're going to look at the organization of paid search, in terms of how the accounts are set up into different campaigns and how those campaigns contain different ad groups. And then we're going to get into the meat of the tutorial which is the strategy behind paid search and how to do it successfully in terms of choosing the right keywords, focusing on your ad copy, and having landing pages that are focused on conversions.

Google – liposuction

So the first and simplest component of paid search is the search engines. They're what make paid search possible. Usually in search engine marketing you talk about the big three. You have Google, Yahoo!, and MSN's new offering Bing which replaced the live search. Each has their own online admin portal where you can go in and set up your paid search account. Google holds roughly two-thirds of the search volume on the internet, so if you're only going to focus on one search engine, Google's going to give you your widest reach.

Paid Search Account Organization

I've included this slide on paid search account organization because I think it's important to understand the terminology around paid search accounts. Each designation in this chart lists what settings can be set at that level. So you have your general account, and this is just where you enter your billing information, and you set your password, and you have certain account preferences. There's not a whole lot to do with the strategy at the account level. You can have multiple domains under one account, so if you have more than one website, you can run each of those under the same account. At the next level down you have campaigns. There are specific settings unique to campaigns such as start and end dates. So that if you wanted to run a certain campaign that coincided with a television ad campaign that you were doing, that ran from a certain date to an end date, you could have the paid search campaign that coincided directly with that. You can set different daily budgets for your campaigns. So maybe you have a campaign for liposuction with a much higher daily budget than the one you have for breast augmentation because you want to bring in more liposuction leads. You can set your network preferences. And we're actually only going to focus on the search network. Maybe as you've browsed the internet you've come across ads by Google on certain websites. It's actually referred to as their content network. We're only going to be focusing on the search engine results page but those settings, as to where your ads appear, can be set at the campaign level. And then you can also do language and location targeting per campaign. Language targeting is basically set at the country level, so for you it's going to be targeting the United States. Location targeting is of great interest to service providers that have a very set geographical area that their target audience lies in. So for a cosmetic surgery office in Orange County, you may only want to service certain zip codes; you only want to have your ads show up to searchers who live in those zip codes. That's called geo-targeting, and that's another setting that is set at the campaign level. Then each campaign contains various ad groups, and ad groups are a set of key words. Each ad group should really focus on one theme, and the reason for that is because it's at the ad group level that you write and set your ads. And we're going to talk about the anatomy of the search process in the next few slides but it's very important to group all of your keywords into similarly themed ad groups. So you want to have all of your liposuction related keywords in their own ad group, and all of your breast augmentation keywords in their own ad group. And that's because, as you write your ads, you want to make sure that your ads specifically relate to the key words and it would be hard to have an ad that related to both liposuction and breast augmentation.

Strategy

So now we're going to get into the strategy behind paid search. And it's really important to understand the process because this is how you succeed at paid search. It's actually quite simple. There are really three main components. There's the search query. This is what the user searches for, what they enter into that search box. What we as search engine marketers have to try to decide is what is the user's need based on the key words and phrases that they put into the search box. What's the intent behind their search? Because, as search engine marketers, we want to make sure that our ads answer that need. We want to meet that user's intent with our paid ad. And then the final stage is the landing page. That's where you close the deal. The landing page is where on your site a user lands once they click on your paid search ad. You want to make sure that there is a high level of congruence in between your paid ad and your landing page. So if a user is searching for liposuction, you want to make sure that your ad talks about liposuction. And you want to make sure that your landing page is all about liposuction. A common problem is that a lot of people will just drive their paid search traffic to their home page. Home pages, by their very nature, tend to be all things to all people; they have to cater to the wider audience. Not the best place to land your paid search ad. You want to make sure that you have custom landing pages for each of your ad groups.

Anatomy of a Paid Ad

So let's take a look at the anatomy of a paid ad keeping in mind that the more you answer the searcher's need, the more likely it is that they are going to click on your ad. That's the goal here, to get click-throughs on your ad. So we have three main components to an ad. We have the headline, we have the ad copy - which is the two lines of text that appear below the headline, and then we have the display URL. Some things that you should know is that the display URL should always match your primary domain. This is not the same as the landing page, though. A lot of people get that confused. The display URL can actually use or refer to a URL that doesn't even exist on your site. Take this example here and it could be www.beverlyhillslaserinstitute.com/botox because that gets botox into the display URL increasing the number of times that botox is used within this ad space. That's typically what the display URL is used for, including key words. The headline should serve as some sort of call out, some call to action, something to get the user to read your ad. Then the ad copy can be used to talk about what differentiates you from your competitors or offer some sort of incentive to click on the ad.

Landing Page

And the last component in this three step process in thinking about paid search is the landing page. The landing page is incredibly important because it's the user's first and maybe their only impression of your brand. You have about 3-5 seconds to capture that user's attention and keep them on your page. Your landing page must be tied to some sort of conversion goal. What is that for you and your business, and we'll talk about how to measure success, later, and define your goals but maybe it's filling out a form, maybe it's calling your office. Whatever the goal, whatever the conversion goal is, you need to have one for your page. You need to focus on that goal. It's very important that you follow through on the expectation that you set in your ad. As I mentioned before, the more congruent that you have your paid ad with your landing page, the more likely it is to meet

that user's need, and the more likely it is to convert that user. So if you talk about 10% off a procedure, make sure that that is very prominently highlighted on your landing page. And a very important thing to understand about landing pages is that you never get them right on the first time and that it should be a constant process of testing and refining your messaging, your incentives, the value propositions that differentiate you from your competitors until you find that perfect mix of elements.

Anatomy of the Search Process (Live)

Google – breast augmentation

So now that we've defined the key pieces of the strategy, now we're going to go through some live demonstrations and look at how some actual advertisers are putting these strategies to use or how they're completely ignoring them. Think this is the fun parts. We're going to switch away from our liposuction example and do a search for breast augmentation on Google.

Now again, we want to have a high level of congruency in between the term that the user searches for, the ad, and the landing page. So I've done a search for breast augmentation. Look at the first three ads that appear on the page. Only one of them actually exactly matches my search for breast augmentation in the headline. The other two use breast implants. Now it's not uncommon to have various terms that refer to the same keyword or key phrase. But evidence shows that the more exactly you match user intention, the higher the conversion rate and the click-through rates are. So this breast augmentation for Love Your Look is a much better match than the first two. It exactly matches the user's query. That doesn't mean that breast implants, these first two ads, aren't going to get clicks but it does mean that this one is more likely to get clicks in the third position than it would in that same position if it used breast implants. Over here on the side we see another very prominent bolded result using breast augmentation. But only two here are above the fold. We have Enhance Your Breasts, we have SF Women's Center. These ads do not really relate to the search intention behind breast augmentation. So let's take a look at the rest of this Love Your Look ad. The ad copy reads, Get Info on Breast Implants and Find a Local Plastic Surgeon Now. Alright, that speaks pretty well to what the intent might be behind a user looking for breast augmentation. They're probably looking for either information or an actual doctor. And here this ad is offering both: Get Info, Find Local Plastic Surgeon. So let's click through and take a look at the landing page.

LoveYourLook.com (pages)

So here we have the landing page that that paid search ad drove us to. You know, immediately I see a lot of best practices being followed here. This page, kind of, screams breast augmentation which completely ties back to my search query and the ad that I clicked on. And what was the ad offering? More Info and Find a Local Physician. And what do we have? Speaks directly to that here on the page, ready to learn everything you need to know. Breast augmentation is so clearly the focus of this page. It's used in multiple links, it's used as a noticeable headline, and look, right here, - Search for Physicians - with breast augmentation already filled in. So lots and lots of good things going on here with this page and this experience

Google

So I'm going to back up here and take a look at another example from our same breast augmentation search. Let's go with the very first listing, even though we've already had this disconnect in between the actual user search and the headline. It's not using breast augmentation anywhere, but breast implants is pretty close. What is the ad copy really telling us? What is it really saying to the user's intention? Well it's talking about the qualifications of the doctor. Not necessarily a bad thing but at this stage of the purchase process, the mind of the user, when they're thinking of getting breast augmentation, they're probably not immediately looking for the qualifications of the doctor. They're probably looking for more things like pricing and getting information and finding local surgeons. So, this ad copy does not do a great job of speaking to the user's intention. Let's take a look at the landing page.

Edward Miranda Plastic Surgery

So here's the landing page that that ad takes us to. First impressions? I don't get breast augmentation as a first impression from this page. In fact it's not even really prominent or visible until down here, a little bit further on the page, so already I've probably lost my user, in terms of that first 3-5 seconds that I get to make an impression. So the fact that this advertiser is going for is to promote their credibility, to promote their qualifications, and that's not a bad thing. Obviously it's necessary at some point in the sales process but in terms of paid search, and the user's intention behind breast augmentation, I think it's a little early in the process to really be talking about qualifications. They need to be providing more info on breast augmentation, more about local doctors, maybe more about pricing and comparison. That page does not, this page does not do that, especially not in the first impression. Maybe if I read through his information more I'll find what I'm looking for but you know you can't expect your user to do much. You have to give them information immediately and as easily as possible.

Google

So I did want to take a look at an ad and a landing page that I think did a really good job of answering that congruency factor in between the user's search query, the ad copy and the landing page and then following through on the ad with the landing page. That's when we have breast augmentation here, Plastic Surgeon with Offices in San Ramon and Tracy. View Photos. So it's important to understand how this ad came to be. I'm searching from California and this ad is being geo-targeted because I'm in the San Jose area. And this again, getting back to how the account is set up through the search engines, this advertiser clearly set up their account to target only searchers in the San Jose area. So that makes this ad very relevant to a local user.

TBM

When I click through it does convey breast augmentation to me. Immediately I see breast augmentation on the page, it talks about it, more information here, and right here on the page there is a request consultation. So there's a pretty prominent call to action on the page. It's reinforced the areas, Tracy and San Ramon, which were mentioned in the ads, telephone numbers related to those areas which anybody living there would recognize the area codes, and as we scroll down the page there is a lot more information that's offered

on breast augmentation. And it even more specifically speaks to that area again. So this landing page does a great job of meeting the expectations that were set in the ad, it has a good call to action. The only thing I wish is that I didn't have to click on this call to action in order to get to this actual form that's going to pop up. Be great if that form was right there on the page to have one less click that the user has to incur in order to convert for this office.

Measuring Success

So remember one of the great benefits that I mentioned about paid search was that it was very measurable and predictable, leading to very high level of accountability for your marketing dollar? Well, an important component in that equation is measuring the success. And probably the most important part of measuring your success in paid search is having clearly defined goals. Typically in paid search, goal is, for a service operation, the goal is leads, whether that be the user filling out a form or calling an office. It's some sort of lead for the business, some sort of interaction with a potential customer. Sometimes a goal is revenue. You may measure the success of your paid search by revenue. In this instance, for a cosmetic surgery office though, that requires that you have an effective process in place from taking a lead, a cosmetic surgery lead, to an actual cosmetic surgery customer. And so you're introducing a component here that may not be associated with paid search. And that's that component of the effective back-end office process of converting that lead into an actual customer. So you want to be careful that you define your goals correctly. Paid search really is focusing on the leads that you're bringing in, and that should be one of the primary ways of measuring the success. Sometimes you may want to be in a brand building mode, in which case, you're really just looking for exposure. And that typically is associated with a much higher spend; you're doing a lot of buying of your brand name or of certain very generic terms like breast augmentation and liposuction, and you're just doing it to get your name out there as an office that's associated with these procedures. That's not very common in a service industry.

The second key component in measuring your success is to rely on some form of tracking. One of the benefits of working online is that it's very easy to set up tracking and all of the search engines actually offer so-called conversion code that you can put on your website that allows you to actually tie conversions on your website, so anything that's done on a website can be tracked such as a form submission, or even clicking through on a link to a second page, maybe downloading a brochure, something like that. All of those can be tracked with conversion codes and then they can actually be tied back to an exact keyword, the ad that was shown at the time that it was clicked and even the day that ad was clicked on so having some sort of tracking in place – very vital. If you're wanting to track off-line conversions of things that are happening that are not on your website like a visitor calling a phone number, there are actually services that offer tracking phone numbers so that, maybe you have a 1-800 number that's associated with your breast augmentation ad campaign and another one that's tied to your liposuction ad campaign. You can also rely on things like Google Analytics, your website analytics, and maybe success for you is the time that a user spends on your site or the number of visits that you get from paid search. Again those are things that are more related to branding, the

branding aspect of paid search but website analytics is the tool that offers you the measurement for those types of success. And just like with landing page optimization, success in paid search comes through a constant process of testing and refining all of these different aspects of the keywords that you bid on, the ads that you're displaying, and the different elements of the landing page.

Google AdWords – Traffic Estimator

So in the next couple slides, I'm going to show you how you can estimate or get an idea of the cost associated with running a paid search campaign on specific keywords, but I first want to show you where I'm going to get the numbers that are going to be on those slides. So, again, I'm using a free tool that's available from Google. You can find it at AdWords.Google.com/select/TrafficEstimatorSandbox; it's here at the top of the screen. Again, what we're doing here is we're going to enter some keywords. Let's stick with our liposuction and breast augmentation examples. There are other parameters that I can define on this page such as an average cost per click that I, a maximum cost per click that I might want to pay, or perhaps a daily budget that I'm comfortable with. I'm not going to enter that information in right now because I want to get unfiltered cost data. The one thing I do want to limit, though, is the countries that this is going to show up in. Definitely I'm only interested in the U.S. So I'm going to go down here and choose the United States and add it as my Selected Countries and Territories and then I'm going to click the continue button to get Google's estimates. So here we can see our two terms and it's providing us with an estimated average cost per click range. So on the low end for breast augmentation, an advertiser might expect to pay \$4.94 whereas on the high end it's \$7.02. Can see for liposuction it's a little bit more expensive of a term to purchase. These estimated average cost per clicks are for the 1 through 3 positions, so that's our estimated ad positions. And again, that's the top 3 listings on the search results page; the ones that appear above natural search, not the ones to the right. At those positions on a national level (so we're talking about all the United States, we're not geo-targeting here) we can expect an estimated number of clicks per day for breast augmentation of, on the low end 139 clicks, and that's for our lower cost here, lower \$4.94, and on the high end, 174 clicks; and the associated cost, which is basically our estimated number of clicks times our estimated average - ranges between \$690 and \$1,220 for breast augmentation. So you can enter as many key words as you want here and get the estimated average range and Google will actually total up, down here, the estimated cost range per day. Again we're talking about a national campaign here. So now let's take these numbers and feed them into a cost estimation practice.

Costs

So on this slide I'm using two new key words here, I've got Beverly Hills Plastic Surgery and plastic surgery. Again, just pulled these numbers from that traffic estimator tool that we just looked at for Google. I want to point out the average CPC of \$4.48 is really taken as a combined average of both terms here. So it falls somewhere in the middle of this range here. The estimated number of clicks is in between 614 and 767 clicks per day which gives us a maximum estimated daily budget of \$3,780.

Costs

Now here is really where we get into the cost estimation. So again we're just keeping with the same numbers that we just looked at on that last slide which, if we look at an estimated number of clicks, something that falls somewhere within this range of the 614 and 767 clicks. Let's say that we get 760 clicks. That is clicks on our paid search ad that lead to our landing page. Now a pretty good conversion rate for paid search is 5%. I would say that's actually on the high end, but let's say that we have a conversion rate that we're expecting of 5%. We take 5% of those 760 visits, those 760 clicks that we got on our paid search ad, that results in 38 leads. That means that out of those 760 people that visited our landing page, 38 of them filled out the form that we had on the page. Now the cost for those 760 clicks at an average CPC of \$4.48 gives us a cost of about \$3,405. And if we take that cost and we divide it by the number of leads, 38, we get a cost per lead of \$90. Now those are just the leads. That's not looking at our back-end office systems that actually convert these leads into customers. So we have to do another calculation to look at that. So let's say that we're able to convert roughly 30% of these leads into customers. So that gives us roughly 11 customers out of those 760 clicks that came through. Now we have a new resulting cost which is a cost per acquisition, a cost to obtain an actual customer, of \$310. So it's very important to understand your threshold, what your maximum cost per acquisition can be to still be profitable on a per customer basis because that's going to guide your paid search strategy. It's going to possibly limit what keywords you can bid on because of the cost of those keywords. That doesn't mean that paid search can't be a profitable marketing channel for you, it just means that you have to be smart about the strategies that you use.

Paid Search Summary

So, just to summarize what we covered here on paid search. Talked about a lot of the benefits of paid search, specifically, that it's very measurable, accountable to your ROI and your marketing dollar, it's very immediate and it offers very tight control over the messaging and user experience. It really has a big effect on how customers perceive your brand and whether or not they convert into customers. We looked at the different components of paid search in terms of the account setup, its hierarchy; that was the campaigns and the ad groups. And then we really looked at the components of the strategy in terms of the keywords and how you can understand the user's intent behind their search query, the ad copy, and then the landing page and how all those elements need to be very congruent. We went over the different ways of measuring success, most importantly, you need to define your goals and have metrics to measure those goals by. And then we looked at and went through a simple cost estimation exercise because you really need to understand how to budget for paid search.

Take-Aways

Some of the key take-aways that I hope you gathered from this tutorial is that paid search is an effective way to reach active, interested customers. As a marketing channel, paid search is accountable and measurable, which especially in down economic times, is very important to allocating marketing budgets. If you plan on participating in paid search, make sure that you have clearly defined goals and a way to track those goals. And always, always be in a process of constantly refining and testing all of the elements of your

strategy from the keywords that you're bidding on to the ads that you're displaying to the elements of the landing page.

Thank You

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