

PAYING PER CLICK, DOES IT WORK?

INTRODUCTION

Advertising on the Internet has gone through its ups and downs, and today you will find that the most common form of paid advertising on the Internet is through "Sponsored" or "Featured" Sites in search engines. Some users are still unaware that these featured and sponsored sites are actually paid advertising, although they still remain popular.

Today's Internet advertising is a lot more targeted than it used to be. It is also more accountable to the advertisers. A few years ago an advertiser would pay for the exposure of an advert. They would pay per impression. Now you pay per click.

DOES IT PAY?

Yes, if you do your homework.

In our Back to Basics sections we mentioned that there are two things that a site must do to be successful. The first is to attract interested visitors. The second is to have your site usable by its visitors; most importantly does your website have a compelling call to action?

Pay per click advertising is a very good way to test the strength of your call to action.

If you have chosen your keywords well and your advert is well written. You should see a click through rate around 3%. What really counts though, is your conversion rate. Once your advert is running you really should get out your spreadsheet or pencil and paper and keep track of what is happening on your website.

Use your web statistics to keep track of the following items.

- Number of Visitors
- Number of visitors from your advert
- Number of visitors following your desired sales path
- Number of visitors that don't
- How long people are staying on the pages within the sales path
- Where people exit from the sales path (or the website)
- How many visitors convert
- How many visitors from your advert convert

Both Google and Overture have features that will help you keep track of the visitors that your advert sends to your website.

Next you need to keep a diary of the changes that you make to your website to improve your conversion rate. Be diligent in this and do not be tempted to make too many changes at once. There is nothing more frustrating than seeing your conversion rate go down and not knowing how to turn it back around.

Spreadsheets are great for keeping track of your spending, return and profit; use them.

ABOUT THE MARKET LEADERS

The two market leaders are no surprise. They are of course Google's AdWords <http://www.google.com/ads/> and Yahoo's Overture <http://www.content.overture.com> Both provide relatively easy to use interfaces to create and edit your online campaigns.

Google's AdWords are of course used across the Google network; you can specify the language and geographic area of the viewer. You can choose to have your advertisements shown only when a search is conducted, or during both searches and when the viewer is browsing related content.

Google sometimes places two listings at the top of its search results, but most commonly the AdWord listings are small boxes displayed down the right hand side of the screen.

The Overture network acquired by Yahoo in 2003 provides pay per click listings in Yahoo, MSN, Alta Vista, CNN and Info Space. Overture also provides the ability to display your adverts on search and on related content.

Overture adverts are displayed at the top of the search page.

Both Google and Overture allow you to create your own campaign on line. It is a relatively easy process and it gets easier with practice. The best thing about these campaigns is that it costs you so little to have a go. If what you have done isn't working then you can easily go back and change it. Indeed if Google thinks that your advert is not performing to standard it will email you and offer suggestions to improve the click-through rate. You can set a daily spending limit and see what happens.

CONCLUSION

Pay per click advertising works best when your sales proposition is simple and your profit margin is constant. If you pay attention to the detail a pay per click campaign can work very well.

If you feel that you need some help getting started you can look at Overture www.overture.com who will give you the option of set-up assistance for a fee.