

A guide to Paid Search advertising for small businesses

Introduction to paid search advertising

Search marketing is a method to gain visibility, traffic and sales from search engines. Paid search places ads at the top of the search results delivered by search engines. Advertisers only pay when someone clicks on an ad. Paid search is the fastest way to get to the top of the search results (it can be done using organic listings, but this is a much more long-term strategy).


Paid search is an important channel because you can put your company right in front of a person that has searched for your service. Paid search targeting is not limited to the search query alone and can be refined by location, age, time of day or even if a user has been to your website before. This helps companies to be relevant and appear when a user is most likely to perform a desired action on their website.

Search is priced based on an auction – the auction determines if and how prominently your ad will appear when someone searches. Because it is based on an auction, you will always pay the minimum required to appear (e.g. 1p more than the advertiser below you). Advertisers can set maximum bids and budgets in order to determine how much a click is worth to them. This is great for advertisers that want to have full control over their budgets. These costs do not need to be fixed and can be amended at any time, in real time, and modified based on how important different audiences are to your company.

Paid search only works if there is search demand for your business or service. If no one is searching for that type of business or activity, then you will receive no volume. If there is no demand, creating demand through search can be challenging.

What marketing challenges is it best suited to?

The main benefit of search advertising is that it is extremely efficient at driving new sales and generating profit due to cost and targeting controls. You can control your costs with search by setting the maximum amount that you wish to pay for each click based on what that click is worth to you. This is identified by looking at how many site visits turn into a sale (your conversion rate) and your average profit per sale – with this, you can work out how much you can afford to pay per click before it becomes unprofitable. Remember, you only pay the minimum amount for the click, so typically you pay 1p more than the ad below yours.



Paid search can also be used to build brand awareness. Users provide advertisers with their intentions when they use particular search queries. For example, we know that a user is in the market for home insurance if they search for home insurance related queries. If this user has inputted a generic search query related to home insurance (a search term that doesn't include the name of any brands) or a competitor search query (a search term that includes a brand name that isn't yours) showing a paid search ad with the name of your business will make the user aware of your brand.

How to reach your audience

The basis of paid search targeting is keyword targeting. In the paid search auction, the keyword is the unit which you will bid on. Identifying which keywords you want to bid on is really important: think about what someone might be searching for that is relevant to your business. There are tools available to help you identify these keywords, e.g. Google Keyword Planner.

More than 50% of searches are conducted on mobile devices now so it is possible to weight and target mobile devices differently for your paid search activity. For example, if you have a better website for mobile browsers, you can specify this, or alternatively, if you see better conversion rate from mobile devices, you can upweight your auction bid.

You can also target geographically, allowing you to reach people near your business or where you deliver or operate. You are able to target your campaigns worldwide, nationally, regionally or a radius around your business. This ensures you can limit wastage.


You can also build out audience targeting using data you have in your own customer database. You can target people who are searching, are lapsed customers or cart abandons. You can also target people who are similar to your existing customers. Google enables you to leverage the power of your customer database so long as it is able to match the personal identifiers you have (email/telephone/address) to the Google user database.

Creative considerations & typical lead times

In order to launch paid search, the most important item you need is a landing page. Best practice is a page that loads quickly and renders well on mobile browsers, since more than 50% of searches now happen on mobile devices. If you have a website, you can direct paid search traffic towards it. So as long as you have a website, it would be possible to launch a paid search campaign within one hour using the most basic settings and targeting to get you started.

Your website should also make the checkout/purchase process as simple and streamlined as possible. Consider the prominence of checkout buttons and pricing information, as well as reducing the number of steps in the checkout process.

Paid search creative is referred to as ad copy. Ad copy is really important for paid search advertising because it is the first opportunity that advertisers get to entice a user to click through to their website and take any desired actions. Ad copy should provide information about the website it is linking to, any desired actions for users once they click through to the website and any unique selling propositions (USPs). USPs should be included to provide differentiation between the other companies appearing in the same search results page.



Content included in paid search creatives should be relevant to the user's search query and the advertiser's website. This is not only to provide a high-quality user journey, but also so that paid search engines know that the creative is relevant to the search, which increases the likelihood that it will be shown.

Search engines have begun to make the creation of ad copy more automated. Instead of creating fully completed ad copy manually, advertisers can provide multiple lines of headlines, descriptions and USPs in order to let search engine algorithms decide which combinations drive better performance for search queries.

Media budget considerations

Paid search budgets can be as high or as low as an advertiser wants. A campaign can be set up with budgets as low as £1 or set to an unlimited spend. However, there are recommended budget levels based on the product being promoted and competition in the auction.


Recommended budgets for paid search advertising are determined by the auction of relevant search queries. From an ecommerce perspective, buying a pair of socks online will be much cheaper than buying a computer game console. This means that the amount an advertiser is willing to pay for a click related to a pair of socks will be much lower. The first step in determining budget levels is to decide how much it is worth paying per click for a user to land on your website. Then it is understanding how many users need to land on your website before one of them performs a desired action, like a purchase. With that data, it is possible to understand how much it will cost to achieve marketing objectives and set budget levels accordingly.

As a rule of thumb, small marketing budgets are low four figure amounts (around £5,000), medium budgets are five figures (around £50,000) and large budgets are above six figures (£100,000). Entry level budgets can be at the small end of the scale, £5,000 or below, and will be enough to gather some data about paid search auctions.

Campaigns are split into two main types. A burst campaign is a campaign that only runs for a short period. They could run for a day or a two-week period to coincide with a launch or a promotion. The other type is referred to as an 'Always-On' campaign. These are campaigns that are ongoing, with no set end date.

Technical considerations

Search engines have made it much easier to create and manage paid search campaigns without any technical knowledge. Campaign setups can be finished in a matter of minutes by following a guided tutorial. Everything that is needed – from keywords to ad copy – can be created and activated in one sitting. As a result, most people can set up paid search campaigns with no previous knowledge. The only technical consideration would be the ability to add tracking codes to your website in order to track campaign performance.



However, even though paid search campaigns are becoming easier and quicker to create, there are fundamental skills needed to achieve the best performance. Attention to detail, analysis of numbers and copywriting are skills that are beneficial to paid search advertisers. Being able to analyse data to discover trends can help to achieve better performance. Being able to write enticing ad copy will get more customers through to your website. Fortunately, these skills can be acquired over time – formal training is not required.

Knowledge of other platforms and tools will help improve performance too. For example, Google Analytics provides additional data and analysis about user behaviour on your website, and Excel can be used to export data from paid search campaigns in order to review keyword, audience and targeting performance.

With thanks to the businesses who authored this guide:



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