



GUIDE TO PREVENTING WASTED AD BUDGET



CONTENTS

INTRODUCTION	3
WHAT IS PPC?	4
HOW TO STOP WASTED AD SPEND	7
LESSON 1 - DON'T GO AFTER BAD SEARCH TERMS	7
LESSON 2 - SET UP REMARKETING	9
LESSON 3 - DIVERSIFY YOUR SHOPPING CAMPAIGNS	10
LESSON 4 - CONSIDER PROGRAMMATIC ADVERTISING	11
LESSON 5 - MAKE SURE YOU USE AD EXTENSIONS	13
LESSON 6 - DON'T WASTE SPEND ON UNINTENDED LOCATIONS	14

INTRODUCTION

Marketers, analysts, data scientists, ad specialists. Whatever you call them, these individuals have a common goal and that is to help businesses achieve the greatest amount of custom in the most cost efficient way.

Some businesses have teams of people working on their digital marketing efforts and some choose to work with an agency but whatever the makeup of the workforce the actual strategy has to be dynamic.

Over the years we have covered nearly every facet of search and digital marketing and as a result have a comprehensive understanding of what it takes to get the best from your online marketing strategy. We know that different tactics work for different businesses and that all clients require a bespoke strategy. One thing that all of the companies that we have worked with hate, however, is wasting money.

Paid search (PPC) has long been something of a mystery for many businesses starting out, if done right the rewards can be huge, brands can engage with a far wider audience and sales achieve through the roof. Done wrong and businesses can lose thousands of pounds and risk the whole business model.

This guide will introduce you to PPC, ad formats and most importantly the things to consider to prevent wasted ad spend.

Let's begin...



WHAT IS PPC?

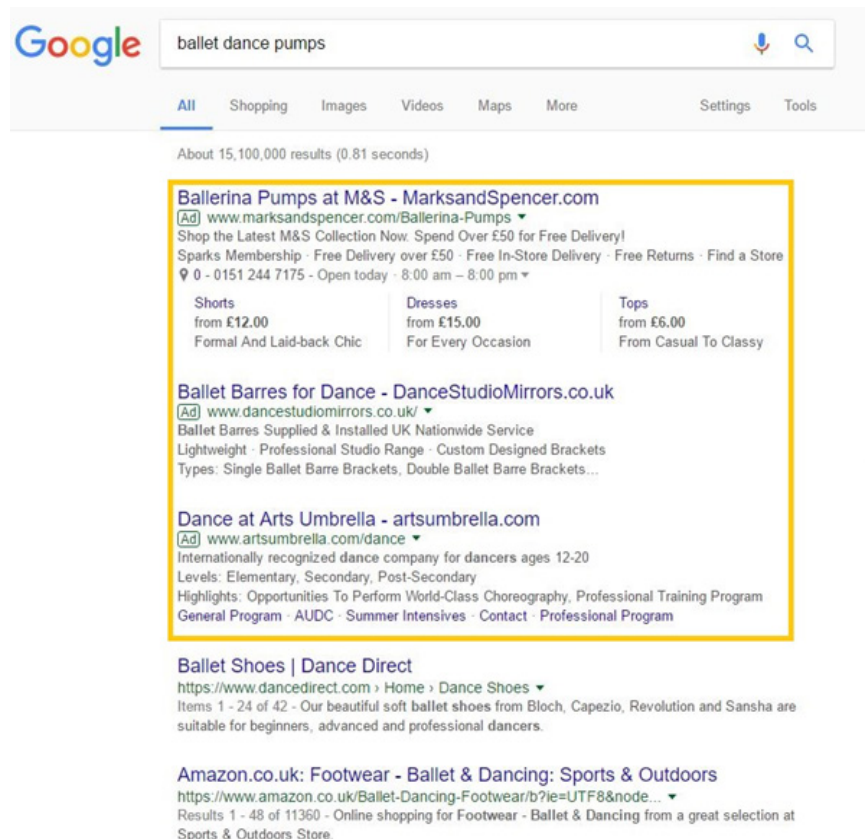
PPC is the model of internet marketing whereby businesses pay a fee every time their ad is clicked on by a potential customer. Placing a PPC advert that correlates with a specific search can help expose your offering to a relevant audience, driving highly targeted traffic to your website.

This exposure improves if the ad links to a fully optimised site, with unique well written content. If this is the case you should be able to climb the paid results on the search engine results pages (SERPs).

There are four main types of online advertising that play a role in the standard payment model of PPC. They are:

PAID SEARCH

Paid search ads are those listings that appear at the top and bottom of SERPs, marked as ads, landing pages or 'sponsored results'. The listings are paid for by the advertiser either on a cost-per-click (CPC) basis when the visitor uses a link to navigate to the landing page, or less frequently, as a cost-per-impression, for being displayed next to the search.



The image shows a Google search results page for the query "ballet dance pumps". The search bar at the top contains the text "ballet dance pumps" and the Google logo. Below the search bar, there are navigation tabs for "All", "Shopping", "Images", "Videos", "Maps", "More", "Settings", and "Tools". The search results indicate "About 15,100,000 results (0.81 seconds)".

The following search results are highlighted in yellow:

- Ballerina Pumps at M&S - MarksandSpencer.com**
www.marksandspencer.com/Ballerina-Pumps
Shop the Latest M&S Collection Now. Spend Over £50 for Free Delivery!
Sparks Membership - Free Delivery over £50 - Free In-Store Delivery - Free Returns - Find a Store
0 - 0151 244 7175 - Open today - 8:00 am - 8:00 pm
Shorts from £12.00 (Formal And Laid-back Chic)
Dresses from £15.00 (For Every Occasion)
Tops from £6.00 (From Casual To Classy)
- Ballet Barres for Dance - DanceStudioMirrors.co.uk**
www.dancestudiomirrors.co.uk
Ballet Barres Supplied & Installed UK Nationwide Service
Lightweight - Professional Studio Range - Custom Designed Brackets
Types: Single Ballet Barre Brackets, Double Ballet Barre Brackets...
- Dance at Arts Umbrella - artsumbrella.com**
www.artsumbrella.com/dance
Internationally recognized dance company for dancers ages 12-20
Levels: Elementary, Secondary, Post-Secondary
Highlights: Opportunities To Perform World-Class Choreography, Professional Training Program
General Program - AUDC - Summer Intensives - Contact - Professional Program

Below the highlighted results, there are two more search results:

- Ballet Shoes | Dance Direct**
https://www.dancedirect.com › Home › Dance Shoes
Items 1 - 24 of 42 - Our beautiful soft ballet shoes from Bloch, Capezio, Revolution and Sansha are suitable for beginners, advanced and professional dancers.
- Amazon.co.uk: Footwear - Ballet & Dancing: Sports & Outdoors**
https://www.amazon.co.uk/Ballet-Dancing-Footwear/b?ie=UTF8&node...
Results 1 - 48 of 11360 - Online shopping for Footwear - Ballet & Dancing from a great selection at Sports & Outdoors Store.

Paid search results highlighted in yellow

DISPLAY ADVERTISING

Display advertising is advertising on third party websites. It includes many different formats and contains items such as text, images, flash, video, and audio. The main purpose of display advertising is to deliver general advertisements and brand messages to site visitors.



Example display ad

SOCIAL ADVERTISING

Social advertising relies on social information or networks in generating, targeting, and delivering marketing communications. The advertising platforms provided by Google, Twitter, and Facebook and other social platforms involve targeting and presenting ads based on relationships articulated on those same services. Social advertising can be part of a broader social media marketing strategy designed to connect with consumers.



Social advertising on Facebook

SHOPPING CAMPAIGNS

Shopping ads offer a different experience for those searching for a product, mainly because they display more than the ad text. Shopping ads show users a photo of the item as well as the title, price and retailer. The overall concept of a shopping ad gives the user a stronger perception of what you are offering them and this can lead to more conversions.

It goes without saying that there are many benefits to running digital ads as part of a search marketing strategy. The first main benefit is that well-crafted and highly optimised ads can raise brand awareness and exposure. They put your immediate details into the public domain at the time they are searching for products in your sector. Your ads get your message out to a highly relevant audience which ultimately increases the potential of extra traffic.

If your ads are correctly placed and optimised to appear next to certain searches then they can improve your unique visits. If the content on the landing page is specific to the user search and includes a clear call-to-action (CTA) such as a downloadable brochure, an email subscription or a call back request, you are another step along the marketing path. These leads direct customers to your online store where they can convert from browsing to purchasing.

The screenshot shows a Google Shopping search for "ballet dance pumps". The search results are displayed in a grid format. On the left, there are filters for location (Birkenhead, Wirral, UK), price (ranging from £5 to £15), and category (Shoes). The main grid contains 12 items, each with a product image, title, price, and retailer. The items include various styles of ballet shoes, such as canvas flat heels, leather dance shoes, and athletic dance shoes. Prices range from £6.55 to £31.95. Retailers include FirstPosition.com, LightInTheBox, Move Dancewear, and M&S.

Product	Price	Retailer
Women's Dance Shoes Belly/Ballet/Yoga/Gymnastics Canvas Flat Heel ...	£7.03	LightInTheBox
Bloch	£6.55	FirstPosition.com
Bloch	£6.55	FirstPosition.com
Roch Valley Ophelia Full Sole Leather Ballet Shoes Colour: Pale Pink	£4.95	3 shops
Bloch	£11.95	2 shops
Bloch	£6.95	5+ shops
Bloch	£6.75	Move Dancewear
Move Full Sole Satin Ballet Shoe - Ballet Shoes	£6.50	Move Dancewear
M&S Kids' Leather Dance Ballet Shoes Nude	£14.00	M&S
Women's Girls' Athletic Dance Shoes Ballet/Yoga Practice Canvas ...	£3.95	LightInTheBox
SUN LISA 100% Cotton Canvas Ballet Dance Shoes For Women And Kids ...	£3.51	LightInTheBox
Bloch	£31.95	Move Dancewear

Google Shopping ads example

HOW TO STOP WASTED AD SPEND

There are many different things that you can implement to make sure that you are not wasting your money on ads that won't convert and the first of these is to do with targeting.

LESSON 1 - DON'T GO AFTER BAD SEARCH TERMS

Wasting budget on the wrong keywords is one of the most common mistakes that businesses make and there are two angles to this. They are either targeting the wrong keywords or they are targeting keywords where they don't have the budget to spend in the first place, i.e. the keywords are too expensive or are too competitive.

PPC keyword strategies are multi-faceted, taking in data mining and analysis, research and creative elements. However, the process can be reduced to four key elements of research and execution: creating buyer personas, looking for gaps in the market, ranking for priority and searching for the golden ratio of high traffic, low competition, and reading and catering for intent.

Based on the above, here are 4 steps to help you develop a winning keyword strategy for your campaigns.

Identify your audience

As with an organic keyword strategy, begin by creating buyer personas for whom you can identify levels of intent and types of queries that may typify these stages. The next step is to brainstorm words or terms around your goods and services. Put yourself in your customers' shoes and think about who, what and where they will be searching for when trying to connect with sites like yours.

Combine this with information from your Analytics account to see what consumers are searching for on your site or to check anchor text for inbound links.

Refine your list

Now that you've built up a list of words, try using a concatenation tool, such as Merge, to create a list of long tail search terms you can then proceed to refine.

After removing non-applicable terms, you can refine the list using a keyword research tool to check for traffic, for example, using Google's Keyword Planner – enter your URL and your industry and it will show you suggestions with search volumes. Other useful sites are Keyword Tool, Soovle and UberSuggest.

This process of refinement is about finding those areas which are best suited to your brand's financial and market position. By narrowing down your list by those terms with the highest traffic and a recommended bid which is within your comfort zone, you can reduce your list to terms you know you can successfully compete for, that have sufficient traffic to drive conversions and which are representative of your brand.

Once you have these lists, you can then segment them by the level of purchase intent they demonstrate.

Group your keywords

Next, you'll need to group these under common themes to form your campaigns in Google Google Ads. Google recommends 5 to 20 keywords per ad group, and each ad group should contain keywords that directly relate to the group's theme. These ad groups will form your specific matches with keywords of these five main types:

Broad match

Broad match keywords will "include misspellings, synonyms, related searches and other relevant variations". These more generic terms are useful to ensure a higher number of impressions and a greater flow of traffic, but are the least effective at targeting.

Broad match modified

Broad match modified keywords will "contain the modified term (or close variations, but not synonyms), in any order". Your ad will show only when someone's search contains the words within your keyword, or close variations of the words (close variations can include synonyms, abbreviations and misspellings).

Phrase match

Phrase match keywords "are a phrase, and close variations of that phrase". Your ad will show only when someone searches for a term that contains the keyword within the phrase, with or without additional words before or after it, as well as close variations.

Exact match

Exact match keywords include "exact term and close variations of that exact term". These keywords give you specific control of which search terms you want to match, which helps with budgeting and results in high relevancy.

Review performance & tweak as necessary

Through careful and consistent review, you will begin to identify more keywords for which to compete and more you should exclude ('negative' keywords'). Ensure keyword research is a key and regular part of your PPC account management time.

You can develop your campaigns using Google Ads search query report (SQR) tool. The SQR allows you to research what queries are connecting to your current keywords and allows you to refine your targeting and identify opportunities that you are currently missing. Improving relevancy is one part of improving Ad Rank and Quality Score, which can boost your click-through-rate and save you money in bids.

LESSON 2 - SET UP REMARKETING

Remarketing campaigns are a great way of bringing visitors back to your site who haven't previously converted or even for repeat sales. You should aim to set up audience lists for users that have visited particular sections of the site. This way you can retarget them with ad messaging specific to the products/services they have demonstrated interest in previously.

You can vary the ad messaging based on how long it has been since they last visited the site and tailor remarketing bids on a number of factors, including overall engagement indicators from their previous visit, such as time on site and number of pages viewed.

You can also use a number of advanced types of audience lists, in order to generate the best return. For example:

- Customer match: This enables us to upload your mailing list to remarket to.
- Similar to audiences: This isn't strictly remarketing as these are new users, but allows you to target new users who display similar characteristics to people in your other remarketing lists and have previously converted on your site.
- Smart lists: A list of users that Google believes are 'ready to convert', determined by a number of factors such as engagement metrics from their previous visit.

With dynamic remarketing, you can make use of your product feed to deliver ads featuring products that visitors have previously expressed interest in. When set up correctly, these generally result in a much stronger ROI than standard remarketing campaigns.

When dynamic remarketing campaigns are set up, Google Ads automatically generates the following audience lists:

- General visitors
- Product viewers
- Shopping basket abandoners
- Past buyers

You can use these to target users differently dependent on their previous actions on the site.

This allows you to set more effective bids for users at different points of the purchase cycle.

- **Keywords:** These will either solely target websites that contain or relate to keywords you add to your campaign, or also target users who have shown an interest in that subject while browsing the internet.
- **Affinity audiences:** Lists of users who have shown an interest in certain categories, such as 'Shopaholics' and 'Luxury Travellers', based on their browsing and search habits.
- **In-market audiences:** Lists of users who have recently shown interest in purchasing certain types of products.
- **Topics:** Lists of website categories, such as 'Price Comparison' and 'Health Insurance'. This enables you to show on the types of websites that are relevant to your business.
- **Placements:** Specific websites that you manually add into (or exclude from) your campaigns.

You can also use Smart Display campaigns, especially to see which audiences would be most effective to target on the Google Display Network. All you need to provide is a target cost per acquisition (CPA), a daily budget and some assets to create ads from (headlines, descriptions, images and logos) and Google Ads will automatically create ads and target users.

LESSON 3 - DIVERSIFY YOUR SHOPPING CAMPAIGNS

Don't put all of your eggs into one basket. Setting up shopping campaigns represents one of the biggest opportunities for moving an eCommerce account forward. A well-optimised shopping campaign should account for around 60% of Google Ads budget.

Be warned however, those shopping campaigns with just one campaign for all products can often fail and overspend. Make use of the priority system to create a robust structure. An ideal structure would be:

- High priority campaign: Used for top products or bestsellers that you want to prioritise over other stock to ensure you're always maximising visibility for these.
- Medium priority campaign: Follows the same structure of the search campaigns, so that products are split out by type, to allow for more effective reporting and optimisation.
- Low priority campaign: Set up as a 'catch all' in case any products are not captured by the medium or high priority campaigns.

Bidding by product ID rather than at product group level allows greater control over spend and creates better optimisation opportunities.

You should split out the shopping campaign structure and dedicate one item per ad group. This will allow you to control spend and monitor performance at a more granular level, and also refine search queries for each individual product.

Test and improve search term performance product titles, descriptions, and categories as they are the main factors Google's algorithm takes into consideration when matching searches to products.

LESSON 4 - CONSIDER PROGRAMMATIC ADVERTISING

Programmatic advertising is the way businesses use automated real-time bidding to buy ad space online. It uses AI and machine learning to buy, sell, and optimise digital ads on your behalf.

The advertiser inputs targeting factors such as location, timing, device, demographics, and interest categories, then select the exact bid for each individual user depending on their search intent. It also allows you to select the most relevant ad copy, which will best resonate with each type of user behaviour. Basically, it combines media and audience solutions to maximise ROI.

Traditional ad buying methods involved greater human investment in the 'legwork' of bidding on and placing ads, including negotiations and eventual manual insertion of the ad into specific media; programmatic technology seeks to automate all possible areas of the ad buying process for display ads. Technology is expanding the arena of programmatic advertising and offering plenty of new options for targeting in an increasingly affordable and accessible sphere.

Programmatic software needs data to begin the process of learning and refining ad space. Using existing data to determine short and long term goals and form an appropriate strategy. This data should then be organised and analysed, with first and third party data and cross platform data aggregated to achieve the best insights.

In particular, defining your initial audience is a vital part of the process; you need a clear idea as to who you want to target. This will be based on the products or services which you sell and the audience research that you have conducted.

Here are some of the advantages of programmatic advertising:

- Access to a greater variety of options in terms of supply side platforms (SSPs, such as Google Display Network) and publishers, for the best price.
- Improves efficiency and performance of campaigns, by accurately targeting potential customers with the right message, at the right moment and in the right place.
- Makes the most of your budget by optimising the to the best performing platforms and pacing spend.
- Although programmatic requires a front-loaded strategy and setup in terms of the keyword research and the bidding levels, automated buying saves time that can be used to develop and improve campaigns, refine targeting and increase ad (and landing page) quality.
- Marketers can also mine huge data volumes and use machine learning to unlock insights and find predictive signals, taking the guesswork out of keyword bidding, ad testing and optimisation.
- It allows you to maximise the reach of your audience at scale.
- Allows data to be reinvested back into your campaigns.
- Greater transparency of data.

LESSON 5 - MAKE SURE YOU USE AD EXTENSIONS

Ad extensions are a powerful type of ad format that show extra information about your business. Some can be added manually and others are automated. The benefits of using them are:

Improved visibility

They often appear above the search results, rather than along the sidebar. If two competing ads have the same bid and quality, the ad with greater expected impact from extensions will generally appear in a higher ad position.

Better return on investment (ROI)

They can help improve CTR and can also affect the Ad Rank algorithm, which can lead to higher positions without needing to increase cost per click.

Types of manual ad extensions you can set up are:

- Sitelinks extensions: allow you to include additional links in your standard text ad, such as directly to popular or high-converting sections of your website.
- Call extensions: allow you to add phone numbers to your ad to increase engagement and let you report the call stats.
- Location extensions: allow you to extend your campaigns by dynamically attaching your business address to your ads, with location extensions. As well as the description lines and URL that appear in your ad text, your ad can also feature your business name, address and phone number.
- App extensions: allows smartphone users to search on Google to see your ad promoting your app and directly click to download it from the Google Play or iTunes App Store.
- Callout extensions: show valuable information to potential customers, drawing attention to important product details and benefits. Or highlight your USP.
- Structured snippets: a feature that allows you to list all the different products/services available.
- Price extensions: showcase the different products and price points, and provide an opportunity for highlighting price competitive product lines.
- Promotion extensions: allow you to add in any promotions or offers currently available.

LESSON 6 - DON'T WASTE SPEND ON UNINTENDED LOCATIONS

Similar to keyword match types, incorrect location settings in Google Ads can trigger ads in locations you don't want to serve and amount to wasted budget.

When we look at the reality of the situation, your location settings can trigger three types of geographies:

Physical location

Your ads appear to people physically located in your target geography. This is the option we usually expect when selecting locations to target, in that it's very direct. This is our intended traffic insofar as geography.

Location of interest

Your ads appear to people searching for (or indicating interest in) your targeted location. With this option, physical location doesn't matter. As long as people have your target location in their search terms, the ad is triggered. This can result in out-of-country traffic that appears to be relevant, but perhaps isn't for a myriad of reasons. (i.e. Perhaps you don't ship to a given location, for example and your ads would thereby be irrelevant to those in that area).

Both

This setting combines both targeting options. Your ads appear to people who are physically located in your target geography, or are searching for (or indicating interest in) your targeted location. This is the broadest option.

Get a list of locations where your ads have triggered by running the User Locations Report in Google Ads then exclude irrelevant locations from within your campaign settings. After your locations have been excluded they will appear next to targeted locations. Once you have identified any unintended locations, check how these locations were triggered by reviewing a Geographic Report. To avoid overspend, simply change the setting to 'people in my targeted location'.

FINAL THOUGHTS

Search Engine Journal best summed up the effect wasted ad spend has on your account.

They said:

“At first glance, you might think that wasted ad spend and cost-per-conversion would have a linear relationship—every 10% increase in wasted ad spend would increase your cost-per-conversion by 10%.

“Unfortunately, that’s not the case. As it turns out, wasted ad spend and cost-per-conversion have an exponential relationship.

“Since cost-per-click has a significant effect on cost-per-conversion, let’s look at how wasted ad spend varies with cost-per-conversion for Google Ads accounts with a cost-per-click of around \$1.00.

“Basically, for every 10% increase in wasted ad spend, your cost-per-conversion increases by 44-72%.

“For example, say you’re currently wasting 30% of your budget on non-converting search terms and your cost-per-conversion is \$10.00. If you start bidding on a bunch of new keywords and your wasted ad spend increases to 40%, your new cost-per-conversion will be approximately \$14.40 to \$17.20.

“If your wasted ad spend increases from 30% to say, 76%, your cost-per-conversion be around \$53.79-120.20.

“That’s a 540-1,200% increase!

“And, this trend holds true for every industry, conversion rate, and average cost-per-click.”

The fact of the matter is, the more money you waste on non-converting search terms, the less money you can put towards the search terms that matter. If you take on the points in this guide and implement them to day you can both save and earn big money.

GET IN TOUCH WITH US TODAY

ABOUT US

Click Consult is a multi award-winning digital and search marketing agency with a focus on organic (SEO) and paid search (PPC). Part of global consumer brand business Ceuta Group, we have a team of 70-plus specialists and a portfolio of more than 60 clients worldwide.

Our complementary services include content marketing, outreach, social media, conversion rate optimisation (CRO) and international/multilingual search marketing. We can also offer training and consultation to support your teams or existing strategy.

Click was named Organic Search (SEO) Team of the Year 2020, adding to our long list of other awards and accolades, and also ranks within Econsultancy's 'Top 100 Digital Agencies', and Prolific North's 'Top 50 Digital Agencies'. We're also a Google Premier Partner, a Bing Select Partner and feature in The Drum Recommends.

HOW CAN WE HELP YOU?

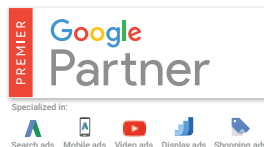
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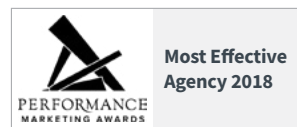
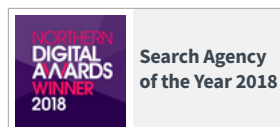
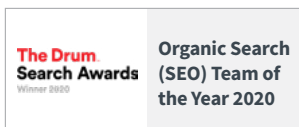
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OUR TECHNOLOGIES

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