

Top 5 Things to Consider When Evaluating PPC Management Tools

By William Leake, CEO, Apogee Results

For companies just starting out with online marketing, and for many who have been online for years, pay-per-click (PPC) search is a tried-and-true method of driving traffic to your Web site and increasing revenues. To meet the quick deadlines and ambitious revenue goals of the Internet retailer, some may be tempted to jump in face first with a recognizable name like Google AdWords, but search is far more complex these days than it used to be, and ecommerce is a vertical with highly specialized requirements. Online retailers really should do their homework before investing budget in order to maximize the revenue from this powerful channel.

As the search marketing industry has matured, the proliferation of data that must be monitored, managed and acted upon to keep an organization's search campaigns running optimally can become overwhelming. And as the performance data piles up and your search strategy becomes more multifaceted, so does the need for tools that help manage it all. Veteran search consultant Andy Beal of Marketing Pilgrim LLC notes that, "Management tools are certainly valuable with paid search. The auction-style bid management often requires the assistance of software."

There is an abundance of PPC management tools available in the marketplace, but ecommerce retailers must weigh their options and assess their needs carefully in order to determine which tool is the right fit for them. Certain things, however, are universal in their appeal. These are the top five things to consider when evaluating search management tools.

1. Reporting – Many PPC management systems have a large selection of pre-built reports, but no custom report-writing capabilities. This will invariably become a problem when managing complex search campaigns. Advertisers should have the ability to extract specific data that could have a significant impact on campaign performance. For example, a books retailer may want to query all textbook-related keywords with conversion



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rates over 5% and over 200 clicks during the month of July to determine where they can get the best returns during the college pre-enrollment season. Without a custom reporting tool, this type of analysis would be difficult, to say the least.

2. Conversion Tracking – Assuming that you are optimizing your campaigns to an ROI metric (either CPA, cost-per-acquisition, or ROAS, return on ad spend), conversion tracking capabilities become extremely important. There are three options for tracking conversion data with a PPC search management system: search engine conversion tracking, PPC system conversion tracking and third-party analytics conversion tracking. Each of these options carries with them pros and cons:

Search engine conversion tracking is supported by almost all PPC system vendors, making it easily accessible. However, this option is the most limited when it comes to reporting. Raw conversion data is not available through search engine tracking and therefore cannot be used for other reporting purposes. Also, since it does not take into consideration duplicate conversion events due to browser plug-ins or user error, such as hitting the submit button more than once, this tracking option can be less accurate. Lastly, implementation can be a hassle as new conversion tracking scripts are needed for each search engine being used.

PPC system conversion tracking varies from vendor to vendor, which allows you to choose the provider that best meets your individual needs. It is easily integrated into existing operations and the system vendor can provide support from conversion tracking. Just as the pros vary from vendor to vendor, so do the cons – testing is important to find the vendor that's right for you.

Last but not least, third party analytics conversion tracking provides the most detailed reporting on conversion metrics and beyond. Reports on average time on site, average page views per dollar spent, conversions resulting from multiple channels, etc can be tracked to give you a more holistic view of consumer behaviors and trends. For example, a consumer may have clicked on a banner ad one



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day, then clicked on a search ad the next day, then converted. In this situation, the conversion cannot be attributed exclusively to the search ad. This level of detail can provide you with strategic insight that can help you optimize multi-channel campaigns. On the negative side, this option requires additional development work to integrate analytics data with PPC management system and support from both vendors.

Whatever conversion tracking process your company has decided to adopt, you will want to make certain that the PPC search management system will support it.

3. Managing the Long Tail – Most automated bid management tools can properly optimize a keyword to meet a specified ROAS or CPA metric. By looking at the conversion rate and average order price for a keyword, it is a simple calculation to determine the optimal cost per click necessary to achieve a target ROAS. But what about long-tail keywords that may only get three or four clicks per month? You certainly can't trust that one sale out of four clicks will accurately predict a keyword's conversion rate at 25%. To manage your long-tail keywords effectively, they must be grouped into portfolios or categories that combined provide the necessary statistical significance.

Why are the long-tail keywords important? Because they can constitute 20% to 30% or possibly more of your total sales volume. Consider the fact that the long-tail often consists of 3-4 word phrases which are very specific to what you are selling. These specific searches are more likely to convert into sales than the more generic keywords that may be more popular. If long-tail keywords are an important part of your search marketing mix, make sure that your selected system can properly manage them.

4. Data Integrity – Synchronizing an SEM management system with a search engine is easy, right? Just write a script that pulls down campaign data from Google using their API and populate a database. Unfortunately, it's not nearly that easy, and data integrity is one of the toughest issues that any SEM systems developer has to deal with. It's a difficult criterion to assess during the vendor selection process, because you have to use the system before determining if there are any data integrity problems.



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Samir Patel, CEO of SEM management software platform provider SearchForce, combats this very problem for clients with synchronization algorithms. This approach catalogs versions of data to keep track of the latest information and considers daily network latencies and search engine API specific requirements to ensure consistent data reliability and accuracy. "One of the common problems is customers updating data on the search engines while working with a centralized search management platform," says Patel. "SEM managers need the flexibility to work directly with the engines. Therefore, a search system must be able to determine for every data point whether the most recent change occurred on the search engine or on the search management platform."

Additional data integrity problems can arise from search engine reported data. "The major search engines constantly restate their click, impression, media cost, and position information," says Dave Fall, VP of product management search technology for DoubleClick. "We've invested heavily in engineering resources to build an infrastructure that retrieves and replaces search engine data as it changes. Search engine marketers should expect their management system of choice to reliably report and optimize on the same numbers search engines report in their own interfaces."

With the above insights from our friends at SearchForce and Doubleclick in mind, my best advice is to get a trial license in place before making a long-term commitment. If that is not possible, then make the sales rep explain the steps the company goes through to assure data integrity for client campaigns before a purchase.

5. Ease of Use – This one's pretty obvious. If you need a team of techies to help you operate your management tool, then you've probably wasted your money. Google set the high water mark here with AdWords. Since AdWords was created for the marketer rather than the IT department, its dashboard and reporting capabilities are extremely intuitive. Pulling custom reports and interpreting data is easy, and marketers can quickly and efficiently get the desired data. The same should hold true for any tool that you select.

So how do you find this magical search tool? Well, first off, sit down, take a deep breath, and really evaluate your search marketing strategy and what you



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need to successfully deploy your search campaign. And by all means, TEST! There are many providers of management tools out there, and any of them worth considering will allow you to take their tools and/or services for a test drive. There's no better way to determine the right fit for you than seeing the tool in action.

Don't forget the people element! While you're evaluating these tools, perhaps the most important thing to consider, given that search marketing is not an exact science, are these words of wisdom from Mr. Beal, "Search marketing is not an exact science and 80 percent of your success is driven by the expertise of the individuals you hire."



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