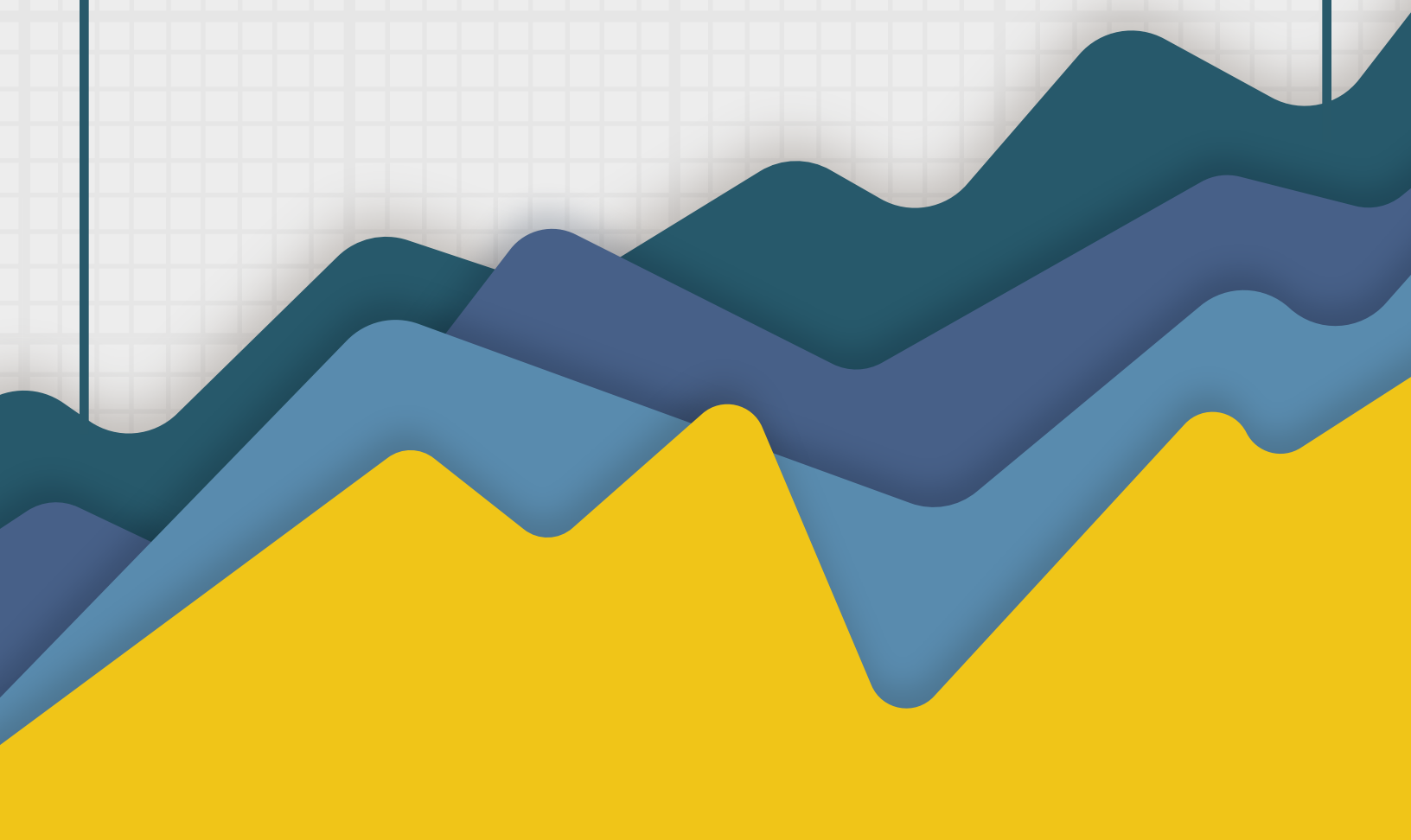


# **STEP BY STEP GUIDE TO START AN SEM CAMPAIGN WITHOUT LOSING MONEY**



# INTRODUCTION

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Search engine marketing is like one of those recipes that look simple enough, until you actually cook it. By definition, it's simply using paid advertisements that appear on search engine results. The process of creating and optimizing a paid ad to beat the competition and get in front of motivated customers, is where all the headache starts.

On top of this, as a manager, you need to be able to justify the cost you will be investing in this initiative. And paid search can be a great way to lose money. Keywords, which can account for 61 percent of your ad spend, can suck your budget dry if they're useless.

Of course, the operative word there is "useless". If you don't pick the right ingredients and prepare them the right way, you won't achieve SEM success.

While paid search is easier to run and implement compared to other tactics that rely on organic traffic, optimizing its different elements is what truly makes a difference. On the other hand, this fact makes it a double edged sword.

SEM's effectivity has been up for debate. According to the 2015 Content Marketing Trends by CMI, survey respondents indicated that search engine marketing is the most effect strategy for lead generation. While in the 2016 State of Inbound by Hubspot, survey respondents said it is highly overrated.

One thing is true though: SEM is what you make it. If it brings leads profitably, why wouldn't you use it?

In this eBook, we will introduce you to the world of search engine marketing, how its elements work together, and help you find out if search engine marketing is right for your B2B business.

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# CHAPTER 1:

## SEARCH ENGINE MARKETING 101

The various elements of search engine marketing are straightforward, but each of them has a big impact on the overall marketing campaign. Paid search is more than just placing the right ad with the right keywords at the right place. From platforms to processes, we will discuss the nuts and bolts of search engine marketing.

# I. PLATFORMS

We already know that Google has the highest market share among search engines. The word “Google” has become a verb synonymous to “search” and “find”. As of Dec. 2016, Google has 77.82% of the global **desktop market share** and 93.76% of the global **mobile + tablet market share**.

So it's a no brainer for businesses to flock towards **Google AdWords**. You're probably already aware of this advertising platform. You can build a search ad with the help of its keyword planner, target specific types of users, test and tweak ad campaigns, allocate budget, and access reports.

Since AdWords is the paid advertising platform of most businesses, it's worth remembering that this leads to plenty of competitors. The increasing competition for natural search rankings and top paid search positions – plus keyword price inflation – makes it a big challenge for marketers.

The other two alternatives would be:

**BING ADS**

**&**

**YAHOO GEMINI**

Microsoft exclusively sells advertising through Bing Ads but Yahoo can now serve search ads for up to half of its desktop traffic using its in-house platform Gemini (it will still serve Bing ads for a majority of its desktop search traffic).

Both offer the same capabilities as Google AdWords. There are plenty of opinions on what makes one different from the other. In terms of reaching a bigger chunk of the online audience, Google undoubtedly comes in first.

## II. SEM VS. SEO

SEO and SEM are closely related to each other and their end goals are the same, which makes separating the two concepts a bit confusing. Here are key takeaways to differentiate both.

### SEARCH ENGINE MARKETING

Search engine marketing is an umbrella term used to encompass both paid advertising and SEO. Over time, SEM became referred to as paid search.

Not to be confused with PPC which is one of the pricing models in paid search:



#### **PPC (PAY-PER-CLICK)**

PPC (pay-per-call) – ads served to mobile search users can be charged by the number of clicks that resulted in a direct call from a smartphone



#### **CPC (COST-PER-CLICK)**



#### **CPM (COST-PER-THOUSAND IMPRESSIONS)**

## SEM IS IDEAL IF YOU NEED:



### IMMEDIATE RESULTS

Once your campaign is approved-granted that your bids are high enough to get priority placement - your ads will be immediately displayed. It's the quickest way to promote your business. It's also suitable for time-sensitive offers like product launches and holiday sales because they provide instant traffic.



### HIGHLY TARGETED CAMPAIGNS

PPC platforms enable advertisers to launch targeted campaigns through geographic, demographic, and intent-based targeting(using actual user search query), ensuring that your ad is served to the right customers. More importantly, the data collected from your campaigns reveal signals to know what your customers want and improve future search ads.



Dominate the search results for a keyword category. As you may have noticed by now, PPC results are displayed above organic search results. A prominent position gives you the visibility for a **high search traffic**.



## SEARCH ENGINE OPTIMIZATION

Search engine optimization is a classification of techniques that aim to place a website in the first page of search engines. There are plenty of tactics and techniques that you can use but they all depend on what factors search engines consider in determining the rank of a website in SERPs (search engine results pages). For example apart from keywords, Google considers different “signals” such as social shares, bounce rate, and link popularity of a page to determine its relevance for a particular query.



## SEO IS IDEAL IF YOU NEED:



### CONSISTENT LONG-TERM RESULTS IS REQUIRED

SEO requires a long gestation period. No one knows exactly when search engines indexes websites and depending on the competition, it could take months before you get to the first page. However once you do secure a top spot, your website will receive sustained and long term traffic granted that it's consistently updated.



### AUTHORITY SITE

Securing the top spot in search engines places you as a "go to" website for a particular niche.



### INCREASE THE WEBSITE'S VALUE

If you want to sell your website for a premium price you'll need to increase its value. The value of a website is based on its online presence, performance, and authority, all of which are related to SEO.

In short, SEM is paid while SEO is free. Both are used to generate traffic and leads to a website.

# III. PROCESSES

## A. THE SEM LINGO

1.

### AD RANK

as the word suggests, this is the rank of your ad in search engines. This is determined by the highest bid and quality score.

2.

### QUALITY SCORE

the quality score is determined by different factors:

#### ● CLICK-THROUGH RATE (CTR)

the number of clicks that your ad received divided by the number of times your ad is shown. Google AdWords defines this as  $\text{clicks} \div \text{impressions} \times 100\%$ . For example, if you have 100 clicks and 1,000 impressions, your CTR would be 10%

## ● LANDING PAGE QUALITY

single web page that appears after someone clicks a specific link. To achieve a good quality score, your landing page must be:

- *Directly relevant to the ad and keyword*
- *Easy to navigate and search for the product mentioned in the ad*
- *Contain relevant information about your business*
- *Fast loading time*
- *Mobile-friendly*

## ● AD TEXT OR AD COPY

text based ads that are shown above organic results. Paid search platforms have specific **rules** that advertisers need to follow in order for their ad to be approved.

## ● KEYWORD RELEVANCY

refers to how important your keywords are to a page in your website. Search engines have their own way of building connections between keywords/phrases to a domain/brand name, most likely using different data inputs.

**3.**

### **MAX BID**

the highest amount you're willing to pay per click on your search ad.

**4.**

### **CLICKS**

when someone engages with your ad by clicking the link.

**5.**

### **IMPRESSIONS**

single display of your search ad on a web page, regardless of whether someone clicks it or not.

**6.**

### **CPC**

cost per click

**7.**

### **CONVERSION**

there are different definitions of what qualifies as a conversion, generally it means a specific action taken a by customer. For example, a person who clicks on your search ad and fills-up a contact form in a landing page can count as a conversion by the said ad.

**8.**

## **COST PER ACQUISITION/INSTALL/LEAD (CPA/I/L/O) – COST OF THE SPECIFIC ACTION BY THE CUSTOMER**

cost of the specific action by the customer

- **ACQUISITION**

a general term for actions taken by a customer as specified by the advertiser, for example registration or newsletter sign-up. This is also known as cost per inquiry.

- **INSTALL**

when a customer installs an app

- **LEAD**

when a customer signs-up for an offer

- **ORDER**

when a customer purchases a product

- **INQUIRY**

when a customer inquires on the advertiser's website through a form or a chat

9.

## QUERY

these are the exact words or phrases entered by the user in the search engine. Not to be confused with keywords, which are the terms nominated by an advertiser to advertise on.

Types of search queries or keywords:

- **LONG TAIL KEYWORDS**

phrases that have low search volume but are easy to rank for because of less competitors.

- **HEAD TERMS**

generic terms that have high search volume but are difficult to rank for because of popularity.

## B. HOW SEARCH ENGINE MARKETING WORKS

*To make it easier to understand, let's compare search engine marketing to traditional advertising.*

Imagine you have a retail store in a mall that sells mobile accessories, specifically high-end audio products. One day you decided to have a clearance sale and put up a sign in your storefront to advertise it – 70% discount Shure earphones.

The mall is the internet, the clearance sale is the campaign, your website is the store, and the sign is the ad text or ad copy.

As what was mentioned before, the formula for your ad rank consists of the maximum bid and quality score. The smart choice would be to manage your budget and optimize your ad.

Let's go back to the mall. It turns out that the mall has a fleet of sophisticated robots designed to help people find what they are looking for. For example, one teenager wants to get "affordable cellphone earphones". The robot will determine which shops offer what the teenager wants. Since this is a paid service, the robot will look through a number of ads to determine which should merit the top suggestions.



Yes you guessed it: the robot would be the search engine, “affordable cellphone earphones” would be the query, and the paid service is the PPC platform (such as Google AdWords).

Let’s pay attention to the robot. While it will consider the bid you made it will also place importance on your ad so that the customer gets the most relevant information. In order to rank its suggestions, it will ask a number of questions and use information from the mall to get answers.

In this scenario, here’s how it will assess yours:

## THE AD

- Does your ad have any or all of words that the customer said?
- Is your ad related or similar to what the customer said?
- Are there clear indicators that the ad is related to the store?

## THE STORE

- Is the store really offering what's indicated in the ad?
- Are there clear indicators inside the store that proved this to be true?
- Is it easy to find the items offered in the ad?
- Is the store organized?
- Is the store easy to find?

## FEEDBACK

- How many people have went inside the store?
- How many items was your ad suggested before?

Questions under the ad relates to your keyword relevance, the store is for the landing page, and feedback is for the click through rate. Paid search works similarly to advertising, except that advertisers have more control over their marketing campaigns and measure results through platforms that are providing numerous metrics that allow advertisers to see what works and what doesn't.

## C. FINE-TUNING YOUR SEM EFFORTS

Now that we're familiar with the terms and processes of search engine marketing, we're going to take a look at how you can combine them all together to create a strategy for your business.

Here are the basic core strategies:

### 1. ESTABLISH YOUR MAIN GOAL

Establishing goals is common sense, but they can get easily misguided without clear objectives on what you want to get out of paid search advertising.

## THESE ARE THE QUESTIONS YOU NEED TO ANSWER TO FORMULATE SOLID SEM GOALS:

- ✓ What's my target market?
- ✓ What are my customers searching for?
- ✓ What's my offer?
- ✓ What's my budget?
- ✓ What's my time frame for each ad?
- ✓ What do I want from my ad campaigns?
- ✓ What do I want my customer to do?
- ✓ How will I encourage my customer to take action?
- ✓ What are my competitors doing?
- ✓ How am I going to measure the results of my campaign?

## 2.

## KEYWORD RESEARCH

Now that you have clear goals in mind, you have to find out what users search for in relation to products/service and industry. Paid search revolves around intent marketing, so you need to know what your customers need to get in front of them.

Technically, keyword research is done through SEO and then the best keywords to bid for is selected through SEM.

### Commonly used tools:

- Google Suggest/Keyword Planner
- SEMRush
- Ahrefs
- Ubersuggest

**SEM factors to consider when selecting keywords:**

## **KEYWORD RELEVANCE**

- **Generic terms** - keywords that describe your product or service
- **Related terms** - terms that don't directly apply to your business that your audience might search for
- **Brand terms** - keywords containing your brand or business name
- **Competitor terms** - terms including brands and names of your competitors or business name

## **LOCAL SEARCH KEYWORDS**

keywords that contain specific locations such as "cheap earphones wallmart"

## **SEARCH RELEVANCE**

consider the customer's motivations/intentions to narrow down your list: are they really looking for what your ad offers? On what stage are they in the buyer's journey? Customers who are on the path to purchase will use more specific terms compared to another who's just window shopping.

## **NEGATIVE KEYWORDS**

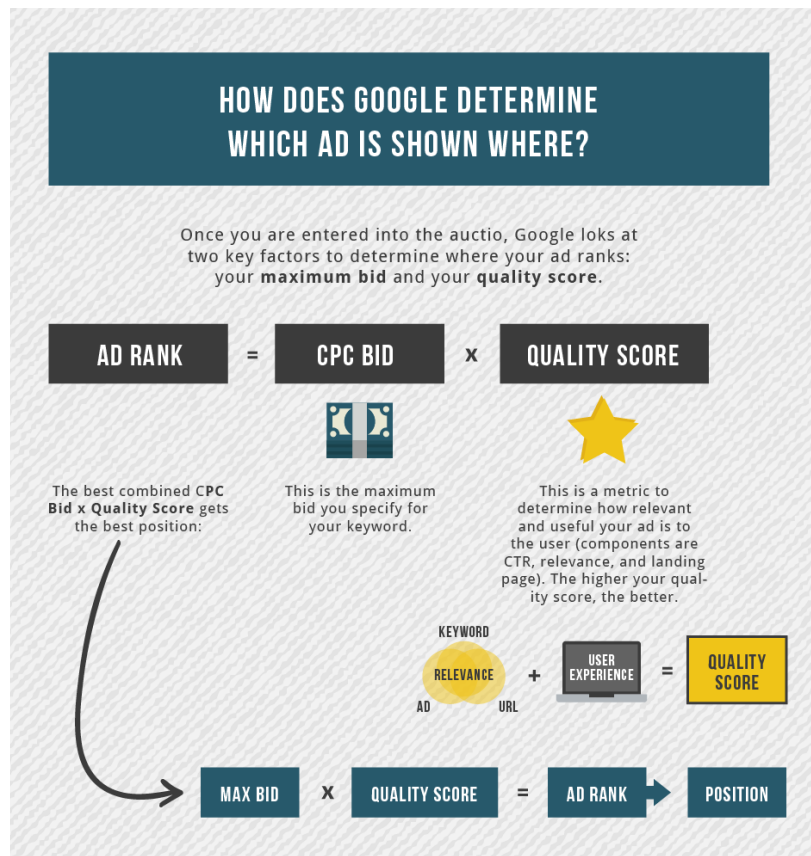
terms and phrases that you don't want to be associated with your ad for specificity and brand safety.

## **COMPETITION AND COST**

how much it will cost to make your ad show up for your chosen keywords and the competitors who are using a similar list.

### 3. UNDERSTAND AD RANK

While customers will ultimately decide which ad they want to click, ad rank (or ad position) can make you stand out from your competitors. More importantly PPC platforms are auctions, which means that the position of your ad changes every time a user performs a search.





- In Google AdWords, advertisers can improve their rank through the quality score which means you can pay less and still increase your chances. The higher the ad rank the higher the ad's position. This will increase CTR and in turn, positively affect your quality score. Keep in mind that your quality score will not increase unless it's higher than the expected CTR for that ad position.



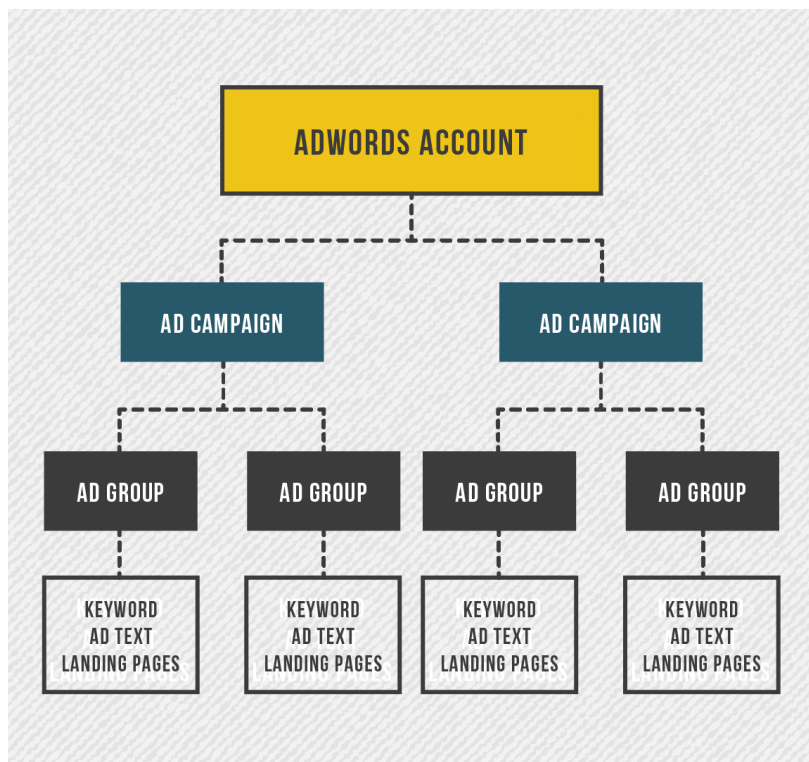
- Bing Ads' quality score places more importance on keyword relevance and CTR.
- Yahoo Gemini uses a similar formula with Bing but differs in broad match identifiers. The only available information they're willing to share is that the modified term must be part of the user query.

## 4. DEVELOP A CAMPAIGN STRUCTURE

Now that you have a list of keywords and understand how to rank your ads, you need to develop a plan to achieve your goal.

To recap, here are the critical components you need to create a campaign structure:

- Campaigns
- Ad Groups
- Keywords
- Ad Text
- Negative Keywords
- Landing Pages



There is no formula for the perfect account structure, but methods that have worked well are based on:

- Structure of the website
- Services/products offered
- Location

5.

## FIND OUT KEYWORD MATCH TYPES

As part of your keyword research, you need to select the right triggers for your ads to appear. This will help you target users that are most likely to engage with your ad.

- **Broad Match** – as the term suggests, your ad can appear for anything broadly related to your included keyword, for example: “red earphones” can show for queries of “red earbuds” and “red headphones”
- **Broad Match Modifier** – (used by appending keywords with +) allows you to append a keyword with + to indicate a broad match for example: +Mobile +Earphones will trigger Google to show your ad for “buy mobile earphones”, and “mobile earphones for sale” (as long as both the keywords Mobile and Earphones are within a search query with minimal variations)

- **Phrase Match** – your ad appears when a user searches for a keyword phrase, but may include additional words at the beginning or end of the query. Include (""") when using this match type "red earphones".
- **Exact Match** – your ad appears when a user searches for a specific keyword phrase in the exact order. Include [] when using this match type [red earphones].

## 6.

### ALLOCATE YOUR BUDGET

There is no easy answer for what is exactly the right number when allocating your budget. These are three key factors to consider:

- **Industry** – the price of keywords vary depending on your industry.
- **Cost per click** – CPC of keywords fluctuate depending on competition, quality score, ad position, and geographical targeting.
- **Your business** – if you don't have any experience with paid search and decided to do it on your own, it's understandable to start with a low budget. If you have hired help and seen some success, you need to invest to get workable results.

## 7.

### OPTIMIZE YOUR AD COPY

Google has recently launched expanded text ads designed to improve the user experience with SEM on mobile, as part of the search engines' mobile-first initiative. Advertisers are given two 30 character headlines and one consolidated 80 character description line.

Here are best practices to maximize the potential of the new bigger format:

- ✓ Until it's phased out, don't pause your old ads just yet unless they're outperformed by your first expanded text ads.
- ✓ Include your most important message in the headlines
- ✓ Use extra characters to improve existing offers and call to action for a more compelling ad, instead of just adding a second headline
- ✓ Write all ads that to speak to all users across all devices – desktop, mobile, tablet
- ✓ Include top keywords in path fields because the new ads automatically pull their domain for your display URL from your final URL
- ✓ Update ad extensions for unique content alongside your larger ads

8.

# LEVERAGE AD EXTENSIONS

Ad extensions enable you to add more information about what users can expect when they click your ad without any additional costs. It can also improve your CTR, which as discussed, affect your quality score and ad rank. There are a variety of extensions including:

47% Off Crown Regency Boracay - Now P3999 From P7500 Promo  
 Ad [www.metrodeal.com/Boracay/Crown-Regency](http://www.metrodeal.com/Boracay/Crown-Regency)  
 Enjoy A Deluxe Getaway For 4 Persons. Located in Station 2. Book Now!  
 Amenities: WiFi, Cable TV, Swimming Pool

Restaurants & Food Promo	Online Shopping 90% Off
Affordable Airfare Travel	Spa & Wellness Deals

- **Sitelinks** - add links below standard text ads to promote additional/relevant landing pages

Sarah's Designer Shoe Store  
 Ad [www.sarah-shoes.com](http://www.sarah-shoes.com)  
 4.0 ★★★★★ rating for sarah-shoes.com  
 Free Shipping, Free Returns on Large Selection of Discount Shoes

- **Seller Ratings** - automated extensions that add your store's rating out of 5 according to Google's trusted review sources. Businesses must accumulate at least 150 reviews with 3.5 stars and higher from the past 12 months.

49% Off New World Buffet - For P1,060 Instead of P2,099  
 Ad [www.metrodeal.com/NewWorldBuffet/Makati](http://www.metrodeal.com/NewWorldBuffet/Makati)  
 Available for Lunch & Dinner In Cafe 1228 at **New World** Makati Hotel. Shop Now!  
 All Day Children's Menu - Live-Cooking Stations - Lunch 11PM - 3 PM - Dinner 6PM-10:30PM  
 Types: American, French, Filipino, Chinese, Japanese  
 Restaurants & Food Promo      Online Shopping 90% Off  
 Spa & Wellness Deals          Affordable Airfare Travel

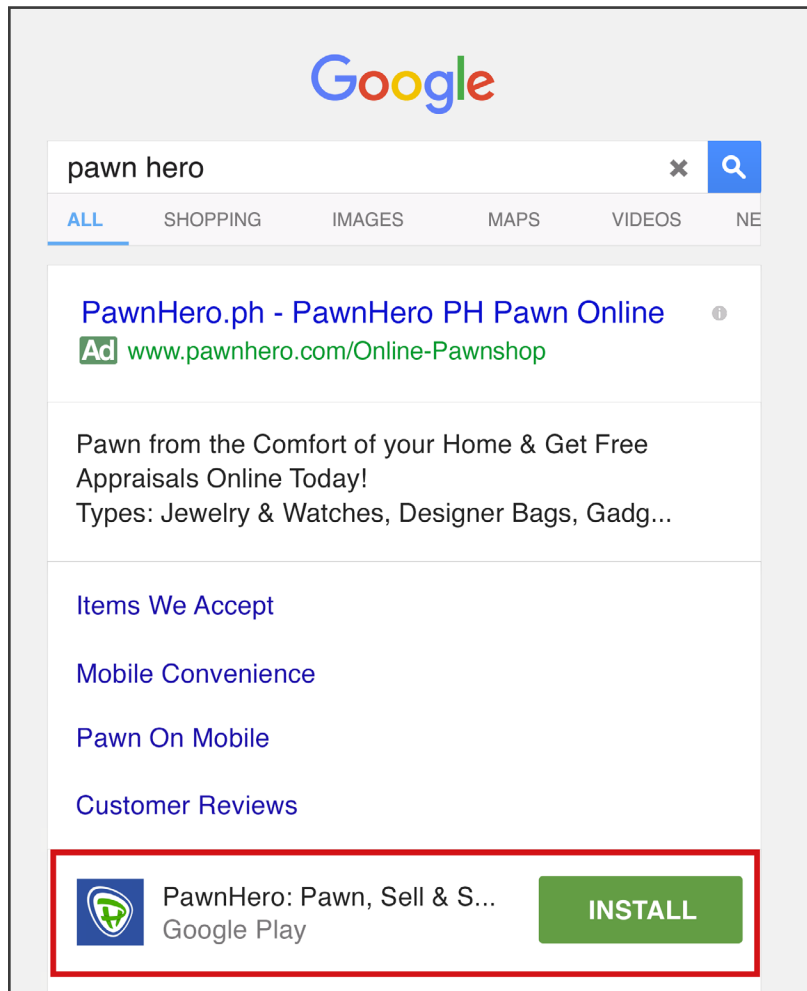
- **Call-Out** - add important USPs to show alongside your main text ads

Buscot Travel Agency  
 Ad [www.example.com/](http://www.example.com/)  
 Visit Thames Valley Cheese Wharves  
 Call Mimi for special rates  
 Call

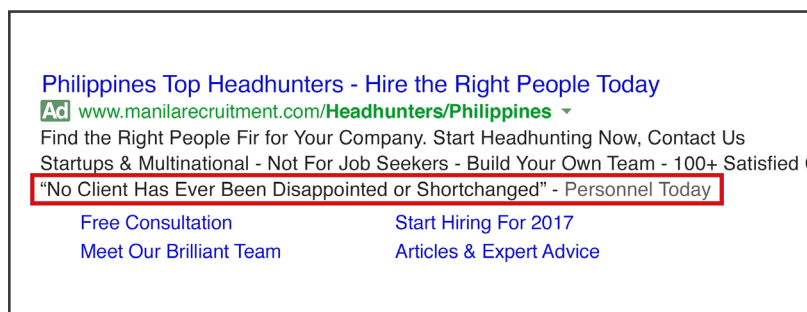
- **Call Extension (if relevant)** – add a phone number alongside text ads and allow users to call your business directly from Google search if they're on a mobile device.

Amherst Ice Cream Parlour  
 Ad [www.example.com/](http://www.example.com/)  
[www.example.com/](http://www.example.com/)  
 Our specialty is pistachio.  
 English majors, buy 1 get 1 free.  
 100 Dardanelles Rd, Amherst MA

- **Location Extension (if relevant)** – incorporate a business address along with your phone number



- **App Extension (if relevant)** - add a link to your app in the Google Play Store or Apple Store below your main ad copy



- **Review Extensions** - add third party reviews



## New ad extensions added by Google:

The screenshot shows a Google search for "best hair salon". The search results include an advertisement for "Fresh Look Hair Salon - We Know It's More Than A Cut" with the URL [www.metrodeal.com/NewWorldBuffet/Makati](http://www.metrodeal.com/NewWorldBuffet/Makati). Below the main ad text, there is a price extension table:

Women's haircut - Shampoo and style	From \$70
Men's haircut - Scissor over comb	From \$40
Kid's haircut - Girls and boys	From \$20

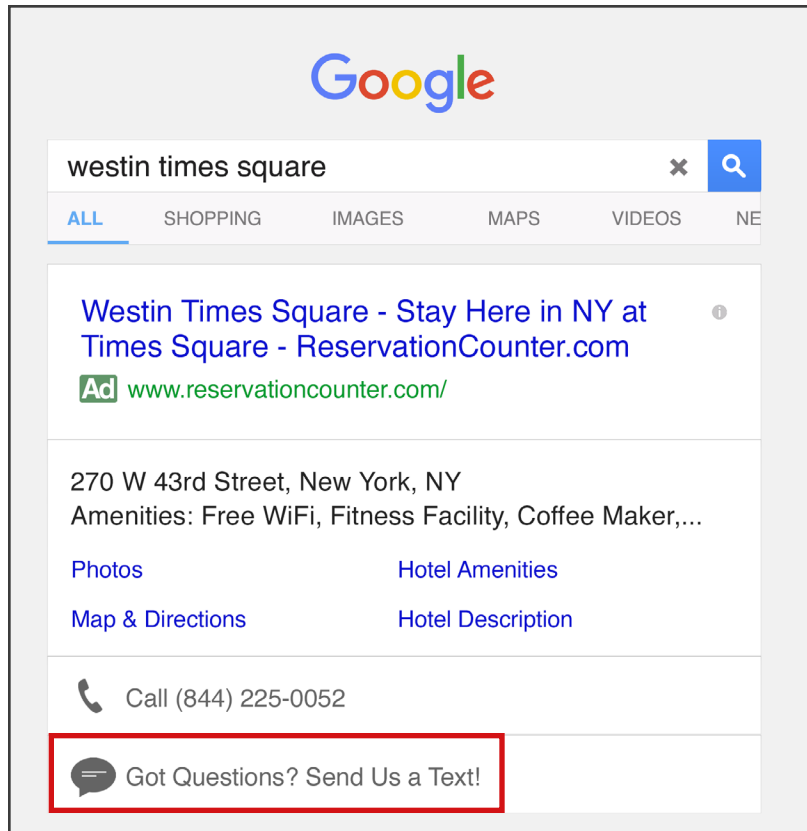
- **Price Extensions** - show pricing information with a clickable header

The screenshot shows a Google search result for "47% Off Crown Regency Boracay - Now P3999 From". The advertisement includes the URL [www.metrodeal.com/Boracay/Crown-Regency](http://www.metrodeal.com/Boracay/Crown-Regency) and the text "Enjoy A Deluxe Getaway For 4 Persons. Located in Station 2. Boracay". Below this, a structured snippet is displayed:

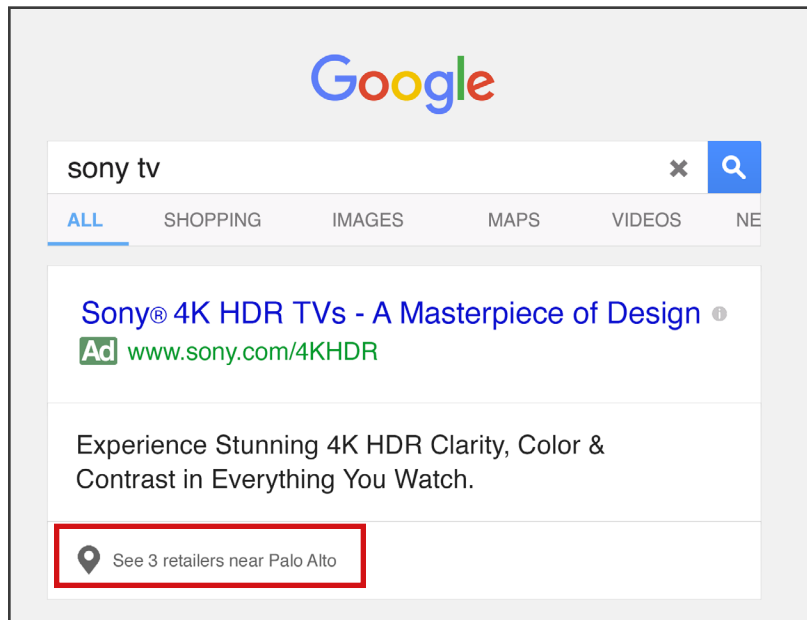
Amenities: WiFi, Cable TV, Swimming Pool

Restaurants & Food Promo      Online Shopping 90% Off  
Affordable Airfare Travel      Spa & Wellness Deals

- **Structured Snippets** - add description of features of a product or service



- **Message Extensions** - enable users to text a business directly from SERP



- **Affiliate Extensions (mostly US stores)** - show nearby retail chains that sell your product

9.

## INTEGRATE ADWORDS WITH GOOGLE ANALYTICS

The last part would be to measure your efforts. PPC platforms have their own reporting features. If you're using AdWords, you can set-up **conversion tracking**. This can be added through Adwords and Google Analytics, but Analytics has more in depth reporting capabilities such as flexible auto-tagging and new sitelinks report that provides data for actual links leading to a website visit.

10.

## ADVANCED STRATEGIES

This guide is only meant to tackle fundamental concepts, but here's an overview of advanced strategies that you'll encounter:

- **Day Parting** - ad scheduling; enables you to re-allocate the budget to become more visible during your business' peak hours
- **Device or Location Bidding** - adjust your bid based on the type of device or location
- **Single Keyword Ad Groups** - use one keyword for your ad groups. Quality Scores, click-through rates and average ad positions will go up because the ad groups are granulated and improved on relevancy

- **Keyword Expansion** - simply means expanding and updating your list to reflect changes in user searches
- **A/B Test** - test two variations of a landing page/copy/messaging to assess which one performs better

#### **Other Strategies:**

- **Dynamic Search Ads** - Google automatically creates a landing page and an ad based on the content of your site without using keywords
- **Remarketing Lists for Search Ads** - customize search ads for users who visited your site but did not convert, did not visit a specific page/category, did not spend x seconds/minutes on the site etc
- **SEO + SEM Together** - utilize SEO tactics to help SEM campaigns; as mentioned before keyword research and landing page optimization falls under SEO, which can increase you quality score
- **Restructuring your account** - using a variety of factors to structure your account beyond basic elements including: user intention, practical naming conventions, match types, and segmenting broad and exact queries into separate campaigns

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## CHAPTER 2:

# IS SEARCH ENGINE MARKETING RIGHT FOR YOUR BUSINESS?

Clearly SEM can be overwhelming and if you're still reading at this point, you're probably asking if it's worth it. One of the most common mistakes in online marketing is jumping on the latest tactic without evaluating the initiative from a business perspective. Here are ten practical questions to help you out.

## **1. DO I HAVE S.M.A.R.T GOALS?**

The biggest misconception in online marketing is that being number one is everything. While it certainly does help in being more visible to users, businesses often forget that you have to back that up with value in order to get tangible results. You can bid for your search term, but overly focusing on taking that top spot can lead to bidding wars with a competitor. You can still drive users to your site with keywords that have acceptable search volume with low competition at a cheaper price(CPC).

## **2. DO I HAVE IN-DEPTH KEYWORD RESEARCH?**

It's not enough to choose the right keywords which best fit your ad and has a high user search volume. You also need to consider where your business stands in its industry and the market as a whole. If you're in a crowded market with plenty of players, you'll need precise terms to answer specific needs to become competitive.

For example, as a retailer of cellphone earphones, using branded terms can get you head to head with well-known businesses who have specific product lines for mobile devices, such as Sennheiser. Mobile brands also have their own earphones. Using precise and compelling ads with discounts and sales may fair better in edging out generic rivals and attracting brand loyalty customers looking for affordable choices. To compete with established online stores, you can use location bidding to counter shipping expenses.

### **3. DO I HAVE A WELL-DESIGNED AD-SPECIFIC LANDING PAGE?**

Getting a user to click your ad is only a quarter of the battle. The next important part is what happens after they engage with it, especially for the fact that you already paid for that click. If the customer doesn't see what they're expecting, they will quickly move on. More importantly, landing pages enables you to narrow down the focus and remove clutter that may distract the user.

### **4. DO I HAVE A COMPELLING CALL TO ACTION?**

What entices whom vary from one person to another, which makes it challenging to create compelling CTAs. The key is to create a call to action that fits your business and inspires engagement. Also, the type of CTA can change your KPI. For example, if you have a contact form then your metric for goal completion would be based on sign-ups.

### **5. DO I NEED IMMEDIATE RESULTS?**

SEM is fairly easy to set-up and implement, which could give you quick traffic and boost participation for time-sensitive offers.

## **6. IS MY WEBSITE MOBILE READY?**

Google has made its mantra to have mobile first services, as evidenced by its changes to the text ad format and addition of message ad extension. With continuously growing mobile users, you need your website to be mobile friendly not just for PPC but also for customers.

## **7. DO I HAVE DETAILED BUYER PERSONAS?**

For a tactic that costs per click, you need to create highly targeted ads to have an excellent ROI. You can't accomplish this if you don't know exactly who your customer is. The more you know them, the more chances that your ad will appear to the right user at the right time. Looking back at our hypothetical campaign, using specific types for your keyword phrases such as *headset*, *in-earphones*, and *wireless headphones* for different ads can create targeted campaigns.

## **8. CAN I MANAGE AND MONITOR CAMPAIGNS?**

Just by looking at what we've discussed so far, SEM is a tedious time and marketing budget consuming initiative. You'll need someone to constantly monitor your keywords, manage the budget, and experiment for the best performing strategies.



PPC campaigns offer instant feedback collated in analytics, which leads to plenty of data that you can mine for insights. High quality ad copy, compelling landing page, and persuasive CTA can generate more leads even if AdWords has decided that you should be in third place.

## **9. CAN I TRACK MY RESULTS?**

PPC campaigns require consistent monitoring because of instant results. Apart from conversions you also need to track initial goals and KPI. There are a lot of platforms that can be used in measuring results such as Google Analytics, AdWords dashboard, SearchForce etc.

## **10. DO I KNOW HOW TO MEASURE SUCCESS?**

The obvious answer would be to calculate ROI. Here's a basic formula:

$$\text{ACQUISITION COST} = \frac{\text{CPC}}{\text{CONVERSION RATE (CR)}}$$

*Example: \$5 CPC / 2% conversion rate  
= \$250 acquisition cost*

If the margin on your product is less than \$250, you are losing money (ignoring overhead for now). However, you also have to take into account the lifetime value (LTV) of the customer. On average, how many additional items will this new customer buy? Ideally, they will become a part of your email marketing list, and only buy when they learn about promotions through email. However, this rarely happens so cleanly, and you'll find existing customers coming through paid channels once again (such as Remarketing), and you have to factor this in.

Thus, it's a bit complicated, but absolutely worth the analysis to set a target acquisition cost, and test each strategy within SEM to see if you think you can attain that target through optimization.

If you're going to launch your own campaign you need to an expert to help you. If not, you'll need someone to who can calculate and understand the math to help manage marketing spend.

# THANK YOU FOR READING

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Search engine marketing can be a great strategy to gain visibility and grow a business, but it needs meticulous attention from mathematically inclined brains. Typically, there are two types of people who are interested in SEM - those who haven't used it before, and those who have tried it but failed. Hopefully, this guide has given you an idea of what to expect or which core foundations you may have missed.

# DO YOU NEED HELP CREATING AN SEM OR SEO CAMPAIGN?

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