

The Top 3 Things That Will Improve Your Online Advertising ROI

Profitworks

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See end of document for how to get \$300.00 in free online advertising

1. Set Your Maximum Bid Per Click At \$0.90 or lower

The biggest hurdle to getting a good return on investment (ROI) in online advertising is how much you pay per click. The more you pay the lower your ROI, the lower you pay per click the higher the ROI. Often companies see that the going bid for keywords they want is \$15.00 or more a click and think they need to follow suit. Paying this much will only lead to a poor or negative ROI.

Here is an example to illustrate this point. Lets assume that your website converts traffic at a rate of 0.5% of visitors into customers and that the average revenue generated from a sale is \$3,000. From each \$3,000 sale, \$1,500 in profit is generated for the company. For the example we will also assume in each example that \$1,000 was spent on online advertising.

Example #1 = Cost Per Click of \$15.00

Clicks = $\$1,000 / \15.00 cost per click = 67 clicks

Customers = 67 clicks x 0.5% = 0 customers

ROI = Profit/Costs = $\$0 / \$1,000$ = -100%

ROI When Cost Per Click is \$10.00 = -100%

Example #3 = Cost Per Click of \$0.90

Clicks = $\$1,000 / \0.90 cost per click = 1,111 clicks

Customers = 1,111 clicks x 0.5% = 5 customers

ROI = Profit/Costs = $\$7,500 / \$1,000$ = +750%

ROI When Cost Per Click is \$1.00 = +750%

Key Point

How much you pay per click is the number one determinant of the ROI you will get from online advertising.

If you need help finding keywords that are relevant to your market that cost under \$0.90 per click contact us now. We will be able to point you in the right direction. We would be happy to show you how you on your own can find keywords that cost less than \$0.90 per click.

[Contact Us Now!](#)

Call 226-241-7827

2. Don't Pay An Agency To Do Your Online PPC Advertising For You

If you pay someone to do your online PPC (pay per click) advertising it will increase the costs of your online advertising by 25% to 100%. Online PPC advertising is already a low ROI promotional method for small businesses and when you add additional costs of having an agency doing the online advertising for you, it will make the ROI either so small it won't be worth your time, or result in a negative ROI.

If you are going to use online advertising to generate leads for your business, and have a healthy ROI doing so, you really have two options. The first is to learn about online PPC advertising and to do it yourself. The other is the not do online PPC advertising and instead promote your business with a higher ROI promotional methods like website optimization and referral networking.

Key Point

Paying someone to do online advertising for your company will increase your online advertising costs by 25% to 100%

Either find an agency that does other things for you and will be willing to do your online advertising for you for free, do it yourself, or don't do online PPC advertising and replace it with a higher ROI promotional method.

[Contact Us Now!](#)

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3. Negative Keywords

If you are advertising for telephone systems and you pay for an ad to be displayed when someone is looking for “telephone systems history” it will generate very poor results. If you ads are being showed by error to people that are not interested in buying what you are selling you are wasting your money. What most advertisers don't know is that often a large part of the clicks you are paying for in your online advertising are of this nature. This is of course unless you are diligently reviewing the keywords in your online advertising campaigns that are generating clicks and adding the improper ones to your negative keyword list. If you diligently do this you will reduce and hopefully eliminate the money you are paying to display your ads for not relevant or low purchase interest searches.

Ads not relevant to search phrase

The screenshot shows a Google search for "telephone systems history". The search bar is at the top with the Google logo on the left and a search button on the right. Below the search bar are navigation tabs for Web, Images, Maps, News, Videos, More, and Search tools. The search results are displayed below, showing approximately 12,100,000 results in 0.24 seconds. The results are divided into two columns: Ads and Organic results. The Ads column contains several advertisements for business phone systems, including "Business Phone Systems - Collaboration, Call Center, Video", "Bell Home Phone", "VoIP Phone Systems", "Phone Systems Toronto GTA", "Business Internet & Phone", "Telephone System \$627", and "Small Phone Systems". The Organic results column contains several Wikipedia entries, including "Telephone - Wikipedia, the free encyclopedia", "History of the telephone - Wikipedia, the free encyclopedia", and "Business telephone system - Wikipedia, the free encyclopedia". A red bracket on the left side of the image points to the Ads section, with the text "Ads not relevant to search phrase" written next to it.

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Negative keywords are keywords you can set in your campaigns to block ads from being shown for any search phrases that include the negative keywords. This allows you to prohibit your ads from being shown for searches which include your keywords but are not the type of searches that interested buying parties would be searching.

Often a large portion of what people are paying for in their online campaigns are these “telephone system history” type searches, that do not match with what you are trying to advertise for.

Key Point

Paying for ads that generate clicks by error will greatly reduce the effectiveness of your online advertising.

If you would like to learn more about negative keywords we have an entire article on how to use them which you can find at: <http://www.profitworks.ca/blog/182-Google-Advertising-Not-Working-Try-Negative-Keywords>

Contact Us Now!

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Redeem Your Free \$300.00 Of Online Advertising*

The free \$300.00 in online advertising is for your choice of Google Adwords advertising or Bing Advertising. Contact us now to see if you qualify.

Contact Us Now!

Call 226-241-7827

*Some conditions apply. To qualify participants must either sign up for Profitworks SEO services for 6 months or complete our online advertising ROI telephone survey.