

Pay Per Click Search Engines - A Fundamental Overview

By Kirk Bannerman

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Forbes magazine reported that pay per click ads accounted for \$1.4 billion in 2002 and are expected to increase to \$8 billion by 2008.

The fundamental core elements of a successful pay per click program are constant monitoring, analysis, and refinement.

Pay per click search engines offer a way to buy your way to the top of search results for any term you wish. With proper management, and a clear focus, pay per click search engines can offer some of the most well targeted and economical advertising on the Internet.

Pay per click advertising works through a bidding process, and the ads appear prominently on the results pages of search engines such as Google and Yahoo. The highest bidder for a particular word or phrase receives top placement, and depending on the engine, the top three to five bidders also generally also receive placement on the first page of unpaid search results.

Fundamental questions to be addressed when formulating a pay per click search engine strategy include the following:

- 1). When is the top pay per click bid necessary for highest conversion, and when will bidding for a second or third place position create a more attractive return on investment (ROI)?
- 2). How can you keep your PPC bids from cannibalizing your search efforts on other (non pay per click) search engines?
- 3). What percentage of your pay per click budget should go to each search engine?
- 4). Does either Google Adwords or Overture work better for your particular product or service? Or, perhaps neither one is appropriate from a return on investment (ROI) perspective.

It is of critical importance to focus sharply on identifying the search terms that convert most frequently for your particular site, eliminating those that don't perform, and most importantly, calculating and maximizing your return on investment.

The cost structure of pay per click is action-driven and each time a user clicks your ad, the pay per click engine deducts the amount of your current bid from your account. Pay per click offers a high level of assurance that your ad is reaching the proper target.

Pay per click campaigns, however, are not perfect. Without CONSTANT monitoring, you sometimes risk incurring advertising costs that can spiral out of control, focusing on terms that don't convert well for your product or services, or falling way down in position during a bidding war.

PPC advertising can be a great help to a site's success, but only with very close supervision and a thorough knowledge of the unique characteristics of each PPC search engine.

Kirk Bannerman operates a successful home based business and resides in California. For more details, visit his website at <http://business-at-home.us>

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